UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re LEHMAN BROTHERS INC., Debtor.	Case No. 08-01420 (SCC) SIPA

ORDER TO (I) ESTABLISH A THIRD INTERIM DISTRIBUTION FUND FOR GENERAL UNSECURED CREDITOR CLAIMS, (II) RELEASE RESERVES FROM THE SECURED AND PRIORITY CLAIM RESERVE, THE FIRST INTERIM DISTRIBUTION FUND, AND THE SECOND INTERIM DISTRIBUTION FUND, AND (III) MAKE A THIRD INTERIM DISTRIBUTION TO HOLDERS OF ALLOWED GENERAL UNSECURED CREDITOR CLAIMS WITH A RECORD DATE OF JULY 10, 2015

Upon the motion, dated July 13, 2015 (the "Motion"),[1] of James W. Giddens (the "Trustee"), as Trustee for the liquidation of the business of Lehman Brothers Inc. ("LBI") under the Securities Investor Protection Act of 1970, as amended, 15 U.S.C. sections 78aaa *et seq.* ("SIPA"),[2] for entry of an order to: (i) establish a third interim distribution fund for general unsecured creditor claims; (ii) release reserves from the Secured and Priority Claim Reserve, the First Interim Distribution Fund, and the Second Interim Distribution Fund; and (iii) make a third interim distribution to record holders of general unsecured creditor claims as of July 10, 2015 that are currently allowed or become allowable, as more fully described in the Motion; and due and proper notice of the Motion having been provided, and it appearing that no other or further notice need be provided; and the Court having found and determined that the relief sought in the Motion is in the best interests of the LBI estate, its creditors, and all parties in interest and that

1. Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

2. References to SIPA refer to the statutory sections in effect as of the commencement of LBI's liquidation.

the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is

ORDERED that the Motion is granted in all respects as provided herein and all objections thereto are overruled; and it is further

ORDERED that the Claimants reservations of rights (ECF Nos. 12538, 12540, and 12541) are overruled; and it is further

ORDERED that the establishment of the Third Interim Distribution Fund in an amount of $1.887 billion or more (but not to exceed $1.959 billion) is approved and that the Third Interim Distribution Fund shall be used to make a third interim distribution to the holders of the Allowed Unsecured Claims listed on Schedule A[3] and to establish *pro rata* reserves for the Unresolved and Pending Claims listed on Schedules B and C in the amount listed on each Schedule; and it is further

ORDERED that the Trustee is authorized to release unnecessary reserves of $21 million from the Secured and Priority Claim Reserve, $120 million from the First Interim Distribution Fund, and $70 million from the Second Interim Distribution Fund; and it is further

ORDERED that, with respect to the Unresolved and Pending Claims, the First Interim Distribution Order (ECF No. 9520) shall continue to apply as to the *pro rata* reserves maintained and distributions made pursuant to such Order, in addition to the *pro rata* reserves and distributions authorized herein; and it is further

ORDERED that, with respect to the Unresolved and Pending Claims, the Second Interim Distribution Order (ECF No. 11358) shall continue to apply as to the *pro rata* reserves

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3. On July 28, 2015, the Trustee filed schedules (the "Distribution Schedules") reflective of the July 10, 2015 record date status of all general unsecured claims, which schedules will be the sole basis entitling holders of general unsecured claims to a third interim distribution. (ECF No. 12543.)

maintained and distributions made pursuant to such Order, in addition to the *pro rata* reserves and distributions authorized herein; and it is further

ORDERED that the Trustee is authorized to make a third interim distribution to the holders of the Allowed Unsecured Claims listed on Schedule A and to release the amounts corresponding to the Allowed Unsecured Claims from the Third Interim Distribution Fund; and it is further

ORDERED that the record date for the purpose of making the third interim distribution authorized herein for all holders of claims is July 10, 2015 (the "Record Date"), and that the Trustee's publication of notice of the establishment of the Record Date on the Trustee's website (www.lehmantrustee.com) on June 29, 2015 (ECF No. 12389) constituted good and sufficient notice of the Record Date, and it is further

