

Lehman Brothers Distributions

The Securities

The securities in respect of our Lehman affected Plans were issued by either **Lehman Brothers Securities N.V. (“LBS”)** or **Lehman Brothers Treasury B.V. (“LBT”)**. In both cases, the guarantor of the obligations of LBT and LBS to meet the payments due from the Securities was **Lehman Brothers Holdings Inc. (“LBHI”)**. Individual Accounts held either LBS or LBT securities, never both.

Who paid distributions?

Meteor made claims to each of LBHI, LBT and LBS.

Accounts that held securities originally issued by LBS received distributions from LBHI and LBS, Accounts that held LBT securities received distributions from LBHI and LBT.

For Accounts that held LBS securities this changed after May 2015 as described in “Wind-Down of the LBS Estate” below.

For Accounts that held LBT securities this changed after May 2019 as described in the “Partial Wind-Down of the LBT Estate” below.

Timing and Receipt of Distributions

LBHI Claim - LBHI paid its first distribution in respect of our Class 5 Guarantee Claim in April 2012 and, in accordance with its Chapter 11 Plan, paid subsequent distributions at six monthly intervals thereafter.

It also paid three unscheduled distributions in June 2016, December 2017 and July 2019 after reaching settlement agreements with two major US banks and another Lehman entity respectively. Before we sold this claim in December 2019, we received our final distribution from LBHI in October 2019.

LBT Claim - LBT’s chief asset was its Class 4A claim against LBHI. At the same times that LBHI paid distributions to Meteor, it also made distributions to LBT. LBT used those distributions to pay its own distributions to its creditors, including Meteor. LBT made its first distribution in May 2013 after its receipt of the third LBHI distribution and made subsequent payments about a month after each LBHI distribution.

It made a final distribution to Meteor in May 2019 - see “Partial Wind-Down of the LBT Estate”.

LBS Claim – LBS’s chief asset had been its Class 4A claim against LBHI. From July 2013 it made distributions on a similar basis to LBT. LBS made a final distribution in May 2015 and transferred its claim against LBHI to its creditors - see “Wind-Down of the LBS Estate” below.

Partial Wind-Down of the LBT Estate

In the partial wind-down, qualifying creditors could apply to maintain their claims against LBT. Those who did not qualify, which included Meteor, received a final distribution.

The final distribution was funded by LBT selling a proportionate share of its Class 4A Claim against LBHI to third party purchasers. The proportion of the Class 4A Claim which was sold was based on the relative claims values of those creditors who maintained their claims and those that did not.

The final distribution was paid by LBT in May 2019.

After that date, we no longer received distributions from LBT but continued to receive distributions from the Class 5 Guarantee Claim made to LBHI in respect of its role as guarantor of LBT securities.

Wind-Down of the LBS Estate

LBS made its final distribution in May 2015 and then transferred its Class 4A claim against LBHI to LBS creditors on a pro-rata basis. The first distribution from the inherited Class 4A Claim was made to us by LBHI in October 2015 alongside the distribution in respect of our Class 5 Guarantee Claim. Subsequent Class 4A distributions were paid at the same time as each Class 5 distribution. Before we sold the Class 4A Claim in December 2019, we received our final distribution from LBHI in respect of the Class 4A Claim in October 2019.

At the time the LBS estate was wound down, customers were able to ask LBS to sell the right to inherit a share of the Class 4A Claim. A small number of Meteor investors chose this option and received the sale proceeds in the form of a one-off Cash Distribution from LBS. Those customers continued to receive distributions from the Class 5 Guarantee Claim but did not receive any distributions from the inherited Class 4A claim or from the proceeds of the sale of that claim in December 2019.

Sale of Remaining Claims

LBHI paid its nineteenth distributions in early October 2019. The distribution rates were 0.18% in respect of the Class 4A Claim and 0.14% in respect of the Class 5 Claim

As distributions continued to decline, we accepted an offer to sell both Claims in December 2019. The Class 4A Claim was sold for 0.9% of LBHI's claim valuation and the Class 5 Claim was sold for 0.7% of its claim valuation.

The proceeds of the sale were treated in the same way as if LBHI had paid distributions at rates of 0.9% and 0.7% for the respective claims.

How much would have been paid if the claims had not been sold?

It is not possible to give an indication of how much would have been received overall if the claims had not been sold but, in its June 2019 Quarterly Report which it published in September 2019, LBHI estimated that future recoveries "...excluding potential recoveries from affirmative litigations and estimates for potential allowed amounts of disputed claims" would be:

- For the Class 4A Claim, 0.753% of the claim valuations
- For the Class 5 Claim, 0.589% of the claim valuations

How much LBHI will pay in practice may be higher or lower than its estimates, but it was clear that remaining distributions would be comparatively small compared to those paid earlier. As mentioned above, we received sale proceeds of 0.9% for the Class 4A Claim and 0.7% for the Class 5 Claim.

How much longer would it have taken for the distribution process to be completed if the claims had not been sold?

Once again, it is not possible to provide an accurate assessment but in an update in September 2019, LBHI stated:

"Future expenses and distributions are dependent in large measure on the resolution of various legal matters involving the Company and its Non-Controlled Affiliates. The remaining legal matters require resolution in the United States, as well as multiple foreign jurisdictions, including the United Kingdom, France, Germany, India, Spain and Australia. The timing for achieving final administrative or judicial resolution of these legal issues is uncertain. As a consequence, [LBHI] cannot definitively specify a date for the final termination of its activities".

Currency Exchange

LBHI and ex-LBS claim valuations were calculated and distributions paid in US Dollars. The proceeds from the sale of the Class 4A and Class 5 Claims were also paid in US Dollars. LBT claims and distributions were calculated in Euros and distributions were converted to Sterling by LBT before each was paid.

Exchange rates at the different times that distributions and sale proceeds were received have affected the relative Sterling value of each payment we have received.

How much was received overall?

The amounts differ quite markedly between each security because of the variables involved but the amount received range between 56.32% and 97.48% of the original investment amounts. The average amount paid is just under 71.21% of the amounts originally invested.

This information was updated on 2nd January 2020

