

From: [redacted]
Sent: Wednesday, December 15, 2010 9:57 AM
To: [redacted]
Cc: [redacted]
Subject: FW: Solyndra

There are some questions at the staff level about how DOE is going about the restructuring for Solyndra. At least one involves the legal question of what 1703(d) (3) means for their plan to make some of the debt "junior" to the new debt. (see below) I think they have stretched this definition beyond its limits.

(3) SUBORDINATION.--The obligation shall be subject to the condition that the obligation is not subordinate to other financing.

-----Original Message-----
From: [redacted]
Sent: Wednesday, December 15, 2010 8:18 AM
To: [redacted]
Subject: Fw: Solyndra

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I agree with [redacted] thoughts here. Note she had the same question on pricing future deals as we discussed yesterday.

----- Original Message -----
From: [redacted]
To: [redacted]
Sent: Wed Dec 15 07:39:10 2010
Subject: Re: Solyndra

I agree with your questions, and wonder whether this workout is really giving more to the parent than recovering for doe. I think we need to see DOE's write up of the terms and analysis of what happens absent the charge. I had a very hard time following the details over the phone.

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For a workout, we need to determine do we agree that 1) the project truly is in imminent default (sounds close here); and 2) the charges lead to the optimal recoveries from the Govt.

A workout sometimes will have different terms than the statute holds for the original loan but I think your questions would add color to #2 above. Is it really a better deal than nothing? If the answer is still yes, then we would need to price into future deals recovery rate that DOE will accept lower than optimal recoveries.

----- Original Message -----
From: [redacted]
To: [redacted]
Sent: Wed Dec 15 07:22:54 2010
Subject: Solyndra

On Solyndra, do you have thoughts on whether the proposed changes constitute a re-estimate vs a modification? Also, I am looking at whether the junior debt is consistent with the statute. More broadly, if the debt is discounted, I'm curious if that is consistent with a reasonable

prospect of repayment. If a modification (vs workout), this seems problematic to me. Do you have thoughts?

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