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1 UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
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3 NML CAPITAL, LTD.,
4 Plaintiff,

5 v. 08 Civ 6978 (TPG)

6 THE REPUBLIC OF ARGENTINA,
7 Defendant.

8 -----x

New York, N.Y.
April 22, 2015
1:00 p.m.

10 Before:

11 HON. THOMAS P. GRIESA
12 District Judge

13 APPEARANCES

14 DECHERT LLP
15 Attorneys for Plaintiff NML Capital LLC
16 BY: ROBERT COHEN

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Attorneys for Defendant The Republic of Argentina
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1 APPEARANCES (Continued)

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Attorneys for nonparty Deutsche Bank

3 BY: PHILIPPE ZIMMERMAN

VALERIA CASTERARO

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1 (Case called)

2 (In open court)

3 THE COURT: NML asked for this meeting, so would you
4 lead off, please.

5 MR. COHEN: Yes, your Honor. Good afternoon, your
6 Honor. Robert Cohen from Dechert on behalf of NML and speaking
7 for the moment on behalf of the other plaintiffs with pari
8 passu injunctions.

9 Your Honor, we are here to ask for an order to show
10 cause with a requirement that Argentina and two banks provide
11 to us on an urgent immediate yet basis information with respect
12 to a bond offering that Argentina announced on Tuesday that
13 will we think close perhaps tomorrow, maybe on Friday.

14 Now, your Honor, you will remember that we were before
15 you in February in a similar situation where we asked for
16 expedited discovery from two banks, and you allowed us to have
17 that discovery, and in response to that that offering was
18 canceled.

19 The headline in an Argentine newspaper on Tuesday says
20 "Government Issues Debt of U.S. \$500 million Domestically Today
21 In Order to Evade Griesa."

22 Now, there are several other articles that indicate
23 that the way that this offering is structured is somehow
24 designed to evade this court's orders. We are not suggesting,
25 your Honor, that Argentina may not raise new money. We are

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1 suggesting, your Honor, that they may not do things in the
2 course of that that facilitate the evasion of your injunctions,
3 and they may not do it in a way that is designed to prevent
4 creditors of Argentina from having opportunities to perhaps,
5 for example, attach the proceeds of those offerings.

6 We understand that two banks in New York have
7 subscribed to this offering which is now reported to be almost
8 one and a half billion dollars.

9 THE COURT: What bank has subscribed?

10 MR. COHEN: We understand that Deutsche Bank and a
11 bank whose acronym is BBVA. It's a foreign bank with a
12 presence in New York. And perhaps other banks.

13 THE COURT: Give me those initials again.

14 MR. COHEN: BBVA.

15 THE COURT: You have to say it again.

16 MR. COHEN: B as in boy, B as in boy, V as in Victor,
17 A as in Alpha.

18 THE COURT: And is it your information that that is a
19 bank?

20 MR. COHEN: Yes, your Honor. And the information we
21 have is that Deutsche Bank has subscribed either on behalf of
22 itself or customers for about a billion dollars of these bonds,
23 and that BBVA has subscribed for as much as \$400 million
24 dollars. Those numbers are reported in the press. We are not
25 vouching for them, but that's what we understand.

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1 THE COURT: And the amount of the bond offering again
2 is what?

3 MR. COHEN: It could be up to a billion five. So, we
4 think that might be substantially all that has been subscribed.
5 But we have had other reports that it's even bigger and that
6 there are aspects of this offering that are being done in
7 Europe. We have heard that JP Morgan may be involved. We're
8 not sure. But we do have unreasonably good authority that at
9 least those two banks are involved, Deutsche Bank and BBVA.

10 What we are asking for, your Honor, is that you
11 require Argentina to tell us about this transaction. By that I
12 mean we want to know how the money is flowing to Argentina.

