

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

In re LEHMAN BROTHERS SECURITIES  
AND ERISA LITIGATION

This Document Applies To:

In re Lehman Brothers Equity/Debt  
Securities Litigation, 08-CV-5523-LAK

Case No. 09-MD-2017 (LAK)

ECF CASE

Notice of Pendency of Class Action and  
Proposed Settlement, Settlement Fairness  
Hearing, and Motion for Attorneys' Fees and  
Reimbursement of Litigation Expenses

**IF YOU BOUGHT OR ACQUIRED THE LEHMAN-ISSUED STRUCTURED PRODUCTS DESCRIBED BELOW, YOU  
COULD RECEIVE A PAYMENT FROM A CLASS ACTION SETTLEMENT.**

*A federal court authorized this Notice. This is not a solicitation from a lawyer.*

- This class action Settlement involves securities known as structured products that were issued by Lehman Brothers Holdings Inc. and underwritten and sold by UBS Financial Services Inc. (“UBSFS”) in 2007 and 2008. Structured products are a kind of security that consists of a fixed income security and a type of derivative, such as a basket of securities, options, commodities, or foreign currencies. Some of the structured products involved in the class action also offered “principal protection.” A list of the structured products that are part of this Settlement is attached as Exhibit A to this Notice. A full and complete copy of the parties’ Stipulation of Settlement and Release (“Stipulation”), along with the proposed Plan of Allocation for distribution of the Net Settlement Fund, can be found at [LehmanSPSettlement.com](http://LehmanSPSettlement.com). Capitalized terms used but not defined in this Notice have the meanings defined in the Stipulation.
- A Settlement Fund of \$120,000,000 (before deduction of attorneys’ fees and expenses and administrative costs) will be distributed to certain investors who bought or acquired the securities identified on Exhibit A (which are referred to in this Notice as the “Structured Products”) during the relevant time period, and who make a “Recognized Claim” under the proposed Plan of Allocation. Plaintiffs estimate that Settlement Class Members who purchased or acquired Structured Products with a total face value of approximately \$892 million may have suffered damages during the relevant time period. Assuming all Settlement Class Members submit valid and timely claims, plaintiffs estimate that the average recovery per damaged Structured Product under the Settlement is \$1.34 for Structured Products with a face value of \$10.00 and \$134.00 for Structured Products with a face value of \$1,000.00, before deduction of Court-awarded attorneys’ fees and expenses and administrative costs.
- Plaintiffs and UBSFS disagree on damages and do not agree on the average amount of damages per Structured Product that would be recoverable if plaintiffs were to have prevailed at trial. Plaintiffs estimate that if they prevailed at trial, the maximum statutory damages per Structured Product would be, on average, \$8.67 for Structured Products with a face value of \$10.00, and \$867.00 for Structured Products with a face value of \$1,000.00, based on the assumption that such damages would be equal to the difference between the par value of such Structured Products and the estimated value of such Structured Products on October 31, 2008, the date that the first lawsuit concerning the Structured Products was filed. These estimates do not take into account any of UBSFS’s defenses or rights of offset, including loss causation defenses, which could substantially reduce or eliminate any such statutory damages. UBSFS denies that it is liable to plaintiffs or the class and specifically denies that plaintiffs and the class could recover damages in the range plaintiffs have described in this Notice. UBSFS contends that actual damages, if any, would be a fraction of such statutory damages as calculated by plaintiffs.
- The Settlement resolves a lawsuit in which investors allege that UBSFS sold the Structured Products by means of offering materials that were false and misleading. The litigation also involved inquiry into, among other topics, (i) the procedures by which UBSFS structured, marketed and sold structured products through its financial advisors, including the Lehman-issued Structured Products, (ii) the sales commissions payable to UBSFS and its financial advisors relating to the sale of structured products, (iii) the training and education of UBSFS financial advisors relating to the sale of structured products, (iv) communications between UBSFS financial advisors or consultants and purchasers of Structured Products, (v) whether Settlement Class Members had knowledge of facts related to the creditworthiness of Lehman, and (vi) the understanding of UBSFS financial advisors and customers of the principal protection features of Lehman-issued Structured Products. UBSFS denies that it did anything wrong, or that any of the investors’ losses were caused by any alleged misrepresentations in the offering materials. The Settlement avoids the costs and risks to you of continuing the lawsuit; provides a recovery to investors who have a Recognized Claim; and releases UBSFS and other “Released Parties” (as defined in the Stipulation) from liability.
- Court-appointed attorneys for the Settlement Class will ask the Court for up to 22 percent of the Settlement Fund (or \$26.3 million) as fees for representing the plaintiffs and recovering the Settlement and up to \$1,000,000 to reimburse expenses they incurred in the litigation and the costs and expenses incurred by the Structured Products Class Representatives. If awarded, these fees and expenses would amount to an average per damaged Structured Product of approximately \$0.30 for Structured Products with a face value of \$10.00, and approximately \$30.00 for Structured Products with a face value of \$1,000.00. These attorneys have undertaken the representation of the class since 2008 on an entirely contingent basis.
- Plaintiffs and UBSFS disagree about whether plaintiffs would have enough evidence to proceed to trial and, if there was a trial, whether the plaintiffs would win. UBSFS believes it would have strong defenses to plaintiffs’ claims, and that it would prevail at trial. Both sides recognize that there are risks and uncertainties in further litigating the case, however, and believe that a settlement is in the best interests of the parties.
- Your legal rights are affected whether you act or do not act. Please read this Notice carefully.

**YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT**

<b>SUBMIT A CLAIM FORM</b>	The only way to receive a payment.
<b>EXCLUDE YOURSELF</b>	Get no payment. This is the only option that allows you to be part of any other timely legal proceeding against UBSFS about the legal claims in this case.
<b>OBJECT OR COMMENT</b>	Write to the Court about why you do or do not like the Settlement.
<b>GO TO A HEARING</b>	Ask to speak to the Court about the fairness of the Settlement.
<b>DO NOTHING</b>	Receive no payment and give up your rights.

- These rights and options—and the deadlines to exercise them—are explained in this Notice.
- The Court has to decide whether to approve the Settlement. Payments will be made if the Court approves the Settlement and after any appeals are resolved. Please be patient.

**WHAT THIS NOTICE CONTAINS**

**BASIC INFORMATION** ..... **PAGE 3**

1. Why did I receive this Notice?
2. What is this lawsuit about?
3. Why is the case a class action?
4. Why is there a settlement?
5. I’ve received notices about this case before. How is this one different?

**WHO IS IN THE SETTLEMENT** ..... **PAGE 3**

6. How do I know if I am part of the Settlement?
7. Are there exceptions to being included?
8. I’m still not sure if I am included.

**THE SETTLEMENT BENEFITS—WHAT YOU RECEIVE** ..... **PAGE 4**

9. What does the Settlement provide?
10. How much will my payment be?

**HOW YOU RECEIVE A PAYMENT—SUBMITTING A CLAIM FORM** ..... **PAGE 4**

11. How can I receive a payment?
12. When would I receive my payment?
13. What am I giving up to receive a payment or stay in the class?

**YOU MAY EXCLUDE YOURSELF FROM THE SETTLEMENT** ..... **PAGE 4**

14. How do I exclude myself from the class and the Settlement?
15. What are the consequences if I exclude myself?
16. If I don’t exclude myself, can I sue UBSFS for the same thing later?
17. If I exclude myself, will I receive a payment from this Settlement?

**THE LAWYERS REPRESENTING YOU** ..... **PAGE 5**

18. Do I have a lawyer in this case?
19. How will the lawyers be paid?

**COMMENTING ON THE SETTLEMENT** ..... **PAGE 5**

20. How do I tell the Court what I think about the Settlement?
21. What is the difference between objecting and excluding?

**THE COURT’S SETTLEMENT HEARING** ..... **PAGE 6**

22. When and where will the Court decide whether to approve the Settlement?
23. Do I have to come to the Settlement Hearing?
24. May I speak at the Settlement Hearing?

**IF YOU DO NOTHING** ..... **PAGE 6**

25. What happens if I do nothing?

**GETTING MORE INFORMATION** ..... **PAGE 6**

26. Are there more details about the Settlement?
27. How do I get more information?

## BASIC INFORMATION

### 1. Why did I receive this Notice?

You or someone in your family may have purchased or acquired one or more of the Structured Products listed on Exhibit A.

You received this Notice because you have a right to know about a proposed settlement of a class action lawsuit and all of your options before the Court decides whether to approve the Settlement. If the Court approves the Settlement, and after objections and appeals, if any, are resolved, an administrator appointed by the Court will make the payments that the Settlement allows to qualified Settlement Class Members who submit a Proof of Claim and Release form (“Claim Form”) and who make a Recognized Claim.

This Notice explains the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the case is the United States District Court for the Southern District of New York. The case is called *In re Lehman Brothers Equity/Debt Securities Litigation*, Case No. 08-cv-5523-LAK (S.D.N.Y.). The people who sued are called plaintiffs, and the company they sued, UBS Financial Services Inc. (or UBSFS), is called the defendant.

### 2. What is this lawsuit about?

The lawsuit alleges that UBSFS violated federal securities laws in underwriting and selling the Structured Products. The plaintiffs contend, among other things, that the offering materials for the Structured Products contained materially false and misleading statements and omitted material information about Lehman’s financial condition and about the “principal protection” feature of some of the Structured Products. During the litigation, the plaintiffs also inquired into the procedures by which UBSFS structured, marketed, and sold the Structured Products, the sales commissions earned, and communications between UBSFS financial advisors and customers. UBSFS denies that it did anything wrong, or that any purchasers of Structured Products incurred losses due to any alleged misrepresentations or omissions in the offering materials.

### 3. Why is the case a class action?

In a class action, one or more people called the representative plaintiffs sue on behalf of people who have similar claims. All these people with similar claims are a class or class members. One court resolves the issues for all class members. The representative plaintiffs in this class action are Mohan Ananda, Richard Barrett, Ed Davis, Neel Duncan, Rick Fleischman, Nick Fotinos, Gastroenterology Associates, Ltd. Profit Sharing Plan and Trust FBO Charles M. Brooks M.D., Stephen Gott, Karim Kano, David Kotz, Barbara Moskowitz, Ronald Profili, Joseph Rottman, Shea-Edwards Limited Partnership, Juan Tolosa, Grace Wang, and Miriam Wolf. U.S. District Judge Lewis A. Kaplan is in charge of the class action.

