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**From:** J. Kyle Bass [k@haymancapital.com]  
**Sent:** 12/8/2015 12:14:47 AM  
**To:** Andrew Left [andrewleft@gmail.com]  
**CC:** Parker Lewis [PL@haymancapital.com]  
**Subject:** Re: Texas Ponzi Scheme - United Development Funding

We have everything. Parker Lewis is the UDF expert and will provide you with all of the data you need.

Parker, please send Andrew all of the advanced data in UDF that we have put together. Andrew is one of the best in the business. Valeant has been his most recent conquest.

Kyle

J. Kyle Bass  
Chief Investment Officer  
Hayman Capital Management

On Dec 7, 2015, at 6:07 PM, Andrew Left <andrewleft@gmail.com<mailto:andrewleft@gmail.com>> wrote:

Do you have the backup documentation for loans made to insiders and the lawsuits...would help...thanks

A-  
On Dec 7, 2015, at 11:33 AM, Kyle Bass <k@bahamakid.com<mailto:k@bahamakid.com>> wrote:

Andrew,

I am sorry we couldn't connect in Palm Desert as I was truly looking forward to playing some golf with you.

As I had mentioned on the phone, You should look into UDF. We sent this letter to their auditor (who had just resigned) on Friday. This will be a big notch on your belt if you can get up to speed quickly.

This is a letter to the auditor (Whitley Penn) of United Development Funding (UDF). UDF has been running one of the largest Ponzi-schemes in Texas history by raising one fund to pay off the investors of the prior funds. They have raised over a billion dollars since 2005 and are currently attempting to raise Fund V for a billion as Fund IV crumbles. UDF preys on small retirees searching for 'yield' by guaranteeing a 10% dividend. Unfortunately, as you will see in my detailed letter to their auditor, they will end up with close to zero in return.

Recently, Whitley Penn resigned (Nov 24th). Their lead outside board member of UDF V, Bill Kahane (Nich Schorch's right hand man), resigned. Bankruptcy proceedings have been initiated on an Austin developer that represents 25% of UDF III's assets and a fraud suit has been filed against UDF in Austin.

You will likely agree with my assertions after you read through the detail in the letter to the auditor.

UDF is about to end up as one of the largest Ponzi-schemes ever run out of Texas.

Feel free to publish this letter to the auditor in pieces or in its entirety but please protect me as its originator. The CEO has threatened the lives of people that have threatened to expose him in the past.

Sincerely,

Kyle  
<Letter to Auditor (FINAL Dec 4 2015).pdf>