

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

In re LEHMAN BROTHERS SECURITIES  
AND ERISA LITIGATION

This Document Applies To:

*In re Lehman Brothers Equity/Debt  
Securities Litigation, 08-CV-5523 (LAK)*

This document relates to  
ECF No. 339 in 08-CV-5523  
ECF No. 803 in 09-MD-2017

Case No. 09-MD-2017 (LAK)

ECF CASE

**LEAD PLAINTIFFS' REPLY MEMORANDUM IN FURTHER SUPPORT  
OF MOTION FOR FINAL APPROVAL OF SETTLEMENTS WITH  
D&O DEFENDANTS AND SETTLING UNDERWRITER  
DEFENDANTS AND APPROVAL OF PLANS OF ALLOCATION**

**TABLE OF CONTENTS**

TABLE OF AUTHORITIES ..... iii

TABLE OF ABBREVIATIONS ..... v

INTRODUCTION ..... 1

ARGUMENT ..... 3

I. THE SETTLEMENTS ARE FAIR, REASONABLE, AND ADEQUATE AND SHOULD BE APPROVED..... 3

A. Approval Of The Underwriter Settlement Is Supported By The Uniform Reaction Of The Class ..... 4

B. The D&O Settlement Is An Excellent Result And The Few Objections Provide No Basis To Disapprove The Settlement..... 5

1. The Amount Of The D&O Settlement Is Reasonable In Light Of The Risks ..... 5

2. The Putnams’ Objection, Seeking Return Of Their Initial Capital, Is Without Merit..... 7

C. The Objectors’ Additional Points ..... 8

1. Exclusion Of Certain Securities From The Settlements ..... 8

2. Mr. Andrews’ Demand For Picture Identification Of The Class Representatives ..... 9

3. The Absence Of Collusion..... 9

4. The Proposed Bar Orders Were Made Available On The Settlement Website And In Other Locations ..... 10

5. E&Y’s Limited Objection To The Proposed Bar Orders..... 10

II. THE REACTION OF THE SETTLEMENT CLASSES TO THE PROPOSED PLANS OF ALLOCATION SUPPORTS THEIR APPROVAL ..... 10

A. The Few Objections Provide No Basis For Rejecting The D&O Plan Of Allocation ..... 10

B. Lead Plaintiffs Recommend Modest Revisions To Exhibits 1 And 4 Of The D&O Plan ..... 13

III. THE NOTICE PROGRAM AS A WHOLE WAS EFFECTIVE  
AND SATISFIED ALL APPLICABLE REQUIREMENTS..... 13

CONCLUSION..... 15

**TABLE OF AUTHORITIES**

	<b>Page(s)</b>
<b>CASES</b>	
<i>In re AOL Time Warner, Inc. Sec. &amp; ERISA Litig.</i> , 2006 WL 903236 (S.D.N.Y. April 6, 2006) .....	3, 4
<i>Banyai v. Mazur</i> , 2007 WL 927583 (S.D.N.Y. Mar. 27, 2007) .....	3
<i>D'Amato v. Deutsche Bank</i> , 236 F.3d 78 (2d Cir. 2001).....	3
<i>DeJulius v. New England Health Care Emps. Pension Fund</i> , 429 F.3d 935 (10th Cir. 2005) .....	14
<i>In re EVCI Career Colls. Holding Corp. Sec. Litig.</i> , 2007 WL 2230177 (S.D.N.Y. July 27, 2007) .....	10
<i>Fidel v. Farley</i> , 534 F.3d 508 (6th Cir. 2008) .....	14
<i>In re Giant Interactive Grp., Inc. Sec. Litig.</i> , --- F.R.D. ---, 2011 WL 5244707 (S.D.N.Y. Nov. 2, 2011).....	8
<i>In re Global Crossing Sec. &amp; ERISA Litig.</i> , 225 F.R.D. 436 (S.D.N.Y. 2004) .....	7, 10, 11
<i>In re Lehman Bros. Holdings Inc.</i> , Case no. 08-13555 (JMP) (Bankr. S.D.N.Y. Jan. 13, 2011).....	5
<i>In re Lehman Bros. Sec. &amp; ERISA Litig.</i> , 799 F. Supp. 2d 258 (S.D.N.Y. 2011).....	9
<i>Maley v. Del Global Techs. Corp.</i> , 186 F. Supp. 2d 358 (S.D.N.Y. 2002).....	10
<i>In re Marsh &amp; McLennan Cos., Inc. Sec. Litig.</i> , 2009 WL 5178546 (S.D.N.Y. Dec. 23, 2009) .....	12, 14, 15
<i>In re Merrill Lynch &amp; Co., Inc. Research Reports Sec. Litig.</i> , 2007 WL 4526593 (S.D.N.Y. Dec. 20, 2007) .....	11
<i>In re NASDAQ Market-Makers Antitrust Litig.</i> , 187 F.R.D. 465 (S.D.N.Y. 1998) .....	3
<i>In re OCA, Inc. Sec. and Derivative Litig.</i> , 2009 WL 512081 (E.D. La. Mar. 2, 2009) .....	4

<i>In re PaineWebber Ltd. P’ships Litig.</i> , 171 F.R.D. 104 (S.D.N.Y. 1997), <i>aff’d</i> , 117 F.3d 721 (2d Cir. 1997).....	8
<i>In re Parmalat Sec. Litig.</i> , No. 04 MD 1653 (LAK), slip op. (S.D.N.Y. Mar. 2, 2009) .....	12
<i>Silber v. Mabon</i> , 18 F.3d 1449 (9th Cir. 1994) .....	14
<i>In re Sprint Corp. ERISA Litig.</i> , 443 F. Supp. 2d 1249 (D. Kan. 2006).....	11
<i>In re Sumitomo Copper Litig.</i> , 189 F.R.D. 274 (S.D.N.Y. 1999) .....	4
<i>In re Telik, Inc. Sec. Litig.</i> , 576 F. Supp. 2d 570 (S.D.N.Y. 2008).....	9
<i>Torrisi v. Tuscon Elec. Power Co.</i> , 8 F.3d 1370 (9th Cir. 1993) .....	15
<i>In re WorldCom, Inc. Sec. Litig.</i> , 294 F. Supp. 2d 392 (S.D.N.Y. 2003).....	9
<i>In re WorldCom, Inc. Sec. Litig.</i> , 388 F. Supp. 2d 319 (S.D.N.Y. 2005).....	7, 8
<i>In re WorldCom, Inc. Sec. Litig.</i> , 2004 WL 2591402 (S.D.N.Y. Nov. 12, 2004).....	12
<b>STATUTES, RULES &amp; REGULATIONS</b>	
3 ALBA CONTE & HERBERT B. NEWBERG, NEWBERG ON CLASS ACTIONS § 10:14 (4th ed. 2002) .....	11
15 U.S.C. § 77k(e) .....	12

**TABLE OF ABBREVIATIONS**

ABBREVIATION	DEFINED TERM
“ACERA”	Alameda County Employees’ Retirement Association
“Action”	<i>In re Lehman Brothers Equity/Debt Securities Litigation</i> , 08 Civ. 5523 (LAK)
“Bankruptcy Court”	The United States Bankruptcy Court for the Southern District of New York
“Bernstein Litowitz”	Bernstein Litowitz Berger & Grossmann LLP
“Claim Form” or “Proof of Claim Form”	Form that claimants must complete and submit in order to be potentially eligible to share in the distribution of the proceeds of the Settlements
“Complaint”	Third Amended Class Action Complaint
“Defendants”	The Settling Defendants and the non-settling defendants, E&Y and UBSFS, collectively
“Director Defendants”	Michael L. Ainslie, John F. Akers, Roger S. Berlind, Thomas H. Cruikshank, Marsha Johnson Evans, Sir Christopher Gent, Roland A. Hernandez, Henry Kaufman, and John D. Macomber
“D&O Defendants”	Former Lehman officers Richard S. Fuld, Jr., Christopher M. O’Meara, Joseph M. Gregory, Erin Callan, and Ian Lowitt; and former Lehman directors Michael L. Ainslie, John F. Akers, Roger S. Berlind, Thomas H. Cruikshank, Marsha Johnson Evans, Sir Christopher Gent, Roland A. Hernandez, Henry Kaufman, and John D. Macomber
“D&O Notice”	Notice of Pendency of Class Action and Proposed Settlement with the Director and Officer Defendants, Settlement Fairness Hearing and Motion for an Award of Attorneys’ Fees and Reimbursement of Litigation Expenses
“D&O Plan”	Plan of Allocation for the D&O Net Settlement Fund, attached as Appendix C to the D&O Notice
“D&O Settlement”	The proposed settlement with the Lehman directors and officers for \$90 million on behalf of the D&O Settlement Class
“D&O Settlement Amount”	\$90 million
“D&O Settlement Class”	All persons and entities who (1) purchased or acquired Lehman securities identified in Appendix A to the D&O Stipulation pursuant or traceable to the Shelf Registration Statement and who were damaged thereby, (2) purchased or acquired any Lehman Structured Notes identified in Appendix B to the D&O Stipulation pursuant or traceable to the Shelf Registration Statement and who were damaged thereby, or (3) purchased or acquired Lehman common stock, call options, and/or sold put options between June 12, 2007 and September 15, 2008, through

ABBREVIATION	DEFINED TERM
	and inclusive, and who were damaged thereby. Excluded from the D&O Settlement Class are (i) Defendants, (ii) Lehman, (iii) the executive officers and directors of each Defendant or Lehman, (iv) any entity in which Defendants or Lehman have or had a controlling interest, (v) members of Defendants' immediate families, and (vi) the legal representatives, heirs, successors or assigns of any such excluded party. Also excluded from the D&O Settlement Class are any persons or entities who exclude themselves by filing a timely request for exclusion in accordance with the requirements set forth in the D&O Notice.
"D&O Stipulation"	Stipulation of Settlement and Release dated October 14, 2011, between Lead Plaintiffs and the D&O Defendants
"E&Y"	Ernst & Young LLP, a non-settling defendant
"Equity/Debt Action" or "Equity/Debt"	<i>In re Lehman Brothers Equity/Debt Securities Litigation</i> , 08 Civ. 5523 (LAK)
"Examiner"	Anton R. Valukas, Esq., the court-appointed examiner in Lehman's Chapter 11 bankruptcy proceedings, <i>In re Lehman Brothers Holdings Inc.</i> , 08-13555 (JMP) (Bankr. S.D.N.Y.)
"Examiner's Report"	Report of Anton R. Valukas, Examiner, dated March 11, 2010
"Exchange Act"	Securities Exchange Act of 1934
"Executive Committee Chair"	Max W. Berger of Bernstein Litowitz
"Fee and Expense Application"	Lead Counsel's application for an award of attorneys' fees and reimbursement of litigation expenses on behalf of all Plaintiffs' Counsel
"Fee Memorandum"	Memorandum of Law in Support of Lead Counsel's Motion for an Award of Attorneys' Fees and Reimbursement of Litigation Expenses (ECF No. 342)
"First Underwriter Stipulation" or "First UW Stipulation"	Stipulation of Settlement and Release dated December 2, 2011, between Lead Plaintiffs and the First Group of Settling Underwriter Defendants
"GCG"	The Garden City Group, Inc., the Court-approved claims administrator for the Settlements
"Girard Gibbs"	Girard Gibbs LLP (f/k/a Girard, Gibbs & De Bartolomeo, LLP)
"GGRF"	Government of Guam Retirement Fund

ABBREVIATION	DEFINED TERM
“Joint Declaration” or “Joint Decl.”	Joint Declaration of David Stickney and David Kessler in Support of (A) Lead Plaintiffs’ Motion for Final Approval of Class Action Settlements with D&O Defendants and Settling Underwriter Defendants and Approval of Plans of Allocation and (B) Lead Counsel’s Motion for an Award of Attorneys’ Fees and Reimbursement of Litigation Expenses (ECF No. 342)
“Kessler Topaz”	Kessler Topaz Meltzer & Check, LLP
“Lead Counsel”	Bernstein Litowitz and Kessler Topaz
“Lead Plaintiffs”	ACERA, GGRF, NILGOSC, Lothian, and Operating Engineers
“Lehman” or “Company”	Lehman Brothers Holdings Inc.
“Lothian”	The City of Edinburgh Council as Administering Authority of the Lothian Pension Fund
“NILGOSC”	Northern Ireland Local Governmental Officers’ Superannuation Committee
“Notice Orders”	Pretrial Order Nos. 27 & 28, collectively
“Notice Packet”	The D&O Notice, UW Notice, Claim Form and a cover letter, sent to potential members of the Settlement Classes
“Notices”	The D&O Notice and UW Notice
“Officer Defendants”	Richard S. Fuld, Jr., Christopher M. O’Meara, Joseph M. Gregory, Erin Callan, and Ian Lowitt
“Operating Engineers”	Operating Engineers Local 3 Trust Fund
“Plaintiffs’ Counsel”	Lead Counsel; Girard Gibbs; Grant & Eisenhofer P.A.; Kirby McInerney LLP; Labaton Sucharow LLP; Law Offices of Bernard M. Gross, P.C.; Law Offices of James V. Bashian, P.C.; Lowenstein Sandler PC; Murray Frank LLP; Pomerantz Haudek Grossman & Gross LLP; Saxena White P.A.; Spector Roseman Kodroff & Willis, P.C.; and Zwerling, Schachter & Zwerling, LLP
“Plaintiffs’ Executive Committee” or “Executive Committee”	Bernstein Litowitz; Kessler Topaz; Gainey & McKenna LLP; Wolf Haldenstein Adler Freeman & Herz LLP; and Girard Gibbs LLP
“PPN”	The Lehman/UBS Structured Products that purported to offer full or partial principal protection
“Pretrial Order No. 27”	The Court’s December 15, 2011 Order Concerning Proposed Settlement With The Director And Officer Defendants
“Pretrial Order No. 28”	The Court’s December 15, 2011 Order Concerning Proposed Settlement With The Settling Underwriter Defendants
“PSLRA”	The Private Securities Litigation Reform Act of 1995
“SEC”	Securities and Exchange Commission
“Second Group of Settling Underwriter Defendants”	Cabrera Capital Markets LLC (“Cabrera”); Charles Schwab & Co., Inc. (“Charles Schwab”); HVB Capital



ABBREVIATION	DEFINED TERM
	Markets, Inc. (“HVB”); Incapital LLC (“Incapital”); MRB Securities Corp., as general partner of M.R. Beal & Company (M.R. Beal & Company, together with its owners and partners) (“MRB Securities”); Muriel Siebert & Co., Inc. and Siebert Capital Markets (“Muriel Siebert”); and Williams Capital Group, L.P. (“Williams”)
“Second Underwriter Stipulation” or “Second UW Stipulation”	Stipulation of Settlement and Release dated December 9, 2011, between Lead Plaintiffs and the Second Group of Settling Underwriter Defendants
“Securities Act”	Securities Act of 1933
“Settlement Amounts”	The D&O Settlement Amount and the Underwriter Settlement Amount
“Settlement Classes”	The D&O Settlement Class and the Underwriter Settlement Class
“Settlement Class Period”	The period between June 12, 2007 and September 15, 2008, through and inclusive
“Settlement Class Representatives”	<p>The proposed Settlement Class Representatives for the D&amp;O Settlement Class are Lead Plaintiffs and additional named plaintiffs Brockton Contributory Retirement System; Inter-Local Pension Fund of the Graphic Communications Conference of the International Brotherhood of Teamsters; Police and Fire Retirement System of the City of Detroit; American European Insurance Company; Belmont Holdings Corp.; Marsha Kosseff; Stacey Oyler; Montgomery County Retirement Board; Fred Telling; Stuart Bregman; Irwin and Phyllis Ingwer; Carla LaGrassa; Teamsters Allied Benefit Funds; Francisco Perez; Island Medical Group PC Retirement Trust f/b/o Irwin Ingwer; Robert Feinerman; John Buzanowski; Steven Ratnow; Ann Lee; Sydney Ratnow; Michael Karfunkel; Mohan Ananda; Lawrence Rose; Ronald Profili; Grace Wang; Stephen Gott; Juan Tolosa; Neel Duncan; Nick Fotinos; Arthur Simons; Richard Barrett; Shea-Edwards Limited Partnership; Miriam Wolf; Harry Pickle (trustee of Charles Brooks); Barbara Moskowitz; Rick Fleischman; Karim Kano; David Kotz; Ed Davis; and Joe Rottman.</p> <p>The proposed Settlement Class Representatives for the UW Settlement Class are Lead Plaintiffs ACERA and GGRF, and additional named plaintiffs Brockton Contributory Retirement System; Inter-Local Pension Fund of the Graphic Communications Conference of the International Brotherhood of Teamsters; Police and Fire Retirement System of the City of Detroit; American</p>

