

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

NML CAPITAL,

Plaintiff,

- against -

THE REPUBLIC OF ARGENTINA,

Defendant.

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

NML CAPITAL,

Plaintiff,

- against -

THE REPUBLIC OF ARGENTINA,

Defendant.

14 Civ. 8601 (TPG)

NML CAPITAL,

Plaintiff,

- against -

THE REPUBLIC OF ARGENTINA,

Defendant.

14 Civ. 8988 (TPG)

(captions continue on following pages)

**SUPPLEMENTAL DECLARATION OF UNDERSECRETARY OF FINANCE
SANTIAGO BAUSILI IN FURTHER SUPPORT OF THE REPUBLIC OF
ARGENTINA'S MOTION, BY ORDER TO SHOW CAUSE, TO VACATE THE
INJUNCTIONS ISSUED ON NOVEMBER 21, 2012, AND OCTOBER 30, 2015**

FFI FUND, LTD. and FYI LTD.,

Plaintiffs,

- against -

THE REPUBLIC OF ARGENTINA,

Defendant.

14 Civ. 8630 (TPG)

AURELIUS CAPITAL MASTER, LTD. and ACP
MASTER, LTD.,

Plaintiffs,

- against -

THE REPUBLIC OF ARGENTINA,

Defendant.

09 Civ. 8757 (TPG)

09 Civ. 10620 (TPG)

AURELIUS OPPORTUNITIES FUND II, LLC and
AURELIUS CAPITAL MASTER, LTD.,

Plaintiffs,

- against -

THE REPUBLIC OF ARGENTINA,

Defendant.

10 Civ. 1602 (TPG)

10 Civ. 3507 (TPG)

AURELIUS CAPITAL MASTER, LTD. and
AURELIUS OPPORTUNITIES FUND II, LLC,

Plaintiffs,

- against -

THE REPUBLIC OF ARGENTINA,

Defendant.

10 Civ. 3970 (TPG)
10 Civ. 8339 (TPG)

BLUE ANGEL CAPITAL I LLC,

Plaintiff,

- against -

THE REPUBLIC OF ARGENTINA,

Defendant.

10 Civ. 4101 (TPG)
10 Civ. 4782 (TPG)

OLIFANT FUND, LTD.,

Plaintiff,

- against -

THE REPUBLIC OF ARGENTINA,

Defendant.

10 Civ. 9587 (TPG)

PABLO ALBERTO VARELA, *et al.*,

Plaintiffs,

- against -

THE REPUBLIC OF ARGENTINA,

Defendant.

10 Civ. 5338 (TPG)

PEREZ, *et al.*,

Plaintiffs,

- against -

THE REPUBLIC OF ARGENTINA,

Defendant.

14 Civ. 8242 (TPG)

AURELIUS CAPITAL PARTNERS, LP, *et al.*,

Plaintiffs,

- against -

THE REPUBLIC OF ARGENTINA,

Defendant.

14 Civ. 8946 (TPG)

BLUE ANGEL CAPITAL I LLC,

Plaintiff,

- against -

THE REPUBLIC OF ARGENTINA,

Defendant.

14 Civ. 8947 (TPG)

EM LTD.,

Plaintiff,

- against -

THE REPUBLIC OF ARGENTINA,

Defendant.

14 Civ. 8303 (TPG)

LIGHTWATER CORPORATION LIMITED,

Plaintiff,

- against -

THE REPUBLIC OF ARGENTINA,

Defendant.

14 Civ. 4092 (TPG)

OLD CASTLE HOLDINGS, LTD.,

Plaintiff,

- against -

THE REPUBLIC OF ARGENTINA,

Defendant.

14 Civ. 4091 (TPG)

SETTIN,

Plaintiff,

- against -

THE REPUBLIC OF ARGENTINA,

Defendant.

14 Civ. 8739 (TPG)

CAPITAL VENTURES INTERNATIONAL,

Plaintiff,

- against -

THE REPUBLIC OF ARGENTINA,

Defendant.

14 Civ. 7258 (TPG)

ADAMI, *et al.*,

Plaintiffs,

- against -

THE REPUBLIC OF ARGENTINA,

Defendant.

14 Civ. 7739 (TPG)

CAPITAL MARKETS FINANCIAL SERVICES
INC., *et al.*,

Plaintiffs,

- against -

THE REPUBLIC OF ARGENTINA,

Defendant.

15 Civ. 710 (TPG)

FOGLIA, *et al.*,

Plaintiffs,

- against -

THE REPUBLIC OF ARGENTINA,

Defendant.

14 Civ. 8243 (TPG)

PONS, *et al.*,

Plaintiffs,

- against -

THE REPUBLIC OF ARGENTINA,

Defendant.

13 Civ. 8887 (TPG)

GUIBELALDE, *et al.*,

Plaintiffs,

- against -

THE REPUBLIC OF ARGENTINA,

Defendant.

11 Civ. 4908 (TPG)

DORRA, *et al.*,

Plaintiffs,

- against -

THE REPUBLIC OF ARGENTINA,

Defendant.

