

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re: :
 : Chapter 11
LEHMAN BROTHERS U.K. :
HOLDINGS (DELAWARE) INC. and : Case No. 17-12442 (___)
LEHMAN PASS-THROUGH SECURITIES INC., :
 : (Joint Administration Requested)
Debtors.¹ :
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**DECLARATION OF CHRISTOPHER MOSHER
PURSUANT TO LOCAL RULE 1007-2 IN SUPPORT OF VOLUNTARY
CHAPTER 11 PETITIONS AND FIRST-DAY MOTIONS AND APPLICATIONS**

I, Christopher Mosher, make this declaration (this “**Declaration**”) under 28 U.S.C. § 1746:

1. I am a Managing Director of Lehman Brothers Holdings Inc. (“**LBHI**”). I have been employed by LBHI since 2006. Prior to the commencement of the chapter 11 cases of LBHI and those of its debtor affiliates (collectively, the “**LBHI Debtors**”; such cases, the “**LBHI Cases**”), I served as Managing Director and Global Head of Corporate Development. Since LBHI’s chapter 11 plan (the “**LBHI Plan**”) was confirmed by the United States Bankruptcy Court for the Southern District of New York (the “**Bankruptcy Court**”), I have held various roles at LBHI and am currently its Head of Private Equity, Principal Investments and Real Estate.

2. As described below, since the LBHI Plan became effective on March 6, 2012, LBHI has acted as the “**Plan Administrator**” as defined in and under the LBHI Plan, charged with directing and controlling the wind down, liquidation, and sale of the assets of

¹ The Debtors in these chapter 11 cases, together with the last four digits of each Debtor’s federal tax identification number, are Lehman Brothers U.K. Holdings (Delaware) Inc. (5453) and Lehman Pass-Through Securities Inc. (6210). The Debtors’ mailing address is 277 Park Avenue, 46th Floor, New York, New York 10172.

entities managed and controlled by LBHI and certain of LBHI's affiliates as of that date (each defined in the LBHI Plan as a "**Debtor-Controlled Entity**").

3. I am also a Director, Vice President, and Assistant Secretary of Lehman Brothers U.K. Holdings (Delaware) Inc. ("**LUK**") and a Director, Vice President, and Assistant Secretary of Lehman Pass-Through Securities Inc. ("**LPTSI**" and together with LUK, the "**Debtors**"). Both LUK and LPTSI were entities managed and controlled by the LBHI Debtors upon the effective date of the LBHI Plan and are Debtor-Controlled Entities under the LBHI Plan. I am knowledgeable and familiar with the businesses and financial affairs of both LUK and LPTSI.

4. On the date hereof (the "**Petition Date**"), LUK and LPTSI each commenced in Bankruptcy Court a voluntary case under chapter 11 of title 11 of the United States Code (the "**Bankruptcy Code**").

5. I submit this Declaration pursuant to Rule 1007-2 of the Local Bankruptcy Rules for the Southern District of New York (the "**Local Rules**") to apprise the Bankruptcy Court and other parties in interest of the circumstances that led to the commencement of these chapter 11 cases and in support of the motions and applications that the Debtors have filed with the Bankruptcy Court (each, a "**First-Day Motion**"). I am authorized to submit this Declaration on behalf of each Debtor. Except as otherwise indicated, the facts set forth in this Declaration are based upon my personal knowledge, my review of relevant documents, information provided to me by employees working under my supervision, or my opinion based upon experience, knowledge, and information concerning the Debtors' operations and financial condition. If called upon to testify, I would testify competently to the facts set forth in this Declaration.

6. Section I of this Declaration describes the context of these chapter 11 cases. Section II describes the Debtors and prepetition transactions that preceded the commencement of these cases. Section III provides a summary of the First-Day Motions and factual bases for the relief requested therein. Finally, Section IV identifies the attached schedules of information required by Local Rule 1007-2.

I.

BACKGROUND

7. Commencing on September 15, 2008, the LBHI Debtors commenced what the Bankruptcy Court has referred to as the largest and most complex chapter 11 cases in history. At the time, LBHI was the fourth largest investment bank in the United States, a public company, and the parent company of a global organization with many direct and indirect subsidiaries throughout the world.

