



**United States Department of Justice**

*United States Attorney  
District of Connecticut*

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August 22, 2023

***Via Email and Overnight Mail***

Wayne M. Carlin  
Wachtell, Lipton, Rosen & Katz  
51 West 52nd Street  
New York, New York 10019  
*Counsel for Nomura Securities International, Inc.*

Re: Non-Prosecution Agreement with Nomura Securities International, Inc.

Dear Mr. Carlin:

On the understandings specified below, the United States Attorney's Office for the District of Connecticut (the "Office") will not criminally prosecute Nomura Securities International, Inc. ("NSI"), for any conspiracy, wire fraud, securities fraud or other crime related to NSI employees' misrepresentations in the purchase and sale of residential mortgage-backed securities ("RMBS") as described in the Statement of Facts attached hereto as Appendix A, which is incorporated herein by reference.

The Office enters into this Agreement based, in part, on the following factors: (a) NSI's extensive cooperation with the Office, including conducting an internal investigation, voluntarily making employees available for interviews, collecting, analyzing and organizing voluminous evidence and information for the Office, making voluntary document disclosures, making multiple presentations on the status and findings of the internal investigation, and voluntarily making witnesses available for trial preparation and testimony; (b) NSI's acceptance of responsibility for its and its employees' criminal conduct; (c) NSI's remediation efforts, including its discipline and/or termination of employees and its commitment to make complete restitution to all impacted customers; (d) NSI's enhanced compliance program designed to avoid and deter repetition of the conduct described herein; and (e) NSI's agreement to continue to cooperate with the Office in this and any related matters, and any other matters or information disclosed as a result of this Agreement.

NSI admits, accepts, and acknowledges that it is responsible for the criminal acts of its officers, managers, employees, and agents set forth in the Statement of Facts as provided under United States law, and stipulates that the facts described in the Statement of Facts are true and accurate. NSI expressly agrees that it shall not, through present or future attorneys, officers, directors, employees, agents or any other person authorized to speak on behalf of NSI, make any

public statement in litigation or otherwise contradicting the acceptance of responsibility by NSI set forth above or the facts described in the Statement of Facts. Provided, however, that nothing in this paragraph precludes NSI from taking good-faith positions in any other litigation or regulatory proceeding. Provided further that this paragraph does not apply to any statement or testimony by any officer, director, employee, or agent of NSI in the course of any criminal, regulatory, or civil case, unless such individual is speaking in a representative capacity on behalf of NSI.

This Agreement does not provide any protection against prosecution for any actions except as set forth herein and applies only to NSI and not to any other entities or to any individuals. NSI expressly understands that the protections provided under this Agreement shall not apply to any acquirer or successor entity unless and until such acquirer or successor formally adopts and executes this Agreement.

This Agreement shall have a term of one year from the date that this Agreement is executed (the "Term"), except as specifically provided herein.

NSI shall cooperate fully with the Office, the United States Department of Labor-Office of the Inspector General, the Office of the Special Inspector General for the Troubled Asset Relief Program, the Federal Bureau of Investigation, and the Federal Housing Finance Authority-Office of Investigations, until the later of the end of the Term or the conclusion of all investigations and prosecutions arising out of or related to the conduct described in the Statement of Facts and any related or unrelated conduct or information disclosed by NSI pursuant to this Agreement, or any matter inquired about by the Office (whether or not initially disclosed by NSI), whether or not those investigations and prosecutions are concluded within one year (the "Cooperation Period"). Determination of the end of the Cooperation Period is at the sole discretion of the Office. At the request of the Office, NSI shall also cooperate fully with other domestic or foreign law enforcement and regulatory authorities and agencies in any investigation of NSI, any of its corporate affiliates, any of its present or former officers, directors, employees, agents, and consultants, or any other party. NSI's cooperation pursuant to this Agreement is subject to applicable law and regulations, including data privacy and national security laws, as well as valid claims of attorney-client privilege or attorney work product doctrine; however, NSI must timely provide to the Office a log of any information or cooperation that is not provided based on an assertion of law, regulation, or privilege, and NSI bears the burden of establishing the validity of any such an assertion. NSI agrees that its cooperation pursuant to this Agreement shall include, but is not limited to, the following:

