SHEARMAN & STERLING LLP

LITIGATION, CAPITAL MARKETS

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# Don't Cry for Me Argentine Bondholders: Update

**In view of the broad interest clients have expressed in our note analyzing last week's Second Circuit decision construing the Pari Passu Clause in Argentina's defaulted bonds and remanding the matter back to the District Court for further consideration of the appropriate injunctive relief, we are publishing this note to alert our clients as to the most recent events in what is likely to be a fast-moving process. (*See* "*Don't Cry for Me Argentine Bondholders: the Second Circuit Decides NML Capital v. Argentina*" (October 26, 2012).**

Earlier today, counsel for the plaintiffs – who are holders of defaulted FAA Bonds issued by Argentina prior to 2001 – filed papers with Judge Griesa in the District Court requesting "*expedited orders resolving the remand and confirming that this Court's injunction is now effective.*" The plaintiffs' request and argument is set forth in a letter to the Court (copy attached) and the precise relief that the plaintiffs seek is set forth in blacklined and amended draft injunctions (copy also attached).

In summary:

- The plaintiffs are asking for confirmation that the stays pending appeal issued by Judge Griesa in March 2012 are no longer in effect and that Argentina is now subject to the Second Circuit's construction of the Pari Passu Clause. Plaintiffs maintain this is crucial, in view of the upcoming December interest payment dates. (We agree that the stays are no longer in effect. They were in effect until the Second Circuit "issued its mandate disposing" of Argentina's appeal. Although Argentina and other commentators assumed that the stays remained in effect or took the position that the Second Circuit's appeal did not "dispos[e]" of Argentina's appeal, the affirmance and remand disposed of the appeal and the mandate issued October 26, 2012, the same day the decision was handed down. Although the stays expired according to their terms, as a result of the Second Circuit's remand, there is no injunction in effect either – important parts of the content of the injunction and the persons who are bound remain to be decided by Judge Griesa.)
- The plaintiffs have detailed the formula for "ratable payment" they advocate with more precision than in the prior order criticized by the Second Circuit. In the plaintiffs' draft, they make quite clear their view that, if Argentina is to pay in December 100% of what is due on the Exchange Bonds, the holders of FAA Bonds should be paid 100% of what is due to them on that date, including "*the full amount of all original principal and accrued and unpaid interest (including any capitalized interest and pre-judgment interest) according to the terms of those bonds.*" (See attached "*Proposed Amended Order*," at ¶ 2(c).) In other words, plaintiffs are seeking a full payment in December of all past due principal and interest on their bonds.
- In response to the Second Circuit's concerns about third party intermediaries being captured in the scope of the injunction, the plaintiffs have detailed which parties should be subject to the injunction, specifically naming "*…(1) the*

*indenture trustees and/or registrars under the Exchange Bonds (including but not limited to The Bank of New York Mellon…; (2) the registered owners of the Exchange Bonds and nominees of the depositaries for the Exchange Bonds (including but not limited to Cede & Co. and The Bank of New York Depositary (Nominees) Limited) and any institutions which act as nominees; (3) the clearing corporations and systems depositaries, operators of clearing systems, and settlement agents for the Exchange Bonds (including but not limited to the Depositary Trust Company, Clearstream Banking S.A., Euroclear S.A./N.V. and the Euroclear System); trustee paying agents and transfer agents for the Exchange Bonds (including but not limited to The Bank of New York (Luxembourg) S.A., and The Bank of New York Mellon (including but not limited to The Bank of New York Mellon (London)); and attorneys and other agents engaged by any of the foregoing or the Republic in connection with their obligations under the Exchange Bonds.*"

The plaintiffs have asked that Judge Griesa order that Argentina respond with any objections to the proposed orders by Friday, November 9, 2012, and that plaintiffs reply by Tuesday, November 13, 2012, with a hearing on Thursday, November 15, 2012 or at the district court's earliest convenience. We will continue to monitor developments.