8. Subsequently, a substantial number of LBHI's foreign subsidiaries (including broker-dealer affiliates worldwide) commenced or were placed into various insolvency proceedings across the globe. In the United States, LBHI's primary broker-dealer affiliate was placed into a liquidation proceeding under the Securities Investor Protection Act of 1970. The vast majority of LBHI's affiliates, however, did not commence chapter 11 cases or other insolvency proceedings. Since commencement of the LBHI Cases, certain entities were sold, others were dissolved, and others continue to operate and manage their assets in the ordinary course, with the overarching goal being to monetize assets and distribute the proceeds to creditors.

9. On December 6, 2011, the Bankruptcy Court confirmed the *Modified Third Amended Joint Chapter 11 Plan for Lehman Brothers Holdings Inc. and Its Affiliated Debtors*. The LBHI Plan became effective on March 6, 2012. Pursuant to section 6.1 of the

LBHI Plan, LBHI became the “Plan Administrator,” authorized to “exercise its reasonable business judgment to direct and control the wind down, liquidation, sale and/or abandoning of the assets of the [LBHI] Debtors and/or Debtor-Controlled Entities under the Plan and in accordance with applicable law as necessary to maximize Distributions to holders of Allowed Claims [against the LBHI Debtors].”

10. Since the effective date of the LBHI Plan, the Plan Administrator has made twelve distributions to creditors of the LBHI Debtors from proceeds of the liquidation of assets and other cash receipts of the LBHI Debtors and their subsidiary Debtor-Controlled Entities. Through April 6, 2017, the Plan Administrator has distributed approximately \$86.1 billion to third party creditors and an additional approximately \$30.5 billion on account of claims owned by LBHI affiliates. The Plan Administrator continues its charge to make significant distributions over time to the many creditors worldwide.

II.

LUK AND LPTSI

11. Prior to the commencement of the LBHI Debtors’ chapter 11 cases, LUK was a wholly owned, direct subsidiary of LBHI and the direct and indirect parent company of a substantial portion of LBHI’s European operations. During the same period, LPTSI was a direct subsidiary of Lehman Commercial Paper Inc. (“LCPI”), which was an indirect subsidiary of LBHI and is an LBHI Debtor.

12. Since the commencement of the LBHI Debtors’ cases, LUK and LPTSI’s balance sheets have been incorporated into the balance sheets filed on the docket of the LBHI Debtors’ chapter 11 cases. As disclosed in publicly filed balance sheets and cash-flow forecasts, the LBHI Debtors and the Debtor-Controlled Entities have a variety of complex assets with a

range of durations, including certain assets with restrictions on transferability or that are highly illiquid.

13. When the LBHI Plan was confirmed, both LUK and LPTSI were insolvent. Neither LUK nor LPTSI had any third-party (i.e., non-affiliate) debt. LBHI was a significant creditor of both LUK and LPTSI.

14. In carrying out its obligations pursuant to the LBHI Plan, the Plan Administrator has continuously conducted various marketing processes for certain of the remaining assets of the LBHI Debtors and a number of the Debtor-Controlled Entities. The Plan Administrator determined that the value of a number of significant remaining assets of the LBHI Debtors and the Debtor-Controlled Entities could be both maximized and realized sooner if sold together. As a result, over the past 18 months, the Plan Administrator developed a plan and implemented a marketing process in an attempt to sell a number of remaining financial assets and certain Debtor-Controlled Entities.

15. Accordingly, in August 2016, the Plan Administrator caused LBHI to acquire from LCPI 100% of LCPI's equity interests in LPTSI for a nominal amount. At that time, the equity of LPTSI had no value since LPTSI was insolvent. Thereafter, the Plan Administrator caused LBHI to contribute approximately \$3.65 million in cash to LPTSI as a capital contribution, which LPTSI used to satisfy in full LPTSI's debt obligations to its former parent, LCPI. The Plan Administrator also caused LBHI to forgive approximately \$93 million of LPTSI's debt to it and contribute various assets to LPTSI. The result of these actions was to render LPTSI solvent and create value in LBHI's equity in LPTSI.

16. Similarly, in September 2016, the Plan Administrator caused LBHI to contribute an approximately \$8 billion subordinated receivable from LUK as a capital

contribution to LUK. Thereafter, the Plan Administrator caused LBHI to contribute various assets to LUK. The effect of these actions was to render LUK solvent and create value in LBHI's common equity interests in LUK.

17. As the marketing process progressed, the Plan Administrator along with potential buyers identified certain assets and Debtor-Controlled Entities that could be included in potential transactions. As a result, the Plan Administrator caused LUK, LPTSI, and certain LBHI Debtors and Debtor-Controlled Entities to engage in transfers of assets amongst themselves. These transactions included contributions of assets to and from LUK and LPTSI. In addition, the Plan Administrator and potential buyers evaluated a number of alternative transaction structures. The Plan Administrator determined that the risk of unknown or latent claims against LUK, LPTSI and other Debtor-Controlled Entities, among other things, could materially decrease the sale value of those entities and their assets.

