

**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.	§	

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**NOTICE OF FILING (STIPULATION AND PROPOSED ORDER)**

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The Receiver hereby submits the Stipulation and Proposed Order attached to the concurrently filed Appendix. The Stipulation and Proposed Order is submitted as agreed among the Receiver, Movants, the Examiner, and the SEC and would resolve the pending motions [Docs. 367 and 772] to lift the bankruptcy injunction.

Dated: March 30, 2010

Respectfully submitted,

**BAKER BOTTS L.L.P.**

By: /s/ Kevin M. Sadler

Kevin M. Sadler, Lead Attorney  
Texas Bar No. 17512450  
kevin.sadler@bakerbotts.com  
Robert I. Howell  
Texas Bar No. 10107300  
robert.howell@bakerbotts.com  
David T. Arlington  
Texas Bar No. 00790238  
david.arlington@bakerbotts.com  
1500 San Jacinto Center  
98 San Jacinto Blvd.  
Austin, Texas 78701-4078  
Tel: 512.322.2500  
Fax: 512.322.2501

Timothy S. Durst  
Texas Bar No. 00786924  
tim.durst@bakerbotts.com  
2001 Ross Avenue  
Suite 600  
Dallas, Texas 75201-2980  
Tel: 214.953.6500  
Fax: 214.953.6503

**ATTORNEYS FOR RECEIVER  
RALPH S. JANVEY**

**CERTIFICATE OF SERVICE**

On March 30, 2010, I electronically submitted the foregoing document with the clerk of the court of the U.S. District Court, Northern District of Texas, using the electronic case filing system of the court. I hereby certify that I have served the Court-appointed Examiner, all counsel and/or pro se parties of record electronically or by another manner authorized by Federal Rule of Civil Procedure 5(b)(2).

/s/ Kevin M. Sadler  
Kevin M. Sadler

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**APPENDIX IN SUPPORT OF  
NOTICE OF FILING (STIPULATION AND PROPOSED ORDER)**

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Dated: March 30, 2010

Respectfully submitted,

**BAKER BOTTS L.L.P.**

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Kevin M. Sadler, Lead Attorney  
Texas Bar No. 17512450  
kevin.sadler@bakerbotts.com  
Robert I. Howell  
Texas Bar No. 10107300  
robert.howell@bakerbotts.com  
David T. Arlington  
Texas Bar No. 00790238  
david.arlington@bakerbotts.com  
1500 San Jacinto Center  
98 San Jacinto Blvd.  
Austin, Texas 78701-4078  
Tel: 512.322.2500  
Fax: 512.322.2501

Timothy S. Durst  
Texas Bar No. 00786924  
tim.durst@bakerbotts.com  
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Suite 600  
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/s/ Kevin M. Sadler  
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SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

STANFORD INTERNATIONAL BANK, LTD., *et al.*,

Defendants.

§  
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§  
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Civil Action No. 3:09-CV-0298-N

**STIPULATION AND  
[PROPOSED] ORDER**

WHEREAS, on or about February 16, 2009, this action was commenced by the Securities and Exchange Commission (the “SEC”); and

WHEREAS, at the request of the SEC, this Court, by Order dated as of February 16, 2009, as amended March 12, 2009 (as so amended, the “Amended Receivership Order”), appointed Ralph Janvey, Esq. (the “Receiver”) as Receiver for all the assets and records (the “Receivership Estate”) of Stanford International Bank, Ltd. (“SIBL”), Stanford Group Company, Stanford Capital Management, LLC, R. Allen Stanford, James M. Davis and Laura Pendergest-Holt and of all entities they own or control; and

WHEREAS, by Order dated as of April 20, 2009 (the “Examiner Order”), this Court appointed John J. Little (the “Examiner”) as the Examiner in this case; and

WHEREAS, by Motion (the “Bankruptcy Motion”) dated September 10, 2009, Dr. Samuel Bukrinsky, Jaime Alexis Arroyo Bornstein, and Mario Gebel (the “Movants”), requested that this Court enter an Order lifting the injunction contained in paragraph 10(e) of the Amended Receivership Order; and

WHEREAS, the Receiver and the SEC opposed the relief sought in the Bankruptcy Motion; and

WHEREAS, the Examiner filed a Report setting forth the Examiner's position with respect to the Bankruptcy Motion; and

WHEREAS, the Receiver, the SEC, and the Movants, with the consent and support of the Examiner, wish to consensually resolve the Bankruptcy Motion, and believe that the relief set forth in this Stipulation and Order is in the best interests of all constituencies in this case; and

