

UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF NEW YORK

In re: \_\_\_\_\_

Chapter 11 Case No.

**Lehman Brothers Holdings Inc., et al.,**

08-13555

\_\_\_\_\_  
Debtors.

**MAY 2013 POST-EFFECTIVE OPERATING REPORT**

MAY 2013

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

SCHEDULE OF PROFESSIONAL FEE AND EXPENSE DISBURSEMENTS

DEBTORS' ADDRESS: LEHMAN BROTHERS HOLDINGS INC.  
c/o MICHAEL S. LETO  
1271 AVENUE OF THE AMERICAS  
40th FLOOR  
NEW YORK, NY 10020

DEBTORS' ATTORNEYS: WEIL, GOTSHAL & MANGES LLP  
c/o HARVEY R. MILLER, LORI R. FIFE  
767 FIFTH AVENUE  
NEW YORK, NY 10153

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

Date: June 28, 2013

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

Pg 2 of 12  
**TABLE OF CONTENTS**

|  |    |
|--|----|
| Schedule of Debtors .....  | 3  |
| Lehman Brothers Holdings Inc. and Other Debtors and Other Controlled Entities        |    |
| Basis of Presentation — Schedule of Cash Receipts and Disbursements .....            | 4  |
| Schedule of Cash Receipts and Disbursements .....                                    | 7  |
| LBHI   |    |
| Basis of Presentation – Schedule of Professional Fee and Expense Disbursements ..... | 11 |
| Schedule of Professional Fee and Expense Disbursements .....                         | 12 |

Pg 3 of 12  
**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 the dates indicated below. 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. (“LOT”).....           | 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](http://www.lehman-docket.com). The Company assumes no obligation to respond to e-mail inquiries. Please email questions in clear language with document references to QUESTIONS@lehmanholdings.com.**

**LEHMAN BROTHERS HOLDINGS INC. AND OTHER DEBTORS AND DEBTOR-CONTROLLED ENTITIES**

**BASIS OF PRESENTATION  
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS  
MAY 1, 2013 – MAY, 31 2013**

The information and data included in this May 2013 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 Commercial Corp. (formerly known as Aurora Bank FSB), which is indirectly controlled by LBHI. LBHI and certain of its Controlled Entities 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 notes 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.

**Other items:**

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 demand deposits, interest-bearing deposits with banks, U.S. and foreign money-market funds, U.S. government obligations, U.S. government guaranteed securities, investment grade corporate bonds and commercial paper, and AAA-rated asset-backed securities secured by auto loans and credit card receivables.
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 Commercial Corp.; and
  - Cash held at real estate owned properties or at third party real estate managers.

5. Restricted cash balances are based on preliminary estimates and are comprised of the following items as of May 31, 2013:

| (\$ in millions)  | Debtors         |                 |               |                 |                  | Debtor-<br>Controlled<br>Entities | Total Debtors<br>and Debtor-<br>Controlled<br>Entities |
|---|-----------------|-----------------|---------------|-----------------|------------------|-----------------------------------|--|
|   | LBHI            | LBSF            | LCPI          | Other           | Total            |                                   |  |
| Reserves for Claims:  |                 |                 |               |                 |                  |                                   |  |
| Disputed unsecured claims <sup>(1)</sup>                      | \$ 2,108        | \$ 2,528        | \$ 28         | \$ 1,227        | \$ 5,891         | \$ -                              | \$ 5,891   |
| Priority tax claims   | 2,198           | 117             | 0             | 5               | 2,320            | -                                 | 2,320  |
| Distributions on Allowed Claims (not remitted) <sup>(2)</sup> | 170             | 55              | 220           | 3               | 449              | -                                 | 449  |
| Secured, Admin, Priority Claims and Other <sup>(3)</sup>      | 1,367           | 14              | 80            | 23              | 1,483            | -                                 | 1,483  |
| Subtotal, Claims Reserves                                     | 5,843           | 2,714           | 328           | 1,258           | 10,143           | -                                 | 10,143   |
| Cash pledged to JPMorgan (CDA) <sup>(4)</sup>                 | 316             | -               | -             | -               | 316              | -                                 | 316  |
| Citigroup and HSBC <sup>(5)</sup>                             | 2,038           | -               | -             | -               | 2,038            | -                                 | 2,038  |
| LB Bancorp <sup>(6)</sup>                                     | -               | -               | -             | -               | -                | 26                                | 26   |
| Other <sup>(7)</sup>  | 283             | 1               | 51            | 32              | 367              | 39                                | 406  |
| <b>Total</b>  | <b>\$ 8,480</b> | <b>\$ 2,714</b> | <b>\$ 379</b> | <b>\$ 1,290</b> | <b>\$ 12,863</b> | <b>\$ 65</b>                      | <b>\$ 12,928</b>                                       |

Totals may not foot due to rounding.

