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SIPA Liquidation of Lehman Brothers Inc.

Attorneys for General Electric Pension
Trust

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

In re

LEHMAN BROTHERS INC.,

Debtor.

Case No. 08-01420 (JMP) SIPA

**STIPULATION AND ORDER REGARDING PROOF OF CLAIM OF GENERAL
ELECTRIC PENSION TRUST (NO. 3119)**

This Stipulation and Order (the “Stipulation”) is entered on the date hereof by and between James W. Giddens (the “SIPA Trustee”), as trustee for the liquidation of Lehman Brothers Inc. (“LBI”) under the Securities Investor Protection Act of 1970, as amended (“SIPA”), and General Electric Pension Trust (the “Claimant”).

RECITALS

A. WHEREAS, on September 19, 2008 (the “Filing Date”), a proceeding was commenced under SIPA with respect to LBI, and the SIPA Trustee was appointed (Case No. 08-01420, such proceeding, the “SIPA Proceeding”);

B. WHEREAS, on November 7, 2008, the Bankruptcy Court for the Southern District of New York (“Bankruptcy Court”) entered the Order Approving Form and Manner of

Publication and Mailing of Notice of Commencement; Specifying Procedures and Forms for Filing, Determination, and Adjudication of Claims; Fixing a Meeting of Customers and Other Creditors; and Fixing Interim Reporting Pursuant to SIPA (the “Claims Process Order,” ECF No. 241);

C. WHEREAS, pursuant to SIPA section 78fff-2(a)(3) and the Claims Process Order, all general creditor claims must have been received by the Trustee by June 1, 2009;

D. WHEREAS, in accordance with the Claims Process Order, on January 30, 2009, Claimant timely filed a general creditor claim (represented by claim no. 3119, the “Claim”)¹ asserting a claim in the amount of \$356,647,994.00;

E. WHEREAS, on March 11, 2013, the Bankruptcy Court entered the Order Pursuant to Section 105(a) of the Bankruptcy Code & Bankruptcy Rules 3007 and 9019(b) for Approval of General Creditor Claim Settlement Procedures (the “General Creditor Settlement Procedures Order,” ECF No. 5847);

F. WHEREAS, after good faith, arm’s length negotiations, the Trustee and Claimant (each a “Party” and together, “the Parties”), pursuant to the General Creditor Settlement Procedures Order, have agreed to resolve all issues regarding the Claim pursuant to the terms and conditions set forth in this Stipulation.

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

¹ Claim no. 900003221, which the Trustee denied as a customer claim based on the same transactions as those underlying claim no. 3119, is also covered by this Stipulation.

STIPULATION

1. The Recitals set forth above form an integral part of this Stipulation and are incorporated fully herein.
2. This Stipulation shall not become effective unless and until it has been executed by the Parties and approved by Final Order (defined below) of the Bankruptcy Court (the “Effective Date”). Final Order shall mean an order or judgment of the Bankruptcy Court, or other court of competent jurisdiction, as entered on the docket of such court, the operation or effect of which has not been stayed, reversed, or amended, and as to which order or judgment (or any revision, modification, or amendment thereof) the time to appeal or seek review or rehearing has expired and as to which no appeal or petition for review or rehearing has expired and as to which no appeal or petition for review or rehearing was filed or, if filed, remains pending, *provided, however*, that no order shall fail to be a final order solely because of the possibility that a motion pursuant to Rule 60 of the Federal Rule of Civil Procedure, Bankruptcy Rule 9024, any similar local bankruptcy rule or any similar state statute or rule may be filed with respect to such order.
3. As of the date hereof, Claimant represents and warrants that it is the legal and beneficial owner of the Claim. Additionally, as of the date hereof, each Party to this Stipulation represents and warrants to the other that it has the power and authority to enter into this Stipulation.
4. On the Effective Date, the Claimant will have an allowed, general unsecured creditor claim against the LBI general estate in the amount of \$5,795,635.00 (the “Allowed Claim”) in respect of the Claim and this Allowed Claim shall constitute the full and final settlement of any and all claims the Claimant has asserted against the LBI estate

under or in connection with the transactions and accounts that are the subject of the Claim. The Allowed Claim will receive proportionately at least the same in payments or distributions (including with respect to the timing and type of payments or distributions) for the Allowed Claim as is generally received by holders of general allowed unsecured claims. The Trustee shall promptly cause the LBI general creditor claims register to be updated to reflect the same.

5. On the Effective Date, the Claimant, on behalf of itself and its successors and assigns, shall forever waive and release any and all claims, liabilities, causes of action, demands, and damages of whatever kind or nature and whether known or unknown, asserted or unasserted, against LBI, its estate and the Trustee arising before or after the Filing Date, including all claims related to or arising out of the transactions and accounts that are the subject of the Claim; *provided, however*, that nothing contained herein shall waive Claimant's rights to enforce this Stipulation.

6. On the Effective Date, the Trustee, on behalf of the LBI estate and its successors and assigns, shall forever waive and release any and all claims, liabilities, causes of action, demands, and damages of whatever kind or nature and whether known or unknown, asserted or unasserted, against the Claimant, its successors and assigns arising before or after the Filing Date, arising out of the transactions that are the subject of the Claim; *provided, however*, that nothing contained herein shall waive the Trustee's or LBI's rights to enforce this Stipulation.

7. The Trustee agrees to promptly seek, and the Claimant agrees to support, approval of this Stipulation in the Bankruptcy Court pursuant to paragraph (iv) of the General Creditor Settlement Procedures Order. If approval is not obtained in the

Bankruptcy Court, the Stipulation shall be null and void and the Parties will retain all their respective rights and claims. Additionally, in the event that the Effective Date has not occurred by 5:00 p.m. on October 4, 2013, the Claimant shall have the right to terminate this Stipulation by sending written notice to the Trustee's counsel. In the event of such termination, the Stipulation shall be null and void and the Parties will retain all their respective rights and claims.

8. This Stipulation shall be binding upon and inure solely to the benefit of the Parties hereto and their respective successors and permitted assigns, including any subsequent trustee appointed for LBI.

9. No amendment, waiver or modification of any provision of this Stipulation shall be effective unless the same shall be in writing and signed by the Parties.

10. Neither this Stipulation, nor any negotiations or proceedings in connection herewith, may be used and shall not be admissible in any proceeding against any party to this Stipulation or its affiliates for any purpose, except to enforce the terms of this Stipulation.

11. This Stipulation 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.

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

13. This Stipulation 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.

Dated: New York, New York
April 22, 2013

HUGHES HUBBARD & REED LLP

LATHAM & WATKINS LLP

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Attorneys for James W. Giddens, Trustee
for the SIPA Liquidation of Lehman
Brothers Inc.

Attorneys for General Electric
Pension Trust

SO ORDERED:

Dated: May 1, 2013
New York, New York

/s/ James M. Peck

Hon. James M. Peck
United States Bankruptcy Judge