

United States Bankruptcy Court
Southern District of New York

Voluntary Petition

Name of Debtor (if individual, enter Last, First, Middle): BNC Mortgage LLC
All Other Names used by the Debtor in the last 8 years (include married, maiden, and trade names):
Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN) No./Complete EIN (if more than one, state all): EIN # 13-4134566
Street Address of Debtor (No. and Street, City, and State): 1901 Main Street, Irvine, CA
ZIP CODE 92624
County of Residence or of the Principal Place of Business: Orange
Mailing Address of Debtor (if different from street address): N/A
ZIP CODE
Location of Principal Assets of Business Debtor (if different from street address above):
ZIP CODE

Type of Debtor (Form of Organization) (Check one box.)
Nature of Business (Check one box.)
Chapter of Bankruptcy Code Under Which the Petition is Filed (Check one box)
Nature of Debts (Check one box)
Filing Fee (Check one box)
Check one box:
Check if:
Check all applicable boxes:

Statistical/Administrative Information
Debtor estimates that funds will be available for distribution to unsecured creditors.
Estimated Number of Creditors (Consolidated with affiliates)
Estimated Assets (Consolidated with affiliates)
Estimated Liabilities (Consolidated with affiliates)
THIS SPACE IS FOR COURT USE ONLY

<b>Voluntary Petition</b> <i>(This page must be completed and filed in every case)</i>		Name of Debtor(s): <b>BNC Mortgage LLC</b>	
<b>All Prior Bankruptcy Case Filed Within Last 8 Years</b> (If more than two, attach additional sheet.)			
Location Where Filed: <b>N/A</b>	Case Number: <b>N/A</b>	Date Filed: <b>N/A</b>	
Location Where Filed: <b>N/A</b>	Case Number: <b>N/A</b>	Date Filed: <b>N/A</b>	
<b>Pending Bankruptcy Case Filed by any Spouse, Partner or Affiliate of this Debtor</b> (If more than one, attach additional sheet.)			
Name of Debtor: <b>(see schedule 1 attached hereto)</b>		Case Number:	Date Filed:
District:	Relationship:	Judge: <b>Peck</b>	
<p style="text-align: center;"><b>Exhibit A</b></p> <p>(To be completed if debtor is required to file periodic reports (e.g., forms 10K and 10Q) with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 and is requesting relief under chapter 11.)</p> <p style="text-align: center;"><b>NOT APPLICABLE</b></p> <p><input type="checkbox"/> Exhibit A is attached and made a part of this petition.</p>		<p style="text-align: center;"><b>Exhibit B</b></p> <p style="font-size: small;">(To be completed if debtor is an individual whose debts are primarily consumer debts.)</p> <p>I, the attorney for the petitioner named in the foregoing petition, declare that I have informed the petitioner that [he or she] may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, and have explained the relief available under each such chapter. I further certify that I have delivered to the debtor the notice required by § 342(b).</p> <hr/> <p style="font-size: small;">Signature of Attorney for Debtor(s) <span style="float: right;">Date</span></p>	
<b>Exhibit C</b>			
Does the debtor own or have possession of any property that poses or is alleged to pose a threat of imminent and identifiable harm to public health or safety?			
<input type="checkbox"/> Yes, and Exhibit C is attached and made a part of this petition.			
<input checked="" type="checkbox"/> No. <b>(see exhibit attached hereto)</b>			
<b>Exhibit D</b>			
<b>NOT APPLICABLE</b>			
(To be completed by every individual debtor. If a joint petition is filed, each spouse must complete and attach a separate Exhibit D.)			
<input type="checkbox"/> Exhibit D completed and signed by the debtor is attached and made a part of this petition.			
If this is a joint petition:			
<input type="checkbox"/> Exhibit D also completed and signed by the joint debtor is attached and made a part of this petition.			
<b>Information Regarding the Debtor - Venue</b>			
(Check any applicable box.)			
<input type="checkbox"/> Debtor has been domiciled or has had a residence, principal place of business, or principal assets in this District for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other District.			
<input checked="" type="checkbox"/> There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this District.			
<input type="checkbox"/> Debtor is a debtor in a foreign proceeding and has its principal place of business or principal assets in the United States in this District, or has no principal place of business or assets in the United States but is a defendant in an action or proceeding [in a federal or state court] in this District, or the interests of the parties will be served in regard to the relief sought in this District.			
<b>Certification by a Debtor Who Resides as a Tenant of Residential Property</b>			
(Check all applicable boxes)			
<b>NOT APPLICABLE</b>			
<input type="checkbox"/> Landlord has a judgment against the debtor for possession of debtor's residence. (If box checked, complete the following.)			
_____			
(Name of landlord that obtained judgment)			
_____			
(Address of landlord)			
<input type="checkbox"/> Debtor claims that under applicable nonbankruptcy law, there are circumstances under which the debtor would be permitted to cure the entire monetary default that gave rise to the judgment for possession, after the judgment for possession was entered, and			
<input type="checkbox"/> Debtor has included with this petition the deposit with the court of any rent that would become due during the 30-day period after the filing of the petition.			
<input type="checkbox"/> Debtor certifies that he/she has served the Landlord with this certification. (11 U.S.C. § 362(1)).			