### 4. Why is there a settlement?

The Court did not decide in favor of the plaintiffs or the defendant. If the litigation continues, the Court will have to decide a number of critical legal and factual issues, including whether the plaintiffs have enough favorable evidence to proceed to trial, whether UBSFS committed any wrongs, and whether investors were damaged. If the case were to go to trial, the parties disagree about whether the plaintiffs would win. If plaintiffs won at trial, the parties disagree about the amount the plaintiffs could recover on behalf of themselves and the Settlement Class Members. It is possible that the plaintiffs could recover nothing at trial, or that UBSFS could substantially offset any damages by showing that those damages were due to the fault of others, including Lehman officers and directors who previously settled claims against them. It is also possible that any favorable verdict could be reversed on appeal, or that other Court rulings in the case could be reversed. The Settlement avoids the cost, risks and uncertainties of continuing with the litigation, and ensures that the investors who lost money on these investments will recover a portion of their losses. The representative plaintiffs and their attorneys believe the Settlement is fair and reasonable, and is in the best interests of all Settlement Class Members.

### 5. I’ve received notices about this case before. How is this one different?

You may have received prior class settlement notices in connection with the settlement of claims involving other Lehman securities than the Structured Products or in connection with the settlement of claims against other defendants involving the Structured Products. This Notice is different because it discusses a settlement of the claims brought against UBSFS on behalf of investors in the Structured Products. This Settlement is only with UBSFS, and does not involve any of the other defendants in the case. The prior settlements resolved claims against Lehman’s directors and officers, as well as against various financial institutions acting as underwriters of other securities offerings. You may have filled out a claim form and received a payment from those settlements. **To participate in this Settlement, you need to submit a new Claim Form.**

## WHO IS IN THE SETTLEMENT

### 6. How do I know if I am part of the Settlement?

Subject to the exceptions listed directly below, the Settlement includes everyone who bought or otherwise acquired any of the Structured Products listed on Exhibit A and suffered damages thereby.

### 7. Are there exceptions to being included?

Yes. You are **not** a Settlement Class Member if:

- You are one of the Defendants (as defined in the Stipulation) or a current or former executive officer or director of any Defendant or a member of any of their immediate families, or an immediate family member of any of the Defendants named in the Third Amended Class Action Complaint filed on April 23, 2010 in *In re Lehman Brothers Securities and ERISA Litigation*, Case No. 09-MD-2017 (S.D.N.Y.);<sup>1</sup> or

<sup>1</sup> A copy of the complaint is available at [LehmanSPSettlement.com](http://LehmanSPSettlement.com)

- You represent an entity in which a Defendant owns a majority interest, provided, however, that you are not excluded if you are an investment company or pooled investment fund, including without limitation mutual fund families, exchange-traded funds, fund of funds and hedge funds, in which any Defendant has or may have a direct or indirect interest, or as to which it or its affiliates may act as an investment advisor but in which Defendant or any of its affiliates is not a majority owner or does not hold a majority beneficial interest;
- You litigated claims against UBSFS relating to the Structured Products in any forum and received a judgment; or
- You settled and released claims against UBSFS arising out of the purchase of the Structured Products; or
- You are the legal representative, heir, successor or assign of an excluded party; or
- You exclude yourself by submitting a request for exclusion that complies with the requirements and deadline set forth in the response to Question 14 below.

**8. I'm still not sure if I am included.**

If you are still not sure whether you are a Settlement Class Member, you can ask for free help. You can call 888-211-3565 or visit [LehmanSPSettlement.com](http://LehmanSPSettlement.com) for more information. You may also want to contact your broker to find out if you bought any of the Structured Products.

**THE SETTLEMENT BENEFITS—WHAT YOU RECEIVE**

**9. What does the Settlement provide?**

UBSFS will pay \$120 million into a Settlement Fund, and will have no further legal or financial obligation with respect to the Settlement Fund. The distribution of the Settlement Fund is described in the response to Question 10 below.

**10. How much will my payment be?**

When the Settlement is final, the Net Settlement Fund will be distributed to Settlement Class Members who submit a valid Claim Form and who make a Recognized Claim (as defined in the Plan of Allocation). After payment of any taxes and administrative costs and any attorneys' fees and expenses awarded by the Court, the Settlement Class Members will receive payments in accordance with the proposed Plan of Allocation, a copy of which is attached as Exhibit B to this Notice. Your share of the Net Settlement Fund will depend on whether you have a Recognized Claim (as defined in the Plan of Allocation) and for what amount, the number of valid Claim Forms that are submitted, and the total of all Settlement Class Members' Recognized Claims.

You can use the proposed Plan of Allocation to calculate your Recognized Claim. It is unlikely that you will receive the full amount of your Recognized Claim, however, because your payment will depend on the number of valid Claim Forms that are received and the total of all Settlement Class Members' Recognized Claims.

