

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

**IN RE STANFORD ENTITIES
SECURITIES LITIGATION**

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CIVIL ACTION NO. 3-09-MD-2099-N

**SECURITIES AND EXCHANGE
COMMISSION,**

§
§

Plaintiff,

§
§

v.

§
§

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

**STANFORD INTERNATIONAL
BANK, LTD., *et al.*,**

§
§

Defendants.

§
§

**SECOND JOINT REPORT OF
THE RECEIVER, THE EXAMINER AND THE INVESTORS COMMITTEE
CONCERNING PENDING LITIGATION**

TABLE OF CONTENTS

	<u>Page</u>
I. REQUIRED INFORMATION	2
A. Settlements Finalized	2
B. Fees paid to Counsel retained by the Committee	4
II. SUMMARY OF THIS SECOND JOINT REPORT	4
III. FRAUDULENT TRANSFER LITIGATION	5
A. Receiver’s Fraudulent transfer actions against Stanford Investors	5
1. Background	5
2. Receiver’s “Net Winner” Motion For Summary Judgment	8
3. Action v. Libyan Governmental Authorities	10
B. Fraudulent transfer actions brought by the Receiver against former Stanford employees	11
1. <i>Janvey v. Alguire</i> , Civil Action No. 09-724	11
2. <i>Janvey v. Aitken and Thacker</i> , Civil Action No. 09-1946	13
3. <i>Janvey v. Wealth Management Services, Ltd.</i> , Civil Action No. 10-477	14
4. <i>Janvey v. Wieselberg</i> , Civil Action No. 10-1394	14
5. <i>Janvey v. Tonarelli</i> , Civil Action No. 10-1955	15
6. <i>Janvey v. Rodriguez-Tolentino</i> , Civil Action No. 10-2290	16
7. <i>Janvey v. Suarez</i> , Civil Action No. 10-2581	17
8. <i>Janvey v. Bogar</i> , Civil Action No. 10-2583	18
9. <i>Janvey v. Alvarado</i> , Civil Action No. 10-2584	19

	<u>Page</u>
10. <i>Janvey v. Stinson</i> , Civil Action No. 10-2586	19
11. <i>Ralph S. Janvey and Official Stanford Investors Committee v. Franz Vingerhoedt and SANO Education Trust</i> , Civil Action No. 11-00291	21
12. <i>Janvey v. Robert Allen Stanford</i> , Civil Action No. 11-1199	22
13. <i>Janvey v. Juan Alberto Rincon</i> , Civil Action No. 11-1659	22
14. <i>Janvey v. James K. Conzelman and Lionel C. Johnson</i> , Civil Action No. 11-2788	23
C. Fraudulent transfer actions brought by the Receiver and the Committee against former members of the Stanford International Advisory Board	24
1. <i>Ralph S. Janvey and Official Stanford Investors Committee v. Kenneth C. Allen</i> , Civil Action No. 11-00289	25
2. <i>Ralph S. Janvey and Official Stanford Investors Committee v. Alfredo Arizaga</i> , Civil Action No. 11-00290	25
3. <i>Ralph S. Janvey and Official Stanford Investors Committee v. Luis Giusti and Center for Strategic and International Studies, Inc.</i> , Civil Action No. 11-00292	25
4. <i>Ralph S. Janvey and Official Stanford Investors Committee v. Mauricio Salgar</i> , Civil Action No. 11-00296	26
5. <i>Ralph S. Janvey and Official Stanford Investors Committee v. Peter Romero</i> , Civil Action No. 11-00297	26
6. <i>Ralph S. Janvey and Official Stanford Investors Committee v. Jorge Castaneda</i> , Civil Action No. 11-00299	27
7. <i>Ralph S. Janvey and Official Stanford Investors Committee v. Lee Brown</i> , Civil Action No. 11-00301	27
8. <i>Ralph S. Janvey and Official Stanford Investors Committee v. Courtney N. Blackman</i> , Civil Action No. 11-00302	27

	<u>Page</u>
D. Fraudulent transfer actions brought jointly by the Receiver and the Committee against various third parties	28
1. Actions brought against Mr. Stanford's wives and/or girlfriends	28
a. <i>Janvey v. Rebecca Reeves</i> , Civil Action No. 09-2151	28
b. <i>Janvey v. Stoelker</i> , Civil Action No. 10-1272	29
c. <i>Janvey v. Susan Stanford</i> , Civil Action No. 10-2322	30
2. Actions brought against political parties and consultants	32
a. <i>Janvey v. Democratic Senatorial Campaign Committee, Inc., et al.</i> , Civil Action No. 10-346	32
b. <i>Janvey v. Ben Barnes and Ben Barnes Group, L.P.</i> , Civil Action No. 10-527	33
c. <i>Ralph S. Janvey and Official Stanford Investors Committee v. The Inter-American Economic Council</i> , Civil Action No. 11-044	34
3. Actions arising out of vendor relationships and/or investments	35
a. <i>Janvey v. Interim Executive Management, Inc.</i> , Civil Action No. 10-829	35
b. <i>Janvey v. Merge Healthcare, Inc.</i> , Civil Action No. 10-1465	35
c. <i>Janvey v. Dillon Gage, Inc. of Dallas</i> , Civil Action No. 10-1973	36
d. <i>Ralph S. Janvey and Official Stanford Investors Committee v. Chung Design, LLC</i> , Civil Action No. 11-738	38

	<u>Page</u>
4. Actions relating to sports sponsorships and other sports-related transfers	38
a. <i>Ralph S. Janvey and Official Stanford Investors Committee v. David Wayne Toms and David Toms Golf, LLC</i> , Civil Action No. 11-018	38
b. <i>Ralph S. Janvey and Official Stanford Investors Committee v. IMG Worldwide, Inc.</i> , Civil Action No. 11-0117	39
<i>Ralph S. Janvey and Official Stanford Investors Committee v. International Players Championship, Inc.</i> , Civil Action No. 11-0293	
c. <i>Ralph S. Janvey and Official Stanford Investors Committee v. Miami Heat Limited Partnership and Basketball Properties, Ltd.</i> , Civil Action No. 11-0158	40
d. <i>Ralph S. Janvey and Official Stanford Investors Committee v. PGA Tour, Inc.</i> , Civil Action No. 11-0226	41
e. <i>Ralph S. Janvey and Official Stanford Investors Committee v. The Golf Channel, Inc.</i> , Civil Action No. 11-0294	42
f. <i>Ralph S. Janvey and Official Stanford Investors Committee v. ATP Tour, Inc.</i> , Civil Action No. 11-0295	43
g. <i>Ralph S. Janvey and Official Stanford Investors Committee v. InsideOut Sports and Entertainment</i> , Civil Action No. 11-760	44
h. <i>Ralph S. Janvey and Official Stanford Investors Committee v. Rocketball, Ltd. and Hoops, L.P.</i> , Civil Action No. 11-770	44

	<u>Page</u>
5. Other fraudulent transfer actions	45
a. <i>Ralph S. Janvey and Official Stanford Investors Committee v. The University of Miami</i> , Civil Action No. 11-0041	45
b. <i>Janvey v. Harry Earl Failing and Harry Earl Failing, P.C.</i> , Civil Action No. 10-02564	46
c. <i>Janvey v. Texas A&M University</i> , Civil Action No. 11-1895.	46
E. Fraudulent transfer actions brought solely by the Investors Committee	47
1. <i>Official Stanford Investors Committee v. Cort & Cort and Cort & Associates</i> , Civil Action No. 11-0298	47
2. <i>Official Stanford Investors Committee v. American Lebanese Syrian Associated Charities, Inc., St. Jude Children's Research Hospital/ALSAC; St. Jude Children's Research Hospital; and Le Bonheur Children's Medical Center Foundation</i> , Civil Action No. 11-0303	49
3. <i>Official Stanford Investors Committee v. Chamberlain, Hrdlicka, White, Williams & Martin, L.P.</i> , Civil Action No: 11-01025	50
IV. THIRD PARTY LIABILITY CASES BROUGHT BY THE RECEIVER AND/OR THE COMMITTEE	51
A. <i>Janvey v. Adams & Reese, LLP, et al.</i> , Civil Action No. 12-495	51
B. <i>Janvey v. Proskauer Rose, LLP, Chadbourne & Park, LLP, and Thomas V. Sjoblom</i> . Civil Action No. 12-644.	52
C. <i>Official Stanford Investors Committee v. BDO USA, LLP, BDO International, Ltd., BDO Global Coordination, B.V., and Brussels Worldwide Services BVBA</i> ; Civil Action No. 12-1447	53

	<u>Page</u>
V. CLASS CASES BROUGHT BY INVESTOR COMMITTEE COUNSEL	53
A. <i>Troice v. Willis of Colorado, Inc., et al.</i> , Civil Action No. 09-1274	53
B. <i>Troice v. Proskauer Rose, LLP, et al.</i> , Civil Action No. 09-1600	55
C. <i>Frank v. The Commonwealth of Antigua and Barbuda</i> , Civil Action No. 09- 2165 <i>Queyrouze, et al., v. Bank of Antigua</i> , Civil Action No. 10-00304	57
D. <i>Turk v. Pershing, LLC</i> , Civil Action No. 09-2199	58
E. <i>Mendez v. Pershing LLC and Lockwood Advisors, Inc.</i> , Civil Action No. 11-00314	59
F. <i>Rotstain v. Trustmark National Bank, et al.</i> , Civil Action No. 09-2384	60
G. <i>Official Stanford Investors Committee, Phillip Wilkinson and Horatio Mendez v. Breazeale Sachse & Wilson, LLP, Claude Reynaud, Adams & Reese, LLP, J.D. Perry, Rebecca Hamric, Michael Contorno and Carlos Loumiet</i> , Civil Action No. 11-0329	62
H. <i>Wilkinson v. BDO USA, LLP, BDO International, Ltd., BDO Global Coordination, B.V., and Brussels Worldwide Services BVBA</i> , Civil Action No. 3:11-CV-1115	63
VI. ADDITIONAL LITIGATION RELATED MATTERS	64

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**SECOND JOINT REPORT OF
THE RECEIVER, THE EXAMINER AND THE INVESTORS COMMITTEE
CONCERNING PENDING LITIGATION**

The Receiver, the Examiner and the Official Stanford Investors Committee¹ (the “Committee”) respectfully submit this Joint Report concerning the status of pending litigation brought by the Receiver and the Committee. This Joint Report is submitted pursuant to this Court’s Order dated February 25, 2011 (Doc. No. 1267).² This second Joint Report address the status of all asset recovery litigation prosecuted by the Receiver and/or the Committee through at least March 31, 2012.

¹ The Official Stanford Investors Committee was created by an Order entered by this Court on August 10, 2010 (Doc. No. 1149).

² The Court’s Order dated February 25, 2011 approved of an agreement between the Receiver and the Committee pursuant to which the Committee would assume responsibility for the prosecution of certain fraudulent transfer and other claims. The Order directed the Receiver and the Committee to report to the Court on a quarterly basis concerning the litigation being pursued.

This report does not include certain pending lawsuits that (a) are stayed by the Court's litigation stay; and/or (b) that are not being prosecuted by the Receiver, the Investors Committee, or one of the attorney-members of the Investors Committee.

I. REQUIRED INFORMATION³

A. Settlements Finalized: During the period from June 30, 2011 through March 31, 2012, the following settlements have been finalized in the cases being prosecuted by the Receiver:

1. In Civil Action No. 09-724 (*Janvey v. Alguire, et al.*), the Receiver executed a settlement with "net winner" defendant Robert C. Williams on or about October 2, 2011. The Receiver recovered \$48,727.92 through that settlement.

2. Also in Civil Action No. 09-724 (*Janvey v. Alguire, et al.*), the Receiver executed a settlement with "net winner" defendant Tahsin Yilmaz Kalkavan on or about October 31, 2011. The Receiver has recovered \$29,326.37 through that settlement, with an additional \$8,378.94 to be paid to the Receiver in future installments.

3. In Civil Action No. 10-366 (*Janvey v. Venger, et al.*), the Receiver executed a settlement with "net winner" defendant Banco del Austro, S.A. on or about July 19, 2011. The Receiver recovered \$51,005.61 through that settlement.

4. Also in Civil Action No. 10-366 (*Janvey v. Venger, et al.*), the Receiver executed a confidential settlement with an alleged "net winner" defendant in February 2012. The Receiver recovered \$515,000.00 through that settlement.

5. In Civil Action No. 10-478 (*Janvey v. Gilbe Corp., et al.*), the Receiver executed a settlement with "net winner" defendant USFRSC, Inc. d.b.a.

³ The Court's Order of February 25, 2011 specified certain information that was to be included in each quarterly report. That information is set forth here.

Cowboys & Indians Magazine on or about August 8, 2011. The Receiver recovered \$17,066.36 through that settlement.

6. Finally, in Civil Action No. 10-844 (*Janvey v. Indigo Trust, et al.*), the Receiver executed a settlement with “net winner” defendant A&A Home Health Services Inc. on or about July 19, 2011. The settlement of this claim did not result in any cash recovery by the Receiver, but did eliminate any claims by A&A Health Services, Inc. and reduced the amount that may ultimately be claimed by its principal, Marie Watson.

From these settlements, a total of **\$669,505.20** was or will be paid into the Receivership Estate.

During the period from June 30, 2011 through March 31, 2012, the following settlements have been finalized in cases being jointly prosecuted by the Receiver and the Committee:

1. In Civil Action No. 10-2322 (*Janvey v. Susan Stanford*), a settlement agreement was executed in early November 2011 and presented to the Court for approval in a motion filed November 12, 2011 (Civil Action No. 10-2322, Doc. No. 13). The Court entered its Order approving the settlement on November 21, 2011 (Civil Action No. 10-2322, Doc. No. 15).

