This is **Exhibit "L"** referred to in the
affidavit of Marcus A. Wide
sworn before me, this 25 day of November, 2014.

A Commissioner, notary, etc.

SETTLEMENT AGREEMENT AND CROSS-BORDER PROTOCOL

THIS SETTLEMENT AGREEMENT AND CROSS-BORDER PROTOCOL (the "Agreement") dated as of March 8, 2013, is made by and among (i) the United States of America, by and through the United States Department of Justice ("DOJ") who in turn in relation to proceedings in England and Wales are represented by the Serious Fraud Office ("SFO"); (ii) Marcus A. Wide and Hugh Dickson, solely in their capacities as the Eastern Caribbean Supreme Court appointed Joint Liquidators of Stanford International Bank Limited ("SIB") (in Liquidation) and of Stanford Trust Company Limited ("STC") (in Liquidation) (the "JLs") and not in their personal capacities; (iii) Ralph S. Janvey, solely in his capacity as US District Court appointed Receiver for SIB, Stanford Group Company, Stanford Capital Management, LLC, Robert Allen Stanford ("Stanford"), James M. Davis, Laura Pendergest-Holt, Stanford Financial Group, the Stanford Financial Group Bldg., Inc., and all entities the foregoing persons and entities own or control (the "Receiver") and not in his personal capacity; (iv) the United States Securities and Exchange Commission (the "SEC"); (v) John J. Little, in his capacity as Examiner appointed by the US Court (the "Examiner"); and (vi) the Official Stanford Investors Committee ("OSIC") by and through its Chairman, John J. Little (collectively, the "Parties"). The US Receiver and OSIC are sometimes hereinafter referred to collectively as the "Receivership Parties".

DEFINITIONS

A. "Execution Date" means the first date on which this Agreement has been executed by the Receiver, the JLs, DOJ, SEC, the Examiner, and OSIC. On the Execution Date, the obligation of the Parties to seek the approvals outlined in Section 1.4 becomes effective. The remainder of the Agreement becomes effective on, and not until, the Effective Date.

B. "Effective Date" means the first date on which this Agreement has received all necessary approvals as outlined in Section 1.4.

C. "Creditor-victims" means claimants seeking reimbursement for losses associated with their deposits with SIB.

D. "Law Firm Claims" means damages claims, including but not limited to professional negligence, aiding and abetting, and conspiracy, asserted or filed against lawyers or law firms who formerly represented Stanford or any Stanford-related entity or individual.

E. "Bank Claims" means damages claims, including but not limited to negligence, aiding and abetting, dishonest assistance, and conspiracy, asserted or filed against banks or institutions providing banking services to Stanford or any Stanford-related entity or individual.

F. "Settlement Term Sheet" means that certain non-binding Settlement Term Sheet executed by the Receiver, the JLs, and the Examiner on November 20 and 21, 2012 and addressing and encompassing certain of the matters addressed by this Agreement.

G. "Claw Back Net Winner Claims" means any claim against a SIB depositor to recover payments made to such depositor in excess of the principal the depositor deposited with SIB.

RECITALS

A. WHEREAS, the Parties have reached a global settlement on the terms outlined herein encompassing certain agreements (i) to work cooperatively with respect to the JLs' and Receiver's claims and distribution processes; (ii) with respect to claw-back and third-party liability litigation, to divide responsibility where possible for certain litigation and develop coordination mechanisms for certain other litigation; and (iii) to provide for the liquidation and release of the proceeds which are expected to be realized from approximately US$300 million of

certain assets, including those currently frozen in Canada, Switzerland and the United Kingdom, through an agreed protocol for ultimate distribution to Creditor-victims by the JLs and the Receiver.

The Receiver and Receivership Estate

B. WHEREAS, the Receiver was appointed by the US District Court for the Northern District of Texas (the "US Court") at the request of the SEC on February 16, 2009. The order of appointment was amended by the US Court on March 12, 2009 and again on July 19, 2010. The Receiver is an equity receiver whose duties and obligations are set forth in the order of the US Court dated July 19, 2010.

C. WHEREAS, the Receiver's powers extend over the assets and affairs of SIB, Stanford Group Company, Stanford Capital Management, LLC, Stanford, James M. Davis, Laura Pendergest-Holt, Stanford Financial Group, the Stanford Financial Group Bldg., Inc., and all entities the foregoing persons and entities own or control (collectively, the "US Estate").

The JLs and Antiguan Estate

D. WHEREAS, the JLs were appointed by the Eastern Caribbean Supreme Court in Antigua and Barbuda (the "Antiguan Court") on May 12, 2011, replacing the former Joint Liquidators, Mr. Nigel Hamilton-Smith and Mr. Peter Wastell ("Former JLs"), who themselves were originally appointed as receiver-managers of SIB on February 19, 2009, and, thereafter, as joint liquidators of SIB on April 15, 2009.

E. WHEREAS, the JLs' powers currently extend over the assets and affairs of SIB and STC by order of the Antiguan Court.

F. WHEREAS, in their respective proceedings, the Receiver and the JLs have been appointed, among other things, to (a) manage and/or liquidate the relevant debtors' affairs,

(b) collect and realize their respective assets, (c) develop and pursue claw-back and other claims to enlarge the sums available for distribution to creditors, (d) act as the representatives of their respective estates, and (e) to distribute the proceeds collected in accordance with applicable law. In the instance of the Receiver, certain aspects of his mandate have been delegated to OSIC by order of the US Court.

G. WHEREAS, under section 289(1)(e) of the International Business Corporations Act, Cap 222 (Antigua and Barbuda) (the "IBC Act"), the JLs are required to follow a distribution waterfall which includes a duty to distribute funds to fully satisfy the claims of small depositors whose net account balance investments do not exceed EC$20,000 (approximately US$7,500), before depositors whose CDs are of a net value of in excess of EC$20,000 may receive a distribution. The JLs estimate that the total value of small-dollar depositors' claims on the SIB estate (again, whose net account balances do not exceed EC$20,000) will not exceed US$1 million *in toto*.

The US Criminal and Forfeiture Proceedings

H. WHEREAS, Stanford was indicted in the US District Court for the Southern District of Texas on June 18, 2009, and charged with multiple felony counts based on his role in the Stanford Ponzi scheme.

I. WHEREAS, Stanford was tried and convicted of thirteen felony counts related to his role in the Stanford Ponzi scheme, was sentenced to serve a prison term of 1,320 months, and is serving his prison sentence pending appeal.

J. WHEREAS, a forfeiture trial was held in connection with Stanford's criminal case in the Southern District of Texas (the "Forfeiture Court") resulting in an Amended Order of Forfeiture, dated June 1, 2012, and Judgment, dated June 14, 2012, forfeiting to the DOJ certain

property identified in the Amended Order and including approximately US$300 million of assets frozen in Switzerland, the UK and Canada.

The UK Proceedings

K. WHEREAS, on April 6, 2009, the DOJ issued a letter of request under a Mutual Legal Assistance Treaty ("MLAT") to the U.K. Central Authority requesting that: (i) SIB's assets in England & Wales be frozen and (ii) the SFO file an application before the Central Criminal Court (London) (the "CCC") for a restraint order by close of business on April 7, 2009.

L. WHEREAS, on April 7, 2009, on the application of the SFO, the CCC granted a restraint order (the "Original Restraint Order") over the assets of SIB in England & Wales under the Proceeds of Crime Act 2000 (External Requests and Orders) Order 2005. A list of the assets of SIB which remain frozen in the UK is set out on Schedule "A" to this Agreement, and such assets are referred to herein as the "UK Assets". The estimated value of the remaining UK Assets is approximately US$80 million, which valuation is not exact due to difficulty in valuation of that portion which has not been monetized.

M. WHEREAS, on February 25, 2010, the Court of Appeal of England & Wales (i) upheld the Recognition Order entrusting SIB's UK assets to the JLs, and (ii) discharged the Original Restraint Order and made a new restraint order on the same terms with effect from July 29, 2009 (the "Restraint Order").

N. WHEREAS, on March 24, 2010, following the decision of the Court of Appeal of England & Wales of February 25, 2010, the JLs applied to the UK Supreme Court (the "UKSC") for permission to appeal the judgment of the Court of Appeal, to which the SFO filed a Notice of Objection.

O. WHEREAS, on June 11, 2010, the SFO filed its application for permission to bring a cross-appeal in the UKSC.

P. WHEREAS, on August 3, 2011, Gloster J, sitting in the CCC, heard the JLs' application for a variation to the Restraint Order for the release of US$20 million from the Restrained Assets under the jurisdiction which allows the Court to release funds to a defendant to fund legal fees, living expenses or operating costs (the "Funding Application").

Q. WHEREAS, on August 4, 2011, Gloster J made an order (a) acceding to the Funding Application subject to certain undertakings, in certain circumstances, to restore the released US$20 million to the Restrained Assets, and (b) enabling the JLs to manage the Restrained Assets. The written judgment on the Funding Application was handed down on January 16, 2012.

R. WHEREAS, after a stay of the UKSC proceedings to accommodate the hand-over of the SIB estate from the Former JLs to the JLs , on January 25, 2012, the UKSC heard the JLs' application for permission to appeal and ruled, in summary, that SIB did not require permission to appeal and the SFO did not require permission to cross-appeal. The hearing of the substantive appeal to the UKSC has been listed for July 10 and 11, 2013.

S. WHEREAS, on June 21 and 22, 2012, Gloster J heard the JLs' application to discharge the Restraint Order, the judgment for which is outstanding.

T. WHEREAS, as part of their duties to manage certain illiquid assets that were the subject of the freeze order in the UK (*i.e.*, the Argo funds and the Cheyne fund), the JLs monetized certain illiquid investments for redemption payments, which, in the amounts of approximately US$750,000, have been detained in a suspense account at Bank of New York in New York (the "Bank of New York $750,000"). The funds that are the subject of this paragraph

were destined to be transmitted to the jurisdiction of the CCC for distribution consistent with Article VIII hereof. As soon as practicable following the Effective Date, the Receiver agrees to file a motion with the US Court requesting an order directing the Bank of New York to transfer such funds to an account under the control of the JLs in London, England. The form of order to be sought shall include the following language: "The Bank of New York in New York is hereby ordered to transfer the amounts being held therein in the name of Stanford International Bank, in the approximate amount of $750,0000, to Account No. 302532-1 at Credit Suisse in London, England, referred to as the Distribution Account in the Settlement Agreement and Cross-Border Protocol."

The Swiss Proceedings

U. WHEREAS, the Swiss Federal State Attorney's Office opened an investigation for money laundering on February 23, 2009, when several Swiss banks made suspicious transaction reports to the Anti-Money Laundering Control Authority of Switzerland.

V. WHEREAS, on February 24, 2009, the Swiss Federal State Attorney's Office froze certain Stanford related bank accounts by way of a domestic Swiss freezing order. The freezing order included *inter alia* also the accounts of Stanford Bank (Panama) Ltd., and was directed at accounts held with Société Générale Private Banking (Suisse) SA ("SG"), Union Bancaire Privée ("UBP"), Piguet Galland & Cie. SA (f/k/a Banque Franck Galland & Cie SA) and Coutts & Co. AG (f/k/a RBS Coutts AG), all in Geneva, and Credit Suisse AG and Bank Julius Bär & Co. AG, in Zurich.

W. WHEREAS, on May 13, 2009, the DOJ issued an MLAT request to Switzerland, which was followed by a supplemental MLAT request on June 22, 2009. On the basis of such MLAT requests, the Swiss Federal Office of Justice ("FOJ") froze all known Stanford related

bank accounts in Switzerland pursuant to the MLAT framework, including those of Stanford Bank (Panama) Ltd held at UBP, Geneva, and the bank accounts of Stanford Group (Suisse) AG (in Liquidation) with Credit Suisse AG, but excluding all of the bank accounts of Stanford Bank (Panama) Ltd held at institutions other than UBP (*i.e.*, those accounts with Franck Galland & Cie SA, SG Private Banking (Suisse) SA, RBS Coutts). Since then, there have been parallel Swiss domestic criminal proceedings and MLAT-based proceedings operating in Switzerland. Schedule "B" to this Agreement includes a list of all Stanford-related assets that remain frozen in Switzerland, as well as two accounts for which the freeze has recently been lifted, but which shall nevertheless be governed by this Agreement. The assets listed on Schedule "B" are referred to collectively herein as the "Swiss Assets". The value of the Swiss Assets is estimated to be approximately US$208 million (although some of the available underlying valuation data is dated); and it is acknowledged that the valuation data is not exact as to that portion of the assets which have not yet been monetized.

X. WHEREAS, on November 9, 2009, the Swiss Federal State Attorney's Office lifted all domestic freezes for the accounts of Stanford Bank (Panama) Ltd., and the FOJ lifted the freeze put in place on the account of Stanford Bank (Panama) Ltd with UBP pursuant to the MLAT. The funds in the accounts of Stanford Bank (Panama) Ltd. were sent to Panama in favor of a local administrator.

Y. WHEREAS, by a decision dated June 8, 2010, the Swiss Financial Market Supervisory Authority ("FINMA") recognized in Switzerland the order appointing the Former JLs rendered by the High Court of Antigua and Barbuda as the office holders for SIB, dated April 15, 2009, entered April 17, 2009, and opened in Switzerland an ancillary bankruptcy proceeding concerning SIB effective June 8, 2010, at 8:00 a.m. (File Nr. S1057082, the "Swiss

Mini-Bankruptcy"). By the same decision, FINMA rejected the concurrent request of the Receiver to recognize the appointment orders of the US Court of February 16, 2009, and March 12, 2009. FINMA was appointed liquidator of the Swiss Mini-Bankruptcy.

Z. WHEREAS, on September 14, 2011, the Swiss Federal State Attorney's Office lifted all the freeze orders regarding the Swiss bank accounts under the Swiss domestic criminal proceedings, except for the Swiss domestic freeze order impacting the Stanford Group (Suisse) AG (in Liquidation) account with Credit Suisse.

AA. WHEREAS, the freezes put in place by the FOJ pursuant to the MLAT regime remain in place, with the exception of the two accounts noted in Schedule B. In June 2012, the JLs, by and through FINMA, in its capacity as liquidator the Swiss Mini-Bankruptcy, launched certain claw-back claims against the funds held by Stanford Financial Group Limited, Antigua ("SFG Antigua"), Bank of Antigua Limited, and Stanford Group (Suisse) AG in Liquidation (collectively the "JLs' Swiss Claw-Back Claims").

BB. WHEREAS, in FINMA's action against Stanford Groupe (Suisse) AG in Liquidation ("SGS"), FINMA and the liquidators for SGS have jointly requested and obtained a suspension of the proceedings between them until March 31, 2013. On November 30, 2012, the JLs lodged a criminal complaint against SG with the Swiss Prosecutor seeking damages by way of restitution for losses occasioned by SG's alleged criminal money laundering activities against SIB.

The Canadian Proceedings

CC. WHEREAS, on April 24, 2009, the Attorney General of Ontario commenced a civil forfeiture proceeding in the Ontario Court of Justice seeking forfeiture of the assets listed in such application pursuant to the Ontario *Civil Remedies Act, 2001* (the "Ontario Forfeiture

Application"), to which the Receiver is a party, and amounting to approximately US$23.5 million held by SIB at the Toronto-Dominion Bank ("TD Bank") in Toronto (the "Canada Assets"). On September 11, 2009, Justice Claude Auclair set aside an order of April 6, 2009 recognizing the Former JLs as one time Receiver-Managers of SIB, and granted an order recognizing the Receiver as the representative of SIB in Canada.

DD. WHEREAS, on August 19, 2011, the JLs were authorized by order of Justice Chantal Corriveau to act for SIB and its creditors as representatives in certain intended actions against TD Bank in Canada for compensation for loss caused by TD Bank's alleged dishonest assistance or negligence in respect of the fraud on SIB and its CD holders. On August 17, 2011, the JLs commenced an action against TD Bank in Québec; and on August 22, 2011, the JLs commenced a parallel placeholder action against TD Bank in Ontario.

EE. WHEREAS, on December 22, 2011, the JLs filed before the Superior Court of Quebec, District of Montreal, a Motion to Vary an order, for recognition of a foreign proceeding and the appointment of a foreign representative and of a receiver (the "Motion to Vary") in their capacity as joint liquidators of SIB appointed by the Court in Antigua.

FF. WHEREAS, on March 9, 2012, the Receiver and Interim Receiver filed a Motion to Dismiss the Motion to Vary; on March 30, 2012, the Motion to Vary was amended by the JLs (the "Amended Motion to Vary"); on April 5, 2012, the Receiver and the Interim Receiver filed an opposition *pro forma* in respect of the amendments to the Motion to Vary; on April 19, 2012, the Receiver and Interim Receiver filed an Amended Motion to Dismiss with regard to the Amended Motion to Vary; and on April 23, 2012, the JLs filed a Motion for Permission to Amend with regard to the Amended Motion to Vary.

GG. WHEREAS on May 9, 2012, Justice Auclair, J.S.C., began to hear the Motion for Permission to Amend and the Amended Motion to Dismiss and this hearing was continued to May 22, 2012. On May 22, 2012, Justice Auclair, J.S.C., decided to stay the hearing of said Motions in order to give the Receiver and Interim Receiver an opportunity to seek the approval of certain Minutes of Settlement concerning the Canada Assets by the Superior Court of Quebec.

HH. WHEREAS, on July 27, 2012, the Receiver and Interim Receiver filed a Motion for Directions and to Authorize Petitioners to Enter into a Settlement (the "Motion for Directions") seeking the approval of an agreement they entered into with the Attorney General of Ontario (the "AGO") to settle the Ontario Forfeiture Application.

II. WHEREAS, through their Motion for Directions, the Receiver and Interim Receiver seek the approval of the Minutes of Settlement in which they give their consent to the Ontario Forfeiture Application and the authorization to transfer the Canada Assets to DOJ to be held in its asset forfeiture accounts until they are remitted to the Receiver or distributed by DOJ.

JJ. WHEREAS, on September 25, 2012, Justice Auclair held a conference call with counsel for the JLs, the Receiver, the Interim Receiver and the Autorité des Marchés Financiers (the Regulator of Financial Markets in Quebec) during which Justice Auclair was advised that a letter was forthcoming which would request a stay of the Receiver and the Interim Receivers' Motion for Directions until October 22, 2012, in order to enable the Parties to continue their discussions regarding a global settlement concerning, among other things, the Canada Assets. A letter seeking said stay of proceedings was sent to Justice Auclair on September 26, 2012, and Justice Auclair has agreed to the stay requested. A list of the Canada Assets is set forth on Schedule "C" to this Agreement.

Shared Focus on the Victims of the Stanford Ponzi Scheme

KK. WHEREAS, the Parties are each satisfied that Stanford, with the assistance of others, created and carried out a massive Ponzi Scheme, involving tens of thousands of customers and others in numerous states and over 100 countries, by which billions of dollars were fraudulently obtained and in which those clients were induced to purchase certificates of deposit issued by and/or deposit funds with SIB based on the promise of high returns on those deposits when, in fact, the funds were being used to pay returns or principal to earlier depositors; to create a complex, sprawling web of more than 100 companies, all of which were directly or indirectly owned by Stanford; to give the appearance of legitimacy to, and otherwise advance the goals of, his fraud scheme; and to fund Stanford's lavish lifestyle.

LL. WHEREAS, it is the policy of the DOJ to assist victims of fraud perpetrated in whole or in part within the United States in the recovery of misappropriated assets.

MM. WHEREAS, the Parties share the common goal of locating and distributing assets to the victims as quickly and cost-effectively as possible.

NN. WHEREAS, the Parties are each satisfied that this Agreement is in the best interests of the victims of the Stanford Ponzi scheme and have concluded that a coordinated effort to distribute assets and to harmonize the activities of the Receiver and the JLs will further the ends of justice.

OO. WHEREAS, the Parties have agreed that all funds and assets in Canada, Switzerland and the UK that are set out in the attached Schedules "A" [UK], "B" [Switzerland] and "C" [Canada] (collectively, the "Covered Assets") will be distributed pursuant to the protocol established by Article VIII hereof.

PP. WHEREAS, the Parties hereto desire that this Agreement shall serve as the governing instrument for their joint efforts to distribute the Covered Assets.

NOW, THEREFORE, in consideration of the premises and agreements contained herein, the Parties agree as follows:

ARTICLE I

GENERAL PURPOSES

SECTION 1.1. BROAD COOPERATION. The Parties agree to coordinate and reasonably cooperate with each other and to use their best efforts to carry out the provisions and intent of this Agreement and to expeditiously take all appropriate actions and execute such additional documents as may be reasonably necessary to effectuate this Agreement. The types of coordination and cooperation contemplated here shall include, but are not limited to: (i) taking all reasonable actions to collect, liquidate and distribute the Covered Assets in accordance with the terms of this Agreement; (ii) making all necessary appearances before any judicial, quasi-judicial, or regulatory body, authority, agency or tribunal; and (iii) taking other reasonable action, including where necessary the execution and filing of certificates, affidavits, powers of attorney, or other legal documentation, to the extent permitted by law, necessary and desirable to effect the foregoing. The Receiver and the JLs further restate their objective and willingness to cooperate to maximize the value to be realized from the monetization of the Covered Assets and to seek to maximize recoveries for the Creditor-victims by any reasonable means.

SECTION 1.2. ASSETS SUBJECT TO THIS AGREEMENT. All assets identified in the attached Schedules "A" [UK], "B" [Switzerland], and "C" [Canada] whether cash, securities, debt instruments, choses-in-action, interests in partnerships or other business ventures, real property, or personal property of every description whatsoever, whenever recovered by or

disgorged to any of the Parties, without any set off, deduction, or claim whatsoever, except as expressly provided for in this Agreement shall be monetized and then allocated and distributed pursuant to the terms of Article VIII hereof.

SECTION 1.3. JOINT LITIGATION PRIVILEGE AND NON-DISCLOSURE AGREEMENT. The Parties to this Agreement acknowledge the existence of a certain Joint Litigation Privilege and Non-Disclosure Agreement by and among the JLs, the Receiver, the Examiner, and OSIC dated September 20, 2012. Nothing in this Agreement is meant to vary or modify the terms of that Joint Litigation Privilege and Non-Disclosure Agreement, and the Parties agree and intend that the Joint Litigation Privilege and Non-Disclosure Agreement shall remain in full force and effect following the Effective Date.

SECTION 1.4. CONDITIONS ON THE EFFECTIVENESS OF THIS AGREEMENT. This Agreement shall be subject to review and approval by the US Court and the Antiguan Court, thus giving any interested party, including any depositor, an opportunity to speak in favor of or against the Agreement. The approved form of the Proposed Orders to be submitted to the US Court and the Antiguan Court are included respectively within Schedules "D" and "E" attached hereto. If the US Court or the Antiguan Court declines to approve the Agreement, then the Agreement will be cancelled and the parties will be returned to the status quo as it existed before the execution of the Settlement Term Sheet and this Agreement. The Receiver and the JLs hereby agree to file motions seeking judicial approval of this Agreement before their respective Courts within seven days of the Execution Date. Further, within seven days of the date of the entry of the latter of the order entered by the US Court or the Antiguan Court approving this Agreement, DOJ (by request to the SFO) and the JLs hereby agree to seek the approval of the CCC with respect to the Schedule referred to in Section 5.1, as hereby approved

by the Receiver. If the CCC declines to approve the Schedule referred to in Section 5.1 in substantially the form attached hereto, then the Agreement will be cancelled and the parties will be returned to the status quo as it existed before the execution of the Settlement Term Sheet and this Agreement. All required approvals shall be pursued expeditiously. Pending the approvals identified in this section, the appropriate Parties will request a continuation of the stay of the international court proceedings that are currently stayed, including the proceedings related to the JLs' application in the UK to discharge the Restraint Order, the UKSC appeal, the JLs' Swiss Claw-Back Claims, and the Receiver and Interim Receiver's Motion for Directions. If this Agreement has not received all necessary approvals by May 15, 2013, then, in the absence of an Agreement by all Parties to extend the deadline for obtaining such approvals, this Agreement will be cancelled and the parties will be returned to the status quo as it existed before the execution of the Settlement Term Sheet and this Agreement.

ARTICLE II

CLAIMS PROCESS AND DISTRIBUTION PROTOCOL

SECTION 2.1. BROAD COOPERATION. The Receiver and the JLs have agreed to coordinate their respective claims and distribution processes to achieve efficiencies and to minimize burdens on claimants where reasonably possible, to provide mutual assistance with respect to claims evaluation, and to minimize the occurrence of conflicting claims adjudications. To that end, the Receiver and the JLs have agreed to the provisions of Sections 2.2, 2.3, and 2.4 and may from time to time supplement the protocol regarding claims process coordination as they may, in their collective judgment, deem to be expedient.

