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

SECURITIES AND EXCHANGE COMMISSION, Plaintiff, v. STANFORD INTERNATIONAL BANK, LTD., et al., Defendants.	§	Civil Action No. 3:09-cv-0298-N
RALPH S. JANVEY, et al. Plaintiffs, v. WILLIS OF COLORADO INC., et al. Defendants.	§	Civil Action No. 3:13-cv-03980-N

APPENDIX TO PLAINTIFFS' MOTION FOR AN AWARD OF ATTORNEYS' FEES AND EXPENSES IN CONNECTION WITH THE SETTLEMENT WITH WILLIS AND BMB DEFENDANTS

Plaintiffs file this Appendix in support of Plaintiffs' Motion for an Award of Attorneys' Fees and Expenses in Connection with the Settlement with Willis and BMB Defendants:

APPENDIX MATERIALS	
1.	Declaration of Edward Valdespino
2.	Declaration of Edward C. Snyder
3.	Declaration of Douglas J. Buncher
4.	Declaration of Judith Blakeway

5.	Declaration of John Little
6.	Proposed Order re BMB settlement
7.	Proposed Order re Willis settlement

Dated: October 5, 2016

Respectfully submitted,

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COUNSEL FOR THE PLAINTIFFS

CERTIFICATE OF SERVICE

I hereby certify that on this 5th day of October, 2016, I electronically filed the foregoing document with the Clerk of the Court, using the CM/ECF system, which will send notification of such filing to all counsel of record.

I further certify that on this 5th day of October, 2016, I served a true and correct copy of the foregoing document via United States Postal Certified Mail, Return Receipt required to the persons noticed below who are non-CM/ECF participants:

R. Allen Stanford, Pro Se
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Certified Mail Return Receipt Req.

By: /s/ Judith R. Blakeway
Judith R. Blakeway

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

SECURITIES AND EXCHANGE COMMISSION, Plaintiff, v. STANFORD INTERNATIONAL BANK, LTD., et al., Defendants.	§	Civil Action No. 3:09-cv-0298-N
SAMUEL TROICE, et al. Plaintiff, v. WILLIS OF COLORADO INC., Defendants.	§	Civil Action No. 3:09-cv-1274

DECLARATION OF EDWARD F. VALDESPINO IN SUPPORT OF RECEIVER, OSIC AND INVESTOR PLAINTIFFS' REQUEST FOR PLAINTIFFS' ATTORNEYS' FEES FOR THE WILLIS LAWSUITS

Pursuant to 28 U.S.C. § 1746, I, Edward F. Valdespino, hereby declare under penalty of perjury that I have personal knowledge of the following facts:

BACKGROUND

1. I submit this Declaration in support of the Receiver, Official Stanford Investors Committee ("OSIC") and Investor Class Plaintiffs' (the "Investor Plaintiffs") (collectively, the "Plaintiffs") Request for Plaintiffs' Attorneys' Fees for the Willis Lawsuits.

2. The request for Plaintiffs' Attorney's Fees is sought for the prosecution of the lawsuits asserted against Willis of Colorado, Inc., Willis, Ltd., Willis Group Holdings, Ltd. and

Amy Baranoucky (the "Willis Defendants") and Bowen Miclette & Britt ("BMB") in Civil Action Nos. 3:13-cv-03980-N (the "Receiver Lawsuit") and 3:09-cv-1274-N (the "Investor Lawsuit") (collectively, the "Willis Lawsuits").

3. I am a former partner in the Commercial Litigation section of Strasburger & Price, LLP. I served and my former law firm continues to serve as Plaintiff's co-counsel in the Willis Lawsuits and are responsible for the prosecution of these lawsuits. I actively participated in all material aspects of the above-referenced lawsuits from the investigative stage to the current status. The other firms that have been involved in the investigation and prosecution of the Willis Lawsuits include Castillo Snyder P.C. ("Castillo Snyder") and Neligan Foley LP ("Neligan Foley").

CURRICULUM VITAE

4. I was admitted to practice law in the State of Texas in 1987. I am also admitted to practice before the United States District Courts for the Northern, Southern and Western districts of Texas and the United States Court of Appeals for the Fifth Circuit. Throughout my career, I have handled complex commercial litigation for both corporate and individual clients, acting as both defendants' and plaintiffs' counsel

5. Strasburger & Price LLP ("Strasburger") was founded in 1939 and currently has approximately 220 attorneys with offices in Austin, Dallas, Frisco, Houston and San Antonio, Texas. Strasburger also maintains offices in New York, Washington, D.C. and Mexico City.

6. Strasburger is a full service firm with attorneys in multiple practice areas providing relevant and meaningful expertise to prosecute the Willis Lawsuits. Strasburger has served as lead counsel in countless lawsuits concerning various areas of the law, including:

a. securities litigation;

b. fiduciary litigation;

c. class action litigation;

d. attorney malpractice; and

e. accounting malpractice.

7. Strasburger attorneys also have handled numerous complex bankruptcy and receivership cases and litigation associated with those cases, representing creditors, receivers and trustees.

8. Strasburger also maintains a strong Appellate group that has been actively involved in the Willis lawsuits and all other Stanford lawsuits.

9. To date, the following Strasburger attorneys have provided substantive assistance for the prosecution of these Willis lawsuits:

a. Robert O'Boyle;

b. Michael Jung;

c. Judith Blakeway;

d. Edward Valdespino (former partner);

e. David Cibrian (former partner);

f. Andy Kerr;

g. Lee Polson;

h. John Muller;

i. Kelsey Sproull;

j. Bob Franke;

k. Jeremy Kell;

l. David Kitner;

m. Teresa Keck;

n. Tate Hemingson;

o. Merritt Clements

p. Deborah DiFilippo;

q. Stephen Dennis; and

r. Margaret Hagelman.

A detailed description of Strasburger, its areas of practice as well as the personal background and experience of the above referenced attorneys are set forth on Strasburger's website, www.Strasburger.com.

STRASBURGER'S WORK ON THE STANFORD CASES

10. In February of 2009, shortly after the collapse of Stanford, Strasburger was retained by over 2300 Stanford victims who lost approximately $570,000,000. We then began investigating potential claims against third party defendants.

11. I filed putative class action lawsuits against the Willis Defendants on behalf of Venezuelan investors that were ultimately combined into the current Troice Class Action Cases.[1] After the Official Stanford Investor's Committee ("OSIC") was formed, I was asked to become a member and served on that committee until January of 2016, without compensation. Judith Blakeway, a Strasburger partner, continues to serve on the OSIC, without compensation.

12. Through cooperation with other counsel and counsel for the Receiver, multiple class action lawsuits were filed on behalf of Stanford investors, as well as litigation filed on behalf of OSIC, including the instant cases as well as the following cases: *Janvey v. Proskauer Rose, LLP,* Case No. 3:13-cv-477; *Janvey v. Greenberg Traurig, LLP,* Case No. 3:12-cv-04616; and

[1] *Troice v. Willis of Colorado, et al*, Civil Action No. 3:09-CV-01274-N-BG and *Troice v. Proskauer Rose, LLP et al*, Civil Action No. 3:09-CV-01600-N-BG ("Troice Class Actions").

Turk v. Pershing, LLC, Case No. 3:09-cv-02199. Strasburger is co-counsel in all of the afore-mentioned cases.

13. In addition, Strasburger was also engaged as lead counsel to represent the OSIC in the following fraudulent transfer cases along with co-counsel:

a. *The Official Stanford Investor's Committee v. American Lebanese Syrian Associated Charities, Inc., et al;* Civil Action No. 3:11-cv-00303-N-BG;

b. *Janvey v. InsideOut Sports & Entertainment,* Civil Action No. 3:11-cv-00760-N-BG;

c. *Janvey v. Interim Executive Management, Inc.,* Civil Action No. 3:10-cv-00829-N-BG;

d. *Janvey v. Merge Healthcare, Inc.;* Civil Action No. 3:10-cv-01465-N-BG;

e. *Janvey v. Tonarelli;* Civil Action No. 3:10-cv-01955-N-BG;

f. *Janvey v. Vingerhoedt, et al;* Civil Action No. 3:11-cv-00291-N-BG; and

g. *Janvey v. Tolentino*; Civil Action No. 3:10-cv-2290-N-BG.

14. Since February of 2009, myself and Strasburger have spent thousands of hours investigating and prosecuting Stanford litigation on a contingent fee basis. We began this process by meeting and interviewing clients and former employees of Stanford in both the United States and in Mexico. We also reviewed documents that we obtained from these individuals, from the internet and from other public sources. We also met with independent witnesses and gleaned information from the public filings of the SEC and Receiver. Through this process, we gained knowledge of the complex structure of Stanford entities, their operations, financial transactions and the relationships between them and the defendants that we have sued. Through this investigation we gained an understanding of how the Ponzi scheme was perpetrated and how

Strasburger clients were victimized through the participation of the third party defendants. It was only through this extensive and comprehensive investigation that we could identify and develop the claims against the third party defendants.

15. Well in excess of 50% of my practice over the last 6 years has been dedicated to these Stanford cases. As a direct consequence, I have been required to turn down billable work that I otherwise would have been able to accept.

16. Strasburger has participated as co-counsel in every facet of the cases, including the investigation of the facts and legal theories that form the bases for the lawsuits and preparing responses to motions to dismiss. I also served as co-lead counsel in the successful appeal of the dismissal of the Troice Class Action cases under SLUSA to the Fifth Circuit and the U.S. Supreme Court ("SLUSA Appeal"). Strasburger appellate partners, Michael Jung and Judith Blakeway were heavily involved in preparing and presenting the briefs to the Fifth Circuit and to The Supreme Court of the United States. In addition, Mike Jung successfully argued the case before the Fifth Circuit.

17. Throughout this process, I have coordinated my activities with the Receiver and his counsel, the Examiner, other members of the OSIC, the SEC and the Department of Justice. On numerous occasions I have also traveled to Washington, D.C. to discuss and coordinate activities with the SEC and DOJ. I have also met with members of the U.S. Senate and US. Congress and their staff. I have interviewed numerous witnesses and reviewed thousands of documents, including spending weeks at the Receiver's document warehouse in Houston. I traveled to Antigua to search for additional documents with counsel for the Receiver. I have also reviewed the databases maintained by the Receiver, and the trial transcripts of the Stanford criminal trial as well as the exhibits used at trial.

18. In my opinion, my involvement and the involvement of Strasburger in all of the related Stanford Cases has proven invaluable to the successful prosecution of the Willis Lawsuits. In addition, it is also my opinion that the proposed Willis settlement could not have been accomplished without the substantial amount of time and effort expended by all Plaintiffs' Counsel and their tireless efforts in the Stanford Cases.

STRASBURGER'S WORK ON THE WILLIS LAWSUITS

19. Based upon our comprehensive investigation of the myriad Stanford entities, their relationship with Willis and BMB and the role of Willis and BMB in the Ponzi scheme, we participated in formulating the causes of action and damage claims and the filing and litigation of the lawsuits that resulted in this settlement.

a. **The Investor Lawsuit**

20. Plaintiff's filed their initial complaint on behalf of the Stanford Investor victims as a putative class on July 2, 2009 and have amended the Complaint with the current operative pleading filed on April 1, 2011 (Third Amended Class Complaint Doc. No. 115). Among other claims, Plaintiffs asserted causes of action against Willis for negligence, aiding and abetting violations of the TSA, aiding and abetting breaches of fiduciary duty, participation in a fraudulent scheme, and conspiracy.

21. Willis and BMB filed comprehensive motions to dismiss the Second Amended Complaint on the ground that the claims were precluded by the Securities Litigation Uniform Standards Act of 1998 ("SLUSA"). The Court dismissed the case on October 27, 2011and Plaintiffs appealed the SLUSA ruling. The United States Court of Appeals for the Fifth Circuit reversed the district court's order of dismissal, and the U.S. Supreme Court affirmed the Court of

Appeals' decision. *See Roland v. Green,* 675 F.2d 503, 506-07 (5th Cir. 2012), *aff'd sub nom., Willis Group Holdings, Ltd. v. Troice,* 134 S.Ct. 1058 (2014).

22. Upon remand, the Defendants filed motions to dismiss Plaintiffs' Third Amended Complaint and the parties prepared and filed extensive briefing to the various motions. Ultimately, on December 15, 2014, the district court granted in part and denied in part Defendants' motions to dismiss.

23. The Court also entered a class certification scheduling order (Doc. No. 192). Pursuant to the order, the parties conducted class discovery, retained experts, and briefed all class certification issues.

24. Plaintiffs filed their Opposed Motion for Class Certification, and For Designation of Class Representatives and Class Counsel, and Brief in Support Thereof, on April 20, 2015. Willis and BMB responded on April 20, 2015. The class certification motion is currently pending decision by the District Court.

25. Willis and BMB answered the Third Amended Complaint on January 30, 2015.

b. **The Receiver Lawsuit**

26. The Receiver filed suit against Defendants on October 1, 2013, in the United States District Court for the Northern District of Texas, in the case styled *The Official Stanford Investors Committee v. Willis of Colorado, Inc., et al,* No. 3:13-CV-03980.

27. On February 28, 2014, Defendants moved to dismiss the OSIC case on numerous grounds. On December 15, 2014 the court granted in part and denied in part Defendants' motions to dismiss (Doc. No. 69). On February 4, 2015, the district court amended the order of dismissal to reflect dismissal of the Receiver and OSIC's claims for aiding and abetting, or participation in fraudulent transfers.

28. Strasburger has been and continues to be actively involved in both the Receiver Lawsuit and the Investor Lawsuit. Strasburger appellate lawyers took the lead in briefing the SLUSA issues and Michael Jung successfully argued the case at the Fifth Circuit Court of Appeals. Strasburger also acted as co-lead counsel for the U.S. Supreme Court briefing and handled the filings for the Plaintiffs at the Supreme Court.

29. In addition, Strasburger was also involved in briefing responses to the motions to dismiss, and the motions to certify the class. I was also actively involved with the preparation and presentation of class representative depositions and also attended the class expert depositions in New York City.

30. Strasburger attorneys continue to actively participate in the case.

31. The parties attempted to mediate the case with Willis Defendants in October 2015, but was unsuccessful. I prepared for and participated in the mediation. The mediation was conducted with former U.S. District Judge Layn Phillips in Newport Beach, California. Former Judge Phillips has vast experience mediating complex litigation cases. A second mediation was held with Judge Phillips in Newport Beach, California on March 31, 2016 and the case was settled with the Willis Defendants subject to certain contingencies.

REQUEST FOR APPROVAL OF ATTORNEYS' FEES

32. Plaintiffs' Counsel have been jointly handling all of the Stanford Cases referenced above, including the Willis Lawsuits, pursuant to twenty-five percent (25%) contingency fee agreements with OSIC (in cases in which OSIC is a named Plaintiff) and the Investor Plaintiffs (in investor class action lawsuits). The Movants seek Court approval to pay Plaintiffs' Counsel a fee equal to an aggregate of twenty-five percent (25%) of the Net Recovery in the Willis Lawsuits.

33. I respectfully submit the fee requested is reasonable in comparison to the total net amount to the amount of legal work Strasburger has performed, without compensation, for the benefit of the Stanford investors. The twenty-five percent (25%) contingency fee was heavily negotiated between OSIC and Plaintiffs' Counsel, and is substantially below the typical market rate contingency fee percentage of 33% to 40% that most law firms would demand to handle cases of this complexity and magnitude. In certain instances, OSIC interviewed other potential counsel who refused to handle the lawsuits without a higher percentage fee. The Willis Lawsuits and the other third-party lawsuits are extraordinarily large and complex, involving voluminous records and electronic data and requiring many years of investigation, discovery and dispositive motions to get to trial.

