Examples of Chevron’s High Praise of Ecuador’s Courts

Winter/2009

When it suited its interests, Chevron’s predecessor company Texaco filed numerous sworn affidavits in U.S. federal court from its own lawyers and experts praising Ecuador’s courts as independent, impartial and competent. This was part of the company’s strategy to try to dismiss the environmental case from U.S. federal court altogether, claiming the case should have been filed in Ecuador. The case was originally filed in 1993; Texaco’s affidavits were filed over the following ten years, until the case was removed to Ecuador by the U.S. court on the condition that Chevron (which had bought Texaco in 2001) accept jurisdiction there and be bound by any ruling. Once the case was re-filed in Ecuador, and evidence pointed to Chevron’s own culpability, the company decided those great Ecuadorian courts Texaco had praised for ten years were not so fair after all. Given that the evidence looked bad for the oil giant, Chevron’s lawyers calculated that the only way the company could avoid paying a judgment would be to discredit the very courts Texaco had praised. Chevron’s animating principle seems to be to laud courts when you think you can win, and condemn them when you think you will lose. This is what Chevron itself said about Ecuador’s courts before it realized the plaintiffs would succeed in forcing the company to trial:

From Dr. Adolfo Callejas, Chevron’s lead Ecuadorian attorney on the environmental case:

“[U.S. Federal Judge Jed] Rakoff should not be concerned about the ability of the courts in Ecuador to dispense independent, impartial justice…In none of the litigation involving [Chevron] in Ecuadorian courts, have there been any allegations of unfairness or corruption. I am not aware of any actions…that would suggest that the proceedings were unfair or corrupt, in any manner.” (February, 2000)

From Dr. Alejandro Ponce Martinez, counsel for Texaco in Ecuador for more than three decades, and the holder of a Master’s degree in comparative jurisprudence from New York University:

“In my opinion, based upon my knowledge and expertise, the Ecuadorian courts provide a totally adequate forum in which these plaintiffs fairly could pursue their claims… I believe that on the whole, Ecuador’s judicial system is neither corrupt nor unfair.” (February, 2000)

“Ecuador’s courts continue generally to conduct and adjudicate cases filed by or against multinationals and oil companies in a fair and impartial manner.” (April, 2000).
Dr. Rodrigo Perez Pallares, Texaco’s lawyer in Ecuador for more than 30 years and the architect of the Remediation Agreement between Texaco and the Republic of Ecuador in 1995:

“The Ecuadorian courts provide an adequate forum for claims such as those asserted by the plaintiffs in Maria Aguinda et al v. Texaco…it is my strong believe that any attempt by Texaco Inc., Texpet, or any other person or entity, to exert influence over the Ecuadorian judiciary would be unsuccessful.” (December, 1995).

“You can have no doubt about the judicial independence of the system in Ecuador. It is neither corrupt nor unfair.” (February, 2000).

Dr. Enrique Ponce y Carbo, Ecuadorian law professor and former Justice of the Supreme Court of Ecuador, and Chevron expert witness:

“Ecuador has a democratic government with an independent judiciary…I have reviewed the 1998 Report on Ecuador of the United States Department of State. Despite isolated problems that may have occurred in individual criminal proceedings, Ecuador’s judicial system is neither corrupt nor unfair. Such isolated problems are not characteristic of Ecuador’s judicial system, as a whole.” (February, 2000).

Dr. Ramon Jimenez Carbo, former Attorney General of the Republic of Ecuador and Chevron expert witness:

“The Judicial Power in Ecuador is independent from all other powers (legislative, executive branches) and authorities, and no such powers or authorities can intervene or interfere in its activities and decisions.” (April, 2000).

Dr. Vincent Bermeo Lanas, Ecuadorian lawyer and former Minister of the Supreme Court of Ecuador:

“[T]he Ecuadorian judiciary does not administer the law in a discriminatory fashion…Ecuadoran judges who are charged with the duty of enforcing Ecuador’s laws, including those laws which provide recompose for damages to person and property, have a deep-rooted obligation to their fellow citizenry of Ecuador to apply those laws faithfully.” (December, 1995).

Dr. Jaime Espinosa Ramirez, Ecuadorian lawyer and Magistrate at the Supreme Court of Justice:
“Based on my own experience, as indicated, and my knowledge of Ecuadorian courts, I can affirm to Judge Rakoff that the plaintiffs…can obtain from Ecuadorian civil courts impartial and independent justice, without corruption or interference from the military of any other public or private entity.” (February, 2000).

Dr. Ricardo Vaca Andrade, Ecuadorian lawyer and Chair of Human Resources Commission in the Judicial Branch of Ecuador:

“[T]he National Judicial Council has exercised continuous and efficient control of the Administration of Justice in Ecuador to fight corruption…In my experience, the courts of Ecuador, in the complex and delicate task of administering justice, treat all persons who present themselves before them with equality and in a just manner.” (March, 2000),

Dr. Jose Maria Perez-Arteta, Ecuadorian lawyer:

“[T]here is a corruption-free history of litigation against multi-nationals and other oil companies in Ecuador. Ecuador’s courts have adjudicated and continue to adjudicate, many cases involving oil companies in an impartial and fair manner.” (April, 2000).

Dr. Sebastian Perez-Arteta, Ecuadorian attorney:

“I do not believe Judge Rakoff should be concerned about the ability of the courts in Ecuador to dispense independent, impartial justice…While I recognize that Ecuador’s system of justice is not perfect, Ecuador’s judicial system as a whole is neither corrupt nor unfair.” (February, 2000).
<table>
<thead>
<tr>
<th></th>
<th>Affidavit of Dr. Adolfo Callejas Ribadeneira, Feb. 4, 2000</th>
</tr>
</thead>
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<td>2</td>
<td>Affidavit of Dr. Adolfo Callejas, Dec. 1, 1995</td>
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<td>3</td>
<td>Affidavit of Dr. Alejandro Ponce Martinez, Feb. 9, 2000</td>
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<td>4</td>
<td>Supplemental Affidavit of Dr. Alejandro Ponce Martinez, Apr. 4, 2000</td>
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<td>5</td>
<td>Affidavit of Dr. Alejandro Ponce Martinez (affidavit incomplete, date unverified)</td>
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<tr>
<td>6</td>
<td>Affidavit of Dr. Rodrigo Perez Pallares, Dec. 1, 1995</td>
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<td>Affidavit of Dr. Rodrigo Perez Pallares, Feb. 4, 2000</td>
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<td>Affidavit of Dr. Ramon Jimenez Carbo, April 5, 2000</td>
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<td>10</td>
<td>Affidavit of Dr. Vicente Bermeo Lanas, Dec. 11, 1995</td>
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<td>Affidavit of Dr. Jaime Espinosa Ramirez, Feb. 28, 2000</td>
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<td>12</td>
<td>Affidavit of Dr. Ricardo Vaca Andrade, Mar. 30, 2000</td>
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<td>13</td>
<td>Affidavit of Dr. Jose Maria Perez-Arteta, Apr. 7, 2000</td>
</tr>
<tr>
<td>14</td>
<td>Affidavit of Dr. Sebastian Perez-Arteta, Feb. 7, 2000</td>
</tr>
</tbody>
</table>
Annex 1
AFFIDAVIT OF DR. ADOLFO CALLEJAS RIBADENEIRA

