

The JS-44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for use of the Clerk of Court for the purpose of initiating the civil docket sheet.

PLAINTIFFS Fir Tree Capital Opportunity Master Fund, LP and Fir Tree Value Master Fund, LP	DEFENDANTS Anglo Irish Bank Corporation Limited (f/k/a Anglo Irish Bank Corporation Plc)
ATTORNEYS (FIRM NAME, ADDRESS, AND TELEPHONE NUMBER) Jenner & Block LLP, 919 Third Avenue, 38th Floor New York, NY 10022 (212) 891-1600	ATTORNEYS (IF KNOWN) Patrick J. Trostle Brian J. Fischer Alixandra E. Smith

CAUSE OF ACTION (CITE THE U.S. CIVIL STATUTE UNDER WHICH YOU ARE FILING AND WRITE A BRIEF STATEMENT OF CAUSE)
 (DO NOT CITE JURISDICTIONAL STATUTES UNLESS DIVERSITY)

This is an action for equitable relief brought pursuant to 28 U.S.C. § 1330.

Has this or a similar case been previously filed in SDNY at any time? No? Yes? Judge Previously Assigned

If yes, was this case Vol. Invol. Dismissed. No Yes If yes, give date _____ & Case No. _____

(PLACE AN [x] IN ONE BOX ONLY) **NATURE OF SUIT**

	ACTIONS UNDER STATUTES				
CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES	
<input type="checkbox"/> 110 INSURANCE <input type="checkbox"/> 120 MARINE <input type="checkbox"/> 130 MILLER ACT <input type="checkbox"/> 140 NEGOTIABLE INSTRUMENT <input type="checkbox"/> 150 RECOVERY OF OVERPAYMENT & ENFORCEMENT OF JUDGMENT <input type="checkbox"/> 151 MEDICARE ACT <input type="checkbox"/> 152 RECOVERY OF DEFAULTED STUDENT LOANS (EXCL VETERANS) <input type="checkbox"/> 153 RECOVERY OF OVERPAYMENT OF VETERAN'S BENEFITS <input type="checkbox"/> 160 STOCKHOLDERS SUITS <input checked="" type="checkbox"/> 190 OTHER CONTRACT <input type="checkbox"/> 195 CONTRACT PRODUCT LIABILITY <input type="checkbox"/> 196 FRANCHISE	PERSONAL INJURY <input type="checkbox"/> 310 AIRPLANE <input type="checkbox"/> 315 AIRPLANE PRODUCT LIABILITY <input type="checkbox"/> 320 ASSAULT, LIBEL & SLANDER <input type="checkbox"/> 330 FEDERAL EMPLOYERS' LIABILITY <input type="checkbox"/> 340 MARINE <input type="checkbox"/> 345 MARINE PRODUCT LIABILITY <input type="checkbox"/> 350 MOTOR VEHICLE <input type="checkbox"/> 355 MOTOR VEHICLE PRODUCT LIABILITY <input type="checkbox"/> 360 OTHER PERSONAL INJURY ACTIONS UNDER STATUTES CIVIL RIGHTS <input type="checkbox"/> 441 VOTING <input type="checkbox"/> 442 EMPLOYMENT <input type="checkbox"/> 443 HOUSING/ACCOMMODATIONS <input type="checkbox"/> 444 WELFARE <input type="checkbox"/> 445 AMERICANS WITH DISABILITIES - EMPLOYMENT <input type="checkbox"/> 446 AMERICANS WITH DISABILITIES - OTHER <input type="checkbox"/> 440 OTHER CIVIL RIGHTS	PERSONAL INJURY <input type="checkbox"/> 362 PERSONAL INJURY - MED MAL PRACTICE <input type="checkbox"/> 365 PERSONAL INJURY PRODUCT LIABILITY <input type="checkbox"/> 368 ASBESTOS PERSONAL INJURY PRODUCT LIABILITY PERSONAL PROPERTY <input type="checkbox"/> 370 OTHER FRAUD <input type="checkbox"/> 371 TRUTH IN LENDING <input type="checkbox"/> 380 OTHER PERSONAL PROPERTY DAMAGE <input type="checkbox"/> 385 PROPERTY DAMAGE PRODUCT LIABILITY PRISONER PETITIONS <input type="checkbox"/> 510 MOTIONS TO VACATE SENTENCE <input type="checkbox"/> 530 HABEAS CORPUS <input type="checkbox"/> 535 DEATH PENALTY <input type="checkbox"/> 540 MANDAMUS & OTHER <input type="checkbox"/> 550 CIVIL RIGHTS <input type="checkbox"/> 555 PRISON CONDITION	<input type="checkbox"/> 610 AGRICULTURE <input type="checkbox"/> 620 OTHER FOOD & DRUG <input type="checkbox"/> 625 DRUG RELATED SEIZURE OF PROPERTY <input type="checkbox"/> 630 LIQUOR LAWS <input type="checkbox"/> 640 RR & TRUCK <input type="checkbox"/> 650 AIRLINE REGS <input type="checkbox"/> 660 OCCUPATIONAL SAFETY/HEALTH OTHER LABOR <input type="checkbox"/> 710 FAIR LABOR STANDARDS ACT <input type="checkbox"/> 720 LABOR/MGMT RELATIONS <input type="checkbox"/> 730 LABOR/MGMT REPORTING & DISCLOSURE ACT <input type="checkbox"/> 740 RAILWAY LABOR ACT <input type="checkbox"/> 790 OTHER LABOR LITIGATION <input type="checkbox"/> 791 EMPL RET INC SECURITY ACT IMMIGRATION <input type="checkbox"/> 462 NATURALIZATION APPLICATION <input type="checkbox"/> 463 HABEAS CORPUS-ALIEN DETAINEE <input type="checkbox"/> 465 OTHER IMMIGRATION ACTIONS	<input type="checkbox"/> 422 APPEAL 28 USC 158 <input type="checkbox"/> 423 WITHDRAWAL 28 USC 157 PROPERTY RIGHTS <input type="checkbox"/> 820 COPYRIGHTS <input type="checkbox"/> 830 PATENT <input type="checkbox"/> 840 TRADEMARK SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395f) <input type="checkbox"/> 862 BLACK LUNG (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID TITLE XVI <input type="checkbox"/> 865 RSI (405(g)) FEDERAL TAX SUITS <input type="checkbox"/> 870 TAXES (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS-THIRD PARTY 26 USC 7609	<input type="checkbox"/> 400 STATE REAPPORTIONMENT <input type="checkbox"/> 410 ANTI TRUST <input type="checkbox"/> 430 BANKS & BANKING <input type="checkbox"/> 450 COMMERCE <input type="checkbox"/> 460 DEPORTATION <input type="checkbox"/> 470 RACKETEER INFLUENCED & CORRUPT ORGANIZATION ACT (RICO) <input type="checkbox"/> 480 CONSUMER CREDIT <input type="checkbox"/> 490 CABLE/SATELLITE TV <input type="checkbox"/> 810 SELECTIVE SERVICE <input type="checkbox"/> 850 SECURITIES/COMMODITIES/EXCHANGE <input type="checkbox"/> 875 CUSTOMER CHALLENGE 12 USC 3410 <input type="checkbox"/> 890 OTHER STATUTORY ACTIONS <input type="checkbox"/> 891 AGRICULTURAL ACTS <input type="checkbox"/> 892 ECONOMIC STABILIZATION ACT <input type="checkbox"/> 893 ENVIRONMENTAL MATTERS <input type="checkbox"/> 894 ENERGY ALLOCATION ACT <input type="checkbox"/> 895 FREEDOM OF INFORMATION ACT <input type="checkbox"/> 900 APPEAL OF FEE DETERMINATION UNDER EQUAL ACCESS TO JUSTICE <input type="checkbox"/> 950 CONSTITUTIONALITY OF STATE STATUTES