WHEREAS, it is the intent of the parties to this Stipulation that the Receiver and representatives of the Movants establish reasonable cooperation and coordination of their efforts to identify and prosecute potential claims against third-parties that may inure to the benefit of the Receivership Estate and the customers of SIBL who, as of February 16, 2009, had funds on deposit at SIBL and/or were holding certificates of deposit issued by SIBL (the "Stanford Investors"); now, therefore, it is hereby

**STIPULATED, AGREED, AND ORDERED THAT:**

**The Committee**

1. The Stanford Investors will hereafter be represented in this case and related matters by an official committee (the "Committee");
  - a. The Committee shall be comprised of seven voting members including the Examiner and six other members, representing a cross-section of the Stanford Investors.
  - b. The Movants, in consultation with the Examiner, shall propose the initial composition of the Committee subject to the approval of the Receiver, who may reject the designation of any proposed Committee member in



good faith for cause. Committee members may be Stanford Investors or attorneys representing one or more Stanford Investors.

- c. The Committee shall be governed by formal by-laws, and shall have regular meetings. The by-laws shall include provisions that:
  - (i) define and limit the Committee's access to privileged information;
  - (ii) prohibit a Committee member with a "conflict of interest" on a particular subject from reviewing privileged or non-discoverable documents or information on that subject or participating in any Committee discussion or vote on that subject. The by-laws shall define "conflict of interest" as coextensive with, or inclusive of, "adverse interest" as that term is used in 11 U.S.C. § 1103(b); and
  - (iii) shall contain provisions for the replacement of Committee members who are unable or unwilling to continue to serve.
- d. The Examiner shall act as the initial chairperson of the Committee, pending a vote on a permanent chairperson, and will assist in coordinating the activities of the Committee.
- e. The Receiver shall have the right to review and comment on the by-laws.
- f. Each member of the Committee shall agree to be bound by an appropriate confidentiality agreement, the terms of which will be negotiated by the Committee and the Receiver.
- g. Neither the Committee nor its members shall be entitled to retain attorneys or other professionals at the expense of the Receivership Estate. Committee members, however, shall be entitled to be reimbursed from the

Receivership Estate for their reasonable out-of-pocket expenses, subject to periodic review by the Court. Permissible out-of-pocket expenses shall be limited to customary items such as telephone and facsimile charges, filing fees, transcript costs, postage, travel for court appearances and Committee meetings, and similar expenditures, relating directly to the work of the Committee, but not for expenses incurred solely in connection with litigation commenced by the Committee or members of the Committee against third parties. Committee members will attempt to minimize such expenses and only appropriate expenses will be reimbursed.

- h. Except for the Examiner, the members of the Committee shall owe fiduciary duties to Stanford investors in the same way that members of a bankruptcy committee owe fiduciary duties to unsecured creditors.
- i. The Committee members' liability shall be limited to the same extent as that of the Receiver.

2. The Committee shall have rights and responsibilities similar to those of a committee appointed to serve in a bankruptcy case under title 11 of the United States Code (the "Bankruptcy Code"), including the right to:

- a. raise and appear and be heard on any issue in the Receivership proceedings;
- b. consult on a regular basis with the Receiver concerning the administration of the case; and
- c. investigate the acts, conduct, assets, liabilities, and financial condition of the Stanford entities pre-Receivership.

3. The Examiner's membership role on the Committee shall not alter or amend his duties, rights and responsibilities under the Examiner Order which shall remain in full force and effect, including provisions governing compensation to be paid to the Examiner.

4. Under his appointment by the Court, the 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.

5. Within thirty (30) days after the entry of this Order, the Receiver and the Committee shall establish a written protocol governing cooperation, information sharing, and confidentiality between the Committee and the Receiver, and permitting the Committee reasonable access to all non-privileged documents, books, records, and other information currently in the Receiver's possession or under his control. This protocol will preserve the Receiver's attorney-client privilege with his retained experts and advisors, as well as the confidentiality of attorney work product, but will provide the Committee access, subject to a confidentiality agreement, to the experts' work product and underlying source documents necessary to support the Committee's analysis and pursuit of claims. To the extent the parties are unable to agree on such a protocol within that time, they shall request that the Court resolve any outstanding issues or disputes on an expedited basis. Notwithstanding the foregoing, immediately upon the entry of this Order the Receiver will use reasonable efforts to respond to informal, targeted document requests propounded by the Committee.

6. The Committee and the Receiver shall use their best efforts not to duplicate each other's work, or that of their respective professionals.

