

UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF NEW YORK

In re:

Chapter 11 Case No.

Lehman Brothers Holdings Inc., et al.,

08-13555

Debtors.

SEPTEMBER 2020 POST-EFFECTIVE OPERATING REPORT

SEPTEMBER 1, 2020 – OCTOBER 1, 2020

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

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REPORT PREPARER: LEHMAN BROTHERS HOLDINGS INC., AS PLAN ADMINISTRATOR

Date: **October 30, 2020**

SCHEDULE OF DEBTORS

The twenty three entities listed below (the “Debtors”) filed for bankruptcy in the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”) on the dates indicated below. On December 6, 2011, the Bankruptcy Court confirmed the Modified Third Amended Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. and its Affiliated Debtors (the “Plan”). On March 6, 2012, the “Effective Date” (as defined in the Plan) occurred. As of the date hereof, the following Debtors’ chapter 11 cases remain open:

| | <u>Case No.</u> | <u>Date Filed (“Commencement Date”)</u> |
|---|-----------------|---|
| Lehman Brothers Holdings Inc. (“LBHI”) | 08-13555 | 9/15/2008 |
| Lehman Brothers Special Financing Inc. (“LBSF”) | 08-13888 | 10/3/2008 |

The following Debtors’ chapter 11 cases were closed in 2016, 2018, 2019 and 2020, pursuant to final decrees entered by the Bankruptcy Court (Docket No. 51920, No. 54163, No. 58257, No. 59472 and No. 60623):

| | <u>Case No.</u> | <u>Date Filed</u> | <u>Date Closed</u> |
|---|-----------------|-------------------|--------------------|
| LB 745 LLC..... | 08-13600 | 9/16/2008 | 1/28/2016 |
| PAMI Statler Arms LLC..... | 08-13664 | 9/23/2008 | 1/28/2016 |
| CES Aviation LLC | 08-13905 | 10/5/2008 | 1/28/2016 |
| CES Aviation V LLC..... | 08-13906 | 10/5/2008 | 1/28/2016 |
| CES Aviation IX LLC | 08-13907 | 10/5/2008 | 1/28/2016 |
| LB 2080 Kalakaua Owners LLC | 09-12516 | 4/23/2009 | 1/28/2016 |
| LB Somerset LLC | 09-17503 | 12/22/2009 | 1/28/2016 |
| LB Preferred Somerset LLC | 09-17505 | 12/22/2009 | 1/28/2016 |
| East Dover Limited..... | 08-13908 | 10/5/2008 | 12/15/2016 |
| Luxembourg Residential Properties Loan Finance S.a.r.l..... | 09-10108 | 1/7/2009 | 12/15/2016 |
| Merit LLC..... | 09-17331 | 12/14/2009 | 12/15/2016 |
| Lehman Brothers Derivative Products Inc. (“LBDP”) | 08-13899 | 10/5/2008 | 06/14/2018 |
| Lehman Brothers Financial Products Inc. (“LBFP”) | 08-13902 | 10/5/2008 | 06/14/2018 |
| Lehman Scottish Finance L.P. | 08-13904 | 10/5/2008 | 06/14/2018 |
| LB Rose Ranch LLC | 09-10560 | 2/9/2009 | 06/14/2018 |
| Lehman Brothers Commodity Services Inc. (“LBCS”)..... | 08-13885 | 10/3/2008 | 02/11/2019 |
| Lehman Brothers Commercial Corporation (“LBCC”)..... | 08-13901 | 10/5/2008 | 02/11/2019 |
| Structured Asset Securities Corporation..... | 09-10558 | 2/9/2009 | 02/11/2019 |
| Lehman Brothers OTC Derivatives Inc. (“LOT”)..... | 08-13893 | 10/3/2008 | 05/04/2020 |
| BNC Mortgage LLC | 09-10137 | 1/9/2009 | 05/04/2020 |
| Lehman Commercial Paper Inc. (“LCPI”)..... | 08-13900 | 10/5/2008 | 05/04/2020 |

The Company has established an email address to receive questions from readers regarding its financial disclosures. The Company plans to review questions received, and for those subjects which the Company determines a response would not (i) violate a confidentiality provision, (ii) place the Company in a competitive or negotiation disadvantage, or (iii) be unduly burdensome relative to the value of information requested, the Company shall endeavor to post a response (maintaining the anonymity of the originators of the questions). The Company assumes no obligation to respond to email inquiries.