13 THE COURT: How what?

14 MR. COHEN: How the money that is going to Argentina
15 to buy these bonds will flow, if Deutsche Bank or BBVA is going
16 to be buying these bonds, how do they send the money to
17 Argentina. We may hear that that's a transaction that takes
18 place solely in Argentina, and there is nothing to do with New
19 York, and this is entirely within Argentina, so there is
20 nothing for this court to do and nothing for those banks to
21 tell us. That may be the case. If that were the case, maybe
22 we will have wasted our time and the court's time.

23 But we would like to have under oath answers to those
24 questions. We have had discovery outstanding with Argentina
25 for many months, actually years. Your Honor ordered them to

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1 provide to us. The Second Circuit affirmed that we should have
2 that discovery, set deadlines; we never got it. We are
3 skeptical that we are going to get anything in response to the
4 documents requests if you allow us to serve them. And we may
5 have to come back to the court and say, your Honor, if they
6 won't give us this information, you may have to suspend the
7 closing of this transaction -- which may happen tomorrow or the
8 day after -- until we have an opportunity to understand exactly
9 what is happening here.

10 That's our request: Let us serve discovery on
11 Argentina, with a very, very short return time. I would like
12 to have it this evening or late tonight. This is a transaction
13 that is in the works as we speak, so the idea that those
14 documents are not available is not a believable or acceptable
15 answer. And to serve Deutsche Bank and BBVA, to get
16 information from them on a reasonable timetable for them,
17 hopefully today, if not tomorrow morning, so that we can have
18 that information in time to do something about it.

19 THE COURT: Now, look, what is it that could involve
20 the jurisdiction of this court? And I am talking about the
21 proposed new bond offering. What about that new bond offering
22 could invoke the jurisdiction of this court? And what could
23 reasonably be opposed by you as some step that this court could
24 take in regard to the new bond offering?

25 MR. COHEN: With respect to jurisdiction, your Honor,

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1 of course Argentina is before the court and is subject to the
2 court's jurisdiction and injunctions and directions.

3 THE COURT: I have no problem with personal
4 jurisdiction. Well, I won't go even that far. But, anyway, I
5 want to hear from you in response to my questions.

6 MR. COHEN: Sure. And with respect to the other two
7 banks, there is jurisdiction because they are here. And, for
8 example, if they owed a debt to Argentina --

9 THE COURT: Actually, I'm really talking about subject
10 matter jurisdiction right now. That's what I'm talking about.

11 MR. COHEN: OK. Your Honor, the dispute that we have
12 with Argentina extends to, for example, post-judgment
13 enforcement actions. So if we were able to find that a debt
14 was due from Deutsche Bank, or BBVA, to Argentina as a result
15 of this transaction, you could allow us to attach that debt in
16 New York, being used for commercial activity in New York, to
17 partially satisfy our debt. So that's one easy product of this
18 discovery if we get it.

19 THE COURT: When you refer to your debt, you're
20 referring to this long-standing debt --

21 MR. COHEN: Our judgment.

22 THE COURT: -- including judgments.

23 MR. COHEN: Judgment enforcement debt, your Honor.
24 Yes, enforcement of our judgments. Not the pari passu clause,
25 but we are owed close to \$3 billion by Argentina, and we have

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1 judgments.

2 THE COURT: That's what I'm talking about. In other
3 words, you have this debt that really relates back to the
4 default on the 1994 bond issue, right?

5 MR. COHEN: Yes, your Honor.

6 THE COURT: And that debt has been outstanding now for
7 what, a dozen years or how long.

8 MR. COHEN: Yes, your Honor. The default was in 2001;
9 we have judgments that go back to the early 2000s.

10 THE COURT: So, you've got debt which is now about 14
11 years old, right?

12 MR. COHEN: Roughly, your Honor, yes.

13 THE COURT: Roughly, 13 or 14.

14 Now, I go back to my question you started to answer
15 when I interrupted you. What is it that you believe could even
16 potentially be done by this court in connection with the debt
17 we are talking about? Obviously I'm talking about something
18 relating to the new debt.

