

TABLE OF CONTENTS

| | Page |
|-----------------------------------------------------------------------------------------------------------------------------------------|-------------|
| TABLE OF CONTENTS | ii |
| TABLE OF AUTHORITIES | iv |
| MOTION FOR APPROVAL | 1 |
| OPPOSITION TO THE MOTION | 2 |
| BRIEF IN SUPPORT OF EXAMINER’S MOTION | 2 |
| I. BACKGROUND FACTS | 2 |
| II. PRIOR APPLICATIONS AND THEIR DISPOSITION | 3 |
| III. TIME PERIOD AND FEES AND EXPENSES REQUESTED | 4 |
| IV. SUMMARY OF THE EXAMINER’S WORK | 6 |
| A. Communications with Stanford Investors, Groups, Representatives and Counsel | 6 |
| B. Cross Border Issues and Chapter 15 Petition for Recognition | 7 |
| C. Communications with the Receiver, the SEC and the Antiguan Liquidators | 8 |
| D. Receivership Business Matters | 9 |
| E. Issues Relating to Stanford’s Coin & Bullion Customers and Business | 10 |
| F. Fifth Circuit Appeal relating to Account Freeze and “Clawback” Claims | 11 |
| G. Issues Relating to the Receiver’s Fraudulent Transfer Actions Asserted against Stanford Investors, Former Employees and Others | 12 |
| H. Issues Relating to proposed Bankruptcy Filings | 14 |
| I. Opposition to the Receiver’s Various Fee Applications | 14 |
| J. Monitoring Other Proceedings and Issues | 16 |
| K. Communications with Media | 17 |

| | | |
|-----|-------------------------------------------------------------------------------------|----|
| L. | Website and Database Maintenance | 17 |
| IV. | STAFFING | 18 |
| V. | THE EXAMINER'S FEES AND EXPENSES ARE REASONABLE AND NECESSARY AND SHOULD BE PAID | 19 |
| VI. | CONCLUSION | 23 |

TABLE OF AUTHORITIES

| | Page |
|-------------------------------------------------------------------------------------------------------------------|-------------|
| <i>City of Burlington v. Dague</i> , 505 U.S. 557 (1992) | 20 |
| <i>Janvey v. Adams</i> , 588 F.3d 831 (5 th Cir. 2009) | 11, 22 |
| <i>Johnson v. Georgia Highway Express, Inc.</i> , 488 F.2d 714 (5th Cir.1974) | 20, 21 |
| <i>Louisiana Power and Light Co. v. Kellstrom</i> , 50 F.3d 319 (5th Cir.1995) | 19 |
| <i>Old Republic Ins. Co. v. Stafford</i> , No. Civ. A. 3:03-CV-1611, 2005 WL 2026853 (N.D. Tex. Aug. 22, 2005) | 20 |
| <i>Watkins v. Fordice</i> , 7 F.3d 453 (5th Cir.1993) | 20 |

**OPPOSITION TO AND PARTIAL AGREEMENT
WITH RESPECT TO THE MOTION**

As reflected in the Certificate of Conference, the Examiner has conferred (or attempted to confer) with all parties of record with respect to this Motion. No party with whom the Examiner has conferred opposes this Motion.¹

In advance of the filing of this Motion, the Examiner conferred with counsel for the Receiver and the Securities & Exchange Commission concerning the fees and expenses sought in this Motion. The Examiner reached an agreement with the Receiver and the Commission pursuant to which the Examiner agreed to a holdback equal to 2% of the fees and expenses sought in this Motion. Accordingly, at this time the Examiner respectfully requests that the Court enter its Order directing the Receiver to pay to the Examiner's law firm the amount of \$170,963.53, which reflects legal fees of \$170,183.86 and expenses of \$679.67.²

BRIEF IN SUPPORT OF EXAMINER'S MOTION

I. BACKGROUND FACTS.

The Court appointed the Examiner on April 20, 2009, and directed the Examiner to "convey to the Court such information as the Examiner, in his sole discretion, shall determine would be helpful to the Court in considering the interests of the investors in any financial products, accounts, vehicles or ventures sponsored, promoted or sold by any Defendants in this

¹ The Examiner was unable to confer with counsel for the Department of Justice and counsel for Mark Kuhrt. Defendants Gilberto Lopez and Leroy King have not appeared in this action, to the Examiner's knowledge, have not retained counsel in this action, so that no conference with those defendants was possible.

² The Examiner's agreement with the Receiver and the SEC is reflected in the proposed Agreed Order Regarding Pending Fee Applications that is being submitted with this Motion and with the Receiver's Motion to Approve Fifth Interim Fee Application. As set forth in the proposed Agreed Order, the Examiner is entitled to seek payment of the "hold back" amount at a later date.

action (the “Investors”). The Examiner shall conduct such investigation as he deems necessary to provide such information to the Court.” (Doc. No. 322 at 1 – 2.)

Since his appointment, the Examiner has worked diligently to discharge his duties, and now requests that the Court approve this third interim application and direct the Receiver to pay the Examiner’s reasonable and necessary attorney’s fees and expenses incurred from October 1, 2009 through January 31, 2010. This application addresses the work performed by the Examiner and the lawyers and other professionals in his firm who have assisted him, the amount of fees and expenses for which payment is requested, and the application of controlling Fifth Circuit law regarding awards of attorney’s fees.

