

March 15, 2007

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VIA HAND DELIVERY AND E-MAIL

Vilma Arbaje, Esq.  
Director  
Dirección de Comercio Exterior y Administración  
de Tratados Comerciales Internacionales  
Secretaría de Estado de Industria y Comercio  
Santo Domingo, Dominican Republic  
[vilma.arbaje@codetel.net.do](mailto:vilma.arbaje@codetel.net.do)

Re: Notice of Violations of Chapter 10 of the Central America—  
Dominican Republic—United States Free Trade Agreement  
("CAFTA—DR")

Dear Ms. Arbaje:

My firm represents The TCW Group, Inc. ("TCW") in the above-referenced matter.

As you know, on March 1, 2007, CAFTA—DR went into effect for the Dominican Republic (the "Republic"). This letter provides official notice of the Republic's violations of Chapter 10 of CAFTA—DR and constitutes TCW's Notice of Intent pursuant to Article 10.16(2) of CAFTA—DR.

In accordance with Article 10.16(2) of CAFTA—DR, TCW's official name, address and place of incorporation are:

The TCW Group, Inc.  
865 South Figueroa Street  
Los Angeles, California 90017  
United States of America  
Telephone: +1.213.244.0000  
Place of Incorporation: Nevada, United States of America

Vilma Arbaje, Esq.  
March 15, 2007  
Page 2


Since the Republic implemented CAFTA—DR, the Republic has continued to engage in a course of action that violates that treaty. These actions were described in the letter dated March 9, 2007 to (among others) President Leonel Fernández Reyna, Director General Juan Hernández, and Eng. Rhadamés Segura, as well as in face-to-face meetings with representatives of the Republic. The Republic's actions include, but are not limited to, the following:

1. Notwithstanding our client's request that the Dominican Republic stop its wrongful actions described in the letter of March 9, 2007, the Republic has failed to do so. The Republic's actions constitute violations of Article 10.5 of CAFTA—DR, which requires fair and equitable treatment and full protection and security.
2. TCW has requested that its investment in Empresa Distribuidora de Electricidad del Este, S.A. ("EDE Este") be treated no worse than other foreign investors have received with respect to similar investments, but the Republic has not agreed to do so. The Republic's failure to treat TCW no worse than other foreign investors constitutes a violation of Article 10.4 of CAFTA—DR, which requires the Republic to accord Most-Favored Nation Treatment to U.S. investors and their investments.

Unless corrected, the Republic's acts have caused and will cause damage to TCW of at least US\$100 million.

TCW reserves fully its rights to amend or supplement its claims, and this letter is served without prejudice to those rights.

Sincerely,



Christopher F. Dugan  
of PAUL, HASTINGS, JANOFSKY & WALKER LLP

cc: His Excellency Dr. Leonel Fernández Reyna  
President of the Dominican Republic  
Palacio Nacional  
Santo Domingo  
Dominican Republic  
[l.fernandez@codetel.net.do](mailto:l.fernandez@codetel.net.do)

Vilma Arbaje, Esq.  
March 15, 2007  
Page 3

Eng. Rhadamés Segura  
Secretary of State  
Executive Vice President  
Corporación Dominicana de Empresas Eléctricas Estatales  
Avenida Independencia  
esquina Fray Cipriano Utrera  
Centro de los Héroes de Constanza  
Maimon y Estero Hondo  
Santo Domingo  
Dominican Republic  
[rsegura@cdeee.gov.do](mailto:rsegura@cdeee.gov.do)

Dr. Mariano Germán  
calle José Tapia Brea No. 301  
Ensanche Evaristo Morales  
Santo Domingo  
Dominican Republic  
[mgerman@germanmejia.com.do](mailto:mgerman@germanmejia.com.do)

Roger W. Thomas, Esq.  
Jonathan Blackman, Esq.  
Cleary, Gottlieb, Steen & Hamilton LLP  
One Liberty Plaza  
New York, New York 10006  
United States of America  
[rthomas@cgsh.com](mailto:rthomas@cgsh.com)  
[jblackman@cgsh.com](mailto:jblackman@cgsh.com)

Matthew Slater, Esq.  
Cleary, Gottlieb, Steen & Hamilton LLP  
2000 Pennsylvania Avenue, N.W.  
Washington, D.C. 20006  
United States of America  
[mslater@cgsh.com](mailto:m Slater@cgsh.com)

**Paul Hastings**  
ATTORNEYS

Vilma Arbaje, Esq.  
March 15, 2007  
Page 4

Christopher Riche, Esq.  
Executive Director (L/EX)  
The Executive Office  
Office of the Legal Adviser  
Room 5519  
United States Department of State  
2201 C Street, N.W.  
Washington, D.C. 20520-6310  
United States of America