

UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF NEW YORK

In re: _____ Chapter 11 Case No.

Lehman Brothers Holdings Inc., et al., 08-13555

Debtors.

MONTHLY OPERATING REPORT

AUGUST 2009

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
SCHEDULE OF PROFESSIONAL FEE AND EXPENSE DISBURSEMENTS

DEBTORS' ADDRESS: LEHMAN BROTHERS HOLDINGS INC.
c/o WILLIAM J. FOX
1271 AVENUE OF THE AMERICAS
35th FLOOR
NEW YORK, NY 10020

DEBTORS' ATTORNEYS: WEIL, GOTSHAL & MANGES LLP
c/o SHAI WAISMAN
767 FIFTH AVENUE
NEW YORK, NY 10153

REPORT PREPARER: LEHMAN BROTHERS HOLDINGS INC., A DEBTOR IN POSSESSION (IN THE
SOUTHERN DISTRICT OF NEW YORK)

THIS OPERATING STATEMENT MUST BE SIGNED BY A REPRESENTATIVE OF THE DEBTOR

The undersigned, having reviewed the attached report and being familiar with the Debtors' financial affairs, verifies under penalty of perjury, that the information contained therein is complete, accurate and truthful to the best of my knowledge.

Lehman Brothers Holdings Inc.

Date: September 16, 2009

By: /s/ William J. Fox
William J. Fox
Executive Vice President

Indicate if this is an amended statement by checking here: AMENDED STATEMENT ☐

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SCHEDULE OF DEBTORS

The following entities have filed for bankruptcy in the Southern District of New York:

	Case No.	Date Filed
<u>Lead Debtor:</u>		
Lehman Brothers Holdings Inc. ("LBHI")	08-13555	9/15/2008
<u>Related Debtors:</u>		
LB 745 LLC	08-13600	9/16/2008
PAMI Statler Arms LLC(1)	08-13664	9/23/2008
Lehman Brothers Commodity Services Inc.	08-13885	10/3/2008
Lehman Brothers Special Financing Inc.	08-13888	10/3/2008
Lehman Brothers OTC Derivatives Inc.	08-13893	10/3/2008
Lehman Brothers Derivative Products Inc.	08-13899	10/5/2008
Lehman Commercial Paper Inc.	08-13900	10/5/2008
Lehman Brothers Commercial Corporation	08-13901	10/5/2008
Lehman Brothers Financial Products Inc.	08-13902	10/5/2008
Lehman Scottish Finance L.P.	08-13904	10/5/2008
CES Aviation LLC	08-13905	10/5/2008
CES Aviation V LLC	08-13906	10/5/2008
CES Aviation IX LLC	08-13907	10/5/2008
East Dover Limited	08-13908	10/5/2008
Luxembourg Residential Properties Loan Finance S.a.r.l	09-10108	1/7/2009
BNC Mortgage LLC	09-10137	1/9/2009
LB Rose Ranch LLC	09-10560	2/9/2009
Structured Asset Securities Corporation	09-10558	2/9/2009
LB 2080 Kalakaua Owners LLC	09-12516	4/23/2009

- (1) On May 26, 2009, a motion was filed on behalf of Lehman Brothers Holdings Inc. seeking entry of an order pursuant to Section 1112(b) of the Bankruptcy Code to dismiss the Chapter 11 Case of PAMI Statler Arms LLC, with a hearing to be held on June 24, 2009. On June 19, 2009, the motion was adjourned without a date for a continuation hearing.

The Chapter 11 case of Fundo de Investimento Multimercado Credito Privado Navigator Investimento No Exterior (Case No: 08-13903) has been dismissed.

The Chapter 11 case of Lehman Brothers Finance SA (Case No: 08-13887) has been dismissed.