II. PRIOR APPLICATIONS AND THEIR DISPOSITION

The Examiner has filed two prior fee applications since his appointment. The disposition of those prior applications is set forth below:³

³ The “holdback” amount is the amount as to which the Court has deferred a ruling. The Examiner is free to apply for any amounts that have been held back by the Court, and the Court has reserved its ruling on any objections to the Examiner’s second fee application. *See, e.g.* Order dated February 3, 2010 [Doc. No. 994].

| Date Filed | July 15, 2009 | October 26, 2009 | Totals to Date |
|-----------------------|--------------------------------|--------------------------------|-----------------------|
| Period Covered | Apr. 22, 2009 to June 30, 2009 | July 1, 2009 to Sept. 30, 2009 | |
| Hours Billed | 658.50 | 580.70 | 1,239.20 |
| Fees Requested | \$274,852.00 | \$237,438.00 | \$512,290.00 |
| Expenses | \$2,635.15 | \$1,820.56 | \$4,455.71 |
| Total Sought | \$277,487.15 | \$239,258.56 | \$516,745.71 |
| Total Paid | \$277,487.15 | \$203,369.78 | \$480,856.93 |
| Holdback Amt. | \$0.00 | \$35,888.78 | \$35,888.78 |
| Date Paid | Sept. 14, 2009 | Feb. 4, 2010 | |

III. TIME PERIOD AND FEES AND EXPENSES REQUESTED.

As stated above, this application requests payment of the Examiner's attorney's fees and expenses for the time period from October 1, 2009 through January 31, 2010. The attorneys whose fees comprise the Examiner's request are the Examiner himself, two of the other partners in the Examiner's law firm, and one associate attorney employed by the law firm. In addition, one legal assistant employed by the Examiner's law firm provided assistance to the Examiner. The time worked by each person involved is summarized in the following chart.

| Name | Hours | Rate | Total |
|-------------------------------------------------|--------|-------|--------------|
| John J. Little | 309.00 | \$450 | \$139,050.00 |
| Robert R. Little (Partner) | 71.10 | \$450 | \$ 31,995.00 |
| Fred C. Pedersen (Partner) | 1.40 | \$450 | \$ 630.00 |
| Megan K. Dredla (Associate) | 4.70 | \$260 | \$ 1,222.00 |
| Cynthia N. Stanley (assistant/administrator) | 7.60 | \$100 | \$ 760.00 |
| Totals | 393.80 | | \$173,657.00 |

The detailed time entries of each individual are attached to the Examiner's Declaration as Exhibits 1 and 2. Appendix at 10-41; 42-83. Exhibit 1 is a copy of the invoice issued by the Examiner's law firm for the fees and expenses incurred during the period from October 1, 2009 through January 31, 2010. Exhibit 2 reflects the same time entries, re-organized into twelve (12) separate categories to reflect the different tasks undertaken by the Examiner, the hours billed to each category, and the fees incurred with respect to each category. In addition to the legal fees requested, the Examiner has also incurred necessary expenses of \$795.58, which are detailed in Exhibit 1 to the Examiner's Declaration, and for which reimbursement is requested.⁴ Appendix at 41; Examiner's Declaration at ¶3, Appendix at 4.

The Examiner seeks an Order directing the Receiver to pay to the Examiner's law firm (Little Pedersen Fankhauser, LLP) the amount of \$174,452.58, reflecting fees of \$173,657.00 and expenses of \$795.58.

⁴ Except for internal photocopying charges (charged at \$0.10/page), the expenses sought are billed at their cost. The single largest expense charged was \$534.11 by an outside copy service to produce copies of the record on appeal. Appendix at 41.

IV. SUMMARY OF THE EXAMINER'S WORK

Virtually every issue and every development in the case affects the Investors, or has the potential to, and, therefore, it is necessary for the Examiner to be informed and prepared to communicate with the Investors, the SEC, the Receiver and his counsel, and the Court, regarding these matters. As reflected in greater detail in Exhibit 2 to the Examiner's Declaration, during the time period addressed by this Third Interim Application the Examiner has undertaken activities falling, generally, into twelve (12) different categories,⁵ as follows:

A. Communications with Stanford Investors, Groups, Representatives and Counsel

A significant portion of the Examiner's work involves maintaining regular communications with individual Stanford Investors, groups (both formal and informal) of such Investors, representatives of the Investors and counsel for the Investors. Among other things:

The Examiner and his colleagues communicate every business day (and most non-business days) with numerous individual Investors. During the period covered by this Application, the Examiner, his partners or his staff have responded individually to every telephone call and email message they have received from Investors. During the period addressed in this Application, those communications have occurred via telephone or email. While they are not reflected in the Examiner's time records, the Examiner has also met personally with various individual investors who attended the Fifth Circuit arguments in New Orleans in November.

