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Via E-mail

August 20, 2014

The Honorable Thomas P. Griesa
U.S. District Court for the Southern District of New York
United States Courthouse
500 Pearl St., Room 1630
New York, NY 10007-1312

Re: *NML Capital, Ltd. v. The Republic of Argentina*, 08 Civ. 6978 (TPG), 09 Civ. 1707 (TPG), 09 Civ. 1708 (TPG);
Aurelius Capital Master Fund, et al v. Republic of Argentina, 09 Civ. 8757 (TPG) 09 Civ. 10620 (TPG);
Aurelius Opportunities Fund II, et al v. Republic of Argentina, 10 Civ. 1602 (TPG), 10 Civ. 3507 (TPG), 10 Civ. 3970 (TPG), 10 Civ. 8339 (TPG);
Blue Angel Capital I LLC, 10 Civ. 4101 (TPG), 10 Civ. 4782 (TPG);
Olifant Fund, Ltd. v. Republic of Argentina, 10 Civ. 9587 (TPG);
Varela, et al v. The Republic of Argentina, 10 CV 5338 (TPG)

Dear Judge Griesa,

I write on behalf of all Plaintiffs in the above-captioned cases to bring to the Court's attention further disturbing developments in Argentina's efforts to evade this Court's *pari passu* injunctions, also known as the Amended February 23, 2012 Orders. As explained below, Argentine President Cristina Fernandez de Kirchner announced on Tuesday that Argentina will enact legislation to change the manner in which it makes payments on the Exchange Bonds, such that Bank of New York Mellon ("BNY") would be removed as trustee for certain Exchange Bonds and all Exchange Bonds would be paid from a single account in Argentina, through a financial institution that Argentina controls. The express purpose of these maneuvers is to render this Court's orders a nullity. These actions unquestionably violate the anti-evasion portions of the Amended February 23, 2012 Orders. In light of the urgency of this matter, Plaintiffs respectfully request that the Court hold an emergency hearing to address Argentina's violation and whether this Court should hold Argentina in contempt of court.

As the Court is aware, shortly after the Second Circuit re-affirmed the Amended February 23 Orders, the President of Argentina gave a nationally televised address in which she announced a

15354621.1.LITIGATION

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The Honorable Thomas P. Griesa
August 20, 2014
Page 2

plan to allow holders of Exchange Bonds to replace those instruments with bonds payable in Argentina, in order to evade the Amended February 23 Orders. In response, this Court entered an order on October 3, 2013, declaring that such a plan (or any "reasonably similar" plan) would violate the Court's anti-evasion orders. In June of this year, immediately after the Supreme Court denied Argentina's certiorari petition, Argentina's Economy Minister Axel Kicillof proposed a plan "to carry out a debt exchange to pay the Exchange Bondholders in Argentina under Argentine law." This Court made clear in an order entered on June 20, 2014, that Argentina's proposal was made "in violation of the rulings and procedures now in place" and that "Argentina is prohibited from carrying out the proposal." A few days later, Argentina again violated this Court's pari passu injunctions by initiating a payment on its Exchange Bonds without making the required Ratable Payment to Plaintiffs. Argentina was prevented from completing this unlawful payment only because third-parties that process Argentina's payments under the Exchange Bonds declined to participate in Argentina's illegal actions. For example, BNY, which is indenture trustee for certain Exchange Bonds, declined to transmit the funds on to Exchange Bondholders. This Court made clear "that to conclude the payment would be a violation of the existing orders."

Argentina now has declared to the world that it is carrying out Minister Kicillof's prohibited plan in order to remove the third parties that have complied with the Court's orders entirely from the Exchange Bond payment chain. In a nationwide address on August 19, 2014, President Kirchner announced that her government would submit legislation to the Argentine Congress to allow all Exchange Bondholders to swap their non-Argentine Law Exchange Bonds for new bonds with "identical financial terms and conditions, and for the same nominal value as those of the [Exchange] Bonds" governed by Argentine law and payable in Argentina. *See Ken Parks & Taos Turner, Argentina Moves to Pay Exchange Bondholders in Argentina*, Wall St. J. (Aug. 20, 2014) (attached as Exhibit A); Charlie Devereux, Camila Russo and Katia Porzecanski, *Argentine Bonds Fall on Fernandez Plan to Offer Local-Law Swap*, Bloomberg (Aug. 20, 2014) (attached as Exhibit B). Plaintiffs will provide the Court with a certified translation of President Kirchner's speech as soon as one becomes available. The proposed legislation is attached as Exhibit C, with a certified translation. And in a speech this morning, Argentina's Minister of Economy Axel Kicillof confirmed that the proposed legislation will seek to enable holders of Exchange Bonds to swap their bonds for new bonds that utilize only Argentine institutions to facilitate payments. *See Buenos Aries Herald, Kicillof Warns "No Change of Payment Jurisdiction"* (Aug. 20, 2014) (attached as Exhibit D). Plaintiffs will provide a certified translation of Minister Kicillof's statement as soon as one becomes available.¹

¹ Minister Kicillof's speech also included a number of statements that directly flouted this Court's warning in the hearing of August 8, 2014, that Argentina should not make further false and misleading statements about the nature of its obligations. For example, Minister Kicillof said that this Court's rulings "puts [Argentina] in a situation of difficulty, to continue honoring (the country's)

