

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

SECURITIES AND EXCHANGE COMMISSION,	§	
	§	
Plaintiff,	§	Case No. 3:09-CV-0298-N
	§	
v.	§	
	§	
STANFORD INTERNATIONAL BANK, LTD., ET AL.,	§	
	§	
Defendants.	§	
	§	

**CONSOLIDATED REPLY TO RESPONSES BY SECURITIES AND EXCHANGE
COMMISSION, RECEIVER, EXAMINER AND OFFICIAL STANFORD INVESTORS
COMMITTEE TO KLS STANFORD VICTIMS' MOTION TO INTERVENE AND FOR
APPOINTMENT TO THE OFFICIAL STANFORD INVESTOR COMMITTEE**

Movants Katherine Burnell, Ursula Mesa, Marcelo Avila-Orejuela, and Steven Graham (collectively "Movants"), on behalf of themselves and the KLS Stanford Victims, through undersigned counsel, submit this Consolidated Reply to Responses by Securities and Exchange Commission, Receiver, and Examiner and Official Stanford Investors Committee (the "Investor Committee") to KLS Stanford Victims' Motion for Leave to Intervene and for Appointment to the Official Stanford Investor Committee (the "Motion to Intervene").

SUMMARY

No one has disputed in their oppositions that the Investor Committee lacks a majority of independent and disinterested investors, which is necessary to adequately represent the interests of investors. To the contrary, the Investor Committee *admits* that three of its non-investor attorney members have substantial contingency fee agreements with the Receiver, and that the non-investor Examiner is paid out of the receivership estate — resulting in a situation where four

of the seven members are interested. Additionally, a fifth member, an attorney, is not an investor. The Movants seek intervention based on the simple and uncontroversial principle that the Investor Committee should be comprised of at least a majority of disinterested investors.

The motion should be granted on this basis alone.

Rather than substantively address this concern and reassure investors that they are in fact adequately representing their interests, the Investor Committee prefers to attack Movants' counsel in a personal and, frankly, inaccurate character assassination, for which they should be ashamed. The fact that the Investor Committee is seeking to repel rather than welcome independent support and help is very telling.

To their credit, the SEC and the Receiver did not engage in personal attacks, but also did not address the principal concern: whether the receivership is adding value to the estate for investors.¹

One of the concerns raised by Movants in their motion was a 25% contingency fee agreement with attorneys on the Investor Committee (representing the receivership and essentially therefore all investors), that could generate hundreds of millions of dollars in attorneys' fees, in cases that the Receiver has already investigated and developed, and with no provision for judicial review or approval of the appropriateness of the fees in relation to the work performed. The Receiver simply replied that such rates are average *in the private market* on small recovery cases. Surely, the Receiver is a better negotiator. And surely, for cases seeking

¹ In the Motion to Intervene, Movants cited the Receiver's fee applications, interim reports and Court Orders showing that the Receiver expended \$118.2 million in fees and costs, which includes a \$14.4 million "hold back" for which the Receiver represented he will be applying to receive. (Mov. Br. at pp. 3-4.) Movants also showed that the Receiver has recovered \$119.7 million, which does not include \$68.6 million of cash balances and trailing revenue in bank accounts when the Receiver was appointed. *Id.* Accordingly, Movants concluded that the Receiver recovered a net amount of \$1.5 million for Stanford victims. In his opposition, the Receiver calculates the recovery by subtracting the \$14.4 million "hold back" from expenses and adding the \$68.6 million sitting in Stanford accounts to his recovery, concluding that he has netted close to \$100 million. Even using the Receiver's calculations, his net recovery after two and a half years is a fraction of the \$7 billion lost.

recovery in excess of several million dollars, it is not too much to ask that any payout to attorneys be reviewed to assure they are not *overcompensated at the expense of the investors whose interests they claim to represent*.

