

Court File No: CV-12-9780-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

**MARCUS WIDE of Grant Thornton (British Virgin Islands) Limited, and HUGH
DICKSON, of Grant Thornton Specialist Services (Cayman) Ltd, acting together herein in
their capacities as joint liquidators of Stanford International Bank Limited**

Plaintiffs

- and -

THE TORONTO-DOMINION BANK

Defendant

AFFIDAVIT OF RALPH S. JANVEY

(Sworn December 1, 2014)

I, **RALPH S. JANVEY**, of the City of Dallas, in the State of Texas, United States of America, MAKE OATH AND SAY:

1. On February 17, 2009, I was appointed by the United States District Court for the Northern District of Texas (Dallas Division) as Receiver over all property, assets, and records, wherever located, and the legally recognized privileges (with regard to the entities) of Robert Allen Stanford ("Stanford"), James M. Davis ("Davis") and Laura Pendergest-Holt ("Pendergest-Holt"); three companies ultimately owned by Stanford, namely Stanford International Bank Limited ("SIB"), Stanford Group Company ("SGC"), and Stanford Capital Management, LLC; and all entities owned or controlled by any of the foregoing (together, the "Receivership Estate").

2. The Order and Amended Order appointing me as Receiver charged me with the responsibility for acquiring control and possession of the Receivership Estate and performing all acts necessary to conserve, manage and preserve the Receivership Estate.

3. As a result of the foregoing, I have knowledge of the information to which I hereinafter depose, except where my statements are of my information and belief, in which cases I have identified the source of that information or belief, and I believe the statements to be true.

I. THE STANFORD COMPANIES

4. Having reviewed and analyzed the information available to me as Receiver, I have determined that Stanford directly or indirectly owned or controlled more than 130 companies, all of which comprised parts of the Receivership Estate (the "**Stanford Companies**"). The Stanford Companies together had operations in more than 50 discrete locations spanning 15 U.S. states and 13 countries in North America, Europe, the Caribbean, and Latin America. At the time I was appointed as Receiver, the Stanford Companies collectively had more than 3,000 employees, of which approximately 1,200 were in the U.S. and the balance of which were in 12 other countries.

5. The Stanford Companies operated in an interconnected fashion, most or all with a core objective of selling or facilitating the sale of SIB certificates of deposit ("**CDs**"). Throughout the more than 20 years that SIB operated, the Stanford Companies promoted that funds invested in SIB CDs would be invested using a low-risk investment strategy concentrating on maximum liquidity in a well-balanced, widely diversified global portfolio that would provide consistent returns.

6. On the basis of such promotions, the Stanford Companies ultimately sold SIB CDs to thousands of customers around the world. The amount invested in the CDs sold by SIB measured

in the billions of US dollars. SIB also offered limited products and services other than CDs, such as credit cards and loans secured by CDs held at SIB.

7. The Stanford Companies together operated as one Ponzi scheme. SIB was responsible for issuing CDs and held extensive records corresponding to those CDs, including customer files and records in respect of transfers to and from clients in connection with CDs. However, extensive portions of SIB's business were managed or undertaken by other of the Stanford Companies, including Stanford Financial Group Company ("SFG").

8. SFG provided services to the other Stanford Companies, including SIB. These services included treasury services, legal services, human resources support, and other functions. Although SFG was incorporated in Florida and had various offices throughout the U.S., its main headquarters was in Houston, Texas. It was from that office that the individuals ultimately in charge of decision making for the Stanford Companies were primarily based, including at various times each of Stanford, Davis and Pendergest-Holt.

II. REQUIRED TASKS IN MONTHS FOLLOWING APPOINTMENT

9. In carrying out my duties to the Court, I promptly retained the services of numerous professional firms, including lawyers, accountants, and securities industry professionals (the "Receivership Team"). The Receivership Team is paid only after application and approval from the US Court. These payments are made using funds of the Stanford Companies that have become available to me through my efforts to collect and secure assets following my appointment as Receiver.