(Cont'd on next page)

This plan makes no pretense that Argentina will honor its obligations under Plaintiffs' bonds. Instead, the proposed legislation would (once again) offer Plaintiffs the same stingy terms that Argentina offered—and Plaintiffs declined—in 2005 and 2010. The proposed legislation would also change the existing payment mechanism on the Exchange Bonds by removing BNY as the Exchange Bonds' indenture trustee, and putting in BNY's place Nacion Fideicomisos S.A., an affiliate of the Argentine Government's wholly-owned bank, Banco de la Nacion Argentina ("BNA"). In other words, Argentina's announced plan would replace BNY—a financial institution that has refused to participate in Argentina's violations of the injunctions—with Argentina's puppet bank that will presumably forward Argentina's illegal Exchange Bond payments without hesitation. Were there any doubts as to Argentina's contumacious motives, the text of the proposed legislation states that the exchange was announced because of "orders issued by the Southern District Court of the City of New York in the cause NML Capital Ltd. et al. v. Republic of Argentina, which are impossible to carry out [payment on the Exchange Bonds] as written and violated both the sovereignty and the immunity of the Argentine Republic."

By announcing a plan to change the manner in which it makes payments on the Exchange Bonds without this Court's consent, Argentina unquestionably has violated the anti-evasion provision of the *pari passu* injunctions, which prohibits "taking action to evade the directives of this ORDER, render it ineffective, or to take any steps to diminish the Court's ability to supervise compliance with the ORDER, including, but not limited to, altering or amending the processes or specific transfer mechanisms by which it makes payments on the Exchange Bonds, without obtaining prior approval by the Court." Indeed, Argentina's proposed exchange appears to be the *same exact* plan that this Court declared on June 20 violated the injunctions and that the Court ordered Argentina not to carry out.

This is grave affront to this Court's orders. If successful, Argentina's proposed exchange would gut this Court's injunctions by replacing financial institutions such as BNY that have refused to participate in Argentina's violations of the injunctions, with Argentina's patsies that have no interest in abiding by this Court's rulings. As this Court wrote when it entered the Amended February 23 Order, "[i]t goes without saying that if Argentina is able to make the payments on the Exchange Bonds without making the payments to plaintiffs, the District Court and Court of Appeals' rulings and the Injunctions will be entirely for naught." Unfortunately, Argentina's proposal would do just that.

(Cont'd from previous page)

commitments," without any acknowledgment of Argentina's equally valid "commitments" under Plaintiffs bonds. *See* Exhibit D.

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LLP

The Honorable Thomas P. Griesa
August 20, 2014
Page 4

Argentina's latest provocation requires this Court's intervention. Plaintiffs respectfully request that the Court schedule an emergency hearing as soon as possible to address Argentina's flagrant violations of this Court's orders and to consider whether Argentina should be held in contempt and, if so, what sanctions should be imposed.

Respectfully submitted,

Robert A. Cohen / dhh

Robert A. Cohen

cc: (via email)
Carmine D. Boccuzzi, Esq.
Jonathan I. Blackman, Esq.


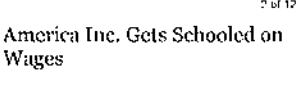
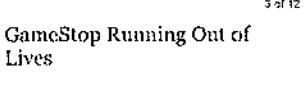
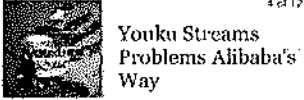
Exhibit A



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MARKETS

Argentina Moves to Pay Exchange Bondholders In Argentina

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By **KEN PARKS** And **TAOS TURNER** **CONNECT**

Updated Aug. 20, 2014 12:11 a.m. ET

BUENOS AIRES—Three weeks after defaulting on its debt, Argentina moved to circumvent a U.S. court order by offering a bond swap that would let it pay bondholders in Argentina instead of in the U.S.

In a late night speech, President [Cristina Kirchner](#) said she would seek congressional approval to make payments on foreign bonds here instead of in the U.S., where a court last month blocked a bid by Argentina to pay its bondholders.

The offer would allow bondholders to swap bonds issued under foreign law for bonds issued under Argentine law, according to a copy of the bill submitted to Congress.

"This is an option bondholders have. It's not an obligation because we can't impose obligations on them according to our contracts. Our contractual obligation is to always guarantee that they can collect," Mrs. Kirchner said.

If approved by Congress, the government would deposit payments on the new Argentine bonds in an account at the central bank. The government would also replace the current bond trustee, Bank of New York Mellon Corp. ([BK+0.23%](#)), with state-run bank Banco de la Nacion or a trustee approved by bondholders, Mrs. Kirchner said.

Still, it may not be easy to successfully carry out the exchange. For one thing, it is unclear how many bondholders would or could accept a swap that changes the bonds' legal jurisdiction, said economist Luis Secco of [Perspectiv@s Economicas](#), a consulting firm. It also may not be that easy to replace Bank of New York.

"It's very difficult to do this without the collaboration of the Bank of New York because of all the information and obligations it has as the trustee," said Mr. Secco. If the bank helped Argentina, it could potentially be declared in contempt of court because it would be aiding the country's effort to evade a court order, he said.

