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December 29, 2008

By Email

James Kobak, Jr. Esq.
Hughes, Hubbard & Reed LLP
One Battery Park Plaza
New York, NY 10004

Dear Jim,

We refer to the Asset Purchase Agreement dated September 16, 2008 (as amended, supplemented, modified or clarified) among Lehman Brothers Holdings Inc. (“LBHI”), Lehman Brothers Inc. (“LBI”), LB 745 LLC (“745”), and Barclays Capital Inc. (“Barclays”) (the “Purchase Agreement”), as well as that certain Clarification Letter among LBHI, LBI, 745 and Barclays dated as of September 20, 2008 (the “Clarification Letter”). Capitalized terms used in this letter without definition shall have the meanings ascribed to them in the Purchase Agreement.

Pursuant to Section 1(a)(ii)(B) of the Clarification Letter, Purchased Assets, includes among other things, “such securities and other assets held in LBI’s ‘clearance boxes’ as of the time of Closing...”. As discussed with Deloitte and Touche by various Barclays representatives and as mentioned to you by Jonathan Hughes a couple of weeks ago, Barclays has identified certain assets that were in LBI’s “clearance boxes” as of the Closing and are still in LBI’s clearance boxes that should have been delivered to Barclays, but Barclays has not received (“Undelivered Clearance Box Assets”). The attached spread sheet lists Undelivered Clearance Box Assets having CUSIP numbers in which no LBI customers had long positions on September 22, 2008. Barclays has also identified other Undelivered Clearance Box Assets having CUSIP numbers in which LBI customers may have had long positions, but where the quantities of such securities held in the clearance boxes exceed the quantity of customer long positions. Barclays

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is still in the process of compiling information on this latter category of Undelivered Clearance Box Assets, but expects to be in a position to provide you with detailed information in early January.

The Undelivered Clearance Box Assets are wholly separate from the securities covered by the impending settlement between the Trustee, DTCC and Barclays (the "Settlement"). The securities implicated by the Settlement relate to an ACATS reversal and are listed on the various Exhibits to the DTCC Settlement Agreement.

Pursuant to the Purchase Agreement, the Undelivered Clearance Box Assets should have been delivered to Barclays, but delivery is now overdue. Barclays requests that the Trustee deliver the Undelivered Clearance Box Assets or approve delivery of the Undelivered Clearance Box Assets by the appropriate party. Should you have any questions regarding delivery of these assets, you may contact me at (212) 225 2738.

Sincerely,

Lindsee P. Granfield (A.K.B.)

Lindsee P. Granfield

cc: Jonathan Hughes