

**NOTIFICATION TO FORMER RECORD PREFERRED STOCKHOLDERS OF  
LEHMAN BROTHERS HOLDINGS INC.**

***IRS Circular 230 Notice:*** *To ensure compliance with IRS Circular 230, former holders of LBHI stock are hereby notified that: (a) any discussion of federal income tax issues contained or referred to herein is not intended or written to be used, and cannot be used, by former stockholders of LBHI for the purpose of avoiding penalties that may be imposed on them under the Internal Revenue Code; (b) such discussion is written in connection with the promotion or marketing by the Debtors of the transactions or matters addressed herein; and (c) former stockholders of LBHI should seek advice based on their particular circumstances from an independent tax advisor.*

On December 6, 2011, the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”) entered an order (the “Confirmation Order”) confirming the Modified Third Amended Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. (“LBHI”) and its affiliated debtors (the “Plan”). On March 6, 2012 (the “Effective Date”), the Plan became effective, after all outstanding closing conditions under the Plan were satisfied.

The Plan provides for the creation of the Lehman Brothers Holdings Inc. Plan Trust (the “LBHI Plan Trust”). Pursuant to the Plan, LBHI and the LBHI Plan Trust trustees entered into a trust agreement (the “Plan Trust Agreement”), effective as of March 6, 2012, establishing the LBHI Plan Trust. The LBHI Plan Trust is administered in accordance with the terms of the Plan Trust Agreement. Epiq Bankruptcy Solutions, LLC (“Epiq”) is the court-appointed claims and noticing agent in the chapter 11 cases of LBHI and its affiliated debtors.

Pursuant to the Plan, as of the Effective Date all existing shares of common stock and preferred stock issued by LBHI were cancelled. Thereafter, LBHI issued one new share of common stock (the “Plan Stock”) to the LBHI Plan Trust, which will hold such share for the benefit of such former stockholders of LBHI consistent with their former relative priority and economic entitlements. The Plan Stock shall comprise the sole asset of the LBHI Plan Trust. The beneficial interests held by the former stockholders of LBHI in the LBHI Plan Trust are uncertificated and non-transferable (except with respect to a transfer by will or under the laws of descent and distribution), and do not have any consent or voting rights. Each former stockholder of LBHI shall neither receive nor retain any property of the estate of LBHI or interest in property of the estate of LBHI on account of such shares other than as a beneficiary of the LBHI Plan Trust. It is not expected that any former stockholder of LBHI will receive any distributions as a result of its beneficial interests in the LBHI Plan Trust.

**Important Tax Information – Required Tax Forms**

For U.S. federal income tax purposes, the LBHI Plan Trust is intended to be treated as a “liquidating trust” taxable as a “grantor trust” of which the former LBHI stockholders are regarded as the grantors. In this regard, the former stockholders will be treated as directly receiving an undivided interest in the Plan Stock and then transferring such interest to the LBHI Plan Trust in exchange for the beneficial interests in the LBHI Plan Trust. Moreover, on a going-forward basis, each former stockholder of LBHI that is a beneficiary of the LBHI Plan Trust will be treated for U.S. federal income tax purposes as a direct owner of the underlying assets of the

LBHI Plan Trust (namely, the Plan Stock), in accordance with its former relative priority and economic entitlements as a stockholder.

As a beneficiary of the LBHI Plan Trust, it is necessary that each former stockholder of record provide the LBHI Plan Trust with such holder's correct U.S. Taxpayer Identification Number ("TIN") if such holder is a U.S. person (as defined in the instructions to the enclosed IRS Form W-9) – which, in the case of a holder who is an individual, is the holder's social security number reported on the IRS Form W-9 – or in the case of a non-resident alien or foreign entity, the appropriate completed IRS Form W-8.