LEHMAN BROTHERS HOLDINGS INC., (“LBHI”), AND OTHER DEBTOR SUBSIDIARIES

BASIS OF PRESENTATION SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS AUGUST 1, 2009 TO AUGUST 31, 2009

The information and data included in this Report are derived from sources available to Lehman Brothers Holdings Inc. (the “Company”) and its other subsidiaries that have filed proceedings under Chapter 11 of the Bankruptcy Code (collectively, the “Debtors” or the “Estate”). The Debtors’ chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Rule 101(b) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”). The Debtors have prepared this presentation, as required by the Office of the United States Trustee, based on the information available to The Debtors at this time, but note that such information may be incomplete and may be materially deficient in certain respects. This MOR is not meant to be relied upon as a complete description of the Debtors, their business, condition (financial or otherwise), results of operations, prospects, assets or liabilities. The Debtors reserve all rights to revise this report.

1. This MOR is not prepared in accordance with U.S. generally accepted accounting principles (GAAP). This MOR should be read in conjunction with the financial statements and accompanying notes in the Company’s annual and quarterly reports that were filed with the United States Securities and Exchange Commission.
2. This MOR is not audited and will not be subject to audit or review by the Company’s external auditors at any time in the future.
3. The cash flows presented in this report only include activity for bank accounts that are managed and reconciled by Lehman North American operations. Cash flows related to the Debtors’ bank accounts that were previously managed and reconciled by Lehman European and Asian operations are excluded from this report.
4. The beginning and ending balances include cash in demand-deposit accounts (DDA), money-market funds (MMF), and other investments.
5. Intercompany transfers between Lehman entities are listed as disbursements for the paying entity and receipts for the receiving entity.
6. The following Debtors have not been included as Debtors in this MOR Report:
 - a. PAMI Statler Arms LLC (“PAMI”) — Books and records for PAMI are maintained separately and not in a manner similar to the majority of the Company’s subsidiaries. This entity does not maintain a separate cash account.
 - b. Lehman Brothers Finance SA (“LBF”) — Subsequent to its bankruptcy filing on October 3, 2008, LBF became subject to an insolvency proceeding in Switzerland.
 - c. Fundo de Investimento Multimercado Credito Privado Navigator Investimento — Motion was granted on February 24, 2009 to dismiss the Chapter 11 case of this entity.

LEHMAN BROTHERS HOLDINGS INC. and Other Debtor Subsidiaries
Schedule of Cash Receipts and Disbursements (a)
August 1, 2009 - August 31, 2009

Unaudited (\$ in millions)

Legal Entity	Filing Date	Beginning Cash & Investments		Transfers (b)	Disbursements	FX Fluctuation (c)	Hedging Fluctuation (d)	Ending Cash & Investments (8/31/09) (e)
		(8/01/09)	Receipts					
Lehman Brothers Holdings Inc.	9/15/2008	\$ 2,849	\$ 391(f)	\$ —	\$ (711)(g)	\$ 2	\$ —	\$ 2,531
LB 745 LLC	9/16/2008	—	—	—	—	—	—	—
Lehman Brothers Special Financing Inc. ("LBSF")	10/3/2008	4,207	445	80	—	1	(24)	4,709
Lehman Brothers Commodity Services Inc. ("LBCS")	10/3/2008	1,077	66	—	—	1	—	1,144
Lehman Brothers OTC Derivatives Inc ("LOTG")	10/3/2008	165	—	—	—	—	—	165
Lehman Commercial Paper Inc. ("LCPI")	10/5/2008	2,761	388	—	(238)(h)	1	—	2,912
Lehman Brothers Commercial Corporation ("LBCC")	10/5/2008	415	—	—	—	—	—	415
Lehman Brothers Derivative Products Inc. ("LBDP")	10/5/2008	388	1	—	—	—	—	389
Lehman Brothers Financial Products Inc ("LBFP")	10/5/2008	438	—	—	—	—	(1)	437
CES Aviation LLC	10/5/2008	—	—	—	—	—	—	—
CES Aviation V LLC	10/5/2008	—	—	—	—	—	—	—
CES Aviation IX LLC	10/5/2008	—	—	—	—	—	—	—
East Dover Limited	10/5/2008	—	—	—	—	—	—	—
Lehman Scottish Finance L.P.	10/5/2008	2	—	—	—	—	—	2
Luxembourg Residential Properties Loan Finance	1/7/2009	—	—	—	—	—	—	—
BNC Mortgage LLC	1/9/2009	—	—	—	—	—	—	—
LB Rose Ranch LLC	2/9/2009	2	—	—	—	—	—	2
Structured Asset Securities Corporation ("SASCO")	2/9/2009	—	—	—	—	—	—	—
LB 2080 Kalakaua Owners LLC	4/23/2009	—	—	—	—	—	—	—
Total Debtor Cash and Investment Flows		\$ 12,304	\$ 1,291	\$ 80	\$ (949)	\$ 5	\$ (25)	\$ 12,706
Non-Debtor Cash and Investment Balances		1,053						1,123
Total Debtor and Non-Debtor Cash and Investment Balances		\$ 13,357						\$ 13,829