- (1) Represents the cash reserve for disputed unsecured claims after the third Plan distribution on April 4, 2013.
- (2) Represents unpaid Plan distributions to holders of Allowed Claims of approximately \$372 million for distributions held pending resolution on various items described in settlement agreements with certain Non-Controlled Affiliates and approximately \$77 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.
- (3) 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, \$186 million related to post-petition intercompany payables, \$19 million related to disputed secured claims, \$4 million related to administrative claims and \$68 million related to other administrative activity and other.
- (4) Represents \$316 million of cash deposited into accounts by LBHI and pledged to JPMorgan (and its affiliates, “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 and derivative exposures pending resolution of these items.
- (5) 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 \$31 million, including interest earned thereon. The Company is in discussion with HSBC Bank and commenced litigation against Citigroup regarding these deposits, among other things.
- (6) Represents cash at Lehman Brothers Bancorp Inc. (“LBB”), formerly a savings and loan holding company, related to certain guarantee agreements entered into by LBB in connection with various Aurora Bank FSB asset sales. On June 5, 2013, Aurora Bank FSB surrendered its federal savings bank charter and merged into Aurora Commercial Corp, a newly formed non-bank subsidiary of LBB. As a result, LBB no longer directly or indirectly controls any savings association or other insured depository institution and was released from registration as savings and loan holding company.
- (7) 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 \$95 million; (iii) cash collected by LCPI on behalf of a third party of \$47 million related to a loan participation agreement; (iv) net cash collections on assets reported on the books of LBHI and LCPI related to Intercompany-Only Repurchase transactions of approximately \$29 million; (v) cash received by LBHI related to securities transferred to LBHI under the CDA with JPM of approximately \$55 million; and (vi) other miscellaneous items of \$75 million.

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**  
**May 1, 2013 - May 31, 2013**