Dr. Adolfo Callejas Ribadeneira, being first duly sworn on oath and competent to testify in personal knowledge, states as follows:

1. My name is Adolfo Callejas Ribadeneira. I have been licensed to practice law in Ecuador for 27 years. I received my law degree from Catholic University of Ecuador in 1973. I previously submitted affidavits dated December 1, 1995, January 2, 1995, and December 28, 1998, addressing certain lawsuits filed in Ecuador against Texaco Petroleum Company ("TexPet") by municipalities and individuals in Ecuador, alleging personal injury and property damage by TexPet from oil exploration activities in the Oriente region. As described in my prior affidavits, I was a co-counsel for TexPet in those various actions.

2. I have reviewed the Memorandum Order of United States District Court Judge Jed S. Rakoff dated January 31, 2000. Judge Rakoff should not be concerned about the ability of the courts in Ecuador to dispense independent, impartial justice if the plaintiffs in the Aguilina and Jorja cases pursue their claims in Ecuador.

3. I also have reviewed the 1996 Report on Ecuador of the United States Department of State. While Ecuador's judicial system is not perfect, it is neither corrupt nor unfair. The specific instances cited in that report are not characteriostic of Ecuador's judicial system, as a whole.

4. In particular, in none of the litigation involving TexPet in Ecuadorian courts, have there been allegations of unfairness or corruption. I am not aware of any actions in connection with those cases that would suggest that the proceedings were unfair or corrupt, in any manner.

5. There are still pending several claims against TexPet by citizens of Ecuador residing in the area of the former Consortium Concession, alleging damage to persons and properties as a result of operations carried out by TexPet as Operator of the former TexPet-Petroecuador Consortium, which are pending in the civil courts of La Joya de los Sachas and Shushufindi.

6. The recent political events in Ecuador, which resulted in Vice President Gustavo Noboa Bajerano succeeding former President Jamil Mahuad as Ecuador's president, have had no effect on Ecuador's judicial system in
general, and on these pending cases in particular, Ecuador's judicial system is functioning normally. There is no reason why the plaintiffs in the Aguinda and Juta actions cannot have their claims heard fairly in the courts of Ecuador.


Dr. Adolfo Callizes Ribadeneyra

Corte del Cusco, Quito, en cartaExpires
con la firma y sella requerida en el Cc.

Firma: Adolfo Callizes Ribadeneyra

Dr. M. Callizes Ribadeneyra

Paseito de Febro 2000

Notario Sexto

Cusco, Ecuador
Republic of Ecuador
Province of Pichincha
City of Quito

Affidavit of Dr. Adolfo Callejas

Dr. Adolfo Callejas Ribadeneira, being first duly sworn under oath and competent to testify on personal knowledge states as follows:

1. My name is Adolfo Callejas Ribadeneira. I have been licensed to practice law in Ecuador for 22 years. I received my law degree from the Catholic University of Ecuador in 1973.

2. I am a Co-Counsel for Texaco Petroleum Company ("Texpet") in lawsuits filed against it by four Ecuadorian Municipalities (on behalf of the residents of such Municipalities) claiming personal injury and property damage associated with Texpet's oil exploration activities in the Oriente region of Ecuador. The Municipalities of "La Joya de los Sachas", "Shushufindi Central", "Francisco de Orellana" (Coca), and "Lago Agrio", filed their actions in the Civil Courts of La Joya de los Sachas, Shushufindi Central, Puerto Francisco de Orellana and Nueva Loja, respectively. Copies of these four lawsuits are attached as Exhibits A (A.1 and A.1.1), B, C and D. Because these Municipalities are located within the concession area that is the subject of the lawsuit captioned Maria Aguinaga et al. v. Texaco Inc., 93 Civ. 7527 (BDP) (LMS), the citizens of these Municipalities are within the class of plaintiffs that are purported to be represented by the named plaintiffs in that action.

3. In the La Joya de los Sachas action, the complaint was served to Texpet on May 18, 1994. On June 8, 1994, upon Texpet's request, the Sacha Civil Court ordered that both the President of the state oil company, Empresa Estatal de Petróleos del Ecuador ("Petroecuador"), and the Attorney General of the Republic of Ecuador be served with the lawsuit. A copy of the Court's order is attached as Exhibit E. By that order Petroecuador and the Republic of Ecuador were joined as defendants in this action. On the same date, Texpet filed its answer with the La Joya de los Sachas Civil Court. On June 29, 1994, both the Attorney General of the Republic of Ecuador and the President of Petroecuador were served in person with the suit.

4. In the Francisco de Orellana (Coca) action, the complaint was served to Texpet on November 22, 1994. On December 7, 1994, Texpet filed its answer with the Puerto Francisco de Orellana Civil Court.

5. In the Shushufindi Central action, the complaint was served to Texpet on November 17, 1994. On December 7, 1994, Texpet filed its answer with the Shushufindi Central Civil Court.
6. In the Lago Agrio action, the complaint was served to Texpet on January 24, 1995. On February 2, 1995, Texpet filed its answer with the Nuevo Loja Civil Court.

7. All four of the aforementioned actions are pending as of the date of this affidavit, and the cases are proceeding normally through the courts.

8. In a separate case, the Sacha Civil Court recently awarded the Municipality of La Joya de Los Sachas a judgment of $25 billion sucres (approximately $10 million) against Petroecuador, the state-owned oil company of Ecuador and the former majority partner of the Texpet-Petroecuador concession in the Oriente. This claim was for alleged environmental damage caused by Petroecuador’s operations in the former Texpet-Petroecuador concession area. Copies of this complaint and the Court’s decision are attached as Exhibits F and G.

