

**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.	§	

ORDER APPROVING RECEIVER’S INTERIM DISTRIBUTION PLAN

This Order addresses the Receiver’s Motion for Approval of Interim Distribution Plan (the “Motion”). After considering the Motion, any responses, objections, or replies thereto, the arguments of counsel, and the evidence in the record, the Court overrules all objections and grants the Motion in full. Accordingly, the Court orders the Receiver to make an interim distribution according to the following plan:

A. Definitions.

Unless the context requires otherwise, the following definitions shall apply for purposes of this Order:

1. “Allowed Claim Amount” means the maximum amount of funds that the Receiver has determined that a claimant or claimants may be entitled to receive from the Estate. Claimants entitled to payment pursuant to this Order will receive less than their respective Allowed Claim Amounts.

2. “Approval Date” means the date on which this Order is signed.

3. “Available Cash” means that amount of cash that is held by the Receivership Estate.

4. “Claim” means:

- a. a potential or claimed right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, mature, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured, against one or more of the Receivership Entities; or
- b. a potential or claimed right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured, against one or more of the Receivership Entities.

5. “Claimant” means any person or entity (including, without limitation, individuals, partnerships, corporations, joint ventures, estates, trusts, and governmental units) that holds a Claim. Without limiting the generality of the foregoing, the definition of Claimant includes, but is not limited to, any person or entity holding:

- a. a Claim based on an investment in, with, or through a Receivership Entity or a customer transaction with or through a Receivership Entity (“Customer Claims”), including but not limited to claims relating to:
 - i. certificate(s) of deposit issued by Stanford International Bank, Ltd. (“Stanford International Bank, Ltd. CD Claim”);
 - ii. other customer accounts or transactions with Stanford International Bank, Ltd. (“Other Stanford International Bank, Ltd. Claim”);

- iii. investments in, with, or through Stanford Coins & Bullion, Inc. or other customer transactions relating to coins and bullion (“Coin & Bullion Claim”);
 - iv. investments in partnerships or other entities sponsored by a Receivership Entity (“Partnership Claim”);
 - v. investments in and transactions relating to brokerage accounts held through a Receivership Entity (“Brokerage Account Claim”);
 - vi. investments in, with, or through or customer transactions with Stanford Development Company (“Stanford Development Company Claim”); and
 - vii. investments in, with, or through any other Receivership Entity or a customer transaction with any other Receivership Entity (“Other Customer Claim”).
- b. a Claim of any other kind whatsoever against any Receivership Entity, including, without limitation, Claims based on or relating to:
- i. the provision of goods or services to any Receivership Entity for which payment has not been made in whole or in part (“Services Claim”);
 - ii. real estate owned or leased by Receivership Entities, including but not limited to past due rent (“Real Estate Claim”);
 - iii. money loaned to any Receivership Entity and that has not been repaid in whole or in part (“Loan Claim”);

- iv. unpaid wages, compensation, or other employment benefits (“Employment Compensation Claim”);
- v. tax liabilities, including those held by federal, state, local or other governmental entities or authorities (“Tax Claim”); and
- vi. primary, secondary, direct, indirect, secured, unsecured, or contingent liability, whether based on contract, tort, indemnity, reimbursement, subrogation, or other legal or equitable theory (“Other Claim”).

6. “Court” means the United States District Court for the Northern District of Texas, Dallas Division.

7. “Defendants” means the defendants sued by the Securities and Exchange Commission in Case No. 3:09-CV-0298-N in this Court.

8. “Interim Distribution Amount” means \$55 million, the amount to be distributed from Available Cash according to this Order.

9. “Interim Plan” means the Interim Distribution Plan contained in this Order.

10. “Investor CD Claimants” means all holders of Stanford International Bank, Ltd. CD Claims or Other Stanford International Bank, Ltd. Claims (a) who have not been sued by the Receiver or the Official Stanford Investors Committee (the “Investors Committee”) to recover funds they received from the Stanford Ponzi scheme and (b) who have never been a Stanford employee, independent contractor, or insider, provided that the Receiver retains the right to compensate former Stanford employees for CD losses on the same terms as other investors if the former employees have, in the Receiver’s discretion, materially assisted the Receiver and were not involved in sales or marketing of SIB CDs.

