

**PROTOCOL OF THE LEHMAN BROTHERS INC. TRUSTEE REGARDING
PRIME BROKERAGE ARRANGEMENTS &
OTHER BROKER-DEALER TRANSACTIONS**

- Forward settling, open, and failed transactions will be closed out, with an effective date of September 19, 2008, using a Bloomberg end of day price, or a commercially reasonable price from alternative sources.¹
- To the extent cash or securities are held by Lehman Brothers International Europe (“LBIE”), the Trustee has no jurisdiction over those assets and will not be able to transfer those assets.

I Fixed Income Prime Brokerage²

A Free Cash

- Customer accounts will be closed and available cash will be delivered as instructed.

B Fully-Paid Securities in the Box

- Customer accounts will be closed and available securities will be delivered as instructed.
- A letter accepting the transfer will be required by the receiving broker-dealer with a medallion signature.

C Fully-Paid Securities NOT in the Box

- Fully-paid security positions in customer accounts will be paid out. Any positive net proceeds that remain can be handled by a claim against the estate.

D Repos and Reverse Repos (open and term), Outright Buy/Sell-Backs, and Fails.

- These transactions will be closed out as of September 19, 2008, using the Bloomberg end of day closing price or a commercially reasonable price from alternative sources.

E TBA Positions

- For eligible trades of the Mortgage Backed Securities Division (“MBSD”) of the Fixed Income Clearing Corporation, customer accounts will be closed out as of September 19, 2008, Bloomberg end of day closing price, and when the MBSD closing price is provided, claims can be adjusted.

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1. As between a clearing agency and the Trustee, the clearing agency will close out pending transactions and positions in accordance with their rules and procedures and will provide an accounting to the Trustee.
 2. Prime brokerage customers must provide appropriate wire or security delivery instructions to lbiprime@hugheshubbard.com. Appropriate representations that no “liens” exist with respect to third parties and other Lehman entities will also be required.

- For non-prime brokerage customers, the previously released Securities Industry and Financial Market Association (“SIFMA”) protocol 08-01 will be used to determine claims value.

II Margin Lending Prime Brokerage³

A Free Cash

- Customer accounts will be closed and available cash will be delivered as instructed.

B Fully-Paid Securities In the Box

- Customer accounts will be closed and available securities will be delivered as instructed.
- Note: fully-paid securities may reside in either the customer’s safe-keeping or margin account.
- A letter accepting the transfer will be required by the receiving broker-dealer with a medallion signature.

C Fully-Paid Securities NOT In the Box

- Fully-paid security positions in customer accounts will be paid out. Any positive net proceeds that remain can be handled by a claim against the estate.

D Long Positions / Margin Debit Balance – Margin Collateral in the Box

- To facilitate transfers, customers will be requested to submit cash to an escrow bank, which will hold such cash on their behalf until such time as the customer has confirmed free delivery to a designated broker-dealer. Upon confirmation of the delivery of the collateral, the cash will be released to the estate.
- A letter accepting the transfer will be required by the receiving broker-dealer with a medallion signature.

E Long Position / Margin Debit Balance – Margin Collateral NOT in the Box

- Customer accounts will be closed out as of September 19, 2008, using the Bloomberg end of day closing price or a commercially reasonable price from alternative sources.
- This closeout will offset any margin debit, with any excess or shortfall being a claim by or to the estate.

F Short Positions

- Customer accounts will be closed out as of September 19, 2008, using the Bloomberg end of day closing price or a commercially reasonable price from alternative sources.
- Customer accounts will be closed out and other long available securities will be returned through a format similar to II.D.

3. See footnote 2.

- This closeout will be used to offset any margin debit with any excess or shortfall being a claim by or to the estate.

III Other Financing Arrangements

A Repos and Reverse Repos (open and term)

- These transactions will be closed out as of September 19, 2008, using the Bloomberg end of day closing price or a commercially reasonable price from alternative sources.

B Stock Borrow/Stock Loan

- These transactions will be closed out as of September 19, 2008, using the Bloomberg end of day closing price or a commercially reasonable price from alternative sources.

IV Foreign Exchange (“FX”) Transactions

A Spot and Forward FX Transactions Governed by Futures Agreements or Customer Agreements

- These transactions will be closed out as of September 19, 2008, using the Bloomberg end of day closing price or a commercially reasonable price from alternative sources.

B Spot and Forward FX Transaction Covered by an ISDA

- The ISDA protocol pertaining to early termination will be applied.

C Currency Balances

- Customer currency balances will be closed out to the extent those balances are not held by LBIE.

V TBA Positions

- Customer accounts will be closed out using a September 19, 2008, Bloomberg end of day closing price.
- For non-prime brokerage customers, the previously released SIFMA protocol 08-01 will be used to determine claims value for positions settling in October 2008 and beyond.

VI Options: Listed

- Customer accounts with listed options positions should contact lbiprime@hugheshubbard.com with appropriate transfer details.

VII Options: Over the Counter

- Customer accounts will be closed out as of September 19, 2008, using the Bloomberg end of day closing price or a commercially reasonable price from alternative sources.