EXHIBIT A

	Cumulative Holdback (through 10/31/2013)	**Amount Requested** (1/3 of Cumulative Holdback)
Baker Botts	$6,470,704.36	$2,156,901.45
Thompson & Knight	$965,099.75	$321,699.92
Krage & Janvey	$364,675.33	$121,558.44
FTI	$5,986,260.15	$1,995,420.05
Ernst & Young	$1,712,098.90	$570,699.63
FITS	$727,293.72	$242,431.24
Osler	$446,612.31	$148,870.77
Altenburger	$96,764.06	$32,254.69
Gerald T. Groner	$11,930.88	$3,976.96
Basham	$501.92	$167.31
Deloitte	$910.87	$303.62
Fowler White Burnett	$1,348.59	$449.53
Strategic Capital Corporation	$104,244.40	$34,748.13
Stuart Isaacs	$176,900.00	$58,966.67
Felicity Toube	$54,522.61	$18,174.20
Georgina Peters	$4,303.65	$1,434.55
Jeremy Goldring	$14,781.68	$4,927.23
Roberts & Co	$85,806.42	$28,602.14
Liskow & Lewis	$4,889.87	$1,629.96
Dudley, Topper & Feuerzeig	$3,704.33	$1,234.78
Conyers Dill & Pearman	$3,439.19	$1,146.40
Mattlin & Wyman	$821.20	$273.73
Pierpont	$67,099.82	$22,366.61
Total	**$17,304,714.01**	**$5,768,238.00**

EXHIBIT B

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

SECURITIES AND EXCHANGE COMMISSION, Plaintiff,	)	CIVIL ACTION NO. 3:09-CV-0298-N
VS.	)	DALLAS, TEXAS
STANFORD INTERNATIONAL BANK, LTD., et al., Defendants	)	FEBRUARY 11, 2010

TRANSCRIPT OF PROCEEDINGS ON MOTION FOR RELIEF FROM THE INJUNCTION CONTAINED IN PARAGRAPH 10(e) OF THE RECEIVERSHIP ORDER
BEFORE THE HONORABLE DAVID C. GODBEY
UNITED STATES DISTRICT JUDGE

APPEARANCES:

For Movants Bornstein, Gebel, and Bukrinsky:
MR. GREGORY A. BLUE
MR. PETER MORGENSTERN (by phone)
Morgenstern & Blue, LLC
885 Third Avenue
New York, NY 10022
(212) 750-6776

For the Plaintiff:
UNITED STATES SECURITIES AND EXCHANGE COMMISSION
BY: MR. DAVID B. REECE
Burnett Plaza, Suite 1900
801 Cherry Street, Unit #18
Fort Worth, TX 76102-6882
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For the Receiver, Ralph S. Janvey:
MR. KEVIN M. SADLER
Baker Botts, LLP
1600 San Jacinto Center
98 San Jacinto Boulevard
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(512) 322-2589

APPEARANCES CONTINUED:

For the Examiner, John J. Little:	MR. JOHN J. LITTLE Little Pedersen Fankhauser, LLP 901 Main Street, Suite 4110 Dallas, Texas 75202 (214) 573-2300
Court Reporter:	Linda J. Robbins, CSR #890 U.S. District Court Reporter Chambers of Judge David C. Godbey 1100 Commerce Street, Rm. 1358 Dallas, Texas 75242 (214) 748-8068

Proceedings reported by mechanical stenography, transcript produced by computer.

P R O C E E D I N G S

FEBRUARY 11, 2010

THE COURT: Be seated. Good morning.

MR. BLUE: Morning.

THE COURT: I'm pleased you-all made it. I gave some thought to, in view of the weather, trying to postpone the hearing, but it's just so hard to get this many people scheduled and I don't want to delay disposition of this matter any more. So I appreciate your indulgence in braving the weather to come down here.

Do we have anybody here today representing the IRS? No?

MR. SADLER: I don't believe so.

THE COURT: Okay. I received the SEC's memorandum yesterday. I appreciate that. I had been curious whether you-all had a position on this.

I think I want to hear from Mr. Blue --

MR. BLUE: Yes, Your Honor.

THE COURT: -- first, and then the Receiver, and then the SEC, and then the Examiner, and then finally again from Mr. Blue. And I think, if you-all don't mind, let's go ahead and use the podium because the mike works a little better there and I can hear you a bit better.

So Mr. Blue? So if the Receiver -- let me preface this by saying I hardly know anything about bankruptcy law.

MR. BLUE: Okay.

THE COURT: And I gather you guys know a good bit about it. So forgive me if I ask stupid questions, but I need to educate myself some on some of these issues.

MR. BLUE: Certainly, Your Honor. No stupid questions.

THE COURT: If the Receiver files a Chapter 11 --

MR. BLUE: Yes.

THE COURT: -- I assume that you-all would move to convert that to a Chapter 7?

MR. BLUE: It's possible that we would. I would not say it's certain that we would. And as the Receiver pointed out, if the Receiver files a Chapter 11 case, there is certainly case authority saying that the Receiver can remain in control of the entities as the debtor in possession.

THE COURT: So how does it work if you move to convert?

MR. BLUE: Well, if we move to convert, it would be a motion to the bankruptcy court and the bankruptcy court would have to determine whether there were grounds to convert that to a Chapter 7.

THE COURT: Okay. And how would he go about doing that, he or she?

MR. BLUE: Umm --

MR. BLUE: And it's difficult to see that all of those views can be vigorously represented by a single person.

THE COURT: Yeah. At least for the moment, the claw-back issue is not presently in front of me.

MR. BLUE: Correct.

THE COURT: Okay. Thanks very much.

MR. BLUE: Thank you, Your Honor.

THE COURT: I don't know what I'm going to do on this. I'm going to take it under advisement. I wish there were an easy, clearly superior outcome, but maybe it's just a sign that I've got such skilled advocates in front of me, each side makes their respective position sound eminently reasonable.

I do want to offer some observations. One is that I'm extremely sympathetic to the frustration of the creditors. If I had the ability to sign an order that says, all these Swiss bank accounts are now part of the Receivership and they represent the hidden $6 billion that Mr. Stanford salted away and pass it out to the creditors, I would do that.

I think everybody wishes that we would find the secret Swiss bank accounts, but that's not happening. And the process is, of necessity, slow and tedious. And I understand that there are good reasons for that. But

I can certainly see how from a lay person on the outside who's suffering severe hardship because they got cheated by a crook, I can see how that kind of person would be extremely frustrated with this process. And I have great sympathy for them.

As the Examiner rightly and persistently points out, I think ultimately the question is, what can we do to help those folks the most the fastest. And that's certainly my goal in this. It's just almost of necessity, I think probably of necessity, this is going to be a tedious slog there.

The major asset still out there appears to be claims against third-party professionals that are going to be hard fought and are not going to be resolved in a matter of weeks. It's going to take some time to sort through that stuff. And whether it's here or in the bankruptcy court, it's going to be a while.

I'm pleased that the SEC and the Receiver are thinking about some kind of interim distribution so that the investors can at least see something back, see some tangible result of a lot of people of good faith working on their behalf. So I'm sympathetic to their problems.

I have to also say, other than some concerns about some of the fee applications, I think the Receiver has absolutely been working for the best interests of the

investors. It may not look like it to the investors and there may have been, as some people have said, some difficulties in communication. But for the Receiver to do his job, it's not practical for him to answer every phone call that comes in from every investor. If he did that, he'd be doing nothing but answering phone calls.

So I think in many respects the Receiver is the person in the room with the most difficult job. And I have to say I believe that he has absolutely been working for the investors. I don't have any question that that's his goal.

So many people grump. I think it's appropriate, at least for the Court, to say that, Mr. Janvey, I think you're in large measure doing the job that the Court and the SEC intended that you be doing, and I appreciate the fact that, although you may disagree with what some of the investors are saying, you're doing it out of a reasoned disagreement about what's best for them and that your goal is to get the most money possible in their hands as quickly as you are able to do that. And I appreciate the fact that you're doing that on behalf of the Court.