As a result of this settlement, Susan Stanford vacated the home located at 5476 Holly Springs Drive, Houston, Texas 77056 (the “Holly Springs Property”) and the Receiver gained possession and control of the Holly Springs Property. The Receiver has entered into a purchase and sale agreement with regard to the Holly Springs Property, and the motion to confirm such sale was filed on May 23, 2012. *See* Civil Action No. 09-298, Docs. 1604-1605. Also as a result of this settlement, Mrs. Stanford released her claimed interest in the proceeds of two boats (the “Sea Eagle” and the “Little Eagle”) that had been sold

by the Receiver and sequestered by an Order issued by Judge Godbey. *See* Civil Action No. 09-298, Doc. 1023.

During the period from June 30, 2011 through March 31, 2012, no settlements were finalized in the cases being prosecuted solely by the Committee.

B. Fees paid to Counsel retained by the Committee. For the period from June 30, 2011 through March 31, 2012, no fees were paid to counsel retained by the Committee. During that same period, no fees were paid to other professionals retained by the Committee.⁴

II. SUMMARY OF THIS SECOND JOINT REPORT

Through March 31, 2012, the Receiver and/or the Committee have collectively filed 63 separate lawsuits on behalf of the Stanford Receivership Estate. In addition, there are at least *fifteen (15)* pending class action lawsuits in which one or more members of the Committee are serving as counsel. Sixty-six (66) of these lawsuits are pending before the Hon. David C. Godbey in the United States District Court for the Northern District of Texas, Dallas Division. Of the remainder, three (3) are on appeal to the 5th Circuit Court of Appeal from Judge Godbey's court, five (5) are pending in other federal courts, and one (1) has been remanded from federal court to the 281st District Court in Harris County, Texas.⁵

⁴ On April 4, 2012, the Court entered its Order approving an interim application for the payment of fees and expenses to Barry Levine, a forensic accountant retained by the Committee. *See* Civil Action No. 09-298, Doc. No. 1559. Pursuant to that Order, Mr. Levine has been paid \$38,463.84. Another \$9,615.96 has been held back by the Court for later determination.

⁵ There are many other Stanford-related lawsuits pending in Judge Godbey's court and in other courts. This report addresses only those lawsuits in which the Receiver, the Committee, or a member of the Committee is directly involved.

III. FRAUDULENT TRANSFER LITIGATION

A. Receiver's Fraudulent transfer actions against Stanford Investors

1. Background

The Receiver continues to prosecute fraudulent transfer actions against certain Stanford Investors who received proceeds from Stanford CDs that exceeded their original investment.⁶ These Investors are commonly referred to as "net winners" and are subject to fraudulent transfer and unjust enrichment claims. The Receiver originally filed claims against approximately 880 investors/investor groups. Those investors/investor groups were alleged to have received approximately \$1.28 billion in CD proceeds, of which approximately \$222 million constituted amounts received in excess of principal investments (net gains).

As of March 31, 2012, the Receiver continues to prosecute claims against 784 of these "net winner" investors/investor groups. The Receiver has entered into settlements with 111 investors/investor groups (some of whom settled prior to the Receiver's filing of fraudulent-transfer claims against them) for a total recovery of approximately \$7.9 million.⁷ The Receiver continues to work with investor defendants who dispute the amounts that the Receiver alleges they were paid by SIBL.⁸

The pending fraudulent transfer actions against Stanford CD investors alleged to be "net winners" are being prosecuted in ten (10) separate lawsuits, as follows:

⁶ *The Committee has not taken any role in the prosecution of these lawsuits.*

⁷ Approximately \$11,643.62 of this amount is being paid by the settling investors/investor groups through installments over varying periods of time.

⁸ To date, the Receiver has dismissed claims against 12 investors against whom the Receiver originally sought to recover approximately \$5.3 million in "net winnings."

1. *Janvey v. Alguire*, Civil Action No. 09-724;
2. *Janvey v. Venger*, Civil Action No. 10-366
3. *Janvey v. Rodriguez Posada*, Civil Action No. 10-415;
4. *Janvey v. Gilbe Corp.*, Civil Action No. 10-478;
5. *Janvey v. Buck's Bits Service, Inc.*, Civil Action No. 10-528;
6. *Janvey v. Johnson*, Civil Action No. 10-617;
7. *Janvey v. Barr*, Civil Action No. 10-725;
8. *Janvey v. Indigo Trust*, Civil Action No. 10-844;
9. *Janvey v. Tonya Dokken*, Civil Action No. 10-931; and
10. *Janvey v. Fernandez*, Civil Action No. 10-1002.

An eleventh action, *Janvey v. Letsos*, Civil Action No. 09-1329, had been pending, but was dismissed without prejudice on September 16, 2011. Civil Action No. 09-1329, Doc. No. 30. The Receiver and the defendants in *Letsos* agreed to the dismissal of the action following the Fifth Circuit's November 2009 decision in *Janvey v. Adams*, 588 F.3d 831 (5th Cir. 2009).

There are various preliminary motions pending in the ten "net winner" lawsuits that are fully briefed and ripe for decision by the Court. They are identified below:

Janvey v. Alguire, Civil Action No. 09-724

- Motion to Dismiss filed by Luis Hermosa. *See* Civil Action No. 09-724, Doc. Nos. 577 (Motion); and 594 (Response).

Janvey v. Venger, Civil Action No. 10-366

- Motion to Dismiss filed by Eduardo A. and Jennifer M. Najera, *See* Civil Action No. 10-366, Doc. No. 60; and by Michael E. Staid, Doc. No. 75; Combined Response by Receiver, Doc. No. 141; Combined Reply, Doc. No. 144;
- Motion to Dismiss filed by Judy Timberlake, *See* Civil Action No. 10-366, Doc. Nos. 85 (Motion); 116 (Response);
- Motion to Dismiss filed by Omar Rodriguez, *See* Civil Action No. 10-366, Doc. Nos. 92 (Motion); 124 (Response); 136 (Reply);
- Motion to Dismiss filed by Donald J. and Susan M. Sherrill, *See* Civil Action No. 10-366, Doc. Nos. 93 (Motion);
- Motion to Dismiss filed by Moore, Moore and Moore, LLC, Namada Investment Group, L.P., and Sococo LTDA, *See* Civil Action No. 10-366, Doc. Nos. 104 (Motion); 148, 149 (Response); 150 (Reply);
- Motion to Dismiss filed by Dale Wilson and Judy Wilson, *See* Civil Action No. 10-266, Doc. Nos. 128 (Motion); 151, 152 (Response);⁹ and
- Motion to Dismiss filed by Timothy C. Moore, *See* Civil Action No. 10-366, Doc. Nos. 129, 130 (Motion); 148, 149 (Response); 150 (Reply).

Janvey v. Indigo Trust, Civil Action No. 10-844

- Motion to Dismiss filed by Lamaluna Trust, Indigo Trust and Mauricio de Mendiola; *See* Civil Action No. 10-844, Doc. Nos. 11, 12, 13 (Motion); 17, 18 (Response); 19, 20 (Reply).

Janvey v. Tonya Dokken, Civil Action No. 10-931

- Motion to Dismiss filed by Tonya and Peder Christian Dokken; *See* Civil Action No. 10-931, Doc. Nos. 34 (Motion); 37 (Response).

⁹ Dale and Judy Wilson filed a Motion to dismiss on jurisdictional grounds, Civil Action No. 10-366, Doc. No. 127. The Court denied that Motion. Civil Action No. 10-366, Doc. No. 172. The Court has not addressed the various motions to dismiss raised by the Wilsons in their Answer (Doc. No. 128), to which the Receiver also responded (Doc. Nos. 148, 149).

Janvey v. Fernandez, Civil Action No. 10-1002.

- Motion to Dismiss filed by Robert Rubin and Edward S. Rubin Estate; *See* Civil Action No. 10-1002, Doc. Nos. 32 (Motion); 81 (Response); 88 (Reply).
- Motion to Dismiss filed by R. Glenn Sherrill; *See* Civil Action No. 10-1002, Doc. Nos. 57 (Motion); 71 (Response).
- Motion to Dismiss filed by Sharon Jerene Marable; *See* Civil Action No. 10-1002, Doc. Nos. 85 (Motion); 95 (Response); 97 (Reply).
- Motion to Dismiss filed by Ron F. Bearden; *See* Civil Action No. 10-1002, Doc. Nos. 93 (Motion); 96 (Response).
- Motion to Dismiss filed by SINO US Catering Development Company, Ltd.; *See* Civil Action No. 10-1002, Doc. Nos. 94 (Motion); 96 (Response).

Generally speaking, the fully-briefed motions to dismiss listed above raise common issues including (a) the Receiver's standing to bring fraudulent transfer claims; (b) whether the Receiver's complaint complies with Rules 8 and 9 of the Federal Rules; and (c) whether the Receiver's/ complaint states a claim under Rule 12(b)(6). The Court has already addressed these issues. Order of September 26, 2011, Doc. No. 756, in *Janvey v. Alguire*, Civil Action No. 09-724.

2. Receiver's "Net Winner" Motion For Summary Judgment

On May 11, 2011, the Receiver filed a motion for entry of a discovery plan and briefing schedule in each of the ten above-listed cases. *See, e.g.*, Civil Action No. 09-724, Doc. No. 598. On May 24, 2011, the Court entered its Order establishing a discovery plan and briefing schedule pursuant to which the Receiver could file motions for partial summary judgment in those cases. *See, e.g.*, Civil Action No. 09-724, Doc. No. 607. Pursuant to that Order, the Receiver filed his Motion for Partial Summary

Judgment Against Certain Stanford Net Winner Investors in each of those cases on June 7, 2011. *See, e.g.*, Civil Action No. 09-724, Doc. Nos. 615, 616.

Also pursuant to the Court's Order, certain limited discovery was conducted and various "net winner" Investors filed materials responding to the Receiver's Motion for Partial Summary Judgment. *See, e.g.*, Civil Action No. 09-724, Doc Nos. 689, 692, 693, 699, 700, 702, 732, 733, 735 and 736. The Receiver filed his Reply Brief in support of his Motion on October 12, 2011. *See, e.g.*, Civil Action No. 09-724, Doc. No. 783.

Briefing has been completed and the Receiver's "net winner" motion for summary judgment is ripe for a ruling. Listed below are the docket numbers for the Receiver's motions in each of the pending "net winner" cases:

1. Doc. No 615, *Janvey v. Alguire*, Civil Action No. 09-724;
2. Doc. No. 145, *Janvey v. Venger*, Civil Action No. 10-366;
3. Doc. No. 46, *Janvey v. Rodriguez Posada*, Civil Action No. 10-415;
4. Doc. No. 46, *Janvey v. Gilbe Corp.*, Civil Action No. 10-478;
5. Doc. No. 30, *Janvey v. Buck's Bits Service, Inc.*, Civil Action No. 10-528;
6. Doc. No. 26, *Janvey v. Johnson*, Civil Action No. 10-617;
7. Doc. No. 24, *Janvey v. Barr*, Civil Action No. 10-725;
8. Doc. No. 31, *Janvey v. Indigo Trust*, Civil Action No. 10-844;
9. Doc. No. 43, *Janvey v. Tonya Dokken*, Civil Action No. 10-931; and
10. Doc. No. 89, *Janvey v. Fernandez*, Civil Action No. 10-1002.

Should the Court rule that SIB CD investors are not entitled to fictitious interest, that holding will assist the Receiver in his prosecution of claims against other "net

winners” and will assist in the limitation of fictitious-interest claims in the Receiver’s claims process.

3. Action v. Libyan Governmental Authorities

On June 3, 2011, the Receiver filed a lawsuit against the Libyan Investment Authority and the Libyan Foreign Investment Company (collectively, the “Libyan Defendants”) seeking to recover at least \$55 million in Ponzi scheme proceeds transferred to the Libyan Defendants as the Stanford Ponzi scheme was beginning to collapse, including over \$12 million paid out just three weeks before the SEC filed suit and immediately after R. Allen Stanford made a personal trip to Libya to meet with Libyan government officials. The Court issued an original temporary restraining order on June 3, 2011 freezing the \$55 million.¹⁰ On June 17, the Court entered a new order extending the asset freeze until December 19, 2011, pending a hearing on the Receiver’s request for preliminary injunction. The Libyan Defendants appeared and filed an answer to the complaint. Civil Action No. 11-1177, Doc. No. 15.

After another extension, the Court held a hearing on the Receiver’s application for preliminary injunction on January 27, 2012. At the conclusion of the hearing, the Court permitted the parties to file certain post-hearing materials. On February 29, 2012, the Court entered its Order denying the Receiver’s application for preliminary injunction. Civil Action No. 11-1177, Doc. No. 71.

¹⁰ The Receiver has discovered information suggesting that the amounts withdrawn by the Libyan Defendants exceeded \$100 million, including withdrawals that may have occurred via European channels after the SEC filed its suit and after the Court appointed the Receiver.

The Receiver immediately filed a notice of appeal with the 5th Circuit Court of Appeal, and sought an injunction continuing the freeze pending appeal. On March 2, 2012, the 5th Circuit Court of Appeal entered its Order granting the Receiver's request for an injunction pending appeal. The 5th Circuit has expedited the appeal of this matter, and it is now fully briefed. The matter is set for oral argument on June 6, 2012.

The Receiver is continuing to prosecute this action, as to which the Committee has not taken and does not expect to take an active role.

