

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

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	:	
ARAG-A Limited, ARAG-O Limited, ARAG-T Limited,		
ARAG-V Limited, Honero Fund I, LLC, Attestor Value	:	
Master Fund, Bybrook Capital Hazelton Master Fund LP,		
Bybrook Capital Master Fund LP, MCHA Holdings, LLC,	:	
Red Pines LLC, Spinnaker Global Emerging Markets Fund,		
Ltd., Spinnaker Global Special Situations Fund LP, Trinity	:	
Investments Limited, White Hawthorne, LLC, White		
Hawthorne II, LLC and Yellow Crane Holdings, L.L.C.,	:	
Plaintiffs,	:	CIVIL ACTION NO.
		16-2238
v.	:	
The Republic of Argentina,	:	
Defendant.	:	

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**DECLARATION OF STEVEN C. KRAUSE**

Pursuant to 28 U.S.C. Section 1746, I declare that the following is true and correct:

1. My name is Steven Charles Krause. I am an authorized representative of MCHA Holdings, LLC (“MCHA”). I have personal knowledge of the averments in this declaration and am authorized by MCHA to make this declaration.
  
2. MCHA holds various beneficial rights in bonds issued by the Republic of Argentina (“Argentina,” or the “Republic”) that are governed by foreign and New York law, and on which Argentina has long been in default.
  
3. MCHA is a plaintiff in civil actions pending before this Court, including those with docket numbers 14-07637 (S.D.N.Y.) (TPG), 14-09095 (S.D.N.Y.) (TPG), 14-10064

(S.D.N.Y.) (TPG), 15-02577 (S.D.N.Y.) (TPG), 15-05190 (S.D.N.Y.) (TPG), 15-08529 (S.D.N.Y.) (TPG), 15-09481 (S.D.N.Y.) (TPG), 15-09579 (S.D.N.Y.) (TPG), 16-00905 (S.D.N.Y.) (TPG), 16-00911 (S.D.N.Y.) (TPG) and 16-00950 (S.D.N.Y.) (TPG). In certain of these cases relating to bonds governed by foreign law (but not in the cases involving bonds governed by New York law), there are pending disputes concerning whether claims filed by MCHA and other plaintiffs are time-barred by virtue of contractual prescription clauses, and the applicability of other technical defenses raised by Argentina.

4. Prior to February 2016, MCHA representatives made numerous efforts to speak with representatives of Argentina to discuss settlement. To the best of my knowledge, no representative of Argentina engaged in any substantive discussion with MCHA representatives during that period.

5. On or after February 5, 2016, I reviewed a Spanish language version of Argentina's settlement proposal published on its official government website. A true copy of the proposal that I reviewed is attached as Exhibit 4 to the Declaration of Stephen Scotch-Marmo in Support of Plaintiffs' Motion by Order to Show Cause for a Preliminary Injunction ("Scotch-Marmo Declaration").

6. On or about February 7, 2016, I received and reviewed an English translation of the proposal, a copy of which is attached as Exhibit 5 to the Scotch-Marmo Declaration.

7. On or about February 17, 2016, I reviewed Argentina's form of "Master Settlement Agreement" published on its government website. A copy of the "Master Settlement Agreement" that I reviewed is attached to the Scotch-Marmo Declaration as Exhibit 7.

8. On February 19, 2016, at approximately 4:42 p.m. EST, this Court's Indicative Ruling on the order to show cause regarding injunctions held by MCHA and other investors in Argentina's bonds was published on the Court's docket.

9. MCHA downloaded the Master Settlement Agreement from Argentina's website, and completed the "Agreement Schedule" thereon with respect to MCHA's holdings.