ORDERED that the ultimate amount of the third interim distribution will be determined by the Trustee based on an analysis of general estate assets and liabilities at the time of distribution; and it is further

ORDERED that if and to the extent that an Unresolved or Pending Claim becomes an Allowed Unsecured Claim pursuant to a Final Order[4] entered by this Court (or another court of competent jurisdiction) or stipulation between the Trustee and the holder of such claim that has been approved by the Court, the Trustee is authorized to make the requisite *pro rata* distribution to the holder of each such allowed unsecured claim as of the Record Date and to

4. For the purposes of this Order, the term "Final Order" shall mean an order or judgment of the Bankruptcy Court as entered on the docket, the operation or effect of which has not been stayed, reversed, or amended, and as to which order or judgment (or any revision, modification, or amendment thereof) the time to appeal or seek review or rehearing has expired and as to which no appeal or petition for review, writ of certiorari, or rehearing was filed or, if filed, remains pending, *provided however*, that no order shall fail to become a Final Order solely because of the possibility that a motion pursuant to Rule 60 of the Federal Rules of Civil Procedure, Bankruptcy Rule 9024, any similar local bankruptcy rule or any similar state statute or rule may be filed with respect to such order.

release the amount corresponding with such claim from the Third Interim Distribution Fund without further notice or Order of the Court; and it is further

ORDERED that with respect to Unresolved or Pending Claims the Trustee determines should be Allowed Unsecured Claims other than pursuant to Order of this Court, the Trustee shall periodically file with the Court a supplemental schedule of such claim(s) (a "Supplemental Distribution Schedule") and serve the same on the holder(s) of such claim(s) and all parties in interest that have filed a notice of appearance and requested notice in the LBI SIPA proceeding; and it is further

ORDERED that unless a written objection to that Supplemental Distribution Schedule is filed and served on the Trustee's counsel and the holder(s) of such claim(s) within ten (10) days of the date of service of the Supplemental Distribution Schedule, the Trustee shall be authorized to make the requisite *pro rata* distributions to the holder(s) of the Allowed Unsecured Claims identified in the Supplemental Distribution Schedule as of the Record Date and to release the amount(s) corresponding with respect to such claim(s) from the Third Interim Distribution Fund; and it is further

ORDERED that with respect to Unresolved or Pending Claims that, either in whole or in part, become disallowed, expunged or reclassified as subordinated claims or equity interests by Final Order entered by this Court (or another court of competent jurisdiction), or that are settled or withdrawn with similar effect, the Trustee is authorized to release the amount corresponding to the disallowed, expunged or reclassified portion of such claim(s) from the Third Interim Distribution Fund without further Order of the Court; and it is further

ORDERED that nothing in this Order shall affect the administrative expense claims of any person or entity who is a professional advisor (*e.g.*, counsel, financial advisors,

accountants, claims agents) retained by the Trustee, including all counsel retained pursuant to orders of the Bankruptcy Court and the District Court, and all other professionals retained, with permission from SIPC, pursuant to SIPA section 78fff-1(a)(1), and SIPC itself, nor shall it affect any claims for administrative expenses arising after August 31, 2013 as there is no bar date for such claims at this time; and it is further

ORDERED that the Trustee is authorized and empowered to take such steps and perform such acts as may be necessary to implement this Order and the effectuation of all distributions authorized by this Order, including without limitation requiring holders of Allowed Unsecured Claims to complete all tax forms and other documentation necessary to be received by the Trustee prior to effectuation of such distributions; and it is further

ORDERED that entry of this Order is without prejudice to the right of the Trustee to seek a further order of this Court disallowing, expunging, objecting to or otherwise resolving any of the unresolved claims; and it is further

ORDERED that this Court shall retain jurisdiction to hear and determine all matters arising from or related to this Order.

Dated: New York, New York
August 4, 2015

/S/ Shelley C. Chapman
HONORABLE SHELLEY C. CHAPMAN
UNITED STATES BANKRUPTCY JUDGE