ABBREVIATION	DEFINED TERM
	European Insurance Company; Belmont Holdings Corp.; Marsha Kosseff; Montgomery County Retirement Board; Teamsters Allied Benefit Funds; John Buzanowski; and Ann Lee.
“Settlement Fairness Hearing”	The hearing scheduled for April 12, 2012 at 4:00 p.m. at which the Court will consider, among other things, whether the Settlements and the Plans of Allocation are fair, reasonable and adequate
“Settlement Memorandum”	Memorandum of Law in Support of Lead Plaintiffs’ Motion for Final Approval of Class Action Settlements with D&O Defendants and Settling Underwriter Defendants and Approval of Plans of Allocation (ECF No. 340)
“Settlements”	The D&O Settlement (\$90,000,000), the First Underwriter Settlement (\$417,000,000), and the Second Underwriter Settlement (\$9,218,000), collectively
“Settling Defendants”	The D&O Defendants and Settling Underwriter Defendants, collectively
“Settling Underwriter Defendants”	The First Group of Settling Underwriter Defendants and Second Group of Settling Underwriter Defendants, collectively
“Stipulations”	The D&O Stipulation, the First Underwriter Stipulation and the Second Underwriter Stipulation, collectively
“Summary Notice”	Summary Notice of Pendency of Class Action and Proposed Settlements with the Director and Officer Defendants and Settling Underwriter Defendants, Settlement Fairness Hearing, and Motion for Attorneys’ Fees and Reimbursement of Litigation Expenses
“UBSFS”	UBS Financial Services, Inc., a non-settling defendant
“Underwriter Defendants”	The non-Lehman underwriters of Lehman securities named as defendants in the Action
“Underwriter Settlement”	The proposed settlement with the Settling Underwriter Defendants for \$426,218,000 on behalf of the Underwriter Settlement Class
“Underwriter Settlement Class” or “UW Settlement Class”	All persons and entities who purchased or otherwise acquired Lehman securities identified in Appendix A to the First UW Stipulation pursuant or traceable to the Shelf Registration Statement and Offering Materials incorporated by reference in the Shelf Registration Statement and who were damaged thereby. The UW Settlement Class includes registered mutual funds, managed accounts, or entities with nonproprietary assets managed by any of the Released Underwriter Parties including, but not limited to, the entities listed on Exhibit C attached to the First UW Stipulation, who purchased or

ABBREVIATION	DEFINED TERM
	otherwise acquired Lehman Securities (each, a “Managed Entity”). Excluded from the UW Settlement Class are (i) Defendants, (ii) the officers and directors of each Defendant, (iii) any entity (other than a Managed Entity) in which a Defendant owns, or during the period July 19, 2007 to September 15, 2008 (the “Underwriter Settlement Class Period”) owned, a majority interest; (iv) members of Defendants’ immediate families and the legal representatives, heirs, successors or assigns of any such excluded party; and (v) Lehman. Also excluded from the UW Settlement Class are any persons or entities who exclude themselves by filing a timely request for exclusion in accordance with the requirements set forth in the UW Notice.
“Underwriter Settlement Class Period”	July 19, 2007 through September 15, 2008, inclusive
“Underwriter Stipulations”	The First Underwriter Stipulation and the Second Underwriter Stipulation, collectively
“UW Notice”	Notice of Pendency of Class Action and Proposed Settlement with the Settling Underwriter Defendants, Settlement Fairness Hearing and Motion for an Award of Attorneys’ Fees and Reimbursement of Litigation Expenses
“UW Plan”	Plan of Allocation for the Underwriter Net Settlement Fund, attached as Appendix B to the UW Notice
“UW Settlement Amount”	\$426,218,000

Lead Plaintiffs respectfully submit this reply memorandum of law in further support of their Motion for Final Approval of Class Action Settlements and Approval of Plans of Allocation.<sup>1</sup>

### **INTRODUCTION**

In their opening papers, Lead Plaintiffs established that the proposed settlements, providing for a combined recovery of over \$516 million, represent exceptional recoveries for the Settlement Classes after years of litigation and extensive negotiations. Lead Plaintiffs achieved such results under circumstances that included, for example, (i) Lehman's bankruptcy during the pendency of the case, eliminating a primary source of recovery; (ii) the absence of any action filed by the Department of Justice or the SEC against any of the Settling Defendants; and (iii) credible arguments from the directors and underwriters that the Examiner's Report exonerates them from liability. The amount recovered from the Underwriter Defendants, over \$426 million, represents a substantial percentage of the Underwriter Defendants' maximum damages even before considering the causation defense, which Defendants contend would eliminate or dramatically reduce damages. Also, Lead Plaintiffs maximized the recovery for the D&O Settlement Class in the face of wasting D&O insurance due to defense costs and competing claims. Thus, as further detailed in Lead Plaintiffs' opening papers, the Settlements are fair, reasonable and adequate, and warrant approval.

Likewise, the proposed Plans of Allocation provide fair and reasonable methods for equitably apportioning the net proceeds, and should be approved. Each was prepared in consultation with an expert in economics to equitably distribute the proceeds.<sup>2</sup>

The overwhelmingly positive reaction from members of the Settlement Classes further

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<sup>1</sup> For defined terms, Lead Plaintiffs respectfully refer the Court to the "Table of Abbreviations" set forth above at pages v through x.

<sup>2</sup> As explained below on page 13, Lead Plaintiffs propose a slight modification to Exhibits 1 and 4 to the D&O Plan based on further consultation with their expert consultant. The proposed revision is not in response to any objection.

underscores that the Settlements and Plans of Allocation should be approved. In accordance with the Court's Notice Orders, Settlement Class members were notified of the Settlements through publication in *The Wall Street Journal* and *Investor's Business Daily*, by postings on designated websites and by direct mail. Moreover, the Settlements received significant media attention because of the notoriety of Lehman's bankruptcy and the high profile of litigation surrounding Lehman. In response to such publicity and the Court-approved notice program, not a single member of the Underwriter Settlement Class objected to the Underwriter Settlement or the Underwriter Plan of Allocation.

There are only seven objections to the D&O Settlement, none of which are from institutional investors despite widespread institutional ownership of Lehman securities during the Settlement Class Period.<sup>3</sup> The objections apparently represent only 200 shares of common stock, out of over 600 million shares outstanding as of September 15, 2008.<sup>4</sup> These objections are entirely devoid of merit. They include, among other contentions, assertions that the recoveries obtained from the Settling Underwriter Defendants should also be distributed to members of the D&O Settlement Class; demands to see picture identification of all proposed Settlement Class Representatives; and speculation that Honorable John S. Martin (Ret.), who Lead Plaintiffs retained to perform an independent evaluation of the Officer Defendants' liquid net worth, received a kickback for his conclusion on the Officer Defendants' liquid net worth.

As Lead Plaintiffs explained in their opening papers, application of the *Grinnell* factors

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<sup>3</sup> Objections have been received from Raymond Gao (the "Gao Obj."), Chris Andrews (the "Andrews Obj."), Judith A. and Randy J. Putnam (the "Putnam Obj."), Justin S. Kahn (the "Kahn Obj."), Ronald R. Smith (the "Smith Obj."), and Insoon Park (the "Park Obj."). Also, Jane Eisenberg, who is not a class member, objects because she wishes to be included in the Settlement Classes. For the Court's convenience, copies of the objections have been included in a Compendium of Objections, filed herewith. In addition, Non-Settling Defendant Ernst & Young LLP ("E&Y") submits a limited objection to the wording of the proposed bar order.

<sup>4</sup> Only Mr. Andrews provided transaction information for his purchases of Lehman common stock. Separately, the Putnams indicate total purchases of \$32,960 of a structured note. The others provide none of the required transaction information.

strongly support approval of the Settlements. *See* Settlement Memorandum (ECF No. 340) at 4-20. Now that the time has passed for class members to object or request exclusion, the paucity of objections and their lack of merit further support the final approval of the Settlements and approval of the Plans of Allocation.

### **ARGUMENT**

#### **I. THE SETTLEMENTS ARE FAIR, REASONABLE, AND ADEQUATE AND SHOULD BE APPROVED**

Pursuant to the Court's Notice Orders, Lead Plaintiffs published notices in *The Wall Street Journal* and *Investor's Business Daily* on January 30, 2012. *See* Affidavit of Stephen J. Cirami dated March 8, 2012 (ECF No. 343-2) ("Cirami Aff."), at ¶12. Lead Plaintiffs also posted the Notices on the websites tailored to the Settlement Classes. Further, the Claims Administrator mailed over 900,000 copies of the Notice Packet to potential members of the Settlement Classes or their nominees. *See* Supplemental Affidavit of Stephen J. Cirami ("Suppl. Cirami Aff."), filed simultaneously herewith, at ¶3.

Compared to the number of potential class members who received notice from the comprehensive notice program, the number of objections and the shares they represent are diminutive.<sup>5</sup> The absence of any objection from institutions, which have the greatest financial interest in the outcome, further supports approval.<sup>6</sup>

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<sup>5</sup> *See, e.g., D'Amato v. Deutsche Bank*, 236 F.3d 78, 86-87 (2d Cir. 2001) (where 18 class members filed written objections from a class of approximately 27,800 members, the district court "properly concluded that this small number of objections weighed in favor of the settlement"); *Banyai v. Mazur*, No. 00 Civ. 9806 (SHS), 2007 WL 927583, at \*9 (S.D.N.Y. Mar. 27, 2007) (noting that "a small number of objections received when compared to the number of notices sent weighs in favor of approval," and finding that the fact that 12 objections were received from a class of 100,000 demonstrated that "the Class as a whole appears to have reacted favorably").

<sup>6</sup> *See, e.g., In re AOL Time Warner, Inc. Sec. & ERISA Litig.*, No. MDL 1500, 2006 WL 903236, at \*10 (S.D.N.Y. April 6, 2006) (fact that "not a single institutional Class Member objected to the Settlement" supported its approval); *In re NASDAQ Market-Makers Antitrust Litig.*, 187 F.R.D. 465, 479 (S.D.N.Y. 1998) (the reaction of the class supported approval of the settlements where "none of the thousands of institutional Class members, who have the largest financial

Likewise, the small number of requests for exclusion also supports approval of the Settlements. Requests for exclusion have been submitted by or on behalf of 88 potential members of the Settlement Classes (14 persons or entities request exclusion from only the UW Settlement Class, 24 request exclusion from only the D&O Settlement Class and 50 request exclusion from both Settlement Classes). Suppl. Cirami Aff. ¶6. The 88 requests for exclusion represent a miniscule fraction of the over 900,000 Notice Packets mailed to the Settlement Classes. This underscores the very positive reaction by members of the Settlement Classes to the proposed Settlements and further supports approval. *See, e.g., AOL*, 2006 WL 903236, at \*10 (opt-outs amounting to less than 0.2% of the putative class members weighed in favor of settlement); *In re Sumitomo Copper Litig.*, 189 F.R.D. 274, 281 (S.D.N.Y. 1999) (fact that fewer than 1% of class members requested exclusion “strongly favor[ed] approval of the proposed settlement”).

**A. Approval Of The Underwriter Settlement Is Supported By The Uniform Reaction Of The Class**

Lead Plaintiffs have obtained \$426,218,000 from the Settling Underwriter Defendants, which standing alone represents one of the largest recoveries in any case arising out of the 2008 financial crisis.<sup>7</sup> The recovery amounts to 13% of the approximately \$3.3 billion that the Settling Underwriter Defendants underwrote, which is the absolute maximum that could have been recovered against the Settling Underwriter Defendants at trial, even before consideration of *any* credible defenses, such as due diligence, reliance on experts and negative causation. Not only does this percentage recovery significantly exceed the median recovery in similar securities

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stake, have objected”); *In re OCA, Inc. Sec. and Derivative Litig.*, No. 05-2165, 2009 WL 512081, at \*16 (E.D. La. Mar. 2, 2009) (where a number of class members were “sophisticated financial institutions such as state and municipal pension funds,” the fact that these investors “voiced no objections further attests to the general support for the settlement”).

<sup>7</sup> As noted in their opening papers, Lead Plaintiffs granted one of the Settling Underwriter Defendants a brief extension until April 2, 2012, to deposit its portion (\$125,000.00) of the Underwriter Settlement Amount. That amount has now been paid into escrow.

class actions against underwriters (*see* Settlement Memorandum at 20-21), but the Underwriter Defendants asserted throughout the litigation – and were expected to continue to assert through summary judgment and trial – that myriad factors other than the alleged untrue statements and omissions caused the decline in the securities’ value. The Underwriter Defendants would argue, therefore, that damages were zero or substantially less than \$3.3 billion, in which case the recovery is substantially greater than 13%.

**B. The D&O Settlement Is An Excellent Result And The Few Objections Provide No Basis To Disapprove The Settlement**

As explained in Lead Plaintiffs’ opening papers, the \$90 million D&O Settlement is a favorable result for the D&O Settlement Class. Four individuals object generally to the amount. Andrews Obj. at 7-8; Park Obj. at 1, *see also* Putnam Obj. at 1.

**1. The Amount Of The D&O Settlement Is Reasonable In Light Of The Risks**

The \$90 million D&O Settlement is not only reasonable, it is a positive result for the D&O Settlement Class under the circumstances. Leaving aside the Individual Defendants’ defenses and the risk of recovering nothing after summary judgment or trial, there are obvious and substantial risks in collecting on any judgment that might be obtained through trial in this case. The available source of recovery, the D&O insurance proceeds, were fast depleting due to defense costs and competing claims against the same policies that were well in excess of such insurance – including arbitration awards – during the ongoing negotiations.<sup>8</sup> Lead Plaintiffs successfully obtained the vast majority of remaining available insurance against competing claims, and Lead Plaintiffs insisted that the D&O Settlement be subject to an independent evaluation of the liquid net worth of the Officer Defendants. There was a strong possibility that

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<sup>8</sup> *See, e.g., In re Lehman Bros. Holdings Inc.*, Case no. 08-13555 (JMP), ECF No. 13929 (Bankr. S.D.N.Y. Jan. 13, 2011) (order authorizing payment under the D&O Policies of settlements resolving a FINRA proceeding relating to the purchase of auction-rate securities); and ECF No. 18157 (Bankr. S.D.N.Y. June 29, 2011) (motion for approval to use insurance proceeds to pay FINRA arbitration award).



the D&O Settlement Class would have recovered significantly less than \$90 million (and possibly nothing) if the case were litigated through trial and beyond. Joint Decl. ¶¶4, 58-59, 69-70.

Lead Plaintiffs retained the Honorable John S. Martin (Ret.), a highly-respected neutral, to perform an independent evaluation of the Officer Defendants' liquid net worth. Joint. Decl. ¶70. Judge Martin, in turn, retained a provider of forensic and investigation services to assist with his analysis.<sup>9</sup> Mr. Andrews objects to the retention of Judge Martin and to the process generally. Andrews Obj. at 8-9, 17-21. The purpose of the evaluation was to consider an alternative source of liquid recovery, should Lead Plaintiffs have decided to forgo acceptance of the then-available insurance proceeds and instead to have continued pursuing claims against the D&O Defendants. Joint Decl. ¶70. Liquid assets, including marketable securities that are easily converted to cash, were taken into consideration by Judge Martin. *Id.* Homes and hard assets can shift in value dramatically over time and, thus, were not included in the calculation of liquid net worth because the collectability on any favorable judgment would be years away. Furthermore, the numerous lawsuits currently ongoing against the Officer Defendants gives rise to a very real possibility of competing judgments against their limited resources. Contrary to Mr. Andrews' view (Obj. at 18), compensation received in prior periods was considered if still possessed by the Officer Defendants, either as cash or as marketable securities. Given Judge Martin's conclusion, obtaining the certain \$90 million recovery is the best approach to maximize the recovery for the D&O Settlement Class. *Id.* ¶71.

Contrary to Mr. Andrews' contention (Obj. at 10), funding the D&O Settlement through insurance does not make the settlement unfair. Lead Plaintiffs and Lead Counsel have a responsibility to seek to maximize the recovery under the circumstances within the bounds of

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<sup>9</sup> Contrary to Mr. Andrew's speculation, Judge Martin received no "success kicker." Andrews Obj. at 8. Payment for his services was not contingent on any particular result, and the retention agreement is available to the Court upon request.

zealous advocacy, whatever the source of the funds. Accepting a certain and substantial amount of insurance proceeds, rather than seeking hypothetical contributions from individuals at some future date, is in the best interests of the class. *See, e.g., In re Global Crossing Sec. & ERISA Litig.*, 225 F.R.D. 436, 457 (S.D.N.Y. 2004) (approving settlement based on insurance proceeds and noting that “[t]he objection that the individual defendants should have contributed more to the settlement is largely symbolic . . . most of these [individual] defendants, whatever their culpability, lack the financial ability to contribute to the fund in amounts that would materially improve the settlement.”).

Mr. Andrews also contends that the funds recovered from the Settling Underwriter Defendants should be combined with the \$90 million D&O Settlement for distribution to the D&O Settlement Class. Andrews Obj. at 8. This is not possible, however, because purchasers of common stock alone, such as Mr. Andrews, hold no valid claims against any of the Settling Underwriter Defendants. *See In re WorldCom, Inc. Sec. Litig.*, 388 F. Supp. 2d 319, 351 (S.D.N.Y. 2005) (Cote, J.) (approving settlement that allocated all funds recovered from underwriter defendants to purchasers of bonds issued in certain offerings, noting “it would be manifestly unfair to allocate those monies to purchasers of stock and pre-existing bonds with only Exchange Act claims, as the Underwriter Defendants faced only Securities Act claims arising from their participation in the 2000 and 2001 Offerings”).

Mr. Andrews also contends that the settlement amount should be greater because, in his view, the class period should have started in 2001, and Lead Plaintiffs should have pursued other (unidentified) individuals. *See Andrews Obj.* at 16. Lead Plaintiffs, however, alleged an appropriate class period based on the facts and law. Moreover, Mr. Andrews fails to explain how adding hypothetical defendants would increase the recovery from the officers and directors.

