

**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
FIFTH INTERIM DISTRIBUTION PLAN**

This Order addresses the Receiver's Motion for Approval of Fifth 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 Investor CD Claimants according to the following Fifth Interim Plan:¹

A. Definitions.

Unless otherwise defined in this Fifth 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. "First Interim Plan" means the Court's May 30, 2013 Order setting forth and approving the Receiver's Interim Distribution Plan. [*See* Doc. 1877.]

¹ Except as to the particular funding sources and the amounts to be distributed to Investor CD Claimants, the details of the Receiver's Motion and this Order approving the Fifth Interim Plan are substantially identical to the motions and Orders concerning the First, Second, Third, and Fourth Interim Plans.

2. “Second Interim Plan” means the Court’s July 2, 2014 Order setting forth and approving the Receiver’s Second Interim Distribution Plan. [See Doc. 2037.]

3. “Third Interim Plan” means the Court’s March 22, 2016 Order setting forth and approving the Receiver’s Third Interim Distribution Plan. [See Doc. 2288.]

4. “Fourth Interim Plan” means the Court’s May 16, 2017 Order setting forth and approving the Receiver’s Fourth Interim Distribution Plan. [See Doc. 2520.]

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

6. “JLs” means Marcus A. Wide 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.

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

8. “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.

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

10. “Hunton Settlement” means the remaining \$25,446,468.49 in funds from the \$34 million settlement agreement previously reached with Hunton & Williams LLP in *Janvey, et al. v. Greenberg Traurig, et al.*, No. 3:12-CV-04641-N (N.D. Tex.), after accounting for \$71,314.36 in allowed expense disbursements and \$8,482,217.15 in Court-awarded attorneys’

fees. [See Doc. 2701 (Order overruling objections to the Hunton Settlement); Doc. 2702 (Order approving expenses and attorneys' fees to be paid from the Hunton Settlement); Doc. 2703 (Order approving the Hunton Settlement).]

11. "Swiss Assets" means the \$25,401,246.98 in Stanford funds repatriated to the United States from Switzerland that were transferred to the Receivership by the U.S. Department of Justice in August 2018 pursuant to an agreement between the Receiver, the JLS, and the DOJ regarding the release and distribution of international assets for the benefit of Investor CD Claimants. [See Doc. 1792 at 27-32 (the "Cross-Border Settlement" concerning, *inter alia*, the Swiss Assets); Doc. 1844 (Order approving the Cross-Border Settlement).]

12. "Approval Date" means the date that the instant Court Order is entered.

B. The Court hereby authorizes the Receiver to issue 3.39% in catch-up pro rata distributions to eligible JL Investor CD Claimants under the First through Fourth Interim Plans.

1. The First, Second, Third, and Fourth Interim Plans directed the Receiver to make pro rata distribution payments to eligible Investor CD Claimants. [Doc. 1877 (1% distribution under the First Interim Plan); Doc. 2037 (0.39% distribution under the Second Interim Plan); Doc. 2288 (1% distribution under the Third Interim Plan); Doc. 2520 (1% distribution under the Fourth Interim Plan).] To date, only Receivership Investor CD Claimants have been authorized to receive distributions under those four Interim Plans. By virtue of the instant Order, however, the Court now hereby expressly authorizes and orders the Receiver to also make pro rata distribution payments to eligible JL Investor CD Claimants under the First, Second, Third, and Fourth Interim Plans, on the respective percentage bases stated above. For purposes of such distribution payments, the same procedures, methodologies, and requirements as those set forth in the Orders approving those four Interim Plans shall apply, and the Receiver shall use the assets previously approved by the Court to fund those four distributions.

2. Only eligible Investor CD Claimants (comprising Receivership Investor CD Claimants and JL Investor CD Claimants) are entitled to distributions under the First through Fourth Interim Plans, and no other category of Claimants are permitted to receive distributions from the Receiver through operation of those Interim Plans or of the instant Order. Moreover, nothing in this Order entitles any Investor CD Claimants who have already received distributions from the Receiver's First, Second, Third, or Fourth Interim Plans to receive any further or additional payments under those four prior Interim Plans.

C. The Court hereby approves an additional 1.11% pro rata distribution from the Receivership to all eligible Investor CD Claimants, to be made from the Hunton Settlement, the Swiss Assets, and other Receivership Assets.