10. On February 27, 2016 at 8:00 p.m. (EST), I emailed [agreementinprinciple@mecon.gov.ar](mailto:agreementinprinciple@mecon.gov.ar), which is the email address bondholders were directed to email accepted settlement offers. In my email, in response to the entry of the Court's Indicative Ruling, I delivered to Argentina MCHA's executed acceptance of Argentina's offer (without modification to the Argentina's Master Settlement Agreement or Agreement Schedule) on behalf of MCHA's bonds governed by foreign and New York law ("MCHA Holdings, LLC is pleased to accept the Republic of Argentina's offer set forth in its Master Settlement Agreement. Enclosed please find our acceptance submission.").

11. On February 28, 2016 at 8:57 a.m. (EST), I emailed [agreementinprinciple@mecon.gov.ar](mailto:agreementinprinciple@mecon.gov.ar), which is the email address bondholders were directed to email accepted settlement offers. Attached as Exhibit 1 is a true copy of my February 28, 2016, 8:57 a.m. (EST) email to Argentina with attachments. Due to a calculation error in my February 27, 8:00 p.m. (EST) email to Argentina, I withdrew the February 27, 2016 8:00 p.m. (EST) submission. In my February 28, 2016 8:57 a.m. (EST) email I delivered to Argentina MCHA's executed acceptance of Argentina's offer reflecting a revision to the calculations (without modification to the Republic's Master Settlement Agreement or Agreement Schedule) on behalf of MCHA's bonds governed by foreign and New York law ("Due to a calculation error in the

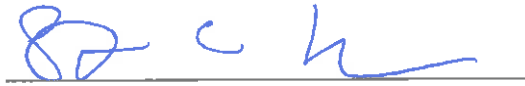
claim, MCHA Holdings, LLC hereby withdraws our submission of February 26, 2016 sent by email of February 27, 2016, as referenced below. We are pleased to accept the Republic of Argentina's offer set forth in its Master Settlement Agreement with the enclosed acceptance submission dated February 28, 2016.”).

12. On February 29, 2016, at 11:32 a.m. (EST), Argentina emailed me acknowledging receipt of MCHA's accepted offers: “We have received your documentation successfully. We consider this last Settlement Agreement. Thank you very much. Regards. MHyFP ONCP.” A true and correct copy of the February 29, 2016 11:32 a.m. (EST) email from Argentina is attached as Exhibit 2.

13. On February 29, 2016, at 2:59 p.m. (EST), Osvaldo Colazo, a representative of Argentina, emailed me stating: “Thanks for your chart. I have been talking internally about your calculation and I found that you are not taking into account Status of Limitation on your figures. Can you recalculate?” A true copy of Mr. Colazo's February 29, 2016 2:59 p.m (EST) email is attached as Exhibit 3.

I declare under penalty of perjury that the foregoing is true and correct

Executed on April 6, 2016



Steven Charles Krause

# EXHIBIT 1

**Carter, Christopher Louis**

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**From:** Steve Krause <SteveK@owlcreeklp.com>  
**Sent:** Sunday, February 28, 2016 8:57 AM  
**To:** 'agreementinprinciple@mecon.gov.ar'  
**Cc:** ReubenK@owlcreeklp.com  
**Subject:** Acceptance of Master Settlement Agreement by MCHA Holdings, LLC (calculation corrected)  
**Attachments:** Argentina-Schedule-Agreement.MCHA.02.28.2016 executed.pdf

Due to a calculation error in the claim, MCHA Holdings, LLC hereby withdraws our submission of February 26, 2016 sent by email of February 27, 2016, as referenced below. We are pleased to accept the Republic of Argentina's offer set forth in its Master Settlement Agreement with the enclosed acceptance submission dated February 28, 2016.

---

**From:** Steve Krause  
**Sent:** Saturday, February 27, 2016 8:00 PM  
**To:** 'agreementinprinciple@mecon.gov.ar'  
**Cc:** Reuben Kopel  
**Subject:** Acceptance of Master Settlement Agreement by MCHA Holdings, LLC

MCHA Holdings, LLC is pleased to accept the Republic of Argentina's offer set forth in its Master Settlement Agreement. Enclosed please find our acceptance submission.

