

WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007
Garrett A. Fail

Attorneys for Lehman Brothers Holdings Inc.
and Certain of its Affiliates

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X
In re : **Chapter 11 Case No.**
: **08-13555 (JMP)**
LEHMAN BROTHERS HOLDINGS INC., et al., :
: **(Jointly Administered)**
Debtors. :
-----X

**NOTICE REGARDING SEVENTEENTH DISTRIBUTION PURSUANT TO
THE MODIFIED THIRD AMENDED JOINT CHAPTER 11 PLAN OF
LEHMAN BROTHERS HOLDINGS INC. AND ITS AFFILIATED DEBTORS**

As previously disclosed, additional Distributions under the *Modified Third Amended Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. and Its Affiliated Debtors*, dated December 5, 2011 [ECF No. 23023] (the "Plan"),¹ will commence on April 4, 2019 (the "Seventeenth Distribution Date").

Attached hereto as Exhibit A is a list that indicates the percentage recovery that will be distributed to holders of Allowed Claims (other than secured, administrative, priority or convenience claims) against each Debtor in each Class under the Plan as well as the cumulative percentage recovery.

Attached hereto as Exhibit B is a summary of the aggregate amount that will be distributed to holders of Allowed non-priority unsecured Claims on the Seventeenth Distribution Date.

Attached hereto as Exhibit C is a schedule that indicates the amount and percentage of the Minimum Cash Reserve and the Asset-to-Reserve Ratio that will be maintained by each Debtor that uses Non-Cash Assets in lieu of Available Cash as reserves for Disputed Claims.

¹ Capitalized terms used herein shall have the meanings ascribed to them in the Plan or the *Order Authorizing Use of Non-Cash Assets In Lieu of Available Cash As Reserves for Disputed Claims Pursuant to Section 8.4 of the Debtors' Confirmed Joint Plan* [ECF No. 25641], as applicable.

Attached hereto as Exhibit D is a summary of the aggregate amount of Allowed Claims eligible for distributions from certain Debtors, listed by Plan Class.

The aggregate amount that will be distributed on the Seventeenth Distribution Date will total approximately \$290 million as identified in Exhibit B.

