EXHIBIT G

The Clearing House℠
At the Center of Banking Since 1853

November 16, 2012

By Hand

The Honorable Thomas P. Griesa
United States District Judge
Southern District of New York
Daniel Patrick Moynihan United States Courthouse
500 Pearl Street
New York, N.Y. 10007

Re: *NML Capital Ltd. v. Republic of Argentina*, Nos. 08 Civ. 6978 (TPG), 09 Civ. 1707 (TPG), 09 Civ. 1708 (TPG); *Aurelius Capital Master, Ltd. v. Republic of Argentin*a, Nos. 09 Civ. 8757 (TPG), 09 Civ. 10620 (TPG), 10 Civ. 1602 (TPG), 10 Civ. 3507 (TPG), 10 Civ. 3970 (TPG), 10 Civ. 8339 (TPG); *Blue Angel Capital I, LLC v. Republic of Argentina*, Nos. 10 Civ. 4101 (TPG), 10 Civ. 4782 (TPG); *Pablo Alberto Varela. v. Republic of Argentina*, No. 10 Civ. 5338 (TPG); and *Olifant Fund, Ltd. v. Republic of Argentina*, 10 Civ. 9587 (TPG)

Dear Judge Griesa:

The Clearing House Association L.L.C. ("The Clearing House")[1] respectfully submits this letter in the above captioned matters to aid the Court in considering plaintiffs' proposed revisions to the Court's February 23, 2012, orders in light of the concerns expressed by the United States Court of Appeals for the Second Circuit in its October 26, 2012 opinion.

[1] Established in 1853, The Clearing House is the United States' oldest banking association and payments company and represents the interests of its member banks on a variety of systemically important banking issues. The Clearing House is owned by the world's largest commercial banks, which collectively employ 1.4 million people in the United States and hold more than half of all U.S. deposits. An affiliate of The Clearing House, The Clearing House Payments Company L.L.C., provides payment, clearing, and settlement services to its member banks and other financial institutions, clearing almost $2 trillion daily and representing nearly half of the automated clearinghouse, funds-transfer and check-image payments made in the U.S. One of those services is the Clearing House Interbank Payments System ("CHIPS"), a real time, final payment funds transfer system that serves 52 U.S. and foreign banks and that processes each day, on average, over 375,000 payment orders. CHIPS and Fedwire, which is operated by the Federal Reserve Banks, are the principal funds-transfers systems in the United States.

In light of the expedited briefing schedule and because many of the experts at our member banks with whom we would normally consult have been occupied with maintaining their operations in the aftermath of the weather emergencies of the past few weeks, The Clearing House respectfully informs the Court that the views expressed in this letter must necessarily be preliminary and may be subject to additional explanation and clarification. We have also confined our comments to certain systemic problems that could arise from the application of plaintiffs' proposed orders to funds-transfer systems, beneficiary's banks, and other parties to funds transfers. Securities clearing agencies, trustees, and similar organizations may very well face additional substantial issues stemming from the proposed orders; however, such issues are not discussed in this letter.

The plaintiffs have suggested an expansive injunction applying not only to Argentina and its agents but to any "persons and entities who act as the Republic's agents, or act in active concert or participation with the Republic or its agents, to assist the Republic in fulfilling its payment obligations under the Exchange Bonds." While plaintiffs' proposed orders specify that certain named parties involved in the transactions at issue are to be bound, the proposed orders identify such parties only after the word "including," which clearly indicates that the list is not exhaustive and that other parties, not named or defined with any specificity, fall within their scope. Only intermediary banks as defined in Article 4A of the Uniform Commercial Code are specifically excluded from plaintiffs' proposed orders.

The Clearing House submits that any order issued by the Court should be crafted not to apply to beneficiary's banks, funds-transfer systems, or other parties in a funds transfer. Such limitations would have no impact on the overall effectiveness of the Court's orders and, as discussed in greater detail below, would ensure that the Court's orders do not unduly burden legitimate payments unrelated to the transactions at issue here.

A funds transfer is a series of transactions involving instructions ("payment orders") from senders to receiving banks to pay or cause another bank to pay an amount of money to a beneficiary. N.Y. U.C.C. § 4-A–104(1). These payment orders are typically sent between banks through a funds-transfer network, such as the Clearing House Interbank Payments System ("CHIPS"). The formats for payment orders used by all of these systems are closely related to allow mapping of data from one system to another so that a funds transfer may be processed rapidly and efficiently by computer, without intervention by individuals. The format typically identifies the sender and receiving bank and originator, originator's bank, instructing bank, intermediary bank, beneficiary's bank, and beneficiary.[2] There are also fields for parties to send additional information to other parties (e.g., the bank-to-bank information field or the originator-to-beneficiary information field), but these are optional and not used in many cases.

[2] Although different names are used in the formats to distinguish the various parties, the instructing bank, sender, and receiving bank may also be intermediary banks within the meaning of Article 4A, but the beneficiary's bank would not be an intermediary bank.