**HOW YOU RECEIVE A PAYMENT—SUBMITTING A CLAIM FORM**

**11. How can I receive a payment?**

You will have to submit a Claim Form to receive a payment from the Net Settlement Fund. A Claim Form is included with this Notice. You can also visit [LehmanSPSettlement.com](http://LehmanSPSettlement.com) to obtain a Claim Form, complete and file a Claim Form online, or call 888-211-3565 to request that a Claim Form be mailed to you. Please retain all records of your ownership of Structured Products because they may be needed to document your claim. **Claim Forms must be postmarked by February 4, 2014, or filed online by midnight on February 4, 2014.**

**12. When would I receive my payment?**

The Court will hold a hearing on **December 10, 2013**, to decide whether to approve the Settlement. If the Court approves the Settlement, the Claims Administrator will review all of the Claim Forms to determine how much each claimant will receive. The Claims Administrator expects to process all claims within six months of the deadline to file a claim.

**13. What am I giving up to receive a payment or stay in the class?**

You must stay in the Settlement class to receive a payment when the Settlement is final. By staying in the class, you will give up any right you may have to sue, continue to sue, or be part of any other lawsuit, arbitration or administrative action against UBSFS, as well as the Released Parties (as defined in the Stipulation). The full text of the release of UBSFS and the Released Parties is set forth in the Stipulation, which you may obtain at [LehmanSPSettlement.com](http://LehmanSPSettlement.com) or by calling 888-211-3565. You will also be bound by the Court's orders in this case, including the final judgment.

**YOU MAY EXCLUDE YOURSELF FROM THE SETTLEMENT**

**14. How do I exclude myself from the class and the Settlement?**

Any request for exclusion from the class must be in writing, and must be delivered by hand, overnight delivery service, or First-Class Mail, postage paid to the following address:

**IN RE LEHMAN BROTHERS EQUITY/DEBT SECURITIES LITIGATION  
(STRUCTURED PRODUCTS LITIGATION)  
CLAIMS ADMINISTRATOR  
EXCLUSIONS  
c/o A.B. DATA, LTD.  
3410 WEST HOPKINS STREET  
MILWAUKEE, WI 53216**

The request for exclusion must be **postmarked no later than November 19, 2013**. The request for exclusion must be signed by the person requesting exclusion and must include the following information: (a) your name and the name of the purchasing entity if it is different, address, telephone number and, if applicable, e-mail addresses; (b) the CUSIP numbers of the Structured Product(s) you purchased or acquired, the amount you purchased or acquired, and the date of each purchase or acquisition; (c) the CUSIP numbers of the Structured Product(s) you sold, if any, the amount you sold, and the date of each sale; and (d) a statement that you wish to be excluded from the Settlement Class.

**15. What are the consequences if I exclude myself?**

If you exclude yourself from the class—which is sometimes called “opting out” of the class—you will not be eligible to receive any cash payment under this Settlement. If you exclude yourself, you will not be legally bound by the Court’s orders in the case, including the release of claims and the Court’s final judgment, and you will not receive any payment from the Settlement. If you exclude yourself, you will not be barred from pursuing your separate claim, if any, for damages against UBSFS or the Released Parties.

**16. If I don’t exclude myself, can I sue UBSFS for the same thing later?**

No. If you remain a member of the class, you are giving up any right to sue UBSFS, or any of the other Released Parties for any of the Released Claims, as those terms are described in the Stipulation.

**17. If I exclude myself, will I receive a payment from this Settlement?**

No. If you exclude yourself, you will not receive any payment from this Settlement.

**THE LAWYERS REPRESENTING YOU**

**18. Do I have a lawyer in this case?**

The Court has appointed the law firm of Girard Gibbs LLP to represent you and the other Settlement Class Members. This law firm is called Structured Products Class Counsel (“Class Counsel”). You can reach Class Counsel by calling 866-981-4800 and identifying yourself as a member of the Settlement Class in this matter. You will not be charged directly for the services provided by these lawyers. Their fees will be paid from the Settlement Fund in an amount to be approved by the Court, as described in the response to Question 19. If you want to be represented by your own lawyer, you may hire one at your own expense.

**19. How will the lawyers be paid?**

Class Counsel have prosecuted this matter on an entirely contingent basis since 2008. When they ask the Court to approve the Settlement, Class Counsel will also ask the Court to approve a payment of 22 percent of the Settlement Fund for attorneys’ fees, or approximately \$26.3 million. Class Counsel will also ask the Court to approve payment of up to \$1,000,000 for the expenses they and the Structured Products Class Representatives have incurred. The Court will decide whether to approve these payments and may award less than these amounts. Class Counsel will be paid when the Court’s order is no longer subject to appeal, except that, upon application of Class Counsel, the Court may authorize payment after approval of the Settlement, in such amounts and on such terms as the Court finds appropriate. These amounts will be paid from the Settlement Fund and will reduce the total amount of the fund distributed to Settlement Class Members. In addition, Class Counsel will ask the Court to approve payment to the Claims Administrator of reasonable costs for administering the Settlement under the Court’s supervision. Class Counsel anticipate that these administration costs will not exceed \$500,000. The administration costs will also be paid from the Settlement Fund before any distribution to Settlement Class Members.

