

Our Ref MCW/WGS/DJD/D00112AL/WF-J

19 June 2013

Dear

NDF Administration Limited - In Liquidation (the Company)

Plan Name:

Plan Number:

Plan Value: £

Recovery and Reorganisation

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Background

I refer to my previous progress reports in relation to the Company (which can be found at <http://ndfa.creditorhelpline.co.uk/>). As you are aware, Andrew Hosking and Martin Ellis were appointed joint administrators of NDF Administration Limited on 14 October 2009. The administration of the Company was subsequently converted to creditors' voluntary liquidation on 28 September 2010 with Martin Ellis and I currently appointed as joint liquidators.

As previously communicated, the above plan was invested in securities ("Securities") written by one, or both, of the following Lehman Brothers entities:

- Lehman Brothers Securities N.V. (**LBS**)
- Lehman Brothers Treasury Co. B.V. (**LBT**)

You may be aware that each of LBS and LBT has entered an insolvency process in its home jurisdiction. Those insolvency processes are being administered by court-appointed trustees ("Trustees"). I have been liaising with the respective trustees of LBS and LBT to ensure that investors' interests are recognised and protected. As you may be aware, a nominee company held the Securities on behalf of investors, and I have liaised with the nominee to ensure that its claims in the insolvent estates of LBS and LBT are accepted. I am pleased to confirm that the claims have been accepted and, as a result, investors are (ultimate beneficiary) creditors in the insolvent estates of LBS and/or LBT.

Additionally, on behalf of investors, I have been pursuing claims against Lehman Brothers Holdings Inc. ("LBHI"), the ultimate parent company of LBS and LBT, as guarantor of the Securities. I have followed a similar process with LBHI as with LBS and LBT and accordingly investors will be treated as creditors of LBHI.

First interim distribution

I am pleased to confirm that the Joint Liquidators have now received a number of distributions from the Lehman entities above and are in a position to make a first interim distribution to investors.

To date we have received three distributions from LBHI and a distribution from LBT.

I anticipate receiving further dividends from both LBT and LBHI and an initial dividend from LBS, albeit the timing of future dividends is uncertain. If further distributions are

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received imminently they will be included in my first interim distribution to investors.

With my first interim distribution I will provide a detailed breakdown of the dividends received to date from the Lehman entities including the valuation placed on your plan by the Lehman entities.

There is a cost associated with pursuing the various claims against the Lehman entities and effecting a distribution to the investors. In order to ensure that these costs are minimised I have waited for distributions to reach a commercially viable level before making a first interim distribution. I will adopt a similar approach with any future distributions.

You will appreciate that pursuing these claims, liaising with the respective Trustees, assessing and agreeing the plans values as well as effecting the distribution to investors has incurred an element of cost for my staff and me. The reasonable costs of undertaking this process will be deducted from the funds available for distribution in accordance with Rule 7.7.2R of that part of the Financial Conduct Authority Handbook known as the Client Asset Sourcebook. Further details of these costs will be provided with the first interim distribution.

Claim confirmation

By receiving this letter, I understand you were an investor with the Company and you held the above plan backed by the relevant Securities.

I also understand that you have not received any compensation from the Financial Services Compensation Scheme ("FSCS") (but should be grateful for your confirmation as requested further below).

To enable me to include you in the first interim distribution please complete the tear off slip below and return the slip in the envelope provided.

Please note that if you do not respond to this letter by 22 July 2013, I will have no option other than to apply to Court to obtain directions as to how to deal with those monies that would otherwise have been distributed to you, together with monies relating to any other investors who do not respond. This may result in a professional tracing exercise being undertaken, which will incur a cost and will likely reduce the value of any distribution ultimately made to you.

If you have received compensation from the FSCS in relation to this plan the FSCS will have taken an assignment of your claim. Please complete the slip accordingly indicating that this is the case. I will in any case continue to liaise with the FSCS to ensure that I have a complete record of those who have been compensated.

Separate distributions may become available from the Company's own liquidation estate, in addition to monies received from the Lehman entities which are being passed on to investors (net of the costs of doing so). You may be entitled to a distribution from the Company's insolvency estate depending on the eventual level of returns to you from the Lehman entities. A submission in writing is required from all creditors to formally lodge a claim in the Company's insolvency estate, as per the Rule 4.73(2) of the Insolvency Rules 1986. I am happy to accept completion and return of the slip below as the lodging of a proof of debt based on the plan information at the top of this letter.

Following the passing of the deadline date of 22 July 2013, I will commence the distribution process with a letter and cheque being sent to all those investors who have responded to this letter, shortly thereafter.

Should you have any queries, please contact the NDF Administration Limited investor helpline on 0844 770 2203.

Yours sincerely
for and on behalf of NDF Administration Limited



David Dunckley
Joint Liquidator

PP

Plan Name:
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	Yes	No
I confirm that the plan details provided above are correct	<input type="checkbox"/>	<input type="checkbox"/>
I confirm I am able to bank the distribution cheque	<input type="checkbox"/>	<input type="checkbox"/>
I confirm that I have not been compensated by the FSCS	<input type="checkbox"/>	<input type="checkbox"/>
Please accept this as my lodging of Proof of Debt in the Liquidation of NDF Administration Limited	<input type="checkbox"/>	<input type="checkbox"/>

Signed

Date

Name (Capitals)

Any other comments (i.e. change of address)

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