Dated: March 28, 2019
New York, New York

/s/ Garrett A. Fail

Garrett A. Fail

WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007

Attorneys for Lehman Brothers Holdings Inc.
and Certain of its Affiliates

Exhibit A

Exhibit A

Distribution to Holders of Allowed Non-Priority Unsecured Claims

			Distribution as a % of Allowed Claims		
			Prior Distributions ⁽¹⁾	Seventeenth Distribution on 4/4/2019 ⁽¹⁾	Cumulative Distributions ⁽¹⁾
Lehman Brothers Holdings Inc.					
Class	3	Senior Unsecured	45.362950%	0.132023%	45.494973%
Class	4A	Senior Affiliate Claims	36.452013%	0.114095%	36.566108%
Class	4B	Senior Affiliate Guarantee	35.568003%	0.111567%	35.679570%
Class	5	Senior Third-Party Guarantee	28.458740%	0.089254%	28.547994%
Class	6A	Convenience Claims	26.000000%	N/A	26.000000%
Class	6B	Guarantee Convenience Claims	17.000000%	N/A	17.000000%
Class	7	General Unsecured	42.474564%	0.122824%	42.597388%
Class	8	Affiliate Claims	33.489595%	0.104896%	33.594491%
Class	9A	Third Party Guarantee Claims other than of the RACERS Trusts	26.788869%	0.083916%	26.872785%
Class	9B	Third Party Guarantee Claims of the RACERS Trusts	16.286369%	0.051040%	16.337409%
Class	10A	Subordinated Class 10A Claims	N/A ⁽²⁾	N/A ⁽²⁾	N/A ⁽²⁾
Class	10B	Subordinated Class 10B Claims	N/A ⁽²⁾	N/A ⁽²⁾	N/A ⁽²⁾
Class	10C	Subordinated Class 10C Claims	N/A ⁽²⁾	N/A ⁽²⁾	N/A ⁽²⁾
Lehman Commercial Paper Inc.					
Class	3	Convenience Claims	60.000000%	N/A	60.000000%
Class	4A	General Unsecured Claims other than those of Designated Entities	77.243119%	0.103125%	77.346244%
Class	4B	General Unsecured Claims of Designated Entities	65.846496%	0.095930%	65.942426%
Class	5A	Affiliate Claims of LBHI ⁽³⁾	81.579926%	0.119913%	81.699839%
Class	5B	Affiliate Claims of Participating Subsidiary Debtors	65.846496%	0.095930%	65.942426%
Class	5C	Affiliate Claims other than those of Participating Subsidiary Debtors	70.784984%	0.103125%	70.888109%
Lehman Brothers Special Financing Inc.					
Class	3	Convenience Claims	32.000000%	N/A	32.000000%
Class	4A	General Unsecured Claims other than those of Designated Entities	40.205822%	0.049142%	40.254964%
Class	4B	General Unsecured Claims of Designated Entities	20.384262%	0.025437%	20.409699%
Class	5A	Affiliate Claims of LBHI ⁽³⁾	40.784498%	0.052278%	40.836776%
Class	5B	Affiliate Claims of Participating Subsidiary Debtors	33.514128%	0.041823%	33.555951%
Class	5C	Affiliate Claims other than those of Participating Subsidiary Debtors	39.704752%	0.049142%	39.753894%
Lehman Brothers OTC Derivatives Inc.					
Class	3	Convenience Claims	34.000000%	N/A	34.000000%
Class	4	General Unsecured Claims	100.000000%	N/A	100.000000%
Class	5A	Affiliate Claims of LBHI ⁽³⁾	100.000000%	N/A	100.000000%
Class	5B	Affiliate Claims of Participating Subsidiary Debtors	100.000000%	N/A	100.000000%
Class	5C	Affiliate Claims other than those of Participating Subsidiary Debtors	100.000000%	N/A	100.000000%
BNC Mortgage LLC ⁽⁵⁾					
Class	3	General Unsecured Claims	N/A	N/A	N/A
Class	4A	Affiliate Claims of LBHI ⁽³⁾	N/A	N/A	N/A
Class	4B	Affiliate Claims other than those of LBHI	N/A	N/A	N/A
Lehman Brothers Commodity Services Inc. ⁽⁴⁾					
Class	3	Convenience Claims	55.000000%	N/A	55.000000%
Class	4	General Unsecured Claims	82.188514%	N/A	82.188514%
Class	5A	Affiliate Claims of LBHI ⁽³⁾	95.568039%	N/A	95.568039%
Class	5B	Affiliate Claims of Participating Subsidiary Debtors	N/A	N/A	N/A
Class	5C	Affiliate Claims other than those of Participating Subsidiary Debtors	82.188514%	N/A	82.188514%
Lehman Brothers Commercial Corporation ⁽⁴⁾					
Class	3	Convenience Claims	40.000000%	N/A	40.000000%
Class	4	General Unsecured Claims	100.000000%	N/A	100.000000%
Class	5A	Affiliate Claims of LBHI ⁽³⁾	N/A	N/A	N/A
Class	5B	Affiliate Claims of Participating Subsidiary Debtors	100.000000%	N/A	100.000000%
Class	5C	Affiliate Claims other than those of Participating Subsidiary Debtors	100.000000%	N/A	100.000000%

