

for the Stanford Entities, it notes that the collective wisdom of the Receiver, the Examiner, OSIC, and the SEC is that an equity receivership is preferable to bankruptcy,⁶³ and notes further that the current equity Receivership consists of more than 100 actions – more than 90 of which are active and have been pending for years – and an active claims process readying for an initial distribution to investor-victims and creditors. Thus, any future attempts to involuntarily place the Stanford Entities into bankruptcy proceedings would severely disrupt the current Receivership and result in untold expenditures of funds currently earmarked for Stanford investor-victims and creditors. Given this history, the Court’s findings of fact, and the potential for duplication of effort and resulting diminution of funds for Stanford investor-victims and creditors, the Court believes that only strictly limited, conditional relief is warranted under its holding of foreign nonmain recognition.

Specifically, the Court limits the relief granted under section 1521 to “the examination of witnesses [and] the taking of evidence or the delivery of information concerning [SIB’s] assets, affairs, rights, obligations or liabilities.” 11 U.S.C. § 1521(a)(4). This limited relief facilitates the Joint Liquidators’ U.S. discovery needs related to the Antiguan liquidation

⁶³The SEC reminds the Court that

[R]eceivership proceeding[s] . . . [are] well-recognized vehicle[s] for ensuring the preservation, management, and, if appropriate, distribution of assets secured in a securities enforcement matter. Indeed, courts recognize that . . . the appointment of receivers in enforcement actions furthers the policies of the federal securities laws. *See SEC v. Wen[c]ke*, 622 F.2d 1363, 1373 (9th Cir. 1980). The policies are particularly implicated in a case like this one where the evidence is overwhelming that Stanford’s fraud (and, in fact, [SIB] even if viewed in isolation) was orchestrated from the United States.

SEC’s Second Suppl. Opp’n to Pet. Recogn. Pursuant to Ch. 15 of Bankr. Code 2 [101] [hereinafter SEC 2nd Suppl. Opp’n].

proceeding. The Court then conditions all relief on (a) the Joint Liquidators' making available to the Receiver, the Examiner, OSIC, and the SEC all of SIB and STCL's records, documents, data, and any other relevant information regarding SIB and STCL under their control, possession, or knowledge, wherever located; (b) requiring the Joint Liquidators to use best efforts to acquire reciprocal rights for the Receiver in Antiguan courts; (c) precluding the Joint Liquidators from taking any action to disrupt, interfere, or otherwise prevent efforts related to the Receivership by the U.S. DOJ, the SEC, any other U.S. government agency, the Receiver, the Examiner, and OSIC absent approval of this Court; (d) precluding the Joint Liquidators from duplicating efforts by the Receiver, the Examiner, and OSIC, including playing any role – unless consented to by the Receiver, Examiner, and OSIC – in the prosecution of claims or actions that the Receiver and/or OSIC have already commenced prior to the date of this Order; (e) precluding the Joint Liquidators from filing any litigation or other proceeding in the United States, unless approved by this Court; (f) precluding the Joint Liquidators from filing U.S. bankruptcy petitions without the consent of the Receiver, the Examiner, OSIC, the SEC, and this Court; (g) requiring the Joint Liquidators to consult with the Receiver, the Examiner, OSIC, and the SEC and use best efforts to adopt a common claims and/or distribution process; (h) requiring the Joint Liquidators to apply to this Court for the authority to make any payment from SIB or STCL assets for any activity undertaken by them in the United States or to any U.S. person; and (i) requiring the Joint Liquidators to apply to this Court for the authority to take any action whatsoever in the United States except for “the examination of witnesses [and] the taking of

evidence or the delivery of information concerning [SIB's] assets, affairs, rights, obligations or liabilities.”

To the extent that the Joint Liquidators require a court order from Antigua to comply with the above conditions, the Court leaves it up to the Joint Liquidators to attempt to obtain one. This Court will not modify its conditions simply because the Joint Liquidators are unable to secure the authority to comply.

In fashioning the above relief, the Court is careful to strike a “balance between relief that may be granted to the foreign representative and the interests of persons that may be affected by such relief.” *See In re Int’l Banking Corp. B.S.C.*, 439 B.R. 614, 626 (Bankr. S.D.N.Y. 2010). Particularly, the Court seeks to instill reciprocal cooperation between the Antigua and U.S. parties and parties in interest, as well as provide for checks on the Joint Liquidators’ activity similar to the way that this Court oversees the Receiver, Examiner, and OSIC’s activities. In this way, the Court balances the needs of the parties in interest with the needs of Stanford’s investor-victims and creditors.

F. Any Public Policy Problem is Resolved by the Court’s Conditional Relief

The Receiver and the SEC ardently argue that the Court should not grant the Antigua Proceeding foreign recognition of any kind because doing so would be against the public policy of the United States. *Cf. In re Gold & Honey, Ltd.*, 410 B.R. 357 (Bankr. E.D.N.Y. 2009) (refusing to grant recognition on public policy grounds). Specifically, they argue that recognition is against U.S. public policy because (a) the Antigua Proceeding violates this Court’s Receivership Order, (b) Stanford’s influence in Antigua created favorable Antigua

banking laws by which Stanford was able to perpetrate his fraud, (c) the FSRC and the Antigua government were intimately involved and/or implicated in Stanford's fraud, (d) the Antigua government has failed to cooperate with the Receiver and has expropriated Receivership assets, including real estate and Bank of Antigua's assets, (e) the Joint Liquidators' goal is to take full control of the Receivership Estate to the detriment of Stanford investor-victims and creditors, (f) the Antigua Proceeding and Stanford Entities' documents in Antigua are subject to Antigua secrecy laws, (g) the distribution scheme under the IBCA is inappropriate, and (h) the Joint Liquidators have made no showing that recognition would provide any benefit or advantage to the Receivership Estate or its investor-victims and creditors. *See* Receiver's Proposed Facts & Law 49-50; JL Proposed Facts & Law 47. The Court holds that recognition as granted here is not against U.S. public policy because the conditions imposed by the Court adequately address the concerns of the Receiver and SEC.