B. Fraudulent transfer actions brought by the Receiver against former Stanford employees

1. *Janvey v. Alguire*, Civil Action No. 09-724.¹¹

In this action, the Receiver has filed fraudulent transfer and unjust enrichment claims against 329 former Stanford employees, alleging that these former Stanford employees received over \$215 million in CD proceeds. The Receiver alleges that these CD proceeds were paid to the employees through a variety of mechanisms, including loans, CD commissions, CD-based quarterly bonuses, PARS¹² payments, quarterly compensation paid to branch managing directors, severance payments, and through the employees' own CDs. The claims made against individual former employees range from \$50,000 to in excess of \$5.8 million.

¹¹ The Receiver has two separate complaints pending in the *Alguire* action. Document Nos. 128 and 129 set forth the Receiver's First Amended Complaint against Certain Stanford Investors. Document Nos. 156 and 157 set forth the Receiver's Second Amended Complaint against Former Stanford Employees.

¹² PARS stands for "Performance Appreciation Rights Plan." Only four (4) of the former employees sued in the *Alguire* action are alleged to have received PARS payments.

On April 19, 2010, the Receiver filed an application for preliminary injunction pursuant to which he sought to freeze approximately \$24 million in assets held in the name of certain of the former employee defendants in *Alguire* (Civil Action No. 09-724, Doc. 392). On June 10, 2010, the Court entered its Order granting the preliminary injunction and freezing the accounts of the former employee defendants (Civil Action No. 09-724, Doc. 456). That Order was appealed to the U.S. Court of Appeal for the Fifth Circuit, which affirmed the District Court's Order in an opinion issued on December 15, 2010. *Janvey v. Alguire*, 628 F.3d 164 (5th Cir. 2010), *opinion withdrawn*, 647 F.3d 585 (5th Cir. 2011).

On January 4, 2011, certain of the former employee defendants filed a petition for rehearing *en banc*, to which the Receiver responded on January 28, 2011. The petitioners filed a reply brief on February 3, 2011. On July 22, 2011, the Fifth Circuit withdrew its December 2010 opinion and issued a substitute opinion. *Janvey v. Alguire*, 647 F.3d 585 (5th Cir. 2011). The substitute opinion was largely identical to the December 2010 opinion (except that the Fifth Circuit held that it did not then have jurisdiction to rule with respect to the arbitration issue), and it reaffirmed the District Court's opinion. 647 F.3d at 603-05.

Following the Fifth Circuit's decision, Judge Godbey issued an Order establishing a schedule for the submission of supplemental briefs addressing the issue of arbitrability. Civil Action No. 09-724, Doc. No. 657. The parties submitted supplemental briefs and, on August 26, 2011, Judge Godbey issued his ruling denying the various Defendants'

motions to compel arbitration. Civil Action No. 09-724, Doc. No. 688. Various former employee defendants filed notices of appeal from that Order.

The appeal from Judge Godbey's order denying the motions to compel arbitration is now fully briefed; the Fifth Circuit has not yet indicated whether it will hear oral argument with respect to this appeal.

Also pending in this action are the following matters: (i) a motion filed by the Receiver, Civil Action No. 09-724, Doc. No. 559, seeking to strike counterclaims filed (Doc. No. 557) by a number of former employee Defendants. That motion is fully briefed and ripe for decision by the Court; (ii) a motion to dismiss filed by Frans Vingerhoedt on May 22, 2012, Doc. No. 821. The Receiver's response to that motion is not yet due..

Through March 31, 2012, the Receiver had entered into settlements with none of the 329 former employee defendants sued in this matter.

The Receiver is continuing to prosecute this action, as to which the Committee does not have an active role.

2. *Janvey v. Aitken and Thacker, Civil Action No. 09-1946.*

The Receiver's lawsuit against Christopher Aitken and Stephen Thacker was settled pursuant to an agreement reached in June 2010. Aitken and Thacker agreed to pay a total of \$4.4 million (out of approximately \$11 million that was transferred to the defendants). To date, the Receiver has received \$4.25 million of the settlement proceeds. A more complete description of his lawsuit can be found in Civil Action No. 09-298, Doc. No. 1416, at 5-6.

3. *Janvey v. Wealth Management Services, Ltd.*, Civil Action No. 10-477.

On March 8, 2010, the Receiver filed a lawsuit asserting fraudulent transfer and unjust enrichment claims against Wealth Management Services, Ltd. (“Wealth Management”), an entity owned and controlled by former Stanford employee David Nanes.¹³ The Receiver’s Complaint alleges that Wealth Management received payments from one or more Stanford entities in the amount of at least \$9,825,333.00.

Wealth Management filed an answer in the action on May 19, 2010, and thereafter filed a motion to stay the proceedings on August 25, 2010. Civil Action No. 10-477, Doc. Nos. 8, 9.

The motion to stay the proceedings has been fully briefed since November 19, 2010, and is pending a decision by the Court. See Civil Action No. 10-477, Doc. Nos. 11, 14.

The Receiver is continuing to prosecute this action, as to which the Committee does not have an active role.

4. *Janvey v. Wieselberg*, Civil Action No. 10-1394.

On July 16, 2010, the Receiver filed a lawsuit against 77 former Stanford employees who had invested in Stanford CDs and received proceeds from those CD investments. The Receiver asserted fraudulent transfer and unjust enrichment claims against the former Stanford employees and seeks to recover over \$27 million in CD proceeds paid to the former employee defendants. Three defendants have filed answers

¹³ The Receiver has separately asserted individual claims against Mr. Nanes in *Janvey v. Alguire*, Civil Action No. 09-724.

to the lawsuit, two of whom have also filed counterclaims against the Receiver. **The Receiver has moved to dismiss those counterclaims; those motions to dismiss are fully briefed and pending decision.** Those motions are found at Civil Action No. 10-1394, Doc. Nos. 13 and 16.

Six defendants have filed motions to dismiss. Those motions to dismiss are fully briefed and pending a decision by the Court. Those motions are found at Civil Action No. 10-1394, Doc. Nos. 14, 15 and 23. Through March 31, 2012, the Receiver had not settled with any of the 77 former employee defendants he sued in this matter.

The Receiver is continuing to prosecute this action, as to which the Committee does not have an active role.

5. *Janvey v. Tonarelli, Civil Action No. 10-1955.*

On September 29, 2010, the Receiver filed a lawsuit against Oreste Tonarelli. Mr. Tonarelli is a former managing director of Stanford Group Company's Private Clients Group in Miami. He also served as a Training Director for Stanford Financial Group Company and was responsible for training Stanford brokers and sales agents to sell the SIB CD. The Receiver asserts claims for fraudulent transfer and unjust enrichment and seeks to recover from Mr. Tonarelli more than \$3.1 million, consisting of Mr. Tonarelli's own CD proceeds (approximately \$1.39 million), bonus payments (approximately \$1.1 million), CD commissions (approximately \$115,000) and referral fees (approximately \$549,000).

Mr. Tonarelli filed a motion to dismiss the Receiver's lawsuit on November 3, 2010. **That motion is fully briefed and is pending a decision by the Court.** See Civil Action No. 10-1955, Doc. Nos. 6, 7 and 8.

The Committee has primary responsibility for the prosecution of this action.

6. Janvey v. Rodriguez-Tolentino, Civil Action No. 10-2290.

The Receiver filed a lawsuit on November 12, 2010 against Juan Rodriguez-Tolentino, Sonia G. Velez, and Wilfrido Velez, alleging claims of fraudulent transfer and unjust enrichment. Juan Rodriguez-Tolentino served as the Chief Operating Officer and then the President of SIB, and was in that position on the day the Receiver was appointed. Sonia G. Velez was Mr. Rodriguez-Tolentino's wife. Wilfrido Velez is the father of Sonia G. Velez.

The Receiver seeks to recover at least \$2.1 million from Mr. Rodriguez-Tolentino, consisting of quarterly bonuses (approximately \$291,000), semi-annual bonuses (approximately \$250,000), regular earnings (approximately \$1.2 million), retroactive pay (approximately \$6,200) and expense payments (approximately \$395,000). The Receiver also seeks to recover over \$235,000 in CD proceeds from Mr. Rodriguez-Tolentino, Ms. Velez and Mr. Velez, of which approximately \$71,000 are "net gains."

As of March 31, 2012, none of the Defendants have answered or otherwise appeared.

The Committee has primary responsibility for the prosecution of this action.

7. ***Janvey v. Suarez, Civil Action No. 10-2581.***

The Receiver filed a lawsuit on December 17, 2010 against Yolanda Suarez, alleging claims of fraudulent transfer and unjust enrichment. Ms. Suarez served as the Chief of Staff for Stanford Financial Group Company and was the Secretary and a member of the Board of Directors of Stanford Group Holdings, Inc.

The Receiver seeks to recover at least \$5.17 million from Ms. Suarez, consisting of quarterly bonuses (approximately \$2.75 million), semi-annual bonuses (approximately \$200,000), CD proceeds from Ms. Suarez' CD holdings (approximately \$900,000), expenses (approximately \$500,000), vacation pay (approximately \$17,300), regular earnings (approximately \$725,000) and other payments and wires (approximately \$32,000).

On April 11, 2011, the Committee moved to intervene in the action and has assumed primary responsibility for its prosecution. The Committee's motion to intervene was granted on October 17, 2011. Shortly thereafter, on October 24, 2011, the Receiver and the Committee filed an Amended Complaint.

On November 7, 2011, Ms. Suarez filed a motion to dismiss the action. The Receiver and the Committee filed a joint response on November 23, 2011. No reply was filed by Ms. Suarez.

The motion to dismiss is fully briefed and awaiting decision. See Civil Action No. 10-2581, Doc. Nos. 13, 14.

The Committee has primary responsibility for the prosecution of this action.

8. ***Janvey v. Bogar, Civil Action No. 10-2583.***

The Receiver filed a lawsuit on December 17, 2010 against Daniel T. Bogar and his wife, Brandilyn Bogar, alleging claims of fraudulent transfer and unjust enrichment. Mr. Bogar served as the President and CEO of Stanford Group Company. He also served as a managing director and member of the Board of Directors of Stanford Group Holdings, Inc. Brandilyn Bogar is married to Daniel T. Bogar and is the niece of Defendant James Davis.

The Receiver seeks to recover at least \$3.08 million from Mr. and Mrs. Bogar, consisting of quarterly bonuses (approximately \$465,000), semi-annual bonuses (approximately \$500,000), expenses (approximately \$277,000), and regular earnings (approximately \$1.84 million).

On April 14, 2011, the Committee appeared as a Plaintiff in this action through the joint filing, with the Receiver, of an amended complaint, and has assumed primary responsibility for its prosecution. The Bogars filed a motion to dismiss the action on April 25, 2011, to which the Receiver and the Committee filed a joint response on May 16, 2011.

The motion to dismiss is fully briefed and awaiting decision. See Civil Action No. 10-2583, Doc. Nos. 13, 15.

The Committee has primary responsibility for the prosecution of this action.

9. *Janvey v. Alvarado*, Civil Action No. 10-2584.

The Receiver filed a lawsuit on December 17, 2010 against Pablo M. "Mauricio" Alvarado, alleging claims of fraudulent transfer and unjust enrichment. Mr. Alvarado served as General Counsel of Stanford Financial Group Company.

The Receiver seeks to recover at least \$2.55 million from Mr. Alvarado, consisting of quarterly bonuses (approximately \$630,000), semi-annual bonuses (approximately \$350,000), expenses (approximately \$2,000), regular earnings (approximately \$1.375 million), relocation bonuses (approximately \$50,731), and proceeds from Mr. Alvarado's CD holdings (approximately \$147,000).

On January 24, 2012, the Receiver filed a motion seeking to extend the time for him to serve process upon Mr. Alvarado. Mr. Alvarado responded to that motion by filing a motion to dismiss the Receiver's complaint for failure to complete service. Both motions were fully briefed. **On April 5, 2012, the Court denied Mr. Alvarado's motion to dismiss and granted the Receiver's motion to extend time to complete service or move for substituted service upon Mr. Alvarado.**

The Committee has primary responsibility for the prosecution of this action.

10. *Janvey v. Stinson*, Civil Action No. 10-2586.

The Receiver filed a lawsuit on December 17, 2010 against Lena M. Stinson, alleging claims of fraudulent transfer and unjust enrichment. Ms. Stinson served as the Global Director of Compliance for both Stanford Group and Stanford Financial Group Company.

The Receiver seeks to recover at least \$1.63 million from Ms. Stinson, consisting of bonuses (approximately \$10,000), quarterly bonuses (approximately \$332,500), exempt quarterly bonuses (approximately \$12,500), relocation expenses (approximately \$9,300), semi-annual bonuses (approximately \$125,000), auto allowance (approximately \$18,000), expenses (approximately \$219,000), regular earnings (approximately \$586,000), CD proceeds from Ms. Stinson's CD holdings (approximately \$282,000), and miscellaneous payments/items (approximately \$36,500).

On June 15, 2011, the Committee appeared as a Plaintiff in this action through the joint filing, with the Receiver, of an amended complaint, and has assumed primary responsibility for its prosecution. On June 22, 2011, Ms. Stinson filed a motion to dismiss the amended complaint based upon the Receiver's failure to complete service upon her. On July 13, 2011, the Committee filed jointly with the Receiver a response to that motion to dismiss, along with a motion to extend the time to complete service. Those motions were fully briefed. On February 29, 2012, the Court entered its Order denying Ms. Stinson's motion to dismiss and granting the motion of the Receiver and Committee to extend the time to complete service.

On March 14, 2012, Ms. Stinson filed a motion to dismiss the amended complaint on various grounds and, subject to that motion, her answer to the amended complaint. The Receiver and the Committee jointly filed a response to that motion to dismiss on April 4, 2012. Ms. Stinson did not file a timely reply in support of her motion.

