

UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF NEW YORK

In re:

Chapter 11 Case No.

Lehman Brothers Holdings Inc., et al.,

08-13555

Debtors.

DECEMBER 2012 POST-EFFECTIVE OPERATING REPORT

DECEMBER 2012

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

DEBTORS' ADDRESS: LEHMAN BROTHERS HOLDINGS INC.
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REPORT PREPARER: LEHMAN BROTHERS HOLDINGS INC., AS PLAN ADMINISTRATOR

Date: January 30, 2013

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

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SCHEDULE OF DEBTORS

The following entities (the “Debtors”) filed for bankruptcy in the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”). On December 6, 2011, the Bankruptcy Court confirmed the Modified Third Amended Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. and its Affiliated Debtors (the “Plan”). On March 6, 2012, the “Effective Date” (as defined in the Plan) occurred. The Debtors’ Chapter 11 cases remain open as of the date hereof.

	<u>Case No.</u>	<u>Date Filed</u>
Lehman Brothers Holdings Inc. (“LBHI”)	08-13555	9/15/2008
LB 745 LLC.....	08-13600	9/16/2008
PAMI Statler Arms LLC.....	08-13664	9/23/2008
Lehman Brothers Commodity Services Inc. (“LBCS”)	08-13885	10/3/2008
Lehman Brothers Special Financing Inc. (“LBSF”)	08-13888	10/3/2008
Lehman Brothers OTC Derivatives Inc. (“LOTC”).....	08-13893	10/3/2008
Lehman Brothers Derivative Products Inc. (“LBDP”)	08-13899	10/5/2008
Lehman Commercial Paper Inc. (“LCPI”).....	08-13900	10/5/2008
Lehman Brothers Commercial Corporation (“LBCC”)	08-13901	10/5/2008
Lehman Brothers Financial Products Inc. (“LBFP”)	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
Merit LLC	09-17331	12/14/2009
LB Somerset LLC.....	09-17503	12/22/2009
LB Preferred Somerset LLC.....	09-17505	12/22/2009

The Company has established an email address to receive questions from readers regarding this presentation. The Company plans to review questions received and for those subjects which the Company determines a response would not (i) violate a confidentiality provision, (ii) place the Company in a competitive or negotiation disadvantage, or (iii) be unduly burdensome, the Company shall endeavor to post a response (maintaining the anonymity of the question origination) on the Epiq website maintained for the Company, www.lehman-docket.com. The Company assumes no obligation to respond to e-mail inquiries. Please provide questions in clear language with document references, and email to QUESTIONS@lehmanholdings.com.

**LEHMAN BROTHERS HOLDINGS INC. (“LBHI”) AND OTHER DEBTORS AND DEBTOR-
CONTROLLED ENTITIES**

**BASIS OF PRESENTATION
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
DECEMBER 1, 2012 – DECEMBER, 31 2012**

The information and data included in this December 2012 Post-Effective Operating Report (the “Operating Report”) are derived from sources available to Lehman Brothers Holdings Inc. (“LBHI”), as Plan Administrator, and its Controlled Entities (collectively, the “Company”). The term “Controlled Entities” refers to those entities that are directly or indirectly controlled by LBHI, and excludes, among others, those entities that are under separate administrations in the United States or abroad and excludes Aurora Bank FSB, which is indirectly controlled by LBHI. LBHI and certain of its Controlled Entities had filed for protection under Chapter 11 of the Bankruptcy Code, and those entities are referred to herein as the “Debtors”. The Debtors’ Chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure. LBHI has prepared this Operating Report, which includes certain information as required by the Office of the US Trustee, based on the information available to LBHI at this time, but note that such information may be incomplete and may be materially deficient in certain respects. This Operating Report 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. LBHI reserves all rights to revise this report.