9. The existence of these lawsuits demonstrates that Ecuadorian citizens and local officials have faith in the judicial system of Ecuador to provide redress for alleged wrongs concerning oil-related activities in Ecuador. Accordingly, it is their opinion, and my opinion, that the Ecuadorian courts provide an adequate forum for claims such as those asserted by plaintiffs in the Maria Aguiña action.

December 1, 1995

[Signature]

Dr. Adolfo Cisneros Ribadeneira
Annex 3
AFFIDAVIT OF DR. ALEJANDRO PONCE MARTINEZ

Dr. Alejandro Ponce Martinez, being first duly sworn on oath and competent to testify, on personal knowledge states as follows:

1. My name is Dr. Alejandro Ponce Martinez. I have been licensed to practice law in Ecuador for 30 years. I received my law degree from Catholic University of Quito in 1970. In addition, I received a master's degree in comparative jurisprudence from New York University in 1976. I have been a Law Professor and Legal Writer in Ecuador for many years.

2. I previously submitted an affidavit dated December 7, 1995, in which I stated my opinion, based upon my knowledge and expertise, that Ecuador's courts provide a totally adequate forum in which the plaintiffs in Maria Aguiña, et al. v. Texaco Inc. ("Aguiña"), could fairly pursue their claims. I submit this affidavit to reaffirm my earlier statement. The courts in Ecuador...
still represent a totally adequate forum in which the Aguiña plaintiffs may assert the claims they have attempted to bring in the courts of the United States. Since my December 7, 1995 affidavit, I also have reviewed the complaint in Gabriel Ashanga Jota v. Texaco Inc. ("Jota"). I also believe that the courts in Ecuador provide a totally adequate forum in which the plaintiffs in the Jota case may bring the claims that they have attempted to assert in United States' courts.

3. I have reviewed the Memorandum Order of the United States District Court Judge Jed S. Rakoff, dated January 31, 2000. I appreciate Judge Rakoff's concern over the recent political events that resulted in the constitutional change of president in Ecuador. Ecuadorians also were concerned by those events, including a short-lived coup. While vice-president Gustavo Noboa Bejarano succeeded former president Jamil Mahuad, that coup was unsuccessful in taking control of Ecuador's government. Ecuador's constitutional government remains in place. The attempted coup lasted no more than several hours. Its leaders and those who supported it are being prosecuted in special proceedings, including court martial for those military officers who participated and supported those activities. Ecuador's military has reaffirmed its support for constitutional rule in Ecuador. Ecuador's military is not in control of the government, and in particular, is not in control of Ecuador's courts.

4. The short-lived coup attempt and the constitutional succession of former vice-president Gustavo Noboa Bejarano as Ecuador's
president have not disrupted the operation of Ecuador's courts. The courts have remained open and are operating normally.

5. I also have reviewed the 1998 Report on Ecuador of the United States Department of State, to which Judge Rakoff has referred in his January 31 Memorandum Order. Based on my years of practice and experience, I believe that on the whole, Ecuador's judicial system is neither corrupt nor unfair.

6. As a lawyer in Ecuador, I have represented many multi-national corporations, including Texaco Petroleum Company ("TexPet"), a subsidiary of Texaco Inc., in the courts of Ecuador. I have cases for multi-national corporations currently pending in Ecuador's courts. The judicial system in Ecuador has resolved fairly and without corruption those cases that have been concluded, and I expect the judicial system similarly to resolve fairly and without corruption the still pending cases.

7. Efforts have been made by recent governments and by members of Ecuador's legal community to improve the administration of justice in Ecuador. Those efforts, including the work of the Judicial Council referred to in the 1998 U.S. State Department Report on Ecuador, have resulted in specific recommendations that have been implemented. The efforts generally are continuing. As I described in my previous affidavit of December 7, 1995, I publicly criticized aspects of Ecuador's judicial system in a speech six years ago in an effort to challenge other lawyers and legal students to seek to improve and perfect Ecuador's system of justice, and there have
been many improvements since that date. However, I believe that claims can be and are heard fairly and efficiently by Ecuador's courts. Consequently, I believe that Ecuador's courts would fairly resolve the claims that the plaintiffs in the Aguinda and Jora actions have attempted to assert in the United States.

February 9, 2000

[Signature]

Dr. Alejandro Ponce Martínez
SUPPLEMENTAL AFFIDAVIT OF
DOCTOR ALEJANDRO PONCE MARTINEZ

REPUBLIC OF ECUADOR
PROVINCE OF PICHINCHA
CITY OF QUITO

Re: Maria Aguindas et al. v. Texaco Inc. ("Aguinda")

Alejandro Ponce Martinez, being duly sworn, competent to testify on personal knowledge, deposes and states:

1. I understand that plaintiffs in their recent submissions to the Court have claimed that oil companies and other multinational corporations influence and control Ecuador’s judiciary. I disagree. Multinational and oil companies are generally treated by the Ecuadorian Court in equal conditions to national companies or individuals.

2. Most of Ecuador’s courts have handled cases involving multinationals and oil companies in an impartial and fair manner, resulting in judgments either in their favor or against these companies. Attached, as Exhibit 1, is a list of cases, some of them handled by me, as shown, filed by or against multinationals in Ecuador that have resulted either in judgments against such companies or in their favor or that are still pending. Ecuador’s courts continue generally to conduct and adjudicate cases filed by or against multinationals and oil companies in a fair and impartial manner.

April 4, 2000.

[Signature]
Dr. Alejandro Ponce Martinez

Dr. Alejandro Ponce Martinez
4 abril del 2.000
### Exhibit 1

**Cases Where Multinational Companies Have Been Involved**

<table>
<thead>
<tr>
<th><strong>Plaintiff</strong></th>
<th><strong>Defendant</strong></th>
<th><strong>Status</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>JHK Representaciones S.A. (Ecuadorean Company)</td>
<td>Cincinnati Micron Marketing Company</td>
<td>Judgement for plaintiff defendant declared bankrupt. *</td>
</tr>
<tr>
<td>A. Baquerizo G.C. Ltda. (Ecuadorean Company)</td>
<td>Shulton Inc.</td>
<td>Second Instance Judgment for plaintiff (pending before the Supreme Court)*</td>
</tr>
<tr>
<td>New Yorker S.A. (Ecuadorean Company)</td>
<td>Procter &amp; Gamble Internamericas Inc.</td>
<td>Final Supreme Court Judgment for defendant.</td>
</tr>
<tr>
<td>Inserpeiro C. Ltda. (Company owned by a forlorn investor)</td>
<td>Municipality of Orellana</td>
<td>Judgement for plaintiff. **</td>
</tr>
</tbody>
</table>

* Cases handled by myself as attorney for defendant.

