

**EXHIBIT B**  
**PROPOSED PLAN OF ALLOCATION**

**Purpose And Overview Of The Plan**

Subject to the Court's approval, this Plan of Allocation ("Plan") specifies the method by which settlement money will be allocated among all Settlement Class Members entitled to such allocations. As discussed in more detail below, the allocation to each such Settlement Class Member is based on that person's "Recognized Claim," which will be calculated from the person's transactions in the Structured Products listed on Exhibit A to the Notice.

**Even if you have already submitted a claim form in connection with an earlier settlement in any Lehman-related litigation, you must submit a new Claim Form to participate in this Settlement.**

Under the Stipulation of Settlement and Release dated September 11, 2013 ("Stipulation"), \$120,000,000 in cash will be provided for the benefit of the class. This money, plus any income or interest earned on it, will first be applied to pay taxes and Court-approved notice and administrative costs and attorneys' fees and expenses. The remaining balance is called the "Net Settlement Fund." The Net Settlement Fund will be allocated among all Settlement Class Members who (i) submit a timely and valid Claim Form and (ii) have a Recognized Claim. These Settlement Class Members are called "Authorized Claimants."

Assuming you are an Authorized Claimant, the amount of your allocation will be a *pro rata* share of the Net Settlement Fund, based on the amount of your Recognized Claim. What this means is that you will be allocated a percentage of the Net Settlement Fund equal to the percentage that your Recognized Claim represents in relation to the total of all Authorized Claimants' Recognized Claims. In other words, if your Recognized Claim is *X* percent of the total of all Recognized Claims, you will be allocated *X* percent of the Net Settlement Fund. Note that your Recognized Claim is not intended to be an estimate of the amount you will be paid under this Settlement, or the amount you might have been able to recover after trial.

**Determining Your Recognized Claim**

If you submit a timely and valid Claim Form, the Claims Administrator will proceed to determine whether you have a Recognized Claim and its amount according to the following steps.

- A. Calculation of losses and gains for each Structured Product. If you purchased or acquired a Structured Product, your losses and gains will be calculated as follows:
- (1) *If you purchased a Structured Product and sold it prior to September 15, 2008*, your loss for that note is zero and your gain for that note is zero.
  - (2) *If you purchased a Structured Product prior to September 15, 2008, and sold it between September 15, 2008 and October 31, 2008 (inclusive)*, your loss or gain for that note is the lesser of (i) the price you paid for the note minus the sale price; or (ii) the issue price of the note (listed on Exhibit A) minus the sale price.
  - (3) *If you purchased a Structured Product prior to September 15, 2008, and sold it after October 31, 2008*, your loss or gain for that note is the lesser of (i) the price you paid for the note minus either the sale price or the note's estimated value on October 31, 2008 (listed on Exhibit A), whichever is greater; or (ii) the issue price of the note (listed on Exhibit A) minus either the sale price or the note's estimated value on October 31, 2008 (listed on Exhibit A), whichever is greater.
  - (4) *If you purchased a Structured Product prior to September 15, 2008 and still own it as of the date you submit your Claim Form*, your loss or gain for that note is the lesser of (i) the price you paid for the note minus the note's estimated value on October 31, 2008 (listed on Exhibit A); or (ii) the issue price of the note (listed on Exhibit A) minus the note's estimated value on October 31, 2008 (listed on Exhibit A).
  - (5) *If you purchased a Structured Product after September 15, 2008*, your loss for that note is zero and your gain for that note is zero.
- B. Multiple purchases and sales of the same Structured Product. If you bought a particular Structured Product more than once and sold that Structured Product more than once, your purchases and sales of that Structured Product will be matched on a first-in, first-out basis. Sales will be matched against purchases of the same security in chronological order, beginning with the earliest purchase. The losses and gains for such purchase-sale matches will then be calculated according to Part A above. Purchases and sales shall be deemed to have occurred on the "contract" or "trade" date, not the "settlement" or "payment" date.
- C. Treatment of Structured Products acquired by means of a gift, inheritance, or operation of law. If you acquired any Structured Products by means of a gift, inheritance, or operation of law, the purchase date for that acquisition will be the original date of purchase and not the date of transfer, unless the transfer resulted in a taxable event or other change in the cost basis of those Structured Products.
- D. Calculation of Recognized Claim. Your individual losses and gains will be calculated, as described above, for all purchases and acquisitions of Structured Products that you properly report on a valid Claim Form. These losses and gains (if any) will then be summed. If the result is a loss of \$10.00 or more, and you did not receive restitution under the FINRA consent decree described in Part E below, then that loss is your Recognized Claim. If the result is a loss of less than \$10.00 or a gain, you do not have a Recognized Claim and are not entitled to a share of the settlement money.