Exhibit A

Distribution to Holders of Allowed Non-Priority Unsecured Claims

			Distribution as a % of Allowed Claims		
			Prior Distributions ⁽¹⁾	Seventeenth Distribution on 4/4/2019 ⁽¹⁾	Cumulative Distributions ⁽¹⁾
Structured Asset Securities Corporation ⁽⁴⁾					
Class	3	General Unsecured Claims	88.856933%	N/A	88.856933%
Class	4A	Affiliate Claims of LBHI ⁽³⁾	88.856933%	N/A	88.856933%
Class	4B	Affiliate Claims other than those of LBHI	88.856933%	N/A	88.856933%
Lehman Brothers Derivative Products Inc. ⁽⁴⁾					
Class	3	General Unsecured Claims	100.000000%	N/A	100.000000%
Class	4A	Affiliate Claims of LBHI ⁽³⁾	N/A	N/A	N/A
Class	4B	Affiliate Claims other than those of LBHI	100.000000%	N/A	100.000000%
Lehman Brothers Financial Products Inc. ⁽⁴⁾					
Class	3	General Unsecured Claims	100.000000%	N/A	100.000000%
Class	4A	Affiliate Claims of LBHI ⁽³⁾	100.000000%	N/A	100.000000%
Class	4B	Affiliate Claims other than those of LBHI	100.000000%	N/A	100.000000%
Lehman Scottish Finance LP ⁽⁴⁾					
Class	3	General Unsecured Claims	N/A	N/A	N/A
Class	4A	Affiliate Claims of LBHI ⁽³⁾	N/A	N/A	N/A
Class	4B	Affiliate Claims other than those of LBHI	N/A	N/A	N/A
LB Rose Ranch LLC ⁽⁴⁾					
Class	3	General Unsecured Claims	100.000000%	N/A	100.000000%
Class	4A	Affiliate Claims of LBHI ⁽³⁾	N/A	N/A	N/A
Class	4B	Affiliate Claims other than those of LBHI	N/A	N/A	N/A
Luxembourg Residential Properties Loan Finance S.a.r.l. ⁽⁴⁾					
Class	3	General Unsecured Claims	N/A	N/A	N/A
Class	4A	Affiliate Claims of LBHI ⁽³⁾	N/A	N/A	N/A
Class	4B	Affiliate Claims other than those of LBHI	71.169788%	N/A	71.169788%
Merit LLC ⁽⁴⁾					
Class	3	General Unsecured Claims	N/A	N/A	N/A
Class	4A	Affiliate Claims of LBHI ⁽³⁾	N/A	N/A	N/A
Class	4B	Affiliate Claims other than those of LBHI	33.822175%	N/A	33.822175%
East Dover Limited ⁽⁴⁾					
Class	3	General Unsecured Claims	N/A	N/A	N/A
Class	4A	Affiliate Claims of LBHI ⁽³⁾	100.000000%	N/A	100.000000%
Class	4B	Affiliate Claims other than those of LBHI	N/A	N/A	N/A
LB 745 LLC ⁽⁴⁾					
Class	3	General Unsecured Claims	100.000000%	N/A	100.000000%
Class	4A	Affiliate Claims of LBHI ⁽³⁾	100.000000%	N/A	100.000000%
Class	4B	Affiliate Claims other than those of LBHI	N/A	N/A	N/A

Exhibit A

Distribution to Holders of Allowed Non-Priority Unsecured Claims

			Distribution as a % of Allowed Claims		
			Prior Distributions ⁽¹⁾	Seventeenth Distribution on 4/4/2019 ⁽¹⁾	Cumulative Distributions ⁽¹⁾
PAMI Statler Arms LLC ⁽⁴⁾					
Class	3	General Unsecured Claims	47.254213%	N/A	47.254213%
Class	4A	Affiliate Claims of LBHI ⁽³⁾	100.000000%	N/A	100.000000%
Class	4B	Affiliate Claims other than those of LBHI	N/A	N/A	N/A
CES Aviation LLC ⁽⁴⁾					
Class	3	General Unsecured Claims	N/A	N/A	N/A
Class	4A	Affiliate Claims of LBHI ⁽³⁾	100.000000%	N/A	100.000000%
Class	4B	Affiliate Claims other than those of LBHI	100.000000%	N/A	100.000000%
CES Aviation V LLC ⁽⁴⁾					
Class	3	General Unsecured Claims	36.302126%	N/A	36.302126%
Class	4A	Affiliate Claims of LBHI ⁽³⁾	36.302126%	N/A	36.302126%
Class	4B	Affiliate Claims other than those of LBHI	36.302126%	N/A	36.302126%
CES Aviation IX LLC ⁽⁴⁾					
Class	3	General Unsecured Claims	64.323989%	N/A	64.323989%
Class	4A	Affiliate Claims of LBHI ⁽³⁾	64.323989%	N/A	64.323989%
Class	4B	Affiliate Claims other than those of LBHI	64.323989%	N/A	64.323989%
LB 2080 Kalakaua Owners LLC ⁽⁴⁾					
Class	3	General Unsecured Claims	N/A	N/A	N/A
Class	4A	Affiliate Claims of LBHI ⁽³⁾	N/A	N/A	N/A
Class	4B	Affiliate Claims other than those of LBHI	N/A	N/A	N/A
LB Somerset LLC ⁽⁴⁾					
Class	3	General Unsecured Claims	N/A	N/A	N/A
Class	4A	Affiliate Claims of LBHI ⁽³⁾	N/A	N/A	N/A
Class	4B	Affiliate Claims other than those of LBHI	N/A	N/A	N/A
LB Preferred Somerset LLC ⁽⁴⁾					
Class	3	General Unsecured Claims	N/A	N/A	N/A
Class	4A	Affiliate Claims of LBHI ⁽³⁾	N/A	N/A	N/A
Class	4B	Affiliate Claims other than those of LBHI	N/A	N/A	N/A