928954

Check if demanded in complaint:

CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23

DO YOU CLAIM THIS CASE IS RELATED TO A CIVIL CASE NOW PENDING IN S.D.N.Y.? IF SO, STATE: _____

DEMAND \$ _____ OTHER _____ JUDGE _____ DOCKET NUMBER _____

Check YES only if demanded in complaint
 JURY DEMAND: YES NO

NOTE: Please submit at the time of filing an explanation of why cases are deemed related.

(PLACE AN x IN ONE BOX ONLY)

ORIGIN

- 1 Original Proceeding
- 2a. Removed from State Court
- 2b. Removed from State Court AND at least one party is pro se.
- 3 Remanded from Appellate Court
- 4 Reinstated or Reopened
- 5 Transferred from (Specify District)
- 6 Multidistrict Litigation
- 7 Appeal to District Judge from Magistrate Judge Judgment

(PLACE AN x IN ONE BOX ONLY)

BASIS OF JURISDICTION

- 1 U.S. PLAINTIFF
- 2 U.S. DEFENDANT
- 3 FEDERAL QUESTION (U.S. NOT A PARTY)
- 4 DIVERSITY

IF DIVERSITY, INDICATE CITIZENSHIP BELOW. (28 USC 1322, 1441)

CITIZENSHIP OF PRINCIPAL PARTIES (FOR DIVERSITY CASES ONLY)

(Place an [X] in one box for Plaintiff and one box for Defendant)