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

|   | Debtors         |               |                 |              |                 | Debtor-Controlled Entities |                 |                 | Total Debtors<br>and Debtor-<br>Controlled<br>Entities |
|---|-----------------|---------------|-----------------|--------------|-----------------|----------------------------|-----------------|-----------------|--|
|   | LBHI            | LBSF          | LCPI            | Other        | Total           | LB I Group                 | Other           | Total           |  |
| <b>Beginning Free Cash and Investments (5/1/13)</b> | <b>\$ 430</b>   | <b>\$ 149</b> | <b>\$ 299</b>   | <b>\$ 30</b> | <b>\$ 907</b>   | <b>\$ 120</b>              | <b>\$ 1,186</b> | <b>\$ 1,307</b> | <b>\$ 2,214</b>  |
| Restricted Cash                                     | 8,469           | 2,717         | 379             | 1,290        | 12,854          | 12                         | 51              | 63              | 12,917   |
| <b>Beginning Total Cash and Investments</b>         | <b>8,899</b>    | <b>2,866</b>  | <b>677</b>      | <b>1,319</b> | <b>13,761</b>   | <b>132</b>                 | <b>1,237</b>    | <b>1,369</b>    | <b>15,131</b>  |
| <b>Sources of Cash</b>                              |                 |               |                 |              |                 |                            |                 |                 |  |
| Commercial Real Estate                              | 45              | -             | 8               | -            | 53              | -                          | 2,067           | 2,067           | 2,120  |
| Loans (Corporate and Residential)                   | 15              | -             | 58              | -            | 73              | -                          | 10              | 10              | 82   |
| Private Equity / Principal Investing                | 18              | -             | 0               | -            | 18              | 29                         | 3               | 33              | 51   |
| Derivatives   | 11              | 183           | -               | 6            | 200             | -                          | 27              | 27              | 226  |
| Receipts from Affiliates                            | 100             | 120           | -               | 5            | 225             | -                          | 1               | 1               | 226  |
| Other   | 54              | (1)           | 14              | (1)          | 67              | 0                          | 1               | 2               | 68   |
| <b>Total Sources of Cash</b>                        | <b>243</b>      | <b>302</b>    | <b>81</b>       | <b>10</b>    | <b>636</b>      | <b>30</b>                  | <b>2,109</b>    | <b>2,138</b>    | <b>2,774</b>   |
| <b>Uses of Cash</b>                                 |                 |               |                 |              |                 |                            |                 |                 |  |
| Non-Operating                                       |                 |               |                 |              |                 |                            |                 |                 |  |
| Commercial Real Estate                              | (0)             | -             | (1)             | (0)          | (1)             | -                          | (9)             | (9)             | (10)   |
| Loans (Corporate and Residential)                   | (0)             | -             | (0)             | -            | (0)             | -                          | -               | -               | (0)  |
| Private Equity / Principal Investing                | -               | -             | -               | -            | -               | (2)                        | -               | (2)             | (2)  |
| Payments to Creditors                               | (0)             | (18)          | -               | -            | (18)            | -                          | (1)             | (1)             | (19)   |
| Other   | (3)             | -             | -               | (0)          | (3)             | -                          | (0)             | (0)             | (3)  |
| Operating Expenses                                  | (23)            | (0)           | (0)             | (0)          | (23)            | (0)                        | (2)             | (2)             | (25)   |
| <b>Total Uses of Cash</b>                           | <b>(26)</b>     | <b>(18)</b>   | <b>(1)</b>      | <b>(0)</b>   | <b>(45)</b>     | <b>(2)</b>                 | <b>(12)</b>     | <b>(14)</b>     | <b>(58)</b>  |
| <b>Net Cash Flow</b>                                | <b>217</b>      | <b>284</b>    | <b>79</b>       | <b>10</b>    | <b>591</b>      | <b>28</b>                  | <b>2,097</b>    | <b>2,125</b>    | <b>2,715</b>   |
| Inter-Company Transfers, Net                        | 643             | 3             | 1,155           | 17           | 1,817           | -                          | (1,817)         | (1,817)         | 0  |
| Transfers from (to) Securitization Trustee          | -               | -             | (71)            | -            | (71)            | -                          | -               | -               | (71)   |
| Loan Agencies, Net                                  | -               | -             | 1               | -            | 1               | -                          | -               | -               | 1  |
| FX Fluctuation                                      | (1)             | (0)           | (1)             | (0)          | (2)             | (0)                        | (3)             | (3)             | (6)  |
| <b>Ending Total Cash and Investments</b>            | <b>9,758</b>    | <b>3,153</b>  | <b>1,841</b>    | <b>1,346</b> | <b>16,097</b>   | <b>160</b>                 | <b>1,514</b>    | <b>1,674</b>    | <b>17,771</b>  |
| Restricted Cash                                     | (8,480)         | (2,714)       | (379)           | (1,290)      | (12,863)        | (12)                       | (53)            | (65)            | (12,928)   |
| <b>Ending Free Cash and Investments (5/31/13)</b>   | <b>\$ 1,278</b> | <b>\$ 438</b> | <b>\$ 1,461</b> | <b>\$ 56</b> | <b>\$ 3,234</b> | <b>\$ 148</b>              | <b>\$ 1,461</b> | <b>\$ 1,609</b> | <b>\$ 4,843</b>  |

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**  
**May 1, 2013 - May 31, 2013**