10. The tasks faced by the Receivership Team have been daunting and complex. Upon my appointment as Receiver, I became responsible for all offices of the Stanford Companies

throughout the U.S. , Latin America, the Caribbean, Canada and Europe. The Receivership Team was therefore required to assume and discharge legal duties in numerous jurisdictions in respect of my status as, among other things: (i) employer of thousands of people; (ii) an owner of multiple pieces of real property and a large quantity of personal property, including everything from furniture to boats and airplanes; (iii) a landlord and/or tenant related to numerous properties; (iv) a party to ongoing and new litigation; (v) the chief executive of a large brokerage firm and numerous other distinct businesses; and (vi) a custodian of more than twenty years' worth of business records of the Stanford Companies spread over more than twenty locations.

11. Included among the innumerable records of the Stanford Companies were the records of the Stanford Companies' various accounts, both internal, such as SFG's Oracle database and SIB's Temenos and DataPro databases, and external, such as paper and electronic files from third-party financial institutions where bank accounts of various Stanford Companies are or were located. The third-party financial institutions included, among various others, The Toronto-Dominion Bank ("TD Bank") in Canada, which held funds for a variety of the Stanford Companies; Pershing, LLC And JP Morgan Clearing Corporation, both of which have held or currently hold SGC customer and former employee accounts; and SEI Investments Company, which held Stanford Trust Company (U.S.) accounts. Analysis of these records by my forensic accountants at FTI Consulting Inc. ("FTI") has established, for example, that, as of February 16, 2009, SGC had approximately 50,000 separate brokerage accounts, and the Louisiana-based STC had an additional 1,438 accounts. FTI also determined that the Stanford Companies made many thousands of outgoing transfers each month. In the four months prior to my appointment, for example, fifty-five of the Stanford Companies alone made, on average, more than 7,800 outgoing transfers per month.

12. The Receivership Team also faced real financial limitations. Particularly in the months immediately following my appointment as Receiver, the liquid assets of the Receivership Estate were limited relative to the enormous size of the liabilities the Stanford Companies left behind. In addition, at the time of my appointment, the Stanford Companies were incurring operating expenses at a rate of over US\$33 million per month. I was therefore directed by the Court to undertake all efforts in respect of the Receivership Estate with a focus on minimizing expenses and maximizing the value of the estate for creditors.

13. As a result of the foregoing, in the early months after my appointment as Receiver, the Receivership Team's focus was on, most notably: (i) securing the assets of the Receivership Estate, including, but not limited to, the bank accounts and real estate assets of the Stanford Companies; (ii) locating, collecting, organizing and analyzing necessary information about assets and liabilities of the estate; and (iii) curbing the extraordinary operating expenses of the Stanford Companies, which, had they continued at the pace occurring prior to my appointment, would have quickly depleted the limited liquid assets available to the Stanford Companies and, in turn, the Receivership Team. Prioritization of this work was necessary in order to ensure that maximum value would be available for distribution to investors in SIB CDs and other claimants. I view such prioritization not only as reasonable, but also legally required by my mandate as Receiver.

14. In the months immediately following my appointment as Receiver, the Receivership Team also expended substantial time and effort completing other required tasks, including, among other things:

- (a) complying with requests for information and assistance from various federal law enforcement and other government agencies (including the Securities and

Exchange Commission (the "SEC"), the Federal Bureau of Investigation, the Department of Justice, the Internal Revenue Service, the Drug Enforcement Administration, Postal Inspectors, the Department of Treasury and the Board of Governors of the Federal Reserve System) and responding to inquiries and investigations at the state and local level from at least 24 different state securities and banking regulators in 19 states;

- (b) providing timely, accurate and relevant information to the Court and various other individuals and entities, including employees of the Stanford Companies, SIB CD holders and the public. These efforts were particularly time-consuming in the first few months after my appointment as Receiver, during which time the Court, CD holders and the general public were, understandably, especially eager for and requiring answers and information; and
- (c) terminating the employment contracts of employees of the Stanford Companies and winding up those employees' benefit plans. This was a substantial undertaking given that more than 3,000 employees were employed by the Stanford Companies.