** Case handled by myself as attorney for plaintiff.
Annex 5
AFFIDAVIT OF DR. ALEJANDRO PONCE MARTINEZ

Dr. Alejandro Ponce Martinez, being first duly sworn on oath and competent to testify, on personal knowledge states as follows:

1. My name is Dr. Alejandro Ponce Martinez. I have been licensed to practice law in Ecuador for 25 years. I received my law degree from Catholic University of Quito in 1970. In addition, I received a master's degree in comparative jurisprudence from New York University in 1976.

2. As a Law Professor and legal writer I have been dedicated to the development of a better legal system. As such, I have expressed my concern over incidents demonstrating inequities or improprieties in the Ecuadorian judicial system, which exist as well in other countries.

3. On October 18, 1993 I gave a speech at the Catholic University at a special internal forum designed for law professors and law students of such university. My speech, which criticized certain aspects of Ecuador's legal system of which I am a member, was designed to inspire existing law students and future lawyers to be prepared to practice law consistent with the highest ethical standards and to work towards the most modern and effective judicial system in Ecuador.

4. I have reviewed the pleadings in Maria Aquinda et al. v. Tenace Inc., 93 Civ 7527 (BDP)(LNS). In my opinion, based upon my knowledge and expertise, the Ecuadorian courts provide a totally adequate forum in which these plaintiffs fairly could pursue their claims.

5. I believe that the Ecuadorian judicial system would resolve the plaintiffs' claims in a proper, efficient and unbiased manner. There are many cases of individuals successfully asserting claims against oil companies in Ecuadorian courts. The civil procedures utilized in Ecuadorian courts are essentially those used in other civil jurisdictions, such as Spain, France, Germany and Japan. While different from procedures used in common law jurisdictions like the United States, they permit the effective resolution of civil claims.

6. The protection of the environment has been the subject of numerous Ecuadorian proceedings. There are several decisions of Ecuador's Tribunal of Constitutional Guarantees directing government officials, including the President of the national...
Annex 6
AFFIDAVIT OF DR. RODRIGO PEREZ PALLARES

Dr. Rodrigo Perez Pallares, being first duly sworn on oath and competent to testify, on personal
knowledge states as follows:

1. My name is Dr. Rodrigo Perez Pallares. I am an attorney in Quito, Ecuador. I have been
licensed to practice law in Ecuador for 26 years.

2. I have been an attorney for Texaco Petroleum Company ("Texpet") for 26 years and
currently an Texpet's legal representative in Ecuador.

3. Texpet is an existing corporation that is in good standing in Ecuador, as recently
confirmed by a letter from the Ecuadorian Superintendent of Corporations, a copy of
which is attached as Exhibit A.

4. Many lawsuits and administrative proceedings have been prosecuted against Texpet in
Ecuador, including both claims by individuals, for damage to their property and person
from Texpet's oil exploration, and fines by Ecuadorian authorities for environmental
violations. These include matters which Texpet disputed, where the plaintiffs received
judgments and which Texpet paid. Attached as Exhibit B is a list I prepared of such
lawsuits and proceedings.

5. There also are over 650 claims by former employees of Texpet for additional benefits
currently pending in various courts in Ecuador. Attached as Exhibit C is a list of such
lawsuits.

6. Texpet's appearances before the Ecuadorian courts as a defendant in actions commenced
by citizens of Ecuador demonstrates the faith of the Ecuadorian people in their judicial
system, and Texpet's awareness of its obligation to address such claims.

7. These lawsuits and proceedings show that the Ecuadorian courts provide an adequate forum for claims as those asserted by the plaintiffs in Maria Agundez et al. v. Texaco Inc., 53 CIV 7527 (RDP)(LMS).

8. In addition to the lawsuits referenced in paragraph 4, hundreds of claims were brought
against Texpet in the Ecuadorian courts by individuals in the Oriente and along the route
of the Trans-Ecuadorian Pipeline, for damage to their property. A settlement arrangement
was reached by the parties pursuant to which the plaintiffs were fully compensated for
their losses.
To my knowledge, neither Texaco Inc. nor Texpet, nor any of their respective employees or agents, has ever sought to discourage persons from commencing legal action by threats or other improper means, nor have they sought to subvert the ordinary judicial process in Ecuador or knowingly supported or condoned anyone doing so. Moreover, it is my strong belief that any attempt by Texaco Inc., Texpet, or any other person or entity, to exert influence over the Ecuadorian judiciary would be unsuccessful. While the oil industry is important to the economic development of Ecuador, the Government and its representatives, including judges, are charged with protecting the life, health and property of Ecuadorian citizens. Accordingly, Texpet and other companies that are engaged in the business of oil exploration would not fare well if they attempted to exert influence over Ecuadorian judges based upon an unfounded and erroneous belief that as oil companies they are immune from laws and remedies of Ecuador.

December 1, 1995

[Signature]

Dr. Rodrigo Pérez Pallares
Annex 7
REPUBLIO OF ECUADOR
PROVINCE PICHINCHA
CITY OF QUITO

AFFIDavit OF DR. RODRIGO PEREZ PALLARES

Dr. Rodrigo Pérez, being first duly sworn on oath and competent to testify, on personal knowledge, states as follows:

1. My name is Rodrigo Pérez Pallares. I am an attorney in Quito, Ecuador. I have been licensed to practice law in Ecuador for thirty-one (31) years. I previously submitted affidavits dated December 1, 1995, and November 11, 1998, discussing certain lawsuits and proceeding against Texaco Petroleum Company ("Texpet") in Ecuador and stating that Ecuador would be an adequate forum for the plaintiffs in the Aquindó and Jota actions.

2. I have reviewed the memorandum Order of United States District Court Judge Jed S. Rakoff dated January 31, 2000. Judge Rakoff should not be concerned about the ability of the courts in Ecuador to dispense independent, impartial justice if the plaintiffs in the Aquindó and Jota cases pursue their claims in Ecuador.

3. I also have reviewed the 1998 Report on Ecuador of the United States Department of State. Notwithstanding the description of events contained in that report, Ecuador's judicial system as a whole is neither corrupt nor unfair.