By sending a bill to Congress for its approval, Mrs. Kirchner may be putting opposition politicians and some of her toughest critics in a bind. Voting for the bill would essentially be a vote in favor of disobeying a U.S. court order, noted Mr. Secco. Yet the investors who sued Argentina in the U.S., whom Mrs. Kirchner calls vulture funds, are highly unpopular in Argentina and any vote against the bill would quickly be deemed a vote in favor of the vulture funds.

Argentina defaulted last month after investors didn't receive \$539 million in interest payments due on July 30. Argentina deposited the money on time, but U.S. District Judge Thomas Griesa blocked its distribution to bondholders because Argentina ignored his ruling to pay a small group of hedge funds that sued to collect on debt the country repudiated 13 years ago. The default in July could eventually affect almost \$29 billion in Argentine debt issued overseas.

Last month's default stems from Argentina's decision to repudiate about \$100 billion in debt during a deep economic crisis in 2001. Investors eventually exchanged almost 93% of their defaulted bonds for new securities in heavily discounted restructurings in 2005 and 2010 that gave them around 33 cents on the dollar.

But creditors led by Elliott Management Corp.'s NML Capital Ltd. and Aurelius Capital Management LP held out for a better deal and sued for full payment. NML and Aurelius have won about \$1.6 billion after years of litigation.

The plan to pay the bondholders in Argentina could be taken as evidence the country has no interest in obeying Judge Griesa's order and it could lead the judge to declare Argentina in contempt of court, said Mr. Secco. Argentina has said it cannot obey the order because doing so could spark demands from other bondholders for similar treatment, potentially putting the government on the hook for around \$120 billion.

"After this, it will be very difficult for Argentina to issue debt again in the U.S.," said Mr. Secco. "Even if another government comes in and remediates this and Argentina reaches a deal with the holdouts, a couple of years may go by before Argentina can issue debt again in another jurisdiction without it being very expensive."

Last month's default has at times seemed to overwhelm some officials in the Kirchner administration. Top officials, led by Mrs. Kirchner herself, have lashed out repeatedly at the U.S. court system and the vulture funds that sued it. All the while, administration officials have denied the country defaulted at all. Officials have also denied predictions from economists that the default will significantly affect the economy.

Even so, with the economy in recession, unemployment on the rise and annual inflation thought to total around 40%, the president seemed a bit rattled.

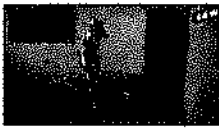
"I'm a little nervous, forgive me," she said. "I really feel like we're living a moment in which Argentina is being treated very unjustly."

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WSJ In-Depth



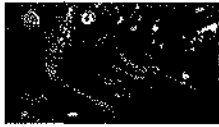
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ARTICLES

1





Exhibit B

Bloomberg

Argentine Bonds Fall on Fernandez Plan to Offer Local-Law Swap

By Charlie Devereux, Camila Russo and Katia Porzecanski - Aug 20, 2014

Argentina's bonds sank to a two-month low after the government said it plans to pay foreign-currency notes locally to sidestep a U.S. court ruling that blocked payments and caused its second default in 13 years.

The government will submit a bill to Congress that lets overseas debt holders swap into new dollar-denominated bonds governed by domestic law, President Cristina Fernandez de Kirchner said in a nationwide address yesterday. Payments will be made into accounts at the central bank instead of through Bank of New York Mellon Corp., the current trustee.

Fernandez's move flies in the face of orders from U.S. District Judge Thomas Griesa that a swap would be illegal. He has said the nation must pay \$1.5 billion to holders of debt defaulted on in 2001 or reach a settlement before resuming payments on restructured notes. JPMorgan Chase & Co. and Credit Suisse Group AG said the offer reinforces Argentina's unwillingness to negotiate with the holdout creditors on a deal that would allow it to return to overseas capital markets.

"Argentina's announcement is a cold bucket of water in the face for any restructured bondholders that were anticipating a negotiated holdout credit resolution by January 2015," Vladimir Werning, an economist at JPMorgan in New York, said in a note to clients.

The country's benchmark restructured bonds due in 2033 fell 2.58 cents to 80.16 cents on the dollar as of 11:47 a.m. in New York, the lowest level since June 19. The price is still above the 74.03-cent average of the past five years.

Worst Performers

After gains in the weeks leading up to the default on speculation a deal would be reached, the country's sovereign debt had lost 7 percent this month through yesterday, the most among more than 50 developing countries in the Bloomberg USD Emerging Market Sovereign Bond Index. (BEMS) Dollar bonds due 2024 sold under local laws fell 2.59 cents to 84.08 cents.

On June 20, Griesa said that Argentina is prohibited from paying the overseas bonds in Argentina under a local law. The transaction may be challenging to execute because any intermediaries assisting Argentina in the process could be sued for contempt of court, while investors who aren't able to hold local bonds would have to sell their holdings.

Holders of Argentina's \$30 billion of overseas bonds have been in limbo since Griesa blocked the nation's attempt to pay \$539 million in interest due by July 30. His ruling was intended to compel Argentina to negotiate with hedge funds led by billionaire Paul Singer's Elliott Management Corp. that refused to provide debt relief by swapping bonds from the country's 2001 default and successfully sued for full repayment.