15. Various other tasks also needed to be undertaken by the Receivership Team. For example, in just the first three months of the Receivership, more than 400 individuals and entities filed a total of over sixty five motions in the SEC's lawsuit from which the Receivership originated. In addition, more than twenty new lawsuits were filed in various other federal and state courts in direct contravention of the U.S. Court's injunction preventing such lawsuits. In 2009, I also initiated fraudulent transfer lawsuits against hundreds of brokers who had received fraudulent

transfers in the form of commissions and bonuses for selling SIB CDs as well as lawsuits against hundreds of investors who had received profits in excess of their SIB investments.

16. In determining how to utilize the Receivership Estate's resources with respect to litigation activity, I was required to consider the Receivership Estate's limited resources and the sheer number of competing priorities facing the Receivership Team. One of the reasons I focused the Receivership Team's resources early on with respect to litigation with brokers and investors was that the Receivership Estate held assets belonging to a number of brokers and investors, and it was necessary for the Court to determine on an expedited basis whether I should continue to hold the assets or whether they should be returned to the brokers and investors pending trial. Thus, although litigation occupied a substantial part of the Receivership Team's efforts in 2009, I was unable to devote resources at that time to the investigation and prosecution of potential third-party liability actions.

III. IMPEDIMENTS FACED IN UNDERTAKING THE RECEIVERSHIP

17. The Receivership Team faced various complications and impediments in its efforts to undertake the tasks required in the months immediately following my appointment as Receiver. All of these impediments were in addition to the financial constraints placed on the Receivership Team due to the shortage of liquid assets held by the Stanford Companies at the time the Receivership was imposed.

18. A primary and significant issue faced by the Receivership Team was the state and extent of the records held by the Stanford Companies. In particular, the Receivership Team faced the herculean task of investigating and reviewing over 20 years' worth of disorganized and decentralized business and accounts records of the Stanford Companies. The task of obtaining,

identifying and analyzing the records of the Stanford Companies proved to be incredibly complex, so much so that it is in some respects still ongoing to this day. This complexity was caused not only by the massive extent of the Stanford Companies' records, but also the fact that the Stanford Companies maintained approximately 200 accounting, financial and operational systems, most of which it has now been determined did not centrally report. In fact, it appears that records were kept intentionally disconnected in order to prevent any one individual from piecing together a complete picture of the operations of the Stanford Companies.

19. The Receivership Team has gathered all of the physical records maintained by the U.S.-based Stanford Companies. Those records are now stored in a warehouse in Houston, Texas. The volume of those records is staggering, filling more than 16,000 boxes. In addition to the physical records, the Receivership possesses more than 60 terabytes of electronic records. Although the Receivership Team has undertaken efforts to attempt to broadly categorize materials so that they are usable as needed by the Receivership Team, they have had to remain mindful of the Receivership Estate's resource constraints in determining the scope of the categorization effort. The volume of material is simply too great to permit a comprehensive review and categorization of the physical and electronic records.

20. The magnitude of the task faced by the Receivership Team in respect of the records of the Stanford Companies was complicated further by the fact that the Antiguan courts refused to recognize the orders of the U.S. Court and my appointment, and instead authorized a competing liquidation proceeding administered by Nigel Hamilton-Smith and Peter Wastell (the "Former Officeholders"). The Former Officeholders were originally appointed as receiver-managers of two of the Stanford Companies, namely SIB and Stanford Trust Company Limited (Antigua), both

of which were incorporated in Antigua. Later, in April 2009, the Former Officeholders were appointed as joint liquidators of SIB by the Eastern Caribbean Supreme Court.

21. The appointment of the Former Officeholders caused there to be two estates in respect of SIB. In particular, there was the estate of SIB managed by the Former Officeholders (the "Antiguan SIB Estate") and the estate of SIB that I managed (the "U.S. SIB Estate").

22. Significant issues arose due to the creation of the Antiguan SIB Estate and U.S. SIB Estate. For instance, pursuant to the Order and subsequent amended orders of the U.S. Court appointing me as Receiver, I was required to acquire control and possession over the Receivership Estate, which included all property, records and information of all Stanford Companies including SIB. At the same time, however, the Former Officeholders were similarly required by the appointing Orders issued by the Antiguan and Eastern Caribbean Courts to acquire control and possession over all property, records and information of SIB.