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

|   |     | Debtors |        |        |       | Debtor-Controlled Entities |            |          | Total Debtors<br>and Debtor-<br>Controlled<br>Entities |          |
|---|-----|---------|--------|--------|-------|----------------------------|------------|----------|--|----------|
|   |     | LBHI    | LBSF   | LCPI   | Other | Total                      | LB I Group | Other    | Total  |          |
| Beginning Free Cash and Investments (5/1/13)  | \$  | 430     | \$ 149 | \$ 299 | \$ 30 | \$ 907                     | \$ 120     | \$ 1,186 | \$ 1,307   | \$ 2,214 |
| Restricted Cash                               |     | 8,469   | 2,717  | 379    | 1,290 | 12,854                     | 12         | 51       | 63   | 12,917   |
| Beginning Total Cash and Investments          |     | 8,899   | 2,866  | 677    | 1,319 | 13,761                     | 132        | 1,237    | 1,369  | 15,131   |
| Sources of Cash                               |     |         |        |        |       |                            |            |          |  |          |
| Commercial Real Estate                        |     |         |        |        |       |                            |            |          |  |          |
| Principal                                     | (a) | 44      | -      | 7      | -     | 51                         | -          | 2,066    | 2,066  | 2,118    |
| Interest                                      |     | 1       | -      | 1      | -     | 2                          | -          | 1        | 1  | 3        |
| Loans (Corporate and Residential)             |     |         |        |        |       |                            |            |          |  |          |
| Principal                                     | (b) | 11      | -      | 57     | -     | 68                         | -          | 7        | 7  | 76       |
| Interest                                      |     | 4       | -      | 1      | -     | 4                          | -          | 2        | 2  | 7        |
| Private Equity / Principal Investing          |     |         |        |        |       |                            |            |          |  |          |
| Principal                                     | (c) | 14      | -      | -      | -     | 14                         | 29         | 3        | 33   | 47       |
| Interest and Dividends                        |     | 4       | -      | 0      | -     | 4                          | -          | -        | -  | 4        |
| Derivatives                                   |     |         |        |        |       |                            |            |          |  |          |
| Return / (Posting) of Hedging Collateral, net |     | -       | 25     | -      | -     | 25                         | -          | 2        | 2  | 27       |
| Collections from Live / Terminated Trades     | (d) | 11      | 145    | -      | 6     | 162                        | -          | 24       | 24   | 186      |
| Other   |     | -       | 13     | -      | -     | 13                         | -          | -        | -  | 13       |
| Receipts from Affiliates                      |     |         |        |        |       |                            |            |          |  |          |
| Distributions from Non-Controlled Affiliates  | (e) | 100     | 120    | -      | 5     | 225                        | -          | 1        | 1  | 226      |
| Other   |     |         |        |        |       |                            |            |          |  |          |
| Other   | (f) | 54      | (1)    | 14     | (1)   | 67                         | 0          | 1        | 2  | 68       |
| Total Sources of Cash                         |     | 243     | 302    | 81     | 10    | 636                        | 30         | 2,109    | 2,138  | 2,774    |

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**  
**May 1, 2013 - May 31, 2013**

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

|   |     | Debtors  |         |          |         | Debtor-Controlled Entities |            |          | Total Debtors<br>and Debtor-<br>Controlled<br>Entities |
|---|-----|----------|---------|----------|---------|----------------------------|------------|----------|--|
|   |     | LBHI     | LBSF    | LCPI     | Other   | Total                      | LB I Group | Other    | Total  |
| Uses of Cash                                      |     |          |         |          |         |                            |            |          |  |
| Non-Operating                                     |     |          |         |          |         |                            |            |          |  |
| Commercial Real Estate                            |     |          |         |          |         |                            |            |          |  |
| Preservation of Assets                            |     | (0)      | -       | (1)      | (0)     | (1)                        | -          | (9)      | (9)  |
| Loans (Corporate and Residential)                 |     |          |         |          |         |                            |            |          |  |
| Preservation of Assets                            |     | (0)      | -       | (0)      | -       | (0)                        | -          | -        | (0)  |
| Private Equity / Principal Investing              |     |          |         |          |         |                            |            |          |  |
| Capital Calls                                     |     | -        | -       | -        | -       | -                          | (2)        | -        | (2)  |
| Payments to Creditors                             |     |          |         |          |         |                            |            |          |  |
| Payments to Creditors                             | (g) | (0)      | (18)    | -        | -       | (18)                       | -          | -        | (18)   |
| Payments to Creditors - Non Controlled Affiliates |     | (0)      | -       | -        | -       | (0)                        | -          | (1)      | (1)  |
| Other   |     |          |         |          |         |                            |            |          |  |
| Other   |     | (3)      | -       | -        | (0)     | (3)                        | -          | (0)      | (3)  |
| Operating Expenses                                |     |          |         |          |         |                            |            |          |  |
| Compensation and Benefits                         | (i) | (9)      | -       | -        | -       | (9)                        | -          | (0)      | (9)  |
| Professional Fees                                 |     | (9)      | (0)     | (0)      | -       | (10)                       | -          | (1)      | (11)   |
| Other   | (j) | (5)      | (0)     | (0)      | (0)     | (5)                        | (0)        | (0)      | (5)  |
| Total Uses of Cash                                |     | (26)     | (18)    | (1)      | (0)     | (45)                       | (2)        | (12)     | (58)   |
| Net Cash Flow                                     |     |          |         |          |         |                            |            |          |  |
|   |     | 217      | 284     | 79       | 10      | 591                        | 28         | 2,097    | 2,715  |
|   |     |          |         |          |         |                            |            |          |  |
| Inter-Company Receipts                            | (k) | 753      | 8       | 1,225    | 17      | 2,003                      | -          | 539      | 2,542  |
| Inter-Company Disbursements                       | (k) | (110)    | (5)     | (70)     | -       | (185)                      | -          | (2,357)  | (2,542)  |
| Transfers from (to) Securitization Trustee        | (l) | -        | -       | (71)     | -       | (71)                       | -          | -        | (71)   |
| Loan Agencies, Net                                |     | -        | -       | 1        | -       | 1                          | -          | -        | 1  |
| FX Fluctuation                                    |     | (1)      | (0)     | (1)      | (0)     | (2)                        | (0)        | (3)      | (6)  |
| Ending Total Cash and Investments                 | (m) | 9,758    | 3,153   | 1,841    | 1,346   | 16,097                     | 160        | 1,514    | 17,771   |
| Restricted Cash                                   |     | (8,480)  | (2,714) | (379)    | (1,290) | (12,863)                   | (12)       | (53)     | (12,928)   |
| Ending Free Cash and Investments (5/31/13)        |     | \$ 1,278 | \$ 438  | \$ 1,461 | \$ 56   | \$ 3,234                   | \$ 148     | \$ 1,461 | \$ 4,843   |

