
From: Alan Bonfiglio Rios <alan.bonfiglio@economia.gob.mx>
Sent: Tuesday, November 16, 2021 8:21 PM
To: Melsheimer, Andrew (DAL - X61305); Orlando Pérez Garate
Cc: Cindy Rayo Zapata; Auner, TJ (DAL - X62186); Eduardo Fragoso Jacobo; Greg Tereposky; Laura Mejía Hernández; Rafael Alejandro Augusto Arteaga Farfán; Stephan Becker; Virginia Isabel Pérez Del Castillo Pérez; Derman, Andrew B (DAL - X61307); Ruiz, Gabriel (MTY - X87724); Segovia, Julia (MEX - X80631)
Subject: RE: Finley Resources, Inc., MWS Management, Inc., and Prize Permanent Holdings, LLC v. United Mexican States (ICSID Case No. ARB/21/25) - 821 Contract "finiquito"

[External email]

Estimado Andrew,

Gracias por tu correo y por la información proporcionada.

Por instrucciones de Orlando Pérez, hago de su conocimiento que aún estamos realizando gestiones con puntos de contacto en Pemex para entender la situación planteada en el correo del viernes, 12 de noviembre. Es sumamente difícil realizar estas acciones durante el fin de semana, y como es de su conocimiento, el 15 de noviembre fue día festivo en México. En ese sentido, la Demandada no está en posición de proporcionar comentarios al respecto, y mucho menos por escrito, como es solicitado en el correo del viernes.

Por favor, danos oportunidad de seguir solicitando información y entender la problemática planteada por las Demandantes, previo a que la Demandada pueda proporcionar cualquier respuesta al respecto.

Saludos,

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Enviado el: viernes, 12 de noviembre de 2021 01:21 p. m.

Para: Orlando Pérez Garate <orlando.perez@economia.gob.mx>

CC: Cindy Rayo Zapata <cindy.rayo@economia.gob.mx>; Alan Bonfiglio Rios <alan.bonfiglio@economia.gob.mx>; Auner, TJ (DAL - X62186) <TJ.Auner@hklaw.com>; Eduardo Fragoso Jacobo <eduardo.fragoso@economia.gob.mx>; Greg Tereposky <gtereposky@tradeisds.com>; Laura Mejía Hernández <laura.mejia@economia.gob.mx>; Rafael Alejandro Augusto Arteaga Farfán <rafael.arteaga@economia.gob.mx>; Stephan Becker <stephan.becker@pillsburylaw.com>; Virginia Isabel Pérez Del Castillo Pérez <virginia.perez@economia.gob.mx>; Derman, Andrew B (DAL - X61307) <Andrew.Derman@hklaw.com>; Ruiz, Gabriel (MTY - X87724) <Gabriel.Ruiz@hklaw.com>; Segovia, Julia (MEX - X80631) <Julia.Segovia@hklaw.com>

Asunto: Finley Resources, Inc., MWS Management, Inc., and Prize Permanent Holdings, LLC v. United Mexican States (ICSID Case No. ARB/21/25) - 821 Contract "finiquito"

Dear Orlando,

We want to bring to your attention a troubling development with respect to one of Claimants' investments that are the subject of our pending ICSID arbitration against México. We will refer to this investment as the "821 Contract."

On November 9, 2021, our clients received a copy of the attached document. On November 8, apparently this document was presented to someone who was not authorized to receive it on behalf of Claimants. As you may already be aware, this is a letter from Pemex advising that it intended to conduct a meeting for the "finiquito" of the 821 Contract on November 10. Please be advised that this notice is defective and invalid and without any effect. As such, Claimants formally object to it.

Without prejudice to their objection, a representative of Holland & Knight appeared at the place and time designated in Pemex's letter. Attending on behalf of Pemex were Ricardo Ortega Galindo, Roberto Marín Rojas, Juan Alberto Vázquez, and five others from Pemex. Our colleague attempted to obtain a copy of what Pemex claimed to be its proposal for the "finiquito". Pemex refused to provide him with this document. Instead, Pemex sought to have our representative acknowledge the validity of the results of the Mexican litigation regarding Pemex's improper rescission of the 821 Contract. Pemex further stated that it was going to proceed with the "finiquito" unilaterally.

Claimants initiated international arbitration because Mexico violated the protections afforded to this investment. Notably, Pemex abruptly issued the attached now that our arbitration is proceeding to the first hearing before the tribunal. This tactic is reminiscent of how Pemex issued a phantom work order to Claimants (which Pemex admitted it had no budget to pay) in retaliation to Claimants being forced to pursue legal action to have Pemex perform under the 821 Contract. Please be advised that we will not tolerate any tactics that interfere with Claimants' rights to pursue their claims in international arbitration because of Mexico's flagrant violations of its treaty obligations.

The purpose of this communication is to insist that Mexico (through Pemex) cease and desist from taking any further action with respect to the 821 Contract. To avoid doubt, we ask Mexico to confirm that Pemex will not take any action in furtherance of the "finiquito" of the 821 Contract or any action against the US\$ 41.8 million performance guarantee that Claimants provided under that contract. We ask for you to provide such assurances in writing on or before November 16, 2021. If not, we will bring this to the tribunal's immediate attention and seek the appropriate relief.

Finally, Pemex's latest action is a step towards the expropriation of this investment, if such has not already been triggered. Any pursuit in furtherance of the "finiquito" of the 821 Contract or against the US\$ 41.8 million performance guarantee will serve as further evidence of Mexico's expropriation. As such, Claimants reserve their right to augment their claims against Mexico to include expropriation.

We look forward to your prompt response.

Kind regards,

Andrew

Andrew Melsheimer | Holland & Knight

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