1. This Operating Report is not prepared in accordance with U.S. generally accepted accounting principles (GAAP), is not audited and will not be subject to audit or review by the Company’s external auditors at any time in the future. Cash balances and activity denominated in foreign currencies have been converted to US Dollars.
2. Beginning and ending balances include cash in demand-deposit accounts (DDA), money-market funds (MMF), treasury bills and other investments.
3. Beginning and ending cash balances are based on preliminary closing numbers and are subject to adjustment.
4. Beginning and ending cash and investment balances exclude the following:
 - Cash posted as collateral for hedging activity;
 - Cash related to LBHI’s wholly-owned indirect subsidiary Aurora Bank FSB;
 - Cash held at real estate owned properties or at third party managers; and
 - Cash held at Archstone Enterprise LP and its subsidiaries.

5. Restricted cash balances are based on preliminary estimates and are comprised of the following items as of December 31, 2012:

(\$ in millions)	Debtors					Debtor- Controlled Entities	Total Debtors and Debtor- Controlled Entities
	LBHI	LBSF	LCPI	Other	Total		
Reserves for Claims:							
Disputed unsecured claims	\$ 2,010	\$ 2,235	\$ 64	\$ 1,494	\$ 5,803	\$ -	\$ 5,803
Priority tax claims	2,200	117	0	5	2,322	-	2,322
Distributions on Allowed Claims (not remitted) ⁽¹⁾	130	138	137	8	412	-	412
Secured, Admin, Priority Claims and Other ⁽²⁾	1,429	41	67	26	1,563	-	1,563
Subtotal, Claims Reserves	5,769	2,531	268	1,532	10,100	-	10,100
Cash pledged to JPMorgan (CDA) ⁽³⁾	316	-	-	-	316	-	316
Citigroup and HSBC ⁽⁴⁾	2,038	-	-	-	2,038	-	2,038
Woodlands and LB Bancorp ⁽⁵⁾	-	-	-	-	-	593	593
Other ⁽⁶⁾	257	9	48	32	346	114	460
Total	\$ 8,379	\$ 2,540	\$ 315	\$ 1,564	\$ 12,799	\$ 707	\$ 13,506

Totals may not foot due to rounding.

- (1) Represents distributions to creditors of Allowed Claims that were not paid related to the first distribution on April 17, 2012 and the second distribution on October 1, 2012. The \$412 million is comprised of approximately \$234 million for distributions held pending resolution on various items described in settlement agreements with certain Non-Controlled Affiliates and approximately \$178 million related to (i) claimants who failed to submit the proper taxpayer identification number forms and/or Office of Foreign Asset Control (“OFAC”) forms and (ii) resolution of other open items.
- (2) Includes approximately \$1.2 billion reserved at LBHI for a disputed claim of the Federal Home Loan Mortgage Corporation that was asserted with priority status, \$172 million related to post-petition intercompany payables, \$90 million related to secured claims, \$28 million related to administrative claims and \$65 million related to other administrative activity and other. The decrease in “other administrative activity and other” balance when compared to the prior month was primarily due to payments of accrued incentive fees, holdback and final fee applications.
- (3) Represents \$316 million of cash deposited into accounts by LBHI and pledged to JPMorgan (“JPM”) pursuant to paragraph 6(b) of the Collateral Disposition Agreement (“CDA”) with JPM effective March 31, 2010; related to, but not limited to, clearance exposures, derivative exposures and contingent letters of credit exposures, pending resolution of these items.
- (4) Represents cash deposited on or prior to September 15, 2008 by the Company in connection with certain requests and/or documents executed by the Company and Citibank N.A. of approximately \$2 billion and HSBC Bank PLC of \$30 million, including interest earned thereon.
- (5) Represents cash at Woodlands Commercial Corporation (“Woodlands”) of \$560 million and its parent company, Lehman Brothers Bancorp Inc., a savings and loan holding company, of \$33 million, subject to various regulations and supervision by the Federal Reserve Board of Governors.
- (6) Other includes (i) various pre-petition balances on administrative hold by certain financial institutions of \$105 million; (ii) asserted misdirected wires and other cash received by LBHI for the benefit of third parties and Non-Controlled Affiliates of approximately \$116 million; (iii) cash collected by LBSF on derivative trades which collateralize certain notes of approximately \$9 million; (iv) cash collected by LCPI on behalf of a third party for \$43 million related to a loan participation agreement; (v) net cash collections on assets reported on the books of LBHI and LCPI related to Intercompany-Only Repurchase transactions of approximately \$17 million; (vi) cash received by LBHI related to securities transferred to