**2. The Putnams’ Objection, Seeking Return Of Their Initial Capital, Is Without Merit**

Mr. and Mrs. Putnam object that although the prospectus for their investments promised “principal protection,” while other securities did not have this feature, the D&O Settlement does

not provide for the return of principal. Putnam Obj. at 1. Like the other purchasers of “principal protection” securities, the Putmans had § 11 claims against the D&O Defendants. The D&O Plan of Allocation for all such claims is appropriately based on the statutory damages provisions of § 11(e) and provides a *pro rata* allocation for such members of the D&O Settlement Class.<sup>10</sup>

The D&O Plan of Allocation, based on statutory damages for all Section 11 claims, is fair and reasonable, and as numerous courts have held, a plan of allocation need not be perfect. *See, e.g., In re Giant Interactive Grp., Inc. Sec. Litig.*, --- F.R.D. ----, 2011 WL 5244707, at \*8 (S.D.N.Y. Nov. 2, 2011); *In re PaineWebber Ltd. P’ships Litig.*, 171 F.R.D. 104, 133 (S.D.N.Y. 1997) (in “a large class action the apportionment of a settlement can never be tailored to the rights of each plaintiff with mathematical precision”), *aff’d*, 117 F.3d 721 (2d Cir. 1997). Rather, an allocation plan “need only have a reasonable, rational basis, particularly if recommended by experienced and competent class counsel.” *WorldCom*, 388 F. Supp. 2d at 344.

### **C. The Objectors’ Additional Points**

#### **1. Exclusion Of Certain Securities From The Settlements**

Rather than object to the Settlements, Ms. Eisenberg wishes to participate in them. However, she is not a member of either Settlement Class because the Lehman 6.375% Series K Preferred securities that she purchased were issued in 2003, well before the alleged misstatements in the case.<sup>11</sup> Lead Plaintiffs asserted claims where liability exists under the federal securities laws and for securities that they or other named plaintiffs had standing, based on the Court’s ruling. Only such covered securities are included in the Settlements.

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<sup>10</sup> In addition to any recovery from the Settlements, members of the D&O Settlement Class may be entitled to distribution from Lehman’s bankruptcy under a confirmed plan of reorganization. Moreover, this is a partial settlement; claims remain against Non-Settling Defendants E&Y and UBSFS.

<sup>11</sup> Eisenberg Obj. at 2. Mr. Gao similarly objects (Gao Obj. at 7), but he has not identified the security or securities that he purchased.

**2. Mr. Andrews' Demand For Picture Identification Of The Class Representatives**

Consistent with Second Circuit precedent and this Court's holdings in this Action, the Court-appointed Lead Plaintiffs identified in the Complaint additional plaintiffs with standing for certain securities. *See In re Lehman Bros. Sec. & ERISA Litig.*, 799 F. Supp. 2d 258, 308-09 (S.D.N.Y. 2011); *In re WorldCom, Inc. Sec. Litig.*, 294 F. Supp. 2d 392, 422 (S.D.N.Y. 2003). Mr. Andrews objects and demands picture IDs of the named plaintiffs because he contends that they may not exist and falsely claims that certain of them have not submitted certifications pursuant to the federal securities laws. Andrews Obj. at 15, 21-23. Mr. Andrews ignores the fact that the Complaint appends certifications only for the plaintiffs that were named for the first time in that complaint, and that the certifications for the remaining named plaintiffs were filed in prior submissions and in consolidated actions. *See, e.g.*, ECF Nos. 52, 168.

**3. The Absence Of Collusion**

Mr. Gao asks that Lead Counsel and one of the firms representing the D&O Defendants be "immediately bar[red] . . . from this case on the ground that they may be in collusion with the market makers of LBHI security instruments . . . ." Gao Obj. at 2. Mr. Andrews posits that the D&O Settlement is a "fraud on the court" (Andrews Obj. at 37-39) and that the Court is "duty bound to disqualify [itself] if it even considers approving this settlement." Andrews Obj. at 42.

These contentions have no basis as the arduous process leading to the Settlements demonstrates the absence of collusion or fraud. *See* Settlement Memorandum at 5-7. The protracted arm's-length negotiations; the role of Judge Weinstein, a respected mediator; the extensive notice provided to members of the Settlement Classes; the use of a highly-respected neutral to determine the Officer Defendants' liquid net worth; and the proceedings before this Court all further demonstrate the absence of any collusion or fraud. *See, e.g., In re Telik, Inc. Sec. Litig.*, 576 F. Supp. 2d 570, 576-77 (S.D.N.Y. 2008) (extensive arms'-length negotiations by able counsel and the role played by a mediator "strongly support[ed] a finding" that the settlement was reached "without collusion").

**4. The Proposed Bar Orders Were Made Available On The Settlement Website And In Other Locations**

Mr. Andrews contends that the proposed bar order has been “hidden” from class members. Andrews Obj. at 9-10. To the contrary, the proposed bar orders are part of the proposed judgments, filed with the Court (ECF Nos. 302, 305) and posted on the websites on or before January 18, 2012. *See* Joint Decl. ¶50; Cirami Aff. ¶14.

**5. E&Y’s Limited Objection To The Proposed Bar Orders**

Non-Settling Defendant E&Y requests that the proposed bar orders be modified to bar contribution and indemnity claims – not just by or against the Settling Defendants, as proposed – but by or against their “insurers, subrogees or assigns, or anyone acting on behalf of the Settling Defendants, their insurers, subrogees or assigns.” E&Y App. A at 1. According to E&Y, the “revisions are not designed or expected to have any impact on the class.” E&Y at 1. If all Settling Defendants consent to the modification, Lead Plaintiffs do not oppose E&Y’s request.

**II. THE REACTION OF THE SETTLEMENT CLASSES TO THE PROPOSED PLANS OF ALLOCATION SUPPORTS THEIR APPROVAL**

Courts afford great weight to the views of experienced counsel on plans of allocation. *See* Settlement Memorandum at 23. However, courts also consider the class’s reaction to a proposed plan of allocation. Here, the lack of any objections to the UW Plan of Allocation, and the very few objections to the D&O Plan demonstrate the Settlement Classes’ approval. *See, e.g., In re EVCI Career Colls. Holding Corp. Sec. Litig.*, No. 05 Civ. 10240, 2007 WL 2230177, at \*11 (S.D.N.Y. July 27, 2007) (courts should “consider the reaction of a class to a plan of allocation”); *Maley v. Del Global Techs. Corp.*, 186 F. Supp. 2d 358, 367 (S.D.N.Y. 2002) (“the favorable reaction of the Class supports approval of the proposed Plan of Allocation”).

**A. The Few Objections Provide No Basis For Rejecting The D&O Plan Of Allocation**

Mr. Andrews objects to the \$50 minimum payment. Andrews Obj. at 17. A minimum payment threshold is a common and beneficial feature of allocation plans. The threshold benefits the class as a whole by eliminating payments to claimants for whom the cost of

processing claims, printing and mailing checks and related follow up would be disproportionate in relation to the size of their claim. *See, e.g., In re Merrill Lynch & Co., Inc. Research Reports Sec. Litig.*, No. 02 MDL 1484 (JFK), 2007 WL 4526593, at \*12 (S.D.N.Y Dec. 20, 2007) (approving \$50 minimum distribution amount and noting that “courts have approved minimum payouts in class action settlements in order to foster the efficient administration of the settlement.”).<sup>12</sup> When Lead Plaintiffs later move for approval to distribute the net settlement funds, Lead Plaintiffs may recommend distribution below such \$50 threshold, and the Court, in its discretion, may authorize such distribution.

Second, Mr. Andrews objects to the provision of the D&O Plan that permits distribution of remaining funds to charity. Andrews Obj. at 17. The relevant provision in the D&O Plan allows for any remaining balance as a result of uncashed checks or other reasons to be contributed to “non-sectarian, not-for-profit organizations designated by Lead Counsel and approved by the Court” only after at least two distributions to Authorized Claimants have occurred and after a finding that another distribution to Authorized Claimants would not be “cost-effective.” D&O Notice at 18. This is not a *cy pres* provision in which funds are directed to a charity rather than to class members. Instead, it is a well-accepted practice in cases of this nature for situations where the cost of conducting an additional distribution outweighs the limited benefit of distributing the small remaining balance.

Third, Mr. Andrews objects to the claims submission process, arguing that it is unduly burdensome and that an electronic claim submission process should have been used instead. Andrews Obj. at 44-50. The proposed claims process, which requires the submission of a single

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<sup>12</sup> *See Global Crossing*, 225 F.R.D. at 463 (“[c]lass counsel are entitled to use their discretion to conclude that, at some point, the need to avoid excessive expense to the class as a whole outweighs the minimal loss to the claimants who are not receiving their de minimis amounts of relief”); *see also In re Sprint Corp. ERISA Litig.*, 443 F. Supp. 2d 1249, 1268 (D. Kan. 2006) (approving \$25 minimum); *see generally* 3 ALBA CONTE & HERBERT B. NEWBERG, NEWBERG ON CLASS ACTIONS § 10:14, at 512 n.12 (4th ed. 2002) (“most distribution schemes for class recovery provide a minimum threshold amount of a claim for eligibility to participate”).

form for both Settlements, is well accepted and is not burdensome. Moreover, in contrast to certain consumer class actions where the settling defendant may possess all the necessary information about their own customers' transactions in order to calculate claims and directly mail settlement checks, many members of the Settlement Classes here held their Lehman securities through nominees, and neither Settling Defendants, Lead Plaintiffs, nor GCG possess information about these class members' transactions in Lehman securities. Thus, Mr. Andrews' proposal that a "direct compensation check-mailing method" be used (Andrews Obj. at 44) is not feasible. Claims processes similar to this one – requiring claimants to submit claim forms setting forth information such as the date, price and quantity of eligible securities purchases and supporting documentation by mail – have repeatedly been affirmed and found not unduly burdensome by the Courts.<sup>13</sup>

The Putnams contend that the ending maturity value of the investment (rather than price paid less the value at October 28, 2008) should provide the basis for calculating claims. Putnam Obj. at 2. For securities with claims brought under the Securities Act (*i.e.*, all securities except the common stock and options), the D&O Plan calculates recognized claims based on the Section 11 measure of damages. Because this is the statutory method, it provides a fair and reasonable basis for comparing the relative strengths of class members' claims under the D&O Plan.<sup>14</sup>

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<sup>13</sup> *See, e.g., In re Marsh & McLennan Cos., Inc. Sec. Litig.*, No. 04 Civ. 8144 (CM), 2009 WL 5178546, at \*25 (S.D.N.Y. Dec. 23, 2009) (rejecting objection and finding that the information requested on claim form was "necessary" to "calculate claimants' distributions" and "comport[ed] with the long-approved procedures for the efficient management of class-action settlement distributions"); *In re WorldCom, Inc. Sec. Litig.*, No. 02 CIV 3288 (DLC), 2004 WL 2591402, at \*12 (S.D.N.Y. Nov. 12, 2004) (holding that "objection to the length and complexity of the proof of claim form is . . . meritless," as "[t]he information that claimants are required to submit is necessary in order for a fair distribution of the settlement proceeds"); *In re Parmalat Sec. Litig.*, No. 04 MD 1653 (LAK), slip op. at 6 (S.D.N.Y. Mar. 2, 2009), ECF No. 1057 (approving plan of allocation using similar claim form).

<sup>14</sup> Mr. Gao's objections and questions demonstrate a miscomprehension of certain basic terms of the Settlement. First and foremost, Exhibit 1 lists the "estimated daily inflation" in Lehman stock and is not intended to reflect the trading price of the stock on the listed days. In addition, Section 11(e) refers to "the value [of the security] as of the time [the] suit was brought," *see* 15 U.S.C. § 77k(e), and that is why October 28, 2011, is used as a reference date in Exhibits 2 and

**B. Lead Plaintiffs Recommend Modest Revisions To Exhibits 1 And 4 Of The D&O Plan**

The D&O Notice provides that the Court may modify the Plan of Allocation without further notice to the D&O Settlement Class. D&O Notice at 18. The Notice further provides that “any modification of the D&O Plan of Allocation will be posted on the settlement website, [www.LehmanSecuritiesLitigationSettlement.com](http://www.LehmanSecuritiesLitigationSettlement.com).” *Id.* at 14. While there have been no objections to Exhibits 1 or 4 to the D&O Plan, Lead Plaintiffs recommend a slight revision to the exhibits, based on further consultation with their consulting expert, and posting such revision on the settlement website in the attached form (Tab A). The revision affects only three trading days of a 462-day class period. Moreover, there is no change to the information that Settlement Class Members will provide or have already provided under the existing Claim Form.

Exhibit 1 sets forth amounts of inflation in the price of Lehman’s common stock on every day of the Settlement Class Period for purposes of calculating “Recognized Loss or Recognized Gain.” Exhibit 4 is the analogous table for Lehman options subject to the D&O Settlement. The revised versions are the same as the previously-submitted versions, except that they reflect inflation or adjust inflation on five additional days, September 10 to September 14, 2008. The revision is consistent with the methodology for the D&O Plan, and Lead Plaintiffs, in consultation with their consulting expert, believe that it is appropriate to the equitable allocation of the D&O recovery.

**III. THE NOTICE PROGRAM AS A WHOLE WAS EFFECTIVE AND SATISFIED ALL APPLICABLE REQUIREMENTS**

The notice procedure that the Court established in the Notice Orders was reasonable and has been effective. Moreover, the tremendous public attention surrounding Lehman and its

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3, as it is when the first complaint asserting § 11 claims for these securities was filed. Furthermore, Exhibit 4 shows both estimated inflation and “deflation” in exchange-traded call and put options traded during the Settlement Class Period and that is why certain numbers appear as negatives in that Exhibit. *Id.* Lastly, the D&O Plan “limits a window between June 12, 2007 and September 15, 2008,” because this is the Settlement Class Period.



bankruptcy bolstered the effectiveness of the program, as the Settlements were highly publicized and the subject of considerable media attention.

In accordance with the Notice Orders, the Summary Notice was published in *The Wall Street Journal* and in *Investor's Business Daily*. The Notices and Claim Form were also posted on the settlement website, [www.LehmanSecuritiesLitigationSettlement.com](http://www.LehmanSecuritiesLitigationSettlement.com), on the website Lead Plaintiffs' previously established to update the class on events in the litigation, [www.LehmanSecuritiesLitigation.com](http://www.LehmanSecuritiesLitigation.com), and on Lead Counsel's firm websites. In addition, over 900,000 Notice Packets were mailed to potential members of the Settlement Classes. See Settlement Brief at 30-31; Cirami Aff. ¶¶12, 14; Suppl. Cirami Aff. ¶3.

Only four individuals complain about the amount of time between receipt of the mailed notice and the date for objecting or requesting exclusion. Kahn Obj. at 1; Park Obj. at 1; Putnam Obj. at 1. The four individuals received notice by mail later than others because they held their securities in the name of a nominee or broker who did not timely respond to the Notice Packet.<sup>15</sup> Such receipt of late notice by mail from certain nominees does not render the notice program unreasonable.<sup>16</sup>

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<sup>15</sup> As part of its initial mailing in January 2012, GCG mailed Notice Packets to all record owners of the securities received and to over 2,000 of the largest and most common brokers and nominees. Cirami Aff. ¶¶3, 6-8. As set forth in the Notices, nominees were required, within 14 days of receipt of the Notice Packet, to respond. Cirami Aff. ¶9. GCG also followed up by telephone with the largest brokers to obtain information about beneficial holders. Suppl. Cirami. Aff. ¶2.

<sup>16</sup> See, e.g., *Marsh & McLennan*, 2009 WL 5178546, at \*24 ("That certain objectors' brokers failed to comply with the Preliminary Approval Order and forward their clients the necessary paperwork in a timely fashion is no fault of Lead Counsel."); *Fidel v. Farley*, 534 F.3d 508, 514-15 (6th Cir. 2008) (approving notice of settlement where it was alleged that 20% of the class received late notice as a result of delays by nominees, where the notice scheme as a whole was "reasonably calculated to reach interested parties"); *DeJulius v. New England Health Care Emps. Pension Fund*, 429 F.3d 935, 936, 945-47 (10th Cir. 2005) (finding notice sufficient even though two beneficial owners received notice of settlement two weeks after deadline for filing objections and on the same day as the final fairness hearing); *Silber v. Mabon*, 18 F.3d 1449, 1453-54 (9th Cir. 1994) (finding that notice satisfied the requirements of Rule 23 and due process even though a nominee forwarded nearly one-sixth of the settlement notices to beneficial owners after the opt-out deadline).

The reasonableness of the notice process must be judged by the program as a whole, and not by whether any specific class members received notice by mail later than others. *See Marsh & McLennan*, 2009 WL 5178546, at \*23; *see also Torrissi v. Tuscon Elec. Power Co.*, 8 F.3d 1370, 1375 (9th Cir. 1993) (“the question . . . is not whether some individual shareholders got adequate notice, but whether the class as a whole had notice adequate to flush out whatever objections might reasonably be raised to the settlement”). Here, the notice program as a whole is unquestionably reasonable: (i) the Summary Notice was timely published in *Investor’s Business Daily* and *The Wall Street Journal*; (ii) posted on websites tailored to members of the Settlement Classes; (iii) the initial mailing occurred 64 days before the objection and opt-out deadline and 85 days before the Settlement Fairness Hearing; and (iv) the substantial majority of potential members of the Settlement Classes received timely-mailed notice.

**CONCLUSION**

For the foregoing reasons and those set forth in Lead Plaintiffs’ opening papers, Lead Plaintiffs respectfully request that the Court approve the proposed Settlements and the proposed Plans of Allocation, as modified.

Dated: April 5, 2012

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# **Tab 1**

## **MODIFICATION TO THE PLAN OF ALLOCATION FOR THE D&O SETTLEMENT FUND**

The Court has approved a limited modification to the Plan of Allocation for the D&O Settlement. The modification concerns the inflation amount for common stock and options for the last four days of the Settlement Class Period for purposes of calculating the claimant's "Recognized Loss" or "Recognized Gain." Except as set forth below, the Plan of Allocation otherwise remains unchanged.

The original Plan of Allocation can be viewed by clicking on this link: <http://www.lehmansecuritieslitigationsettlement.com/notice.php>. Exhibit 1 identifies the inflation per share in the price of Lehman's common stock. Exhibit 4 is an analogous table related to Lehman call and put options.