18. Ultimately, after several months of arms-length negotiations with Brookfield Asset Management Inc., a global alternative asset-management company ("**BAM**") and certain of its affiliates, the Plan Administrator and the BAM parties agreed on a transaction, which included certain elements of the reorganizations described above together with a planned restructuring in these chapter 11 cases.

19. On July 19, 2017, LBHI, LUK, LPTSI, BAM, Brookfield LUK Holdings LLC ("**LUK Buyer**"), Brookfield LPTSI Holdings LLC ("**LPTSI Buyer**" and, together with LUK Buyer, "**Brookfield**"), and certain other Brookfield affiliates entered into a Stock and Note Purchase Agreement (the "**SNPA**"). The SNPA was signed on July 19, 2017, and the closing of the SNPA occurred on August 10, 2017. Pursuant to the SNPA, LUK Buyer acquired from LBHI 45% of LBHI's common equity interest in LUK and a \$177.5 million unsecured

receivable from LUK (the “**LUK Receivable**”), and LPTSI Buyer acquired from LBHI 45% of LBHI’s common equity interest in LPTSI and a \$45.8 million unsecured receivable from LPTSI (the “**LPTSI Receivable**”).

20. At the close of the transaction, LBHI unlocked and generated \$485 million in cash proceeds plus up to an additional \$80 million of contingent, deferred consideration based on LUK’s future collection on a certain asset. LBHI may also realize value over time for its remaining 55% equity interest in each of LUK and LPTSI.

21. Currently, the business of each of LUK and LPTSI consists of managing a portfolio of global assets. They each employ two employees and operate out of LBHI’s corporate offices.

22. LUK’s principal assets are debt and equity positions and include: (i) claims against certain non-controlled foreign affiliates of the LBHI Debtors; (ii) an equity investment in New Omaha Holdings L.P., a Delaware limited partnership that holds Class B Common Stock in First Data Corporation; and (iii) claims against LBHI and certain other LBHI Debtors.

23. LPTSI’s principal assets are primarily real-estate-related assets and include: (i) a portfolio of approximately 1,400 residential-mortgage-backed securities; (ii) loan receivables from Huntlee Pty Limited, an Australian real-estate development company; (iii) an equity interest in a lender to certain French real-estate companies; (iv) claims against a certain non-controlled foreign affiliate of the LBHI Debtors; and (v) a limited partner interest in Silverpeak Legacy Pension Partners III, L.P., a Delaware limited partnership that invests in commercial real-estate assets globally, which LPTSI holds through a wholly owned nondebtor subsidiary.

24. In addition, LUK's and LPTSI's assets include net operating loss carryforwards for federal, New York State, and New York City income tax purposes, the value of which is uncertain and depends in part on their ability to utilize losses to offset income, tax rates, and any applicable limitations.

25. The primary business objective of each of LUK and LPTSI is to manage and maximize the value of its portfolio of assets. This includes interacting with borrowers, joint venture partners, and other parties related to the assets; monitoring the real-estate development projects; assessing key variables that influence the recovery values of such entities' assets; and evaluating market conditions in order to determine whether to hold or sell.

26. Neither LUK nor LPTSI has secured debt. LUK's only known unsecured debt consists of the LUK Receivable. LPTSI's only known unsecured debt consists of the LPTSI Receivable and an unsecured obligation to LUK. LUK and LPTSI are not aware of any other outstanding claims against their estates. Neither has preferred stock outstanding. Both LUK and LPTSI hold adequate unencumbered cash on their balance sheets to fund their operations for the anticipated duration of these chapter 11 cases. Accordingly, neither LUK nor LPTSI presently requires postpetition financing. The lack of secured debt obviates the need for Bankruptcy Court authorization to use cash in the ordinary course of business.

27. The rights and obligations of LBHI in its capacity as an equity owner of LUK and LPTSI, and LUK Buyer and LPTSI Buyer in their capacities as equity owners of LUK and LPTSI, respectively, are controlled by governance agreements entered into contemporaneously with the closing of the SNPA. LUK and LPTSI are each governed by a four-person board of directors, two of whom are appointed by LBHI and two of whom are appointed by Brookfield. All four directors must vote unanimously for LUK or LPTSI, as applicable, to

take corporate action. These chapter 11 cases were commenced with the unanimous consent of the directors of both LUK and LPTSI.