The lack of any scrutiny of such an agreement is a further reason why additional disinterested investor representation is necessary, and why Movants respectfully request that the Court grant their motion.²

ARGUMENT

A. MOVANTS HAVE ESTABLISHED THAT THEY ARE ENTITLED TO INTERVENE.

The opposition briefs do little to address the actual standard by which this Court must determine whether intervention is appropriate. They essentially concede that Movants have established both the financial interest and impairment prongs of the test.³ As to the other two prongs, the opposition merely fails to account for the law in this Circuit and substantial issues raised by the Movants that support intervention. Since the opposition concedes the financial interest and impairment requirements, this Reply will only address their claims regarding timeliness and adequacy.

1. The Motion To Intervene Is Timely Filed.

Movants have established that the motion is timely based on recent actions and failures of the Investor Committee and the recent reports of the Receiver, which demonstrates that the

² Several days after the deadline to file oppositions, the law firm “Malouf & Nockels, LLP” filed an “opposition” without a single legal argument and without any substance.

³ The Receiver does argue that Movants’ interests could not be impaired because fees and costs have been reduced recently. (Rec. Opp. at p. 11.) However, there is still no dispute that after two and a half years, the Receiver has recovered pennies on the dollar after paying out approximately \$100 million in fees and costs. (Rec. Opp. at p. 1.) Moreover, the test for impairment is minimal, and movants need only show that their interests “may” be impaired by the disposition of the action. Fed. R. Civ. P. 24(a)(2). Even with a recent reduction in fees, Movants have demonstrated that their interests in recovery are substantially and fundamentally impaired — a fact conceded by the Examiner, Investor Committee and the SEC. *See generally Calvert Fire Insurance Co. v. Environs Development Corp.*, 601 F.2d 851, 858-59 (5th Cir. 1979) (impairment prong satisfied where action may deplete identifiable funds so as to make it unlikely that the intervenor will be fully compensated).

receivership was not adequately considering or addressing many of the concerns of investors. (See Mov. Br. at pp. 8-9.) The Receiver, Examiner and Investor Committee argue, however, that the motion is untimely because the litigation has been ongoing for over two years (Rec. Opp. at pp. 18-20; Exam. Opp. at pp. 13-15), and that the Movants could have intervened previously without allowing the parties to the receivership an opportunity to address their concerns, thus defeating intervention now. This is not the law. To determine whether a motion to intervene is timely, “a court should ignore . . . the amount of time that may have elapsed since the institution of the action . . . and the likelihood that intervention may interfere with orderly judicial processes.” *Doe # 1 v. Glickman*, 256 F.3d 371, 375 (5th Cir. 2001) (internal citations omitted).

Instead, the determination of whether a motion to intervene is timely depends on when the Intervenor’s interests were no longer adequately represented. *Piambino v. Bailey*, 610 F.2d 1306, 1321 (5th Cir. 1980) (citing *United Airlines, Inc. v. McDonald*, 432 U.S. 385, 394 (1977)). The Investor Committee was created on August 10, 2010. Only recently, on February 25, 2011, was the contingency fee agreement approved by this Court. And only recently, as of the Receiver’s February 11, 2011 report, have the Movants been able to determine that the substantial fees that have been expended in this case simply have not returned significant value to the estate. Intervention at this point was not only the most prudent course, but also timely under the law.

2. The Substantial Interest In The Fees Generated In This And Related Actions By The Involved Parties Necessarily Precludes Adequate Representation.

Movants argued in their motion, and the opposition has not materially disputed, that the Receiver has failed to add any significant value to the estate, but has subtracted substantial fees while the Investor Committee (composed overwhelmingly of interested attorneys) has remained silent. (Mov. Br. at 3-5.) There is a need for active voices in what up until now has been a mute

chorus. Indeed, as a matter of law, where parties to a litigation have neither “voiced the [intervenors’] concerns [n]or expressed a desire to do so, their interests are not adequately represented by the existing parties to the case.” *Stallworth v. Monsanto Co.*, 558 F.2d 257, 268 (5th Cir. 1977). Where an intervenor would make a “more vigorous presentation” of an argument, the adequate representation prong is satisfied. *New York Public Interest Research Group, Inc. v. Regents of University of New York*, 516 F.2d 350, 352 (2d Cir. 1975).