Steve Krause, Investment Counsel  
Owl Creek Asset Management, L.P.  
640 Fifth Avenue, 20th Floor  
New York, NY 10019

Phone: (212) 688-2550  
[stevek@owlcreeklp.com](mailto:stevek@owlcreeklp.com)

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**Argentina Agreement Schedule**

This Agreement Schedule, dated as of date indicated in the signature page forms an integral part of the Master Settlement Agreement dated as of February 8, 2016 between the Republic and the Holder identified in item (i) below (the “Settlement Agreement”). Terms used but not defined in this Agreement Schedule have the meanings given to those terms in the Settlement Agreement.

This Agreement Schedule is being submitted in respect of ■ Injunction Offer Bonds and ■ Standard Offer Bonds owned (or beneficially owned) by the Holder.

(i) Name and address of Holder

MCHA Holdings, LLC

c/o Owl Creek Asset Management, L.P.

640 Fifth Avenue, 20<sup>th</sup> Floor

New York, NY 10019

Telephone 212-688-2550

Email [stevek@owlcreeklp.com](mailto:stevek@owlcreeklp.com) / [reubenk@owlcreeklp.com](mailto:reubenk@owlcreeklp.com)

Contact Person Steve Krause / Reuben Kopel

(ii) Closing Date

The Closing Date shall be the business day (in Buenos Aires and New York City) that the parties shall agree falling within the Closing Period.

(iii) Closing Period

The Closing Period means the period beginning on the date of this Agreement Schedule and ending 120 days after that date; provided, however, that the Republic may, at its option and by written notice to the Holder, extend the Closing Period for a further period ending not later than 150 days after the date of this Agreement Schedule.



(iv) Settlement Amount

USD \$286,999,132.34

*(Injunction Offer Bonds at 70% of claim and Standard Offer Bonds at 150% of principal)*

and

EUR 34,510,850.14

*(Standard Offer Bonds at 150% of principal)*

This Settlement Amount has been reconciled between the Republic and the Holder.

(v) Termination Date

The Termination Date means the last day of the Closing Period.

(vi) Additional Undertaking for Holders of Injunction Offer Bonds

*If this Agreement Schedule relates to Injunction Offer Bonds, the Holder agrees:*

At the request of the Republic, the Holder shall submit a motion to the U.S. District Court for the Southern District of New York (or shall join such a motion if submitted by other holders of defaulted Argentine bonds) requesting that the court permanently lift the *pari passu* injunctions granted to the Holder and certain other holders of defaulted Argentine bonds.

\*

\*

\*

\*

By executing counterparts of this Agreement Schedule in the space provided below and exchanging those counterparts, the parties agree to be bound by the terms of the Settlement Agreement, as completed by the information contained in this Agreement Schedule.

MCHA Holdings, LLC

/s/



By: MCHA Partners, LLC, its manager

By: Owl Creek Asset Management, L.P., its manager

By: Daniel Sapadin, COO

Republic of Argentina

/s/ \_\_\_\_\_

By: Luis A. Caputo

Title: Secretary of Finance

DATE: February 28, 2016

Attachment -- List of Bonds

List of Bonds

Injunction Offer Bonds				
ISIN Number	Amount of Original Principal Owned By Holder (USD)	Legal Action or Arbitral Pending (give court and docket number)	Monetary Judgment or Arbitral Award Entered? (Y or N)	
US040114AR16	40,127,000.00	14-10064 (SDNY), 14-7637 (SDNY), 15-2577 (SDNY), 15-5190 (SDNY)	N	
US040114AV28	9,904,000.00	14-10064 (SDNY), 14-7637 (SDNY), 15-2577 (SDNY), 15-5190(SDNY)	N	
US040114BC38	225,000.00	14-7637 (SDNY)	N	
US040114BE93	862,000.00	15-2577 (SDNY)	N	
US040114FC91	2,679,000.00	15-7637 (SDNY), 15-2577 (SDNY), 15-5190 (SDNY)	N	
US040114GA27	24,753,000.00	14-10064 (SDNY), 14-7637 (SDNY), 15-2577 (SDNY),	N	
US040114GB00	35,000.00	14-7637 (SDNY)	N	
US040114GD65	2,900,000.00	14-10064 (SDNY), 14-6737 (SDNY), 15-2577 (SDNY)	N	
US040114GF14	500,000.00	14-7637 (SDNY)	N	
US040114GG96	200,000.00	14-7637 (SDNY), 15-2577 (SDNY)	N	
US040114GH79	6,668,000.00	14-10064 (SDNY), 14-7637 (SDNY), 15-5190 (SDNY)	N	