4. In my prior affidavits I described various lawsuits and administrative proceedings that have been prosecuted against Texpet in Ecuador, including claims by individuals for damage of their property and persons from Texpet's oil exploration activities, fines by Ecuadorian authorities for environmental violations, and claims by former Texpet employees. In none of those proceedings were any allegations made of unfairness or corruption in Ecuador's administrative or judicial system. While Ecuador's judicial is not perfect, it is neither corrupt nor unfair.
5. I am familiar with the recent political events in Ecuador that have resulted in Vice President Gustavo Noboa Bejarano succeeding former president Jamil Mahuad. None of those events have had an impact on Ecuador's judicial system. Ecuador's courts are operating normally.

6. The plaintiffs in the Aguinda and Jota actions would be treated fairly by the courts of Ecuador if they pursue their claims in those courts.

February 04, 2000

Dr. Rodrigo Álvarez Pallares
Annex 8
REPUBLIC OF ECUADOR
PROVINCE OF PICHINCHA
CITY OF QUITO

AFFIDAVIT OF ENRIQUE PONCE Y CARBO

Dr. Enrique Ponce y Carbo, being first duly sworn on oath and competent to testify, states as follows:

1. My name is Dr. Enrique Ponce y Carbo. I have been licensed to practice law in Ecuador for 38 years. I have a bachelor's degree in Law from Yale University. I served as a full-time Justice on the Supreme Court of Ecuador for 3 years and served as an alternate Justice for the Supreme Court for 11 years. I was a professor of Civil Procedure and Civil Code at the Catholic University of Ecuador for 15 years, and I have also served as Ecuador's Ambassador to the United Nations and to the Vatican. At present magistrate of the Permanent Court of Arbitration at The Hague, and the Administrative Tribunal of the Organization of the American States.

2. I have previously submitted affidavits signed December 7, 1995, and November 12, 1998. I am told by counsel that these were filed with the Court on January 5, 1996, and November 18, 1998, respectively. In these affidavits I described Ecuador's governmental and legal system, the procedures that are used in Ecuador's judicial system, the availability of claims for damages to property and personal injuries, whether the claims and controversies alleged by plaintiffs in the Ayo and Ayala cases may be heard and resolved in Ecuador courts, and discussed interpretive Law No. 33.

3. I now submit this supplemental affidavit to discuss the recent political events in Ecuador and to specifically address the fact that these events have not adversely affected Ecuador's judicial system nor have they adversely affected the ability of the plaintiffs in the Ayo and Ayala cases to obtain fair trials of their claims through Ecuador's judicial system.

RECENT EVENTS IN ECUADOR

4. Ecuador's economy has suffered significantly in recent years due to inflation and a falling currency, which are problems that many Latin American countries have confronted in recent years.

5. In an effort to help cure Ecuador's economic situation, former President Jamil Mahuad advocated economic reform policies, including "dollarization" and privatization. Dollarization, generally, is the policy of converting Ecuador's currency to the U.S. dollar.

6. These economic policies led to several demonstrations against the Ecuadorian government. The demonstrations did not concern Ecuador's judicial system.
7. On January 21, 2000, a group of Indian protesters and military officers took control of the empty Ecuador Congress building and proclaimed a three-person ruling junta. Ecuador's National Congress never recognized the junta as being in power, and the junta self-dissolved after several hours.

8. On January 22, 2000, Vice President Gustavo Noboa Rejomao succeeded former President Jamil Mahuad. Ecuador’s National Congress ratified the procedure of presidential succession, giving its support to President Noboa.

9. President Noboa has said that he will continue various policies of former President Mahuad, including dollarization of Ecuador's policy in an effort to rebuild Ecuador's economy.

10. President Noboa also has expressed a strong position against public corruption. (President Noboa has stated publicly that the elimination of corruption will be a principal goal of his administration. See attached article.)

11. The political unrest of January 21, 2000, has ended. Quito, which two weeks ago was filled with protesters, has returned to normal. People in Quito are working and living their lives as usual.

THE RECENT EVENTS HAVE NOT ADVERSELY AFFECTED ECUADOR'S JUDICIAL SYSTEM

12. I have reviewed the January 31, 2000 Memorandum Order of United States District Court Judge Jed S. Rakoff. He should not be concerned about the ability of the Ecuadorian courts to dispense independent, impartial justice if the plaintiffs in the Agunda and Jose cases pursue their claims in Ecuador.

13. The recent events described above have not adversely affected Ecuador's judicial system.

14. The recent events described above have not adversely affected the ability of the plaintiffs in the Agunda and Jose cases to access and receive all of the rights and remedies available in Ecuador's judicial system. For a general discussion of these rights and remedies, please reference my affidavit signed December 3, 1995, and November 12, 1998.

15. I have reviewed the 1998 Report on Ecuador of the United States Department of State. Despite isolated problems that may have occurred in individual criminal proceedings, Ecuador's judicial system is neither corrupt nor unfair. Such isolated problems are not characteristic of Ecuador's judicial system, as a whole.

16. As noted in the U.S. Department of State Report, since 1998 a Judicial Council has been examining ways to modernize and improve administration of Ecuador's judicial system. The United States Government is providing Ecuador with financial support for this effort.
17. Ecuador has a democratic government with an independent judiciary. Ecuador's military is not interfering in the activities of the administrative government or the judicial system. The recent events described above concluded with Ecuador's military recognizing and reaffirming Ecuador's constitutional system of government.

18. President Noboa has announced that all participants in the recent, aborted junta will be prosecuted. These participants included Carlos Solis, a former Ecuador Supreme Court Justice, Antonio Vargas, an Ecuador Indian leader, and two members of Ecuador's National Congress. These individuals will be tried in a special proceeding before Ecuador's Supreme Court. Separate military court-martial proceedings will be held for military personnel who participated in the junta. That a former Supreme Court justice is being tried side-by-side with an Indian leader and two Congressmen indicates Ecuador's independent branches of government.

February 4th, 2000

[Signature]

Dr. Enrique Ponce y Carbo

El escrito anterior firmado en legal forma y sus servidores para que sean traslados en poder de las partes.

[Signature]

Dr. Hector Pacheco Estrada

La fecha de registro es para efectos legales.
Annex 9
REPÚBLICA DEL ECUADOR
Procurador General del Estado

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the Republic of Ecuador and Petroecuador

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

MARIA AGUINDA, et al.