19 MR. COHEN: Yes, this bond offering that's about to
20 happen, what could the court do? What relief could you give
21 us? One example is discovery from the banks as to how the
22 transaction is going to unfold, and when they will owe money to
23 Argentina, and where that money is.

24 THE COURT: OK, list that again. Discovery on what
25 points?

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1 MR. COHEN: How the transaction works. By that I mean
2 when do they get their bonds and when do they have to tender
3 their money in exchange for those bonds. How does that
4 transaction work? And is there a time when they owe money to
5 Argentina while the money has not yet gone to Argentina in
6 payment of those bonds? And if we can find that moment -- they
7 bought the bonds, they haven't yet paid for them -- we should
8 be able to attach that debt to Argentina to satisfy our debt.

9 So, if Deutsche Bank is buying a million dollars of
10 these bonds, and hasn't yet paid for them but is obligated to
11 do so, we can say don't pay Argentina, pay NML.

12 That's how a standard attachment would work. We would
13 have to satisfy you that we meet all the tests in the Foreign
14 Sovereign Immunities Act about that debt, that it's in the
15 U.S., that the obligation is an obligation of Argentina's and
16 it's being used for commercial activity and all of those
17 things, but we don't get there until we get to discovery and
18 see whether or not there is the possibility of doing that.

19 There are other things, I think, your Honor, that I
20 think would be very useful as this matter unfolds. When we
21 were dealing with the Citibank case, you remember there was
22 this issue about ISINs, what number were attached to certain
23 bonds, and that complicated things. We would like to know
24 whether they are trying to do that again, trying to complicate
25 things by using ISINs that were previously applied to exchange

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1 bonds.

2 THE COURT: What are those initials again?

3 MR. COHEN: ISIN. And we would like to know if there
4 is a plan afoot to evade. The headlines say that this is a
5 transaction that was done in order to evade Griesa. Now, we
6 don't know exactly what that means. We would like to get
7 communications between Argentina and people who might be
8 interested in this transaction, to find out if they are trying
9 to find ways to get around the injunction, possibly making the
10 existing injunction of relatively little value if they can find
11 ways around New York and this court. So, tell us how this deal
12 works, what is the deal dynamic and how did it come about.
13 That's what we answer, your Honor.

14 THE COURT: OK. I guess we ought to hear from The
15 Republic.

16 MR. BLACKMAN: Thank you, your Honor. Jonathan
17 Blackman for Republic of Argentina.

18 First of all, your Honor, there is no emergency
19 whatever here. Argentina has entered into similar issuances of
20 new debt for many years and did so last year with exactly the
21 same bonds that we are talking about now.

22 Mr. Cohen admitted to you -- as he had to do -- that
23 there is nothing in the 1994 Fiscal Agency Agreement, nothing
24 in the court's injunctions, nothing anywhere else that forbids
25 Argentina from borrowing new money from people. So, Argentina,

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1 like any state, is allowed to borrow money and finance itself,
2 and it has been doing so on a regular basis for over a decade.
3 Just as the United States sells treasury bills in auctions
4 every week, Argentina has done an auction of new debt. It's a
5 purely domestic transaction; it has no road show externally; it
6 has no external offering documents. So, there is nothing
7 unusual and there is nothing --

8 THE COURT: Let me interrupt you there. You are
9 talking about what method of raising money.

10 MR. BLACKMAN: Correct.

11 THE COURT: Just expand on that.

12 MR. BLACKMAN: I'm saying that not only, as Mr. Cohen
13 admits, is there nothing unlawful about Argentina raising new
14 money, but the particular way it is raising new money here does
15 not implicate in any way the pari passu clause, because this is
16 a purely internal domestic Argentine debt offering of a kind
17 that Argentina has done repeatedly over many years, so it
18 doesn't involve so-called external indebtedness, which might
19 raise an issue under the pari passu clause, and it certainly
20 doesn't involve exchange bonds which were the subject of the
21 court's injunction.

22 THE COURT: Let me interrupt you.

23 I'm not sure whether this has significance or not, but
24 I'm going to ask it. What you say is over these years
25 Argentina has raised money through debt, right?