Notes:

⁽¹⁾ "N/A" indicates either \$0 Available Cash for Distributions, \$0 in Allowed Claims within the specific class or classes that were satisfied in the previous Distributions.

⁽²⁾ Distributions reallocated in accordance with Section 6.4 of the Plan.

⁽³⁾ In accordance with sections 6.5 (b) and 6.5 (c) of the Plan, LBHI is participating in Distributions in the amount and to the extent set forth on Page 4 of the Debtor's Claims Schedule, as amended.

⁽⁴⁾ These Debtors' Chapter 11 cases were closed pursuant to final decrees entered by the Bankruptcy Court (Docket Nos. 51920, 54163, 58257 & 59472).

⁽⁵⁾ There are significant unliquidated claims against BNC which, if liquidated and allowed, would have a material impact on the recoveries to creditors of BNC. Pending resolution of these claims, the Plan Administrator has determined to suspend Plan Distributions with respect to claims against BNC.

Exhibit B

Exhibit B

Summary of Seventeenth Distribution to Non-Priority Unsecured Claims (April 4, 2019)

\$ in millions

Debtors ⁽¹⁾	Cash Available for Distribution				Claims ⁽⁴⁾			
	Initial Cash Available for Distribution	Cash Available from Distributions among Debtors and Certain Controlled / Non-Controlled Entities ⁽²⁾	Plan Adjustment ⁽³⁾	Cash Released from / (Added to) Claims Reserves	Payment to Allowed Creditors	Allowed ⁽⁵⁾	Disputed ⁽⁶⁾	Total
Lehman Brothers Holdings Inc.	\$ 183.2	\$ 56.6	\$ 3.8	\$ (0.1)	\$ 243.5	⁽⁷⁾ \$ 228,517.5	\$ 1,130.1	\$ 229,647.6
Lehman Commercial Paper Inc.	\$ 25.1	\$ 5.7	\$ (2.4)	\$ -	\$ 28.4	\$ 25,638.5	\$ -	\$ 25,638.5
Lehman Brothers Special Financing Inc.	\$ 18.8	\$ 1.6	\$ (1.3)	\$ (0.0)	\$ 19.2	\$ 39,132.7	\$ 3.5	\$ 39,136.2
				\$ (0.2)	\$ 291.1			

Notes:

- ⁽¹⁾ Includes all Debtors making a Distribution on the Seventeenth Distribution Date. Other Debtors not listed will not be making Distributions to non-priority unsecured creditors on this date.
- ⁽²⁾ Includes receipts from Debtors and Debtor Controlled Entities, as well as receipts on claims a Debtor holds against itself by way of assignment or purchase.
- ⁽³⁾ Plan Adjustment is calculated based on payment of Allowed Claims including Distributions on newly Allowed Claims. It is not calculated on the Disputed Claims Reserve.
- ⁽⁴⁾ Does not include Convenience Claims.
- ⁽⁵⁾ In accordance with sections 6.5 (b) and 6.5 (c) of the Plan, LBHI is participating in Distributions in the amount and to the extent set forth on Page 4 of the Debtor's Claims Schedule, as amended. Allowed Claims satisfied in full in accordance with section 8.13(a) of the Plan are not included.
- ⁽⁶⁾ Estimate of Disputed Claims for reserve purposes only. Certain Claims have been estimated at less than filed amounts as agreed to through a stipulation or settlement agreement or pursuant to Court order. Does not include estimates for unliquidated Claims.
- ⁽⁷⁾ Includes \$1.3 million of prior Distributions recovered by way of subrogation on account of Guarantee Claims corresponding to Primary Claims against Lehman Commercial Paper Inc. As such amount was reported in cumulative distributions to date, it is excluded from the reported amount of Distributions made on the Seventeenth Distribution Date.

Exhibit C

Minimum Cash Reserve and Asset-to-Reserve Ratio for the Seventeenth Distribution (April 4, 2019)

\$ in millions

Description	Lehman Brothers Holdings Inc.
Assets	
Financial Inventory as of 12/31/18 ⁽¹⁾	\$ 8
Subsequent Collections ⁽²⁾	(7)
Receivables & Other Assets ⁽³⁾	100
Investment in Affiliates ⁽⁴⁾	763
Receivables from Controlled Affiliates ⁽⁵⁾	102
Receivables from Non - Controlled Affiliates ⁽⁶⁾	955
Pledged Assets ⁽⁷⁾	(69)
Asset Adjustment for Cash Reserves ⁽⁹⁾	(138)
Total Assets	\$ 1,713
Required Claims Reserve	
% of Cash Reserves for Disputed Claims	25%
Reserve for Disputed Claims	\$ 380
Less: Plan Adjustments & Plan Settlement Reserves ⁽⁸⁾	(0)
Reserve Available to All Classes	380
Less: Minimum Cash Reserves ⁽⁹⁾	(95)
Net Asset Requirement	\$ 285
Total Asset-to-Reserve Ratio	6.0x

Notes:

- ⁽¹⁾ As reflected in the December 31, 2018 Quarterly Financial Report filed with the Bankruptcy Court on Wednesday, March 27, 2019 [ECF No. 59596].
- ⁽²⁾ Reflects cash receipts related to the monetization of financial inventory through March 14, 2019.
- ⁽³⁾ Reflects amounts included in the Quarterly Financial Report - Balance Sheets as third party receivables in the caption "Receivables from Controlled Affiliates and Other Assets" as of December 31, 2018 adjusted for cash activity through March 14, 2019.
- ⁽⁴⁾ Includes estimated recoveries from Investments in Affiliates reflected in the December 31, 2018 Quarterly Financial Report adjusted for significant cash activity through March 14, 2019.
- ⁽⁵⁾ Includes estimated recoveries (i) from pre-petition intercompany receivables as presented in the December 31, 2018 Quarterly Financial Report reduced for (a) cash activity through March 14, 2019, and (b) estimated distributions from Debtors, and (ii) post-petition intercompany receivables as presented in the December 31, 2018 Quarterly Financial Report - Balance Sheets in the caption "Receivables from Controlled Affiliates and Other Assets" adjusted for cash activity through March 14, 2019.
- ⁽⁶⁾ Includes estimated recoveries from Non-Controlled Affiliates per the December 31, 2018 Quarterly Financial Report reduced for collections through March 14, 2019.
- ⁽⁷⁾ Certain assets have been pledged as collateral for intercompany loans and therefore are not used in the calculation of Asset to Reserve Ratio (LBHI borrowing from Aurora for \$69 million).
- ⁽⁸⁾ Includes only portion of Plan Adjustments and Plan Settlement amounts reserved for Disputed Claims.
- ⁽⁹⁾ The Company has entered into various agreements with certain holders of disputed guarantee claims to substitute non-cash assets for cash reserved on account of such claims pursuant to the Order Authorizing Use of Non-Cash Assets in Lieu of Available Cash as Reserves for Disputed Claims Pursuant to Section 8.4 of the Debtors' Confirmed Joint Chapter 11 Plan [ECF No. 25641].