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November 6, 2012

**VIA HAND DELIVERY**

Honorable Thomas P. Griesa
Daniel Patrick Moynihan
United States Courthouse
500 Pearl St., Room 1630
New York, N.Y. 10007-1312

Re: *NML Capital, Ltd. v. the Republic of Argentina*, Nos. 08 Civ. 6978 (TPG), 09 Civ. 1707 (TPG), and 09 Civ. 1708 (TPG); *Aurelius Capital Master, Ltd. et al. v. the Republic of Argentina*, 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. the Republic of Argentina*, Nos. 10 Civ. 4101 (TPG), 10 Civ. 4782 (TPG); *Pablo Alberto Varela, et al. v. the Republic of Argentina*, No. 10 Civ. 5338 (TPG), *Olifant Fund, Ltd. v. the Republic of Argentina*, 10 Civ. 9587 (TPG)

Dear Judge Griesa:

We represent NML Capital, Ltd. ("NML") and write on behalf of the plaintiffs in the above-captioned actions. On October 26, 2012, the United States Court of Appeals for the Second Circuit affirmed this Court's decisions "(1) granting summary judgment to plaintiffs on their claims for breach of the Equal Treatment Provision and (2) ordering Argentina to make 'Ratable Payments' to plaintiffs concurrent with or in advance of its payments to the holders of 2005 and 2010 restructured debt." Slip op. at 28 ("October 26 Decision"). The Second Circuit then remanded the case so that this Court could clarify two particular aspects as to how this Court's injunctions are to function. We write to request expedited orders resolving that remand and confirming that this Court's injunction is now effective.

Almost from the moment the Second Circuit issued its decision, Argentina's President and cabinet-level officials have stated their intention never to comply. Argentina's President, Cristina Kirchner, flatly declared in response to the October 26 Decision that Argentina was "going to pay" the Exchange Bondholders "with dollars because we have them," but would not pay "one dollar to the 'vulture funds.'" (Attachment E.) And Argentina's Minister of Economy, Hernán Gaspar Lorenzino, announced to the press that "despite any ruling that could come out of any jurisdiction, in this case New York," "Argentina isn't going to change its position of not paying vulture funds." (Attachment F.) Indeed, in spite of the preliminary injunction prohibiting Argentina from taking any steps to evade this Court's injunctions in the event they were affirmed,

numerous Argentine newspapers have reported that the Argentine government now is developing various alternatives to evade this Court's orders.[1] As the *Financial Times* put it, "[s]ince last week's US Appeals Court ruling went against Argentina, there's been a lot of comment about how the country could try changing the trustee or payments structure of the bonds which came out of its 2005-2010 restructuring." (Attachment G.) It is clear that Argentina now is in the process of trying to render the Equal Treatment Orders ineffective and will employ and exploit any delay tactics necessary to evade this Court.

Accordingly, we respectfully request that the Court, on an expedited basis:

1. Resolve the Second Circuit's limited remand in accordance with the proposed orders enclosed with this letter and explained below.

2. Enter an order reflecting our understanding that the stay pending appeal issued by this Court on March 5, 2012, which provided that it would remain in effect "until the Second Circuit has issued its mandate," is no longer in effect, and that the Equal Treatment Orders are now binding on Argentina, its agents, and those acting in concert with it.

**A. Order Resolving Remand**

While affirming this Court's conclusions that Argentina is violating the Equal Treatment Provision and that plaintiffs are entitled to the specific performance relief fashioned by the Court in the orders dated February 23, 2012 (the "February 23 Orders"), the Second Circuit remanded for the Court to clarify its February 23 Orders in two narrow respects. We address each in turn.

**1. Remand Regarding Argentina's Obligation to Make Ratable Payments**

The Second Circuit affirmed the Court's order commanding "Argentina to make 'Ratable Payments' to plaintiffs concurrent with or in advance of its payments to holders of the 2005 and

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[1] For example, the Argentine newspaper *Ambito Financiero*, in an article entitled "Proper and timely payment is promised (***where is still being looked at***)," reported that Argentina is "now preparing ***alternative payment schemes . . . so that they can make [the Exchange Bond payments] abroad***." (Attachment H.) And the Argentine newspaper *El Cronista* confirmed this report, explaining that Argentina's "technical staff" spent "all weekend" after the Second Circuit's October 26 Decision "on various scenarios that will be opening up from here on out to confront the vulture funds." (Attachment I.)

2010 restructured debt." Op. 28. The Second Circuit requested clarification only as to how the ratable payment formula "is intended to operate." Op. 11.