**Claims Against Third Parties**

7. The Receiver and the Committee shall consult regularly, but meet not less than monthly, concerning the Receivership Proceedings and the status of litigation that may be brought by the Receiver, the Committee, or jointly, and shall each apprise the other of their litigation efforts.

8. The Receiver and the Committee will cooperate in the identification and prosecution of actions and proceedings for the benefit of the Receivership Estate and the Stanford Investors, and endeavor to consensually determine which such actions shall be brought by the Receiver, and which shall be brought on a class and/or contingency fee basis, at no direct cost or expense to the Receivership Estate, by the Committee or one or more of its members, or one or more Stanford Investors designated by the Committee.

- a. If at any time the Committee determines that there are potential third-party claims that should be asserted on behalf of the Receivership Estate or the Stanford Investors, the Committee shall advise the Receiver of that determination in writing (the "Claims Notice").
- b. Within thirty (30) days of the Receiver's actual receipt of a Claims Notice, the Receiver shall notify the Committee in writing whether the Receiver intends to prosecute the third-party claims identified in the Claims Notice and, if so, shall commence an action or proceeding on such claims within sixty (60) days thereafter, or such additional time as may be agreed to by the Receiver and the Committee.
- c. In the event that the Receiver: (i) does not respond to the Claims Notice; (ii) declines to pursue the claims identified in the Claims Notice; (iii) determines, in his judgment, that such claims would be more

appropriately pursued by the Committee; or (iv) fails to commence an action or proceeding within sixty (60) days of serving his response to the Claims Notice, then the Receiver will not object to the Committee's pursuit of such claims on a class and/or contingency fee basis, at no direct cost or expense to the Receivership Estate, on behalf of the Stanford Investors, subject to the supervision of the Court. The Committee may designate one or more of its members, and/or one or more Stanford Investors, to prosecute such claims. To promote efficiency and uniformity of any distribution of recovered funds to investors, the Receiver may be heard on any proposed settlement of any class action with respect to matters of distribution of settlement proceeds.

- d. To the extent that the Committee pursues such claims on behalf of the Receivership Estate with the consent of the Receiver, the Receiver shall either assign such claims or causes of action to the Committee, agree to be named as a nominal plaintiff or co-plaintiff, or take other actions as may be reasonably requested by the Committee to ensure that the Committee (or one of its members, or designees, as the case may be) is able to pursue such claims on a class or other basis.

9. Notwithstanding anything in the foregoing paragraph, the Receiver agrees that the Committee may prosecute (either directly, or through one or more of its members or designees), claims on a class and/or contingency fee basis, at no direct cost or expense to the Receivership Estate, against:

- a. Stanford's pre-receivership professionals (including but not limited to accountants, insurance brokers, and attorneys) that are in the nature of malpractice, professional negligence, breach of fiduciary duty, breach of contract, or similar claims arising out of such professionals' rendition of professional services to any of the Stanford entities prior to February 16, 2009; and
- b. Any officer, director, or employee of any Stanford entity for fraud-related claims, breach of fiduciary duty, breach of contract, unjust enrichment, or other claims that arose prior to February 16, 2009 to the extent not duplicative of claims already brought by the Receiver;

and the Claims Notice procedure described in the foregoing paragraph (6) shall not apply to such claims.

10. The Committee will not interfere with, or seek to have any role in, the prosecution of the Receiver's claims against investors that have been commenced prior to the date of this Order.

11. The Committee shall have no role in the prosecution of claims or actions that have already been commenced by the Receiver, and the Receiver shall have no role in the prosecution of claims or actions that have already been commenced by investors, except to the extent described in paragraph 7(d) of this stipulation.

#### **Cooperation and Case Administration**

12. Nothing in this stipulation constitutes a waiver of the Receiver's attorney-client privilege with his retained experts and advisors. In particular, the Receiver will not provide the Committee with access to privileged communications with his retained experts and advisors. Subject to a confidentiality agreement, the Committee shall have reasonable access to the non-

privileged materials of the professionals retained by the Receiver, including analyses, memoranda, and other materials previously prepared, or prepared in the future, by such professionals for the benefit of the Receiver, or in connection with the joint litigation efforts of the Receiver and the Committee hereafter, provided however that nothing contained in this paragraph shall require such professionals to act solely on behalf of the Committee or to undertake significant projects on behalf, or at the request, of the Committee.