The Examiner and his colleagues communicate almost every business day with various counsel around the country (and in other countries) who represent individual Investors and/or groups of Investors. During the period addressed by this Application, the Examiner has participated in several face-to-face meetings with one or more counsel representing Investors and has also participated in dozens of conference calls and telephone conferences with such counsel. The Examiner also maintains regular email contact with a mailing list of approximately one hundred attorneys who represent one or

⁵ The categories described below necessarily overlap to some degree. For example, a meeting between the Examiner and the Receiver's counsel concerning the status of coin & bullion accounts might be classified under "communications with the Receiver" or under "issues relating to coin & bullion accounts." The Examiner has individually reviewed each time entry and has attempted to sort those time entries into categories in a way that best illustrates the tasks undertaken by the Examiner and the time devoted to those tasks.

more Investors, and uses that list as a "sounding board" to attempt to determine the views of the Investors on various issues that are pertinent to these proceedings.

The Examiner communicates on a regular basis via both telephone and email with a number of former Stanford Financial Advisors, many of whom are also Investors and most of whom contact the Examiner's office on behalf of clients who hold one or more Stanford investments.

The Examiner communicates periodically with the Stanford Victims Coalition. During the period addressed by this Application, those communications have occurred almost exclusively via email between the Examiner and the leadership of the Victims Coalition both in the United States and in South America. The Examiner has assisted the leadership in attempting to obtain information from the Receiver to assist the Coalition in its efforts and has consulted with the Victims Coalition in connection with its efforts to secure SIPC coverage for Stanford Investors.

The Examiner periodically reviews internet message boards operated by the Stanford Victims Coalition and other victims' groups in an effort to obtain a greater understanding of the views held by Stanford Investors who might not communicate directly with the Examiner.

During the period of time covered by this Application, the Examiner and his colleagues have devoted 84.40 hours⁶ of time (21.43% of the total hours billed) to work in this category, representing fees in the amount of \$37,980.00 (21.87% of the total fees billed). Appendix at 51. Approximately 75% of the time billed in this category has been billed by the Examiner's partner, Robert R. Little, with the remainder billed by the Examiner.

B. Cross Border Issues and Chapter 15 Petition for Recognition

During the period of time covered by this Application, the Examiner has continued to devote attention to various issues raised by the Chapter 15 Petition for Recognition filed by the Antiguan Liquidators and to other cross-border issues that arise from the international nature of the Stanford enterprises. Included among the Examiner's activities under this category are, generally, the following:

⁶ Detailed billing entries with respect to these hours can be found within Exhibit 2 to the Examiner's Declaration. Appendix at 43-51.

The Examiner prepared for and participated in three separate conference calls with the Court, counsel for the Receiver, the SEC and counsel for the Antiguan Liquidators to address procedural matters relevant to the Chapter 15 petition.

The Examiner participated in several conference calls with counsel for the Receiver and the SEC in connection with the pending Chapter 15 petition.

The Examiner reviewed the materials submitted to the Court by the Antiguan Liquidators and the Receiver in anticipation of the hearing on the pending Chapter 15 petition.

The Examiner reviewed the judgments entered in Canadian courts with respect to the dispute pending there between the Receiver and the Antiguan Liquidators.

During the period of time covered by this Application, the Examiner and his colleagues have devoted 12.6 hours⁷ of time (3.20% of the total hours billed) to work in this category, representing fees in the amount of \$5,670.00 (3.27% of the total fees billed). Appendix at 53. Virtually all of the time billed to this category was billed by the Examiner.

C. Communications with the Receiver, the SEC and the Antiguan Liquidators

During the period of time covered by this Application, the Examiner has devoted substantial attention to communications with the Receiver and his counsel, the SEC, and the Antiguan Liquidators and their counsel. Included among the Examiner's activities under this category are, generally, the following:

The Examiner communicates regularly with the Receiver and the Receiver's counsel in order to monitor the progress of these proceedings and to advocate with respect to various issues of importance to the Investors. He has engaged in dozens of telephone conferences with the Receiver and his various counsel, and has exchanged hundreds of email communications with the Receiver and his team.

The Examiner collaborated with counsel for the Receiver and the SEC in connection with the filing of a proposed amendment to the Court's Order Appointing Receiver.

⁷ Detailed billing entries with respect to these hours can be found within Exhibit 2 to the Examiner's Declaration. Appendix at 52-53.

The Examiner regularly directs inquiries to the Receiver and his counsel concerning issues of importance to one or more Investors. The Examiner has also created and maintained (via spreadsheet) a database to track those inquiries, to follow up on them, and to track the responses received from the Receiver.

The Examiner communicates regularly with the SEC. During the period covered by this Application, he has participated in a meeting with the SEC and counsel to FINRA relating to the claims asserted by the Receiver against former Stanford Employees. The Examiner has also participated in a number of conference calls and telephone conferences with SEC personnel, and has exchanged hundreds of email communications with the SEC.

During the period of time covered by this Application, the Examiner has devoted 10.2 hours⁸ of time (2.59% of the total hours billed) to work in this category, representing fees in the amount of \$4,590.00 (2.64% of the total fees billed). Appendix at 55. All of the time billed to this category was billed by the Examiner.

