

**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
FOURTH INTERIM APPLICATION FOR PAYMENT OF
ATTORNEY'S FEES AND EXPENSES AND BRIEF IN SUPPORT**

June 28, 2010

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

John J. Little, Examiner, respectfully submits his Motion for Approval of his Fourth 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 February 1, 2010 through May 31, 2010. The total amount of the Examiner's fees and expenses incurred during this period is \$161,373.34. Of that amount, \$161,265.00 represents the attorneys' fees incurred by the Examiner and others in his law firm and \$108.34 represents expenses incurred by the Examiner in connection with this matter.

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 Fourth Interim Application for Payment of Attorneys' Fees and Expenses, filed herewith.

THIS MOTION HAS NOT BEEN OPPOSED

In advance of the filing of this Motion, the Examiner conferred with counsel for the Receiver and the Securities & Exchange Commission concerning the fees and expenses sought in this Motion. Submitted herewith is a proposed order reflecting the agreement of the SEC, Receiver and Examiner, with respect to the above-referenced fees and expenses of \$161,373.34, the time spent, services performed, hourly rates charged, and expenses incurred by the Examiner during the time periods covered by this Application were reasonable and necessary for the Examiner to perform his Court-ordered duties.

As reflected in the Certificate of Conference, the Examiner has conferred (or attempted to confer) with all parties of record with respect to this Motion. No party with whom the Examiner has conferred opposes this Motion.¹

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 – 2.²

¹ Despite multiple attempts, the Examiner was unable to confer with the Department of Justice, with counsel for Intervenor Susan Stanford, and with counsel for Defendant Mark Kuhrt. Defendant Leroy King has not appeared in this action, to the Examiner’s knowledge, and has not retained counsel in this action, so that no conference with that defendants was possible.

² Unless otherwise noted, all references to Doc. Nos. are to Civil Action No. 09-298. References to documents filed in proceedings that are ancillary to the Receivership proceeding will be identified by the Civil Action number of that proceeding.

Since his appointment, the Examiner has worked diligently to discharge his duties, and now requests that the Court approve this fourth interim application and direct the Receiver to pay the Examiner's reasonable and necessary attorney's fees and expenses incurred from February 1, 2010 through May 31, 2010. 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. PRIOR APPLICATIONS AND THEIR DISPOSITON

The Examiner has filed three fee applications since his appointment. The disposition of those prior applications is set forth below:³

Date Filed	July 15, 2009	October 26, 2009	March 12, 2010	Totals to Date
Period Covered	Apr. 22, 2009 to June 30, 2009	July 1, 2009 to Sept. 30, 2009	Oct. 1, 2009 to Jan. 31, 2010	
Hours Billed	658.50	580.70	393.80	1,633.00
Fees Requested	\$274,852.00	\$237,438.00	\$173,657.00	\$694,947.00
Expenses	\$2,635.15	\$1,820.56	\$795.58	\$5,251.29
Total Sought	\$277,487.15	\$239,258.56	\$174,452.58	\$691,198.29
Total Paid	\$277,487.15	\$203,369.78	\$170,963.53	\$651,820.46
Holdback Amt.	\$0.00	\$35,888.78	\$3,489.05	\$39,377.83
Date Paid	Sept. 14, 2009	Feb. 4, 2010	April 16, 2010	

³ The "holdback" amount is the amount as to which the Court has deferred a ruling. The Examiner is free to apply for any amounts that have been held back by the Court, and the Court has reserved its ruling on any objections to the Examiner's second and third fee application. *See, e.g.* Order dated February 3, 2010 [Doc. No. 994]; Order dated April 16, 2010 [Doc. No. 1069].

III. TIME PERIOD AND FEES AND EXPENSES REQUESTED.

As stated above, this application requests payment of the Examiner's attorney's fees and expenses for the time period from February 1, 2010 through May 31, 2010. The attorneys whose fees comprise the Examiner's request are the Examiner himself and one of the other partners in the Examiner's law firm. In addition, one legal assistant employed by the Examiner's law firm provided assistance to the Examiner.⁴ The time worked by each person involved is summarized in the following chart.

