

Message

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**From:** J. Kyle Bass [k@haymancapital.com]  
**Sent:** 12/9/2015 4:17:37 PM  
**To:** Brandon Osmon [bo@haymancapital.com]  
**Subject:** FW: Confidentiality Question - Whistleblowing Prospect - United Development Funding  
**Attachments:** Letter to Auditor (FINAL Dec 4 2015).pdf  
**Importance:** High

From: Kyle Bass  
Sent: Monday, December 07, 2015 6:58 AM  
To: Tyler Durden <tyler@zerohedge.com>  
Subject: RE: Confidentiality Question - Whistleblowing Prospect - United Development Funding  
Importance: High

Tyler,

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,

Whistleblower

From: Tyler Durden [mailto:tyler@zerohedge.com]  
Sent: Thursday, November 12, 2015 10:58 AM  
To: Kyle Bass <k@bahamakid.com<mailto:k@bahamakid.com>>  
Subject: RE: Confidentiality Question - Whistleblowing Prospect

Of course

From: Kyle Bass [mailto:k@bahamakid.com]  
Sent: Thursday, November 12, 2015 11:56 AM  
To: tips@zerohedge.com<mailto:tips@zerohedge.com>  
Subject: Confidentiality Question - Whistleblowing Prospect  
Importance: High

ZeroHedge,

I am about to send a detailed letter explaining the wrongdoing to the auditor and the board of directors of a public company that is a \$1B+ Ponzi scheme. If I send the letter to you for ZeroHedge use, will you protect your sources? **I would like to handle this anonymously as this is going to likely be a bomb for this industry.**

Sincerely,

Concerned Investor