D. Receivership Business Matters

During the period of time covered by this Application, the Examiner has devoted attention to various business matters relating to and arising out of the operations of the Receivership. Generally, these matters involved banking issues, corporate and organizational issues, asset liquidations, Stanford private equity investments and insurance matters. Included among the Examiner's activities in this category are, generally, the following:

The Examiner has monitored and reviewed the various materials that have been filed by certain Defendants, by the Receiver and by Lloyd's of London with respect to the proper treatment of the proceeds of certain Directors' and Officers' liability policies issued by Lloyd's of London to the Stanford entities. Additionally, the Examiner has reviewed the Court's Order relating to the treatment of those policies and various filings made by Lloyd's of London and others in an effort to enforce the Court's Order with respect to those policies.

⁸ Detailed billing entries with respect to these hours can be found within Exhibit 2 to the Examiner's Declaration. Appendix at 54-55.

The Examiner has reviewed and analyzed the motion filed by certain property owners in the Stanford condominium development.

The Examiner has reviewed and analyzed filings relating to the Receiver's Motions for authority to sell two yachts owned by the Stanford entities, the "Sea Eagle" and the "Little Eagle."

The Examiner has reviewed, analyzed and investigated the Receiver's motions (and any responses thereto) for authority to sell certain private equity investments, including the HSS interests, Senesco, TUG, Spring Creek and SSM.

The Examiner has reviewed and analyzed the motion filed by the Receiver seeking authority to sell certain assets located in Panama and has participated in a number of telephone conferences with counsel to the Receiver relating to that motion and proposed sale.

The Examiner has reviewed and analyzed the motion filed by the Receiver seeking authority to sell a Hawker aircraft owned by the Stanford entities.

During the period of time covered by this Application, the Examiner has devoted 14.70 hours⁹ of time (3.73% of the total hours billed) to work in this category, representing fees in the amount of \$6,615.00 (3.81% of the total fees billed). Appendix at 57. All of the time billed to this category was billed by the Examiner.

E. Issues Relating to Stanford's Coin & Bullion Customers and Business

During the period of time covered by this Application, the Examiner and his colleagues have devoted attention to the continuing issues presented by the freeze of certain Investors' gold & bullion assets that had been held by or through Stanford Coin & Bullion, Inc. Generally, these matters have included the following:

The Examiner has communicated (via email and telephone) with both coin & bullion Investors and their counsel concerning the status of the Investors' accounts and the efforts being made to release certain of those accounts to the Investors.

⁹ Detailed billing entries with respect to these hours can be found within Exhibit 2 to the Examiner's Declaration. Appendix at 56-57.

The Examiner has collaborated with counsel for the Receiver in the development of the materials and process through which coin & bullion Investors could reclaim and recover their coin & bullion assets after the Court entered its order authorizing the release of those assets.

The Examiner has reviewed and analyzed the motion to intervene filed by a coin & bullion Investor with respect to those issues not yet decided by the Court.

The Examiner has communicated regularly with counsel for the Receiver in an effort to monitor the release of coin & bullion assets to Investors and reviews, on a weekly basis, materials provided to him by the Receiver documenting the return of such assets to Investors.

During the period of time covered by this Application, the Examiner and his colleagues have devoted 17.30 hours¹⁰ of time (4.40% of the total hours billed) to work in this category, representing fees in the amount of \$7,785.00 (4.48% of the total fees billed). Appendix at 60. Most of the time billed in this category (approximately 83%) was billed by the Examiner.

F. Fifth Circuit Appeal relating to Account Freeze and “Clawback” Claims

The Examiner has devoted substantial attention to the Receiver’s appeal to the 5th Circuit of the Court’s Order of August 4, 2009 (Civil Action No. 09-724, Doc. No. 35) granting in part and denying in part the Receiver’s Motion seeking to continue to freeze certain Investors’ accounts at Pershing LLC. On November 13, 2009, the Fifth Circuit issued its opinion affirming in part and reversing in part the Court’s Order. *Janvey v. Adams*, 588 F.3d 831 (5th Cir. 2009).

The Examiner’s activities in this regard have generally included the following:

The Examiner continued to help coordinate the efforts of various counsel to Appellee Investors and the SEC, including but not limited to the coordination of conference calls and meetings among counsel to prepare for argument in the Fifth Circuit and the coordination of the various counsel concerning the manner and order in which argument would be presented.

¹⁰ Detailed billing entries with respect to these hours can be found within Exhibit 2 to the Examiner’s Declaration. Appendix at 58-60.

The Examiner has communicated extensively with counsel for the SEC and the various Appellees with respect to the issues raised in the appeal.

The Examiner devoted considerable time to reviewing the responsive briefs filed by the various Appellee Investors and the SEC, and the reply briefs filed by the Receiver and certain of the Appellee Investors.

The Examiner also devoted considerable time to the review and analysis of the list of Investors named by the Receiver in his "clawback" claims and sent a number of inquiries to the Receiver with respect to those Investors.

The Examiner devoted considerable time and attention to his preparation for argument in the Fifth Circuit and to the presentation of that argument on November 2, 2009.

Following the issuance of the Fifth Circuit's decision, the Examiner conferred with counsel for the Receiver, with the SEC and with counsel for various Investors concerning the release of those accounts that had been frozen by the Receivership Order.

The Examiner and his colleagues have devoted 48.50 hours¹¹ of time (12.32% of the total hours billed) to work in this category, representing fees in the amount of \$21,768.00. (12.54% of the total fees billed). Appendix at 65. Virtually all of the time billed in this category was billed by the Examiner.