14 Civ. 10141 (TPG)

BELOQUI, *et al.*,

Plaintiffs,

- against -

THE REPUBLIC OF ARGENTINA,

Defendant.

14 Civ. 5963 (TPG)

TORTUS CAPITAL MASTER FUND, LP,

Plaintiff,

- against -

THE REPUBLIC OF ARGENTINA,

Defendant.

14 Civ. 1109 (TPG)

TORTUS CAPITAL MASTER FUND, LP,

Plaintiff,

- against -

THE REPUBLIC OF ARGENTINA,

Defendant.

14 Civ. 3127 (TPG)

TRINITY INVESTMENTS LIMITED,

Plaintiff,

- against -

THE REPUBLIC OF ARGENTINA,

Defendant.

14 Civ. 10016 (TPG)

MONTREUX PARTNERS, L.P.,

Plaintiff,

- against -

THE REPUBLIC OF ARGENTINA,

Defendant.

14 Civ. 7171 (TPG)

LOS ANGELES CAPITAL,

Plaintiff,

- against -

THE REPUBLIC OF ARGENTINA,

Defendant.

14 Civ. 7169 (TPG)

CORDOBA CAPITAL,

Plaintiff,

- against -

THE REPUBLIC OF ARGENTINA,

Defendant.

14 Civ. 7164 (TPG)

WILTON CAPITAL, LTD.,

Plaintiff,

- against -

THE REPUBLIC OF ARGENTINA,

Defendant.

14 Civ. 7166 (TPG)

MCHA HOLDINGS, LLC,

Plaintiff,

- against -

THE REPUBLIC OF ARGENTINA,

Defendant.

14 Civ. 7637 (TPG)

MCHA HOLDINGS, LLC,

Plaintiff,

- against -

THE REPUBLIC OF ARGENTINA,

Defendant.

14 Civ. 10064 (TPG)

ANDRAREX LTD.,

Plaintiff,

- against -

THE REPUBLIC OF ARGENTINA,

Defendant.

14 Civ. 9093 (TPG)

CLARIDAE, *et al.*,

Plaintiffs,

- against -

THE REPUBLIC OF ARGENTINA,

Defendant.

14 Civ. 10201 (TPG)

ARAG-A LIMITED, *et al.*,

Plaintiffs,

- against -

THE REPUBLIC OF ARGENTINA,

Defendant.

14 Civ. 9855 (TPG)

ATTESTOR MASTER VALUE FUND LP,

Plaintiff,

- against -

THE REPUBLIC OF ARGENTINA,

Defendant.

14 Civ. 5849 (TPG)

ANGULO, *et al.*,

Plaintiffs,

- against -

THE REPUBLIC OF ARGENTINA,

Defendant.

15 Civ. 1470 (TPG)

LAMBERTINI, *et al.*,

Plaintiffs,

- against -

THE REPUBLIC OF ARGENTINA,

Defendant.

15 Civ. 1471 (TPG)

HONERO FUND I, LLC,

Plaintiff,

- against -

THE REPUBLIC OF ARGENTINA,

Defendant.

15 Civ. 1553 (TPG)

TRINITY INVESTMENTS LIMITED,

Plaintiff,

- against -

THE REPUBLIC OF ARGENTINA,

Defendant.

15 Civ. 1588 (TPG)

BANCA ARNER S.A., *et al.*,

Plaintiffs,

- against -

THE REPUBLIC OF ARGENTINA,

Defendant.

15 Civ. 1508 (TPG)

TRINITY INVESTMENTS LIMITED,

Plaintiff,

- against -

THE REPUBLIC OF ARGENTINA,

Defendant.

15 Civ. 2611 (TPG)

TRINITY INVESTMENTS LIMITED,

Plaintiff,

- against -

THE REPUBLIC OF ARGENTINA,

Defendant.

15 Civ. 5886 (TPG)

MCHA HOLDINGS, LLC,

Plaintiff,

- against -

THE REPUBLIC OF ARGENTINA,

Defendant.

15 Civ. 2577 (TPG)

MCHA HOLDINGS, LLC,

Plaintiff,

- against -

THE REPUBLIC OF ARGENTINA,

Defendant.

15 Civ. 5190 (TPG)

ERCOLANI, *et al.*,

Plaintiffs,

- against -

THE REPUBLIC OF ARGENTINA,

Defendant.

15 Civ. 4654 (TPG)

FAZZOLARI, *et al.*,

Plaintiffs,

- against -

THE REPUBLIC OF ARGENTINA,

Defendant.

15 Civ. 3523 (TPG)

STONEHILL INSTITUTIONAL PARTNERS, L.P.,
et al.,

Plaintiffs,

- against -

THE REPUBLIC OF ARGENTINA,

Defendant.

15 Civ. 4284 (TPG)

WHITE HAWTHORNE, LLC,

Plaintiff,

- against -

THE REPUBLIC OF ARGENTINA,

Defendant.

15 Civ. 4767 (TPG)

VR GLOBAL PARTNERS, LP,

Plaintiff,

- against -

THE REPUBLIC OF ARGENTINA,

Defendant.

