Statement Regarding Recent Market Events and Lehman Brothers (Updated)

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Washington, D.C., Sept. 15, 2008 — The decision by Lehman Brothers Holdings Inc. to file for protection under Chapter 11 of the bankruptcy laws is expected to lead to the winding down of Lehman Brothers Inc., its U.S. regulated broker-dealer, outside of bankruptcy. The accounts of Lehman’s U.S. retail securities customers are with the broker-dealer. In cases such as this, Lehman Brothers’ customers will benefit from their extensive protections under SEC rules, including segregation of customer securities and cash as well as insurance by the Securities Investor Protection Corporation. These safeguards are designed to ensure that a broker-dealer’s customers will be protected.

In the weeks ahead, SEC staff who have been on-site at the U.S. broker-dealer will remain in place to oversee the orderly transfer of customer assets to one or more SIPC-insured brokerage firms. The holding company bankruptcy filing does not affect in any way the SIPC protection applicable to the firm’s customers.

The SEC is also coordinating with overseas regulators to protect Lehman’s customers and to maintain orderly markets.

“For several days, we have worked closely with regulators around the world including the FSA in the United Kingdom, the BaFin in Germany, and the FSA in Japan, as well as our counterparts in other markets around the world, to coordinate our actions in the interest of orderly markets,” said SEC Chairman Christopher Cox. “In doing so we have also worked closely with the Treasury and the Federal Reserve and market participants. We are committed to using our regulatory and supervisory authorities to reduce the potential for dislocations from Lehman’s unwinding, and to maintain the smooth functioning of the financial markets.”

In furtherance of these objectives, the SEC is focused on ensuring that customers of the U.S. broker-dealer, which is not part of the bankruptcy filing, remain protected through, among other means, enforcing continued compliance with the SEC net capital and customer asset protection rules, and with SEC requirements that the U.S. broker-dealer conduct its affairs so as to minimize the effect of the holding company’s bankruptcy on customers, and that it ensure access to customer cash and securities.

In the meantime, Lehman Brothers Holdings Inc. will continue to operate while the bankruptcy process facilitates the reconciliation of claims and the realization of value from its assets in an orderly fashion.

Customers of Lehman Brothers Inc. may contact the SEC’s Office of Investor Education and Advocacy for individual assistance at help@sec.gov

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