SECTION 2.2. INFORMATION CONCERNING CLAIMS PROCESS. Information regarding claims from putative Creditor-victims that are filed with the Receiver, with the JLs, or

with both shall be exchanged between the Receiver and the JLs. The Receiver and the JLs shall hold in confidence the identifying data regarding all Creditor-victim claims (including name, Express Account Number or Client Number, and address) received from the other party.

SECTION 2.3. INCLUSION OF CLAIMS FILED WITH THE OTHER ESTATE. The Receiver will include in his claims process claims filed with the JLs prior to the Receiver's bar date, and the JLs will include in their claims process claims filed with the Receiver prior to the Receiver's bar date. On a case-by-case basis, the Receiver will recommend to the US Court that claimants who filed claims with the JLs after the Receiver's bar date be included in the Receiver's claims process provided that the Receiver is satisfied that reasonable good cause exists for the claimant's failure to file his or her claim with the Receiver before the bar date. Notwithstanding the foregoing, any claimant who is unwilling to submit himself or herself to the jurisdiction of the US Court in relation to the submission, evaluation, and payment of such claimant's claim will not be included in the Receiver's claims process, and any claimant who is unwilling to submit himself or herself to the jurisdiction of the Antiguan Court in relation to the submission, evaluation, and payment of such claimant's claim will not be included in the JLs' claims process. The JLs and the Receiver agree that, as a general principle, at the end of the dual-estate distribution process, all Creditor-victims who receive distributions should receive substantially the same percentage of their net loss, and the JLs and the Receiver will work with one another to the extent reasonably possible to adhere to that principle. The JLs and the Receiver acknowledge that this result may not be possible in every case (*e.g.*, the JLs are required through their distribution process to fully satisfy the claims of depositors whose net account balance investments did not exceed EC$20,000 (approximately US$7,500)) and further acknowledge that the US Court is ultimately responsible for approving the Receiver's

distribution and that the CCC and the Antiguan Court will ultimately be responsible for approving the JLs' distribution. Further, neither the JLs nor the Receiver will be constrained as to the timing of their respective distributions as a result of their willingness to attempt to adhere to the general principle described in this paragraph.

SECTION 2.4. INFORMATION CONCERNING ANTICIPATED DISTRIBUTIONS. The JLs and the Receiver shall exchange information of the proven creditors who are to receive a distribution and the amount of such distribution thirty (30) days or more before a distribution is made so that the other estate can comment on the list and furnish information relevant to it, for purposes of reconciliation of the accounts between the two estates. In furtherance of the general principle described in Section 2.3, within thirty (30) days following the completion of each distribution, the estate responsible for making the distribution shall either confirm that the distribution was completed in accordance with the pre-distribution notice or, if the distribution changed following the notice, shall furnish the other estate with the identity of the recipients of the distribution and the amount distributed to each recipient.

ARTICLE III

LITIGATION PROTOCOL

SECTION 3.1. CLAIMS TO BE PURSUED INDEPENDENTLY. As to the Law Firm Claims, Bank Claims, and all other claims not referenced in Sections 3.2 or 3.3 below, except as otherwise may be agreed between or among the Parties, the Parties will continue to pursue and initiate claims in jurisdictions in which they are recognized (including the JLs' claim against TD Bank in Canada pursuant to the terms of the Order of Madam Justice Chantal Corriveau of August 2011). Sharing of the proceeds of such claims between and among the JLs, the Receiver

Parties, and any appropriate classes will be negotiated and determined on a case-by-case basis as and if it becomes necessary and appropriate to do so.

SECTION 3.2. CLAIMS TO BE PURSUED IN COORDINATION. As to the claw-back and breach of fiduciary duty claims that the JLs and Receiver Parties are prosecuting or intend to prosecute, which are identified on Schedule "F" (Schedule F will be filed with the names of the potential defendants redacted when this Agreement is submitted for Court approval), each prosecuting Party will retain control of whatever it recovers in its territory of activity, but the JLs and the Receiver Parties will cooperate to maximize recoveries for the benefit of the victims. To the extent that any Party's professionals are working on a contingency fee basis, then such contingency fee shall be calculated based on that Party's own recovery.

SECTION 3.3. CLAW BACK NET WINNER CLAIMS. As to the Claw Back Net Winner Claims, each Party will retain control of whatever it recovers unless the Receiver and the JLs are able, through cooperation with one another, to jointly pursue a claim or collection of a claim, or achieve a settlement or settlements with any defendants, in which case half of the proceeds of any such claims or settlements will be paid to the Receiver and will be subject to his control and half of the proceeds will be paid to the JLs and will be subject to their control. To the extent that any Party's professionals are working on a contingency fee basis, then such contingency fee shall be calculated based on that Party's portion of the recovery.

SECTION 3.4. ASSETS LIQUIDATED IN COORDINATION. As to assets (as distinguished from claims) that can only be liquidated with the consent and cooperation of both the Receiver and JLs (*e.g.*, the Mountain Partners investment), the JLs and Receiver will split those proceeds equally, with each estate receiving half of the proceeds of such liquidations

(except that this Section shall not alter the overall split of Covered Assets as described in Section 8.1 or the timing and sequence of such distribution as described in Section 8.2 and 8.3).

SECTION 3.5. FUTURE DISCOVERY OF ASSETS. If Stanford assets are discovered on or after the Effective Date in a jurisdiction other than one in which the Receiver or the JLs are recognized as of the Effective Date or as of the discovery of such assets, the Receiver and the JLs each agree to inform the other of the discovery as soon as reasonably practicable and the Parties will work to avoid duplicating efforts with respect to the recovery of such assets.

ARTICLE IV

DISCOVERY AND OTHER INFORMATION SHARING PROTOCOL

SECTION 4.1. BROAD SHARING OF INFORMATION. The JLs and the Receiver Parties, including OSIC, agree to provide one another with unrestricted access to discovery materials (including materials obtained from a third-party other than through a formal discovery process), source documents (those documents in the possession of each estate upon taking office), and pleadings filed in any court (collectively, "Material"), subject only to any legal prohibition, restriction or duty that may be imposed on a party against making disclosure of Material (a "Restriction"). Any such Party that is subject to a Restriction against disclosing Material shall use its reasonable (both as to costs and effort required) best efforts and shall make a good faith attempt at obtaining the right to disclose the same. In Schedule "G", each of the JLs and the Receiver Parties have disclosed the types and categories of documents that are currently in their respective possession that the Party believes are subject to a Restriction. To the extent documents shared or exchanged pursuant to this section are confidential, the Party who receives such confidential information may use that information but shall take reasonable steps to ensure that the confidentiality of the information is reasonably maintained, such as by filing such

information under seal or further disclosing the information only pursuant to the terms of an appropriate protective order.

SECTION 4.2. ASSISTANCE TO OTHER PARTIES. The Receiver and JLs agree, upon request of either one of them or OSIC, to undertake reasonable efforts (both as to costs and scope) to obtain documents in the hands of a third-party if the Party receiving the request has a right to demand such documents from the third-party without the necessity of a formal discovery process. Any documents requiring confidential treatment will be shared on a confidential basis. No Party is compelled to share work product or attorney-client privileged materials, although the Parties may do so while preserving the privileged status of such materials. Although neither Party is committing to share work product with one another, the Receiver and the JLs agree to discuss whether and under what circumstances it would be appropriate to share financial forensic work/reports with one another. The Parties agree that with respect to any particular privileged information that may be shared among the Receiver Parties and the JLs, the Receiver Parties and the JLs may agree that such information will be shared pursuant to the provisions and protections of the Joint Litigation Privilege and Non-Disclosure Agreement by and among the JLs, the Receiver, the Examiner, and OSIC dated September 20, 2012.

SECTION 4.3. STIPULATION REGARDING US DISCOVERY BY THE JLS. The Parties will submit an agreed stipulation for approval by the US Court (the "Discovery Stipulation") in Case No. 3:09-CV-0721-N, which shall provide that the JLs will be granted reasonable access to conduct discovery and the right to seek the procurement of trial testimony or exhibits (by Letters Rogatory, the Chapter 15 proceedings, or otherwise) in the United States without having to fulfill the conditions to relief set forth in the US Court's Chapter 15 order dated July 30, 2012, which conditions are set forth on Pages 57 and 58 of the order. The

Discovery Stipulation will provide that the JLs will seek the consent of the Receiver and Examiner to conduct discovery or to procure evidence for trial on a case-by-case basis, and such consent will not be unreasonably withheld. Any disputes concerning such a request for taking discovery in the U.S. or obtaining evidence in the U.S. for trial abroad will be resolved on written motion filed with the United States Magistrate Judge assigned by the US Court to handle discovery disputes in connection with litigation filed by the Receiver (or the US Court if no such Magistrate Judge is then assigned).

SECTION 4.4. DISCOVERY ASSISTANCE BY JLS. In jurisdictions in which the JLs are recognized, the JLs agree to use reasonable (both as to cost and scope) efforts to assist the Receiver and the OSIC in obtaining access to discovery (including procedural mechanisms to procure evidence for trial) in a manner that is similar (both as to scope of access and as to the procedural mechanism for obtaining that access) to that provided in Section 4.3.

SECTION 4.5. NON-INTERFERENCE WITH DISCOVERY EFFORTS. Subject only to the provisions of Section 4.3, the Parties agree not to interfere with any other Party's discovery or investigative efforts. The Parties shall have the right to gather publicly available information and to conduct other extra-judicial investigative activities (including witness interviews) in each other's territory of recognition or activity without restriction.

SECTION 4.6. INFORMATION REGARDING FEE STATEMENTS. The Receiver will continue to file his fee statements with the US Court in the manner he has filed them to date. The JLs agree to submit copies of their fee statements issued after the Effective Date to the Receiver, the Examiner, and a representative of the DOJ for review, but not approval, in a manner that protects the privileged nature of the documents, including redaction (in the sole discretion of the JLs) on a confidential basis, and such fee statements shall not be disclosed by

the Receiver, the Examiner or the DOJ to any other party absent written consent by the JLs. The prospective submission of fee statements will be made quarterly. The JLs agree to submit copies of their redacted (which redactions shall be in the sole discretion of the JLs) historical fee statements (meaning those fee statements covering the period from May 12, 2011, until the Effective Date) to the Examiner and the Receiver on a confidential basis, and neither the Receiver nor the Examiner shall disclose the same to any other party absent the written consent of the JLs.

ARTICLE V

THE UNITED KINGDOM PROCEEDINGS

SECTION 5.1. THE CCC PROCEEDING. The SFO, upon the request of the DOJ, and the JLs shall file an agreed application before the CCC seeking approval of a variation to the Restraint Order (the "Varied Restraint Order"). The specific terms of the Varied Restraint Order are attached hereto as Schedule "H", however, in summary it: (a) states that the proceeds of liquidation of the UK Assets shall be distributed as follows: (i) only to the JLs in the sum of US$18 million (or up to US$36 million, as provided in Section 8.2) for use as working capital for the estate of SIB under their administration, and (ii) the balance for a pro rata distribution only to proven Creditor-victims (the "Distribution of the UK Assets"); (b) stays the JLs' application to the CCC to discharge the Varied Restraint Order, and further varies the Varied Restraint Order subject to the parties having liberty to apply to the CCC to supervise and enforce the implementation of the Varied Restraint Order; (c) directs that each party shall bear its own costs of the CCC proceeding and, in doing so, directs that any costs award(s) made in the CCC proceeding shall, to the extent that they have not been satisfied, be set aside; and (d) in all other respects, discharges the terms of the Restraint Order (as amended by Gloster J on 4 August and

17 October 2011). Upon all the UK Assets and Swiss Assets being distributed pursuant to this Agreement, the Varied Restraint Order shall, on the application of the SFO (unopposed by the JL) be discharged.

SECTION 5.2. DISTRIBUTION OF THE UK ASSETS. The terms of the Order providing for the distribution of the UK Assets shall ensure that the funds to be distributed by the JLs are distributed on a pro rata basis only to proven Creditor-victims except as set forth in Section 8.4. These funds are to be maintained in a bank account in London in the name of the JLs (the "Distribution Account") and held there until such time as they are transmitted to such Creditor-victims directly and under the supervision of the CCC.

SECTION 5.3. WRITTEN CONSENT FOR DISTRIBUTIONS. Save for that portion of the UK Assets detailed at Section 5.1(a)(i) above, any distribution from the Distribution Account may be made with the prior written consent of the DOJ and the SFO, in coordination with the Receiver. The JLs shall seek such consent in writing from the DOJ and the SFO, with contemporaneous notice to the Receiver, and the DOJ and SFO shall have fourteen (14) business days from receipt of such request to respond to the request. Should consent be given by both the DOJ and SFO or should both the DOJ and the SFO fail to respond to the JLs within fourteen (14) business days of the dates of their respective receipt of the request, the JLs shall make the proposed distribution from the Distribution Account to the Creditor-victims. If consent is denied by either the DOJ or the SFO, any distribution from the Distribution Account (other than the amounts referred to in Section 5.1(a)(i) above) shall require an Order of the CCC by application of the JLs upon a minimum of three working days notice to the DOJ, the SFO, and the Receiver. For the purposes of any such application, the DOJ shall consult with the Receiver, and the SFO

will provide legal assistance to the DOJ in accordance with mutual legal assistance agreements between the UK and the United States.

SECTION 5.4. APPROVAL OF ANTIGUA COURT FOR CCC SUPERVISION. As part of the approval of this Agreement, the JLs will seek an order of the Antiguan Court that the Antiguan Court will defer to the CCC on the issue of the authority to supervise the distribution of funds from the Distribution Account. The entry of such an order is considered a necessary component of the Antiguan Court's approval of this Agreement and, as such, entry of such an order is a prerequisite to the effectiveness of this Agreement. The approved form of the Proposed Order to be submitted before the Antiguan Court is attached hereto as Schedule "E".

SECTION 5.5. THE UK SUPREME COURT PROCEEDING. The JLs and the SFO, upon instruction from the DOJ, shall file a joint application in the UKSC seeking an order of discontinuance of the JLs' appeal and the SFO's cross-appeal and with no order as to costs (each party having to bear its own costs in the appeal).

SECTION 5.6. FEES AND COSTS. Each Party shall bear its own costs of implementing the provisions of Article 5 of this Agreement.

ARTICLE VI

THE SWISS PROCEEDINGS

SECTION 6.1. FORFEITURE. All Parties shall pursue release and monetization of the Swiss Assets by means of the DOJ's Swiss MLAT and U.S. federal criminal asset forfeiture process as expeditiously as possible, with the proceeds to be distributed as described in Article VIII. To the extent that the Parties are unable to obtain release and monetization of the Swiss Assets by means of the DOJ's Swiss MLAT and U.S. federal criminal asset forfeiture process (as the Parties expect they will be unable to do with respect to those Swiss Assets that are not

currently frozen), the Parties agree to pursue the release and monetization of the Swiss Assets through other cost-effective and expeditious means. Regardless of the means pursued, the funds realized from the liquidation of the Swiss Assets shall be allocated and distributed as provided in Article VIII below.

SECTION 6.2. DISCONTINUANCE OF SWISS CLAW-BACK PROCEEDINGS. The JLs will dismiss the JLs' Swiss Clawback Claims in respect of the Swiss Assets with prejudice and with no order as to fees or costs (each party having to bear its own fees and costs).

ARTICLE VII

THE CANADIAN PROCEEDINGS

SECTION 7.1. THE ONTARIO AND QUEBEC PROCEEDINGS. The Parties agree to seek a hearing to approve the Canadian Minutes of Settlement in both Ontario and Quebec as expeditiously as possible. The JLs will support the Motion for Directions and the Canadian Minutes of Settlement, with the understanding that any funds being held back for legitimate owner claims as described in paragraph 7 of the Minutes of Settlement that are not distributed to proven legitimate owners will be released by the Attorney General of Ontario to the DOJ for distribution by the Receiver, as per the terms of the Canadian Minutes of Settlement. The JLs shall cause the motions referred to in Recitals EE and FF above to be withdrawn.

SECTION 7.2. SAVINGS CLAUSE. To the extent that the Parties are unable to obtain release and monetization of the Canada Assets by means of the procedure contemplated by Section 7.1, the Parties agree to pursue the release and monetization of the Canada Assets through other cost-effective and expeditious means. Regardless of the means pursued, the funds realized from the liquidation of the Canada Assets shall be allocated and distributed as provided in Article VIII below.

ARTICLE VIII

ALLOCATION AND DISTRIBUTION OF THE COVERED ASSETS PROTOCOL

SECTION 8.1. APPORTIONMENT. All or any portion of the Covered Assets recovered by any of the Parties hereto from the United Kingdom, Switzerland or Canada, including without limitation accounts frozen or subject to a request by the DOJ to freeze accounts in the United Kingdom, Switzerland or Canada, shall be monetized and then allocated among the JLs and the Receiver as follows:

(a) **Canada**: The proceeds from the monetization of the Canada Assets shall be allocated 100% to the Receiver.

(b) **UK**: The proceeds from the monetization of the UK Assets shall be allocated 100% to the JLs.

(c) **Switzerland**: The proceeds from the monetization of the Swiss Assets shall be allocated to the Receiver and the JLs in a ratio of 2.2 to 1 ("the Payment Ratio"). Thus, for example, if the funds realized from the liquidation of the Swiss Assets amount to US$208 million, then US$143 million will be allocated to the Receiver and US$65 million will be allocated to the JLs.

SECTION 8.2. ALLOCATION OF WORKING CAPITAL TO THE JLS. The JLs will be allocated up to US$36 million of working capital for the estate that they administer (the "Working Capital") from the UK Assets. The Working Capital shall be funded as follows:

(a) on or about the Effective Date, Working Capital in the amount of US$18 million will be released to the JLs from the UK Assets;

(b) the balance of the UK Assets (the "Balance") shall be maintained in the Distribution Account in London, England as set forth in Section 5.2, and, with the

exception of a further US$18 million of such funds which shall be segregated from the Balance and deposited into a separate bank account in London, England in the names of the JLs (the "Supplemental Working Capital Account"), the Balance shall be made available for prompt distribution in accordance with Section 5.3; and

(c) for every three dollars in Swiss Assets that are transferred to the JLs for distribution to victims as described in Section 8.3, the JLs may draw out, as further Working Capital, one dollar (US) from the US$18 million on deposit in the Supplemental Working Capital Account.

In no event shall the Working Capital to be distributed to the JLs under the terms of this Agreement exceed US$36 million. For any funds that the JLs withdraw from the Supplemental Working Capital Account pursuant to subsection (c) of this section, the JLs shall provide written notice (which can be by email) to DOJ and the Receiver prior to or contemporaneous with the withdrawal of such funds. Any Working Capital (as well as any funds in the Supplemental Working Capital Account that have not yet been drawn out as Working Capital) that the JLs determine, in their sole judgment, are not needed to fund their operations and litigation claims will be distributed to Creditor-victims pursuant to the procedures identified in Sections 5.2 and 5.3. The Working Capital cannot be used to fund any litigation adverse to any other Party to this Agreement or the SFO. The Working Capital shall not be used to pay any portion of the Former JLs' claim for US$18 million in professional fees and disbursements. The Working Capital shall be deemed to be impressed with a Quistclose trust such that it may only be applied to pay for the costs of the administration and litigations of the SIB estate incurred after the appointment of the JLs or to be distributed to Creditor-victims.

SECTION 8.3. DISTRIBUTION OF SWISS ASSETS. The portion of the Swiss Assets allocated to the JLs shall be transferred by the DOJ to the JLs by depositing the same into the Distribution Account in London, England, within fifteen working days from the DOJ's receipt of the funds from the FOJ. The DOJ shall notify the Receiver and the JLs of the release date of the Swiss Assets forthwith upon the DOJ having knowledge of when all or any portion of the Swiss Assets are to be released. All or any portion of the Swiss Assets shall be transferred by the DOJ to the Receiver and the JLs, as set forth above, as soon as they become available and in proportion to their agreed interest in those Assets as established by the Payment Ratio. The payment to which the JLs are entitled shall be (i) made in accordance with their agreed interest in those forfeited funds, pursuant to the Payment Ratio, (ii) deposited by the DOJ into the Distribution Account, and (iii) distributed as soon as the JLs are ready to make a distribution.

SECTION 8.4. AUTHORIZED USE OF DISTRIBUTIONS. All of the Covered Assets that are allocated to the JLs and the Receiver, except for the Working Capital, will be distributed to Creditor-victims and only to Creditor-victims. Distributions to Creditor-victims from the Covered Assets will be made on a pro rata basis, except for the small amount of Creditor-victims who are required to be paid in full by the JLs up to EC$20,000 pursuant to the International Business Corporation Act of Antigua and Barbuda, who will be paid from the UK Assets portion of the Covered Assets. Any other claimants who are entitled to payment from either the Receiver or the JLs will be paid from funds other than the Covered Assets or the funds realized therefrom. The JLs and the Receiver agree that to be entitled to payment, a claimant must demonstrate a net pecuniary loss of a specific amount resulting directly from one or more deposits made by the Creditor-victim. A recognized loss is determined by the value of funds deposited by a Creditor-victim less any refunds, dividends, earnings, or similar returns. A

recognized loss does not include collateral expenses incurred by the Creditor-victim, including, but not limited to, investigative costs, lost wages, and attorney fees. A claimant is to be deemed ineligible to participate in the distribution if the JLs or the Receiver are in possession of evidence that the claimant was a knowing contributor to, participant in, or beneficiary of, any of the fraud schemes committed by Stanford and/or any of his co-conspirators or collaborators.

ARTICLE IX

DISPOSITION OF CHAPTER 15 COURT PROCEEDINGS

SECTION 9.1. DISPOSITION OF THE CHAPTER 15 APPEALS. The US Court's July 30, 2012 Chapter 15 order will not be changed. Notwithstanding the foregoing, however, the actions that this Agreement authorizes the JLs to take shall not be deemed to be a violation of the Chapter 15 order or be construed as any act precluded by the Chapter 15 Order and the conditional relief granted therein, notwithstanding anything in the Chapter 15 Order to the contrary. The JLs will dismiss their appeal in Case No. 12-10157 in the US Court of Appeals for the Fifth Circuit once this agreement has been executed and has received all necessary approvals as provided in Section 1.4. The JLs will also allow the 180-day reinstatement period in Case No. 12-10836 in the US Court of Appeals for the Fifth Circuit to expire. The JLs will issue a statement, in a form acceptable to the Receiver and the Examiner, that they have agreed to the dismissal of their appeals not because they agree that the orders in question are correct but to benefit the victims through cross-border cooperation between the two estates and the avoidance of continuing inter-estate litigation. The SEC and Receivership Parties have entered into this Agreement, under which the JLs have agreed to the dismissal of their appeals, not because they doubt the that the orders in question are correct but likewise to benefit the victims through cross-border cooperation between the two estates and the avoidance of continuing inter-estate

litigation. No provision of this Agreement shall be construed to limit any party's ability to take a position in any forum, or to affect the analysis in any forum, regarding the issue whether the legal separateness of the various entities in the US Estate should be disregarded for any or all purposes.

ARTICLE X

REPRESENTATIONS AND WARRANTIES

SECTION 10.1. AUTHORITY; NONCONTRAVENTION. The United States, by and through DOJ and the SEC, has all requisite power and authority to enter into this Agreement and to perform each and every agreement, obligation, and covenant to be performed by it under this Agreement. The execution and delivery of this Agreement and the performance by the DOJ and SEC of the agreements, obligations, and covenants to be performed by them hereunder have been duly authorized by all necessary action on the part of the United States, DOJ and the SEC. This Agreement when duly executed and delivered by the DOJ and SEC constitutes the legal, valid, and binding obligation of the DOJ and SEC and their departments and agencies, enforceable in accordance with its terms.

SECTION 10.2. AUTHORITY OF THE JLS. The JLs have full power and authority to enter into and perform this Agreement, subject to approval by the Antiguan Court. Upon such Court approval, the JLs have all such power and authority necessary to effectuate the performance of this Agreement.

SECTION 10.3. AUTHORITY OF THE RECEIVER, THE EXAMINER, AND OSIC. The Receiver, the Examiner, and OSIC have full power and authority to enter into and perform this Agreement, subject to approval by the US Court. Upon such Court approval the Receiver,

the Examiner, and OSIC shall have all such power and authority necessary to effectuate the performance of this Agreement.

ARTICLE XI

MISCELLANEOUS PROVISIONS

SECTION 11.1. COMMERCIALLY REASONABLE EFFORTS. Except where otherwise provided in this Agreement, each of the Parties hereto shall use their commercially reasonable efforts to take promptly or cause to be taken all actions, and to do promptly or cause to be done, and to assist and cooperate with the other Parties in doing, all things necessary, proper and advisable under applicable law and otherwise to consummate and make effective transactions contemplated by this Agreement.