The opposition briefs raise two generic responses: (1) the Examiner has the authority to file objections to the Receiver’s fees; and (2) over two years ago, the Court denied initial motions to intervene based on the adequacy of representation prong.

As to the first argument, it is sufficient to say that the Examiner has not filed a single objection to the fees of the Receiver. In fact, it has been over a year and a half since any party apart from Mr. Stanford filed an objection to the fees of the Receiver.

As to the second argument, in rejecting prior motions, the Court reasoned that, at that time, the investors’ interests were adequately represented by the SEC, Receiver and Examiner, and no investor had alleged adversity of interest, collusion or nonfeasance. (April 20, 2009 Order at p. 5). That is no longer the case. Movants now allege waste, based on the exorbitant fees (rates in excess of \$400 per hour), and substantial financial interests (in substantial contingency fees) that preclude independent and adequate representation in this receivership.

Notably, neither the Investor Committee, Examiner, nor the SEC actually claim that the receivership is being effectively and efficiently managed. It is undisputed that any distribution to investors after two and a half years of this receivership would be a few pennies on the dollar.⁴

⁴ In contrast, the Trustee for the Madoff Estate has already distributed an initial payment averaging over \$200,000 per claimant, which is only 4% of the amounts already recovered by the Madoff Trustee.

B. MOVANTS HAVE ESTABLISHED THAT PERMISSIVE INTERVENTION IS APPROPRIATE IN THIS CASE.

Movants have demonstrated that permissive intervention should be granted because no party to the receivership has previously addressed the fundamental concerns raised by Movants. (Mov. Br. at p. 12.) Only the Receiver argues against permissive intervention. The Receiver claims intervention should be denied because it will add “an unnecessary layer of litigation,” “complicate the work of the Receiver and Investors Committee and further reduce the funds available for disbursement.” (Rec. Opp. at p. 21.)

The Receiver has proffered no basis for such an unsupported conclusion. Movants have only raised limited issues, and as investors, obviously have no interest or incentive to reduce the funds available for disbursement. There is no real harm in adding additional investors to the Investor Committee to represent the interests of all investors. The oppositions have raised only generic “delay” arguments inapplicable to the actual relief sought by Movants. In such a circumstance, “[w]hile the discretion of district courts in granting permissive intervention is wide, intervention should be allowed where no one would be hurt and greater justice could be obtained.” *Symetra Life Ins. Co. v. Rapid Settlements, Ltd.*, Case No. H-05-3167, 2006 U.S. Dist. LEXIS 62404, *16 (S.D. Tex. Aug. 16, 2006) (granting permissive intervention even where movants’ interests were adequately represented) (internal citations omitted).

C. PERSONAL ATTACKS ON COUNSEL AND THE MOVANTS IS NEITHER PROFESSIONAL NOR A SUFFICIENT BASIS TO DEFEAT INTERVENTION.

Rule 24 does not preclude intervention based on personal attacks against the Movants or their counsel. Movants recognize, however, that collegiality is an important consideration if the parties are to effectively work together to represent the interests of all investors. In that spirit, and the spirit of professionalism, Movants have not and will not attack certain members of the

Investor Committee, but will respond only briefly to some of the improper accusations directed at Movants and their counsel.

As to Movant Catherine Burnell's dedication to Stanford victims, the influence of her website cannot be overstated. Her site received approximately 14,000 visits in the last two months alone, over 230 visits per day in the months of June and July, diligently keeping investors informed. A mere fraction of that information includes efforts by KLS to pursue claims against the SEC. Even a member of the Investor Committee praised Ms. Burnell as "an international leader in this fight for all Stanford victims," acknowledging that "there are few victims (American or otherwise) who are as well versed on this case as [Ms. Burnell]." (*See* Exhibit 1.)