- a. During the Cooperation Period, NSI shall promptly bring to the Office's attention any evidence or allegation of a criminal violation of U.S. federal law, including any and all conduct by NSI, its present and former directors, officers, employees and agents acting within the scope of their role that violates federal law, or any investigation of any such conduct that comes to the attention of NSI's board, management, or legal or compliance personnel, as well as any administrative proceeding or civil action brought by any United States governmental authority that alleges fraud or corruption by NSI. At the conclusion of the Term, and

annually during the Cooperation Period to the extent that is longer than the Term, and 30 days after the Cooperation Period expires, NSI's Chief Executive Officer and Chief Financial Officer will certify to the Office that NSI has met its reporting obligations pursuant to this Agreement. Each certification will be deemed a material statement and representation by NSI to the executive branch of the United States for purposes of 18 U.S.C. § 1001, and will be deemed to have been made in the District of Connecticut.

- b. NSI shall truthfully disclose all factual information about which NSI has any knowledge related to (i) the conduct described in the Statement of Facts, (ii) any conduct disclosed by NSI pursuant to this Agreement, and (iii) any other matter about which the Office may inquire. This obligation of truthful disclosure includes, but is not limited to, the obligation of NSI to provide to the Office any document, record, or other tangible evidence that the Office may request.
- c. Upon request of the Office, NSI shall designate knowledgeable employees, agents, or attorneys to provide to the Office the information and materials described above on behalf of NSI. NSI must at all times provide complete, truthful, and accurate information.
- d. NSI must use its best efforts to make available for interviews or testimony, as requested by the Office, present or former officers, directors, employees, agents and consultants of NSI. This obligation includes, but is not limited to, sworn testimony before a federal grand jury or in federal trials, as well as interviews with domestic or foreign law enforcement and regulatory authorities. Cooperation under this Agreement shall include identification of witnesses who, to the knowledge of NSI, may have material information regarding the matters under investigation.
- e. With respect to any information, testimony, documents, records, or other tangible evidence provided to the Office pursuant to this Agreement, NSI consents to any and all disclosures to other governmental authorities including United States authorities and those of a foreign government of such materials at the sole discretion of the Office.

NSI represents that it has improved its compliance and ethics program to reasonably prevent and detect violations of the securities fraud statutes and other applicable anti-fraud laws. Moreover, NSI and the Office acknowledge certain structural changes in the secondary market for RMBS that would make repetition of the conduct described in the Statement of Facts less likely. Based on these representations and acknowledgements, the Office has agreed not to require as an additional condition of this Agreement that NSI retain and pay an independent individual or entity to consult with respect to NSI's compliance and ethics program.

NSI agrees to pay a monetary penalty in the amount of thirty-five million dollars (\$35,000,000), plus complete restitution to all impacted customers in an amount not less than eight hundred and seven thousand, seven hundred and seventeen dollars and sixty-eight cents (\$807,717.68). NSI and the Office acknowledge that NSI has previously paid restitution to customers or, where customers could not be paid upon all reasonable efforts, the U.S. Treasury, of \$20,125,614.59 as part of a settlement with the Securities and Exchange Commission, and that the restitution called for under this Agreement represents the additional restitution required to fully compensate the victims of NSI's criminal activities. NSI will pay the \$35,000,000 penalty to the United States Treasury within thirty (30) days of the execution of this Agreement. NSI acknowledges that no United States tax deduction may be sought in connection with the payment of any part of this \$35,000,000 penalty. NSI will make all required restitution payments during the term of this Agreement pursuant to the terms of the Restitution Agreement attached hereto as Appendix B.

The Office agrees that, except as provided herein, it will not bring any criminal or civil case against NSI related to the conduct described in the attached Statement of Facts or relating to information that NSI disclosed to the Office prior to the date of this Agreement. The Office, however, may use the attached Statement of Facts and any information related to the conduct described therein: (a) in a prosecution for perjury or obstruction of justice; (b) in a prosecution for making a false statement; (c) in a prosecution or other proceeding relating to any crime of violence; or (d) in a prosecution or other proceeding relating to a violation of any provision of Title 26 of the United States Code; provided, however, that any such prosecution or other proceeding does not relate to any potentially obstructive conduct disclosed by NSI or known to the Office prior to the date of this Agreement. This Agreement does not provide any protection against prosecution for any other conduct by NSI, including any conduct disclosed pursuant to this Agreement or conduct about which the office may inquire, whether or not first disclosed by NSI. In addition, this Agreement does not provide any protection against prosecution of any present or former directors, officers, employees and agents of NSI for any violations committed by them.