III.

THE DEBTORS' RESTRUCTURING OBJECTIVES

28. The multiple objectives of LUK and LPTSI in these chapter 11 cases include: (i) confirming and finally establishing that the liabilities on their balance sheets are their only liabilities; (ii) identifying any unknown claims, executory contracts, or unexpired leases that may exist; (iii) providing appropriate treatment for their respective obligations under a chapter 11 plan; and (iv) preserving the value of their assets. Ascertaining certainty of the Debtors' liabilities and preservation of asset value will also enable the Plan Administrator to obtain the maximum value from LBHI's remaining equity interests in LUK and LPTSI.

29. In furtherance of the stated goals of these chapter 11 cases, the Debtors have filed a bar date motion concurrently herewith. The Debtors, the Plan Administrator, and Brookfield intend to evaluate all of the claims that are filed prior to the bar date, continue to invest in and maximize the value of LUK and LPTSI's assets, and pay allowed claims. The purposes of chapter 11—maximizing value, granting a fresh start, and treating creditors appropriately—will be fulfilled.

IV.

FIRST-DAY MOTIONS

30. The Debtors intend for these cases to result in the orderly restructuring of LUK and LPTSI. It is imperative that the Debtors make a seamless transition into chapter 11 to preserve the value of their assets. Accordingly, the Debtors have filed the First-Day Motions, which are designed to facilitate their transition into these chapter 11 cases. The parties anticipate

that the Bankruptcy Court will conduct hearings soon after the commencement of these cases to consider the First-Day Motions.²

31. I have reviewed each of the First-Day Motions with the Debtors' proposed counsel, and I believe that the relief sought in each of the First-Day Motions is tailored to meet the goals described above, will be necessary to the Debtors' ability to reorganize in these cases, and is in the best interests of the Debtors' estates and all parties in interest. I hereby adopt and affirm the factual representations set forth in each of the First-Day Motions. A summary of the relief requested and the facts supporting each of the pleadings is set forth below.

A. Joint Administration

32. Pursuant to the *Motion of Debtors Pursuant to Fed. R. Bankr. P. 1015(b) for Entry of Order Directing Joint Administration of Chapter 11 Cases* filed concurrently herewith, the Debtors request entry of an order directing consolidation of these chapter 11 cases for procedural purposes only. Joint administration of these cases would save the Debtors and their estates substantial time and expense because it would remove the need to prepare, replicate, file, and serve duplicative notices, applications, motions, and orders. Further, I believe that joint administration would relieve the Bankruptcy Court of entering duplicative orders and maintaining duplicative files and dockets. The United States Trustee for the Southern District of New York (the "U.S. Trustee") and other parties in interest would similarly benefit from joint administration of these cases, sparing them the time and effort of reviewing duplicative pleadings and papers.

33. I believe that joint administration would not adversely affect any creditors' rights because the Debtors' motion requests only the administrative consolidation of these cases

² Capitalized terms used in the descriptions of the First-Day Motions and not otherwise defined have the meanings ascribed to such terms in the applicable First-Day Motion.

for procedural purposes. The Debtors do not seek substantive consolidation of their estates. Accordingly, I believe that joint administration of these chapter 11 cases is in the best interests of the Debtors, their estates, and all other parties in interest and should be granted in all respects.

B. Cash Management

34. Pursuant to the *Motion of Debtors Pursuant to 11 U.S.C. §§ 105(a), 345(b), 363(b)(1), and 363(c)(1) and Fed. R. Bankr. P. 6003 and 6004 for (I) Interim and Final Authority to Maintain Existing Bank Accounts and Honor Certain Prepetition Obligations Related Thereto; (II) an Extension of Time to Comply With or Seek Waiver of 11 U.S.C. § 345(b); and (III) Related Relief* filed concurrently herewith, the Debtors request relief necessary to maintain their Bank Accounts as they were maintained prepetition.

35. LUK and LPTSI each maintain one Deposit Account, and LPTSI maintains two Custody Accounts that hold cash. All four Bank Accounts are maintained with Citibank, which is an authorized bank depository pursuant to the U.S. Trustee's Operating Guidelines and Reporting Requirements for Debtors in Possession and Trustees. The Bank Accounts are maintained to meet the needs of each Debtor and pay its obligations. The Bank Accounts are funded by the collection of cash receipts on account of each Debtor's financial assets. In addition, each Debtor incurs certain charges with respect to its maintenance of Bank Accounts.