Indeed, as to Movants' counsel, Investor Committee members repeatedly solicited KLS for information, advice and guidance regarding potential FTCA claims against the SEC, and solicited clients for KLS. (*See, e.g.*, Exhibit 2.) KLS did not reach out to potential clients until after Investor Committee members and investors urged the firm to take up the cause, pressuring KLS to quickly file SEC claims on their behalf. (*See* Exhibit 3, Affidavit of Richard Watson.) After which, as the Investor Committee acknowledges, KLS has been active in speaking to investors, keeping them informed of deadlines, disclosing the basis upon which it could financially prosecute an action against the SEC on behalf of investors, and has advised numerous clients. Never has KLS claimed it would, or could, reclaim money solely for its clients, but has always proposed a cooperative and joint effort with the Receiver in this proceeding and in Antigua.

The Investor Committee's efforts to personally attack the Movants and their counsel serves only to underscore the deficiency in their representation, and their utter failure to address

the substantive legal issues raised by the motion to intervene, and further demonstrates why independent and disinterested investor representation is necessary.

CONCLUSION

For all the foregoing reasons, and the reasons stated in their Motion to Intervene, Movants respectfully request that the Court grant the motion to intervene and appoint Movants to the Official Stanford Investor Committee, and such other and further relief as the Court deems just and appropriate under the circumstances.

August 11, 2011

Respectfully submitted,

KACHROO LEGAL SERVICES, P.C.

By: /s/ Gaytri D. Kachroo

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CERTIFICATE OF SERVICE

On August 11, 2011, 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 of record electronically or by another matter authorized by Federal Rule of Civil Procedure 5(b)(2).

/s/ Gaytri D. Kachroo

Gaytri D. Kachroo

From: Stanford Victims Coalition [mailto:info@stanfordvictimscoalition.org]
Sent: 13 October 2010 02:04
To: katefreeman@candw.ag
Subject: RE: SVC to Form Int'l Advisory Council (and a Reply to COVISAL)

Kate,

I sent that quick note yesterday during our committee meeting and wanted to follow-up you to know I absolutely intend to share some better strategic plans as soon as I can. I ask you to please keep this confidential, but I need to wait for the committee to formally respond to Jaime on the COVISAL issues first. I do not like having to "sit" on any of this, but Jaime's communications to the examiner and the receiver have taken things to a whole new level and my dual role as a committee member and SVC leader require me to proceed with caution as anything I say could be twisted to be on behalf of the committee rather than the SVC. As the committee works to establish a line of communication that is separate from the SVC, I am trying to be careful not to blur that line between the SVC and the committee. I could call it growing pains, but it is really more of a pain in the ass to tell the truth.

About the dates indicated in the email. Something happened with the domain service provider that delayed that message and it sat on their servers for about a week. I'm still trying to figure out what happened there. Some members got it when I sent it last week and others didn't get it until you did. Not happy about that.

I wanted to elaborate a bit on what I alluded to yesterday. In short, there are few victims (American or otherwise) who are as well versed on this case as you, and I admit I have made some big assumptions about "getting" you (and a few others) on that level and as a result, failed to communicate to you what my underlying intention is/was on a number of things over the past 18 months. As I said yesterday, I absolutely consider you an international leader in this fight for all Stanford victims and hope to be able to have an email distribution with the other leaders very soon so that we can all freely exchange ideas and information without fear of it being misinterpreted or used against us. It is difficult to establish and maintain trust with people in our unique situation, but I hope to have a small group that can trust and respect each other very soon and move forward on the same page.