LBHI under the CDA with JPM of approximately \$33 million; and (vii) other cash required to be restricted by various agreements of \$137 million. The decrease in the “Other” balance when compared to the prior month was primarily related to an LBSF payment to a secured noteholder, refer to footnote (i) on page 10.

Restricted cash balances herein do not include other cash reserves required for operating expenses, asset preservation and other commitments (e.g. unfunded loans or anticipated investments).

LEHMAN BROTHERS HOLDINGS INC. and other Debtors and Debtor-Controlled Entities
Summary Schedule of Cash Receipts and Disbursements
December 1, 2012 - December 31, 2012

Unaudited (\$ in millions, foreign currencies reflected in USD equivalents)

	Debtors				Debtor-Controlled Entities				Total Debtors and Debtor-Controlled Entities	
	LBHI	LBSF	LCPI	Other	Total	LB I Group	PAMI	Other		Total
Beginning Free Cash and Investments (12/1/12)	\$ 1,840	\$ 702	\$ 1,123	\$ 92	\$ 3,756	\$ 304	\$ 50	\$ 1,484	\$ 1,838	\$ 5,594
Restricted Cash	8,466	2,629	319	1,570	12,984	-	-	690	690	13,674
Beginning Total Cash and Investments	10,306	3,331	1,442	1,661	16,740	304	50	2,175	2,528	19,268
Sources of Cash										
Commercial Real Estate	21	-	47	-	68	-	10	17	27	95
Loans (Corporate and Residential)	11	-	88	-	99	-	-	12	12	111
Private Equity / Principal Investing	56	-	21	-	77	71	-	70	141	218
Derivatives	-	161	-	9	170	-	-	9	9	178
Receipts from Affiliates	49	0	-	-	49	-	-	-	-	49
Other	3	3	(7)	1	1	0	0	7	7	8
Total Sources of Cash	139	164	149	10	463	71	10	115	197	659
Uses of Cash										
Non-Operating										
Commercial Real Estate	(0)	-	(2)	(0)	(2)	-	(2)	(8)	(10)	(12)
Loans (Corporate and Residential)	(56)	-	(0)	-	(56)	-	-	-	-	(56)
Private Equity / Principal Investing	-	-	-	-	-	(0)	-	(0)	(0)	(0)
Derivatives	-	(0)	-	-	(0)	-	-	-	-	(0)
Payments to Creditors	(1)	(108)	-	-	(109)	-	-	-	-	(109)
Other	(3)	-	(0)	0	(4)	-	-	(1)	(1)	(5)
Operating Expenses	(169)	(0)	(0)	(0)	(170)	(0)	(0)	(47)	(47)	(217)
Total Uses of Cash	(229)	(109)	(3)	(0)	(341)	(0)	(2)	(56)	(58)	(399)
Net Cash Flow	(90)	56	146	10	122	71	8	60	139	260
Inter-Company Transfers, Net	75	3	(72)	0	6	4	-	(10)	(6)	(0)
Transfers from (to) Securitization Trustee	-	-	(4)	-	(4)	-	-	-	-	(4)
Loan Agencies, Net	(0)	-	(3)	-	(3)	-	-	-	-	(3)
FX Fluctuation	1	1	0	0	2	0	-	1	1	3
Ending Total Cash and Investments	10,292	3,391	1,509	1,672	16,864	378	58	2,225	2,661	19,525
Restricted Cash	(8,379)	(2,540)	(315)	(1,564)	(12,799)	-	-	(707)	(707)	(13,506)
Ending Free Cash and Investments (12/31/12)	\$ 1,912	\$ 851	\$ 1,194	\$ 107	\$ 4,065	\$ 378	\$ 58	\$ 1,518	\$ 1,954	\$ 6,019

All values that are exactly zero are shown as "-". Values between zero and \$0.5 million appear as "0".
Totals may not foot due to rounding.