The modified exhibits, attached hereto, reflect the revised the amount of inflation per share for common stock between September 10, 2008 and September 14, 2008. Otherwise, the exhibits are the same.

The Proof of Claim Form (available here) requires claimants to provide certain information to the Claims Administrator in order to be eligible to participate in the distribution. Settlement Class Members need not provide any additional information to the Claims Administrator as a result of the modification of the Plan of Allocation because the Proof of Claim Form already requires claimants to list every purchase and sale of common stock during the period June 12, 2007 through and including the close of trading on the date the Claimant submitted the Claim Form, and to list all call or put options purchased or sold between June 7, 2007 and September 15, 2008.

The original Plan of Allocation explains how the Claims Administrator calculates "Recognized Loss" and "Recognized Gain." With the modifications to Exhibits 1 and 4, the following explanation replaces the explanation in the Plan of Allocation for calculating "Recognized Loss" and "Recognized Gain" for purchasers of Lehman common stock and transactions in Lehman call and put options:

**D. Recognized Losses for Lehman Common Stock Purchased/Acquired During the Settlement Class Period (Other than Lehman Common Stock Purchased/Acquired in the June 9, 2008 Secondary Offering)**

For each share of Lehman common stock purchased/acquired during the Settlement Class Period (other than common stock purchased or acquired in the Secondary Offering), the Recognized Loss or Recognized Gain will be computed by the Claims Administrator as follows:

- a) *if sold before June 9, 2008*, there is no Recognized Loss or Recognized Gain;
- b) *if sold between June 9, 2008 and September 14, 2008 (inclusive)*, the Recognized Loss or Recognized Gain is the inflation per share on the date of purchase *minus* the inflation per share on the date of sale (as shown on Exhibit 1);

- c) *if held through September 14, 2008*, the Recognized Loss or Recognized Gain is the inflation per share on the date of purchase (as shown on Exhibit 1).<sup>1</sup>

\* \* \*

## **H. Recognized Losses for Exchange-traded Options on Lehman Common Stock**

\* \* \*

### **1. Purchase/Acquisition of Exchange-Traded Call Options**

For each purchase/acquisition of Lehman exchange-traded call options (listed on Exhibit 4), the Recognized Loss or Recognized Gain will be computed by the Claims Administrator as follows:

- a) *if sold, exercised or expired on or before June 6, 2008*, there is no Recognized Loss or Recognized Gain;
- b) *if sold, exercised or expired after June 6, 2008 but on or before September 14, 2008*, the Recognized Loss or Recognized Gain equals the difference between the Inflation per option on the date of purchase and the Inflation per option on the date of sale, exercise or expiration as shown on Exhibit 4;
- c) *if held through September 14, 2008*, the Recognized Loss or Recognized Gain equals the Inflation per option on the date of purchase as shown on Exhibit 4.

### **2. Sale of Exchange-Traded Put Options**

For each sale or writing of Lehman exchange-traded call options (listed on Exhibit 4), the Recognized Loss or Recognized Gain will be computed by the Claims Administrator as follows:

- a) *if re-purchased, exercised or expired on or before June 6, 2008*, there is no Recognized Loss or Recognized Gain;
- b) *if re-purchased, exercised or expired after June 6, 2008 but on or before September 14, 2008*, the Recognized Loss or Recognized Gain equals the difference between the Deflation per option on the date of sale or writing and the Deflation per option on the date of re-purchase, exercise or expiration as shown on Exhibit 4;
- c) *if still sold or written after September 14, 2008*, the Recognized Loss or Recognized Gain equals the Deflation per option on the date of sale or writing as shown on Exhibit 4.

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<sup>1</sup> Due to the impact of Lehman's bankruptcy on Lehman's common stock price, the 90-day look-back period under the Private Securities Litigation Reform Act of 1995 is not being utilized as an offset.

**Modified Exhibit 1**  
**Inflation in Lehman Brothers Common Stock**

<b>Start Date</b>	<b>End Date</b>	<b>Inflation (\$ Per Share)</b>
June 12, 2007	July 2, 2007	12.08
July 3, 2007	July 31, 2007	12.19
August 1, 2007	August 31, 2007	12.41
September 4, 2007	October 1, 2007	12.77
October 2, 2007	October 31, 2007	12.48
November 1, 2007	November 30, 2007	12.75
December 1, 2007	December 31, 2007	13.10
January 1, 2008	January 31, 2008	12.84
February 1, 2008	February 29, 2008	13.79
March 3, 2008	March 31, 2008	15.08
April 1, 2008	April 30, 2008	15.64
May 1, 2008	June 2, 2008	14.94
June 3, 2008	June 6, 2008	14.68
June 9, 2008	June 9, 2008	12.97
June 10, 2008	June 10, 2008	10.87
June 11, 2008	June 11, 2008	9.00
June 12, 2008	June 12, 2008	7.06
June 13, 2008	June 13, 2008	8.20
June 16, 2008	June 30, 2008	8.73
July 1, 2008	July 31, 2008	9.05
August 1, 2008	September 2, 2008	9.28
September 3, 2008	September 4, 2008	10.37
September 5, 2008	September 5, 2008	10.96
September 8, 2008	September 8, 2008	7.90
September 9, 2008	September 9, 2008	3.06
September 10, 2008	September 10, 2008	5.08
September 11, 2008	September 11, 2008	2.50
September 12, 2008	September 14, 2008	2.22
September 15, 2008	September 15, 2008	0.00

**Modified Exhibit 4**  
**Inflation/Deflation for Exchange-Traded Options on Lehman Brothers Common Stock**

Inflation/Deflation Per Option (One Hundred Shares of Common Stock Underlying Each Option)*																	
Call/Put	Exercise Price	Expiration	On or Before		6/16/08										Closing Price on 9/15/08**		
			6/6/08	6/9/08	6/10/08	6/11/08	6/12/08	6/13/08	to 9/2/08	9/3/08	9/4/08	9/5/08	9/8/08	9/9/08		9/10/08	9/11/08
Call	2.50	6/21/2008	595.23	424.22	213.72	27.56	-167.38	-53.18	0.00								
Call	5.00	6/21/2008	593.80	423.20	213.07	27.24	-167.16	-53.15	0.00								
Call	7.50	6/21/2008	587.36	418.29	209.98	25.93	-165.61	-52.88	0.00								
Call	10.00	6/21/2008	573.89	407.84	203.61	23.65	-161.50	-52.01	0.00								
Call	12.50	6/21/2008	553.86	392.23	194.37	20.92	-154.51	-50.32	0.00								
Call	15.00	6/21/2008	559.24	396.80	198.61	25.63	-148.36	-48.95	0.00								
Call	17.50	6/21/2008	535.89	376.86	184.74	18.84	-141.29	-48.26	0.00								
Call	20.00	6/21/2008	519.82	365.74	174.05	11.11	-128.90	-45.58	0.00								
Call	22.50	6/21/2008	485.60	338.05	156.79	2.02	-109.97	-41.06	0.00								
Call	25.00	6/21/2008	419.12	280.05	119.50	-4.69	-82.66	-33.23	0.00								
Call	27.00	6/21/2008	347.44	219.50	84.14	-8.36	-55.96	-23.83	0.00								
Call	28.00	6/21/2008	310.06	188.61	68.73	-7.35	-42.70	-18.52	0.00								
Call	29.00	6/21/2008	275.42	160.93	57.68	-3.16	-31.03	-13.68	0.00								
Call	30.00	6/21/2008	237.93	131.47	45.59	-1.17	-22.11	-9.24	0.00								
Call	31.00	6/21/2008	200.81	102.93	34.15	-1.29	-14.83	-6.60	0.00								
Call	32.00	6/21/2008	165.66	76.99	23.51	-2.74	-5.95	-4.03	0.00								
Call	33.00	6/21/2008	138.14	58.68	18.08	-1.85	-4.00	-2.75	0.00								
Call	34.00	6/21/2008	113.79	43.65	13.90	-1.24	-2.70	-1.88	0.00								
Call	35.00	6/21/2008	91.57	30.67	9.79	-0.75	-1.57	-1.13	0.00								
Call	36.00	6/21/2008	70.77	18.70	3.92	-0.22	-0.35	-0.28	0.00								
Call	37.00	6/21/2008	58.02	14.33	2.91	-0.14	-0.23	-0.19	0.00								
Call	38.00	6/21/2008	56.45	20.35	5.03	-0.25	-0.62	-0.44	0.00								
Call	39.00	6/21/2008	43.15	13.99	3.20	-0.13	-0.31	-0.23	0.00								
Call	40.00	6/21/2008	32.65	9.44	1.99	-0.07	-0.15	-0.11	0.00								
Call	41.00	6/21/2008	24.98	6.49	1.27	-0.04	-0.08	-0.06	0.00								
Call	42.00	6/21/2008	19.58	4.64	0.86	-0.02	-0.04	-0.03	0.00								
Call	43.00	6/21/2008	13.86	2.79	0.46	-0.01	-0.02	-0.01	0.00								
Call	44.00	6/21/2008	12.37	2.48	0.42	-0.01	-0.02	-0.01	0.00								
Call	45.00	6/21/2008	9.60	1.74	0.28	0.00	-0.01	-0.01	0.00								
Call	46.00	6/21/2008	6.83	1.06	0.15	0.00	0.00	0.00	0.00								
Call	47.00	6/21/2008	2.50	0.21	0.02	0.00	0.00	0.00	0.00								
Call	48.00	6/21/2008	1.04	0.05	0.00	0.00	0.00	0.00	0.00								
Call	49.00	6/21/2008	0.04	0.00	0.00	0.00	0.00	0.00	0.00								
Call	50.00	6/21/2008	0.01	0.00	0.00	0.00	0.00	0.00	0.00								
Call	2.50	7/19/2008	595.27	424.25	213.74	27.57	-167.39	-53.18	0.00								
Call	5.00	7/19/2008	592.74	422.21	212.43	27.06	-166.48	-52.98	0.00								
Call	7.50	7/19/2008	577.78	410.63	205.78	25.38	-160.96	-51.55	0.00								
Call	10.00	7/19/2008	573.55	408.03	205.84	28.34	-156.73	-50.82	0.00								
Call	12.50	7/19/2008	572.22	409.18	204.95	25.99	-151.37	-49.61	0.00								
Call	15.00	7/19/2008	557.95	398.12	198.61	22.56	-144.13	-47.89	0.00								
Call	17.50	7/19/2008	537.54	382.23	188.03	18.21	-135.40	-45.63	0.00								
Call	20.00	7/19/2008	502.60	352.70	169.85	12.25	-123.73	-42.54	0.00								
Call	22.50	7/19/2008	460.33	317.92	147.73	6.28	-109.05	-38.30	0.00								
Call	24.00	7/19/2008				2.92	-98.73	-35.19	0.00								
Call	25.00	7/19/2008	404.18	271.05	119.69	0.40	-91.35	-32.82	0.00								
Call	27.00	7/19/2008	351.46	227.57	95.19	-4.32	-75.40	-27.45	0.00								
Call	28.00	7/19/2008	323.01	204.57	82.80	-6.07	-67.16	-24.61	0.00								



**Modified Exhibit 4**  
**Inflation/Deflation for Exchange-Traded Options on Lehman Brothers Common Stock**

Inflation/Deflation Per Option (One Hundred Shares of Common Stock Underlying Each Option)*																			
Call/Put	Exercise Price	Expiration	On or Before		6/16/08										9/12/08 to		Closing Price on 9/15/08**		
			6/6/08	6/9/08	6/10/08	6/11/08	6/12/08	6/13/08	to 9/2/08	9/3/08	9/4/08	9/5/08	9/8/08	9/9/08	9/10/08	9/11/08		9/14/08	9/15/2008
Call	29.00	7/19/2008	295.56	182.87	72.30	-6.16	-58.29	-21.60	0.00										
Call	30.00	7/19/2008	267.15	160.61	61.77	-6.75	-50.29	-18.65	0.00										
Call	31.00	7/19/2008	240.04	140.01	52.58	-6.36	-42.56	-15.51	0.00										
Call	32.00	7/19/2008	213.80	120.53	44.64	-5.79	-35.11	-12.70	0.00										
Call	33.00	7/19/2008	188.16	101.92	37.53	-4.74	-28.43	-10.29	0.00										
Call	34.00	7/19/2008	165.52	86.44	31.78	-3.38	-22.99	-8.15	0.00										
Call	35.00	7/19/2008	143.58	72.08	26.68	-2.37	-18.24	-6.47	0.00										
Call	36.00	7/19/2008	124.27	59.75	22.13	-1.32	-14.01	-4.68	0.00										
Call	37.00	7/19/2008	106.61	49.46	18.62	-0.12	-10.01	-3.52	0.00										
Call	38.00	7/19/2008	90.83	40.51	15.50	0.21	-8.52	-2.69	0.00										
Call	39.00	7/19/2008	76.23	32.57	12.73	0.74	-6.85	-1.94	0.00										
Call	40.00	7/19/2008	63.11	26.02	10.19	0.25	-5.44	-1.75	0.00										
Call	41.00	7/19/2008	50.57	18.70	6.03	-1.64	-6.44	-3.33	0.00										
Call	42.00	7/19/2008	41.13	14.54	4.59	-1.47	-5.92	-3.05	0.00										
Call	43.00	7/19/2008	34.41	12.32	3.60	-1.34	-5.73	-2.91	0.00										
Call	44.00	7/19/2008	29.40	11.27	4.01	-0.58	-1.39	-0.85	0.00										
Call	45.00	7/19/2008	24.63	9.84	3.50	-0.50	-1.20	-0.73	0.00										
Call	46.00	7/19/2008	18.32	6.17	1.54	-0.22	-0.43	-0.29	0.00										
Call	47.00	7/19/2008	17.60	7.44	3.18	-0.43	-1.11	-0.66	0.00										
Call	48.00	7/19/2008	11.90	3.95	0.95	-0.13	-0.24	-0.17	0.00										
Call	49.00	7/19/2008	9.78	3.14	0.74	-0.10	-0.18	-0.13	0.00										
Call	50.00	7/19/2008	6.63	1.92	0.43	-0.05	-0.09	-0.07	0.00										
Call	55.00	7/19/2008	1.62	0.35	0.06	-0.01	-0.01	-0.01	0.00										
Call	60.00	7/19/2008	0.18	0.02	0.00	0.00	0.00	0.00	0.00										
Call	65.00	7/19/2008	0.15	0.02	0.00	0.00	0.00	0.00	0.00										
Call	70.00	7/19/2008	0.10	0.01	0.00	0.00	0.00	0.00	0.00										
Call	2.50	9/20/2008							1034.13	1077.03	1036.88	1096.23	790.25	305.75	401.07	142.55	115.09	0.00	2.00
Call	4.00	9/20/2008														22.78	6.68	0.00	0.00
Call	5.00	9/20/2008							916.56	958.61	919.13	977.30	678.15	213.51	225.09	40.42	28.53	0.00	0.00
Call	6.00	9/20/2008														23.31	15.23	0.00	1.50
Call	7.50	9/20/2008							765.07	806.69	767.51	824.94	531.22	96.01	84.77	1.99	0.63	0.00	0.00
Call	9.00	9/20/2008														0.50	0.11	0.00	0.00
Call	10.00	9/20/2008							652.52	691.96	654.56	707.23	442.77	99.87	97.10	10.89	7.01	0.00	0.00
Call	11.00	9/20/2008														8.02	4.98	0.00	0.00
Call	12.00	9/20/2008														5.98	3.58	0.00	0.00
Call	12.50	9/20/2008														2.13			
Call	13.00	9/20/2008							398.80	432.72	399.88	444.20	231.47	7.98	5.98	0.01	0.00	0.00	0.00
Call	14.00	9/20/2008							336.57	367.99	337.36	377.68	188.81	4.24	3.01	0.00	0.00	0.00	0.00
Call	15.00	9/20/2008							275.94	304.46	276.57	312.29	149.32	2.02	1.33	0.00	0.00	0.00	0.00
Call	16.00	9/20/2008							221.09	246.42	221.58	252.40	116.02	0.96	0.59	0.00	0.00	0.00	0.00
Call	17.00	9/20/2008							169.35	191.28	169.80	195.52	85.79	0.38	0.21	0.00	0.00	0.00	0.00
Call	18.00	9/20/2008							128.68	147.09	129.16	149.94	64.95	0.19	0.10	0.00	0.00	0.00	0.00
Call	19.00	9/20/2008							92.29	107.27	92.85	109.22	45.85	0.07	0.03	0.00	0.00	0.00	0.00
Call	20.00	9/20/2008							64.94	76.81	65.52	78.11	33.64	0.04	0.01	0.00	0.00	0.00	0.00
Call	21.00	9/20/2008							28.24	37.29	28.82	38.22	6.41	0.00	0.00	0.00	0.00	0.00	0.00
Call	22.00	9/20/2008							16.87	23.61	17.47	24.25	3.24	0.00	0.00	0.00	0.00	0.00	0.00
Call	23.00	9/20/2008							7.06	12.04	7.56	10.77	0.87	0.00	0.00	0.00	0.00	0.00	0.00

