



CERBERUS
CAPITAL MANAGEMENT, L.P.

November 22, 2016

National Asset Loan Management D.A.C.
Treasury Building
Grand Canal Street
Dublin DO2 XN96
Ireland

Attention: Mr. Alan Stewart

Re: Project Eagle NDA

Dear Mr. Stewart:

I am writing to follow up on my telephone conversation with Mr. McDonagh and Mr. Whelan on November 18, 2016 concerning the agreement entered into with NAMA on February 11, 2014 (the "NDA") and in response to your letter of the same date.

Please allow me to repeat my apology for not bringing this matter to NAMA's attention sooner. While I do not offer it as an excuse, I was focused on preparation for the meeting with the Public Accounts Committee (the "Committee"). I intended no discourtesy to you and your colleagues.

As you are aware, I attended a meeting of the Committee on November 17, 2016 as a representative of Cerberus Capital Management, L.P. and certain of its affiliates ("Cerberus"). Cerberus was invited to assist the Committee in its examination of the Special Report of the Comptroller and Auditor General with respect to a number of matters. Some of those matters related to events in relation to which I had direct, contemporaneous knowledge, whereas for others, I did not.

In advance of attending the meeting of the Committee, I reviewed some contemporaneous documents dating from 2014, including emails that were not copied to me in 2014. As part of that process, I became aware that some information had been disclosed by Cerberus to Brown Rudnick LLP ("Brown Rudnick") in March 2014.

Cerberus engaged Brown Rudnick to provide legal and strategic services in connection with Cerberus' proposed acquisition of the Project Eagle portfolio. Cerberus was first approached by Brown Rudnick on March 14, 2014 and professional interactions began from that date. The engagement was formally documented on March 24, 2014. As solicitors admitted to practice in England and Wales, Brown Rudnick are obliged by the Solicitors Regulation Authority's Code of Conduct to treat information received from clients or prospective clients as confidential. This professional and legal obligation was acknowledged, and other related representations and warranties were made, both in our discussions with Brown Rudnick and in Cerberus' formal engagement letter with Brown Rudnick.



Specifically, I became aware during my recent preparation of the following information having been disclosed to Brown Rudnick:

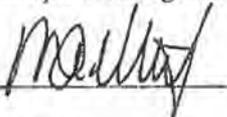
- On March 21, 2014, Cerberus told Brown Rudnick the adjusted reserve price that had been communicated to Cerberus by Lazard.
- On March 25, 2014, Cerberus shared with Brown Rudnick a letter received from Lazard earlier that day (which I note was substantially similar to an earlier letter received on February 14, the equivalent version of which I assume Brown Rudnick would have seen during their time working for PIMCO). I believe that this correspondence, and that of March 21, was shared by Brown Rudnick with Tughans. Tughans owed confidentiality obligations to Brown Rudnick.
- On March 27, 2014, Cerberus told Brown Rudnick that Cerberus' request for an extension of the bid deadline (to 1pm on April 1, 2014) had been granted.

My responses to your queries are based upon the information of which I am aware concerning the NDA as of the date of this letter. The preparation of our bid involved over 100 Cerberus personnel and advisory personnel. Consequently, I have not conducted a full review of Cerberus' records, nor have I interviewed all of our personnel, or those of our advisors. I have included information concerning Cerberus' affiliates and advisers in the Appendix to this letter.

Although regrettable, the disclosure of this procedural information was not material in the context in which it occurred. I accept that the three instances listed above may contain some information that may not have been previously known to Brown Rudnick and which may therefore be deemed to be "Informational Materials" as defined in the NDA. I do not believe that the information sharing had any impact on the integrity of the Project Eagle sale process. Brown Rudnick (and Tughans) had no role in determining the purchase price that Cerberus offered for the Project Eagle portfolio. I can confirm that Cerberus' sharing of these three pieces of information did not impact upon the amount of Cerberus' bid. I also want to acknowledge that the inadvertent disclosure summarized in this letter was Cerberus' responsibility and was not the result of any failures by NAMA or inefficiencies in the Project Eagle process.

Finally, I confirm that Cerberus does not object to NAMA providing a copy of this letter or the NDA to the Committee.

Very truly yours,
Cerberus Capital Management, L.P.

By: 

Mark A. Neporent
Chief Operating Officer
General Counsel

cc: Brendan McDonagh, CEO, NAMA
Aideen O'Reilly, Head of Legal, NAMA
Martin Whelan, Head of Communications, NAMA



Appendix

A number of different entities in Cerberus' corporate structure were involved in the Project Eagle transaction, each of which had access to Informational Materials:

- Cerberus Capital Management, L.P.
- Cerberus European Investments LLC
- Cerberus European Capital Advisors LLP
- Promontoria Holding 82 B.V. and Promontoria Holding 83 B.V.
- Cerberus European Servicing Ltd

In addition to Brown Rudnick, Cerberus retained the following advisers in the period prior to submission of its bid on 1 April 2014 in connection with its consideration of the proposed acquisition of the Project Eagle portfolio, each of which may have had access to "Informational Materials":

- Linklaters LLP
- Deloitte LLP
- A&L Goodbody
- Hatfield Philips
- Lambert Smith Hampton
- Ronald J. Bolger
- Allsop
- Lunson Mitchenall
- Brodies LLP
- New River
- Nomura.