The parties previously agreed—and therefore there can be no dispute—as to how the Ratable Payment formula is intended to operate: The payment required by the Ratable Payment formula is the total amount Argentina currently is obligated to pay under the plaintiffs' bonds in these cases ("Plaintiffs' Bonds") (*i.e.*, the full principal plus accrued and unpaid interest, including capitalized and prejudgment interest), multiplied by the proportion (in percentage terms) that Argentina pays under the Exchange Bonds of the amount it is obligated to pay on those bonds at that time (*i.e.*, the payment due). Thus, when a payment is due under the Exchange Bonds, if Argentina pays 100% of the money it owes at that time under any of the Exchange Bonds, the Ratable Payment formula requires Argentina to pay all of what it owes under the Plaintiffs' Bonds at that time, which is to say the full principal and accrued and unpaid interest. Argentina never before expressed any confusion on this point, and it should not be heard to do so now.[2]

Plaintiffs' proposed order seeks to further clarify this aspect of the Injunctions by adding a new paragraph that defines the phrase "amount due under the terms of the Exchange Bonds" to reflect the amount due to be paid as of a specific date, rather than the amount of principal and interest outstanding on the restructured debt (as the Second Circuit speculated it might, Op. 11). For additional clarification, the proposed order uses as an illustration the approximately $3 billion payment Argentina is scheduled to make under the Exchange Bonds on December 15. Plaintiffs respectfully request that the Court resolve this aspect of the Second Circuit's remand in accordance with the proposed order herein submitted.

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[2] *See, e.g.*, Argentina 2d Cir. Br. 19 (describing the February 23 Orders as "enjoining the Republic from making payments on the discounted debt issued pursuant to its 2005 and 2010 Exchange Offers, unless the Republic simultaneously pays in full all past due principal and interest owed to plaintiffs"); Argentina Mem. In Opp. To NML's Motion For Injunctive Relief, Dkt. 368, at 7 (describing the proposed February 23 Orders as "enjoining the Republic from making payments to beneficial owners of its Discounted Exchange Bonds, unless it concurrently pays 100% of the full face value, plus interest, due to NML on its defaulted debt"); Feb. 23, 2012 Hr'g Tr. 34 (Argentina's counsel describing the proposed February 23 Orders as requiring that "when everybody else is getting deeply discounted bonds and just payments of interest over time, that they get 100 percent of full principal and interest").

**2. Remand Concerning Application of the Injunction to Third Parties**

Second, the Second Circuit expressed "concerns about the [February 23 Orders'] application to banks acting as pure intermediaries" and "confusion as to how the challenged order will apply to third parties generally," and thus requested that the Court "more precisely determine the third parties to which the Injunctions will apply." Op. 27-28.

To resolve this aspect of the remand, plaintiffs' proposed orders would amend the injunction orders to: (1) provide a new definition of the term "Agents and Participants" that refers to the particular institutional roles identified in the Argentina's 2005 and 2010 Exchange Bond offerings and names the entities currently aiding Argentina in those capacities; (2) further provide that the injunctions shall not prohibit activities of third parties functioning solely as an "intermediary bank" as that term is defined by the UCC; and (3) explicitly provide that any third party in need of clarification as to its obligations under the injunctions may apply to the Court for such clarification.

Plaintiffs respectfully request that the Court resolve this aspect of the Second Circuit's remand in accordance with the proposed orders herein submitted.

**B. Order Clarifying That The Stay Has Dissolved**

This Court's March 5 Order provided that "the effect of the February 23, 2012 Orders is stayed until the U.S. Court of Appeals for the Second Circuit has issued its mandate disposing of the Republic's appeal of the February 23, 2012 Orders." Even though the Second Circuit issued its mandate to this Court on October 26, Argentina asserts in its letter to the Court today that the stay is still in effect. *See* Argentina Letter To The Court, Nov. 5, 2012, at 2. This is consistent with the statements of the Argentine government, which seems to assume that this stay remains in effect and that several months will pass before it is ordered to comply with the Equal Treatment Provisions. Reuters, U.S. Court Rules Against Argentina Over Payments, *N.Y. Times* (Oct. 26, 2012) (reporting that Argentine Finance Secretary Adrian Cosentino indicated that the ruling "had no immediate impact on debt payments") (Attachment J). The Argentine government has taken solace in this understanding because it is obligated to make a very substantial payment—approximately $3 billion—under the Exchange Bonds by December 15, 2012, and another $850 million in interest payments on December 2 and 31, 2012.