**Voluntary Petition**  
*(This page must be completed and filed in every case)*

Name of Debtor(s): **BNC Mortgage LLC**

**Signatures**

**Signature(s) of Debtor(s) (Individual/Joint)**

I declare under penalty of perjury that the information provided in this petition is true and correct.

[If petitioner is an individual whose debts are primarily consumer debts and has chosen to file under chapter 7] I am aware that I may proceed under chapter 7, 11, 12 or 13 of title 11, United States Code, understand the relief available under each such chapter, and choose to proceed under chapter 7.

[If no attorney represents me and no bankruptcy petition preparer signs the petition] I have obtained and read the notice required by 11 U.S.C. § 342(b).

I request relief in accordance with the chapter of title 11, United States Code, specified in this petition.

X \_\_\_\_\_  
Signature of Debtor

X \_\_\_\_\_  
Signature of Joint Debtor

\_\_\_\_\_  
Telephone Number (if not represented by attorney)

\_\_\_\_\_  
Date

**Signature of a Foreign Representative**

I declare under penalty of perjury that the information provided in this petition is true and correct, that I am the foreign representative of a debtor in a foreign proceeding, and that I am authorized to file this petition.

(Check only **one** box.)

I request relief in accordance with chapter 15 of title 11, United States Code. Certified copies of the documents required by 11 U.S.C. § 1515 are attached.

Pursuant to 11 U.S.C. § 1511, I request relief in accordance with the chapter of title 11 specified in this petition. A certified copy of the order granting recognition of the foreign main proceeding is attached.

X \_\_\_\_\_  
(Signature of Foreign Representative)

\_\_\_\_\_  
(Printed Name of Foreign Representative)

\_\_\_\_\_  
Date

**Signature of Attorney\***

X /s/ Jacqueline Marcus  
Signature of Attorney for Debtor(s)

**Harvey R. Miller**  
**Jacqueline Marcus**

\_\_\_\_\_  
Printed Name of Attorney for Debtor(s)

**Weil, Gotshal & Manges LLP**  
Firm Name

**767 Fifth Avenue**  
Address

**New York, New York 10153**

**212-310-8000**  
Telephone Number

**January 9, 2009**  
Date

\* In a case in which § 707(b)(4)(D) applies, this signature also constitutes a certification that the attorney has no knowledge after an inquiry that the information in the schedules is incorrect.

**Signature of Non-Attorney Bankruptcy Petition Preparer**

I declare under penalty of perjury that: (1) I am a bankruptcy petition preparer as defined in 11 U.S.C. § 110; (2) I prepared this document for compensation and have provided the debtor with a copy of this document and the notices and information required under 11 U.S.C. §§ 110(b), 110(h), and 342(b); and (3) if rules or guidelines have been promulgated pursuant to 11 U.S.C. § 110(h) setting a maximum fee for services chargeable by bankruptcy petition preparers, I have given the debtor notice of the maximum amount before preparing any document for filing for a debtor or accepting any fee from the debtor, as required in that section. Official Form 19B is attached.

\_\_\_\_\_  
Printed Name and title, if any, of Bankruptcy Petition Preparer

\_\_\_\_\_  
Social-Security number (If the bankruptcy petition preparer is not an individual, state the Social-Security number of the officer, principal, responsible person or partner of the bankruptcy petition preparer.) (Required by 11 U.S.C. § 110.)

\_\_\_\_\_  
Address

X \_\_\_\_\_

\_\_\_\_\_  
Date

Signature of bankruptcy petition preparer or officer, principal, responsible person, or partner whose Social-Security number is provided above.

Names and Social-Security numbers of all other individuals who prepared or assisted in preparing this document unless the bankruptcy petition preparer is not an individual: If more than one person prepared this document, attach additional sheets conforming to the appropriate official form for each person.

*A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both. 11 U.S.C. § 110; 18 U.S.C. § 156.*

**Signature of Debtor (Corporation/Partnership)**

I declare under penalty of perjury that the information provided in this petition is true and correct, and that I have been authorized to file this petition on behalf of the debtor.

The debtor requests the relief in accordance with the chapter of title 11, United States Code, specified in this petition.