Name	Hours	Rate	Total
John J. Little	304.20	\$450	\$136,890.00
Robert R. Little (Partner)	50.70	\$450	\$ 22,815.00
Cynthia N. Stanley (assistant/administrator)	15.60	\$100	\$ 1,560.00
Totals	370.50		\$161,265.00

The detailed time entries of each individual are attached to the Examiner's Declaration as Exhibits 1 and 2. Appendix at 9-40; 41-75. 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 February 1, 2010 through May 31, 2010. Exhibit 2 reflects the same time entries, re-organized into twelve (12) 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 \$108.34, which are detailed in

⁴ Like the Receiver and his professionals, the Examiner has made and continues to make efforts to reduce the number of attorneys and other professionals working on this matter.

Exhibit 1 to the Examiner's Declaration, and for which reimbursement is requested.⁵ Appendix at 40; Examiner's Declaration at ¶3, Appendix at 4.

The Examiner seeks an Order directing the Receiver to pay to the Examiner's law firm (Little Pedersen Fankhauser, LLP) the amount of \$161,373.34, reflecting fees of \$161,265.00 and expenses of \$108.34.

IV. 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, the SEC, the Receiver and his counsel, and the Court, regarding these matters. As reflected in greater detail in Exhibit 2 to the Examiner's Declaration, during the time period addressed by this Fourth Interim Application the Examiner has undertaken activities falling, generally, into twelve (12) different categories,⁶ 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 continue to communicate almost every business day (and frequently on non-business days) with numerous individual Investors. During the period covered by this Application, the Examiner, his partner and his staff have responded individually to every telephone call and email message they have received

⁵ Except for internal photocopying charges (charged at \$0.10/page), the expenses sought are billed at their cost. The single largest expense charged was \$85.84 for database services (Westlaw and PACER access). Appendix at 40.

⁶ The 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 his colleagues and the time devoted to those tasks.

from Investors. During the period addressed in this Application, those communications have occurred primarily via telephone or email.

The Examiner and his colleagues communicate regularly with various counsel around the country (and in other countries) who represent individual Investors and/or groups of Investors. During the period addressed by this Application, the Examiner has participated in conference calls and telephone conferences with such counsel. The Examiner also maintains regular email contact with approximately one hundred attorneys who represent one or more Investors.

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. During the period addressed by this Application, those communications have occurred almost exclusively via email between the Examiner and the leadership of the Victims Coalition both in the United States and in South America. The Examiner has assisted the leadership in connection with its efforts to secure SIPC coverage for Stanford Investors.

During the period of time covered by this Application, the Examiner and his colleagues have devoted 74.00 hours⁷ of time (19.97% of the total hours billed) to work in this category, representing fees in the amount of \$33,300.00 (20.65% of the total fees billed). Appendix at 75. Approximately 64% of the time billed in this category has been billed by the Examiner's partner, Robert R. Little, with the remainder billed by the Examiner.

B. Cross Border Issues and Chapter 15 Petition for Recognition

During the period of time covered by this Application, the Examiner devoted a limited amount of time 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 the Stanford enterprises. The Examiner's activities in this category were focused almost entirely

⁷ Detailed billing entries with respect to these hours can be found within Exhibit 2 to the Examiner's Declaration. Appendix at 42-48.

upon the negotiations between the Receiver and the Antiguan Liquidators that ultimately led to a settlement agreement being entered between the Receiver and the Antiguan Liquidators. *See* Doc. No. 1086.

During the period of time covered by this Application, the Examiner devoted 4.20 hours⁸ of time (1.13% of the total hours billed) to work in this category, representing fees in the amount of \$1,890.00 (1.17% of the total fees billed). Appendix at 75. All of the time billed to this category was billed by the Examiner.

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

During the period of time covered by this Application, the Examiner has devoted 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 collaborated with counsel for the Receiver and the SEC in connection with a variety of matters detailed throughout this Application.

The Examiner regularly directs inquiries to the Receiver and his counsel concerning issues of importance to one or more Investors.

