

**Executive Summary of  
Solicitation Memorandum Addressed to Holders of Admitted Claims  
Against Lehman Brothers Securities N.V.  
and Direct Participants in Clearing Systems**

**EXECUTIVE SUMMARY OF SOLICITATION MEMORANDUM<sup>1</sup>**

The LBS Trustee seeks to wind-down the LBS Estate. The LBS Estate has four remaining assets. The largest is LBS's allowed intercompany claim against LBHI (the "LBHI Receivable"). The remaining three assets are LBS's allowed intercompany claims against LBCC, LBIE and LBSF (collectively, the LBCC, LBIE and LBSF Receivables).

The LBS Trustee intends to sell the LBCC, LBIE and LBSF Receivables and remit the net proceeds of such sale to all holders of admitted claims against LBS.

In addition, the LBS Trustee is giving holders of admitted claims against LBS the opportunity to receive an In-Kind Distribution of the LBHI Receivable. The In-Kind Distribution will be a pro rata portion of the LBHI Receivable in the form of a direct claim against LBHI. The Solicitation Memorandum explains the procedure for creditors to elect to receive an In-Kind Distribution and the consequences thereof. If you elect to receive an In-Kind Distribution, you will be eligible to receive additional distributions directly from LBHI, but will be required to submit additional forms to Epiq (the claims agent for LBHI) in order to receive additional distributions.

The LBS Trustee will then sell the remaining portion of the LBHI Receivable and remit the net proceeds of such sale to cash creditors (creditors who do not properly elect to receive the In-Kind Distribution).

If you are an Ultimate Beneficial Owner (UBO) and wish to receive an In-Kind Distribution, you must coordinate with your Direct Participant to submit an Instruction to the Clearing System prior to the Instruction Deadline (February 25, 2015). Please see the Market Sections in the Solicitation Memorandum for how the Direct Participant should complete the Instruction. Once an Instruction is completed, you will not be able to trade your LBS Securities.

In addition, any creditor who wishes to receive an In-Kind Distribution, must submit the Election Package (which includes the In-Kind Election Form, Transfer Notice and Assignment Agreement) to the Principal Agent by the Forms Deadline (February 27, 2015). Please see the detailed instructions for how to complete the Election Package.

In order to receive an In-Kind Distribution, you must properly complete and submit the Election Package by the Forms Deadline (and if you are a UBO, an Instruction for your LBS Securities must have been submitted by the Instruction Deadline). **If you take no action or do not**

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<sup>1</sup> Capitalized terms not otherwise defined herein have the meaning ascribed to them in the Solicitation Memorandum. To the extent there is any discrepancy between this Executive Summary and the actual Solicitation Memorandum, the Solicitation Memorandum shall control.

**properly submit the required form by the deadline, you will receive cash from the sale of the remaining portion of the LBHI Receivable.**

**The LBS Trustee makes no recommendation whether any creditor of the LBS Estate should exercise its election to become an In-Kind Creditor. Each creditor should consult with its own legal and financial or other advisors.**

**The LBS Trustee makes no representations as to the amount of cash it will receive from the sale of the LBCC Receivable, the LBIE Receivable and the LBSF Receivable and the Cash Portion of the LBHI Receivable and the value of the In-Kind creditor’s in-kind distribution of the LBHI Receivable.**

Below is the projected timeline:

February 25, 2015 at 16:00 p.m. London time	Instruction Deadline
February 27, 2015 at 16:00 p.m. London time	Election Forms Deadline
Beginning to mid-March 2015	Reconciliation Period
Beginning of April 2015	Next expected distribution to LBS under the Lehman US Plan.
Mid-End of April 2015	Expected timeframe for In-Kind Distribution
End of May 2015	Expected timeframe for cash distribution to Cash Creditors from proceeds of LBHI Receivable
End of May 2015	Expected timeframe for final cash distribution to all LBS creditors from proceeds of LBCC, LBSF and LBIE Receivable (to be done separately from cash distribution to Cash Creditors from proceeds of LBHI Receivable) + available cash at hand (including distribution to LBS under the Lehman US Plan)

### Frequently Asked Questions

1) What will happen if I do not send in an Instruction?