SECTION 11.2. AMENDMENT, EXTENSION, WAIVER. This Agreement may not be amended except by an instrument in writing signed on behalf of all of the Parties to be bound hereby and approved by the relevant tribunals. A Party may (a) extend the time for the performance of any of the agreements, obligations, covenants, or other acts of the other Parties, (b) waive any inaccuracies in the representations and warranties of the other Parties contained in this Agreement or in any document delivered pursuant to this Agreement or (c) waive compliance by another Party with any of the agreements, obligations or covenants contained in this Agreement. Any agreement on the part of a Party to any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such Party. The failure of any Party to this Agreement to assert any of its rights under this Agreement or otherwise shall not constitute a waiver of such rights.

SECTION 11.3. NOTICES. All notices, requests, claims, demands, and other communications under this Agreement shall be in writing and shall be deemed given if delivered

personally, emailed (so long as receipt is confirmed), or sent by overnight courier (providing proof of delivery) to the Parties at the following addresses (or at such other address for a Party as shall be specified):

(a) If to the DOJ to:

United States Department of Justice
Criminal Division
Asset Forfeiture and Money Laundering Section
1400 New York Ave., NW, Suite 10100
Washington, DC 20530
Attn: Gene Patton
Via Email to: Gene.Patton@usdoj.gov

(b) If to the SEC to:

United States Securities and Exchange Commission
Fort Worth Regional Office
Burnet Plaza, Suite 1900
801 Cherry Street, Unit 18
Fort Worth, TX 76102
Attn: David Reece
Via Email to: reeced@sec.gov

(c) If to the JLs to:

Astigarraga Davis
701 Brickell Ave., Suite 1650
Miami, Florida 33131
Attn: Edward H. Davis, Jr.
Via Email to: edavis@astidavis.com

And to:

Martin Kenney & Co., Solicitors
Third Floor, Flemming House
Road Town, Tortola
British Virgin Islands
West Indies VG 1110
Attn: Martin S. Kenney
Via Email: mkenney@mksolicitors.com

(d) If to the Receiver to:

Ralph S. Janvey
Krage & Janvey, L.L.P.
2100 Ross Avenue, Suite 2600

Dallas, Texas 75201
Via Email to: rjanvey@kjllp.com

And to:

Baker Botts L.L.P.
98 San Jacinto Blvd., Suite 1500
Austin, Texas 78701
Attn: Kevin M. Sadler
Via Email to: kevin.sadler@bakerbotts.com

(e) If to the Examiner or OSIC to:

John J. Little
Little Pedersen Fankhauser LLP
901 Main Street, Suite 4110
Dallas, Texas 75202
Via Email to: jlittle@lpf-law.com

SECTION 11.4. INTERPRETATION. When a reference is made in this Agreement to an Article, Section, or Schedule, such reference shall be to an Article or, Section of, or a Schedule to, this Agreement unless otherwise indicated. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words "include," "includes," or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." The words "hereof," "herein," and "hereunder," and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The words "and" and "or" shall be interpreted broadly to have the most inclusive meaning, regardless of any conjunctive or disjunctive tense. All terms defined in this Agreement shall have the defined meanings when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such terms. Any agreement, instrument or statute defined or referred to herein or in any agreement or instrument that is referred to herein means in

the case of any agreement or instrument, such agreement or instrument as from time to time amended, modified or supplemented, including by waiver or consent and, in the case of statutes, such statutes as in effect on the date of this Agreement. References to a person are also to its permitted successors and assigns. The Parties have participated jointly in the negotiations and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption and burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any Federal, state, local or foreign statute or law shall be deemed to also refer to any amendments thereto and all rules and regulations promulgated thereunder, unless the context requires otherwise. Where this Agreement requires a Party to take an action but does not specify a deadline for acting, the Party shall take such action as soon as reasonably practicable.

SECTION 11.5. COUNTERPARTS. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same instrument. A facsimile or e-mailed PDF copy of a signature page shall be deemed to be an original signature page.

SECTION 11.6. ENTIRE AGREEMENT; NO THIRD-PARTY BENEFICIARIES. This Agreement (including the documents and instruments referred to herein and the Schedules attached hereto) (a) constitutes the entire agreement, and supersedes all prior agreements and understandings, both written and oral, between the Parties with respect to the subject matter in this Agreement and (b) is not intended to confer upon any person other than the Parties any rights or remedies under or by reason of this Agreement. The parties acknowledge that each is unaware of any person or entity that is an intended third party beneficiary of this Agreement. Each Party further acknowledges that other than as stated in this Agreement, no other Party, or

employee, agent, representative, or attorney of any other Party, has made any promises, representations, or warranties to induce it to enter into this Agreement. Each Party further acknowledges that it has not executed this Agreement in reliance upon any promise, representation, or warranty, other than promises, representations, or warranties that are expressly set forth in this Agreement.

SECTION 11.7. ASSIGNMENTS. Neither this Agreement nor any of the rights, interests, or obligations under this Agreement shall be assigned, in whole or in part, by operation of law or otherwise by any Party hereto without the prior written consent of the other Parties. Any assignment in violation of the proceeding sentence shall be void. Subject to the preceding two sentences, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the Parties and their respective successors and assigns.

SECTION 11.8. SEVERABILITY. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible to the fullest extent permitted by applicable law in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the extent possible. The foregoing is without prejudice to the fact that US and Antiguan Court approval foreseen herein must be of the entirety of this Agreement for any portion hereof to be effective and does not modify the conditions on the effectiveness of this agreements set forth in Section 1.4 hereof.

SECTION 11.9. DISPUTE RESOLUTION. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas applicable to contracts executed in and to be performed in that jurisdiction. With the limited exception of disputes arising under the Discovery Stipulation under Section 4.3 above, the Parties hereby agree to submit any or all disputes arising between them concerning a breach or alleged breach of this Agreement to be resolved by arbitration seated in Washington, DC before a sole arbitrator, who shall speak English and be a lawyer or retired judge by profession, and who shall be jointly designated by the Parties. If the Parties are unable to reach agreement on a sole arbitrator, the Parties shall formulate a list of five (5) potential arbitrators acceptable to the Parties, from which list the International Centre for Dispute Resolution (the "ICDR") of the American Arbitration Association shall select the sole arbitrator. All arbitral proceedings shall be conducted under the protection of confidentiality. All arbitral proceedings shall be administered by the ICDR and all such proceedings shall be governed by the UNCITRAL International Commercial Arbitration Rules. EACH PARTY HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF THIS AGREEMENT. Notwithstanding the foregoing, the Parties do not agree to arbitrate any matter other than a breach or alleged breach of the Agreement. If any dispute between the Parties contains or includes allegations of a breach or alleged breach of this Agreement and also contains or includes other matters, then only the allegations of a breach or alleged breach of this Agreement will be subject to arbitration, irrespective of the extent to which the breach or alleged breach of this Agreement is or may be intertwined with such other matters. Except to the extent otherwise expressly set forth herein, nothing in this Agreement shall be construed to diminish the jurisdiction of the United States District Court for the Northern District of Texas or the High

Court of Antigua and Barbuda or to deprive the United States District Court for the Northern District of Texas or the High Court of Antigua and Barbuda of any of the assets that are subject to their respective jurisdictions and control (except that the High Court of Antigua and Barbuda is required, as a condition of the effectiveness of this Agreement, to defer to the UK Court to the extent provided in Section 5.4).

SECTION 11.10. JURISDICTION OVER RECEIVER AND JLs. To the extent applicable, the appearance before the Antiguan Court and the US Court by the Receiver and the JLs respectively, shall not, in and of itself, subject the Receiver or the JLs to the general jurisdiction of that court for any purpose other than any relief that the Receiver or the JLs may be seeking from such court at such hearing or in such proceeding. The JLs are subjecting themselves to the jurisdiction of the US Court only as pertains to the Chapter 15 proceeding, as provided for in 11 U.S.C. § 1510 of the Bankruptcy Code and, to the extent they seek discovery relief from the US Court, with the consents foreseen herein, such expressed or implied submission to the jurisdiction of the US Court shall be limited to the corresponding discovery that is the subject of that submission.

SECTION 11.11. SCHEDULES. The Schedules attached to this Agreement are hereby made a part of this Agreement.

SECTION 11.12. INVESTORS COMMITTEE RIGHTS AND OBLIGATIONS. No provision of this agreement shall be deemed to modify, alter, limit or otherwise restrict or expand the rights and obligations of OSIC pursuant to orders entered by the US Court.

THE UNITED STATES OF AMERICA, by and through the United States Department of Justice

By: _____

Date: 2/4/13

[redacted]

MARCUS A. WIDE AND HUGH DICKSON, in their capacities as the Court appointed Joint Liquidators of Stanford International Bank Limited (In Liquidation) and Stanford Trust Company Limited (In Liquidation)

By: _____
Mr. Marcus A. Wide
Date:

And By: _____
Mr. Hugh Dickson
Date:

RALPH S. JANVEY, in his capacity as Court appointed Receiver for the US Receivership Estate

By: _____
Mr. Ralph Janvey
Date:

U.S. SECURITIES AND EXCHANGE COMMISSION

By: _____

Date:

THE UNITED STATES OF AMERICA, by and through the United States Department of Justice

By: _____

Date:

By: _____

Date:

MARCUS A. WIDE AND HUGH DICKSON, in their capacities as the Court appointed Joint Liquidators of Stanford International Bank Limited (in Liquidation) and Stanford Trust Company Limited (in Liquidation)

By: _____
Mr. Marcus A. Wide
Date: 8 March 2013

And By: _____
Mr. Hugh Dickson
Date: 8/3/13

RALPH S. JANVEY, in his capacity as Court appointed Receiver for the US Receivership Estate

By: _____
Mr. Ralph Janvey
Date:

U.S. SECURITIES AND EXCHANGE COMMISSION

By: _____

Date:

THE UNITED STATES OF AMERICA, by and through the United States Department of Justice

By: _____

Date:

By: _____

Date:

MARCUS A. WIDE AND HUGH DICKSON, in their capacities as the Court appointed Joint Liquidators of Stanford International Bank Limited (in Liquidation) and Stanford Trust Company Limited (in Liquidation)

By: _____
Mr. Marcus A. Wide
Date:

And By: _____
Mr. Hugh Dickson
Date:

RALPH S. JANVEY, in his capacity as Court appointed Receiver for the US Receivership Estate

By: Ralph Janvey
Mr. Ralph Janvey
Date: 3/8/13

U.S. SECURITIES AND EXCHANGE COMMISSION

By: _____

Date:

THE UNITED STATES OF AMERICA, by and through the United States Department of Justice

By: _____

Date:

By: _____

Date:

MARCUS A. WIDE AND HUGH DICKSON, in their capacities as the Court appointed Joint Liquidators of Stanford International Bank Limited (in Liquidation) and Stanford Trust Company Limited (in Liquidation)

By: _____
Mr. Marcus A. Wide
Date:

And By: _____
Mr. Hugh Dickson
Date:

RALPH S. JANVEY, in his capacity as Court appointed Receiver for the US Receivership Estate

By: _____
Mr. Ralph Janvey
Date:

U.S. SECURITIES AND EXCHANGE COMMISSION

By: David Kearley

Date: March 11, 2013

JOHN J. LITTLE, in his capacity as Court appointed Examiner for the Stanford Receivership Estate

By: _____
Mr. John J. Little
Date: MARCH 8, 2013

THE OFFICIAL STANFORD INVESTORS COMMITTEE

By: _____
Mr. John J. Little, Chairman
Date: MARCH 8, 2013

Schedule "A"
to
Settlement Agreement

List of Frozen Assets in the UK

List of Frozen Assets in the UK

Accounts

Credit Suisse, Account Nos. 302532-1 and 2LF-810651

HSBC, Account No. 59198105

Marex, Account No. 18886 GA

Securities

GLG Emrg Mkts Spec Shs A, 302532-1

GLG Market Neutral Side Pocket - Usd Class, 302532-1

Cheyne Spec SIT Realsing Fund CL K (USD), 302532-1, PLSTAN4

Argo Special Situation Fund (SSF), PLSTAN4, PLSTAN6

Eddington Triple A Side Pocket S2 – USD, PLSTAN6

Cane Global Macro Class A Series 1107, 302532-1

Mountain Super ANG CHF0.10 (BR), 302532-1

Cleantech Inv AG CHF1.00 (BR), 302532-1

Bluehill ID AG CHF1.00, 302532-1

Schedule "B"
to
Settlement Agreement

List of Swiss Assets

List of Frozen Assets in Switzerland

Accounts

SocGen Private Banking, Account No. 800800

SocGen Private Banking, Account No. 800801 Rubr. Axia

Julius Bär, Account No. 139.6744

Coutts & Co. AG Zurich, Account No. 11083375.1000

Coutts & Co. AG Zurich, Account No. 11083375.1001

Coutts & Co. AG Zurich, Account No. 11083375.1002

Piguet Galland & Cie. SA Geneva*, Account No. 750058

Credit Suisse Zurich, Account No. 0865-964950-41

SocGen Private Banking, Account No. 108732

UBP Geneva Bank of Antigua Ltd. , Account No. 201-0253203

SocGen Private Banking, Account No. 2148600

SocGen Geneva Private Banking, Account No. 108731

RBS Coutts Geneva/Southpac Life Insurance Limited, Account No. 11117443

List of Assets in Switzerland on Which Freeze Has Recently Been Lifted

Accounts

RBS Coutts Geneva, Account No. 110085560.1000

RBS Coutts Geneva, Account No. 11003565.1000

Schedule "C"
to
Settlement Agreement

List of Frozen Assets in Canada

List of Frozen Assets in Canada

Accounts

Toronto-Dominion Bank, Account No. 036001-2161573

Toronto-Dominion Bank, Account No. 036001-2161670

Toronto-Dominion Bank, Account No. 036001-2224235

Toronto-Dominion Bank, Account No. 036001-2260513

Toronto-Dominion Bank, Account No. 036001-2300380

Toronto-Dominion Bank, Account No. 036001-4035558

Toronto-Dominion Bank, Account No. 036001-4035569

Toronto-Dominion Bank, Account No. 036001-4035624

Toronto-Dominion Bank, Account No. 2501-0302513

Toronto-Dominion Bank, Account No. 036001-4153677

TD Waterhouse, Account No. NP6941

Schedule "D"
to
Settlement Agreement

Form of Proposed Order to be Sought by the Receiver from the US Court

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.	§	Case No. 3:09-CV-0298-N
In re: STANFORD INTERNATIONAL BANK, LTD., Debtor in a Foreign Proceeding.	§	Civil Action No. 3:09-CV-0721-N

ORDER GRANTING JOINT MOTION OF THE SEC, RECEIVER, EXAMINER, AND OFFICIAL STANFORD INVESTORS COMMITTEE TO APPROVE SETTLEMENT AGREEMENT AND CROSS-BORDER PROTOCOL

Before the Court is the Joint Motion of the SEC, the Receiver, the Examiner, and the Official Stanford Investors Committee to Approve the Settlement Agreement and Cross-Border Protocol. The Court has reviewed the Motion, any responses and replies, and the applicable authorities. The Court finds the Motion to be well-taken. Therefore, the Motion shall be and is hereby GRANTED. It is therefore ORDERED that the Settlement Agreement and Cross-Border Protocol, entered into by and among the SEC, the Department of Justice, the Receiver, the Examiner, the Official Stanford Investors Committee, and the Joint Liquidators shall be and is hereby APPROVED. The parties to the Settlement Agreement and Cross-Border

Protocol are hereby authorized to perform in accordance with their rights and obligations as outlined in the Settlement Agreement and Cross-Border Protocol.

Signed on _____, 2013.

_____
HONORABLE DAVID C. GODBEY
UNITED STATES DISTRICT JUDGE

Schedule "E"
to
Settlement Agreement

Form of Proposed Order to be Sought by the JLs from the Antiguan Court

THE EASTERN CARIBBEAN SUPREME COURT
IN THE HIGH COURT OF JUSTICE
ANTIGUA AND BARBUDA

Claim No. ANUHCV 2009/0149

In the Matter of Stanford International Bank Limited (In Liquidation)

-and-

In the Matter of the International Business Corporations Act, Cap 222 of the Laws of Antigua and Barbuda

-and-

In the Matter of an Application seeking the Court's Directions and Approvals

MARCUS A. WIDE AND HUGH DICKSON AS JOINT LIQUIDATORS OF STANFORD INTERNATIONAL BANK LIMITED (IN LIQUIDATION)

Applicants

DRAFT ORDER

[Approval of Settlement Agreement and Cross Border Protocol entered into by the Joint Liquidators, US Receiver, the US Securities and Exchange Commission, the Official Stanford Investor's Committee, the US Department of Justice and the US Court Appointed Examiner John J. Little]

BEFORE THE HONOURABLE [ ] IN CHAMBERS

DATED: [redacted] March, 2013.

ENTERED: [redacted] March, 2013.

UPON READING (a) the Amended Notice of Application dated [redacted] March 2013, (b) the Eighth Affidavit of Marcus Wide sworn on 22nd May 2012; and (c) the Affidavit of Mark McDonald sworn on [DATE]; and (d) the Settlement Agreement and Cross Border Protocol entered into between the Joint Liquidators of Stanford International Bank (the "Joint Liquidators"), the US Department of Justice (the "DoJ"), the US Securities Exchange Commission (the SEC"), the US

Court Appointed Examiner, John J. Little (the Examiner") and the Official Stanford Investor's Committee (as defined in the Settlement Agreement) ("OSIC") (together the "Settlement Parties") on [redacted] March 2013 (the "Settlement Agreement")

AND UPON the Court finding that the execution of, and compliance with the rights and obligations under the Settlement Agreement by the Joint Liquidators, is consistent with the performance and exercise of the Joint Liquidators' functions and duties under the International Business Corporations Act Cap 222 of Antigua and Barbuda (the "Act") (including under section 244 (1)(a) of the Act, which concerns the disclosure of information relating to the business affairs of a banking corporation's customer).

AND UPON HEARING counsel for the Applicant [ ] of [ ]

It is hereby **ORDERED** as follows:

1. The terms of the Settlement Agreement as attached at Appendix "A" to this Order are approved.

2. In accordance with section 5.4 of the Settlement Agreement, this Court hereby defers the supervision over, and authorisation of, the distribution of the approximately US$80 million of funds currently frozen in the United Kingdom, to the Central Criminal Court of England and Wales, in case number POCA No.9 of 2009.

3. The costs of this application be costs in the liquidation.

By the Court

(Deputy) Registrar

Schedule "F"
to
Settlement Agreement

List of Claw-Back and

Breach of Fiduciary Duty Claims (as *per* ¶3.2)

Schedule F

Jeffrey E. Adams
Paul Adkins
Jeannette Aguilar
James R. Alguire
Peggy Allen
Orlando Amaya
Victoria Anctil
Tiffany Angelle
Susana Anguiano
James F. Anthony
Sylvia Aquino
Juan Araujo
Monica Ardesi
George Arnold
John Michael Arthur
Patricio Atkinson
Mauricio Aviles
Donal Bahrenburg
Brown Baine
Timothy Bambauer
Isaac Bar
Elias Barbar
Stephen R. Barber
Jonathan Barrack
Robert Barrett
Jane E. Bates
Timothy W. Baughman
Marie Bautista
Oswaldo Bencomo
Teral Bennett
Lori Bensing
Andrea Berger
Marc H. Bettinger
Norman Blake
Stephen G. Blumenreich
Michael Bober
Nigel Bowman
Brad Bradham
Fabio Bramanti
Fernando Braojos
Alexandre Braune
Charles Brickey
Alan Brookshire
Nancy Brownlee
Richard Bucher
George Cairnes
Fausto Callava
Robert Bryan Cannon

Schedule F

Frank Carpin
Rafael Carriles
Scott Chaisson
James C. Chandley
Naveen Chaudhary
Jane Chernovetzky
Susana Cisneros
Ron Clayton
Neal Clement
Christopher Collier
Jay Comeaux
Michael Conrad
Michael Contorno
Bernard Cools-Lartigue
Don Cooper
Jose Cordero
Oscar Correa
James Cox
John Cravens
Ken Crimmins
Shawn M. Cross
James Cross
Patrick Cruickshank
Greg R Day
William S. Decker
Michael DeGolier
Andres Delgado
Pedro Delgado
Ray Deragon
Arturo R. Diaz
Ana Dongilio
Carter W. Driscoll
Abraham Dubrovsky
Torben Garde Due
Sean Duffy
Christopher Shannon Elliotte
Neil Emery
Thomas Espy
Jordan Estra
Jason Fair
Nolan Farhy
Evan Farrell
Marina Feldman
Ignacio Felice
Bianca Fernandez
Freddy Fiorillo
Lori J. Fischer
Rosalia Fontanals

Schedule F

James Fontenot
Juliana Franco
John Fry
Roger Fuller
Attlee Gaal
Miguel A. Garces
Gustavo A. Garcia
David Braxton Gay
Gregg Gelber
Mark Gensch
Gregory C. Gibson
Michael D. Gifford
Eric Gildhorn
Luis Giusti
Steven Glasgow
John Glennon
Susan Glynn
Larry Goldsmith
Ramiro Gomez-Rincon
Joaquin Gonzalez
Juan Carlos Gonzalez
Russell Warden Good
John Grear
Jason Green
Stephen Greenhaw
Mark Groesbeck
Billy Ray Gross
Vivian Guarch
Donna Guerrero
John Gutfranski
Rodney Hadfield
Gary Haindel
Jon Hanna
Dirk Harris
Virgil Harris
Kelley L. Hawkins
Charles Hazlett
Roberto T. Helguera
Luis Hermosa
Daniel Hernandez
Martine Hernandez
Patrica Herr
Alfredo Herraez
Helena M. Herrero
Steven Hoffman
Robert Hogue
John Holliday
Nancy J. Huggins

Schedule F

Charles Hughes
Wiley Hutchins, Jr.
David Innes
Marcos Iturriza
Charles Jantzi
Allen Johnson
Susan K. Jurica
Marty Karvelis
Faran Kassam
Joseph L. Klingen
Robert A. Kramer
David Wayne Krumrey
Bruce Lang
Grady Layfield
James LeBaron
Jason LeBlanc
William Leighton
Mayra C. Leon De Carrero
Robert Lenoir
Humberto Lepage
Francois Lessard
James C. Li
Gary Lieberman
Jason Likens
Trevor Ling
Christopher Long
Robert Long, Jr.
Humberto Lopez
Luis Felipe Lozano
David Lundquist
Michael MacDonald
Anthony Makransky
Megan R. Malanga
Manuel Malvaez
Maria Manerba
Michael Mansur
Iris Marcovich
Janie Martinez
Claudia Martinez
Aymeric Martinoia
Bert Deems May, Jr.
Carol McCann
Francesca McCann
Douglas McDaniel
Matthew McDaniel
Pam McGowan
Gerardo Meave-Flores
Lawrence Messina

Schedule F

Nolan N. Metzger
William J. Metzinger
Donald Miller
Trenton Miller
Hank Mills
Brent B. Milner
Peter Montalbano
Alberto Montero
Rolando H. Mora
David Morgan
Shawn Morgan
Jonathan Mote
Carroll Mullis
Spencer Murchison
David Nanes
Jon Nee
Aaron Nelson
Gail Nelson
Russell C. Newton, Jr.
Norbert Nieuw
Lupe Northam
Scott Notowich
Monica Novitsky
Kale Olson
John D. Orcutt
Walter Orejuela
Alfonso Ortega
Zack Parrish
Tim Parsons
William Peerman
Beatriz Pena
Ernesto Pena
Roberto Pena
Roberto A. Pena
Dulce Perezmora
Saraminta Perez
Tony Perez
James D. Perry
Lou Perry
Brandon R. Phillips
Randall Pickett
Eduardo Picon
Edward Prieto
Christopher Prindle
A. Steven Pritsios
Arturo Prum
Maria Putz
Judith Quinones

Schedule F

Sumeet Rai
Michael Ralby
Leonor Ramirez
Nelson Ramirez
David Rappaport
Charles Rawl
Syed H. Razvi
Kathleen M. Reed
Steven Restifo
Walter Ricardo
Giampiero Riccio
Jeffrey Ricks
Juan C. Riera
Alan Riffle
Randolph E. Robertson
Steve Robinson
Timothy D. Rogers
Eddie Rollins
Peter R. Ross
Rocky Roys
Thomas G. Rudkin
Julio Ruelas
Nicholas P. Salas
Tatiana Saldivia
John Santi
Christopher K. Schaefer
Louis Schaufele
John Schwab
Harvey Schwartz
William Scott
Haygood Seawell
Leonard Seawell
Morris Serrero
Doug Shaw
Nick Sherrod
Jon C. Shipman
Jordan Sibler
Rochelle Sidney
Brent Simmons
Edward Simmons
Peter Siragna
Steve Slewitzke
Nancy Soto
Paul Stanley
Sanford Steinberg
Heath Stephens
William O. Stone Jr.
David M. Stubbs