CONCLUSION

The Court grants the Joint Liquidators' motion for substitution as Plaintiff *nunc pro tunc* to June 8, 2010 and grants in part and denies in part their request that the Court take judicial notice. The Court overrules the parties' objections to each others' evidence. Finally, because the Stanford Entities' COMI is in the United States and they have an establishment in Antigua, the Court grants the Antigua Proceeding foreign nonmain recognition, granting in part and denying in part the Joint Liquidators' petition for recognition. The Court grants the Joint Liquidators limited, conditional relief under Chapter 15.

In accordance with this Order, the Court orders the Clerk of the Court to terminate Peter Wastell and Nigel Hamilton-Smith as Plaintiffs and add Marcus Wide and Hugh Dickson as Plaintiffs.

Signed July 30, 2012.

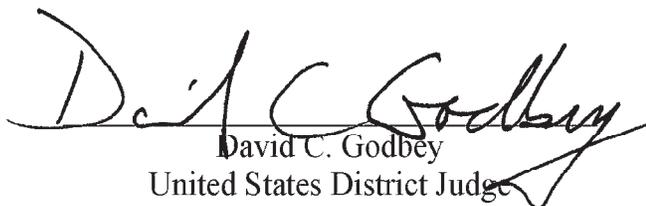

David C. Godbey
United States District Judge

Exhibit 2

computer hard drives, computer disks, internet exchange servers telephones, personal digital devices and other informational resources of or in possession of the Defendants, or issued by Defendants and in possession of any agent or employee of the Defendants (“Receivership Records”).

2. Ralph S. Janvey of Dallas, Texas, is hereby appointed Receiver for the Receivership Assets and Receivership Records (collectively, “Receivership Estate”), with the full power of an equity receiver under common law as well as such powers as are enumerated herein as of the date of this Order. The Receiver shall not be required to post a bond unless directed by the Court but is hereby ordered to well and faithfully perform the duties of his office: to timely account for all monies, securities, and other properties which may come into his hands; and to abide by and perform all duties set forth in this Order. Except for an act of willful malfeasance or gross negligence, the Receiver shall not be liable for any loss or damage incurred by the Receivership Estate, or any of Defendants, the Defendants’ clients or associates, or their subsidiaries or affiliates, their officers, directors, agents, and employees, or by any of Defendants’ creditors or equity holders because of any act performed or not performed by him or his agents or assigns in connection with the discharge of his duties and responsibilities hereunder.

3. The duties of the Receiver shall be specifically limited to matters relating to the Receivership Estate and unsettled claims thereof remaining in the possession of the Receiver as of the date of this Order. Nothing in this Order shall be construed to require further investigation of Receivership Estate assets heretofore liquidated and/or distributed or claims of the Receivership Estate settled prior to issuance of this Order. However, this paragraph shall not be

construed to limit the powers of the Receiver in any regard with respect to transactions that may have occurred prior to the date of this Order.

4. Until the expiration date of this Order or further Order of this Court, Receiver is authorized to immediately take and have complete and exclusive control, possession, and custody of the Receivership Estate and to any assets traceable to assets owned by the Receivership Estate.

5. As of the date of entry of this Order, the Receiver is specifically directed and authorized to perform the following duties:

(a) Maintain full control of the Receivership Estate with the power to retain or remove, as the Receiver deems necessary or advisable, any officer, director, independent contractor, employee, or agent of the Receivership Estate;

(b) Collect, marshal, and take custody, control, and possession of all the funds, accounts, mail, and other assets of, or in the possession or under the control of, the Receivership Estate, or assets traceable to assets owned or controlled by the Receivership Estate, wherever situated, the income and profit therefrom and all sums of money now or hereafter due or owing to the Receivership Estate with full power to collect, receive, and take possession of, without limitation, all goods, chattel, rights, credits, monies, effects, lands, leases, books and records, work papers, records of account, including computer maintained information, contracts, financial records, monies on hand in banks and other financial initiations, and other papers and documents of other individuals, partnerships, or corporations whose interests are now held by or under the direction, possession, custody, or control of the Receivership Estate;

(c) Institute such actions or proceedings to impose a constructive trust, obtain possession, and/or recover judgment with respect to persons or entities who received assets or records traceable to the Receivership Estate. All such actions shall be filed in this Court;

(d) Obtain, by presentation of this Order, documents, books, records, accounts, deposits, testimony, or other information within the custody or control of any person or entity sufficient to identify accounts, properties, liabilities, causes of action, or employees of the Receivership Estate. The attendance of a person or entity for examination and/or production of documents may be compelled in a manner provided in Rule 45, Fed. R. Civ. P., or as provided under the laws of any foreign country where such documents, books, records, accounts, deposits, or testimony may be located;

(e) Without breaching the peace and, if necessary, with the assistance of local peace officers or United States marshals to enter and secure any premises, wherever located or situated, in order to take possession, custody, or control of, or to identify the location or existence of, Receivership Estate assets or records;

