



**FINANCIAL OVERSIGHT AND MANAGEMENT BOARD
FOR PUERTO RICO**

**RESOLUTION ADOPTED BY THE SPECIAL INVESTIGATION COMMITTEE
INITIATING FORMAL INVESTIGATION FOR PURPOSE OF
ISSUING INVESTIGATIVE SUBPOENAS**

WHEREAS, on June 30, 2016, the federal Puerto Rico Oversight, Management, and Economic Stability Act (“PROMESA”) was enacted; and

WHEREAS, section 101 of PROMESA created the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”); and

WHEREAS, on August 2, 2017, the Oversight Board announced its intention to conduct a comprehensive investigation of Puerto Rico’s debt and its relationship to the fiscal crisis and to form a special committee of the Oversight Board to carry out such investigation, including through the appointment by the special committee of an independent investigator; and

WHEREAS, pursuant to Section 104(o) of PROMESA, the Oversight Board has authority to “investigate the disclosure and selling practices in connection with the purchase of bonds issued by a covered territory for or on behalf of any retail investors including any underrepresentation of risk for such investors and any relationships or conflicts of interest maintained by such broker, dealer, or investment adviser . . . as provided in applicable laws and regulations”; and

WHEREAS, the Oversight Board has additional investigative authority under PROMESA Sections 104(a), (c) and (f), 48 U.S.C. § 2124(a), (c) and (f).

WHEREAS, on May 26, 2017, the Oversight Board adopted Procedures for Conducting PROMESA Investigations (the “Oversight Board Procedures”); and

WHEREAS, on August 6, 2017, the Oversight Board established a Special Investigation Committee (the “Committee”), comprised of certain members of the Oversight Board, and has delegated to the Committee the authority to act on behalf of the Oversight Board in conducting Investigations; and

WHEREAS, the Committee has retained Kobre & Kim LLP as independent investigator (the “Independent Investigator”) to assist the Committee in pursuing Investigations; and

WHEREAS, the Independent Investigator has begun work in aid of an Informal Investigation, including preparation of informal requests to witnesses for production of Investigative Materials; and

WHEREAS, the Independent Investigator anticipates that, in order to adequately perform its work in connection with the Investigations, it will be necessary to issue Investigative Subpoenas to certain of the witnesses; and

WHEREAS, under the Procedures, Investigative Subpoenas may only be issued upon the initiation of a Formal Investigation; and

WHEREAS, pursuant to PROMESA Sections 104(a), (c), (f) and (o), the Committee may, among other things, initiate Formal Investigations in certain circumstances as set forth in Section 3.2 of the Procedures, including where the Committee is unable to conduct an Investigation without access to Investigative Subpoenas; and

WHEREAS, the Committee, in consultation with the Independent Investigator, has determined that enabling the Independent Investigator to issue Investigative Subpoenas in certain specified circumstances, consistent with the Procedures, will promote the efficiency and expediency of the Investigations; and

WHEREAS, based on the foregoing, the Committee has determined to initiate a Formal Investigation to the extent necessary to authorize the Independent Investigator to issue Investigative Subpoenas where appropriate;

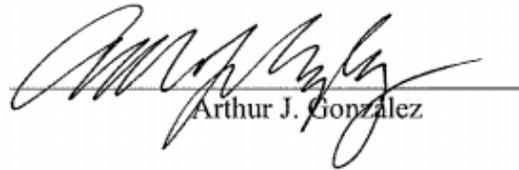
NOW, THEREFORE, IT IS HEREBY RESOLVED THAT:

- A. In the event that the Independent Investigator –
- (1) has delivered an informal request for Investigative Materials to a witness and such witness (i) has not responded to the informal request within fourteen (14) days of the date of such delivery, (ii) has responded to the informal request in a manner that the Independent Investigator, in consultation with the General Counsel, determines is insufficient, or (iii) has communicated to the Independent Investigator that he, she or it will not or cannot produce Investigative Materials on a timely and voluntary basis or without the issuance of process;
 - (2) has requested that a witness provide an interview and such witness (i) has not responded to the request within fourteen (14) days of the date the request is communicated, (ii) has communicated to the Independent Investigator that he, she or it will not provide an interview on a timely and voluntary basis, or (iii) has provided an interview but the Independent Investigator, in consultation with the General Counsel, determines that it would be appropriate to have the witness testify under oath; or
 - (3) the Independent Investigator, in consultation with the General Counsel, determines that it would be appropriate to have a witness testify under oath without first interviewing the witness,

the requirements for (a) the initiation of a Formal Investigation set forth in Section 3.2(a) of the Procedures and (b) the issuance of an Investigative Subpoena set forth in Section 5.1(a) of the Procedures (such requirements, together, the “Investigative Subpoena Requirements”), in each case, shall be deemed satisfied.

- B. In the event that the Investigative Subpoena Requirements are deemed satisfied pursuant to the foregoing paragraph, (1) a Formal Investigation shall be deemed initiated for the purpose of authorizing the Independent Investigator to issue one or more Investigative Subpoenas to each applicable witness, and (2) the Independent Investigator shall be authorized to issue such Investigative Subpoenas without further approval from the Committee; *provided, however*, that the Independent Investigator shall have first notified the General Counsel of its intent to issue any such Investigative Subpoenas upon the authority and according to the Procedures and pursuant to the authority provided in this Investigative Resolution.
- C. In furtherance of the foregoing, the authority of the General Counsel to issue and enforce Investigative Subpoenas pursuant to Section 5 of the Procedures is hereby delegated to the Independent Investigator, subject at all times to the General Counsel’s review of the Independent Investigator’s compliance with the Procedures and this Investigative Resolution.
- D. Nothing in this Investigative Resolution shall limit, prejudice or otherwise affect the rights of the Committee, under the Procedures or otherwise, to initiate a Formal Investigation on any other matter or for any other purpose.
- E. Except as otherwise provided in this Investigative Resolution, the Formal Investigation initiated hereunder shall be performed pursuant to the Procedures.

Dated: October 18, 2017



Arthur J. Gonzalez

Dated: October 18, 2017



Ana J. Matosantos

Dated: October 18, 2017



David A. Skeel, Jr.