34. Moreover the Willis Lawsuits and the companion Stanford Cases, many of which were filed over 6 years ago, involve significant financial outlay and risk by Plaintiffs' Counsel. The investor class actions were dismissed following the Court's SLUSA ruling, and are only now proceeding toward class discovery and motions to certify. Plaintiffs' Counsel therefore has, for many years now, borne significant risk of loss through dispositive motions or at trial after years of work for no compensation, and an almost certain appeal following any victory at trial. A twenty-five percent (25%) contingency fee is reasonable given the time and effort required to litigate these case, their complexity and the risks involved.

35. Since February 2009, myself and Strasburger have dedicated thousands of hours to the prosecution of Stanford litigation on a contingent fee basis. This includes time spent investigating and understanding the background and history of the complex web of Stanford companies, the operations, financial transactions, interrelationship and dealings between and among the various Stanford entities and the defendants we have sued, the facts relating to the Ponzi scheme and how

it was perpetrated through the various Stanford entities, and the involvement of the third-party defendants in the foregoing cases with Stanford. Without a comprehensive investigation and understanding of this background and the requisite legal skill, it would not have been possible to formulate viable claims against the third-party defendants and prosecute them successfully.

36. A review of the Court's docket in all of these cases reveals only a portion of the immense amount of work that Plaintiffs' Counsel have put into the prosecution of all of these lawsuits since 2009. The docket and pleadings reveal only the work that is filed with the Court. As the Court is aware, the prosecution of lawsuits of this magnitude, complexity and novelty has required a tremendous amount of time and effort to investigate the facts, research the relevant legal issues, coordinate and strategize with counsel and clients regarding the handling of the cases, conduct discovery, prepare the briefs and motions, negotiate settlements, and prepare cases for summary judgment and trial. Plaintiffs' Counsel have collectively spent thousands of hours since 2009 in their investigation and prosecution of the lawsuits referenced above, including the Willis Lawsuits. Because of the amount of time dedicated to those cases, Plaintiff's counsel was precluded from performing other legal work.

37. Over the last 6 years, myself and other attorneys and paralegals from Strasburger have spent thousands of hours in uncompensated time worth millions of dollars investigating and prosecuting the Stanford Cases, including the Willis Litigation. Well in excess of 50% of my practice over the last 6 years has been dedicated to these Stanford cases. I personally have worked many late nights and weekends for the last 6 years on Stanford cases or Stanford-related matters with virtually no compensation.

38. I have personally tracked the time spent by my firm working on Stanford litigation, which is recorded on a daily basis through detailed time records and identified the time

attributable to the Willis litigation. Based upon my professional judgment and experience with cases of similar novelty, complexity and importance, I believe that the hours and fees expended in the Willis litigation are reasonable and necessary for the effective resolution of this case.

39. As of April 12, 2016, Strasburger spent 4,735.91 hours of attorney and paralegal time worth $2,699,163 at our applicable hourly rates for complex cases of this nature that I feel is rightfully and equitably attributable to the Willis Lawsuits. I am familiar with the legal practice in the Northern District of Texas and have knowledge of the usual and customary rates charged for legal services required in this and similar cases. I am also familiar with the type and amount of legal services reasonably necessary and the nature of the work required to prosecute this type of matter. Strasburger also incurred $78,781.00 in out-of-pocket expenses.

40. The proposed settlement is the direct result of many years of effort and thousands of hours of work by the Receiver, OSIC, Investor Plaintiffs and Plaintiffs' Counsel as described herein. But for the efforts of these parties, and the efforts of myself and my law firm described herein, there would be no Willis Settlement.

41. In light of the tremendous time and expense myself and Strasburger and the other Plaintiffs' Counsel have put into the overall effort to recover monies for the Stanford Receivership Estate and the investors, all of which was necessary to the successful prosecution and resolution of the Willis case, I respectfully submit that the twenty-five percent (25%) fee to be paid to counsel for OSIC and the Investor Plaintiffs for the settlement of the Willis Lawsuits is reasonable. Myself and Strasburger and the other Plaintiffs' Counsel have worked tirelessly for six years to attempt to recover money for the benefit of Stanford's investors for virtually no compensation.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on April 21st, 2016.

EDWARD F. VALDESPINO

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.	§	Civil Action No. 3:09-CV-0298-N
SAMUEL TROICE, *et al.*, Plaintiff, v. WILLIS OF COLORADO, INC., Defendants.	§	Civil Action No. 3:09-cv-01274

DECLARATION OF EDWARD C. SNYDER IN SUPPORT OF MOTION FOR THE AWARD OF ATTORNEYS' FEES AND EXPENSES FROM WILLIS AND BMB SETTLEMENTS

Pursuant to 28 U.S.C. § 1746, I, Edward C. Snyder, hereby declare under penalty of perjury that I have personal knowledge of the following facts:

I. OVERVIEW

I am submitting this Declaration in support of Plaintiffs' Motion for the Award of Attorneys' Fees and Expenses (the "Motion") in relation to the proposed Settlements (hereinafter the "Settlements") with the Willis Defendants,[1] and Bowen Miclette & Britt ("BMB")

[1] The Willis Defendants include Willis Towers Watson Public Limited Company (f/k/a Willis Group Holdings Limited) ("WGH"), Willis Limited, Willis North America Inc. ("Willis NA") and Willis of Colorado, Inc. ("Willis-

(collectively, the "Willis and BMB Defendants"), who are currently named as defendants in Civil Action Nos. 3:13-cv-3980 (the "Receiver Lawsuit") and 3:09-cv-01274 (the "Investor Lawsuit")(collectively, the "Willis and BMB Lawsuits").[2]

A. The Willis and BMB Settlements

1. The settlements through which approval of attorneys' fees is sought in the Motion settles all claims against Willis Defendants in exchange for payment of **$120 million** by Willis to the Receiver for ultimate distribution to the Stanford investor victims (the "Willis Settlement"), and, separately, a settlement by which BMB will pay the Receiver **$12,850,000.00** in settlement and release of all claims against BMB ("the BMB Settlement"), for a combined settlement of **$132,850,000.00**.

2. My law firm along with co-counsel Strasburger & Price, LLP ("Strasburger"), and Neligan Foley LLP ("Neligan") (together with my firm Castillo Snyder P.C., "Plaintiffs' Counsel"), have been litigating claims against the Willis and BMB Defendants on behalf of a putative class of Stanford investors in the Investor Lawsuit since July 2009, and on behalf of the Receiver and OSIC in the Receiver Lawsuit since October 2013. I have been instrumentally involved as lead or co-lead counsel in the Willis and BMB Lawsuits since filing said cases in 2009 and 2013, respectively.

3. The Motion seeks approval of attorneys' fees of $3,212,500 for the BMB settlement, equivalent to 25% of the settlement amount, and a discounted amount of $26,787,500 for the Willis settlement, equivalent to 22.3% of the settlement amount. The reason that one Motion is filed seeking two separate fee awards is because the Willis and BMB Defendants were sued together in the same cases, which were litigated jointly, and the Plaintiffs' counsel

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Colorado") (the Willis entities sometimes collectively referred to as "Willis"), along with former Willis-Colorado executive Amy Baranoucky.

[2] Capitalized Terms not otherwise defined herein shall have the meaning ascribed to them in the Motion.

maintained their time records per case, not per Defendant, and it would be impossible for Plaintiffs' counsel to separate their time spent working on claims against Willis from the time they spent working on their claims against BMB because Plaintiffs litigated the same issues in the cases jointly against both Defendants.

B. Curriculum Vitae

3. I am a named shareholder of the law firm Castillo Snyder P.C., based in San Antonio, Texas, and have been practicing law for twenty one (21) years. I presently serve as co-lead counsel for OSIC and the putative class of Stanford investors with respect to claims against Willis and BMB. I have actively participated in all material aspects regarding the Willis and BMB Lawsuits.

4. I received my law degree from the University of Texas School of Law in 1994 and my law license also in 1994. After law school, I served as Legal Advisor to the former Chairman of the U.S. International Trade Commission in Washington, D.C. Since entering private practice in 1996, I have been involved principally in commercial litigation and trial work, and have handled major cases for both corporate and individual clients, as both plaintiff's and defendant's counsel. I am admitted to practice in the Western, Eastern, Northern and Southern federal districts of the State of Texas as well as the Fifth and Ninth Circuit courts of appeal and the United States Supreme Court.

5. Castillo Snyder is a commercial litigation "boutique" firm based in San Antonio. My partner Jesse Castillo (who is a 30+ year trial lawyer and previously was a partner at Cox & Smith) and I concentrate our practice on complex commercial litigation, including everything from contract, corporate and partnership disputes, securities litigation, real estate litigation, oil and gas litigation and other commercial and business cases. We have tried dozens of complex

commercial matters to verdict and judgment, including commercial cases tried in U.S. courts under foreign laws.

6. Since the 1990s, my partner and I have been involved on the plaintiffs' side in numerous class action lawsuits involving allegations of fraud and securities fraud and aider and abettor liability. In the late 1990s, while at San Antonio-based law firm Martin, Drought & Torres, I (along with my current partner Jesse Castillo) served as lead or co-lead or second chair class counsel in roughly a dozen or more state-wide and nationwide class actions against life insurance companies based on allegations of fraud in the marketing and sale of "vanishing premium" life insurance products. In that capacity we litigated class action cases and certified various class actions, typically for settlement purposes although some were litigated to class certification hearings, and also handled class action administrative issues including class claims administration via settlement distribution procedures with class action administration agents we employed. Some of the defendant life insurance companies we brought (and resolved) class action litigation against include: Metlife, CrownLife, First Life Assurance, Manufacturers Life, Equitable Life, Sun Life, College Life, Jackson National Life, Great American Life, and John Hancock.

7. One of my specialized practice areas over the last 16 years has been in the area of pursuing third parties such as banks, accounting firms, law firms and others accused of aiding and abetting complex international (typically offshore) securities fraud schemes. From 1998 through 2006 I served as lead class counsel for Mexican investors who had been defrauded by a Dallas-based Investment Adviser firm named Sharp Capital Inc. ("Sharp") that operated what amounted to an illegal offshore "fund" in the Bahamas but that was run from Dallas. The SEC intervened and filed suit against Sharp and appointed Ralph Janvey as the receiver for Sharp.

Sharp lost over $50 million of Mexican investor funds. Through various lawsuits we brought under the Texas Securities Act ("TSA"), we were able to eventually recover millions of dollars for the Sharp investors. See *Melo v. Gardere Wynne*, 2007 WL 92388 (N.D. Tex. 2007). I also represented Ralph Janvey, as receiver for Sharp, in litigation arising from the Sharp case, which was also settled. See *Janvey v. Thompson & Knight*, 2004 WL 51323 (N.D. Tex. 2004).

8. Beginning in late 1999, my prior law firm and I also served as lead and/or co-lead class counsel (along with the Diamond McCarthy law firm) for the Class of primarily Mexican investors of the InverWorld group of companies, which was an investment group based in San Antonio that operated what amounted to an offshore fund in the Cayman Islands. We filed class action lawsuits against several Defendants, including a French bank, New York law firm Curtis Mallet-Prevost, and accounting firm Deloitte & Touche. See *Nocando Mem Holdings v. Credit Comercial de France*, 2004 WL 2603739 (W.D. Tex. 2004); *Gutierrez v. the Cayman Islands Firm of Deloitte & Touche*, 100 S.W.3d 261 (Tex. App. – San Antonio 2002). Those class cases proceeded in tandem with estate litigation filed by the bankruptcy trustee for InverWorld, who was principally represented by Neligan Foley. All of the class cases were premised on TSA aider and abettor claims and all of them eventually settled, each for eight figure sums.

9. In 2003 I was retained by a group of Mexican investors who had been defrauded in yet another $400 million offshore investment fraud committed by a Houston-based investment firm called InterAmericas that, like Stanford, ran an offshore bank (in Curacao, Netherlands Antilles) through which primarily Mexican investors invested. While not a class action, myself and my former law firm filed litigation under the TSA aider and abettor provisions against Deloitte & Touche and a few other Defendants, resulting in seven figure settlements. See *Deloitte & Touche Netherlands Antilles and Aruba v. Ulrich*, 172 S.W.3d 255 (Tex. App. –

Beaumont 2005).

10. Besides the Stanford cases, I have recently been involved in two other SEC Ponzi scheme cases. I served as a Special Litigation Counsel to an SEC Receiver in the Central District of California in a Ponzi scheme case styled *Securities and Exchange Commission v. Westmoore Management LLC et al*, Case No. 08:10-CV-00849-AG-MLG. In that capacity I represented the Receiver with respect to all litigation activities. I also currently represent several foreign investors in an alleged Ponzi scheme case in McAllen, Texas styled *Securities & Exchange Commission v. Marco A. Ramirez, Bebe Ramirez, USA Now, LLC., USA Now Energy Capital Group, LLC., and Now. Co. Loan Services, LLC;* In the United States District Court for the Southern District of Texas – McAllen Division; Case No. 7:13-cv-00531.

11. Based on my experience in SEC receivership and offshore fraud cases generally, as well as my experience in the Stanford cases, I am often invited to speak at seminars on securities litigation issues (including liability under the TSA) by the Texas State Bar.

C. Involvement with the Stanford Cases Since 2009

12. I and my law firm have been heavily involved with the Stanford cases since February 2009. Soon after Stanford collapsed in February 2009, I was retained by hundreds of investors from Mexico. I immediately began investigating potential claims against various third party defendants connected with the collapse of Stanford. The Willis and BMB Defendants were the very first potential litigation targets I discovered, as many of my Mexican clients showed me copies of the insurance letters issued by Willis and, previously, by BMB, when I was retained by them between February and May 2009.

13. After the OSIC was created, I was asked to be a member of said Committee and continue to serve on said Committee today, without compensation. My service on OSIC has

consumed hundreds if not thousands of hours of my time over the last few years including time spent communicating with other OSIC members on weekends and late at night.

14. My investigations and efforts eventually led myself and the other Plaintiffs' Counsel to file multiple class action lawsuits on behalf of Stanford investors, as well as companion litigation on behalf of OSIC, including the following cases: *Troice v. Willis of Colorado et al*, Case No. 3:09-cv-01274; *Janvey v. Willis of Colorado, Inc.*, Case No. 3:13-cv-03980; *Troice v. Proskauer Rose et a*l., Case No. 3:09-cv-01600; *Janvey v. Proskauer Rose, LLP*, Case No. 3:13-cv-477; *Janvey v. Greenberg Traurig, LLP*, Case No. 3:12-cv-04641; *Philip Wilkinson, et al v. BDO USA, LLP, et al*, Case No. 3:11-cv-1115; *The Official Stanford Investors Committee v. BDO USA, LLP, et al*, Case No. 3:12-cv-01447; *Turk v. Pershing, LLC*, Case No. 3:09-cv-02199; *Wilkinson, et al. v. Breazeale, Sachse, & Wilson, LLP*, Case No. 3:11-cv-00329; and *Janvey v. Adams & Reese, LLP, et al.*, Case No. 3:12-cv-00495 (the "Stanford Cases").

15. I am either lead counsel or co-lead counsel with the other Plaintiffs' Counsel in all of the Stanford Cases and I have been actively involved in every facet of the cases, including the investigation of the facts and legal theories that form the bases for the suits, responding to motions to dismiss and litigating class certification. I served as co-lead counsel in the successful appeals of the dismissal of the related *Troice* class action cases under SLUSA to the Fifth Circuit and the U.S. Supreme Court ("SLUSA Appeal").