If, during the Term or the Cooperation Period, the Office determines, in its sole discretion, that NSI has materially breached the Agreement by (a) committing, subsequent to the date of this Agreement, any felony under federal or state law or any violation of the anti-fraud provisions of United States securities law, (b) at any time providing in connection with this Agreement deliberately false, incomplete, or misleading information, (c) failing to cooperate as set forth in this Agreement, or (d) otherwise failing to perform or to fulfill completely each and every one of its obligations under this Agreement, NSI shall thereafter be subject to prosecution for any federal criminal violation of which the Office has knowledge. The decision whether conduct or statements of any current director or employee, or any person acting on behalf of, or at the direction of, NSI will be imputed to NSI for the purpose of determining whether NSI has violated any provision of this Agreement shall be in the sole discretion of the Office. Any prosecution of NSI described in this paragraph may be premised on or use information provided by NSI. Any such prosecution that is not time-barred by the applicable statute of limitations on the date of the signing of this Agreement may be commenced against NSI notwithstanding the

expiration of the statute of limitations between the signing of this Agreement and the expiration of the Term or the Cooperation Period plus one year. Thus, by signing this Agreement, NSI agrees that the statute of limitations with respect to any such prosecution that is not time-barred on the date of the signing of this Agreement shall be tolled for longer of the Term or the Cooperation Period, plus one year.

In the event that the Office determines that NSI has materially breached this Agreement, the Office agrees to provide NSI with written notice of such breach prior to instituting any prosecution resulting from such breach. Within fourteen (14) days of receipt of such notice, NSI shall have the opportunity to respond to the Office in writing to explain the nature and circumstances of such material breach, as well as the actions NSI has taken to address and remediate the situation. The Office shall consider NSI's written submission in determining whether to institute any prosecution.

In the event that the Office determines that NSI has materially breached this Agreement: (a) all statements made by or on behalf of NSI to the Office or to the Court, including the attached Statement of Facts, and any testimony given by NSI before a grand jury, a court, or any tribunal, or at any legislative hearings, whether prior or subsequent to this Agreement, and any leads derived from such statements or testimony, shall be admissible in evidence in any and all criminal proceedings brought by the Office against NSI; and (b) NSI shall not assert any claim under the United States Constitution, the Federal Rules of Criminal Procedure, the Federal Rules of Evidence, or any other federal rule or statute that statements made by or on behalf of NSI prior or subsequent to this Agreement, or any leads derived therefrom, should be suppressed or are otherwise inadmissible. The Office agrees that in the event of a material breach, prosecution, and conviction, it will recommend to the Court that the amount of penalty paid by NSI to the United State Treasury pursuant to this Agreement be offset against any fine the Court shall impose as part of its judgment; NSI understands that such a recommendation will not be binding on the Court.

This Agreement is binding on NSI and the Office but specifically does not bind any other federal agencies, or any state, local or foreign law enforcement or regulatory agencies, or any other authorities, although the Office will bring NSI's cooperation and compliance with its other obligations under this Agreement to the attention of such agencies and authorities if requested to do so by NSI.

It is further understood that NSI and the Office may disclose this Agreement to the public at a time to be determined in the sole discretion of the Office. Nothing in this Agreement shall be interpreted to prevent NSI from complying with its obligations under disclosure laws.

This Agreement sets forth all the terms of the agreement between NSI and the Office. No amendments, modifications or additions to this Agreement shall be valid unless they are in writing and signed by the Office, the attorneys for NSI, and a duly authorized representative of NSI.

*Non-Prosecution Agreement  
with Nomura Securities International, Inc.  
August 22, 2023  
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Sincerely,

VANESSA ROBERTS AVERY  
UNITED STATES ATTORNEY



DAVID E. NOVICK  
HEATHER L. CHERRY  
JONATHAN N. FRANCIS  
ASSISTANT U.S. ATTORNEYS

AGREED AND CONSENTED TO:  
NOMURA SECURITIES INTERNATIONAL INC.

Date: 8/22/23

BY: Faron Webb  
Faron Webb  
Chief Legal Officer  
Nomura Securities International, Inc.

Date: 8/22/23

BY: Wayne M. Carlin  
Wayne M. Carlin  
Wachtell, Lipton, Rosen & Katz  
Counsel for Nomura Securities International, Inc.