X /s/ Lana Franks  
Signature of Authorized Individual

**Lana Franks**  
Printed Name of Authorized Individual

**Director**  
Title of Authorized Individual

**January 9, 2009**  
Date

### Schedule 1 to Chapter 11 Petition

Each of the affiliated entities listed below (including the debtor in this chapter 11 case) filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code in the United States Bankruptcy Court for the Southern District of New York.

<u>Debtor Name</u>	<u>Case No.</u>	<u>Date Filed</u>	<u>Relationship</u>	<u>Judge</u>
Lehman Brothers Holdings Inc.	08-13555	September 15, 2008	Parent	Peck
LB 745 LLC	08-13600	September 17, 2008	Affiliate	Peck
PAMI Statler Arms LLC	08-13664	September 23, 2008	Affiliate	Peck
Lehman Brothers Commodity Services Inc.	08-13885	October 3, 2008	Affiliate	Peck
Lehman Brothers Finance SA	08-13887	October 3, 2008	Affiliate	Peck
Lehman Brothers Special Financing Inc.	08-13888	October 3, 2008	Affiliate	Peck
Lehman Brothers OTC Derivatives Inc.	08-13893	October 3, 2008	Affiliate	Peck
Lehman Brothers Financial Products Inc.	08-13902	October 5, 2008	Affiliate	Peck
Lehman Commercial Paper Inc.	08-13900	October 5, 2008	Affiliate	Peck
Lehman Brothers Commercial Corporation	08-13901	October 5, 2008	Affiliate	Peck
Lehman Brothers Derivative Products Inc.	08-13899	October 5, 2008	Affiliate	Peck
CES Aviation LLC	08-13905	October 5, 2008	Affiliate	Peck
CES Aviation V LLC	08-13906	October 5, 2008	Affiliate	Peck
Lehman Scottish Finance L.P.	08-13904	October 5, 2008	Affiliate	Peck
CES Aviation IX LLC	10-13907	October 5, 2008	Affiliate	Peck
Fundo de Investimento Multimercado Credito Privado Navigator Investimento No Exterior	08-13903	October 5, 2008	Affiliate	Peck
East Dover Limited	08-13903	October 5, 2008	Affiliate	Peck
Luxembourg Residential Properties Loan Finance S.a.r.l.	09-10108	January 7, 2009	Affiliate	Peck

## CERTIFICATE OF RESOLUTIONS

I, Lana Franks, being the sole Director of BNC Mortgage LLC (the “Company”), a Delaware limited liability company, do hereby certify that I consented to, adopted, and approved the following resolutions and each and every action effected thereby, in accordance with the requirements of the applicable law and the constitutive documents of the Company, and that these resolutions have not been modified or rescinded and are still in full force and effect as of the current date.

RESOLVED, that in the judgment of the Director it is desirable and in the best interests of the Company, its members, creditors, employees, and other interested parties that a petition be filed by the Company seeking relief under the provisions of chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”).

RESOLVED, that any of the Chief Executive Officer, Executive Vice President, any Senior Vice President, Secretary or Assistant Secretary of the Company be, and hereby is, authorized, empowered and directed, in the name and on behalf of the Company, to execute and verify petitions and amendments thereto commencing a case under chapter 11 of the Bankruptcy Code (the “Chapter 11 Case”) and to cause the same to be filed in the United States Bankruptcy Court for the Southern District of New York at such time or in such other jurisdiction as such person executing the same shall determine; and further

RESOLVED, that the law firm of Weil, Gotshal & Manges LLP is hereby engaged as attorneys for the Company under a general retainer in the Chapter 11 Case, subject to any requisite bankruptcy court approval, and further

RESOLVED, that each of the officers of the Company identified above (as from time to time in office), or other officer of the Company as any such officer shall from time to time designate, and any employees or agents (including counsel) designated by or directed by any such officer (each, an “Authorized Person”) be, and each hereby is, authorized, empowered and directed, in the name and on behalf of the Company, to execute and file all petitions, schedules, motions, lists, applications, pleadings and other documents, and to take and perform any and all further acts and deeds, which he or she deems necessary, proper or desirable in connection with the Chapter 11 Case, with a view to the successful prosecution of such case; and further

RESOLVED, that each Authorized Person be, and each hereby is, authorized, empowered and directed, in the name and on behalf of the Company, to engage and retain all assistance by legal counsel, accountants, financial advisors, restructuring advisors, and other professionals in connection with the Chapter 11 Case as such Authorized Person shall consider necessary, appropriate or convenient for the successful prosecution of such case; and further