**Modified Exhibit 4**  
**Inflation/Deflation for Exchange-Traded Options on Lehman Brothers Common Stock**

Inflation/Deflation Per Option (One Hundred Shares of Common Stock Underlying Each Option)*																			
Call/Put	Exercise Price	Expiration	On or Before 6/6/08	6/9/08	6/10/08	6/11/08	6/12/08	6/13/08	6/16/08								9/12/08		Closing Price on 9/15/08**
									to 9/2/08	9/3/08	9/4/08	9/5/08	9/8/08	9/9/08	9/10/08	9/11/08	to 9/14/08	9/15/2008	
Call	24.00	9/20/2008							4.71	7.53	4.39	6.45	0.40	0.00	0.00	0.00	0.00	0.00	0.00
Call	25.00	9/20/2008							4.97	8.03	4.93	7.10	0.54	0.00	0.00	0.00	0.00	0.00	0.00
Call	30.00	9/20/2008							0.00	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	35.00	9/20/2008							0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	2.50	10/18/2008	1598.43	1428.39	1219.32	1034.60	841.68	954.76	1007.52	1050.28	1010.25	1069.39	764.67	284.31	403.73	161.95	138.59	0.00	5.00
Call	4.00	10/18/2008														103.01	85.08	0.00	3.00
Call	5.00	10/18/2008	1496.04	1327.01	1119.54	936.50	746.17	857.37	909.43	951.11	912.00	969.47	674.67	222.36	284.84	94.86	78.87	0.00	3.00
Call	6.00	10/18/2008														97.08	81.65	0.00	2.50
Call	7.50	10/18/2008	1379.79	1212.44	1005.52	823.24	634.69	743.17	794.21	834.64	796.46	851.36	572.29	167.06	209.94	69.00	56.77	0.00	0.00
Call	9.00	10/18/2008														54.74	44.50	0.00	0.00
Call	10.00	10/18/2008	1235.36	1070.39	866.47	685.24	500.96	605.89	656.11	693.86	658.15	708.73	455.18	112.26	116.25	20.54	15.16	0.00	1.50
Call	11.00	10/18/2008														16.28	11.83	0.00	0.00
Call	12.50	10/18/2008	1076.39	914.89	715.25	539.59	365.95	466.32	514.95	548.71	516.44	560.99	342.44	71.87	69.04	8.40	5.73	0.00	0.00
Call	14.00	10/18/2008							429.43	460.13	430.61	470.60	278.04	53.85	49.90	4.86	3.15	0.00	0.00
Call	15.00	10/18/2008	916.97	759.28	565.69	397.26	233.98	329.09	375.75	404.17	376.78	413.42	240.03	45.87	41.93	3.72	2.36	0.00	1.50
Call	16.00	10/18/2008							323.15	349.11	324.00	357.07	203.57	38.22	34.34	2.70	1.67	0.00	0.00
Call	17.50	10/18/2008	767.85	615.31	429.84	270.39	119.58	208.48	252.82	274.82	253.42	280.93	157.89	30.47	27.10	1.91	1.15	0.00	2.00
Call	19.00	10/18/2008							199.68	217.66	200.08	222.24	127.82	31.65	29.56	2.55	1.62	0.00	0.00
Call	20.00	10/18/2008	643.02	496.51	321.12	172.45	36.08	117.72	159.12	174.51	159.52	178.20	101.81	24.49	22.42	1.60	0.97	0.00	0.00
Call	21.00	10/18/2008							91.08	131.13	144.06	131.41	147.06	84.79	21.17	19.24	1.28	0.76	0.00
Call	22.50	10/18/2008	542.45	403.38	241.01	105.55	-14.52	58.82	96.66	106.39	97.08	108.69	65.63	19.63	17.87	1.22	0.73	0.00	0.00
Call	24.00	10/18/2008							60.74	-48.73	19.09	54.48	61.57	54.91	63.78	34.44	0.33	0.23	0.00
Call	25.00	10/18/2008	445.56	315.31	167.82	47.67	-54.73	9.07	42.70	48.43	43.05	49.96	27.35	0.21	0.14	0.00	0.00	0.00	0.00
Call	26.00	10/18/2008							37.38	-57.63	2.26	34.02	38.59	34.36	40.11	22.56	0.15	0.10	0.00
Call	27.00	10/18/2008	391.66	269.39	135.54	28.84	-59.34	-3.56	26.31	29.90	26.68	31.26	17.71	0.09	0.06	0.00	0.00	0.00	0.00
Call	28.00	10/18/2008							22.29	-57.99	-6.29	21.53	24.44	21.80	25.52	15.26	0.08	0.05	0.00
Call	29.00	10/18/2008							18.39	-55.03	-7.32	18.47	20.85	18.86	20.44	12.30	0.05	0.03	0.00
Call	30.00	10/18/2008	314.13	205.45	93.92	8.03	-60.11	-15.83	7.96	10.08	8.37	9.72	2.07	0.00	0.00	0.00	0.00	0.00	0.00
Call	31.00	10/18/2008	290.20	186.38	82.70	3.77	-56.85	-16.98	4.65	6.30	4.58	5.98	1.12	0.00	0.00	0.00	0.00	0.00	0.00
Call	32.00	10/18/2008	275.36	176.54	80.41	8.23	-46.16	-10.06	9.51	12.10	9.47	11.89	2.92	0.00	0.00	0.00	0.00	0.00	0.00
Call	33.00	10/18/2008	248.92	155.23	66.71	1.06	-48.00	-15.30	2.32	3.29	2.28	3.04	0.49	0.00	0.00	0.00	0.00	0.00	0.00
Call	34.00	10/18/2008	229.76	141.18	60.13	0.71	-43.33	-13.78	1.92	2.75	1.88	2.52	0.39	0.00	0.00	0.00	0.00	0.00	0.00
Call	35.00	10/18/2008	213.05	129.77	55.96	2.56	-38.09	-11.59	2.21	3.09	2.18	2.88	0.49	0.00	0.00	0.00	0.00	0.00	0.00
Call	36.00	10/18/2008	193.40	114.99	47.95	0.06	-35.68	-11.78	0.19	0.33	0.18	0.26	0.02	0.00	0.00	0.00	0.00	0.00	0.00
Call	37.00	10/18/2008	176.44	103.19	42.40	-0.35	-31.77	-10.29	0.12	0.22	0.11	0.17	0.01	0.00	0.00	0.00	0.00	0.00	0.00
Call	38.00	10/18/2008	160.59	92.27	37.68	-0.22	-27.76	-8.85	0.01	0.02	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	39.00	10/18/2008	146.02	82.81	33.96	0.12	-24.47	-7.54	0.01	0.02	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	40.00	10/18/2008	133.51	75.34	31.70	1.97	-21.28	-6.27	0.06	0.11	0.05	0.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	41.00	10/18/2008	119.57	65.65	26.72	0.57	-18.46	-5.21	0.18	0.30	0.17	0.25	0.02	0.00	0.00	0.00	0.00	0.00	0.00
Call	42.00	10/18/2008	108.78	59.35	24.58	1.51	-15.25	-3.43	0.97	1.40	0.96	1.29	0.21	0.00	0.00	0.00	0.00	0.00	0.00
Call	43.00	10/18/2008	98.59	53.25	22.41	2.34	-13.15	-2.92	0.79	1.15	0.79	1.06	0.17	0.00	0.00	0.00	0.00	0.00	0.00
Call	44.00	10/18/2008	88.36	46.69	19.27	1.65	-12.24	-2.73	0.20	0.32	0.19	0.27	0.03	0.00	0.00	0.00	0.00	0.00	0.00
Call	45.00	10/18/2008	76.69	39.43	15.18	0.03	-11.16	-2.49	0.07	0.12	0.06	0.09	0.01	0.00	0.00	0.00	0.00	0.00	0.00
Call	46.00	10/18/2008	69.99	35.74	14.38	0.95	-9.52	-1.97	0.06	0.11	0.06	0.08	0.01	0.00	0.00	0.00	0.00	0.00	0.00
Call	47.00	10/18/2008	62.49	31.25	12.51	0.79	-8.41	-1.84	0.05	0.09	0.05	0.07	0.01	0.00	0.00	0.00	0.00	0.00	0.00
Call	48.00	10/18/2008	55.68	27.50	11.06	0.90	-7.21	-1.21	0.04	0.07	0.04	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Call	49.00	10/18/2008	50.34	24.98	10.18	1.24	-6.18	-0.89	0.04	0.07	0.04	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00

**Modified Exhibit 4**  
**Inflation/Deflation for Exchange-Traded Options on Lehman Brothers Common Stock**

Inflation/Deflation Per Option (One Hundred Shares of Common Stock Underlying Each Option)*																				
Call/Put	Exercise Price	Expiration	On or Before		6/16/08 to 9/15/2008														Closing Price on 9/15/08**	
			6/6/08	6/9/08	6/10/08	6/11/08	6/12/08	6/13/08	6/13/08 to 9/2/08	9/3/08	9/4/08	9/5/08	9/8/08	9/9/08	9/10/08	9/11/08	9/12/08 to 9/14/08	9/15/2008		
Call	50.00	10/18/2008	45.13	22.14	9.33	1.07	-5.46	-1.06	0.04	0.08	0.04	0.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Call	55.00	10/18/2008	23.92	10.79	3.82	-0.79	-3.58	-1.74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Call	60.00	10/18/2008	13.12	5.83	1.91	-0.64	-3.30	-1.57	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Call	65.00	10/18/2008	6.24	2.38	0.43	-0.51	-2.85	-1.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Call	70.00	10/18/2008	4.99	2.14	0.63	-0.10	-0.28	-0.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Call	75.00	10/18/2008	4.46	2.94	0.93	-0.13	-0.44	-0.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Call	80.00	10/18/2008	0.47	0.15	0.04	-0.01	-0.01	-0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Call	85.00	10/18/2008	0.32	0.10	0.02	0.00	-0.01	-0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Call	2.50	1/17/2009	1566.35	1397.02	1188.93	1005.12	813.24	925.89	978.46	1020.25	981.11	1038.82	741.92	276.69	421.29	186.58	163.07	0.00	7.50	
Call	4.00	1/17/2009													153.36	133.03	0.00	4.00		
Call	5.00	1/17/2009	1492.86	1324.46	1117.88	935.70	746.40	856.82	908.55	949.66	910.97	967.26	678.94	239.12	336.33	132.39	113.93	0.00	4.00	
Call	6.00	1/17/2009													116.35	99.88	0.00	4.50		
Call	7.50	1/17/2009	1397.04	1230.20	1026.14	846.59	656.42	764.54	815.80	854.92	818.07	871.27	600.21	200.20	266.63	95.08	81.10	0.00	0.00	
Call	9.00	1/17/2009													76.76	65.90	0.00	3.00		
Call	10.00	1/17/2009	1287.50	1123.30	919.57	740.46	558.15	662.35	712.29	748.74	714.30	763.54	515.24	162.22	202.22	62.54	52.48	0.00	4.00	
Call	11.00	1/17/2009													57.17	49.05	0.00	3.00		
Call	12.50	1/17/2009	1156.31	995.58	797.71	624.51	452.17	552.14	600.52	633.63	602.23	646.55	426.24	127.36	155.58	45.97	38.37	0.00	2.50	
Call	14.00	1/17/2009							531.96	562.72	533.45	574.33	373.07	108.42	129.83	36.57	30.19	0.00	3.00	
Call	15.00	1/17/2009	1020.62	864.30	673.20	507.23	345.00	440.01	486.46	515.52	487.81	526.24	338.69	96.71	115.08	31.70	26.22	0.00	1.50	
Call	16.00	1/17/2009							442.62	469.89	443.79	479.66	306.28	87.21	102.96	27.71	22.71	0.00	0.00	
Call	17.50	1/17/2009	885.95	734.69	552.09	394.78	244.07	333.18	377.31	401.77	378.36	410.26	258.75	74.02	84.58	21.07	16.52	0.00	0.00	
Call	19.00	1/17/2009							316.30	337.83	317.13	344.97	216.10	62.14	69.41	15.78	12.16	0.00	0.00	
Call	20.00	1/17/2009	757.14	612.07	439.25	292.28	154.76	237.10	278.44	297.97	279.15	304.42	189.38	54.49	57.57	9.90	7.38	0.00	0.00	
Call	21.00	1/17/2009							243.35	260.95	243.98	266.67	165.35	47.46	49.43	7.86	5.77	0.00	0.00	
Call	22.50	1/17/2009	640.24	502.28	341.13	205.87	82.84	157.62	195.64	210.39	196.13	215.19	133.38	39.50	40.76	5.92	4.27	0.00	0.00	
Call	24.00	1/17/2009							163.06	49.23	119.10	154.92	167.01	155.28	170.95	106.83	33.02	33.83	4.52	0.00
Call	25.00	1/17/2009	537.96	408.11	260.26	138.23	30.47	97.15	131.42	141.98	131.85	145.43	91.60	29.46	30.11	3.82	2.69	0.00	0.00	
Call	26.00	1/17/2009							117.34	15.86	79.12	111.82	120.78	112.07	123.79	78.63	26.08	26.37	3.15	0.00
Call	27.00	1/17/2009	467.32	344.75	208.61	97.97	2.60	62.48	93.46	100.99	93.64	103.73	66.17	22.15	22.15	2.42	1.65	0.00	0.00	
Call	28.00	1/17/2009	435.62	316.89	186.83	81.94	-7.09	49.13	78.37	84.72	78.49	87.07	56.18	19.15	18.84	1.90	1.28	0.00	0.00	
Call	29.00	1/17/2009	406.72	291.96	168.13	69.16	-14.16	38.92	66.46	71.74	66.59	73.83	48.88	18.52	18.34	1.87	1.26	0.00	0.00	
Call	30.00	1/17/2009	382.13	271.36	153.99	60.67	-17.53	32.09	57.90	62.29	57.83	64.16	43.72	17.94	17.83	1.84	1.24	0.00	0.00	
Call	31.00	1/17/2009	353.27	246.71	135.63	48.49	-23.20	23.10	47.24	50.90	47.30	52.53	36.37	15.21	14.98	1.42	0.94	0.00	0.00	
Call	32.00	1/17/2009	327.67	225.35	120.38	38.83	-27.42	15.62	38.00	40.96	37.98	42.26	29.07	12.12	11.62	0.96	0.62	0.00	0.00	
Call	33.00	1/17/2009	304.41	206.41	108.32	32.37	-28.68	11.18	31.87	34.32	31.99	35.56	25.04	11.43	12.08	1.05	0.69	0.00	0.00	
Call	34.00	1/17/2009	272.50	178.86	86.80	16.46	-39.77	-2.85	16.19	18.12	16.03	18.99	10.81	0.10	0.07	0.00	0.00	0.00	0.00	
Call	35.00	1/17/2009	254.64	165.27	80.46	15.66	-37.11	-4.12	13.45	15.00	13.08	15.86	9.30	0.08	0.06	0.00	0.00	0.00	0.00	
Call	36.00	1/17/2009	234.85	149.71	70.32	10.48	-36.84	-5.48	10.49	11.82	10.46	12.61	7.29	0.05	0.03	0.00	0.00	0.00	0.00	
Call	37.00	1/17/2009	219.65	138.86	65.51	10.75	-32.54	-3.82	10.59	11.71	10.59	12.32	6.28	0.04	0.03	0.00	0.00	0.00	0.00	
Call	38.00	1/17/2009	203.18	126.69	59.16	8.97	-30.76	-4.42	8.69	9.96	9.09	10.79	6.76	0.05	0.04	0.00	0.00	0.00	0.00	
Call	39.00	1/17/2009	184.66	112.41	50.46	5.03	-30.87	-6.98	4.77	5.94	4.71	5.83	1.59	0.00	0.00	0.00	0.00	0.00	0.00	
Call	40.00	1/17/2009	175.81	107.30	50.29	9.04	-23.66	-1.75	8.77	9.92	8.86	9.81	6.22	0.05	0.04	0.00	0.00	0.00	0.00	
Call	41.00	1/17/2009	162.65	98.80	46.84	9.54	-20.02	-0.06	9.39	11.24	9.34	11.25	3.67	0.02	0.01	0.00	0.00	0.00	0.00	
Call	42.00	1/17/2009	154.28	94.58	47.39	13.20	-13.18	4.61	12.96	15.25	12.93	15.37	5.43	0.05	0.03	0.00	0.00	0.00	0.00	
Call	43.00	1/17/2009	144.18	88.28	45.03	14.86	-9.37	6.91	14.50	16.95	14.48	17.12	6.24	0.07	0.05	0.00	0.00	0.00	0.00	
Call	44.00	1/17/2009	132.30	79.77	40.51	13.08	-8.70	6.05	12.74	14.95	12.72	15.07	5.42	0.05	0.04	0.00	0.00	0.00	0.00	
Call	45.00	1/17/2009	113.67	64.68	28.31	3.77	-16.27	-3.49	2.37	2.99	2.34	2.92	0.76	0.00	0.00	0.00	0.00	0.00	0.00	