G. Issues Relating to the Receiver's Fraudulent Transfer Actions asserted against Stanford Investors, Former Employees and Others

During the period of time addressed by this Application, the Examiner has devoted substantial attention to issues arising from the fraudulent transfer actions filed by the Receiver against both former Stanford employees and several hundred Investors in SIB CDs. Generally, these matters have included the following:

The Examiner has communicated on a regular basis with Stanford Investors and their counsel concerning the settlement demand letters sent to the Investors by the Receiver and the fraudulent transfer claims asserted by the Receiver, including but not

¹¹ Detailed billing entries with respect to these hours can be found within Exhibit 2 to the Examiner's Declaration. Appendix at 61-65.

limited to the amounts sought by the Receiver through such claims and the legal theories relied upon by the Receiver in asserting such claims.

The Examiner regularly reviews and tracks information relating to settlements reached between the Receiver and certain individual Investors to resolve the Receiver's fraudulent transfer claims.

The Examiner has analyzed the Receiver's claims against former SIB CD Investors and has sent a number of inquiries to the Receiver's counsel in order to investigate the basis of certain of the Receiver's claims.

The Examiner has conducted legal research concerning the propriety of the Receiver's fraudulent transfer claims and the defenses that might be available to Investors with respect to those claims.

The Examiner has participated in a meeting with the SEC and counsel to various former Stanford Employees to discuss the fraudulent transfer claims asserted against those Employees and to address the extent to which such Employees would agree to continue a "freeze" with respect to certain of their assets.

The Examiner has reviewed and analyzed the motions to dismiss that have been filed by various SIB CD investors in response to the Receiver's fraudulent transfer claims.

The Examiner has reviewed and analyzed the various motions to compel arbitration and motions to dismiss that have been filed by counsel for the former Stanford Employees sued by the Receiver in his fraudulent transfer complaints.

The Examiner has participated in multiple conference calls with counsel for the Receiver and the SEC concerning the status, prosecution and potential settlement of the fraudulent transfer actions brought by the Receiver against SIB CD Investors and former Stanford Employees.

During the period of time addressed by this Application, the Examiner and his colleagues have devoted 67.50 hours¹² of time (17.29% of the total hours billed) to work in this category, representing fees in the amount of \$30,166.00 (17.53% of the total fees billed). Appendix at 72. Virtually all of the time billed to this category (93%) was billed by the Examiner.

¹² Detailed billing entries with respect to these hours can be found within Exhibit 2 to the Examiner's Declaration. Appendix at 66-72.

H. Issues relating to proposed Bankruptcy Filings

During the period of time addressed by this Application, the Examiner has devoted attention to the Motions filed by the Morgenstern & Blue law firm seeking a modification of the Court's Amended Order Appointing Receiver, Doc. 157, to permit the filing of involuntary bankruptcy proceedings against some or all of the Stanford entities. In this regard, the Examiner has generally done the following:

The Examiner has reviewed the briefs filed by the Morgenstern & Blue law firm and by the Receiver with respect to the Motion.

The Examiner has participated in two conference calls with the SEC and counsel to the Receiver to address the pending Motion and the parties' positions with respect to the relief requested.

The Examiner has conferred with counsel for other Investors concerning their views of the Motion and the relative merits of proceeding in bankruptcy vs. receivership.

During the period of time addressed by this Application, the Examiner has devoted 5.60 hours¹³ of time (1.42% of the total hours billed) to work in this category, representing fees in the amount of \$2,520.00 (1.45% of the total fees billed). Appendix at 73. All of the time billed to this category was billed by the Examiner.

I. Opposition to the Receiver's Various Fee Applications

During the period of time addressed by this Application, the Examiner has devoted substantial attention to the Receiver's third and fourth interim fee applications (Civil Action No. 09-298, Docs. 820, 914), as well as the Receiver's additional evidence in support of fees and expenses sought by FTI, FITS, and Ernst & Young (Civil Action No. 09-298, Doc. 868). In this regard, the Examiner has generally done the following:

¹³ Detailed billing entries with respect to these hours can be found within Exhibit 2 to the Examiner's Declaration. Appendix at 73.

The Examiner has reviewed and analyzed the Receiver's third and fourth interim fee applications, including the supporting materials submitted by the Receiver with respect to those applications.

The Examiner has reviewed and analyzed the additional evidence submitted by the Receiver in support of certain fees and expenses sought by FTI, FITS and Ernst & Young.

The Examiner has conducted research concerning the legal standards applicable to fee applications submitted by receivers, including but not limited to legal research concerning the manner in which similar applications were addressed in the *Madoff* and *Bennett Funding* Ponzi scheme proceedings.

The Examiner has reviewed the responses filed by the SEC and Mr. Stanford to the Receiver's fee various applications.

The Examiner has drafted and filed a response (Civil Action No. 09-298, Doc. 860) in opposition to the Receiver's third interim fee application.

The Examiner has drafted and filed a response (Civil Action No. 09-298, Doc. 940) in opposition to the Receiver's fourth interim fee application.

The Examiner has drafted and filed a response (Civil Action No. 09-298, Doc. 896) to the additional evidence submitted in support of the fees and expenses sought by FTI, FITS and Ernst & Young.