D. The Claims Against Willis and BMB and Procedural History of the Litigation

16. As stated above, Plaintiffs sued both Willis and BMB as co-Defendants in the same two cases: the Investor Lawsuit, filed in 2009, and the Receiver Lawsuit filed in 2013.

1. <u>The Investor Lawsuit</u>

17. On July 2, 2009, based on my investigation and interviews of multiple clients

over the preceding 5 months, I filed the Investor Lawsuit against Willis and BMB as a putative class action. [Investor Lawsuit, ECF No. 1]. The original complaint was subsequently amended three times as we received further information and evidence. [*Id.*, ECF Nos. 13 (First Amended, August 12, 2009), 28 (Second Amended, December 31, 2009), and 115 (Third Amended, April 1, 2011)]. The Willis and BMB Defendants filed motions to dismiss the Investor Lawsuit for failure to state a claim (Willis-Colorado) and for lack of personal jurisdiction (for Willis' parent holding company WGH and Baranoucky) on February 25, 2010. [*Id.*, ECF Nos. 37, 40, 41, 43, 45, 47]. In response to the personal jurisdiction motions, Plaintiffs sought leave to take jurisdictional discovery of WGH, which leave was granted by the Court. [*Id.*, ECF Nos. 54 and 63]. Plaintiffs proceeded to serve discovery requests on WGH and received and reviewed the documents produced, and then I deposed Baranoucky, in October 2010 in Bermuda, and also deposed the Chief Operating Officer of WGH in December 2010 in London.

18. Following the Court's grant of leave for the plaintiffs' to file their Third Amended Complaint (in April 2011), on May 2, 2011 the Willis and BMB Defendants filed a new round of 12(b)(6) motions to dismiss. [*Id.*, ECF 123, 125, 127]. The investor plaintiffs filed their responses to said motions – including to Baranoucky's, but not WGH's, jurisdictional motions - on June 8, 2011. [*Id.*, ECF Nos. 137, 138]. On October 27, 2011, this Court granted the 12(b)(6) motion to dismiss, finding that the Securities Litigation Uniform Standards Act of 1998 ("SLUSA") precluded the action. [*Id.*, ECF Nos. 155, 156]. The Investor Plaintiffs appealed that decision to the Fifth Circuit. On March 19, 2012, the Fifth Circuit issued its opinion reversing this Court's order of dismissal. *Roland v. Green*, 675 F.3d 503 (5th Cir. 2012). The Willis and BMB Defendants then petitioned for *certiorari* with the United States Supreme Court, which granted the petition. On February 26, 2014, the Supreme Court issued its opinion affirming the

Fifth Circuit and concluding that SLUSA did not preclude the state law-based class action lawsuits brought against Defendants in the Investor Lawsuit. *Chadbourne & Parke, LLP v. Troice*, 134 S. Ct. 1058 (2014).

19. As soon as the case was once again before this Court, in late March 2014 plaintiffs moved the Court to defer ruling on the remainder of the arguments contained in the Willis and BMB Defendants' still-pending motions to dismiss and to instead enter a Scheduling Order and set the case for trial, which the Court denied via its Order dated September 16, 2014. [*Id.*, ECF 17, 193]. The parties also stipulated to consolidate the Investor Lawsuit with the Receiver Lawsuit. [*Id.*, ECF 181].

20. On September 16, 2014, the Court issued its Class Certification Scheduling Order, ordering the parties to engage in class certification discovery and to file all class certification motions, briefs, and evidence on April 20, 2015. [*Id.*, ECF 192]. The parties thereafter engaged in 6 months of intensive class certification discovery, depositions and briefing, and submitted all of their pleadings and evidence in support of, or opposition to, class certification on April 20, 2015. [*Id.*, ECF Nos. 226-257].

21. In the meantime, the parties filed supplemental briefing in support of and in opposition to the Willis and BMB Defendants' still-pending 12(b)(6) motions to dismiss, as well as Baranoucky's personal jurisdiction motion to dismiss. [*Id.*, ECF Nos. 194-199, 202-203]. By Order dated December 15, 2014, the Court granted in part and denied in part the Willis and BMB Defendants' 12(b)(6) motion to dismiss the Investor Lawsuit,[3] dismissing the claims against the Willis and BMB Defendants for primary violations of the TSA, co-conspirator liability under the TSA, and for civil conspiracy, but declining to dismiss the other claims against the Willis and

[3] Because BMB ceased to issue the insurance letters in 2004, BMB had separate and distinct legal arguments from Willis with regard to applicable statutes of limitations and repose under the TSA that the Investor Plaintiffs were required to address.

BMB Defendants, including claims for aiding and abetting TSA violations, for aiding and abetting/participation in a fraudulent scheme, and individual claims for insurance code violations, common law fraud, negligent misrepresentation, gross negligence, negligent retention and negligent supervision. [*Id.*, ECF No. 208]. The Court also denied Baranoucky's personal jurisdiction motion to dismiss. The Willis and BMB Defendants (with the exception of WGH, whose personal jurisdiction motion to dismiss had been tabled) then filed their Answers to plaintiffs' Third Amended Complaint on January 30, 2015. [*Id.*, ECF Nos. 215, 216, 217].

22. WGH then filed a new motion to dismiss for lack of personal jurisdiction in June 2015. [*Id.*, ECF Nos. 258, 259] Plaintiffs filed their Response and evidence in opposition to WGH's motion, arguing and presenting evidence to support the Court's jurisdiction over WGH, as Willis' parent holding company, by virtue of its control over its operating entities under the theories of agency and alter ego. [*Id.*, ECF Nos. 267, 268]. As a result of plaintiffs' filing, on November 17, 2015 WGH withdrew its jurisdictional motion. [*Id.*, ECF 269].

2. The Janvey Litigation

23. On October 1, 2013, the Receiver and Committee, Troice and Canabal, individually and behalf of the class, commenced an action against Defendants BMB, Willis of Colorado, Inc., Willis, Ltd., Willis Group Holdings, Ltd. and Willis North America, Inc. in Civil Action No. 3:13-cv-03980-N-BG, *Ralph S. Janvey, in his Capacity as Court-appointed Receiver for the Stanford Receivership Estate, The Official Stanford Investors Committee, and Samuel Troice and Manuel Canabal, on their own behalf and on behalf of a class of all others similarly situated v. Willis of Colorado Inc., et al.* (the "Receiver Lawsuit") [ECF No. 1].

24. The Willis and BMB Defendants then filed Motions to Dismiss the Janvey Litigation on February 28, 2014. [Receiver Lawsuit, ECF No. 19-31]. Plaintiffs filed a Response

to Defendants' Motions to Dismiss on April 29, 2014. [*Id.*, ECF No. 47].

25. On December 5, 2014, the Court granted in part and denied in part the Willis and BMB Defendants' motion to dismiss, dismissing claims for civil conspiracy, and primary liability under the TSA, but declining to dismiss the other claims against the Willis and BMB Defendants. [*Id.*, ECF No. 64]. The Willis and BMB Defendants filed their Answers in the Janvey Litigation on January 16, 2015. [*Id.*, ECF No. 73, 74].

E. Mediation

26. Mediation was held with the Willis Defendants on two occasions. The first mediation was held in October 2015 before the Hon. Layn R. Phillips in California and lasted most of the day. However the parties were unable to reach resolution at that time. The parties convened a second mediation with the Hon. Layn R. Phillips in California on March 31, 2016 and reached agreement resulting in the Willis Settlement. The parties then spent several months drafting and refining the settlement documents until they were executed in late August 2016.

27. The BMB Settlement was reached as a result of several months of negotiations, much of which revolved around BMB's remaining insurance limits. Plaintiffs were eventually able to extract the BMB settlement amount of $12.85 million, which constitutes virtually the entirety of BMB's remaining insurance coverage.

28. Without the tireless effort of the Receiver, the Committee, Investor Plaintiffs, and their counsel in investigating and prosecuting these claims as part of the overall effort to recover money from third parties for the benefit of Stanford Investors, the settlement could never have been achieved, and the Willis and BMB Lawsuits would have dragged on for years with an uncertain outcome and at great expense to the parties.

F. Plaintiffs' Counsel Have Invested Substantial Time in the Willis and BMB Lawsuits

29. Plaintiffs' Counsel collectively have spent roughly 7 years and thousands of hours zealously pursuing claims against the Willis and BMB Defendants on behalf of the Stanford Receivership Estate and the Stanford investors prior to reaching the mediated settlement in late March 2016, including the SLUSA Appeal of the Investor Lawsuit all the way to the U.S. Supreme Court. As part of the investigation of claims against Willis and BMB, we reviewed voluminous documents, including thousands of pages of documents detailing Willis' and BMB's relationship with and services provided to Stanford. BMB's history with Stanford in particular was quite extensive, as it dated back to the mid-1990s. The documents reviewed included documents from the Receivership, from the investors, from former Stanford Financial Advisors, documents eventually obtained from Willis through discovery, and documents obtained from the Antiguan Joint Liquidators. We also interviewed dozens of witnesses. We researched relevant case law to develop claims against Willis and BMB, including claims under the TSA and other common law claims belonging to the Stanford investors, as well as claims that could be asserted by the Receiver and OSIC, to determine how the facts surrounding Willis' and BMB's conduct supported such claims. The investigation of claims further required formulation of viable damage models and causation theories for both the Receivership Estate claims and the investor claims, and myself and Plaintiffs' Counsel spent considerable time researching and working up damage models for these cases.

30. Plaintiffs' Counsel could not have successfully prosecuted and resolved the claims asserted against Willis and BMB without having spent thousands of additional hours investigating and understanding the background and history of the complex web of Stanford companies, the operations, financial transactions, interrelationship and dealings between and

among the various Stanford entities, and the facts relating to the Ponzi scheme and how it was perpetrated through the various Stanford entities. Without a comprehensive investigation and understanding of this background, it would not have been possible to formulate viable claims against Willis and BMB, and prosecute them successfully to conclusion.

31. Finally, Plaintiffs' Counsel have diligently and aggressively litigated the Investor and Receiver Lawsuits close to 7 years, including appeals to the Fifth Circuit and U.S. Supreme Court. Plaintiffs' Counsel briefed and largely prevailed on Defendants' Motions to Dismiss, and engaged in extensive class certification discovery and voluminous briefing of class certification issues that included numerous complex and novel issues regarding foreign law.

III. THE COURT SHOULD APPROVE THE ATTORNEYS' FEES' REQUEST

A. The Contingency Fee Agreement

32. Plaintiffs' Counsel have been jointly handling all of the Stanford Cases referenced above, including the claims against Willis and BMB, pursuant to twenty-five percent (25%) contingency fee agreements with the Receiver, OSIC (in cases in which OSIC is a named Plaintiff) and the Investor Plaintiffs (in investor class action lawsuits). With specific reference to the Willis and BMB Lawsuits, Plaintiffs' Counsel were collectively retained by the Investor Plaintiffs pursuant to contingency fee contracts that provide for a fee equivalent to 25% of any net recovery from Willis and/or BMB. Similarly, Neligan was retained by the Receiver pursuant to a contingency fee contract that provides for a fee equivalent to 25% of any net recovery from Willis and/or BMB, and my firm and Strasburger were retained by OSIC to pursue claims against Willis based on a 25% contingent fee. Plaintiffs' Counsel have requested the payment of the fees in the Motion pursuant to their fee agreements with the Receiver and OSIC.

33. Plaintiffs' Counsel have entered into agreements, approved by the Receiver and

OSIC, in which they have agreed to split fees between them, and said fee splits vary from case to case. For example, in the BDO Seidman cases, Neligan Foley assumed the lead counsel position and was entitled to, and did, receive 65% of the fees approved by the Court. My firm, Strasburger and Butzel Long shared the remainder. The fee splitting agreement in the Kroll case provides that the Davis Sanchez law firm that served as lead counsel with respect to that matter will receive the majority – 55% - of the fees awarded in that case, with my firm, Strasburger, Neligan, and Butzel Long sharing the remainder. In the Chadbourne case, my firm is by agreement to receive 42.5% of the fees, followed by Strasburger with 37.5% and Neligan with 20%. Similarly, the fee split agreement between Plaintiffs' Counsel in the Willis and BMB Lawsuits contemplates my firm receiving 42.5% of the fees awarded, Strasburger receiving 37.5% and Neligan 20%.

34. As stated in the Motion, the Movants seek Court approval to pay Plaintiffs' Counsel a fee equal to 25% from the BMB Settlement and a discounted fee equivalent to 22.3% of the Willis settlement. This is the fee agreed to be paid to Plaintiffs' Counsel by the Receiver and OSIC, and this is the amount of the fee for which approval is sought in the Motion.

B. The Requested Contingency Fees are Fair and Reasonable

35. It is my opinion that the fees requested in the Motion are reasonable in comparison to the total net amount to be recovered for the benefit of the Stanford investors. The twenty-five percent (25%) contingency fee was heavily negotiated between the Receiver, OSIC and Plaintiffs' Counsel, and is substantially below the typical market rate contingency fee percentage of 33% to 40% that most law firms would demand to handle cases of this complexity and magnitude. In certain instances, OSIC interviewed other potential counsel who refused to handle the lawsuits without a higher percentage fee. Moreover, Plaintiffs' Counsel has agreed to

take a discount on the Willis settlement by requesting a reduced fee equivalent to 22.3% of the recovery instead of 25%. The claims against Willis, BMB and the other third-party lawsuits are extraordinarily large and complex, involving voluminous records and electronic data and requiring many years of investigation, discovery and dispositive motions to get to trial.

36. Moreover, as described above, the litigation against Willis and BMB has been hard fought and has gone on for almost 7 years and included various levels of appeals all the way to the U.S. Supreme Court. As a result Plaintiffs' Counsel have collectively invested thousands of hours of time worth in excess of $5 million over almost a 7 year period working on the Willis and BMB Lawsuits, without compensation. Plaintiffs' Counsel has, for many years now, borne significant risk of loss throughout this process after years of work for no compensation. A 25% (or 22.3% in the case of Willis) contingency fee is reasonable given the time and effort that was actually expended, the complexity of the lawsuits and the risks involved.

C. The Johnson Factors

37. It is my opinion that the fees requested in the Motion are reasonable based on the factors enunciated in *Johnson v. Georgia Hwy. Express, Inc.*, 488 F.2d 714 (5th Cir. 1974)). The *Johnson* factors include: (1) the time and labor required; (2) novelty and difficulty of the issues; (3) required skill; (4) whether other employment is precluded; (5) the customary fee; (6) whether the fee is fixed or contingent; (7) time limitations; (8) the amount involved and the results obtained; (9) the attorneys' experience, reputation and ability; (10) the "undesirability" of the case; (11) the nature and length of the professional relationship with the client; and (12) awards in similar cases. The following analysis of these factors further demonstrates that the proposed 25% fee is reasonable and should be approved.