36. I am advised by the Debtors' attorneys that the Bank Accounts are required to comply with section 345(b) of the Bankruptcy Code, unless the Bankruptcy Court orders otherwise for "cause." I believe that "cause" exists to waive the requirements of section 345(b) because, among other reasons, (i) all of the Bank Accounts are maintained with Citibank, a highly rated, federally chartered bank that is subject to supervision by federal banking regulators, (ii) the cost associated with satisfying the requirements of section 345 is unduly

burdensome, and (iii) the process of satisfying such requirements would lead to needless inefficiencies in the management of the Debtors' business. Moreover, a bond secured by the undertaking of a corporate surety would be prohibitively expensive, if such a bond were available at all. Consequently, the Debtors request a 45-day extension of the requirement to comply with section 345(b), during which time they will engage in discussions with the U.S. Trustee to determine what modifications to the Bank Accounts, if any, are necessary under the circumstances.

37. Any disruption to the existing Bank Accounts would risk negatively impacting the Debtors' reorganization efforts. Accordingly, I believe that the relief requested is in the best interests of the Debtors' estates and should be granted.

C. Epiq Retention Applications

38. Pursuant to the *Application of Debtors Pursuant to 11 U.S.C. § 105(a) and 28 U.S.C. § 156(c) for Authority to Appoint and Retain Epiq Bankruptcy Solutions, LLC as Claims and Noticing Agent Effective as of the Petition Date* and the *Application of Debtors Pursuant to 11 U.S.C. § 327(a), Fed. R. Bankr. P. 2014(a) and 2016(a), and Local Rules 2014-1 and 2016-1 for Authority to Appoint and Retain Epiq Bankruptcy Solutions, LLC as Administrative Agent to the Debtors Effective as of the Petition Date*, each filed concurrently herewith (each, an "**Epiq Application**"), the Debtors request authority to retain Epiq Bankruptcy Solutions, LLC ("**Epiq**") as the Claims and Noticing Agent and Administrative Agent effective as of the Petition Date. As Claims and Noticing Agent, Epiq's duties would include assuming full responsibility for the distribution of notices and the maintenance, processing, and docketing of proofs of claim filed in these chapter 11 cases. As Administrative Agent, Epiq would assist with the solicitation, balloting, and tabulation of votes on a chapter 11 plan; provide a

confidential data room if necessary; manage and coordinate distributions pursuant to a confirmed chapter 11 plan; and provide such other administrative services as the Debtors may request.

39. The Debtors' retention of Epiq as Claims and Noticing Agent and as Administrative Agent would benefit the Bankruptcy Court, this restructuring, and all parties in interest. Epiq is already extensively familiar with the extremely complex LBHI Cases; has been providing similar assistance to the LBHI Debtors since 2008; has already established a website for claims and noticing purposes in the LBHI Cases that it can use to facilitate the above-captioned chapter 11 cases; and understands the interactions and distinctions between the above-captioned chapter 11 cases and the LBHI Cases. It is likely that substantial coordination between these cases and the LBHI Cases will be necessary, and there would be a substantial likelihood of confusion, duplication of efforts, and incurrence of unnecessary expenses if an agent other than Epiq were appointed as Administrative Agent or as Claims and Noticing Agent here.

40. I believe that Epiq's rates are competitive and reasonable given Epiq's quality of services and expertise. The terms of Epiq's retention are set forth in the Engagement Agreement attached to, and filed contemporaneously with, the Epiq Applications. Appointing Epiq as the Claims and Noticing Agent will maximize the efficiency of the distribution of notices and the processing of claims, as well as relieve the Office of the Clerk of the Bankruptcy Court of the administrative burden of processing an overwhelming number of claims. Retaining Epiq as Administrative Agent would reduce costs to the Debtors and improve the efficient administration of these cases by outsourcing the Debtors' administrative tasks to Epiq, which is highly skilled at performing them at a lower cost than would otherwise be available. Accordingly, on behalf of the Debtors, I respectfully submit that the relief requested in the Epiq Applications is in the best interests of the Debtors' estates and should be granted.

V.

INFORMATION REQUIRED BY LOCAL RULE 1007-2

41. In accordance with Local Rule 1007-2, the schedules attached hereto provide certain information related to the Debtors.

42. Pursuant to Local Rule 1007-2(a)(3), Schedule 1 hereto lists the names and addresses of the members of, and attorneys for, any official committee organized prior to the Commencement Date and a brief description of the circumstances surrounding the formation of the committee and the date of its formation.

