

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

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

STANFORD INTERNATIONAL BANK, LTD.,
et al.,

Defendants.

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Case No.: 3-09-CV-0298-N

**ORDER APPROVING PROCEDURES
FOR SALES OF REAL PROPERTY BY THE RECEIVER; AUTHORIZING THE
RECEIVER TO ACCEPT CB RICHARD ELLIS'S FEE PROPOSAL; AND
AUTHORIZING THE RECEIVER TO CONDUCT SALES OF REAL PROPERTY
BY PUBLIC AUCTION PURSUANT TO THE REAL PROPERTY SALES
PROCEDURES**

This Order addresses the Receiver's motion to approve procedures for the sale of real property [389]. The Receiver asks the Court to (1) approve his proposed real-property sale procedure; (2) accept CB Richard Ellis's ("CBRE") fee proposal; and (3) authorize him to sell real property owned by corporate defendants without further Court order. The Court grants the Receiver's motion and approves the procedure outlines below. However, the Court adds that, should the Receiver attempt to sell property owned by the Stanford Development Corporation, he must provide to the Stanford Condominium Owner's Association notice and an opportunity to object.

IT IS THEREFORE ORDERED THAT the Motion is GRANTED in all respects to permit the sale of assets of the corporate defendants.

IT IS FURTHER ORDERED THAT the Real Property Sales Procedures, including the form of Notice, are hereby **APPROVED**:

1. Stalking Horse Contract. The Receiver shall negotiate a purchase and sale agreement with a proposed buyer out of the proposals he has received (a “Stalking Horse”), subject to higher and better offers. If the Receiver deems it necessary, the agreement may provide for the payment of a break-up fee to the Stalking Horse, not to exceed 3% of the purchase price set forth in the agreement with the Stalking Horse, in the event the property under contract to the Stalking Horse is sold to a third party and such sale is consummated.

2. Posting of Notice of Public Auction. The Receiver shall post a notice of the proposed sale on the Receivership website at <http://www.stanfordfinancialreceivership.com> and in at least one local newspaper where the property is located for at least four weeks prior to the sale. A form of notice of the proposed sale (the “Notice”) is attached hereto as **Exhibit A**. The Receiver shall also contact all of the persons or entities that CBRE has identified as potentially interested in acquiring the Real Property.

3. Competing Offers. Any entity (each, a “Potential Bidder”) that wishes to participate in the bidding process for the sale of any of the Real Property must

make a competing offer (a "Competing Offer") on the terms and conditions substantially the same in all respects to the terms and conditions set forth in the purchase and sale agreement with the Stalking Horse and in accordance with the procedures set forth herein. A Competing Offer must be submitted to the Receiver in the form of (a) a purchase and sale agreement showing the modifications from the purchase and sale agreement with the Stalking Horse; (b) a clean, executed copy of the purchase and sale agreement; and (c) any other bid package requirements contained herein. The Competing Offer must contain conditions to closing no less favorable than the conditions contained in the purchase and sale agreement with the Stalking Horse.

4. Submission of Competing Offers. Competing Offers should be submitted to the Receiver at least five business days prior to the date of the public auction (the "Bid Deadline") via the following facsimile numbers and/or electronic mail addresses: (a) Robert P. Wright at fax: 713.229.7737 or email: bob.wright@bakerbotts.com; and (b) Charles Gordon at fax: 713.881.0997 or email: charles.gordon@cbre.com. Any Potential Bidder that does not submit a Competing Offer by the Bid Deadline may, in the Receiver's sole discretion, be prohibited from participating in the public auction.

5. Accredited Bidders. Each Potential Bidder satisfying the requirements set forth in this paragraph shall be an Accredited Bidder. Prior to receipt by a Potential Bidder of any information regarding any of the Real Property to be sold, each

Potential Bidder must: (a) execute a confidentiality agreement; and (b) deliver financial information acceptable to the Receiver in his sole discretion demonstrating such Potential Bidder's ability to timely close a proposed transaction and such other information as is requested by the Receiver.

6. Qualifying Bids. The Receiver shall determine when a Competing Offer submitted by an Accredited Bidder constitutes a "Qualifying Bid," and in making that determination may consider the extent to which the Competing Offer complies with the following (the Receiver having the right to waive compliance as to any thereof in his sole discretion):

(a) such Competing Offer is received by the Receiver no later than the Bid Deadline;

(b) such Competing Offer is in writing and sets forth the material terms and conditions for such Competing Offer;

(c) such Competing Offer is on terms and conditions substantially similar to or better than those contained in the purchase and sale agreement with the Stalking Horse;

(d) the cash to be paid pursuant to such Competing Offer exceeds the sum of (i) the purchase price to be paid by the Stalking Horse and (ii) the break-up fee to be paid to the Stalking Horse, by the lesser of 10% of such sum or \$150,000;

(e) the Competing Offer contains no financing contingencies or

due diligence contingencies of any kind or any other conditions precedent to the Accredited Bidder's obligation to purchase the Real Property;

