SIPC®
SECURITIES INVESTOR PROTECTION CORPORATION

News Release

SIPC ISSUES STATEMENT ON LEHMAN BROTHERS INC.: LIQUIDATION PROCEEDING NOW ANTICIPATED

WASHINGTON, D.C. - September 18, 2008 – The Securities Investor Protection Corporation (SIPC), which maintains a special reserve fund authorized by Congress to help investors at failed brokerage firms, issued the following statement today in relation to the SIPC member, Lehman Brothers Inc. (LBI).

SIPC President Stephen Harbeck said: "On Friday, September 19, 2008, SIPC will file a proceeding placing LBI in liquidation under the Securities Investor Protection Act (SIPA). After extensive discussions and consultation with representatives of the firm and its parent company, as well as representatives of the Securities and Exchange Commission, the Federal Reserve, the Commodity Futures Trading Commission, the Financial Industry Regulatory Authority and others, SIPC has decided that such action is appropriate for the protection of customers and to facilitate the transfer of customer accounts of LBI and an orderly unwinding of the business of the brokerage firm.

This action is being taken in connection with a proposed sale of the business of the broker-dealer to Barclays Capital Inc. A hearing on approval of that sale is scheduled for September 19, 2008, at 4p.m., in the Chapter 11 proceeding of the parent company, LBHI.

To provide clarity to market participants, I would note the following:

- SIPC's initiation of the proceeding is designed to minimize market disruption and to allow the transfer of assets and customer accounts of LBI to close in a timely manner under the negotiated Asset Purchase Agreement.
- SIPC will ask the court where the SIPA proceeding is filed to allow the Trustee to operate the business of the firm for a limited time so that normal operations can continue.
- SIPC continues to consult and coordinate with the above-mentioned federal agencies and others to ensure orderly market functioning.

SIPC remains vigilant and committed to our core mission of customer protection."

About SIPC

The Securities Investor Protection Corporation is the U.S. investor's first line of defense in the event a brokerage firm fails, owing customer cash and securities that are missing from customer accounts. SIPC either acts as trustee or works with an independent court-appointed trustee in a brokerage insolvency case to recover funds. The statute that created SIPC provides that customers of a failed brokerage firm receive all non-negotiable securities - such as stocks or bonds -- that are already registered in their names or in the process of being registered. At the same time, funds from the SIPC reserve are available to satisfy the remaining claims of each customer up to a maximum of $500,000. This figure includes a maximum of $100,000 on claims for cash. From the time Congress created it in 1970 through December 2006, SIPC has advanced $505 million in order to make possible the recovery of $15.7 billion in assets for an estimated 626,000 investors

For more information about SIPC, see "The Investor's Guide to Brokerage Firm Liquidations" at http://www.sipc.org/pdf/SIPC_brochure_Investors_Guide_To_BD_Liquidations.pdf.

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Back to News Releases Page

News Releases
Statements/Hill Testimony
SIPC Op-Eds/Letters/Articles
Media Contacts
Streaming Video from VNRs/PSAs