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1 MR. BLACKMAN: Correct, your Honor.

2 THE COURT: And has that been a form of debt like U.S.
3 treasury notes? Or has it been bonds? What has gone on?
4 Because right now apparently there are bonds contemplated. So
5 what is going on over the years?

6 MR. BLACKMAN: What has gone on over the years I
7 believe is a variety of instruments. These particular
8 instruments are called BONARS, and they are domestic debt.
9 Whether you call them a bond, or whether they are the
10 equivalent of a T-bill, I can't answer that question
11 definitively, but they are debt. They are not short-term debt
12 like a T-bill, they are longer term debt.

13 But the important point to be paid legally is these
14 are domestic debt that Argentina uses to finance itself. This
15 particular debt will be used for infrastructure in Argentina;
16 it will be used to pay social charges in Argentina. It's
17 general obligation bonds, if you will, but purely internal, not
18 external indebtedness.

19 THE COURT: When you say purely internal, what do you
20 mean?

21 MR. BLACKMAN: Offered exclusively in Argentina and
22 therefore not falling within the definition in the 1994 Fiscal
23 Agency Agreement of external indebtedness that was the subject
24 of the court's pari passu decisions and the subject of the
25 injunction.

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1 So, for Mr. Cohen to say this is "evading any order of
2 the court" is just flat out wrong. The Argentine press prints
3 a lot of things, and some of them are planted by his client.
4 But there is no evasion.

5 THE COURT: In fairness to Mr. Cohen, I think he was
6 quoting the press but not adopting the press.

7 MR. BLACKMAN: Well, I don't know why he quoted it
8 then, because the fact is this couldn't possibly evade the
9 court's injunctions, because the court's injunctions involve
10 payment on exchange bonds which are a form of external
11 indebtedness, and these are not exchange bonds, not external
12 indebtedness. And, as he began by saying, and as I began by
13 saying, even if they were, borrowing new money doesn't violate
14 the court's injunctions, doesn't violate the pari passu clause.
15 So what he wants to do is fish. He wants to fish.

16 THE COURT: He wants what?

17 MR. BLACKMAN: He wants to fish. He is hoping to find
18 something here to attach.

19 Well, the fact of the matter is this is a purely
20 internal transaction. There is not going to be any money owed
21 in the United States to Argentina, and if there were, that debt
22 would not be used for commercial activity in the United States,
23 as the Sovereign Immunities Act requires; it would be a debt to
24 purchase domestic bonds in Argentina by a financial institution
25 that has gone to Argentina to purchase those bonds. So, there

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1 is no basis that has been shown here for emergency discovery.

2 And now we turn to not only is there no emergency, but
3 what is being asked for here is on its face -- with all respect
4 to Mr. Cohen -- ridiculous. He says in his order that he wants
5 us to produce documents by 6 p.m. That's four and a half hours
6 from now, in response to a document request that hasn't even
7 been served. That just is obviously not doable.

8 And what he said earlier was quite revealing. He
9 said, well, if that ridiculous deadline isn't met, he will ask
10 the court to enjoin or stop this transaction. And your Honor
11 quite rightly asked how do you have jurisdiction to do that.
12 And you don't. Argentina agreed to jurisdiction for suits
13 under the FAA bonds. There is no case that I am aware of, and
14 no legal basis on which your Honor could enjoin somebody from
15 going to Argentina to buy Argentina domestic debt. That would
16 in effect be telling your court that you can shut down the
17 Argentine economy.

18 The pari passu injunctions have been much debated and
19 litigated -- I'm not going to go into them here -- but they
20 have nothing whatsoever to do with what is now being proposed
21 by Mr. Cohen, which is to try to interfere with a local debt
22 offering in Argentina.