**APPENDIX A TO NON-PROSECUTION  
AGREEMENT WITH NOMURA SECURITIES INTERNATIONAL, INC.**

**STATEMENT OF FACTS**

This Statement of Facts is incorporated by reference as part of the Non-Prosecution Agreement, dated August 22, 2023, between the U.S. Attorney's Office for the District of Connecticut (the "Office"), and Nomura Securities International Inc. ("NSI"). The Office and NSI agree that the following facts are true and correct:

1. From approximately 2009 until approximately 2013, NSI, by, through, and with certain of its employees, violated federal law by engaging in a scheme to use fraudulent misrepresentations in the purchase and sale of certain residential mortgage-backed securities ("RMBS").

Relevant Entities

2. At all relevant times, NSI was a broker-dealer registered with the Securities and Exchange Commission ("SEC") and a Financial Industry Regulatory Authority ("FINRA") member firm. NSI had offices in New York, New York, where relevant employees worked.

3. The NSI RMBS trading desk engaged in the purchase and sale of RMBS.

4. The following NSI customers, funds or entities managed by or affiliated with them were victims of NSI's scheme ("victim-customers"):

- a. 400 Capital Management
- b. abrdrn (formerly Aberdeen Standard Investments)
- c. AllianceBernstein Holding L.P.
- d. Angelo, Gordon & Co. L.P.
- e. Athene
- f. Axonic Capital LLC
- g. Beal Bank
- h. BHR Capital LLC
- i. BlackRock, Inc.
- j. Bracebridge Capital
- k. Brookfield Asset Management
- l. BTG Pactual Asset Management
- m. C12 Capital Management LP
- n. Candlewood Investment Group LP
- o. Canyon Partners, LLC

- p. Citadel LLC
- q. DW Partners
- r. Ellington Management Group
- s. BNP Paribas Asset Management (formerly Fischer Francis Trees & Watts Funds, Inc.)
- t. Fortress Investment Group LLC
- u. Goldman Sachs Group, Inc.
- v. The Hartford Financial Service Group, Inc.
- w. LibreMax Capital, LLC
- x. Magnetar Capital
- y. Mariner Investment Group, LLC
- z. Merced Capital, L.P. (formerly EBF & Associates, L.P.)
- aa. MFA Financial Inc.
- bb. MKP Capital Management, L.L.C.
- cc. Monarch Alternative Capital LP
- dd. Morgan Stanley & Co., L.L.C.
- ee. Oak Hill Advisors L.P.
- ff. One William Street Capital Management, L.P.
- gg. Sculptor Capital Management (Formerly Oz Management, LP)
- hh. Cerity Partners (formerly Permit Capital Advisors)
- ii. Pacific Investment Management Company, L.L.C.
- jj. Prophet Capital Investment Management LP
- kk. PGIM Inc. (formerly Prudential Investment Management)
- ll. Putnam Investments, LLC
- mm. QVT Financial LP
- nn. RBC Capital Markets
- oo. Saye Capital Management LP
- pp. Soros Fund Management LLC
- qq. Stark & Roth LLC
- rr. Strategos Capital Management, LLC
- ss. The TCW Group, Inc. (including TCW-MetWest)
- tt. Third Point Management
- uu. Semper Capital Management (formerly UCM Partners LP)
- vv. Varde Partners



- ww. Wellington Management Company LLP
- xx. Western Asset Management Company
- yy. ZAIS Group, LLC

5. NSI's victim-customers included investment advisors and hedge funds investing as fiduciaries on behalf of pension funds, charitable and educational endowments, insurance companies, and others.

6. Certain of NSI's victim-customers were affiliated with or subsidiaries of entities that received funds from the United States Government's Troubled Asset Relief Program.

7. Between 2009 and 2013, Ross Shapiro and Michael Gramins, among others, worked as RMBS traders at NSI. Shapiro was a Managing Director and head of the RMBS desk during all relevant periods, and supervised several other traders on the RMBS desk, including Gramins. Gramins was a Vice President and later an Executive Director, in which capacity he oversaw NSI's trading of bonds secured by sub-prime and option adjustable-rate mortgage loans. Gramins had direct supervisory authority over more junior traders.

8. Under NSI's compliance system, supervisors—like Shapiro and Gramins—had primary responsibility for ensuring that the people under their supervision complied with NSI's policies and the law, including laws and policies against securities fraud.

