

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

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

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

This Order addresses the Receiver’s Motion for Approval of Second Interim Distribution Plan (the “Motion”). After considering the Motion, any responses, objections, or replies thereto, the arguments of counsel, and the evidence in the record, the Court overrules all objections and grants the Motion in full. Accordingly, the Court orders the Receiver to make a second interim distribution according to the following plan:

A. Definitions.

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

1. “1st Interim Plan” means the Court’s May 30, 2013 Order setting forth and approving the Receiver’s Interim Distribution Plan. [*See* Doc. 1877.]

2. “2nd Interim Amount” means \$17,813,514.68, which is the amount of Canada Assets that the Receiver obtained from the Department of Justice on or around March 6, 2014, pursuant to the Settlement and to be distributed pursuant to the 2nd Interim Plan.

3. “2nd Interim Plan” means the Second Interim Distribution Plan contained in and approved by this Order.

4. “Canada Assets,” as originally referenced in the Settlement [*see* Doc. 1792 at 12-14, ¶¶ CC, JJ], means the approximately \$23.5 million previously held by Stanford International Bank, Ltd. (“SIB”) at the Toronto-Dominion Bank in Toronto.

5. “Covered Assets,” as originally referenced in the Settlement [*see* Doc. 1792 at 15, ¶ OO], collectively means the Canada Assets and certain other Receivership Estate assets located in foreign jurisdictions.

6. “Creditor-victims,” as originally referenced in the Settlement [*see* Doc. 1792 at 5, ¶ C], shall have the same meaning as the phrase “Investor CD Claimants” as defined in the 1st Interim Plan.

7. “Settlement” means the settlement agreement and protocol by and among the Receiver, the Antiguan Joint Liquidators, the SEC, the Department of Justice, the Examiner, and the Official Stanford Investors Committee that was approved by the Court on April 11, 2013. [*See* Docs. 1792, 1844.]

B. Treatment of Claims under the 2nd Interim Plan.

1. The 1st Interim Plan expressly states that “[a]ny future distributions to Investor CD Claimants shall likewise be pro rata based on Investor CD Claimants’ Allowed Claim Amounts.” [*See* Doc. 1877 at 6, ¶ B(1).] Accordingly, the 2nd Interim Amount shall be apportioned among Investor CD Claimants on a pro rata basis based upon their Allowed Claim Amounts as reflected in their Notices of Determination. The Allowed Claim Amounts shall be based on the Investor CD Claimants’ Net Losses.

2. If an Investor CD Claimant serves and files a timely objection to a Notice of Determination, the Investor CD Claimant is not disqualified from receiving a distribution under the 2nd Interim Plan. However, the Investor CD Claimant shall participate in 2nd Interim Plan based initially on the Allowed Claim Amount originally contained in the Notice of Determination. If the Investor CD Claimant ultimately succeeds in increasing the Allowed Claim Amount (either by stipulation with the Receiver or by Court order sustaining the Investor CD Claimant's objection), the Investor CD Claimant shall receive a supplemental payment representing the pro rata difference between the Allowed Claim Amount in the Notice of Determination and the Allowed Claim Amount after final resolution of the Investor CD Claimant's objection.

3. Pursuant to the 1st Interim Plan, the Receiver was ordered to send a Certification Notice to each Investor CD Claimant asking for certification, as a condition of receiving payment, regarding whether they have applied for or received compensation for their claimed losses from sources other than the Receivership and, if so, the amount of such compensation. [See Doc. 1877 at 8, ¶ C(2).] Under the terms of that Order, Investor CD claimants were required to provide the necessary certification within sixty (60) days of the date they received the Certification Notice. [See *id.*] Groups of Investor CD Claimants who fail to return any of their certifications in response to the Receiver's Certification Notices shall not receive payments under the 2nd Interim Plan. The Receiver, however, retains the right to compensate such Investor CD Claimants pursuant to the 1st or 2nd Interim Plans if, in the Receiver's discretion, such Investor CD Claimants have provided sufficient evidence that they failed to respond due to excusable neglect, inadvertence, or mistake.

4. This Order does not require, and shall not be construed as requiring, the Receiver to send additional Certification Notices beyond the initial Certification Notices required by the 1st Interim Plan.

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

6. Each Investor CD Claimant's distribution under the 2nd Interim Plan shall be based solely on his Investor CD Claims and not on his other types of Claims, if any.

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

C. Execution of the 2nd Interim Plan.

1. The distribution under the 2nd Interim Plan shall be made from the 2nd Interim Amount only. The distribution process shall begin after the Approval Date.

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

3. All payments pursuant to the 2nd Interim Plan shall be made via check unless otherwise agreed between the Receiver and the Investor CD Claimant(s). If payment is being made to compensate for losses that derive from accounts jointly owned by or otherwise associated with two or more Investor CD Claimants, the check shall be jointly payable to all such Investor CD Claimants and require the full endorsement of all such Investor CD Claimants.

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

D. No Effect on Third-Party Claims.


1. An Investor CD Claimant's receipt of a payment under this 2nd Interim Plan shall not constitute a waiver of the following:

- a. any defenses an Investor CD Claimant has or may have against litigation claims asserted or that may be asserted by the Receiver, including but not limited to any rights the Investor CD Claimant has or may have to appeal rulings of the trial court in such cases;
- b. any right that an Investor CD Claimant has or may have to pursue claims against former individual Stanford Financial Group financial advisors who were licensed by FINRA, subject to any limitations contained in this Court's prior orders, including but not limited to this Court's Second Amended Receivership Order dated July 19, 2010 [*see* Doc. 1130];
- c. any right that an Investor CD Claimant has or may have to pursue claims against persons or entities that are not Receivership Entities, subject to any limitations contained in this Court's prior orders, including but not limited to this Court's Second Amended Receivership Order dated July 19, 2010 [*see* Doc. 1130]; or
- d. any claims, rights or defenses which the Receiver, or his counsel, agree in a stipulation filed with this Court are not waived by filing of a Proof of Claim.

E. Release.

1. Any Investor CD Claimant who receives a payment pursuant to the 2nd Interim Plan shall be deemed to have released the Investor CD Claim(s) for which payment was made to the extent of the payment. Each Investor CD Claimant's Allowed Claim Amount shall be reduced, dollar for dollar, by the total amount received pursuant to the 2nd Interim Plan.

SIGNED July 2, 2014.



DAVID C. GODBEY
UNITED STATES DISTRICT JUDGE