

**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.

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CIVIL ACTION NO. 3-09-CV 0298-N

**EXAMINER'S MOTION FOR APPROVAL OF
SECOND INTERIM APPLICATION FOR PAYMENT OF
ATTORNEY'S FEES AND EXPENSES AND BRIEF IN SUPPORT**

October 26, 2009

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ATTORNEY'S FEES AND EXPENSES AND BRIEF IN SUPPORT**

John J. Little, Examiner, respectfully submits his Motion for Approval of his Second Interim Application for Payment of Attorney's Fees and Expenses and Brief in Support.

MOTION FOR APPROVAL

The Examiner respectfully moves for the approval of his reasonable and necessary fees and expenses incurred during the period from July 1, 2009 through September 30, 2009. The total amount sought by this Motion is \$239,258.56. Of that amount, \$237,438.00 represents the attorneys' fees incurred by the Examiner and others in his law firm and \$1,820.56 represents expenses incurred by the Examiner in connection with this matter.

This Motion is opposed by the Receiver only.¹

¹ Kevin Sadler, counsel for the Receiver, has indicated that the Receiver will file objections to this Motion. Counsel for the SEC has indicated that it does not oppose this Motion. Counsel for Defendants Allen Stanford, James Davis and Laura Pendergast-Holt have indicated that they do not oppose this Motion. Counsel for the IRS has informed the Examiner that the IRS takes no position as to this Motion.

This Motion is supported by the Examiner's Brief, set forth below, and the evidence contained in the Appendix in Support of Examiner's Motion for Approval of Second Interim Application for Payment of Attorneys' Fees and Expenses, filed herewith.

BRIEF IN SUPPORT OF EXAMINER'S MOTION

I. BACKGROUND FACTS.

The Court appointed the Examiner on April 20, 2009, and directed the Examiner to "convey to the Court such information as the Examiner, in his sole discretion, shall determine would be helpful to the Court in considering the interests of the investors in any financial products, accounts, vehicles or ventures sponsored, promoted or sold by any Defendants in this action (the "Investors"). The Examiner shall conduct such investigation as he deems necessary to provide such information to the Court." (Doc. No. 322 at 1 – 2.)

Since his appointment, the Examiner has worked diligently to discharge his duties, and now requests that the Court approve this second interim application and direct the Receiver to pay the Examiner's reasonable and necessary attorney's fees and expenses incurred from July 1, 2009 through September 30, 2009. This application addresses the work performed by the Examiner and the lawyers and other professionals in his firm who have assisted him, the amount of fees and expenses for which payment is requested, and the application of controlling Fifth Circuit law regarding awards of attorney's fees.

II. TIME PERIOD AND FEES AND EXPENSES REQUESTED.

As stated above, this application requests payment of the Examiner's attorney's fees for the time period from July 1 through September 30, 2009. The attorneys whose fees comprise the Examiner's request are the Examiner himself, three of the other partners in the Examiner's law firm, and one associate attorney employed by the law firm. In addition, two legal

assistants/administrators employed by the Examiner's law firm provided assistance to the Examiner. The time worked by each person involved is summarized in the following chart.

Name	Hours	Rate	Total
John J. Little	309.40	\$450	\$139,230
Robert R. Little (Partner)	95.80	\$450	\$ 43,110
Fred C. Pedersen (Partner)	17.90	\$450	\$ 8,055
Stephen G. Gleboff (Partner)	44.90	\$450	\$ 20,205
Megan K. Dredla (Associate)	97.30	\$260	\$ 25,298
Cynthia N. Stanley (assistant/administrator)	14.50	\$100	\$ 1,450
Kathryn S. Vandiver (assistant/administrator)	0.90	\$100	\$ 90
Totals	580.70		\$237,438

The detailed time entries of each individual are attached to the Examiner's Declaration as Exhibits 1 and 2. Appendix at 11-46; 48-97. Exhibit 1 is a copy of the invoice issued by the Examiner's law firm for the fees and expenses incurred during the period from July 1, 2009 through September 30, 2009. Exhibit 2 reflects the same time entries, re-organized into ten (10) separate categories to reflect the different tasks undertaken by the Examiner, the hours billed to each category, and the fees incurred with respect to each category. In addition to the legal fees requested, the Examiner has also incurred necessary expenses of \$1,820.56, which are detailed in Exhibit 1 to the Examiner's Declaration, and for which reimbursement is requested.² Appendix at 4, 46; Examiner's Declaration at ¶4.