**Modified Exhibit 4**  
**Inflation/Deflation for Exchange-Traded Options on Lehman Brothers Common Stock**

Inflation/Deflation Per Option (One Hundred Shares of Common Stock Underlying Each Option)*																					
Call/Put	Exercise Price	Expiration	On or Before 6/6/08	6/9/08	6/10/08	6/11/08	6/12/08	6/13/08	6/16/08										9/12/08		Closing Price on 9/15/08**
									to 9/2/08	9/3/08	9/4/08	9/5/08	9/8/08	9/9/08	9/10/08	9/11/08	9/14/08	9/15/2008			
Call	46.00	1/17/2009	100.44	55.44	22.80	0.68	-16.37	-5.02	0.43	0.60	0.42	0.55	0.10	0.00	0.00	0.00	0.00	0.00	0.00		
Call	47.00	1/17/2009	93.24	50.88	21.29	0.45	-15.76	-4.71	0.13	0.19	0.13	0.17	0.02	0.00	0.00	0.00	0.00	0.00	0.00		
Call	48.00	1/17/2009	82.32	44.16	17.39	0.24	-14.00	-3.81	0.14	0.20	0.13	0.18	0.03	0.00	0.00	0.00	0.00	0.00	0.00		
Call	50.00	1/17/2009	85.50	51.81	29.25	13.89	1.80	9.39	12.63	14.68	12.62	14.84	5.60	0.08	0.06	0.00	0.00	0.00	0.00		
Call	55.00	1/17/2009	44.20	21.83	8.53	-0.51	-8.36	-1.69	0.88	1.13	0.86	1.09	0.27	0.00	0.00	0.00	0.00	0.00	0.00		
Call	60.00	1/17/2009	30.67	15.72	6.13	-0.47	-5.93	-0.79	0.81	1.03	0.80	1.00	0.25	0.00	0.00	0.00	0.00	0.00	0.00		
Call	65.00	1/17/2009	17.36	8.01	2.60	-0.09	-3.78	-1.69	0.08	0.11	0.08	0.10	0.02	0.00	0.00	0.00	0.00	0.00	0.00		
Call	70.00	1/17/2009	13.95	7.86	3.82	-0.40	-4.15	-1.22	0.71	0.89	0.70	0.87	0.24	0.00	0.00	0.00	0.00	0.00	0.00		
Call	75.00	1/17/2009	9.14	6.37	3.47	0.44	-3.39	-0.59	0.14	0.19	0.14	0.17	0.04	0.00	0.00	0.00	0.00	0.00	0.00		
Call	80.00	1/17/2009	9.34	5.63	2.83	-0.28	-2.66	-0.10	0.59	0.74	0.59	0.73	0.20	0.00	0.00	0.00	0.00	0.00	0.00		
Call	90.00	1/17/2009	6.72	5.16	2.89	0.63	-1.25	-0.04	0.60	0.75	0.60	0.73	0.21	0.00	0.00	0.00	0.00	0.00	0.00		
Call	100.00	1/17/2009	10.24	8.16	5.82	3.17	1.17	2.45	3.05	3.58	3.06	3.61	1.35	0.02	0.02	0.00	0.00	0.00	0.00		
Call	110.00	1/17/2009	0.23	0.09	0.02	0.00	-0.01	-0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
Call	2.50	4/18/2009							985.23	1027.35	987.90	1046.06	746.84	278.47	427.46	191.31	167.56	0.00	6.50		
Call	4.00	4/18/2009														162.85	141.76	0.00	3.50		
Call	5.00	4/18/2009							912.49	953.29	914.91	970.81	683.95	245.22	353.15	144.15	124.87	0.00	4.50		
Call	6.00	4/18/2009														126.48	109.00	0.00	3.50		
Call	7.50	4/18/2009							827.66	866.45	829.95	882.86	613.19	211.54	287.03	105.72	90.66	0.00	4.00		
Call	9.00	4/18/2009														87.03	74.78	0.00	3.50		
Call	10.00	4/18/2009							736.10	772.33	738.15	787.31	538.90	180.28	234.55	79.41	67.50	0.00	3.00		
Call	11.00	4/18/2009														64.68	55.15	0.00	3.00		
Call	12.00	4/18/2009														56.41	47.98	0.00	3.00		
Call	13.00	4/18/2009							619.92	652.44	621.66	665.35	447.43	144.76	176.91	51.54	43.06	0.00	0.00		
Call	14.00	4/18/2009							580.59	611.70	582.20	623.88	416.71	133.94	162.25	46.06	38.47	0.00	0.00		
Call	15.00	4/18/2009							541.20	570.89	542.72	582.31	386.64	123.32	144.85	37.59	30.94	0.00	0.00		
Call	16.00	4/18/2009							503.04	531.25	504.48	541.95	357.87	114.16	133.78	34.63	28.25	0.00	0.00		
Call	17.00	4/18/2009							464.81	491.51	466.18	501.42	329.61	104.38	121.46	29.88	25.02	0.00	0.00		
Call	18.00	4/18/2009							427.90	453.01	429.21	462.21	302.10	96.15	108.53	23.76	19.63	0.00	0.00		
Call	19.00	4/18/2009							394.78	418.31	395.99	426.84	278.49	89.26	100.48	22.19	17.89	0.00	0.00		
Call	20.00	4/18/2009							360.20	382.14	361.36	389.92	254.35	82.06	93.69	22.26	17.67	0.00	2.00		
Call	25.00	4/18/2009							215.40	229.71	216.46	234.77	153.48	54.40	60.04	12.19	9.40	0.00	0.00		
Call	30.00	4/18/2009							121.50	129.64	122.54	133.22	90.18	37.72	39.71	6.89	5.17	0.00	0.00		
Call	35.00	4/18/2009							64.03	68.19	64.96	70.78	49.99	24.40	24.73	3.56	2.58	0.00	0.00		
Call	2.50	1/16/2010	1577.31	1408.08	1200.09	1016.36	824.54	936.97	989.44	1031.58	992.12	1050.02	751.81	284.26	446.39	205.90	180.83	0.00	15.50		
Call	5.00	1/16/2010	1504.51	1336.65	1130.75	949.17	760.50	871.18	923.02	963.54	925.48	981.12	695.89	256.88	386.00	168.18	146.46	0.00	8.50		
Call	7.50	1/16/2010	1429.97	1263.70	1056.89	875.77	689.72	798.01	849.19	887.76	851.52	904.34	634.80	227.22	322.98	129.86	111.55	0.00	8.00		
Call	10.00	1/16/2010	1339.24	1176.27	975.21	799.96	621.02	725.54	775.29	811.61	777.43	826.98	575.41	201.30	273.42	102.04	86.48	0.00	5.50		
Call	12.50	1/16/2010	1240.51	1081.63	887.49	718.39	547.89	648.04	696.01	729.84	697.96	743.85	513.30	177.00	233.47	84.13	69.40	0.00	7.50		
Call	15.00	1/16/2010	1145.75	991.50	804.50	641.95	479.77	575.54	621.71	652.86	623.50	665.51	455.99	153.67	194.81	64.38	52.65	0.00	5.50		
Call	17.50	1/16/2010	1043.79	894.56	715.14	559.89	406.43	497.52	541.58	569.92	543.22	581.15	395.62	130.86	164.96	52.43	44.34	0.00	3.00		
Call	20.00	1/16/2010	948.58	804.83	633.64	486.22	341.28	427.39	469.23	494.52	470.68	504.75	342.39	113.78	139.11	41.80	34.61	0.00	0.00		
Call	22.50	1/16/2010	857.37	719.51	556.90	417.82	282.60	363.51	402.93	425.32	404.29	434.32	293.95	98.79	117.65	31.97	26.87	0.00	3.50		
Call	25.00	1/16/2010	775.36	643.71	490.23	359.89	233.99	309.67	346.62	366.20	347.81	374.18	256.37	90.19	108.97	33.76	25.94	0.00	0.00		
Call	30.00	1/16/2010	624.70	506.24	371.70	259.59	151.51	216.54	248.39	263.29	249.60	269.42	187.94	70.44	82.21	22.28	17.40	0.00	0.00		
Call	35.00	1/16/2010	502.00	397.19	283.21	189.38	100.13	154.49	181.10	191.59	182.16	196.94	141.81	60.06	72.22	23.46	17.05	0.00	2.00		
Call	40.00	1/16/2010	389.95	298.73	204.57	128.41	55.41	100.42	122.14	129.53	123.34	133.69	100.46	44.38	53.64	16.79	13.49	0.00	2.50		
Call	45.00	1/16/2010	308.74	230.97	155.12	93.79	36.08	72.81	90.29	95.66	91.61	99.10	77.95	38.82	51.60	20.07	16.32	0.00	0.00		

**Modified Exhibit 4**  
**Inflation/Deflation for Exchange-Traded Options on Lehman Brothers Common Stock**

Inflation/Deflation Per Option (One Hundred Shares of Common Stock Underlying Each Option)*																				
Call/Put	Exercise Price	Expiration	On or Before 6/6/08	6/9/08	6/10/08	6/11/08	6/12/08	6/13/08	6/16/08		9/3/08	9/4/08	9/5/08	9/8/08	9/9/08	9/10/08	9/11/08	9/12/08 to 9/15/2008		Closing Price on 9/15/08**
									to 9/2/08	9/2/08								9/14/08	9/15/2008	
Call	50.00	1/16/2010	243.31	177.32	117.16	68.90	23.12	52.33	65.91	69.54	66.99	72.07	57.76	32.02	51.79	27.49	22.73	0.00	1.50	
Call	55.00	1/16/2010	189.36	134.85	88.54	51.18	15.42	38.46	48.89	51.31	49.80	53.53	45.72	28.57	50.11	28.89	23.98	0.00	0.00	
Call	60.00	1/16/2010	144.74	99.87	63.86	35.14	7.49	25.60	34.11	35.70	34.79	37.90	31.76	20.11	20.36	3.48	2.62	0.00	0.00	
Call	65.00	1/16/2010	114.29	77.76	49.65	28.64	7.91	21.45	28.10	29.24	28.49	30.53	26.43	18.43	18.55	3.15	2.36	0.00	0.00	
Call	70.00	1/16/2010	105.10	75.48	53.63	35.90	20.70	32.22	37.15	38.38	37.36	39.68	33.49	14.48	14.50	2.28	1.69	0.00	0.00	
Call	75.00	1/16/2010	70.63	46.78	30.65	19.12	7.30	15.48	18.88	19.87	19.17	20.81	16.52	13.77	13.85	2.20	1.63	0.00	0.00	
Call	80.00	1/16/2010	54.51	35.97	22.97	12.45	3.20	10.50	13.43	14.10	13.41	14.62	11.91	10.29	9.73	1.37	1.00	0.00	0.00	
Call	90.00	1/16/2010	40.76	29.22	21.90	15.57	8.78	12.96	14.60	15.17	14.59	15.64	11.14	8.01	7.86	1.07	0.77	0.00	0.00	
Call	100.00	1/16/2010	22.92	16.01	10.92	6.04	1.16	4.13	5.52	6.29	5.52	6.38	2.67	0.08	0.06	0.00	0.00	0.00	0.00	
Put	15.00	6/21/2008	8.29	8.29	8.29	8.29	-13.91	-2.66	0.00											
Put	17.50	6/21/2008	52.73	43.95	29.96	13.83	-21.99	-4.21	0.00											
Put	20.00	6/21/2008	76.79	63.69	41.24	20.72	-35.37	-6.78	0.00											
Put	21.00	6/21/2008						-8.47	0.00											
Put	22.50	6/21/2008	110.33	89.92	62.75	26.23	-56.96	-11.63	0.00											
Put	24.00	6/21/2008					28.38	-74.55	-15.99	0.00										
Put	25.00	6/21/2008	171.38	140.96	93.62	29.94	-88.82	-19.70	0.00											
Put	26.00	6/21/2008				26.91	-104.55	-24.43	0.00											
Put	27.00	6/21/2008	228.96	187.21	113.08	20.69	-124.77	-29.97	0.00											
Put	28.00	6/21/2008	278.20	229.62	138.98	31.45	-127.18	-35.73	0.00											
Put	29.00	6/21/2008	317.64	261.38	152.82	31.22	-140.34	-40.79	0.00											
Put	30.00	6/21/2008	353.68	289.23	162.17	28.37	-152.68	-47.12	0.00											
Put	31.00	6/21/2008	394.73	321.43	176.59	31.95	-149.60	-43.54	0.00											
Put	32.00	6/21/2008	427.75	345.14	183.03	30.84	-157.43	-47.22	0.00											
Put	33.00	6/21/2008	455.34	363.34	188.60	29.97	-160.01	-48.71	0.00											
Put	34.00	6/21/2008	482.10	380.16	193.32	29.31	-161.97	-49.86	0.00											
Put	35.00	6/21/2008	503.52	392.17	194.91	28.93	-162.41	-50.23	0.00											
Put	36.00	6/21/2008	500.29	380.72	197.49	28.59	-163.32	-50.79	0.00											
Put	37.00	6/21/2008	522.01	392.83	201.27	28.28	-164.67	-51.54	0.00											
Put	38.00	6/21/2008	538.55	401.33	204.02	28.06	-165.52	-52.03	0.00											
Put	39.00	6/21/2008	548.90	405.28	204.20	27.97	-165.49	-52.06	0.00											
Put	40.00	6/21/2008	565.22	411.06	204.35	27.88	-165.47	-52.08	0.00											
Put	41.00	6/21/2008	567.96	410.02	202.08	27.80	-164.60	-51.71	0.00											
Put	42.00	6/21/2008	586.28	423.07	213.60	27.57	-167.38	-53.17	0.00											
Put	43.00	6/21/2008	579.31	413.49	203.51	27.65	-165.02	-51.96	0.00											
Put	44.00	6/21/2008	583.00	414.03	203.63	27.58	-165.01	-51.99	0.00											
Put	45.00	6/21/2008	592.11	423.99	213.71	27.57	-167.39	-53.18	0.00											
Put	46.00	6/21/2008	594.39	424.22	213.73	27.57	-167.39	-53.18	0.00											
Put	47.00	6/21/2008	594.73	424.23	213.73	27.57	-167.39	-53.18	0.00											
Put	48.00	6/21/2008	594.92	424.24	213.74	27.57	-167.39	-53.18	0.00											
Put	49.00	6/21/2008	595.08	424.24	213.74	27.57	-167.39	-53.18	0.00											
Put	50.00	6/21/2008	595.06	424.24	213.74	27.57	-167.39	-53.18	0.00											
Put	55.00	6/21/2008	595.08	424.24	213.74	27.57	-167.39	-53.18	0.00											
Put	60.00	6/21/2008	595.03	424.23	213.73	27.57	-167.39	-53.18	0.00											
Put	65.00	6/21/2008	594.99	424.23	213.73	27.57	-167.39	-53.18	0.00											
Put	70.00	6/21/2008	594.96	424.22	213.73	27.57	-167.39	-53.18	0.00											
Put	2.50	7/19/2008	2.66	2.04	1.20	0.37	-0.85	-0.21	0.00											
Put	5.00	7/19/2008	2.36	1.90	1.22	0.48	-0.85	-0.18	0.00											

**Modified Exhibit 4**  
**Inflation/Deflation for Exchange-Traded Options on Lehman Brothers Common Stock**

Inflation/Deflation Per Option (One Hundred Shares of Common Stock Underlying Each Option)*																			
Call/Put	Exercise Price	Expiration	On or Before		6/16/08										9/12/08 to		Closing Price on 9/15/08**		
			6/6/08	6/9/08	6/10/08	6/11/08	6/12/08	6/13/08	to 9/2/08	9/3/08	9/4/08	9/5/08	9/8/08	9/9/08	9/10/08	9/11/08		9/14/08	9/15/2008
Put	7.50	7/19/2008	0.45	-0.20	-1.27	-2.50	-4.99	-1.21	0.00										
Put	10.00	7/19/2008	21.40	16.85	9.86	2.45	-8.83	-2.07	0.00										
Put	12.50	7/19/2008	26.26	19.98	12.68	4.64	-14.35	-3.16	0.00										
Put	15.00	7/19/2008	42.37	32.84	21.14	7.31	-21.67	-5.01	0.00										
Put	17.50	7/19/2008	62.89	48.98	31.42	10.98	-30.95	-7.30	0.00										
Put	20.00	7/19/2008	92.86	73.50	47.06	15.87	-43.16	-10.47	0.00										
Put	22.50	7/19/2008	134.69	107.24	67.53	20.90	-58.79	-14.75	0.00										
Put	24.00	7/19/2008				23.24	-69.80	-17.95	0.00										
Put	25.00	7/19/2008	189.73	152.16	93.49	26.38	-77.70	-20.37	0.00										
Put	26.00	7/19/2008				27.24	-86.30	-23.00	0.00										
Put	27.00	7/19/2008	239.90	192.86	114.83	28.93	-95.42	-25.88	0.00										
Put	28.00	7/19/2008	265.68	213.26	124.35	28.54	-104.29	-28.90	0.00										
Put	29.00	7/19/2008	290.86	232.59	132.19	26.71	-114.34	-32.09	0.00										
Put	30.00	7/19/2008	319.51	255.01	142.84	27.56	-124.71	-35.27	0.00										
Put	31.00	7/19/2008	342.02	270.84	146.87	22.47	-134.85	-38.50	0.00										
Put	32.00	7/19/2008	365.16	287.16	151.04	19.11	-143.18	-41.75	0.00										
Put	33.00	7/19/2008	398.09	312.95	165.85	26.32	-140.97	-44.34	0.00										
Put	34.00	7/19/2008	420.76	328.19	171.44	25.32	-146.20	-46.91	0.00										
Put	35.00	7/19/2008	443.52	343.66	176.89	24.02	-149.90	-49.06	0.00										
Put	36.00	7/19/2008	468.73	361.43	187.34	30.45	-145.83	-43.49	0.00										
Put	37.00	7/19/2008	486.64	371.76	191.07	30.22	-148.40	-44.57	0.00										
Put	38.00	7/19/2008	503.16	381.30	193.76	29.77	-147.26	-44.32	0.00										
Put	39.00	7/19/2008	517.60	388.81	197.36	29.36	-146.23	-44.10	0.00										
Put	40.00	7/19/2008	531.29	395.59	198.92	29.57	-154.00	-47.00	0.00										
Put	41.00	7/19/2008	539.29	397.93	199.63	29.00	-148.05	-44.96	0.00										
Put	42.00	7/19/2008	548.98	402.94	201.64	28.81	-148.49	-45.20	0.00										
Put	43.00	7/19/2008	560.19	406.97	203.96	28.90	-152.16	-46.58	0.00										
Put	44.00	7/19/2008	568.05	409.08	203.12	28.85	-154.29	-47.43	0.00										
Put	45.00	7/19/2008	571.43	408.98	204.06	28.62	-152.77	-46.93	0.00										
Put	46.00	7/19/2008	571.56	410.08	203.14	28.50	-153.04	-47.09	0.00										
Put	47.00	7/19/2008	574.78	411.17	203.20	28.40	-153.28	-47.23	0.00										
Put	48.00	7/19/2008	577.82	413.45	205.22	28.35	-154.34	-47.66	0.00										
Put	49.00	7/19/2008	581.05	415.16	206.27	28.26	-154.54	-47.77	0.00										
Put	50.00	7/19/2008	582.62	413.63	203.55	28.33	-157.43	-48.87	0.00										
Put	55.00	7/19/2008	584.68	416.22	206.48	28.02	-158.03	-49.23	0.00										
Put	60.00	7/19/2008	582.73	414.29	204.69	27.74	-157.60	-49.18	0.00										
Put	65.00	7/19/2008	578.82	413.29	205.54	27.51	-157.17	-49.10	0.00										
Put	70.00	7/19/2008	579.05	413.30	205.57	27.38	-157.47	-49.27	0.00										
Put	75.00	7/19/2008	577.69	411.78	204.07	27.27	-157.70	-49.40	0.00										
Put	80.00	7/19/2008	579.32	413.29	205.60	27.18	-157.89	-49.51	0.00										
Put	85.00	7/19/2008	579.40	413.27	205.60	27.10	-158.04	-49.60	0.00										
Put	90.00	7/19/2008	578.71	412.51	204.86	27.03	-158.17	-49.67	0.00										
Put	95.00	7/19/2008	578.74	412.48	204.86	26.97	-158.27	-49.74	0.00										
Put	2.50	9/20/2008							7.01	7.02	7.02	7.03	6.97	6.79	106.09	101.60	99.37	0.00	233.00
Put	4.00	9/20/2008													190.19	179.23	0.00	382.50	
Put	5.00	9/20/2008							106.98	107.41	107.10	107.68	104.17	91.91	292.31	219.60	202.78	0.00	482.50
Put	6.00	9/20/2008													234.66	213.61	0.00	580.00	