Plaintiffs

93 Civ. 7277 (JSR)

DEVELOPMENT
OF THE ATTORNEY
GENERAL OF
ECUADOR

TEXACO, INC.,

Defendant

DR. RAMON JIMENEZ CARBO, Attorney General (Procurador General) of the Republic of Ecuador, and thus according to its Constitution and laws, the only judicial representative of the Republic, makes the following declaration under penalties of perjury pursuant to 28 U.S.C. 1746:

Nonetheless that I was opportunity informed in writing, by Attorney Ronald Minckoff—acting in this case on our behalf by my implicit authorization—that the Republic "...might submit papers, but may respond on April 10 to the submissions of others only if it makes a submission of its own on March 10" (which the Republic did not as is considered it unnecessary, not being a party in this lawsuit), I make this declaration not as a response to the Memoranda of Law submitted by the parties on March 10, but as a general statement regarding the administration of justice in Ecuador. I state the following:

1. The Judicial Power in Ecuador is independent from all other powers
(Legislative, executive, judicial branches) and authorities, and no such powers or authorities can interfere with its activities and decisions. We, government officials, and the citizens, are aware of the problems the judicial system faces, as does in many developed and developing countries, and thus we have been and are making concerted efforts to improve the administration of justice with the assistance of governmental and non-governmental institutions, both from Ecuador and from the international community. For instance, the "Pro-Justice" Program being implemented since approximately 1996, partially sponsored by the World Bank. Many scholars, judges and practicing attorneys are part of such Program which, among others, is fostering a better administration of justice.

2. The "Comisión Nacional de la Judicatura" (National Judicial Council), incorporated in the 1998 Constitution, is proving to be an effective control body to avoid possible corruption cases among judges, and so is the "Civic Anti-Corruption Commission", both integrated by outstanding, carefully chosen citizens. In the case of the "Comisión", all are attorneys of proven honesty, and they have filed hundreds of investigation cases against members of the judicial power (not only judges, but secretaries and other inferior employees), and some of those cases have ended in filing of such judges or officials. The "Commission" works on all fields of governmental activities, and is also integrated by very ethical citizens from different professions.

3. Following the political events of January 21, 2000, in which a Jura formed by two civilians and an army official tried to keep power after abandoning power by former President Machado, as declared by Congress, the preservation of Ecuador's democratic system was absolutely assured by the immediate assumption of the Presidency by then Vice-President Dr. Gustavo Noboa—an act required by the provisions of Ecuador's Constitution regarding Presidential succession. Since his assumption to power, the new President (highly regarded scholar, well known for his honesty), has implemented new measures to fight defects and possible corruption acts in the judicial and all fields. Dr. Noboa is a former eminent Professor of Law at the Catholic University of Santiago de Guayaquil, where he was the Dean, then Principal of the University. I myself having been his student and afterwards the Dean when he was elected Principal. His presence in government is a guarantee of ethical ways to administer the "res publica".

Carlos, Ecuador, the 22 of April, 2000.

[Signature]

[Handwritten Signature]
Annex 10
AFFIDAVIT OF DR. VICENTE BERMEO LAÑAS

Dr. Vicente Bermeo Lañas, being first duly sworn on oath and competent to testify, states as follows:

1. My name is Dr. Vicente Bermeo Lañas. I have been licensed to practice law in Ecuador for 42 years. I served as Minister of the Supreme Court of Ecuador for 14 months. Attached is a copy of my resume, which describes my background in more detail.

2. I have been asked to describe the nature of the Government of Ecuador; the laws that pertain to hydrocarbon exploration and development in Ecuador; and the procedure for claims related to hydrocarbon exploration and development.

STATE CONTROL OF HYDROCARBON EXPLORATION AND DEVELOPMENT

3. Consistent with international law, all subsurface minerals are owned by the Republic of Ecuador. (Title III, Section 2, Art. 46, Constitution). Under the Hydrocarbons Law, enacted in 1971, “(t)he deposits of hydrocarbons and accompanying substances located in the national territory . . . belong to the inalienable and imprescriptible patrimony of the State.” (Chapter I, Art. 1) This law was made retrospective by the Government in 1972 (Supreme Decree No. 430, June 6, 1972, Official Gazette No. 80, June 14, 1972).

the nation since Ecuador derives nearly one half of its national budget from petroleum revenues.


6. If during the exploration period marketable petroleum reserves are found, a company may enter into a 20-year development agreement, which may be renewed only if the Government determines that it is in the public interest to do so. If a commercial quantity of petroleum is found under service agreements, Petroecuador will reimburse the company either in cash, crude or both, the investment and costs incurred during the exploration phase. At the termination of the service contract, all equipment and installations must be turned over to Petroecuador. All oil and gas pipe lines must also be approved and authorized by the Government of Ecuador. Under the participation contracts recently created, companies will have the right to share in the production according with the proportion offered and the production volumes.

7. All petroleum development plans must be submitted to the Government of Ecuador for approval. All plans for refining, transporting, marketing, and exploiting petroleum must be approved by the Minister of Energy and Mines. (Chapter III, Art. 31, Hydrocarbons Law).

8. In Ecuador, the majority of hydrocarbon reserves are located in the Oriente area, which covers approximately 32 million acres in the Amazon basin of eastern Ecuador. The economic development of the Oriente is considered vital to the national security interests of Ecuador. As a result, the entire Oriente area, where oil production is now at issue, is
considered a national strategic area under the protection of the armed forces. (Art. 46, Constitution).

9. Most the Oriente area is considered under Ecuadorian law to be "tierras baldias" or unoccupied lands. The Government of Ecuador owns all of the unoccupied or public lands. (Art. 624, Civil Code). Ecuadorian law declares the colonization of these lands to be an urgent national priority, and encourages agriculture, ranching, mining, logging and other development in the area by offering land title only to settlers who clear the rainforests for crops or pastures. (See, Law of Unoccupied Lands, the Law of Colonization of the Amazon Region).

10. Ecuador regulates the Environmental Consequences of hydrocarbon production within its borders. In 1984, a government environmental agency, the Dirección General de Medio Ambiente (DIGEMA) was created within the Ministry of Energy and Mines. Later, in 1990, the Ministry of Energy and Mines established a new environmental department, the Subsecretaría de Medio Ambiente (SMA). DIGEMA was added to this department and renamed Dirección Nacional de Medio Ambiente (DINAMA). Environmental regulations with respect to the exploration and production of petroleum resources, and abandonment and site remediation of oil wells, have been issued by the Government. Under Ecuadorian law, the Government is responsible for monitoring petroleum-related activities in Ecuador to ensure that damages do not result to "persons, property, or the environment as a result of petroleum-related activities." (Art. 20, Law 44, Official Gazette 326, 29 Nov. 1993). In addition, the Constitution of Ecuador provides that the State will guarantee "the right to live in an environment free of contamination. It is the duty of the State to ensure that this right is not infringed upon and to promote the preservation of the natural world."