Such tax information is required for trust reporting purposes. In addition, if the LBHI Plan Trust is not provided with the correct TIN or an adequate basis for an exemption from backup withholding, the holder may be subject to a \$50 penalty imposed by the Internal Revenue Service ("IRS") and backup withholding with respect to certain distributions received from the LBHI Plan Trust (currently at a 28% rate). Backup withholding is not an additional tax. Rather, the tax liability of a person subject to backup withholding will be reduced by the amount withheld. If withholding results in an overpayment of taxes, a refund may be obtained provided the required information is timely furnished to the IRS. In the case of a non-resident alien or foreign entity, it is possible that other applicable governmental withholding may apply in lieu of backup withholding (of up to 30%).

*U.S. Beneficiaries.* To prevent backup withholding, each former stockholder of record of LBHI that is a U.S. person (as defined in the instructions to the enclosed IRS Form W-9) must provide such holder's correct TIN by completing the enclosed IRS Form W-9, certifying that (i) the TIN provided is correct, (ii) (a) the holder is exempt from backup withholding, (b) the holder has not been notified by the IRS that such holder is subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified the holder that such holder is no longer subject to backup withholding, and (iii) the holder is a U.S. person (including a U.S. resident alien). If the LBHI stock is held in more than one name or not in the name of the actual owner, consult the Form W-9 instructions for information on which TIN to report.

Exempt holders (including, among others, all corporations and certain foreign individuals) are not subject to these backup withholding and reporting requirements. To prevent possible erroneous backup withholding, an exempt U.S. holder should check the "Exempt payee" box on IRS Form W-9. See the Form W-9 Specific Instructions for additional instructions.

*Foreign Beneficiaries.* A non-resident alien or foreign entity should submit an appropriate and properly completed IRS Form W-8 (one of Form W-8BEN, Form W-8ECI, Form W-8EXP or Form W-8IMY), signed under penalties of perjury attesting to such holder's status. Form W-8 and instructions may be obtained from the IRS at its Internet website: [www.irs.gov](http://www.irs.gov).

**ACCORDINGLY, EACH FORMER STOCKHOLDER OF RECORD SHOULD COMPLETE AND PROVIDE US WITH AN IRS FORM W-9 (FOR HOLDERS THAT ARE U.S. PERSONS, INCLUDING U.S. RESIDENT ALIENS) OR AN APPROPRIATE IRS FORM W-8 (FOR HOLDERS THAT ARE NOT U.S. PERSONS, AND IN MOST CASES AN IRS FORM W-8BEN). CONSULT THE INSTRUCTIONS TO THE ENCLOSED IRS FORM W-9 FOR THE DEFINITION OF "U.S. PERSON."**

Your completed tax form should be returned to Computershare Trust Company, N.A. (“Computershare”), LBHI’s transfer agent for preferred stock, at the following address:

Computershare Investor Services  
P.O. Box 43078  
Providence, RI 02940-3078

If you have any questions regarding this request, please contact Computershare at: 877-373-6374.

Within seventy-five (75) days following the end of the calendar year or as soon as practicable thereafter, the trustees of the LBHI Plan Trust will furnish the beneficiaries the information regarding the income, gain, loss, deduction or credit (if any) of the LBHI Plan Trust (as computed for U.S. federal income tax purposes) for the calendar year just ended, by posting such information at the world wide web site maintained by Epiq ([www.lehman-docket.com](http://www.lehman-docket.com)).

**Where You Can Find Additional Information**

A series of Post Effective Date Frequently Asked Questions (“FAQs”) is posted at ([www.lehman-docket.com](http://www.lehman-docket.com)). The FAQs may be updated periodically without notice.

For additional details regarding the above, please refer to LBHI’s informational filings with the Bankruptcy Court, which are available to the public at the office of the Clerk of the Bankruptcy Court, Alexander Hamilton Custom House, One Bowling Green, New York, New York 10004-1408. Such informational filings may be available electronically, for a fee, through the Bankruptcy Court’s Internet world wide web site ([www.nysb.uscourts.gov](http://www.nysb.uscourts.gov)), and/or free of cost, at ([www.lehman-docket.com](http://www.lehman-docket.com)).