23 There is no evidence whatsoever of any property in the
24 United States that could be covered or attached. And, your
25 Honor, this issue came up in the Rossini case before your

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1 Honor, another one of our Argentine debt cases. And the
2 Rossini plaintiffs tried to attack and to get discovery of a
3 local debt offering. Your Honor said, no, that's outside the
4 scope of what is permissible, and the Second Circuit affirmed
5 you.

6 So, this is not, you know, a new theory or new ground.
7 It has been attempted before, and it has been attempted
8 unsuccessfully, because there is simply no basis for what is
9 being sought.

10 The idea that this transaction can be interfered with
11 on a half a day's notice, or should be the basis for emergency
12 discovery, when this is a transaction like many others that
13 have occurred over the years, just has no foundation.

14 THE COURT: Look, the problem is that there is a large
15 debt that has been owed by The Republic to various parties
16 dating back 13 years or so. And I'm not trying to get into the
17 complications, because there are complications. There is debt
18 that originated in the 1994 bonds and have been the subject of
19 exchange bonds and so forth.

20 But I'm just speaking in a very general way, and, that
21 is, there is a very substantial debt that has been unpaid for
22 all these years and remains unpaid. There is nothing more to
23 be done on that debt in the way of -- I'm speaking a little
24 inaccurately but substantially -- there is no real function for
25 additional judgments, additional orders of the court in

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1 response to motions; that's all over with.

2 What remains is taking care of the debt as it exists,
3 subject to the injunction, etc. I have appointed a special
4 master to help negotiate a settlement of that debt, and I hope
5 The Republic at long last will be willing to negotiate.

6 As far as Mr. Cohen's presence here today and the new
7 bond offering, essentially what Mr. Cohen is seeking is
8 information that might lead him to a way to find assets that
9 could be applied to his debt. Right, Mr. Cohen?

10 MR. COHEN: Yes, your Honor.

11 THE COURT: OK. Now, that is a very legitimate
12 inquiry. It is a very legitimate quest. And his inquiry today
13 is occasioned by the new bond offering which both of you have
14 discussed.

15 I don't know whether the new bond offering follows a
16 pattern of financings that have occurred over the last ten
17 years or so. I don't know. But there is apparently this new
18 bond offering, and there is enough information about it, even
19 from your statement, to indicate that something will take
20 place.

21 Now, what does the court do in response to Mr. Cohen's
22 request and your objections? We start with jurisdiction. This
23 court had jurisdiction over the earlier financing because
24 jurisdiction of the court was agreed to in the basic debt
25 instrument. There is no such instrument to my knowledge now.

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1 MR. BLACKMAN: That's correct.

2 THE COURT: And there is no indication or claim by
3 anybody that the new debt is issued pursuant to the old debt
4 instrument.

5 MR. BLACKMAN: Correct.

6 THE COURT: Mr. Cohen, let me go back to you. What is
7 the basis that you say -- if you do say -- what do you say
8 about subject matter jurisdiction?

9 MR. COHEN: This is post-judgment enforcement
10 discovery, your Honor. As you described it, we have judgments.

11 THE COURT: I'm not hearing you very well.

12 MR. COHEN: This is post-judgment enforcement
13 discovery. As your Honor recited, we have had judgments for
14 many, many years. We think we may have an asset that is
15 attachable in this jurisdiction, and you have jurisdiction in
16 assisting us to gathering information, discovery, with respect
17 to potential assets.

18 THE COURT: You are asserting subject matter
19 jurisdiction on the basis that has been asserted over the
20 years. You are attempting to recover on those earlier --

21 MR. COHEN: -- judgments.

22 THE COURT: -- judgments, about which jurisdiction has
23 long since been recognized.

24 MR. COHEN: Yes, your Honor.

25 THE COURT: So you are attempting to recover on that,

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1 and I would think that it would not -- I would hold without any
2 question that the court has subject matter jurisdiction on
3 legitimate efforts to recover on that former indebtedness.

