

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

In re LEHMAN BROTHERS INC., Debtor.	Case No. 08-01420 (JMP) SIPA
James W. Giddens, as Trustee for the SIPA Liquidation of LEHMAN BROTHERS INC. on behalf of himself as Trustee and as assignee of LEHMAN BROTHERS HOLDINGS INC., <i>et al.</i> , Chapter 11 Debtors Plaintiff, v. TOWNSEND ANALYTICS, LTD. Defendant.	Adv. Proc. No. 10-3592

**STIPULATION AND ORDER IN CONNECTION WITH THE AVOIDANCE
ACTION SETTLEMENT AND RELEASE AGREEMENT BETWEEN JAMES W.
GIDDENS, AS TRUSTEE AND ASSIGNEE, AND BTSX INC. (F/K/A TOWNSEND
ANALYTICS, LTD.)**

WHEREAS, on September 19, 2008 (the “Commencement Date”), a proceeding was commenced under the Securities Investor Protection Act of 1970 (“SIPA”) with respect to Lehman Brothers Inc. (“LBI”) and James W. Giddens was appointed as Trustee under SIPA (the “Trustee”) to administer LBI’s Estate (Case No. 08-01420 (JMP) (such proceeding, the “SIPA Proceeding”));

WHEREAS, pursuant and subject to SIPA, the Trustee has been duly appointed and authorized to liquidate the business of LBI including the unwind, close-out and reduction to cash of amounts due, owing or payable to the LBI Estate;

WHEREAS, on September 10, 2010, this Court issued an Order approving and authorizing procedures for LBI and the Chapter 11 Debtors, individually or jointly, to assert claims and commence adversary proceedings to avoid and recover transfers made by LBI and the Chapter 11 Debtors to third parties prior to the Commencement Date as preferential and/or fraudulent transfers pursuant to sections 544, 547, 548, and 550 of the Bankruptcy Code (“Avoidance Proceedings”) and further approving and authorizing procedures for either LBI or the Chapter 11 Debtors (the “Assignor”) to designate the other (the “Assignee”) to pursue any joint Avoidance Proceedings by assigning, transferring, and conveying to the Assignee all of

Assignor's rights to pursue the joint Avoidance Proceedings, including the right of the Assignor to commence a joint Avoidance Proceeding in the Assignee's name (Docket No. 3664);

WHEREAS, on December 8, 2010, this Court issued an Amended Order Establishing Procedures Governing Claims Asserted and Adversary Proceedings Commenced by the Trustee Pursuant to 11 U.S.C. §§ 544, 547, 548, and 550 (the "Preference Procedures Order," Docket No. 3964). The Preference Procedures Order directs the Trustee to seek Court approval of the proposed settlement by a Notice of Presentment, in accordance with the Amended Case Management Order entered in this proceeding (Docket No. 3466);

WHEREAS, on or about September 16, 2010, the Trustee filed an adversary proceeding against Townsend Analytics, Ltd. (now known as BTSX Inc.) ("Townsend") as Adv. Proc. No. 10-3592 (the "Adversary Proceeding"), in which the Trustee has asserted that he possesses a claim (the "Avoidance Claim") against Townsend for transfers of \$3,119,347.27 made by LBI or the Chapter 11 Debtors during the 90 days prior to the Commencement Date;

WHEREAS Townsend has denied the material allegations asserted in the Adversary Proceeding and asserted that it possesses defenses to the Avoidance Claim;

WHEREAS, the Trustee and Townsend (each a "Party" and collectively the "Parties") desire to avoid the expense and uncertainties of further litigation and to settle and compromise, subject to the terms of the settlement agreement between the Parties (the "Settlement Agreement"), the Avoidance Claim, and the Adversary Proceeding;

WHEREAS, the Trustee has determined, in consultation with his professional advisors and the Chapter 11 Debtors, that it is in the best interests of the LBI Estate, the Chapter 11 Debtors, and their respective customers and creditors that the Adversary Proceeding be discontinued subject to the payment to the Trustee of \$300,000.00 (the "Settlement Amount"), which amount includes interest, in the manner and upon the terms as set forth in the Settlement Agreement and agreed among the Trustee and Townsend; and

WHEREAS, the Parties have negotiated in good faith concerning the rights of the Parties with respect to LBI's and the Chapter 11 Debtors' interest in the Avoidance Claim and believe they have reached a fair and equitable and reasonable determination with respect to the Settlement Amount.