	PTF	DEF		PTF	DEF		PTF	DEF
CITIZEN OF THIS STATE	[]	[]	CITIZEN OR SUBJECT OF A FOREIGN COUNTRY	[]	[]	INCORPORATED and PRINCIPAL PLACE OF BUSINESS IN ANOTHER STATE	[]	[]
CITIZEN OF ANOTHER STATE	[]	[]	INCORPORATED or PRINCIPAL PLACE OF BUSINESS IN THIS STATE	[]	[]	FOREIGN NATION	[]	[]

PLAINTIFF(S) ADDRESS(ES) AND COUNTY(IES)

Fir Tree Capital Opportunity Master Fund, LP and Fir Tree Value Master Fund, LP
 c/o Citco Fund Services (Cayman Islands) Limited
 89 Nexus Way, Camana Bay
 Grand Cayman KY1-1205, Cayman Islands

DEFENDANT(S) ADDRESS(ES) AND COUNTY(IES)

Anglo Irish Bank Limited, Head Office, Stephen Court, 18/21 St. Stephens Green, Dublin 2
 Anglo Irish Bank c/o C T Corporation System, 111 Eighth Avenue, 13th Floor, New York, NY 10011
 Anglo Irish Bank, 222 East 41st Street, 24th Floor, New York, NY 10017

DEFENDANT(S) ADDRESS UNKNOWN

REPRESENTATION IS HEREBY MADE THAT, AT THIS TIME, I HAVE BEEN UNABLE, WITH REASONABLE DILIGENCE, TO ASCERTAIN THE RESIDENCE ADDRESSES OF THE FOLLOWING DEFENDANTS:

Check one: THIS ACTION SHOULD BE ASSIGNED TO: WHITE PLAINS MANHATTAN
 (DO NOT check either box if this a PRISONER PETITION.)

DATE 02/14/2011 SIGNATURE OF ATTORNEY OF RECORD

[Handwritten Signature]

ADMITTED TO PRACTICE IN THIS DISTRICT

[] NO
 YES (DATE ADMITTED Mo. 11 Yr. 2004)
 Attorney Bar Code #BF-4303

RECEIPT #

Magistrate Judge is to be designated by the Clerk of the Court.

MAG. JUDGE ELLIS

Magistrate Judge _____ is so Designated.

Ruby J. Krajick, Clerk of Court by _____ Deputy Clerk, DATED _____.

UNITED STATES DISTRICT COURT (NEW YORK SOUTHERN)

FOR THE SOUTHERN DISTRICT OF NEW YORK

FIR TREE CAPITAL OPPORTUNITY MASTER FUND, LP and FIR TREE VALUE MASTER FUND, LP,

Civil Action No. _____

Plaintiffs,

COMPLAINT

v.

ANGLO IRISH BANK CORPORATION LIMITED (f/k/a ANGLO IRISH BANK CORPORATION PLC)

Defendant.

FILED
U.S. DISTRICT COURT
2011 FEB 14 AM 10:54
S.D. OF N.Y.

Plaintiffs Fir Tree Capital Opportunity Master Fund, LP and Fir Tree Value Master Fund, LP (together, the "Noteholders") for their complaint against Anglo Irish Bank Corporation Limited (f/k/a Anglo Irish Bank Corporation plc) ("Anglo Irish Bank" or "Bank") hereby state as follows:

NATURE OF THIS ACTION

1. The Noteholders are the sole owners and holders of two series of notes (the "Notes") issued in the United States by Anglo Irish Bank. The Notes are governed by a Note Purchase Agreement dated as of September 28, 2005 (the "Note Purchase Agreement" or the "Agreement"). By their express terms, the Notes are governed by New York law and are payable in the City and State of New York. The Notes and the Agreement entitle the Noteholders to receive regular payments of principal and interest from Anglo Irish Bank, set forth certain covenants by which the Bank must abide, and provide the Noteholders with legal and equitable rights and remedies – including the right to seek redress in New York federal or state court – in the event that the Bank fails to honor its obligations. The Notes have an aggregate principal amount of US \$200,000,000.

2. In September 2008, the Irish government guaranteed all of Anglo Irish Bank's liabilities. The government then injected additional capital into the Bank and, by January 2009, became the sole shareholder of the Bank.

3. Thereafter, Anglo Irish Bank began to liquidate its assets at steep discounts. Among other things, the Bank (at the government's direction) sold €35 billion of loans to a special purpose vehicle comprised of the government and three other Irish banks. Anglo Irish Bank received just €13 billion in return—a 62% discount—thereby greatly reducing the assets available to pay creditors such as the Noteholders. These distressed sales compounded the Bank's troubles. The Irish government then announced that it would pass special legislation to wipe out much of the Bank's debt, regardless whether such legislation would cause the Bank to violate its contractual obligations.