## Attachment to Agreement Schedule

Standard Offer Bonds (Non-USD)				
ISIN Number	Amount of Original Principal Owned By Holder		Legal Action or Arbitral Pending (give court and docket number)	Monetary Judgment or Arbitral Award Entered? (Y or N)
	(local currency)	(EURO)		
DE0001308609	DEM 400,000.00	204,516.75	14-09095 (SDNY)	N
DE0001325017	DEM 5,209,000.00	2,663,319.41	14-09095 (SDNY), 15-08529 (SDNY), 16-00911 (SDNY)	N
DE0001340917	DEM 1,120,000.00	572,646.91	14-09095 (SDNY), 15-08529 (SDNY), 16-00911 (SDNY)	N
DE0001348100	DEM 450,067.95	186,621.54	14-09095 (SDNY), 15-08529 (SDNY)	N
DE0001904308	DEM 529,000.00	270,473.41	14-09095 (SDNY)	N
DE0001954907	DEM 9,163,000.00	4,684,967.51	14-09095 (SDNY), 15-08529 (SDNY)	N
DE0001974608	€ 731,000.00	731,000.00	14-09095 (SDNY)	N
DE0002466208	€ 573,000.00	573,000.00	14-09095 (SDNY)	N
DE0002483203	€ 6,055,397.91	6,055,397.91	14-09095 (SDNY), 15-08529 (SDNY), 16-00911 (SDNY)	N
DE0002966900	€ 108,000.00	108,000.00	14-09095 (SDNY)	N
DE0003045357	€ 2,125,000.00	2,125,000.00	14-09095 (SDNY)	N
DE0003089850	€ 500,000.00	500,000.00	14-09095 (SDNY)	N
DE0003527966	€ 1,754,000.00	1,754,000.00	14-09095 (SDNY)	N
DE0004500558	€ 500,000.00	500,000.00	14-09095 (SDNY)	N
DE0005450258	€ 300,000.00	300,000.00	14-09095 (SDNY)	N
XS0089277825	€ 1,778,290.00	1,778,290.00	15-09579 (SDNY), 16-00905 (SDNY)	N

Attachment to Agreement Schedule

Standard Offer Bonds - USD			
ISIN Number	Amount of Principal Owned By Holder (USD)	Legal Action or Arbitral Pending (give court and docket number)	Monetary Judgment or Arbitral Award Entered? (Y or N)
US040114AR16	20,485,000.00	15-9481 (SDNY), 16-950 (SDNY)	N
US040114AV28	254,000.00	15-9481 (SDNY)	N
US040114FC91	5,187,000.00	15-9481 (SDNY), 16-950 (SDNY)	N
US040114GA27	108,000.00	15-9481 (SDNY), 16-950 (SDNY)	N
US040114GD65	1,971,000.00	15-9481 (SDNY), 16-950 (SDNY)	N
US040114GG96	1,084,606.96	15-9481 (SDNY), 16-950 (SDNY)	N
US040114GH79	6,477,963.53	15-9481 (SDNY), 16-950 (SDNY)	N

# EXHIBIT 2

**Carter, Christopher Louis**

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**From:** Republic of Argentina - Agreement in Principle <agreementinprinciple@mecon.gov.ar>  
**Sent:** Monday, February 29, 2016 11:32 AM  
**To:** SteveK@owlcreeklp.com  
**Cc:** ReubenK@owlcreeklp.com  
**Subject:** Re: Acceptance of Master Settlement Agreement by MCHA Holdings, LLC (calculation corrected)

Dear Ms. Krause,

We have received your documentation successfully.