1. The Time and Labor Expended by Counsel in these Cases Support the Fee Award Requested

38. The Willis and BMB Lawsuits to date have consumed over $2.3 million of my and my law firm's time since February 2009. This includes time spent investigating and understanding the relationship between the Willis and BMB Defendants and Stanford, and BMB and Willis' issuance of the insurance letters at issue, and reviewing hundreds of thousands of pages of documents related to Willis, BMB and Stanford. Our efforts also included, among other things:

- Researching, compiling evidence for, and filing the Complaint and First, Second and Third Amended Complaints, which survived Defendants' motions to dismiss;
- Contacting and interviewing witnesses in the United States, Mexico, Venezuela, and Antigua;
- Negotiating and obtaining the production of discovery from multiple Defendants;
- Reviewing hundreds of thousands of documents produced by the Willis Defendants, the Department of Justice, the Receiver, the Joint Liquidators in Antigua and others;
- Briefing and defeating motions to dismiss for lack of personal jurisdiction, including causing WGH to withdraw its motion;
- Briefing and defeating 12(b)(6) motions to dismiss for failure to state claims under the Texas Securities Act and other causes of action;
- Conducting depositions of Baranoucky and WGH's chief operating officer in Bermuda and London;
- Defending depositions of class representatives and experts in Dallas and New York;
- Briefing and arguing in the Fifth Circuit the appeal of the dismissal of the action under the Securities Litigation Uniform Standards Act of 1998 (SLUSA), resulting in reversal of the dismissal;
- Participating in briefing and preparation for oral argument in the United States Supreme Court, resulting in an opinion affirming the Fifth Circuit's decision that SLUSA did not bar the Investors Plaintiffs' claims;
- Working with consultants and experts, including in support of a motion for class certification;
- Engaging in class certification discovery;

- Briefing and submitting evidence in support of the motion for class certification, including complex choice of law issues;
- Conducting numerous in-person meetings, telephone calls and email exchanges with experienced counsel on both sides regarding the settlement terms over the course of several months;
- Undertaking many steps to ensure that they had all necessary information to advocate for a fair settlement that serves the best interests of the Investors;
- Analyzing all of the contested legal and factual issues posed by the litigation to make accurate demands and evaluations of the settling Defendants' positions;
- Engaging in extended arm's-length negotiations, often with the participation of a well- respected former federal judge serving as mediator that led to this settlement agreement;
- Preparing multiple written mediation submissions;
- Responding to inquiries from class members and potential class members regarding class settlement and issues and the status of the litigation.

39. For almost 7 years, myself and other attorneys and paralegals from my law firm have spent thousands of hours in uncompensated time worth millions of dollars investigating and prosecuting the Willis and BMB Lawsuits. On average, well in excess of 70% of my practice over the last 7 years (and more typically 80-100% of my time on any given week) has been dedicated to the Stanford Cases. I personally have worked many late nights and virtually every weekend for the last 7 years on Stanford cases or Stanford-related matters without compensation. Basically my law practice over the last 7 years has been dedicated almost exclusively to the Stanford Cases, to the exclusion of other clients and work. During large stretches of time during the prosecution of the Willis and BMB Lawsuits I regularly worked 12 and 14 hour days and worked virtually every weekend for several years.

40. Given the length of time involved working on the Willis and BMB Lawsuits since February 2009 (when I began the investigation of Willis and BMB following receipt and review

of the insurance letters from clients) through today's date, my firm has invested over $2.3 million worth of time on the Willis and BMB Lawsuits alone. Specifically, as of September 28, 2016 my firm has spent over **4,000 hours** of attorney and paralegal time worth **$2,333,532** at our applicable hourly rates for complex cases of this nature consisting of time that was dedicated directly to the Willis/BMB cases.

41. The vast majority of the work on these cases has been performed by me, as can be seen in the chart below:

	Biller		***Hourly Rate***	***Hours Billed***	**Total**
ECS	Edward Snyder		$600.00	3402	$2,041,200.00
JRC	Jesse Castillo		$600.00	511.10	$306,660.00
BC	Bianca Cantu		$50.00	5.5	$275.00
SR	Sandy Rivas		$125.00	83	$6,666.67
MC	Melanie Castillo		$225.00	65	$16,250.00
NR	Nadia Ramon		$75.00	3	$225.00
				3972.93	$2,333,532.67

I obviously anticipate investing additional time dedicated to the finalization of the instant Settlement, including monitoring and responding to any objections where applicable, and attending and arguing at the approval hearing. Indeed I anticipate the litigation of objections to this settlement that may result in appeals to the 5th Circuit. Therefore I believe that my law firm's total time dedicated to the Willis and BMB Lawsuits will eventually easily exceed **$2.5 million.**

42. Furthermore, Plaintiffs' Counsel retained Washington-based U.S. Supreme Court appellate counsel Tom Goldstein to assist and serve as lead Supreme Court appellate counsel with respect to the SLUSA appeal before the U.S. Supreme Court, and we are contractually obligated to pay Mr. Goldstein's firm, Goldstein & Russell P.C., the sum of **$334,000.00** in compensation for the work he performed on said appeal.

43. My firm has also incurred and paid **$38,407.37** in unreimbursed expenses in the Willis and BMB lawsuits, which mostly consists of expert witness fees and travel expenses incurred in the class certification process in the Investor Litigation.

44. The significant time and effort devoted to this case by Plaintiffs' Counsel, and their commitment to the efficient management of the litigation, support approval of the requested award.

2. The Novelty and Difficulty of the Issues Support the Fee Award Requested

45. The factual and legal issues presented in these lawsuits are difficult and complex, particularly with regard to the foreign law and other issues raised in the class certification briefing, as well as the issues raised in the dismissal motions and responses. In order to develop these cases, we conducted a thorough analysis of the potential claims against the Willis and BMB Defendants in aiding and abetting Stanford's fraudulent scheme via the insurance letters, considering: claims available under both state and federal law; the viability of those claims considering the facts underlying the Willis and BMB Defendants' business dealings with Stanford and applicable Texas law the success of similar claims in other Ponzi scheme cases, in the Fifth Circuit and elsewhere; and defenses raised by the Willis and BMB Defendants in their motions to dismiss and class certification briefing.

46. When the Investor Plaintiffs commenced their action, they were immediately confronted by motions to dismiss raising complex and novel issues concerning (1) SLUSA, (2) securities and dealer registration liability under the TSA, (3) limitations, (4) joint and several liability, and (5) personal jurisdiction issues as to Baranoucky and Willis Group. The SLUSA issue was litigated all the way to the Supreme Court. The Investor Plaintiffs then fully litigated and briefed the question of class certification, involving difficult issues of res judicata under the foreign laws of multiple countries [Investor Lawsuit, ECF 226-42]. Plaintiffs' Counsel also

briefed and submitted evidence in support of complex alter ego theories in response to WGH's motion to dismiss for lack of personal jurisdiction, resulting in WGH's withdrawal of the motion [*Id.*, ECF 267-68, 269], which was important since we were concerned that the issuer of the letters, Willis-Colorado, would not have sufficient financial wherewithal to satisfy a judgment in these cases. The Receiver Lawsuit similarly involves complex issues of liability and damages for the Estate claims against the Willis and BMB Defendants.

3. The Skill Required and the Quality of the Representation Support the Fee Award Requested

47. Given the complexity of the factual and legal issues presented in this case, the preparation, prosecution, and settlement of this case required significant skill and effort on the part of Plaintiffs' Counsel. As described above,[4] I have represented investor classes as well as receivership and bankruptcy estates on numerous occasions, and Plaintiffs' Counsel currently serves as counsel for the Receiver, the Committee, and other investor plaintiffs, both individually and as representatives of putative classes of Stanford Investors, in multiple other lawsuits pending before the Court.

48. This skill and experience is extremely important because these Stanford cases are not "typical" cases where a client comes to a lawyer with an injury and a readily identifiable defendant that is alleged to have caused the injury. Here the only thing the Investor Plaintiffs knew in 2009 was that they had invested money with Stanford and now Stanford had been shut down and an SEC Receiver had been appointed. It then was up to counsel like myself and the other Plaintiffs' Counsel to perform an extensive investigation to locate and identify potential litigation targets, identify what they did wrong or how they contributed to Stanford's fraud, and then file and litigate lawsuits against them. Thus it was only through our diligent efforts that

[4] See *Supra* at ¶¶s 6-10.

these cases even came into existence in the first place. These are not the type of cases that many lawyers have the experience or capacity (or desire) to take on, particularly not on a full contingency fee basis.

49. The quality of representation is further evidenced by the work product that was filed before the Court, as well as in the results achieved, including the victories in the Fifth Circuit and U.S. Supreme Court. The high quality of the opposition that Plaintiffs' Counsel faced is further testament to the quality of Plaintiffs' Counsel's representation. The Willis Defendants were represented by skilled and highly regarded counsel from New York-based Weil, Gotshal & Manges LLP with well-deserved reputations for vigorous advocacy in the defense of complex civil cases, and BMB was represented by the equally competent Dallas office of Andrews & Kurth.

4. Preclusion of Time to Work on Other Matters Supports the Fee Award Requested

50. The sheer amount of time and resources required to investigate, prepare, and prosecute the Willis and BMB Lawsuits, as reflected by the hours invested, significantly reduced and in most respects entirely eliminated my ability to devote time and effort to other matters since 2009. Indeed I lost several regular hourly billing clients and had to turn away other work due to my focus on the Willis and BMB Lawsuits and other Stanford litigation over the last 7 years.

5. The Customary Fee Supports the Fee and Expense Award Requested

51. The 25% (or 22.3% in the case of Willis) fee requested is substantially below the typical market rate contingency fee percentage of 33% to 40% that most law firms would demand to handle cases of this complexity and magnitude. The Investor Lawsuit was filed almost seven years ago. The lawsuits have involved significant financial outlay and risk by

Plaintiffs' Counsel, the risk of loss at trial after years of work for no compensation, and an almost certain appeal following any victory at trial. I submit that these factors warrant a contingency fee of more than 25%. Nonetheless, Plaintiffs' Counsel agreed to handle the Willis and BMB Lawsuits on a 25% contingency fee basis, and that percentage is reasonable given the time and effort required to litigate these cases, their complexity and the risks involved.

6. The Fact that the Fee Is Contingent Supports the Fee Award Requested.

52. An evaluation of the risks undertaken by Plaintiffs' Counsel in prosecuting this action also supports the reasonableness of their fee request. Despite the most vigorous and competent of efforts, success is never guaranteed. Despite our faith in the case, we risked losing everything. We invested enormous numbers of hours of service over 7 years and advanced large sums for expenses "up front."

53. This case presented risks and uncertainties beyond those typically encountered, which made it uncertain that any recovery, let alone the settlement eventually obtained, would be achieved. For example, Defendants twice moved to dismiss the complaint, achieving complete success the first time, requiring appeals all the way to the United States Supreme Court.

7. The Time Limitations Support the Fee Award Requested

54. Plaintiffs' Counsel has been consistently under deadlines and time pressure throughout the Willis and BMB Lawsuits given the extensive briefing and motion practice, including class certification discovery and briefing, an appeal to the Fifth Circuit and an appeal to the Supreme Court. Moreover the activity in the Willis and BMB Lawsuits must be measured in the context of the wider Stanford case as a whole, as Plaintiffs' Counsel were litigating multiple cases at the same time. As just an example, this Court issued its Class Certification Scheduling Order in the Investor Lawsuit on the same day it issued an identical Class

Certification Scheduling Order in the *Troice v. Proskauer* case.[5] Thus Plaintiffs' Counsel was under extreme time pressures to conduct class discovery, compile and submit evidence and brief class issues in two massive cases at the same time. Such herculean effort deserves recognition and just compensation.

8. The Amount Involved and Results Obtained Support the Fee Award Requested

55. The $120 million settlement represents a substantial value to the Receivership Estate; indeed it is the largest single source of recovery for the Stanford investors in the history of the overall case. This factor also supports approval of the requested fee and expense. As discussed above, the proposed award represents 25% of the value of the BMB settlement and 22.3% of the value of the Willis settlement, both of which are amounts well within the range of fees awarded by courts in similarly-sized class actions.

9. The Attorneys' Experience, Reputation, and Ability Support the Fee Award Requested

56. As described above and in the declarations of the other Plaintiffs' Counsel, my firm and the other Plaintiffs' Counsel have represented numerous investor classes, receivers, bankruptcy trustees, and other parties in complex litigation matters related to equity receiverships and bankruptcy proceedings similar to the Stanford receivership proceeding. Plaintiffs' Counsel have been actively engaged in the Stanford proceeding since its inception, working on multiple litigations simultaneously to the exclusion of other cases.

10. The Undesirability of the Case Supports the Fee Award Requested

57. As described above, there are not many lawyers who are willing to, or who have the experience and capacity to take on cases of this magnitude, where everything – including even the identities of the defendants – is uncertain at inception, and there are even fewer lawyers

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5 *Troice v. Proskauer Rose et al.*, Case No. 3:09-cv-01600, Doc. No. 142, September 16, 2014.

who are willing to take on such a massive endeavor on a contingency fee basis. Large complex class action cases—such as the present litigation—carry with them elevated risks, require lengthy investigation and the investment of massive resources, and may result in no recovery, making them inherently undesirable. The issues presented in this litigation rendered the case inherently risky, if not "undesirable" from the start. The case involved a panoply of difficult issues of law and fact. The cases were risky when Counsel accepted them in 2009. The risks Plaintiffs' Counsel faced must be assessed as they existed at the time counsel undertook the litigation and not in light of the settlement ultimately achieved. The "undesirability" of the litigation -- measured as of July 2009 - supports the requested percentage.

11. The Nature and Length of Professional Relationship with the Client Support the Fee Award Requested

58. Plaintiffs' Counsel have represented the Receiver, the Committee, and Investor Plaintiffs in numerous actions pending before the Court since 2009. This factor also weighs in favor of approval of the requested fee.

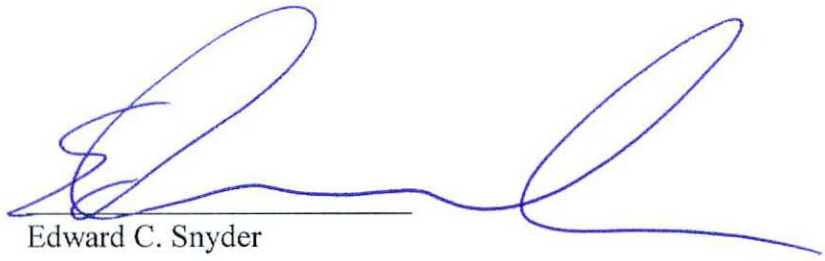
12. Awards in Similar Cases Support the Fee Award Requested

59. This Court has approved a 25% contingency fee in other Stanford cases [*see Official Stanford Inv'rs Comm. v. BDO USA, LLP*, No. 3:12-cv-01447-N-BG (N.D. Tex. Sep. 23, 2015), ECF No. 80; and Order Approving Attorneys' Fees in *Janvey v. Adams & Reese, LLP*, Civil Action No. 3:12-CV-00495-B [SEC Action, ECF. No. 2231]], and as described in the Motion such a fee is lower than the percentage typically awarded in complex federal securities class actions like the Willis Lawsuits.

60. Here, there is even more reason to find the fee to be reasonable given the vast amount of work and risk undertaken by Plaintiffs' Counsel over the last almost seven years. The settlement of the Willis and BMB Lawsuits will yield an enormous benefit to the Stanford

Receivership Estate and the Stanford Investors and compares favorably to the other settlements of third-party lawsuits in the over seven-year history of the Stanford Receivership. Thus, I submit that an award of attorneys' fees equal to 25% of the net recovery from the BMB Settlement and 22.3% of the net recovery from the Willis Settlement is reasonable and appropriate and should be approved under applicable Fifth Circuit law, whether using a common fund approach, the *Johnson* factor approach, or a blended approach. In light of the tremendous time and effort myself and my law firm and the other Plaintiffs' Counsel have put into the overall effort to recover monies for the Stanford Receivership Estate and the investors, all of which was necessary to the successful prosecution and resolution of the Willis and BMB Lawsuits, it is my opinion that fee award requested for the settlements of the Willis and BMB Lawsuits is very reasonable. Myself and my laws firm and the other Plaintiffs' Counsel have worked tirelessly for over six years to attempt to recover money for the benefit of Stanford's investors.