It is an understatement to say I am a very direct person and I hope that does not come across as confrontational, but when we don't really know each other and have been victimized in the way we have, it's difficult to read into email communications. I want you to know I would never do something that goes against my previous position I've stated to you without giving you the courtesy of an explanation. I do not and will not have an ulterior motive in anything I do or

say with victims. With others, that's a totally different story most of the time. I hope you feel you can always say it like it is with me (not that I feel you have held back :) and please know that I absolutely 100% respect and welcome that as long as it is done respectfully. What I hope to rebuild with an international coalition is a group of leaders who have a mutual respect and understanding for each other without animosity for our different situations and recovery options. I assure you there will be lawsuits that only apply to Latin Americans and lawsuits that only apply to European victims just as SIPC generally only applies to customers of SGC's US operation.

I hope this all makes sense. This is all chaotic at the moment, but that means things are happening. I will be in touch soon.

Angela

From: Angie Kogutt
Sent: Thursday, December 02, 2010 5:32 PM
To: Kachroo Legal, Executive Assistant
Cc: Gaytri Kachroo
Subject: Re: Stanford victims engagement letter
Attachments: SIPA Violation.docx; SVC letter to SIPC President.docx; 050710 Letter to SEC on Stanford SIPC Coverage (2).pdf; SGC FINRA report.pdf; SGC chronology Sept 10.doc; G.W.Bush Letter 2-20-08[1].pdf; Barney Frank letter to Schapiro.pdf; Congressional Letter to SEC Nov 16.pdf; Corker to SEC Nov 24.pdf; McCaskill letter to Schapiro.pdf

I didn't get the attachment.

Dr. Kachroo, I have attached some documents to help get you started on looking at an angle for us. I would also like to meet with you as this case is so incredibly unique -- and complicated. Let me know what your schedule looks like and hopefully we can find a time to discuss. I would also like to bring one of the Stanford Victims Coalition's board members with me.

I think I mentioned that we could possibly pursue a case against the SEC for violation of the Securities Investor Protection Act (see attached) while the OIG continues their investigations into the Fort Worth SEC Enforcement staff's mishandling of the Stanford case and their cover-up efforts, which will possibly include a perjury charge against the head of that office. Regardless, there is much more info that we will be able to use in a lawsuit against the SEC -- from future OIG reports, Congressional hearings and even Allen Stanford's criminal trial (which starts in January). Stanford's entire defense will be the SEC went after him to make up for Madoff (much like the SEC filed the Goldman Sachs suit 3 hours before it released the Stanford OIG report) and that his assets have been devalued and sold off to pay for his own investigation (and he is right to an extent, but there was still a whole lot of fraud). No doubt about it the US government will be slammed for their handling of this case and that information will support a suit in our favor.

All those other things said, the SIPA violation is the clearest violation of a mandate I can pinpoint, but there are MANY other things that could likely involve "impermissible discretion" - like the choice to watch porn rather than investigate Stanford (see the [Reuters story that came out this week](#)). Surely it isn't within the SEC's discretion to choose to watch porn rather than investigate a case. Speaking of discretion and whether or not it is permissible, I've attached our Congressional letter saying "*The SEC's primary function is to protect investors, and it appears the SEC Enforcement Director and other members at the SEC's Fort Worth office committed acts of impermissible discretion that needlessly prolonged the extent and severity of the fraud.*"

I don't know if you have had a chance to review the SEC OIG report on Stanford, but it truly makes their handling of the Madoff case -- as horrible as that was -- a hiccup. And I'm not just saying that because I am a Stanford victim. The cases are night and day and what Stanford got away with -- and FINRA's role is just as big as it did almost nothing with the SEC's referral in 2005 ([see their report here](#)). If DOJ would do an OIG investigation, it would look the worst. In a nutshell, Stanford was involved in massive money laundering before he even started Stanford Group Company and the FBI was about to file an indictment back in the early 90s. A former FBI agent has reported that "we had hard evidence and were ready to move." The US didn't do

anything and Montserrat (where Stanford's first bank was) kicked him out. Montserrat was a money laundering capital during that time and they revoked Stanford's banking license. That speaks volumes that a lax government like Montserrat took action two decades before the US did. Then Stanford had many other run-ins with the FBI and DEA, including being caught red-handed with \$3 million belonging to a Mexican drug cartel in 2000. Stanford hired many former DEA agents and in fact, one of them was indicted and already went to court and the case was dismissed (imagine that).