The motion to dismiss is now fully briefed and awaiting decision. *See* Civil Action No. 10-2586, Doc. Nos. 23, 24.

The Committee has primary responsibility for the prosecution of this action.

11. *Ralph S. Janvey and Official Stanford Investors Committee v. Franz Vingerhoedt and SANO Education Trust, Civil Action No. 11-00291*

On February 15, 2011, the Receiver and the Committee jointly filed a lawsuit against Franz Vingerhoedt and SANO Education Trust, alleging claims of fraudulent transfer and unjust enrichment. Mr. Vingerhoedt served as the President of Stanford Caribbean Investments, LLC. He is also the beneficial owner of SANO Education Trust.

The Receiver and the Committee seek to recover at least \$9.34 million from Mr. Vingerhoedt and the SANO Education Trust through this lawsuit.¹⁴ Transfers to Mr. Vingerhoedt and/or the SANO Education Trust occurred during a period from 2003 through 2009, and included transfers in excess of \$115,000 during 2003, \$193,000 during 2004, \$895,000 during 2005, \$1.88 million during 2006, \$1.98 million during 2007, \$3.9 million during 2008, and \$352,000 during 2009.

As of March 31, 2012, neither Defendant had been served. On April 17, 2012, the Committee and the Receiver jointly moved for an order authorizing substituted service upon the defendants. That motion was granted on April 30, 2012, and both Mr. Vingerhoedt and SANO Education Trust were served shortly thereafter.

On May 22, 2012, Mr. Vingerhoedt filed a motion to dismiss this action. Civil Action No. 11-291, Doc. 11. The Committee's response to that motion is not yet due. SANO Education Trust has not appeared.

¹⁴ The Receiver has sued Mr. Vingerhoedt for additional CD Proceeds in Civil Action No. 09-724 (*Janvey v. Alguire, et al.*), which are not duplicative of the amounts sought in Civil Action No. 11-291.

The Committee has primary responsibility for the prosecution of this action.

12. *Janvey v. Robert Allen Stanford, Civil Action No. 11-1199*

The Receiver filed an action against Defendant Allen Stanford on June 3, 2011, alleging claims of fraudulent transfer and unjust enrichment. Mr. Stanford is the primary Defendant in the SEC's pending civil action and was recently tried and convicted on criminal charges pending in Houston, Texas. Mr. Stanford was the sole owner, directly or indirectly, of more than 130 different companies that were part of the Ponzi scheme orchestrated by Mr. Stanford.

The Receiver seeks to recover payments made to Mr. Stanford in excess of \$1.8 billion. Those payments appear as purported "loans" from SIBL to Mr. Stanford, and grew from \$52 million on December 31, 1999 to \$1.79 billion on December 31, 2008.

Mr. Stanford has been served. On September 27, 2011, Mr. Stanford filed a motion for a temporary stay of this action, to which the Receiver responded on October 18, 2011.

The motion to stay is fully briefed and pending decision by the Court. See Civil Action No. 11-1199, Doc. Nos. 9, 11.

The Receiver is primarily responsible for the prosecution of this action, as to which the Committee does not have an active role.

13. *Janvey v. Juan Alberto Rincon, Civil Action No. 11-1659.*

The Receiver filed a lawsuit on July 13, 2011 against Juan Alberto Rincon, alleging claims of fraudulent transfer and unjust enrichment. Mr. Rincon served as Executive Vice President and Chief Financial Officer for Stanford Group Company from

1996 through 2007. Following his departure from Stanford Group Company, he continued to serve as a consultant in connection with its expansion into South America. G

The Receiver seeks to recover at least \$1.53 million from Mr. Rincon, consisting of regular earnings (approximately \$166,000), quarterly bonuses (approximately \$860,000), exempt bonuses (approximately \$13,000); and professional fees and reimbursements (approximately \$497,000).

On December 15, 2011, Mr. Rincon filed a motion to dismiss the Receiver's complaint. The Receiver filed a response to that motion on December 27, 2011. Mr. Rincon did not file a reply in support of his motion.

Mr. Rincon's motion is now fully briefed and awaiting a ruling by the Court.

See Civil Action No. 11-1659, Doc. Nos. 6, 7.

The Receiver is primarily responsible for the prosecution of this action, as to which the Committee does not have an active role.

**14. *Janvey v. James K. Conzelman and Lionel C. Johnson,*
Civil Action No. 11-2788**

The Receiver filed a lawsuit on October 18, 2011 against James K. Conzelman and Lionel C. Johnson, alleging claims of fraudulent transfer and unjust enrichment. Messrs. Conzelman and Johnson both served as Senior Vice Presidents for Government Affairs for Stanford Financial Group Company during the period from January 2008 through February 2009.

The Receiver seeks to recover at least \$525,000 million from Mr. Conzelman and at least \$390,000 from Mr. Johnson. With respect to Mr. Conzelman, those funds consist of regular earnings (approximately \$411,000), semi-annual bonuses (approximately

\$58,000), and expenses (approximately \$54,000). With respect to Mr. Johnson, those funds consist of regular earnings (approximately \$330,000); semi-annual bonuses (approximately \$39,000); retro-pay (approximately \$20,000); and vacation pay (approximately \$2,800).

On December 21, 2011, Mr. Conzelman filed an answer to the Receiver's complaint. On December 23, 2011, Mr. Johnson filed a motion to dismiss the Receiver's complaint. The Receiver filed his response to Mr. Johnson's motion on January 13, 2012. Mr. Johnson did not file a reply in support of his motion.

Mr. Johnson's motion is now fully briefed and awaiting a ruling by the Court. See Civil Action No. 11-2788, Doc. Nos. 10, 12.

The Receiver is primarily responsible for the prosecution of this action, as to which the Committee does not have an active role.

C. Fraudulent transfer actions brought by the Receiver and the Committee against former members of the Stanford International Advisory Board

The Receiver and the Committee have jointly filed eight separate actions against former members of the Stanford International Advisory Board, alleging claims of fraudulent transfer and unjust enrichment by the various defendants and entities associated with them. The amounts claimed in each action and other information pertinent to the status of each action are set forth below.

The Committee is primarily responsible for the prosecution of these eight actions listed below. There have been no settlements reached with any of the Defendants in these actions.

1. *Ralph S. Janvey and Official Stanford Investors Committee v. Kenneth C. Allen, Civil Action No. 11-00289*

This action was filed on February 15, 2011 and seeks to recover payments made to Kenneth C. Allen in the amount of \$140,000. Mr. Allen was a member of the Stanford International Advisory Board and also served as a member of the Board of Directors of SIBL.

Mr. Allen has not been served and has neither appeared nor answered.

2. *Ralph S. Janvey and Official Stanford Investors Committee v. Alfredo Arizaga, Civil Action No. 11-00290*

This action was filed on February 15, 2011 and seeks to recover payments made to Alfredo Arizaga in the amount of \$132,106. Mr. Arizaga was a member of the Stanford International Advisory Board.

Mr. Arizaga has not been served and has neither appeared nor answered.

3. *Ralph S. Janvey and Official Stanford Investors Committee v. Luis Giusti and Center for Strategic and International Studies, Inc., Civil Action No. 11-00292*

This action was filed on February 15, 2011 and seeks to recover payments made to Luis Giusti and/or the Center for Strategic and International Studies of approximately \$2.47 million.¹⁵ Mr. Giusti was a member of the Stanford International Advisory Board and is a Senior Advisor of the Center for Strategic and International Studies.

The Center for Strategic and International Studies filed an answer on April 8, 2011. Mr. Giusti has not been served and has neither appeared nor answered.

¹⁵ The Receiver has sued Mr. Giusti for additional CD Proceeds amounts in Civil Action No. 09-724 (*Janvey v. Alguire, et al.*), which are not duplicative of the amounts sought in Civil Action No. 11-292.

4. ***Ralph S. Janvey and Official Stanford Investors Committee v. Mauricio Salgar, Civil Action No. 11-00296***

This action was filed on February 15, 2011 and seeks to recover payments made to Mauricio Salgar in the amount of \$205,000. Mr. Salgar was a member of the Stanford International Advisory Board.

Mr. Salgar has not been served and has neither appeared nor answered.

5. ***Ralph S. Janvey and Official Stanford Investors Committee v. Peter Romero, Civil Action No. 11-00297***

This action was filed on February 15, 2011 and seeks to recover payments made to Peter Romero in the amount of approximately \$980,000.¹⁶ Mr. Romero was a member of the Stanford International Advisory Board.

The Committee and the Receiver filed an Amended Complaint on April 21, 2011. Mr. Romero appeared and filed a motion to dismiss the amended complaint on June 22, 2011. The Committee and the Receiver filed their joint response to the motion to dismiss on August 3, 2011. Mr. Romero filed a reply in support of his motion on September 20, 2011.

The motion to dismiss is fully briefed and awaiting a ruling from the Court.

See Civil Action No. 11-0297, Doc. No. 11-297, Doc. Nos. 14, 18, 21.

¹⁶ The Original Complaint filed by the Receiver and the Committee sought to recover approximately \$561,000. Subsequent investigation identified additional payments to Mr. Romero, which were included in an amended complaint filed on April 21, 2011.

6. ***Ralph S. Janvey and Official Stanford Investors Committee v. Jorge Castaneda, Civil Action No. 11-00299***

This action was filed on February 15, 2011 and seeks to recover payments made to Jorge Castaneda in the amount of \$150,000. Mr. Castaneda was a member of the Stanford International Advisory Board.

Mr. Castaneda has not been served and has neither appeared nor answered.

7. ***Ralph S. Janvey and Official Stanford Investors Committee v. Lee Brown, Civil Action No. 11-00301***

This action was filed on February 15, 2011 and seeks to recover payments made to Lee Brown in the amount of \$350,000. Mr. Brown was a member of the Stanford International Advisory Board.

Mr. Brown filed a motion to dismiss on March 25, 2011. That motion was rendered moot when the Receiver and the Committee filed an amended complaint on April 15, 2011. Mr. Brown filed a second motion to dismiss on May 9, 2011. The Receiver and the Committee jointly filed a response to that motion on May 31, 2011, and Mr. Brown filed a reply on June 10, 2011.

Mr. Brown's motion to dismiss is fully briefed and awaiting a decision by the Court. See Civil Action No. 11-0301, Doc. Nos. 8, 10, 11.

8. ***Ralph S. Janvey and Official Stanford Investors Committee v. Courtney N. Blackman, Civil Action No. 11-00302***

This action was filed on February 15, 2011 and seeks to recover payments made to Courtney N. Blackman in the amount of \$620,303.51. Mr. Blackman was a member of

the Stanford International Advisory Board and also served on the Board of Directors of SIBL.

Mr. Blackman appeared and sought an extension of time to answer on July 14, 2011. On September 27, 2011, Mr. Blackman filed a suggestion of bankruptcy, notifying the Receiver and the Committee that he had filed a bankruptcy petition in the Middle District of Florida, Tampa Division.

D. Fraudulent transfer actions brought jointly by the Receiver and the Committee against various third parties

The Receiver and the Committee have jointly filed 23 fraudulent transfer and unjust enrichment actions against various third parties who received transfers from one or more Stanford entities. The actions are grouped, for purposes of this report, into five different categories. The amounts claimed in each action and other information pertinent to the status of each action are set forth below.

As discussed in more detail below, there has been a settlement with one Defendant (Susan Stanford) in this category of lawsuits.

1. Actions brought against Mr. Stanford's wives and/or girlfriends

a. *Janvey v. Rebecca Reeves*, Civil Action No. 09-2151

This action was filed by the Receiver on November 10, 2009 and asserts claims against Rebecca Reeves, a former wife and/or girlfriend of Defendant Allen Stanford. The Receiver's Complaint asserted claims against Ms. Reeves as a relief defendant, for fraudulent transfer, and for conversion of the proceeds of a residence in Key Biscayne,

Florida that she apparently sold. The action seeks to recover at least \$3 million in CD proceeds transferred to Ms. Reeves by Mr. Stanford or his entities.

Ms. Reeves moved to dismiss the Receiver's complaint on December 9, 2009. That motion was denied by the Court on November 18, 2010.

The Committee filed a motion to intervene in this action on April 11, 2011. The Court granted that motion on April 25, 2011. On April 27, 2011, the Court entered a Second Amended Scheduling Order setting the action for trial on November 7, 2011.

On October 11, 2011, the parties filed an Agreed Motion seeking to stay this action pending the outcome of Allen Stanford's criminal proceedings. The Agreed Motion was filed because the Department of Justice had indicated that it had frozen the funds Ms. Reeves received from the sale of the Key Biscayne residence, and that it would seek forfeiture of those funds if Mr. Stanford was convicted. On October 19, 2011, the Court entered its Order staying the action.

The case remains stayed.

The Committee is primarily responsible for the prosecution of this action.

b. *Janvey v. Stoelker, Civil Action No. 10-1272*

This action was filed by the Receiver on June 28, 2010 and asserts claims of fraudulent transfer and unjust enrichment against Andrea M. Stoelker. Ms. Stoelker is the former president of Stanford Financial Group Global Management, LLC ("SFGGM"), the former president of Stanford 20/20 (Allen Stanford's cricket organization), and the girlfriend and/or fiancée of Defendant Allen Stanford.

The Receiver seeks to recover over \$560,000 from Ms. Stoelker, consisting of payments from Stanford 20/20 (\$140,000), payments from SFGGM (\$29,567.88), payments from Stanford Financial Group Company (\$200,000), payments from Allen Stanford personally (\$180,000) and payments from Stanford Eagle, LLC accounts (\$18,638.43).