Big Picture

Stephen Spruiell, a spokesman for New York-based Elliott, declined to comment. Aurelius Capital Management LP, another plaintiff in the case, also declined to comment.

Holders of bonds governed by New York law are unlikely to want to particulate in a swap, according to Emanuele Del Monte, who helps oversee \$1.7 billion in assets as money manager at Fideuram Asset Management in Dublin.

"The swap that Argentina wants to propose does nothing to normalize the relationship between the government and investors," he said in an e-mail. "It's going to be very difficult to execute the exchange.

There's too little information about the swap to know if it's a good deal for bondholders, Gabriel Torres, an analyst at Moody's Investors Service, said in a telephone interview. John Picuch, a spokesman at Standard & Poor's, declined to comment.

New Trustee

Argentina plans to create a separate account for the holdout creditors such as Elliott, who own 7.6 percent of debt from 2001. Payments for holdouts would be deposited under the same terms as the rest of its restructured debt, regardless of whether they decide to accept the swap. Creditors opting to keep their notes will also get payments locally under the plan, with a unit of state-owned Banco de la Nacion serving as trustee, Fernandez said yesterday.

Ron Gruendl and Ron Sommer, spokesmen for current trustee BNY Mellon, didn't return voicemails seeking comment.

Daniel Pollack, a court-appointed mediator for the talks between Argentina and the holdouts, didn't immediately return an e-mail seeking comment on the government's proposal.

U.S.-based investors may be wary of taking part in the swap over concern they will be held in contempt of court, according to Casey Reckman, an economist at Credit Suisse.

"Foreign-law exchange bonds could be dropped from the main emerging-markets bond indices if this operation is completed, a prospect that could lead some investors to sell their holdings," Reckman said in a research note today.

Nestor Kirchner

Economy Minister Axel Kicillof said today the bill's main objective is to change the payment location rather than change legislation. Bondholders will find ways to receive their money via the account in Buenos Aires, he said.

"No-one's going to have to take a plane," Kicillof told reporters. "These days even your gas and electricity bills can be paid by the Internet. We're not going to have an influx of bond tourists coming to get paid."

Fernandez first said the government was considering a local law swap in August 2013. Kicillof mentioned the possibility again after the U.S. Supreme Court rejected the country's appeal in the U.S. court case in June.

The president and her predecessor, her late husband Nestor Kirchner, persuaded about 92 percent of bondholders from the \$95 billion default in 2001 to give up about 70 percent of their claims in debt swaps in 2005 and 2010. The restructuring allowed Argentina to exit a cycle of deepening indebtedness and fueled economic growth, Fernandez said yesterday.

The nation's economy is poised to shrink 1 percent this year, the first contraction since 2002, according to the median of 22 estimates in a Bloomberg survey. The country's lack of access to overseas debt markets could put pressure on the peso and eventually damp economic growth, according to Federico Rey Marino, an analyst at Raymond James.

Congressional Vote

"Although asset prices have been already adjusting down, in-hand with lower expectations for a speedy solution, we foresee further downside pressures for Argentine equity prices," he said in a note to clients.

The bill will be sent to lawmakers immediately, Fernandez said.

“When it comes to the sovereignty of our country and the conviction that we can no longer be extorted and that we can’t become burdened with debt again, we are emerging as Argentines,” Fernandez, who struggled to hold back tears, said in a speech at the presidential palace in Buenos Aires.

Attempts by private banks to negotiate a settlement to the decade-long debt dispute failed, Elliott and Aurelius said last week.

Credit-Default Swaps

Banks including Citigroup Inc., which discussed finding a buyer for at least a portion of the securities, couldn’t agree on a price, a person briefed on the meetings said. The talks also stalled because the government wouldn’t provide sufficient guarantees for a bond buyback, said the person, who asked not to be identified because the discussions were private.

The International Swaps & Derivatives Association pushed back the date for the auction to settle Argentina’s credit-default swaps to after Sept. 2 from Aug. 21, according to its website. Argentina’s failure to pay interest on its bonds triggered a credit event and settlement of \$1 billion of the default swaps, ISDA said on Aug. 1.

Both Argentina and the holdouts have been ramping up efforts to sway public opinion with television, newspaper and online advertisements. American Task Force Argentina, a lobbying group partly funded by hedge funds such as Elliott, spent about \$1 million in the past week in advertising, according to the group’s co-chair, Robert Shapiro.

Media War

The spots arguing Argentine pensioners and individual bondholders are being cheated out of what they’re owed have appeared in the U.S. on channels including CNBC, CNN, and Bloomberg Television, as well as websites for Politico, the New York Times and Bloomberg.

Argentina has taken out full-page ads in newspapers around the world to decry Griesa’s decision.

The Argentine president has argued that obeying the ruling by paying the holdouts would trigger a Rights Upon Future Offers clause in the exchange bond contracts that obliges Argentina to match any improved offer to all bondholders. That could trigger claims of at least \$120 billion, according to the proposal.

“If I signed what they’re trying to make me sign, the bomb wouldn’t explode now but rather there would surely be applause, marvelous headlines in the papers,” Fernandez said. “But we would enter into the infernal cycle of debt which we’ve been subject to for so long.”