We consider this last Settlement Agreement.

Thank you very much.

Regards.

MHyFP

ONCP.

El 28/02/2016 10:49, Steve Krause escribió:

Due to a calculation error in the claim, MCHA Holdings, LLC hereby withdraws our submission of February 26, 2016 sent by email of February 27, 2016, as referenced below. We are pleased to accept the Republic of Argentina's offer set forth in its Master Settlement Agreement with the enclosed acceptance submission dated February 28, 2016.

---

**From:** Steve Krause

**Sent:** Saturday, February 27, 2016 8:00 PM

**To:** '[agreementinprinciple@mecon.gov.ar](mailto:agreementinprinciple@mecon.gov.ar)'

**Cc:** Reuben Kopel

**Subject:** Acceptance of Master Settlement Agreement by MCHA Holdings, LLC

MCHA Holdings, LLC is pleased to accept the Republic of Argentina's offer set forth in its Master Settlement Agreement.

Enclosed please find our acceptance submission.

Steve Krause, Investment Counsel

Owl Creek Asset Management, L.P.

640 Fifth Avenue, 20th Floor

New York, NY 10019

Phone: (212) 688-2550

[stevek@owlcreeklp.com](mailto:stevek@owlcreeklp.com)

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Ministerio de Hacienda y Finanzas Secretaria de Finanzas - Subsecretaria de Financiamiento República Argentina. Te: (54-11) 4349-6100



# EXHIBIT 3

**Carter, Christopher Louis**

**From:** Osvaldo A. Colazo <ocolaz@mecon.gov.ar>  
**Sent:** Monday, February 29, 2016 2:59 PM  
**To:** SteveK@owlcreeklp.com  
**Cc:** ReubenK@owlcreeklp.com; Santiago Bausili; Santiago Bausili; Julian Szymanski  
**Subject:** Re: Agreement in Principal - Republic of Argentina

Dear Mr Krause

Thanks for you chart. I have been talking internally about your calculation and I found that you are not taking into account Status of Limitation on your figures.

Can you recalculate?

Regards

Osvaldo A. Colazo.

El 29/02/2016 16:13, Steve Krause escribió:

Dear Mr. Colazo:

Thank you for acknowledging MCHA Holdings, LLC's acceptance dated February 28, 2016 of the Republic of Argentina's offer set forth in its Master Settlement Agreement.

As requested, the following provides the supporting detail for the settlement amounts therein: Injunction Offer Bonds (\$233,647,776), Standard Offer Bonds – USD (\$53,351,355), and Standard Offer Bonds – Non-USD (€34,510,850).

**Injunction Offer Bonds**

<b>ISIN</b>	<b>Original Principal (\$)</b>	<b>Principal w/ PIK (\$)</b>	<b>Claim (\$)</b>	<b>Settlement Amount at 70% of Claim (\$)</b>
US040114AR16	40,127,000.00	40,127,000.00	149,495,380	104,646,766
US040114AV28	9,904,000.00	9,904,000.00	32,742,110	22,919,477
US040114BC38	225,000.00	225,000.00	874,371	612,059
US040114BE93	862,000.00	862,000.00	3,245,844	2,272,091
US040114FC91	2,679,000.00	2,679,000.00	9,893,893	6,925,725
US040114GA27	24,753,000.00	24,753,000.00	91,947,071	64,362,950
US040114GB00	35,000.00	35,000.00	121,158	84,811
US040114GD65	2,900,000.00	2,900,000.00	11,451,249	8,015,874
US040114GF14	500,000.00	500,000.00	2,059,087	1,441,361
US040114GG96	200,000.00	362,415.72	952,896	667,027
US040114GH79	6,668,000.00	11,941,372.44	30,999,479	21,699,635
<b>USD Total</b>	<b>88,853,000</b>		<b>\$ 333,782,538</b>	<b>\$ 233,647,776</b>