Argentina's understanding, however, is incorrect. On October 26, the Second Circuit issued a mandate that resolved every issue the Republic raised on appeal against it and in favor of plaintiffs. That mandate, therefore, did resolve the Republic's appeal and the stay accordingly dissolved as of that time. But to resolve any doubts on this score, plaintiffs respectfully request

that the Court enter an order confirming that the stay is dissolved in accordance with the proposed order herein submitted.

Indeed, the Second Circuit's affirmance of the injunction requiring Argentina to make ratable payments to plaintiffs makes clear that a stay no longer can be maintained by this Court. To maintain a stay a party must maintain "a strong showing that he is likely to succeed on the merits." *Hilton v. Braunskill*, 481 U.S. 770, 776 (1987). The October 26 Decision makes clear Argentina has no likelihood of success on the merits.

Maintenance of the stay would be particularly inappropriate because it will severely prejudice the plaintiffs. On December 2, 2012, Argentina is scheduled to make an interest payment on certain Exchange Bonds, and on December 15, 2012, Argentina is scheduled to make a massive payment on its GDP Warrant Exchange Bonds of approximately ***$3 billion***—more than twice the entire amount owed plaintiffs under their bonds in these actions. If this Court's judgment—now affirmed by the Second Circuit in all respects as it applies to Argentina—is once again stayed, plaintiffs will continue to get nothing while Exchange Bondholders get billions. This prejudice is compounded by the fact that Argentina has made clear that it seeks to delay the implementation of the February 23 Orders and will use any delay in enforcement to devise and execute plans to evade this Court's orders.

Accordingly, plaintiffs request that the Court enter an order confirming that its stay pending appeal has dissolved. Argentina will suffer no unfair prejudice from this order. First, because Argentina's next payment under the Exchange Bonds is not scheduled to occur until December 2, Argentina has ample time to seek a stay from higher courts. Second, if no such stay is granted, plaintiffs will commit to forebear enforcement of the injunctions if Argentina posts a bond covering the total amount due on the Plaintiffs' Bonds. Posting such a bond would alleviate the otherwise very substantial risk that Argentina will take steps to evade enforcement of the order.

Plaintiffs cannot abide by the Republic's suggestion of a conference followed by a multiple rounds of briefing when it is clear that Argentina will use any delay to develop and execute means to render ineffective the equitable relief this Court has carefully fashioned. Accordingly, the plaintiffs propose that Argentina respond with any objections to the proposed orders by Friday, November 9, 2012, and that plaintiffs be required to reply to these objections by Tuesday, November 13, 2012, with a hearing on these matters to be held before the Court on

Thursday, November 15, 2012, or at the Court's earliest convenience. Plaintiffs further request that the Court "so order" this schedule.[3]

Respectfully submitted,

Robert A. Cohen

Enclosures

cc: Carmine D. Boccuzzi, Esq. (via email and by hand)
Edward A. Friedman, Esq. (via email)
Daniel B. Rapport, Esq. (via email)
Stephen D. Poss, Esq. (via email)
Robert D. Carroll, Esq. (via email)
Michael C. Spencer, Esq. (via email)
Gary Snitow, Esq. (via email)

[3] Attached for the convenience of the Court is (1) a copy of the Second Circuit's October 26 Decision; (2) the Proposed Amending Orders to respond to the Second Circuit's request for clarification, and a redline of the changes that would apply to the February 23 Orders; (3) the Proposed Order Dissolving the Stay; (4) plaintiffs' letter to the Court, dated July 19, 2012, warning that Argentina was actively preparing to evade the Court's February 23 Orders; (5) several recent articles explaining that, since the October 26 Decision, Argentina has intensified its plans to evade the February 23 Orders.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
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NML CAPITAL, LTD.

Plaintiff,

v.

REPUBLIC OF ARGENTINA,

Defendant.
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08 Civ. 6978 (TPG)
09 Civ. 1707 (TPG)
09 Civ. 1708 (TPG)

~~[PROPOSED]~~AMENDED **ORDER**

WHEREAS, in an Order dated December 7, 2011, this Court found that, under Paragraph 1(c) of the 1994 Fiscal Agency Agreement ("FAA"), the Republic is "required . . . at all times to rank its payment obligations pursuant to NML's Bonds at least equally with all the Republic's other present and future unsecured and unsubordinated External Indebtedness."