To contact the reporters on this story: Charlie Devereux in Buenos Aires at cdevereux3@bloomberg.net; Camila Russo in Buenos Aires at crusso15@bloomberg.net; Katia Porzecanski in New York at kporzecanski@bloomberg.net

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Exhibit C

THE SENATE AND CHAMBER OF DEPUTIES
OF THE ARGENTINE NATION, MEETING IN CONGRESS, ...
DO ENACT INTO LAW THE FOLLOWING:

TITLE I

Chapter One

Local Sovereign Payment of the Foreign Debt of the Argentine Republic

ARTICLE 1. In exercise of the sovereign authority of the Argentine Republic, the Sovereign Debt Restructuring performed in the years 2005 and 2010 is declared to be in the public interest, as is payment under just, equitable, legal and sustainable conditions to one hundred percent of the Holders of Public Debt Securities of the Argentine Republic; and, consequently, the implementation of the contracts entered into within the framework of the restructurings established under Decrees No. 1735/04 and 563/10, in order to preserve the ability of the interested bondholders to receive [said payment].

ARTICLE 2. The purpose of this Law is to implement legal instruments that will allow for receipt of service payments on one hundred percent of the Debt Securities issued within the framework of the 2005-2010 Sovereign Debt Restructuring (hereinafter "Restructured Bonds"), to safeguard the national interest and the contracts entered into as part of said Restructuring, in response to the

illegitimate and illegal obstruction of the means to receive the funds paid by the Argentine Republic on June 26, 2014, pursuant to judicial orders issued by the Southern District Court of the City of New York in the cause *NML Capital Ltd. et al. v. Republic of Argentina*, which are impossible to carry out as written and violate both the sovereignty and the immunity of the Argentine Republic as well as the rights of third parties.

Chapter Two

The Means to Safeguard Receipt of Payment by the Holders who Joined the 2005-2010 Sovereign Debt Restructuring

ARTICLE 3. By virtue of the public and obvious inability of the Bank of New York Mellon to act as Trustee of the 2005-2010 Trust Indenture ("Trust Indenture" dated June 2, 2005, modified on April 30, 2010), and taking into account the powers of removal established in said Indenture (which in Clause 5.9 establishes powers that include, among others, when "the Trustee shall become incapable of acting... the Republic may remove [it] and hire a successor Trustee with respect to the Debt Securities"), as well as the right of the Argentine Republic to ensure effective receipt on the part of the Holders, the Ministry of the Economy and Public Finance shall be authorized to adopt the necessary measures to remove the Bank of New York Mellon as Trustee and to appoint Nación Fideicomisos SA in its stead; this is without prejudice to

any right the Holders may possess to appoint a new Trustee that can guarantee a means of receiving the service payments on the Restructured Bonds pursuant to the terms of Article 5.9 and 7 of the 2005-2010 Trust Indenture, among others, as was timely notified by the Argentine Republic in the "Legal Notices to the Holders of Argentine Debt, 2005-2010 Exchange Bonds" published in the Official Gazette on June 27, July 7 and August 11, 2014.

ARTICLE 4. The account denominated "*Fondo Ley N° XX.XXX – Pago Soberano de Deuda Reestructurada*" [Law No. XXXXX Fund – Sovereign Payment on the Restructured Debt] shall be opened, which shall be a special account with Nación Fideicomisos SA at the *Banco Central* [Central Bank] of the Argentine Republic, the purpose of which shall be to hold in trust all funds deposited therein and apply them to the payment of the service on the debt with regard to the Debt Securities governed by the 2005-2010 Trust Indenture pursuant to the terms of Clause 2(e) and in keeping with the Terms and Conditions of said Debt Securities and said Indenture.

ARTICLE 5. The Ministry of the Economy and Public Finance shall be authorized to make the service payments on the Debt Securities governed by the 2005-2010 Trust Indenture, on the appropriate maturity dates, into the account "*Fondo Ley N° XX.XXX – Pago Soberano de Deuda Reestructurada*" created under Article 4 of this Law, where [such funds] shall remain for the exclusive benefit of the Holders until they may be effectively received.

ARTICLE 6. The funds representing the payments established under the preceding Article shall be distributed by means of such new entities as shall be appointed for that purpose

by the Ministry of the Economy and Public Finance or by the Holders of the Debt Securities governed by the 2005-2010 Trust Indenture, pursuant to said Indenture, and all funds deposited therein shall be freely available to the Holders.

ARTICLE 7. In the event that the Holders choose –individually or collectively– to request a change in the legislation and jurisdiction governing their securities due to the illegitimate and illegal obstruction of the means of receiving service payments on the Restructured Bonds, the Ministry of the Economy and Public Finance shall be authorized to implement an exchange for new Public Debt Securities, governed by local legislation and jurisdiction, under identical financial terms and conditions, and for the same nominal value as those of the Restructured Bonds that may be submitted to such Exchange Transaction. In such an event, the funds deposited for their benefit under the terms of the foregoing Article 5 shall be submitted together with any new Public Debt Securities issued, on the date of their issue.