Schedule F

Mark V. Stys
Timothy W. Summers
Paula S. Sutton
William Brent Sutton
Ana Tanur
Juan Carlos Terrazas
Scot Thigpen
Christopher Thomas
Mark Tidwell
Yliana Torrealba
Jose Torres
Al Trullenque
Audrey Truman
Roberto Ulloa
Eric Urena
Miguel Valdez
Nicolas Valera
Tim Vanderver
Jaime Vargas
Pete Vargas
Ettore Ventrice
Mario Vieira
Evely Villalon
Maria Villanueva
Chris Villemarette
Frans Vingerhoedt
Daniel Vitrian
Charles Vollmer
James Weller
Bill Whitaker
Donald Whitley
David Whittemore
Charles Widener
John Whitfield Wilks
Thomas Woolsey
Michael Word
Ryan Wrobleske
Ihab Yassine
Bernerd E. Young
Leon Zaidner
Jorge Villasmil
Maria Alejandra Scheurich
Julia Abecasis
Beatriz Abelli
Kemal Balcisoy
Marc Banjan
Virginia Batlle
Patricia Belizaire

Schedule F

Gabriela Bello
Karyna Bello
Patricia Calderon
Oliver Carpintero
Caterina Castillo
Martha Celis
Monica A. Cespedes
Ricardo Cobiella
Anthony D'Aniello
Cineyris J. Davila
Carl Edlund
Gladys A. (Adriana) Escobar
Diego Estopinan
Francisco Exposito
Magally Fuentes
Guadalupe M. Gonzalez
Maria de las Nieves Gonzalez
Thomas L. Gourlay
Sandra Elena Guerra
Mikael Hansson
Carlos Mario Hoyos
Ulises Andres Izaguirre
Mauricio Jaramillo
Heidrun Sabine Jurewitz
Elsie H. Lecusay
Lorena Elisa Leon
Tibisay Lopez
Maria Margarita Marquez
Claudio Jose Martinez
Herly Josefina Martinez
Jorge Martinez
Maria del Carmen (Maricarmen) Martinez
Julio Humberto Mera
Ana Cecilia Morales
Vicente Moreno
John R. Murphy
Maria D. Navarro
Bradley Neal
Maia de Lourdes Niculescu
Patricia Palomino
Luis Pereira
David Pfeffermann
Olga Piedrahita
Ramon Antonio Pinzon
Jaime Gerardo Pons
Daniel Alexis Quintero
Gene B. Ramirez
Juan Bautista Ramirez

Schedule F

Nicole O. Ramirez
Carmen B. Rincon
Angel Gerardo Rivas
Antonio Jose Rodriguez
Maria P. (Lula) Rodriguez
Pedro Rodriguez
Gabriela Ruiz
Felix Sanchez
Annamaria Serio
Veronique Simonin
Harald Steger
David Alejandro Tabernero
Antonio M. Tepedino
Ana Torres
Jose M. Torres
Marialcira Urdaneta
Sheila Varon
Irene Vilagut
Ronald Wieselberg
Sharon Winter
David Lee
Ben Barnes
Ben Barnes Group, L.P.
Wealth Management Services, Ltd.
Interim Executive Management, Inc.
Rebecca Reeves
Dillon Gage Inc. of Dallas
Dillon Gage Inc.
Andrea Stoelker
Merge Healthcare, Inc.
Amicas, Inc.
Emageon, Inc.
Oreste Tonarelli
Juan Rodriguez-Tolentino
Sonia G. Velez
Wilfrido Velez
Harry Earl Failing
Harry Earl Failing, P.C.
Yolanda Suarez
Lena M. Stinson
Daniel T. "Danny" Bogar
Brandilyn D. Bogar
Pablo M. "Mauricio" Alvarado
David Wayne Toms
David Toms Golf, LLC
The University of Miami
The Inter-American Economic Council
IMG Worldwide, Inc.

Schedule F

International Players Championship, Inc.
Miami Heat Limited Partnership
Basketball Properties, Ltd.
SANO Education Trust
Kenneth C. Allen
Alfredo Arizaga
Center for Strategic and International Studies, Inc.
Mauricio Salgar
Peter Romero
Jorge Castaneda
Lee Brown
Courtney N. Blackman
PGA Tour, Inc.
TGC, LLC d/b/a Golf Channel
ATP Tour, Inc.
InsideOut Sports & Entertainment
Rocketball, Ltd.
Hoops, L.P.
Chung Design, LLC
Robert Allen Stanford
Libyan Investment Authority
Libyan Foreign Investment Company
Juan Alberto Rincon
James K. Conzelman
Lionel C. Johnson
Henry Amadio
Kennard "Kenny" Byron
Gordon Edwards
Luis Garcia
Laura "Suzanne" Hamm
Rebecca Hamric
Mark Kuhrt
Gilberto "Gil" Lopez
Patricia Maldonado
Laura Pendergest-Holt
Osvaldo Pi
Robert "Glen" Rigby
Jack Staley
Linda Wingfield
Robert Winter
Bernard "Bernie" Young
Cort & Cort
Cort & Associates
American Lebanese Syrian Associated Charities, Inc.
St. Jude Children's Research Hospital/ALSAC
St. Jude Children's Research Hospital
Le Bonheur Children's Medical Center Foundation
Chamberlain, Hrdlicka, White, Williams & Martin, L.L.P.

Schedule "G"
to
Settlement Agreement

Disclosure of Types and Categories of Documents Currently in the Possession of the JLs and the Receiver Parties (as *per* ¶4.1)

The following types and categories of documents are documents which are in the Joint Liquidators' possession and which are subject to a Restriction:

Jurisdiction	Types / Categories of Documents
Antigua	(i) documents, information and materials disclosed by opponents and third parties; and (ii) any Affidavit which has not been referred to open Court; and (iii) documents, information and materials disclosed under compulsion by any party; and (iv) any Court filing, save for a Claim Form, any Order or Judgment given or made in Court; and a Notice of Appeal; in the following proceedings in the High Court of Antigua and Barbuda: (a) Stanford International Bank Limited (In Liquidation) Claim No. ANUHCV 2009/0149; (b) Igors Kippers v Stanford International Bank (In Liquidation) Claim No. ANUHCV 2009/0347; (c) Jevgenijs Eugene Kippers v Stanford International Bank (In Liquidation) Claim No. ANUHCV 2009/0348; (d) Mission Finance Ltd v Stanford International Bank (In Liquidation) Claim No. ANUHCV 2009/0349; (e) Elena Spivak v Stanford International Bank (In Liquidation) Claim No. ANUHCV 2009/0350; (f) Stanford International Bank Limited (In Liquidation) –v- Allen Stanford, Andrea Stoelker & Ors Claim No. ANUHCV 2011/0478; (g) Stanford International Bank Ltd (In Liquidation v. Franciscus P. Vingerhoedt, and Ors ANUHCV2012/0319; and (h) Stanford International Bank Limited (In Liquidation) v (1) Bank of Antigua Limited; (2) Robert Allen Stanford Claim No. ANUHCV2012/0436.
Canada	(i) Ontario Stanford International Bank (In Liquidation) v Toronto Dominion Bank – Case No. CV-12-9780-00CL (formerly CV-11-433385) Any evidence obtained through documentary discovery, examination for discovery, inspection of property or examination for discovery by written questions and information obtained from these aforementioned sources for any purposes other than those of the proceeding in which the evidence was obtained.

	(ii) Quebec In respect of the TD Bank case in Quebec, there are currently no documents in the JLs' possession which are subject to a legal prohibition, restriction or duty of non-disclosure. However, any evidence obtained through documentary discovery, examination for discovery, inspection of property or examination for discovery by written questions and information obtained from these aforementioned sources may be used only for purposes of the proceeding in which the evidence was obtained.
United Kingdom	UK Central Criminal Court - Stanford International Bank Limited (in liquidation) (POCA 9 of 2009) 1. The heads of terms agreement for funding between the SIB estate and Sorrell Investments Limited dated 21 June 2011 (the "Term Sheet") and any information obtained (whether oral or written) as a result of entering into or performing the resulting settlement agreement dated 29 November 2011 between Sorrell and SIB (the "Settlement Agreement", attached) which relates to: (a) the non-public information or documentation provided to Sorrell by SIB in relation to the Term Sheet; (b) the Term Sheet itself (including all supporting pricing and calculations); (c) the provisions of the Settlement Agreement; and (d) the negotiations proceeding the execution of the Settlement Agreement. 2. Any information, documents and materials covered by orders made by Gloster J on 15 March and 1 June 2012 relating to the Confidential Annex to the Witness Statement of Marcus Wide.
United States	Documents produced by HSBC Bank plc that are subject to a confidentiality agreement.
Switzerland	FINMA Ancillary Bankruptcy Proceeding - Stanford International Bank Ltd (In Liquidation) No. S1057082: all information, documents and materials contained in the FINMA Ancillary Bankruptcy Proceeding files in Switzerland and to which the Joint Liquidators obtained access through FINMA. Documents obtained from the prosecutor's file in pending domestic criminal proceedings.

The following types and categories of documents are documents which are in the Receiver's possession and which are subject to a Restriction:

Jurisdiction	**Types / Categories of Documents**
United States	Documents produced by HSBC Bank plc that are subject to a confidentiality agreement.
United States	Documents produced by Societe Generale pursuant to request under Hague Convention.

Schedule "H"
to
Settlement Agreement

Form of Consent Order to Govern the Liquidation and Distribution of the UK Assets (as *per* ¶5.1)

POCA No. 9 of 2009

IN THE CENTRAL CRIMINAL COURT

Before the Right Honourable Lady Justice Gloster DBE
[date]

IN THE MATTER OF THE PROCEEDS OF CRIME ACT 2002
(EXTERNAL REQUESTS AND ORDERS) ORDER 2005

AND IN THE MATTER OF:

(1) ROBERT ALLEN STANFORD
(2) JAMES DAVIS
(3) LAURA PENDERGAST-HOLT

Defendants

BETWEEN:-

STANFORD INTERNATIONAL BANK LIMITED
(acting by its Joint Liquidators)

Applicant

-and-

THE DIRECTOR OF THE SERIOUS FRAUD OFFICE

Respondent

ORDER

UPON THE APPLICANT AND RESPONDENT ("the Parties") coming to terms as part of a general Settlement Agreement (the terms of which are annexed to this Order) between:

(i) The Department of Justice of the United States of America ("DoJ");

(ii) The Joint Liquidators of Stanford International Bank Limited (in liquidation) and Stanford Trust Company Limited (in liquidation) ("the Joint Liquidators");
(iii) The United States Securities and Exchange Commission;
(iv) The US District Court appointed Receiver for Stanford International Bank Limited and other companies and individuals ("The Receiver");
(v) John J. Little, in his capacity as Examiner appointed by the US District Court; and
(vi) The Official Stanford Investors Committee

("the Settlement Agreement")

AND UPON THE APPLICANT AND RESPONDENT agreeing that this Order shall constitute full and final settlement of all matters arising between them as at the date of this Order in proceedings related to and arising from the Restraint Order made by His Honour Judge Kramer QC sitting at the Central Criminal Court on 7th April 2009 and the Restraint Order made by the Court of Appeal on 25 February 2010,

AND IN CONSIDERATION OF each Party entering into the Settlement Agreement,

AND BY CONSENT,

IT IS ORDERED THAT:

1. The Restraint Order of the Court of Appeal dated 25 February 2010, as amended by Mrs Justice Gloster on 4 August 2011 and 17 October 2011 ("the Restraint Order"), shall be varied so that paragraphs 1-7 of that Order be discharged and replaced as follows:

   "1. Save as provided for in this Order, SIB shall not, until further order, remove from England and Wales the assets listed in Schedule B to this Order.

   2. SIB, by its Joint Liquidators, may convert the assets listed in Schedule B to this Order into cash. Save as provided for in paragraphs 3-5 below, those funds, and any sums held in bank accounts by the Joint Liquidators as of the date of this Order, shall be paid into the bank account in the UK, which shall be designated as the Distribution Account ("the Distribution Account"), the bank, branch, sort code and account number of which

shall be notified to the SFO not more than two business days after funds have been deposited.

3. SIB, by its Joint Liquidators, shall retain the sum of US$18 million from funds held in bank account(s) and/or the proceeds of liquidation of the assets listed in Schedule B as working capital of the liquidation.

4. SIB, by its Joint Liquidators, shall deposit the sum of US$18 million from funds held in bank account(s) and/or the proceeds of liquidation of the assets listed in Schedule B into a further designated account ("the Funding Reserve Account"), the bank, branch, sort code and account number of which shall be notified to the SFO not more than two business days after funds have been deposited.

5. SIB, by its Joint Liquidators, shall be permitted to deal with the funds described in paragraphs 3 and 4 above in accordance with the provisions of sections 5.1 and 8.2 of the Settlement Agreement.

6. For any funds that the JLs withdraw from the Funding Reserve Account, the JLs shall provide written notice (which can be by email) to the DoJ and the Receiver prior to or contemporaneous with the withdrawal of such funds.

7. The funds held in the Distribution Account, and any surplus sums held in the Funding Reserve Account as may become available for distribution in accordance with the provisions of section 8.2 of the Settlement Agreement, shall be dealt with as follows:

(i) The Joint Liquidators shall distribute the funds in the Distribution Account (and any surplus sums held in the Funding Reserve Account) only to Creditor-victims (as defined in the Settlement Agreement), which Creditor-victims shall rank *pari passu* as between each other, such that each distribution to each Creditor-victim shall be a *pro rata* share of each total distribution, reflecting the proportion which each Creditor-victim's admitted claim bears to the total combined value of all Creditor-victims' admitted claims, except as to those Creditor-victims whose claim is admitted in an amount less than EC$20,000, who shall be paid their claims in full.

(ii) Before making any distribution in accordance with paragraph 6(i) above the Joint Liquidators shall give 14 business days' notice of their intention to do so to the SFO and the DoJ, and the Receiver, and shall make such

distribution only in the circumstances set out in paragraphs 6(iii) and 6(iv) below.

(iii) If consent is given by the SFO and the DoJ (and such consent is not to be unreasonably withheld) to make the distribution notified in accordance with paragraph 6(ii) above, or both the SFO and the DoJ fail to respond within 14 business days' of their respective receipt of the Joint Liquidators' notice given in accordance with paragraph 6(ii) above, the Joint Liquidators shall make the proposed distribution direct to Creditor-victims forthwith.

(iv) If consent is withheld by the SFO and/or the DoJ, the Joint Liquidators may make an application to the Court for directions, but:

(a) Such application shall be made on notice to the SFO, the DoJ and the Receiver, giving not less than three clear working days' notice; and
(b) If on such an application the Court directs that a distribution be made, the Joint Liquidators shall make a distribution in accordance with the directions of the Court.

(v) The parties have liberty to apply in relation to any aspect of this Order. For the avoidance of doubt this Court shall have exclusive jurisdiction to determine, as between the Joint Liquidators, the SFO, the DoJ and the Receiver, any and all issues related to or arising from the distribution of funds from the Distribution Account (subject to rights of appeal as set out in the Proceeds of Crime Act 2002 (External Requests and Orders) Order 2005 and the Proceeds of Crime Act 2002 (External Requests and Orders) 2005 (England and Wales)(Appeals under Part 2) Order 2012)."

2. Save as set out in paragraph 1 above, upon the making of this Order the Parties shall be released from all obligations and limitations placed on them by or in relation to the Restraint Order. For the avoidance of doubt the effect of this paragraph is in particular that, upon the making of this Order, the Joint Liquidators shall be released from any and all obligations to repay sums drawn, and any interest accrued, under the Order of the Court of Appeal dated 18 August 2009 and 25 February 2010 (as varied from time to time) and the Orders of this Court dated 4 August 2011 and 17 October 2011.

3. Each Party shall bear its own costs of and occasioned by these proceedings in this Court, the Court of Appeal (Criminal Division) and the Supreme Court up to the date of this

Order. For the avoidance of doubt, all Orders that costs be paid by either Party to the other are set aside, to the extent that the same have not already been satisfied.

4. This Order shall stand as the Order of the Court on the Application of the Joint Liquidators dated [ ] 2012 ("the Discharge Application"). However, this Order shall not constitute a final determination between the Parties of the issues arising in the Discharge Application.

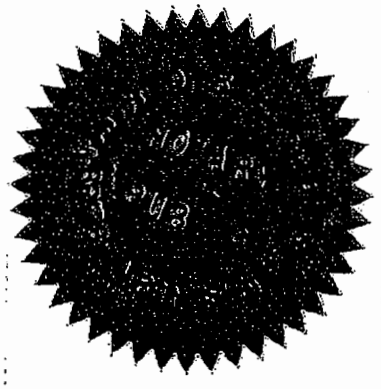
5. There be no order as to the costs of and occasioned by the Discharge Application.

Dated this [ ]

BY THE COURT

This is **Exhibit "M"** referred to in the
affidavit of Marcus A. Wide
sworn before me, this 24 day of November, 2014.

A Commissioner, notary, etc.



ASSIGNMENT OF PROCEEDS

THIS ASSIGNMENT AGREEMENT made by the parties hereto:

BETWEEN:

MARCUS A. 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

("the JLs")

OF THE FIRST PART

- and -

DYNASTY FURNITURE MANUFACTURING LTD., SHAFIQ HIRANI, HANIF ASARIA, DINMOHAMED SUNDERJI and 2645-1252 QUÉBEC INC.

("the Dynasty Group")

OF THE SECOND PART

WHEREAS:

A. The Dynasty Group commenced an action in the Ontario Superior Court of Justice (Commercial List) as against Toronto-Dominion Bank, Court File No. CV-09-8373-00CL issued on August 26, 2009 and amended on November 2, 2010 (the "Dynasty Action");

B. Marcus A. Wide and Hugh Dickson of Grant Thornton LLP were appointed as Joint Liquidators of Stanford International Bank Limited (in liquidation) by Order of the Eastern Caribbean Supreme Court dated May 12, 2011;

C. The JLs and the Dynasty Group have agreed on terms governing the within assignment and wish to formalize such assignment;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the sum of $2.00 in lawful money of Canada now paid by the JLs to the Dynasty Group and other good and valuable consideration (the receipt and sufficiency whereof is hereby acknowledged), the Dynasty Group and each and every one of them, does hereby transfer, assign and set over unto the JLs all the right, title, and interest IN AND TO the right to receive any and all proceeds which may arise under the Dynasty Action, as defined in Recital "A" above, together with the benefit of each and every one of the rights, covenants and other provisions therein;

This assignment is made by the Dynasty Group and accepted by the JLs. This is not an assignment of a bare cause of action but is a complete assignment of the right to receive proceeds

under an outstanding claim as evidenced by the claims of the Dynasty Group in the Dynasty Action.

IN WITNESS WHEREOF the parties hereto have executed this Assignment

WITNESS CAROL L.

MARCUS A. WIDE, Grant Thornton (in capacity as Joint Liquidator of SIB)

Date MAY 7, 2012

WITNESS

HUGH DICKSON, Grant Thornton (in capacity as Joint Liquidator of SIB)

Date

WITNESS

DYNASTY FURNITURE MANUFACTURING LTD.
Name:
Title:

Date

WITNESS

SHAFIQ HIRANI

Date

WITNESS

HANIF ASARIA

Date

under an outstanding claim as evidenced by the claims of the Dynasty Group in the Dynasty Action.

IN WITNESS WHEREOF the parties hereto have executed this Assignment

WITNESS	**MARCUS A. WIDE, Grant Thornton (in capacity as Joint Liquidator of SIB)** Date_____
WITNESS	**HUGH DICKSON, Grant Thornton (in capacity as Joint Liquidator of SIB)** Date_____
WITNESS MURAD FIDAI	**DYNASTY FURNITURE MANUFACTURING LTD.** **Name:** ZAHERALI SUNDERJI **Title:** CEO. Date MAY 3/ 2012.
WITNESS	**SHAFIQ HIRANI** Date_____
WITNESS	**HANIF ASARIA** Date_____

under an outstanding claim as evidenced by the claims of the Dynasty Group in the Dynasty Action.

IN WITNESS WHEREOF the parties hereto have executed this Assignment.

WITNESS

MARCUS A. WIDE, Grant Thornton (in capacity as Joint Liquidator of SIB)

Date

WITNESS

HUGH DICKSON, Grant Thornton (in capacity as Joint Liquidator of SIB)

Date

WITNESS

DYNASTY FURNITURE MANUFACTURING LTD.
Name:
Title:

Date

WITNESS

SHAFIQ HIRANI

Date April 13, 2012

WITNESS

HANIF ASARIA

Date

This assignment is made by the Dynasty Group and accepted by the JLs. This is not an assignment of a bare cause of action but is a complete assignment of the right to receive proceeds under an outstanding claim as evidenced by the claims of the Dynasty Group in the Dynasty Action.

IN WITNESS WHEREOF the parties hereto have executed this Assignment

WITNESS

MARCUS A. WIDE, Grant Thornton (in capacity as Joint Liquidator of SIB)

Date

WITNESS

HUGH DICKSON, Grant Thornton (in capacity as Joint Liquidator of SIB)

Date

WITNESS

DYNASTY FURNITURE MANUFACTURING LTD.
Name:
Title:

Date

WITNESS

SHAFIQ HIRANI

Date

WITNESS

HANIF ASARIA

Date MAY 2 2012

WITNESS VAISHALEE THAKER

DINMOHAMED SUNDERJI

Date May 2/2012

WITNESS

2645-1252 QUÉBEC INC.
Name:
Title:

Date

WITNESS

DINMOHAMED SUNDERJI

Date

Francine Vachon

WITNESS

2645-1252 QUEBEC INC.
Name:
Title:

Date May 4th, 2012

WSLegal\068029\00001\7724170v1

This is **Exhibit "N"** referred to in the
affidavit of Marcus A. Wide
sworn before me, this 28 day of November, 2014.

A Commissioner, notary, etc.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

UNITED STATES OF AMERICA	§	
	§	
v.	§	**Criminal No. H-09-335**
	§	
JAMES M. DAVIS	§	
	§	

PLEA AGREEMENT

The United States of America, by and through its United States Attorney for the Southern District of Texas and the Fraud Section of the Criminal Division of the Department of Justice, the defendant, James M. Davis, and the defendant's counsel, David Finn, have entered into the following plea agreement (the "Agreement") pursuant to Rule 11(c)(1)(B) of the Federal Rules of Criminal Procedure:

The Defendant's Agreement

1. (a) The defendant agrees to plead guilty to Counts One, Two and Three of the Information. Count One charges the defendant with conspiracy to commit wire, mail and securities fraud, in violation of 18 United States Code, Section 371. Count Two charges the defendant with mail fraud, in violation of 18 United States Code, Section 1341. Count Three charges the defendant with conspiracy to obstruct an SEC proceeding, in violation of 18 U.S.C. § 371. By entering this

Agreement, the defendant waives any right to have the facts that the law makes essential to the punishment of Counts One, Two or Three either charged in the Information, proved to a jury or proven beyond a reasonable doubt.

(b) The defendant agrees that the facts of this case support the following Sentencing Guidelines calculation:

Section 2B1.1(a) – Base offense level for wire fraud:	7
Section 2B1.1(b)(1)(K) – Loss of more than $400 million	30
Section 2B1.1(b(2)(B)– More than 250 victims	6
Section 2B1.1(b)(9)(C, D) – Substantial part of scheme committed outside United States and otherwise used sophisticated means	2
Section 2B1.1(b)(14)(B) – Affecting safety and soundness of financial institution and endangering solvency or financial security of 100 or more victims	4
Section 3B1.3 – Abuse of position of trust	2
Section 2B1.1(b)(14)(C) – Combination of enhancement for more than 250 victims and enhancement for safety and soundness of financial institution and endangering the solvency or security of 100 or more victims, equals 10, therefore reduced to 8	-2
Section 3E1.1(a, b) – Acceptance of responsibility	-3
Total Offense Level – Adjusted	46

(c) The defendant further agrees to recommend at the time of sentencing that the Sentencing Guidelines provide a fair and just resolution based on the facts of this case, and that no downward departure or variances are appropriate other than the reduction for acceptance of responsibility discussed in Paragraph

Thirteen and the potential for a downward departure based on substantial assistance pursuant to U.S.S.G. § 5K1.1 as discussed in Paragraph Seven.