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).] Accordingly, the Court orders that an additional 1.11% distribution 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 pursuant to the Fifth Interim Plan. Specifically, under the Fifth Interim Plan, such Investor CD Claimants shall receive payments equal to 1.11% of their Allowed Claim Amounts as reflected in their Notices of Determination or Conditional Notices of Determination from the Receiver. The Allowed Claim Amounts shall be based on the Investor CD Claimants’ Net Losses. The Receiver shall use the Hunton Settlement, the Swiss Assets, and other available Receivership Assets to fund the 1.11% distribution contemplated by this paragraph.

2. If an Investor CD Claimant serves and files a timely objection to a Notice of Determination or Conditional Notice of Determination, the Investor CD Claimant is not disqualified from receiving a distribution under the Fifth Interim Plan. However, the Investor CD Claimant shall participate in the Fifth 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 ultimately succeeds in increasing the Allowed Claim Amount (either by stipulation with the Receiver or by Court order sustaining the Investor CD Claimant's objection), the Investor CD Claimant 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 Investor CD Claimant's 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 Fifth Interim Plan. The Receiver, however, retains the right to compensate such Investor CD Claimants pursuant to the Fifth 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. 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 Fifth Interim Plan shall be based solely on his Investor CD Claims 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 different plan. Nor shall anything in this Order restrict the Receiver's authority to compromise and settle any Claim, or resolve any objection to a determination, at any time, as appropriate, without further order of this Court. [*See* Doc. 1584 at 21, ¶ 7(u).]

D. Execution of the Fifth Interim Plan.

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

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

3. Unless the parties to the Hunton Settlement agree otherwise, the payments pursuant to the Fifth Interim Plan representing the Receivership Investor CD Claimants' and the JL Investor CD Claimants' pro rata shares of the Hunton Settlement shall be made by check. 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.

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

5. With respect to check payments representing an Investor CD Claimant's pro rata share of the Hunton Settlement, the following language shall be included on the reverse of all checks, above where the endorser will sign:

BY ENDORSING THIS CHECK, I RELEASE ALL CLAIMS, KNOWN OR NOT, AGAINST (I) HUNTON & WILLIAMS LLP, ITS PARTNERS, AND EMPLOYEES (WHETHER CURRENT OR PAST) AND (II) CARLOS LOUMIET, ARISING FROM OR RELATING TO STANFORD INTERNATIONAL BANK, LTD. OR ANY OF ITS RELATED ENTITIES AND ACCEPT THIS PAYMENT IN FULL SATISFACTION THEREOF. I AM NOT HEREBY RELEASING ANY CLAIMS THAT I HAVE OR MAY HAVE AGAINST GREENBERG TRAURIG, LLP ("GREENBERG"). THIS RELEASE DOES NOT AFFECT ANY SUCH CLAIMS, EVEN INCLUDING CLAIMS AGAINST GREENBERG THAT ARE BASED ON THE CONDUCT OF CARLOS LOUMIET.

[Doc. 2562 at 21-22, ¶ 36.]

6. The Receiver shall distribute from the Hunton Settlement proceeds the amounts of \$15,000.00 each to Pam Reed, Samuel Troice, and Michoacan Trust in acknowledgement of their participation and the work they performed as the named, putative class representative plaintiffs in the Hunton lawsuit. These payments are in addition to the 1.11% pro rata distribution to be made to Pam Reed, Samuel Troice, and Michoacan Trust pursuant to paragraph (C)(1) and paragraphs (1) through (5) of this section.

E. No Effect on Third-Party Claims.

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


- a. any defenses an Investor CD Claimant has or may have against litigation claims asserted or that may be asserted by the Receiver, including but not limited to any rights the Investor CD Claimant has or may have to appeal rulings of the trial court in such cases;

- b. any right that an Investor CD Claimant has or may have to pursue claims against former individual Stanford Financial Group financial advisors who were licensed by FINRA, subject to any limitations contained in this Court's prior Orders, including but not limited to this Court's Second Amended Receivership Order dated July 19, 2010 [*see* Doc. 1130];
- c. any right that an Investor CD Claimant has or may have to pursue claims against persons or entities that are not Receivership Entities, except as otherwise specified in the release language contained in the distribution checks and further 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], and except as otherwise provided by this Court's Final Bar Order dated March 26, 2018 [*see* Doc 2703] and this Court's Rule 54(b) Final Judgment and Bar Order dated March 26, 2018 [*see Janvey, et al. v. Greenberg Traurig, LLP, et al., No. 3:12-CV-04641-N, Doc. 265*], which bar certain claims against certain individuals and entities in connection with the Hunton 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.

F. Release.

1. Any Investor CD Claimant who receives a payment pursuant to this Fifth 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 Fifth Interim Plan.

SIGNED on November 19, 2018.



DAVID C. GODBEY
UNITED STATES DISTRICT JUDGE