I also want to say for Mr. Little, although I was inquiring if we need to look at your position and your role, that I very much appreciate the work that you have been doing and communicating to the Court the views of the

CERTIFICATION

I certify that the foregoing is a true and correct transcript from the record of proceedings in the above-entitled matter. I further certify that the transcript fees format comply with those prescribed by the Court and the Judicial Conference of the United States.

s/Linda J. Robbins Date: February 11, 2010

EXHIBIT C

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

SECURITIES AND EXCHANGE COMMISSION,	§	
Plaintiff,	§	
v.	§	Civil Action No. 3:09-CV-0298-N
STANFORD INTERNATIONAL BANK, LTD., *et al.*,	§	
Defendants.	§	

ORDER

This Order addresses nonparty movants Katherine Burnell, Ursula Mesa, Marcelo Avila-Orejuela, and Steven Graham's (collectively, "Movants") motion to intervene and for appointment to the Official Stanford Investors Committee (the "Committee") [1393].[1] Because the Court finds that several parties already adequately represent the Movants' interests, the Court denies the motion.

I. ORIGINS OF THE MOVANTS' MOTION TO INTERVENE

The Movants, four former investors in an alleged Ponzi scheme run by R. Allen Stanford, his associates, and various entities under Stanford's control (the "Stanford Defendants"), seek intervention and "appointment to the Committee on behalf of themselves and as representatives for investors with over 500 Stanford accounts," styled collectively as the "KLS Stanford Victims."[2] Mot. at 2. The Movants request intervention for two broad

[1]The Court references the Movants as identified on the first page of their motion.

[2]KLS is short for "Kachroo Legal Services," a law firm representing the Movants.

reasons. The Movants first attack the Receivership's efficiency. According to the Movants, the Receiver has failed in his asset recovery efforts, instead lavishing exorbitant payments on his lawyers, forensic accountants, and other retained professionals to the detriment of the Movants' hopes for recovery. *See, e.g.*, *id.* at 3-4. Second, the Movants argue that the Committee suffers from several conflicts of interest that preclude it from adequately representing the Movants and other former Stanford investors' interests. As examples, the Movants point to, among other things, the fact that other investors' attorneys comprise a majority of the Committee's membership and that the same attorneys have entered into a contingency fee arrangement with the Receiver to prosecute certain asset-recovery actions on his behalf. *See, e.g.*, *id.* at 4-6. The Movants now request intervention as of right under Federal Rule of Civil Procedure 24(a)(2) or, alternatively, for permissive intervention under Rule 24(b). The Court addresses these potential grounds for intervention in turn below.

II. THE EXISTING PARTIES ADEQUATELY PROTECT THE MOVANTS' INTERESTS

A putative intervenor under Rule 24(a)(2) must meet four requirements: "(1) the application for intervention must be timely; (2) the applicant must have an interest relating to the property or transaction which is the subject of the action; (3) the applicant must be so situated that the disposition of the action may, as a practical matter, impair or impede his ability to protect that interest; [and] (4) the applicant's interest must be inadequately represented by the existing parties to the suit." *Haspel & Davis Milling & Planting Co. Ltd. v. Bd. of Levee Comm'rs*, 493 F.3d 570, 578 (5th Cir. 2007) (citation omitted). A movant's failure to satisfy any one of the requirements precludes intervention as a matter of right. *Id.*

(citation omitted). The party seeking to intervene bears the burden of establishing inadequate representation. *Id.*

Even if the Movants' request meets the first three requirements, it founders on the last. The Court finds that the SEC, the Receiver, the Examiner, and the Committee all adequately represent the Movants' interests. The Movants make no credible showing to the contrary.

A. The Movants Fail to Rebut the Presumption of Adequate SEC Representation

As an initial matter, the SEC's presence as Plaintiff in this action creates a presumption of adequate representation. *See Baker v. Wade*, 743 F.2d 236, 241 (5th Cir. 1984) (holding that when a government entity is a party, it is presumed that the government adequately represents the interests of the public); *see also Johnson v. City of Dallas*, 155 F.R.D. 581, 586 (N.D. Tex. 1994) (holding that "where, as here, the existing representative in the suit is the government, there is a presumption of adequate representation which may be overcome . . . only upon a showing of adversity of interest, the representative's collusion with the opposing party, or nonfeasance by the representative"). Although the Movants lodge a litany of allegations against the Receiver, the Examiner, and the Committee, they make no specific allegations explaining how the SEC provides inadequate representation. The Movants do conclusorily argue that the adequate-representation presumption does not apply because they have "effectively allege[d] substantial waste and nonfeasance." *See* Mot. at 10. But, they fail to connect those generic allegations to the SEC, let alone show that it has engaged in nonfeasance, collusion, and waste, or somehow stands adverse to the Movants. The Court therefore finds that the SEC adequately represents the Movants' interests.

B. The Movants Fail to Show Inadequate Representation as to Other Parties

The Movants aim their waste, nonfeasance, and adversity allegations at the Receiver, the Examiner, and the Committee. The Movants, however, also fail to carry their burden as to those parties.

1. The Receiver Has Competently Discharged His Duties. — To begin with, the Movants' allegations against the Receiver lack merit. The Court does not dispute that the Receivership has spent a substantial amount of money. But, the Movants are simply wrong that the "Receiver has generously expended $118.2 million upon attorneys and himself, among others," yet only "recovered for investors $119.7 million." Mot. at 1. Based on the Receiver's last-filed interim report [1236], the Receivership Estate had $94.7 million in cash deposits and an additional $26.5 million in other assets on hand as of January 31, 2011. *See* Interim Report App. Ex.1 at 2 [1237]. Since its inception, the Receivership has had total cash inflows of $188.3 million. *Id.* Contrary to the Movants' claim, only about 25% of that amount, or $46.2 million, has been spent on professional fees and expenses. *Id.* Moreover, the rate of expenditures on professional fees has decreased markedly over time, with the bulk of such expenses incurred relatively early in the Receivership. *See, e.g.*, Examiner and Committee's Resp. at 16 (the "Joint Response") (noting that, as of March 31, 2011, approximately 85% of professional fees and expenses were incurred before the Committee's formation in August 2010); Interim Report at 15 (noting that the Receiver reduced the Stanford entities' average monthly operating expenses from over $30 million per month pre-Receivership to less than $500,000 per month by late 2009 and to approximately $250,000 by January 2011).

The Movants make much of the Receiver's obtaining $63.1 million simply by taking control of various Stanford accounts upon his appointment. Interim Report App. at 2. They, however, ignore that he then was forced to spend $47.4 million just in winding down the Stanford empire, *id.*; *see also* Interim Report at 15, which consisted of "130 separate Stanford entities employing over 3,000 employees located across the U.S., Europe, the Caribbean, Canada, and Latin America." Receiver's Resp. at 2 [1423]. As the Receiver notes, that process necessarily entailed making expenditures that the Receivership Estate was legally obligated to pay, including "taxes, payroll obligations, lease obligations, maintenance fees for various personal and real property holdings, and other [mandatory] expenditures." *Id.* at 1. Had the Receiver opted against paying those expenses, the money saved would not have redounded to the Receivership Estate's benefit. The most likely outcome would have been to create additional – almost certainly meritorious – claims against the Estate that would have required the Receiver futilely to expend even more funds in litigation.

The Court, moreover, has reviewed the Receiver's fee applications and ultimately found that each claimed an amount justified under the fee-review factors outlined in *Johnson v. Georgia Highway Express, Inc.*, 488 F.2d 714, 717-19 (5th Cir. 1974).[3] From the beginning, the Receivership has been involved in litigation, and the amount of litigation

[3](1) the time and labor required to litigate the case, (2) the novelty and difficulty of the questions involved, (3) the skill required to litigate the case, (4) whether taking the case precluded the attorney from other employment, (5) the customary fee for similar work in the community, (6) the fee or percentage of recovery the attorney quoted to the client, (7) whether the client or case required expedited legal work, (8) the amount involved and results obtained, (9) the experience, reputation, and ability of the attorneys, (10) the "undesirabilty" of the case, (11) the nature and length of the attorney-client relationship, and (12) awards made in similar cases.

continues to grow. The Court now has pending before it almost one hundred Stanford-related cases. Despite the Movants' protestations about "boilerplate actions," *see, e.g.*, Mot. at 11, several of those cases raise complex legal issues, sometimes of first impression or for which little authority exists. *See, e.g.*, *Janvey v. Democratic Senatorial Campaign Committee*, 2011 WL 2466156 (N.D. Tex. 2011) (Godbey, J.) (addressing unsettled limitations issues under the Texas Uniform Fraudulent Transfer Act and novel federal campaign finance-related preemption arguments).[4] Even so, the Receiver's retained professionals discount their fees, and the Court has ordered a 20% holdback on top of that amount. Plus, as the Receiver and Committee prosecute asset-recovery actions, there remains the possibility that some defendants will pay a portion of the Receiver's attorneys fees and expenses in those cases.