The Examiner communicates regularly with the SEC. The Examiner has participated in a number of conference calls and telephone conferences with SEC personnel, and has exchanged numerous email communications with the SEC.

⁸ Detailed billing entries with respect to these hours can be found within Exhibit 2 to the Examiner's Declaration. Appendix at 49.

During the period of time covered by this Application, the Examiner has devoted 6.10 hours⁹ of time (1.65% of the total hours billed) to work in this category, representing fees in the amount of \$2,745.00 (1.70% of the total fees billed). Appendix at 75. All of the time billed to this category was billed by the Examiner.

D. Receivership Business Matters

During the period of time covered by this Application, the Examiner has devoted 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 private equity investments and insurance matters. Included among the Examiner's activities in this category are, generally, the following:

The Examiner has conferred with the Receiver's counsel and has reviewed and analyzed the Receiver's motion for authority to liquidate certain assets located in Panama.

The Examiner has reviewed and analyzed filings relating to the Receiver's interest in certain properties located in Florida and has conferred with the Receiver's counsel and the SEC relating to those properties.

The Examiner has reviewed, analyzed and investigated the Receiver's motions (and any responses thereto) for authority to sell certain private equity investments, including TUG, USFR, and ACON. The Examiner has also participated in conferences with the Receiver's counsel and with representatives of Park Hill Group, the Receiver's private equity advisor, relating to proposed sales of certain private equity investments.

The Examiner has reviewed and analyzed the motion filed by the Receiver seeking authority to sell real property located in Coral Gables, Florida.

During the period of time covered by this Application, the Examiner has devoted 12.50 hours¹⁰ of time (3.37% of the total hours billed) to work in this category, representing fees in the amount

⁹ Detailed billing entries with respect to these hours can be found within Exhibit 2 to the Examiner's Declaration. Appendix at 50.

¹⁰ Detailed billing entries with respect to these hours can be found within Exhibit 2 to the Examiner's Declaration. Appendix at 51-52.

of \$5,625.00 (3.49% of the total fees billed). Appendix at 75. All of the time billed to this category was billed by the Examiner.

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

During the period of time covered by this Application, the Examiner and his colleagues have devoted attention to the release of certain Investors' gold & bullion assets held by or through Stanford Coin & Bullion, Inc. ("SCB"), and to the continuing issues relating to the status of certain SCB customers who have not yet been addressed by the Court. Generally, these matters have included the following:

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 those accounts to the Investors.

The Examiner has monitored the progress made by the Receiver in releasing coin & bullion assets to SCB customers, has communicated regularly with counsel for the Receiver with respect to such releases, and has tracked all such releases as they have been made.

The Examiner has reviewed and analyzed the motion to intervene filed by a coin & bullion Investor with respect to those issues not yet decided by the Court.

The Examiner has communicated with counsel for the Receiver and counsel for an individual SCB customer in order to facilitate the release of that customer's coin & bullion assets. *See* Doc. No. 1031.

The Examiner has conferred with counsel for the Receiver concerning a protocol for attempting to resolve the claims of SCB customers whose status has not yet been addressed by the Court.

During the period of time covered by this Application, the Examiner and his partner, Robert Little, have devoted 22.50 hours¹¹ of time (6.07% of the total hours billed) to work in this category, representing fees in the amount of \$10,125.00 (6.28% of the total fees billed).

¹¹ Detailed billing entries with respect to these hours can be found within Exhibit 2 to the Examiner's Declaration. Appendix at 53-55.

Appendix at 75. Most of the time billed in this category (approximately 85%) was billed by the Examiner.

F. Other Receivership Proceedings

The Examiner has devoted substantial attention to a variety of matters relating generally to the Receivership proceeding. The Examiner's activities in this regard have generally included the following:

The Examiner has reviewed and analyzed the responses that were filed by various parties objecting to the Second Amended Receivership Order proposed by the Receiver and the SEC, has participated in conference calls with counsel for the Receiver and the SEC addressing the various objections, and has collaborated with the Receiver and the SEC in proposing a revised Second Amended Receivership Order that addressed many of the objections made by the respondents.