11 Civ. 8817 (TPG)

HONERO FUND I, LLC,

Plaintiff,

- against -

THE REPUBLIC OF ARGENTINA,

Defendant.

15 Civ. 6702 (TPG)

PROCELLA HOLDINGS, L.P.,

Plaintiff,

- against -

THE REPUBLIC OF ARGENTINA,

Defendant.

15 Civ. 3932 (TPG)

BYBROOK CAPITAL MASTER FUND LP, *et al.*,
Plaintiffs,
- against -
THE REPUBLIC OF ARGENTINA,
Defendant.

15 Civ. 7367 (TPG)

BYBROOK CAPITAL MASTER FUND LP, *et al.*,
Plaintiffs,
- against -
THE REPUBLIC OF ARGENTINA,
Defendant.

15 Civ. 2369 (TPG)

**SUPPLEMENTAL DECLARATION OF UNDERSECRETARY OF FINANCE
SANTIAGO BAUSILI IN FURTHER SUPPORT OF THE REPUBLIC OF
ARGENTINA’S MOTION, BY ORDER TO SHOW CAUSE, TO VACATE THE
INJUNCTIONS ISSUED ON NOVEMBER 21, 2012, AND OCTOBER 30, 2015**

Pursuant to 28 U.S.C. § 1746, Santiago Bausili declares as follows:

1. I am the Undersecretary of Finance of the Republic of Argentina (the “Republic”).
2. I am familiar with the facts of this case and submit this declaration on behalf of the Republic and in further support of its Motion, by Order to Show Cause, to Vacate the Injunctions Issued on November 21, 2012, and October 30, 2015.
3. Since its default in 2001, the Republic has been completely excluded from the international capital markets. Its efforts to raise capital by issuing bonds have been limited to relatively small issuances in Argentina governed by Argentine law. The continuing application

of the Court's injunctions exacerbates the problem and, as a practical matter, makes it impossible for Argentina to access international capital markets.

4. If the Republic is able to reach a global resolution of its debt crisis, involving payments to settle claims with holders of defaulted debt in these litigations, as well as other holders of defaulted debt and payments due to holders of 2005 and 2010 Exchange Bonds, it will have to finance those payments through international capital markets transactions. Thus, the continuing application of the injunctions prevents Argentina from achieving a global resolution of these litigations.

5. The Argentine Congress is scheduled to reconvene on March 1, 2016, and President Macri's administration intends to seek repeal by the Congress of the Lock Law and Sovereign Payment Law, which currently prevent the Republic from consummating settlements with the holders of defaulted bonds.

6. I have reviewed the memorandum submitted by NML and the other "Lead Plaintiffs" in opposition to the Republic's motion to vacate the Injunctions, as well as the Declarations submitted with that opposition memorandum. NML's opposition memorandum and the Declaration of Jay Newman present an incomplete and misleading account of the extent of the settlement negotiations that have occurred between the parties. While Mr. Newman's Declaration refers to various face-to-face meetings between representatives of the Republic and representatives of the Lead Plaintiffs, his Declaration fails to mention the extensive discussions that have occurred through the Court-appointed Special Master, Daniel Pollack, for the specific purpose of attempting to reach settlements with any or all of the Lead Plaintiffs. On the part of Argentina, Mr. Pollack met in person in New York with the team of government officials dispatched by President Macri, led by Secretary of Finance Luis Caputo, for dozens of hours

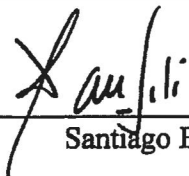
over the course of the past few weeks, as well as had extensive additional communications by telephone and email. Those discussions all related to Argentina's efforts to reach settlements with the holders of defaulted bonds, and the majority of that time related to efforts to reach settlements with NML and the other Lead Plaintiffs. It is my understanding that Mr. Pollack similarly had extensive discussions regarding settlement with representatives of NML and the other Lead Plaintiffs.

7. Further, the characterization by NML and Lead Plaintiffs of the Republic's February 5, 2016, public settlement proposal as a unilateral, "take it or leave it" demand, is inconsistent with the facts surrounding the settlement negotiations, as mediated by the Special Master. Lead Plaintiffs' opposition refers to multiple proposed term sheets that they delivered via the Special Master, making it clear to the Republic that Lead Plaintiffs did not consider their ability to negotiate limited by the terms of the Republic's public Proposal. Similarly, the Republic has not refused to negotiate with Lead Plaintiffs beyond the strict terms of the public Proposal, as the Special Master has also prepared and delivered to Lead Plaintiffs a proposed agreement in principle reflecting specific terms that the Republic would be willing to accept in a settlement with Lead Plaintiffs.

8. Extensive and intense settlement negotiations between the Republic and Lead Plaintiffs continued yesterday (February 18, 2016), for in excess of 8 hours at the office of Special Master Pollack. While no deal was reached, it is grossly misleading to suggest that the discussions between the Republic and Lead Plaintiffs have been preliminary in nature.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

Executed on February 19, 2016, in Buenos Aires, Argentina.



Santiago Bausili