The Receiver's professionals, furthermore, collectively have spent tens of thousands of hours on Receivership-related business. In addition to pursuing litigation, the Receiver continues tracking down Receivership Estate assets across the globe and taking actions to secure those funds for ultimate distribution to the Stanford Defendants' alleged victims. *See, e.g.*, Order of Apr. 6, 2011 [1315] (directing the Receiver to use Hague Convention procedures to identify contents of some of the Stanford Defendants' Swiss bank accounts); *Janvey v. Libyan Investment Auth.*, Civil Action No. 3:11-CV-1177-N (N.D. Tex. filed June 3, 2011) (action to recover nearly $55 million in assets allegedly traceable to the Estate and in the possession of investment firms related to the Libyan government). Among other things,[5] that process involves the use of significant forensic accounting resources, and the

[4]The Receiver obtained a $1.7 million judgment in that case.

[5]Such as managing the Estate's investment portfolio and arranging asset sales.

Receiver's forensic accountants have produced voluminous reports concerning their analyses of the Stanford Defendants' cash flows. Given the alleged scheme's long history, international scope, and deliberate complexity, that has meant poring over records related to millions of transactions spanning at least two decades and dozens of countries. Notably, the Fifth Circuit and another district court have commended the Receiver's forensic accounting professionals, stating that their work "provide[s] clear, numerical support for the creative reverse engineering undertaken by Stanford executives to accomplish the Ponzi scheme," *Janvey v. Alguire*, 2011 WL 2937949, at *10 (5th Cir. 2011), and reflects an "extraordinarily detailed analysis." *Pendergest-Holt v. Certain Underwriters at Lloyd's of London*, 751 F. Supp. 2d 876, 881 n.10 (S.D. Tex. 2010). Among other things, that evidence is crucial to the Receiver's ability to prosecute asset recovery actions successfully.

In light of the above – and many other matters that the Court has omitted – whatever other courts might have to say about the reasonableness of other professional fees in other receivership cases,[6] the Court reiterates, as it implicitly has in almost every fee application order, that the Receiver's professional fees and expenses generally have been spent gainfully and billed reasonably. Although the Receivership process has yet to reach the point where the Receiver will distribute funds to the Stanford Defendants' alleged victims,[7] the Receiver and his professionals continue to work toward that end. If precedent is any indication, their work remains far from over. *See, e.g.*, *SEC v. Wencke*, 742 F.2d 1230 (9th Cir. 1984) (case

[6]*See* Mot. at 11 (citing *United States v. Petters*, U.S. Dist. LEXIS 44177, at *5-6 (D. Minn. 2010)). *Petters* disapproved of attorneys' fees in the $500 per hour range.

[7]Though the Court is optimistic that the Receiver may soon be able to commence interim distributions to creditors.

concerning receivership then in its seventh year). Accordingly, the Court finds no support for the Movants' waste- and nonfeasance-related grounds for intervention.

***2. The Receiver, the Examiner, and the Committee Are Not Adverse to the Movants' Interests.* —** The Movants' adversity-related complaints focus primarily on the Committee's composition. The Committee has seven members: the Examiner, two former Stanford investors, and four attorneys representing large groups of former Stanford investors (the "Attorney Members"). According to the Movants, the fact that the Committee consists of five attorneys,[8] some of whom depend in various ways on the Receivership process for compensation,[9] prevents it from providing "disinterested and independent" representation of the Movants' interests. Mot. at 7. Because at least three of the Movants have international connections, the Movants also contend that they will add a currently-missing international perspective to the Committee's deliberations.

The Court disagrees. The manner in which the Examiner and the Attorney Members are paid is of no moment. The Examiner receives payment only after first garnering Court approval of periodic fee applications. Although three of the Attorney Members do receive compensation directly from the Receivership process – via a 25% contingency fee earned by successfully prosecuting various asset recovery actions[10] – they represent the interests of all

[8]The Examiner, John J. Little, is also an attorney.

[9]Attorney Member Pinto Tabini neither prosecutes actions for the Receivership Estate nor receives compensation for his Committee service. *See* Joint Resp. at 17.

[10]The Court finds the 25% contingency fee reasonable not only because it is earned upon the successful conclusion of asset recovery actions benefitting the Receivership Estate, but also because it represents a significant downward departure from contingency fees charged by attorneys of like skill in cases of similar scope and complexity. None of the

Stanford investors in a fiduciary capacity. *See* Order of Aug. 10, 2010, at 4 (authorizing the Committee's formation and imposing fiduciary duties on its members) (the "Committee Order") [1149]. The Attorney Members' own clients also have several legal remedies at their disposal should they feel that the Attorney Members engage in self-dealing or provide subpar representation. To the Court's knowledge, none of the Attorney Members' numerous clients has felt the need to resort to such measures. Moreover, to the extent the Movants' believe that some Attorney Members' reliance on the Receivership process for compensation has silenced their opposition to the Receiver's fee applications, the Committee Order specifically gives responsibility for policing the Receiver's fees to the Examiner. *See* Committee Order at 5 ("[T]he Examiner has responded to each of the Receiver's previous fee applications and will, in consultation with the Committee, continue to file responses to future fee applications, when he considers it appropriate to do so; therefore, the Committee will not lodge separate responses or objections to the Receiver's future fee applications.").

In lumping all attorneys on the Committee into one group, the Movants also unjustifiably discount the protective role played by the Court's appointed Examiner. The Court has directed the Examiner to present neutrally to the Court the interests of all Stanford investors. In that capacity, the Examiner may seek relief on behalf of the investors by making reports and recommendations to the Court, filing briefs in any Stanford-related action,[11] and conducting investigations. In doing so, the Examiner may utilize the full

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Movants, furthermore, filed objections to the Receiver and the Committee's litigation arrangement when it was proposed [1207 & 1208].

[11]*See, e.g.*, Examiner's *Amicus* Brief [67] *in Roland v. Green*, Civil Action No. 3:10-CV-0224-N (N.D. Tex. transferred from MDL Panel Feb. 4, 2010) (discussing legislative

panoply of discovery mechanisms available under the Federal Rules of Civil Procedure. Other than criticizing the Examiner's modest fee requests, the Movants neither offer a substantive objection to his representation nor provide any argument as to how their presence will augment the Examiner's duties.

Finally, the Court finds no substance to the Movants' assertion that the Committee somehow shortchanges the viewpoints of non-U.S. former Stanford investors. Angela Shaw Kogutt, one of the Committee's investor members, founded and currently directs the Stanford Victims Coalition ("SVC"). *See* Joint Resp. App. Ex. E at 33 (Kogutt Decl.) [1422]. "[M]ore than 4,000 registered members (all Stanford CD investor victims) in 38 states . . . and in 50 countries" make up the SVC. *Id.* And, as noted above, the Examiner acts as an ombudsman for *all* former Stanford investors.