² Except for photocopying charges (charged at \$0.10/page), the expenses sought are billed at their cost. The WestLaw charges (\$86.68) are only those that exceed the usage permitted by the contract between the Examiner's law firm and WestLaw. Appendix at 4, n.1.

The Examiner seeks an Order directing the Receiver to pay to the Examiner's law firm (Little Pedersen Fankhauser, LLP) the amount of \$39,258.56, reflecting fees of \$237,438.00 and expenses of \$1,820.56.

III. SUMMARY OF THE EXAMINER'S WORK

Virtually every issue and every development in the case affects the Investors, or has the potential to, and, therefore, it is necessary for the Examiner to be informed and prepared to communicate with the Investors, and the Court if necessary, regarding these matters. As reflected in greater detail in Exhibit 2 to the Examiner's Declaration, during the time period covered by this Second Interim Application the Examiner has undertaken activities falling, generally, into ten different categories,³ as follows:

A. Communications with Stanford Investors, Groups, Representatives and Counsel

A significant portion of the Examiner's work involves maintaining regular communications with individual Stanford Investors, groups (both formal and informal) of such Investors, representatives of the Investors and counsel for the Investors. Among other things:

The Examiner and his colleagues communicate every business day (and most non-business days) with numerous individual Investors. During the period covered by this Application, the Examiner, his partners or his staff have responded individually to every telephone call and email message they have received from Investors. While most of these communications occur via telephone or email, the Examiner has also participated in face-to-face meetings with the leadership of the Stanford Victims Coalition and with two sets of Stanford Investors from Venezuela. The Examiner has also participated in a conference call with Investors from Columbia and their counsel.

The Examiner and his colleagues communicate every business day with various counsel around the country (and in other countries) who represent individual Investors

³ The ten categories described below necessarily overlap to some degree. For example, a meeting between the Examiner and the Receiver's counsel concerning the status of coin & bullion accounts might be classified under "communications with the Receiver" or under "issues relating to coin & bullion accounts." The Examiner has individually reviewed each time entry and has attempted to sort those time entries into categories in a way that best illustrates the tasks undertaken by the Examiner and the time devoted to those tasks.

and/or groups of Investors. During the period covered by this Application, the Examiner has participated in several face-to-face meetings with one or more counsel representing Investors and has also participated in dozens of conference calls and telephone conferences with such counsel. The Examiner also maintains regular email contact with a mailing list of approximately one hundred attorneys who represent one or more Investors, and uses that list as a "sounding board" to attempt to determine the views of the Investors on various issues that are pertinent to these proceedings.

The Examiner communicates on a regular basis via both telephone and email with a number of former Stanford Financial Advisors, many of whom are also Investors and most of whom contact the Examiner's office on behalf of clients who hold one or more Stanford investments.

The Examiner communicates periodically with the Stanford Victims Coalition.⁴ During the period covered by this Application, he has participated in face-to-face meetings with the leadership of the Coalition, has assisted the leadership in attempting to obtain information from the Receiver to assist the Coalition in its efforts, and has exchanged numerous email communications with that leadership.

The Examiner periodically reviews internet message boards operated by the Stanford Victims Coalition and other victims' groups in an effort to obtain a greater understanding of the views held by Stanford Investors who might not communicate directly with the Examiner.

During the period of time covered by this Application, the Examiner and his colleagues have devoted 148.40 hours⁵ of time (25.56% of the total hours billed) to work in this category, representing fees in the amount of \$66,780.00 (28.13% of the total fees billed). Appendix at 5, 61.

B. Cross Border Issues and Chapter 15 Petition for Recognition

During the period of time covered by this Application, the Examiner has continued to devote attention to various issues raised by the Chapter 15 Petition for Recognition filed by the Antiguan Liquidators and to other cross-border issues that arise from the international nature of

⁴ During the period covered by this Application, the Examiner's communication with the Stanford Victims Coalition have occurred less frequently than during the period covered by the Examiner's first interim application (April 20 through June 30, 2009).

⁵ Detailed billing entries with respect to these hours can be found within Exhibit 2 to the Examiner's Declaration. Appendix at 48-61.

the Stanford enterprises. Included among the Examiner's activities under this category are, generally, the following:

The Examiner drafted and filed a brief (Civil Action No. 09-721, Doc. 37) with respect to the Chapter 15 Petition for recognition filed by the Antiguan Liquidators and monitored the various briefs and other materials filed with respect to that Petition by the Antiguan Liquidators and the Receiver.

In response to inquiries from various Stanford Investors, the Examiner communicated with the Liquidators' counsel concerning various issues relating to the on-line claim process that was created by the Liquidators.