I have attached a timeline of all of the US government run-ins I am aware of. Let me know what you think.

Thanks,

Angie Kogutt
Director and Founder
Stanford Victims Coalition

From: Angie Kogutt
Sent: Friday, December 03, 2010 11:53 AM
To: gkachroo@kachroolegal.com
Cc: Kachroo Legal, Executive Assistant
Subject: Re: Stanford victims engagement letter

Dr. Kachroo, do you have a minute for me to ask you about international investors? I have a conference call at 2 CST today with the court-appointed investors committee and am considering bringing up the topic of suing the SEC. Before I move forward with any of this, I have an obligation to inform the investors committee as this step could affect all of the other class-action lawsuits (proportionate negligence). There will also be many questions about the international investors. It would be helpful if I have a few pieces of information from you in advance of that call if possible as 4 lawyers who serve on the committee of 7 (2 investors, 3 US lawyers, 1 Peruvian lawyer and the District court-appointed examiner) all represent international investors. Their investment circumstances are a bit complicated and it might make sense for you to work with those lawyers to represent their clients -- if you want to represent them, which is what I want to ask you about. You may also want to work with those lawyers on the suit in general, but we should discuss. Please let me know if you have 5-10 minutes.

Thanks,
Angela

From: Angie Kogutt
Sent: Monday, December 06, 2010 4:25 PM
To: Gaytri Kachroo; Kachroo Legal, Executive Assistant
Subject: Re: Stanford victims engagement letter

Dr. Kachroo, thank you for your time this afternoon. I'm very hopeful that we will be able to blind side the SEC on Feb. 16 with an unprecedented suit that just slams them for everything they've done wrong -- down to their inability to control the Receiver they selected and repeatedly chose to keep on the case despite opposing him in court not once, not twice, but THREE times now (I've heard that's never happened). By then, Allen Stanford will be on trial and this case will be in the spotlight. Good stuff!

I have emailed the Committee members and will get back with you this evening to confirm or reschedule our 3 p.m. meeting on Friday, Dec. 10. If that won't work, some of the members of the Committee will be gathering in Houston for a document dig on Dec. 20 (just now getting access to Stanford's legal files and have to dig through a warehouse of boxes) so maybe that could be an option. Weather is no guarantee, but it is in the high 60s today (and I'm bundled up!)

Thanks,

Angie

From: Angie Kogutt
Sent: Wednesday, December 15, 2010 1:21 PM
To: Gaytri Kachroo
Cc: Kachroo Legal, Executive Assistant
Subject: Announcement of SEC Suit - URGENT

Gaytri,

Thank you again for coming to Dallas to meet with the Investors Committee last week. I agree it was helpful to meet in person and look forward to seeing your initial thoughts for a cause of action so I can let my group's members know what your proposal is and let them get their representation letters to you. As we have discussed, we are a very cohesive group of victims and we are very well versed in acting quickly in unison. Over the past two years, Dr. Wade and I have gained the trust and respect of thousands of Stanford victims and we take very seriously the recommendations we make and want to review the course(s) of action before we make a referral. Also, FYI, there are a couple of other lawyers in Texas, one in Louisiana and another in Washington looking at filing a suit as well and I am trying to get more information on that now. I had also discussed this concept with Willkie Farr, who represents the SVC in its efforts with the SEC.

