



Sunedison case number 16-10992

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11/24/2016 09:50 AM

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1 Attachment



SunedisonShareholderresearch11.24.16.pdf

A .PDF of the following is attached. Thank you for your time and considering the following information:

Dear Honorable Judge Stuart Bernstein,

The purpose of this email is to shine some light on how Sunedison and some other key companies and individuals got to where we are today. The following is my own individual research into the matter and it all start with FIRST WIND.

The truth behind Sunedison's downfall can be found in the 1603 Grant program, three companies by the name of First Wind, Vivint solar and Brookfield Asset Management and these five men: Paul Gaynor, Larry Summers, Rahm Emanuel, Steve Schwarzman and John Podesta.

There is a lot to unpack so for now let's start with First Wind. The 1603 Grant Program was designed to award up to 25 billion in taxpayer dollars to renewable energy development projects of which Boston based First Wind received 778 million of that taxpayer money under the guidance of CEO Paul Gaynor. It is interesting to note that Paul Gaynor was the former director of Enron Wind and a significant portion of the 1603 Grant money went to Clipper Wind turbines which at the time was run by Enron's James Dehlsen. Shortly after First Wind made turbine purchases from Clipper Wind, Clipper Wind was dumped by the parent company United Technology Corporation UTC.

First Wind has deployed Clipper Wind turbines in projects across the US according to court documents, with 12 newly installed but idle at Kahuku Wind. While the Pacific Coast Business Times reported on November 16, 2012, "Clipper Wind appears ready to implement a plan to eliminate all of its South Coast positions and shutter its Carpinteria headquarters by early next year." Since inception, First Wind has had ongoing structural and mechanical failures. It's as if their entire business model was focused on accessing the 1603 Grant money and nothing else.

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The House Oversight Committee Report of March 20, 2012 titled, 'The Department of Energy’s Disastrous Management of Loan Guarantee Program' provides blistering criticism of green company executives lining their pockets before filing for bankruptcy in MA. First Wind, developer of "Kahuku" is identified as S&P “Junk” rated.”[1] So here we have a company that has a bad reputation across the board and is known by the markets and banks to be completely toxic. They tried to take the company public and failed. They were bleeding money and it looked like there was no way out.

This is where Larry Summers and Rahm Emanuel come into play. I think it is important to give historical context when it comes to Larry Summers: “In 1993, Summers was appointed Undersecretary for International Affairs and later in the United States Department of the Treasury under the Clinton Administration. In 1995, he was promoted to Deputy Secretary of the Treasury under his long-time political mentor Robert Rubin. In 1999, he succeeded Rubin as Secretary of the Treasury... Summers was a leading voice within the Clinton Administration arguing against American leadership in greenhouse gas reductions and against US participation in the Kyoto Protocol, according to internal documents made public in 2009... In 2013, Summers emerged as one of two leading candidates, along with Janet Yellen, to succeed Ben Bernanke as head of the Federal Reserve System in 2014... On October 19, 2006, Summers was hired as a part-time managing director of the New York-based hedge fund D. E. Shaw for which he received \$5 million in salary and other compensation.”[2] This is where we pick back up. DE Shaw was the majority owner of First Wind and during this time Larry Summers was Obama’s Chief of the National Economic Council. Good friends to keep when your company is going down the drain.

Next up we have Rahm Emanuel, former White House chief of staff. Why was the White House chief of staff working with nearly bankrupt First Wind you ask? Because “Private equity firm Madison Dearborn Partners and its employees were the No. 2 donor to Emanuel's campaign.”[3] Dearborn Partners was the second largest owner of First Wind. These two powerful men, Larry Summers and Rahm Emanuel, needed to find a way to dump their companies toxic assets onto another emerging company. Something had to be done.

On January 29th 2015, as if out of the blue, Sunedison came to the rescue and bought out DE Shaw and Dearborn Partners, paying 1.9 billion for the acquisition of First Wind. “With the acquisition of First Wind, SunEdison becomes the leading renewable energy developer in the world,” said Ahmad Chatila, President and Chief Executive Officer of SunEdison. “This acquisition enhances SunEdison’s global offering and adds a talented wind development and

asset management team. By combining SunEdison's leading solar development platform with First Wind's platform, SunEdison is well positioned to drive significant growth in global renewable energy markets, and deliver immediate shareholder value.”[4]