WHEREAS, in its December 7, 2011 Order, this Court granted partial summary judgment to NML on its claim that the Republic repeatedly has breached, and continues to breach, its obligations under Paragraph 1(c) of the FAA by, among other things, "ma[king] payments currently due under the Exchange Bonds, while persisting in its refusal to satisfy its payment obligations currently due under NML's Bonds."

And WHEREAS NML Capital, Ltd. ("NML") has filed a renewed motion for equitable relief as a remedy for such violations pursuant to Rule 65(d) of the Federal Rules of Civil Procedure and the Court's inherent equitable powers.

Upon consideration of NML's renewed motion, the response of the Republic of Argentina (the "Republic") thereto, NML's reply, and all other arguments submitted to the Court in the parties' papers and at oral argument, it is HEREBY ORDERED that:

1. It is DECLARED, ADJUDGED, and DECREED that NML is irreparably harmed by and has no adequate remedy at law for the Republic's ongoing violations of Paragraph 1(c) of the FAA, and that the equities and public interest strongly support issuance of equitable relief to prevent the Republic from further violating Paragraph 1(c) of the FAA, in that:

   a. Absent equitable relief, NML would suffer irreparable harm because the Republic's payment obligations to NML would remain debased of their contractually-guaranteed status, and NML would never be restored to the position it was promised that it would hold relative to other creditors in the event of default.

   b. There is no adequate remedy at law for the Republic's ongoing violations of Paragraph 1(c) of the FAA because the Republic has made clear—indeed, it has codified in Law 26,017 and Law 26,547—its intention to defy any money judgment issued by this Court.

   c. The balance of the equities strongly supports this Order in light of the clear text of Paragraph 1(c) of the FAA and the Republic's repeated failures to make required payments to NML. In the absence of the equitable relief provided by this Order, the Republic

will continue to violate Paragraph 1(c) with impunity, thus subjecting NML to harm. On the other hand, the Order requires of the Republic only that which it promised NML and similarly situated creditors to induce those creditors to purchase the Republic's bonds. Because the Republic has the financial wherewithal to meet its commitment of providing equal treatment to both NML (and similarly situated creditors) and those owed under the terms of the Exchange Bonds, it is equitable to require it to do so. Indeed, equitable relief is particularly appropriate here, given that the Republic has engaged in an unprecedented, systematic scheme of making payments on other external indebtedness, after repudiating its payment obligations to NML, in direct violation of its contractual commitment set forth in Paragraph 1(c) of the FAA.

d. The public interest of enforcing contracts and upholding the rule of law will be served by the issuance of this Order, particularly here, where creditors of the Republic have no recourse to bankruptcy regimes to protect their interests and must rely upon courts to enforce contractual promises. No less than any other entity entering into a commercial transaction, there is a strong public interest in holding the Republic to its contractual obligations.

2. The Republic accordingly is permanently ORDERED to specifically perform its obligations to NML under Paragraph 1(c) of the FAA as follows:

a. Whenever the Republic pays any amount due under terms of the bonds or other obligations, or any series of the bonds or other obligations, issued pursuant to the Republic's 2005 or 2010 Exchange Offers, or any subsequent exchange of or substitution for the 2005 and 2010 Exchange Offers that may occur in the future (collectively, the "Exchange Bonds"), the Republic shall concurrently or in advance make a "Ratable Payment" (as defined below) to NML.

b. Such "Ratable Payment" that the Republic is ORDERED to make to NML shall be an amount equal to the "Payment Percentage" (as defined below) multiplied by the total amount currently due to NML in respect of the bonds at issue in these cases (08 Civ. 6978, 09 Civ. 1707, and 09 Civ. 1708), including pre-judgment interest (the "NML Bonds").

c. Such "Payment Percentage" shall be the fraction calculated by dividing the amount actually paid or which the Republic intends to pay under the terms of the Exchange Bonds by the total amount then due under the terms of the Exchange Bonds.