The plaintiffs' proposed carve out for "intermediary banks" as defined in UCC Article 4A does not extend far enough, because that term is defined in the UCC to exclude both the originator's bank and the beneficiary's bank. N.Y. U.C.C. § 4-A–104(2). Ordinarily beneficiary's banks would be protected from the burdens outlined below because creditors of the originator cannot attach funds by service of process on the beneficiary's bank. *Id.* § 4-A–502 cmt. 4 ("The creditor of the originator cannot reach any . . . funds [other than funds at the originator's bank before the transfer is initiated] because no property of the originator is being transferred."). Beneficiary's banks would, however, be significantly burdened, and legitimate payments would inevitably be disrupted, if beneficiary's banks are included in the scope of the injunction.

Consider the position of any party that is not Argentina or one of its direct agents that receives a payment order that simply lists an originator (which could be Argentina, one of its agents, or some other party), an originator's bank,[3] a beneficiary, and (if the receiving bank is not the beneficiary's bank) a beneficiary's bank. The payment order will also list an amount to be paid and may or may not have any additional information as to the purpose of the payment. If the receiving bank is the beneficiary's bank, even if it knows that the payment was originated by Argentina or a known agent of Argentina, it will often not know whether the payment is for the Exchange Bonds or for some other purpose not covered by the injunction without having to make an inquiry of its sender nor will it know whether the Republic has made payments to the plaintiff bondholders. Thus if beneficiary's banks are included in the injunction, they too would have to screen their in-coming payment orders to identify funds transfers originated by Argentina or its agents and then often make inquiries of their senders to find out whether the transfer was in payment of amounts owing on the Exchange Bonds or for some other purpose. As the sender is likely to be an intermediary bank with no knowledge of the purpose of the transaction, the inquiry would have to be sent up the chain back to the originator's bank (which itself may not know the purpose of the payment), causing significant delay for legitimate payments and a costly diversion of resources from reconciling other discrepant or potentially illegal (e.g., Iranian) payments. It is no answer to suggest that the numerous potential beneficiary's banks around the world could check whether they have received a certificate of compliance from Argentina, as the certificates would presumably be issued at or around the time of the payment and dissemination would take some time. Payment systems are designed to work automatically, but banks might be forced to hold many potentially noncompliant payments until the issue could be sorted out, delaying the payment process and undermining participants' expectations of real-time payment processing.

A second concern with the plaintiffs' proposed wording of the injunction is the possible inclusion of payment systems,[4] such as CHIPs, in the injunction and the broad

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[3] If the originator is a bank, it is the originator's bank as well as the originator, see N.Y. U.C.C. § 4-A–104(4), but given the duplicative roles, only one of these fields would normally be used.

[4] Plaintiffs propose including "clearing corporations and systems, depositaries, operators of clearing systems, and settlement agents for the Exchange Bonds (including, but not limited to the Depository Trust Company, Clearstream Banking S.A., Euroclear Bank S.A./N.V. and the Euroclear system)." It is not clear how plaintiffs intend the term "clearing corporations and systems" to be defined.

extension of the injunction to "agents" of Argentina or its instrumentalities. Under N.Y. U.C.C. § 4-A–206, funds-transfer systems are deemed to be the agent of the sender of a payment order. While under any scenario contemplated by the plaintiffs,[5] the funds-transfer systems would receive payments only from—and thus be agents only of—intermediary banks that would be exempt from the injunction, the broad wording of the proposed injunction and in particular the specific reference to "clearing corporations and systems, . . . operators of clearing systems, and settlement agents," leaves substantial ambiguity about whether payment systems would be bound by the order and would be required to attempt to implement screening measures to ensure that no improper payment got through. That ambiguity presents serious concern, because even more than beneficiary's banks, funds-transfer systems would have great difficulty attempting to identify particular payments for a particular purpose, and the injunction would therefore similarly result in disruption of payment systems and delays in processing legitimate payments. In the case of CHIPS and other Clearing House payment systems, for example, The Clearing House has no ability to screen payment orders to block individual transactions: once a payment order is cleared by the CHIPS release algorithm, which merely determines whether the conditions for release as determined by the CHIPS rules have been met, it is automatically released to the receiving participant. The Clearing House holds no money for any party, but merely manages a settlement account the balance of which is a debt owed to the participating banks. If CHIPS or other payment systems like it were to be included in the injunction, there would be no practical way to identify payments in violation of the injunction in real time before they are sent to the receiving bank.

Delay of legitimate payments and the burdens on third-party banks are among the reasons that the framers of Article 4A—the law in every state and the District of Columbia—exempted intermediary banks from attachments, restraining orders, and injunctions. The terms of the proposed injunction present the same concerns, but because the injunction lacks other safeguards that apply to UCC-compliant restraining notices and attachments, the injunction needs to be carefully crafted to avoid these threats to the payment systems. We therefore urge the Court to draw its injunction narrowly to exclude funds-transfer systems, beneficiary's banks, and other parties to funds transfers.

There may very well be additional issues respecting the processing of payments that the proposed order raises. Given the limitations referred to above, we have not had sufficient time to explore all of the proposed orders' ramifications.

All of the examples given are securities clearing organizations rather than funds-transfer systems. CHIPS, however, is a "clearing organization" as defined in 12 U.S.C. § 4402(2).

[5] See Plaintiffs' brief at 10-12.

If you have any questions, please contact me at 212-612-9234 or joe.alexander@theclearinghouse.org.

Very truly yours,

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