The Attorney Members also all represent international perspectives. Among other places, Attorney Member Morgenstern's nearly 750 former investor clients hail "from the countries of Mexico, Venezuela, Colombia, and Peru" and lost nearly $330 million to the Stanford Defendants' alleged scheme. *Id.* Ex. B. at 25. "Roughly 90% or 95%" of Attorney Member Snyder's almost 430 clients "reside in Mexico or are of Mexican nationality" and have claims totaling over $250 million. *Id.* Ex. C at 28. Attorney Member Valdespino represents over 2,300 clients in "Mexico, Venezuela, Colombia, Peru, Costa Rica, the Dominican Republic, Ecuador, and Spain" who collectively lost about $519 million. *Id.* Ex. D. at 30-31. Finally, the Committee avers that Attorney Member Pinto Tabini "represents

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history of the Securities Litigation Uniform Standards Act ("SLUSA") and urging the Court to not dismiss under SLUSA a state-law securities fraud action filed by former Stanford investors in Louisiana).

several hundred Stanford investors who are citizens of Peru, Ecuador and other South American countries," Joint Resp. at 15, and the Movants do not argue otherwise.

Against this, the Movants fail to present any evidence suggesting that the current Committee members are incapable of representing international investors' interests, let alone what different perspectives the Movants intend to provide. Instead, they simply assert that they will provide "needed voice[s] to the Committee." Mot. at 7. That is not sufficient to justify granting the Movants' request.

In sum, the Movants present no evidence suggesting that the SEC, the Receiver, the Examiner, and the Committee provide inadequate representation of the Movants' interests. Accordingly, the Movants fail to show that they are entitled to intervention under Rule 24(a).[12]

III. THE MOVANTS DO NOT QUALIFY FOR PERMISSIVE INTERVENTION

The Movants also contend that they qualify for permissive intervention under Rule 24(b) because no one else has "rais[ed] the significant concerns shared by Movants and all

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[12]As this Court has noted in denying other former Stanford investors' motions to intervene, the Receiver's interests inherently align with the interests of putative intervenors who are also creditors of Stanford or potential victims of fraud. *See SEC v. Cook*, 2001 WL 256172, at *2 (N.D. Tex. 2001) (holding that "receiver represents not only the entity in receivership, but also the interests of its creditors" because "the very purpose of receivership is to secure the assets of the corporation for ultimate payment to the creditors") (citations omitted). Those assets will eventually be paid out in the Receivership's administrative claims process, which remains an avenue of recovery for the Movants. *Cf. SEC v. Funding Res. Grp.*, 2000 WL 1468823, at *4 n.9 (5th Cir. 2000) (noting, in post-Ponzi scheme receivership, that the availability of an orderly claims disposition procedure militates against intervention); *United States v. Alisal Water Corp.*, 370 F.3d 915, 924 (9th Cir. 2004) (affirming denial of intervention in part because of claim procedures established by receiver). If the Movants believe that the administrative claims process inadequately protects their interests, they remain free to petition the Examiner to present their arguments to the Court.

KLS Stanford Victims regarding the substantial fees that are draining the estate" or "challeng[ed] the contingency fee arrangement, the operation of the receivership and otherwise voic[ed] concern over the ineffectiveness of this receivership." Mot. at 12. Under Rule 24(b), a court may allow a party to intervene if it meets three requirements. The movant must (1) timely apply to intervene; (2) bring a claim or defense that shares a common question of law or fact with the main action; and (3) show that intervention will not "unduly delay or prejudice the adjudication of the original parties' rights." FED. R. CIV. P. 24(b)(1), (3). "In acting on a request for permissive intervention, it is proper to consider, among other things, whether the intervenors' interests are adequately represented by other parties and whether they will significantly contribute to full development of the underlying factual issues in the suit." *New Orleans Pub. Serv., Inc. v. United Gas Pipe Line Co.*, 732 F.2d 452, 472 (5th Cir. 1984) (citations and internal quotation marks omitted). "Rule 24(b) necessarily vests broad discretion in the district court to determine the fairest and most efficient method of handling a case with multiple parties and claims." *SEC v. Everest Mgmt. Co.*, 475 F.2d 1236, 1240 (2d Cir. 1972).

As a general matter, the Movants' failure to show inadequate representation under Rule 24(a) also disposes of their permissive intervention request. The Movants also do not establish that intervention will enhance the protections already built into the Receivership process and not unduly delay this proceeding. Significantly, the Examiner and a large number of investors, acting through their representatives, oppose the Movants' request. In addition to the Examiner and the Committee's Joint Response, two groups representing several hundred former Stanford investors independently filed objections to the Movants'

motion. *See* Opp'n filed by Malouf & Nockels, LLP, and Joined by the "Louisiana Retiree" Investors [1426 & 1427]. Among other things, these investors note that they previously have raised some of the same issues underlying the Movants motion, that the current parties' responses have been satisfactory, and that the Movants' need not be part of the Committee to have their concerns addressed.

The Court agrees. The Movants essentially demand intervention and appointment to the Committee based on disagreements apparently shared by few other investors.[13] To allow intervention on that basis would justify intervention – with its Estate asset-draining concomitant rounds of briefing – and enlargement of the Committee anytime a faction of investors becomes displeased with some aspect of the Receivership. The Receivership process is unwieldy enough as it stands, and it has been slowed by a variety of factors beyond the parties' control. An additional layer of overhead will not help. The Court therefore finds that "the fairest and most efficient method" of addressing the issues raised by the Movants' requires that the Movants channel their concerns through the SEC, the Receiver, the Examiner, or the Committee, any one of which stands in a position to address the Movants' concerns.

CONCLUSION

The Court sympathizes with the Movants' desire that the Receivership recover the greatest amount of funds and conclude at the earliest possible date. But that desire – shared by all investors and the Court – cannot serve by itself as the basis for intervention or

[13]Indeed, no investors have notified the Court that they support the Movants' and "KLS Stanford Victims" request.

appointment to the Committee. Those things depend on the Movants demonstrating that the multiple layers of representation provided already by the SEC, the Receiver, the Examiner, and the Committee provide inadequate protection of the Movants' interests. Because the Movants fail to make that showing, the Court finds that the established Receivership process and existing parties adequately protect and represent the Movants' interests. Accordingly, the Court denies the Movants' motion.

Signed November 14, 2011.

David C. Godbey
United States District Judge

EXHIBIT D

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

SECURITIES AND EXCHANGE COMMISSION, Plaintiff, VS. STANFORD INTERNATIONAL BANK, LTD., et al., Defendants.	)	CIVIL ACTION NO. 3:09-CV-0298-N DALLAS, TEXAS JULY 31, 2009
RALPH S. JANVEY, IN HIS CAPACITY AS COURT-APPOINTED RECEIVER FOR THE STANFORD INTERNATIONAL BANK, LTD., et al., Plaintiff, VS. JAMES R. ALGUIRE, et al., Relief Defendants.	)	CIVIL ACTION NO. 3:09-CV-724-N
RALPH S. JANVEY, IN HIS CAPACITY AS COURT-APPOINTED RECEIVER FOR THE STANFORD INTERNATIONAL BANK, LTD., et al., Plaintiff, VS. JIM LETSOS, et al., Relief Defendants.	)	CIVIL ACTION NO. 3:09-CV-1329-N

TRANSCRIPT OF PROCEEDINGS
BEFORE THE HONORABLE DAVID C. GODBEY
UNITED STATES DISTRICT JUDGE

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Proceedings reported by mechanical stenography, transcript produced by computer.

P R O C E E D I N G S

JULY 31, 2009

THE COURT: Be seated. Good afternoon.

MR. EDMUNDSON: Good afternoon.

MR. SADLER: Good afternoon, Your Honor.

THE COURT: Based on what I have read so far, my inclination--and this is not a ruling; this is to let you know my inclination so that you can have that in mind when you're talking to me, to the extent I entertain that--is to deny the SEC's motion to modify the Receivership Order; to deny the Receiver's request for an asset freeze except to the extent it would apply to interest, not to principal; to stay the current Order that evaporates the asset freeze as of noon Monday for one week to give the Receiver time, if he chooses, to get a second opinion from the Circuit on that.

So that's kind of where I am, having read what I have read.

I think who I would like to hear from would be the SEC first, then the Examiner, then the Receiver. And then if there are other relief defendants who have something new and different that they want to add, I will possibly listen to that for a bit.

So having said that, is the SEC ready to talk to me?

MR. EDMUNDSON: Kevin Edmundson on behalf of the

SEC.