4. In December 2010, the Irish government proposed and within a matter of days enacted the Credit Institutions (Stabilisation) Act 2010 (the "Act"). The Act gives the Irish Minister for Finance (the "Minister") sweeping powers over Anglo Irish Bank and its creditors—irrespective whether those creditors are in Ireland or hold notes issued in, payable in, or governed by the laws of, Ireland. Under the Act, the Minister may obtain *ex parte* "direction orders" from the High Court of Ireland requiring Anglo Irish Bank to take "any action," including selling its assets and liabilities. The Minister also may obtain *ex parte* "subordinated liabilities orders" that purport to eliminate any and all rights of subordinated creditors such as the Noteholders; entry of such an order would further preclude the Noteholders from instituting any judicial or administrative proceedings against the Bank.

5. On February 8, 2011, following an *ex parte* application by the Minister under the Act, the High Court of Ireland issued a direction order (the "February 8 Order") with respect to Anglo Irish Bank. The February 8 Order directs the Bank to take immediate steps to conduct an auction of certain assets and deposits. The February 8 Order also directs the Bank to reduce its

net lending to customers, to formulate a detailed plan to close offices and dispose of its wealth management business, and to transfer remaining eligible loan assets to a special purpose vehicle. Finally, the February 8 Order directs Anglo Irish Bank to prepare a detailed plan to acquire or merge with Irish Nationwide Building Society (“INBS”), another distressed Irish bank.

6. On February 11, 2011, Moody’s Investors Service downgraded the credit rating of both the Bank’s and INBS’s debt to “junk” status. Thus, after Anglo Irish Bank sells its assets, it will unite with another credit-risky bank, thereby imperiling the Noteholders’ ability to recover.

7. The effect of the transfers, auction, and acquisition or merger will be to leave behind an undercapitalized entity with inadequate resources to pay the Bank’s and INBS’s debts, such as those owed to the Noteholders.

8. Anglo Irish Bank’s asset sales and the pending merger with INBS plainly and brazenly violate the Bank’s covenants in the Note Purchase Agreement. In Section 9.3 of the Agreement, the Bank covenanted that it would refrain from consolidating with or merging into any entity unless that entity was solvent and agreed to assume all liabilities under the Agreement—yet INBS is not an investment-grade institution, and there is no assurance that it will assume the Bank’s liabilities as required by the Note Purchase Agreement.

9. Anglo Irish Bank also covenanted that it would not sell or “otherwise dispose of its assets as an entirety or substantially as an entirety” to any entity, again unless that entity was solvent and agreed to assume all liabilities under the Agreement. Nothing in the February 8 Order, however, requires Anglo Irish Bank to comply with Section 9.3 of the Agreement; upon information and belief, purchasers or transferees of the Bank’s assets, including the Irish government’s special purpose vehicle, have not agreed to assume the Bank’s liabilities under the Agreement.

10. Accordingly, the Noteholders bring this action to enforce their contractual and equitable rights under the Agreement, as provided for in New York law.

11. First, the Noteholders seek a declaratory judgment that New York law applies to the Agreement and Notes issued thereunder.

12. Second, in accordance with Section 11.3 of the Agreement, the Noteholders request specific performance of Anglo Irish Bank's contractual covenants, including the Bank's commitment not to sell its assets or merge with another entity unless that entity is solvent and assumes the Bank's obligations to the Noteholders.

13. Third, the Noteholders request an injunction enjoining Anglo Irish Bank from transferring any of its United States assets out of the country, so that the Noteholders can obtain meaningful relief under the Agreement and from this Court. As of June 30, 2010, Anglo Irish Bank reported having €10.7 billion of assets in the United States; the Noteholders seek an injunction as to less than 2% of that amount to protect payments due on the Notes.

14. Finally, the Noteholders seek the appointment of a receiver under the New York Debtor and Creditor Law to take charge of Anglo Irish Bank's assets located in the United States, thus ensuring compliance with both the Agreement and any injunctive relief this Court may grant.

THE PARTIES

15. Plaintiff Fir Tree Capital Opportunity Master Fund, LP is a Cayman exempted limited partnership, with its headquarters in Grand Cayman, Cayman Islands.

16. Plaintiff Fir Tree Value Master Fund, LP is a Cayman exempted limited partnership, with its headquarters in Grand Cayman, Cayman Islands.