LEHMAN BROTHERS HOLDINGS INC. and other Debtors and Debtor-Controlled Entities
Schedule of Cash Receipts and Disbursements
December 1, 2012 - December 31, 2012

Unaudited (\$ in millions, foreign currencies reflected in USD equivalents)

	Debtors					Debtor-Controlled Entities				Total Debtors and Debtor- Controlled Entities
	LBHI	LBSF	LCPI	Other	Total	LB I Group	PAMI	Other	Total	
Beginning Free Cash and Investments (12/1/12)	\$ 1,840	\$ 702	\$ 1,123	\$ 92	\$ 3,756	\$ 304	\$ 50	\$ 1,484	\$ 1,838	\$ 5,594
Restricted Cash	8,466	2,629	319	1,570	12,984	-	-	690	690	13,674
Beginning Total Cash and Investments	10,306	3,331	1,442	1,661	16,740	304	50	2,175	2,528	19,268
Sources of Cash										
Commercial Real Estate										
Principal	(a) 17	-	24	-	41	-	10	16	26	67
Interest	3	-	23	-	26	-	0	1	1	27
Loans (Corporate and Residential)										
Principal	(b) 9	-	85	-	94	-	-	11	11	105
Interest	2	-	3	-	5	-	-	2	2	6
Private Equity / Principal Investing										
Principal	(c) 49	-	17	-	66	71	-	69	139	206
Interest and Dividends	7	-	4	-	11	1	-	1	2	13
Derivatives										
Return / (Posting) of Hedging Collateral, net	-	29	-	-	29	-	-	0	0	29
Collections from Live / Terminated Trades	(d) -	131	-	9	140	-	-	9	9	148
Other	-	1	-	-	1	-	-	-	-	1
Receipts from Affiliates										
Distributions from Non-Controlled Affiliates	(e) 49	-	-	-	49	-	-	-	-	49
Other										
Interest	(f) 4	3	0	1	9	0	0	(1)	(1)	8
Other	(g) (1)	-	(7)	-	(8)	-	-	8	8	(0)
Total Sources of Cash	139	164	149	10	463	71	10	115	197	659

All values that are exactly zero are shown as "-". Values between zero and \$0.5 million appear as "0". Totals may not foot due to rounding.

LEHMAN BROTHERS HOLDINGS INC. and other Debtors and Debtor-Controlled Entities
Schedule of Cash Receipts and Disbursements
December 1, 2012 - December 31, 2012

Unaudited (\$ in millions, foreign currencies reflected in USD equivalents)