Punishment Range

2. The statutory penalty for the violation of Title 18, United States Code, Section 371, in Counts One and Three, is not more than five years imprisonment and/or a fine of up to $250,000.00. The statutory penalty for the violation of Title 18, United States Code, Section 1341, in Count Two, is not more than twenty years imprisonment and/or a fine of up to $250,000.00. Additionally, on all three counts, the defendant may receive a term of supervised release after imprisonment of up to three (3) years. Title 18 U.S.C. §§ 3559(a)(4) and 3583(b)(2). Defendant acknowledges and understands that if he should violate the conditions of any period of supervised release which may be imposed as part of his sentences, then defendant may be imprisoned for the entire term of supervised release, not to exceed two years, without credit for time already served on the term of supervised release prior to such violation. Title 18 U.S.C. §§ 3559(a)(4) and 3583(e)(3). Defendant understands that he cannot have the imposition or execution of the sentence suspended, nor is he eligible for parole.

Mandatory Special Assessment

3. Pursuant to 18 U.S.C. § 3013(a)(2)(A), immediately after sentencing the defendant will pay to the Clerk of the United States District Court a special assessment in the amount of $100.00 per count of conviction. The payment will be by cashier's check or money order payable to the Clerk of the United States District Court, c/o District Clerk's Office, P.O. Box 61010, Houston, Texas 77208, Attention: Finance.

Fine and Reimbursement

4. The defendant understands that under the *United States Sentencing Commission Guidelines Manual* (hereafter referred to as "*Sentencing Guidelines*" or "U.S.S.G."), the Court is permitted to order the defendant to pay a fine that is sufficient to reimburse the United States for the costs of any imprisonment or term of supervised release, if any is ordered.

5. The defendant agrees that becaue the offenses of conviction occurred after April 24, 1996, restitution is mandatory without regard to Davis's ability to pay and that the Court must order Davis to pay restitution for the full loss caused by his criminal conduct pursuant to Title 18, United States Code, Section 3663A, provided, however, that the United States agrees that the value of any property returned to victims through the forfeiture and remission process shall be credited against any

order of restitution.

6. The defendant agrees to make complete financial disclosure by truthfully executing a sworn financial statement (Form OBD-500) prior to sentencing if he is requested to do so. In the event that the Court imposes a fine or orders the payment of restitution as part of the defendant's sentence, the defendant shall make complete financial disclosure by truthfully executing a sworn financial statement immediately following his sentencing.

Cooperation

7. The parties understand that the Agreement carries the potential for a motion for departure pursuant to U.S.S.G. § 5K1.1. The defendant understands and agrees that whether such a motion is filed will be determined solely by the United States. Should the defendant's cooperation, in the sole judgment and discretion of the United States, amount to "substantial assistance," the United States reserves the sole right to file a motion for departure pursuant to U.S.S.G. § 5K1.1. The defendant agrees to persist in his guilty plea through sentencing and to cooperate fully with the United States. The defendant understands and agrees that the United States will request that sentencing be deferred until his cooperation is complete.

8. The defendant understands and agrees that the term "fully cooperate" as used in this Agreement includes providing all information relating to any criminal activity known to the defendant. The defendant understands that such information

includes both state and federal offenses arising therefrom. In that regard:

(a) The defendant agrees that this Agreement binds only the United States Attorney for the Southern District of Texas, the Fraud Section of the Criminal Division of the Department of Justice and the defendant; it does not bind any other United States Attorney or any other component of the Department of Justice.

(b) The defendant agrees to testify truthfully as a witness before a grand jury or in any other judicial or administrative proceeding when called upon to do so by the United States.

(c) The defendant agrees to voluntarily attend any interviews and conferences as the United States may request.

(d) The defendant agrees to provide truthful, complete, and accurate information and testimony; and he understands that any false statements he makes to the Grand Jury, at any court proceeding (criminal or civil), or to a government agent or attorney, can and will be prosecuted under the appropriate perjury, false statement, or obstruction statutes.

(e) The defendant agrees to provide to the United States all documents in his possession or under his control relating to all areas of inquiry and investigation.

(f) Should the recommended departure, if any, not meet the defendant's expectations, the defendant understands that he remains bound by the terms of this Agreement and cannot, for that reason alone, withdraw his plea.

Waiver of Appellate Rights

9. The defendant is aware that 18 U.S.C. § 3742 affords a defendant the right to appeal the sentence imposed. The defendant agrees to waive the right to appeal the sentence imposed or the manner in which it was determined on all other

grounds set forth in 18 U.S.C. § 3742 except he reserves the right to appeal a sentence above the statutory maximum. Additionally, the defendant is aware that 28 U.S.C. § 2255 affords the right to contest or "collaterally attack" a conviction or sentence after the conviction or sentence has become final. The defendant waives the right to contest his conviction or sentence by means of any post-conviction proceeding, including but not limited to proceedings authorized by 28 U.S.C. § 2255. If at any time the defendant instructs his attorney to file a notice of appeal on grounds other than those specified above, the United States will seek specific performance of this provision.

10. In exchange for this Agreement with the United States, the defendant waives all defenses based on venue, speedy trial under the Constitution and Speedy Trial Act, and the statute of limitations with respect to any prosecution that is not time-barred on the date that this Agreement is signed, in the event that (a) the defendant's conviction is later vacated for any reason, (b) the defendant violates any provision of this Agreement, or (c) the defendant's plea is later withdrawn.

11. In agreeing to these waivers, the defendant is aware that a sentence has not yet been determined by the Court. The defendant is also aware that any estimate of the possible sentencing range under the *Sentencing Guidelines* that he may have received from his counsel, the United States, or the Probation Office is a prediction,

not a promise, did not induce his guilty plea, and is not binding on the United States, the Probation Office, or the Court. The United States does not make any promise or representation concerning what sentence the defendant will receive. The defendant further understands and agrees that the *Sentencing Guidelines* are "effectively advisory" to the Court. *United States v. Booker*, 125 S.Ct. 738 (2005). Accordingly, the defendant understands that, although the Court must consult the *Sentencing Guidelines* and must take them into account when sentencing him, the Court is bound neither to follow the *Sentencing Guidelines* nor to sentence the defendant within the guideline range calculated by use of the *Sentencing Guidelines*.

12. The defendant understands and agrees that each and all of his waivers contained in this Agreement are made in exchange for the corresponding concessions and undertakings to which this Agreement binds the United States.

The United States' Agreements

13. The United States agrees to each of the following:

(a) At the time of sentencing, the United States agrees not to oppose the defendant's anticipated request to the Court and the United States Probation Office that he receive a two level downward adjustment pursuant to U.S.S.G. § 3E1.1(a) should the defendant accept responsibility as contemplated by the *Sentencing Guidelines*. The United States is not required to make this recommendation if Davis (1) fails or refuses to timely entire his plea and make a full, accurate and complete disclosure to the United States and the Probation Department of the circumstances surrounding the relevant offense conduct and his present financial condition; (2) is found to have misrepresented facts to

the United States prior to entering this Agreement; or (3) commits any misconduct after entering into this Agreement, including but not limited to committing a state or federal offense, violating any term of release, or making false statements or misrepresentations to any governmental entity or official.

(b) If the defendant qualifies for an adjustment under U.S.S.G. Section 3E1.1(a), the United States agrees to file a motion for an additional one level departure based on the timeliness of the plea or the expeditious manner in which the defendant provided complete information regarding his/her role in the offense if the defendant's offense level is 16 or greater.

(c) The United States agrees that the appropriate Guidelines calculation in this case is the calculation described in Paragraph 1(b) above.

United States' Non-Waiver of Appeal

14. The United States reserves the right to carry out its responsibilities under the *Sentencing Guidelines*. Specifically, the United States reserves the right:

(a) to bring its version of the facts of this case, including its evidence file and any investigative files, to the attention of the Probation Office in connection with that office's preparation of a presentence report;

(b) to set forth or dispute sentencing factors or facts material to sentencing;

(c) to seek resolution of such factors or facts in conference with the defendant's counsel and the Probation Office;

(d) to file a pleading relating to these issues, in accordance with U.S.S.G. § 6A1.2 and 18 U.S.C.§ 3553(a); and

(e) to appeal the sentence imposed or the manner in which it was determined. If the United States appeals Davis's sentence, then Davis shall be released from his waiver of appellate rights.

Sentence Determination

15. The defendant is aware that the sentence will be imposed by the Court after consideration of the *Sentencing Guidelines*, which are only advisory, as well as the provisions of 18 U.S.C. § 3553(a). The defendant nonetheless acknowledges and agrees that the Court has authority to impose any sentence up to and including the statutory maximum set for the offense(s) to which the defendant pleads guilty, and that the sentence to be imposed is within the sole discretion of the sentencing judge after the Court has consulted the applicable *Sentencing Guidelines*. The defendant understands and agrees that the parties' positions regarding the application of the *Sentencing Guidelines* do not bind the Court and that the sentence imposed is within the discretion of the sentencing judge. If the Court should impose any sentence up to the maximum established by statute, the defendant cannot, for that reason alone, withdraw a guilty plea, and he will remain bound to fulfill all of his obligations under this Agreement.

Rights at Trial

16. The defendant represents to the Court that he is satisfied that his attorney has rendered effective assistance. The defendant understands that by entering into this Agreement, he surrenders certain rights as provided herein. The defendant understands that the rights of a defendant include the following:

(a) If the defendant persisted in a plea of not guilty to the charges, the defendant would have the right to a speedy jury trial with the assistance of counsel. The trial may be conducted by a judge sitting without a jury if the defendant, the United States, and the Court all agree.

(b) At a trial, the United States would be required to present witnesses and other evidence against the defendant. The defendant would have the opportunity to confront those witnesses and his attorney would be allowed to cross-examine them. In turn, the defendant could, but would not be required to, present witnesses and other evidence on his own behalf. If the witnesses for the defendant would not appear voluntarily, he could require their attendance through the subpoena power of the Court.

(c) At a trial, the defendant could rely on a privilege against self-incrimination and decline to testify, and no inference of guilt could be drawn from such refusal to testify. However, if the defendant desired to do so, he could testify on his own behalf.

Factual Basis for Guilty Plea

17. If this case were to proceed to trial, the United States could prove each element of the offense beyond a reasonable doubt. The following facts, among others, would be offered to establish the defendant's guilt:

(a) Beginning in at least 1988, **JAMES M. DAVIS (DAVIS)** began serving as Controller of Guardian International Bank, Ltd (Guardian), a bank chartered in Montserrat and owned by Robert Allen Stanford (Stanford). Soon after **DAVIS** became Controller, Stanford requested that, in order to show fictitious quarterly and annual profits, DAVIS make false entries into the general ledger for the purpose of reporting false revenues and false investment portfolio balances to the banking regulators. In late 1989, Stanford closed Guardian in Montserrat due, in part, because of his concern with the heightened scrutiny being imposed upon Guardian by bank regulators in Montserrat.

(b) In early 1990, Stanford moved Guardian's banking operations to Antigua under the name Stanford International Bank, Ltd. (SIBL), of which he was the sole shareholder and for which **DAVIS** continued to serve as Controller through approximately 1992, when **DAVIS** became Chief Financial Officer of Stanford Financial Group (SFG). SFG was the parent company of SIBL and a web of other affiliated financial services entities, including Stanford Group Company (SGC) and Stanford Capital Management (SCM).

(c) SIBL's primary investment product was referred to as a Certificate of Deposit (CD) which SIBL would solicit to potential investors in the United States and elsewhere through SFG broker-dealers, sometimes referred to as "Financial Advisors" (FAs). By 2008, SIBL had sold CDs resulting in liabilities totaling over $7 billion to investors in the United States and elsewhere. Stanford, **DAVIS**, and their conspirators promoted SIBL's investments as being well-managed, safe and secure, claimed that SIBL's investment strategy was to minimize risk and achieve liquidity, and falsely touted in SIBL's Annual Reports beginning in at least 1999 an almost year-by-year percentage and dollar increase in the purported value of SIBL's earnings, revenue and assets.

(d) Prior to purchasing SIBL CDs, potential investors were required to provide their basic biographical and financial information in the form of a Subscription Agreement. Subscription Agreements regarding the investors were routinely sent from Stanford Group Company in Houston, Texas to SIBL in Antigua. CDs and account statements regarding the CDs were also routinely sent by mail to investors, including an account statement driven by the false investment and revenue values for an investor (identified as "Investor TA" in Count 2 of the Information) which on November 30, 2008 was sent and delivered via United States Postal Service to Investor TA's address in Spring, Texas.

(e) Stanford, **DAVIS** and their conspirators further promoted the sale of SIBL's CDs by representing to investors that SIBL's operations and financial condition were being scrutinized by Antigua's bank regulator, the Financial Services Regulatory Commission (FSRC), and that SIBL's financial statements were subject to annual examination and inspections by the FSRC and audits by an independent outside auditor.

(f) Stanford, **DAVIS**, Chief Investment Officer Laura Pendergest-Holt (Holt) and other conspirators created and perpetuated the false impression to investors, potential investors, and the majority of SFG employees that Holt was responsible for overseeing and monitoring SIBL's entire portfolio of non-cash assets and that she managed all of those assets through a global network of money managers. In order to continue to effectuate the scheme, on December 7, 2005, Stanford and others, appointed Holt to the SIBL "Investment Committee." The purpose of this appointment was to continue to dupe the CD investors into falsely believing that Holt understood and "managed" SIBL's entire investment portfolio.

(g) Unknown to investors, Stanford, **DAVIS**, Holt and other conspirators internally segregated SIBL's investment portfolio into three investment tiers: (a) cash and cash equivalents ("Tier I"); (b) investments with "outside money managers," sometimes also referred to as "outside portfolio managers" ("Tier II"); and (c) other assets ("Tier III"). In actuality, Holt's management of SIBL's assets was confined to those assets contained in Tier II which, by 2008 made up only 10% of SIBL's entire portfolio. In fact, by 2008, approximately 80% of SIBL's investment portfolio was made up of illiquid investments, including grossly overvalued real and personal property that SIBL had acquired from Stanford-controlled entities at falsely inflated prices. At least $2 billion dollars of undisclosed, unsecured personal loans from SIBL to Stanford were concealed and disguised in SIBL's financial statements as "investments."

(h) At Stanford's direction and assisted by SFG's Chief Accounting Officer, Gilberto Lopez (Lopez), and the Global Controller for an affiliate of SFG, Mark Kuhrt (Kuhrt), **DAVIS** regularly created false books and records in which the value of the investment portfolio was further fraudulently adjusted by percentage increases to produce false investment and revenue values. As a result, SIBL's values for revenue and investments were falsified on a routine basis.

(i) From at least 2002, **DAVIS**, at the request of Stanford, would prepare with the assistance of Lopez and Kuhrt, fictitious SIBL investment reports, which were provided to the Antiguan FSRC on a quarterly basis, again falsely inflating the value of SIBL's investments. These false forms continued to be provided to the FSRC on a quarterly basis until at least September 2008. Kuhrt would send the false documents to SIBL in Antigua. SIBL Executive A would then execute the documents and provide them to the FSRC.

(j) Stanford was insistent that SIBL appear to show a profit each year. Stanford and **DAVIS** would collaborate to select a false revenue number. **DAVIS** would then send the collaborative false revenue numbers to Lopez and Kuhrt.

(k) To create the falsely inflated values for SIBL's assets, **DAVIS** would extrapolate from the values attributed to a portion of SIBL's investment portfolio which was monitored by Holt and managed by money managers. **DAVIS**, at Stanford's urging, would multiply those actual values by artificial percentage factors necessary to equal the value for depositor liabilities. By email or personal delivery, **DAVIS** would send the false investment valuation report to Kuhrt, who then sent it to SIBL.

(l) Initially, **DAVIS** did the calculations manually, but later a computer spreadsheet was created which was useful in generating the bogus revenue numbers. Every year, SIBL would prepare a budget projecting growth. Stanford, **DAVIS**, Lopez, Kuhrt and other conspirators would then use the "budgeted" numbers to develop falsely inflated revenue numbers which would be claimed as the "actual" revenue numbers to generate the desired Return on Investment (ROI). At Kuhrt's direction, subordinate employees in SFG's accounting group would be given a secret instruction sheet informing them as to how to make the changes to generate the false adjusted revenue figures, including the steps necessary to obtain approval by Lopez and **DAVIS**. After "backing into" or "reverse engineering" the numbers to match the "budgeted" numbers, Kuhrt would then transmit the inflated revenue numbers from Houston initially, and later from St. Croix when Kuhrt's accounting group moved to St. Croix, to Lopez in Houston, Texas and to **DAVIS** in Mississippi for **DAVIS**' approval. **DAVIS** often would further adjust the already bogus numbers to reach a desired ROI and would transmit to Kuhrt and Lopez the changes to be made.

(m) Kuhrt and Kuhrt's employees in the accounting group would prepare the false financial statements published in SIBL's annual reports, which Stanford, Lopez and **DAVIS** would review prior to publishing and sending out to investors.

(n) This continued routine false reporting by Stanford, **DAVIS**, Lopez, Kuhrt and their conspirators, upon which CD investors routinely relied in making their investment decisions, in effect, created an ever-widening hole between reported assets and actual liabilities, causing the creation of a massive Ponzi scheme whereby CD redemptions ultimately could only be accomplished with new infusions of investor funds. Stanford, **DAVIS**, Lopez, Kuhrt and their conspirators fraudulently claimed in SIBL's Annual Reports an increase in assets from approximately $1.2

billion in 2001 to approximately $8.5 billion reported in SIBL's Monthly Report for December 2008. By the end of 2008, Stanford, **DAVIS** and their conspirators falsely represented in SIBL's December monthly report that it held over $7 billion in assets, when in truth and in fact, SIBL actually held less than $2 billion in assets.

(o) By at least 2002, Stanford had introduced **DAVIS** to Leroy King, a bank auditor for the FSRC, a former Ambassador to the United States from Antigua and a former executive at Bank of America in New York. King became Administrator and the Chief Executive Officer (CEO) of the FSRC in approximately 2003.

(p) Sometime in 2003, Stanford performed a "blood oath" brotherhood ceremony with King and another employee of the FSRC, each of whom participated in the FSRC's regulatory oversight of SIBL. This brotherhood oath was undertaken in order to extract an agreement from both King and the other FSRC employee that they, in exchange for regular cash bribe payments by Stanford to King and the other FSRC employee, would ensure that the Antiguan bank regulators would not "kill the business" of SIBL. During the course of the fraud scheme King routinely referred to Stanford as "Brother" or "Big Brother." In the regular preparation of the false SIBL investment reports for submission to the FSRC, Stanford, **DAVIS**, and other conspirators relied upon the assurances that King and the other FSRC employee, because of the bribes, would ensure that the FSRC would not actually examine the validity of the investments of SIBL as set forth in those investment reports.

(q) When Stanford needed cash to make these bribe payments, he generally would instruct **DAVIS** to debit funds from a secret numbered Swiss bank account at Society General Bank (SocGen account #108731) and to wire those funds to an SFG account at Bank of Antigua, from which the cash in United States dollars would be withdrawn. This secret SocGen account #108731was funded by CD investor funds and was also used to make regular bribe payments, via wire transfer, to SIBL's outside auditor in Antigua, C.A.S. Hewlett & Co. Ltd. The cash bribe payments by Stanford to King ultimately exceeded $200,000.

(r) Sometime in approximately 2003, Stanford and SIBL Executive A complained to King that two FSRC examiners were becoming aggressive and suspicious in their examination of SIBL's financial statements. Stanford reassured **DAVIS** and SIBL Executive A that, because of their brotherhood oath and the bribe payments, King would assist in removing the two FSRC employees from the regulatory oversight function of SIBL. Both FSRC employees soon thereafter were reassigned or replaced.

(s) In January 2004, Stanford also continued his bribery scheme with Leroy King by paying $8000 for tickets to the Super Bowl game in Houston and by corruptly giving those tickets to King and his girlfriend to attend the game.

(t) In June of 2005, King provided to Stanford a confidential letter that King had received from the United States Securities and Exchange Commission (SEC) in his capacity as Administrator and CEO of the FSRC wherein the SEC sought information and records regarding SIBL's CD investment portfolio. In the confidential letter, the SEC maintained that it was investigating SIBL's sales practices with respect to its CD program and sought from the FSRC details and records of SIBL's investments because the SEC stated that it had evidence to suggest that SIBL was engaged in a "possible Ponzi scheme." Stanford and SIBL Executive A then assisted King in drafting a false and misleading response by the FSRC to this confidential SEC letter.

(u) By August of 2005, Stanford had retained an outside counsel to represent the interests of SIBL in the SEC inquiry of SIBL's sales practices (hereafter Outside Attorney A). During that month, Outside Attorney A traveled to the SIBL facility in Antigua where he met with Stanford, **DAVIS**, SIBL Executive A, Leroy King and others to familiarize himself with the operations and finances of SIBL. Outside Attorney A further reviewed SIBL's disclosures to investors in its CD program.

(v) On July 30, 2006, Leroy King transmitted to SFG Attorney A in Houston, Texas, a letter dated July 11, 2006 from the Director of the Bank Supervision Department at the Eastern Caribbean Central Bank ("ECCB") to the FSRC in Antigua concerning, inter alia, the affiliate relationship of SIBL to the Bank of Antigua. Similarly, on August 1, 2006, King again faxed to SFG Attorney A in Houston, Texas, a proposed response to the ECCB letter which sought the input of SFG Attorney A in crafting a response by the FSRC calculated to mislead the ECCB as to the financial bona fides of SIBL to prevent legitimate scrutiny of SIBL by the Eastern Carribean bank regulator. Recognizing that he had already been paid through cash bribe payments from Stanford, King concluded the August 1, 2006 facsimile transmission with the following handwritten words: "Please do not bill me (laugh), Thanks a million, Lee."

(w) On September 25, 2006, King provided to Stanford, SFG Attorney A, and SIBL Executive A another confidential letter he had received from the SEC wherein the SEC again sought records and information regarding SIBL's CD investment

portfolio. Stanford, **DAVIS**, SIBL Executive A, and SFG Attorney A would then propose various responses designed to mislead the SEC that King would be requested to insert into the FSRC's response to the SEC's confidential letter.

(x) In late September of 2006, Outside Attorney A contacted the SEC and represented that he had "heard through the grapevine" that the FSRC had not been provided with an appropriate request from the SEC for documents; that the SEC should "go to Antigua" to review the SIBL examination reports; that the SEC had "no basis" to request documents regarding SIBL's investment portfolio from SIBL; that he (Outside Attorney A) had spent 15 years investigating fraud for the SEC and was "well-equipped" to recognize the "hallmarks of fraud"; that he (Outside Attorney A) found SIBL to be credible in all their business dealings; and that, based upon his review of the situation and personal visit to SIBL, Outside Attorney A found SIBL to be an "incredible institution."

(y) In late 2008, Outside Attorney A was informed that SIBL's CD investment portfolio included a previously undisclosed third tier of investments (Tier III) that was not "managed" by Holt. Subsequently, in early January 2009, Outside Attorney A was informed that this third tier included real estate investments and private equity. Outside Attorney A, through his prior review of SIBL's disclosures knew and understood that this third tier of investments, including the real estate investments, had not been disclosed to investors. In early January of 2009 Outside Attorney A further learned that this undisclosed third tier of investments constituted approximately 80% of SIBL's investment portfolio or approximately $6 billion.

(z) During the course of the fraud conspiracy, Holt supervised a group of research analysts at SFG's offices in Memphis, Tennessee, who were primarily responsible for researching and trading investments in the Tier II segment of SIBL's portfolio. These research analysts were aware that Tier II represented a small segment of SIBL's entire portfolio and that the vast majority of SIBL's purported assets were in Tier III of SIBL's portfolio. Occasionally, Holt's research analysts would question her regarding Holt's knowledge of SIBL's Tier III assets. Holt would often dismiss such inquiries and would explain that she knew the details of the assets in Tier III and the research analysts "did not need to concern themselves" with Tier III.

(aa) From 2005 through at least February of 2009, Stanford, **DAVIS**, Holt, SIBL Executive A and others would attend investor conferences and other meetings with FAs called "Top Producer Club" or "TPC" meetings where they would falsely tout the assets and earnings of SIBL's investments, falsely tout SIBL's investment

strategy and deceive both the investors and FAs as to the role Holt played in the "management" of SIBL's investment portfolio.

(bb) In December 2008, Holt's research analysts began to make further inquiry of Holt regarding the quantity and the quality of the assets that made up SIBL's Tier III. During that same month, Holt led several meetings with her research analysts wherein she would purport to inform the analysts as to some of the content of SIBL's Tier III. Specifically, Holt explained the evolution of Tier III from a segment of SIBL's portfolio in the 1990s that contained mostly futures, options and currencies, to its current content which was purportedly geared toward larger holdings of real estate and private equity. Holt explained that Tier III was composed of 30-40% private equity and real estate and 10-12% cash. She further explained that SIBL had conducted private equity and real estate deals that had been "very profitable." In fact, she cited one transaction involving "two islands and one club" that Stanford had acquired and "got a very good deal." Because of this, Holt explained, Tier III was "up 7% mid-year." Holt told her research analysts that "we are restructuring Tier III and that will happen as early as January 2009."