Ecuadorian law allows citizens of Ecuador to bring an action against the Government of Ecuador, or Petroecuador, for injuries arising out of environmental contamination. (Art. 19, No. 2 Constitution and Art. 20, Law 44, Official Gazette 326, November 29, 1993). Many citizens have obtained judgments against the Government and Petroecuador in connection with injuries from environmental contamination due to oil exploration. To my knowledge, the Government and Petroecuador have made payment on all such judgments.

Although Ecuador wishes to encourage investment in Ecuador by foreign companies, the Ecuadorian judiciary does not administer the law in a discriminatory fashion in favor of such foreign investors. Ecuadorian judges who are charged with the duty of applying and enforcing Ecuador's laws, including those laws which provide recompense for damages to person and property, have a deep-rooted obligation to their fellow citizenry of Ecuador to apply those laws faithfully.
Ecuadorian citizens have obtained numerous judgments against private entities in connection with injuries caused by oil exploration. The judgments issued in these lawsuits, (which are authorized by Article 2241 of Ecuador’s Civil Code and Article 71, No. 1 of Ecuador’s Organic Judiciary Law), are enforced through Ecuador’s judiciary.

11. Texaco Petroleum Company (“Texpet”) was authorized by a specific legal decree to explore and produce oil in Ecuador. Such legal decree of the Government authorizing Texpet’s agreement with Ecuador required Texpet to adopt appropriate measures to protect plant and animal life and other natural resources, and to prevent contamination of air, soil, and water. See, Supreme Decree No. 925, Official Gazette No. 370, Aug. 16, 1973, Chapter IX, Clause 46, 46.1, which provides: “the contractors shall adopt suitable measures to protect the flora, fauna, and other natural resources and to prevent contamination of water, air, and soil under the control of pertinent organs of the State.”

12. The Ecuadorian Legislature amended by Hydrocarbons Law effective November 29, 1993 (Law 44, Official Gazette 326, November 29, 1993). As per that Amendment, any controversy arising out of the agreements foreseen in the Hydrocarbons Law shall be submitted before the Ecuadorian Superior Courts of Justice, by means of an oral summary proceeding, or the arbitration procedure, recognized by Ecuadorian Law and in accordance with the provision of the agreements. In the exercise of legal jurisdiction, the judicial review process, in First Instance lies with the respective president of the Superior Court, and in Second Instance, with one of its chambers.

Quito, December 11, 1995

Dr. Vicente Bermeo Lafas

El presente Notario Público de Quito, en legal forma certifica que las firmas y verificaciones que se avizoran al pie del presente documento, han sido puestas ante mi por el Señor Dr. Vicente Bermeo Lafas, con Cédula de Ciudadanía No. 17069531-0, siendo la misma conforme con su respectiva identificación.

Quito, a fiesta D. 81, primer de 1.9.91.
Annex 11
REPUBLIC OF ECUADOR
PROVINCE OF PICHINCHA
CITY OF QUITO

SWORN AFFIDAVIT OF DR. JAIME ESPINOSA RAMÍREZ

I, Dr. Jaime Espinosa Ramírez, duly sworn and competent to testify, declare the following:

1. My name is Jaime Espinosa Ramírez, I have practiced the law profession for 27 years. For 30 years I worked for the Ecuadorian Judicial Function, starting out as court assistant and ending my career as Magistrate at the Supreme Court of Justice, a position which I occupied for 10 years, until October, 1997. I have ample experience in Ecuadorian courts, having represented both plaintiffs and defendants in civil actions, including lawsuits for personal [and] property damage. I recently represented the company ARCO in a petition filed against it by a native community of the Ecuadorian Amazon. I have never represented Texaco Inc. or any of its affiliates or subsidiaries. This is also true of the law firm with which I am currently associated.

2. Before signing this affidavit, I reviewed the petition filed by the Ecuadorian plaintiffs in the case "Maria Agunda vs. Texaco Inc." and by the Peruvian plaintiffs in the case "Gabriel Ashanga Jota vs. Texaco Inc." with the US District Court for the South District of New York; and I am aware of the content of the actions for personal and property damage filed by the plaintiffs in these lawsuits. I am also thoroughly familiar with the Ecuadorian civil courts with which these plaintiffs could file this petition if they so wished, since I personally worked on many such cases in several of these courts.


4. Based on my own experience, as indicated, and my knowledge of Ecuadorian courts, I can affirm to Judge Rakoff that the plaintiffs, in both the "Agunda" and in the "Jota" cases, can obtain from Ecuadorian civil courts impartial and independent justice, without corruption or interference from the military or any other public or private entity. Other individuals, including natives of Ecuador, have filed petitions with Ecuadorian civil courts and have obtained favorable judgements. The plaintiffs in the "Agunda" and "Jota" cases can also file their actions without corruption or interference in the civil courts where they choose to file their petitions, as many have done before.

5. None of the recent political events in Ecuador, including the appointment of President Gustavo Noboa Bejarano, affected the administration of justice in the country, nor, consequently, the possibility of the plaintiffs to obtain fair proceedings in civil courts in
connection with the petitions described in the "Aguinda" and "Jota" cases. In fact, President Noboa’s new administration is strongly fighting corruption, and his anti-corruption ideas have drawn significant attention during the time lapsed since his appointment.

6. The political turmoil that occurred at the end of January ended almost immediately, and currently Ecuadorian civil courts are operating without any interruption or delay as a result of the change of administration, and without any interference or control from the Ecuadorian Armed Forces. The constitutional government is maintained, and the Ecuadorian military has expressed its full support of the continuation of a constitutional, democratic government system. This military commitment to the Ecuadorian constitutional system is also supported by the actions filed in military and civil courts against those who were involved in the January’s recent political events.

7. In recent years, I have seen an improvement in the Ecuadorian judicial system, partly due to the recommendations made by the Council of the Judiciary which has developed methods to improve the judicial system. These improvements and progress include changes in infrastructure, training programs, and concrete actions to fight slowness and corruption in the administration of justice.

8. I have read and I agree with the affirmations concerning the convenience and independence of the Ecuadorian courts and the possibility of the plaintiffs in the "Aguinda" and "Jota" cases to obtain fair trials in those courts. These affirmations appear in the statements given by Dr. Enrique Ponce y Carbo on February 4, 2000; by Dr. Alejandro Ponce Martinez on February 7, 2000; by Dr. Rodrigo Perea Pallares on February 4, 2000; by Dr. Adolfo Callejas Ribadeneyra on February 4, 2000; and by Dr. Sebastian Perez Acesita on February 4, 2000.