The Examiner has conferred with both the SEC and counsel for the Receiver concerning the various fee applications identified above and has reached an interim agreement with respect to those fee applications to permit the payment of certain fees and expenses and to reserve objections for a later hearing.

The Examiner and his colleagues have devoted 98.30 hours¹⁴ of time (25.00% of the total hours billed) to work in this category, representing fees in the amount of \$43,608.00 (25.11% of the total fees billed). Appendix at 77. Virtually all of the time billed to this category (in excess of 95%) was billed by the Examiner.

¹⁴ Detailed billing entries with respect to these hours can be found within Exhibit 2 to the Examiner's Declaration. Appendix at 74-77.

J. Monitoring Other Proceedings and Issues

During the period of time covered by this Application, the Examiner has devoted attention to a variety of other proceedings and issues, both within the Receivership proceedings and relating thereto. In this regard, the Examiner has generally done the following:

The Examiner has reviewed the plea agreement entered by Jim Davis in the Stanford criminal proceeds and other materials relating to that plea agreement.

The Examiner has reviewed the pleadings and other materials relating to the Receiver's claims against Ms. Rebecca Reeves-Stanford.

The Examiner has reviewed materials relating to efforts to obtain SIPC coverage for SIB CD investors and has consulted with the Stanford Victims Coalition and counsel for certain Stanford Investors relating to those efforts.

The Examiner has reviewed and monitored the pleadings and other materials filed by the Curtis Mallet law firm.

The Examiner has worked with the SEC to draft and file a joint brief addressing the Receiver's motion to compel certain disclosures by the Hunton & Williams law firm and has reviewed the materials filed by Hunton & Williams and the Antiguan Liquidators in response to that joint brief.

The Examiner has reviewed the materials relating to the John Doe subpoena sought by the Internal Revenue Service with respect to certain Stanford Investors.

The Examiner has monitored the contempt proceedings initiated by the Receiver with respect to Ms. Randi Stanford and has conferred with the Court's staff and counsel to the Receiver with respect to the disposition of those proceedings.

The Examiner and his colleagues have devoted 12.30 hours¹⁵ of time (3.12% of the total hours billed) to work in this category, representing fees in the amount of \$5,535.00 (3.19% of the total fees billed). Appendix at 79. Virtually all (in excess of 90%) of the time billed to this category was billed by the Examiner.

¹⁵ Detailed billing entries with respect to these hours can be found within Exhibit 2 to the Examiner's Declaration. Appendix at 78-79.

K. Communications with Media

During the period of time addressed by this Application, the Examiner has from time to time communicated with members of the media concerning various issues pertinent to the Stanford Receivership. In this regard, the Examiner has generally done the following:

The Examiner has responded to media inquiries concerning the Receiver's "interim status report" filed in October 2009 (Civil Action No. 09-298, Doc. 859).

The Examiner has responded to media inquiries concerning the Receiver's settlement demand letters sent to SIB CD Investors in late November 2009.

The Examiner has responded to media inquiries concerning the performance of the Receiver.

The Examiner has responded to media inquiries concerning the criminal proceedings and related insurance coverage issues.

The Examiner has responded to media inquiries concerning the Court's Order authorizing the release of coins and gold held by Stanford Coin & Bullion, Inc.

The Examiner has responded to media inquiries concerning the agreed Order filed with the Court addressing the Receiver's various fee applications.

During the period of time addressed by this Application, the Examiner has devoted 5.20 hours¹⁶ of time (1.32% of the total hours billed) to work in this category, representing fees in the amount of \$2,340.00 (1.35% of the total fees billed). Appendix at 80. All of the time billed to this category was billed by the Examiner.

L. Website and Database Maintenance

During the period of time covered by this Application, the Examiner has devoted attention to the maintenance of his website and certain databases. In this regard, the Examiner has generally done the following:

¹⁶ Detailed billing entries with respect to these hours can be found within Exhibit 2 to the Examiner's Declaration. Appendix at 80.

The Examiner has established, maintains, and periodically updates a website for the benefit of the Investors, in order to promptly make information and copies of pertinent court filings available to them.

The Examiner has established and maintains a database to track Investor communications and to collect information relating to the various types of Stanford investments held by each Investor.

The Examiner and his colleagues have devoted 16.60 hours¹⁷ of time (4.22% of the total hours billed) to work in this category, representing fees in the amount of \$4,810.00 (2.77% of the total fees billed). Appendix at 82. Time billed in this category was billed by the Examiner and Ms. Cynthia Stanley, a legal assistant/administrator employed by the Examiner's law firm.

IV. STAFFING

Because of the number of tasks and issues the Examiner must address, he has called on several other lawyers in his firm to assist him. The Examiner has practiced law with each of the lawyers that assisted him for a number of years and was familiar with each lawyer's experience and abilities before asking each to assist in this case. See Appendix at 8, Examiner's Declaration at ¶¶ 11, 13. The Examiner personally supervised all of the work performed by other lawyers at his law firm. The work that was done by other lawyers and employees at his firm can be summarized as follows:

a. Mr. Robert R. Little. Much of the Examiner's daily communication with Investors has been handled by his partner, Robert R. Little. Additionally, Mr. Little has assisted the Examiner with respect to the issues pertaining to the coin & bullion Investors and their assets. Mr. Little billed a total of 71.10 hours during the period addressed by this Application, most of which (65.20 hours) was devoted to daily telephone conversations and email communications

¹⁷ Detailed billing entries with respect to these hours can be found within Exhibit 2 to the Examiner's Declaration. Appendix at 81-82.

with individual Investors and their counsel. The fees for Mr. Little's time are \$31,995.00. Appendix at 41.

b. Mr. Fred C. Pedersen. The Examiner's partner, Fred C. Pedersen, has assisted the Examiner with respect to the continuing cross-border and Chapter 15 issues and the John Doe subpoena issued by the Internal Revenue Service.