(c) In mid-2008, Stanford, **DAVIS** and other conspirators were desperately seeking a fraudulent mechanism whereby they could artificially inflate SIBL's assets and thereby further conceal the fact that, undisclosed to investors, Stanford had made approximately $2 billion in loans to himself; that many if not all of private equity investments in Tier III were either insolvent or losing money badly, and that the touted returns on investment had been fictitious. As such, Stanford, **DAVIS**, Lopez, Kuhrt and other conspirators designed a real estate transaction wherein they would falsely inflate and convert an approximate $65 million dollar real estate transaction in Antigua into a purported $3.2 billion dollar asset of SIBL merely through a series of related party property flips through business entities controlled by Stanford. From approximately May 2008 through November 2008, Stanford, **DAVIS**, Lopez, Kuhrt,SIBL Executive A, SFG Attorney A and other conspirators participated in documenting elements of this bogus real estate in the books and records of SIBL designed to fraudulently add billions of dollars in value to SIBL's financial statements.

(dd) On January 14, 2009, the SEC served, through Outside Attorney A, investigatory subpoenas to **DAVIS** and Holt seeking testimony and documents related to SIBL's investment portfolio. Stanford also was served an SEC subpoena through Outside Attorney A. Outside Attorney A understood that the SEC inquiry would require the subpoenaed individuals to make a complete and transparent presentation to the SEC regarding all of the assets related to SIBL's CD program.

(ee) On January 21, 2009, Outside Attorney A met at the SIBL airplane hangar in Miami, Florida, to discuss the SEC investigation with Stanford, **DAVIS**, Holt, SIBL Executive A, SFG Attorney A and others to discuss who could make the presentation to the SEC. At that meeting, despite the knowledge that Stanford and **DAVIS** were in the best position to disclose the assets in the Tier III portfolio, Stanford, **DAVIS**, Holt, Outside Attorney A, SIBL Executive A and SFG Attorney A all agreed that Outside Attorney A would seek to convince the SEC that Holt and SIBL Executive A were the best individuals to present testimony and evidence to the SEC as to SIBL's entire investment portfolio. The participants also agreed to participate in a series of meetings in Miami, Florida during the week of February 2, 2009, to bring Holt and SIBL Executive A "up to speed on Tier 3" before the SEC presentation.

(ff) On January 22, 2008, Outside Attorney A met in Houston, Texas with several SEC attorneys in Houston, Texas to discuss issues related to the SEC investigation. The SEC attorneys reiterated that their investigation was seeking to determine where and how the entire portfolio of SIBL assets were invested and managed. Outside Attorney A falsely maintained that Stanford and **DAVIS** did not "micro-manage" the portfolio but that Holt and SIBL Executive A were the "better people to explain the details" about SIBL's entire portfolio. As a result of Outside Attorney A's misleading statements, the SEC attorneys agreed to postpone the testimony of Stanford and **DAVIS** and to take the testimony of SIBL Executive A and Holt on February 9-10, 2009, respectively. Outside Attorney A also falsely informed the SEC attorneys at this meeting that SIBL was "not a criminal enterprise."

(gg) In the last week of January 2009, **DAVIS** met with King in Antigua. By that time, SIBL was facing increasing regulatory scrutiny from the SEC, and Stanford, Holt and **DAVIS**, had received subpoenas from the SEC. King appeared very stressed. King related that he had again been contacted by the SEC. King asked **DAVIS** if "we were going to make it?" which meant whether the fraud they had been engaged in was going to be exposed. **DAVIS** informed King that he thought they were going to be ok.

(hh) On January 27, 2009, Outside Attorney A contacted **DAVIS**, Holt and SIBL Executive A and informed them when Holt and SIBL Executive A responded to the SEC inquiry they would be required to present "positive proof" regarding all of the assets of SIBL including the three tiers, that they needed to "rise to the occasion," and that "our livelihood depends on it."

(ii) On February 3, 4, 5 and 6, 2009, **DAVIS** met with Holt, SFG Attorney A, SIBL Executive A, Outside Attorney A, and ultimately, Stanford on February 5,

and others, at SFG' s office in Miami, Florida to discuss the testimony that Holt and SIBL Executive A would provide to the SEC during the week of February 9, 2009. During these meetings Holt disclosed that the value of the assets she actually managed in Tier II totaled approximately $350 million, down from $850 million in June of 2008. At these meetings **DAVIS** further revealed that the purported value of Tier III of SIBL's investment portfolio was made up of: real estate valued at in excess of $3 billion which allegedly had been acquired earlier that year by SIBL for less than $90 million; $1.6 billion in "loans" to Stanford; and various other private equity investments. Several of the Miami meeting participants acknowledged that if this disclosure was accurate, then the bank was insolvent. During the February 5, 2009 session, Stanford falsely informed the participants that despite what they had just been told, SIBL had "at least $850 million more in assets than liabilities."

(jj) Later in the day of February 5, 2009, Stanford, **DAVIS** and Outside Attorney A attended a separate meeting where Stanford acknowledged that SIBL's assets and financial health had been misrepresented to investors, and were overstated in SIBL's financials.

(kk) On the morning of February 10, 2009, prior to Holt's testimony before the SEC in Fort Worth, Texas, in an effort to continue to obstruct the SEC investigation, **DAVIS** spoke with Holt by telephone and told her to only disclose to SEC investigators her knowledge of Tier II investments.

(ll) During her testimony to the SEC on February 10, 2009, in addition to failing to disclose the Miami meetings and participants which had occurred the prior week, Holt falsely stated in her SEC testimony that she was unaware of the assets and allocations of assets in Tier III of SIBL's portfolio.

Breach of Plea Agreement

18. If the defendant fails in any way to fulfill completely all of his obligations under this Agreement, the United States will be released from its obligations hereunder, and the defendant's plea and sentence will stand. If at any time the defendant retains, conceals, or disposes of assets in violation of this Agreement, or if the defendant knowingly withholds evidence or is otherwise not completely truthful

with the United States, then the United States may ask the Court to set aside his guilty plea and reinstate prosecution. Any information and documents that have been disclosed by the defendant, whether prior to or subsequent to execution of this Agreement, and all leads derived therefrom, will be used against the defendant in any prosecution.

Forfeiture

19. Defendant agrees to forfeit all property which constitutes or is derived from proceeds traceable to the violations charged in Counts One and Two of the information. Defendant stipulates and agrees that the factual basis for his guilty plea supports the forfeiture of at least $1,000,000,000 (one billion dollars). Defendant agrees to a personal money judgment for $1,000,000,000 (one billion dollars) against him and in favor of the United States of America. Defendant represents that he will make a full and complete disclosure of all assets over which he exercises direct or indirect control, or in which he has any financial interest. Defendant stipulates and admits that one or more of the conditions set forth in 21 U.S.C. § 853(p) exists. Defendant agrees to forfeit any of Defendant's property, or Defendant's interest in any property, up to the value of any unpaid portion of the money judgment, until the money judgment is fully satisfied. Defendant agrees to take all steps necessary to pass clear title to forfeitable and substitute assets to the United States, including but not limited to surrendering title, signing a consent decree, stipulating facts regarding the

transfer of title and basis for the forfeiture, and signing any other documents necessary to effectuate such transfer.

20. Defendant agrees to the entry of a preliminary order of forfeiture and consents to the preliminary order of forfeiture becoming final as to the Defendant immediately following this guilty plea pursuant to Fed.R.Crim.P. 32.2(b)(3). Defendant waives the right to challenge the forfeiture of property in any manner, including by direct appeal or in a collateral proceeding.

Complete Agreement

21. This Agreement, consisting of 23 pages, together with the attached letter agreement dated April 21, 2009, constitutes the complete plea agreement between the United States, the defendant, and his counsel. No promises or representations have been made by the United States except as set forth in writing in this Agreement. The defendant acknowledges that no threats have been made against him and that he is pleading guilty freely and voluntarily because he is guilty.

22. Any modification of this Agreement must be in writing and signed by all parties.

Filed at Houston, Texas, on August 27, 2009.

James M. Davis
Defendant

Subscribed and sworn to before me on August 27, 2009.

By: _____
Deputy United States District Clerk

APPROVED:

Tim Johnson
United States Attorney

By: _____
Gregg Costa
Assistant U.S. Attorney

_____
David Finn
Attorney for Defendant

Steven A. Tyrrell
Chief
Fraud Section, Criminal Division
Department of Justice

BY: _____
Paul E. Pelletier
Principal Deputy Chief
Jack B. Patrick
Senior Litigation Counsel
Matthew Klecka
Trial Attorney

U.S. Department of Justice

1400 New York Avenue
Washington, D.C. 20530
(202) 353-7693

April 21, 2009

VIA FEDEX and EMAIL
David Finn, Esq.
Milner & Finn
2828 North Harwood Street
Suite 1950, Lock Box 9
Dallas, TX 75201

Re: Davis Plea Agreement

Dear Mr. Finn:

This letter sets forth the terms of the plea agreement between your client, James Davis, and the United States, by and through the Fraud Section of the Criminal Division of the Department of Justice and the United States Attorney's Office for the Southern District of Texas (hereinafter referred to as the "United States"), regarding your client's involvement with Stanford Group, Inc., Stanford International Bank, Ltd., and related entities including the predecessor bank, Guardian Trust, from at least 1989 through the present. The terms of this "Agreement" are as follows:

1. Davis agrees to waive prosecution by indictment and to plead guilty to three counts of a Criminal Information, charging Davis: in Count 1 with conspiracy to violate the following laws: Securities fraud, in violation of Title 15, United States Code, Sections 78j(b) and 78ff(a), and Title 17, Code of Federal Regulations, Section 240.10b-5; wire fraud, in violation of Title 18, United States Code, Section 1343; mail fraud, in violation of Title 18, United States Code, Section 1341; and obstruction of a proceeding before the Securities and Exchange Commission, in violation of Title 18, United States Code, Section 1505; all in violation of Title 18, United States Code, Section 371; in Count 2 with mail fraud, in violation of Title 18, United States Code, Sections 1341 and 2; and in Count 3 with obstruction of a proceeding before the Securities and Exchange Commission, in violation of Title 18, United States Code, Sections 1505 and 2. The Criminal Information also includes a forfeiture allegation, as further discussed herein.

2. Davis is aware that his sentence will be imposed by the Court. Davis understands and agrees that federal sentencing law requires the Court to impose a sentence that is reasonable and that the Court must consider the United States Sentencing Guidelines and Policy Statements (hereinafter "Sentencing Guidelines") in effect at the time of the sentencing in determining that reasonable sentence. Davis acknowledges and understands that the Court will compute an advisory sentence under the United States Sentencing Guidelines and that the applicable

guidelines will be determined by the Court relying in part on the results of a Pre-Sentence Investigation by the Court's Probation Department, which investigation will commence after the guilty plea has been entered. Davis is also aware that, under certain circumstances, the Court may depart from the advisory sentencing guideline range that it has computed, and may raise or lower that advisory sentence under the Sentencing Guidelines. Davis is further aware and understands that while the Court is required to consider the advisory guideline range determined under the Sentencing Guidelines, it is not bound to impose a sentence within that range. Davis understands that the facts that determine the offense level will be found by the Court at the time of sentencing and that in making those determinations the Court may consider any reliable evidence, including hearsay, as well as the provisions or stipulations in this Agreement. The United States and Davis agree to recommend that the Sentencing Guidelines should apply and that pursuant to United States v. Booker, the Guidelines provide a fair and just resolution based on the facts of this case, and that no downward departures or variances are appropriate other than the reduction for acceptance of responsibility noted in paragraph 12 and the potential for a reduction under the terms set forth in paragraph 9. The Court is permitted to tailor the ultimate sentence in light of other statutory concerns, and such sentence may be either more severe or less severe than the Sentencing Guidelines' advisory sentence. Knowing these facts, Davis understands and acknowledges that the Court has the authority to impose any sentence within and up to the statutory maximum authorized by law for the offenses identified in paragraph 1 and that Davis may not withdraw the plea solely as a result of the sentence imposed.

3. Davis also understands and acknowledges that as to Count 1, the Court may impose a statutory maximum term of imprisonment of up to five (5) years. Davis understands and acknowledges that as to Count 2, the Court may impose a statutory maximum term of imprisonment of up to twenty (20) years. Davis understands and acknowledges that as to Count 3, the Court may impose a statutory maximum term of imprisonment of up to five (5) years. In addition to any period of imprisonment as reflected above, the Court may also impose a period of supervised release of up to three (3) years to commence at the conclusion of the period of imprisonment. In addition to a term of imprisonment and supervised release, the Court may impose a fine of up to the greater of $250,000, or twice the gross pecuniary gain or loss pursuant to 18 U.S.C. § 3571(d).

4. Davis further understands and acknowledges that, in addition to any sentence imposed under paragraph 3 of this Agreement, a special assessment in the total amount of $300 will be imposed on Davis. Davis agrees that any special assessment imposed shall be paid immediately after sentencing.

5. Davis further understands and acknowledges that he (a) shall truthfully and completely disclose all information with respect to the activities of himself and others concerning all matters about which the United States inquires of him, which information can be used for any purpose; (b) shall cooperate fully with the United States and any other law enforcement agency designated by the United States; (c) shall attend all meetings at which the United States requests his presence; (d) shall provide to the United States, upon request, any document, record, or other

tangible evidence relating to matters about which the United States or any designated law enforcement agency inquires of him; (e) shall truthfully testify before the grand jury and at any trial and other court proceeding with respect to any matters about which the United States may request his testimony; (f) shall bring to the attention of the United States all crimes which he has committed, and all administrative, civil, or criminal proceedings, investigations, or prosecutions in which he has been or is a subject, target, party, or witness; and, (g) shall commit no further crimes whatsoever. Moreover, any assistance Davis may provide to federal criminal investigators shall be pursuant to the specific instructions and control of the United States and designated investigators. In carrying out his obligations under this paragraph, Davis shall neither minimize his own involvement nor fabricate, minimize or exaggerate the involvement of others.

6. Davis shall provide, when requested, the Probation Department and counsel for the United States with a full, complete and accurate personal financial statement listing all assets under his direct or indirect control, including any assets he may have transferred or placed in the control of others within the 10 year period prior to execution of this Agreement. If Davis provides incomplete or untruthful statements in his personal financial statement, his action shall be deemed a material breach of this Agreement and the United States shall be free to pursue all appropriate charges against him notwithstanding any agreements to forbear from bringing additional charges otherwise set forth in this Agreement.

7. Provided that Davis commits no new criminal offenses and provided he continues to demonstrate an affirmative recognition and affirmative acceptance of personal responsibility for his criminal conduct, the United States agrees that it will recommend at sentencing that Davis receive a three-level reduction for acceptance of responsibility pursuant to Section 3E1.1 of the Sentencing Guidelines, based upon Davis' recognition and affirmative and timely acceptance of personal responsibility. The United States, however, will not be required to make this sentencing recommendation if Davis: (1) fails or refuses to timely enter his guilty plea and to make a full, accurate and complete disclosure to the United States and the Probation Department of the circumstances surrounding the relevant offense conduct and his present financial condition; (2) is found to have misrepresented facts to the United States prior to entering this Agreement; or (3) commits any misconduct after entering into this Agreement, including but not limited to committing a state or federal offense, violating any term of release, or making false statements or misrepresentations to any governmental entity or official.

8. The United States reserves the right to inform the Court and the Probation Department of all facts pertinent to the sentencing process, including all relevant information concerning the offenses committed, whether charged or not, as well as concerning Davis and Davis' background. Subject only to the express terms of any agreed-upon sentencing recommendations contained in this Agreement, the United States further reserves the right to make any recommendation as to the quality and quantity of punishment.

9. The United States reserves the right to evaluate the nature and extent of Davis' cooperation and to make Davis' cooperation, or lack thereof, known to the Court at the time of

sentencing. If, in the sole and unreviewable judgment of the United States, Davis' cooperation is of such quality and significance to the investigation or prosecution of other criminal matters as to warrant the Court's downward departure from the sentence required by the Sentencing Guidelines, the United States may, at or before sentencing make, a motion pursuant to Title18, United States Code, Section 3553(e), Section 5K1.1 of the Sentencing Guidelines, or subsequent to sentencing by motion pursuant to Rule 35 of the Federal Rules of Criminal Procedure, reflecting that Davis has provided substantial assistance and recommending a sentence reduction. Davis acknowledges and agrees, however, that nothing in this Agreement may be construed to require the United States to file such a motion and that the United States' assessment of the nature, value, truthfulness, completeness, and accuracy of Davis' cooperation shall be binding on Davis.

10. Davis understands and acknowledges that the Court is under no obligation to grant a motion by the United States pursuant to Title 18, United States Code, Section 3553(e), 5K1.1 of the Sentencing Guidelines or Rule 35 of the Federal Rules of Criminal Procedure, as referred to in paragraph 9 of this Agreement, should the United States exercise its discretion to file such a motion.

11. Davis admits and acknowledges that the following facts are true and that the United States could prove them at trial beyond a reasonable doubt:

a. That Davis' participation in the conspiracy and scheme and artifice resulted in a loss of more than $400,000,000;
b. That Davis' offense involved more than two-hundred fifty (250) victims;
c. That a substantial part of Davis' fraudulent scheme was committed from outside the United States and otherwise involved sophisticated means;
d. That Davis' offense affected the safety and soundness of a financial institution and endangered the solvency or financial security of 100 or more victims; and
e. That Davis abused a position of trust as Chief Financial Officer of Stanford Group, Inc., and Stanford International Bank, Ltd.

12. Based on the foregoing, the United States and Davis agree that although not binding on the Probation Department or the Court, the applicable Sentencing Guidelines adjusted offense level is as follows:

a.	Section 2B1.1(a) - Base offense level for wire fraud offense	7
b.	Section 2B1.1(b)(1)(K) - Loss of more than $400,000,000	30
c.	Section 2B1.1(b)(2)(B) - More than 250 victims	6
d.	Section 2B1.1(b)(9)(C) & (D)- Substantial part of scheme committed outside the United States and otherwise used sophisticated means	2
e.	Section 2B1.1(b)(14)(B) - Affecting safety and soundness	

	of a financial institution and endangering the solvency or financial security of 100 or more victims	4
f.	Section 3B1.3 - Abuse of position of trust	2
g.	Section 2B1.1(b)(14)(C) - Combination of enhancement for more than 250 victims (+6) and enhancement for safety and soundness of a financial institution and endangering the solvency or financial security of 100 or more victims (+4) equals 10, therefore reduced to 8	-2
h.	Sections 3E1.1(a) and 3E1.1(b) Acceptance of Responsibility (if applicable)	-3
	TOTAL OFFENSE LEVEL - ADJUSTED	46

13. Davis agrees to forfeiture of all property, real or personal, which constitutes or is derived from proceeds traceable to the violations of 18 U.S.C. § 371 (conspiracy to commit wire and mail fraud) and 18 U.S.C. § 1343 (wire fraud). Davis agrees that all such property is subject to criminal forfeiture pursuant to 28 U.S.C. § 2461(c) (incorporating 18 U.S.C. § 981(a)(1)(C)), as property constituting, or derived from, proceeds obtained, directly or indirectly, as the result of the conspiracy (Count 1) and mail fraud scheme (Count 2). In order to effectuate the forfeiture, Davis agrees to the entry of a Consent Order of Forfeiture, in the form of a money judgment, of $1,000,000,000.00 (one billion dollars). Davis acknowledges that the money judgment is subject to forfeiture as proceeds of illegal conduct or substitute assets for property otherwise subject to forfeiture.

14. Davis also agrees that he shall assist the United States in all proceedings, whether administrative or judicial, involving the forfeiture to the United States of all rights, title, and interest, regardless of their nature or form, in the assets which Davis has agreed to forfeit, and any other assets, including real and personal property, cash and other monetary instruments, wherever located, which Davis or others to his knowledge have accumulated as a result of illegal activities. Such assistance shall include Davis' consent to the entry of any order deemed by the United States as necessary to effectuate said forfeitures. In addition, Davis agrees to identify as being subject to forfeiture and/or restitution all such assets, and to assist in the transfer of such property to the United States by delivering to the United States upon the United States' request, all necessary and appropriate documentation with respect to said assets, including consents to forfeiture, quit claim deeds and any and all other documents necessary to deliver good and marketable title to said property. To the extent the assets are no longer within the possession and control or name of Davis, Davis agrees that the United States may seek substitute assets within the meaning of 21 U.S.C. § 853. Davis further agrees to assist the United States in recovering all victim assets, wherever located, including but not limited to, executing requests for repatriation of said assets, wherever located, and facilitating the entry of court orders or treaty requests regarding said assets, wherever located. Davis further agrees not to alienate, transfer or encumber any asset over which he has direct or indirect control unless otherwise agreed to by the United

States or permitted by order of the Court. Failure to comply with the terms of this paragraph will constitute a material breach of this agreement.

15. Davis knowingly and voluntarily agrees to waive any claim or defenses he may have under the Eighth Amendment to the United States Constitution, including any claim of excessive fine or penalty with respect to the forfeited assets or victim restitution. Davis further knowingly and voluntarily waives his right to a jury trial on the forfeiture of said assets, waives any statute of limitations with respect to the forfeiture of said assets, and waives any notice of forfeiture proceedings, whether administrative or judicial, against the forfeited assets. Davis waives the requirements of Federal Rules of Criminal Procedure 32.2 and 43(a) regarding notice of the forfeiture in the charging instrument, announcement of the forfeiture at sentencing, and incorporation of the forfeiture in the judgment. Davis acknowledges that he understands that the forfeiture of assets is part of the sentence that may be imposed in this case and waives any failure by the court to advise him of this, pursuant to Rule 11(b)(1)(J), at the time his guilty plea is accepted.

16. Davis acknowledges that because the offenses of conviction occurred after April 24, 1996, restitution is mandatory without regard to the Davis' ability to pay and that the Court must order Davis to pay restitution for the full loss caused by his criminal conduct pursuant to Title 18, United States Code, Section 3663A, provided, however, that the United States agrees that the value of any property returned to victims through the forfeiture and remission process shall be credited against any order of restitution due to victims.

17. Davis is aware that the sentence has not yet been determined by the Court. Davis is also aware that any estimate of the probable sentencing range or sentence that Davis may receive, whether that estimate comes from Davis' attorney, the United States, or the Probation Department, is a prediction, not a promise, and is not binding on the United States, the Probation Department or the Court. Davis further understands that any recommendation that the United States makes to the Court as to sentencing, whether pursuant to this Agreement or otherwise, is not binding on the Court and the Court may disregard the recommendation in its entirety. Davis understands and acknowledges, as previously acknowledged in paragraph 2 above, that Davis may not withdraw his plea based upon the Court's decision not to accept a sentencing recommendation made by Davis, the United States, or a recommendation made jointly by both Davis and the United States.

18. Davis is aware that Title 18, United States Code, Section 3742 affords Davis the right to appeal the sentence imposed in this case. Acknowledging this, in exchange for the undertakings made by the United States in this Agreement, Davis hereby waives all rights conferred by Section 3742 to appeal any sentence imposed, including any forfeiture or restitution ordered, or to appeal the manner in which the sentence was imposed, unless the sentence exceeds the maximum permitted by statute. Davis further understands that nothing in this Agreement shall affect the right of the United States and/or its duty to appeal as set forth in Title 18, United States Code, Section 3742(b). If the United States appeals Davis' sentence pursuant to Section

3742(b), however, Davis shall be released from this waiver of appellate rights. By executing this Agreement, Davis acknowledges that he has discussed the appeal waiver set forth in this Agreement with his attorney. Davis further agrees, together with the United States, to request that the district Court enter a specific finding that the Davis' waiver of his right to appeal the sentence to be imposed in this case was knowing and voluntary.

19. Davis acknowledges that he has accepted this Agreement and decided to plead guilty because he is in fact guilty. By entering this plea of guilty, the defendant waives any and all right to withdraw his plea or to attack his conviction, either on direct appeal or collaterally, on the ground that the Government has failed to produce any discovery material, *Jencks* Act material, exculpatory material pursuant to *Brady v. Maryland*, 373 U.S. 83 (1963), other than information establishing the factual innocence of the defendant, and impeachment material pursuant to *Giglio v. United States*, 405 U.S. 150 (1972), that has not already been produced as of the date of the signing of this Agreement.