This schedule is not meant to be relied upon as a complete description of the Company, its business, condition (financial or otherwise), results of operations, prospects, assets or liabilities. This report was produced for the sole purpose of calculating the Minimum Cash Reserve and Asset-to-Reserve Ratio for the Seventeenth Distribution. The report should be read in conjunction with previously filed reports by the Company, including the December 31, 2018 Quarterly Financial Report, Form 8-K reports, the Plan and related Disclosure Statement.

Exhibit D

Exhibit D

Allowed Claims Eligible for the Seventeenth Distribution (April 4, 2019)

\$ in millions

Debtor Class	Designation	D17 Activity Bridge		
		Allowed Claims Eligible for Distributions at D16 ⁽¹⁾	Claims Satisfied in Full & Other ⁽²⁾	Allowed Claims Eligible for Distributions at D17 ⁽¹⁾
Lehman Brothers Holdings Inc.				
3	Senior Unsecured	\$ 83,744.0	\$ -	\$ 83,744.0
4A	Senior Affiliate Claims	58,816.1	-	58,816.1
4B	Senior Affiliate Guarantee	10,990.7	(32.4)	10,958.3
5	Senior Third-Party Guarantee	31,974.3	(7.0)	31,967.3
7	General Unsecured	5,884.4	-	5,884.4
8	Affiliate Claims	497.8	-	497.8
9A	Third Party Guarantee Claims other than of the RACERS Trusts	19,479.4	-	19,479.4
9B	Third Party Guarantee Claims of the RACERS Trusts	1,947.7	-	1,947.7
10A	Subordinated Class 10A Claims	3,399.1	-	3,399.1
10B	Subordinated Class 10B Claims	10,330.4	-	10,330.4
10C	Subordinated Class 10C Claims	1,492.9	-	1,492.9
	Total	\$ 228,557.0	\$ (39.4)	\$ 228,517.5 ⁽³⁾
Lehman Commercial Paper Inc.				
4A	General Unsecured Claims other than those of Designated Entities	\$ 1,538.5	\$ -	\$ 1,538.5
4B	General Unsecured Claims of Designated Entities	5,230.0	-	5,230.0
5A	Affiliate Claims of LBHI	13,737.9	-	13,737.9
5B	Affiliate Claims of Participating Subsidiary Debtors	5.5	-	5.5
5C	Affiliate Claims other than those of Participating Subsidiary Debtors	5,126.6	-	5,126.6
	Total	\$ 25,638.5	\$ -	\$ 25,638.5
Lehman Brothers Special Financing Inc.				
4A	General Unsecured Claims other than those of Designated Entities	\$ 19,801.9	\$ -	\$ 19,801.9
4B	General Unsecured Claims of Designated Entities	1,947.7	-	1,947.7
5A	Affiliate Claims of LBHI	15,172.6	-	15,172.6
5B	Affiliate Claims of Participating Subsidiary Debtors	521.5	-	521.5
5C	Affiliate Claims other than those of Participating Subsidiary Debtors	1,689.0	-	1,689.0
	Total	\$ 39,132.7	\$ -	\$ 39,132.7

⁽¹⁾ "Allowed" claims as reported in aggregate on Exhibit B of the Sixteenth and Seventeenth Distribution Notice filed on September 25, 2018 and hereto, respectively.

⁽²⁾ Represents allowed claims that were satisfied in full through the combination of the primary obligor and guarantee distributions from LBHI. Also includes previously allowed claims that have been reclassified or withdrawn subsequent to the Sixteenth Distribution.

⁽³⁾ LBHI is the holder of Allowed Claims against itself of approximately \$21.4 billion, including: \$1.2 billion of Class 3 Claims, \$15.9 billion of Class 4A Claims, \$0.4 billion of Class 4B Claims, \$0.6 billion of Class 7 Claims, \$1.2 billion of Class 9A Claims, and \$1.9 billion of Class 9B Claims.