(f) such Competing Offer remains open and irrevocable and unchangeable (except to increase the purchase price at the public auction) until it is either (i) accepted as the highest and best bid at the public auction and, if so selected, through the closing of the sale of the Real Property or (ii) rejected at the close of the public auction upon such Competing Offer not having been selected as the highest and best bid;

(g) such Competing Offer is accompanied, on or before the Bid Deadline, by a Good Faith Deposit (as defined below) equal to five percent of the bidder's Competing Offer;

(h) such Competing Offer is not subject to the approval of the Accredited Bidder's board of directors or any other approval body of such Accredited Bidder; and

(i) such Competing Offer contains evidence that the Accredited Bidder submitting it has cash on hand and/or has received debt and/or equity funding commitments sufficient, in aggregate, to finance the purchase contemplated thereby, including, without limitation, either an unconditional lending commitment from a recognized banking institution in the amount of such Competing Offer or the posting of an unconditional, irrevocable letter of credit from a recognized banking institution issued in favor of the Receiver in the amount of such Competing Offer.

7. Qualified Bidders. Each of (a) any Accredited Bidder that submits a Qualifying Bid to the Receiver in accordance with the terms of the Real Property Sales Procedures and (b) the Stalking Horse shall be a “Qualified Bidder.”

8. Good Faith Deposit. The cash deposit submitted by each Qualified Bidder in conjunction with its Qualifying Bid (each, a “Good Faith Deposit”), pursuant to these Real Property Sales Procedures, shall be held in trust by the Receiver and shall not be interest-bearing. The Good Faith Deposit of the Successful Bidder (as defined below) shall be applied against the purchase price of the Real Property. The Good Faith Deposits of Qualified Bidders (other than the Successful Bidder) shall be returned within five Business Days after the conclusion of the public auction. If the Successful Bidder fails to consummate the sale because of a breach or failure to perform on the Successful Bidder’s part, the Good Faith Deposit of such Successful Bidder shall be forfeited to the Receiver as liquidated damages. Such forfeiture shall not be the Receiver’s sole remedy against such Successful Bidder for breach and failure to consummate the sale, however, and in the alternative the Receiver shall have all other rights and remedies, at law or in equity, against such Successful Bidder, including the remedy of specific performance.

9. The Public Auction. The Receiver will conduct a public auction at a date and time, and in a location, to be determined by the Receiver in his sole discretion. The Receiver may, but is not required to, take into consideration the convenience of the

parties that have expressed an interest in purchasing the particular parcel or parcels of Real Property, the location of the Real Property, and other factors.

10. Conduct of Auction. During the public auction, bidding shall begin initially with the highest Qualifying Bid, and subsequently continue in minimum increments that shall be specified by the Receiver prior to the commencement of bidding. The public auction will continue until no other Qualified Bidder wishes to increase its Qualifying Bid to more than the minimum increment greater than the previous Qualifying Bid.

11. Evaluation of Bids at Auction. The Qualified Bidder that submits the highest and best bid, as determined by the Receiver, in his sole discretion, shall be deemed the "Successful Bidder." The highest and best bid may be determined by considering, among other things:

(a) the number, type and nature of any changes to the purchase and sale agreement of the Stalking Horse (or, if the sale is pursuant to paragraph 15, a form of purchase and sale agreement satisfactory to the Receiver) requested by each Qualified Bidder;

(b) the purchase price;

(c) the likelihood that a Qualified Bidder can, and will, close the proposed transaction;

(d) the net benefit to the Receivership Estate, taking into account

the Stalking Horse's rights to the breakup fee (as described in paragraph 13 below); and

(e) such other factors as the Receiver may deem relevant in his sole discretion.

Immediately following the close of the public auction, the Successful Bidder, if it has not already done so, shall complete and sign all agreement(s), contract(s), instrument(s) or other document(s) evidencing and containing the terms and conditions upon which the highest and best bid was made.

12. Amendment of Real Property Sales Procedures. The Receiver may: (a) impose at or before the public auction such other and additional terms and conditions as he deems appropriate, and (b) adjourn the public auction to a later date and time.

13. Closing the Sale and Payment of Breakup Fee. As a condition to the closing of the sale with the successful bidder, the Receiver shall seek, and the Court shall have entered, a final order approving the sale, which final order shall include a finding that the sale price is in an amount adequate to pay all lien claims. If an entity other than the Stalking Horse is the Successful Bidder, immediately upon the Receiver's consummation of a sale to the Successful Bidder, the Receiver shall be obligated to use the first proceeds from such sale to pay to the Stalking Horse the amount, if any, set forth in the purchase and sale agreement with the Stalking Horse as the breakup fee to cover, *inter alia*, all of the Stalking Horse's costs and out-of-pocket expenses (including attorney's fees) in connection with its due diligence and the preparation and negotiation

of the purchase and sale agreement. Except as provided in this paragraph with respect to the Stalking Horse, no other Qualified Bidder, Accredited Bidder, Potential Bidder or other party-in-interest shall be entitled to any breakup fee, expense reimbursement of its costs, expenses or professional fees incurred in connection with the sale and competitive bidding process for any Real Property, including formulation and submission of any bid or any due diligence efforts, or breakup, termination or similar fee or payment.