20. For purposes of criminal prosecution, this Agreement shall be binding and enforceable upon the Fraud Section of the Criminal Division of the United States Department of Justice and the United States Attorney's Office for the Southern District of Texas. The United States does not release Davis from any claims under Title 26, United States Code. Further, this Agreement in no way limits, binds, or otherwise affects the rights, powers or duties of any state or local law enforcement agency or any administrative or regulatory authority.

21. In the event that Davis does not plead guilty or if Davis breaches this Agreement by failing to comply with any terms hereto, Davis agrees and understands that he thereby waives any protection afforded by Section 1B1.8(a) of the Sentencing Guidelines and Rule 11(f) of the Federal Rules of Criminal Procedure, and that any statements made by him as part of his cooperation with the United States, or otherwise, both prior or subsequent to signing this Agreement, will be admissible against him without any limitation in any civil or criminal proceeding and Davis shall assert no claim under the United States Constitution, any statute, Rule 410 of the Federal Rules of Evidence, or any other federal rule that such statements or any leads therefrom should be suppressed. By entering into this Agreement, Davis intends to waive all rights in the foregoing respects.

22. This Agreement is the entire agreement and understanding between the United States and Davis. There are no other agreements, promises, representations or understandings.

Respectfully submitted,

STEVEN A. TYRRELL, CHIEF
U.S. DEPARTMENT OF JUSTICE
CRIMINAL DIVISION, FRAUD SECTION

By: _____
PAUL E. PELLETIER, Principal Deputy Chief
U.S. DEPARTMENT OF JUSTICE
CRIMINAL DIVISION, FRAUD SECTION

TIMOTHY JOHNSON
ACTING UNITED STATES ATTORNEY

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JAMES DAVIS
DEFENDANT
Date: _____

_____
DAVID FINN
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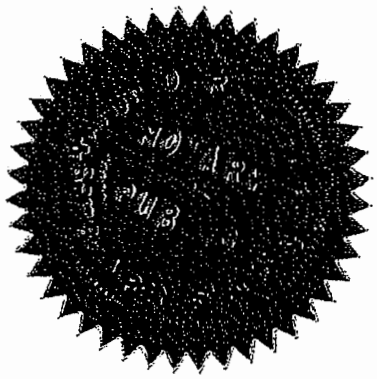
Date: _____

This is **Exhibit "O"** referred to in the
affidavit of Marcus A. Wide
sworn before me, this 25 day of November, 2014.

A Commissioner, notary, etc.



IN THE UNITED STATES COURT OF APPEALS
FOR THE FIFTH CIRCUIT

United States Court of Appeals
Fifth Circuit
FILED
March 18, 2013
Lyle W. Cayce
Clerk

No. 11-10704

RALPH S. JANVEY, as Court-Appointed Receiver for the Stanford International Bank, Ltd., et al.,

Plaintiff-Appellee,

v.

DEMOCRATIC SENATORIAL CAMPAIGN COMMITTEE, INC.; DEMOCRATIC CONGRESSIONAL CAMPAIGN COMMITTEE, INC.; NATIONAL REPUBLICAN CONGRESSIONAL COMMITTEE; REPUBLICAN NATIONAL COMMITTEE; and NATIONAL REPUBLICAN SENATORIAL COMMITTEE,

Defendants-Appellants.

Appeals from the United States District Court
for the Northern District of Texas

Before JOLLY, BENAVIDES, and DENNIS, Circuit Judges.

DENNIS, Circuit Judge:

Acting on our own motion, in order to correct error in our prior opinion, *Janvey v. Democratic Senatorial Campaign Committee, Inc.*, 699 F.3d 848 (5th Cir. 2012), we withdraw that opinion and substitute the following:

* * *

R. Allen Stanford ("Stanford") created and perpetrated a "Ponzi scheme"[1] that has given rise to issues of fraudulent-conveyance law, which this appeal requires us to consider. What follows is a simplified overview of how the scheme operated: Stanford created and owned Stanford International Bank, Ltd. ("SIBL") and a network of other entities (collectively, the "Stanford corporations") through which he sold certificates of deposit ("CDs") to the investing public, promising buyers extraordinarily high rates of return. Through his corporations, Stanford represented to prospective investors that their funds would be reinvested in high-quality securities so as to yield the investors the high rates of return purportedly guaranteed by the CDs. The vast majority of the money thus raised, however, was not reinvested in legitimate securities but rather was used mainly to pay investors the promised returns. These payments gave the scheme credibility, enabling Stanford to sell additional CDs. Although precisely when the scheme was launched is not certain, the Receiver presented the expert opinion of a certified public accountant, Karyl Van Tassel ("Van Tassel"), who, upon review of the Stanford corporations' books, interviews with numerous employees, and examination of a number of investors' and other institutions' records, together with the guilty plea and rearraignment statements of James M. Davis ("Davis"), Stanford's Chief Financial Officer, determined that the Stanford Ponzi scheme began and was insolvent as early as 1999 and that it was continuously operated in this manner and condition until it began to unravel in October 2008. By the time the scheme collapsed in February 2009, the Stanford corporations had raised in excess of $7 billion from the sale of the fraudulent CDs. Stanford and Davis were prosecuted for and convicted of

[1] "A 'Ponzi scheme' typically describes a pyramid scheme where earlier investors are paid from the investments of more recent investors, rather than from any underlying business concern, until the scheme ceases to attract new investors and the pyramid collapses." *Eberhard v. Marcu*, 530 F.3d 122, 132 n.7 (2d Cir. 2008) (citing authorities).

numerous federal offenses in their operation of the Ponzi scheme and are currently serving federal prison sentences.

The Securities and Exchange Commission ("the SEC") brought a civil suit against Stanford, his agents, and his corporations on February 16, 2009, charging multiple violations of federal securities laws. The SEC asked the district court to appoint a receiver for Stanford and his companies in order to preserve the Stanford corporations' resources and pursue the corporations' assets that were in the hands of third parties as the result of fraudulent conveyances. The court obliged, appointing Ralph S. Janvey ("the Receiver") as receiver over Stanford, his associates, his corporations, and their assets on February 16, 2009.

I. Factual and Procedural Background

Pursuant to his duty as court-appointed receiver, Janvey filed this fraudulent-transfer suit on February 19, 2010 against several national political committees (collectively, "the Committees")[2] to recover approximately $1.8 million in political contributions that Stanford, Davis, and the Stanford corporations made to the Committees over a period covering the nine years between 2000 and 2008. The parties agree that between February 2000 and May 2008, Stanford, Davis, and the Stanford corporations made forty-nine contributions totaling: $950,500 to the DSCC; $200,000 to the DCCC; $128,500 to the RNC; $83,345 to the NRSC; and $238,500 to the NRCC. The law under which the Receiver proceeded is the Texas Uniform Fraudulent Transfer Act

[2] There are two Democratic committees—the Democratic Senatorial Campaign Committee ("DSCC") and the Democratic Congressional Campaign Committee ("DCCC")—and three Republican committees—the Republican National Committee ("RNC"), the National Republican Senatorial Committee ("NRSC"), and the National Republican Congressional Committee ("NRCC").

("TUFTA"), TEX. BUS. & COM. CODE § 24.001 et seq.[3] The Committees moved to dismiss, and the Republican Committees moved for summary judgment, on the grounds that the Receiver's suit was untimely under TUFTA and that TUFTA is preempted by federal law as to political contributions to the Committees. Additionally, the Receiver moved for summary judgment on the TUFTA claims. The district court denied the Committees' motions and granted summary judgment in favor of the Receiver against each of the Committees and entered a judgment against the Committees in the amount of the contributions made as fraudulent conveyances. The Committees appealed.

II. Standing and Knowledge in Ponzi-Scheme Cases

At the threshold, we confront and correct errors of law pertaining to standing and imputed knowledge, relied on by the parties and the district court and based on this court's erroneous prior, withdrawn opinions, that could otherwise affect our correct understanding and decision of the questions presented by this case. In previous panel opinions, now withdrawn, this court erroneously asserted that a federal equity receiver has standing to assert the claims of the investor-creditors of a corporation in receivership against third-party transferees who receive assets of the corporation that were fraudulently conveyed to them by the principal of a Ponzi scheme who owned the corporation and used its funds to make the transfers. *See Janvey*, 699 F.3d at 848 (withdrawn by the instant opinion); *Janvey v. Alguire*, 628 F.3d 164 (5th Cir. 2010) (*Alguire I*), *withdrawn*, *Janvey v. Alguire*, 647 F.3d 585 (5th Cir. 2011)

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[3] The Receiver asserted federal-court jurisdiction on the basis of 15 U.S.C. § 78aa, 28 U.S.C. § 754, and the order appointing him receiver, which specifically authorizes the Receiver to "[i]nstitute such actions or proceedings to impose a constructive trust, obtain possession, and/or recover judgment with respect to persons or entities who received assets or records traceable to the Receivership Estate" and provided that "[a]ll such actions shall be filed in" the U.S. District Court for the Northern District of Texas. The district court exercised ancillary jurisdiction over the Receiver's TUFTA claims pursuant to 28 U.S.C. § 1367. *See Scholes v. Lehmann*, 56 F.3d 750, 753 (7th Cir. 1995).

(*Alguire II*). Relying on that error of law, the district court in the present case reasoned that, because the Receiver had standing to assert, and was asserting, the claims of investor-creditors of the corporations in receivership, rather than the claims of the corporations themselves, knowledge of the principal's fraud could not be imputed to the investor-creditors or cause the limitations period to run against their claims. The district court's result was correct, but the rationale it used was wrong. As we explain more fully below, a federal equity receiver has standing to assert only the claims of the entities in receivership, and not the claims of the entities' investor-creditors, but the knowledge and effects of the fraud of the principal of a Ponzi scheme in making fraudulent conveyances of the funds of the corporations under his evil coercion are not imputed to his captive corporations. Thus, once freed of his coercion by the court's appointment of a receiver, the corporations in receivership, through the receiver, may recover assets or funds that the principal fraudulently diverted to third parties without receiving reasonably equivalent value.

The leading case explaining the principles that govern a federally appointed receiver's action under a state law adopting the Uniform Fraudulent Transfer Act ("UFTA") to recover assets that the operator of a Ponzi scheme caused to be fraudulently transferred to a third party without fair consideration is *Scholes v. Lehmann,* 56 F.3d 750 (7th Cir. 1995), *cert. denied sub nom. African Enter., Inc. v. Scholes*, 516 U.S. 1028 (1995). In that case, Judge Posner explained that an equity receiver may sue to redress only injuries to the entity in receivership, *id.* at 753 (citing *Caplin v. Marine Midland Grace Trust Co.*, 406 U.S. 416 (1972)), but that a receiver may sue on behalf of the receivership entity under a state uniform-fraudulent-transfer law to recover assets fraudulently transferred by the Ponzi-scheme principal without commensurate consideration to third parties. *Id.* at 753-55. In *Eberhard v. Marcu*, the Second Circuit summarized *Scholes* as follows:

> In *Scholes*, Michael Douglas created three corporations and caused them, in turn, to create limited partnerships. The corporations were the general partners and sold limited partner interests to investors in a Ponzi scheme. In the civil enforcement action, the district court appointed one receiver to represent both Douglas and the corporations, who then sought to recover assets conveyed to third parties. Those third parties argued that the receiver was suing on behalf of the investors, not Douglas or the corporations, and lacked standing to do so. The Seventh Circuit disagreed, noting that the corporations—"Douglas's robotic tools"—were still distinct legal entities with separate rights and duties. "The appointment of the receiver removed the wrongdoer from the scene. The corporations were no more Douglas's evil zombies. Freed from his spell they became entitled to the return of the moneys . . . that Douglas had made the corporations divert to unauthorized purposes."
>
> Once the "zombie" corporations were under the control of the receiver, the receiver's only object was "to maximize the value of the corporations for the benefit of their investors and any creditors." The receiver pressed a claim that the corporations had a right to a return of their assets that had been distributed by Douglas in his scheme. Because Douglas controlled the corporations completely, the transfers were, in essence, coerced.

530 F.3d 122, 132 (2d Cir. 2008) (footnote omitted) (citations omitted).

In *Scholes*, the court added: "Put differently, the defense of *in pari delicto* loses its sting when the person who is *in pari delicto* is eliminated." 56 F.3d at 754-55 (citing *McCandless v. Furlaud*, 296 U.S. 140, 160 (1935), and *Albers v. Continental Ill. Bank & Trust Co.*, 17 N.E.2d 67 (1938)). The court went on: "Now that the corporations created and initially controlled by Douglas are controlled by a receiver whose only object is to maximize the value of the corporations for the benefit of their investors and any creditors, we cannot see an objection to the receiver's bringing suit to recover corporate assets unlawfully dissipated by Douglas." *Id.*

The rationale of *Scholes*, which allows a federal equity receiver to assert the claims of a receivership entity against third-party recipients of the entity's

assets that have been fraudulently transferred by the principal of the Ponzi scheme has been endorsed by this court and several other federal courts of appeals[4] as well as a large number of district courts.[5]

Applying the principles of *Scholes* and its progeny, we conclude that the Receiver has standing to assert the claims of SIBL, and any other Stanford entity in receivership, against the Committees to recover the contributions made to them without reasonably equivalent value by the Stanford Ponzi operation. We do not agree with the Committees' argument that because the Stanford corporations knew of both the donations to the Committees and their fraudulent origins from the moment they were made, the time to recover the donations

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[4] *See Jones v. Wells Fargo Bank, N.A.*, 666 F.3d 955, 967 (5th Cir. 2012) (examining *Scholes* and noting that "[o]ther courts have likewise rejected the *in pari delicto* defense in actions brought by receivers to recover assets for investors and creditors"); *Donell v. Kowell*, 533 F.3d 762, 767, 777 (9th Cir. 2008) ("The Receiver has standing to bring this suit because, although the losing investors will ultimately benefit from the asset recovery, the Receiver is in fact suing to redress injuries that Wallenbrock suffered when its managers caused Wallenbrock to commit waste and fraud."); *Eberhard*, 530 F.3d at 132; *see also Wing v. Dockstader*, 482 F. App'x 361, 363 (10th Cir. 2012) (unpubished); *Warfield v. Byron*, 436 F.3d 551, 558 (5th Cir. 2006) (discussing *Scholes*).

[5] *See, e.g.*, *Wing v. Hammons*, No. 2:08-CV-00620, 2009 WL 1362389, at *3 (D. Utah May 14, 2009) (holding "that the Receiver has standing to assert fraudulent transfer and unjust enrichment claims against the alleged 'winners' of Southwick's Ponzi scheme" because "[t]he entities in receivership were injured when Southwick used them to commit fraud and waste" and "[o]nce Southwick was removed from the scene, those entities, now under the auspices of the Receiver, are entitled to seek the return of these fraudulently dissipated payments"); *Warfield v. Carnie*, No. 3:04-cv-633-R, 2007 WL 1112591, at *9 (N.D. Tex. Apr. 13, 2007) ("A receiver of an alleged Ponzi scheme may sue under the UFTA to recover funds paid from the entity in receivership." (citing *Scholes*, 56 F.3d at 750)); *In re Wiand*, No. 8:05-CV-1856-T-27MSS, 2007 WL 963165, at *2 (M.D. Fla. Mar. 27, 2007) ("Because the corporation was injured by the diversion of its assets, the receiver, standing in the shoes of the corporation, had standing to set aside the fraudulent transfers." (citing *Scholes*, 56 F.3d at 754)); *Quilling v. Cristell*, No. Civ. A. 304CV252, 2006 WL 316981, at *6 (W.D.N.C. Feb. 9, 2006) ("Under the clear and persuasive reasoning of the court in *Scholes*, the Receiver, as receiver for all entities owned or controlled by Gilliland, including the Gilliland Entities, properly has standing to bring the fraudulent transfer claims that he is asserting against Defendants."); *Obermaier v. Arnett*, No. 2:02CV111FTM29DNF, 2002 WL 31654535, at *4 (M.D. Fla. Nov. 20, 2002) ("The Receiver, as an equity receiver, clearly has standing to bring claims if the causes of action attempt to redress injuries to the Receivership Entities."); *see also Mays v. Lombard*, No. 3:97-CV-1010-X, 1998 WL 386159, at *2-3 (N.D. Tex. July 2, 1998).

began to run then and has now elapsed. Although this argument is couched in timeliness terms, it is really the same erroneous imputation-of-knowledge argument that the Seventh Circuit rejected in *Scholes*. Under *Scholes*'s teachings, the knowledge and effect of the Ponzi scheme principal's fraudulent transfers may not be attributed to his robotic corporate tools, or prevent a receiver from suing on behalf of those entities, once they have been freed from the principal's coercion, thus permitting the receiver to recover corporate assets that the principal fraudulently transferred to third parties. *See Scholes*, 56 F.3d at 753-55. In this respect, it makes no difference that Stanford and Davis made some of the political contributions in their own names because, as we describe in more detail later, they did so with the Stanford corporations' assets derived from the Ponzi scheme's sale of fraudulent CDs. *See id.* at 757-58.

The district court's error in misidentifying the basis for the Receiver's standing to bring this action, *viz.*, that he was bringing it on behalf of the Stanford corporations' investor-creditors instead of the corporate entities, is harmless and therefore does not justify reversal of the district court's judgment. The district court's order appointing the Receiver invests him with the full powers of an equity receiver under common law as well as certain enumerated powers, including the power to take and have complete control, possession, and custody of the receivership estate and over any assets traceable to assets owned by the estate; to collect, marshal, and take custody of all assets of the estate, wherever situated, and all sums of money owed to the estate; and to institute actions or proceedings to impose a constructive trust, obtain possession, and recover judgment with respect to persons or entities who received assets or records traceable to the receivership estate. The district court's order, however, does not authorize the Receiver to represent the creditors of the corporations in receivership in asserting claims against third persons. The Receiver's original complaint against the Committees alleges, gives notice of, and states a claim by

the Receiver on behalf of the Stanford corporations and does not raise a claim on behalf of the creditors of the estate. Specifically, the complaint alleges that Stanford, Davis, and the Stanford corporations contributed more than $1.8 million of the corporations' ill-gotten gains to the Committees. The complaint seeks a judgment that the payments from Stanford, Davis, and the Stanford corporations to the Committees constitute fraudulent transfers under applicable law; that the transferred funds are property of the receivership estate held pursuant to a constructive trust for the benefit of the estate; and that the Committees are liable to the receivership estate for an amount equaling the amount of funds transferred by Stanford, Davis, and the Stanford corporations to the Committees. Both sides are well aware of *Scholes* and the jurisprudence it has generated; they have cited it prominently in their briefs for propositions favorable to their respective litigation positions while disregarding aspects of *Scholes* that they each deem unfavorable to their causes. Consequently, we conclude that the error by the district court in misidentifying the basis for the Receiver's standing to bring this suit is not material and, moreover, has not prejudiced any party in its claims, arguments, or showings for or against the motions at issue in this appeal.

Because the presence of at least one petitioner with standing is sufficient to satisfy Article III's case-or-controversy requirement, the presence of that party, and its standing, makes it unnecessary to consider whether others do as well. *Horne v. Flores*, 557 U.S. 433, 445 (2009); *Rumsfeld v. Forum for Academic & Inst. Rights, Inc.*, 547 U.S. 47, 53 n. 2 (2006). Moreover, we may affirm a grant of summary judgment on any ground supported by the record, even if it is different from that relied upon by the district court. *See Salazar v. Dretke*, 419 F.3d 384, 394 (5th Cir. 2005); *Holtzclaw v. DSC Commc'ns Corp.*, 255 F.3d 254, 258 (5th Cir. 2001); *Tex. Refrigeration Supply, Inc. v. FDIC*, 953 F.2d 975, 980 (5th Cir. 1992).

III. Discussion of Arguments on Appeal

The Committees present two principal arguments on appeal: first, that the Receiver's TUFTA claim was untimely, and second that the claim is preempted by federal law.

A. Timeliness

The Committees argue that the Receiver's TUFTA claims are barred as untimely for several reasons. First, the Committees argue that because the Stanford corporations had knowledge of the contributions when they were made between 2000 and 2009, TUFTA's four-year period for bringing a fraudulent-conveyance action, and the one-year period for filing suit after discovery of the fraudulent transfers, elapsed before the Receiver was appointed in 2009. However, we have already rejected this argument in the foregoing section discussing standing and knowledge in Ponzi-scheme cases. Because the Stanford corporations were the robotic tools of Stanford's Ponzi scheme, knowledge of the fraud could not be imputed to them while they were under Stanford's coercion. Consequently, the Committees are not entitled to summary judgment or dismissal of this suit based on the theory that knowledge of the fraudulent transfers were imputed to the Stanford corporations so as to bar the Receiver from asserting their claims to set aside the fraudulent transfers to the Committees.

Second, the Committees assert that they are entitled to summary judgment because the Receiver either discovered or reasonably could have discovered the donations to the Committees more than a year before he filed suit because when the donations were made they were registered with a federal agency and reported in the public news media. This argument is without merit. Under TUFTA (and as discussed more fully below), a fraudulent-conveyance claim does not accrue until the claimant knew or reasonably could have known both of the transfer and that it was fraudulent in nature. Further, a defendant

moving for summary judgment on the affirmative defense of limitations must prove that defense conclusively. The Committees failed in this respect because they presented no evidence to show that the Receiver knew or could reasonably have known for more than one year prior to filing suit that the donations to the Committees were fraudulent conveyances that had been made during the operation of a Ponzi scheme and using funds from the Stanford corporations that were proceeds of that scheme. On the other hand, the Receiver, in support of his motion for summary judgment, demonstrated beyond genuine dispute, with evidence discovered through reasonable diligence well after his appointment and less than one year prior to filing suit, that Stanford operated a Ponzi scheme during the time the donations were made to the Committees and that the contributions were made using funds from Stanford's captive corporations and derived from SIBL's sale of fraudulent CDs. The Committees presented no evidence to controvert these facts or to show that the Receiver did not act with reasonable diligence and speed in discovering evidence to prove the existence of the Ponzi scheme and thereby prove that the donations to the Committees were fraudulent as a matter of law. *See Janvey v. Democratic Senatorial Campaign Comm., Inc.*, 793 F. Supp. 2d 825, 858 (N.D. Tex. 2011) ("The . . . Committees fail to create a fact issue concerning the Ponzi scheme's existence or the contributions' source and make no attempt to show that the contributions were made in exchange for consideration of reasonably equivalent value.").

Through TUFTA, Texas has incorporated the UFTA into its law.[6] *See* TEX. BUS. & COM. CODE § 24.001 et seq. Under TUFTA, a defrauded creditor may

[6] The Committees argue, and the Receiver agrees, that Texas state law, specifically TUFTA, the state's incorporation of UFTA, should apply in this case. Because the parties agree that the law of Texas controls, relied on Texas law before this court and the district court, and failed to raise or brief the issue of choice of law, we need not address any choice-of-law question. *See Nichols v. Anderson*, 837 F.2d 1372, 1377 n.1 (5th Cir. 1988); *N.K. Parrish, Inc. v. Sw. Beef Indus. Corp.*, 638 F.2d 1366, 1370 n.3 (5th Cir. 1981); *Smith v. N.Y. Life Ins. Co.*, 579 F.2d 1267, 1270 n.5 (5th Cir. 1978).

recover amounts transferred from a debtor if the creditor can prove that the debtor made a fraudulent transfer of assets[7] and that the transferee is not entitled to claim a statutory defense from liability.[8] To recover under the theory of actual fraud, the creditor must show that the debtor made a particular transfer "with actual intent to hinder, delay, or defraud any creditor of the debtor." *Id.* § 24.005(a)(1). UFTA is modeled on § 548(a)(1) of the Bankruptcy Code, and, therefore, cases interpreting § 548(a)(1) may be used to interpret UFTA or its Texas equivalent. *See Warfield v. Byron*, 436 F.3d 551, 558 (5th Cir. 2006) (reasoning that Washington's UFTA is "virtually identical" to 11 U.S.C. § 548 and concluding that cases interpreting § 548 are consistent with Washington law); *see also Janvey*, 793 F. Supp. 2d at 856 n. 52 ("There are no material differences between the Washington and Texas UFTA statutes." (citing *Byron*, 436 F.3d at 558)).

Under TUFTA, a fraudulent-transfer claim is "extinguished" if not brought "within four years after the transfer was made . . . or, if later, within one year after the transfer . . . was or could reasonably have been discovered by the claimant." TEX. BUS. & COM. CODE § 24.010(a)(1). With respect to the latter portion of the statute, the discovery rule, Texas courts of appeals have held that section 24.010(a)(1) requires that a fraudulent-transfer claim be filed within one year of when the *fraudulent nature* of the transfer was or reasonably could have been discovered. *See, e.g.*, *Duran v. Henderson*, 71 S.W.3d 833, 839 (Tex. App. 2002). In other words, "[when] all the elements of the cause of action for fraud are discovered or should have been discovered," the cause of action will accrue.