~~c.~~d. "The total amount then due under the terms of the Exchange Bonds" referenced in Paragraph 2(c) is the particular amount that

is currently due to be paid by the Republic under the Exchange Bonds as of that specific date, regardless of whether that amount represents interest, principal, some other remuneration due at that time, or some combination thereof. For example, under the terms of certain Exchange Bond warrants linked to the growth enjoyed by the Republic in its Gross Domestic Product, the Republic is obligated, on or about December 15, 2012, to make a payment of approximately $3 billion under such indebtedness. If—on, before, or after that date—the Republic pays 100% of what it is required to pay by December 15, 2012 under those Exchange Bonds, it must then pay, prior to or concurrent with its payment on those Exchange Bonds, 100% of the amount it currently owes as of such date under the NML Bonds. Because the Republic has defaulted on the NML Bonds, the Republic's payment obligation then due to the holders of the NML Bonds is the full amount of all original principal and accrued and unpaid interest (including any capitalized interest and pre-judgment interest) according to the terms of those bonds. If, alternatively, the Republic—on, before, or after December 15, 2012—elects to pay any percentage less than 100% of what it is required to pay by December 15, 2012 under such Exchange Bonds, then it must pay, prior to or concurrent with its payment on those Exchange Bonds, the same

percentage of the amount it currently owes under the plaintiffs' Bonds. For example, if the Republic—on, before, or after December 15, 2012—pays 50% of what it is required to pay by December 15, 2012 under such Exchange Bonds, it must then pay, prior to or concurrent with its payment on those Exchange Bonds, 50% of the amount it currently owes as of such date under the NML Bonds, i.e., the full amount of all original principal and accrued and unpaid interest (including any capitalized interest and pre-judgment interest) according to the terms of those bonds.

~~d.~~e. The Republic is ENJOINED from violating Paragraph 1(c) of the FAA, including by making any payment under the terms of the Exchange Bonds without complying with its obligation pursuant to Paragraph 1(c) of the FAA by concurrently or in advance making a Ratable Payment to NML.

~~e.~~f. Within three (3) days of the issuance of this ORDER, the Republic shall provide copies of this ORDER to its ~~all parties involved, directly or indirectly, in advising upon, preparing, processing, or facilitating any payment on the~~"Agents and Participants," ~~(collectively, "Agents and Participants"),~~ with a copy to counsel for NML. Such Agents and Participants shall be bound by the terms of this ORDER as provided by Rule 65(d)(2) and prohibited from aiding and abetting any violation of this ORDER, including

any further violation by the Republic of its obligations under Paragraph 1(c) of the FAA, such as any effort to make payments under the terms of the Exchange Bonds without also concurrently or in advance making a Ratable Payment to NML.

g. "Agents and Participants" refer to those 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, including: (1) the indenture trustees and/or registrars under the Exchange Bonds (including but not limited to The Bank of New York Mellon f/k/a The Bank of New York); (2) the registered owners of the Exchange Bonds and nominees of the depositaries for the Exchange Bonds (including but not limited to Cede & Co. and The Bank of New York Depositary (Nominees) Limited) and any institutions which act as nominees; (3) the 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); (4) trustee paying agents and transfer agents for the Exchange Bonds (including but not limited to The Bank of New York (Luxembourg) S.A., and The Bank of New York Mellon

(including but not limited to The Bank of New York Mellon (London))); and (5) attorneys and other agents engaged by any of the foregoing or the Republic in connection with their obligations under the Exchange Bonds.

h. Nothing in this ORDER shall be construed to extend to the conduct or actions of a third party acting solely in its capacity as an "intermediary bank," under Article 4A of the U.C.C. and N.Y.C.L.S. U.C.C. § 4-A-104, implementing a funds transfer in connection with the Exchange Bonds.

i. Any non-party that has received proper notice of this ORDER, pursuant to Rule 65(d)(2), and that requires clarification as to its duties, if any, under this ORDER may make an application to this Court, with notice to the Republic and NML. Such clarification will be promptly provided.

~~f.~~j. Concurrently or in advance of making a payment on the Exchange Bonds, the Republic shall certify to the Court and give notice of this certification to its Agents and Participants, and to counsel for NML, that the Republic has satisfied its obligations under this ORDER to make a Ratable Payment to NML.

3. NML shall be entitled to discovery to confirm the timing and amounts of the Republic's payments under the terms of the Exchange Bonds; the amounts the

Republic owes on these and other obligations; and such other information as appropriate to confirm compliance with this ORDER;

4. The Republic is permanently PROHIBITED from 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 of the Court;

5. This Court shall retain jurisdiction to monitor and enforce this ORDER, and to modify and amend it as justice requires to achieve its equitable purposes and to account for changing circumstances.

Dated:

Thomas P. Griesa