14. Bulk Sales or Individual Sales. The Receiver, in his sole discretion, may sell the Real Property in individual parcels or may combine several parcels into one or more bulk sales.

15. Real Property with *De Minimis* Value. If the Receiver determines that a certain parcel of the Real Property is worth \$100,000 or less, the Receiver may (without a Stalking Horse) post the Notice and notify potential bidders as described in paragraph 2 above as to such parcel, conduct the public auction as described in paragraph 9 above, and then complete and sign all agreement(s), contract(s), instrument(s) or other document(s) evidencing and containing the terms and conditions upon which such parcel of the Real Property shall be sold to the bidder submitting the highest and best bid as determined by the Receiver.

16. Private Sales. If the best interests of the Receivership Estate will be conserved thereby, the Receiver may seek Court approval to sell certain parcels of the Real Property by private sale, pursuant to 28 U.S.C. § 2001(b).

17. Sales Free and Clear. With the exception of mortgage or deed-of-trust liens, and liens (such as ad valorem tax liens) otherwise protected by statute, the Receiver's sale of Real Property shall be free and clear of each lien, claim and encumbrance (with such lien, claim and encumbrance, if any, to attach to the proceeds of such sale that exceed the amounts necessary to pay amounts owed to the Lender and holders of any liens protected by statute) where (I) the creditor holding such lien, claim and encumbrance has been given at least 30 days' notice of the proposed sale by delivery of such notice via certified mail return receipt requested to the last known address of such creditor and an opportunity to file objections with the Court, and by the date of confirmation of the sale there are no such objections filed or the Court overrules such objections, and (ii) the anticipated proceeds of the sale are sufficient to pay off the claims of such creditor.

18. Report of Sales Results. The Receiver shall file a report regarding the sale of any real property subject to this Order within two weeks after the closing date of the sale.

IT IS FURTHER ORDERED THAT, subject to the provisions of paragraph 13 above and the Court's stipulation regarding property owned by the Stanford Development Corporation, the Receiver may, in his sole discretion and without further authorization from the Court, adopt and follow the Real Property Sales Procedures in regards to all sales of Real Property of the corporate defendants, and sell the Real Property of the

corporate defendants located under U.S. jurisdiction in accordance with the terms of this Order without need for further Court order.

IT IS FURTHER ORDERED THAT the Receiver may pay CBRE's fees in connection with the marketing and sales of the Real Property of the corporate defendants pursuant to the fee structure set forth in CBRE's Fee Proposal without need for further Court order.

Signed January 25, 2010.

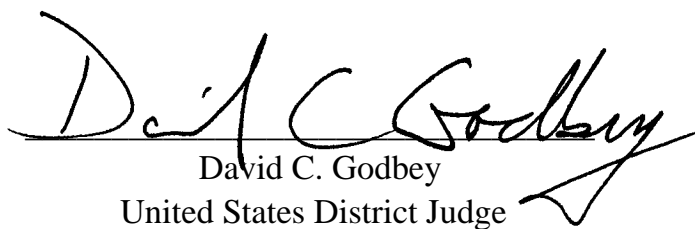

David C. Godbey
United States District Judge

Exhibit A

NOTICE OF PUBLIC AUCTION OF REAL PROPERTY

IN [_____ COUNTY, STATE]

RALPH S. JANVEY, in his capacity as the Court-appointed receiver for *Stanford International Bank, Ltd. et al.*, in Case No. 3:09-CV-0298-N, pending in the United States District Court for the Northern District of Texas, Dallas Division, hereby posts, pursuant to 28 U.S.C. § 2002, this notice of his intention to sell to the highest qualified bidder(s) the following properties:

1. **[description of property]**, with a starting minimum bid of \$_____.
2. **[description of property]**, with a starting minimum bid of \$_____.

[The Receiver has entered into a stalking horse contract with _____. That contract provides for a break-up fee and specifies the starting minimum bid that will be required.] Any competing offers must be made pursuant to the terms and conditions set forth in the Real Property Sales Procedures approved by the Court on _____, 2010 and should be received in good form no later than five business days prior to the date scheduled for the public auction.

The properties will be sold at public auction to be held on _____ day, _____, 2010 at __:__ .m. at **[location]**. Sales will be for cash or cash equivalents. The Real Property Sales Procedures require bidders to post a deposit in cash or certified funds of no less than five percent of the bidder's proposed purchase price bid. Sales will be "AS IS" with no representations or warranties of any type, and will close no later than 30 days after the date of entry of a final order of the Court approving the sales.

The Receiver reserves the right to postpone or adjourn the auction, to accept any bid or to reject any and all bids that he deems not to be in the best interests of the Receivership Estate, or to withdraw any of the properties at any time prior to the announcement of the completion of the auction. The Receiver's acceptance of any bid is expressly conditioned on the successful bidder executing a purchase and sale agreement in form and content satisfactory to the Receiver and complying with the Real Property Sales Procedures.

For additional information, including legal descriptions for the properties, a copy of the Real Property Sales Procedures, or to make a competing offer on any of the properties, please contact _____ at **[mailing address]**, **[email address]** or **[telephone number]**.