

Lehman Brothers Inc. Trustee Reports on Final Phase in Winding Down Estate Customer Estate Closed

New York, NY, September 17, 2018 – James W. Giddens, 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, today reported on the state of the LBI estate to the United States Bankruptcy Court for the Southern District of New York, the Honorable Shelley C. Chapman, presiding. The Trustee reported that the estate is in the final phase of completion.

“Since I was before you a year ago, significant progress has been made in resolving remaining claims and winding down the estate,” Giddens said at the Bankruptcy Court hearing. “Customer claims have been fully satisfied – with most customer claims fulfilled within weeks of the liquidation beginning in 2008. Secured, priority, and administrative creditors have also received 100% distributions.”

The Trustee stated that general creditors last week received their sixth distribution, bringing the cumulative payout on allowed unsecured general creditor claims to 39.75 percent, far exceeding initial expectations. He added there are no remaining disputed customer claims. Distributions on allowed customer claims are complete, and the customer estate is closed.

“There is no doubt that Lehman was the single biggest test of the SIPA statute, and ten years later even our harshest critics acknowledge that this test has become the statute’s greatest success,” Giddens also noted.

Of the approximately 140,000 claims that were asserted at the beginning of this liquidation, there are no remaining disputed customer claims and the only remaining unresolved general claims matter is a single consolidated adversary proceeding addressing 381 claims filed by former LBI employees seeking payment of deferred compensation.

“Through all of the reform following the financial crisis, our nation’s law for resolving a failed broker dealer - for returning customers their property - remains intact. No governmental funds—nor any from the SIPC Fund—were required to pay any customer claims or administrative expense in this case. This is a testament not only to the statute, but to everyone in this room, and many more around the world who played a part. I am grateful to SIPC and to the Courts for the privilege of playing a small role in this success,” Giddens concluded.

In total the Trustee has administered more than \$123 billion of assets. This massive and unprecedented recovery effort was made possible by the active involvement of SIPC, the SEC, the CFTC, FINRA, the Federal Reserve NY Office and other regulators that provided substantial support and guidance, and of course, the judicious oversight of the United States Bankruptcy Court.

The Trustee is represented by Hughes Hubbard & Reed LLP. A full report has been submitted to the Court and can also be found on the Trustee’s [website](#).

Media Contact for the Trustee:

Ellie Rutland
erutland@apcoworldwide.com
301-367-3441