(f) Make such ordinary and necessary payments, distributions, and disbursements as the Receiver deems advisable or proper for the marshaling, maintenance, or preservation of the Receivership Estate. Receiver is further authorized to contract and negotiate with any claimants against the Receivership Estate (including, without limitation, creditors) for the purpose of compromising or settling any claim. To this purpose, in those instances in which Receivership Estate assets serve as collateral to secured creditors, the Receiver has the authority to surrender such assets to secured creditors, conditional upon the waiver of any deficiency of collateral;

(g) Perform all acts necessary to conserve, hold, manage, and preserve the value of the Receivership Estate, in order to prevent any irreparable loss, damage, and injury to the Estate;

(h) Enter into such agreements in connection with the administration of the Receivership Estate, including, but not limited to, the employment of such managers, agents, custodians, consultants, investigators, attorneys, and accountants as Receiver judges necessary to perform the duties set forth in this Order and to compensate them from the Receivership Assets;

(i) Institute, prosecute, compromise, adjust, intervene in, or become party to such actions or proceedings in state, federal, or foreign courts that the Receiver deems necessary and advisable to preserve the value of the Receivership Estate, or that the Receiver deems necessary and advisable to carry out the Receiver's mandate under this Order and likewise to defend, compromise, or adjust or otherwise dispose of any or all actions or proceedings instituted against the Receivership Estate that the Receiver deems necessary and advisable to carry out the Receiver's mandate under this Order;

(j) Preserve the Receivership Estate and minimize expenses in furtherance of maximum and timely disbursement thereof to claimants;

(k) Promptly provide the United States Securities and Exchange Commission and other governmental agencies with all information and documentation they may seek in connection with its regulatory or investigatory activities;

(l) Prepare and submit periodic reports to this Court and to the parties as directed by this Court; and

(m) File with this Court requests for approval of reasonable fees to be paid to the Receiver and any person or entity retained by him and interim and final accountings for any reasonable expenses incurred and paid pursuant to order of this Court.

6. Upon the request of the Receiver, the United States Marshal's Office is hereby ordered to assist the Receiver in carrying out his duties to take possession, custody, or control of, or identify the location of, any Receivership Estate assets or records.

7. Creditors and all other persons are hereby restrained and enjoined from the following actions, except in this Court, unless this Court, consistent with general equitable principals and in accordance with its ancillary equitable jurisdiction in this matter, orders that such actions may be conducted in another forum or jurisdiction:

(a) The commencement or continuation, including the issuance or employment of process, of any judicial, administrative, or other proceeding against the Receiver, any of the defendants, the Receivership Estate, or any agent, officer, or employee related to the Receivership Estate, arising from the subject matter of this civil action; or

(b) The enforcement, against the Receiver, or any of the defendants, of any judgment that would attach to or encumber the Receivership Estate that was obtained before the commencement of this proceeding.

8. Creditors and all other persons are hereby restrained and enjoined, without prior approval of the Court, from:

(a) Any act to obtain possession of the Receivership Estate assets;

(b) Any act to create, perfect, or enforce any lien against the property of the Receiver, or the Receivership Estate;

(c) Any act to collect, assess, or recover a claim against the Receiver or that would attach to or encumber the Receivership Estate; or

(d) The set off of any debt owed by the Receivership Estate or secured by the Receivership Estate assets based on any claim against the Receiver or the Receivership Estate.

9. Defendants, their respective officers, agents, and employees and all persons in active concert or participation with them who receive notice of this Order by personal service or otherwise, including, but not limited to, any financial institution, broker-dealer, investment adviser, private equity fund or investment banking firm, and each of them, are hereby ordered, restrained, and enjoined from, directly or indirectly, making any payment or expenditure of any Receivership Estate assets that are owned by Defendants or in the actual or constructive possession of any entity directly or indirectly owned or controlled or under common control with the Receivership Estate, or effecting any sale, gift, hypothecation, assignment, transfer, conveyance, encumbrance, disbursement, dissipation, or concealment of such assets. A copy of this Order may be served on any bank, savings and loan, broker-dealer, or any other financial or depository institution to restrain and enjoin any such institution from disbursing any of the Receivership Estate assets. Upon presentment of this Order, all persons, including financial institutions, shall provide account balance information, transaction histories, all account records and any other Receivership Records to the Receiver or his agents, in the same manner as they would be provided were the Receiver the signatory on the account.

10. Defendants, and their respective agents, officers, and employees and all persons in active concert or participation with them are hereby enjoined from doing any act or thing whatsoever to interfere with the Receiver's taking control, possession, or management of the

Receivership Estate or to in any way interfere with the Receiver or to harass or interfere with the duties of the Receiver or to interfere in any manner with the exclusive jurisdiction of this Court over the Receivership Estate, including the filing or prosecuting any actions or proceedings which involve the Receiver or which affect the Receivership Assets or Receivership Records, specifically including any proceeding initiated pursuant to the United States Bankruptcy Code, except with the permission of this Court. Any actions so authorized to determine disputes relating to Receivership Assets and Receivership Records shall be filed in this Court.