4 MR. COHEN: Yes, your Honor.

5 THE COURT: So it seems to me you properly asserted
6 subject matter jurisdiction because of what you are seeking.

7 You asked me to sign an order to show cause?

8 MR. ZIMMERMAN: Your Honor, before considering the
9 order to show cause, on behalf of Deutsche Bank we would like
10 to be heard regarding the expedited nature.

11 THE COURT: I just have to take it one step at a time,
12 and I am sure there are other people to be heard from.

13 If you could go back to the lectern, Mr. Cohen. Now,
14 in paragraph 2, numbered paragraph 2 of the proposed order to
15 show cause, you refer to various Deutsche Bank entities. What
16 is the basis for referring to those entities?

17 MR. COHEN: Press reports, your Honor, that they have
18 subscribed to purchase about a billion dollars worth of these
19 bonds.

20 THE COURT: Well, that answers the question.

21 Can you describe -- maybe you have already done it,
22 but I need repetition. What information are you seeking in
23 discovery?

24 MR. COHEN: Your Honor, generally it is how this
25 transaction works. Argentina has invited the market to buy its

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1 bonds. We don't know exactly where people have to be to accept
2 those offers. We have heard Mr. Blackman represent, for
3 example, that this is entirely within Argentina. Now, we heard
4 that from Citibank, you may remember, that the offering on
5 certain bonds were entirely within Argentina. Here we know
6 that Deutsche Bank in New York is buying these bonds.

7 THE COURT: Is what?

8 MR. COHEN: Is buying these bonds. So, are they being
9 offered exclusively in Argentina? Or are they being offered
10 outside of Argentina? I mean that issue is important, but it's
11 really quite honestly for another day. It's not going to
12 assist us in the attachment.

13 THE COURT: What information do you have about
14 Deutsche Bank in New York?

15 MR. COHEN: That they are buyers of these bonds. In
16 fact, calls have been made to some of the plaintiffs by
17 Deutsche Bank to buy the bonds in New York. So, we know
18 they're out there trying to buy them and resell them to other
19 people and in effect making a market in these bonds. We would
20 like to understand how that works.

21 We'd like to understand from the discovery to
22 Argentina why it was structured this way. Is it being done the
23 way Mr. Blackman represents it's been done forever, or is it
24 being done as a way to evade this court? Is this a path toward
25 future evasion?

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1 Have there been discussions with people about how we
2 can structure bond offerings that will successfully avoid this
3 court's jurisdiction? In which case we may see a migration of
4 some of the exchange bonds into a different form.

5 But that will all become known to us if they give us
6 the deal documents, show us how it's done, and the
7 correspondence with the people to whom they are trying to sell
8 it. And they must have that stuff because it is happening as
9 we speak. This is not an ancient transaction; it's happening
10 right now. It's supposed to close tomorrow.

11 THE COURT: I do not take seriously the press remark
12 about evading what I have ruled, although maybe there is
13 something to it.

14 MR. COHEN: Your Honor, may I just say something on
15 that point? None of the other bond offerings that we were
16 aware were done in two days. This is the first time that we
17 know of an offering by Argentina that was announced and closed
18 within two days.

19 Now, you can draw whatever conclusions you want from
20 that, but it may be that it was done so that this court and
21 Argentina's creditors would not have an opportunity to find out
22 what is going on and see if there are opportunities to attach.

23 THE COURT: Let me just say this: That's something
24 different from evading what I have previously ordered. Evading
25 what I previously ordered, that is -- if evading has any

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1 meaning at all, it would be some kind of fraud that I can't
2 even conceive of what it would be. But I think right now I
3 don't have anything before me -- that doesn't mean that it
4 couldn't happen -- but I don't have anything before me with any
5 factual indication that The Republic is trying to evade prior
6 orders.

7 Now, that doesn't solve the problem, because the
8 problem you're really raising is how do you enforce the
9 judgments, and can this new bond offering have a relationship
10 to enforcing your judgments. And that is a legitimate inquiry
11 and a legitimate question, because enforcing your judgments,
12 unless The Republic pays voluntarily, means finding something
13 to attach or some way to obtain money that The Republic has
14 refused to pay voluntarily, despite all of these years of its
15 debt.