	Debtors					Debtor-Controlled Entities				Total Debtors and Debtor- Controlled Entities
	LBHI	LBSF	LCPI	Other	Total	LB I Group	PAMI	Other	Total	
Uses of Cash										
Non-Operating										
Commercial Real Estate										
Preservation of Assets	(0)	-	(2)	(0)	(2)	-	(2)	(8)	(10)	(12)
Loans (Corporate and Residential)										
Preservation of Assets	(h) (56)	-	(0)	-	(56)	-	-	-	-	(56)
Private Equity / Principal Investing										
Capital Calls	-	-	-	-	-	(0)	-	(0)	(0)	(0)
Derivatives										
Payments on Live Trades	-	(0)	-	-	(0)	-	-	-	-	(0)
Payments to Creditors										
Plan Distributions	(i) (1)	(108)	-	-	(109)	-	-	-	-	(109)
Other										
Other	(3)	-	(0)	0	(4)	-	-	(1)	(1)	(5)
Operating Expenses										
Compensation and Benefits	(j) (k) (12)	-	-	-	(12)	-	-	(44)	(44)	(57)
Professional Fees	(l) (148)	(0)	(0)	-	(148)	(0)	(0)	(0)	(0)	(149)
Other	(m) (9)	(0)	(0)	(0)	(10)	(0)	(0)	(2)	(2)	(12)
Total Uses of Cash	(229)	(109)	(3)	(0)	(341)	(0)	(2)	(56)	(58)	(399)
Net Cash Flow	(90)	56	146	10	122	71	8	60	139	260
Inter-Company Receipts										
Inter-Company Receipts	(n) 120	4	1	0	125	4	-	49	53	178
Inter-Company Disbursements										
Inter-Company Disbursements	(n) (46)	(1)	(73)	(0)	(119)	-	-	(59)	(59)	(178)
Transfers from (to) Securitization Trustee										
Transfers from (to) Securitization Trustee	-	-	(4)	-	(4)	-	-	-	-	(4)
Loan Agencies, Net										
Loan Agencies, Net	(0)	-	(3)	-	(3)	-	-	-	-	(3)
FX Fluctuation										
FX Fluctuation	1	1	0	0	2	0	-	1	1	3
Ending Total Cash and Investments	(o) 10,292	3,391	1,509	1,672	16,864	378	58	2,225	2,661	19,525
Restricted Cash										
Restricted Cash	(p) (8,379)	(2,540)	(315)	(1,564)	(12,799)	-	-	(707)	(707)	(13,506)
Ending Free Cash and Investments (12/31/12)	\$ 1,912	\$ 851	\$ 1,194	\$ 107	\$ 4,065	\$ 378	\$ 58	\$ 1,518	\$ 1,954	\$ 6,019

All values that are exactly zero are shown as "-". Values between zero and \$0.5 million appear as "0".

LEHMAN BROTHERS HOLDINGS INC. and other Debtors and Debtor-Controlled Entities
Schedule of Cash Receipts and Disbursements
December 1, 2012 - December 31, 2012

Unaudited (\$)

Notes:

- (a) Primarily includes cash received from asset sales and interest payments related to Commercial Real Estate assets.
- (b) Primarily reflects cash received from matured loans and principal paydowns related to Corporate Loan assets.
- (c) Cash collections primarily relate to return of capital from direct investments and redemptions and principal distributions from GP and LP stakes in private equity and hedge funds and receipts from Neuberger Berman Group ("NBG") to (i) purchase a portion of its common equity held by the Company and (ii) refund an adjustment related to the working capital funding associated with the 2009 NBG sale.
- (d) Includes collections on live and terminated trades, net of purchases of SPV notes.
- (e) Related to the second creditor distribution from Lehman Brothers Commercial Corporation Asia ("LBCCA").
- (f) Includes interest collected on short term investments, net of purchased interest, and amortization on treasury investments.
- (g) Primarily includes net return / (posting) of collateral for FX hedging.
- (h) Reflects a cash payment to exercise call warrants to purchase debentures. These warrants were transferred to LBHI as part of the Collateral Disposition Agreement (CDA) with JPMorgan in 2010. The Company intends to sell the debentures over the next few months.
- (i) Primarily reflects the disbursement to a secured noteholder of \$107 million of cash collected in December 2012 (approximately \$30 million) and prior periods (\$77 million) on derivative trades that collateralized the notes.
- (j) A portion of the Operating Expenses paid by LBHI is subject to allocations to, and reimbursement from, various Controlled Entities.
- (k) Compensation and Benefits includes Company's employee expenses as well as monthly fees paid to Alvarez & Marsal (A&M) as interim management. Compensation and Benefits also includes accelerated bonus payments of approximately \$46 million to Lehman employees with compensation packages exceeding designated threshold for services performed in 2012.
- (l) Includes disbursements of approximately \$84 million for incentive fees (including A&M) and approximately \$35 million of professional fees and expenses related to holdback and final fee applications approved by the Bankruptcy Court and payments to professionals on invoices previously under review by the Company.
- (m) Primarily includes expenses related to outsourced services and IT, occupancy, taxes, insurance and other operating disbursements.
- (n) Primarily includes partial repayments on intercompany balances and other administrative activities. Intercompany transfers also includes the transfer from LCPI to LBHI of \$73 million in accordance with the "Modified Settlement with Respect to the Variable Funding Trust" [Docket No. 19370].
- (o) Other Debtor-Controlled Entities - Other Ending Cash and Investments at December 31, 2012 includes \$663 million of cash balances at Controlled Entities in Asia.
- (p) The decrease in LBHI restricted cash balance primarily relates to payments of accrued incentive fees, holdback and final fee applications. The decrease in LBSF restricted cash primarily relates to a payment to a secured noteholder, see footnote (i) above.