Please email questions, with document references as relevant, to:

QUESTIONS@lehmanholdings.com

The Company’s previously posted responses can be found on the Epiq website maintained for the Company:

www.lehman-docket.com under the Key Documents tab and the Responses to Questions Submitted category

**LEHMAN BROTHERS HOLDINGS INC. AND LBHI CONTROLLED ENTITIES AND
LEHMAN BROTHERS SPECIAL FINANCING INC.**

**BASIS OF PRESENTATION
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
SEPTEMBER 1, 2020 – OCTOBER 1, 2020**

The information and data included in this September 2020 Post-Effective Operating Report (the “Operating Report”) are derived from sources available to LBHI, as Plan Administrator, and its Controlled Entities (collectively, the “Company”). The term “Controlled Entities” refers to those entities that are directly or indirectly controlled by LBHI, and excludes, among others, those entities that are under separate administrations in the United States or abroad. LBHI and certain of its Controlled Entities filed for protection under Chapter 11 of the Bankruptcy Code, and those entities are referred to herein as the “Debtors”. The Debtors’ Chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure. LBHI has prepared this Operating Report, which includes certain information as required by the Office of the US Trustee, based on the information available to LBHI at this time, but notes that such information may be incomplete and may be materially deficient in certain respects. This Operating Report is not meant to be relied upon as a complete description of the Debtors, their business, condition (financial or otherwise), results of operations, prospects, assets or liabilities. LBHI reserves all rights to revise this report.

Other items:

1. This Operating Report is not prepared in accordance with U.S. generally accepted accounting principles (GAAP), is not audited and will not be subject to audit or review by the Company’s external auditors at any time in the future. Cash balances and activity denominated in foreign currencies have been converted to US Dollars.
2. Beginning and ending balances include demand deposits, interest-bearing deposits with banks, U.S. money-market funds and U.S. government obligations.
3. Beginning and ending cash balances are based on preliminary closing numbers and are subject to adjustment.

LEHMAN BROTHERS HOLDINGS INC. and LBHI-Controlled Entities and Lehman Brothers Special Financing Inc.
Schedule of Cash Receipts and Disbursements
September 1, 2020 -October 1, 2020

Unaudited (\$ in millions, foreign currencies reflected in USD equivalents)

| | LBHI | LBHI-Controlled Entities | Total LBHI & Controlled Entities | LBSF |
|--|---------------|---------------------------------|---|--------------|
| Beginning Cash (09/01/20) | \$ 298 | \$ 83 | \$ 382 | \$ 10 |
| Sources of Cash | | | | |
| Non-Controlled Affiliates | 1 | - | 1 | - |
| Financial Instruments (a) | (1) | 0 | (1) | 0 |
| Inter-Company Receipts | 8 | 1 | 9 | - |
| Receipts of Plan Distributions from Debtors | - | 0 | 0 | - |
| Other Receipts | 7 | 0 | 7 | (0) |
| Total Sources of Cash | 15 | 1 | 16 | 0 |
| Uses of Cash | | | | |
| Operating Expenses (b) | (5) | (0) | (5) | (0) |
| Non-Operating (c) | - | (10) | (10) | - |
| Inter-Company Disbursements | (1) | (7) | (7) | (2) |
| Plan Distributions (d) | (125) | - | (125) | - |
| Payments to Creditors - Other | (0) | - | (0) | - |
| Total Uses of Cash | (131) | (17) | (147) | (2) |
| Other | (1) | (0) | (1) | (0) |
| Ending Cash (10/01/20) ⁽¹⁾ | \$ 182 | \$ 68 | \$ 250 | \$ 8 |

⁽¹⁾ **Ending Cash includes:**

| | | | | |
|--|------------|-----------|------------|----------|
| Free cash | 33 | 55 | 88 | 5 |
| Restricted Cash for Operating Expenses | 99 | 1 | 99 | 3 |
| Restricted Cash for Disputed Claims * | 37 | 0 | 37 | 0 |
| Restricted Cash for Other ** | 13 | 12 | 25 | 0 |
| Total | 182 | 68 | 250 | 8 |

* Includes interest held on behalf of Disputed Claims

** Includes, but not limited to, cash held for benefit of third parties

All values that are exactly zero are shown as "-". Values between zero and \$0.5 million appear as "0".
Totals may not foot due to rounding.

Notes:

(a) Sources of Cash from Financial Instruments includes, among other items, the payment of contingency fees to a third party related to receipts received in prior months.

(b) A portion of the Operating Expenses paid by LBHI is subject to allocations to, and reimbursement from, LBSF and LBHI-Controlled Entities. Payments to certain vendors reflect fees incurred over multiple months.

(c) Other Disbursements from LBHI-Controlled Entities was a payment to a third party of funds that were received in August on behalf of said third party.

(d) Plan Distributions include distributions to holders of allowed claims (refer to the Notice Regarding Twenty-First Distribution [Docket No. 60878] for additional information).