16 So, what I'm trying to say -- and I'm going to have to
17 conclude this shortly -- as this court has expressed on
18 numerous occasions, and everybody knows, The Republic has a
19 long indebtedness, which it was obligated to pay, and it has
20 not paid. And the plaintiffs have been compelled to resort to
21 various difficult ways of finding assets or methods of
22 obtaining payment, and that has occupied the court and counsel
23 over many years, and I hope that can draw to a close through
24 the efforts of the special master and so forth.

25 Now, I believe that the parties you represent are

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1 entitled to discovery about this new financing. I believe and
2 I'm ruling that the plaintiffs are entitled to discovery to
3 determine if the new financing will produce assets which are
4 available to satisfy in whole or in part the plaintiffs'
5 long-standing unsatisfied debt.

6 I don't think the discovery can take place by 6 p.m.
7 tonight or anything like that, but there is -- despite what I
8 just said -- merit to the plaintiffs' assertion that this new
9 financing might very quickly assume forms that might not be
10 there now but might be used to insulate the proceeds of the
11 transaction from any possible legitimate use to satisfy your
12 judgment.

13 So, what to do? Mr. Cohen has a legitimate need for
14 very prompt information. Mr. Blackman has always been
15 cooperative with the court in any legitimate needs.

16 What I would ask is, Mr. Cohen, if you present
17 Mr. Blackman -- you can do it informally or through writing or
18 whatever you feel -- but if you would specify to him the
19 information you need -- you say you need -- and not just all
20 about the transaction but what specifically do you need. And I
21 would expect Mr. Blackman, as he has always done, to respond
22 promptly and reasonably with that request. Farther I'm not
23 going to go right now; I can't.

24 MR. COHEN: Just one question, your Honor. May we do
25 the same with the two banks I mentioned? We will work with

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1 them to get just what we need?

2 THE COURT: Absolutely. What I'm trying to say --
3 because I have a trial going on, and I just have to have
4 everybody understand that there has to be some cooperation now.
5 But you are entitled to know the information about the
6 transaction, the proceeds, the geography, etc., etc., what you
7 have talked about, and you are entitled to have that about from
8 whatever banks are involved. And I will expect the relevant
9 lawyers to meet together. You can use my jury room or confer
10 wherever you want to, but I think you've got to get to work
11 right now. And if there is a problem, I'm here.

12 MR. COHEN: Thank you, your Honor.

13 THE COURT: OK. With that, we will recess, we will
14 adjourn.

15 MR. ZIMMERMAN: Your Honor, on behalf of Deutsche
16 Bank, while we are certainly prepared to cooperate, we think
17 it's unfortunate we are not provided an opportunity to speak
18 when we are dragged down here without any papers, any evidence.
19 Mr. Cohen makes certain statements representing what they have
20 read concerning this transaction -- or have been told. We
21 believe that information should be submitted in writing to the
22 court, and allow us to respond.

23 THE COURT: I didn't mean to not hear you.

24 MR. ZIMMERMAN: Essentially on behalf of the Deutsche
25 Bank entities that have been brought down here, we are

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1 certainly prepared to cooperate, but we find it's unfortunate
2 and frankly troubling that the plaintiffs failed to provide us
3 any documents or information supporting their claims. Their
4 representations concerned alleged New York subscriptions to
5 this transaction -- which are inconsistent with what I have
6 been advised by the client -- we think the plaintiffs rather
7 than just showing us here, and making statements, dragging us
8 down one hour before today's hearing, even though they had time
9 to issue a press release or get press coverage about this an
10 hour and a half before. They should certainly present
11 evidence.

12 THE COURT: I understand your point, but the point is
13 that if the plaintiff has information about some activities of
14 Deutsche Bank, then it would be a good idea for you to
15 participate in any discussion. That's all I can say. All
16 right.

17 MR. ZIMMERMAN: Thank you. We would just like to see
18 the information.

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