The Examiner has reviewed and analyzed correspondence and other materials relating to the relationship between the Receiver and Pershing, and has conferred with both counsel for the Receiver and the SEC concerning various issues arising from that relationship.

The Examiner has reviewed and analyzed the Motion to Dismiss filed by Allen Stanford, the SEC's response to the Motion, and Mr. Stanford's Reply Brief.

The Examiner has reviewed and analyzed the motion to intervene and the amended motion to reclaim equipment filed by INX.

The Examiner has reviewed the Court's Orders relating to the Houston Walton Galleria and the Stanford Condominium Owners matters.

The Examiner has reviewed and analyzed materials relating to the motion filed by Westridge seeking to foreclose on certain property interests in Florida, the Receiver's response to that motion, and the Westridge reply.

The Examiner has reviewed materials relating to the lawsuit filed by the Receiver against Rebecca Reeves Stanford.

The Examiner has reviewed and analyzed the motion filed by Susan Stanford seeking a hearing with respect to her alleged right to certain proceeds from the sale of the *Sea Eagle* and the *Little Eagle*; has conferred with counsel for the Receiver and the SEC with respect to that motion; has drafted and filed a response to Susan Stanford's motion; *see* Doc. No. 1068, has reviewed and analyzed the responses filed by the Receiver and

the SEC to that motion; and has reviewed Susan Stanford's reply brief in support of that Motion.

The Examiner periodically conducts a search via PACER to identify new lawsuits that pertain or relate to the Receivership proceedings.

The Examiner has devoted 21.00 hours¹² of time (5.67% of the total hours billed) to work in this category, representing fees in the amount of \$9,450.00. (5.86% of the total fees billed).

Appendix at 75. All of the time billed in this category was billed by the Examiner.

G. Issues Relating to the Receiver's Fraudulent Transfer and Other Asset Recovery Actions (against Stanford Investors, Former Employees and Others)

During the period of time addressed by this Application, the Examiner has devoted substantial attention to issues arising from the fraudulent transfer actions filed by the Receiver against former Stanford employees, several hundred Investors in SIB CDs, and others.

Generally, these matters have included the following:

The Examiner has communicated on a regular basis with Stanford Investors and their counsel concerning the settlement demand letters sent to the Investors by the Receiver and the eleven different fraudulent transfer lawsuits filed by the Receiver against such Investors, including but not limited to the amounts sought by the Receiver through such lawsuits and the legal theories relied upon by the Receiver in asserting such claims.

The Examiner regularly reviews and tracks information relating to settlements reached between the Receiver and individual Investors to resolve the Receiver's fraudulent transfer claims. The Examiner similarly reviews and tracks information relating to settlements reached by the Receiver with other fraudulent transfer defendants.

The Examiner has analyzed the Receiver's claims against former SIB CD Investors and has sent a number of inquiries to the Receiver's counsel in order to investigate the basis of certain of the Receiver's claims.

The Examiner continues to conduct legal research concerning the Receiver's fraudulent transfer claims and the defenses that have been asserted by Investors with respect to those claims.

¹² Detailed billing entries with respect to these hours can be found within Exhibit 2 to the Examiner's Declaration. Appendix at 56-58.

The Examiner has reviewed and analyzed multiple motions to dismiss that have been filed by various SIB CD investors and former Stanford employees in response to the Receiver's fraudulent transfer claims, as well as the responses to those motions that have been filed by the Receiver.

The Examiner has reviewed and analyzed the various motions to compel arbitration that have been filed by various SIB CD investors and former Stanford Employees sued by the Receiver in his fraudulent transfer complaints.

The Examiner has prepared and filed notices of appearance in each of the fraudulent transfer actions filed by the Receiver.¹³

The Examiner has reviewed and analyzed the application for temporary restraining order and preliminary injunction filed by the Receiver with respect to certain former Stanford Employees; he has reviewed and analyzed the responses filed by various former Stanford Employees (or groups of Employees) to the Receiver's application; he has drafted and filed a response to the Receiver's application, *see* Doc. No. 443 in 09-724; he has conferred with both counsel for the Receiver and the SEC concerning the Receiver's application; and he has reviewed the Court's orders with respect to the Receiver's request for a temporary restraining order.