Mr. Pedersen devoted 1.40 hours to these issues. The fees for Mr. Pedersen's time are \$630.00. Appendix at 41.

c. Ms. Megan K. Dredla. The Examiner's associate, Megan K. Dredla, has assisted the Examiner primarily with respect to two matters: the 5th Circuit appeal taken from the Court's Order of August 4, 2009, and the Examiner's responses to the Receiver's interim fee applications. Ms. Dredla has devoted 4.70 hours to these issues. The fees for Ms. Dredla's time are \$1,222.00. Appendix at 41.

d. Website, database and document management. The Examiner has handled the creation, maintenance and updating of his website and Investor database entirely in-house. The Examiner has billed 9.00 hours to the drafting of updates and revised text for his website. Ms. Cynthia Stanley, a legal assistant/administrator employed by the Examiner's law firm, has billed 7.60 hours for her work in updating the website. The fee for work to update the website is \$4,810.00. Appendix at 82.

V. THE EXAMINER'S FEES AND EXPENSES ARE REASONABLE AND NECESSARY AND SHOULD BE PAID

The standards for an award of attorney's fees are well established.

In awarding statutorily-authorized attorney's fees, district courts in the Fifth Circuit employ a two-step procedure. *See Louisiana Power and Light Co. v. Kellstrom*, 50 F.3d 319, 323-24 (5th Cir.1995). First, the reasonable number of hours expended by counsel is multiplied by the reasonable hourly rate charged by

lawyers in the community. *Id.* at 324. The product of this multiplication is the base fee, or "lodestar", which the Court then either accepts or adjusts upward or downward based on twelve factors enunciated in *Johnson v. Georgia Highway Express, Inc.*, 488 F.2d 714 (5th Cir.1974). [FN3] The Court may modify the lodestar if any of the Johnson factors not already considered in the reasonable fee analysis warrant an adjustment. *See Watkins v. Fordice*, 7 F.3d 453, 457 (5th Cir.1993). The lodestar is presumptively reasonable, however, and should be modified only in exceptional cases. *Id.* (citing *City of Burlington v. Dague*, 505 U.S. 557, 562 (1992)).

FN3. The *Johnson* factors are: (1) the time and labor required; (2) the novelty and difficulty of the case; (3) the skill required; (4) the preclusion of other employment; (5) the customary fee; (6) whether the fee is fixed or contingent; (7) time limitations imposed; (8) the results obtained; (9) the experience, reputation and ability of the attorneys; (10) the undesirability of the case; (11) the nature and length of the professional relationship with the client; and (12) awards in similar cases. *Johnson*, 488 F.2d at 717-19.

Old Republic Ins. Co. v. Stafford, No. Civ. A. 3:03-CV-1611, 2005 WL 2026853 (N.D. Tex. Aug. 22, 2005).

The calculation of the lodestar in this instance is simple because the actual hours expended by the Examiner and those attorneys assisting him were reasonable and necessary, and the hourly rates charged by the Examiner and the other lawyers in his firm are reasonable for Dallas, Texas. *See* Appendix at 5, 8, Examiner's Declaration at ¶¶ 5, 13. As a result, the product of the number of hours worked and the hourly rate charged represents a lodestar that is both presumptively reasonable and proven reasonable by the evidence submitted. In addition, as directed by the Court, the Examiner has "avoid[ed], to the greatest extent possible, duplication of activities or efforts conducted by the Receiver, except as necessary to present the interests of the Investors to the Court that would not otherwise be presented, as the Examiner in his sole

discretion [has seen] fit.” See Appendix at 6, Examiner's Declaration at ¶6; see Doc. No. 322 at 3.

Application of the *Johnson* factors is addressed below.

1. The time and labor required – Exhibits 1 and 2 to the Examiner's Declaration set forth the time entries for the Examiner and each of the attorneys that assisted him, and the Examiner's Declaration includes the Examiner's opinion that the time expended was both necessary and reasonable.

2. The novelty and difficulty of the case – The issues raised by this receivership – as they affect the Investors – are often novel and difficult. The Examiner continues to face the challenge of quickly learning the facts and law that are pertinent to discrete issues as those issues arise. The legal issues that have arisen during the period addressed by this Motion have been both novel and complex, e.g. the legitimacy of the Receiver's “clawback” claims asserted against both Stanford Investors and former Financial Advisors and the appropriate treatment and disposition of diverse assets (including yachts, private equity investments, and real property) now held by the Receiver, to name just two.

3. The skill required – The work undertaken by the Examiner has required considerable skill and experience in complex matters. The Examiner and the attorneys assisting him are experienced lawyers with sophisticated commercial law practices. See Appendix at 7-8, Examiner's Declaration at ¶¶ 10-13.