11. Defendants, their respective officers, agents, and employees and all persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, including any financial institution, broker-dealer, investment adviser, private equity fund or investment banking firm, and each of them shall:

(a) To the extent they have possession, custody, or control of same, provide immediate access to and control and possession of the Receivership Estate assets and records, including securities, monies, and property of any kind, real and personal, including all keys, passwords, entry codes, and all monies deposited in any bank deposited to the credit of the Defendants, wherever situated, and the original of all books, records, documents, accounts, computer printouts, disks, and the like of Defendants to Receiver or his duly authorized agents;

(b) Cooperate with the Receiver and his duly authorized agents by promptly and honestly responding to all requests for information regarding Receivership Assets and Records and by promptly acknowledging to third parties the Receiver's authority to act on behalf of the Receivership Estate and by providing such authorizations, signatures, releases, attestations, and access as the Receiver or his duly authorized agents may reasonably request;

(c) Provide the Commission with a prompt, full accounting of all Receivership Estate assets and documents outside the territory of the United States which are held either: (1) by them, (2) for their benefit, or (3) under their control;

(d) Transfer to the territory of the United States all Receivership Estate assets and records in foreign countries held either: (1) by them, (2) for their benefit, or (3) under their control; and

(e) Hold and retain all such repatriated Receivership Estate assets and documents and prevent any transfer, disposition, or dissipation whatsoever of any such assets or documents, until such time as they may be transferred into the possession of the Receiver.

12. Any financial institution, broker-dealer, investment adviser, private equity fund or investment banking firm or person that holds, controls, or maintains accounts or assets of or on behalf of any Defendant, or has held, controlled, or maintained any account or asset of or on behalf of any defendant or relief defendant since January 1, 1990, shall:

(a) Hold and retain within its control and prohibit the withdrawal, removal, assignment, transfer, pledge, hypothecation, encumbrance, disbursement, dissipation, conversion, sale, gift, or other disposal of any of the assets, funds, or other property held by or on behalf of any defendant or relief defendant in any account maintained in the name of or for the benefit of any defendant or relief defendant in whole or in part except:

- (i) as directed by further order of this Court, or
- (ii) as directed in writing by the Receiver or his agents;

(b) Deny access to any safe deposit boxes that are subject to access by any Defendant; and

(c) The Commission and Receiver may obtain, by presentation of this Order, documents, books, records, accounts, deposits, or other information within the custody or control of any person or entity sufficient to identify accounts, properties, liabilities, causes of action, or employees of the Receivership Estate. The attendance of a person or entity for examination and/or production of documents may be compelled in a manner provided in Rule 45, Fed. R. Civ. P., or as provided under the laws of any foreign country where such documents, books, records, accounts, deposits, or testimony may be located;

13. The Defendants, their officers, agents, and employees and all persons in active concert or participation with them and other persons who have notice of this Order by personal service or otherwise, are hereby restrained and enjoined from destroying, mutilating, concealing, altering, transferring, or otherwise disposing of, in any manner, directly or indirectly, any contracts, accounting data, correspondence, advertisements, computer tapes, disks or other computerized records, books, written or printed records, handwritten notes, telephone logs, telephone scripts, receipt books, ledgers, personal and business canceled checks and check registers, bank statements, appointment books, copies of federal, state, or local business or personal income or property tax returns, and other documents or records of any kind that relate in any way to the Receivership Estate or are relevant to this action.

14. The Receiver is hereby authorized to make appropriate notification to the United States Postal Service to forward delivery of any mail addressed to the Defendants, or any company or entity under the direction and control of the Defendants, to himself. Further, the Receiver is hereby authorized to open and inspect all such mail to determine the location or identity of assets or the existence and amount of claims.

15. Nothing in this Order shall prohibit any federal or state law enforcement or regulatory authority from commencing or prosecuting an action against the Defendants, their agents, officers, or employees.

So Ordered and signed, this 16th day of February 2009.

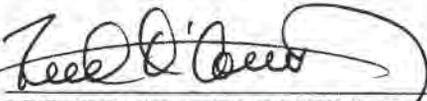

UNITED STATES DISTRICT JUDGE

Exhibit 3

THE EASTERN CARIBBEAN SUPREME COURT
THE HIGH COURT OF JUSTICE
ANTIGUA AND BARBUDA



Claim No. ANUHCV 2009/0149

In the Matter of Stanford International Bank Limited (In Liquidation)

-and-

In the Matter of the International Business Corporations Act, Cap 2:22 of the
Laws of Antigua and Barbuda

-and-

In the Matter of an Application for the Removal of the Joint Liquidators



ORDER
[Appointment of New Liquidator(s)]

BEFORE THE HONOURABLE JUSTICE MARIO MICHEL IN CHAMBERS

DATED: 12 May, 2011.

ENTERED: [13th] May, 2011.

PENAL NOTICE

IF YOU, STANFORD INTERNATIONAL BANK LIMITED, OR YOUR DIRECTORS, DISOBEY THIS ORDER, YOUR DIRECTORS MAY BE HELD TO BE IN CONTEMPT OF COURT AND MAY BE IMPRISONED, FINED OR HAVE THEIR ASSETS SEIZED; AND YOU, AS A COMPANY, MAY BE FINED AND HAVE YOUR ASSETS SEIZED.

ANY OTHER PERSON WHO KNOWS OF THIS ORDER AND DOES ANYTHING WHICH HELPS, PERMITS OR CONSTITUTES ANY BREACH OF ANY OF THE TERMS OF THIS ORDER, MAY ALSO BE HELD TO BE IN CONTEMPT OF COURT AND MAY BE IMPRISONED, FINED OR HAVE THEIR ASSETS SEIZED.