17. Defendant Anglo Irish Bank is a company incorporated under the laws of the Republic of Ireland. On January 21, 2009, the Republic of Ireland enacted the Anglo Irish Bank Corporation Act 2009, which facilitated the transfer of all shares in the Bank to the Irish Minister for Finance (or his nominee). As a result, the Republic of Ireland, or a political subdivision thereof, owns 100% of the shares of Anglo Irish Bank. Also on January 21, 2009, the Bank was

re-registered as a private limited company. Anglo Irish Bank transacts business within the State of New York and this District through offices located at 222 East 41st Street, New York, New York 10017, and 265 Franklin Street, Boston, Massachusetts 02110. Under the Agreement, the Bank irrevocably appointed and designated as its duly authorized agent for the acceptance of service of legal process CT Corporation, 111 8th Avenue, New York, New York 10011. Upon information and belief, the Bank engages in substantial business activities in the United States, mostly through its commercial real estate lending practice, corporate treasury service practice, and loans it extended to United States borrowers. As of June 30, 2010, the Bank reported having €10.7 billion of assets in the United States in outstanding U.S.-based customer loans and advances.

JURISDICTION AND VENUE

18. This Court has subject-matter jurisdiction over this matter pursuant to 28 U.S.C. § 1330 because Anglo Irish Bank is a foreign state as defined in 28 U.S.C. § 1603(a) and because Anglo Irish Bank is not entitled to immunity either under 28 U.S.C. §§ 1605-1607 or any applicable international agreement. The Republic of Ireland owns 100% of Anglo Irish Bank's shares.

19. Pursuant to 28 U.S.C. § 1330 and § 1608(a), this Court has personal jurisdiction over Anglo Irish Bank because the Noteholders served a copy of the summons and complaint in accordance with the special arrangements for service set forth in Section 19.5 of the Agreement. In the alternative, this Court has personal jurisdiction over the Bank because the Bank has transacted business and engaged in commercial activity within the State of New York and this District and is licensed to do business in the State of New York by the State of New York Banking Department.

20. Venue is proper in this Court pursuant to 28 U.S.C. § 1391 because a substantial part of the events or omissions giving rise to this action occurred in this District, and Anglo Irish

Bank is doing business and is subject to personal jurisdiction in this District at the time this action is commenced. In addition, in Section 19.5 of the Agreement, Anglo Irish Bank consented to this Court's jurisdiction and agreed to waive any objections to venue lying in this Court.

THE FACTS

A. Terms of the Note Purchase Agreement and Notes

21. The Noteholders are the sole owners and holders of the Notes. The Notes bear interest payable in accordance with their terms and Section 1.3 of the Agreement. The Notes were issued in the United States and require all payments to be made in the City and State of New York. Copies of the Agreement (Exhibit A) and the form Notes (Exhibits B and C) are attached hereto.

22. Both the Agreement and the Notes expressly provide for the application of New York law. In Section 19.7 of the Agreement, Anglo Irish Bank agreed that "[the] Agreement and the Notes shall be governed by and construed in accordance with the laws of the State of New York." The last sentence of the Notes states, "[t]his Note shall be governed by and construed in accordance with the laws of the State of New York." In addition, Anglo Irish Bank consented to this Court's jurisdiction and, under Section 19.5 of the Agreement, Anglo Irish Bank agreed that any suit arising out of the Agreement could "be brought in the courts of the State of New York or the United States District Court for the Southern District of New York." Anglo Irish Bank further agreed to waive any objections to venue lying in this Court.

23. The terms of the Agreement and the Notes obligate Anglo Irish Bank to pay principal, premium (if any), and interest on the Notes. Similarly, Section 9.1 of the Agreement states that Anglo Irish Bank "will duly and punctually pay the principal of and interest and premium, if any, on the Notes in accordance with the terms of the Notes and this Agreement." Section 11.2 of the Agreement provides that a default occurs if Anglo Irish Bank fails to make

due and punctual payment of principal, premium (if any), and interest, “whatever the reason and whether it shall be voluntary or involuntary or by operation of law or otherwise.” Section 12.3 of the Agreement states that nothing contained in the Agreement or the Notes “is intended to or shall (i) impair, as between the Bank and the holders of the Notes, the obligation of the Bank which is unconditional and absolute, to pay to the holder of the Notes the principal of and the premium, if any, and interest on the Notes as and when the same shall become due and payable in accordance with their terms and the terms of this Agreement. . . .”

24. The Agreement contains a series of covenants. Of particular relevance here, under Section 9.3 of the Agreement, Anglo Irish Bank covenanted that it will neither (a) “consolidate with or merge into” any corporation or entity, nor (b) “sell, lease or otherwise dispose of its assets as an entirety or substantially as an entirety” to any corporation or entity *unless* (x) the surviving entity is solvent (the “Solvency Condition”); (y) the surviving entity agrees to assume all liabilities related to the Notes (the “Assumption Condition”); and (z) Anglo Irish Bank “causes to be delivered to each holder of Notes an opinion of independent counsel reasonably satisfactory to the Holders of at least 51% in aggregate principal amount of the Notes, to the effect that the agreements or instruments effecting such assumption are enforceable in accordance with their terms and comply with the terms [of Section 9.3]” (the “Opinion of Counsel Condition”).