February 28, 2000

[signature]
Dr. Jaime Espinosa Ramirez
REPUBLIC OF ECUADOR
PROVINCE OF PICHINCHA
CITY OF QUITO

SWORN STATEMENT OF DOCTOR RICARDO VACA ANDRADE

I, Doctor Ricardo Vaca Andrade, attorney, Ecuadorian citizen, domiciled in the city of Quito, the capital of the Republic, competent and capable to make a statement under oath, state the following:

1. My complete name is Manuel Ricardo Vaca Andrade, and I completed the study of law and received a Juris Doctor in January of 1973 from the Faculty of Jurisprudence at Pontifica Universidad Católica del Ecuador, and, as such, have been practicing professional attorney for 27 years. In addition, I am a professor and have been certified in Criminal Law and Criminal Procedural Law from the same Faculty since 1973. During the seventies, as a partner in the Law firm of Dr. Julio César Trujillo Vásquez, I litigated various labor lawsuits representing Ecuadorian citizens, workers and members of the TEXACO Labor Union who had presented claims against said company in the tribunals and courts of Justice of Ecuador, having won many of these cases, and, in fact, virtually all of them.

2. As of this date, I am a Voting member of the National Judicial Council of Ecuador (CNI) and have the honor of being the Chair of the Human Resources Commission, which is responsible for handling Human Resources in the Judicial Branch of Ecuador, as well as the Disciplinary Control and Imposition of Sanctions on judges, magistrates and employees, in compliance with the Political Constitution, the Organic Law of the National Judicial Council, and the Regulation on Complaints. The function of the Human Resources Commission of the CNI, among others, is to investigate cases of corruption in the Ecuadorian judicial system. The Board is also responsible for sanctioning members of the judicial system who have participated in illegal acts.

3. The CNI bases its activities on the provisions contained in Arts. 206 and 207 of the Political Constitution, which has been in effect since August 10, 1998, and on the Organic Law of the National Judicial Council, published in Official Registry No. 279 on March 19, 1998, and the Regulation on Complaints. Voting members were sworn in on December 21, 1998 and we have been performing our duties in a normal manner since that date.

4. From the day we took office, the Human Resources Commission began to work on disciplinary issues. Various judges and employees have been sanctioned, as detailed below:

| DISMISSALS | 32 |
| 90 DAY SUSPENSIONS | 4 |
| 60 DAY SUSPENSIONS | 6 |
From this information, it can be inferred that since December 21, 1998, the National Judicial Council has exercised continuous and efficient control of the Administration of Justice in Ecuador to fight corruption.

5. The political events on January 21, 2000 have not affected the efforts of the Council to fight corruption in the Judicial Branch in any manner. In similar fashion, the Armed Forces have not interfered, nor are they interfering now, with the administration of Justice.

6. I have read the most recent documents from the plaintiffs in Aguaranda and Jowa and do not agree with the characterization which they have put forth about the level of politicization and corruption in the Ecuadorian judicial system. The tribunals and courts of Justice of Ecuador have processed and continue to process lawsuits against multi-national foreign companies, including petroleum companies. The courts of Ecuador do not offer preferential treatment to these companies nor do said companies have the power to influence the courts.

7. In my experience, the courts of Ecuador, in the complex and delicate task of administering justice, treat all persons who present themselves before them with equality and in a just manner.

Quito, March 30, 2000

[Signature]
Dr. Ricardo Vaca Andrade
Chair, Human Resources Commission
NATIONAL BOARD OF THE JUDICATURE
OF ECUADOR
REPUBLIC OF ECUADOR
PROVINCE PICHINCHA
CITY OF QUITO

AFFIDAVIT OF DR. JOSE MARIA PEREZ-ARTETA

Dr. José María Pérez-Arteta, being duly sworn, competent to testify on personal knowledge, deposes and states:

1. I have reviewed and disagree with plaintiffs' allegations in their March 10, 2000 submissions that foreign corporations and oil companies influence and control Ecuador's judiciary.

2. As I have stated in my prior affidavits, there is a corruption-free history of litigation against multi-nationals and other oil companies in Ecuador. Ecuador's courts have adjudicated, and continue to adjudicate, many cases involving oil companies in an impartial and fair manner. Attached as Exhibit 1 is a list of claims brought by and against oil companies in Ecuador, some of them handled by my law firm, that have resulted in judgments against those companies.

April 7, 2000

José María Pérez-Arteta

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Annex 14
AFFIDAVIT OF DR. SEBASTIAN PÉREZ-ARTETA

Dr. Sebastián Pérez-Arteta, being first duly sworn on oath and competent to testify, on personal knowledge, states as follows:

1. My name is Sebastián Pérez-Arteta. I am an attorney in Quito, Ecuador and a partner in the law firm of Pérez, Bustamante y Pérez, which was established in 1944. I have been licensed to practice law for twenty (20) years.

2. A member of our law firm previously submitted an affidavit dated November 11, 1998, discussing certain lawsuits in Ecuador against foreign companies, and regarding the adequacy of Ecuador courts as a forum for the claims asserted by plaintiffs in the Aguilinda and Jota actions.

3. I have reviewed the January 31st, 2000 decision of United States District Court Judge Jed S. Rakoff. I do not believe Judge Rakoff should be concerned about the ability of the courts in Ecuador to dispense independent, impartial justice if the plaintiffs in the Aguilinda and Jota actions pursue their claims in Ecuador.
4. I also have reviewed the 1998 Report on Ecuador of the United States Department of State. While I recognize that Ecuador's system of justice is not perfect, Ecuador's judicial system as a whole is neither corrupt nor unfair.

5. In our prior affidavit dated November 11, 1998, as well as the affidavit previously submitted by my father, Dr. Jorge Pérez-Serrano, various lawsuits that were prosecuted against foreign companies in the courts of Ecuador and defended by our firm were described. In none of those lawsuits were any allegations made of unfairness or corruption in Ecuador's judicial system.

6. I am familiar with the recent political events in Ecuador that have resulted in Vice President Gustavo Noboa Bejarano succeeding former president Jamil Mahuad. The events resulting in that succession have had no impact on Ecuador's judicial system.

7. I believe the plaintiffs in the Aquinda and Jota actions would be treated fairly by the courts of Ecuador if those plaintiffs choose to pursue their claims here.

February 7, 2000

[Signature]

Sebastián Pérez-Ariela.