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Supreme Court Refuses to Hear Argentina's Appeal

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October 7, 2013 - On October 7, 2013, the Supreme Court issued an order denying Argentina's petition for a writ of certiorari on the interim decision of the Second Circuit that Argentina violated the contractual provision that all bondholders must be treated equally (discussed here and here).

The Supreme Court's decision comes on the heels of an October 3, 2013 order by U.S. District Court Judge Thomas Griesa confirming that the Anti-Evasion Injunction barring Argentina from altering mechanisms for payments on Exchange Bonds "has been and remains continuously in full force and effect." *NML Capital, Ltd., v. Republic of Arg.*, 08-cv-06978 (TPG), Docket No. 487 (S.D.N.Y. Oct. 3, 2013).

Judge Griesa's order was prompted by the president of Argentina's August 26, 2013 televised speech announcing a plan to circumvent previous U.S. court decisions by allowing bondholders who opted in to Argentina's 2005 and 2010 restructurings to replace their bonds (the "Exchange Bonds") with nearly identical instruments that would be payable in Argentina. The proposal is an attempt to circumvent the district court's decision, affirmed by the Second Circuit, which enjoins Argentina and U.S. agent-banks from making payments on the Exchange Bonds unless holdout creditors receive ratable treatment. The proposed plan would bypass the U.S. court's injunctions by making the bonds payable in Argentina. In the interim, on September 5, 2013, Argentina's Senate approved a plan offering holdout creditors an opportunity to exchange their bonds under similar terms to previous restructurings.

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