25. Section 11.3 of the Agreement sets forth the rights afforded to a holder of any Note if a “Default” or an “Event of Default” (as those terms are defined in the Agreement) or other breach or violation of the Agreement or the Notes has occurred or is continuing. Specifically, a holder of any Note “may proceed to protect and enforce its rights, either by suit in equity or by action at law, or both, whether for the specific performance of any covenant or agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement.” A holder of any Note may also “proceed to enforce the payment of all sums then

due and owing upon such Note or to enforce any other legal or equitable right (whether now existing or hereafter arising), of the holder of such Note. . . .”

B. Republic of Ireland’s Ownership of Anglo Irish Bank

26. In September 2008, the Irish government guaranteed all of Anglo Irish Bank’s liabilities. The government then injected additional capital into the Bank and, by January 2009, became the sole shareholder of the Bank.

27. Thereafter, Anglo Irish Bank began to liquidate its assets at steep discounts. Among other things, the Bank (at the government’s direction) sold €35 billion of loans to a special purpose vehicle comprised of the government and three other Irish banks. Anglo Irish Bank received just €13 billion in return—a 62% discount—thereby greatly reducing the assets available to pay creditors such as the Noteholders. These distressed sales compounded the Bank’s troubles. The Irish government then announced that it would pass special legislation to wipe out much of the Bank’s debt, regardless whether such legislation would violate the Bank’s contractual obligations.

28. On September 30, 2010, the Irish Minister for Finance issued a statement on banking and specifically addressed Anglo Irish Bank. The Minister stated an intention to split Anglo Irish Bank in early 2011 and expressed the opinion that Anglo Irish Bank’s subordinated debtholders should share the burden of Anglo Irish Bank’s losses and “make a significant contribution towards meeting the costs of Anglo.”

C. The Credit Institutions (Stabilisation) Act 2010

29. Consistent with the Irish Minister’s statement, in December 2010 the Irish government proposed and within a matter of days enacted the Credit Institutions (Stabilisation) Act 2010. A copy of the Act is attached hereto as Exhibit D.

30. The Act sets forth procedures through which the Irish Minister for Finance can obtain *ex parte* “direction orders” and “subordinated liabilities orders” from the High Court of

Ireland to modify the rights of Irish financial institutions and subordinated creditors. The Minister can use direction orders to cause financial institutions to issue additional capital or dispose of assets or liabilities, and the Minister can use subordinated liabilities orders purportedly to modify or eliminate all of a subordinated creditor's rights. The list of potentially affected subordinated creditors' rights includes, among other things, the right to declare events of default, the right to receive payments, and the right to enforce contractual choice-of-law provisions. Act, § 28(4)(a)(i)-(ix).

31. The Act contemplates that the Minister for Finance can make proposed direction orders or subordinated liabilities orders without providing notice to the public, to creditors, or even (under certain circumstances) to the relevant financial institution. Once the Minister makes a proposed direction order or subordinated liabilities order, the Act mandates that the Minister "shall apply *ex parte*" to the High Court of Ireland for entry of the order. Act, § 9(1), § 29(1). Nothing in the Act permits the Minister to apply to the High Court on anything but an *ex parte* basis, and there is no provision requiring that creditors such as the Noteholders receive notice of the *ex parte* application or be given the opportunity to object to the order's entry. With respect to direction orders, the Act does not even provide creditors such as the Noteholders an opportunity to move to set aside the order after the fact, and with respect to a subordinated liabilities order, it is possible that creditors such as the Noteholders would not receive notice of the order until after the order is effective.

32. This potential outcome is particularly egregious since, once a subordinated liabilities order is effective, the Act purports to eliminate any contractual or equitable remedies that creditors such as the Noteholders may have – including the right to commence proceedings against the relevant institution, to bring petitions to wind up the relevant institution, or to exercise a right of set-off against the relevant institution. Act, § 32. This elimination of

remedies ignores that the Notes were issued in the United States and are governed by New York law.

33. Because the Act purports to prevent the Noteholders from commencing any proceedings or pursuing any remedies against Anglo Irish Bank following the issuance of a subordinated liabilities order, the modification or elimination of any of the Noteholders' rights as subordinated creditors would be irrevocable and irreversible.

D. The High Court of Ireland's February 8 Order

34. On February 8, 2011, the High Court of Ireland issued a direction order with respect to Anglo Irish Bank, a copy of which is attached hereto as Exhibit E.

35. The February 8 Order directs Anglo Irish Bank to commence a process to sell, by way of an auction, the Bank's deposits and assets to another institution or institutions. The February 8 Order also directs Anglo Irish Bank to formulate detailed plans to acquire or merge with Irish Nationwide Building Society ("INBS") – another Irish bank that is conducting distressed asset sales.

