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February 22, 2016

Aurelius Opportunities Fund II v. Republic of Argentina, No. 15-1060(L)

Dear Ms. O'Hagan Wolfe:

We are counsel to the Republic of Argentina in the above-referenced appeal, and respond to the letter filed today (Document 208) by Michael C. Spencer on behalf of Pablo Alberto Varela and other individual Appellees.

First, the question of the District Court's jurisdiction to consider the Republic's motion to vacate the injunctions is, in the first instance, one for the District Court to decide. *See Farricelli v. Holbrook*, 215 F.3d 241, 246 (2d Cir. 2000) ("It is our settled practice to allow the district court to address arguments in the first instance.")

Second, the filing of an appeal divests the District Court of jurisdiction only "over those aspects of the case involved in the appeal". *Griggs v. Provident Consumer Disc. Co.*, 459 U.S. 56, 58 (1982). This appeal (No. 15-1060) is limited to somewhat peripheral issues regarding the *scope* of the injunction, and not the more transcendent issue of whether it should be vacated.

Third, and perhaps of even greater significance, earlier today the Republic moved voluntarily to dismiss this appeal with prejudice. There is, accordingly, no reason why this appeal should be heard now (or at any time).

We also wish to correct certain inaccuracies in Mr. Spencer's letter. Mr. Spencer describes the District Court's Indicative Ruling as premised on "optimism about Argentina's intentions". In fact, the vacatur contemplated by the District Court is subject to two critical conditions that go beyond mere "intentions"—the repeal by the Argentine Congress of the laws blocking payments to plaintiffs, and actual payment to plaintiffs who settle with the Republic prior to February 29, 2016.

Finally, not only was Mr. Spencer not “excluded” from negotiations by the Special Master, but the Special Master, as part of his extensive efforts to facilitate resolutions between the Republic and many of its bondholders, specifically arranged for Mr. Spencer to have a one-on-one meeting with Argentina’s Secretary of Finance, Luis Caputo. That meeting took place at the Special Master’s office in New York City on February 1, 2016 (several days before the Republic’s public settlement proposal).

Respectfully,



Michael A. Paskin

Hon. Catherine O’Hagan Wolfe
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Copies to all counsel by ECF