**LEHMAN BROTHERS HOLDINGS INC. (“LBHI”) AND OTHER DEBTORS AND DEBTOR-
CONTROLLED ENTITIES**

**BASIS OF PRESENTATION
SCHEDULE OF PROFESSIONAL FEE AND EXPENSE DISBURSEMENTS
FROM SEPTEMBER 15, 2008 TO DECEMBER 31, 2012**

The information and data included in this December 2012 Post-Effective Operating Report (the “Operating Report”) are derived from sources available to Lehman Brothers Holdings Inc. (“LBHI”), as Plan Administrator and its Controlled Entities (collectively, the “Company”). The term “Controlled Entities” refers to those entities that are directly or indirectly controlled by LBHI, and excludes, among others, those entities that are under separate administrations in the United States or abroad, and Aurora Bank FSB, which is indirectly controlled by LBHI. LBHI and certain of its Controlled Entities had filed for protection under Chapter 11 of the Bankruptcy Code, and those entities are referred to herein as the “Debtors”. The Debtors’ Chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure. LBHI has prepared this Operating Report, including certain information as required by the Office of the United States Trustee, based on the information available to LBHI at this time, but note that such information may be incomplete and may be materially deficient in certain respects. This Operating Report 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. LBHI reserves all rights to revise this report.

1. This Operating Report is not prepared in accordance with U.S. generally accepted accounting principles (GAAP), is not audited and will not be subject to audit or review by the Company’s external auditors at any time in the future.
2. The professional fee disbursements presented in this report reflect the date of actual cash payments to professional service providers. The Company has incurred additional professional fee expenses during the reporting period that will be reflected in future Operating Reports as cash payments are made to providers.
3. The professional fee disbursements presented in this report have primarily been paid by LBHI; a portion of these fees have been and will be allocated to Debtors and certain Controlled Entities based on the dedicated costs associated with each entity and an allocation methodology.
4. This Operating Report includes disbursements for services rendered on or prior to March 6, 2012 (“Pre-Effective Date”) and subsequent to March 6, 2012 (“Post-Effective Date”). Pre-Effective Date professional fee disbursements made in December 2012 include approximately \$84 million of professional fee and expense related to incentive and other fees as well as \$35 million of final fee applications approved by the Bankruptcy Court. Professional fees incurred Post- Effective Date are paid in accordance with the terms of the engagement of each professional as agreed to with LBHI, as Plan Administrator.

LEHMAN BROTHERS HOLDINGS INC. and Other Debtors and Other Controlled Entities
Schedule of Professional Fee and Expense Disbursements
For Services Rendered Pre-Effective Date
December 2012