36. The proposed acquisition of, or merger with, INBS threatens the Noteholders' ability to recover on account of the Notes. On February 11, 2011, Moody's downgraded both Anglo Irish Bank's and INBS's credit rating from Ba3 to Caa1. In Moody's estimation, both banks' debts are now "judged to be of poor standing and are subject to very high credit risk." Moody's explained that the Irish government's commitment to safeguarding the health of Irish financial institutions such as Anglo Irish Bank "has been brought into question over the past days." Moody's further explained that the "huge fiscal burden" of supporting the Irish banking sector will be borne by creditors like the Noteholders. A copy of the ratings action is attached hereto as Exhibit F.

37. Additionally, upon information and belief, pursuant to the February 8 Order, the Irish Minister for Finance intends to auction Anglo Irish Bank's most valuable assets. As a

result, Anglo Irish Bank will be left with sub-standard assets, which will be insufficient to satisfy its obligations to the Noteholders.

38. The Act does not permit the Noteholders to challenge the February 8 Order, even though actions taken as a result of the February 8 Order (or any future order of the High Court of Ireland) could irrevocably affect the Noteholders' rights under the Agreement and might eliminate the Noteholders' ability to pursue remedies against Anglo Irish Bank.

COUNT I

(Declaratory Judgment Regarding Choice of Law)

39. Plaintiffs repeat and reallege the foregoing paragraphs as if fully set forth herein.

40. The Irish government has enacted legislation that purports to affect the Noteholders' rights under the Agreement and the Notes. The Agreement and the Notes, however, state that they are governed by and to be construed in accordance with laws of the State of New York.

41. A present case or controversy exists between the Noteholders and Anglo Irish Bank regarding the terms of the Agreement and the Notes.

42. The Noteholders request a declaration by this Court that the terms and conditions of the Agreement and the Notes are to be construed in accordance with New York law and are not affected by changes in the laws in the Republic of Ireland.

COUNT II

(Immediate, Preliminary, and Permanent Injunctive Relief Against Anglo Irish Bank to Enforce Specific Performance Under Contract)

43. Plaintiffs repeat and reallege the foregoing paragraphs as if fully set forth herein.

44. A breach of the Agreement occurs when Anglo Irish Bank consolidates with or merges with or into, or sells, leases or otherwise disposes of its assets as an entirety or substantially as an entirety to any Person (as defined in the Agreement), except as may be permitted by Section 9.3 of the Agreement.

45. The February 8 Order directs Anglo Irish Bank to dispose of a substantial amount of Anglo Irish Bank's remaining assets and to formulate detailed plans to acquire or merge with Irish Nationwide Building Society. Unless the Solvency Condition, Assumption Condition, and Opinion of Counsel Condition are satisfied in connection with such planned acquisition or merger (which, to date, they have not been), the planned acquisition or merger will violate the covenants in Section 9.3 of the Agreement.

46. Pursuant to Section 11.3 of the Agreement, the Noteholders request an order from this Court immediately, preliminarily, and permanently requiring the specific performance of Section 9.3 of the Agreement and its prohibition of any consolidation, merger, or other action that would violate Section 9.3 of the Agreement, in particular the Solvency Condition, Assumption Condition, and Opinion of Counsel Condition.

COUNT III

(Immediate, Preliminary, and Permanent Injunctive Relief Against Anglo Irish Bank to Preserve Assets)

47. Plaintiffs repeat and reallege the foregoing paragraphs as if fully set forth herein.

48. Anglo Irish Bank is undertaking and has commenced a process whereby it will convey its assets to numerous parties and be left with inadequate assets to meet its obligations to the Noteholders under the Agreement and the Notes.

49. Section 9.3 of the Agreement was intended to avoid exactly this risk, and Anglo Irish Bank should not be permitted to circumvent its covenant by removing assets from the reach of the Noteholders.

50. Accordingly, the Noteholders request an order from this Court immediately, preliminarily, and permanently requiring Anglo Irish Bank to leave in the United States assets totaling at least the amount necessary for Anglo Irish Bank to satisfy its obligations under the Agreement and the Notes, to wit, no less than US \$200,000,000, absent demonstrated

compliance with the Solvency Condition, Assumption Condition, and Opinion of Counsel Condition.

COUNT IV

(Declaratory Judgment Regarding Contract Terms and Conditions)

51. Plaintiffs repeat and reallege the foregoing paragraphs as if fully set forth herein.

52. Upon information and belief, the Irish Minister for Finance has sought or may seek, with no notice, a subordinated liabilities order from the High Court of Ireland that will purport to severely impair or eliminate the Noteholders' contractual rights to payment under the Agreement and the Notes.