During the period of time covered by this Application, the Examiner and his colleagues have devoted 22.0 hours⁶ of time (3.79% of the total hours billed) to work in this category, representing fees in the amount of \$9,900.00 (4.17% of the total fees billed). Appendix at 5, 64.

C. Communications with the Receiver, the SEC and the Antiguan Liquidators

During the period of time covered by this Application, the Examiner has devoted substantial attention to communications with the Receiver and his counsel, the SEC, and the Antiguan Liquidators and their counsel. Included among the Examiner's activities under this category are, generally, the following:

The Examiner communicates regularly with the Receiver and the Receiver's counsel in order to monitor the progress of these proceedings and to advocate with respect to various issues of importance to the Investors. He has engaged in dozens of telephone conferences with the Receiver and his various counsel, and has exchanged hundreds of email communications with the Receiver and his team.

The Examiner engaged in a series of communications with counsel for the Receiver concerning whether SIPC coverage might be available to assist the Investors victimized by Stanford, and assisted the Receiver in drafting a letter of inquiry to SIPC and the frequently asked questions posted by the Receiver on his website with respect to SIPC coverage.

⁶ Detailed billing entries with respect to these hours can be found within Exhibit 2 to the Examiner's Declaration. Appendix at 62-64.

The Examiner regularly directs inquiries to the Receiver and his counsel concerning issues of importance to one or more Investors. The Examiner has also created and maintained (via spreadsheet) a database to track those inquiries, to follow up on them, and to track the responses received from the Receiver.

The Examiner communicates regularly with counsel for the Antiguan Liquidators. Those communications primarily occur via telephone or email.

The Examiner communicates regularly with the SEC. During the period covered by this Application, he has participated in one face-to-face meetings with the SEC, the Receiver and his counsel, during which the participants reviewed the Receiver's projected expenses for September and October 2009. The Examiner has also participated in one face-to-face meeting with the SEC to prepare for the hearing held on September 10, 2009, concerning the Receiver's first and second interim fee applications. The Examiner has also participated in a number of conference calls and telephone conferences with SEC personnel, and has exchanged dozens (if not hundreds) of email communications with the SEC.

During the period of time covered by this Application, the Examiner and his colleagues have devoted 22.2 hours⁷ of time (3.82% of the total hours billed) to work in this category, representing fees in the amount of \$9,990.00 (4.21% of the total fees billed). Appendix at 5, 67.

D. Receivership Business Matters

During the period of time covered by this Application, the Examiner has devoted substantial attention to various business matters relating to and arising out of the operations of the Receivership. Generally, these matters involved banking issues, corporate and organizational issues, asset liquidations, Stanford investments and insurance matters. Included among the Examiner's activities in this category are, generally, the following:

The Examiner has monitored and reviewed the various motions to intervene and for relief from the Receivership Order that have been filed by individuals and entities who claim to be secured creditors of one or more of the Defendants or other Stanford-related entities.

⁷ Detailed billing entries with respect to these hours can be found within Exhibit 2 to the Examiner's Declaration. Appendix at 65-67.

The Examiner has monitored and reviewed the various motions to intervene and for relief from the Receivership Order that have been filed by entities that either issued letters of credit on behalf of, or received letters of credit for the benefit of, one or more of the Defendants or other Stanford entities.

The Examiner has monitored and reviewed the various materials that have been filed by certain Defendants, by the Receiver and by Lloyd's of London with respect to the proper treatment of the proceeds of certain Directors' and Officers' liability policies issued by Lloyd's of London to the Stanford entities. Additionally, the Examiner has reviewed the materials filed by Mr. Stanford and the Receiver with respect to certain proceedings commenced by Mr. Stanford in the United Kingdom to address those policies, and participated in a telephone hearing with the Court to address those proceedings.

The Examiner has communicated with Investors, counsel, the Receiver and others concerning certain partnership investments that the Stanford entities promoted, organized and/or sold, including but not limited to the Alpha and Beta funds and the Havell Municipal Bond fund.

The Examiner has reviewed and analyzed the Receiver's Motion for authority to retain the Park Hill Group as a private equity advisor, and has also reviewed and analyzed various motions filed by the Receiver seeking the authority to liquidate several specific private equity holdings of the Stanford entities.

The Examiner has reviewed and analyzed the Receiver's Motions for authority to sell two yachts owned by the Stanford entities, the "Sea Eagle" and the "Little Eagle."

