

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

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

**ORDER APPROVING RECEIVER’S
NINTH INTERIM DISTRIBUTION PLAN**

This Order addresses the Receiver’s Motion for Approval of Ninth Interim Distribution Plan (the “Motion”). After considering the Motion, any responses, objections, or replies thereto, the arguments of counsel, and the evidence and other materials in the record, the Court OVERRULES all objections and GRANTS the Motion in full. Accordingly, the Court ORDERS the Receiver to make interim distributions to eligible claimants according to the following Ninth Interim Plan:¹

A. Definitions.

Unless otherwise defined in this Ninth Interim Plan, all capitalized terms shall have the same definitions as those set forth in the Court’s May 30, 2013 Order Approving Receiver’s First Interim Plan. [*See* Doc. 1877.]

1. “Ninth Interim Plan” means the instant Court Order setting forth and approving the Receiver’s Ninth Interim Distribution Plan.

¹ With the exception of three elements (namely the particular funding sources, the amounts to be distributed, and a potential distribution to Eligible Insureds from the Underwriters Settlement), the details of the Receiver’s Motion and this Order approving the Ninth Interim Plan are substantially identical to the motions and Orders concerning the First through Eighth Interim Plans [*see* Docs. 1877, 2037, 2288, 2520, 2805, 2922, 2974, 3065].

2. “JLs” means Mark McDonald and Hugh Dickson, in their capacities as the Eastern Caribbean Supreme Court-appointed Antiguan Joint Liquidators of Stanford International Bank, Ltd., and of Stanford Trust Company, Ltd.

3. “Underwriters Settlement” means the \$50.9 million in funds remaining from the original \$65 million received in settlement with the Underwriters, after deducting \$14.1 million in Court-awarded attorneys’ fees. [See Doc. 3004 (motion for approval of the Underwriters Settlement); Doc. 3005 (appendix in support of the motion for approval, which includes the terms of the Underwriters Settlement); Doc. 3052 (Memorandum Opinion and Order approving the Underwriters Settlement); Doc. 3053 (Final Bar Order concerning the Underwriters Settlement); Doc. 3087 (Order denying motion for reconsideration concerning the Underwriters Settlement).]

4. “Magness Recovery” means the \$79,723,470.09 recovered from the Magness Defendants by the Receivership pursuant to the Court’s February 4, 2022 Order in *Janvey v. GMAG LLC, et al.* [See Case No. 3:15-CV-0401-N-BQ, Doc. 367.]

5. “Investor CD Claimants” has the same definition in this Ninth Interim Plan as in the First through Eighth Interim Plans. [See Doc. 1877 at 4, ¶ A(10).]

6. “JL Investor CD Claimants” means the subset of Investor CD Claimants who submitted claims in the JLs’ claims process, but only where such claims were not duplicative of claims already submitted in the Receiver’s claims process and where such claims were submitted prior to the Receiver’s Bar Date of September 1, 2012.

7. “Receivership Investor CD Claimants” means all Investor CD Claimants other than the JL Investor CD Claimants.

8. “Eligible Insureds” means Individual Underwriters’ Insureds—if any—who have non-released, non-waived contractual claims to the proceeds of the Policies, only if such claims were submitted by December 6, 2021 and only if such claims are allowed in whole or in part by the Receiver, subject to review by the Court.

9. The terms “Underwriters,” “Individual Underwriters’ Insureds,” and “Policies” shall have the meanings ascribed to them as set forth in the Underwriters Settlement [*see* Doc. 3005].

10. “Approval Date” means the date that the instant Court Order is entered.

B. The Court hereby approves a 1.06% pro rata distribution from the Receivership to all eligible Investor CD Claimants and to Eligible Insureds, which is to be made from the Underwriters Settlement.