**Standard Offer Bonds - USD**

<b>ISIN</b>	<b>Original Principal (\$)</b>	<b>Principal w/ PIK (\$)</b>	<b>Settlement Amount at 150% of Principal (\$)</b>
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US040114AR16	20,485,000.00	20,485,000.00	30,727,500
US040114AV28	254,000.00	254,000.00	381,000
US040114FC91	5,187,000.00	5,187,000.00	7,780,500
US040114GA27	108,000.00	108,000.00	162,000
US040114GD65	1,971,000.00	1,971,000.00	2,956,500
US040114GG96	598,543.00	1,084,606.96	1,626,910
US040114GH79	3,617,261.00	6,477,963.53	9,716,945
<b>USD Total</b>	<b>32,220,804</b>		<b>\$ 53,351,355</b>

**Standard Offer Bonds - non-USD**

<b>ISIN</b>	<b>Principal (local)</b>	<b>Principal (Euro)</b>	<b>Settlement Amount at 150% of Principal (Euro)</b>
DE0001308609	DEM 400,000	€ 204,517	306,775
DE0001325017	DEM 5,209,000	€ 2,663,319	3,994,979
DE0001340917	DEM 1,120,000	€ 572,647	858,970
DE0001348100	DEM 365,000	€ 186,622	279,932
DE0001904308	DEM 529,000	€ 270,473	405,710
DE0001954907	DEM 9,163,000	€ 4,684,968	7,027,451
DE0001974608	€ 731,000	€ 731,000	1,096,500
DE0002466208	€ 573,000	€ 573,000	859,500
DE0002483203	€ 6,055,398	€ 6,055,398	9,083,097
DE0002966900	€ 108,000	€ 108,000	162,000
DE0003045357	€ 2,125,000	€ 2,125,000	3,187,500
DE0003089850	€ 500,000	€ 500,000	750,000
DE0003527966	€ 1,754,000	€ 1,754,000	2,631,000
DE0004500558	€ 500,000	€ 500,000	750,000
DE0005450258	€ 300,000	€ 300,000	450,000
XS0089277825	€ 1,778,290	€ 1,778,290	2,667,435
			<b>€ 34,510,850</b>

Steve Krause, Investment Counsel  
Owl Creek Asset Management, L.P.  
640 Fifth Avenue, 20th Floor  
New York, NY 10019  
Phone: (212) 688-2550  
[stevek@owlcreeklp.com](mailto:stevek@owlcreeklp.com)

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**From:** Osvaldo A. Colazo [<mailto:ocolaz@mecon.gov.ar>]  
**Sent:** Monday, February 29, 2016 12:30 PM  
**To:** Steve Krause; Santiago Bausili; Santiago Bausili; Julian Szymanski  
**Subject:** Agreement in Principal - Republic of Argentina

Dear Mr. Krause

I will appreciate a lot if you could send us to agreements, one for injunction bonds and other for standard offer.

I could get the Face value of the Injunction bonds but I could not check the claim because you are adding all the claim in ones.

Will be helpfull to split it.

Regards

Osvaldo

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*Lic. Osvaldo A. Colazo*

**Coordinador de Estudios de Mercado Interno**

**Oficina Nacional de Crédito Público –Ministerio de Hacienda y Finanzas Públicas**

**Tel: (54-11) 4349-6259**

**Fax: (54-11) 4349-6309**

**email: [ocolaz@mecon.gov.ar](mailto:ocolaz@mecon.gov.ar)**

**[www.mecon.gov.ar](http://www.mecon.gov.ar)**

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*Lic. Osvaldo A. Colazo*

**Coordinador de Estudios de Mercado Interno**

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