

## Notification

By

### The Nebraska Investment Finance Authority

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The Nebraska Investment Finance Authority (“NIFA”) learned on November 17, 2017, that the U.S. District Court for the Southern District of New York (the “SDNY Court”) directed the entry of a judgment in favor of GE Funding Capital Market Services, Inc. and Trinity Funding Company, LLC (“GE”) in the matter of *GE Funding Capital Market Services, Inc., et al. v. Nebraska Investment Finance Authority*. The matter arises from an ongoing dispute, originating in 2014, surrounding the termination dates of seven Guaranteed Investment Contracts (“Investment Contracts”) provided by GE to NIFA over several years beginning in 1994.

Consistent with the terms of the Investment Contracts, NIFA has vigorously disputed GE’s attempts to terminate the Investment Contracts prior to the stated termination dates specified therein.

The current matter is limited to the dispute regarding the termination dates of the Investment Contracts and amounts due thereunder. NIFA believes the matter will remain in litigation until all legal remedies available to NIFA have been resolved.

In the SDNY Court’s order, the SDNY Court has directed NIFA to repay approximately \$27 million of interest previously earned by NIFA on the Investment Contracts. In addition, the SDNY Court ordered payment of an additional \$11 million of pre-judgment interest to GE under New York law. NIFA and its counsel are reviewing these judgments in light of the judicial proceedings and will continue to seek, to the greatest extent possible, appropriate remedies on behalf of NIFA.

The total amount prescribed by the SDNY Court is available in the funds and accounts which NIFA currently has on deposit with GE pursuant to the Investment Contracts. It is expected that, if withheld by GE from those NIFA investment accounts (which currently have balances in excess of \$90 million), such action will not adversely impact NIFA’s ability to continue to conduct its operations or NIFA’s ability to make payments on any of its outstanding bonds or other obligations.

NIFA is engaged in a similar matter over a similar time frame with another investment agreement provider, Bayerische Landesbank Girozentrale (“BLB”), for a return of interest earned under investment contracts with BLB. A jury entered a verdict in BLB’s favor finding that NIFA must return interest in the amount of approximately \$1.8 million but judgment has not yet been entered. BLB intends to make a claim for prejudgment interest under New York law. NIFA will also continue to pursue appropriate available legal remedies in the BLB matter.