The Examiner has reviewed, analyzed and investigated the Receiver's motion for authority to transfer certain Stanford Group Company accounts held at Pershing LLC to Dominick & Dominick, LLC, has actively participated with counsel for the Receiver in the preparation of that motion and the various notice documents contemplated thereby, and has made contact with counsel for various Stanford Investors to inform them that their clients had accounts that were free to be transferred and would be subject to the Receiver's motion to transfer.

The Examiner has reviewed and analyzed the motion filed by Defendant Laura Pendergast-Holt seeking authority to sell certain real property owned jointly by Defendant and her husband.

At the Receiver's request, the Examiner has joined with the Receiver in urging the Court to act upon certain of the asset sale/disposition motions that have been filed and briefed in order to permit the Receiver to move forward with the administration of the assets covered by those various motions.

During the period of time covered by this Application, the Examiner and his colleagues have devoted 43.4 hours⁸ of time (7.47% of the total hours billed) to work in this category, representing fees in the amount of \$19,530.00 (8.23% of the total fees billed). Appendix at 5, 72.

E. Issues relating to the Investor Account Freeze, Account Release Process, and Receiver's "Clawback" Lawsuits

During the period of time covered by this Application, the Examiner has devoted substantial attention to the continuing issues presented by the on-going freeze of certain Investors' brokerage accounts held at Pershing, LLC, the process by which certain of those accounts have been released, and the Receiver's pursuit of lawsuits against the Investors seeking to "clawback" alleged CD proceeds received by those Investors into the Receivership estate. Generally, these matters have included the following:

The Examiner has communicated on a regular basis with Stanford Investors seeking information concerning their frozen accounts and has presented to the Receiver various claims by those Investors seeking the release of their frozen accounts.

The Examiner regularly reviewed account release information when such information was being provided by the Receiver to the Examiner (the Receiver ceased providing such information in late July), and has regularly referred to the information available to him to respond to Investor inquiries relating to their frozen accounts and the Receiver's "clawback" claims.

The Examiner has conducted considerable research concerning the propriety of a freeze order with respect to retirement and other accounts that typically are not subject to attachment or seizure.

The Examiner has monitored and reviewed all "clawback" claims asserted by the Receiver, whether filed against Stanford Investors, former Financial Advisors, or former Stanford employees.

⁸ Detailed billing entries with respect to these hours can be found within Exhibit 2 to the Examiner's Declaration. Appendix at 68-72.

The Examiner has reviewed and analyzed the SEC's emergency motion to modify the Receivership Order to remove the Receiver's authority to assert "clawback" claims against Investors, has drafted and filed a response (Civil Action No. 09-298, Doc. 622) supporting the SEC's emergency motion, and presented argument in support of the SEC's emergency motion at a hearing held on July 31, 2009.

The Examiner has reviewed and analyzed the Receiver's motion to extend the freeze order and to implement certain summary procedures with respect to the Receiver's "clawback" claims. The Examiner has drafted and filed a response in opposition to the Receiver's motions (Civil Action No. 09-724, Doc. No. 29; Civil Action No. 09-1329, Doc. No. 11), and presented argument in opposition to those motions at the hearing held on July 31, 2009.

The Examiner actively participated in the drafting of an Order reflecting the Court's rulings of July 31, 2009, and filed objections to the form of Order proposed by the Receiver with respect to those rulings (Civil Action No. 09-298, Doc. No. 670).

The Examiner has continued to monitor the various filings by the Receiver and the alleged "relief defendants" in the "clawback" lawsuits filed by the Receiver.

During the period of time covered by this Application, the Examiner and his colleagues have devoted 98.40 hours⁹ of time (16.95% of the total hours billed) to work in this category, representing fees in the amount of \$41,411.00 (17.44% of the total fees billed). Appendix at 5, 80.

F. Issues Relating to Stanford's Coin & Bullion Customers and Business

During the period of time covered by this Application, the Examiner has devoted attention to the continuing issues presented by the freeze of certain Investors' gold & bullion assets that had been held by or through Stanford Coin & Bullion, Inc. Generally, these matters have included the following:

The Examiner met face to face with the Receiver and his counsel to review the Receiver's analysis of the various coin & bullion Investor accounts and to negotiate a resolution of all such accounts that was mutually acceptable to the Receiver and the Examiner.

⁹ Detailed billing entries with respect to these hours can be found within Exhibit 2 to the Examiner's Declaration. Appendix at 73-80.

The Examiner has conducted legal research to verify the Receiver's analysis of the various coin & bullion Investor accounts.