Your Honor, I think, in light of your leaning, I might curb my arguments a great deal this evening.

We have made our request to modify the Receivership Order simply because we don't believe that there's any legal support to sue innocent investors for clawback claims of principal amount.

And with respect to the remaining claims that might be brought in the future against investors, the Commission believes that we are in a position to pursue those claims as plaintiff in this case, it would provide a cost savings to the Receivership, and we believe it's appropriate to do so.

I don't know -- you know, we would have to evaluate each claim on a case-by-case basis. If there were preferences to investors, we would pursue them. If an investor received money in bad faith, we would pursue them. And -- and we would like, for the reasons stated in our brief, for the authority to pursue that.

There are -- and I will be brief, Your Honor. There are two reasons that we believe that the Receiver and the Commission don't have the authority to pursue principal amounts.

Number one, we don't believe that innocent investors can be proper relief defendants in court for the return of principal payments. To be a proper relief defendant, the

investor or -- or any person or entity must not have a legitimate claim to hold that property. In this case, cash. We believe in this case that these innocent investors have the right to retain the principal amount of the money that they have received.

And we believe that that is supported in the case law, even some of the cases that have been cited by the Receiver in this case, the Donell case and the Scholes case. And I won't -- I won't belabor those cases, but we believe that they stand for the proposition that you cannot -- even though they were not in the context of whether or not it was appropriate to name them as relief defendants, but they stand for the proposition that you cannot seek the return of principal.

And on the merits, those cases as well as others, I might point the Court to two cases which are SIPC cases: Universal Clearing House versus Abbott, which is found at 77 B.R. 843, and Bayou Superfund, which is at 396 B.R. 810. Those cases also support the -- the idea that the Commission and the Receiver cannot pursue an innocent -- purely innocent investor for the return of payments.

If the Court is inclined to not -- to allow claims only against interest, we believe that that -- that is an appropriate ruling because we believe that -- that the Receiver and the Commission could pursue those claims if

those accounts are released, it will be very impractical and I think possibly cost prohibitive in many cases for this Receiver to pursue those claims, especially if we are limited to interest.

THE COURT: And my assumption is that you'll want a second opinion if that in fact is my ruling.

MR. SADLER: Your Honor, I would like Mr. Janvey -- and I was going to ask at the end if you had any questions for me. Mr. Janvey wanted to speak directly to the Court with respect to the SEC's motion. And -- and your question, I think, raises that issue because we work for you, the Court. And so for us to disagree with Your Honor's rulings and appeal those is -- is something that we do not take lightly.

THE COURT: Here's the deal. I don't think your arguments are stupid and it's a big pot of money and if you're correct about the law, then Mr. Janvey is absolutely righteous in trying to pull money into the Receivership to be passed out. He's doing just exactly what he was appointed to do.

The fact that I may disagree with you about the law doesn't necessarily mean that I'm right. And if Mr. Janvey and you are correct about the law, then by all means you ought to be glomming onto those assets and sweeping them back into the pot to be distributed to everybody else.

It would seem to me the prudent thing for you-all to do, given the amount of money involved, is to appeal that ruling and get at least a semifinal determination of that legal question. It's not going to hurt my feelings if that's what you're saying.

MR. SADLER: I -- I totally agree, Your Honor. And let me do this. I've tried to address the various points that were raised. I do want Mr. Janvey to -- to address the Court because he's -- he's asked if he could do that. Have I to your satisfaction answered the questions that you have on -- on the legal points?

THE COURT: No. And here's my question. If you-all are going to appeal and, as I say, I think you ought to, I don't want it to become moot because all of the money has wandered off where you can't get it before you have an opportunity to present that argument.

So my intention in staying the evaporation of the freeze for one week is to give you time to go to the Circuit and request a stay from them and proceed then however they want you to proceed.

Is that enough time for you to get down to New Orleans and ask them for a stay?

MR. SADLER: If -- given where we're sitting now, past business hours on a Friday, if -- if I could ask the Court for a little more time, 10 days or 14 days, I think

alternative available if -- if you choose to take advantage of it.

MR. JANVEY: I appreciate that.

Also, Your Honor, I think from a policy standpoint it would send a message to future receivers, which I doubt I will ever be, that if you disagree with the SEC, there's a danger they'll modify the order appointing you. I think that's a policy issue which I think is very serious.

As a receiver, I answer to you. I follow your instructions, your guidance. If the Court is telling me, you should get a second opinion, I will certainly do that. Your Honor, I'm concerned about spending Receivership assets. This Receivership has a finite amount of assets.

We will follow that Order, and I certainly would like the Fifth Circuit's opinion, but I want to be clear that that's what you're instructing me to do because I am the only one in this courtroom except for your reporter and the clerks who work for you. I want to make sure I follow your instructions and your orders.

THE COURT: I'm not instructing you to appeal.

MR. JANVEY: Uh-huh.

THE COURT: I think that that's your decision as the Receiver to make -- and I'm not going to second guess you on that decision.

I think it would be helpful to everybody involved in

this process to know sooner rather than later what the Circuit's view of the substantive law is and whether you are legally able to go after principal. And this appears to me to be the earliest opportunity we have to get that second opinion.

MR. JANVEY: Okay.

THE COURT: So I hope you decide to do it, but I am not instructing you either to appeal or not to appeal. That's what you get the big bucks for.

MR. JANVEY: Well, I hope that's true, Your Honor. But I will certainly follow your guidance and your instructions on that. And if that's what the Court's inclinations are, I will certainly follow that. And I appreciate your time, Your Honor. Thank you.

THE COURT: Thank you.

MS. ROMERO: Your Honor, may I be heard?

THE COURT: And you are?

MR. ROMERO: Rose Romero with the SEC. I just wanted to clarify something. I think it's important, Your Honor, that the Court have sort of a status report of -- of what's going on with the foreign accounts that Mr. Sadler referred to because I think if you have the whole picture, that maybe --

THE COURT: Why don't you go on up to the mike.

MS. ROMERO: Okay, thanks.

they would be happy to let you sue people if you want to and would not sue those same people.

MS. ROMERO: Right. And what we're trying to avoid is dual, double effort here. It -- it makes no sense if we do it and they're doing it because they're spending Receivership assets and we're spending taxpayer money. We should -- we should do it at no cost to the investor, to the already harmed investor.

THE COURT: And I guess what I'm saying is God bless you, go sue some people if you want to, and I bet that the Receiver won't sue those same people.

MS. ROMERO: And we talked -- yes, we talked to them about that, that we would go ahead and do it and they not do it so they don't spend those -- those resources, those precious resources that they have and let us go ahead and go forward.

And that's what we thought we were accomplishing with our motion to the Court and that's what we -- I would like you to consider is that, if we go forward, it doesn't cost those investors any money. If the Receiver goes forward, it costs them a whole lot of money. So --

THE COURT: I think the Receiver's response is so far you're not suing anybody and don't indicate an interest in suing the people they're suing and they've got the --

MS. ROMERO: Well, that's not exactly true, Your

Honor, because if there's 642 people that they've sued, or whatever the number that is, there may be people within that group that aren't innocent investors. In other words, they could have acted in bad faith.

The example that Mr. Sadler presented to the Court, certainly if that is a preference, if -- if he was treated preferentially, we would definitely sue him and we are prepared to do that. But -- but I don't think we can just wholesale sue innocent investors. I mean, I think you've already heard that argument, that we don't agree that an innocent investor who's a net investor should, you know, lose more and be added to a victim pot.

So that's what we've been trying to work with -- with the Receiver to do. We had to bring it to the attention of the correlate. We knew no other way but to file this motion.

So I'd like the Court, I'd urge the Court strongly to consider that fact that if we go forward with those claw-backs that we think of, you know, those investors where we think clawbacks are merited, it doesn't cost the investor any money. If he goes forward, it's going to cost them a -- a lot of money that they don't have.

I mean, they're going to be dwindling that $60 million or so, less than that, probably 40 million that they have. It's just going to be eaten away and there's going to be

nothing and then everybody's a net loser and nobody gets any money back until whenever there's a, you know, final judgment in the criminal case. And, you know -- and then that money is -- you know, the DOJ has that money under their forfeiture -- under their forfeiture count in the indictment.