NOW, THEREFORE, in consideration of the mutual covenants set forth below, and subject to the approval of the Court, IT IS HEREBY STIPULATED AND AGREED BY THE PARTIES HERETO THAT:

1. The foregoing Recitals are true in all respects.
2. The terms and conditions of this Stipulation and Order, and the Parties' respective obligations hereunder, shall become immediately effective upon entry by the Court of this Stipulation and Order (the "Effective Date").

3. Townsend agrees to pay, within five (5) business days from the Effective Date pursuant to the terms of the Settlement Agreement, the Settlement Amount in full, less any payments that have already been made against the Settlement Amount.

4. Townsend agrees to waive any and all filed claims against the LBI estate and any right to file a claim under Bankruptcy Code §502(h).

5. Each of the Parties expressly reserves all of his or its rights and defenses with respect to any other claims each might have against the other, except as set forth in the Settlement Agreement.

6. The Trustee shall seek, and Townsend shall support, Bankruptcy Court approval of this Stipulation and Order.

7. The Trustee agrees to file a notice of dismissal, dismissing the Adversary Proceeding with prejudice, within five (5) business days from receipt of the Settlement Amount, pursuant to the terms of the Settlement Agreement.

8. Except as otherwise specifically provided for herein or in the Parties' Settlement Agreement, nothing contained in this Stipulation and Order shall create any rights, remedies, or defenses in favor of any party in interest that is not a Party to the Settlement Agreement or this Stipulation and Order.

9. This Stipulation and Order shall be binding on the Parties and their respective successors or assigns, including any subsequent trustee elected or appointed for LBI.

10. This Stipulation and Order may be signed in counterparts which, when taken as a whole, shall constitute one and the same document; and faxed signatures shall be deemed originals.

11. This Stipulation and Order may not be amended or modified orally. Accordingly, no amendment to, or modification of, this Stipulation and Order shall be effective unless it is made in writing and signed by duly authorized representatives of each and every Party to this Stipulation and Order.

12. Each Party hereby represents and warrants to the other Party that: (i) it has the power and authority to execute this Stipulation and Order; (ii) neither the execution nor the performance of this Stipulation and Order by such Party violates any other contract by which such Party is bound; (iii) neither the execution nor the performance of this Stipulation and Order by such Party violates any charter, regulation, corporate resolution, by-law or other corporate restriction to which such Party is subject; and (iv) upon entry by the Court, this Stipulation and Order will constitute a valid and binding obligation of such Party, enforceable against such Party in accordance with its terms.

13. Each Party hereby represents and warrants to the other Party that the person signing this Stipulation and Order on its behalf is duly authorized to enter into this Stipulation and Order on that Party's behalf and that no further consent or approval is required

from or by any other person, party, or entity in order for such Party to enter into, or carry out, the provisions of this Stipulation and Order.

14. Each individual signing this Stipulation and Order on behalf of any Party hereto acknowledges and, with respect to his or her own signature below, warrants and represents that he/she is authorized to execute this Stipulation and Order in his/her representative capacity, as reflected below and on behalf of the Party indicated.

15. In the event that any provisions of this Stipulation and Order conflict with the Settlement Agreement, the provisions of this Stipulation and Order shall govern.

16. This Stipulation and Order, and its validity, interpretation and legal effect, shall be governed by and shall be interpreted in accordance with the laws of the State of New York, except to the extent that the Bankruptcy Code or SIPA apply, without regard to New York's rules governing conflicts of laws.

17. Each Party hereby submits to the jurisdiction of the Bankruptcy Court for any action, suit or proceeding to enforce this Stipulation and Order and agrees that any such action, suit or proceeding shall be brought only in the Bankruptcy Court. Each Party hereby irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to venue of any such action, suit, or proceeding brought in such a court. The Bankruptcy Court shall retain exclusive jurisdiction and enforce the terms of this Stipulation and Order.

Dated: New York, New York
May 7, 2012

By: William L. Farris
Name: William L. Farris

By: Michael E. Salzman
James B. Kobak, Jr.
Michael E. Salzman

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ATTORNEYS FOR BTSX INC. (f/k/a
TOWNSEND ANALYTICS, LTD.)

ATTORNEYS FOR JAMES W. GIDDENS,
ESQ., AS TRUSTEE FOR THE SIPA
LIQUIDATION OF THE BUSINESS OF
LEHMAN BROTHERS INC.

SO ORDERED this ____ day of _____ 2012

UNITED STATES BANKRUPTCY JUDGE