The Examiner has communicated (via email and telephone) with both coin & bullion Investors and their counsel concerning the status of the Investors' accounts and the efforts being made to release certain of those accounts to the Investors.

The Examiner has reviewed and analyzed motions filed by certain coin & bullion Investors seeking the release of their coin & bullion assets.

The Examiner has worked in conjunction with the Receiver and his counsel to prepare and file on behalf of the Receiver and the Examiner a joint motion (Civil Action No. 09-298, Doc. 654) seeking authority to release to the Investors the vast majority of the coin & bullion assets held by Stanford Coin & Bullion.

The Examiner has reviewed the responses to the joint motion filed by Mr. Stanford, the Antigua Liquidators, and certain Investors.

During the period of time covered by this Application, the Examiner and his colleagues have devoted 27.40 hours¹⁰ of time (4.72% of the total hours billed) to work in this category, representing fees in the amount of \$12,190.00 (5.13% of the total fees billed). Appendix at 5, 83.

G. Fifth Circuit Appeal relating to Account Freeze and "Clawback" Claims

The Examiner has devoted substantial attention to the Receiver's appeal to the 5th Circuit of the Court's Order of August 4, 2009 (Civil Action No. 09-724, Doc. No. 35) granting in part and denying in part the Receiver's Motion seeking to continue to freeze certain Investors' accounts at Pershing LLC. The Examiner's activities¹¹ in this regard have generally included the following:

¹⁰ Detailed billing entries with respect to these hours can be found within Exhibit 2 to the Examiner's Declaration. Appendix at 81-83.

¹¹ The Examiner filed and then withdrew a Notice of Cross-Appeal. The Examiner has not included any of the fees or expenses incurred in connection with that filing in this Application.

The Examiner prepared a response to the Receiver's Motion asking the 5th Circuit to extend the freeze order entered by the trial court pending appeal.¹²

The Examiner moved for and obtained leave to intervene in the Receiver's appeal.

The Examiner reviewed and analyzed the brief on appeal filed by the Receiver, as well as the briefs on appeal filed by the various Appellee Investors.

The Examiner researched, drafted and filed the Examiner's Brief on Appeal.

The Examiner has helped to coordinate the efforts of various counsel to Appellee Investors and the SEC, including but not limited to the receipt, copying, distribution, and forwarding of the record on appeal and the supplemental record on appeal.

The Examiner has communicated with counsel for the SEC and the various Appellees with respect to the issues raised in the appeal.

The Examiner and his colleagues have devoted 115.60 hours¹³ of time (19.91% of the total hours billed) to work in this category, representing fees in the amount of \$43,660.00 (18.39% of the total fees billed). Appendix at 5, 89.

H. Opposition to the Receiver's First and Second Fee Applications

During the period of time covered by this Application, the Examiner has devoted substantial attention to the Receiver's first and second interim fee applications (Civil Action No. 09-298, Docs. 592, 669). In this regard, the Examiner has generally done the following:

The Examiner has reviewed and analyzed the Receiver's second interim fee application, including the supporting materials submitted by the Receiver with respect to that application.

The Examiner has conducted research concerning the legal standards applicable to fee applications submitted by receivers.

The Examiner has reviewed the responses filed by the SEC and Mr. Stanford to the Receiver's fee applications.

¹² The 5th Circuit entered its Order granting the Receiver's Motion to extend the freeze order pending appeal before the Examiner could file his response to that Motion.

¹³ Detailed billing entries with respect to these hours can be found within Exhibit 2 to the Examiner's Declaration. Appendix at 84-89.

The Examiner has drafted and filed a response (Civil Action No. 09-298, Doc. 739) in opposition to the Receiver's second interim fee application.

The Examiner has met with the SEC in preparation for the Court's hearing on the Receiver's first and second interim fee applications.

The Examiner has appeared and presented argument at the Court's September 10, 2009 hearing on the Receiver's first and second interim fee applications.

The Examiner and his colleagues have devoted 58.40 hours¹⁴ of time (10.06% of the total hours billed) to work in this category, representing fees in the amount of \$19,174.00 (8.07% of the total fees billed). Appendix at 5, 92.

I. Monitoring Other Proceedings and Issues

During the period of time covered by this Application, the Examiner has devoted attention to a variety of other proceedings and issues, both within the Receivership proceedings and relating thereto. In this regard, the Examiner has generally done the following:

The Examiner has reviewed and monitored the various filings relating to Mr. Stanford's motion to disqualify Baker Botts LLP.