Unaudited (\$ in thousands)		For services rendered Pre-Effective Date	
		Dec-2012	Sept-2008 Through Dec-2012
Debtors - Claims and Noticing Agent			
Epiq Bankruptcy Solutions LLC	Claims Management and Noticing Agent	\$ -	\$ 28,773
Debtors - Section 363 Professionals			
Alvarez & Marsal LLC	Interim Management	42,029 (b)	577,550
Debtors - Section 327 Professionals			
Akerman Senterfit	Special Counsel - Mortgage Litigation and Claims	-	26
Bingham McCutchen LLP	Special Counsel - Tax	-	24,199
Bortstein Legal LLC	Special Counsel - IT and Other Vendor Contracts	27	4,171
Curtis, Mallet-Prevost, Colt & Mosle LLP	Special Counsel - Conflicts	2,632	52,798
Dechert LLP	Special Counsel - Real Estate	370	8,106
Deloitte LLP	Tax Services	33	957
Ernst & Young LLP	Audit and Tax Services	72	1,807
Foster, Graham, Millstein & Calisher, LLP	Special Counsel - Mortgage Litigation and Claims	-	819
Fried, Frank, Harris, Shriver & Jacobson LLP	Special Counsel - Real Estate	241	737
Gibson Dunn & Crutcher LLP	Special Counsel - Real Estate	430	4,100
Hardinger & Tenenholz LLP	Special Counsel - Discovery	18	213
Jones Day	Special Counsel - Asia and Domestic Litigation	1,757	67,453
Kasowitz, Benson, Torres & Friedman	Special Counsel - Litigation	551	3,238
Kleyr Grasso Associates	Special Counsel - UK	60	1,138
Kramer Levin Naftalis and Frankel LLP	Special Counsel - Employee Matters	7	204
Krebsbach & Snyder, P.C.	Special Counsel - Litigation	215	812
Lazard Freres & Co.	Investment Banking Advisor	13,377 (b)	45,151
Locke Lord Bissell & Liddell LLP	Special Counsel - Mortgage Litigation and Claims	18	1,726
McKenna Long & Aldridge LLP	Special Counsel - Commercial Real Estate Lending	237	6,087
MMOR Consulting	Tax Services	50	1,062
Momo-o, Matsuo & Namba	Special Counsel - Asia	40	714
Moulton Bellingham P. C.	Special Counsel - Mortgage Litigation and Claims	77	768
O'Neil Group	Tax Services	81	3,369
Paul, Hastings, Janofsky & Walker LLP	Special Counsel - Real Estate	433	3,894
Pricewaterhouse Coopers LLP	Tax Services	302	2,834
Reed Smith LLP	Special Counsel - Insurance	15	1,250
Reilly Pozner LLP	Special Counsel - Mortgage Litigation and Claims	-	9,113
Simpson Thacher & Bartlett LLP	Special Counsel - SEC Reporting, Asset Sales, and Congressional Testimony	-	2,820
SNR Denton LLP	Special Counsel - Real Estate	7	2,531
Sutherland LLP	Special Counsel - Tax	34	1,003
Weil Gotshal & Manges LLP	Lead Counsel	8,856	428,085
Windels Marx Lane & Mittendorf, LLP	Special Counsel - Real Estate	11	3,414
Wollmuth Maher & Deutsch LLP	Special Counsel - Derivatives	208	2,159
Creditors - Section 327 Professionals			
FTI Consulting Inc.	Financial Advisor	5,633 (b)	95,963
Houlihan Lokey Howard & Zukin Capital Inc.	Investment Banking Advisor	27,146 (b)	44,556
Milbank Tweed Hadley & McCloy LLP	Lead Counsel	6,884	147,204
Quinn Emanuel Urquhart Oliver & Hedges LLP	Special Counsel - Conflicts	5,524	41,327
Richard Sheldon, Q.C.	Special Counsel - UK	-	378
Examiner - Section 327 Professionals			
Duff & Phelps LLC	Financial Advisor	-	43,210
Jenner & Block LLP	Examiner	-	59,454
Fee Examiner			
Godfrey & Kahn, S.C.	Fee Examiner (Current)	911 (c)	8,345
503(B) - Substantial Contribution Fees (a)			
AlixPartners and Molinaro Advisors	LBHI Ad Hoc Group	-	2,824
Blackstone Advisory Partners LP	LBSF Working Group	-	12,710
Brown Rudnick LLP	LBT Ad Hoc Group	-	3,306
Goldman Sachs Lending Partners LLC	LBSF	-	3,112
White & Case LLP	LBHI Ad Hoc Group	-	9,519
Total Non-Ordinary Course Professionals		118,287	1,764,991
Inactive Non-Ordinary Course Professionals		803	63,094
Debtors - Ordinary Course Professionals		-	46,871
Other Professionals		44 (d)	10,674
US Trustee Quarterly Fees		-	1,959
Total Pre-Effective Date Professional Fees and UST Fees		\$ 119,134 (e)	\$ 1,887,589