**COMMENTING ON THE SETTLEMENT**

You may tell the Court that you agree or do not agree with the Settlement or any part of it.

**20. How do I tell the Court what I think about the Settlement?**

If you are a member of the class, you can submit a comment in support of or objecting to the Settlement. You must give reasons why you think the Court should or should not approve it and include copies of any papers, briefs or other documents upon which any objection is based. The Court will consider your views. To submit a comment, you must send a letter that includes the name of the case—*In re Lehman Brothers Equity/Debt Securities Litigation*, Case No. 08-cv-5523-LAK (S.D.N.Y.)—as well as your name, address and telephone number, the reasons you support or object to the Settlement, and your signature. To object, you must also provide (1) the CUSIP numbers of the Structured Products you purchased or acquired, the amount you purchased or acquired, and the date of each purchase or acquisition (and include brokerage confirmation receipts or other competent evidence of the transactions); (2) the CUSIP numbers of the Structured Products you sold, the amount you sold, and the date of each sale (and include brokerage confirmation receipts or other competent evidence of the transactions); (3) a list of all other cases in which you have appeared as a Settlement objector in the last five years; and (4) a list of all other cases in which your counsel has appeared as counsel for Settlement objectors in the last five years. Your objection must include your signature, even if you are represented by counsel.

If you do not present your views in writing in compliance with these procedures by the deadline, your views will not be considered, and you will waive any objections you have.

Mail your comment to each of these three different places so that it is received by each no later than **November 19, 2013**:

<b>COURT</b>	<b>CLASS COUNSEL</b>	<b>DEFENSE COUNSEL</b>
Clerk of the Court United States District Court for the Southern District of New York 500 Pearl Street New York, NY 10007-1312	Daniel C. Girard GIRARD GIBBS LLP 601 California Street, 14th Floor San Francisco, CA 94108	Jonathan C. Dickey and Marshall R. King GIBSON DUNN & CRUTCHER LLP 200 Park Avenue New York, NY 10166-0193

**21. What is the difference between objecting and excluding?**

Objecting is simply telling the Court that you are opposed to the Settlement. You can object only if you stay in the class. Excluding yourself is telling the Court that you do not want to be part of the class. If you exclude yourself, you have no basis to object because the case no longer affects you.

**THE COURT’S SETTLEMENT HEARING**

The Court will have a hearing to decide whether to approve the Settlement. You may attend and you may ask to speak, but you do not have to do so.

**22. When and where will the Court decide whether to approve the Settlement?**

The Court will have a Settlement Hearing on December 10, 2013, at 4:30 p.m. in Courtroom 21B of the United States District Court for the Southern District of New York, 500 Pearl Street, New York, NY 10007. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court may also decide how much to pay in fees and expenses to the Court-appointed attorneys for the class. The Court will listen to people who have asked to speak at the hearing or object to the fairness of the Settlement or the fee award, and who have complied with the Court’s order concerning the submission of objections prior to the Settlement hearing. At or after the hearing, the Court will decide whether to approve the Settlement. The Court may change the time or date for the Settlement Hearing without further notice. If you wish to attend the Settlement Hearing and would like to know if the date and time of the hearing have changed, you may contact Class Counsel.

**23. Do I have to come to the Settlement Hearing?**

No. Class Counsel will answer any questions the Court may have. You may attend at your own expense or you can pay your lawyer to attend, but it is not necessary. If you send a written comment or objection, you do not have to come to Court to talk about it. As long as you mailed your written comment or objection on time and in compliance with the requirements described in response to Question 20, the Court will consider it. However, if you do not present your written views in compliance with these procedures by the deadline, your views will not be considered, and you will waive any objections you have.

**24. May I speak at the Settlement Hearing?**

If you do not exclude yourself, you may ask the Court for permission to speak at the Settlement Hearing. To do so, you must send a letter saying that it is your “Notice of Intention to Appear in *In re Lehman Brothers Equity/Debt Securities Litigation*, Case No. 08-cv-5523-LAK (S.D.N.Y.)” You must include your name, address, telephone number and signature, state the position you intend to present at the hearing, list any witnesses you may call to testify and exhibits you intend to introduce into evidence at the hearing and identify all attorneys representing you who will appear at the hearing. Your Notice of Intention to Appear must be sent to the Clerk of the Court, Class Counsel and Defense Counsel at the three addresses provided in the response to Question 20 above, and must be received no later than **November 19, 2013**.

**IF YOU DO NOTHING**

**25. What happens if I do nothing?**

If you do nothing, you will not receive a payment from the Settlement. In addition, you will not be able to start, continue with, benefit from, or be part of any other lawsuit, arbitration or administrative action against UBSFS or any of the other Released Parties for any of the Released Claims, as those terms are described in the Stipulation.

