

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re

LEHMAN BROTHERS INC.,

Debtor.

Case No. 08-01420 (JMP) SIPA

**STIPULATION AND ORDER IN CONNECTION WITH THE RETURN OF FUNDS TO
LEHMAN BROTHERS INC. FROM GERSON LEHRMAN GROUP, INC.**

WHEREAS, on September 19, 2008 (the “Commencement Date”), a proceeding was commenced under the Securities Investor Protection Act of 1970 (“SIPA”) with respect to Lehman Brothers Inc. (“LBI”) and James W. Giddens was appointed as Trustee under SIPA (the “Trustee”) to administer LBI’s Estate (Case No. 08-01420 (JMP) (such proceeding, the “SIPA Proceeding”));

WHEREAS, pursuant and subject to SIPA, the Trustee has been duly appointed and authorized to liquidate the business of LBI including the unwind, close-out and reduction to cash of amounts due, owing or payable to the LBI Estate;

WHEREAS, on September 10, 2010, this Court issued an Order approving and authorizing procedures to recover transfers made by LBI prior to the Commencement Date as preferential and/or fraudulent transfers pursuant to sections 544, 547, 548, and 550 of the Bankruptcy Code (“Avoidance Proceedings”) (Docket No. 3664).

WHEREAS, on December 8, 2010, this Court issued an Amended Order Establishing Procedures Governing Claims Asserted and Adversary Proceedings Commenced by the Trustee Pursuant to 11 U.S.C. §§ 544, 547, 548, and 550 (the “Preference Procedures Order,” Docket No. 3964). The Preference Procedures Order directs the Trustee to seek Court approval of the proposed settlement by a Notice of Presentment, in accordance with the Amended Case Management Order entered in this proceeding (Docket No. 3466);

WHEREAS LBI demanded Gerson repay certain transfers equaling \$2,425,980 (“Avoidance Demand”).

WHEREAS Gerson has asserted defenses to the Avoidance Demand;

WHEREAS, the Trustee and Gerson (each a “Party” and collectively the “Parties”) desire to avoid the expense and uncertainties of litigation and to settle and compromise, subject to the terms of a settlement agreement between the Parties (the “Settlement Agreement”);

WHEREAS, the Trustee has determined, in consultation with his professional advisors that it is in the best interests of the LBI Estate and its customers and creditors that it settle a demand for repayment of transferred funds subject to the payment to the Trustee of \$401,822.00 (the "Settlement Amount"), which amount includes interest; and

WHEREAS, the Parties have negotiated in good faith concerning the rights of the Parties and believe they have reached a fair and equitable and reasonable determination with respect to the Settlement Amount.

NOW, THEREFORE, in consideration of the mutual covenants set forth below, and subject to the approval of the Court, IT IS HEREBY STIPULATED AND AGREED BY THE PARTIES HERETO THAT:

1. The foregoing Recitals are true in all respects.
2. The terms and conditions of this Stipulation and Order, and the Parties' respective obligations hereunder, shall become immediately effective upon entry by the Court of this Stipulation and Order (the "Effective Date").
3. Gerson agrees to pay the Settlement Amount within five (5) business days from the Effective Date pursuant to the terms of the Settlement Agreement.
4. Each of the Parties expressly reserves all of his or its rights and defenses with respect to any other claims each might have against the other, except as set forth in the Settlement Agreement.
5. Except as otherwise specifically provided for herein or in the Parties' Settlement Agreement, nothing contained in this Stipulation and Order shall create any rights, remedies, or defenses in favor of any party in interest that is not a Party to the Settlement Agreement or this Stipulation and Order.
6. This Stipulation and Order shall be binding on the Parties and their respective successors or assigns, including any subsequent trustee elected or appointed for LBI.
7. This Stipulation and Order may be signed in counterparts which, when taken as a whole, shall constitute one and the same document; and faxed signatures shall be deemed originals.
8. This Stipulation and Order may not be amended or modified orally. Accordingly, no amendment to, or modification of, this Stipulation and Order shall be effective unless it is made in writing and signed by duly authorized representatives of each and every Party to this Stipulation and Order.
9. Each Party hereby represents and warrants to the other Party that: (i) it has the power and authority to execute this Stipulation and Order; (ii) neither the execution nor the performance of this Stipulation and Order by such Party violates any other contract by which such Party is bound; (iii) neither the execution nor the performance of this Stipulation and Order by such Party violates any charter, regulation, corporate resolution, by-law or other corporate

restriction to which such Party is subject; and (iv) upon entry by the Court, this Stipulation and Order will constitute a valid and binding obligation of such Party, enforceable against such Party in accordance with its terms.

10. Each Party hereby represents and warrants to the other Party that the person signing this Stipulation and Order on its behalf is duly authorized to enter into this Stipulation and Order on that Party's behalf and that no further consent or approval is required from or by any other person, party, or entity in order for such Party to enter into, or carry out, the provisions of this Stipulation and Order.

11. Each individual signing this Stipulation and Order on behalf of any Party hereto acknowledges and, with respect to his or her own signature below, warrants and represents that he/she is authorized to execute this Stipulation and Order in his/her representative capacity, as reflected below and on behalf of the Party indicated.

12. In the event that any provisions of this Stipulation and Order conflict with the Settlement Agreement, the provisions of this Stipulation and Order shall govern.

13. This Stipulation and Order, and its validity, interpretation and legal effect, shall be governed by and shall be interpreted in accordance with the laws of the State of New York, except to the extent that the Bankruptcy Code or SIPA apply, without regard to New York's rules governing conflicts of laws.

14. Each Party hereby submits to the jurisdiction of the Bankruptcy Court for any action, suit or proceeding to enforce this Stipulation and Order and agrees that any such action, suit or proceeding shall be brought only in the Bankruptcy Court. Each Party hereby irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to venue of any such action, suit, or proceeding brought in such a court. The Bankruptcy Court shall retain exclusive jurisdiction and enforce the terms of this Stipulation and Order.

Dated: New York, New York
January 24, 2013

By: /s/ Robert Mendelson
Robert Mendelson

By: /s/ Darren Bernstein
Darren Bernstein

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ATTORNEYS FOR GERSON LEHRMAN
GROUP, INC.

COUNSEL IN THE OFFICE OF
JAMES W. GIDDENS, ESQ., AS TRUSTEE
FOR THE SIPA LIQUIDATION OF THE
BUSINESS OF LEHMAN BROTHERS INC.

SO ORDERED:

Dated: New York, New York
February 5, 2013

s/ James M. Peck
HONORABLE JAMES M. PECK
UNITED STATES BANKRUPTCY JUDGE