A return of service was filed by the Receiver on November 12, 2010. Ms. Stoelker filed a motion to dismiss challenging, among other things, the sufficiency of service, and the Receiver responded to that motion and moved for an extension of time to complete service upon Ms. Stoelker. On February 28, 2012, the Court entered its Order denying Ms. Stoelker's motion to dismiss and granting the Receiver's motion for an extension of time to complete service upon Ms. Stoelker.

On April 10, 2012, the Receiver filed a motion to authorize substituted service upon Ms. Stoelker. That motion was granted by the Court on April 17, 2012.

The Committee is primarily responsible for the prosecution of this action.

c. *Janvey v. Susan Stanford, Civil Action No. 10-2322*

This action was filed by the Receiver on November 15, 2010 against Susan Stanford, the wife of Defendant Allen Stanford. The Receiver asserted claims of fraudulent transfer and unjust enrichment against Susan Stanford. The Receiver also asserted claims arising from Ms. Stanford's occupation and use of a mansion in Houston, Texas, that is owned by Stanford Development Company, one of the entities subject to the Receivership. That mansion was purchased in 1999 at a cost of more than \$2.1 million.

The Receiver sought to recover almost \$2.5 million in CD proceeds that were transferred directly to Mrs. Stanford. The Receiver also sought to recover more than \$485,000 in CD proceeds that were paid to third parties for the benefit of Mrs. Stanford. Finally, the Receiver sought to recover possession and control of the mansion in Houston, Texas that Mrs. Stanford has been living in since the Receiver's appointment, plus additional amounts arising from Mrs. Stanford's use and occupancy of the mansion and her access to and use of other Receivership property, including planes and automobiles provided by Mr. Stanford or his entities.

On November 14, 2011, the Committee sought to intervene in this action. The Court entered its Order permitting the Committee to intervene on December 1, 2011.

In late October and early November 2011, the Receiver, the Committee and Mrs. Stanford negotiated and executed a settlement agreement to resolve the claims made in this action by the Receiver and to resolve various claims asserted by Mrs. Stanford. The settlement was presented to the Court for approval in a motion filed November 12, 2011. Civil Action No. 10-2322, Doc. No. 13. The Court entered its Order approving the settlement on November 21, 2011, Doc. No. 15, and entered an Order dismissing the lawsuit with prejudice on December 29, 2011. Doc. No. 18.

As noted earlier, one result of this settlement was that Mrs. Stanford vacated the home located at 5476 Holly Springs Drive, Houston, Texas 77056 and the Receiver gained possession and control of the Holly Springs Property. The Receiver has entered into a purchase and sale agreement with regard to the Holly Springs Property, and the motion to confirm such sale was filed on May 23, 2012. *See* Civil Action No. 09-298,

Docs. 1604-1605. Also as a result of this settlement, Mrs. Stanford released her claims to the sequestered sales proceeds received by the Receiver from the sale of the “Sea Eagle” and the “Little Eagle.” *See* Civil Action No. 09-298, Doc. 1023.

2. Actions brought against political parties and consultants

a. *Janvey v. Democratic Senatorial Campaign Committee, Inc., et al.*, Civil Action No. 10-346

This action was filed by the Receiver on February 19, 2010 and asserted fraudulent transfer and unjust enrichment claims against five different national political committees, as follows: the Democratic Senatorial Campaign Committee, Inc. (“DSCC”), the Democratic Congressional Campaign Committee, Inc. (“DCCC”), the National Republican Congressional Committee (“NRCC”), the Republican National Committee (“RNC”), and the National Republican Senatorial Committee (“NRSC”) (collectively, the “Committees”). The Receiver sought to recover campaign contributions made by Mr. Stanford, his entities and/or his cohorts to the Committees that totaled in excess of \$1.6 million, as follows: DSCC (\$950,500), DCCC (\$200,000), NRCC (\$238,500), RNC (\$128,500), and NRSC (\$83,345).

On December 17, 2010, the Receiver filed a motion for summary judgment. That motion was fully briefed by the Committees and the Receiver. The Republican Committees filed their own motion for summary judgment on March 11, 2011. That motion was fully briefed by the Receiver and the Republican Committees.

The Court entered its Order denying the Committees’ motions to dismiss, denying the Republican Committees’ motion for summary judgment, and granting the Receiver’s

motion for summary judgment on June 22, 2011. The Court also entered final judgment against each of the Committees for the following amounts (principal plus prejudgment interest): DSCC (\$1,037,347.05), DCCC (\$218,273.97), NRCC (\$260,291.71), RNC (\$140,241.03), and NRSC (\$90,960.22).

The Receiver filed his bill of costs on July 6, 2011, seeking to recover his costs of court in the amount of \$12,951.95. On the same day, the Receiver filed a motion seeking an award of attorneys' fees against the Committees in the total amount of \$484,860.46. The Committees responded to the Receiver's motion on July 27 and August 1, 2011. On March 6, 2012, the Court entered its Order awarding attorneys' fees and expenses to the Receiver in the amount of \$369,783.37. More particularly, the Court ordered the Democratic Committees to pay \$93,831.00, the Republican Committees to pay \$133,157.70, and the Democratic Committees and the Republican Committees to jointly pay \$142,794.67 to the Receiver in attorneys' fees.

On July 22, 2011, both the Democratic and the Republican Committees filed notices of appeal. The appeal was fully briefed and argued to the 5th Circuit Court of Appeal on May 1, 2012. No decision has yet been rendered on the appeal.

The Receiver is primarily responsible for the prosecution of this action, as to which the Committee does not have an active role.

**b. *Janvey v. Ben Barnes and Ben Barnes Group, L.P.,*
Civil Action No. 10-527**

This action was filed by the Receiver on March 15, 2010 and asserted fraudulent transfer and unjust enrichment claims against Ben Barnes and Ben Barnes Group, L.P. Ben Barnes Group, L.P. is a business consulting and lobbying firm founded by Ben

Barnes. The Receiver's complaint seeks to recover transfers to Ben Barnes and to Ben Barnes Group, L.P. from both Allen Stanford individually and from various Stanford entities in an amount that exceeds \$5 million.

The Defendants filed a motion to dismiss the Receiver's complaint on April 12, 2010. On November 18, 2010, the Receiver filed a motion seeking the entry of a scheduling order for this action.

On May 14, 2012, the Court entered its Order denying the Defendants' motion to dismiss. Civil Action No. 10-527, Doc. No. 26. The Court also concluded that the Receiver's motion for a scheduling order was moot, but left open the opportunity for it to be filed again if the parties cannot agree upon a scheduling order. On May 29, 2012, both Ben Barnes and Ben Barnes Group, L.P. filed answers. Doc. Nos. 27, 28.

The Committee is primarily responsible for the prosecution of this action.

c. *Ralph S. Janvey and Official Stanford Investors Committee v. The Inter-American Economic Council, Civil Action No. 11-044*

This action was filed jointly by the Receiver and the Committee on January 6, 2011 and asserted fraudulent transfer and unjust enrichment claims against The Inter-American Economic Council ("IAEC"). In the complaint, the Receiver seeks to recover payments made to IAEC in the amount of \$390,000. The IAEC was a Washington-area "think tank" that focused upon matters in Latin America. Allen Stanford and his entities provided substantial funding for its operations.

The Inter-American Economic Council appears to be a defunct organization. Upon information and belief its sole source of funding was Stanford.

As of March 31, 2012, the Inter-American Economic Council has not been served, has not answered, and has not otherwise appeared in this action.

The Committee has assumed primary responsibility for the further prosecution of this action.

3. Actions arising out of vendor relationships and/or investments

a. *Janvey v. Interim Executive Management, Inc., Civil Action No. 10-829*

This action was filed by the Receiver on April 23, 2010. It asserts fraudulent transfer and unjust enrichment claims against Interim Executive Management, Inc. (“IEM”), which purports to be a management consulting firm founded and owned by Tamarin Lindberg.¹⁷ The Receiver’s action seeks to recover payments to IEM of more than \$4 million, including \$1,103,282 in 2006, \$1,510,996 in 2007, \$1,226,792 in 2008, and \$201,358 in 2009.

IEM filed a motion to dismiss the action on September 3, 2010. The Receiver filed a brief in response to that motion on September 27, 2010. The motion to dismiss is fully briefed and pending a decision by the Court. There has been no further activity in this action since the Receiver filed his response to the Motion to Dismiss.

The Committee is primarily responsible for the prosecution of this action.

b. *Janvey v. Merge Healthcare, Inc., Civil Action No. 10-1465*

This action was filed by the Receiver on July 26, 2010. It asserts fraudulent transfer and unjust enrichment claims against Merge Healthcare, Inc., Emageon, Inc., and

¹⁷ To date, the Receiver has been unable to establish what sort of management consulting services were purportedly being provided by IEM.

Amicas, Inc. The Receiver's action seeks to recover a payment of \$9 million from SIBL that was made on February 13, 2009. Emageon was subsequently acquired by Amicas, Inc., which in turn merged with Merge Healthcare in February 2010.

The Receiver filed an Amended Complaint on November 19, 2010. The defendants filed a motion to dismiss the Amended Complaint on January 10, 2011. The Receiver filed a response to that motion on January 31, 2011, and the defendants filed a reply on February 14, 2011.

The motion to dismiss is fully briefed and pending a decision by the Court.

See Civil Action No. 10-829, Doc. Nos. 9, 11.

The Committee is primarily responsible for the prosecution of this action.

c. *Janvey v. Dillon Gage, Inc. of Dallas, Civil Action No. 10-1973*

This action was filed by the Receiver on September 30, 2010. It asserts fraudulent transfer and unjust enrichment claims against Dillon Gage, Inc. of Dallas and Dillon Gage, Inc. (collectively, "Dillon Gage"). Dillon Gage was a vendor of coins and bullion that regularly transacted business with Stanford Coin & Bullion ("SCB"). The Receiver's action seeks to recover payment of more than \$5 million from SCB to Dillon Gage between January 23, 2009 and February 16, 2009.

Dillon Gage filed an answer and counterclaim on February 2, 2011, and joined as third party defendants Timothy Scott Terry and Joseph A. Frisard, former employees of SCB. The Receiver filed a motion to strike Dillon Gage's counterclaim on March 9, 2011. Dillon Gage responded to that motion on April 6, 2011, and the Receiver filed a reply on April 27, 2011.

Messrs. Terry and Frisard filed a motion to dismiss Dillon Gage's third party claims on April 11, 2011. Dillon Gage filed its response to the motion to dismiss on May 23, 2011.

The Receiver's lawsuit against Dillon Gage is closely related to a lawsuit brought by Pre-War Art, Inc. d/b/a Gagosian Gallery ("Gallery") against SCB and Dillon Gage that is pending before Judge Godbey as Civil Action No. 09-CV- 559. That action was originally brought on March 25, 2009 by the Gallery alleging breach of contract against both SCB and Dillon Gage with respect to the Gallery's attempted purchase from SCB of 100 gold bars at a price in excess of \$3 million. The Gallery alleges that SCB in turn ordered those gold bars from Dillon Gage, and further alleges that it paid SCB, which in turn paid Dillon Gage, the purchase price called for by its purchase order.

On June 9, 2011, the parties to the two actions filed a joint motion to consolidate discovery in the actions. Judge Godbey granted that motion in an Order dated May 18, 2012.

On February 10, 2012, the Receiver filed a motion for summary judgment on his claims against the Dillon Gage. Civil Action No. 10-1973, Doc. Nos. 26, 27 28. Dillon Gage has not yet responded to that motion. On May 17, 2012, the Receiver and Dillon Gage filed a joint motion for the entry of a schedule setting deadlines for the briefing of the Receiver's motion for summary judgment and governing certain limited discovery to be conducted by the parties with respect to the Receiver's motion.

The following matters are fully briefed in this action and pending decision by the Court:

- **The Receiver's motion to strike the Dillon Gage counterclaim, see Civil Action No. 10-1973, Doc. Nos. 14, 17 21; and**
- **The motion to dismiss Dillon Gage's third party claims filed by Messrs. Terry and Frisard. See Civil Action No. 10-1973, Doc. Nos. 18, 23.**

The Receiver remains responsible for this action, as to which the Committee likely will have no active role.

d. *Ralph S. Janvey and Official Stanford Investors Committee v. Chung Design, LLC, Civil Action No. 11-738*

This action was filed by the Receiver and the Committee on April 1, 2011. It asserts fraudulent transfer and unjust enrichment claims against Chung Design, LLC ("Chung"), which is a graphic design firm in Memphis, Tennessee. The action seeks to recover payments to Chung in excess of \$1.88 million made between 2006 and 2009.

Chung has not yet been served in this action and has neither answered nor otherwise appeared.

The Committee has primary responsibility for the further prosecution of this action.

4. *Actions relating to sports sponsorships and other sports-related transfers*

a. *Ralph S. Janvey and Official Stanford Investors Committee v. David Wayne Toms and David Toms Golf, LLC, Civil Action No. 11-018*

This action was filed by the Receiver and the Committee on January 4, 2011. It asserts fraudulent transfer and unjust enrichment claims against David Wayne Toms and David Toms Golf, LLC ("Toms"). Toms is a professional golfer. The action seeks to recover payments to Toms of approximately \$905,000 made in 2007 and 2008 (with approximately half being transferred each year).

Toms has filed a motion to dismiss the action. The Committee has filed a response on its own behalf and on behalf of the Receiver, and Toms has filed a reply.

The motion to dismiss is fully briefed and pending a decision by the Court.

See Civil Action No. 11-0018, Doc. Nos. 9, 12, 14.

