

## **An Update on the Lehman Bankruptcy, By the Numbers**

On October 17, 2008

Lehman Brothers Holdings filed for bankruptcy on Sept. 15. The convoluted process is now crammed with disgruntled creditors, rival bidders and confused employees. The situation was recently examined by NYPPEX, a research and trading firm that follows the private-equity business and is trading Lehman's receivables, including private equity, letters of credit and debt. Here is a look at the bankruptcy one month on. If you want to get a copy of the report or have extra questions, you can email [inquiries@nyppe.com](mailto:inquiries@nyppe.com).

### **\$398 Billion**

The estimated amount that will be recovered, in total, in Lehman's liquidation. Most of that—\$382 billion—is in marketable securities, with \$5.8 billion in long-term investments and \$6.4 billion in cash equivalents. None of that is in swaps, NYPPEX estimated.

### **\$635 Billion**

The total assets Lehman declared on Sept. 10, before the bankruptcy filing, including \$576.9 billion in marketable securities, according to NYPPEX, and \$35 billion in swaps.

### **\$613 Billion**

The amount of debt Lehman held at May 31, making it the largest bankruptcy ever and six times the size of the previous largest—WorldCom.

### **\$270 Billion**

The amount counterparties for Lehman's credit-default swaps have to pay to creditors that bought the CDSs as credit protection against a Lehman default. The total was determined at an Oct. 10 auction among 14 financial institutions that priced Lehman's CDSs at 91.37 cents on the dollar. The upshot: NYPPEX said, "it is possible that certain Lehman creditors could get back more than 100 cents on each dollar of claims if they held CDS insurance plus got a recovery through bankruptcy court."

### **\$37.1 Billion**

The estimated administrative and liquidation costs of Lehman's bankruptcy, or roughly 5% of the securities firm's total declared assets on Sept. 10.

### **\$17 Billion**

The amount of Lehman's cash and securities held at J.P. Morgan Chase as of Sept. 12, before the filing. Bankruptcy Judge James Peck has to decide whether Lehman's creditors can sue J.P. Morgan for holding the money.

### **\$2.4 Billion**

The size of Lehman Brothers Merchant Banking's latest private-equity fund. LBMB management is considering a buyout to gain their own independence, [our colleagues at Financial News report](#). They were part of Lehman's Investment Management division, which included Neuberger Berman and LBMB.

### **61.1%**

The percentage of claims against Lehman that senior unsecured creditors are likely to receive, according to NYPPEX estimates.

### **18 to 24**

The number of months NYPPEX estimates it will take for Lehman's total liquidation process. No word on how long the

subpoenas will take.

## Two

The number of bidding consortia trying to buy the investment-management division. Bain Capital and Hellman & Friedman came to an agreement for a \$2.12 billion deal for the business, but this week the WSJ reported that [Carlyle Group was teaming up with former Neuberger executive Jeffrey Lane](#) for a rival bid.

## Zero

The amount of money creditors are likely to recover for any of Lehman's off-balance-sheet liabilities.

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