#### Background

9. At all times relevant to this Agreement, Residential Mortgage-Backed Securities ("RMBS") were bonds secured by large and complex aggregations of residential mortgages and home equity loans. Banks typically created RMBS by packaging together groups of mortgages and issuing bonds backed by the principal and interest payments of the homeowners who received the mortgages. Investors assessed the value of RMBS in part by estimating the probability of repayment or default on the various loans that comprise them.

10. RMBS were priced in terms of percentage of face value, with the face value of each RMBS derived from the value of its component mortgages. Investors negotiated RMBS prices in small increments called "ticks," with one tick equal to 1/32 of a percentage point of the bond's face value. Thirty-two ticks therefore equaled one full percentage point of face value, or one penny on every dollar of face value.

11. RMBS were typically marketed to large, sophisticated financial institutions like banks and hedge funds. Given the large size and unique features of each RMBS, the RMBS market lacked an "exchange" of the sort on which traditional corporate stocks and Treasury bonds trade. Moreover, the price at which a given RMBS would trade or had recently traded was generally not publicly known. Consequently, institutional investors looking to transact in RMBS had to contact registered broker-dealers to find interested buyers or sellers, or transact directly with the broker-dealers from the broker-dealers' own accounts.

12. Institutional investors frequently reached out to NSI when looking to buy or sell a particular security. NSI traders would respond to expressions of interest from NSI's customers by transacting with the customers from NSI's own inventory or by communicating with other institutional investors in the hopes of finding a counterparty willing to complete the desired transaction.

13. More often than not, NSI took the latter approach. NSI traders would attempt to match a prospective buyer of a particular RMBS with a prospective seller of that RMBS (and vice versa), reaping a small spread in return. Industry participants refer to this function alternatively as "facilitating," "market making," and "riskless trading." The last term reflects the fact that, because NSI had the potential buyer and potential seller already matched up at the time of the transaction, it had practically eliminated any of the market risk associated with holding the security on its own books.

14. Participants in the RMBS market distinguished among three types of RMBS transactions. First, in the "order trade" scenario described above, a broker-dealer communicated separately with an interested buyer and seller and, if successful, effectuated a transaction in which a RMBS was transferred. In an order trade, the broker-dealer owned the bond, but usually briefly, in consummating the transaction between the two investors. Second, in a "BWIC" ("Bids Wanted In Competition") trade, a putative seller sent a list of bonds potentially for sale to multiple broker-dealers, who then solicited expressions of interest and price ranges from potential buyers and placed a bid in the auction for that particular security. Both of these types of trades fell within the "riskless" category because the broker-dealer had the potential buyer and potential seller already matched up at the time of the transaction. Moreover, in both contexts, the broker-dealer typically obtained compensation for its "matching" efforts by selling the bond for slightly more than it paid for it. Industry participants referred to this difference as "commission," "pay on top," or "spread," and often negotiated the amount of the difference explicitly with the broker-dealer.

15. A third type of transaction had different features. In a so-called "inventory trade," an investor bought a bond already held in a broker-dealer's account at the time of the parties' negotiations. In that context, the broker-dealer has incurred market risk by holding the RMBS in its inventory for a significant period of time prior to the transaction. And in that context, customers did not pay any additional "on top" amount because the broker-dealer was transacting directly from its own inventory—presumably, seeking maximum profit or minimum loss on its earlier investment in the bond—rather than intermediating between two interested counterparties.

#### Summary of NSI's Criminal Conduct

16. Beginning in approximately 2009 and continuing until approximately 2013, NSI, by, through and with certain of its RMBS traders and salespeople, including Shapiro and Gramins, committed acts in furtherance of a scheme and conspiracy to fraudulently increase the profitability of certain RMBS trades for NSI, including by:

a. Using materially false and fraudulent misrepresentations and omissions to take secret and unearned compensation from NSI customers in RMBS bond trades, as follows:

i. where the buying victim-customer agreed to buy a bond from NSI at a price equivalent to NSI's purchase price plus a spread, NSI misrepresented the price that it had actually paid, in order to fraudulently induce its victim-customer to pay a higher overall price, thereby providing NSI with an extra and unearned profit at the buying victim-customer's expense;

ii. where the selling victim-customer agreed to sell a bond to NSI at a price equivalent to NSI's sale price less a spread, NSI misrepresented the price at which the buyer had agreed to purchase the bond in order to fraudulently induce its victim-customer to sell the bond at a lower price, thereby providing NSI with an extra and unearned profit at the selling victim-customer's expense; and

