

**Statement from James W. Giddens, Trustee for the Liquidation of Lehman Brothers Inc.,
Regarding Executive and Select Employee Plan Ruling**

New York, NY, July 13, 2017 – The United States Bankruptcy Court for the Southern District of New York, the Honorable Shelley C. Chapman presiding, today ruled that claims by roughly 350 former Lehman Brothers Inc. (LBI) executives and other select employees regarding their Executive and Select Employee Plan (ESEP) are subordinated. The ruling affirms the claims determination previously made by James W. Giddens, the Trustee for the liquidation of Lehman Brothers Inc. (LBI) under the Securities Investor Protection Act (SIPA) and of the law firm Hughes Hubbard & Reed LLP.

“This ruling upholds fairness to all creditors, is consistent with the Bankruptcy Code and supports our efforts to wind down the estate,” said Giddens.

The ESEP was a deferred compensation benefit offered to only a select group of LBI employees, mostly high-level executives. The contracts signed by these employees made clear that, in the event of a liquidation, deferred compensation would not be recovered until unsubordinated general creditors were paid in full.

Liquidation Progress

- More than \$115 billion has been returned to LBI customers and creditors.
- Five interim distributions to unsecured general creditors with allowed claims have been completed, bringing total distributions to unsecured general creditors to 39 percent or approximately \$9 billion.
- The timing of any future general creditor distribution will largely depend on the outcomes of ongoing litigation where a small number of claimants have appealed Court rulings upholding the Trustee’s claims determinations.
- Customers have received \$106 billion, fully satisfying the 111,000 customer claims. Most customer claims were fulfilled within weeks of the liquidation.
- Secured, priority and administrative creditors have also received 100 percent distributions.
- As of March 31, 2017, all but 424 of the more than 15,000 general creditor claims in the LBI estate had been resolved.

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