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  
May 1, 2013 - May 31, 2013

Unaudited (\$)

**Notes:**

- (a) Cash collections for Debtor-Controlled Entities - Other primarily includes approximately \$1.9 billion from the secondary offering of 7.9 million and 15.1 million common shares of AvalonBay Communities Inc. (NYSE: AVB) and Equity Residential (NYSE: EQR), respectively. These proceeds were subsequently transferred through a series of inter-company transactions as detailed in note (k) below.
- (b) Cash collections primarily reflect cash received from sales, matured loans and principal paydowns related to Corporate and Residential Loan assets.
- (c) Cash collections primarily relate to redemptions and distributions from GP and LP stakes in hedge funds and private equity funds.
- (d) Collections from Live / Terminated Trades are shown net of purchases of SPV notes.
- (e) Distributions from Non-Controlled Affiliates includes distributions from Lehman Brothers Treasury Co. B.V. of \$120 million and \$5 million to LBSF and LBCS, respectively. LBHI receipts primarily include \$50 million from LB RE Financing No.2 Limited and \$36 million from Lehman Brothers Investments PTE Ltd.
- (f) Other cash collections include interest of approximately \$7 million, fluctuations related to the net return / (posting) of collateral for foreign currency hedging and other miscellaneous assets sales and recoveries.
- (g) Includes a payment to collateralized noteholders related to cash collected on derivatives trades during the month of May.
- (h) A portion of the Operating Expenses paid by LBHI is subject to allocations to, and reimbursement from, various Controlled Entities.
- (i) Compensation and Benefits includes Company's employee expenses as well as fees paid to Alvarez & Marsal (A&M).
- (j) Operating Expenses - Other includes expenses related to outsourced services, IT, occupancy, taxes, insurance and other general administrative items.
- (k) Inter-Company transactions primarily include the following:
  - (1) the transfer of approximately \$1.9 billion from Jupiter Enterprise LP to (i) LCPI of approximately \$830 million (primarily through its wholly-owned subsidiaries ACQ SPV Paper LLC I and II), (ii) SASCO 2008 C-2 LLC ("SASCO") of approximately \$420 million, (iii) LBHI of approximately \$250 million (primarily through its wholly-owned subsidiary ACQ SPV I Holdings LLC), (iv) Lux Residential Properties Loan Finance SARL ("LUXCO") of approximately \$330 million and (v) other Debtor-Controlled Entities of approximately \$110 million;
  - (2) SASCO distribution to LBHI and LCPI in the amounts of approximately \$75 million and \$345 million, respectively, based on LBHI's preferred interest and LCPI's preferred and equity interest in SASCO;
  - (3) LUXCO repayment to LBHI of an intercompany note of \$286 million.
- (l) Transfers from (to) Securitization Trustee include cash outflows to the Verano Securitization Trustee for proceeds received on underlying collateral, \$48 million of which was collected in the previous month. Cash collections on the underlying collateral are presented in "Sources of Cash."
- (m) Ending Total Cash and Investments for Debtor-Controlled Entities - Other includes \$423 million of cash balances at Controlled Entities in Asia.

