

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

In re

LEHMAN BROTHERS INC.,

Debtor.

Case No. 08-01420 (JMP) SIPA

**STIPULATION AND ORDER REGARDING UNCLAIMED PROPERTY RECOVERY  
SERVICE, INC.'S AGREEMENTS WITH LEHMAN BROTHERS INC.**

WHEREAS, beginning on September 15, 2008 and periodically thereafter, Lehman Brothers Holdings Inc. ("LBHI") and certain subsidiaries (together, the "Chapter 11 Debtors," and collectively, with non-debtor affiliates within their direct or indirect control (other than LBI as defined below), the "LBHI Entities") commenced voluntary cases under chapter 11 of title 11 of the United States Code;

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 (the "Trustee") was appointed as Trustee under the SIPA to administer LBI's estate;

WHEREAS, on April 13, 2009, Unclaimed Property Recovery Service, Inc. ("UPRS") filed a motion ("Motion") for an order (i) compelling payment of unclaimed funds by the New York State Comptroller Office of Unclaimed Funds (the "NYS OUF"), (ii) allowing payment for services provided post-petition, and (iv) other related relief, including allowance and payment of the \$500,000 under theories of set-off, recoupment and secured creditor status;

WHEREAS, on May 1, 2009, the Trustee noticed four agreements between LBI and UPRS, respectively dated May 28, 1996, September 18, 1997, March 23, 1998 and January 14, 1999 (collectively, the "Agreements") for rejection (the "Notice of Rejection") pursuant to section 365 of the Bankruptcy Code;

WHEREAS, on May 11, 2009, UPRS objected to the Notice of Rejection;

WHEREAS, on May 29, 2009, the Trustee filed an objection to the Motion and reply in further support of the Notice of Rejection;

WHEREAS, on June 3, 2009 and the August 26, 2009, the Bankruptcy Court conducted hearings on the Motion and the Notice of Rejection;

WHEREAS, UPRS alleges to have identified and claimed more than \$6 million in unclaimed funds in the name of LBI and other Lehman entities, its predecessors and its subsidiaries held by the NYS OUF;

WHEREAS, the Trustee, LBHI Entities, UPRS and the NYS OUF are finalizing a proposed Stipulation and Order Regarding Lehman Brothers Unclaimed Funds whereby the NYS OUF will deposit such Lehman funds as are in its possession (the "Deposited Funds") to the Clerk of the Court's registry subject to a final order of the Court adjudicating the respective rights of LBI and the LBHI Entities to the Deposited Funds or approving a settlement between LBI and LBHI regarding the Deposited Funds; and

WHEREAS, the Trustee and UPRS (each a "Party" and collectively, "Parties") have negotiated a compromise regarding all outstanding matters between LBI and UPRS.

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED AS FOLLOWS:

1. UPRS shall be entitled to receive, via check or wire transfer, out of the amount of Deposited Funds that is received by the LBI estate, an amount equal to the greater of (i) ten percent (10%) of the amount of Deposited Funds that are allocated either to LBI or any entity that was an LBI subsidiary on September 15, 2008 (regardless of whether the LBI estate or the LBHI Entities is ultimately determined to be the appropriate recipient of the Funds) or (ii) \$500,000. UPRS shall be further entitled to a payment of \$250,000 from the Deposited Funds in full settlement of its claimed \$500,000 equitable lien. UPRS shall be paid within ten (10) business days of receipt of the Deposited Funds to the LBI estate.

2. UPRS shall not object to, challenge or otherwise hinder any actions the Trustee may undertake as to the Deposited Funds including, but not limited to, any agreement the Trustee may enter into with LBHI Entities, provided that the LBI estate receives a minimum of \$1.5 million of the Deposited Funds.

3. The Motion and Notice of Rejection are hereby deemed withdrawn with prejudice. The Agreements are hereby terminated without need for further action by any of the Parties and without the need for any further Bankruptcy Court approval.

4. Except for the obligations contained herein, each of the Parties (including the Parties' past, present and future officers, directors, employees, agents, attorneys, representatives, shareholders, parents, subsidiaries, affiliates, predecessors, successors, assigns, and/or persons acting on behalf of any of the foregoing), each release and discharge each other from any and all past, present and future claims, causes of action, demands, damages, attorneys' fees, equitable relief including but not limited to injunctive and declaratory relief, suits seeking damages, legal relief, and demands or rights, whether known or unknown, liquidated or unliquidated, accrued or unaccrued, fixed or contingent, or based on any statute, regulation or common law of any country, state, province, county, city or municipality that have been, could have been, may be, or could be alleged or asserted now, in the past, or in the future under the Agreements or related thereto.

5. The Trustee shall seek, and UPRS shall support, Bankruptcy Court approval of this Stipulation and Order.

6. 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.

7. 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.

8. The Bankruptcy Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation of this Stipulation and Order.

Dated: New York, New York  
May 4, 2010

UNCLAIMED PROPERTY RECOVERY  
SERVICE, INC.

By: /s/ Bernard Gelb  
Bernard Gelb  
Vice President

By: /s/ David W. Wiltenburg  
James B. Kobak, Jr.  
David W. Wiltenburg  
HUGHES HUBBARD & REED LLP  
One Battery Park Plaza  
New York, New York 10004  
(212) 837-6000

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

**SO ORDERED:**

Dated: New York, New York  
May 25, 2010

s/ James M. Peck  
UNITED STATES BANKRUPTCY JUDGE