(a) Reflects professional fees approved by the Bankruptcy Court under section 503(b) of the bankruptcy code.

(b) Includes disbursements related to incentive and other fees and final fee applications approved by the Bankruptcy Court.

(c) Includes services rendered subsequent to March 2012 for the review of professional fee and expenses incurred during the Pre-Effective Date period.

(d) Includes disbursements to various professionals not subject to court retention.

(e) Approximately \$84 million of professional fee and expense relate to the disbursement of incentive and other fees and approximately \$35 million relate to the disbursement of final fee applications approved by the Bankruptcy Court.

LEHMAN BROTHERS HOLDINGS INC. and Other Debtors and Other Controlled Entities
Schedule of Professional Fee and Expense Disbursements
For Services Rendered Post-Effective Date
December 2012 (a)

Unaudited (\$ in thousands)		For services rendered Post-Effective Date	
		Dec-2012	March 7, 2012 - Dec-2012
Alvarez & Marsal LLC	Interim Management	\$ 5,271	\$ 49,258
Professional Fees			
Bingham McCutchen LLP	Special Counsel - Tax	752	4,880
Curtis, Mallett-Prevost, Colt & Mosle LLP	Special Counsel	2,520	7,111
Epiq Bankruptcy Solutions LLC	Claims Management and Noticing Agent	754	5,182
FTI Consulting Inc.	Financial Advisor - Creditors & Tax	668	1,819
Gleacher	Financial Advisor	3,785	3,785
Houlihan Lokey Howard & Zukin Capital Inc.	Investment Banking Advisor	-	441
Jones Day	Special Counsel - Asia and Domestic Litigation	2,959	4,784
Latham & Watkins LLP	Special Counsel - Real Estate	1,796	1,796
Lazard Freres & Co.	Investment Banking Advisor	-	150
Milbank Tweed Hadley & McCloy LLP	Lead Counsel - Creditors	3,641	6,267 (b)
Pachulski Stang Ziehl & Jones	Special Counsel - Real Estate	-	1,014
Quinn Emanuel Urquhart Oliver & Hedges LLP	Special Counsel	1,126	5,202
Skadden, Arps, Slate, Meagher & Flom LLP	Board of Directors Counsel	650	1,608
Weil Gotshal & Manges LLP	Lead Counsel - Debtors	2,042	26,053
Wollmuth Maher & Deutsch LLP	Special Counsel - Derivatives	289	1,446
US Trustee Quarterly Fees		-	531
Other Professionals - Legal	Various	6,555	28,594 (c)
Other Professionals - Non-Legal	Various	1,737	8,401 (c)
Other Professionals - Asia	Various	213	2,526 (c)
Sub-total Professional Fees		29,486	111,588
Total Post-Effective Date Professional Fees - Including Alvarez & Marsal		\$ 34,757	\$ 160,846

- (a) During the month of December, various payments were made to professionals for invoices that were under review. After completion of the review there were additional professional fee expenses that have been incurred and continue to be reviewed by the Company; these expenses will be reflected in future Operating Reports as cash payments are made to professionals.
- (b) Fees incurred subsequent to the Plan's Effective Date for certain services described in Article 15.1 (a) of the Company's Third Amended Joint Chapter 11 Plan.
- (c) Includes disbursements to over 100 vendors of which the majority of these payments were less than \$150,000.