*UBOs who wish to receive an In-Kind Distribution must ensure that their Direct Participant submit an Instruction prior to the Instruction Deadline to the Clearing Systems. If an Instruction is not sent in, you will not receive an In-Kind Distribution and instead will receive cash from the sale of the remaining portion of the LBHI Receivable.*

2) When do I need to instruct?

*The Instruction Deadline is February 25, 2015 at 16:00 London time. However, the deadlines set by the Clearing Systems, Direct Participants or any other intermediary/broker for the submission of Instructions maybe earlier than February 25, 2015. It is the UBO's responsibility to ensure that their Instruction is submitted timely.*

3) Can I revoke an Instruction after it is sent in?

*No. Instructions are irrevocable.*

4) How do I work out how many units of an ISIN I am holding?

*You may need to contact your custodian to confirm how the security is represented within the Clearing Systems. If the security is held in units then you can use this number x the Pro Rata Share of All Creditors Per Unit to work out your Total Percentage per ISIN. If however the security is held in nominal you will need to divide your holdings by the Specified Denomination of the security and then use this number x the Pro Rata Share of All Creditors Per Unit to work out your Total Percentage per ISIN.*

5) What will happen if I do not send in my In-Kind Election Form?

*Holders of admitted claims who wish to receive an In-Kind Distribution must submit their In-Kind Election Form (along with the other documents required in the Election Package) by the Forms Deadline. If the Election Package is not sent in in accordance with the applicable procedures, you will not receive an In-Kind Distribution and instead will receive cash from the sale of the remaining portion of the LBHI Receivable.*

6) When do I need to submit my In-Kind Election Form?

*The Forms Deadline is February 27, 2015. You must submit all parts of the Election Package (which includes the In-Kind Election Form, the Transfer Notice and the Assignment Agreement) to the Principal Agent by e-mail before the Forms Deadline.*

7) How do I complete the Election Package?

*Please read the detailed instruction for completing the Election Package. You should submit only one Election Package for all your LBS Securities and/or Other Claims. You will need to calculate the projected amount of your In-Kind Distribution (instructions provided) but the actual amount of In-Kind Distribution will be determined by the LBS Trustee. You should write your expected amount of In-Kind Distribution on the In-Kind Election Form, but NOT on the Transfer Notice or Assignment Agreement.*

8) Can I revoke my election to receive an In-Kind Distribution after I submit my Election Package?

*No. Submission of an Election Package is irrevocable.*

9) How will I know how much In-Kind Distribution I will receive?

*The instructions for the In-Kind Election form explain how to calculate the projected amount of In-Kind Distribution you will receive. However, to the extent there is a discrepancy between your projected amount and as determined by the LBS Trustee, the determination of the LBS Trustee shall control.*

10) What if I filled out the Election Package incorrectly?

*The Principal Agent will receive all the Election Packages during the Reconciliation Period. Although not required, the Principal Agent may, without assuming any obligation to do so, inform the UBO or Other Creditor that has submitted an Election Package of any deficiency and provide the UBO or Other Creditor with an opportunity to rectify the deficiency. However, to the extent the Principal Agent and the LBS Trustee ultimately determine that the Election Package is deficient, the UBO or Creditor will not receive an In-Kind Distribution.*

11) When will I receive my In-Kind Distribution? When will I receive any other cash distribution?

*The LBS Trustee currently expects to facilitate the In-Kind Distributions in April 2015 and make the remaining cash distributions from the sale of the various receivables in May 2015.*

12) Will my securities be cancelled?

*After completion of all distributions, the LBS Trustee will cancel outstanding LBS Securities.*

13) If I have questions, who can I approach?

*If you have any questions, you should contact the Principal Agent at:*

*Deutsche Bank AG, London Branch  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
United Kingdom  
Attn: ICSS-Debt & Agency Services Re: LBS*

*Tel: +44 207 547 5000  
Fax: +44 203 320 1747  
Email: [debt.agency@db.com](mailto:debt.agency@db.com)*