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March 24, 2021

VIA ELECTRONIC MAIL

Dr. Abo Bakr El-Sedeek Amer
President of the Egyptian State Lawsuits Authority
Arab Republic of Egypt
42 Gameat El Dowal, El Arabiya St. Mohandesen
P.O. Box 12311
Giza, Egypt

**RE: Arbitration Between: Dr. Ahmed Diao Eldin Ali Mohamed Hussein
and The Arab Republic of Egypt**

Dear Dr. Abo Bakr El-Sedeek Amer:

As you know, this Firm represents Dr. Ahmed Hussein in connection with the above-referenced Arbitration, arising out of the expropriation by Egypt of Dr. Hussein's investment in SIMO, in violation of Egyptian law and the explicit terms of the Bilateral Investment Treaty between the United States of America and Egypt (the "BIT").

We write to notify you that, absent the Egypt's consent within ten days of the date of this letter to ICSID Arbitration pursuant to UNICTRAL Rules, as requested by ICSID on March 8, 2021, and to which Egypt has provided no response, we will pursue ICSID arbitration using the Rules and Regulations of ICSID, and to which Egypt has already explicitly consented.

Egypt has Undermined its Own Judicial Authorities and Prime Minister

In March 1999, SIMO was illegally nationalized by Egypt via the decision issued by the Chairman of the Companies' Regulatory Authority, who appointed a Trustee for management of the Company and dissolved the Board of Directors. As a result, Dr. Hussein immediately instituted legal action in Egypt regarding the seizure of SIMO. Between 2005 and 2006, Egyptian appellate courts ordered that SIMO be returned to its rightful owners, and canceled the decision of the Chairman of the Companies' Regulatory Authority and all the repercussions that resulted from that decision. In 2007, the Chairman of the Investment Authority likewise ordered that the Company be returned to its rightful owners. However, the Egyptian Government did not honor the courts' binding decision, or the Government's own decision, which had been issued by the Chairman of the Investment Authority.

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In 2013, the Administrative Court ordered the return of SIMO to the State because it was sold to shareholders at an inappropriately low price. In 2014, In response to this court order, the Prime Minister issued a decree implementing the Administrative Court's 2013 order, and directed that the Minister of Finance compensate all shareholders of SIMO for the loss of their investment in the Company. The Government did not, however, comply with the Prime Minister's decree.

As a result, Dr. Hussein communicated with the Minister of Finance, the Minister of Public Sector, the Chairman of the Investment Authority, the Head of the Holding Company for Chemical Industries, and other responsible government representatives, who advised Dr. Hussein to bring the matter before the Egyptian General Authority for Investment & Free Zones Technical Secretariat Ministerial Committee for Investment Disputes Settlement in order to obtain his compensation, which Dr. Hussein did in 2018.

By letter dated July 6, 2020, Dr. Hussein was informed that the Ministerial Committee for Investment Dispute Settlement, in its meeting held on June 8, 2020, issued a decision stating: "[t]he incompetence of ministerial committee for investment dispute settlement to try and hear the current dispute[.]" The July 6, 2020 letter continues on to state that the decision was approved by the cabinet at its meeting held on June 17, 2020.

Next, by letter dated September 8, 2020, Dr. Hussein was informed that, at its session on July 27, 2020, the Ministerial Committee for Investment Dispute Settlement decided that it was "not competent to settle investment disputes ...[.]" The September 8, 2020 letter also stated that this decision was approved by the Council on Ministers in its session held on August 6, 2020, effectively cancelling the equitable, legal, and binding decree from the Prime Minister, which had been issued in compliance with the court order returning the Company to the country.

The September 8, 2020 letter misstates the compensation that Dr. Hussein had requested, which was clearly stated in the July 6, 2020 letter, by stating that Dr. Hussein's request was for "the present value of the Company." Dr. Hussein has consistently requested that he be compensated in accordance with the decision of the Egyptian courts, the highest authority on investment in Egypt, and the Prime Minister of Egypt's decree, in an amount equivalent to the present value of the Company on the date that the Company was nationalized.