So that's kind of where we are. I mean, it's much more complicated than it appears initially.

THE COURT: Oh, it appears relatively complicated initially.

MS. ROMERO: Well, now it's even more so. And so that's kind of what I was hoping we could get across is that if we do it, it costs the investors no money. If the Receiver continues on this course, which he may not be successful on, it's costing the investors money every day.

And there -- as you know, you've probably heard from them as well as we have and everybody else has, there's a lot of hardship stories out there, truly hardship stories out there that, you know, that we want to try to -- to -- to limit as much as we can.

THE COURT: All right.

MR. ROMERO: Thank you, Your Honor.

MR. MALOUF: Your Honor, may I address the Court briefly?

THE COURT: Yes. Tell me what hat you have on

I think you're familiar, as am I, that most of the cases that go up on a denial of injunctive relief are reviewed on abuse of discretion where the district court has granted very wide latitude, and even though there may be disagreements, yet the ruling is upheld.

And so my question is, if what we're really trying to accomplish is get a -- a very clear legal question to the Fifth Circuit that they can rule on, my concern is that if -- if your ruling that we would appeal is simply a denial of request for injunctive relief, that may not be the vehicle that -- that gets -- gets that done.

And so I'm really just asking the Court if -- if you have some thoughts on that because my concern would be that you have a desire, we have a desire to get the issue resolved and --

THE COURT: Yeah. Here's my thought. My thought is, to the extent I adequately understand the Fifth Circuit law, if I deny injunctive relief because of a mistaken view of the law, they consider that to be abusing my discretion. It's not an issue of weighing the equities, do I just weigh them differently from you. If I'm wrong on the law, I think they view that as sufficient basis for reversing me.

That's their call, of course, and I am not presuming to tell them what to do. But here I think there is a relatively crisp legal question that's presented. You have

one view of the law; the Commission and the Examiner and the relief defendants have a different view of the law.

For better or for worse for today, I'm agreeing with them, although I do think your arguments are -- they're not silly. They're certainly not silly arguments. Despite the fact of the numerical mismatch in the courtroom, I think you're making decent, legitimate, colorable arguments. I understand your position about certain people having an effect of preference. I don't think it's a stupid position.

I disagree with it ultimately and think that the Commission's view is the better view of the law. But I do think that that's a legal question that's appropriate for disposition by the Circuit.

If I'm just making a legal ruling in a vacuum, I think it's simply an interlocutory ruling and very likely is not appealable of right and I don't think it's really postured correctly for 1292(b), but I do think the denial of injunctive relief is something that is appealable as of right.

MR. SADLER: And -- and I agree with that and I was really -- and I've taken far longer than my ten seconds but this is so important because, of course, once Your Honor's enters order, that's -- that's what we have to deal with.

And -- and there were -- there were two thoughts I had

CERTIFICATION

I certify that the foregoing is a true and correct transcript from the record of proceedings in the above-entitled matter. I further certify that the transcript fees format comply with those prescribed by the Court and the Judicial Conference of the United States.

s/Linda J. Robbins Date: August 1, 2009

EXHIBIT E

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

SECURITIES AND EXCHANGE COMMISSION, Plaintiff,	)	CIVIL ACTION NO. 3:09-CV-0298-N
VS.	)	DALLAS, TEXAS
STANFORD INTERNATIONAL BANK, LTD., et al., Defendants	)	SEPTEMBER 10, 2009

TRANSCRIPT OF PROCEEDINGS ON
THE RECEIVER'S FEE APPLICATIONS
BEFORE THE HONORABLE DAVID C. GODBEY
UNITED STATES DISTRICT JUDGE

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P R O C E E D I N G S

SEPTEMBER 10, 2009

THE COURT: Be seated. Good afternoon. I'll wake up in a minute.

I've read the briefs that have been filed with regard to the Receiver's two applications, and also I've reviewed the Examiner's application.

I have not seen any opposition to the Examiner's application. Is that correct?

MR. LITTLE: That's correct, Your Honor.

THE COURT: Okay. Then that application is granted.

Having spent a fair amount of time actually reading the briefs, I don't particularly want to listen to you-all just reiterate what's in there. I certainly will listen to you some, but, as I say, I don't need just an oral presentation of what I've already seen in writing.

So having said that, I'm happy to listen first to the Receiver.

MR. SADLER: Thank you, Your Honor. May I proceed?

THE COURT: Please.

MR. SADLER: Good afternoon, Your Honor. Kevin Sadler of Baker Botts here with Mr. Ralph Janvey, the Receiver, and Mr. Richard Roper, Thompson & Knight, as well.

I appreciate the fact that there has been a lot of paper poured on the Court, and -- and I, too, don't want to take the Court's time to simply repeat all the points that have been made. There are things not in the briefs that I do want to bring to Your Honor's attention that I think place in context this controversy over the Receiver's application for fees.

I think we look at the objections and the various objections, and essentially they seem to boil down to this is all too expensive, we're spending too much money, there are too many people working on it, you're doing too much, it's just too expensive given how much money is in the bank.

And I think to crystallized that issue, I need to tell the Court what's going on currently, because what's going on currently trails what we're asking to be paid for and it also forecasts where we are going. And the where we are going I think is responsive to the argument that's being made, you're doing too much, you're going to run out of money, you're spending too much money. And so I need to address those issues for the Court.

I think we all understand that it was about the fall of 2005 when the SEC first made it clear to Stanford that they believed he was running a CD business that involved false statements, material omissions.

Now, fast forward here to February 2009, in that

The Receiver seems to be indicating that it doesn't matter what's in the Estate, that you would approach the -- the task at hand whether they're the same, whether there is 2 billion assets in the Estate or $500,000 in the Estate.

And the Commission doesn't think that's appropriate. Instead, the -- the Receiver has the discretion to adjust his activities accordingly, and that's -- that's what we think needs to happen on a going-forward basis.

THE COURT: Okay. Anything else from the Commission?

MR. REECE: No, Your Honor.

THE COURT: Thank you.

Examiner?

MR. LITTLE: Thank you, Your Honor.

Let me start with where Mr. Sadler ended up which is his analogy to the fire truck, the -- the firemen coming out to put out the fire. It's a bad analogy in this case because when one takes on the job of Receiver, or counsel to the Receiver, or Examiner for that matter, you know that your fees and expenses are going to be judged post hoc, after the fact. That's -- you know that going in.

So you can't take the -- the view that, I'm going to do whatever needs doing and I'll get paid, I can't be questioned because I had to do it. That's not how this works.

You have to meet the standards. The fees and expenses have to be reasonable and necessary. We have to look at the results obtained. You have to look at how much is in issue. And that's where I think we have a -- a disconnect here.

For the first three or four weeks, I will grant the Receiver, they were probably in full fire drill mode, running around closing offices, gathering up records, grabbing hard drives, trying to find assets. And I get that.

But at some point when you looked around at three or four weeks and said, hey, we haven't found a billion dollars, we haven't found a hundred million, somebody has to start managing the process and somebody has to start prioritizing the tasks and somebody has to start reducing the staff. And I don't see that happening here.

They continue to burn at a million dollars a week, not a month, a week. That's a huge burn rate for an Estate that, if the Court grants the 27 million, will be down to about 53, 54. Another 15 million for the last three months, and now we're down under 40. And a million bucks a week, we're going to be done pretty soon.

I don't want to go into all of my objections. I've -- I've -- I've made those in both of my filings. I do, though, however, want to go into this notion of the holdback which the SEC proposed and I supported.

I agree with the Court. We can't -- we can't go through thousands of pages of invoices with a fine-tooth comb and depose some junior accountant about what 47 identical entries mean. That's just not a particularly productive enterprise.

With respect to this holdback, I am not suggesting we cut the Receiver's fees by 20 percent. I'm suggesting with respect to that, that the Court, whatever the Court's going to award them today, it reduce by 20 percent and hold that for a later date when we can take a harder look at the records, at the benefits and results obtained, at what's left in the Estate, and decide at that point whether they are entitled to those additional dollars.

