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March 3, 2015

VIA ECF

Hon. Thomas P. Griesa
 United States District Court Judge
 Daniel Patrick Moynihan United States Courthouse
 500 Pearl Street
 New York, New York 10007

Re: *NML Capital, Ltd. v. The Republic of Argentina*, No. 08-cv-6978 (TPG) and related cases

Dear Judge Griesa:

We represent the Euro Bondholders¹ in the above-captioned actions. It is undisputed that the Euro Bondholders are innocent third parties in these proceedings and that they have not committed any wrongful act. Indeed, this Court repeatedly has recognized the Euro Bondholders' right to be paid on the bonds they own.²

Nevertheless, the Court enjoined payments to the Euro Bondholders until the Republic made *pari passu* payments to certain other creditors, such as Plaintiffs, who sought this relief from the Court. It is common ground that Your Honor chose to exercise his discretion to grant injunctive relief to those creditors because of the extraordinary circumstances of this case. The Republic's subsequent refusal to make the *pari passu* payments has resulted in a prolonged stalemate with the result that the Court's injunction has deprived the Euro Bondholders of the payments they are owed. Even though the Euro Bondholders have yet to receive meaningful opportunity to be heard in these

¹ The Euro Bondholders are a group of investors holding English law governed euro-denominated bonds issued by the Republic of Argentina (the "Republic") pursuant to 2005 and 2010 exchange offers (the "Euro Bonds"). Payments on the Euro Bonds are made in euros and take place entirely outside the United States. The Euro Bondholders are Knighthead Capital Management, LLC; Perry Capital, LLC, Monarch Master Funding 2 (Luxembourg) S.á.r.l.; QVT Fund IV LP; QVT Fund V LP; Quintessence Fund L.P.; and Centerbridge Partners LP (each on behalf of itself or one or more investment funds or accounts managed or advised by it).

² For example, on August 1, 2014, the Court noted that "[i]t is important to get the people who are owed interest on their exchange bonds, get them paid." Dkt. # 637, 12:16-12:18. A few days later, during an August 8, 2014 hearing, the Court reiterated, "the Republic surely has obligations to [parties who exchanged their bonds], without any doubt." Dkt. # 646, 4:14 – 5:2.

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proceedings, they consistently have attempted to create constructive dialogue with other stakeholders in order to assist potential settlement discussions.³

However, at present, meaningful settlement discussions are obstructed by the Republic's concern that even if it settles with the Plaintiffs currently holding *pari passu* injunctions, potentially countless additional creditors may seek similar relief from the Court in the future.⁴ Of course, at this stage of the proceedings, all such holdout creditors of the Republic are indisputably on notice of their potential claims, and any party that has not brought those claims yet is likely seeking to game the process in an effort to gain settlement leverage in the future. Accordingly, we respectfully propose that, absent new extraordinary circumstances, the Court exercise its discretion to deny *pari passu* injunctions to any party that fails to seek that relief by a date certain set by the Court, for example, April 1, 2015.

We respectfully submit that our proposed approach is entirely fair to the Republic's creditors, who have no reason not to tender their claims and seek relief from the Court now. It is also fair to the Republic, which can meaningfully negotiate a fair settlement with the known universe of creditors. Finally, it would also protect the interests of parties like Plaintiffs, who have invested significant time and resources to litigate their claims, but cannot engage in meaningful settlement negotiations with the Republic because of the Republic's reasonable fear that it would be forced to continue litigating against *other* creditors who have chosen not to come before the Court yet.

It is our hope that the Court considers our proposal and that the Euro Bondholders ultimately receive reprieve after years of pleas to be heard and attempts to unlock the stalemate that is depriving them of the payments which they are rightfully owed.

Sincerely,

/s/ Christopher J. Clark

Christopher J. Clark
of LATHAM & WATKINS LLP

cc: Counsel of Record (via ECF)

³ For example, the Euro Bondholders sought to secure waivers of the "Rights Upon Future Offers" clauses in the exchange bonds and counseled against acceleration of those bonds failing payment by the Republic.

⁴ Indeed, briefing in ten additional proceedings by Holdout Creditors – the so-called "me too" actions – is currently ongoing before the Court. *See* Case No. 14-cv-08947-TPG, Dkt. # 13.