**GETTING MORE INFORMATION**

**26. Are there more details about the Settlement?**

This Notice provides only a summary of the proposed Settlement. For more details, you may review the Stipulation and other documents from the case at [LehmanSPSettlement.com](http://LehmanSPSettlement.com). You may also contact Class Counsel by writing to Daniel C. Girard, Girard Gibbs LLP, 601 California Street, 14th Floor, San Francisco, CA 94108, or calling 866-981-4800.

**27. How do I get more information?**

For more information about the Settlement, you can call 888-211-3565 toll free, visit [LehmanSPSettlement.com](http://LehmanSPSettlement.com), or write to: **IN RE LEHMAN BROTHERS EQUITY/DEBT SECURITIES LITIGATION, (STRUCTURED PRODUCTS LITIGATION), CLAIMS ADMINISTRATOR, c/o A.B. DATA, LTD., PO BOX 170707, MILWAUKEE, WI 53217, [info@lehmanbspsettlement.com](mailto:info@lehmanbspsettlement.com).**

Please do not contact the Court with questions about the Settlement.

DATE: OCTOBER 7, 2013

BY ORDER OF THE COURT  
UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

**EXHIBIT A  
LIST OF STRUCTURED PRODUCTS**

<b>Product Code</b>	<b>Issue Date</b>	<b>CUSIP</b>	<b>Description</b>	<b>Issue Price Per Note</b>	<b>Estimated Value Per Note as of 10/31/08<sup>1</sup></b>
01	March 30, 2007	52520W564 524908VP2	100% Principal Protection Notes Linked to a Global Index Basket	\$10.00	\$1.33
02	March 30, 2007	52520W556 524908VQ0	Performance Securities with Partial Protection Linked to a Global Index Basket	\$10.00	\$1.33
03	April 30, 2007	52517PY21	100% Principal Protection Callable Spread Daily Accrual Notes with Interest Linked to the Spread between the 30-year and the 2-year Swap Rates	\$1,000.00	\$133.38
04	April 30, 2007	52517PX63	100% Principal Protection Callable Spread Daily Accrual Notes with Interest Linked to the Spread between the 30-year and the 2-year Swap Rates	\$1,000.00	\$133.38
05	April 30, 2007	52520W549	100% Principal Protection Notes Linked to a Currency Basket	\$10.00	\$1.33
06	April 30, 2007	52520W515	Performance Securities with Partial Protection Linked to a Global Index Basket	\$10.00	\$1.33
07	May 31, 2007	52517PY62	100% Principal Protection Callable Spread Daily Accrual Notes with Interest Linked to the Spread between the 30-year and the 2-year Swap Rates	\$1,000.00	\$133.38
08	May 31, 2007	52517PY70	100% Principal Protection Callable Daily Range Accrual Notes with Interest Linked to the 10-Year Constant Maturity U.S. Treasury Rate	\$1,000.00	\$133.38
09	May 31, 2007	52520W440	100% Principal Protection Notes Linked to a Currency Basket	\$10.00	\$1.33
10	June 22, 2007	52522L202	100% Principal Protection Notes Linked to a Global Index Basket	\$10.00	\$1.33
11	June 29, 2007	52517P2P5	100% Principal Protection Callable Spread Daily Accrual Notes with Interest Linked to the Spread between the 30-year and the 2-year Swap Rates	\$1,000.00	\$133.38
12	June 29, 2007	52520W390	100% Principal Protection Notes Linked to an Asian Currency Basket	\$10.00	\$1.33
13	July 31, 2007	52517P3H2	100% Principal Protection Callable Spread Daily Accrual Notes with Interest Linked to the Spread between the 30-year and the 2-year Swap Rates	\$1,000.00	\$133.38
14	July 31, 2007	52520W358	Performance Securities with Partial Protection Linked to a Global Index Basket	\$10.00	\$1.33
15	August 31, 2007	52522L129	Performance Securities with Contingent Protection Linked to the S&P 500 Index	\$10.00	\$1.33

<sup>1</sup> Because reliable pricing data was not available for any of the Structured Products after Lehman's bankruptcy on September 15, 2008, the average closing prices for five other Lehman senior unsecured notes (CUSIP Nos. 52517P4C2, 52517P5X5, 525175Y3, 5252M0BZ9 and 5252M0FD4), for which reliable pricing data was available, was used to estimate value per note of the Structured Products as of October 31, 2008. October 31, 2008 is the date on which the first lawsuit asserting claims on behalf of investors in the Structured Products was filed.