Chapter Three

Funds Deposited for the Benefit of the Holders that Have Not yet Entered into the 2005-2010 Sovereign Debt Restructuring

ARTICLE 8. The Ministry of the Economy and Public Finance shall be authorized to implement the Exchange of the Public Debt Securities that were eligible and that have not yet entered into 2005-2010 Sovereign Debt Restructuring pursuant to the terms of Law No. 26.886.

ARTICLE 9. The account denominated "*Fondo Ley N° XX.XXX – Pago Soberano de Deuda Pendiente de Canje*" [Law No. XXXXX Fund – Sovereign Payment on the Debt Pending Exchange] shall be opened, which shall be a special account with Nación Fideicomisos SA at the Banco Central of the Argentine Republic, opened by virtue of the good faith of the Argentine Nation and of its willingness and ability to pay under conditions that are equitable to all its creditors, under the conventional and generally accepted interpretation of the term *pari passu*.

ARTICLE 10. The Ministry of the Economy and Public Finance shall be authorized to deposit into the account "*Fondo Ley N° XX.XXX – Pago Soberano de Deuda Pendiente de Canje*" created under Article 9 of this Law, on the appropriate maturity dates, a sum equivalent to that which it would be required to pay in the form of service on the new Public Debt Securities that may be issued in the future, pursuant to the terms of Article 1 of Law No. 26.886, in substitution for those that have not yet joined the 2005-2010 Sovereign Debt Restructuring.

ARTICLE 11. The funds representing the payments established under the preceding Article shall be submitted to those Holders who participate in the Exchange Transaction established under the terms of Law No. 26.886, together with the new equivalent Public Debt Securities, on the date of their issue.

TITLE II

Sole Chapter

Enforcement of this Law

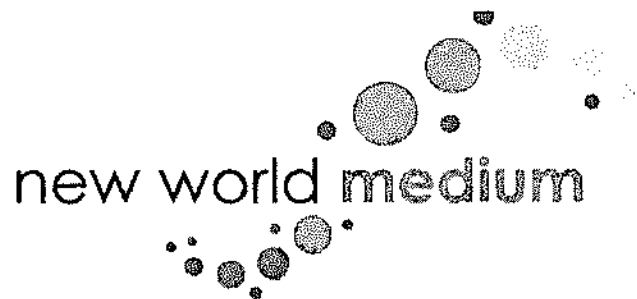
*"2014 - Year of Tribute to Admiral Guillermo Brown,
on the Bicentennial of the Montevideo Naval Battle"*

ARTICLE 12. This law is enforceable and shall take effect as of the date of its publication in the Official Gazette.

ARTICLE 13. The payments established in Articles 5 and 10 shall be charged to Jurisdiction 90 – Service on the Public Debt.

ARTICLE 14. The Ministry of the Economy and Public Finance shall be authorized to issue such clarifying and complementary regulations that may be necessary to ensure compliance with this Law.

ARTICLE 15. [This law] shall be communicated to the National Executive Branch.



August 20, 2014

I hereby certify that I am a professional translator, that I abide by the Code of Ethics and Professional Practice of the *American Translators Association*, that I am fluent in Spanish and English, that I have employed a team of professional translators, and that we have translated, to the best of our knowledge, the attached document entitled

Proposed Bill

From Spanish into English

Signed,

A handwritten signature in black ink, appearing to read "Cathleen Waters". The signature is fluid and cursive, with the first name being more prominent.

Cathleen Waters

Founder, New World Medium

Translator of French, Spanish, Italian, Portuguese and English

American Translator's Association Membership no. 257918

"2014 – Año de Homenaje al Almirante Guillermo Brown, en el Bicentenario del Combate Naval de Montevideo"

EL SENADO Y CÁMARA DE DIPUTADOS
DE LA NACIÓN ARGENTINA, REUNIDOS EN CONGRESO, ...
SANCIONAN CON FUERZA DE
LEY:

TITULO I

Capítulo Primero

Del Pago Soberano Local de la deuda exterior de la República Argentina

ARTICULO 1º.- En ejercicio del poder soberano de la República Argentina, declárase de interés público la Reestructuración de la Deuda Soberana realizada en los años 2005 y 2010, así como el pago en condiciones justas, equitativas, legales y sustentables al cien por ciento de los Tenedores de Títulos Públicos de la República Argentina; y, por consiguiente, la aplicación de los contratos celebrados en el marco de las reestructuraciones dispuestas por los Decretos Nros. 1735/04 y 563/10, a los fines de preservar el cobro por parte de los bonistas interesados.

ARTICULO 2º.- La presente Ley tiene por objeto implementar instrumentos legales que permitan el cobro de los servicios correspondientes al cien por ciento de los Títulos emitidos en el marco de la Reestructuración de Deuda Soberana 2005-2010 (en adelante, "Títulos Reestructurados"), en salvaguarda del orden público nacional y de los contratos celebrados en el marco de dicha Reestructuración, ante la

"2014 – Año de Homenaje al Almirante Guillermo Brown, en el Bicentenario del Combate Naval de Montevideo"

ilegítima e ilegal obstrucción de los mecanismos de cobro de los fondos pagados por la República Argentina con fecha 26 de junio de 2014, dispuesta por órdenes judiciales dictadas por la Corte de Distrito Sur de la Ciudad de Nueva York en el marco de la causa *NML Capital Ltd. et al v. Republic of Argentina* que, tal como han sido dictadas, resultan de imposible cumplimiento, y violatorias tanto de la soberanía e inmunidades de la República Argentina como de los derechos de terceros.