1. The Order Approving the First Interim Plan expressly states that “[a]ny future distributions to Investor CD Claimants shall likewise be pro rata based on Investor CD Claimants’ Allowed Claim Amounts.” [*See* Doc. 1877 at 6, ¶ B(1).] Consistent with that Order, the Court hereby orders that a 1.06% distribution shall be made to eligible Investor CD Claimants (including both to Receivership Investor CD Claimants and to JL Investor CD Claimants) and to Eligible Insureds, on a pro rata basis from the Underwriters Settlement. Specifically, under the Ninth Interim Plan, eligible Investor CD Claimants and Eligible Insureds shall receive payments equal to 1.06% of their Allowed Claim Amounts as reflected in their Notices of Determination or Conditional Notices of Determination from the Receiver. The Investor CD Claimants’ Allowed Claim Amounts shall be based on their Net Losses. The Eligible Insureds’ Allowed Claim Amounts, if any, shall be based upon the Receiver’s determinations concerning timely, non-released, non-waived contractual claims to the proceeds of the Policies, and such determinations are subject to review by the Court. Eligible Insureds shall not be entitled to participate in the First through Eighth Interim Plans previously approved

by the Court. The Receiver shall use the Underwriters Settlement to fund the 1.06% distribution contemplated by this paragraph.

C. The Court hereby approves a 1.65% pro rata distribution from the Receivership to all eligible Investor CD Claimants, which is to be made from the Magness Recovery.

1. The Order Approving the First Interim Plan expressly states that “[a]ny future distributions to Investor CD Claimants shall likewise be pro rata based on Investor CD Claimants’ Allowed Claim Amounts.” [See Doc. 1877 at 6, ¶ B(1).] Consistent with that Order, the Court hereby orders that a 1.65% distribution shall be made to eligible Investor CD Claimants (including both to Receivership Investor CD Claimants and to JL Investor CD Claimants) on a pro rata basis from the Magness Recovery. Specifically, under the Ninth Interim Plan, eligible Investor CD Claimants shall receive payments equal to 1.65% of their Allowed Claim Amounts as reflected in their Notices of Determination or Conditional Notices of Determination from the Receiver. The Investor CD Claimants’ Allowed Claim Amounts shall be based on their Net Losses. Eligible Insureds shall not be entitled to any distributions from the Magness Recovery. The Receiver shall use the Magness Recovery to fund the 1.65% distribution contemplated by this paragraph.

D. Execution of the Ninth Interim Plan.

1. All distributions to Investor CD Claimants—whether to Receivership Investor CD Claimants or to JL Investor CD Claimants—and to Eligible Insureds under this Ninth Interim Plan shall begin after the Approval Date.

2. If an Investor CD Claimant or Eligible Insured serves and files a timely objection to a Notice of Determination or Conditional Notice of Determination, the Investor CD Claimant or Eligible Insured is not disqualified from receiving a distribution under the Ninth Interim Plan. However, such Investor CD Claimant or Eligible Insured shall participate in the Ninth Interim

Plan based initially on the Allowed Claim Amount originally contained in the Notice of Determination or Conditional Notice of Determination. If the Investor CD Claimant or Eligible Insured ultimately succeeds in increasing the Allowed Claim Amount (either by stipulation with the Receiver or by Court order sustaining the objection), the Investor CD Claimant or Eligible Insured shall receive a supplemental payment representing the pro rata difference between the Allowed Claim Amount in the Notice of Determination or Conditional Notice of Determination and the Allowed Claim Amount after final resolution of the objection.

3. Pursuant to the Order approving the First Interim Plan, the Receiver was ordered to send a Certification Notice to each Investor CD Claimant asking for certification, as a condition of receiving payment, regarding whether they have applied for or received compensation for their claimed losses from sources other than the Receivership and, if so, the amount of such compensation. [*See* Doc. 1877 at 8, ¶ C(2).] Under the terms of that Order, Investor CD claimants are required to provide the necessary certification within sixty (60) days of the date they received the Certification Notice. [*See id.*] Groups of Investor CD Claimants who fail to return their certifications in response to the Receiver's Certification Notices shall not receive payments under the Ninth Interim Plan. The Receiver, however, retains the right to compensate such Investor CD Claimants pursuant to the Ninth Interim Plan if, in the Receiver's discretion, such Investor CD Claimants have provided sufficient evidence that they failed to respond due to excusable neglect, inadvertence, or mistake. In addition to the Certification Notices, the JL Investor CD Claimants must also complete and return to the Receiver their "Consent to United States Jurisdiction" forms that accompany the Receiver's Conditional Notices of Determination before any distributions are made to them under any Interim Plan.