Dated: September 30, 2016



Edward C. Snyder

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.	§	Civil Action No. 3:09-CV-0298-N
RALPH S. JANVEY, *et al.*, Plaintiff, v. WILLIS OF COLORADO, INC., *et al.*, Defendants.	§	Civil Action No. 3:13-cv-03980-N

DECLARATION OF DOUGLAS J. BUNCHER

Pursuant to 28 U.S.C. § 1746, I, Douglas J. Buncher, hereby declare under penalty of perjury that I have personal knowledge of the following facts:

A. Purpose of Declaration

1. I am submitting this Declaration in support of the Plaintiffs' Motion for an Award of Attorney's Fees and Expenses in Connection with the Settlement with Willis and BMB Defendants (the "Motion").[1] The Motion seeks approval of attorneys' fees and expenses in connection with two settlements, the settlement with the Willis Defendants for $120 million, and the settlement with the BMB Defendants for $12,850,000. Although the fee agreements with the

[1] Capitalized Terms not otherwise defined herein shall have the meaning ascribed to them in the Motions.

Receiver, the Committee and Plaintiffs provided for payment of a twenty-five percent (25%) contingency fee to Plaintiffs' counsel ($33,212,500), Plaintiffs' counsel have agreed to accept a reduced fee of $30,000,000 pursuant to an agreement negotiated with the Receiver and the Committee after the Willis and BMB Settlements were agreed to in order to provide more money to the Receivership estate and Stanford investors. The agreement provides for Plaintiffs' counsel to receive 25% from the BMB settlement amount ($3,212,500 of the fee), and the remainder of the fee from the Willis Settlement ($26,787,500), which amounts to 22.3% of the Willis Settlement amount. The total agreed upon reduced fee from the Willis and BMB Settlements is 22.58% of the total recovery, a below market percentage fee.

B. Education, Background and Experience

2. My name is Douglas J. Buncher. I am an attorney admitted to practice law in the State of Texas since 1989. I am also admitted to practice before the United States District Courts for the Northern, Southern, Western and Eastern Districts of Texas, and am a member of the Bar Association of the United States Court of Appeals for the Fifth Circuit. I am a partner in Neligan Foley LLP ("Neligan Foley"), a Dallas law firm which concentrates its practice in complex bankruptcy, insolvency and receivership proceedings and related litigation. I have concentrated my practice in complex, commercial litigation since my career began in 1989, and since joining Neligan Foley in 2000 have concentrated my practice in handling complex receivership and bankruptcy litigation.

3. Neligan Foley has handled numerous complex bankruptcy and receivership cases, and litigation associated with those cases, since the firm was formed in 1995. Neligan Foley and I have handled many receivership and bankruptcy-related lawsuits seeking to recover hundreds of millions, and in some cases, billions of dollars in damages from third parties for the benefit of

bankruptcy and receivership estates, as well as the investors and creditors of those estates. A detailed description of Neligan Foley, its areas of practice, case studies, and representative engagements, as well as my personal biography, background and experience, are set forth on Neligan Foley's website, www.neliganfoley.com.

4. As an example of Neligan Foley's prior experience in complex bankruptcy and receivership proceedings, in 1999 Neligan Foley was retained as counsel to the SEC receiver, joint official liquidators and Chapter 11 bankruptcy trustee in the InverWorld insolvency proceeding, a cross-border SEC receivership and bankruptcy case pending in United States Bankruptcy Judge Leif Clark's court in San Antonio, Texas, with a simultaneous Cayman liquidation proceeding in the Cayman Islands. InverWorld, Inc., one of the InverWorld companies, was a San Antonio-based SEC-registered investment adviser and broker-dealer that took in over $300 million of primarily Latin American investors' funds on the promise of liquid, low risk investments and above-market rate returns, much like Stanford on a smaller scale. Neligan Foley was the lead counsel for the SEC receiver in the InverWorld case, serving in essentially the same role as Baker Botts in the Stanford case. In the InverWorld case, Neligan Foley also coordinated and participated in the prosecution of several multi-hundred million dollar lawsuits brought by the receiver/trustee and investors, individually and as class representatives, against third parties who were alleged to have aided and abetted the InverWorld Ponzi scheme, including the auditor Deloitte & Touche, law firm Curtis Mallet, and French, Bahama and Swiss financial institutions affiliated with Credit Commercial de France. All of that litigation was successfully resolved, resulting in significant recoveries to the InverWorld estate and investors.

5. Neligan Foley also served as counsel to an ad hoc committee of bondholders, the litigation trustee, and a group of individual bondholders in litigation arising out of the Global Crossing bankruptcy in 2001 involving hundreds of millions of dollars in alleged damages. At the time, Global Crossing, a company that was laying fiber optic cable all over the world, including on the ocean floors in anticipation of the expanding usage of the internet, was one of the largest bankruptcies in U.S. history.

C. Neligan Foley Role in Stanford-Related Litigation

6. Shortly after the Stanford Receivership was commenced in early 2009, Neligan Foley was approached by Edward Snyder of Castillo Snyder P.C. ("Castillo Snyder") and Edward Valdespino of Strasburger & Price, LLP ("Strasburger") to serve as co-counsel to their clients who had invested hundreds of millions of dollars into Stanford International Bank, Ltd. CDs ("SIBL CDs"). Due to Neligan Foley's prior experience in major bankruptcy and receivership proceedings and third-party litigation associated with those proceedings, Neligan Foley was hired to assist counsel at Castillo Snyder and Strasburger with the investigation and prosecution of litigation against third parties and to assist with the Stanford Receivership and potential bankruptcy issues.

7. Since that time, Neligan Foley has played a significant role in many of the large third party lawsuits arising from the Stanford Receivership. On July 29, 2009, the Stanford Multidistrict Litigation matter, MDL No. 2099, was initiated (the "Stanford MDL Proceeding"), and Neligan Foley has also monitored and participated in the Stanford MDL Proceeding since its inception.

8. In 2009, Castillo Snyder, Strasburger, and Neligan Foley jointly initiated class action lawsuits in this Court on behalf of certain named Stanford investors, individually and on

behalf of a class of similarly situated investors, styled *Troice v. Willis of Colorado, Inc.*, Case No. 3:09-cv-01274 (referred to herein as the "*Troice* Litigation"), and *Troice v. Proskauer Rose, LLP*, Case No. 3:09-cv-01600.

9. Since that time, I and other attorneys from Neligan Foley have participated in the investigation, preparation, filing and prosecution of many of the major Stanford-related lawsuits brought against third-parties on behalf of the Receiver, the Committee and the Stanford investor plaintiffs, who have sued individually and on behalf of putative classes of Stanford investors, including the following lawsuits:

(a) *Official Stanford Investors Committee, et al. v. Breazeale, Sachse, & Wilson, LLP, et al.,* Case No. 3:11-cv-00329;

(b) *Janvey, et al. v. Adams & Reese, LLP, et al.*, Case No. 3:12-cv-00495;

(c) *Janvey, et al. v. Greenberg Traurig, LLP, et al.,* Case No. 3:12-cv-04641;

(d) *Janvey, et al. v. Proskauer Rose, LLP, et al.,* Case No. 3:13-cv-477; and

(e) *Janvey, et al. v. Willis of Colorado, Inc., et al.,* Case No. 3:13-cv-03980 (referred to herein as the "*Janvey* Litigation").

10. In addition to representing the Committee and investor plaintiffs in these cases, Neligan Foley was also engaged to represent the Receiver in all of these cases where the Receiver is a named Plaintiff.

Neligan Foley was also lead counsel for the Plaintiffs in the two BDO lawsuits, which were successfully resolved: *Philip Wilkinson, et al v. BDO USA, LLP, et al,* Case No. 3:11-cv-1115; and *The Official Stanford Investors Committee v. BDO USA, LLP, et al,* Case No. 3:12-cv-01447.

D. Neligan Foley Role in Litigation against the Willis and BMB Defendants

11. Neligan Foley has been involved in the investigation and prosecution of the

investor claims asserted against the Willis and BMB Defendants in the *Troice* Litigation since 2009. Neligan Foley has been involved in every aspect of the *Troice* Litigation since 2009, including the extensive investigation and document review related to the claims against the Willis and BMB Defendants, the preparation and filing of the Complaint and Amended Complaints, responding to the Willis and BMB Defendants' Motions to Dismiss and WGH's Motion to Dismiss on personal jurisdiction grounds, the SLUSA appeal to the Fifth Circuit and the U.S. Supreme Court, and the class certification discovery, motion and briefs. The long procedural history of the *Troice* case is set forth in Mr. Snyder's Declaration, and is incorporated herein by reference. Neligan Foley was involved in all aspects of the *Troice* Litigation as described in Mr. Snyder's Declaration.

12. On May 31, 2013, Neligan Foley was retained by the Receiver to represent the Receiver in the *Janvey* Litigation. On June 5, 2013, Neligan Foley was also retained by the Committee to investigate, file and prosecute the Committee's claims against the Willis and BMB Defendants in the *Janvey* Litigation, because the Receiver had assigned the Receivership Estate's claims against those Defendants to the Committee for prosecution. The *Janvey* Litigation was filed on October 1, 2013, after the tolling agreements with the Willis and BMB Defendants were extended.

13. Neligan Foley took the lead role in the *Janvey* Litigation. Neligan Foley investigated and researched the basis for the Receivership Estate's claims and damages asserted in the *Janvey* Litigation, and prepared and filed the Complaint in the *Janvey* Litigation. Neligan Foley also took the lead in researching and preparing the Briefs in Response to the Willis and BMB Defendants' Motions to Dismiss in the *Janvey* Litigation, resulting in the Court's order denying the Defendants' motions to dismiss in virtually all respects.

14. Neligan Foley actively participated in the settlement negotiations and both mediations that resulted in the $120 million settlement with the Willis Defendants, as well as the extensive negotiation and drafting of the Settlement Agreement and Bar Orders, and the Motion for approval of the Willis Settlement. Neligan Foley also participated in the negotiation of the BMB Settlement, and the negotiation and drafting of the BMB Settlement and the Motion for approval of the BMB Settlement.

15. Neligan Foley's time and effort in the *Troice* and *Janvey* Litigation played an integral role in achieving the successful resolution of the claims against the Willis and BMB Defendants, and the creation of a fund of in excess of $100,000,000 that would not otherwise exist for the benefit of the Stanford Receivership estate and the Stanford investors.

E. Time and Effort of Neligan Foley Related to the Willis and BMB Lawsuits and Other Stanford Litigation

16. The Motion seeks approval and payment of the agreed upon reduced fee to Plaintiffs' Counsel of $30,000,000, payable as 25% of the recovery from the BMB Defendants and 22.3% of the recovery from the Willis Defendants. Neligan Foley has invested 1,229.9 hours of professional time in the *Janvey* and *Troice* Litigation through September 21, 2016. This equates to $604,879.50 of professional time at Neligan Foley's standard hourly rates. Neligan Foley has incurred more time since September 21, and I anticipate that Neligan Foley will spend another 100 hours or more of time bringing this settlement to conclusion, depending upon whether any appeal is taken of the Court's ruling on the Motion to approve the Settlement. At my standard rate, another 100 hours would amount to $62,500 of time invested by Neligan Foley.

17. The hours incurred by Neligan Foley broken down by professional through September 21 are as follows:

Professional	**Hourly Rate**	**Hours**	**Total**
Patrick Neligan	$675	25.70	$17,347.50
Nicholas Foley	$650	.80	$520.00
Douglas Buncher	$625	692.7	$432,937.50
Douglas Dunn	$350	120.80	$42,280.00
Seymour Roberts	$395	35.70	$14,101.50
John Gaither	$300	214.60	$64,380.00
Rick Berger	$275	104.50	$28,737.50
Ruth Clark	$150	15.40	$2,310.00
Kathy Gradick	$115	19.70	$2,265.50
		Total	$604,879.50

18. Neligan Foley also has incurred $1,520.40 in unreimbursed expenses in connection with the *Troice* and *Janvey* Litigation.

19. In addition to the time invested by Neligan Foley in the *Troice* and *Janvey* Litigation, Neligan Foley has put in an immense amount of time and effort into the Stanford cases generally and lawsuits against third parties in an effort to recover money for the benefit of the Stanford investors since 2009. Neligan Foley has devoted thousands of hours and millions of dollars of time investigating and prosecuting the Stanford litigation referenced above, and monitoring the Stanford Receivership generally since its inception. Neligan Foley has also invested substantial time in several fraudulent transfer cases such as the case against the Golf Channel where Neligan Foley took the lead at the trial court level.

20. It is not possible to properly handle any of the major Stanford lawsuits against third parties, including the lawsuits against the Willis and BMB Defendants, without monitoring and staying abreast of all of the related cases and the Stanford Receivership case generally. It is also not possible to properly handle any of the major Stanford lawsuits against third parties, including the lawsuits against the Willis and BMB Defendants, without coordinating efforts with the Receiver's counsel at Baker Botts LLP, as well as other counsel to the Committee and the Investor Plaintiffs. Neligan Foley and the other Plaintiffs' Counsel have done an immense amount of work investigating and analyzing the Stanford Ponzi scheme, reviewing a massive number of the Stanford records in the Receiver's possession, researching and analyzing the potential claims that could be brought against third parties, and researching and analyzing the relevant legal authorities since the commencement of the Stanford receivership, all of which allowed Plaintiffs' Counsel to formulate, prosecute and successfully settle the claims against the Willis and BMB Defendants. But for the diligent efforts of Plaintiffs' Counsel since the commencement of the Stanford Receivership, the settlements with the Willis and BMB Defendants would never have been achieved.

F. Reasonableness of Attorneys' Fees

21. In light of the tremendous time and resources Neligan Foley and the other Plaintiffs' Counsel have put into the effort to recover monies for the Stanford Receivership Estate and the Stanford investors, including but not limited to the time related to the claims in the *Janvey* and *Troice* Litigation, the Court's prior approval of the 25% contingency fee arrangement between the Committee and the Receiver related to the prosecution of the fraudulent transfer claims, the Court's approval of the 25% contingency fees in connection with the other settlements that have been approved, and the applicable case law in the Fifth Circuit concerning

the range of reasonable contingency fees for litigation of this nature, it is my opinion that the 25% contingency fee to be paid to Plaintiffs' Counsel in connection with the BMB Settlement, and the agreed upon reduced 22.3% contingency fee to be paid to Plaintiffs' Counsel in connection with the Willis Settlement, are reasonable and should be approved. I affirm and adopt as my own testimony and incorporate herein by reference the testimony of Edward Snyder concerning the *Johnson* factors set forth in his Declaration.

22. The 25% was a fee negotiated at arms-length by sophisticated parties and is at the low range of contingency fees approved by courts in this District and in the Fifth Circuit for cases of this nature. The reduced 22.3% contingency fee for the Willis Settlement was similarly negotiated at arms-length between Plaintiffs' counsel, the Receiver and the Committee after the Willis and BMB Settlements had been finalized and filed for approval. For all these reasons, it is my opinion that the contingency fees requested in the Motion are fair and reasonable under the circumstances and should be approved by the Court.

Dated: October 4, 2016.