I do think there are things in the current fee application that the Court should deny, and I just want to run through those.

In both of the fee applications, FTI, which is one of the accounting firms, has an extraordinarily large expense charge. In the first fee application, it's $560,000; in the second, it's 281-. There's $750,000 in expenses. Most of that's travel completely unexplained. You have to justify your expenses to meet the standards that the -- that the case law requires.

Ernst & Young is the same. They have some $350,000 in expenses. They are just line items, no explanation

to spend a hundred grand to move them around? That's the problem with them, the problem with Ernst & Young and FTI, is we have no detail about any of their expenses. If they have got it, I'd love to look at it.

THE COURT: All right. With regard to the -- I want to address first the pending applications and then address going forward.

With regard to the pending applications, I am not approving the travel expenses for Ernst & Young and FTI and not approving the fee application regarding FITS. I'm not rejecting it, either. I simply agree with the Examiner that there's not sufficient backup yet to assess those.

So assuming that the backup is there, and I would think it likely is, I would anticipate that, in due course, that those would be approved.

With regard to the balance of the fee application, I'm approving it. I am going to impose a 20 percent holdback and will continue doing that through the life of the Receivership.

Again, just to be clear, I'm not rejecting that 20 percent. I am just hanging on to it until we see how everything works out.

On a going-forward basis, first let me say I'm sympathetic to the idea that there are administrative activities that the Receiver has to undertake just by

virtue of his role. It's not discretionary. There are some things that have just got to be done, and I understand that.

And I understand that when people are resisting what the Receiver wants to do, that it gets more expensive and the Receiver doesn't really have control over whether or not people are resisting. So I do have some sympathy for those issues.

I do think, nonetheless, on a going-forward basis, the Receiver and the professionals for the Receiver have got to be cognizant of the overall size of the Receivership Estate as it now exists. It's one thing to dump hundreds of lawyers in a project when you think, if we move quick, we can snag on to billions of dollars.

But when that's apparently not the case anymore, I think you have to start looking differently at the operation of the Receivership and the amount of resources that are going to professionals. And, of course, every dollar that goes to the professionals is not available to ultimately be distributed to investors or, in the event the defendants prevail, to be returned back to the defendants. In any event, it's gone to other people.

So while, yes, certain things I think just have to be done, the way that they are done, the number of people who are doing them, perhaps is something that a prudent

Receiver would look at in view of the total assets of the Receivership. Undertaking discretionary efforts to try and recover assets from third parties again I think is something that you've got to look at with a cost benefit eye.

I do want the Receiver to prepare a budget, if you will, more or less, broken out by different activities and go over that with the SEC and the Examiner.

I would think it would be prudent for the professionals to create different client matter billing numbers for each of those activities. Right now I understand that it would be a problem to try and sort through a thousand pages of billings and use different color highlighters and segregate out who did what when and then pay some accountant to add it all up so that you could get a breakout of the legal fees by activities.

I think on a going-forward basis, you could certainly do that by creating -- and this may not be the appropriate vocabulary, but creating new client matter numbers for the discrete tasks. So I encourage the Receiver in your consultation with the SEC and the Examiner to think about requiring that from the outside professionals that are performing services.

I think also on a going-forward basis, we need to be sure that there's adequate information available to assess the bills. So on a going-forward basis, I need for all of

bring up things that weren't on the agenda today, but I at least want to hear you tell me what it is you want to talk about.

MR. SADLER: May I beg the Court's indulgence for just one quick question?

THE COURT: Yes.

MR. SADLER: And that is, is there a time period that Your Honor has in mind that we can then reapply for this -- this 20 percent?

THE COURT: No. Whenever you-all get the backup together and give the SEC and the other folks a chance to look at it and present it, I'm happy for you to do that.

MR. SADLER: No. And I did understand Your Honor about the travel expenses and FITS and we're going to -- I -- I meant the 20 percent holdback.

THE COURT: The 20 percent? I would assume that that would be when all the dust settles. If you want to make a pitch at some point that some portion of that ought to be cut loose because enough time has elapsed that we ought to have confidence with regard to certain billing items, then I would be open to considering that at some point. But not -- not immediately.

MR. SADLER: Understood. Thank you, sir.

THE COURT: Mr. Tillotson?

MR. TILLOTSON: Yes, Your Honor. I'll be brief.

CERTIFICATION

I certify that the foregoing is a true and correct transcript from the record of proceedings in the above-entitled matter. I further certify that the transcript fees format comply with those prescribed by the Court and the Judicial Conference of the United States.

s/Linda J. Robbins Date: September 11, 2009

EXHIBIT F

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

SECURITIES AND EXCHANGE COMMISSION, Plaintiff,	)	CIVIL ACTION NO. 3:09-CV-0298-N
VS.	)	DALLAS, TEXAS
STANFORD INTERNATIONAL BANK, LTD., et al., Defendants	)	JANUARY 20, 2012

TRANSCRIPT OF EVIDENTIARY HEARING
BEFORE THE HONORABLE DAVID C. GODBEY
UNITED STATES DISTRICT JUDGE

APPEARANCES:

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P R O C E E D I N G S

JANUARY 20, 2012

THE COURT: Be seated. Good morning.

MR. SADLER: Good morning, Your Honor.

THE COURT: How long do y'all think this is going to take?

MR. REECE: Your Honor, for the Commission, I don't think it should take very long.

In fact, my understanding is that Mr. Cochell only has one witness and that witness is the coordinating person from the CJA panel who I don't think has anything to offer on the issue at hand. And given that, I'm not sure there's anything for the SEC or the Receiver to actually do in this particular matter.

THE COURT: Okay. Yes, sir?

MR. COCHELL: We would want to call Karyl Van Tassel for cross-examination as set out in the order.

THE COURT: Okay.

MR. SADLER: And, Your Honor, Kevin Sadler for the Receiver.

We do not believe it's appropriate for Mr. Cochell to call the Receiver's expert and cross-examine her. He had the opportunity to present witnesses, and if he doesn't have any, I don't think it's -- it's really appropriate for him to use ours. So we would object to that.

THE COURT: I think if you're going to use her declaration, he's entitled to cross-examine her.

MR. SADLER: Well, and I think that's -- that's -- really gets to issue that -- that I join Mr. Reece in. It's Mr. Cochell's motion. If he has no evidence, then it's really not the Receiver's burden to put anything on. And, in fact, this is not even the Receiver's injunction.

We stand ready, as we've alerted the Court, that if the Court were inclined for any reason to modify the SEC's asset freeze, we have a $1.9 billion fraudulent transfer lawsuit against Mr. Stanford and a request for a temporary injunction.

So the answer to Your Honor's question you asked a moment ago, I think this hearing should take perhaps five minutes honestly because the man is not ready, doesn't have any evidence, and it's really not our burden to go forward.

THE COURT: Okay.

MR. COCHELL: Your Honor, Stephen Cochell appearing on behalf of Allen Stanford.

Under United States versus Melrose, which was cited to the Court, and counsel is aware of it, it is either the burden of the government--the SEC--or the burden of the Receiver who has been entrusted with the assets through government process to present a case of probable cause to show --

THE COURT: Let me ask. Didn't they do that at the preliminary injunction?

MR. COCHELL: Mr. -- Mr. Stanford was not there at the preliminary injunction. He was not represented by counsel.

THE COURT: But that's not their fault.

MR. COCHELL: It is -- it is not their fault. However, we -- we come to one of the issues that is presented. When the government comes in and seizes everybody's -- someone's personal and all their business assets and they have no money to travel, no money to retain counsel, you know, it -- it makes it difficult to come in with somebody who is a qualified attorney or a qualified expert, to come in and prove in fact that they're entitled to some portion of the funds for the purposes of criminal defense.

And when it comes to the Sixth Amendment, the preliminary injunction was not a proceeding that was ancillary to the criminal case. This is an ancillary proceeding under Melrose and some other cases, including, for example, United States versus e-gold and the Monsanto case out of the Second Circuit.