11. “Investor CD Claims” means all Stanford International Bank, Ltd. CD Claims and Other Stanford International Bank, Ltd. Claims held by Investor CD Claimants.

12. “Net Loss” means the amount of money paid to Stanford International Bank, Ltd. by an Investor CD Claimant in excess of the amount of money received from Stanford International Bank, Ltd. by the Investor CD Claimant.

13. “Receiver” means Ralph S. Janvey in his capacity as Court-appointed receiver.

14. “Receivership Entities” include, without limitation, Stanford International Bank, Ltd.; Stanford Financial Group Company; Stanford Group Company; Stanford Trust Company; Stanford Capital Management, LLC; Stanford Coins & Bullion, Inc.; and the other entities listed in Exhibit 8 to the Court’s May 4, 2012 Bar Date Order [Doc. 1584].

15. “Receivership Assets” means the assets, monies, securities, properties, real and personal, tangible and intangible, of whatever kind and description, wherever located, and the legally recognized privileges (with regard to the entities), of the Defendants and all entities they own or control.

16. “Receivership Records” means the books and records, client lists, account statements, financial and accounting documents, computers, computer hard drives, computer disks, internet exchange servers, telephones, personal digital devices and other informational resources of or in possession of the Defendants, or issued by Defendants and in possession of any agent or employee of the Defendants.

17. “Receivership Estate” means the Receivership Assets and Receivership Records.

18. Unless otherwise defined herein, all other capitalized terms have the same meaning as in the Court’s May 4, 2012 Bar Date Order [Doc. 1584].

B. Treatment of Claims under the Interim Plan.

1. The Interim Distribution Amount shall be apportioned among Investor CD Claimants on a pro rata basis. Such Investor CD Claimants shall receive payments equal to a percentage (the “Distribution Percentage”) of their Allowed Claim Amounts as reflected in their Notices of Determination. The Allowed Claim Amounts shall be based on the Investor CD Claimants’ Net Losses. Any future distributions to Investor CD Claimants shall likewise be pro rata based on Investor CD Claimants’ Allowed Claim Amounts.

2. The Distribution Percentage equals the Interim Distribution Amount divided by the sum of: (a) all Allowed Claim Amounts for non-deficient Investor CD Claims as of the filing of the Motion (the “Investors’ Allowed Claim Amounts”), and (b) the Receiver’s estimate of the Allowed Claim Amounts for all Investor CD Claims that are deficient (the “Investors’ Deficient Claim Amounts”). The Distribution Percentage can be represented mathematically as:

$$\frac{\text{Interim Distribution Amount}}{(\text{Investors’ Allowed Claim Amounts}) + (\text{Investors’ Deficient Claim Amounts})}$$

3. As of January 2, 2012, the aggregate of the Investors’ Allowed Claim Amounts equaled \$4,237,737,851.75, and the aggregate of the Investors’ Deficient Claim Amounts equaled \$893,487,080.90. The Distribution Percentage, therefore, is calculated as follows:

$$\frac{\$55,000,000.00}{\$5,131,224,932.65} = 1\%$$

4. Investor CD Claimants will receive distributions under the Interim Plan equal to their Allowed Claim Amounts as reflected in their Notices of Determination multiplied by the Distribution Percentage. The amount of a given Investor CD Claimant’s interim distribution can be represented mathematically as:

(Particular investor's Allowed Claim Amount) x (Distribution Percentage)

5. If an Investor CD Claimant serves and files a timely objection to a Notice of Determination, the Investor CD Claimant is not disqualified from receiving a distribution under the Interim Plan. However, the Investor CD Claimant shall participate in this interim distribution based initially on the original Allowed Claim Amount in the Notice of Determination. If the Investor CD Claimant ultimately succeeds in increasing the Allowed Claim Amount (either by stipulation with the Receiver or by Court order sustaining the Investor CD Claimant's objection), the claimant shall receive a supplemental payment representing 1% of the difference between the Allowed Claim Amount in the Notice of Determination and the Allowed Claim Amount after final resolution of the claimant's objection.

