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December 24, 2013

**BY EMAIL (gengdeng@slcg.com,
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AND FIRST-CLASS MAIL**

Geng Deng, PhD, CFA, FRM
Craig McCann, PhD, CFA
Carmen Taveras, PhD
Securities Litigation & Consulting Group
3998 Fair Ridge Drive, Suite 250
Fairfax, VA 22033

Re: Defamation of UBS Asset Managers of Puerto Rico

Ms. Taveras and Messrs. Deng and McCann:

We represent UBS Asset Managers of Puerto Rico ("UBS-AM"). UBS-AM is a leading asset manager in Puerto Rico and the manager of the UBS Puerto Rico Closed-End Mutual Funds (the "UBS Puerto Rico Funds"), which include the UBS Puerto Rico Fixed Income Fund IV.

Our client recently learned that, on or about December 18, 2013, you published an article on your firm's blog in which you make false, misleading and baseless allegations and suggestions regarding UBS-AM's management of the UBS Puerto Rico Funds. In the article, entitled "Did UBS Charge its Proprietary Puerto Rico Bond Funds Excessive Markups?," you suggest that UBS-AM engaged in improper conduct by charging or paying its affiliates excessive markups on certain bond trades. The article, however, is devoid of any evidence whatsoever that UBS-AM engaged in any wrongdoing. The source on which you base the article¹ identifies neither the investor nor the broker-dealer who executed the relevant trades, and states only the price paid and the number of bonds traded. Speculating that UBS-AM may have been the entity that

¹ The source is identified as the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system.

effectuated the trades at issue represents a reckless misrepresentation of fact that is intended to tarnish UBS-AM's reputation for your and your firm's financial gain. You admit in the article that you lack any basis for the accusatory statements against UBS-AM, stating that you are still "in the process of analyzing individual portfolio holdings for the UBS Puerto Rico Funds." Thus, although you state that you lack any evidence of wrongdoing, the title and content of your article raise questions about UBS-AM's conduct without any grounds to do so.

It is evident that the purpose of your article is to advertise your firm's consulting services. You do so using misleading and baseless allegations and innuendo. The statements put forth in your article have caused and will continue to cause serious and irreparable damages to UBS-AM's reputation.

On behalf of UBS-AM, we hereby demand that you **IMMEDIATELY CEASE AND DESIST** from making any further false, misleading or baseless allegations against UBS-AM or any of its affiliates. Furthermore, we specifically request that you retract the article referenced above and immediately give notice of such retraction to any and all persons to whom you may have disseminated the article.

Unless we receive written confirmation within the next ten (10) calendar days (i.e., no later than January 3, 2012) that SLCG has complied with the aforementioned demand, we will advise UBS-AM to pursue all available legal remedies. We trust this will not be necessary.

Sincerely,



Roberto C. Quiñones-Rivera

cc: Alexandre-Cyril Manz, Esq.