The Examiner has participated in multiple conference calls with counsel for the Receiver, counsel for SIB CD investors, counsel for former Stanford Employees, and the SEC concerning the status, prosecution and potential settlement of the fraudulent transfer actions brought by the Receiver against SIB CD Investors, former Stanford Employees, and others.

During the period of time addressed by this Application, the Examiner and his colleagues have devoted 73.20 hours¹⁴ of time (19.76% of the total hours billed) to work in this category, representing fees in the amount of \$32,940.00 (20.43% of the total fees billed). Appendix at 75.

All of the time billed to this category was billed by the Examiner.

¹³ Doc. No. 7 in 09-1946; Doc. No. 14 in 10-346; Doc. No. 5 in 10-366; Doc. No. 4 in 10-415; Doc. No. 4 in 10-477; Doc. No. 4 in 10-478; Doc. No. 5 in 10-527; Doc. No. 3 in 10-528; Doc. No. 5 in 10-617; Doc. No. 3 in 10-725; Doc. No. 4 in 10-829; Doc. No. 5 in 10-844; Doc. No. 8 in 10-931; Doc. No. 4 in 10-1002.

¹⁴ Detailed billing entries with respect to these hours can be found within Exhibit 2 to the Examiner's Declaration. Appendix at 59-65.

H. Issues relating to proposed Bankruptcy Filings

During the period of time addressed by this Application, the Examiner has devoted attention to the Motions filed by the Morgenstern & Blue law firm seeking a modification of the Court's Amended Order Appointing Receiver, Doc. No. 157, to permit the filing of involuntary bankruptcy proceedings against some or all of the Stanford entities. In this regard, the Examiner has generally done the following:

The Examiner drafted and filed his Report No. 2, Doc. No. 991, addressing the issues that he believed needed to be addressed by the Movants and the Receiver in supplemental briefing.

The Examiner has reviewed the supplemental briefs filed by the Morgenstern & Blue law firm and by the Receiver with respect to the Motion.

The Examiner prepared for and participated in the hearing held by the Court on February 11, 2010 to address the Motion.

The Examiner has participated in a number of conference calls with counsel for the Movants, for the Receiver and the SEC to address the pending Motion, the parties' positions with respect to the relief requested, and potential resolutions of the Motion.

The Examiner has conferred with counsel for other Investors concerning their views of the Motion and the relative merits of proceeding in bankruptcy vs. receivership.

The Examiner has participated, with counsel for the Movants, the Receiver, and the SEC, in negotiating and drafting a stipulation pursuant to which the Motion would be withdrawn, a committee of SIB CD Investors would be formed to facilitate the further participation of SIB CD Investors in the Receivership proceedings, and the Receiver and counsel for SIB CD Investors would increase the extent to which they cooperate with each other in pursuing claims that may benefit the SIB CD Investors. *See* Doc. No. 1051.

The Examiner has conferred via telephone and email with Investors and counsel for Investors concerning the proposed Investors' Committee to be created by the stipulation.

During the period of time addressed by this Application, the Examiner has devoted 33.60 hours¹⁵ of time (9.07% of the total hours billed) to work in this category, representing fees in the amount of \$15,120.00 (9.38% of the total fees billed). Appendix at 75. Virtually all of the time billed to this category was billed by the Examiner.

I. Review and Analysis of the Receiver's Various Fee Applications

During the period of time addressed by this Application, the Examiner has devoted substantial attention to the Receiver's fifth and sixth interim fee applications. Docs. No. 1034, 1084, 1085. In this regard, the Examiner has generally done the following:

The Examiner has reviewed and analyzed the Receiver's fifth and sixth interim fee applications, including the supporting materials submitted by the Receiver with respect to those applications.