UPON consideration of the Order and Judgment of Thomas, J of this Court dated 8th June 2010 (the "Removal Order") where this Court removed Nigel Hamilton-Smith and Peter Wastell as Joint Liquidators of Stanford International Bank Limited ("S.I.B." or the "Bank"),

AND UPON READING (a) the Second Affidavit of Marcus A. Wide of 15 April, 2011, (b) the Second Affidavit of Hugh Dickson of 15 April, 2011, (c) the Second Affidavit of William Tacon of 16 April, 2011 of Zolfo Cooper (BV) Ltd., (d) the Affidavits of Craig L. Waterman sworn on 12 April, 2011 and of James A. Pomeroy of PricewaterhouseCoopers sworn on 15 April, 2011, together with (e) the Second Amended Notice of Application dated 18 April, 2011 to Appoint Replacement Liquidators of Alexander M. Fundora (the "Applicant"), a creditor of the estate of S.I.B.,

AND UPON HEARING

Anthony Astaphan S.C., Counsel for the Applicant; K. Kentish Counsel for the Outgoing Officeholders,

THE APPLICATION HEREIN having been heard on 12 May, 2011,

THIS COURT having previously determined that in the circumstances it was just and convenient that S.I.B. be liquidated and dissolved under the supervision of the Court pursuant to the International Business Corporations Act, Cap 222 of the Laws of Antigua and Barbuda (as amended) (the "IBC Act"), and having appointed Mr. Hamilton-Smith and Mr. Wastell as Joint Official Liquidators of S.I.B. (in liquidation) all by Order of this Court dated 15 April 2009 and entered on 17 April 2009,

AND UPON THIS COURT HAVING removed Nigel Hamilton-Smith and Peter Wastell (the "Outgoing Officeholders") as Joint Liquidators upon the Application of the Applicant and by the terms of the Removal Order dated 8th June 2010; and without in any way altering or affecting the legal rights of the estate of S.I.B. or of its past, present or future Liquidators in any thing of value, including but not limited to (i) the right to marshal into the estate or obtain control over any assets wheresoever such assets may be found in the world; (ii) any form of recognition as the foreign insolvency office holders of S.I.B. by any foreign court, administrative agency or tribunal; or (iii) the rights of the Outgoing Officeholders to seek Court approval of their reasonable fees and reasonable costs and expenses incurred whilst they were receiver-managers and/or

liquidators of S.I.B., from the estate of S.I.B. (subject to the terms of this order set out below); the
Outgoing Officeholders' powers and authority under the Order of this Court dated 15 April 2009
and entered on 17 April 2009 are hereby terminated.

AND UPON THE APPLICANT HAVING SUBMITTED the names of three alternative pairs of
suitably qualified and experienced insolvency practitioners pursuant to paragraph 9 of the Order
of Thomas, J appearing at page 84 of his Judgment dated 8th June 2010 as candidates for the
office of the new joint liquidators of S.I.B.,

AND UPON being advised of the filing of the Consents to Act of (i) Craig L. Waterman of
PricewaterhouseCoopers (Barbados) and James A. Pomeroy of PricewaterhouseCoopers LLP
(Halifax, Nova Scotia, Canada) (ii) Mr. Hugh Dickson of Grant Thornton (Cayman) Limited and
Marcus A. Wide of Grant Thornton (British Virgin Islands) Limited; and (iii) Mr. William R. Tacon
of Zolfo Cooper (BVI) Limited and Richard Edgar Lewis Fogerty of Zolfo Cooper (Cayman)
Limited to act as the new joint liquidators of S.I.B.;

IT IS HEREBY ORDERED THAT:

APPOINTMENT OF NEW OFFICEHOLDER

1. MARCUS A. WIDE of Grant Thornton (British Virgin Islands) and HUGH
DICKSON of Grant Thornton (Cayman Island) are hereby appointed joint liquidators
(the "Liquidators" or "New Officeholders") of the Bank, with all the powers and duties of a
liquidator as contained in the International Business Corporations Act, Cap. 222, as
amended (the "Act") of the Laws of Antigua and Barbuda or any other legislation or rules
of law related thereto or deriving therefrom and with such further duties and
responsibilities as conferred by this Order.

NOTIFICATION OF APPOINTMENT.

2. The Liquidators shall forthwith give notice of their appointment to office to each known
claimant and creditor of the Bank and all other interested persons by publishing a notice
in the Official Gazette and in a newspaper with national circulation in Antigua and
Barbuda and otherwise give notice in every jurisdiction where the Bank had a place of
business in such manner as they shall consider appropriate.

TAKING POSSESSION OF ASSETS OF S.I.B.

3. The Liquidators shall take possession of, gather in and realise all the present and future assets and property of the Bank, including without limitation, any real and personal property, cash, choses-in-action, negotiable instruments, security granted or assigned to the Bank by third parties including property held in trust or for the benefit of the Bank, and rights, tangible or intangible, wheresoever situate and to take such steps as are necessary or appropriate to verify the existence and location of all the assets of the Bank, or any assets formerly held by, whether directly or indirectly, or to the order of, or for the benefit of, the Bank or any present or former subsidiary or company associated with, or owned by, the Bank. The aforementioned assets and property shall include the terms of all agreements or other arrangements relating thereto, whether written or oral, the existence or assertion of any lien, charge, encumbrance or security interest thereon, and any other matters which in the opinion of the Liquidators may affect the extent, value, existence, preservation, and liquidation of the assets and property of the Bank. The title to all assets of S.I.B. shall vest in the New Officeholders as successors to and in substitution for the Outgoing Officeholders. For greater certainty, such vesting in the New Officeholders shall be deemed to have effect as of the date of the original appointment of the Outgoing Officeholders of 15th April 2009.

BANK ACCOUNTS.

4. The Liquidators shall open and maintain a bank account either in their names as Liquidators or in the Bank's name (in liquidation), in this jurisdiction and deposit therein the funds gathered and realised pursuant to his appointment. Notwithstanding the foregoing, the Liquidators shall have the power to open and maintain foreign bank accounts or to establish client account(s) at the bank(s) of his solicitors, attorneys-at-law or other legal counsel in foreign jurisdictions, and receive and hold all or any portion of the proceeds from the sale, recovery or realisation of the Bank's assets and property in foreign jurisdictions, in such foreign bank accounts. (All bank accounts maintained by the Liquidators are collectively referred to as the "Account").