RESOLVED, that in connection with the Chapter 11 Case each Authorized Person be, and each hereby is, authorized and empowered, on behalf of and in the name of the Company, to negotiate, execute, deliver, and perform or cause the performance of any loan, security or other agreement, note, other instrument, consent or certificates, or amendment or assignment thereof, as such person considers necessary, appropriate, desirable, or advisable to effectuate borrowings or other financial arrangements that are

necessary or appropriate in the interests of the Company, such determination to be evidenced by such execution or taking of such action; and further

RESOLVED, that any action heretofore taken by any Authorized Person in the name or on the behalf of the Company for the purposes and in the reasonable belief that such action was in furtherance of carrying out the purposes of the foregoing resolutions be, and hereby is, ratified, approved and confirmed on behalf of the Company; and further

RESOLVED, that each Authorized Person be, and each hereby is, authorized, empowered and directed, in the name and on behalf of the Company, to negotiate, execute, deliver, cause the Company to enter into, certify, file and/or record, and perform or cause the performance of and to consummate the transactions contemplated by, such other agreements, instruments, settlements, releases, motions, affidavits, applications for approvals or rulings of governmental or regulatory authorities, certificates and other documents, and amendments or assignments thereof, and to take such other actions, as in the judgment of such person shall be or become necessary, proper, and desirable to effectuate the prosecution of the Chapter 11 Case or a successful reorganization of the business of the Company, in each case in such form and with such substance as such Authorized Person may approve, with the execution, delivery, certification, filing or recording thereof or taking of such other action to constitute evidence of such approval; and further

RESOLVED, in connection with the conduct of the business and affairs of the Company during the Chapter 11 Case, each Authorized Person be, and each hereby is, authorized, empowered and directed, in the name and on behalf of the Company: (i) to negotiate, execute, deliver, enter into, certify, file and/or record any and all of the agreements, instruments, motions, certifications, applications and documents referenced in the foregoing resolutions and such other agreements, instruments, applications, consents, assignments and other documents as may be or become required or as such officers deem appropriate or advisable, and to perform or to cause the performance thereof, with the execution, delivery, certification, filing or recording thereof to constitute evidence of such approval; and (ii) to do such other things as may be required, or as may in their judgment be appropriate or advisable, in order to effectuate fully the foregoing resolutions and the consummation of the transactions contemplated hereby.

IN WITNESS WHEREOF, I have set my hand this 9th day of January, 2009.

/s/ Lana Franks

Lana Franks

Title: Director

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

-----X  
In re : Chapter 11 Case No.  
: :  
BNC MORTGAGE LLC, : 09-\_\_\_\_\_ (JMP)  
: :  
Debtor. : :  
-----X

**LIST OF CREDITORS HOLDING  
THE THIRTY LARGEST UNSECURED CLAIMS**

Please refer to the list of creditors included with the chapter 11 petition of the Debtor's affiliate, Lehman Brothers Holdings Inc., Case No. 08-13555 (JMP). The chapter 11 petition of Lehman Brothers Holdings Inc. is available at <http://chapter11.epiqsystems.com/lehman>. The list of creditors, dated as of September 15, 2008, sets forth creditors holding the thirty (30) largest unsecured claims against the Debtor and its affiliates.

The list of creditors has been prepared in accordance with Rule 1007(d) of the Federal Rules of Bankruptcy Procedure. This list does not include (i) persons who come within the definition of "insider" set forth in section 101(31) of title 11 of the United States Code, or (ii) secured creditors unless the value of the collateral is such that the unsecured deficiency places the creditor among the holders of the thirty (30) largest unsecured claims.



**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

-----X  
In re : Chapter 11 Case No.  
: :  
BNC MORTGAGE LLC, : 09-\_\_\_\_\_ (JMP)  
: :  
Debtor. : :  
: :  
-----X

**EXHIBIT "C" TO VOLUNTARY PETITION**

1. Identify and briefly describe all real or personal property owned by or in possession of the debtor that, to the best of the debtor's knowledge, poses or is alleged to pose a threat of imminent and identifiable harm to the public health or safety (attach additional sheets if necessary):

The Debtor does not believe it owns or possesses any real or personal property that poses or is alleged to pose a threat of imminent and identifiable harm to the public health or safety. To the extent the Debtor has an interest in such property, to the best of the Debtor's knowledge, the Debtor is in compliance with all applicable laws, including, without limitation, all environmental laws and regulations.

2. With respect to each parcel of real property or item of personal property identified in question 1, describe the nature and location of the dangerous condition, whether environmental or otherwise, that poses or is alleged to pose a threat of imminent and identifiable harm to the public health or safety (attach additional sheets if necessary):

The Debtor is not aware of any real or alleged dangerous conditions existing on or related to any real or personal property owned or possessed by the Debtor.