The Examiner has participated in extended telephone conferences, conference calls and meetings with the Receiver, counsel for the Receiver, the SEC, and FTI to address issues and concerns raised by the Examiner and by the SEC with respect to the Receiver's fifth and sixth interim fee applications.

With respect to the Receiver's fifth fee application, the Examiner reached an agreement with the SEC and the Receiver to increase the "holdback amount" as to the fees and expenses charged by FTI from 20% to 25%.

With respect to the Receiver's sixth fee application, the Examiner, the SEC, and the Receiver reached an agreement to support the approval of the sixth fee application subject only to the 20% "holdback amount" previously imposed by the Court.

The Examiner and his colleagues have devoted 84.10 hours¹⁶ of time (22.70% of the total hours billed) to work in this category, representing fees in the amount of \$37,845.00 (23.47% of the total fees billed). Appendix at 75. All of the time billed to this category was billed by the Examiner.

¹⁵ Detailed billing entries with respect to these hours can be found within Exhibit 2 to the Examiner's Declaration. Appendix at 66-68.

¹⁶ Detailed billing entries with respect to these hours can be found within Exhibit 2 to the Examiner's Declaration. Appendix at 69-71.

J. 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 materials relating to proceedings in the Madoff Ponzi scheme case.

The Examiner has reviewed materials relating to the class action lawsuit that is pending against the Proskauer law firm and others.

The Examiner has reviewed and analyzed the SEC's OIG report with respect to the Stanford entities.

The Examiner has reviewed the pleadings filed by certain investors against Lloyds of London.

The Examiner has devoted 7.80 hours¹⁷ of time (2.11% of the total hours billed) to work in this category, representing fees in the amount of \$3,510.00 (2.18% of the total fees billed). Appendix at 75. All of the time billed to this category was billed by the Examiner.

K. Communications with Media

During the period of time addressed by this Application, the Examiner has from time to time communicated with members of the media concerning various issues pertinent to the Stanford Receivership. In this regard, the Examiner has responded to media inquiries from the Associated Press and from Bloomberg News.

During the period of time addressed by this Application, the Examiner has devoted 1.40 hours¹⁸ of time (0.38% of the total hours billed) to work in this category, representing fees in the

¹⁷ Detailed billing entries with respect to these hours can be found within Exhibit 2 to the Examiner's Declaration. Appendix at 72.

¹⁸ Detailed billing entries with respect to these hours can be found within Exhibit 2 to the Examiner's Declaration. Appendix at 73.

amount of \$630.00 (0.39% of the total fees billed). Appendix at 75. All of the time billed to this category was billed by the Examiner.

L. Website and Database Maintenance

During the period of time covered by this Application, the Examiner has devoted attention to a complete re-write of his website. As of April 1, 2010, the Examiner posted a website that was almost entirely re-written. The re-write was necessary because the Examiner had not been able to post updates to the website frequently enough to keep up with the events in this proceeding.

The Examiner and his colleagues have devoted 30.10 hours¹⁹ of time (8.12% of the total hours billed) to work in this category, representing fees in the amount of \$8,085.00 (5.01% of the total fees billed). Appendix at 75. Time billed in this category was billed by the Examiner and Ms. Cynthia Stanley, a legal assistant/administrator employed by the Examiner's law firm.

IV. STAFFING

Because of the number of tasks and issues the Examiner must address, he has called on several other members of his firm to assist him. The Examiner has practiced law with each individual who assisted him for a number of years and was and is familiar with each individual's experience and abilities before asking each to assist in this case. See Appendix at 7-8, 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:

¹⁹ Detailed billing entries with respect to these hours can be found within Exhibit 2 to the Examiner's Declaration. Appendix at 74.

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 respect to the issues pertaining to the coin & bullion Investors and their assets. Mr. Little billed a total of 50.70 hours during the period addressed by this Application, most of which (47.00 hours) was devoted to daily telephone conversations and email communications with individual Investors and their counsel. The fees for Mr. Little's time are \$22,815.00. Appendix at 40.

b. Website, database and document management. The Examiner has handled the creation, maintenance and updating of his website and Investor database entirely in-house. The Examiner billed 14.50 hours to the drafting of a complete re-write of the text for his website. Ms. Cynthia Stanley, a legal assistant/administrator employed by the Examiner's law firm, has billed 15.60 hours for her work in maintaining and updating the website. The fee for work relating to the website is \$8,085.00. Appendix at 74.