The Committee has primary responsibility for the further prosecution of this action.

b. *Ralph S. Janvey and Official Stanford Investors Committee v. IMG Worldwide, Inc., Civil Action No. 11-0117*

Ralph S. Janvey and Official Stanford Investors Committee v. International Players Championship, Inc., Civil Action No. 11-0293

The action against IMG Worldwide, Inc. (“IMG”) was filed by the Receiver and the Committee on January 18, 2011. IMG is a global sports management company that represents and manages both individual athletes and particular sporting events. The complaint against IMG asserts fraudulent transfer and unjust enrichment claims relating to golf endorsement fees, fees and title sponsorship for the Stanford International Pro-Am tournament, a media placement campaign for professional golfer Vijay Singh, and other sponsorship fees for Vijay Singh. The IMG action seeks to recover payments to IMG in excess of \$10,556,000 made between 2006 and 2009.

The action against the International Players Championship, Inc. (“IPC”), was filed by the Receiver and the Committee on February 15, 2011. IPC sponsors and operates a golf tournament, and is a subsidiary of IMG. The complaint against IPC asserts fraudulent transfer and unjust enrichment claims against IPC, and seeks to recover from IPC payments in excess of \$1.6 million made between 2006 and 2009.

On April 14, 2011, the parties in both actions filed agreed motions to consolidate the two cases. The Court entered its Order consolidating both actions into the IMG case on May 10, 2011. On April 29, 2011, in advance of the consolidation order, the Receiver and the Committee filed a consolidated complaint against both IMG and IPC. IMG and IPC filed a motion to dismiss the consolidated complaint on May 27, 2011. On June 30, 2011, the Receiver and the Committee filed a motion for leave to amend the complaint. The Court granted leave to file the amended complaint on July 13, 2011, and the Committee filed the Amended Complaint on July 20, 2011.

IMG and IPC filed a motion to dismiss the amended, consolidated complaint on August 10, 2011. The Receiver and the Committee responded to that motion on September 9, 2011, and the Defendants filed a reply brief in support of their motion on October 7, 2011.

The motion to dismiss is fully briefed and pending a decision by the Court.

See Civil Action No. 11-117, Doc. No. 26, 27, 30.

The Committee has primary responsibility for the further prosecution of this action.

- c. ***Ralph S. Janvey and Official Stanford Investors Committee v. Miami Heat Limited Partnership and Basketball Properties, Ltd., Civil Action No. 11-0158***

This action was filed by the Receiver and the Committee on January 25, 2011. It asserts fraudulent transfer and unjust enrichment claims against Miami Heat Limited Partnership and Basketball Properties, Ltd. (collectively, "Miami Heat Defendants"). Miami Heat Limited Partnership owns the National Basketball Association ("NBA")

franchise in Miami. Basketball Properties, Ltd. manages and operates the American Airlines Arena in Miami, where the Miami Heat franchise plays its home games. The action seeks to recover payments to the Miami Heat Defendants in excess of \$1.3 million made between 2006 and 2008.

The Receiver and the Committee filed an amended complaint on May 16, 2011. The Miami Heat Defendants filed a motion to dismiss the amended complaint on June 6, 2011. The Receiver and the Committee jointly filed a response to that motion to dismiss on June 27, 2011. The Miami Heat Defendants filed their reply brief in support of their motion to dismiss on July 25, 2011.

The motion to dismiss is fully briefed and pending a decision by the Court.

See Civil Action No. 11-0158, Doc. Nos. 18, 19, 22.

The Committee has primary responsibility for the further prosecution of this action.

d. *Ralph S. Janvey and Official Stanford Investors Committee v. PGA Tour, Inc., Civil Action No. 11-0226*

This action was filed by the Receiver and the Committee on February 7, 2011. It asserts fraudulent transfer and unjust enrichment claims against PGA Tour, Inc (“PGA”), which organizes and operates professional golf tournaments around the country. The action seeks to recover payments to the PGA in excess of \$13 million made by Stanford Financial Group Company (approximately \$6 million) between 2006 and 2008, and by Stanford Financial Group Global Management (approximately \$7 million) during 2008.

The PGA filed a motion to dismiss on May 18, 2011. The Receiver and the Committee filed an amended complaint on June 27, 2011. The PGA file a motion to

dismiss the amended complaint on July 18, 2011. The Receiver and the Committee responded to that motion on August 8, 2011. The PGA filed a reply brief in support of its motion on September 21, 2011.

The motion to dismiss is fully briefed and pending a decision by the Court.

See Civil Action No. 11-0226, Doc. Nos. 13, 14, 16.

The Committee has primary responsibility for the further prosecution of this action.

e. *Ralph S. Janvey and Official Stanford Investors Committee v. The Golf Channel, Inc., Civil Action No. 11-0294*

This action was filed by the Receiver and the Committee on February 15, 2011. It asserts fraudulent transfer and unjust enrichment claims against The Golf Channel, Inc (“Golf Channel”), a cable television channel that focuses upon golf-related programming. The action seeks to recover payments to Golf Channel in excess of \$5.9 million between 2007 and 2008.

Golf Channel filed its answer on April 27, 2011. On May 10, 2011, Golf Channel filed a motion seeking leave to file counterclaims arising from alleged contracts between Golf Channel and certain Stanford entities that predated the Receivership. The Receiver filed a response to Golf Channel’s motion for leave on May 31, 2011, and Golf Channel filed its reply with respect to that motion on June 13, 2011. On November 14, 2011, the Court entered its Order denying the Golf Channel’s request for leave to file a counterclaim alleging breach of contract, but permitting the Golf Channel to file a counterclaim for attorneys’ fees. The Golf Channel filed its Amended Answer and

Counterclaim on November 17, 2011. The Receiver and the Committee jointly filed an answer to the counterclaims on December 8, 2011.

The Committee has primary responsibility for the further prosecution of this action.

f. ***Ralph S. Janvey and Official Stanford Investors Committee v. ATP Tour, Inc., Civil Action No. 11-0295***

This action was filed by the Receiver and the Committee on February 15, 2011. It asserts fraudulent transfer and unjust enrichment claims against ATP Tour, Inc (“ATP”), which organizes and operates professional tennis tournaments around the world. The action seeks to recover payments to ATP in excess of \$5.0 million between 2004 and 2008.

ATP filed a motion to dismiss on May 18, 2011. On July 5, 2011, the Receiver and the Committee filed a motion for leave to file an amended complaint. On October 7, 2011, the Court granted the motion for leave to file an amended complaint.

The Receiver and the Committee filed their amended complaint on October 14, 2011. ATP filed its motion to dismiss the amended complaint on November 4, 2011. The Receiver and the Committee responded to the motion to dismiss on December 2, 2011, and ATP filed a reply in support of the motion on January 6, 2012.

The motion to dismiss is fully briefed and pending a decision by the Court.

See Civil Action No. 11-0295, Doc. Nos. 16, 18, 20.

The Committee has primary responsibility for the further prosecution of this action.

g. *Ralph S. Janvey and Official Stanford Investors Committee v. InsideOut Sports and Entertainment, Civil Action No. 11-760*

This action was filed by the Receiver and the Committee on April 13, 2011. It asserts fraudulent transfer and unjust enrichment claims against InsideOut Sports and Entertainment (“InsideOut”), which organizes and operates various sporting events and athlete appearances. The action seeks to recover payments to InsideOut in excess of \$1.95 million between 2006 and 2009.

As of March 31, 2012, InsideOut has not yet been served, has not answered, and has not otherwise appeared in this action.

The Committee has primary responsibility for the further prosecution of this action.

h. *Ralph S. Janvey and Official Stanford Investors Committee v. Rocketball, Ltd. and Hoops, L.P., Civil Action No. 11-770*

This action was filed by the Receiver and the Committee on April 14, 2011. It asserts fraudulent transfer and unjust enrichment claims against Rocketball, Ltd. (“Rocketball”) and Hoops, L.P. (“Hoops”). Rocketball owns and operates the Houston Rockets franchise of the NBA. Hoops owns and operates the Memphis Grizzlies franchise of the NBA. The action seeks to recover payments to Rocketball and Hoops in excess of \$1.58 million between 2006 and 2008. On August 22, 2011, the Receiver and the Committee filed an amended complaint against both Rocketball and Hoops.

Rocketball filed a motion to dismiss the Amended Complaint on September 28, 2011. The Receiver and the Committee filed a response to that motion on November 18, 2011. Rocketball filed a reply in support of its motion on December 12, 2011.

Hoops filed a motion to dismiss the Amended Complaint on October 21, 2011. The Receiver and the Committee filed a response to that motion on November 18, 2011. Hoops filed a reply in support of its motion on January 24, 2012.

Both motions to dismiss are fully briefed and pending a decision by the Court. See Civil Action No. 11-0770, Doc. Nos. 11, 23, 28 (Rocketball Motion); Doc. Nos. 13, 24, 33 (Hoops Motion).

The Committee has primary responsibility for the further prosecution of this action.

5. Other fraudulent transfer actions

a. *Ralph S. Janvey and Official Stanford Investors Committee v. The University of Miami, Civil Action No. 11-0041*

This action was filed by the Receiver and the Committee on January 6, 2011. It asserts fraudulent transfer and unjust enrichment claims against The University of Miami (“Miami”) The action seeks to recover payments to Miami in excess of \$6.37 million between 2006 and 2008.

The Receiver, the Committee and Miami have entered into a series of stipulations through which they have extended the time for Miami to answer or otherwise respond to the Complaint. **Miami has not filed a motion or otherwise responded to the Complaint.**

The Committee has primary responsibility for the further prosecution of this action.

b. ***Janvey v. Harry Earl Failing and Harry Earl Failing, P.C., Civil Action No. 10-02564***

This action was filed by the Receiver on December 15, 2010. The complaint asserts claims for fraudulent transfer, unjust enrichment, and breaches of fiduciary and other duties against Harry Earl Failing and his firm, Harry Earl Failing, P.C. (collectively, "Failing") The action seeks to recover payments to Failing in excess of \$839,000 between 2006 and 2008.

Failing filed an answer in the action on March 28, 2011. On May 27, 2011, the Committee filed a motion to intervene in this matter. Failing did not respond to the motion, which was granted by the Court on September 26, 2011.

Upon information and belief, Mr. Failing passed away in June. No notice of death has been served on the parties, and no suggestion of death has been made on the record of Civil Action No. 10-2564.

The Committee has primary responsibility for the further prosecution of this action.

c. ***Janvey v. Texas A&M University, Civil Action No. 11-1895.***

This action was filed by the Receiver and the Committee on August 3, 2011. It asserts fraudulent transfer and unjust enrichment claims against Texas A&M University ("TAMU") The action seeks to recover payments to TAMU in excess of \$4.4 million, made between 2004 and 2008.¹⁸

¹⁸ With the exception of approximately \$13,000, all of these payments were made between August 2006 and October 2008.

TAMU has not been served and had neither appeared nor answered in the action.

The Committee has primary responsibility for the further prosecution of this action.

E. Fraudulent transfer actions brought solely by the Investors Committee

In addition to the actions identified above that have been brought jointly by the Receiver and the Committee, there are additional fraudulent transfer actions that were filed and are being prosecuted solely by the Committee.¹⁹ No settlements have been reached in any of the actions brought solely by the Committee. The pending actions are detailed below.

1. *Official Stanford Investors Committee v. Cort & Cort and Cort & Associates, Civil Action No. 11-0298*

This action was filed by the Committee on January 6, 2011. It asserts fraudulent transfer and unjust enrichment claims against Cort & Cort and Cort & Associates (collectively, "Cort & Cort"), two Antigua-based law firms of which Dr. Errol Cort is or has been partner. The action seeks to recover payments to Cort & Cort in excess of \$1.1 million between 2006 and 2009.

On June 15, 2011, the Committee and Cort & Cort filed a Joint Advisory with the Court in which they acknowledged that Cort & Cort were served on May 26, 2011, that Cort & Cort would answer or otherwise respond to the complaint on or before July 14,

¹⁹ For such actions, the Receiver typically assigns the asserted claims to the Committee for prosecution.

2011, and that Cort & Cort's filing of the Joint Advisory did not serve to waive any challenges to jurisdiction that Cort & Cort might assert.

On July 29, 2011, Cort & Cort filed a motion to dismiss alleging that the Court could not exercise jurisdiction over it. On September 8, 2011, the Committee filed a motion seeking leave to pursue jurisdictional discovery before responding to Cort & Cort's motion to dismiss. Cort & Cort filed a response to the Committee's motion for leave on September 29, 2011, and also filed a motion to strike the Committee's motion for leave. The Committee filed a response to the motion to strike, and a reply in support of its motion for leave, on October 27, 2011. Thereafter, on November 9, 2011, Cort & Cort filed a reply in support of its motion to strike.

On November 17, 2011, the Court entered its Order granting the Committee's request for leave to take jurisdictional discovery and denying Cort & Cort's motion to strike. The Committee then propounded interrogatories, requests for production, and certain deposition notices seeking discovery from Cort & Cort and its principals.

On January 19, 2012, the Committee and Cort & Cort filed the first of a series of joint stipulations extending the time for Cort & Cort to respond to the discovery propounded by the Committee. The most recent such stipulation was filed by the parties on May 4, 2012, extending the time for Cort & Cort to respond through June 6, 2012.

The Committee has sole responsibility for the further prosecution of this action.

2. ***Official Stanford Investors Committee v. American Lebanese Syrian Associated Charities, Inc., St. Jude Children's Research Hospital/ALSAC; St. Jude Children's Research Hospital; and Le Bonheur Children's Medical Center Foundation, Civil Action No. 11-0303***

This action was filed by the Committee on February 15, 2011. It asserts fraudulent transfer and unjust enrichment claims against American Lebanese Syrian Associated Charities, Inc. ("ALSAC"), St. Jude's Children's Research Hospital/ALSAC (St.Jude/ALSAC), St. Jude's Children's Research Hospital ("St. Jude's"), and Le Bonheur Children's Medical Center Foundation ("Le Bonheur"). ALSAC, St. Jude/ALSAC, and St. Jude's (collectively, the "ALSAC Defendants") are affiliated and inter-related entities that own, operate and finance St. Jude's Children's Research Hospital in Memphis, Tennessee. Le Bonheur owns, operates and finances Le Bonheur Children's Medical Center in Memphis, Tennessee.

