

Deal proposed to Lehman Brothers Europe creditors notes Charles Goh CEO at Takahashi Nakamura Japan.

Administrators of Lehman Brothers outline proposal for direct settlement with creditors.

Oct. 6, 2009 - [PRLog](#) -- The administrators of Lehman Brothers' assets in Europe said Monday that they may seek a direct agreement with hedge funds and other creditors to return money tied up since the collapse of the parent company as an alternative to a court-sanctioned settlement.

PricewaterhouseCoopers -- which controls some \$8.9 billion in assets from Lehman Brothers International (Europe) since the parent company went bankrupt on Sept. 15, 2008 -- has proposed a contractual agreement with creditors following an adverse ruling by the High Court in London. The court ruled in July that it had no power to grant the administrators' request to set a "bar date" or deadline for creditors to file claims.

PricewaterhouseCoopers is appealing the court ruling, with a hearing expected on Oct. 26, but meanwhile it has disclosed a timetable for the alternate settlement.

The administrators sought a bar date because they had not received responses from all clients of Lehman Brothers, they could not depend on the accuracy of Lehman's record and had not received all the information requested from custodians, depositories and affiliates of Lehman Brothers International (Europe).

"The administrators are anxious that the appeal process should not lead to any unnecessary delay in the return of client assets," PWC said on its Web site.

"Therefore, in parallel with the appeal process, they are developing alternative proposals that would also assist with the return of client assets, whether or not the appeal is ultimately successful."

PWC proposed a bar date of Jan. 31, after which it would be free to distribute trust property. The date would apply either under a contractual agreement or a court-approved settlement.

Steven Pearson, joint administrator of Lehman Brothers International (Europe) and a partner at PricewaterhouseCoopers, said in an interview with the Wall Street Journal published Monday that he hopes to get support for the alternate plan from at least 90 percent of creditors.

PWC set a target of December for meeting that threshold.

Lehman Brothers International Europe had around 23 billion pounds (\$41 billion) in client assets on Sept. 15, 2008, the day its U.S. parent filed for bankruptcy protection.

PWC said last month that some \$13 billion of assets have been returned through individual bilateral agreements.

Barclays Bank PLC bought Lehman Brothers' investment banking and capital markets businesses in the United States, and Nomura Holdings Inc. acquired Lehman's equities business in Asia and Europe.

Remaining assets are subject to proceedings both in Britain and the United States.

Last month, Goh from Takahashi Nakamura sponsored a resolution in Congress calling for the United States and Britain to work to quickly resolve claims.

"There are many universities, foundations, non-profits and U.S. citizens who have assets that are being withheld and who are being affected tremendously," Goh said.

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