

Rapid conversion protects assets worth billions amid global market turmoil

When a financial crisis swept through global markets, a Broadridge client facing bankruptcy depended on a responsive resource — a partner with a shared-service platform and the ability to react around-the-clock to market changes. This partnership helped an asset management unit continue operations and swiftly transfer brokerage assets, insulating billions of dollars from bankruptcy.

A FINANCIAL SERVICES GIANT CRASHES

During the financial crisis, Lehman Brothers, the fourth-largest U.S. investment bank at the time, spiraled into bankruptcy. When the firm filed for bankruptcy protection, it was the largest corporate filing in the history of the United States, and global market turmoil ensued.

Lehman Brothers had only one week to extract billions of dollars in client assets from its failing brokerage unit before the Securities Investor Protection Corporation (SIPC) locked up those assets. This type of conversion would typically take six weeks.

A SHARED PLATFORM

Lehman Brothers' equity securities were being processed on Broadridge's post-trade platform, which was also used by dozens of other institutions. The Broadridge platform provides the flexibility needed for swift conversion, even during times of duress such as bankruptcy or global market fluctuations.

When Lehman's bankruptcy unfolded, the platform's common data and infrastructure made it possible to quickly distinguish Lehman asset management positions and separate them from brokerage holdings.

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SWIFT ACTIONS SPARE ASSETS

Broadridge operations and technology leaders responded around-the-clock to isolate Lehman's asset management holdings from its failing brokerage unit.

During the Lehman bankruptcy, Broadridge's shared platform:

- Enabled swift asset conversion, ensuring continued trading amid bankruptcy
- Provided advantage for recovery and resolution through an industry standard post-trade processing utility
- Spared relatively healthy assets worth billions of dollars

In just three trading days, Broadridge operations team carried out a platform conversion and asset recovery that could have taken more than a year to complete.

CORE BENEFITS

With Broadridge's shared-service platform and rapid response, Lehman extracted billions of dollars in client assets in one week.

- **Neuberger Berman, Lehman's former asset management unit, continued operations, even while Lehman became insolvent.**
- **Broadridge transferred Lehman's brokerage assets into Barclays.**
- **Broadridge insulated assets worth billions of dollars from bankruptcy.**