The Examiner has reviewed and monitored the criminal proceedings involving Mr. Stanford and Mr. Davis, including Judge Hittner's decision denying bail to Mr. Stanford and Mr. Davis's plea agreement and guilty plea.

The Examiner has reviewed and monitored various class action lawsuits filed by certain Stanford Investors, including actions against insurance brokers, banks and the government of Antigua and Barbuda.

The Examiner has reviewed the motions to intervene and to stay discovery filed by the Department of Justice and filed a response to those motions (Civil Action No. 09-298, Doc. 606).

The Examiner has periodically conducted a search via PACER to determine whether other Stanford-related lawsuits had been filed in the Northern District of Texas and elsewhere.

¹⁴ Detailed billing entries with respect to these hours can be found within Exhibit 2 to the Examiner's Declaration. Appendix at 90-92.

The Examiner has reviewed the testimony given before certain Senate and House committees investigating Mr. Stanford's activities and the efforts to address same.

The Examiner has reviewed and monitored the Receiver's contempt motions filed against Mr. Stanford's daughter and against Rebecca Reeves-Stanford and her counsel.

The Examiner has reviewed and monitored the motion filed by the Morgenstern & Blue law firm seeking leave to file involuntary bankruptcy petitions with respect to one or more Stanford entities.

The Examiner and his colleagues have devoted 19.30 hours¹⁵ of time (3.32% of the total hours billed) to work in this category, representing fees in the amount of \$8,533.00 (3.59% of the total fees billed). Appendix at 5, 95.

J. Website and Database Maintenance

During the period of time covered by this Application, the Examiner has devoted attention to the maintenance of his website and certain databases. In this regard, the Examiner has generally done the following:

The Examiner has established, maintains, and periodically updates a website for the benefit of the Investors, in order to promptly make information and copies of pertinent court filings available to them.

In response to numerous requests from Investors, the Examiner has created, updated and maintained on his website a list of counsel around the country who are willing to assist Stanford Investors, both in the United States and overseas, with respect to the various issues that have arisen in connection with the Stanford receivership.¹⁶

The Examiner has established and maintains a database to track Investor communications and to collect information relating to the various types of Stanford investments held by each Investor.

¹⁵ Detailed billing entries with respect to these hours can be found within Exhibit 2 to the Examiner's Declaration. Appendix at 93-95.

¹⁶ Because of his position as the Court's appointed Examiner, the Examiner has declined to make recommendations as to which counsel might be appropriate for a given Investor to retain. The Examiner has limited his involvement to the assembly and dissemination of information to the Investors with respect to this issue.

The Examiner and his colleagues have devoted 25.60 hours¹⁷ of time (4.41% of the total hours billed) to work in this category, representing fees in the amount of \$6,270.00 (2.64% of the total fees billed). Appendix at 5, 97.

IV. STAFFING

Because of the number of tasks and issues the Examiner must address, he has called on several other lawyers in his firm to assist him. The Examiner has practiced law with each of the lawyers that assisted him for a number of years and was familiar with each lawyer's experience and abilities before asking each to assist in this case. See Appendix at 7-9, Examiner's Declaration at ¶¶ 11, 13. The Examiner personally supervised all of the work performed by other lawyers at his law firm. The work that was done by other lawyers and employees at his firm can be summarized as follows:

a. Mr. Robert R. Little. Much of the Examiner's daily communication with Investors has been handled by his partner, Robert R. Little. Additionally, Mr. Little has assisted the Examiner with issues pertaining to certain of the Receivership business matters addressed by the Examiner (in particular, the Havell Municipal Bond fund), and with respect to the issues pertaining to the coin & bullion Investors and their assets. Mr. Little billed a total of 95.80 hours during the period covered by this Application, most of which (75.5 hours) was devoted to daily telephone conversations and email communications with individual Investors and their counsel. The fees for Mr. Little's time are \$43,110.00. Appendix at 46.

b. Mr. Fred C. Pedersen. The Examiner's partner, Fred C. Pedersen, has assisted the Examiner with respect to the continuing cross-border and Chapter 15 issues, as well as issues

¹⁷ Detailed billing entries with respect to these hours can be found within Exhibit 2 to the Examiner's Declaration. Appendix at 96-97.

relating to the release of customer accounts, the Receiver's "clawback" claims, and various Stanford business issues, including lending issues, corporate issues, and account transfer issues. Mr. Pedersen devoted 17.90 hours to these issues. The fees for Mr. Pedersen's time are \$8,055.00. Appendix at 46.