**LEHMAN BROTHERS HOLDINGS INC. AND OTHER DEBTORS AND DEBTOR-CONTROLLED ENTITIES**

**BASIS OF PRESENTATION  
SCHEDULE OF PROFESSIONAL FEE AND EXPENSE DISBURSEMENTS  
MAY 1, 2013 – MAY 31, 2013**

The information and data included in this May 2013 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 Commercial Corp., 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”). 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  
May 2013

Unaudited (\$ in thousands)

|  |  | May-2013         | Year-to-date      |
|--|--|------------------|-------------------|
| Alvarez & Marsal LLC   | Interim Management                               | \$ 4,702         | \$ 22,787         |
| <b>Post-Effective Date Professional Fees</b>                             |  |                  |                   |
| Bickel & Brewer  | Special Counsel - Real Estate                    | 2,104 (a)        | 2,414             |
| Bingham McCutchen LLP  | Special Counsel - Tax                            | -                | 1,299             |
| Curtis, Mallet-Prevost, Colt & Mosle LLP                                 | Conflicts and Litigation Counsel                 | -                | 2,242             |
| Dechert LLP  | Special Counsel - Real Estate                    | 126 (a)          | 1,301             |
| Epiq Bankruptcy Solutions LLC  | Claims Management and Noticing Agent             | -                | 1,678             |
| FTI Consulting Inc.  | Financial Advisor - Creditors & Tax              | 205 (a)          | 1,471             |
| Houlihan Lokey Howard & Zukin Capital Inc.                               | Investment Banking Advisor                       | -                | 109               |
| Jones Day  | Special Counsel - Asia and Domestic Litigation   | 443              | 978               |
| Milbank Tweed Hadley & McCloy LLP  | Lead Counsel - Creditors                         | -                | 2,129             |
| Pachulski Stang Ziehl & Jones  | Special Counsel - Real Estate                    | 163 (a)          | 1,500             |
| Paul, Hastings, Janofsky & Walker LLP                                    | Special Counsel - Real Estate                    | 55 (a)           | 1,130             |
| Quinn Emanuel Urquhart Oliver & Hedges LLP                               | UCC Litigation Committee and Litigation Counsel  | 719 (a)          | 1,283             |
| Reilly Pozner LLP  | Special Counsel - Mortgage Litigation and Claims | 140              | 922               |
| Skadden, Arps, Slate, Meagher & Flom LLP                                 | Board of Directors Counsel                       | 515 (a)          | 1,068             |
| Weil Gotshal & Manges LLP  | Lead Counsel - Debtors                           | -                | 20,091            |
| Wollmuth Maher & Deutsch LLP   | Special Counsel - Derivatives                    | 192              | 623               |
| US Trustee Quarterly Fees  |  | -                | 322               |
| Other Professionals - Legal  | Various  | 3,955 (b)        | 14,643            |
| Other Professionals - Non-Legal  | Various  | 1,509 (b)        | 5,966             |
| Other Professionals - Asia   | Various  | 428 (b)          | 1,416             |
| Sub-total Post-Effective Professional Fees                               |  | 10,554           | 62,584            |
| <b>Total Post-Effective Date Professional Fees</b>                       |  | <b>15,255</b>    | <b>85,371</b>     |
| Alvarez & Marsal LLC   | Incentive fees                                   | -                | 16,994 (c)        |
| Houlihan Lokey Howard & Zukin Capital Inc.                               | Incentive fees                                   | -                | 3,398 (c)         |
| <b>Total Incentive Fees</b>  |  | -                | <b>20,392</b>     |
| <b>Total Pre-Effective Professional Fees</b>                             |  | -                | <b>2,342</b>      |
| <b>Total Pre and Post-Effective Date and Incentive Professional Fees</b> |  | <b>\$ 15,255</b> | <b>\$ 108,105</b> |

(a) Reflects professional fees incurred for multiple months.

(b) Includes disbursements to over 100 vendors of which the majority of these payments were less than \$150,000.

(c) Reflects incentive fees related to the Third Distribution to holders of Allowed Claims. Refer to Docket No. 32470 and Docket No. 32155 for additional information on Alvarez & Marsal and Houlihan Lokey incentive fees, respectively.