

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

----- X

In re: : **Chapter 11**

LEHMAN BROTHERS HOLDINGS INC., et al. : **Case No. 08-13555 (JMP)**

Debtors. : **(Jointly Administered)**

----- X

STIPULATION AND ORDER AMENDING AND WITHDRAWING CLAIMS

Lehman Brothers Holdings Inc. ("LBHI"), as Plan Administrator (the "Plan Administrator") pursuant to the *Modified Third Amended Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. and its Affiliated Debtors* (the "Plan"), and Bank Leumi Le-Israel, Ltd. ("Claimant" and, together with the Plan Administrator, the "Parties"), hereby stipulate and agree as follows:

RECITALS

A. On September 15, 2008 and periodically thereafter, LBHI and certain of its subsidiaries commenced voluntary cases under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") before the United States Bankruptcy Court for the Southern District of New York (the "Court"), which cases are being jointly administered under Case No. 08-13555 (JMP).

B. On September 22, 2009, Claimant filed a proof of claim against LBHI asserting an unsecured claim for an amount not less than \$102,170,000.00 (the "Claim"), which was assigned claim number 28333 by the court-approved claims and noticing agent (the "Claims Agent").

C. On December 6, 2011, the Court entered an order confirming the Plan [ECF No. 23023] (the “Confirmation Order”). The Effective Date (as defined in the Plan) occurred on March 6, 2012 [ECF No. 26039].

D. Pursuant to section 6.1(b) of the Plan, the Plan Administrator is authorized to control and effectuate the claims reconciliation process with respect to claims filed against LBHI.

E. On June 4, 2012, the Plan Administrator filed the *Three Hundred Fifth Omnibus Objection to Claims (Duplicative Claims)* [ECF No. 28412] (the “Objection”) objecting to the Claim, among other claims.

F. On July 13, 2012, Claimant filed a response to the Objection [ECF No. 293970] (the “Response”) and a proof of claim seeking to reduce and amend the amount of the Claim to \$39,894,746.54 (the “Amending Claim”). The Amending Claim was assigned claim number 68115 by the Claims Agent.

G. On January 15, 2013, the Plan Administrator filed a reply to the Response and a supplemental objection to the Claim [ECF No. 33925].

H. Pursuant to paragraph 86 of the Confirmation Order, after the Effective Date, a proof of claim may not be filed or amended without authority of the Court.

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED BY AND BETWEEN THE PARTIES, AND, UPON COURT APPROVAL HEREOF, IT SHALL BE ORDERED THAT:

1. This Stipulation and Order shall become effective once it has been executed by the Parties and approved by the Court (the “Stipulation Effective Date”).

2. As of the Stipulation Effective Date:

- (i) The filing of the Amending Claim shall be authorized. The Claim shall be amended and the amount reduced to no greater than

\$39,894,746.54. The Amending Claim shall be deemed subject to the Objections.

- (ii) Except as set forth in subsection (i) above, the Claim shall not otherwise be amended. The Claim shall be deemed withdrawn and expunged with prejudice.
- (iii) The Claims Agent shall be directed to modify the claims register to reflect the terms of this Stipulation and Order.

3. Nothing in this Stipulation and Order shall affect (i) the Objections or the Plan Administrator's right to object to the Amending Claim on any ground, or (ii) Claimant's rights to prosecute the Amending Claim or oppose any objections thereto made by the Plan Administrator.

4. Nothing herein shall constitute any admission or finding with respect to the Claim or the Amending Claim, and this Stipulation and Order shall not be deemed to be or used as an admission of or evidence of the validity or invalidity or any aspect of the Claim or the Amending Claim.

5. This Stipulation and Order contains the entire agreement between the Parties as to the subject matter hereof and supersedes all prior agreements and undertakings between the Parties relating thereto.

6. This Stipulation and Order shall be binding upon and inure solely to the benefit of the Parties hereto and their respective successors and assigns. Nothing contained herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of this Stipulation and Order.

7. Each person who executes this Stipulation and Order represents that he or she is duly authorized to do so on behalf of the respective Party hereto and that each such party has full knowledge and has consented to this Stipulation and Order.

8. This Stipulation and Order may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument, and it shall constitute sufficient proof of this Stipulation and Order to present any copy, copies, electronic copies, or facsimiles signed by the Parties hereto to be charged.

9. This Stipulation and Order shall be governed by and in accordance with the laws of the state of New York, except to the extent that the Bankruptcy Code applies, without regard to principles of conflicts of law that would require the application of laws of another jurisdiction.

Dated: New York, New York
February 27, 2013

DAVIS POLK & WARDWELL LLP

By: /s/ James I. McClammy
James I. McClammy
450 Lexington Avenue

New York, New York 10017

Telephone: (212) 450-4000
Facsimile: (212) 735-2000

Attorneys for Claimant Bank Leumi le-Israel, Ltd.

Dated: New York, New York
February 27, 2013

WEIL, GOTSHAL & MANGES LLP

By: /s/ Garrett A. Fail
Garrett A. Fail
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007

Attorneys for Lehman Brothers Holdings Inc.

SO ORDERED:

Dated: New York, New York

Honorable James M. Peck
United States Bankruptcy Judge