Notes:

- (a) Represents cash flows for bank accounts managed and reconciled by Lehman US operations. Foreign currency cash flows are reflected in USD equivalents.
- (b) Reflects transfers from bank accounts managed in other regions to the US.
- (c) Reflects fluctuation in value in foreign currency bank accounts.
- (d) Reflects fluctuations in value of futures accounts (realized gain or loss) on court approved hedging activity.
- (e) Ending cash balances include cash associated with pledged assets, court order segregated accounts, and other identified funds which may not belong to the Debtors or non-Debtor subsidiaries. These amounts are preliminarily estimated to be approximately \$2.0 billion (LBHI \$202 million, LBSF \$566 million, LBCS \$13 million, LCPI \$1.1 billion, LBCC \$1 million, LBDP \$3 million, LBFP \$8 million, and Non-Debtors \$78 million), and are subject to adjustment.
- (f) Includes \$254 million in receipts from Aurora Bank associated with court approved repo financing transactions. On 8/31/09, \$274 million in principal was still outstanding with Aurora Bank.
- (g) Reflects ordinary course outflows and other court approved disbursements, including \$527 million in disbursements to Aurora Bank associated with court approved repo financing transactions.
- (h) LCPI, in its capacity as loan agreement agent, makes pass-along disbursements of principal and interest to loan syndicate participants.

LEHMAN BROTHERS HOLDINGS INC. ("LBHI")

**BASIS OF PRESENTATION
SCHEDULE OF PROFESSIONAL FEE AND EXPENSE DISBURSEMENTS
DATED FROM FILING DATE TO AUGUST 31, 2009**

The information and data included in this Report are derived from internal systems maintained by Lehman Brothers Holdings Inc. (the "Company"). The Company, and its other subsidiaries that have filed proceedings under Chapter 11 of the Bankruptcy Code (collectively, the "Debtors" or the "Estate"), have had their chapter 11 cases consolidated for procedural purposes only and are being jointly administered pursuant to Rule 101(b) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"). The Debtors have prepared this presentation, as required by the Office of the United States Trustee, based on information from the Debtors internal systems, but note that such information may be incomplete in certain respects and the Debtors reserve all rights to revise this report. This MOR is not meant to be relied upon as a complete description of the Debtors, their business, condition (financial or otherwise), results of operations, prospects, assets or liabilities.

1. This MOR is not prepared in accordance with U.S. generally accepted accounting principles (GAAP). This MOR should be read in conjunction with the financial statements and accompanying notes in the Company's annual and quarterly reports that were filed with the United States Securities and Exchange Commission.
2. This MOR is not audited and will not be subject to audit or review by the Company's external auditors at any time in the future.
3. The professional fee disbursements presented in this report reflect the date of actual cash payments to professional service providers. The Debtors have incurred additional professional fee expenses during the reporting period that will be reflected in future MORs as cash payments are made to providers.

