

March 15, 2007

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VIA HAND DELIVERY AND E-MAIL

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Dirección de Comercio Exterior y Administración
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Secretaría de Estado de Industria y Comercio
Santo Domingo, Dominican Republic
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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

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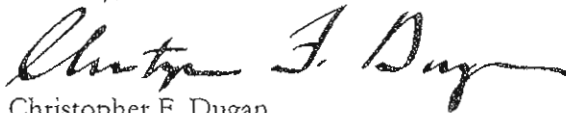
Since the Republic implemented CAFTA—DR, the Republic has continued to engage in a course of action that violates that treaty. These actions were described in the letter dated March 9, 2007 to (among others) President Leonel Fernández Reyna, Director General Juan Hernández, and Eng. Rhadamés Segura, 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
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