As we've discussed, I feel quite strongly the strategy we pursue with this action is of the utmost importance and when we move from working with the SEC to becoming plaintiffs in a lawsuit against them, things will change dramatically. We NEED this next OIG report. We also have our outstanding SIPC issue that we are trying to wrap up over the next two weeks. Any action, or discussion of action, against the SEC now will affect those efforts. We also have NUMEROUS other political efforts in the works, including a few House hearings in January (one with the Government Oversight Committee should be very helpful). That will all change with a lawsuit against the government and I am as much concerned about HOW we pursue this action as I am WHEN we pursue this action. We have too much to risk to not continue to be strategic in our initiatives. The Stanford Victims Coalition has waited almost 2 years to take this action for a reason and we don't want a bunch of other investors who think they aren't going to be affected by the other political efforts we are pursuing to get in the way of our very carefully laid plans by announcing to the world they are suing the SEC, which is what they are doing at <http://stanfordsforgottenvictims.blogspot.com/>

I just do not agree with this approach at all and some of the statements about the Investors Committee lawyers are outright defamatory. The group associated with that site is a very small, fragmented group of "difficult" investors who have become problem children for the Receiver, the Examiner and only recently the SVC. I ask that you advise them to NOT make this so public. We need the additional information and cooperation from Washington. I've done this full-time for 2 years and have so much at stake. At least 30 people have asked me about this lawsuit now. We don't need that publicity. I am working on something really huge right now that may get us past the immunity issue. That is going to change as soon as word spreads to Washington.

I look forward to hearing your thoughts on this.

Angie Shaw Kogutt

From: Peter Morgenstern <PMorgenstern@mfbnyc.com>
Sent: Thursday, December 23, 2010 3:03 PM
To: gkachroo@kachroolegal.com; anngewest@yahoo.com
Cc: david.cibrian@strasburger.com; jpinto@lss.com.pe;
ExecutiveAssistant@kachroolegal.com; jlittle@lpf-law.com;
Edward.Valdespino@strasburger.com; JWadevet@aol.com
Subject: Re: SEC claims

Gaytri---i don't think anyone is asking for you to do free legal work for them but I think it is a fair question what your views are about the sovereign immunity question before we recommend to our clients or to the investor community that they retain you to pursue this path. If you are unwilling to, that is your prerogative

From: Angie Kogutt
Sent: Thursday, December 30, 2010 11:47 AM
To: Gaytri Kachroo
Subject: Re: SEC claims

Gaytri,

I am working (at my real job) today and have been tied up all morning. We do have an Investor Committee conference call this afternoon and the issue about SEC Administrative Claims is on our agenda. I can follow-up with you after that.

In the interest of time, if you would like to suggest some language for me to send to all SVC members about your proposal and the FTCA approach in general, that would be helpful. I am swamped with many other issues related to our efforts in Washington and do not have time to write something up.

Thanks,

Angie

Dr. Kachroo informed me that she had also been approached by members of the Investor Committee for the same purpose.

8. I commenced a campaign, along with Catherine Burnell, to raise awareness among Stanford investors to file claims with the SEC. I pushed Dr. Kachroo to file those SEC claims as quickly as possible.


9. Following the filing of the SEC claims, I requested that Dr. Kachroo take further actions to protect and advance the interests of the Stanford investors.

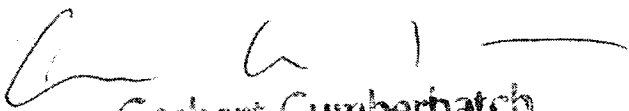
ST. JOHNS)
) ss:
ANTIGUA)

FURTHER AFFIANT SAYETH NAUGHT.


Richard Watson

SWORN TO AND SUBSCRIBED before me this ¹¹ day of August, 2011 by RICHARD WATSON who is () personally known to me or () produced 1 BRITISH PASSPORT as identification and who did take an oath.


Notary Public


Cosbert Cumberbatch
Notary Public
Lifetime Commission
Antigua and Barbuda
11 August - 2011

