

Message

**From:** Parker Lewis [PL@haymancapital.com]  
**Sent:** 2/19/2016 2:43:21 PM  
**To:** Holmes, Allie [Allie.Holmes@edelman.com]; Agnew, Shea [Shea.Agnew@edelman.com]  
**Subject:** FW: Steve Brown  
**Attachments:** image001.jpg; image003.jpg; image002.png

What is wrong with this guy?

"At the start of December, before the hedge fund's attacks, it traded at \$17.25."  
"Kyle Bass and his Hayman Capital Management hedge fund have been loudly shorting UDF shares"

Can we tell him to start being a journalist? Or is that not proper etiquette?

Maybe we can just kindly tell him that sharing factual information does not amount to "an attack"

What time are you guys coming by?

[cid:image001.jpg@01C84251.44A3D170]

Parker Lewis  
Hayman Capital Management, L.P.  
2101 Cedar Springs Road Suite 1400  
Dallas, TX 75201

214.347.8043 Direct  
512.699.7480 Mobile  
PL@HaymanCapital.com<mailto:PL@HaymanCapital.com>

**From:** Steele Schottenheimer  
**Sent:** Friday, February 19, 2016 8:18 AM  
**To:** J. Kyle Bass <k@haymancapital.com>; Debby LaMoy <dl@haymancapital.com>; Chris Kirkpatrick <CK@haymancapital.com>; Juneau Lee <JL@haymancapital.com>; Kathryn E. Mueller <KM@haymancapital.com>; Lauren Schweiger Dillin <ld@haymancapital.com>; Parker Lewis <PL@haymancapital.com>  
**Subject:** FW: Google Alert - "hayman capital"

Dallas Morning News

FBI raids residential lender's Grapevine offices as hedge fund accusations turn into criminal probe [FBI raids United Development Funding in Grapevine, major housing financier. (NBC5)]  
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The FBI raided United Development Funding in Grapevine, a major housing financier. (NBC5)

By MARIA HALKIAS Follow @MariaHalkias<https://twitter.com/MariaHalkias>  
Staff Writer

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FBI agents raided the Grapevine offices of United Development Funding on Thursday, elevating a Dallas hedge fund's accusations into a criminal investigation.

The real estate investment trust has previously disclosed a Securities and Exchange Commission investigation dating back to April 2014. In recent months, though, Kyle Bass and his Hayman Capital Management hedge fund have been loudly shorting UDF shares and launched UDFexposed.com<https://udfexposed.com/> to trumpet concerns that it's running a "Ponzi-like" real estate investment scheme.

FBI spokeswoman Allison Mahan confirmed that agents were at UDF's offices at 9 a.m. and were still there late in the afternoon. She declined to provide other details of a criminal search warrant, but video of the scene by NBC 5 showed boxes being removed from the building.

"We were there conducting law enforcement activity," Mahan said.

Trading in UDF IV shares was halted at 12:33 p.m. for "news pending." At that point, the price had declined 54.6 percent to \$3.20 a share. At the start of December, before the hedge fund's attacks, it traded at \$17.25.

The FBI's presence raised worries that UDF's issues may have a ripple through the Dallas real estate community. United Development Funding raises money from investors and then lends it to builders for residential real estate projects. Its biggest borrower -- Centurion American Development Group, based in Carrollton -- is one of Texas' largest residential land developers.

UDF said 99 percent of its loans and investments were in Texas and 68 percent in the Dallas area, according to the company's most recent quarterly filing.