6. To the extent a claimant receives one or more collateral recoveries, the Receiver may, in his discretion, reduce payments to such a claimant to the extent necessary to ensure that all the Investor CD Claimants are treated similarly with respect to the percentage of their Allowed Claim Amounts they recover from all sources as of the date of the payments. The Receiver shall give any such Claimant written notice of such a reduction and the reasons for same. Any claimant who disputes such a reduction by the Receiver shall serve upon the Receiver within sixty (60) days, but not file, a written objection to the reduction. The Receiver has ten (10) days to respond to the objection. If the Receiver fails to respond or if the dispute otherwise remains unresolved, then the claimant must file the objection with the Court. A claimant must file its objection to the reduction within ninety (90) days of the claimant having received the Receiver's written notice of the reduction. Any objection to a reduction that is not timely filed is waived.

7. Each Investor CD Claimant's interim distribution shall be based solely on his Investor CD Claims and not on his other types of Claims, if any.

8. Nothing in this Order shall preclude future distributions to Investor CD Claimants or other Claimants under a different plan. Nor shall anything in this Order restrict the Receiver's authority to compromise and settle any Claim, or resolve any objection to a determination, at any time, as appropriate, without further order of this Court. [Doc. 1584 at ¶ 7(u).]

C. Execution of the Interim Plan.

1. The distribution under the Interim Plan shall be made from Available Cash only. The distribution process shall begin within ninety (90) days of the Approval Date.

2. The Receiver shall send a notice (the "Certification Notice") to each Investor CD Claimant asking for certification, as a condition of receiving payment, regarding whether they have applied for or received compensation for their claimed losses from sources other than the Receivership and, if so, the amount of such compensation. Investor CD Claimants must provide the necessary certification within sixty (60) days of the date they receive the Certification Notice. The Certification Notice and certification shall be in substantially the same form as Exhibit B to the Receiver's Motion for Approval of Interim Distribution Plan.

3. Payments under the Interim Plan shall be made on a rolling basis as certifications in response to Certification Notices are received and processed. Prior to making a group of payments pursuant to the Interim Plan, the Receiver shall file a schedule of the payments to be made. Each such schedule shall be filed at least ten (10) days prior to the subject payments being made. The schedules shall include claim ID numbers and the amount of the associated payments but shall not contain information from which the individual Investor CD Claimants can be identified.

4. All payments pursuant to the Interim Plan shall be made via check unless otherwise agreed between the Receiver and the Investor CD Claimant(s). If payment is being made to compensate for losses that derive from accounts jointly owned by or otherwise associated with two or more Investor CD Claimants, the check shall be jointly payable to all such Investor CD Claimants and require the full endorsement of all such Investor CD Claimants.

5. Each check shall state on its face that it will be void if not cashed within 180 days from the date of issue. The Investor CD Claimant(s) to whom the check was originally issued may submit a written request for reissuance to the Receiver within 180 days of the original date of issuance of the check. All funds represented by void checks not timely reissued shall revert to the Receivership Estate.

D. No Effect on Third-Party Claims.

1. An Investor CD Claimant's receipt of a payment under this Interim Plan shall not constitute a waiver of the following:


- a. any defenses an Investor CD Claimant has or may have against litigation claims asserted or that may be asserted by the Receiver, including but not limited to any rights the Investor CD Claimant has or may have to appeal rulings of the trial court in such cases;
- b. any right that an Investor CD Claimant has or may have to pursue claims against former individual Stanford Financial Group financial advisors who were licensed by FINRA, subject to any limitations contained in this Court's prior orders, including but not limited to this Court's Second Amended Receivership Order dated July 19, 2010 [Doc. 1130];

- c. any right that an Investor CD Claimant has or may have to pursue claims against persons or entities that are not Receivership Entities as defined herein, subject to any limitations contained in this Court's prior orders, including but not limited to this Court's Second Amended Receivership Order dated July 19, 2010 [Doc. 1130]; or
- d. any claims, rights or defenses which the Receiver, or his counsel, agree in a stipulation filed with this Court are not waived by filing of a Proof of Claim.

E. Release.

1. Any Investor CD Claimant who receives a payment pursuant to the Interim Plan shall be deemed to have released the Investor CD Claim(s) for which payment was made to the extent of the payment. Each Investor CD Claimant's Allowed Claim Amount shall be reduced, dollar for dollar, by the total amount received pursuant to the Interim Plan.

Signed on May 30, 2013.


DAVID C. GODBEY
UNITED STATES DISTRICT JUDGE