43. Pursuant to Local Rule 1007-2(a)(4), Schedule 2 hereto lists the holders of each Debtor's 20 largest unsecured claims, excluding claims of insiders.

44. Pursuant to Local Rule 1007-2(a)(5), Schedule 3 hereto lists the holders of the five largest secured claims against each Debtor.

45. Pursuant to Local Rule 1007-2(a)(6), Schedule 4 hereto provides a summary of the (unaudited) assets and liabilities for each Debtor and its non-Debtor subsidiaries.

46. Pursuant to Local Rule 1007-2(a)(7), Schedule 5 hereto provides the following information: the number and classes of shares of stock, debentures, and other securities of the Debtors that are publicly held and the number of record holders thereof; and the number and classes of shares of stock, debentures, and other securities of the Debtors that are held by the Debtors' directors and officers, and the amounts so held.

47. Pursuant to Local Rule 1007-2(a)(8), Schedule 6 hereto provides a list of all of the Debtors' property in the possession or custody of any custodian, public officer, mortgagee, pledgee, assignee of rents, secured creditor, or agent for any such entity, giving the name, address, and telephone number of each such entity and the location of the court in which any proceeding relating thereto is pending.

48. Pursuant to Local Rule 1007-2(a)(9), Schedule 7 hereto provides a list of the premises owned, leased, or held under other arrangement from which the Debtors operate their businesses.

49. Pursuant to Local Rule 1007-2(a)(10), Schedule 8 hereto provides the location of the Debtors' substantial assets, the location of their books and records, and the nature, location, and value of any assets held by the Debtors outside the territorial limits of the United States.

50. Pursuant to Local Rule 1007-2(a)(11), Schedule 9 hereto provides a list of the nature and present status of each action or proceeding, pending or threatened, against the Debtors or their property where a judgment against the Debtors or a seizure of their property may be imminent.

51. Pursuant to Local Rule 1007-2(a)(12), Schedule 10 hereto provides a list of the names of the individuals who comprise each Debtor's existing senior management since August 10, 2017, and a brief summary of their relevant responsibilities and experience.

52. Pursuant to Local Rule 1007-2(b)(1)-(2)(A), Schedule 11 hereto provides the estimated amount of weekly payroll to the Debtors' employees (not including officers, directors, stockholders, and partners) and the estimated amount to be paid to officers, stockholders, directors, members of any partnerships, and financial and business consultants retained by the Debtors for the 30-day period following the filing of the Debtors' chapter 11 cases as the Debtors intend to continue to operate their businesses.

53. Pursuant to Local Rule 1007-2(b)(3), Schedule 12 hereto provides, for the 30-day period following the filing of these chapter 11 cases, a list of estimated cash receipts and

disbursements, net cash gain or loss, obligations and receivables expected to accrue that remain unpaid, other than professional fees.

I declare under penalty of perjury that, to the best of my knowledge and after reasonable inquiry, the foregoing is true and correct.

Dated: August 31, 2017
New York, New York

/s/ Christopher Mosher
Christopher Mosher
Managing Director, Lehman Brothers Holdings Inc.
Director, Lehman Brothers U.K. Holdings (Delaware) Inc.
Director, Lehman Pass-Through Securities Inc.

Schedule 1

Official Committees Organized Prior to the Petition Date

None.

Schedule 2

Non-Insider Holders of 20 Largest Unsecured Claims

None.

Schedule 3

Holdings of Five Largest Secured Claims Against Each Debtor

None.

Schedule 4

Summary of Unaudited Assets and Liabilities of Each Debtor and Non-Debtor Subsidiaries

The Debtors are filing their schedules of assets, liabilities, and executory contracts and unexpired leases, and their statements of financial affairs (the “**Schedules and Statements**”) concurrently herewith. Parties are referred to the Schedules and Statements for information responsive to the requirements of Local Rule 1007-2(a)(6).

Schedule 5

Securities of the Debtors Held by the Public or the Debtors' Directors or Officers

None.

Schedule 6

Debtor Property Held by Third Parties

Parties are referred to the Schedules and Statements for information responsive to the requirements of Local Rule 1007-2(a)(8).

Schedule 7

Property from Which the Debtors Operate Their Businesses

277 Park Avenue, 46th Floor, New York, New York 10172

Schedule 8

Asset Locations

The Debtors' principal assets and books and records are maintained by LBHI, whose offices are located at 277 Park Avenue, 46th Floor, New York, New York 10172. To the extent the Debtors hold assets outside of the territorial United States, information on the nature, location, and value of such assets is set forth in the Schedules and Statements.