<b>Product Code</b>	<b>Issue Date</b>	<b>CUSIP</b>	<b>Description</b>	<b>Issue Price Per Note</b>	<b>Estimated Value Per Note as of 10/31/08<sup>1</sup></b>
16	August 31, 2007	52522L137	Performance Securities with Contingent Protection Linked to the Dow Jones EURO STOXX 50 Index	\$10.00	\$1.33
17	August 31, 2007	52522L145	Performance Securities with Contingent Protection Linked to the Nikkei 225 Index	\$10.00	\$1.33
18	August 31, 2007	52522L186	100% Principal Protection Notes Linked to an International Index Basket	\$10.00	\$1.33
19	August 31, 2007	52522L889	100% Principal Protection Notes Linked to a Global Index Basket	\$10.00	\$1.33
20	September 18, 2007	52522L251	Autocallable Optimization Securities with Contingent Protection Linked to the S&P 500 Financials Index	\$10.00	\$1.33
21	September 28, 2007	52522L236	Return Optimization Securities Linked to an International Index Basket	\$10.00	\$1.33
22	September 28, 2007	52522L244	Performance Securities with Partial Protection Linked to a Global Index Basket	\$10.00	\$1.33
23	September 28, 2007	52517P5K3	100% Principal Protection Callable Spread Daily Accrual Notes with Interest Linked to the Spread between the 30-year and the 2-year Swap Rates	\$1,000.00	\$133.38
24	October 31, 2007	52520W341	Medium-Term Notes, Series I, 100% Principal Protection Notes Linked to an Asian Currency Basket	\$10.00	\$1.33
25	October 31, 2007	52522L400	100% Principal Protection Barrier Notes Linked to FTSE/Xinhua China 25 Index	\$10.00	\$1.33
26	October 31, 2007	52522L293	100% Principal Protection Absolute Return Barrier Notes Linked to the S&P 500 Index	\$10.00	\$1.33
27	October 31, 2007	52522L301	Return Optimization Securities Linked to an Index	\$10.00	\$1.33
28	October 31, 2007	52522L319	Return Optimization Securities Linked to an Index	\$10.00	\$1.33
29	October 31, 2007	52522L327	Return Optimization Securities Linked to an Index	\$10.00	\$1.33
30	October 31, 2007	52522L335	Return Optimization Securities Linked to an Index	\$10.00	\$1.33
31	October 31, 2007	52522L384	Return Optimization Securities with Partial Protection Linked to the S&P 500 Financials Index	\$10.00	\$1.33
32	November 7, 2007	52522L418	Return Optimization Securities with Partial Protection Linked to the S&P 500 Index	\$10.00	\$1.33
33	November 14, 2007	52522L426	Performance Securities with Partial Protection Linked to an International Index Basket	\$10.00	\$1.33
34	November 26, 2007	52522L475	Performance Securities with Partial Protection Linked to a Global Index Basket	\$10.00	\$1.33
35	November 30, 2007	52520W333	100% Principal Protection Notes Linked to an Asian Currency Basket	\$10.00	\$1.33
36	November 30, 2007	52522L376	100% Principal Protection Absolute Return Barrier Notes Linked to the MSCI EAFE Index	\$10.00	\$1.33



<b>Product Code</b>	<b>Issue Date</b>	<b>CUSIP</b>	<b>Description</b>	<b>Issue Price Per Note</b>	<b>Estimated Value Per Note as of 10/31/08<sup>1</sup></b>
37	November 30, 2007	52522L392	Return Optimization Securities Linked to an International Index Basket	\$10.00	\$1.33
38	November 30, 2007	52522L459	Return Optimization Securities with Partial Protection Linked to the S&P 500 Index	\$10.00	\$1.33
39	December 31, 2007	52522L483	Return Optimization Securities Linked to an International Index Basket	\$10.00	\$1.33
40	December 31, 2007	52522L491	Return Optimization Securities with Partial Protection Linked to the S&P 500 Index	\$10.00	\$1.33
41	December 31, 2007	52522L533	Performance Securities with Partial Protection Linked to a Global Basket Consisting of Indices and an Index Fund	\$10.00	\$1.33
42	January 31, 2008	52517P4N8	100% Principal Protection Callable Spread Daily Accrual Notes with Interest Linked to the Spread between the 30-year and the 2-year Swap Rates	\$1,000.00	\$133.38
43	January 31, 2008	52520W325	100% Principal Protection Notes Linked to an Asian Currency Basket	\$10.00	\$1.33
44	January 31, 2008	52522L525	100% Principal Protection Absolute Return Barrier Notes Linked to the S&P 500 Index	\$10.00	\$1.33
45	February 8, 2008	52522L657	Autocallable Optimization Securities with Contingent Protection Linked to the S&P 500 Financials Index	\$10.00	\$1.33
46	February 13, 2008	52522L673	Return Optimization Securities with Partial Protection	\$10.00	\$1.33
47	February 13, 2008	52522L699	Return Optimization Securities with Partial Protection	\$10.00	\$1.33
48	February 13, 2008	52522L707	Return Optimization Securities with Partial Protection	\$10.00	\$1.33
49	February 13, 2008	52522L715	Return Optimization Securities with Partial Protection	\$10.00	\$1.33
50	February 13, 2008	52522L723	Return Optimization Securities with Partial Protection	\$10.00	\$1.33
51	February 29, 2008	5252M0CZ8	100% Principal Protection Callable Spread Daily Accrual Notes with Interest Linked to the Spread between the 30-year and the 2-year Swap Rates	\$1,000.00	\$133.38
52	February 29, 2008	52522L632	Performance Securities Linked to an Asian Currency Basket	\$10.00	\$1.33
53	February 29, 2008	52522L574	Return Optimization Securities with Partial Protection Notes Linked to the S&P 500 Index	\$10.00	\$1.33
54	February 29, 2008	52522L582	Return Optimization Securities with Partial Protection	\$10.00	\$1.33
55	February 29, 2008	52522L566	100% Principal Protection Absolute Return Barrier Notes Linked to the Russell 2000 Index	\$10.00	\$1.33
56	February 29, 2008	52522L772	Securities Linked to the Relative Performance of the Consumer Staples Select Sector SPDR Fund vs. the Consumer Discretionary Select Sector SPDR Fund	\$10.00	\$1.33
57	February 29, 2008	52523J412	100% Principal Protection Notes Linked to an Asian Currency Basket	\$10.00	\$1.33

