

2. On or about July 30, 2012, after a failed mediation and costly and protracted litigation among the Receiver, the Committee, the Examiner, the SEC and the Antiguan Joint Liquidators (the “JL’s” and, with the Receiver, the Committee, the Examiner and the SEC, the “Settling Parties”) appointed by the Antiguan courts in contravention of orders of this Court establishing the U.S. Receivership, this Court entered its decision and order (the “Chapter 15 Order”) in connection with the JL’s application for recognition of their Antiguan proceeding as a “foreign main proceeding” under Chapter 15 of the Bankruptcy Code. In its decision, the Court denied the JL’s application for recognition as a “foreign main proceeding,” and held that Houston, Texas, U.S.A. was the “center of main interest” for all the Stanford entities. The court further held that the Antiguan proceeding could be recognized here as a “non-main” proceeding, subject however to the satisfaction of a number of conditions by the JL’s, all set out in the Order.

3. The JL’s defied the order, appealed to the Fifth Circuit Court of Appeals, and continued their ongoing efforts to block the release of over \$300 million of funds to Stanford’s long-suffering victims. The funds in question had been frozen in Europe and Canada through the efforts of the United States Government (the “European Funds”), and no principled reason was ever offered by the JL’s for preventing the immediate distribution of the European Funds to the victims. The JL’s refusal to comply with the Chapter 15 Order, which among other things, required their cooperation in obtaining release of the European Funds and refraining from interfering with or duplicating litigation undertaken by the U.S. Receiver or the Committee, was the catalyst for the negotiations that led to the agreement which is the subject of the motion which is now before the Court.

4. On or about March 12, 2013, the Settling Parties filed a motion (the “Motion”) seeking approval of a Settlement Agreement and Cross-Border Protocol (the “Agreement”), which provides, *inter alia*, for the release over time of the European Funds to Stanford’s victims,

less certain funds (in excess of \$56 million) to be distributed to the JL's for so-called "working capital," and a mechanism for coordination of certain ongoing and contemplated litigation against third parties by and between the U.S. and Antiguan estates. The Committee is a party to the Agreement.

5. Pursuant to the Court's scheduling order dated as of March 18, 2013 (the "Order"), March 28, 2013 was fixed as the deadline for parties and non-parties, including Stanford victims, to submit objections or statements in connection with the Motion and the Agreement, and April 5 was fixed as the deadline for the Receiver to file a response to any such objections or statements. The Order provides that any party or non-party that does not file such a response to the Motion by March 28 will be barred from appearing at the hearing in connection with the Motion, and the Order further appears to limit the ability of parties and non-parties other than the Receiver to respond to objections and statements that are timely filed with the Court.

6. Counsel has been advised that certain of the defendants in the Class Actions and other pending cases intend to object to approval of the Agreement in whole or in part because of the Agreement's provisions creating a protocol for coordinating ongoing and potential litigation, including the Class Actions and related litigation against third parties.

7. The undersigned submits this statement to reserve the right to respond to any arguments advanced by such defendants as they relate to the Class Actions and the other litigations, and the right to object to any potential modifications to the proposed order in respect of the Agreement in response to any such objections.

8. In addition to the foregoing, the undersigned objects to Section 11.10 of the Agreement to the extent that it purports to limit (by agreement) this Court's jurisdiction over the JL's in any way. The undersigned submits that such a provision is unnecessary and inappropriate as a matter of law, and that the parties to the Agreement lack authority to limit the

jurisdiction of this Court in any legal proceedings, whether related to the Agreement or otherwise. Counsel notes that the JL's have filed numerous pleadings with this Court, most recently on March 26, 2013 (Docket No. 194), which was filed in violation of the Chapter 15 Order.

Dated: March 28, 2013

Respectfully submitted,

BUTZEL LONG, a professional corporation

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