DISTRIBUTION OF PROCEEDS OF LIQUIDATION OF GENERAL ASSETS OF S.I.B. - FEES AND EXPENSES.

5. (a) Subject to the repayment of any and all indebtedness that may be incurred by the Liquidators under clause 14 below, the general assets of the Bank are, from the date hereof, to be held for the benefit of the depositors and creditors of the Bank as their interests appear in accordance with the laws of Antigua and Barbuda, subject to the payment of the fees, expenses and costs of the liquidation which shall be paid in the order of priority required by section 289 of the IBC Act.
- (b) This Court confirms that, in addition to their own fees (aa) the fees and expenses of the New Officeholders shall include fees and expenses of foreign or domestic legal counsel, and agents, accountants, investigators, forensic analysts or other experts engaged by the New Officeholders to assist them in the discharge of their duties and responsibilities (the "Costs"); and (bb) the fees and expenses (including any foreign or domestic solicitors, attorneys, legal counsel and agents) of the Outgoing Officeholders, once assessed and approved by the Court shall be paid on a pro rata basis with any then outstanding fees and expenses of the New Officeholders (including any Costs) and shall be paid out of the general assets of the Bank, but subject to the obligation to repay any loan or financing obtained by the New Officeholders pursuant to clause 14 below; as well as the effect of any security or charge against the assets of the estate of the Bank pledged to secure any such loan or finance. Should the New Officeholders borrow money under clause 14, they may be paid their ongoing fees and expenses on a monthly basis from the proceeds of such funding.

REQUEST FOR JUDICIAL ASSISTANCE ABROAD - UNCITRAL DECLARATIONS.

6. The purpose of this clause 6 is to set out a specific request for judicial assistance to all foreign Courts where assets or Papers of S.I.B. may be found or where the Liquidators seek any form of judicial assistance. This request is made pursuant to the notions of curial deference, comity and mutual respect which endures between all Courts. This

Court requests, to the extent that such recognition has not already occurred, that this proceeding be recognised as a foreign main proceeding taking place in Antigua where S.I.B. has the centre of its main interests as that term is defined in Article 2 (b) of the UNCITRAL Model Law on Cross-Border Insolvency with Guide to Enactment, and in fulfilment of the requirement for recognition as a foreign main proceeding in Article 17 subsection 2 (a) of the UNCITRAL Model Law on Cross-Border Insolvency with Guide to Enactment. The place of incorporation and domicile of S.I.B. is Antigua. The place of the head office and "nerve centre" of S.I.B. is also Antigua. This Court declares that this is a collective judicial proceeding in which the assets and affairs of the debtor are subject to the control or supervision by this Court of Antigua and Barbuda for the purpose of the liquidation of the assets of S.I.B. pursuant to Article 2 (a) of the UNCITRAL Model Law on Cross-Border Insolvency with Guide to Enactment.

7. This Court declares that the Liquidators are authorised to act in any foreign state on behalf of S.I.B. as may be permitted by any applicable foreign law and/or by Article 5 of the UNCITRAL Model Law on Cross-Border Insolvency with Guide to Enactment. This Court declares that the Liquidators are persons authorised in the present insolvency proceedings of Antigua and Barbuda to administer S.I.B.'s assets and affairs wheresoever they may be found in the world, and to act as foreign representatives of a foreign proceeding as prescribed by Article 2 (d) of the UNCITRAL Model Law on Cross-Border Insolvency with Guide to Enactment.
8. This Court declares that this is a collective insolvency proceeding intended to marshal in and recover all assets and value owned by, or owed to, the Bank wheresoever in the world such assets or value may be located or realised upon. All creditors, depositors and investors in the Bank shall have the right to seek to prove in the estate of the Bank no matter where such parties are resident or located in the world. This Court finds that the Bank is insolvent and declares these proceedings to be in respect of an insolvent liquidation of the Bank.

SECURITY FOR PAYMENT OF LIQUIDATORS' FEES.

9. Subject to the repayment of any and all indebtedness that may be incurred by the Liquidators under clause 14 below and to any super priority mortgage, security interest or charge which the said borrowings may require and that this Court may approve (the "Lender's Super Priority Security Interest"), the New Officeholders shall have a security interest in the assets and property of the Bank superior to all other persons as security for their fees, expenses and costs. For the avoidance of any doubt, the New Officeholders shall share on an equal footing their security interest contemplated herein by this clause 9 with the security interest held by the Outgoing Officeholders for their fees and expenses (as may be assessed and approved by the Court) claimed for work carried out to date, but always subject to any borrowing by S.I.B.

TURN-OVER OF ASSETS AND PAPERS.

10. Subject always (in the case of the Outgoing Liquidators, and their managers, employees, agents, accountants, holders of powers of attorney, legal counsel and shareholders and all persons acting on their instructions or behalf) to the terms and conditions of the Transitional Arrangements Order (the "TAO") of even date herewith, the Bank and any person holding, or reasonably believed to have in his or their possession or power, any assets, property or information of the Bank including, without limitation, information evidenced on any computer records, electronic records, programs, disks, documents, books of account, corporate records, minutes, correspondence, opinions rendered to the Bank, documents of title, whether in an electronic medium or otherwise (collectively called "Papers"), relating in whole or in part to the Bank (or to any person, dealings, or property showing that that person is indebted to the Bank), may be required by the Liquidators to produce or deliver over such property or Papers as soon as may be practicable to the Liquidators, subject to the Liquidators tendering to pay (such person or body all reasonable disbursements incurred in relation thereto (once S.I.B. has funds available to pay for the same), notwithstanding any claim or lien that such person may have or claim on such assets, property or Papers, and the Liquidators shall have full and complete possession and control of such assets, property and Papers of the Bank including its premises. In the event of a *bona fide* dispute over ownership or any legal

entitlement to such property or Papers, the Liquidators shall be permitted to take away copies of such Papers.