Further, the binding decree by the Prime Minister of Egypt, and its legal and equitable obligations, should never have been cancelled or tampered with by the Ministerial Committee for Investment Dispute Settlement nor the Council on Ministers. The alleged decision contained in the September 8, 2020 letter is illegal, and a blatant violation of the BIT, which guarantees that nationals of the United States be appropriately compensated in the event that the Egyptian government expropriate their investments in Egypt. BIT Article III, 1.

Egypt is Required to Provide Dr. Hussein with Compensation for his Expropriated Investment in Accordance with the BIT

The United States and Egypt entered into the BIT in an effort to foster reciprocal encouragement and protection of investments made by nationals of either party. To that end, the BIT requires, among other things, that Egypt provide Dr. Hussein, a national of the United

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States, with appropriate compensation in the event that Dr. Hussein's investment in SIMO, or any portion thereof, be expropriated by Egypt.

Dr. Hussein's investment in SIMO qualifies as an "investment of a national" of the United States pursuant to Article I, (c) of the BIT. The BIT requires that the nationalization of Dr. Hussein's investment be "accompanied by prompt and adequate compensation, freely realizable ... equivalent to the fair market value of the expropriated investment on the date of expropriated ... [and] payments for delay." BIT Article III, 1. Egypt's illegal actions described herein constitute a legal investment dispute which are now subject to international arbitration. BIT Article VII, 1.

Egypt's Refusal to Respond

On February 8, 2021, we notified Egypt of our intention to institute arbitration, and served a Notice of Arbitration Under the Arbitration Rules of the United Nations Commission on International Trade Law on the Egyptian State Lawsuits Authority.

On February 13, 2021, Egypt sent us an email, requesting "the pertinent power of attorney" to represent Dr. Hussein in this dispute. On February 16, 2021, we provided you with a redacted engagement letter between our Firm and Dr. Hussein.

In our February 16, 2021 letter, we also asked that you confirm that The Arab Republic of Egypt consents to ICSID administration of the arbitration in accordance with the Notice of Arbitration, and that upon receiving your response to our February 16, 2021 letter, we would provide a proposed request for ICSID to administer the arbitration for your review and execution. We received no response to our February 16, 2021 correspondence.

On February 26, 2021, having heard nothing from Egypt, we again sent a letter and asked that Egypt confirm that The Arab Republic of Egypt consents to ICSID administration of the arbitration in accordance with the Notice of Arbitration, and we provided you with a proposed joint request for ICSID to administer the arbitration in anticipation of your prompt cooperation. We received no response to our February 26, 2021 correspondence.

On March 8, 2021, we proceeded to file a request that ICSID administer the arbitration and provide ICSID with, among other things, the Notice of Arbitration that was served upon The Arab Republic of Egypt.

On March 10, 2021, Jara Mínguez Almeida, Legal Counsel at ICSID, asked the Arab Republic of Egypt to confirm whether it agrees to appoint ICSID as the administering authority in this case. To date, Egypt has not responded.

Egypt's actions in refusing to compensate Dr. Hussein in accordance with its own judicial authorities and the decree of the Prime Minister, its violation of the BIT, as well as its current refusal to even respond to Dr. Hussein or ICSID, are unfortunate examples of bad-faith that will lead to a public loss of faith in Egypt's ability to stand by its international obligations. Egypt's willful avoidance of international arbitration pursuant to the BIT, will lead to significant erosion of trust of Egypt by international investors, as Egypt's actions contravene

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the letter and spirit of the BIT, which was intended to foster reciprocal encouragement and protection of investments made by nationals of either country.

We will not allow Egypt to delay our efforts to protect our client and seek his full compensation pursuant to international law. Again, absent Egypt's consent within ten days of the date of this letter to ICSID Arbitration pursuant to UNICTRAL Rules, as requested by ICSID on March 8, 2021, we will proceed with ICSID arbitration using the Rules and Regulations of ICSID, and to which Egypt has already explicitly consented.

We look forward to your immediate cooperation. We reserve all rights at law and in equity.

Sincerely,

/s/

Daniel A. Schnapp, Esq.