The Committee's action seeks to recover payments to the ALSAC Defendants of more than \$11.9 million between 2006 and 2009. With respect to Le Bonheur, the Committee seeks to recover \$1.5 million transferred in \$500,000 increments in 2005, 2006 and 2008.

On April 7, 2011, the Committee and its counsel participated in a mediation session with the ALSAC Defendants and their counsel, with Will Pryor serving as the mediator. As reflected in Mr. Pryor's Alternative Dispute Resolution Summary filed with the Court, no agreements were reached. Civil Action No. 11-0303, Doc. No. 8.

On April 14, 2011, the Committee filed an amended complaint identifying transfers that were not originally included in the action. The ALSAC Defendants filed a

motion to dismiss the amended complaint on April 19, 2011. Le Bonheur filed a motion to dismiss the amended complaint on June 3, 2011. The Committee responded to the ALSAC Defendants' motion to dismiss on May 31, 2011, and responded to the Le Bonheur motion to dismiss on June 24, 2011. The ALSAC Defendants filed a reply brief with respect to their motion on June 3, 2011; Le Bonheur filed its reply brief on July 8, 2011.

The motions to dismiss are now fully briefed and pending a decision by the Court. See Civil Action No. 11-0303, Doc. Nos. 11, 18, 19, 20, 25 (ALSAC Motion); Doc. Nos. 22, 23, 24, 26, 27 (Le Bonheur Motion).

The Committee has sole responsibility for the further prosecution of this action.

3. *Official Stanford Investors Committee v. Chamberlain, Hrdlicka, White, Williams & Martin, L.P., Civil Action No: 11-01025*

This action was filed by the Committee on May 17, 2011. It asserts fraudulent transfer and unjust enrichment claims against Chamberlain, Hrdlicka, White, Williams & Martin, L.P. ("CHWWM"), a law firm that provided certain legal services to various Stanford entities. The action seeks to recover payments to CHWWM in excess of \$582,000, as follows:

- from Stanford Financial Group Company: \$511,000, from 2006 - 2008;
- from Stanford Financial Group Global Mgt.: \$ 47,600, from 2008; and
- from Stanford Group Company: \$ 24,000, from 2008-2009.

On June 27, 2011, CHWWM filed an answer and a motion to dismiss the Committee's action. The Committee filed its response to that motion to dismiss on July 18, 2011.

The motion to dismiss is fully briefed and pending a decision by the Court.

See Civil Action No. 11-1025, Doc. Nos. 6, 8.

The Committee has sole responsibility for the further prosecution of this action.

**IV. THIRD PARTY LIABILITY CASES BROUGHT BY THE RECEIVER
AND/OR THE COMMITTEE**

A. *Janvey v. Adams & Reese, LLP, et al.*, Civil Action No. 12-495

This action was jointly filed on February 16, 2012, by the Receiver and the Committee. The lawsuit alleges claims against two law firms (Adams & Reese, LLP and Breazeale, Sachse & Wilson, LLP), three individual lawyers — one who was also a director of Stanford Trust Company in Louisiana (“STC”) — and two other directors of STC relating to their roles in the promotion of Stanford's Ponzi scheme, and particularly with respect to their roles in promotion of that part of the scheme that was run through STC.

On April 19, 2012, Defendants Thomas Frazer and Cordell Haymon filed a motion to dismiss the complaint. The Receiver and the Committee have not yet responded to that motion.

On May 9, 2012, the Receiver, the Committee and the collected Defendants filed a stipulation waiving service of process, extending the deadlines for the Defendants to respond to an amended complaint and for the Receiver and Committee to respond to any

motions to dismiss, including the motion to dismiss filed by Frazer and Haymon.

The Receiver and the Committee filed an amended complaint on May 25, 2012. Civil Action No. 12-0495, Doc. No. 24.

The Receiver and the Committee are jointly prosecuting this action.

B. *Janvey v. Proskauer Rose, LLP, Chadbourne & Park, LLP, and Thomas V. Sjoblom.* Civil Action No. 12-644.

This action was originally filed jointly by the Receiver and the Committee in the U.S. District Court for the District of Columbia on January 27, 2012. The action was transferred on March 1, 2012, to Judge Godbey's court in the Northern District of Texas, Dallas Division, by Order of the U.S. Judicial Panel on Multidistrict Litigation. It is now pending in Judge Godbey's court.

The action alleges claims against two law firms (Proskauer Rose, LLP and Chadbourne & Park, LLP) and one individual lawyer (Thomas V. Sjoblom) arising out of their central roles in the creation, construction, promotion and protection of Stanford's Ponzi scheme.

On April 23, 2012, the parties filed a stipulation with the Court extending until June 1, 2012 the deadline for the defendants to answer or otherwise respond to the complaint.

On May 29, 2012, the parties filed a stipulation with the Court abating defendants' deadline to answer or otherwise respond to the complaint, as the Receiver and the Committee intend to file an amended complaint. Civil Action No. **12-0644, Doc. No. 38.**

The Receiver and the Committee are jointly prosecuting this action.

C. *Official Stanford Investors Committee v. BDO USA, LLP, BDO International, Ltd., BDO Global Coordination, B.V., and Brussels Worldwide Services BVBA; Civil Action No. 12-1447*²⁰

This action was filed by the Committee on May 9, 2012.

The action alleges claims against various entities affiliated with the international accounting firm BDO arising out of the auditing, tax and other professional services provided by the various defendants to the various entities that played central roles in the Stanford Ponzi scheme.

None of the defendants have been served and none of the defendants have appeared or answered at the filing of this Joint Report.

The Committee has sole responsibility for the further prosecution of this action.

V. CLASS CASES BROUGHT BY INVESTOR COMMITTEE COUNSEL

A. *Troice v. Willis of Colorado, Inc., et al., Civil Action No. 09-1274*

This is a class action filed in 2009 against global insurance broker Willis Group and Texas-based insurance broker Bowen Miclette by a group of Stanford investors from Mexico and Latin America represented by Committee members Ed Snyder of Castillo Snyder P.C. and Ed Valdespino of Strasburger Price, LLP, along with additional counsel from Neligan Foley, LLP.

The action seeks certification of a class of all Stanford investors and claims

²⁰ This action is currently pending before the Hon. Jorge Solis. The Receiver, Examiner and Committee anticipate that it will be transferred to Judge Godbey's court in the ordinary course.

damages on their behalf of \$7.2 billion, with alternative subclasses also alleged. The action alleges that the Defendants aided and abetted Stanford's fraudulent scheme to deceive investors around the world into believing that the SIBL CDs were insured by issuing letters to investors touting said insurance coverage.

Plaintiffs filed a Third Amended Complaint in this action on April 1, 2011. The various Defendants filed motions to dismiss the complaint, which were fully briefed by the parties. On October 27, 2011, the Court granted the various motions to dismiss and entered a final judgment against the Plaintiffs. The Court's ruling was based upon the Court's conclusion that the Plaintiffs' claims were precluded by the Securities Litigation Uniform Standards Act of 1998 ("SLUSA").²¹

Plaintiffs filed a Notice of Appeal on October 28, 2011. On Plaintiffs' motion, the 5th Circuit Court of Appeals consolidate the *Willis* appeal with two other cases and granted expedited consideration of the consolidated appeals.²² On March 19, 2012, the 5th Circuit issued its opinion reversing the District Court's order; the 5th Circuit ruled that SLUSA did not preclude the claims asserted in *Willis*. The *Willis* defendants have indicated that they intend to file a petition for writ of certiorari to the United States Supreme Court to seek further review of the 5th Circuit's decision.

There are also several related "insurance letter" actions, all of which have been

²¹ The Court first addressed the applicability of SLUSA to Stanford-related cases in *Roland v. Green*, Civil Action No. 3:10-CV-0224-N, an action initially brought in Louisiana state court, removed to federal court, and then transferred to Judge Godbey's court. The *Roland* is not a class action and was not brought by any of the attorneys who serve on the Committee.

²² The 5th Circuit consolidated the SLUSA-related appeals in the *Roland* matter, the *Willis* matter, and the *Proskauer Rose* matter (discussed in more detail below).

coordinated before the Court. They include *Ranni v. Willis*, Civil Action No. 3:09-CV-2042 (related “insurance letter” case); *MacArthur v. Certain Underwriters at Lloyd’s of London, et al.*, Civil Action No. 3:10-CV-00313; and *Rupert v. Winter, et al.*, Civil Action No. 3:10-CV-799 (related “insurance letter” case). Given the pendency of the appeal from the Court’s *Roland* decision, there has been little progress in these related insurance cases.

B. *Troice v. Proskauer Rose, LLP, et al.*, Civil Action No. 09-1600

This is a class action filed in 2009 against New York law firms Proskauer Rose and Chadbourne & Parke (and former partner Tom Sjoblom) by a group of Stanford investors represented by Committee members Ed Snyder of Castillo Snyder P.C. and Ed Valdespino of Strasburger Price, LLP, along with additional counsel from Neligan Foley, LLP.

The action seeks certification of a class of all Stanford investors and claims damages on their behalf of \$7.2 billion. The action alleges that the Defendants aided and abetted Stanford’s scheme to obstruct investigations by the SEC into Stanford’s CD sales program from 2005 through 2009.

The Defendants filed motions to dismiss in late 2009. Those motions were fully briefed. On October 21, 2011, the Court granted the motions to dismiss and entered a final judgment against the Plaintiffs. As in the *Willis* matter addressed above, the Court’s ruling was based upon its conclusion that Plaintiffs’ claims were precluded by SLUSA.

Plaintiffs filed a Notice of Appeal on October 25, 2011. As noted above, the 5th Circuit consolidated the *Proskauer Rose* appeal with the *Willis* appeal and the *Roland*

appeal and granted expedited consideration of the consolidated appeals. On March 19, 2012, the 5th Circuit issued its opinion reversing the District Court's order; it ruled that SLUSA did not preclude the claims asserted in *Proskauer Rose*.

While the consolidated appeal was pending in the 5th Circuit, class counsel for the plaintiffs in *Proskauer Rose* filed several state court lawsuits to preserve the claims asserted in the *Proskauer Rose* action in the event that the 5th Circuit concluded that SLUSA did preclude those claims. Specifically, class counsel (and Committee member) Ed Snyder, of Castillo Snyder, filed the following lawsuits²³ alleging claims against Proskauer Rose, Chadbourne & Park, and Thomas Sjoblom:

- a. *Ibarra, et al., v. Proskauer Rose, LLP, et al.*, Civil Action No. 5:12-CV-00082-OLG in the Western District of Texas – San Antonio Division (originally filed in District Court in Bexar County, Texas);
- b. *Reed, et al., v. Proskauer Rose, LLP, et al.*, Civil Action No. 5:12-CV-00088-OLG, in the Western District of Texas – San Antonio Division (originally filed in District Court in Bexar County, Texas);
- c. *Gale, et al., v. Proskauer Rose, LLP, et al.*, Civil Action No. 5:12-CV-00079-OLG, in the Western District of Texas – San Antonio Division (originally filed in District Court in Bexar County, Texas);
- d. *Martin, et al., v. Proskauer Rose, LLP, et al.*, Civil Action No. 4:12-CV-00280, in the Southern District of Texas – Houston Division (originally filed in District Court in Harris County, Texas);
- e. *Garza, et al., v. Proskauer Rose, LLP, et al.*, Civil Action No. 4:12-CV-00274 in the Southern District of Texas – Houston Division (originally filed in District Court in Harris County, Texas);²⁴ and

²³ Each of the listed lawsuits was removed to federal court based upon the alleged applicability of SLUSA. Plaintiffs filed motions to remand in each of the lawsuits.

²⁴ On April 30, 2012, Judge David Hittner granted plaintiffs' motion to remand the *Garza* action to the 281st District Court in Harris County, Texas, finding that the 5th Circuit's decision in the consolidated *Roland* appeals rendered removal of *Garza* pursuant to SLUSA improper.

- f. *Green, et al., v. Proskauer Rose, LLP, et al.*, Civil Action No. 4:12-CV-00276 in the Southern District of Texas – Houston Division (originally filed in District Court in Harris County, Texas).

- C. *Frank v. The Commonwealth of Antigua and Barbuda*, Civil Action No. 09- 2165
Queyrouze, et al., v. Bank of Antigua, Civil Action No. 10-00304

The *Frank* case is a class action case commenced by Peter Morgenstern,²⁵ a member of the Committee, on behalf of all Stanford investors alleging that the Government of Antigua and Barbuda (“Antigua”) aided and participated in the Stanford fraud, expropriated and misappropriated Stanford assets without paying compensation to Stanford’s investors, and was the recipient of significant fraudulent transfers from Stanford and his companies. A separate action (the *Queyrouze* case) was filed against Antigua, the Eastern Caribbean Central Bank and other banks that purported to take control of the Bank of Antigua, a Stanford owned financial institution that was also seized without the payment of compensation to Stanford’s victims whose funds were used to establish that bank.

In both the *Frank* case and the *Queyrouze* case, Antigua responded by filing motions to dismiss the complaint, arguing that it is not subject to the jurisdiction of the United States District Court for the Northern District of Texas and that the claims are barred by the doctrine of sovereign immunity.