**Modified Exhibit 4**  
**Inflation/Deflation for Exchange-Traded Options on Lehman Brothers Common Stock**

Inflation/Deflation Per Option (One Hundred Shares of Common Stock Underlying Each Option)*																						
Call/Put	Exercise Price	Expiration	On or Before 6/6/08	6/9/08	6/10/08	6/11/08	6/12/08	6/13/08	6/16/08 to								9/12/08 to 9/15/2008	Closing Price on 9/15/08**				
									9/2/08	9/3/08	9/4/08	9/5/08	9/8/08	9/9/08	9/10/08	9/11/08			9/14/08			
Put	7.50	9/20/2008							268.43	269.58	268.73	270.46	259.24	212.06	425.76	247.89	221.63	0.00	732.50			
Put	9.00	9/20/2008													249.19	222.04	0.00	879.00				
Put	10.00	9/20/2008							383.91	387.80	384.45	390.56	351.88	209.23	415.11	239.91	216.05	0.00	982.50			
Put	11.00	9/20/2008														242.56	217.88	0.00	1,080.00			
Put	12.00	9/20/2008														244.42	219.12	0.00	1,182.50			
Put	12.50	9/20/2008														25.55						
Put	13.00	9/20/2008							626.15	635.33	627.62	642.31	549.09	294.67	499.48	249.55	222.12	0.00	1,285.00			
Put	14.00	9/20/2008							687.38	698.99	689.15	708.06	590.92	299.50	503.45	249.57	222.12	0.00	1,380.00			
Put	15.00	9/20/2008							745.48	759.90	747.49	771.18	628.00	302.31	505.66	249.58	222.12	0.00	1,482.50			
Put	16.00	9/20/2008							801.68	819.18	803.89	832.76	662.72	304.09	507.00	249.58	222.12	0.00	1,580.00			
Put	17.00	9/20/2008							851.41	872.19	853.73	887.88	691.23	304.94	507.60	249.58	222.12	0.00	1,680.00			
Put	18.00	9/20/2008							894.23	918.40	896.61	936.10	714.10	305.34	507.87	249.58	222.12	0.00	1,782.50			
Put	19.00	9/20/2008							926.30	953.71	928.61	972.79	728.38	305.48	507.95	249.58	222.12	0.00	1,882.50			
Put	20.00	9/20/2008							953.59	983.97	955.83	1004.38	742.93	305.61	508.03	249.58	222.12	0.00	1,982.50			
Put	21.00	9/20/2008							973.64	1006.76	976.18	1028.62	752.93	305.66	508.06	249.58	222.12	0.00	2,080.00			
Put	22.00	9/20/2008							989.60	1024.81	991.91	1045.11	760.61	305.69	508.07	249.58	222.12	0.00	2,182.50			
Put	23.00	9/20/2008							1020.50	1057.17	1023.02	1077.41	787.91	305.75	508.10	249.58	222.12	0.00	2,282.50			
Put	24.00	9/20/2008							1024.16	1062.32	1026.94	1082.51	788.74	305.75	508.10	249.58	222.12	0.00	2,385.00			
Put	25.00	9/20/2008							1026.85	1065.67	1029.39	1085.77	789.20	305.75	508.10	249.58	222.12	0.00	2,480.00			
Put	30.00	9/20/2008							1026.30	1065.86	1028.92	1085.52	788.73	305.75	508.10	249.58	222.12	0.00	2,980.00			
Put	35.00	9/20/2008							1025.92	1065.69	1028.47	1085.16	788.37	305.75	508.10	249.58	222.12	0.00	3,482.50			
Put	2.50	10/18/2008	40.37	38.92	36.85	34.82	32.09	33.62	34.21	34.49	34.26	34.68	32.20	25.13	102.86	82.87	78.55	0.00	235.00			
Put	4.00	10/18/2008													134.59	125.58	0.00	385.00				
Put	5.00	10/18/2008	129.15	127.77	125.60	123.33	119.59	122.05	122.92	124.13	123.10	124.96	113.87	81.84	216.59	149.28	138.18	0.00	485.00			
Put	6.00	10/18/2008													156.51	144.15	0.00	582.50				
Put	7.50	10/18/2008	255.89	252.82	248.76	244.40	236.28	241.39	243.11	245.91	243.47	247.79	220.79	138.44	308.11	192.12	175.70	0.00	735.00			
Put	9.00	10/18/2008													206.01	187.47	0.00	880.00				
Put	10.00	10/18/2008	397.96	392.05	384.03	375.58	360.99	369.77	372.59	378.05	373.24	381.83	329.69	189.17	384.92	226.14	204.53	0.00	985.00			
Put	11.00	10/18/2008													230.71	208.16	0.00	1,080.00				
Put	12.50	10/18/2008	549.75	540.93	528.65	515.31	492.95	506.28	510.72	520.03	511.90	526.60	439.17	229.66	433.28	239.54	215.11	0.00	1,230.00			
Put	14.00	10/18/2008							595.10	607.35	596.57	615.92	502.49	249.30	454.73	243.96	218.40	0.00	1,382.50			
Put	15.00	10/18/2008	703.89	690.81	672.40	652.52	620.27	639.01	645.38	659.83	647.06	669.87	537.72	256.20	461.27	244.88	219.04	0.00	1,482.50			
Put	16.00	10/18/2008							698.41	715.24	700.30	726.70	574.44	264.75	470.05	246.24	220.00	0.00	1,582.50			
Put	17.50	10/18/2008	847.33	829.12	802.86	774.67	730.35	755.47	764.22	784.83	766.40	798.55	615.76	269.86	474.46	246.63	220.24	0.00	1,729.00			
Put	19.00	10/18/2008							825.94	850.42	828.32	865.91	654.46	276.99	481.13	247.45	220.79	0.00	1,880.00			
Put	20.00	10/18/2008	993.36	968.83	932.73	894.23	835.71	868.43	880.16	907.16	882.76	923.72	695.93	302.62	505.63	249.56	222.12	0.00	1,982.50			
Put	21.00	10/18/2008							897.51	910.58	940.01	913.40	957.44	711.07	303.54	506.38	249.57	222.12	0.00	2,079.00		
Put	22.50	10/18/2008	1087.86	1055.94	1007.88	956.76	882.24	923.72	939.05	971.42	941.69	990.11	728.70	304.37	507.05	249.58	222.12	0.00	2,229.00			
Put	24.00	10/18/2008							979.97	895.12	942.51	960.32	995.14	963.13	1015.33	739.97	304.74	507.34	249.58	222.12	0.00	2,385.00
Put	25.00	10/18/2008	1163.60	1122.89	1059.86	994.05	901.98	953.46	973.06	1009.26	975.89	1030.08	749.06	305.07	507.59	249.58	222.12	0.00	2,480.00			
Put	26.00	10/18/2008							1006.62	907.75	963.37	984.86	1021.89	987.35	1042.41	753.69	305.17	507.67	249.58	222.12	0.00	2,579.00
Put	27.00	10/18/2008	1222.96	1174.19	1097.54	1018.83	912.91	972.95	996.40	1034.24	999.01	1053.61	760.68	305.37	507.82	249.58	222.12	0.00	2,679.00			
Put	28.00	10/18/2008							1016.21	903.19	967.82	993.31	1031.96	996.06	1051.37	760.68	305.30	507.77	249.58	222.12	0.00	2,779.00
Put	29.00	10/18/2008							1023.61	904.14	972.73	1000.40	1039.53	1002.96	1058.99	765.41	305.42	507.86	249.58	222.12	0.00	2,879.00
Put	30.00	10/18/2008	1283.15	1220.82	1121.98	1023.48	896.61	969.81	999.57	1039.57	1002.90	1058.96	765.39	305.38	507.82	249.58	222.12	0.00	2,980.00			
Put	31.00	10/18/2008	1304.04	1236.82	1130.21	1025.17	893.35	970.47	1002.34	1042.41	1005.07	1061.85	765.36	305.33	507.78	249.58	222.12	0.00	3,079.00			
Put	32.00	10/18/2008	1322.55	1250.41	1135.88	1024.31	886.67	968.23	1002.27	1042.40	1005.00	1061.80	765.33	305.28	507.74	249.58	222.12	0.00	3,179.00			

**Modified Exhibit 4**  
**Inflation/Deflation for Exchange-Traded Options on Lehman Brothers Common Stock**

Inflation/Deflation Per Option (One Hundred Shares of Common Stock Underlying Each Option)*																				
Call/Put	Exercise Price	Expiration	On or Before 6/6/08	6/9/08	6/10/08	6/11/08	6/12/08	6/13/08	6/16/08							9/12/08		Closing Price on 9/15/08**		
									to 9/2/08	9/3/08	9/4/08	9/5/08	9/8/08	9/9/08	9/10/08	9/11/08	9/14/08		9/15/2008	
Put	33.00	10/18/2008	1342.37	1265.14	1143.08	1025.38	883.16	968.47	1004.59	1044.78	1007.33	1064.14	767.69	305.34	507.79	249.58	222.12	0.00	3,279.00	
Put	34.00	10/18/2008	1362.09	1279.68	1150.45	1026.75	879.43	968.73	1006.93	1047.18	1009.68	1066.50	770.06	305.40	507.84	249.58	222.12	0.00	3,379.00	
Put	35.00	10/18/2008	1399.92	1312.25	1176.00	1046.11	894.09	986.79	1026.91	1065.98	1028.13	1085.33	787.43	305.75	508.10	249.58	222.12	0.00	3,485.00	
Put	36.00	10/18/2008	1380.92	1288.26	1145.18	1010.94	854.69	951.05	993.04	1032.43	997.17	1051.12	767.54	305.22	507.69	249.58	222.12	0.00	3,579.00	
Put	37.00	10/18/2008	1396.94	1299.15	1149.45	1010.44	851.11	948.46	992.05	1031.24	995.73	1049.98	765.12	305.04	507.54	249.58	222.12	0.00	3,679.00	
Put	38.00	10/18/2008	1424.19	1321.08	1165.01	1021.14	856.73	957.52	1002.80	1042.04	1006.67	1060.70	776.93	305.56	507.96	249.58	222.12	0.00	3,779.00	
Put	39.00	10/18/2008	1428.96	1321.02	1159.44	1012.13	845.91	949.09	995.95	1035.02	999.59	1053.66	769.80	305.23	507.70	249.58	222.12	0.00	3,879.00	
Put	40.00	10/18/2008	1444.76	1331.84	1165.20	1013.34	845.36	954.59	1002.55	1041.89	1006.42	1060.52	776.58	305.52	507.93	249.58	222.12	0.00	3,979.00	
Put	41.00	10/18/2008	1456.86	1339.68	1168.48	1013.68	843.97	942.32	993.60	1032.99	997.83	1051.48	769.69	305.17	507.64	249.58	222.12	0.00	4,079.00	
Put	42.00	10/18/2008	1459.98	1338.13	1162.27	1005.14	831.44	940.61	991.20	1030.62	995.42	1049.10	767.23	304.98	507.48	249.57	222.12	0.00	4,179.00	
Put	43.00	10/18/2008	1468.74	1342.39	1163.15	1003.70	833.49	942.64	991.20	1030.66	995.42	1049.13	767.17	304.94	507.44	249.57	222.12	0.00	4,279.00	
Put	44.00	10/18/2008	1495.04	1364.79	1182.15	1019.76	849.33	948.23	991.20	1030.69	995.41	1049.15	767.11	304.90	507.41	249.57	222.12	0.00	4,379.00	
Put	45.00	10/18/2008	1505.11	1371.68	1187.12	1023.08	848.87	950.06	994.30	1033.82	997.97	1052.45	767.06	304.86	507.38	249.57	222.12	0.00	4,479.00	
Put	46.00	10/18/2008	1512.97	1375.47	1187.43	1021.75	848.85	949.28	993.23	1032.78	997.08	1051.33	767.00	304.82	507.34	249.57	222.12	0.00	4,579.00	
Put	47.00	10/18/2008	1522.77	1381.47	1191.51	1024.20	848.99	950.84	995.60	1035.18	999.45	1053.72	769.34	304.97	507.47	249.57	222.12	0.00	4,679.00	
Put	48.00	10/18/2008	1524.00	1380.25	1188.39	1021.61	847.03	948.52	993.18	1032.79	997.02	1051.32	766.88	304.75	507.28	249.56	222.11	0.00	4,779.00	
Put	49.00	10/18/2008	1529.99	1383.77	1189.95	1021.61	845.47	947.92	993.15	1032.78	997.00	1051.31	766.83	304.71	507.24	249.56	222.11	0.00	4,879.00	
Put	50.00	10/18/2008	1538.76	1389.49	1192.69	1021.97	837.06	944.86	993.12	1032.77	996.96	1051.30	766.77	304.68	507.21	249.56	222.11	0.00	4,979.00	
Put	55.00	10/18/2008	1553.06	1394.60	1191.78	1018.38	836.43	942.49	990.00	1029.75	994.33	1048.08	766.46	304.50	507.05	249.55	222.11	0.00	5,479.00	
Put	60.00	10/18/2008	1548.33	1386.43	1181.70	1007.37	827.04	932.18	979.36	1019.18	983.83	1037.43	766.15	304.34	506.90	249.54	222.10	0.00	5,979.00	
Put	65.00	10/18/2008	1547.43	1384.92	1180.07	1007.22	825.33	931.45	979.30	1019.18	983.75	1037.41	765.83	304.18	506.75	249.53	222.09	0.00	6,479.00	
Put	70.00	10/18/2008	1539.26	1376.64	1171.96	999.06	817.26	923.36	971.31	1011.23	975.75	1029.45	757.64	303.01	505.67	249.45	222.04	0.00	6,979.00	
Put	75.00	10/18/2008	1548.12	1385.43	1180.93	1006.59	825.65	931.26	979.03	1018.99	983.46	1037.19	765.20	303.89	506.48	249.50	222.08	0.00	7,479.00	
Put	80.00	10/18/2008	1539.63	1376.92	1172.58	998.28	817.42	923.01	970.84	1010.82	975.25	1029.01	756.89	302.63	505.30	249.40	222.01	0.00	7,979.00	
Put	85.00	10/18/2008	1539.82	1377.10	1172.91	997.92	817.16	922.71	970.59	1010.59	974.99	1028.77	756.54	302.46	505.12	249.37	221.99	0.00	8,479.00	
Put	2.50	1/17/2009	58.04	56.87	55.16	53.46	51.11	52.43	52.92	53.67	53.01	54.14	47.64	29.69	94.11	70.09	65.73	0.00	236.50	
Put	4.00	1/17/2009													112.45	104.77	0.00	385.00		
Put	5.00	1/17/2009	137.72	135.96	133.49	130.88	126.94	129.59	130.45	132.44	130.67	133.68	115.99	69.55	188.55	132.62	122.22	0.00	480.00	
Put	6.00	1/17/2009													147.72	135.05	0.00	580.00		
Put	7.50	1/17/2009	238.49	234.61	229.46	223.62	214.58	220.21	221.94	225.87	222.33	228.34	193.43	109.33	266.18	177.59	162.23	0.00	730.00	
Put	9.00	1/17/2009													194.34	175.73	0.00	880.00		
Put	10.00	1/17/2009	355.48	348.82	339.58	330.19	314.90	324.09	327.03	333.55	327.71	337.72	280.06	150.69	335.30	212.90	192.35	0.00	982.50	
Put	11.00	1/17/2009													216.27	194.58	0.00	1,079.00		
Put	12.50	1/17/2009	480.27	470.20	455.74	440.82	417.57	431.28	435.91	445.72	436.94	451.98	366.12	183.69	365.10	211.68	191.63	0.00	1,232.50	
Put	14.00	1/17/2009							504.04	516.16	505.31	523.90	418.59	202.33	390.23	221.24	199.70	0.00	1,380.00	
Put	15.00	1/17/2009	611.55	597.05	576.22	554.46	521.48	540.33	546.90	560.70	548.34	569.41	450.52	212.36	402.90	225.58	203.30	0.00	1,482.50	
Put	16.00	1/17/2009							594.88	610.45	596.48	620.17	486.71	225.43	419.98	231.42	208.14	0.00	1,580.00	
Put	17.50	1/17/2009	747.31	727.64	698.78	668.78	624.38	649.44	658.44	676.82	660.30	688.16	532.19	239.80	437.17	236.53	212.28	0.00	1,730.00	
Put	19.00	1/17/2009							718.79	740.01	720.79	752.73	574.64	251.60	450.14	239.92	214.97	0.00	1,879.00	
Put	20.00	1/17/2009	873.85	847.90	809.54	769.80	712.43	744.49	756.28	779.43	758.44	793.25	600.90	257.63	456.62	241.44	216.16	0.00	1,980.00	
Put	21.00	1/17/2009							773.34	786.43	788.69	825.95	620.17	261.78	460.82	242.31	216.82	0.00	2,080.00	
Put	22.50	1/17/2009	990.44	957.46	907.80	856.75	785.06	825.21	840.37	868.27	842.80	884.18	658.28	275.69	476.65	245.82	219.51	0.00	2,235.00	
Put	24.00	1/17/2009							893.45	812.25	857.44	874.84	905.22	877.37	922.19	678.72	277.70	219.61	0.00	2,379.00
Put	25.00	1/17/2009	1090.90	1049.65	986.97	923.20	836.47	885.09	904.02	936.07	906.51	953.74	698.10	281.85	482.89	246.76	220.19	0.00	2,482.50	
Put	26.00	1/17/2009							939.03	846.37	898.68	919.25	952.90	922.14	971.33	708.19	285.90	220.73	0.00	2,579.00
Put	27.00	1/17/2009	1152.40	1103.94	1029.81	955.17	856.40	912.64	934.99	969.93	937.75	989.08	718.21	287.88	489.47	247.78	220.93	0.00	2,679.00	
Put	28.00	1/17/2009	1184.95	1132.69	1052.56	972.26	867.12	927.01	951.12	987.43	954.12	1007.43	728.42	289.89	491.57	248.06	221.12	0.00	2,780.00	