Douglas J. Buncher

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

SECURITIES AND EXCHANGE COMMISSION, Plaintiff, v. STANFORD INTERNATIONAL BANK, LTD., et al., Defendants.	§	Civil Action No. 3:09-cv-0298-N
RALPH S. JANVEY, et al. Plaintiffs, v. WILLIS OF COLORADO INC., et al. Defendants.	§	Civil Action No. 3:13-cv-03980-N

DECLARATION OF JUDITH R. BLAKEWAY IN SUPPORT OF RECEIVER AND OSIC'S APPLICATION FOR ATTORNEYS' FEES AND EXPENSES IN CONNECTION WITH WILLIS AND BMB SETTLEMENTS

Pursuant to 28 U.S.C. § 1746, I, Judith R. Blakeway, hereby declare under penalty of perjury that I have personal knowledge of the following facts:

BACKGROUND

A. Purpose of Declaration.

1. I am submitting this Declaration in support of the Plaintiffs' Motion for an Award of Attorneys' Fees and Expenses in Connection with the Settlement with the Willis and BMB Defendants.

B. Curriculum Vitae.

2. I am an attorney admitted to practice law in the State of Texas since 1977. I am also admitted to practice before the United Stated District Courts for the Northern, Southern, Western and Eastern Districts of Texas and the United States Courts of Appeals for the Fifth and Eleventh Circuits and the United States Supreme Court. I have been involved principally in commercial litigation, trial and appellate work since I was licensed in 1977. My practice is concentrated on complex commercial litigation. I submit this declaration to supplement the Declaration of Edward F. Valdespino in this matter.

C. The Willis and BMB Settlements.

3. The settlement for which approval is sought in the motion settles all claims against the Willis Defendants in exchange for a payment of $120,000,000 by Willis to the Receiver for ultimate distribution to the Stanford investor victims.

4. The settlement for which approval is sought in the motion settles all claims against the BMB Defendants in exchange for a payment of $12,850,000 by BMB to the Receiver for ultimate distribution to the Stanford investor victims.

5. My law firm, with co-counsel Castillo Snyder, P.C. and Neligan Foley, LLP, has been litigating claims against the Willis Defendants on behalf of a putative class of Stanford investors in Investor lawsuits since July 2009, and on behalf of the Receiver and OSIC in the Receiver lawsuits since October 2013. I have been involved in these cases sporadically since the SLUSA appeal to the Fifth Circuit. In February 2016, I took over the Stanford docket from Mr. Edward Valdespino who left our firm.

6. After taking over the Stanford docket, I worked with an expert witness to prepare his report to be submitted in connection with the Willis mediation and met with class representatives in preparation for the mediation. I participated in negotiations and the mediation

on March 31, 2016 that resulted in the $120,000,000 settlement with the Willis Defendants, as well as negotiation and drafting of the settlement documents following the mediation.

7. The BMB Settlement was reached as a result of several months of negotiations, much of which revolved around BMB's remaining insurance limits. Plaintiffs were eventually able to extract the BMB settlement amount of $12.85 million, which constitutes virtually the entirety of BMB's remaining insurance coverage.

8. Without the tireless effort of the Receiver, the Committee, Investor Plaintiffs, and their counsel in investigating and prosecuting these claims as part of the overall effort to recover money from third parties for the benefit of Stanford Investors, the settlement could never have been achieved, and the Willis and BMB Lawsuits would have dragged on for years with an uncertain outcome and at great expense to the parties.

9. I prepared initial and subsequent drafts of the settlement agreement, bar orders, final judgment, motion to approve the proposed settlement, and declaration in support of the settlement in connection with the settlement with the Willis and BMB Defendants.

10. I prepared a motion for an award of attorneys' fees and expenses in connection with the settlement with the Willis and BMB Defendants, memorandum of law in support of the motion for award of attorneys' fees and expenses and draft orders awarding attorneys' fees and reimbursement of expenses, and declaration in support of the motion.

TIME AND EFFORT OF STRASBURGER AND PRICE RELATED TO THE WILLIS LITIGATION AND OTHER STANFORD LITIGATION

11. The motion for attorneys' fees seeks approval and payment of an agreed upon 22.582% contingency fee to Plaintiffs' counsel for the Willis settlement and 25% for the BMB settlement. As of April 12, 2016, Strasburger & Price had invested $2,699,163, representing 4,735.91 hours of attorney and paralegal time in the Willis and BMB litigation. See Valdespino

Decl. ¶ 39. From April 12, 2016 until September 30, 2016, Strasburger & Price has invested an additional 373.40 hours amounting to $225,757.50 in fees in the litigation.

12. Since February 2009 through September 30, 2016, my firm has invested over $2,924,920 worth of time on the Willis and BMB Lawsuits. Specifically, as of September 30, 2016, my firm has spent over 4,683 hours of attorney and paralegal time worth $2,924,920.50 at our applicable hourly rates for complex cases of this nature consisting of time that was dedicated directly to the Willis/BMB cases:

Billed Hours and Amounts
February 2009 – September 30, 2016

Timekeeper	Bill Hours	Bill Amount
Randa Chance	75.70	$17,032.50
Judith R. Blakeway	782.10	$547,470.00
Merritt M. Clements	64.50	$38,700.00
Deborah DiFilippo	93.90	$39,907.50
Fred J. Fowler	2.50	$1,750.00
Bob Franke	3.70	$2,220.00
Katherine T. Garber	9.50	$5,012.50
Stephen T. Dennis	0.50	$160.00
David Cibrian	20.60	$12,360.00
Carrie Douglas	0.80	$480.00
Andrew Kerr	119.70	$71,820.00
Luis Gomar	15.50	$9,300.00
John Muller	185.70	$63,138.00
Michael Jung	170.90	$119,630.00
J. Derek Quick	6.20	$2,325.00
Maggie Murray	5.90	$1,681.50
Tate Hemingson	5.30	$1,722.50
Kelsey Sproull	2.00	$600.00
Margaret Hagelman	48.10	$28,860.00
Dan Lanfear	4.50	$2,700.00
David N. Kitner	211.70	$143,960.00
Bradley Kizzia	0.20	$120.00
Justin Melkus	0.50	$300.00
Chase Potter	2.90	$797.50
Joe Rubio	36.90	$9,594.00
Zach Zurek	4.90	$1,274.00

Billed Hours and Amounts
February 2009 – September 30, 2016

Timekeeper	Bill Hours	Bill Amount
Richard D. Rafferty	1.70	$1,190.00
Bob M. OBoyle	46.90	$28,140.00
Lee Polson	22.00	$16,500.00
Edward F. Valdespino	2827.00	$1,696,206.00
Forrest M. Seger	21.30	$7,242.00
Laurie Hollinger	12.50	$2,812.50
Gabriela Garza	27.50	$5,637.50
Donna Chance	78.50	$17,662.50
Kim Price	11.00	$2,640.00
Diane Luft	0.60	$135.00
Yvonne Mueller	25.00	$5,625.00
Nora Alvarado	102.30	$7,672.50
Lauren Godfrey	15.50	$3,487.50
Elizabeth Munoz	3.00	$195.00
Nicole Conger	5.00	$875.00
Sarah Flynn	27.70	$4,847.50
Kelsey Sproull	6.50	$1,137.50
TOTAL	**4683.51**	**$2,924,920.50**

I anticipate investing additional time dedicated to the finalization of the settlement, including monitoring and responding to any objections, and attending and arguing at the approval hearing. I anticipate the litigation of objections to this settlement that may result in appeals to the Fifth Circuit. Therefore I believe that my law firm's total time dedicated to the Willis and BMB Lawsuits will eventually exceed **$3.1 million**.

13. My firm has also incurred and paid $86,375 in unreimbursed expenses in the Willis and BMB lawsuits, including expert witness fees and travel expenses.

14. The significant time and effort devoted to this case by Plaintiffs' Counsel, and their commitment to the efficient management of the litigation, support approval of the requested award.

REASONABLENESS OF ATTORNEYS' FEES

15. In light of applicable law in the Fifth Circuit and my knowledge of this case, it is my opinion that the 25% fee to be paid to Plaintiffs' counsel for settlement with the BMB Defendants and the 22.3% of the gross recovery from the Willis Settlement is reasonable and should be approved. The fees were negotiated at arms-length by sophisticated parties and are in the range of contingency fees for cases of this nature. I affirm and adopt as my own testimony and incorporate herein by reference the testimony of Edward Snyder concerning the *Johnson* factors set forth in Edward Snyder's declaration.

Dated: October 4, 2016.

Judith R. Blakeway

JUDITH R. BLAKEWAY

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.	§ § § § § § § § §	Civil Action No. 3:09-CV-0298-N
RALPH S. JANVEY, *et al.*, Plaintiffs, v. WILLIS OF COLORADO, INC., *et al.*, Defendants.	§ § § § § § § § §	Civil Action No. 3:13-cv-03980-N

DECLARATION OF EXAMINER JOHN J. LITTLE

Pursuant to 28 U.S.C. § 1746, I, John J. Little, hereby declare under penalty of perjury that I have personal knowledge of the following facts:

1. My name is John J. Little. I am over the age of eighteen (18) and am competent to make this Declaration.

2. I am admitted to practice law in the State of Texas, and am admitted to practice before various federal courts, including the United States Supreme Court, the U.S. Courts of Appeal for the Fifth and Eleventh Circuits, the United States Tax Court and the U.S. District Courts for the Northern, Eastern and Southern Districts of Texas. I have been practicing law in

Dallas, Texas since 1983, and have been a partner in the Dallas law firm Little Pedersen Fankhauser, LLP, since 1994.

3. By Order dated April 20, 2009, I was appointed by Judge David C. Godbey (the "Court") to serve as the Examiner in the Stanford Financial Group receivership proceedings. *SEC v. Stanford International Bank, Ltd., et al.*, Civil Action No. 3:09-CV-0298-N (the "SEC Action"), ECF No. 322 (the "Examiner Order"). Pursuant to the Examiner Order, I was directed to "convey to the Court such information as the Examiner, in his sole discretion, shall determine would be useful to the Court in considering the interests of the investors in any financial products, accounts, vehicles or ventures sponsored, promoted or sold by any Defendants[1] in this action (the "Investors")." I have served as Examiner in the Stanford Financial Receivership proceedings continuously since my appointment.

4. By Order dated August 10, 2010, the Court created the Official Stanford Investors Committee ("OSIC") to represent Stanford Investors in the Stanford Financial Receivership proceedings and all related matters. SEC Action, ECF No. 1149 (the "OSIC Order"). The OSIC Order defined "Stanford Investors" as "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." OSIC Order at 2. The OSIC Order conferred upon the OSIC "rights and responsibilities similar to those of a committee appointed to serve in a bankruptcy case." The OSIC Order appointed me, as Examiner, to serve as a member of the OSIC and as its initial Chair. I have served as the Chair of the OSIC since its formation and continue to so serve.

[1] The Defendants include Stanford International Bank, Ltd., Stanford Group Company, Stanford Capital Management, LLC, Robert Allen Stanford, James M. Davis, Laura Pendergest-Holt, Stanford Financial Group, The Stanford Financial Group Bldg. Inc. The Receivership encompasses Defendants and all entities they own or control.

5. The OSIC Order specifically authorized the OSIC to pursue claims on a contingency fee basis against (a) Stanford's pre-receivership professionals, and (b) the officers, directors and employees of any Stanford entity.[2] OSIC Order at 8.

A. Retention of Counsel

6. On or about May 31, 2013, the Receiver, Ralph S. Janvey, entered into an engagement letter with the law firm Neligan Foley, L.L.P. ("NF") pursuant to which the Receiver retained Neligan to represent the Receivership in connection with potential claims to be asserted against Willis of Colorado, Inc., Willis Ltd., Willis Group Holdings, Ltd.,[3] Willis North America, Inc., Willis of Texas, Inc. and Amy Baranoucky (collectively, the "Willis Defendants"), and Bowen, Miclette & Britt, Inc. and Robert S. Winter (collectively, the "BMB Defendants")(collectively, the Willis Defendants and the BMB Defendants are referred to as the "Insurance Broker Defendants"). Pursuant to the May 31, 2013 engagement letter, the Receiver agreed to pay NF a fee equal to twenty-five percent (25%) of "all sums collected upon settlement or judgment."

7. In my capacity as Chair of the OSIC, I negotiated and executed an engagement agreement dated June 5, 2013, pursuant to which the OSIC retained Castillo Snyder, P.C. ("CS"), Strasburger & Price, LLP ("SP") and NF to represent the OSIC in connection with the prosecution of claims against the Insurance Broker Defendants and others (the "Insurance Broker Claims"). The June 5, 2013 engagement agreement contemplated that the three law firms would be compensated for their services through a contingent fee of twenty-five percent (25%) of the Net Recovery realized in respect of the Insurance Broker Claims.

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[2] This authority was limited in that the OSIC could not pursue claims that were duplicative of claims already being prosecuted by the Receiver. OSIC Order at 8.

[3] Willis Group Holdings, Ltd. is now known as Willis Towers Watson Public Limited Company ("WTW").

8. Both the Receiver's engagement agreement with NF and the OSIC's engagement agreement with CS, SP and NF recognized that legal fees paid out of any Net Recovery realized in respect of the Insurance Broker Claims would at all times be limited to twenty-five percent (25%) of that Net Recovery.

9. In my capacity as Chair of the OSIC, I negotiated and executed a Revised Fee Agreement with CS, NF and SP with respect to the Insurance Broker Claims dated as of April 10, 2014. The April 10, 2014 Revised Fee Agreement provided that the three law firms would be compensated for their services through a contingent fee of twenty-five percent (25%) of the Net Recovery realized in respect of the Insurance Broker Claims. The Revised Fee Agreement defined Net Recovery as the "Recovery in connection with the Insurance Broker Claims, after deducting allowable expenses and disbursements." In connection with the execution of the April 10, 2014 Revised Fee Agreement, the three law firms entered into an agreement that addressed how those firms would divide the work to be done in prosecuting the Insurance Broker Claims and any fees paid with respect to the Insurance Broker Claims.

B. The Willis and BMB Settlements

10. I have previously executed Declarations that addressed my opinions concerning the Court's requested approval of the proposed settlements with the Willis Defendants and the BMB Defendants. *See* SEC Action, ECF No. 2370-2 (re settlement with the Willis Defendants); ECF No. 2384-4 (re settlement with the BMB Defendants). I incorporate those Declarations herein.

C. Examiner Opinion Concerning an Award of Plaintiffs' Attorneys' Fees

11. As noted above, the OSIC entered into a Revised Fee Agreement with CS, NF, and SP that provided for the payment of a contingent fee of twenty-five percent (25%) of the Net Recovery realized in respect of the Proskauer Claims.

12. The Court has previously approved a contingent fee arrangement between OSIC and its counsel that provides for the payment of a 25% contingent fee on net recoveries from certain lawsuits prosecuted by OSIC. SEC Action, Doc. No. 1267.

13. The Revised Fee Agreement entered between OSIC and its counsel here (NF, CS, and SP) was modeled after the contingency fee agreement already approved by the Court in the primary receivership proceeding. SEC Action, Doc. No. 1267.

14. For the same reasons the Court previously found the twenty-five percent (25%) contingency fee agreement between the OSIC and its counsel to be reasonable, *see id.*, p. 2, a twenty-five percent (25%) contingency fee applicable to the settlements with the Willis Defendants and the BMB Defendants would be reasonable.

15. At the request of the Receiver and Examiner, NF, CS and SP have agreed to discount the twenty-five percent (25%) contingency fee to which they are entitled for the benefit of Stanford's Investors.