53. The Noteholders request a declaration from this Court that the failure to make any payments in accordance with the terms and conditions of the Notes constitutes a default under the Agreement—regardless of whether the Irish Minister for Finance has obtained a subordinated liabilities order by the High Court of Ireland under the Act. The entry of such a declaration will protect the Noteholders' rights under the Agreement and the Notes as governed by New York law.

COUNT V

(Injunctive Relief Against Anglo Irish Bank – N.Y. Debt. & Cred. Law § 279)

54. Plaintiffs repeat and reallege the foregoing paragraphs as if fully set forth herein.

55. The February 8 Order directs Anglo Irish Bank to dispose of a substantial amount of Anglo Irish Bank's assets.

56. On information and belief, Anglo Irish Bank has commenced the disposition of its assets.

57. Anglo Irish Bank intends to hinder, delay, or defraud its creditors by conveying its assets to third parties, which will leave Anglo Irish Bank with insufficient assets to satisfy its creditors' claims.

58. On information and belief, the transfer of Anglo Irish Bank's assets is:
- a. Greatly reducing the amount of Anglo Irish Bank's assets;
 - b. Occurring through a series of contemporaneous transactions that strip Anglo Irish Bank of property available for execution;
 - c. Occurring through secret or hurried transactions not in the usual mode of doing business;
 - d. Occurring in a manner differing from customary methods;
 - e. Resulting in Anglo Irish Bank obtaining little or no consideration in return; and
 - f. Occurring during the pendency of suits against Anglo Irish Bank.

59. Anglo Irish Bank is undertaking and has commenced a process whereby it will convey its assets to numerous parties and be left with inadequate assets to meet its obligations to the Noteholders under the Agreement and the Notes.

60. Section 9.3 of the Agreement was intended to avoid exactly this risk, and Anglo Irish Bank should not be permitted to circumvent its covenant by removing assets from the reach of the Noteholders.

61. Accordingly, the Noteholders request an order from this Court immediately, preliminarily, and permanently requiring Anglo Irish Bank to leave in the United States assets totaling at least the amount necessary for Anglo Irish Bank to satisfy its obligations under the Agreement and the Notes, to wit, no less than US \$200,000,000, absent demonstrated compliance with the Solvency Condition, Assumption Condition, and Opinion of Counsel Condition. Anglo Irish Bank's June 30, 2010 report listing the value of its United States assets is attached hereto as Exhibit G.

COUNT VI

(Appointment of Receiver – N.Y. Debt. & Cred. Law § 279)

62. Plaintiffs repeat and reallege the foregoing paragraphs as if fully set forth herein.

63. Unless a receiver is appointed, Anglo Irish Bank will continue to dispose of its assets located in the United States, which conveyances will be fraudulent within the meaning of N.Y. Debt. & Cred. Law § 276 and will prevent the Noteholders from recovering on any judgments they may obtain against Anglo Irish Bank.

64. The Noteholders seek the appointment of a receiver to take charge of assets of the Defendant located in the United States, up to and including an amount necessary to satisfy a judgment against Defendant for breach of contract.

PRAYER FOR RELIEF

WHEREFORE, the Noteholders pray for judgment against Defendant as follows:

- A. Declaring under 28 U.S.C. § 2201 that the Agreement and Notes are governed by New York law;
- B. Immediately, preliminarily, and permanently enjoining Defendant from consolidating with or merging with or into, or selling, leasing or otherwise disposing of its assets as an entirety or substantially as an entirety to any Person (as defined in the Agreement), except as may be permitted by Section 9.3 of the Agreement (in particular, the Solvency Condition, the Assumption Condition, and the Opinion of Counsel Condition);
- C. Requiring Anglo Irish Bank to leave in the United States assets totaling at least the amount necessary for Anglo Irish Bank to satisfy its obligations under the Agreement and the Notes, to wit, no less than US \$200,000,000, absent demonstrated compliance with the Solvency Condition, Assumption Condition, and Opinion of Counsel Condition;

- D. Declaring under 28 U.S.C. § 2201 that Anglo Irish Bank's failure to make any payments of principal, premium (if any), or interest in accordance with terms and conditions of the Agreement and the Notes constitutes a default under Section 11.2(A) or (B) (as applicable) of the Agreement and the Notes, notwithstanding any entry of a subordinated liabilities order in Ireland;
- E. Appointing a receiver to take charge of Defendant's assets located in the United States, up to and including an amount necessary to satisfy any judgments Plaintiffs may obtain against Anglo Irish Bank following a future payment default under the Notes and the Agreement;
- F. Awarding Plaintiffs attorneys' fees, expenses and costs incurred in bringing and prosecuting this action pursuant to the Agreement, applicable statutes, and common law; and
- G. Awarding such further equitable relief as the Court deems just and proper.

Dated: February 14, 2011

Respectfully submitted,

By: 

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