Capítulo Segundo

Del mecanismo para salvaguardar el cobro de los Tenedores que adquirieron a la Reestructuración de Deuda Soberana 2005-2010

ARTÍCULO 1º.- En virtud de la pública y notoria incapacidad de actuar del Banco of New York Mellon como Agente Fiduciario del Convenio de Fideicomiso 2005-2010 ("Trust Indenture" de fecha 2 de junio de 2005, modificado el 30 de abril de 2010), y teniendo en cuenta las facultades de remoción previstas en dicho Convenio (que prevé en su cláusula 5.1, entre otras facultades, que cuando "el Agente Fiduciario esté incapacitado para actuar" la República podrá removerlo y contratar a un Agente Fiduciario sucesor con respecto a los Títulos de deuda"), así como el derecho de la República Argentina de velar por el efectivo cobro de sus Tenedores, autorizase al Ministerio de Economía y Finanzas Públicas a adoptar las medidas necesarias para remover al Banco of New York Mellon como Agente Fiduciario y a designar, en su reemplazo, a Nación Fideicomisos S.A.; todo ello, sin perjuicio del

"2014 – Año de Homenaje al Almirante Guillermo Brown, en el Bicentenario del Combate Naval de Montevideo"

derecho que asiste a los Tenedores de designar a un nuevo Agente Fiduciario que garantice el canal de cobro de los servicios correspondientes a los Títulos Reestructurados, de acuerdo a lo previsto en los Artículos 5.º y 7 del Convenio de Fideicomiso 2005-2010, entre otros, tal como fuera oportunamente informado por la República Argentina en los "Avisos Legales a los Tenedores de Deuda Argentina Planje 2005-2010", publicados en el Boletín Oficial con fecha 27 de junio, 7 de julio y 11 de agosto de 2014.

ARTICULO 1º.- Créase la cuenta denominada "Fondo Ley Nº 26.667 de Pago Soberano de Deuda Reestructurada", la que será una cuenta especial de Nación Fideicomisos S.A. en el Banco Central de la República Argentina, y cuyo objeto será mantener en fiducia los fondos allí depositados y aplicarlos al pago de los servicios de deuda correspondientes a los Títulos regidos bajo el Convenio de Fideicomiso 2005-2010, de acuerdo a lo previsto en la cláusula 2 (e) y concordantes de los Términos y Condiciones de dichos Títulos y de dicho Convenio.

ARTICULO 2º.- Autorízase al Ministerio de Economía y Finanzas Públicas a pagar, en las fechas de vencimiento correspondientes, los servicios de los Títulos regidos bajo el Convenio de Fideicomiso 2005-2010 en la cuenta Fondo Ley Nº 26.667 de Pago Soberano de Deuda Reestructurada creada por el Artículo 4º de la presente Ley, donde serán mantenidos en exclusivo beneficio de los Tenedores hasta su efectivo cobro.

ARTICULO 3º.- Los fondos correspondientes a los pagos dispuestos en el Artículo anterior serán distribuidos a través de las nuevas entidades que a tales fines designe

"2014 – Año de Homenaje al Almirante Guillermo Brown, en el Bicentenario del Combate Naval de Montevideo"

el Ministerio de Economía y Finanzas Públicas o los Tenedores de Títulos regidos bajo el Convenio de Fideicomiso 2005-2010, de conformidad con dicho convenio, siendo las divisas allí depositadas de libre disponibilidad para los Tenedores.

ARTÍCULO 17.- En caso que con motivo de la ilegítima e ilegal obstrucción de los mecanismos de cobro de los servicios de los Títulos Reestructurados, sus Tenedores optaren en forma individual o colectiva por solicitar un cambio en la legislación y jurisdicción aplicable a sus títulos, autorizase al Ministerio de Economía y Finanzas Públicas a instrumentar un canje por nuevos Títulos Públicos, regidos por legislación y jurisdicción local, en términos y condiciones financieras idénticas, y por igual valor nominal, a los de los Títulos Reestructurados que se presenten a dicha operación de canje. En tal supuesto, los fondos depositados en su beneficio en los términos del Artículo 5º de la presente, serán entregados junto con los nuevos Títulos Públicos que se emitan, al momento de su colocación.

Capítulo Tercero

Del depósito en la favor de los Tenedores que aún no ingresaron a la Reestructuración de Deuda Soberana 2005-2010

ARTÍCULO 18.- Autorízase al Ministerio de Economía y Finanzas Públicas a instrumentar el canje de los Títulos Públicos que fueran elegibles y que aún no ingresaron a la Reestructuración de Deuda Soberana 2005-2010, conforme lo establecido por la Ley N° 26.116.

"2014 – Año de Homenaje al Almirante Guillermo Brown, en el Bicentenario del Combate Naval de Montevideo"

ARTÍCULO 10.- Créase la cuenta denominada "Fondo Ley N° 26.066 de Pago Soberano de Deuda Pendiente de Canje", la que será una cuenta especial de Nación Fideicomisos S.A. en el Banco Central de la República Argentina abierta en virtud de la buena fe de la Nación Argentina, y de su voluntad y capacidad de pago en condiciones equitativas para todos sus acreedores, según la interpretación convencional y generalmente aceptada del término *pari passu*.