16. The total gross settlement amount to be paid by the Willis Defendants and the BMB Defendants is $132,850,000, with $120,000,000 being paid by the Willis Defendants and $12,850,000 being paid by the BMB Defendants. Pursuant to their agreements with the Receiver, the Committee and the Investor Plaintiffs, NF, CS and SP would be entitled to a total fee approaching $33,212,500.[4] NF, CS and SP have agreed to accept a total attorneys' fee of

[4] The fee would be somewhat less because the gross settlement amount would be reduced by expenses incurred by the Receiver and/or carried by NF, CS and SP.

$30,000,000, plus reimbursement of out-of-pocket expenses that have been carried by NF, CS and SP in the aggregate amount of approximately $126,000.

17. The $30 million fee represents 22.582% of the gross recovery from the Willis Defendants and the BMB Defendants. More importantly, it represents at least an additional $3 million that will be available for distribution to the Stanford Investors.

18. NF, CS and SP have agreed with the Receiver and the Committee that the attorneys' fees attributable to the settlements with the Willis Defendants and the BMB Defendants would be paid as follows:

a. $3,212,500 in attorneys' fees would be paid from the proceeds of the settlement with the BMB Defendants;

b. $26,787,500 in attorneys' fees would be paid from the proceeds of the settlement with the Willis Defendants; and

c. the out-of-pocket expenses that have been carried by NF, CS and SP would be reimbursed from the first settlement payment received by the Receiver.

19. It is my opinion that the attorneys' fees requested by NF, CS and SP are reasonable in comparison to the total net amount to be recovered for the benefit of the Stanford Investors. The twenty-five percent (25%) contingency fee was heavily negotiated between OSIC and its Counsel, and is substantially below the typical market rate contingency fee percentage of 33% to 40% that most law firms would demand to handle cases of this complexity and magnitude. The agreement of NF, CS and SP to reduce the fee payable pursuant to their agreements with the Receiver, the Committee and the Investor Plaintiffs is laudable.

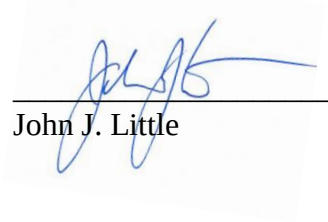
20. I respectfully submit and believe that an award of attorneys' fees to NF, CS and SP in the total amount of $30,000,000 from the settlements with the Willis Defendants and the BMB Defendants is reasonable and appropriate considering the significant time, effort, and resources which NF, CS and SP have invested in investigating the Stanford fraud, prosecuting and resolving the Insurance Broker Claims, and prosecuting the other Stanford-related litigation. I also believe it is reasonable and appropriate for those attorneys' fees to be paid as follows:

a. $3,212,500 from the proceeds of the settlement with the BMB Defendants; and

b. $26,787,500 from the proceeds of the settlement with the Willis Defendants.

21. I further respectfully submit and believe that it is reasonable for NF, CS and SP to recover the out-of-pocket costs they have been carrying, in the amount of approximately $126,000, from the proceeds of the first settlement payment to be received.

Executed on September 29, 2016.



John J. Little

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

SECURITIES AND EXCHANGE COMMISSION, Plaintiff, v. STANFORD INTERNATIONAL BANK, LTD., et al., Defendants.	§	Civil Action No. 3:09-cv-0298-N
RALPH S. JANVEY, et al. Plaintiffs, v. WILLIS OF COLORADO INC., et al. Defendants.	§	Civil Action No. 3:13-cv-03980-N

ORDER APPROVING ATTORNEYS' FEES IN CONNECTION WITH THE SETTLEMENT WITH THE BMB DEFENDANTS

Before the Court is the Plaintiffs' Motion for Award of Attorneys' Fees and Expenses in connection with the settlement with the BMB Defendants. [*See SEC v. Stanford Int'l Bank, Ltd.,* No. 3:09-cv-0298-N (N.D. Tex.) (the "SEC Action") ECF No. 2383, and *Janvey v. Willis of Colorado Inc.,* No. 3:13-cv-03980-N (N.D. Tex.) (the "Janvey Litigation") ECF No. 106.]

Having considered the Motion, the Declarations submitted in support of the Motion, the arguments and the applicable legal authorities, the Court finds that the Plaintiffs' request for approval of attorneys' fees and expenses should be granted. The Court finds that the 25% contingency fee agreement between the Receiver and Plaintiffs' Counsel is reasonable and consistent with the percentage charged and approved by courts in other cases of this magnitude

and complexity. The Stanford Receivership and the Janvey Litigation are extraordinarily complex and time-consuming and have involved a great deal of risk and capital investment by Plaintiffs' Counsel as evidenced by the Declarations of Plaintiffs' counsel submitted in support of the request for approval of their fees. Both the Motion and the declarations provide ample evidentiary support for the award of the Plaintiffs' attorneys' fees set forth in this Order.

"A litigant or lawyer who recovers a common fund for the benefit of persons other than himself or his client is entitled to a reasonable attorney's fee from the fund as a whole." *In re Harmon,* No. 10-33789, 2011 WL 1457236, at *7 (Bankr. S.D. Tex. Apr. 14, 2011) (quoting *Boeing Co. v. Van Gemert*, 444 U.S. 472, 478 (1980)).

One method for analyzing an appropriate award for Plaintiffs' attorneys' fees is the percentage method, under which the court awards fees based on a percentage of the common fund. *Union Asset Management Holding A.G. v. Dell, Inc.,* 669 F.3d 632, 642-43 (5th Cir. 2012). The Fifth Circuit is "amenable to [the percentage method's] use, so long as the *Johnson* framework is utilized to ensure that the fee award is reasonable." *Id.* at 643 (citing *Johnson v. Georgia Hwy. Express, Inc.,* 488 F.2d 714 (5th Cir. 1974)). The *Johnson* factors include: (1) time and labor required; (2) novelty and difficulty of the issues; (3) required skill; (4) whether other employment is precluded; (5) the customary fee; (6) whether the fee is fixed or contingent; (7) time limitations; (8) the amount involved and the results obtained; (9) the attorneys' experience, reputation and ability; (10) the "undesirability" of the case; (11) the nature and length of the professional relationship with the client; and (12) awards in similar cases. *See Johnson,* 488 F.2d at 717-19.

When considering fee awards in class action cases "district courts in [the Fifth] Circuit regularly use the percentage method blended with a *Johnson* reasonableness check." *Id.* (internal

citations omitted); *see Schwartz v. TXU Corp.*, No. 3:02-CV-2243-K (lead case), 2005 WL 3148350, at *25 (N.D. Tex. Nov. 8, 2005) (collecting cases). Both the Fifth Circuit and district courts in the Northern District have recognized that the percentage method is the preferred method. *Dell*, 669 F.3d at 643; *Schwartz*, 2005 WL 3148350, at *25. In *Schwartz*, the court observed that the percentage method is "vastly superior to the lodestar method for a variety of reasons, including the incentive for counsel to 'run up the bill' and the heavy burden that calculation under the lodestar method places upon the court." 2005 WL 3148350, at *25. The court also observed that, because it is calculated based on the number of attorney-hours spent on the case, the lodestar method deters early settlement of disputes. *Id.* Thus, there is a "strong consensus in favor of awarding attorneys' fees in common fund cases as a percentage of the recover." *Id.* at *26.

While the Willis and BMB Settlements are not class action settlements, because the settlements are structured as settlements with the Receiver and the Committee, and bar orders precluding other litigation against BMB arising from the Stanford Ponzi scheme, this Court has analyzed the award of attorneys' fees to Plaintiffs' Counsel under both the common fund and the *Johnson* approach. Whether analyzed under the common fund approach, the *Johnson* framework, or both, the 25% fee sought by Plaintiffs' Counsel pursuant to their fee agreements is reasonable and is hereby approved by the Court.

Having reviewed the Declarations of Plaintiffs' Counsel reflecting the investment of thousands of hours and millions of dollars of attorney time by Plaintiffs' Counsel in the Stanford Receivership as a whole and in the litigation against BMB specifically, the Court finds that the proposed 25% fee for Plaintiffs' Counsel is a reasonable percentage of the common fund (*i.e.* the $12,850,000 settlement). "The vast majority of Texas federal courts and courts in this District

have awarded fees of 25%–33% in securities class actions." *Schwartz*, 2005 WL 3148350, at *31 (collecting cases). "Indeed, courts throughout this Circuit regularly award fees of 25% and more often 30% or more of the total recovery under the percentage-of-the recovery method." *Id.* The Court further finds that the fee is reasonable based upon the Court's analysis of the *Johnson* factors.

A review of the *Johnson* factors that are discussed at length in the Motion and supported by Plaintiffs' Counsel's Declarations also demonstrates that the proposed 25% fee is reasonable and should be approved. With respect to the time and labor required, Plaintiffs' Counsel invested a tremendous amount of time and labor in this case as reflected in the Snyder, Valdespino, Blakeway and Buncher Declarations filed in support of the Motion. Castillo Snyder served as lead counsel among Plaintiffs' Counsel for the Committee in the Janvey Litigation and for the Stanford Investors in the Troice Litigation. Castillo Snyder has close to $7 million invested in the Stanford cases overall since 2009, and 3,972.93 hours of unpaid attorney and paralegal time worth $2,313,076.67 at Castillo Snyder's applicable hourly rates invested specifically in the Janvey Litigation and the Troice Litigation. *See* Snyder Decl., at ¶ 41. Strasburger & Price also has thousands of hours and millions of dollars of time invested in pursuing claims against third parties related to the Stanford Receivership, and 4,683 hours of unpaid attorney and paralegal time worth $2,924,920 attributable to the Janvey Litigation and the Troice Litigation. *See* Valdespino Decl., at ¶41; Blakeway Decl. at ¶ 12. Neligan Foley served as lead counsel for the Receiver in the Janvey Litigation. Neligan Foley has nearly 7,000 hours and over $2.8 million worth of attorney and paralegal time invested in the Stanford lawsuits, including the Janvey Litigation and the Troice Litigation. Neligan Foley has over 1,167.4 hours of unpaid attorney and paralegal time worth $565,817.50 invested specifically in the Janvey Litigation and the Troice

Litigation. *See* Buncher Decl., at ¶ 18. Finally, Plaintiffs' Counsel retained Washington-based U.S. Supreme Court appellate counsel Tom Goldstein to assist them and serve as lead Supreme Court appellate counsel with respect to the SLUSA appeal before the U.S. Supreme Court and are contractually obligated to pay Mr. Goldstein's firm, Goldstein & Russell P.C., the sum of $334,000 in compensation for the work he performed on said appeal.

The issues presented in the Janvey Litigation and the Troice Litigation were novel, difficult and complex. Several of the complex legal and factual issues are outlined in the Plaintiffs' Memorandum of Law in Support of Motion for an Award of Attorneys' Fees and Expense in Connection with the Settlement with the Willis and BMB Defendants. Given the complexity of the factual and legal issues presented in this case, the preparation, prosecution, and settlement of this case required significant skill and effort on the part of Plaintiffs' Counsel. Although participation in the Janvey Litigation and Troice Litigation did not necessarily preclude Plaintiffs' Counsel from accepting other employment, the Declarations reveal that the sheer amount of time and resources involved in investigating, preparing, and prosecuting the Janvey Litigation and the Troice Litigation, as reflected by the hours invested by Plaintiffs' Counsel, significantly reduced Plaintiffs' Counsel's ability to devote time and effort to other matters.

The 25% fee requested is also substantially below the typical market rate contingency fee percentage of 33% to 40% that most law firms would demand to handle cases of this complexity and magnitude. *See Schwartz*, 2005 WL 3148350, at *31 (collecting cases and noting that 30% is standard fee in complex securities cases). "Attorney fees awarded under the percentage method are often between 25% and 30% of the fund." *Klein*, 705 F. Supp. 2d at 675 (citing *Manual for Complex Litig. (Fourth)* § 14.121 (2010)); *see, e.g.*, *SEC v. Temme*, No.4:11-cv-00655-ALM, at *4–5 (E.D. Tex. November 21, 2012), ECF No. 162 (25% contingent fee for a $1,335,000

receivership settlement); *Billitteri v. Sec. Am., Inc.*, No. 3:09–cv–01568–F (lead case), 2011 WL 3585983, *4–9 (N.D. Tex. 2011) (25% fee for a $80 million settlement); *Klein*, 705 F. Supp. 2d at 675–81 (30% fee for a $110 million settlement).

At the time of the Settlement, Plaintiffs were not subject to significant time limitations in the Janvey Litigation and the Troice Litigation, as the Janvey Litigation has been essentially stayed while the parties awaited this Court's ruling on class certification and litigated the issue of attorney immunity in the Troice Litigation. However, and given the breadth and scope of activity in the Troice Litigation over the last 7 years, including almost non-stop heavy briefing and motion practice, including class certification discovery and briefing, an appeal to the Fifth Circuit, and an appeal to the U.S. Supreme Court, Plaintiffs' Counsel has been consistently under deadlines and time pressure for over 7 years. Had an investor class been certified, the Troice Litigation would have remained pending before the Court and would likely have taken years to resolve. Furthermore, given the magnitude and complexity of the cases, even if a trial in the Janvey Litigation was set a year in the future, Plaintiffs' Counsel would have been under significant time pressure to complete all the investigation and discovery to prepare the case for final hearing within a year.

The $132,850,000 to be paid by Willis and BMB represents a substantial settlement and value to the Receivership Estate. There will be approximately $100,000,000 available for distribution. Thus, the amount involved and results obtained also support approval of the requested fee. The Declarations of Plaintiffs' Counsel further reflect that Plaintiffs' Counsel have represented numerous receivers, bankruptcy trustees, and other parties in complex litigation matters related to equity receiverships and bankruptcy proceedings similar to the Stanford receivership proceeding. Plaintiffs' Counsel have been actively engaged in the Stanford

proceeding since its inception. Thus, the attorneys' experience, reputation and ability also support the fee award. Given the complexity of the issues in the Janvey Litigation and the Troice Litigation, the Settlement, as well as other settlements achieved by Plaintiffs' Counsel in the Stanford Receivership that have also been approved by this Court, are indicative of Plaintiffs' Counsel's abilities to obtain favorable results in these proceedings.

The nature and length of Plaintiffs' Counsel's professional relationship with the clients also supports the fee award. Plaintiffs' Counsel have represented the Receiver, the Committee, and Investor Plaintiffs in numerous actions pending before the Court in connection with the Stanford Receivership since 2009, all on the same 25% contingency fee arrangement.

Finally, awards in similar cases, with which this Court is familiar, as well as those discussed in the *Schwarz* opinion, all support the fee award. For example, a 25% contingency fee was previously approved as reasonable by this Court in its order approving the Receiver's agreement with the Committee regarding the joint prosecution of fraudulent transfer and other claims by the Receiver and the Committee (the "OSIC-Receiver Agreement"). *See* SEC Action ECF No. 1267, p. 2 ("The Court finds that the fee arrangement set forth in the Agreement is reasonable."); *see also* OSIC-Receiver Agreement, SEC Action ECF No. 1208, Ex. A, p. 3 (providing a "contingency fee" of 25% of any Net Recovery in actions prosecuted by the Committee's designated professionals). The Court also previously approved 25% contingency fee arrangements in connection with the BDO Settlement and the settlement with the Settling Defendants in the Adams & Reese and Kroll and Chadbourne cases. *See Official Stanford Inv'rs Comm. v. BDO USA, LLP*, No. 3:12-cv-01447-N-BG (N.D. Tex. Sep. 23, 2015), ECF No. 80; Order Approving Attorneys' Fees in *Ralph S. Janvey v. Adams & Reese, LLP*, Civil Action No.

3:12-CV-00495-B [SEC Action, ECF. No. 2231]; *Kroll*, No. 3:09-cv-0298-N (N.D. Tex. Aug. 30, 2016) [SEC Action ECF No. 2364].

