

Lehman Brothers Officers and Directors, UBS Sued Over Principal Protection Notes

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Press release from: [Zwerling, Schachter & Zwerling, LLP](#)

NEW YORK – The New York law firm of Zwerling, Schachter & Zwerling, LLP has filed a securities class-action lawsuit against UBS Financial Services, Inc., a subsidiary of Zurich, Switzerland-based UBS AG (NYSE:UBS), as well as officers and directors of Lehman Brothers, based on financial losses suffered by investors who bought securities known as principal protection notes.

Lehman Brothers issued the notes in question with UBS and Lehman serving as the underwriters and sellers. The lawsuit was filed in the U.S. District Court for the Southern District of New York.

Principal protection notes purportedly provide investors with protection for some or all of the principal they invest as well as a potential for a return based on the performance of the underlying investment. But note-holders' investments effectively vanished in September when Lehman Brothers defaulted on the notes by filing the largest bankruptcy in U.S. history.

In this case, the plaintiff alleges that Lehman Brothers promised investors a complete return of principal even while the company knew its own financial situation was precarious. Lehman Brothers was maintaining inflated commercial and residential mortgage and real estate assets in addition to large amounts of leverage, and failed to take steps to lower its exposure to the weakening credit and mortgage markets or explain such risks to investors.

“Lehman Brothers was selling these notes and telling investors they would get all of their principal back, but they knew that if something went wrong, they wouldn't be able to hold up their end of the bargain,” says attorney Jeffrey Zwerling, who filed the lawsuit. “And the sad thing is these investors are not alone. There are others who bought notes from other investment banks and now are in the same situation.”

The class action is brought on behalf of all persons and entities who, from May 30, 2006, until September 15, 2008 (the “Class Period”), purchased unsecured obligations known as 100% Principal Protection Notes (the “Principal Protection Notes”) that were issued pursuant to Lehman's Form S-3 Registration Statement, dated May 30, 2006 (the “Registration Statement”) and Medium-Term Notes, Series I Prospectus Supplement, dated May 30, 2006 (the “MTN Prospectus”), and underwritten and sold by UBS and others, and who were damaged thereby (the “Class”).

If you are a member of the Class, or purchased the Principal Protection Notes, you may apply to serve as lead plaintiff. The lead plaintiff is responsible for overseeing the prosecution of the action and ensuring that the interests of the class are protected. You may apply to be appointed lead plaintiff through Zwerling, Schachter & Zwerling. The lead plaintiff deadline is January 5, 2009.

If you wish to discuss this securities class action or have any questions concerning your rights and interests with respect to this matter, please contact Zwerling, Schachter & Zwerling (Shaye J. Fuchs, Esq. or Willy T. Gonzalez) at 1-800-721-3900 or by e-mail at sfuchs@zsz.com or wgonzalez@zsz.com.

Zwerling, Schachter & Zwerling concentrates in prosecuting class actions nationwide on behalf of investors. The firm currently plays a leading role in numerous major securities and complex commercial litigations pending in federal and state courts and has offices in New York City, Garden City, N.Y. and Seattle, Wash. The firm has been recognized by courts throughout the country as highly experienced and skilled in complex litigation, particularly with respect to federal securities class-action litigation. More information is available at www.zsz.com.

For more information or to speak with Jeffrey Zwerling about the securities class-action case involving UBS and Lehman Brothers, please contact Mark Annick at 800-559-4534 (office), 214-213-1754 (mobile) or mark@androvett.com

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