Schedule 9

Pending Litigation in Which a Judgment May Be Imminent

None.

Schedule 10

Senior Management of LUK:

| <u>Name</u> | <u>Relevant Experience</u> |
|---|---|
| Karen Garza President & Treasurer | <ul style="list-style-type: none">• Ms. Garza has 20 years of experience in finance, management, and operations, including in principal investments, turnaround and restructuring, treasury, and investment banking• For the last five years, Ms. Garza has managed and led the monetization of Lehman Brothers Holdings Inc.'s portfolio of claims against affiliates and special purpose vehicles, including the sale and purchase of intercompany assets and managing relations with former Lehman affiliates and third-party creditors |
| Michael Osborne Vice President & Secretary | <ul style="list-style-type: none">• Since June 2017, Mr. Osborne has assisted in the management of recoveries from UK-based affiliates of Lehman Brothers Holdings Inc.• Since 2013, Mr. Osborne has managed the financial reporting of recoveries from foreign affiliates at Lehman Brothers Holdings Inc. |
| Jeffry Ciongoli Vice President & Assistant Treasurer | <ul style="list-style-type: none">• Since 2008, Mr. Ciongoli has served as the Global Head of Tax at Lehman Brothers Holdings Inc. and is responsible for all tax matters related to the Lehman Consolidated Global Group• From 1983 through 2008, Mr. Ciongoli served in various tax executive positions with Lehman, including in Global Tax Reporting, Tax Controversy, Investment Management Division, and Tax CAO |
| David Levenson Vice President & Assistant Treasurer | <ul style="list-style-type: none">• David Levenson is a Managing Partner at Brookfield Asset Management Inc. (“BAM”) and oversees BAM’s opportunistic credit initiatives, including the Brookfield Credit Opportunity Fund and Brookfield Private Credit• Mr. Levenson previously served as Chief Investment Officer in BAM’s Infrastructure Group focused on growing its transportation platform |

| <u>Name</u> | <u>Relevant Experience</u> |
|--|--|
| Christopher Mosher Vice President & Assistant Secretary | <ul style="list-style-type: none"> • Since 2012, Mr. Mosher has been a Managing Director of Lehman Brothers Holdings Inc. and Head of Private Equity, Principal Investments and Real Estate, among other roles • From 2006 through 2012, Mr. Mosher served as a Managing Director of Lehman Brothers Holdings Inc. |
| David Thompson Vice President & Assistant Secretary | <ul style="list-style-type: none"> • David Thompson is a Senior Vice President and Head of Origination - Principal Credit at Brookfield Asset Management, Inc. • Prior to joining BAM in 2016, Mr. Thompson served as a Managing Director of Garrison Investment Group |

Senior Management of LPTSI:

| <u>Name</u> | <u>Relevant Experience</u> |
|--|--|
| Jonathan Cohen President & Treasurer | <ul style="list-style-type: none"> • Since 2016, Mr. Cohen has been lead asset manager of commercial real estate assets of Lehman Brothers Holdings Inc. and its affiliates, including LPTSI • Since 2004, Mr. Cohen has served as CFO for the commercial real estate business of Lehman Brothers Holdings Inc. and its affiliates |
| Daniel Starowicz Vice President & Secretary | <ul style="list-style-type: none"> • Mr. Starowicz is a seasoned mortgage banker with over thirty years of experience in the mortgage banking industry • Prior to his employment at LPTSI, from 2015–2017, he was employed at Scoman Financial LLC as a contract mortgage banking consultant |