13. Upon reasonable notice, the Receiver will make available an appropriate Receivership representative to provide reasonable assistance to the Committee during the next sixty (60) days with respect to the Committee's efforts to obtain a favorable disposition from the SEC and the Securities Investor Protection Corporation ("SIPC") in connection with the Stanford Investors' efforts to obtain a determination that they are entitled to compensation under the Securities Investor Protection Act, provided that doing so does not impose an undue financial cost on the Receivership and does not conflict with any duty imposed by the Order or Amended Order Appointing Receiver.

14. The Receiver shall consult with the Committee concerning the development of a protocol for the submission and adjudication of creditor claims against the Receivership Estate and distribution of assets to creditors. In the event that the Receiver and the Committee are unable to agree on such procedures, the Committee reserves the right to make objections and propose amendments to any proposal made by the Receiver.

15. The Bankruptcy Motion shall be denied as moot. Nothing in this stipulation affects the parties' rights to seek relief from or oppose relief from paragraph 10(e) of the Amended Order Appointing Receiver.

Signed March \_\_\_\_\_, 2010

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David C. Godbey  
United States District Judge

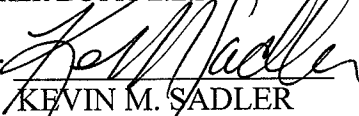
**AGREED:**

**MORGENSTERN & BLUE, LLC**

By:   
PETER D. MORGENSTERN  
(pro hac vice)  
pmorgenstern@mfbnyc.com  
GREGORY A. BLUE  
(pro hac vice)  
gblue@mfbnyc.com  
885 Third Avenue, 24<sup>th</sup> Floor  
New York, NY 10022  
(212) 750-6776  
(212) 208-6874 (facsimile)

**ATTORNEYS FOR THE MOVANTS**

**BAKER BOTTS L.L.P.**

By:   
KEVIN M. SADLER  
Texas Bar No. 17512450  
kevin.sadler@bakerbotts.com  
ROBERT I. HOWELL  
Texas Bar No. 10107300  
robert.howell@bakerbotts.com  
DAVID T. ARLINGTON  
Texas Bar No. 00790238  
david.arlington@bakerbotts.com  
1500 San Jacinto Center  
98 San Jacinto Blvd.  
Austin, Texas 78701-4039  
(512) 322-2500  
(512) 322-2501 (Facsimile)

**ATTORNEYS FOR RECEIVER**



**U.S. SECURITIES AND EXCHANGE COMMISSION**

By: \_\_\_\_\_

STEPHEN J. KOROTASH

Oklahoma Bar No. 5102

J. KEVIN EDMUNDSON

Texas Bar No. 24044020

DAVID B. REECE

Texas Bar No. 24002810

MICHAEL D. KING

Texas Bar No. 24032634

D. THOMAS KELTNER

Texas Bar No. 24007474

JASON ROSE

Texas Bar No. 24007946

U.S. Securities and Exchange Commission

Burnett Plaza, Suite 1900

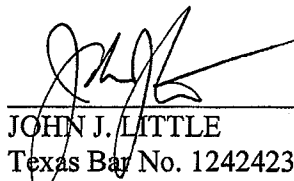
801 Cherry Street, Unit #18

Fort Worth, TX 76102-6882

(817) 978-6476

(817) 978-4927 (fax)

**PLAINTIFF**



JOHN J. LITTLE

Texas Bar No. 12424230

LITTLE PEDERSEN FANKHAUSER, LLP

901 Main Street, Suite 4110

Dallas, Texas 75202

(214) 573-2300

(214) 573-2323 (fax)

**EXAMINER**

**U.S. SECURITIES AND EXCHANGE COMMISSION**

By: 

STEPHEN J. KOROTASH  
Oklahoma Bar No. 5102  
J. KEVIN EDMUNDSON  
Texas Bar No. 24044020  
DAVID B. REECE  
Texas Bar No. 24002810  
MICHAEL D. KING  
Texas Bar No. 24032634  
D. THOMAS KELTNER  
Texas Bar No. 24007474  
JASON ROSE  
Texas Bar No. 24007946

U.S. Securities and Exchange Commission  
Burnett Plaza, Suite 1900  
801 Cherry Street, Unit #18  
Fort Worth, TX 76102-6882  
(817) 978-6476  
(817) 978-4927 (fax)

**PLAINTIFF**

---

JOHN J. LITTLE  
Texas Bar No. 12424230  
LITTLE PEDERSEN FANKHAUSER, LLP  
901 Main Street, Suite 4110  
Dallas, Texas 75202  
(214) 573-2300  
(214) 573-2323 (fax)

**EXAMINER**