c. Mr. Stephen G. Gleboff. The Examiner's partner, Stephen G. Gleboff, has assisted the Examiner primarily with respect to the Receiver's "clawback" lawsuits and the 5th Circuit appeal taken by the Receiver from the Court's Order dated August 4, 2009. Mr. Gleboff has devoted 44.9 hours to these issues. The fees for Mr. Gleboff's time are \$20,205.00. Appendix at 46.

d. Ms. Megan K. Dredla. The Examiner's associate, Megan K. Dredla, has assisted the Examiner primarily with respect to three matters: The Receiver's "clawback" lawsuits, the 5th Circuit appeal taken from the Court's Order of August 4, 2009, and the Receiver's second interim fee application. Ms. Dredla has devoted 97.3 hours to these issues. The fees for Ms. Dredla's time are \$25,298.00. Appendix at 46.

e. Website, database and document management. The Examiner has handled the creation, maintenance and updating of his website and Investor database entirely in-house. His staff has billed 15.4 hours to these tasks during the period covered by this Application. The fee for that work is \$1,540.00. Appendix at 46.

V. THE EXAMINER'S FEES AND EXPENSES ARE REASONABLE AND NECESSARY AND SHOULD BE PAID

The standards for an award of attorney's fees are well established.

In awarding statutorily-authorized attorney's fees, district courts in the Fifth Circuit employ a two-step procedure. *See Louisiana Power and Light Co. v. Kellstrom*, 50 F.3d 319, 323-24 (5th Cir.1995). First, the reasonable number of hours expended by counsel is multiplied by the reasonable hourly rate charged by

lawyers in the community. *Id.* at 324. The product of this multiplication is the base fee, or "lodestar", which the Court then either accepts or adjusts upward or downward based on twelve factors enunciated in *Johnson v. Georgia Highway Express, Inc.*, 488 F.2d 714 (5th Cir.1974). [FN3] The Court may modify the lodestar if any of the Johnson factors not already considered in the reasonable fee analysis warrant an adjustment. *See Watkins v. Fordice*, 7 F.3d 453, 457 (5th Cir.1993). The lodestar is presumptively reasonable, however, and should be modified only in exceptional cases. *Id.* (citing *City of Burlington v. Dague*, 505 U.S. 557, 562 (1992)).

FN3. The *Johnson* factors are: (1) the time and labor required; (2) the novelty and difficulty of the case; (3) the skill required; (4) the preclusion of other employment; (5) the customary fee; (6) whether the fee is fixed or contingent; (7) time limitations imposed; (8) the results obtained; (9) the experience, reputation and ability of the attorneys; (10) the undesirability of the case; (11) the nature and length of the professional relationship with the client; and (12) awards in similar cases. *Johnson*, 488 F.2d at 717-19.

Old Republic Ins. Co. v. Stafford, No. Civ. A. 3:03-CV-1611, 2005 WL 2026853 (N.D. Tex. Aug. 22, 2005).

The calculation of the lodestar in this instance is simple because the actual hours expended by the Examiner and those attorneys assisting him were reasonable and necessary, and the hourly rates charged by the Examiner and the other lawyers in his firm are reasonable for Dallas, Texas. *See* Appendix at 5, 9, Examiner's Declaration at ¶¶ 5, 13. As a result, the product of the number of hours worked and the hourly rate charged represents a lodestar that is both presumptively reasonable and proven reasonable by the evidence submitted. In addition, as directed by the Court, the Examiner has "avoid[ed], to the greatest extent possible, duplication of activities or efforts conducted by the Receiver, except as necessary to present the interests of the Investors to the Court that would not otherwise be presented, as the Examiner in his sole

discretion [has seen] fit.” See Appendix at 6, Examiner's Declaration at ¶¶6; see Doc. No. 322 at 3.

Application of the *Johnson* factors is addressed below.

1. The time and labor required – Exhibits 1 and 2 to the Examiner's Declaration set forth the time entries for the Examiner and each of the attorneys that assisted him, and the Examiner's Declaration includes the Examiner's opinion that the time expended was both necessary and reasonable.

2. The novelty and difficulty of the case – The issues raised by this receivership – as they affect the Investors – are often novel and difficult. The Examiner continues to face the challenge of quickly learning the facts and law that are pertinent to discrete issues as those issues arise. Moreover, the Examiner on a daily basis endeavors to communicate to the Investors (often persons who are unrepresented by counsel and baffled by the receivership procedure) the status of the case, their accounts and, often, their life savings. The legal issues that have arisen during the period covered by this Motion have been both novel and complex, e.g. the legitimacy of the Receiver's “clawback” claims asserted against both Stanford Investors and former Financial Advisors and the appropriate treatment and disposition of diverse assets (including yachts, private equity investments, and real property) now held by the Receiver, to name just two.