<b>Product Code</b>	<b>Issue Date</b>	<b>CUSIP</b>	<b>Description</b>	<b>Issue Price Per Note</b>	<b>Estimated Value Per Note as of 10/31/08<sup>1</sup></b>
58	March 7, 2008	52523J420	100% Principal Protection Notes Linked to an Asian Currency Basket	\$10.00	\$1.33
59	March 19, 2008	52523J115	100% Principal Protection Absolute Return Barrier Notes Linked to the SPDR S&P Homebuilders ETF	\$10.00	\$1.33
60	March 25, 2008	52523J149	Bearish Autocallable Optimization Securities with Contingent Protection Linked to the Energy Select Sector SPDR Fund	\$10.00	\$1.33
61	March 28, 2008	52523J131	Performance Securities with Partial Protection Linked to a Global Index Basket	\$10.00	\$1.33
62	March 31, 2008	5252M0EK9	100% Principal Protection Callable Spread Daily Accrual Notes with Interest Linked to the Spread between the 30-year and the 2-year Swap Rates	\$1,000.00	\$133.38
63	March 31, 2008	52523J438	100% Principal Protection Notes Linked to an Asian Currency Basket	\$10.00	\$1.33
64	March 31, 2008	52522L806	Return Optimization Securities with Partial Protection Notes Linked to the S&P 500 Index	\$10.00	\$1.33
65	March 31, 2008	52522L814	Return Optimization Securities with Partial Protection Notes Linked to the MSCI EM Index	\$10.00	\$1.33
66	March 31, 2008	52522L871	Bearish Autocallable Optimization Securities with Contingent Protection Linked to the Energy Select Sector SPDR Fund	\$10.00	\$1.33
67	March 31, 2008	5252M0EV5	100% Principal Protection Accrual Notes with Interest Linked to the Year-Over-Year Change in the Consumer Price Index	\$1,000.00	\$133.38
68	March 31, 2008	52522L798	100% Principal Protection Absolute Return Barrier Notes Linked to the Russell 2000 Index	\$10.00	\$1.33
69	April 4, 2008	52522L848	Return Optimization Securities Linked to a Basket of Global Indices	\$10.00	\$1.33
70	April 4, 2008	52522L830	100% Principal Protection Absolute Return Barrier Notes Linked to a Basket of Global Indices	\$10.00	\$1.33
71	April 23, 2008	52523J172	Return Optimization Securities with Partial Protection Linked to a Basket of Global Indices	\$10.00	\$1.33
72	April 30, 2008	52523J156	100% Principal Protection Absolute Return Barrier Notes Linked to the Russell 2000 Index	\$10.00	\$1.33
73	May 12, 2008	52523J503	Return Optimization Securities with Partial Protection	\$10.00	\$1.33
74	May 15, 2008	52523J206	Return Optimization Securities with Partial Protection Linked to the S&P 500 Financials Index	\$10.00	\$1.33
75	May 16, 2008	52523J222	Return Optimization Securities with Partial Protection Linked to a Portfolio of Common Stocks	\$10.00	\$1.33
76	May 21, 2008	52523J214	Performance Securities with Partial Protection Linked to a Global Index Basket	\$10.00	\$1.33

<b>Product Code</b>	<b>Issue Date</b>	<b>CUSIP</b>	<b>Description</b>	<b>Issue Price Per Note</b>	<b>Estimated Value Per Note as of 10/31/08<sup>1</sup></b>
77	May 30, 2008	52523J230	Return Optimization Securities with Partial Protection Linked to the S&P 500 Financials Index	\$10.00	\$1.33
78	June 16, 2008	52520W283	100% Principal Protection Absolute Return Notes Linked to the Euro/U.S. Dollar Exchange Rate	\$10.00	\$1.33
79	June 20, 2008	5252M0FU6	100% Principal Protection Notes with Interest Linked to the Year-Over-Year Change in the Consumer Price Index	\$1,000.00	\$133.38
80	June 30, 2008	5252M0CD7	100% Principal Protection Notes with Interest Linked to the Year-Over-Year Change in the Consumer Price Index	\$1,000.00	\$133.38
81	June 30, 2008	52523J263	Return Optimization Securities with Partial Protection Linked to the PowerShares WilderHill Clean Energy Portfolio	\$10.00	\$1.33
82	June 30, 2008	524935129	Return Optimization Securities with Partial Protection	\$10.00	\$1.33
83	June 30, 2008	52523J248	100% Principal Protection Absolute Return Barrier Notes	\$10.00	\$1.33
84	June 30, 2008	52523J255	100% Principal Protection Absolute Return Barrier Notes	\$10.00	\$1.33

**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).