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 5-6, Examiner's Declaration at ¶¶ 5, 7. 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. The legal issues that have arisen during the period addressed by this Motion have been both novel and complex, *e.g.* the legitimacy of the Receiver's fraudulent transfer claims asserted against both Stanford Investors and former Financial Advisors; the appropriate treatment and disposition of diverse assets (including yachts, private equity investments, and real property) now held by the Receiver; the negotiations that resulted in the filing of a stipulation to create a CD Investors committee; to name just a few.

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 3, 7, Examiner's Declaration at ¶¶ 2, 11.

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 5-6, 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 –With respect to the Examiner’s review and analysis of the Receiver’s fee applications filed during the period addressed by this Application, the Examiner worked with the Receiver’s counsel and the SEC to negotiate an agreement that resulted in the Receiver agreeing to increase by 5% the “hold back” amount applicable to FTI’s fees in his Fifth Interim Fee Application.²⁰

During the period addressed by this Application, the Examiner filed a response to the Receiver’s application for temporary restraining order and preliminary injunction with respect to certain accounts belonging to former Stanford Employees. The Court recently granted the Receiver’s application.

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.

²⁰ The additional 5% “holdback” with respect to FTI’s fees in the Receiver’s Fifth Interim Fee Application represents approximately \$125,000.

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

John J. Little

Tex. Bar No. 12424230

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CERTIFICATE OF CONFERENCE

On June 22 and 23, 2010, I conferred with Kevin Sadler, counsel for the Receiver. The Receiver has joined in the Agreed Order described at page 2 of the foregoing Motion.

On June 22 and 24, 2010, I conferred with David Reece of the SEC. The SEC has joined in the Agreed Order described at page 2 of the foregoing Motion.

On June 24, 2010, I conferred via email with Manuel Lena, counsel for the IRS. The IRS does not oppose the relief requested.

On June 24, 2010, I conferred via email with Jeff Tillotson, counsel for Laura Holt. Mr. Tillotson indicated that Ms. Holt does not oppose the relief requested.

On June 24, 2010, I conferred via email with David Finn, counsel for James Davis. Mr. Finn indicated that Mr. Davis does not oppose the relief requested.

On June 24, 2010, I conferred via email with Ruth Schuster, counsel for R. Allen Stanford. Ms. Schuster indicated that Mr. Stanford does not oppose the relief requested.

On June 24, 2010, I conferred via email with Kenneth Johnston, counsel for Trustmark National Bank. Mr. Johnston stated that Trustmark does not oppose the relief requested.

On June 24, 2010, I conferred via email with Jason Brookner, counsel for HP Financial Services Venezuela C.C.A. Mr. Brookner stated that HP Financial Services Venezuela C.C.A. takes no position with respect to the foregoing Motion.

On June 24, 2010, I conferred via mail with Cole Ramey, counsel for Gilbert Lopez. Mr. Ramey indicated that Mr. Lopez does not oppose the relief requested.

I made three attempts (on June 24, 25 and 28, 2010) to confer via email with Jack Patrick, counsel for the DOJ (Fraud Division). Mr. Patrick responded that he was in trial, but did not indicate his position with respect to the relief requested.

I made three attempts (on June 24, 25 and 28, 2010) to confer via email with John Helms, counsel for Mark Kuhrt. Mr. Helms did not respond to any of those emails.

I made three attempts (on June 24, 25 and 28, 2010) to confer via email with Joe Kendall, counsel for Susan Stanford. Mr. Kendall did not respond to any of those emails.

As of the filing of this Motion, Defendant Leroy King has not appeared in this action and, to the Examiner's knowledge, has not retained counsel with respect to this action. Accordingly, no conference was possible with said Defendant.

/s/ John J. Little

CERTIFICATE OF SERVICE

On June 28, 2010, 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