- E. FINRA restitution. In April 2011, UBS Financial Services Inc. entered into a consent decree with the Financial Industry Regulatory Authority (FINRA) under which UBS Financial Services Inc. provided restitution to certain class members. If the summing of your individual losses and gains as described in Part D above results in a loss of \$10.00 or more, and you received any restitution under the consent decree, then the loss will be offset by the restitution you received. If the result is still a loss of \$10.00 or more, then that loss is your Recognized Claim. If the result is a loss of less than \$10.00 or a gain, you do not have a Recognized Claim and are not entitled to a share of the settlement money.
- F. Net Loss Under \$10.00. As stated above, if you have a net loss and it is less than \$10.00, you do not have a Recognized Claim and will not be entitled to an allocation or distribution of settlement money. As net losses of less than \$10.00 are not Recognized Claims, they will be excluded from the calculation of the Recognized Claim total that is necessary for making *pro rata* allocations to Authorized Claimants.

### **Distribution Of The Net Settlement Fund**

The Claims Administrator will distribute the Net Settlement Fund among all Authorized Claimants according to the Plan after the Court has given final approval of the Settlement and the Plan, the Judgment becomes Final, and all claims have been processed. The Claims Administrator will make this distribution by mailing each Authorized Claimant a check in the amount of the person's *pro rata* allocation, described above under the heading "Purpose And Overview Of The Plan." If any distributable balance remains in the Net Settlement Fund by reason of uncashed checks or otherwise one year after the initial distribution, after the Claims Administrator has made reasonable and diligent efforts to have Authorized Claimants cash their distribution checks, then that balance shall be redistributed on a *pro rata* basis among those Authorized Claimants who have cashed their checks and who would receive at least \$10.00 from the redistribution, after payment of any additional costs or fees incurred in administering the Net Settlement Fund for the redistribution.

If six months after the redistribution any balance still remains in the Net Settlement Fund, and Class Counsel have determined that a further redistribution would be uneconomical, Class Counsel shall seek an order approving the contribution of the balance to one or more non-sectarian, not-for-profit, 501(c)(3) organizations. Class Counsel's motion shall identify at least three proposed recipients. The proposed recipients shall have been selected by one or more of the following individuals: the President of the New York City Bar Association, the President of the New York State Bar Association, and the President of the American Bar Association. The proposed recipients shall not include any organization listed in the preceding sentence and shall be independent of Class Counsel so that Class Counsel does not derive a direct or indirect benefit from the selection of such organization as the recipient of a charitable contribution. Class Counsel's motion will include a declaration detailing the means by which the proposed recipients were selected.

The Court has reserved jurisdiction to allow, disallow, or adjust on equitable grounds any claim. The Court also reserves the right to modify this Plan without further notice to Settlement Class Members. Payment pursuant to the Court-approved Plan shall be conclusive against all Authorized Claimants. No person shall have any claim against any of the Released Parties, the Structured Products Class Representatives, Structured Products Plaintiffs' Counsel, the Claims Administrator, or any other agents designated by counsel based on distributions made substantially in accordance with the terms of the Stipulation, the Plan, or any further orders of the Court.

**REMEMBER:** You must file a timely Claim Form to receive a payment from the Net Settlement Fund. If you do not timely file a Claim Form in accordance with the terms of the Stipulation, you will not receive a payment from the Net Settlement Fund, but you will still be bound by the Settlement and the Final Judgment entered by the Court.

If you have any questions about the Plan or the calculation of your Recognized Claim, please contact the Claims Administrator at 888-211-3565 or [info@LehmanSPSettlement.com](mailto:info@LehmanSPSettlement.com).