| <u>Name</u> | <u>Relevant Experience</u> |
|---|---|
| <p>Jeffry Ciongoli</p> <p>Vice President & Assistant Treasurer</p> | <ul style="list-style-type: none"> • Since 2008, Mr. Ciongoli has served as the Global Head of Tax at Lehman Brothers Holdings Inc. and is responsible for all tax matters related to the Lehman Consolidated Global Group • From 1983 through 2008, Mr. Ciongoli served in various tax executive positions with Lehman, including in Global Tax Reporting, Tax Controversy, Investment Management Division, and Tax CAO |
| <p>Christopher Mosher</p> <p>Vice President & Assistant Treasurer</p> | <ul style="list-style-type: none"> • Since 2012, Mr. Mosher has been a Managing Director of Lehman Brothers Holdings Inc. and Head of Private Equity, Principal Investments and Real Estate, among other roles • From 2006 through 2012, Mr. Mosher served as a Managing Director of Lehman Brothers Holdings Inc. |
| <p>Dan Teper</p> <p>Vice President & Assistant Secretary</p> | <ul style="list-style-type: none"> • Dan Teper is a Managing Director for Brookfield Asset Management Inc.'s Property Group, responsible for managing and executing investment activities in the U.S. • Prior to joining BAM in 2016, Mr. Teper held a number of mergers and acquisitions, and strategic advisory positions with global and North American investment banking firms. Most recently Mr. Teper was a Managing Director at Wells Fargo/Eastdil Secured where he was a dedicated Real Estate M&A practitioner |
| <p>Zach Vaughan</p> <p>Vice President & Assistant Secretary</p> | <ul style="list-style-type: none"> • Zach Vaughan is Managing Partner in Brookfield Asset Management Inc.'s Property Group, responsible for its European real estate investments • Prior to joining BAM in 2012, Mr. Vaughan worked at Canada Pension Plan Investment Board (CPPIB) and Reichmann International |

Responsibilities of Officers of LUK and LPTSI:

President. The President shall have general executive charge, management, and control of the properties and operations of the Company in the ordinary course of its business, with all such

powers with respect to such properties and operations as may be reasonably incidental to such responsibilities.

Vice President. Each Vice President shall have such powers and duties as may be assigned to him by the Board, the Chairman of the Board (if any), or the President, and (in order of their seniority as determined by the Board or, in the absence of such determination, as determined by the length of time they have held the office of Vice President) shall exercise the powers of the President during that officer's absence or inability to act. As between the Company and third parties, any action taken by a Vice President in the performance of the duties of the President shall be conclusive evidence of the absence or inability to act of the President at the time such action was taken.

Treasurer. The Treasurer shall have the responsibility for maintaining the financial records of the Company, shall have custody of the Company's funds and securities, shall keep full and accurate account of receipts and disbursements, shall deposit all monies and valuable effects in the name and to the credit of the Company in such depository or depositories as may be designated by the Board, and shall perform such other duties as may be prescribed by the Board or the President and may in general be incident to the office of the Treasurer. The Treasurer shall make such disbursements of the funds of the Company as are authorized and shall render from time to time an account of all such transactions and of the financial condition of the Company.

Secretary. The Secretary shall keep the minutes of all meetings of the Board and of the stockholders in books provided for that purpose, and the Secretary shall attend to the giving and service of all notices. The Secretary shall maintain the stock ledger of the Corporation and the list of stockholders entitled to vote at each meeting of stockholders, in accordance with Article II, Section 9 of the Bylaws, both of which shall at all reasonable times be open to inspection by any director upon application at the office of the Company during business hours. The Secretary shall in general perform all duties incident to the office of the Secretary, subject to the control of the Board, the Chairman of the Board (if any), and the President.

Assistant Treasurers and Assistant Secretaries. The assistant Treasurers and assistant Secretaries, in general, shall perform such duties as shall be assigned to them by the Treasurer or the Secretary, respectively, or by the President or the Board, and in the absence of the Treasurer or Secretary, as the case may be, shall perform the duties and exercise the powers of the Treasurer or Secretary, as applicable.

Schedule 11

Compensation Matters

LUK:

Estimated amount to be paid to officers for the 30-day period following the filing of the Debtors' chapter 11 cases as the Debtors intend to continue to operate their businesses: \$41,000–\$66,000

LPTSI:

Estimated amount to be paid to officers for the 30-day period following the filing of the Debtors' chapter 11 cases as the Debtors intend to continue to operate their businesses: \$42,000–\$73,000

Schedule 12

Estimated Cash Receipts and Disbursements

For the 30-day period following the Petition Date, each Debtor's estimated cash receipts and disbursements, net cash gain or loss, obligations and receivables expected to accrue that remain unpaid, other than professional fees:

LUK:

The Debtors do not anticipate distributions other than ordinary-course employee-related payments. The Debtors' estimates of cash receipts are based on confidential, material nonpublic information. The Debtors will disclose actual receipts in accordance with their reporting requirements as debtors in possession. The Debtors do not expect any obligations to accrue and remain unpaid.

LPTSI:

The Debtors do not anticipate distributions other than ordinary-course employee-related payments. LPTSI's estimated receipts are approximately \$250,000–\$500,000, attributable to its portfolio of residential-mortgage-backed securities. The Debtors do not expect any obligations to accrue and remain unpaid.