EXAMINATION OF WITNESSES.

11. The Liquidators shall be at liberty, without the necessity of any further order, to summon before the High Court for examination under oath, subject to the Liquidators tendering to pay such person or body all reasonable disbursements incurred in relation thereto (once S.I.B. has funds available to pay for the same), any person reasonably thought by him to have knowledge of the affairs of the Bank or any person who is or has been an Outgoing Officeholder or a director, officer, employee, agent, shareholder, accountant of the Bank, or such other person believed to be knowledgeable of the affairs of the Bank and to order such person(s) so liable to be examined to produce any books, documents, correspondence or Papers in his or her possession, custody or power relating in whole or in part to the Bank, its dealings, property and assets and the Liquidator is authorised to issue writs of subpoena *ad testificandum* and *duces tecum* for the compulsory attendance of any of the persons aforesaid required for such examination.

DISCLOSURE OF INFORMATION.

12. Further, and without limiting the generality of any other provision contained in this Order and subject always (in the case of the Outgoing Liquidators, and their managers, employees, agents, accountants, holders of powers of attorney, legal counsel and shareholders and all persons acting on their instructions or behalf) to the terms and conditions of the TAO of even date herewith:

- (a) (i) The Bank; (ii) the Outgoing Officeholders; (iii) all of its current and former directors, officers, managers, employees, agents, accountants, holders of powers of attorney, legal counsel and shareholders, and all other persons acting on its instructions or behalf; and (iv) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall as soon as reasonably practicable advise the Liquidators of the existence of any

assets and property in such Person's possession, power, control or knowledge, and shall grant immediate and continued access to the said assets and property to the Liquidators, and shall, upon a written request (to include e-mail), deliver, subject to the Liquidators undertaking to pay such person or body all reasonable disbursements incurred in relation thereto (once S.I.B. has funds available to pay for the same), all such assets and property to the Liquidators upon the Liquidators' request, subject only to any privilege attaching to solicitor-client communications or statutory provisions prohibiting such disclosure;

- (b) All Persons shall as soon as reasonably practicable advise the Liquidators of the existence of and grant access to and, upon a written request (to include e-mail), deliver, subject to the Liquidators undertaking to pay such person or body all reasonable disbursements incurred in relation thereto (once S.I.B. has funds available to pay for the same), the Liquidators or to such agent or agents he may appoint, any books, documents, securities, contracts, orders, corporation and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Bank, and any computer programmes, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall, subject to the Liquidators undertaking to pay such person or body all reasonable disbursements incurred in relation thereto (once S.I.B. has funds available to pay for the same), provide to the Liquidators, or permit the Liquidators to make, retain and take away copies thereof, and grant to the Liquidators unfettered access to and use of accounting, computer, software and physical facilities relating thereto, subject only to any privilege attaching to solicitor-client communications or statutory provisions prohibiting disclosure;
- (c) If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall, subject to the Liquidators undertaking to pay such person or body all reasonable disbursements incurred in relation thereto (once S.I.B. has funds available to pay

for the same), as soon as reasonably practicable give all reasonable access to the Liquidators for the purpose of allowing the Liquidators to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Liquidators in their discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Liquidators. Further, for the purposes of this subparagraph, all Persons shall, subject to the Liquidators undertaking to pay such person or body all reasonable disbursements incurred in relation thereto (once S.I.B. has funds available to pay for the same), provide the Liquidators with all such assistance in gaining access as soon as practicable to the information in the Records as the Liquidators may in their discretion require including providing the Liquidators with instructions on the use of any computer or other system and providing the Liquidators with any and all access codes, account names and account numbers that may be required to gain access to the information; and

- (d) The Persons are hereby restrained and enjoined from disturbing or interfering with the Liquidators and with the exercise of the powers and authority of the Liquidators conferred hereunder.

AUTHORITY TO EXECUTE INSTRUMENTS.

- 13. The New Officeholders are authorized in their own name or on behalf of the Bank as Liquidators to join in and execute, assign, issue and endorse such transfers, conveyances, contracts, instruments of termination of any contracts, leases, deeds, bills of sale, cheques, bills of lading or exchange or other documents of whatever nature in respect of any assets, property or Papers of the Bank as may be required to carry out their duties including the realisation and liquidation of the assets of the Bank, or the collection of any Papers of the Bank, or for any other purpose pursuant to this Order.

BORROWINGS.