In response to the motions to dismiss, the Plaintiffs filed motions seeking jurisdictional discovery from Antigua. Antigua opposed such discovery. On February 7,

²⁵ At the time these actions were filed, Mr. Morgenstern was a partner with the law firm Morgenstern & Blue, LLP. Mr. Morgenstern is now a member of the law firm Butzel Long, P.C.

2012, the Court entered orders in both cases denying Plaintiffs' motions seeking jurisdictional discovery.

On March 7, 2012, Plaintiffs in both cases filed motions to stay the actions until such time as the 5th Circuit resolved the consolidated *Roland* appeals relating to the applicability of SLUSA (addressed above). On May 21, 2012, the Court entered its Orders denying the motions to stay as moot, given the resolution of the *Roland* appeals, and directed Plaintiffs to file responses to the pending motions to dismiss within thirty (30) days.

The other defendants in the *Queyrouze* case (Bank of Antigua, Eastern Caribbean Central Bank, Antigua Commercial Bank, St. Kitts-Nevis-Anguilla National Bank, Ltd., Eastern Caribbean Financial Holdings Company, Ltd., National Commercial Bank (SVG, Ltd.), and National Bank of Dominica, Ltd.) have not been served and have not answered or otherwise appeared in the *Queyrouze* case.

D. *Turk v. Pershing, LLC*, Civil Action No. 09-2199

This is a class action filed against Pershing by Texas and Florida investors who bought SIBL CDs where the funds transferred to, from or through Pershing. The Complaint alleges that Pershing aided and abetted SGC's failure to register the CDs under Texas and Florida laws. The class is represented by the law firms of Hohman Taube & Summers, LLP; George & Brothers, LLP; and Beasley, Hauser, Kramer, Leonard & Galardi, P.A.

As presently postured, this case seeks certification of a class of Texas and Florida investors only. However, the case is in the process of being consolidated with the

Mendez v. Pershing case, as described below.

The Defendant filed a Motion to Stay in December 2009 which has been fully briefed and is pending before this Court. See Civil Action No. 09-2199, Doc. Nos. 22, 23, 30, 31, 33, 55. **In May 2010, the Plaintiffs filed a Motion for Class Certification, pursuant to Local Rule 23.2, which has been fully briefed and is pending before this Court.** See Civil Action No. 09-2199, Doc. Nos. 42, 45, 48. **In October 2010, Defendant filed a Rule 12(c) Motion for Judgment on the Pleadings, which has been fully briefed and is pending before this Court.** See Civil Action No. 09-2199, Doc. Nos. 53, 54, 59, 60, 61, 62.

On September 19, 2011, Plaintiffs filed an unopposed Motion to Stay the case pending the outcome of the *Roland* appeal in the 5th Circuit. That Motion was granted on September 30, 2011. On May 21, 2012, the Court entered an Order lifting the stay and directed the parties to report, within twenty-one (21) days, concerning both the status of the pending motions described above and concerning whether any additional briefing as to those pending motions would be helpful. Civil Action No. 09-2199, Doc. No. 73.

E. *Mendez v. Pershing LLC and Lockwood Advisors, Inc.*, Civil Action No. 11-00314

This is a class action filed in February 2011 against Pershing by Stanford/SGC investors represented by Committee members Ed Snyder of Castillo Snyder P.C.; Peter Morgenstern, of Butzel Long; and Ed Valdespino of Strasburger Price, LLP, along with additional counsel Neligan Foley, LLP.

The action seeks certification of a class of Stanford investors who purchased SIBL

CDs through broker/dealer SGC and whose funds were wire transferred by Pershing to SIBL to fund the purchase of SIBL CDs between December 27, 2005 and February 16, 2009, with alternative subclasses also alleged. The action alleges that the Defendants aided and abetted SGC's violations of the Texas Securities Act and seeks damages of roughly \$500 million.

On April 7, 2011, the Plaintiffs and Defendants filed a stipulation in which they agreed that this action would be consolidated into the pending *Turk v. Pershing* action (addressed above) through the filing of an amended, consolidated complaint in *Turk* and the dismissal of this action.

On September 15, 2011, Plaintiffs filed an unopposed Motion to Stay the case pending the outcome of the *Roland* appeal in the 5th Circuit. That Motion was granted on September 30, 2011. On May 21, 2012, the Court entered an Order lifting the stay.²⁶ Civil Action No. 11-0314, Doc. No. 16.

F. *Rotstain v. Trustmark National Bank, et al.*, Civil Action No. 09-2384

This action was filed by Plaintiffs represented by Peter Morgenstern, of Butzel Long, PC,²⁷ in late 2009 against The Toronto-Dominion Bank, Trustmark National Bank, Bank of Houston, HSBC Bank PLC and SG Private Banking (Suisse) S. A. (Societe Generale) alleging that those financial institutions assisted in the Stanford fraud and are legally responsible to the investors for damages incurred as a result. Plaintiffs also

²⁶ Because of the stay that was in place between September 30, 2011 and May 21, 2012, the Plaintiffs have not yet filed the consolidated complaint contemplated by the stipulation filed on April 7, 2011.

²⁷ Mr. Morgenstern was with the law firm Morgenstern & Blue when this action was filed.

believe that these banks received millions of dollars in fees and charges which may be recoverable under a variety of legal theories. The banks responded by filing motions to dismiss the complaint on a variety of jurisdictional and other theories. See Civil Action No. 09-2384, Doc. Nos. 28 (HSBC), 31 (Toronto Dominion), 32 (SocGen), 36 (Trustmark) and 39 (Bank of Houston).

Plaintiffs responded to the motions to dismiss by filing a motion requesting a temporary stay of their civil case against the banks until the conclusion of Allen Stanford's criminal trial, at which time Plaintiffs hoped to obtain substantial documentary evidence and access to witnesses to support their claims. On November 14, 2011, the Court entered its Order denying the Plaintiffs' motion for a stay and setting deadlines for the Plaintiffs to respond to the Defendants' motions to dismiss. Plaintiffs filed their response to the various Defendants' motions to dismiss on December 5, 2011, *see* Civil Action No. 09-2384, Doc. Nos. 94, 95, and the various Defendants filed reply briefs in support of their motions on December 22, 2011. *See* Civil Action No. 09-2384, Doc. Nos. 99 (SocGen), 100 (Toronto Dominion), 101 (HSBC), 105 (Trustmark) and 108 (Bank of Houston).

The Defendants' various motions to dismiss are fully briefed and pending before the Court.

Also on December 5, 2011, the Committee filed a motion to intervene in this action, and a proposed intervenor's complaint, for the purpose of asserting fraudulent transfer claims against the various bank defendants. The various Defendants filed responses opposing the Committee's motion to intervene, and the Committee filed a reply

brief in support of its motion.

The Committee's motion to intervene is fully briefed and pending before the Court. See Civil Action No. 09-2384, Doc. Nos. 96, 102, 103, 104, 107, 109, 110.

G. *Official Stanford Investors Committee, Phillip Wilkinson and Horatio Mendez v. Breazeale Sachse & Wilson, LLP, Claude Reynaud, Adams & Reese, LLP, J.D. Perry, Rebecca Hamric, Michael Contorno and Carlos Loumiet, Civil Action No. 11-0329*

This is a combined Committee lawsuit and investor class action filed in February 2011 against various law firms and former officers and directors and employees of Stanford Trust Company of Louisiana (STC) by a group of investors who invested their IRA accounts into the SIBL CDs through STC, presently represented by Committee members Ed Snyder of Castillo Snyder P.C., and Peter Morgenstern, of Butzel Long, along with additional counsel Neligan Foley, LLP.

The action seeks certification of a class of STC IRA investors and claims damages on their behalf of roughly \$300 million. The action alleges that the Defendants aided and abetted Stanford's fraudulent scheme to use STC as the vehicle to get investors to invest their IRA accounts in the SIBL CDs.

The Committee, as assignee of claims from the Receiver, has also brought claims against the Defendants for the return of CD proceeds fraudulently transferred to them, as well as against the Director and Officer Defendants for breach of fiduciary duty.

On July 7, 2011, the Committee and the class plaintiffs filed an amended complaint. Civil Action No. 11-0329, Doc. No. 19. Certain of the Defendants, including Adams & Reese, filed motions to dismiss on July 21, 2011. See Civil Action No. 11-

0329, Doc. Nos. 22, 23 (Adams & Reese Motion), Doc. No. 24 (Contorno Motion). Another Defendant filed a motion to dismiss on September 30, 2011. Civil Action No. 11-0329, Doc. Nos. 39, 40 (Fornet Motion). The Committee responded to these motions to dismiss on October 28, 2011. Civil Action No. 11-0329, Doc. Nos. 45.

On May 18, 2012, the parties entered into and filed a stipulation establishing a schedule for the parties to respond to the amended complaint. Civil Action No. 11-0329, Doc. Nos. 67. That schedule provides that the remaining Defendants will answer or otherwise respond to the amended complaint on or before June 26, 2012; that the Committee and class plaintiffs will respond to all then pending motions to dismiss on or before July 26, 2012; and that reply briefs in support of the various motions to dismiss will be due no later than August 17, 2012.

H. *Wilkinson v. BDO USA, LLP, BDO International, Ltd., BDO Global Coordination, B.V., and Brussels Worldwide Services BVBA, Civil Action No. 3:11-CV-1115*

This is a class action filed against various entities affiliated with the international accounting firm BDO by a group of Stanford investors represented by Hohman Taube & Summers, LLP, along with Committee members Ed Snyder of Castillo Snyder P.C.; Peter Morgenstern of Butzel Long; and Ed Valdespino of Strasburger Price, LLP.

This action seeks certification of a class of all Stanford investors and claims damages on their behalf of \$7.2 billion, with alternative subclasses also alleged. The action alleges that the Defendants aided and abetted Stanford's fraudulent Ponzi scheme and violations of the Texas Securities Act.

BDO USA filed a motion to dismiss the complaint on August 12, 2011. BDO

International filed a motion to dismiss the complaint on August 22, 2011. Both motions were rendered moot by the filing of an amended complaint on September 2, 2011.

On September 15, 2011, the parties filed a stipulation seeking to stay the case for a period of 120 days because of the pending appeal of the *Roland* decision. The Court granted that stay. On January 6, 2012, the parties sought to extend the stay for an additional period because the *Roland* appeal was still pending. On January 13, 2012, the Court entered its Order staying this action until May 31, 2012. On May 25, 2012, the parties sought to extend the stay for an additional period because the parties' understood that the *Roland* appeal could potentially ascend to the United States Supreme Court. On May 30, 2012, the Court entered its Order staying this action until October 12, 2012.

VI. ADDITIONAL LITIGATION RELATED MATTERS

In addition to the various actions identified in this Second Report, the Receiver and/or the Committee have entered into tolling agreements with certain other parties relating to their dealings with and roles in the Stanford Ponzi scheme and the assertion of potential claims relating thereto. These parties are not being identified at this time because the tolling agreements contain provisions requiring that they be kept confidential.

Dated: June 1, 2012

Respectfully submitted,

BAKER BOTTS L.L.P.

By: /s/ Kevin M. Sadler

Kevin M. Sadler

Texas Bar No. 17512450

kevin.sadler@bakerbotts.com

Robert I. Howell

Texas Bar No. 10107300

robert.howell@bakerbotts.com

David T. Arlington

Texas Bar No. 00790238

david.arlington@bakerbotts.com

1500 San Jacinto Center

98 San Jacinto Blvd.

Austin, Texas 78701-4039

(512) 322-2500

(512) 322-2501 (Facsimile)

Timothy S. Durst

Texas Bar No. 00786924

tim.durst@bakerbotts.com

2001 Ross Avenue

Dallas, Texas 75201

(214) 953-6500

(214) 953-6503 (Facsimile)

ATTORNEYS FOR RECEIVER

RALPH S. JANVEY

KRAGE & JANVEY, L.L.P.

By: /s/ Ben L. Krage

Ben L. Krage

Texas Bar No. 11700000

bkrage@kjllp.com

2100 Ross Avenue, Suite 2600

Dallas, Texas 75201

(214) 969-7500

(214) 220-0230 (Facsimile)

ATTORNEYS FOR RECEIVER

RALPH S. JANVEY

Respectfully submitted,

/s/ John J. Little
John J. Little
Tex. Bar No. 12424230

LITTLE PEDERSEN FANKHAUSER, LLP
901 Main Street, Suite 4110
Dallas, Texas 75202
(214) 573-2300
(214) 573-2323 [FAX]

EXAMINER

Respectfully submitted,

CASTILLO SNYDER, P.C.

By: /s/ Edward C. Snyder
Edward C. Snyder
Texas Bar No. 00791699
esnyder@casnlaw.com
Bank of America Plaza, Suite 1020
300 Convent Street
San Antonio, Texas 78205
(210) 630-4200
(210) 630-4210 (Facsimile)

BUTZEL LONG, P.C.

By: /s/ Peter D. Morgenstern
Peter D. Morgenstern
(*admitted pro hac vice*)
pmorgenstern@mfbnyc.com
885 Third Avenue
New York, New York 10022
(212) 750-6776
(212) 750-3128 (Facsimile)

STRASBURGER & PRICE, LLP

By: /s/ Edward F. Valdespino

Edward F. Valdespino

edward.valdespino@strasburger.com

Andrew L. Kerr

andrew.kerr@strasburger.com

300 Convent Street, Suite 900

San Antonio, Texas 78205

(210) 250-6000

(210) 250-6100 (FACSIMILE)

**ATTORNEYS FOR THE OFFICIAL
STANFORD INVESTORS COMMITTEE**

CERTIFICATE OF SERVICE

On June 1, 2012, I electronically submitted the foregoing document to 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
John J. Little