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# Hughes Hubbard & Reed

## Lehman Team Strikes Deal With Japanese Units

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Partner James W. Giddens, in his capacity as the trustee liquidating Lehman Brothers Inc. (LBI), reached a deal with the parent company's Japanese units to settle more than \$500 million in claims stemming from the 2008 bankruptcy.

Hughes Hubbard & Reed filed court documents in Manhattan's bankruptcy court on Jan. 24 seeking approval of the agreement. The Japanese units had asserted approximately \$543 million in claims against LBI, the brokerage for Lehman Brothers Holdings Inc. (LBHI), while LBI sought approximately \$200 million in inter-company and other assets from the Japanese units. Now that a deal has been reached, LBI can recover money for creditors without taking the Japanese units to court in Tokyo.

Under the terms of the agreement, Giddens will recover \$173 million in cash and securities from Lehman Brothers Japan. Six Japanese entities will receive a total of \$457 million in general unsecured claims, including \$442.8 million for Lehman Brothers Japan.

"The LBI Trustee believes that the settlement agreement is an excellent resolution of the inter-company claims," Hughes Hubbard said in the filing. Judge Shelley Chapman approved the settlement at a hearing on Feb. 7.

Giddens is liquidating LBI separately from LBHI's Chapter 11 case under the Securities Investor Protection Act. When LBHI filed for Chapter 11 in 2008, its subsidiaries around the world also collapsed and many sought creditor protection in their respective jurisdictions.

Giddens is represented by a large Hughes Hubbard team led by James Kobak Jr. and Chris Kiplok. Michael Salzman and Jeff Greilsheimer led the settlement talks with assistance from Jeremy Turk, Jeremy Gladstone and Mei Li Zhen.

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**James W. Giddens**



**James B. Kobak, Jr.**



**Christopher K. Kiplok**



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