4. The preclusion of other employment – The Examiner has not declined any representation because of his service in this case.

5. The customary fee – As explained in the Examiner’s Declaration, the fees requested are reasonable for Dallas, Texas in similar cases. See Appendix at 5-6, Examiner’s Declaration at ¶¶ 5, 7, 8.

6. Whether the fee is fixed or contingent – The Examiner’s fee is not contingent, but is subject to Court approval and the existence of money in the receivership estate to pay the fee.

7. Time limitations imposed – The Examiner’s work has been subject to several time pressures. The Examiner was appointed after the initiation of the proceeding, and is tasked with communicating with hundreds of Investors and their counsel, which by itself creates significant demands on the time of the Examiner and the lawyers assisting him.

8. The results obtained – At the request of the Investor Appellees in the Fifth Circuit appeal addressing the Receiver’s “clawback” claims and account freeze, the Examiner presented the opening oral argument for the Appellees. On November 13, 2009, the Fifth Circuit issued its opinion, *Janvey v. Adams*, 588 F.3d 831 (5th Cir. 2009), in which it largely adopted the arguments presented by the Examiner and Appellees in affirming in part and reversing in part this Court’s Order (Civil Action No. 09-0724, Doc. No. 35). With respect to the Examiner’s various responses to the Receiver’s various fee applications filed during the period addressed by this Application, the Examiner worked with the Receiver’s counsel and the SEC to negotiate an agreement that resulted in the Receiver agreeing to increase by 15% the “hold back” amount applicable to his Third and Fourth Interim Fee Applications.

9. The experience, reputation and ability of the attorneys – The Examiner and the attorneys assisting him are experienced and skilled lawyers who each enjoy very favorable reputations in the legal community.

10. The undesirability of the case – Service as the Examiner is not undesirable.

11. The nature and length of the professional relationship with the client – Given the unique nature of the Examiner’s role, and that his appointment “does not give rise to any attorney-client or fiduciary relationship,” this factor appears not to apply. Doc. No. 322 at 3.

12. Awards in similar cases – The Examiner believes and understands the fees and expenses requested are commensurate with fees awarded in similar cases in this district.

The tasks performed by the Examiner and those assisting him were necessary to discharge the Examiner’s duties and the rates charged are reasonable for the Dallas area.

VI. CONCLUSION

For the reasons set forth above, the Examiner respectfully requests that this Court approve this application and direct the Receiver to make payment to the Examiner for the requested attorneys’ fees and expenses.

Respectfully submitted,

/s/ John J. Little

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CERTIFICATE OF CONFERENCE

On March 10, 2010, I forwarded draft versions of the Examiner's Motion for Approval of Third Interim Fee Application to counsel for all parties.

On March 10, 2010, I conferred with Kevin Sadler, counsel for the Receiver. The Receiver has joined in the agreement described at page 2 of the foregoing Motion.

On March 10, 2010, I conferred with David Reece of the SEC. The SEC has joined in the agreement described at page 2 of the foregoing Motion.

On March 10, 2010, I conferred via email with Manuel Lena, counsel for the IRS. The IRS takes no position with respect to the relief requested.

On March 10, 2010, I conferred via email with Jeff Tillotson, counsel for Laura Holt. Mr. Tillotson indicated that Ms. Holt does not oppose the relief requested.

On March 12, 2010, I conferred via email with David Finn, counsel for James Davis. Mr. Finn indicated that Mr. Davis does not oppose the relief requested.

On March 10, 2010, I conferred via email with Ruth Schuster, counsel for R. Allen Stanford. Ms. Schuster indicated that Mr. Stanford does not oppose the relief requested.

On March 11, 2010, I conferred with Joe Kendall, counsel for Susan Stanford. Mr. Kendall indicated that Susan Stanford takes no position with respect to the relief requested.

On March 11, 2010, I conferred with Julie Biermacher, counsel for Trustmark National Bank. Ms. Biermacher stated that Trustmark National Bank does not oppose the relief requested.

On March 11, 2010, I conferred with Jason Brookner, counsel for HP Financial Services Venezuela C.C.A.. Mr. Brookner stated that HP Financial Services Venezuela C.C.A. does not oppose the relief requested.

I attempted to confer with Jack Patrick, counsel for the DOJ (Fraud Division), on March 10, 11, and 12, 2010. I did not receive a response from Mr. Patrick prior to filing this Motion.

I attempted to confer with Gregg Anderson, counsel for Mark Kuhrt, on March 10, 11, and 12, 2010. I did not receive a response from Mr. Anderson prior to filing this Motion.

As of the filing of this Motion, Defendants Gilberto Lopez and Leroy King have not appeared in this action and, to the Examiner's knowledge, have not retained counsel with respect to this action. Accordingly, no conference was possible with these parties.

/s/ John J. Little

CERTIFICATE OF SERVICE

On March 12, 2010, I electronically submitted the foregoing document with the clerk of the court of the U.S. District Court, Northern District of Texas, using the electronic case filing system of the court. I hereby certify that I have served all counsel and/or *pro se* parties of record electronically or by another manner authorized by Federal Rule of Civil Procedure 5(b)(2).

/s/ John J. Little