**Modified Exhibit 4**  
**Inflation/Deflation for Exchange-Traded Options on Lehman Brothers Common Stock**

Inflation/Deflation Per Option (One Hundred Shares of Common Stock Underlying Each Option)*																				
Call/Put	Exercise Price	Expiration	On or Before 6/6/08	6/9/08	6/10/08	6/11/08	6/12/08	6/16/08								9/12/08		Closing Price on 9/15/08**		
								to 9/2/08	9/3/08	9/4/08	9/5/08	9/8/08	9/9/08	9/10/08	9/11/08	9/14/08	9/15/2008			
Put	29.00	1/17/2009	1225.02	1168.84	1082.46	996.52	885.54	949.25	975.03	1012.56	978.49	1032.94	746.91	304.25	506.89	249.56	222.11	0.00	2,879.00	
Put	30.00	1/17/2009	1252.00	1191.75	1099.30	1007.69	891.58	959.16	986.74	1024.65	989.36	1045.76	756.04	304.81	507.35	249.57	222.12	0.00	2,985.00	
Put	31.00	1/17/2009	1275.28	1210.85	1111.88	1014.76	892.79	964.50	993.82	1032.41	996.81	1051.38	755.70	304.69	507.25	249.57	222.12	0.00	3,079.00	
Put	32.00	1/17/2009	1302.25	1233.62	1128.51	1025.94	898.25	973.16	1004.32	1043.61	1007.19	1062.73	762.60	305.06	507.55	249.58	222.12	0.00	3,179.00	
Put	33.00	1/17/2009	1316.19	1243.30	1131.89	1023.96	891.52	970.29	1003.12	1042.79	1006.06	1061.92	762.21	304.97	507.48	249.57	222.12	0.00	3,279.00	
Put	34.00	1/17/2009	1322.09	1244.80	1127.12	1013.67	876.37	959.64	994.12	1034.56	997.81	1053.65	761.83	304.88	507.40	249.57	222.12	0.00	3,379.00	
Put	35.00	1/17/2009	1345.23	1263.63	1139.71	1021.12	877.44	964.25	1000.43	1040.85	1003.22	1060.08	763.90	304.96	507.46	249.57	222.12	0.00	3,479.00	
Put	36.00	1/17/2009	1338.24	1252.18	1122.11	998.89	852.93	943.14	980.48	1021.30	983.99	1040.44	746.08	287.44	488.16	247.04	220.33	0.00	3,579.00	
Put	37.00	1/17/2009	1375.01	1284.65	1148.86	1020.93	870.71	964.63	1003.83	1044.62	1007.02	1063.79	768.10	305.12	507.60	249.57	222.12	0.00	3,679.00	
Put	38.00	1/17/2009	1367.44	1273.16	1131.86	999.49	846.55	941.86	982.77	1023.54	985.94	1042.68	747.20	286.87	487.39	246.79	220.13	0.00	3,779.00	
Put	39.00	1/17/2009	1362.16	1263.36	1116.80	980.27	824.04	922.47	964.88	1005.62	968.03	1024.73	729.47	286.31	487.01	246.67	220.03	0.00	3,879.00	
Put	40.00	1/17/2009	1434.09	1331.21	1179.69	1038.46	873.08	969.53	1012.73	1053.45	1015.87	1072.53	777.48	305.51	507.92	249.58	222.12	0.00	3,985.00	
Put	41.00	1/17/2009	1404.22	1297.38	1141.22	996.98	834.57	938.34	982.75	1023.45	985.88	1042.51	747.66	302.87	505.61	249.48	222.07	0.00	4,090.00	
Put	42.00	1/17/2009	1446.56	1335.42	1174.02	1026.26	861.66	956.90	1002.62	1043.30	1005.46	1062.40	766.22	304.78	507.30	249.56	222.11	0.00	4,179.00	
Put	43.00	1/17/2009	1456.07	1340.99	1175.73	1025.42	857.90	954.92	1002.11	1042.78	1004.95	1061.85	765.85	304.70	507.23	249.56	222.11	0.00	4,279.00	
Put	44.00	1/17/2009	1456.69	1337.58	1168.37	1015.49	845.67	944.10	991.98	1032.63	994.81	1051.68	755.86	303.64	506.29	249.51	222.09	0.00	4,379.00	
Put	45.00	1/17/2009	1476.12	1353.12	1180.44	1024.99	853.58	953.00	996.27	1036.90	999.10	1055.94	760.29	304.07	506.67	249.53	222.10	0.00	4,479.00	
Put	46.00	1/17/2009	1469.27	1342.92	1166.74	1008.05	838.66	936.90	986.42	1027.04	989.24	1046.06	750.57	302.83	505.54	249.46	222.05	0.00	4,579.00	
Put	47.00	1/17/2009	1497.49	1367.70	1187.88	1028.32	857.43	956.60	1005.30	1045.90	1008.11	1064.90	769.57	304.87	507.36	249.56	222.11	0.00	4,679.00	
Put	48.00	1/17/2009	1496.39	1363.81	1182.31	1020.02	849.04	948.28	991.73	1032.31	994.25	1051.37	754.57	303.22	505.89	249.48	222.06	0.00	4,779.00	
Put	50.00	1/17/2009	1504.29	1365.58	1180.76	1015.48	839.89	941.95	986.98	1027.53	989.78	1046.49	751.62	302.70	505.40	249.44	222.04	0.00	4,980.00	
Put	55.00	1/17/2009	1543.61	1392.25	1198.74	1027.84	850.66	953.76	999.61	1039.78	1002.57	1058.54	767.17	304.39	506.94	249.54	222.10	0.00	5,479.00	
Put	60.00	1/17/2009	1541.62	1383.11	1187.54	1018.17	840.30	943.88	990.18	1030.59	992.94	1049.43	755.74	302.76	505.42	249.41	222.02	0.00	5,979.00	
Put	65.00	1/17/2009	1524.45	1366.66	1168.99	999.63	821.96	925.47	971.88	1011.93	974.57	1030.65	738.96	284.87	484.29	245.19	218.78	0.00	6,479.00	
Put	70.00	1/17/2009	1528.71	1368.00	1169.16	1000.55	823.08	926.51	975.98	1016.27	978.96	1034.95	743.75	300.28	502.97	249.09	221.79	0.00	6,979.00	
Put	75.00	1/17/2009	1532.88	1376.36	1177.61	1007.63	829.52	933.36	981.59	1021.53	984.26	1040.16	749.44	301.12	503.77	249.18	221.85	0.00	7,479.00	
Put	80.00	1/17/2009	1517.86	1361.95	1164.82	995.67	822.08	923.25	972.67	1012.86	975.64	1031.46	741.19	299.35	501.97	248.89	221.64	0.00	7,979.00	
Put	90.00	1/17/2009	1532.36	1376.48	1178.18	1008.72	832.12	935.13	983.01	1023.10	985.75	1041.70	750.93	300.92	503.51	249.10	221.79	0.00	8,979.00	
Put	100.00	1/17/2009	1529.93	1372.94	1173.66	1004.60	827.86	930.99	980.24	1020.23	982.97	1038.77	748.80	300.25	502.80	248.96	221.68	0.00	9,979.00	
Put	110.00	1/17/2009	1522.48	1366.33	1168.82	1000.15	823.93	926.77	976.29	1016.17	979.23	1034.59	746.79	299.61	502.10	248.81	221.57	0.00	10,979.00	
Put	2.50	4/18/2009							52.39		53.17	52.50	53.60	46.98	28.81	89.55	66.30	62.04	0.00	236.00
Put	4.00	4/18/2009														106.70	98.85	0.00	380.00	
Put	5.00	4/18/2009							127.33	129.52	127.58	130.80	111.88	65.39	180.94	128.29	118.61	0.00	480.00	
Put	6.00	4/18/2009														147.14	135.03	0.00	579.00	
Put	7.50	4/18/2009							214.73	218.88	215.14	221.40	185.36	102.92	256.68	174.42	158.82	0.00	735.00	
Put	9.00	4/18/2009														195.77	177.28	0.00	879.00	
Put	10.00	4/18/2009							310.78	317.45	311.45	321.58	264.01	139.31	316.47	204.74	184.26	0.00	979.00	
Put	11.00	4/18/2009														218.82	196.82	0.00	1,079.00	
Put	12.00	4/18/2009														233.37	210.11	0.00	1,179.00	
Put	13.00	4/18/2009							422.62	433.01	423.67	439.45	350.88	170.27	341.14	199.12	180.56	0.00	1,279.00	
Put	14.00	4/18/2009							462.54	474.33	463.73	481.61	381.59	181.49	357.56	206.13	186.60	0.00	1,379.00	
Put	15.00	4/18/2009							505.44	518.67	506.74	526.78	415.01	195.94	398.03	237.99	213.60	0.00	1,479.00	
Put	16.00	4/18/2009							541.25	556.00	542.70	564.97	441.38	202.45	386.64	217.75	196.51	0.00	1,579.00	
Put	17.00	4/18/2009							579.50	595.80	581.05	605.64	469.62	211.72	399.17	222.39	200.43	0.00	1,679.00	
Put	18.00	4/18/2009							618.03	635.92	619.72	646.61	498.29	221.62	411.86	226.93	204.23	0.00	1,779.00	
Put	19.00	4/18/2009							650.46	669.93	652.24	681.56	520.80	226.85	417.95	228.77	205.73	0.00	1,879.00	
Put	20.00	4/18/2009							685.50	706.63	687.36	718.96	545.65	233.80	426.30	231.44	207.94	0.00	1,979.00	

**Modified Exhibit 4**  
**Inflation/Deflation for Exchange-Traded Options on Lehman Brothers Common Stock**

Inflation/Deflation Per Option (One Hundred Shares of Common Stock Underlying Each Option)*																			
Call/Put	Exercise Price	Expiration	On or Before 6/6/08	6/16/08 to													9/12/08 to 9/15/2008	Closing Price on 9/15/08**	
				6/9/08	6/10/08	6/11/08	6/12/08	6/13/08	9/2/08	9/3/08	9/4/08	9/5/08	9/8/08	9/9/08	9/10/08	9/11/08			9/14/08
Put	25.00	4/18/2009							838.47	867.54	840.98	883.69	652.99	267.73	467.15	243.08	217.34	0.00	2,479.00
Put	30.00	4/18/2009							927.72	962.96	930.49	981.67	709.86	280.84	481.08	245.87	219.46	0.00	2,979.00
Put	35.00	4/18/2009							993.87	1033.66	997.41	1054.80	759.64	304.63	507.19	249.57	222.11	0.00	3,479.00
Put	2.50	1/16/2010	55.11	54.28	53.14	51.88	50.24	51.32	51.66	52.59	51.79	52.98	45.33	27.47	86.71	64.61	60.52	0.00	237.50
Put	5.00	1/16/2010	135.99	133.43	129.90	126.36	121.13	124.51	125.59	127.99	125.80	129.27	109.08	63.64	179.06	129.05	118.33	0.00	480.00
Put	7.50	1/16/2010	226.20	221.15	213.98	206.67	196.37	202.74	204.91	209.23	205.33	211.72	175.41	97.48	263.59	185.38	170.85	0.00	732.50
Put	10.00	1/16/2010	328.05	319.60	307.74	295.51	278.49	288.41	291.96	298.55	292.59	302.53	246.88	133.07	324.28	218.24	197.74	0.00	985.00
Put	12.50	1/16/2010	424.20	411.75	393.95	376.32	351.71	365.70	370.84	380.04	371.70	385.59	308.05	155.33	317.26	187.41	170.25	0.00	1,229.00
Put	15.00	1/16/2010	527.49	510.52	486.19	462.12	429.34	447.81	454.81	466.84	455.92	474.05	372.86	181.99	358.05	205.47	185.92	0.00	1,487.50
Put	17.50	1/16/2010	633.04	611.05	579.51	548.43	506.97	530.37	539.47	554.55	540.84	563.54	436.42	206.81	393.49	219.71	198.09	0.00	1,735.00
Put	20.00	1/16/2010	731.20	703.86	664.51	625.81	575.15	603.72	615.10	633.27	616.68	643.85	492.54	227.22	420.50	229.31	206.14	0.00	1,982.50
Put	22.50	1/16/2010	825.68	792.52	744.82	697.97	638.07	671.99	685.81	707.24	687.79	719.73	541.59	242.09	438.59	234.93	210.75	0.00	2,229.00
Put	25.00	1/16/2010	916.94	877.64	821.06	765.68	696.36	735.89	752.34	776.80	754.58	790.30	590.35	257.69	457.71	240.44	215.21	0.00	2,479.00
Put	30.00	1/16/2010	1065.53	1013.02	937.42	863.83	774.66	825.33	847.11	876.86	849.54	892.92	653.03	273.28	474.21	244.23	218.18	0.00	2,990.00
Put	35.00	1/16/2010	1178.49	1112.15	1016.77	925.55	819.11	881.45	908.74	942.67	911.28	960.98	693.38	281.29	482.17	245.74	219.32	0.00	3,479.00
Put	40.00	1/16/2010	1270.83	1190.60	1076.21	968.20	847.37	920.52	952.95	990.37	956.39	1011.68	723.03	287.84	488.94	246.98	220.26	0.00	3,985.00
Put	45.00	1/16/2010	1334.73	1241.07	1108.72	985.82	849.44	931.66	968.51	1007.71	972.37	1026.01	745.45	302.17	504.92	249.41	222.02	0.00	4,485.00
Put	50.00	1/16/2010	1330.46	1224.35	1076.47	942.22	797.89	887.27	928.05	965.32	933.47	982.10	726.48	298.32	501.15	248.94	221.70	0.00	4,979.00
Put	55.00	1/16/2010	1339.79	1221.87	1061.57	915.99	759.68	850.15	894.36	931.95	900.34	948.54	702.82	273.57	470.47	241.44	215.74	0.00	5,479.00
Put	60.00	1/16/2010	1358.68	1230.41	1060.11	907.12	748.10	841.75	887.48	924.87	892.96	941.52	694.06	267.89	462.61	238.69	213.44	0.00	5,979.00
Put	65.00	1/16/2010	1404.70	1267.56	1092.03	935.86	773.90	864.07	907.97	945.15	913.37	961.69	718.51	295.14	497.68	248.21	221.14	0.00	6,479.00
Put	70.00	1/16/2010	1390.17	1246.79	1066.54	909.00	745.19	835.87	875.97	912.96	881.44	929.33	678.18	259.61	450.70	234.09	209.53	0.00	6,979.00
Put	75.00	1/16/2010	1396.12	1244.36	1063.57	907.22	743.11	833.48	873.54	910.34	878.82	926.68	683.03	265.04	458.31	236.64	211.66	0.00	7,479.00
Put	80.00	1/16/2010	1387.11	1233.62	1054.24	898.33	735.71	825.37	868.97	905.59	874.21	921.83	679.41	257.58	447.16	232.41	208.06	0.00	7,979.00
Put	90.00	1/16/2010	1397.69	1249.41	1069.60	914.68	752.55	842.47	886.42	922.67	891.58	938.72	698.78	288.46	489.87	246.14	219.49	0.00	8,979.00
Put	100.00	1/16/2010	1384.53	1238.02	1058.94	905.06	744.27	833.54	877.27	913.18	882.35	929.06	691.59	285.94	486.76	245.19	218.70	0.00	9,979.00

\*\* Closing price on September 12, 2008 is the mid-point of the closing bid price and closing ask price on September 12, 2008, where applicable.

\* Blanks on any date or in any time period reflects that the Option did not exist on that date or in that time period.