For the time, it seemed like Summers and Emanuel were saved, but it became quickly obvious that Sunedison had taken on too much debt in the acquisition and they were unable to pay the full amount. One year later DE Shaw and Dearborn Partners filed a lawsuit against Sunedison, “Two creditors filed a lawsuit Sunday against the struggling company's TerraForm Power Inc. holding company seeking \$231 million related to an acquisition last year... D.E. Shaw and Dearborn Capital Partners say the funds in the TerraForm Power matter are owed as deferred payment for SunEdison's \$1.9 billion purchase of First Wind Holdings LLC in January 2015, and will be due “immediately” if SunEdison files for bankruptcy or restructures its debt, according to the suit filed in the Supreme Court of the State of New York.... First Wind was one of SunEdison's biggest purchases, and made it the world's biggest renewable-energy company. It was part of a massive buying spree that racked up \$11.7 billion in debt by the end of September and helped drive the company to the edge of failure.”[5] So Shaw and Dearborn successfully offloaded their failing company onto Sunedison and then turned back around and sued them for damages. “By all reports, SunEdison is on the verge of bankruptcy,” D.E. Shaw and Madison Dearborn said in the suit. “That bankruptcy will trigger substantial contractual payment obligations.” If anyone would know they would.

Now let us move on to Vivint Solar. In 2012 Steve Schwarzman, CEO of Blackstone Group, “which operates the second largest equity fund businesses in the world, had agreed to acquire home automation giant Vivint in a deal that's worth just over \$2 billion.”[6] In less than two years Blackstone took Vivint public. The IPO occurred on October 1st 2014 and within a matter of months the price dropped below 8\$ a share. By all accounts it was a failed IPO and was devastating for investors. Again we find ourselves with another renewable energy company in a hopeless debt ridden situation and again, as if out of the blue, Sunedison, hot off its purchase of First Wind, decided to acquire Vivint.

Only months before the Blackstone Vivint IPO Sunedison spun off TerraForm Global (its most valued asset) into its own IPO (TERP) on July 18th 2014 for 33.09\$. Almost one year later to the date Sunedison would offer to buy Vivint and “said its unit TerraForm Power would eventually buy Vivint's rooftop solar portfolio of 523 megawatts, expected to be installed this year, for \$922 million.”[4] TerraForm Global stock plunged on this news and now rests around 12\$ a share today.

There is plenty of information on how Vivint solar was purchased and spun off by Blackstone but there is very little public information on how Vivint, Blackstone and Sunedison came together to form the buyout. We don't know who brokered the deal but the markets could agree that 2.2 billion dollars was a ridiculous price tag for Vivint, “The offer works out to four times Vivint's retained value of \$560 million as of March 31, said Raymond James analyst Pavel Molchanov.”[7] Shortly after this news Sunedison's stock went into freefall. All three companies headed towards their all time lows.

There is layers upon layers to this story. You could talk about David Tepper, David

Einhorn, Ahmad Chatila, etc but today I want to focus on the money men that are directly connected to the administration. This brings me to the head of it all John Podesta and Brookfield Asset Management .

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Sunedison's bankruptcy is without a doubt on the radar of every major politician in the Obama and Clinton administration right now. We have no way of knowing what they will do but rest assured it will involve BAM. BAM is the golden standard of renewable assets for Podesta, Obama and Clinton groups.

Shareholders deserve a seat at the table. Everyone else has one. We are equally informed and have information that directly connects to fraud and mishandling.

It is obvious to everyone involved that Sunedison was used as a dumping ground for debt while all of the real assets (First Wind, etc) can be found in TERP which was spun off less than two years before Sunedison bankruptcy. That alone should give credence to the clawback clause. BAM, DE SHAW, they all want TERP debt free. We hope everyone involved will do the right thing.

Thank you for your time.

[1]

<http://dailybail.com/home/deval-patrick-paul-gaynor-crony-capitalism-at-first-wind.html>
<http://oversight.house.gov/wp-content/uploads/2012/03/FINAL-DOE-Loan-Guarantees-Report.pdf>

[2]https://en.wikipedia.org/wiki/Lawrence_Summers

[3]<http://www.chicagotribune.com/news/ct-rahm-emanuel-campaign-fundraising-met-0708-20150707-story.html>

[4]<https://cleantechnica.com/2015/01/30/sunedison-terraform-close-first-wind-acquisition-deal/>

[5]<https://www.bloomberg.com/news/articles/2016-04-04/sunedison-s-terraform-sued-on-overdue-payment-in-first-wind-deal>

[6] <https://techcrunch.com/2012/09/18/blackstone-throws-down-just-over-2-billion-to-acquire-home-automation-giant-vivint/>

[7] <http://www.reuters.com/article/us-vivint-solar-m-a-sunedish-idUSKCN0PU13220150720>

[8] <http://greencorruption.blogspot.com/2014/03/podesta-power-and-center-for-american>

[9]<http://soprweb.senate.gov/index.cfm?event=getFilingDetails&filingID=D983FBD4-CDE0-4379-9D94-2F214731058F&filingTypeID=51>

[10]<https://wikileaks.org/podesta-emails/emailid/31523>

[11]<https://wikileaks.org/podesta-emails/emailid/43385>

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[10]<https://wikileaks.org/podesta-emails/emailid/31523>

[11]<https://wikileaks.org/podesta-emails/emailid/43385>