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[7] A transfer may be actually fraudulent or constructively fraudulent as to the debtor's creditors. *See id.* § 24.005(a)(1) (actual fraud), (a)(2) (constructive fraud). Here, the Receiver alleges that the transfers made from the receivership entities were made with actual intent to defraud the creditors of those entities, *e.g.*, the investors. For that reason, we will not analyze whether the transfers were also constructively fraudulent as to those creditors.

[8] *See id.* § 24.009.

See Freitag v. McGhie, 947 P.2d 1186, 1190 (Wash. 1997) (interpreting Washington's UFTA); *accord Duran*, 71 S.W.3d at 839; *see also* TEX. BUS. & COM. CODE § 24.012 ("[TUFTA] shall be applied and construed to effectuate its general purpose to make uniform the law with respect to the subject of [TUFTA] *among states enacting it.*") (emphasis added). Therefore, under Texas appeals-courts decisions, the limitations period does not begin to run upon the discovery of *the transfer* alone. Instead, a claim under section 24.005(a)(1) of TUFTA has been held to accrue only when the claimant discovers or reasonably could have discovered the fraudulent nature of the conveyance. *See Duran*, 71 S.W.3d at 839. As the *Duran* court explained, "[t]he discovery rule provides that a claim for fraud does not accrue, and thus the limitation period does not begin to run, until *the fraud* is discovered, or in the exercise of reasonable diligence should have been discovered." *Id.* (emphasis added). Nor is this unique to TUFTA; rather, the majority of jurisdictions that have addressed the issue have similarly interpreted the same UFTA provision. For example, in *State Farm Mutual Automobile Insurance Co. v. Cordua*, the court surveyed cases interpreting UFTA's discovery rule—including *Duran v. Henderson*—and concluded that "the majority of other jurisdictions have consistently held that the one-year savings provision does not begin to accrue until the creditor discovers or could have reasonably discovered the nature of the fraudulent transfer." 834 F. Supp. 2d 301, 307 (E.D. Pa. 2011).[9]

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[9] *See also In re Bushey*, 210 B.R. 95, 99 n. 5 (B.A.P. 6th Cir. 1997) (noting that "Ohio applies a discovery-of-the-fraud rule" to the state's UFTA); *Freitag*, 947 P.2d at 1190 (holding that UFTA's discovery rule provides a "one-year period from the date of discovery of the fraudulent nature of the transfer within which to initiate a claim under the UFTA"); *Duran*, 71 S.W.3d at 839 ("A creditor's cause of action to set aside a fraudulent conveyance accrues [and thus the limitations period does not begin to run until] the creditor acquires knowledge of the fraud, or would have acquired knowledge of the fraud in the exercise of ordinary care."); *Rappleye v. Rappleye*, 99 P.3d 348, 356 (Utah Ct. App. 2004) (holding that UFTA incorporates the discovery rule such that the limitations period is determined by the date on which the creditor was "on notice that the conveyance was *fraudulent*").

In light of the foregoing decisions by the Texas courts of appeals, and in view of the majority of authorities in other jurisdictions interpreting the UFTA discovery rule, we *Erie* guess that the Texas Supreme Court would conclude that section 24.010(a)(1) of TUFTA requires that a fraudulent-transfer claim must be filed within one year after the fraudulent nature of the transfer is discovered or reasonably could have been discovered.

Texas appeals courts have held that under TUFTA, "[a] defendant moving for summary judgment on the affirmative defense of limitations has the burden to establish that defense conclusively." *Johnston v. Crook*, 93 S.W.3d 263, 269 (Tex. App. 2002) (citing *KPMG Peat Marwick v. Harrison Cnty. Hous. Fin. Corp.*, 988 S.W.2d 746, 748 (Tex.1999)). "Thus, the defendant must (1) conclusively prove when the cause of action accrued, and (2) negate the discovery rule, if it applies and has been pleaded or otherwise raised, by proving as a matter of law there is no genuine issue of material fact about when the plaintiff discovered, or in the exercise of reasonable diligence should have discovered, the nature of its injury." *Id.* (citing *KPMG Peat Marwick*, 988 S.W.2d at 748). "If the movant establishes that the statute of limitations bars the action, the non-movant must then adduce summary judgment proof raising a fact issue in avoidance of the statute of limitations." *Id.* (citing *KMPG Peat Marwick,* 988 S.W.2d at 748). "When a plaintiff knew or should have known of an injury is generally a question of fact." *Cadle Co. v. Wilson*, 136 S.W.3d 345, 352 (Tex. App. 2004). "However, if reasonable minds could not differ about the conclusion to be drawn from the facts in the record, then the start of the limitations period may be determined as a matter of law." *Id.*

On the other hand, a receiver bringing a TUFTA action is dramatically assisted by other legal principles if he can prove that the transfers in question were made by the principal of a Ponzi scheme. "This court has held that transfers from a Ponzi scheme are presumptively made with intent to defraud,

because a Ponzi scheme is, 'as a matter of law, insolvent from its inception.'" *Am. Cancer Soc. v. Cook*, 675 F.3d 524, 527 (5th Cir. 2012) (quoting *Byron*, 436 F.3d at 558-59). Further, we have described a Ponzi scheme as "a fraudulent investment scheme in which money contributed by later investors generates artificially high dividends or returns for the original investors, whose example attracts even larger investments." *Id.* (quoting *Alguire II*, 647 F.3d at 597) (internal quotation marks omitted).

In the present case, applying the foregoing principles, we conclude that the Committees have failed to carry their burden of demonstrating conclusively that the Receiver did not timely file this TUFTA action because they have failed to show that the Receiver knew or reasonably could have discovered that the donations to the Committees were fraudulent in nature more than one year before he filed this suit.[10] The evidence reflects that upon the Receiver's appointment on February 16, 2009, it was not readily evident to him or to anyone not privy to the inner workings of the Stanford corporations that these entities were part of a massive Ponzi scheme perpetrated by Stanford beginning as early as 1999. Accordingly, the Receiver, immediately upon his appointment, took possession of the books and records of the Stanford corporations, retained Van Tassel, a certified public accountant, and her firm, FTI Consulting, Inc., and requested that they analyze the corporations' books and records, discover evidence from other sources, and determine whether Stanford and his corporations had engaged in such a Ponzi scheme and, if so, to trace the assets

[10] The crucial issue is when the Receiver knew or could reasonably have known of the fraudulent nature of the transfers, not simply when he knew or could reasonably have known that the transfers had been made. Thus, the Committees' argument, *viz.*, that the Receiver knew of the transfers upon his appointment on February 16, 2009 because information of their existence was available online, via the FEC, and in the news media, is beside the point. Even if we assume that to be true, the Committees still did not demonstrate conclusively that the Receiver knew or could reasonably have known of the *fraudulent nature of the transfers* for more than one year before he filed this suit.

of the corporations that had been diverted and dissipated in the operation of the scheme. In her December 17, 2010 and March 11, 2011 declarations, Van Tassel concluded that Stanford and his corporations were operating as a Ponzi scheme from at least 1999 forward; SIBL was insolvent from at least 1999 forward; the Committees received funds from Stanford, Davis, and Stanford's corporations between February 17, 2000 and May 21, 2008; and Stanford's reported income from at least 1999 forward was composed almost exclusively of income derived from the Stanford entities, including proceeds from SIBL's sale of fraudulent CDs.

The record does not reflect that the Receiver had any feasible means to discover whether the donations to the Committees were fraudulent in nature other than to have an expert examine the books and records of Stanford, SIBL, and the Stanford corporations to determine whether the receivership entities had been part of a Ponzi scheme so that the donations of their funds to the Committees would be presumed, as a matter of law, to have been fraudulent. Furthermore, the Committees have not described or presented evidence of any other feasible course the Receiver could have taken. Persons within the SEC suspected Stanford and his corporations of operating a Ponzi scheme of the kind Van Tassel found and described. But without an expert's examination of the corporations' books and records, no outsider, including the SEC, could have known or discovered probative evidence that Stanford had operated a Ponzi scheme from at least 1999 forward or that the funds behind the contributions to the Committees had come from corporations that Stanford coerced and used in his scheme.

The record does not reflect exactly when the Receiver or Van Tassel knew or could reasonably have known that Stanford had operated a Ponzi scheme as early as 1999 or that funds from his corporate tools were used to make the donations to the Committees. But a careful examination of the evidence in

support of, and in opposition to, the motions for summary judgment reflects that neither the Receiver nor his expert reasonably could have known or discovered probative evidence of the Ponzi scheme more than one year prior to the Receiver's filing of this suit on February 19, 2010. Remember, the SEC filed its suit against Stanford, his corporations, and his associates on February 16, 2009, and that same day the district court restrained Stanford, et al., from disposing of assets, books, or records of the corporations, assumed exclusive jurisdiction and possession of the same, appointed Janvey the Receiver over the receivership's assets and spelled out his authority and duties, including taking possession of all receivership assets, books, and records, and tracing the dissipated or diverted assets of the receivership entities.[11] On the same day, the Receiver retained Van Tassel to analyze the books and records of the Stanford corporations and determine the financial status and condition of Stanford and his entities. According to the SEC's complaint, Stanford and Davis, the only individuals who knew of the true nature of Stanford's operations and the whereabouts of the vast majority of the SIBL's supposedly multi-billion-dollar investment portfolio, had refused to appear and give testimony in the SEC's investigation. It was not until August 27, 2009 that Davis pleaded guilty to federal securities-, mail-, and wire-fraud offenses and in connection therewith disclosed facts indicating the true nature and duration of Stanford's operation of a massive Ponzi scheme. The Receiver filed this suit on February 19, 2010, less than one year after Davis's guilty plea. There is no evidence in the record to indicate that the Receiver or Van Tassel had developed or could reasonably have developed knowledge or probative evidence of the true nature and duration of the Ponzi scheme prior to Davis's guilty plea on August 27, 2009. To be

[11] Both the SEC's suit and the order appointing the Receiver are dated February 16, 2009. However, the former is stamped as filed on February 17, 2009. Nonetheless, this detail does not compel different conclusions from those we reach.

specific, the Committees have not introduced any evidence that tends to show that the Receiver knew or could reasonably have known about the true nature and duration of the Ponzi scheme for more than one year prior to the Receiver's filing of this suit on February 19, 2010 or that the Receiver and Van Tassel did not search diligently to uncover evidence and knowledge of the Ponzi scheme and its link to the donations made to the Committees. Therefore, the district court's denial of the Committees' motions for dismissal and summary judgment will be affirmed.

Turning to the *Receiver*'s motion for summary judgment, we conclude that the evidence presented to the district court overwhelmingly established that, from at least as early as 1999, the Stanford corporations were nothing more than robotic tools of Stanford's elaborate Ponzi scheme and that the funds used to make the donations to the Committees were taken by Stanford and Davis, directly or indirectly, out of the Stanford corporations' proceeds from the sales of the fraudulent CDs.

On August 27, 2009, Davis was rearraigned and pleaded guilty to a number of offenses, the basic elements of which were that he knowingly defrauded investors who purchased CDs from SIBL and that he also conspired to obstruct an SEC investigation into SIBL. Davis agreed to the following factual basis for his guilty plea: from at least 1999 through February 2009, Davis, along with Stanford and others, orchestrated a scheme whereby investors were duped into investing more than $5 billion into a CD program at SIBL, located in Antigua, which Davis and Stanford had advertised would be reinvested in safe and secure investments but which were in fact used to perpetrate a massive Ponzi scheme. Further, as early as 1990, Davis as controller and then as CFO of SIBL, at Stanford's request, began making false entries into the books and records of SIBL, reflecting false earnings and assets that were shown on SIBL's annual reports filed with the Antigua bank

regulators. SIBL's base of operations was in Houston, Texas, along with its parent company, Stanford Financial Group. And from the offices of these entities, false financial disclosures were manufactured and mailed to investors, and over $2 billion in loans to Stanford were not disclosed to them. Also, real estate owned by SIBL was listed as being worth billions of dollars when in fact it was worth no more than $100 million. Finally, undisclosed to investors were the facts that Stanford paid the Antigua bank regulators hundreds of thousands of dollars in bribes to not examine SIBL's books and that he paid an ostensibly independent Antiguan auditing firm more than hundreds of thousands of dollars in bribes to dishonestly audit SIBL's financial condition.

Through forensic accounting of the business records of the corporations and other records obtained from third parties and financial institutions, Van Tassel discovered that the Stanford corporations did not make investments from the proceeds of the sale of CDs in high-quality securities as promised to investors. Instead, the returns and redemptions on the investors' CDs were wholly funded by new principal investments into the Stanford corporations. Ultimately, in her two declarations included in the Receiver's motion for summary judgment and by evaluating the actual assets of the Stanford corporations over a nine-year period reaching back to December 31, 1999, Van Tassel concluded that the Stanford companies were insolvent entities used by Stanford in a Ponzi scheme from at least 1999 because the corporations were funded and sustained primarily by proceeds from SIBL's sale of the fraudulent CDs. Yet SIBL's assets consisted chiefly of "financial assets" whose fair market value was much smaller than reported and of Stanford's worthless promissory notes. Thus, SIBL's liabilities (from the sale of CDs) exceeded its actual assets, rendering the company insolvent and creating burgeoning deficits year-on-year since at least 1999. Moreover, the monies Stanford and Davis contributed to the Committees could not have come from any source other than the Ponzi scheme.

Van Tassel concluded that over 99% of Stanford's reported income was generated from the scheme, and, based on Davis's plea agreement in his criminal case, Davis agreed to forfeit all his interest in the $1 billion he acknowledged that he had derived from the Ponzi scheme.

Considering all of the summary-judgment evidence that the Receiver presented to the district court, including Van Tassel's declarations and supporting documents, Davis's guilty plea and rearraignment statements, and the lack of any cogent countervailing summary-judgment evidence introduced by the Committees, we conclude that there is no genuine issue as to any material fact and that the Receiver is entitled to a judgment as a matter of law.

Finally, and related to their argument regarding to the discovery rule, the Committees assert that the district court abused its discretion in denying their discovery request (a motion to compel) and that they were prejudiced as a result. Specifically, the Committees requested that the Receiver be compelled to produce correspondence relating to, and several drafts of, documents that he had issued regarding the contributions made to the Committees. The Committees claim that the documents may contain metadata indicating that they were created before February 19, 2009. The Receiver refused on multiple grounds, but a common thread was that the requested documents and correspondence were protected by attorney-client privilege and work-product doctrine. However, the Receiver provided the Committees with a log of the documents that were withheld, and the district court reviewed the documents *in camera* and determined that they did not fall under the exception to the privilege and the doctrine outlined in *Conkling v. Turner*, 883 F.2d 431 (5th Cir. 1989).[12]

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[12] In *Conkling*, the plaintiff claimed that a statute of limitations should be equitably tolled because he did not know that a defendant's statement was false until his (the plaintiff's) attorney informed him of such. *Id.* at 434. Because the plaintiff "injected into [the] litigation the issue of when he knew or should have known of the falsity of [the defendant's] assertion," we permitted the defendants to conduct a limited deposition of the plaintiff's attorney. *Id.*

On appeal, the Committees do not dispute that the documents are privileged. Rather, the Committees contend that the *Conkling* exception applies because the materials sought will help determine when the Receiver discovered, or reasonably could have discovered, the *contributions* made to the Committees. However, as previously discussed, the ultimate question is when the Receiver knew or could reasonably have known about the *fraudulent nature* of the contributions, not just their existence. Thus, the district court would have been obliged to find the *Conkling* exception inapplicable if none of the sealed documents tended to show that the Receiver, prior to the crucial date, not only knew that the contributions had been made but also that they had been made with fraudulent intent.

Even if we assume, for the sake of argument, that the district court erred in not applying the *Conkling* exception, the Committees have failed to preserve this issue for appeal by failing to provide any meaningful way to review the disputed documents. Had the Committees wished to pursue this argument, they should have moved to have the documents, along with any metadata, made available for review. *See, e.g.*, *Miss. Pub. Employees' Retirement Sys. v. Boston Scientific Corp.*, 649 F.3d 5, 30 n.22 (1st Cir. 2011). The district court examined the documents, determined that it was not necessary to look at the metadata they may have contained, and concluded that they did not fit the criteria for the *Conkling* exception to apply. Absent a meaningful way to review the disputed documents, it is not possible to examine whether the district court abused its discretion by denying the Committees' discovery request as to the documents.

Furthermore, insofar as the Committees suggest that the district court's *in camera* review of the hardcopy documents was inadequate because it did not include the metadata itself, their argument is waived because they did not raise it until their reply brief. *E.g.*, *Medina Cnty. Envtl. Action Ass'n v. Surface Transp. Bd.*, 602 F.3d 687, 702 (5th Cir. 2010). Consequently, we cannot say

that the district court abused its discretion in denying the Committees' discovery request.

B. Preemption

The Committees' fourth argument is that federal campaign finance law preempts the Receiver's TUFTA claims. "Preemption can take multiple forms: Congress can expressly preempt state law in federal statutory language, or it can impliedly preempt state law." *Castro v. Collecto, Inc.*, 634 F.3d 779, 785 (5th Cir. 2011). Implied preemption may take two forms: field preemption and conflict preemption. *Id.* Field preemption applies "where federal law 'is sufficiently comprehensive to make reasonable the inference that Congress 'left no room' for supplementary state regulation,' or 'the federal interest [in the field] is so dominant' that it 'preclude[s] enforcement of state laws on the same subject.'" *Id.* (quoting *Hillsborough Cnty., Fla. v. Automated Med. Labs., Inc.*, 471 U.S. 707, 713 (1985)) (citations omitted). Conflict preemption applies "(1) where complying with both federal law and state law is impossible; or (2) where the state law 'creates an unacceptable obstacle to the accomplishment and execution of the full purposes and objectives of Congress.'" *Id.* (quoting *Wyeth v. Levine*, 555 U.S. 555, 563-64 (2009) (internal quotation marks omitted)). Reviewing each form of preemption, we conclude that none applies and that, therefore, the Receiver's TUFTA claim is not preempted.

1.

The Committees argue that FECA expressly preempts the Receiver's TUFTA claim because it preempts "any provision of State law with respect to election to federal office." 2 U.S.C. § 453. We disagree.

TUFTA is a general state law that happens to apply to federal political committees in the instant case. In cases like this one, we have rejected express preemption arguments and construed § 453 narrowly. For instance, in *Karl Rove & Co. v. Thornburgh*, 39 F.3d 1273 (5th Cir. 1994), we rejected a federal

candidate's argument that FECA preempted a company's state law cause of action against him for the debts of his campaign committee:

> Although Thornburgh attempts to stretch § 453 far enough to create a preemptive bar to applying state law to hold federal candidates personally liable, we cannot read FECA as extending that far. First, a "strong presumption" exists against preemption, and "courts have given section 453 a narrow preemptive effect in light of its legislative history." In addition, nowhere in the text of FECA or accompanying regulations is the personal liability of a candidate addressed. Finally, the Federal Election Commission ("FEC") has opined that state law supplies the answer to the question who may be held liable for campaign committee debts. Accordingly, in light of the FEC's view, the strong presumption against preemption, the historically narrow reading of § 453, and FECA's silence on the issue of candidate liability, we conclude that Thornburgh's argument for express preemption must fail.

Id. at 1280 (footnotes and citations omitted); *see also Stern v. Gen. Electric Co.*, 924 F.2d 410 (2d Cir. 1991) (holding that § 453 does not preempt a state law establishing a company's directors' fiduciary duty to shareholders, including not wasting corporate assets, and explaining that "the narrow wording of [§ 453] suggests that Congress did not intend to preempt state regulation with respect to non-election-related activities"); *Reeder v. Kans. City Bd of Police Comm'ers*, 733 F.2d 543 (8th Cir. 1984) (holding that § 453 did not preempt a state law prohibiting officers or employees of the Kansas City Police Department from making any political contribution); *Friends of Phil Gramm v. Ams for Phil Gramm in '84*, 587 F. Supp. 769 (E.D. Va. 1984) (holding that § 453 did not preempt a state law prohibiting unauthorized use of a person's name for advertising or commercial purposes).

The cases that the Committees cite are all inapposite because they pertain to state laws that specifically regulated federal campaign finance in contravention of FECA's preemption provision. *See Teper v. Miller*, 82 F.3d 989 (11th Cir. 1996) (state law effectively prohibiting Georgia legislators from

accepting donations for a federal campaign while the state General Assembly was in session); *Bunning v. Ky.*, 42 F.3d 1008 (6th Cir. 1994) (state law authorizing investigation of campaign expenditures of a federal political committee); *Weber v. Heaney*, 995 F.2d 872 (8th Cir. 1993) (state law establishing system under which federal congressional candidates could agree to limit their federal expenditures in exchange for state funding for their campaigns).

Nor does TUFTA implicate the core concerns of FECA. As the Receiver correctly explains, he does not seek a refund of the contributions. Rather, TUFTA entitles Janvey to "recover judgment for the value of the asset[s] transferred[] . . . or the amount necessary to satisfy the creditor's claim, whichever is less." TEX. BUS. & COM. CODE § 24.009(b).

2.

The Committees next argue that field preemption applies. However, because Congress has not occupied the field with regard to claims like those brought under TUFTA and because courts have consistently indicated that FECA's preemptive scope is narrow in light of its legislative history, *see, e.g., Karl Rove*, 39 F.3d at 1281; *Stern*, 924 F.2d at 475 n.3; *Weber*, 995 F.2d at 876, we conclude that field preemption does not apply.

First, the Committees contend that § 441a-k of FECA states a "comprehensive list" of illegal sources for campaign contributions[13] and that TUFTA impermissibly designates another source of "illegal" contributions. This, the Committees argue, is consistent with "[t]he primary purpose of FECA, [which] . . . is to regulate campaign contributions and expenditures in order to

[13] These provisions establish: limitations on the amount that may be given, § 441a; restrictions on who may give, § 441b-f; limitations on the contribution of currency, § 441g; regulation of soft money, § 441i; and a prohibition on fraudulent misrepresentation of campaign authority, § 441h.

eliminate pernicious influence—actual or perceived—over candidates by those who contribute large sums." *Karl Rove*, 39 F.3d at 1281. But, as the Receiver correctly observes, this appeal pertains to an impermissible source of funds for the contributor (the Stanford, Davis, and the Stanford corporations), not the Committees, and § 441a-k only pertains to the latter. Moreover, as the district court noted, neither Congress nor the FEC "has ever attempted to graft any of these potential uses of erstwhile campaign contributions onto the purportedly exclusive list of prohibited limitations on contributions and expenditures." Finally, the Committees' argument would lead to absurd results: under their interpretation, they would be allowed to keep funds that were, for example, stolen by force or fraud so long as the contributions did not run afoul of § 441a-k.

Second, the FEC, in advisory opinions cited by the district court, has ruled that candidates and political committees remain subject to state contract law. FEC Adv. Op. 1989-02 at 2 (Apr. 25, 1989); FEC Adv. Op. 1975-102 at 1 (Jan. 29, 1976). This suggests that Congress had no intention to "occupy the field" with regard to campaign finance such that state fraudulent transfer laws would be preempted. Given this, field preemption does not apply.

3.

Finally, we conclude that conflict preemption does not apply here. First, the Committees argue that because FECA does not designate fraudulent transfers as illegal, TUFTA must conflict with FECA. This is a rehashing of the Committee's argument regarding field preemption—namely, that because § 441a-k of FECA states a "comprehensive list" of illegal sources for campaign contributions, TUFTA impermissibly designates another source of "illegal" contributions by allowing the Receiver's claims—which we have already rejected. Accordingly, for the same reason that field preemption does not apply on this basis, neither does conflict preemption.

Second, the Committees maintain that the Receiver's TUFTA claims conflict with the BCRA's soft money provisions. They submit that because the BCRA requires them to dispose of all soft money, they may not be compelled, under state law, to return that money. We find this argument unpersuasive. It depends on characterizing the Receiver's TUFTA claim as a refund, which as previously discussed is inaccurate. The Receiver does not seek recovery of the exact soft-money funds that the Committees assert have now been spent. *See* TEX. BUS. & COM. CODE § 24.009(b) ("[T]he creditor may recover judgment for the value of the asset transferred[] . . . or the amount necessary to satisfy the creditor's claim, whichever is less."). Nor does the fact that the original funds have been spent preclude the Receiver from asserting his claim. *See, e.g.*, *Donell*, 533 F.3d at 776 & n.9 (noting, in a fraudulent transfer case, that claims may often arise "years after the money has been received and spent" by the recipient but explaining that such claims are nonetheless permitted). Accordingly, conflict preemption does not apply.

CONCLUSION

For these reasons, we AFFIRM the district court's judgment.