4. This Order does not require, and shall not be construed as requiring, the Receiver to send additional Certification Notices beyond the initial Certification Notices required by the First Interim Plan.

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

6. Each Investor CD Claimant's distribution under the Ninth Interim Plan shall be based solely on his Investor CD Claims and not on his other types of Claims, if any. Each Eligible Insured's distribution from the Underwriters Settlement under the Ninth Interim Plan shall be based solely on his timely, non-released, non-waived contractual claim to the proceeds of the Policies as allowed by the Receiver and not on his other types of Claims, if any.

7. Nothing in this Order shall preclude future distributions to Investor CD Claimants or other Claimants under a future plan. Nor shall anything in this Order restrict the Receiver's authority to compromise and settle any Claim, or resolve any objection to a determination, at any time, as appropriate, without further order of this Court. [See Doc. 1584 at 21, ¶ 7(u).]

8. All payments under the Ninth Interim Plan shall be made on a rolling basis. Prior to making a group of payments pursuant to the Ninth Interim Plan, the Receiver shall file a schedule of the payments to be made. Each such schedule shall be filed at least ten (10) days prior to the subject payments being made. The schedules shall include claim ID numbers and the amount of the associated payments but shall not contain information from which the individual Investor CD Claimants or Eligible Insureds can be identified.

9. The payments pursuant to the Ninth Interim Plan representing the Investor CD Claimants' or Eligible Insureds' pro rata shares shall be made by check, unless otherwise agreed. If payment is being made to compensate for losses that derive from accounts jointly owned by or otherwise associated with two or more Investor CD Claimants, the checks shall be jointly payable to all such Investor CD Claimants and require the full endorsement of all such Investor CD Claimants.

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

D. No Effect on Third-Party Claims.

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

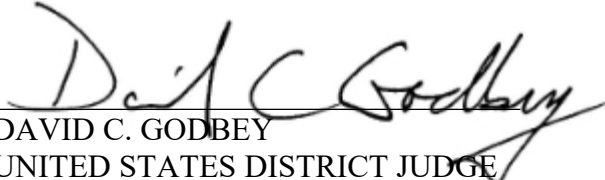
- a. any defenses an Investor CD Claimant or Eligible Insured has or may have against litigation claims asserted or that may be asserted by the Receiver, including but not limited to any rights the Investor CD Claimant or Eligible Insured has or may have to appeal rulings of the trial court in such cases;
- b. any right that an Investor CD Claimant has or may have to pursue claims against former individual Stanford Financial Group financial advisors who were licensed by FINRA, subject to any limitations contained in this Court's prior Orders, including but not limited to this Court's Second Amended Receivership Order dated July 19, 2010 [*see* Doc. 1130];
- c. any right that an Investor CD Claimant or Eligible Insured has or may have to pursue claims against persons or entities that are not Receivership Entities, subject to any limitations contained in this Court's prior Orders, including but not limited to this Court's Second Amended Receivership Order dated July 19, 2010 [*see* Doc. 1130], as well as this Court's Final Bar Order dated January 22, 2021 [*see* Doc. 3053] and this Court's Memorandum Opinion and Order dated January 25, 2021 [*see* Doc. 3052] that bar certain claims against certain individuals and entities in connection with the Underwriters Settlement; or
- d. any claims, rights, or defenses which the Receiver, or his counsel, agree in a stipulation filed with this Court are not waived by filing of a Proof of Claim.

E. Release.

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

2. Any Eligible Insured who receives a payment pursuant to this Ninth Interim Plan shall be deemed to have released the contractual claim to the proceeds of the Policies for which payment was made to the extent of the payment. Each Eligible Insured's Allowed Claim Amount shall be reduced, dollar for dollar, by the total amount received pursuant to the Ninth Interim Plan.

SIGNED April 25, 2022.


DAVID C. GODBEY
UNITED STATES DISTRICT JUDGE