3. The skill required – The work undertaken by the Examiner has required considerable skill and experience in complex matters. The Examiner and the attorneys assisting him are experienced lawyers with sophisticated commercial law practices. See Appendix at 7-9, Examiner's Declaration at ¶¶ 10-13.

4. The preclusion of other employment – The Examiner has not declined any representation because of his service in this case.

5. The customary fee – As explained in the Examiner’s Declaration, the fees requested are reasonable for Dallas, Texas in similar cases. *See* Appendix at 5-7, Examiner's Declaration at ¶¶ 5, 7, 8.

6. Whether the fee is fixed or contingent – The Examiner’s fee is not contingent, but is subject to Court approval and the existence of money in the receivership estate to pay the fee.

7. Time limitations imposed – The Examiner’s work has been subject to several time pressures. The Examiner was appointed after the initiation of the proceeding, and is tasked with communicating with hundreds of Investors and their counsel, which by itself creates significant demands on the time of the Examiner and the lawyers assisting him.

8. The results obtained – The Examiner has communicated to the Court the positions of the Investors with which the Court agreed, or at least adopted, on several occasions. Examples are the Court’s Order (Civil Action No. 09-0724, Doc. No. 35) and the Court’s rulings with respect to the Receiver’s first and second interim fee applications (denying the payment of fees and expenses billed by FITS; denying the payment of expenses billed by FTI and Ernst & Young; and imposing a 20% “hold back” on fees and expenses sought by the Receiver in the first and second interim fee applications and all future fee applications).

9. The experience, reputation and ability of the attorneys – The Examiner and the attorneys assisting him are experienced and skilled lawyers who each enjoy very favorable reputations in the legal community.

10. The undesirability of the case – Service as the Examiner is not undesirable.

11. The nature and length of the professional relationship with the client – Given the unique nature of the Examiner’s role, and that his appointment “does not give rise to any attorney-client or fiduciary relationship,” this factor appears not to apply. Doc. No. 322 at 3.

12. Awards in similar cases – The Examiner believes and understands the fees and expenses requested are commensurate with fees awarded in similar cases in this district.

The tasks performed by the Examiner and those assisting him were necessary to discharge the Examiner's duties and the rates charged are reasonable for the Dallas area.

VI. CONCLUSION

For the reasons set forth above, the Examiner respectfully requests that this Court approve this application and direct the Receiver to make payment to the Examiner for the requested attorneys' fees and expenses.

Respectfully submitted,

/s/ John J. Little

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Tex. Bar No. 12424230

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CERTIFICATE OF CONFERENCE

On October 21, 2009, I forwarded draft versions of the Examiner's Motion for Approval of Second Interim Fee Application to counsel for all parties.

On October 22 and 23, 2009, I conferred via email with Kevin Sadler, counsel for the Receiver. Mr. Sadler indicated that the Receiver will oppose this Motion and asserted various objections to the Examiner's fees.

On October 22, 2009, I conferred via telephone on two separate occasions with David Reece of the SEC. Mr. Reece had a question concerning the Examiner's charges for WestLaw usage, which was resolved to his satisfaction. Via email on October 26, 2009, Mr. Reece indicated that the SEC does not oppose the requested relief.

On October 26, 2009, I conferred with Manuel Lena, counsel for the IRS. The IRS takes no position with respect to the relief requested.

On October 22, 2009, I conferred via email with Jeff Tillotson, counsel for Laura Pendergast-Holt. Mr. Tillotson indicated that Ms. Pendergast-Holt does not oppose the requested relief.

On October 22, 2009, I conferred via email with David Finn, counsel for James Davis. Mr. Finn indicated that Mr. Davis does not oppose the requested relief.

On October 22, 2009, I conferred via email with Ruth Schuster, counsel for R. Allen Stanford. Ms. Schuster indicated that Mr. Stanford does not oppose the requested relief.

/s/ John J. Little

CERTIFICATE OF SERVICE

On October 26, 2009 I electronically submitted the foregoing document with the clerk of the court of the U.S. District Court, Northern District of Texas, using the electronic case filing system of the court. I hereby certify that I have served all counsel and/or *pro se* parties of record electronically or by another manner authorized by Federal Rule of Civil Procedure 5(b)(2).

/s/ John J. Little