So we would respectfully submit that the burden does rest on them to come forward and show probable cause that either crimes or violations were committed by my client and

that the assets in question are forfeitable and that there are no assets from which he could properly obtain funds for his criminal defense. It's a matter of the Fifth Amendment due process provision of the Constitution as well as the Sixth Amendment.

So, respectfully, we would submit that it is their burden to come forward. If they want to do it by deposition as set out in the Court's order, we then have an opportunity to examine Ms. Van Tassel to show before the Court what issues there are with respect to his culpability or guilt, as it were, and to demonstrate that they cannot make that showing or that the showing that they have previously made by affidavits are missing critical information or somehow defective.

THE COURT: If we were starting with a blank slate, I would probably agree with you. But we're not. There's a temporary or preliminary injunction in place. And I think the procedural posture could only be that you're here asking me to modify that preliminary injunction. And I think, in that case, the burden is on you to establish a basis for a modification.

I understand the government has to show initially that they're entitled to glom on to the money, but they did that a long time ago. And I think as the party asking me to change that determination, the evidentiary burden is on

your side at this point.

MR. COCHELL: I understand the Court's approach and -- and feelings on the matter, although when it comes to the Sixth Amendment right to counsel, I mean, we're not asking for funds in the civil case. This is solely for funds to fund his criminal defense. And at that point, I believe that the constitutional guarantees place the government -- you know, this burden squarely on the government.

THE COURT: But I guess my point is they have already met it. They've already crossed that bridge.

MR. COCHELL: And Ms. Van Tassel is here, and we would like to call her as a witness and examine her.

THE COURT: Well, I guess that raises a different issue. Why are they not able to just call her as a witness?

MR. SADLER: May I address the Court?

THE COURT: Uh-huh.

MR. SADLER: So Your Honor is -- is dead right on the procedural posture of this thing. And -- and let me remind the Court of -- of a couple things because a lot of time has gone by.

There originally was an appeal taken by Mr. Stanford of the initial orders, including the preliminary injunction, and that appeal was abandoned at the Fifth Circuit. So there is no question that the burden is on him to -- just

and must be decided in light of the fact that this is an individual who has rights under the Bill of Rights -- rights under the Constitution and the Bill of Rights. And to some extent he should be given the benefit of the doubt when confronted with mere hearsay and double hearsay.

Thank you, Your Honor.

THE COURT: I think in view of the possibility that the criminal case may begin on Monday, it's advisable for me to go ahead and rule from the bench instead of take the time to craft a written order.

So I apologize in advance to the extent that it takes me a while to put a sentence together because I just can't think on my feet quite as quickly as I can when I am drafting on reflection back in the back quiet of chambers. But as I say, I do think it's important that all the parties involved understand my ruling.

So with that disclaimer, let me say that I'm going to deny the motion.

And I have no criticism at all of the work done by Mr. Cochell. Is that the correct way to pronounce it?

MR. COCHELL: Yes, sir.

THE COURT: By Mr. Cochell. He is obviously in a challenging circumstance. And in view of the constraints that he has on what he's able to do for Mr. Stanford, as I say, I have absolutely no criticism of the quality of his

legal representation of Mr. Stanford.

Having said that, on this record the evidence is simply overwhelming that the Receiver does not have in the Receivership estate even a nickel that wasn't effectively stolen from the Stanford investors.

I don't quarrel with really much of the legal propositions or the factual contentions that Mr. Cochell was raising about Mr. Stanford's right for counsel and his need for funding for an effective defense. But I don't know of any case that says Mr. Stanford has a right to fund those expenses with money that he stole from investors.

So even before I get to any of the considerations of how much additional money might he need for his defense or the kinds of issues that are in fact addressed by Chief Judge Jones and Judge Hittner, even before I get to those, I've got to address the antecedent question of whether there are any funds available in the Receivership that were not stolen from the investor.

And on this record, I think that the clear answer to that under essentially any evidentiary standard is, no, there's not any money there that is properly Mr. Stanford's. It was all stolen.

And I'm using the word "stolen" colloquially, not in any kind of technical legal sense. And under those circumstances, I don't think Mr. Stanford has shown any kind of

entitlement to use any of those funds for his defense.

And if I were to do so, I think the Stanford investors would quite rightly be outraged that Mr. Stanford was able to steal money from them and then use their stolen money to try and stay out of jail where I gather they pretty much all believe is where he belongs. And presiding over the Receivership, I do have to be cognizant of the investors who were defrauded since a court acting in equity I think is obligated to consider that.

In reaching this decision, I am giving zero, absolutely zero, weight to anything in connection with the Davis plea. I'm not criticizing Mr. Davis or saying I think he was not being truthful. I'm just saying I've reached this conclusion without giving any weight whatsoever to anything that may have been said in connection with that plea.

I would also say, I indicated at the beginning of the hearing that I believe the burden was on Mr. Stanford in the procedural context of this case, given that I have already entered a preliminary injunction, that the burden of proof is on Mr. Stanford to come forward and persuade me that I should alter the existing injunction. And I believe that's correct.

However, I would also say, if I were ruling on a blank slate of paper with the burden on the Receiver and the Commission in this proceeding, given the evidentiary record

that's there, I would reach still exactly the same result. The overwhelming evidence in this proceeding is the Receivership contains no funds that were not tainted by the Ponzi scheme that on this record I think I'd have to find exists.

So, again, I apologize for the unstudied language that I am using here today. But as I say, I think it's more important that you have a prompt decision now than a piece of legal scholarship in six weeks.

Again -- well, I think I've said enough. I think I better quit now. No more advisory opinions from me today. That's the Court's ruling on the matters in front of me.

For those of you who have traveled in from out of town on short notice, I appreciate your accommodating the Court's schedule. I've been in trial this week, and this was the only day that I could have the hearing. And understanding that it was an emergency request, I felt it was important to try and get it scheduled before the potential of proceedings starting on Monday.

So understanding I may have particularly inconvenienced those of you traveling from out of town, let me wish you-all safe travels back to your home, and the Court will stand in recess.

(The proceedings were concluded.)

CERTIFICATION

I certify that the foregoing is a true and correct transcript from the record of proceedings in the above-entitled matter. I further certify that the transcript fees format comply with those prescribed by the Court and the Judicial Conference of the United States.

s/Linda J. Langford Date: September 10, 2012

EXHIBIT G

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

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

DECLARATION OF KARYL VAN TASSEL

I, Karyl Van Tassel, of 1201 Louisiana, Suite 2600, Houston, Texas 77002, state as follows:

1. I am a Certified Public Accountant in the State of Texas, USA, and a partner with PricewaterhouseCoopers LLP in its Forensic Services Group. Prior to September 30, 2011, I was a Senior Managing Director of FTI Consulting, Inc. for 8 years. I have 26 years of experience providing a variety of audit, accounting, tax, litigation, valuation and other financial advisory services.

2. The statements made in this declaration are true and correct based on the knowledge I have gained from the many documents I have reviewed and other work my team and I have performed in the course of our investigation on behalf of the Receiver.

3. I use the following acronyms or short-hand terms to refer to certain entities and bank accounts in this declaration:

- Stanford Entities — all legal entities owned, directly or indirectly, by the named Defendants in the SEC action as of the date the U.S. Receivership was instituted.

- Tier I – cash and cash equivalents of the Stanford Entities as reported in the Daily Global Cash Reports.

- Tier II – investments of SIB, Bank of Antigua, and Stanford Bank Panama placed with a variety of investment firms or funds located in the U.S. and Europe, together with some cash or cash equivalents.

4. Based on our review of Daily Global Cash reports, Tier II statements and other information related to Tier II withdrawals:

- The total value of Tier I and Tier II assets for the Stanford Entities on September 30, 2008 was approximately $1.86 billion, comprising $845.8 million in Tier I and $1.01 billion in Tier II.

- The total value of Tier I and Tier II assets for the Stanford Entities on February 16, 2009 was approximately $567.1 million, comprising $145.6 million in Tier I and $421.5 million in Tier II.

I state under penalty of perjury that the foregoing is true and correct. Executed on this _3__ day of ___April___ 2012.

Karyl M. Van Tassel

Karyl Van Tassel