iii. in transactions in which NSI sought to sell a bond from its inventory to a victim-customer, NSI misrepresented to the victim that NSI was buying that bond from a fictitious third-party seller in order to fraudulently induce its victim-customer to pay an unwarranted "on top" payment, thereby providing NSI with an extra and unearned profit at the buying victim-customer's expense;

b. Instructing NSI traders in fraudulent trading practices, and permitting and causing them to engage in those practices;

c. Making misrepresentations and omissions to NSI's victim-customers which detected or suspected that they had been the victims of fraudulent trading practices; and

d. Concealing all of the aforementioned conduct from NSI customers and employees who were not participants in the scheme, in order to prevent or delay discovery.

17. NSI, by, through, and with its employees, used various means and instruments of interstate commerce and the mails in carrying out such trades, including:

a. Electronic communications with customers, including by telephone, email, instant messages and electronic group "chats";

b. Trade confirmations or tickets documenting such transactions; and

c. Funds wired to and from NSI.

18. NSI employees with supervisory authority and compliance responsibilities (as described in Paragraphs 7-8) were aware of, encouraged, or participated in one or more of the acts set forth above in Paragraph 16.

19. Total loss caused by NSI's criminal conduct described above was at least \$16,334,980.93, in the course of at least 165 fraudulent trades.

**APPENDIX B TO NON-PROSECUTION  
AGREEMENT WITH NOMURA SECURITIES INTERNATIONAL INC.**

**RESTITUTION AGREEMENT**

This Restitution Agreement is incorporated by reference as part of the Non-Prosecution Agreement (the “NPA”), dated August 22, 2023, between the U.S. Attorney’s Office for the District of Connecticut (the “Office”) and Nomura Securities International, Inc. (“NSI”).

1. All of the terms defined in the NPA are incorporated by reference. Except as expressly set forth herein, nothing in this Restitution Agreement alters, amends, or modifies the provisions of the NPA.

2. As set forth in the NPA, the total amount of restitution paid by NSI shall be not less than eight hundred and seven thousand, seven hundred and seventeen dollars and sixty-eight cents (\$807,717.68). This amount credits NSI for remediation payments of \$20,125,614.59 already made in connection with its settlement with the Securities and Exchange Commission.

3. That amount is comprised of payments to the following victim-customers, in the amounts set forth below

<b>Victim</b>	<b><u>Amount Owed</u></b>
abrdrn (formerly Aberdeen Standard Investments)	190.18
Angelo, Gordon & Co., L.P.	61,363.01
Axonic Capital LLC	58,430.55
BlackRock Inc.	10,720.56
Merced Capital, L.P. (formerly EBF & Associates, L.P.)	130.76
Fortress Investment Group LLC	2,918.69
Goldman Sachs Group, Inc.	195,172.99
Mariner Investment Group, LLC	24,117.19
Pacific Investment Management Company, LLC	14,674.59
PGIM Inc. (formerly Prudential Investment Management)	141,575.27
Saye Capital Management LP	8,289.67
Soros Fund Management LLC	175,000.00
The TCW Group, Inc. (including TCW-MetWest)	115,134.22
<b>TOTAL</b>	<b>\$807,717.68</b>

4. Nothing in this Restitution Agreement shall prohibit NSI from paying amounts to victim-customers in addition to the amounts set forth in paragraph 3.

5. Nothing in this Restitution Agreement shall prohibit NSI from seeking reasonable releases from victim-customers in consideration of any restitution payments.

6. In the event that any victim-customer is no longer in existence or cannot be located, NSI shall take reasonable efforts to locate its successors or assigns. In the event that no successor or assign is located for a particular victim-customer or NSI is otherwise unable to effect payment after reasonable efforts, NSI shall not retain such funds but shall disgorge them to the United States Treasury in accordance with the payment provisions of the NPA. The determination of what constitutes “reasonable efforts” in this context is at the sole discretion of the Office.

7. NSI will provide periodic updates to the Office concerning its compliance with the restitution obligations set forth herein.

8. NSI will use reasonable efforts to make all required restitution payments (or all disgorgement payments pursuant to Paragraph 6) during the one-year term of the NPA. In the event that NSI is unable to do so, the term of the NPA will be extended until 30 days after all restitution (or Paragraph 6 disgorgement) is paid.