For these reasons, the Court finds that the 25% contingency fee requested in connection with the BMB Settlement is well within the range of reasonableness for cases of the magnitude and complexity of the Janvey Litigation and the Troice Litigation, and the Court hereby approves the award of Plaintiffs' attorneys' fees in the amount of $3,212,500 as requested in the Motion.

The Court further finds that the request for reimbursement of the litigation expenses advanced by the Receiver and Plaintiffs' Counsel contained within the Motion is reasonable and should be approved.

The Receiver is, therefore,

ORDERED to pay Plaintiffs' counsel attorneys' fees in the amount of $3,212,500 upon receipt of the BMB Settlement Amount in accordance with the terms of the Settlement Agreement with BMB.

FURTHER ORDERED that reimbursement of the litigation expenses advanced by the Receiver and Plaintiffs' Counsel is approved. Expenses in the amount of $38,407.37 advanced by Castillo Snyder, $86,375.00 advanced by Strasburger & Price, and $1,959.55 advanced by Neligan Foley shall be reimbursed by the Receiver to those firms from the first settlement proceeds received by the Receiver from either the Willis or the BMB Settlements.

Signed on _____, 2017

_____
DAVID C. GODBEY
UNITED STATES DISTRICT JUDGE

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

SECURITIES AND EXCHANGE COMMISSION, Plaintiff, v. STANFORD INTERNATIONAL BANK, LTD., et al., Defendants.	§	Civil Action No. 3:09-cv-0298-N
RALPH S. JANVEY, et al. Plaintiffs, v. WILLIS OF COLORADO INC., et al. Defendants.	§	Civil Action No. 3:13-cv-03980-N

ORDER APPROVING ATTORNEYS' FEES IN CONNECTION WITH THE SETTLEMENT WITH THE WILLIS DEFENDANTS

Before the Court is the Plaintiffs' Motion for Award of Attorneys' Fees and Expenses in connection with the settlement with the Willis Defendants. [*See SEC v. Stanford Int'l Bank, Ltd.,* No. 3:09-cv-0298-N (N.D. Tex.) (the "SEC Action") ECF No. 2369, and *Janvey v. Willis of Colorado Inc.,* No. 3:13-cv-03980-N (N.D. Tex.) (the "Janvey Litigation") ECF No. 104].

Having considered the Motion, the Declarations submitted in support of the Motion, the arguments and the applicable legal authorities, the Court finds that the Plaintiffs' request for approval of attorneys' fees and expenses should be granted. The Court finds that the 25% contingency fee initially agreed to between the Receiver and Plaintiffs' Counsel is reasonable and consistent with the percentage charged and approved by courts in other cases of this

magnitude and complexity. The Court further finds that Plaintiffs' Counsel have agreed to a reduced fee equivalent to 22.32% of the recovery from the Willis Settlement instead of 25%. The Stanford Receivership and the Janvey Litigation are extraordinarily complex and time-consuming and have involved a great deal of risk and capital investment by Plaintiffs' Counsel as evidenced by the Declarations of Plaintiffs' Counsel submitted in support of the request for approval of their fees. Both the Motion and the declarations provide ample evidentiary support for the award of the Plaintiffs' attorneys' fees set forth in this Order.

"A litigant or lawyer who recovers a common fund for the benefit of persons other than himself or his client is entitled to a reasonable attorney's fee from the fund as a whole." *In re Harmon,* No. 10-33789, 2011 WL 1457236, at *7 (Bankr. S.D. Tex. Apr. 14, 2011) (quoting *Boeing Co. v. Van Gemert*, 444 U.S. 472, 478 (1980)).

One method for analyzing an appropriate award for Plaintiffs' attorneys' fees is the percentage method, under which the court awards fees based on a percentage of the common fund. *Union Asset Management Holding A.G. v. Dell, Inc.,* 669 F.3d 632, 642-43 (5th Cir. 2012). The Fifth Circuit is "amenable to [the percentage method's] use, so long as the *Johnson* framework is utilized to ensure that the fee award is reasonable." *Id.* at 643 (citing *Johnson v. Georgia Hwy. Express, Inc.*, 488 F.2d 714 (5th Cir. 1974)). The *Johnson* factors include: (1) time and labor required; (2) novelty and difficulty of the issues; (3) required skill; (4) whether other employment is precluded; (5) the customary fee; (6) whether the fee is fixed or contingent; (7) time limitations; (8) the amount involved and the results obtained; (9) the attorneys' experience, reputation and ability; (10) the "undesirability" of the case; (11) the nature and length of the professional relationship with the client; and (12) awards in similar cases. *See Johnson,* 488 F.2d at 717-19.

When considering fee awards in class action cases "district courts in [the Fifth] Circuit regularly use the percentage method blended with a *Johnson* reasonableness check." *Id.* (internal citations omitted); *see Schwartz v. TXU Corp.*, No. 3:02-CV-2243-K (lead case), 2005 WL 3148350, at *25 (N.D. Tex. Nov. 8, 2005) (collecting cases). Both the Fifth Circuit and district courts in the Northern District have recognized that the percentage method is the preferred method. *Dell*, 669 F.3d at 643; *Schwartz,* 2005 WL 3148350, at *25. In *Schwartz*, the court observed that the percentage method is "vastly superior to the lodestar method for a variety of reasons, including the incentive for counsel to 'run up the bill' and the heavy burden that calculation under the lodestar method places upon the court." 2005 WL 3148350, at *25. The court also observed that, because it is calculated based on the number of attorney-hours spent on the case, the lodestar method deters early settlement of disputes. *Id.* Thus, there is a "strong consensus in favor of awarding attorneys' fees in common fund cases as a percentage of the recover." *Id.* at *26.

While the Willis and BMB Settlements are not class action settlements, because the settlement is structured as a settlement with the Receiver and the Committee, and bar orders precluding other litigation against Willis arising from the Stanford Ponzi scheme, this Court has analyzed the award of attorneys' fees to Plaintiffs' Counsel under both the common fund and the *Johnson* approach. Whether analyzed under the common fund approach, the *Johnson* framework, or both, the 22.32% fee sought by Plaintiffs' Counsel pursuant to their fee agreements is reasonable and is hereby approved by the Court.

Having reviewed the Declarations of Plaintiffs' Counsel reflecting the investment of thousands of hours and millions of dollars of attorney time by Plaintiffs' Counsel in the Stanford Receivership as a whole and in the litigation against Willis and BMB specifically, the Court

finds that the proposed 22.32% fee for Plaintiffs' Counsel is a reasonable percentage of the common fund (*i.e.* the $120,000,000 settlement). "The vast majority of Texas federal courts and courts in this District have awarded fees of 25%–33% in securities class actions." *Schwartz*, 2005 WL 3148350, at *31 (collecting cases). "Indeed, courts throughout this Circuit regularly award fees of 25% and more often 30% or more of the total recovery under the percentage-of-the recovery method." *Id*. The Court further finds that the fee is reasonable based upon the Court's analysis of the *Johnson* factors.

A review of the *Johnson* factors that are discussed at length in the Motion and supported by Plaintiffs' Counsel's Declarations also demonstrates that the proposed 22.32% fee is reasonable and should be approved. With respect to the time and labor required, Plaintiffs' Counsel invested a tremendous amount of time and labor in this case as reflected in the Snyder, Valdespino, Blakeway and Buncher Declarations filed in support of the Motion. Castillo Snyder served as lead counsel among Plaintiffs' Counsel for the Committee in the Janvey Litigation and for the Stanford Investors in the Troice Litigation. Castillo Snyder has close to $7 million invested in the Stanford cases overall since 2009, and 3,972.93 hours of unpaid attorney and paralegal time worth $2,313,076.67 at Castillo Snyder's applicable hourly rates invested specifically in the Janvey Litigation and the Troice Litigation. *See* Snyder Decl., at ¶ 41. Strasburger & Price also has thousands of hours and millions of dollars of time invested in pursuing claims against third parties related to the Stanford Receivership, and 4,683 hours of unpaid attorney and paralegal time worth $2,924,920 attributable to the Janvey Litigation and the Troice Litigation. *See* Valdespino Decl., at ¶ 41; Blakeway Decl. at ¶ 12. Neligan Foley served as lead counsel for the Receiver in the Janvey Litigation. Neligan Foley has nearly 7,000 hours and over $2.8 million worth of attorney and paralegal time invested in the Stanford lawsuits,

including the Janvey Litigation and the Troice Litigation. Neligan Foley has over 1,167.4 hours of unpaid attorney and paralegal time worth $565,817.50 invested specifically in the Janvey Litigation and the Troice Litigation. *See* Buncher Decl., at ¶ 18. Finally, Plaintiffs' Counsel retained Washington-based U.S. Supreme Court appellate counsel Tom Goldstein to assist them and serve as lead Supreme Court appellate counsel with respect to the SLUSA appeal before the U.S. Supreme Court and are contractually obligated to pay Mr. Goldstein's firm, Goldstein & Russell P.C., the sum of $334,000 in compensation for the work he performed on said appeal.

The issues presented in the Janvey Litigation and the Troice Litigation were novel, difficult and complex. Several of the complex legal and factual issues are outlined in the Plaintiffs' Memorandum of Law in Support of Motion for an Award of Attorneys' Fees and Expense in Connection with the Settlement with the Willis and BMB Defendants. Given the complexity of the factual and legal issues presented in this case, the preparation, prosecution, and settlement of this case required significant skill and effort on the part of Plaintiffs' Counsel. Although participation in the Janvey and Troice Litigation did not necessarily preclude Plaintiffs' Counsel from accepting other employment, the Declarations reveal that the sheer amount of time and resources involved in investigating, preparing, and prosecuting the Janvey Litigation and the Troice Litigation, as reflected by the hours invested by Plaintiffs' Counsel, significantly reduced Plaintiffs' Counsel's ability to devote time and effort to other matters.

The 22.32% fee requested is also substantially below the typical market rate contingency fee percentage of 33% to 40% that most law firms would demand to handle cases of this complexity and magnitude. *See Schwartz*, 2005 WL 3148350, at *31 (collecting cases and noting that 30% is standard fee in complex securities cases). "Attorney fees awarded under the percentage method are often between 25% and 30% of the fund." *Klein*, 705 F. Supp. 2d at 675

(citing *Manual for Complex Litig. (Fourth)* § 14.121 (2010)); *see, e.g.*, *SEC v. Temme*, No.4:11-cv-00655-ALM, at *4–5 (E.D. Tex. November 21, 2012), ECF No. 162 (25% contingent fee for a $1,335,000 receivership settlement); *Billitteri v. Sec. Am., Inc.*, No. 3:09–cv–01568–F (lead case), 2011 WL 3585983, *4–9 (N.D. Tex. 2011) (25% fee for a $80 million settlement); *Klein*, 705 F. Supp. 2d at 675–81 (30% fee for a $110 million settlement).

At the time of the Settlement, Plaintiffs were not subject to significant time limitations in the Janvey Litigation and the Troice Litigation, as the Janvey Litigation has been essentially stayed while the parties awaited this Court's ruling on class certification and litigated the issue of attorney immunity in the Troice Litigation. However, and given the breadth and scope of activity in the Troice Litigation over the last 7 years, including almost non-stop heavy briefing and motion practice, including class certification discovery and briefing, an appeal to the Fifth Circuit, and an appeal to the U.S. Supreme Court, Plaintiffs' Counsel has been consistently under deadlines and time pressure for over 7 years. Had an investor class been certified, the Troice Litigation would have remained pending before the Court and would likely have taken years to resolve. Furthermore, given the magnitude and complexity of the cases, even if a trial in the Janvey Litigation was set a year in the future, Plaintiffs' Counsel would have been under significant time pressure to complete all the investigation and discovery to prepare the case for final hearing within a year.

The $132,850,000 to be paid by Willis and BMB represents a substantial settlement and value to the Receivership Estate. There will be approximately $100,000,000 available for distribution. Thus, the amount involved and results obtained also support approval of the requested fee. The Declarations of Plaintiffs' Counsel further reflect that Plaintiffs' Counsel have represented numerous receivers, bankruptcy trustees, and other parties in complex litigation

matters related to equity receiverships and bankruptcy proceedings similar to the Stanford receivership proceeding. Plaintiffs' Counsel have been actively engaged in the Stanford proceeding since its inception. Thus, the attorneys' experience, reputation and ability also support the fee award. Given the complexity of the issues in the Janvey Litigation and the Troice Litigation, the Settlement, as well as other settlements achieved by Plaintiffs' Counsel in the Stanford Receivership that have also been approved by this Court, are indicative of Plaintiffs' Counsel's abilities to obtain favorable results in these proceedings.

The nature and length of Plaintiffs' Counsel's professional relationship with the clients also supports the fee award. Plaintiffs' Counsel have represented the Receiver, the Committee, and Investor Plaintiffs in numerous actions pending before the Court in connection with the Stanford Receivership since 2009, all on the same 25% contingency fee arrangement.

Finally, awards in similar cases, with which this Court is familiar, as well as those discussed in the *Schwarz* opinion, all support the fee award. For example, a 25% contingency fee was previously approved as reasonable by this Court in its order approving the Receiver's agreement with the Committee regarding the joint prosecution of fraudulent transfer and other claims by the Receiver and the Committee (the "OSIC-Receiver Agreement"). *See* SEC Action ECF No. 1267, p. 2 ("The Court finds that the fee arrangement set forth in the Agreement is reasonable."); *see also* OSIC-Receiver Agreement SEC Action ECF No. 1208, Ex. A, p. 3 (providing a "contingency fee" of 25% of any Net Recovery in actions prosecuted by the Committee's designated professionals). The Court also previously approved 25% contingency fee arrangements in connection with the BDO Settlement and the settlement with the Settling Defendants in the Adams & Reese and Kroll and Chadbourne cases. *See Official Stanford Inv'rs Comm. v. BDO USA, LLP*, No. 3:12-cv-01447-N-BG (N.D. Tex. Sep. 23, 2015), ECF No. 80;

Order Approving Attorneys' Fees in *Ralph S. Janvey v. Adams & Reese, LLP*, Civil Action No. 3:12-CV-00495-B [SEC Action, ECF. No. 2231]; *Kroll*, No. 3:09-cv-0298-N (N.D. Tex. Aug. 30, 2016) [SEC Action, ECF No. 2364.

For these reasons, the Court finds that the 22.32% contingency fee requested in connection with the Willis Settlement is well within the range of reasonableness for cases of the magnitude and complexity of the Janvey Litigation and the Troice Litigation, and the Court hereby approves the award of Plaintiffs' attorneys' fees in the amount of $26,787,500 as requested in the Motion.

The Court further finds that the request for reimbursement of the litigation expenses advanced by the Receiver and Plaintiffs' Counsel contained within the Motion is reasonable and should be approved.

The Receiver is, therefore,

ORDERED to pay Plaintiffs' Counsel attorneys' fees in the amount of $26,787,500 upon receipt of the Willis Settlement Amount in accordance with the terms of the Settlement Agreements with the Willis Defendants

FURTHER ORDERED that reimbursement of the litigation expenses advanced by the Receiver and Plaintiffs' Counsel is approved. Expenses in the amount of $38,407.37 advanced by Castillo Snyder, $86,375.00 advanced by Strasburger & Price, and $1,959.55 advanced by Neligan Foley shall be reimbursed by the Receiver to those firms from the first settlement proceeds received by the Receiver from either the Willis or the BMB Settlements.

Signed on _____, 2017

_____
DAVID C. GODBEY
UNITED STATES DISTRICT JUDGE