ARTÍCULO 11.- Autorízase al Ministerio de Economía y Finanzas Públicas a depositar en la cuenta Fondo Ley N° 26.066 de Pago Soberano de Deuda Pendiente de Canje creada por el Artículo 10 de la presente Ley, en las fechas de vencimiento correspondientes, una cantidad de fondos equivalentes a los que correspondería pagar por los servicios de los nuevos Títulos Públicos que en el futuro se emitan, de acuerdo a lo previsto en el Artículo 10 de la Ley N° 26.066, en reemplazo de aquellos que aún no ingresaron a la Reestructuración de Deuda Soberana 2005-2010.

ARTÍCULO 11.- Los fondos que correspondan a los pagos dispuestos en el Artículo anterior serán entregados a los Tenedores que participen de la Operación de Canje que se disponga en los términos de la Ley N° 26.066, junto con los nuevos Títulos Públicos correspondientes, al momento de su colocación.

TITULO II

Capítulo Único

Del Orden Público de la presente Ley

"2014 – Año de Homenaje al Almirante Guillermo Brown, en el Bicentenario del Combate Naval de Montevideo"

ARTÍCULO 12.- La presente ley es de orden público y entrará en vigencia a partir del día de su publicación en el Boletín Oficial.

ARTÍCULO 13.- Los pagos previstos en los Artículos 5 y 10 serán atendidos con cargo a la Jurisdicción Nº 1 Servicios de la Deuda Pública.


ARTÍCULO 14.- Facúltase al Ministerio de Economía y Finanzas Públicas a dictar las normas aclaratorias y complementarias que fueren necesarias para instrumentar el cumplimiento de la presente Ley.

ARTÍCULO 15.- Comuníquese al Poder Ejecutivo Nacional.



Exhibit D

Buenos Aires Herald

Wednesday, August 20, 2014 | 

20/08/2014 |

Kicillof warns 'no change of payment jurisdiction'

Economy Minister Axel Kicillof was briefing reporters on the bill submitted by President Kirchner to Congress on Tuesday that seeks to change Argentina's payment "location."

"Argentina has proved a massive, almost unanimous and completely successful debt restructuring," Kicillof assured as he accused US Court District Judge Thomas Griesa of "clearly favouring" so called vulture funds suing the South American country over its defaulted bonds more than a decade ago. Saying the ruling by Judge Griesa is "impossible" to comply with as it involves the payment of 1.6 billion dollars to bondholders (including interests) that refused to enter the country's 2005 and 2010 restructurings, the minister renewed the government's position that vulture funds never actually intended to accept Argentina's debt swaps.

"These gentlemen bought bonds for 50 million dollars and Griesa says we must pay them now. Griesa says you can not pay the 92 percent of creditors (that did accept the swaps) if you don't pay those who bought bonds for 50 million dollars that turned into 800 million dollars. A snowball," Kicillof affirmed accusing the New York magistrate of holding bondholders "hostages" to push for a solution benefiting hedge funds.

Judge Griesa "clearly benefits" 1 percent of creditors "that never entered and never wanted to enter" the debt restructurings carried out by the Kirchnerite administration back in 2005 and 2010.

"We are here to defend our contracts facing a ruling that puts us in a situation of difficulty, to continue honouring (the country's) commitments. That is the law of sovereign payment that we submitted to Congress and that we will defend," the head of Argentina's economic affairs stated adding the bill grants a possibility of "action" to bondholders that have seen their payment held at the Bank of New York as a result of Griesa's order.

"Argentina will preserve its restructuring because the most speculative 1 percent not of Argentina's but of the international financial sector will not attack Argentina through lobby (...) jeopardizing what we have done which is to return the 2001 disaster to normal," Axel Kicillof said alluding to the social, economic and political collapse and historic default the nation plunged into 13 years ago.

"If the Bank of New York does not change its position, if Griesa does not allow the payment (...), we have ahead the September 30 due date and Argentina will pay," Kicillof announced ratifying Argentina's has not defaulted on its sovereign debt and that the Nación Fideicomisos S.A represents a "safe" channel to secure payment to bondholders, removing the Bank of New York Mellon as payment agent. Explaining that the government was not changing the payment jurisdiction – Griesa has already threatened a contempt-of-court order in such scenario - but seeking a "change of payment location" for bondholders to "collect" their money. "A government can not be banned from servicing its debt," he insisted ratifying Argentina's "unbreakable will" to pay.

Kicillof also expained creditors that refused the 2005 and 2010 swaps – only a 7.6 percent of bondholders – will be now able to access the restructuring. "They can come and exchange their bonds (ruled by Argentina's legislation) and they will get a 300-percent-winning. Paul Singer wants 1,600 percent of profit because he is a vulture. But he can come and get 300 percent (of profit)," the economy minister assured now aiming at head of Elliott Management and US billionaire Paul Singer, one of the holdout creditors in the case.

"We will not allow that any other country or its justices put what Argentineans have done with effort and will continue to do," Mr. Kicillof warned.