

Message

From: J. Kyle Bass [k@haymancapital.com]
Sent: 10/27/2015 11:55:12 PM
To: Parker Lewis [PL@haymancapital.com]
CC: Andy Jent [aj@haymancapital.com]; Brandon Osmon [bo@haymancapital.com]
Subject: Re: Cypress Fiduciary Update: Wagner bill approved 245-86
Attachments: image001.png; image002.jpg; image002.jpg; image001.png

Agreed. Let's hope a udf event happens before then. I trust you have all sell-side analysts on nsam and Lpla listed and ready to call to discuss any event that may happen.

J. Kyle Bass
Chief Investment Officer
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On Oct 27, 2015, at 4:47 PM, Parker Lewis <PL@haymancapital.com<mailto:PL@haymancapital.com>> wrote:

Just wanted to make sure you guys had seen this, The Wagner bill passed the house but Jeb/cypress expects that it is unlikely to advance in the senate. This bill is aimed at stopping the Department of Labor from finalizing its fiduciary rulemaking until the Securities and Exchange Commission acts first. Originally, this had more broad bi-partisan support but only passed the house with 3 democrat votes

I spoke with Jeb and his view is that the most near-term 'real' hurdle for the DoL fiduciary rule is the early December Omnibus spending bill; there is an effort to defund the Department of Labor's ability to implement the fiduciary rule as part of this bill. As there have been some democrats sympathetic to industry concerns, Jeb believes if the senate could find 6 democrats to support defunding the implementation of the rule, the president would be unlikely to veto (therein allowing the fiduciary rule to die for the time being).

Ultimately Jeb believes that the Department of Labor will wait until after the omnibus bill passes to finalize the rule so that democrats who are sympathetic to industry concerns will have cover not to support the defunding of the implementation - "don't vote to defund the fiduciary rule before DoL has finalized the rule, the final rule will address your concerns"

Given the most legitimate near-term hurdle is early December, I think we should plan to close NSAM/LPLA after a UDF event but before the fiduciary rule defunding effort becomes front and center

From Cypress on the House Bill:

"Wagner to Pass, but Go Nowhere. We expect the Wagner bill to pass the House, but it is unlikely to advance in the Senate. The White House opposes the measure and has threatened a veto (their Statement of Administration policy released yesterday is attached). Moreover, many Democrats who have been receptive to critiques of the DoL rulemaking, do not support the Wagner approach."

<image002.jpg>

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From: Jeb Mason [mailto:jeb@cypressgroupdc.com]
Sent: Tuesday, October 27, 2015 5:35 PM
To: Jeb Mason <jeb@cypressgroupdc.com<mailto:jeb@cypressgroupdc.com>>
Subject: Cypress Fiduciary Update: wagner bill approved 245-286 (3 Democrats supported)

1. Lynch amendment (Failed 184 - 246):Replaces the bill's existing requirement that the Department of Labor (DOL) stop its rulemaking pending a final Securities and Exchange Commission (SEC) rule with a