23. As a result, for example, the Receivership Team lacked access to the records and information that were held by SIB only in Antigua. The Receivership Team also lacked access to SIB personnel in Antigua. On the other hand, I did not provide the Former Officeholders with access to any of the records from the Receivership Estate during 2009 other than what might have been made available through court filings.

24. Another result of the existence of the Former Officeholders and the lack of cooperation with the U.S. SIB Estate by the Antiguan courts was that I was required throughout 2009 to devote a very substantial portion of my resources to dealing with cross-border issues, including engaging in litigation and other activities adverse to the Former Officeholders in Canada, Antigua, the U.K., and Switzerland (the "Other Jurisdictions"). Further, my access to information was limited or

non-existent in jurisdictions, including Antigua, where the Former Officeholders were recognized in preference to myself.

25. One significant area of disagreement between the Former Officeholders and me concerned access to, and control of, SIB's assets. This was the case in respect of virtually all assets, including not only those located in Antigua and the U.S., but also in each of the Other Jurisdictions.

26. In the weeks and months following my appointment as Receiver, the Receivership Team determined that third-party financial institutions or law enforcement bodies in the Other Jurisdictions held varying amounts of assets belonging to SIB. It was my position that, due to the legal obligations placed on me by the Order and amended orders appointing me as Receiver, those assets properly formed part of the Receivership Estate and therefore should come under my control. On the other hand, the Former Officeholders took the position that they were legally obligated to control the assets held in the Other Jurisdictions. Litigation in respect of the assets held in the Other Jurisdictions therefore ensued.

27. In particular, with a view to controlling the assets held in the Other Jurisdictions, I was required to and did seek recognition of my appointment as Receiver from courts in each of the Other Jurisdictions. In doing so, I was required to litigate adversely to the Joint Liquidators to attempt to demonstrate that I should be recognized over and to the exclusion of the Former Officeholders.

28. In each of the Other Jurisdictions, the litigation against the Former Officeholders in respect of recognition and approval to act was long, expensive and hard-fought. To take one example, in April 2009, I filed a motion with the Court in the Province of Quebec seeking recognition and approval to act in Canada. The Former Officeholders also filed motion and application materials in

April 2009 seeking such recognition and approval. Following the filing of these detailed materials, oral submissions were required and lasted for multiple days in August and September 2009.

29. Eventually, on September 1-1, 2009, the Quebec Court recognized me and authorized me (through my Canadian representative, Ernst & Young Inc.) to act in Canada to the express exclusion of the Former Officeholders. The Former Officeholders (and later the Joint Liquidators) appealed the Quebec Court's decision, eventually seeking leave to appeal from the Supreme Court of Canada, but leave was denied and the appeals were unsuccessful. The sole exception is that, in August 2011, the Joint Liquidators, with my consent, acquired the discrete permission and authority from the Quebec Court to pursue claims in Canada against TD Bank.

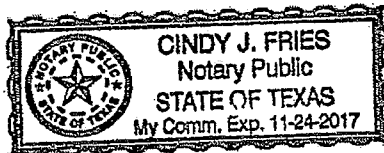
30. Recognition and approval litigation against the Former Officeholders also took place in each of the Other Jurisdictions. Ultimately, the Former Officeholders were authorized to act for SIB in the U.K. and Switzerland.

SWORN before me at the City of Dallas, in)
the State of Texas, this 1st day of December,)
2014.)

Cindy J. Fries

A Commissioner, notary, etc.

Ralph S. Janvey
RALPH S. JANVEY



LARCUS A. WIDE, et al.
Plaintiffs

v.

THE TORONTO-DOMINION BANK
Defendant

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SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

AFFIDAVIT OF RALPH S. JANVEY
(Sworn December 1, 2014)

BENNETT JONES LLP
Barristers and Solicitors
One First Canadian Place
Suite 3400, P.O. Box 130
Toronto, Ontario
M5X 1A4

Lincoln Caylor (LSUC # 37030L)
Maureen M. Ward (LSUC #44065Q)
Nathan J. Shaheen (LSUC #60280U)

Tel: 416.777.6121/4630/7306
Fax: 416.863.1716

Lawyers for the plaintiffs