14. In the light of the limited measure or scarcity of liquid assets currently available to S.I.B., this Court acknowledges the need for S.I.B.'s estate to be placed into a financial condition which shall permit it to function properly. The New Officeholders are hereby empowered under section 308 (1) (f) of the IBC Act and authorised by virtue of this Order to (a) borrow a principal sum (in such amount as the Court may approve) as they may consider necessary or desirable including any monies borrowed or to be borrowed for fees and expenses incurred (or to be incurred) by the New Officeholders while operating by virtue of their appointment hereunder, and (b) pledge or mortgage by way of a first charge in super priority ranking to all other claims or charges, any one, more or all of the present or contingent assets of the Bank as security for such borrowings. The terms and conditions governing any loan agreement or pledge or mortgage of assets of S.I.B. as collateral security therefor may be agreed upon by the New Officeholders provided that such terms of finance or funding shall be consistent with this Order, the TAO and subject to the further approval of this Court. Any such first charge or mortgage shall specifically be deemed to be in priority to any other claim to a charge or lien in and to such assets or rights, including but not limited to any right or claim created by the order of this Court dated 15 April, 2009 provided that before this provision shall affect or alter any rights of the Outgoing Officeholders, they shall be given at least fourteen (14) days notice of any hearing listed on the application of the Liquidators to approve the terms of any proposed borrowing or finance to be procured by the Liquidators under this Clause 14.

PAYMENT OF FEES AND EXPENSES.

15. The remuneration of the Liquidators and their expenses or disbursements including legal costs or fees, may be drawn and paid on account of the total on a monthly basis from the assets of the Bank or from borrowings obtained under clause 14, including cash and deposits on hand, on the basis of the time expended by the Liquidators and their staff or the staff of the professional services firm they are associated with at their usual hourly or daily rates for such work subject to such amounts being taxed from time to time as the Court may direct.

ENGAGEMENT OF EXPERTS AND PROFESSIONALS.

16. The Liquidators may engage agents, appraisers, auctioneers, brokers, or any other experts as may be required to assist them with the liquidation process and determining claims in the liquidation. The Liquidators may also engage the professional services firm with which they are associated, to provide services to S.I.B. in accordance with the hourly rates set forth in their Consents to Act or Affidavits filed with this court in April 2011.

ENGAGEMENT OF LEGAL PROFESSIONALS.

17. The Liquidators may retain independent legal advice and engage solicitors, legal Counsel or other professional advisors or consultants, both inside and outside Antigua and Barbuda and elsewhere to assist them as Liquidators to discharge their duties hereunder. The Liquidators may also retain the services of private investigators, forensic analysts, accountants or other service providers who are within or without the jurisdiction of this Court, to further their investigations and work in respect of the Bank or otherwise. The Liquidators are empowered to use the funds of the Bank to pay the fees and disbursements of such service providers at their regular hourly rates and on a monthly basis.

REPORTING.

18. The Liquidators shall provide a report to this Honourable Court within 90 days of their appointment with respect to the liquidation and their preliminary determination of the assets to be realised, the likely recoveries and the extent to which the claims of creditors, depositors, and investors in the Bank may be met. The Liquidators shall further report to the Court as they or the Court determines is appropriate, but shall in any event report no less frequently than six months from the date of their last report.

INDEMNIFICATION OF NEW OFFICEHOLDERS.

19. The New Officeholders and their respective officers, employees, legal counsel, solicitors, agents, and such other persons retained by them in the performance of their duties

hereunder are hereby granted indemnity from the assets of the Bank for their fees, expenses and actions taken, including indemnity for any litigation or other claims, actions or demands whatsoever in respect of any debts, costs, claims, liabilities, acts, matters, or things done or due to be done or omitted by the New Officeholders and their officers, employees, legal counsel, solicitors, agents and such other persons retained by them except where there is a finding by the Court of willful misconduct in the performance of his and/or of their respective duties.

STAY.

20. All actions, proceedings and any claims whatsoever and wheresoever initiated against the Bank, its assets and property or the Bank's direct or indirect subsidiaries, are hereby stayed and no person, which shall include a body corporate, shall bring or continue with a claim or proceeding against the Liquidators, the Bank or the Bank's direct or indirect subsidiaries, without leave of this Honourable Court.

21. All persons having oral or written agreements with the Bank or statutory or regulatory mandates for the supply of goods and/or services including, without limitation, all computer software, communication and other data services, centralised banking services, payroll services, insurance, transportation and freight services, utility or other services to the Bank are hereby restrained until further order of this Honourable Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Liquidators, and that the Liquidators shall be entitled to the continued use of the Bank's current telephone numbers, facsimile numbers, Internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Liquidators in accordance with normal payment practices of the Bank or such other practices as may be agreed upon by the supplier or service provider and the Liquidators, or as may be ordered by this Honourable Court.

DIRECTIONS – URGENCY.

22. The Liquidators in the carrying out of their duties and responsibilities may apply for directions and guidance from this Honourable Court from time to time including any

application as may be required for the amendment of this Order. In light of the number and complexity of the urgent matters facing the administration of the SIB Estate, the Registry is directed to seek to list any application by the Liquidators for directions or Court approval urgently and to the extent that the Liquidators file a certificate of Urgency with any Notice of Application which they file. The Registry shall list a hearing for two hours duration for Monday 11 July, 2011 (or for whatever day may be convenient and which is near to such date provided that 14 days notice of any such hearing is given to the Outgoing Officeholders), to hear the New Officeholders' prospective Application for Court approval of the terms under which they may borrow monies for the funding of the liquidation under clause 14 hereof (and any ancillary or related applications). This direction shall not preclude the New Officeholders from seeking an earlier date for such hearing (provided that 14 days notice of any such hearing is given to the Outgoing Officeholders).

CONTRACTS.

23. No person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Bank without written consent of the Liquidators or leave of this Honourable Court.

APPROVALS.

24. The Liquidators, in their name or in the name of the Bank, shall be at liberty to apply for any permits, licenses, approvals or permissions as they may be advised by their counsel are required by or deemed necessary pursuant to any laws, governmental or regulatory authority, in the pursuit or performance of their duties hereunder.

AUTHORITY TO ACT.

25. The Liquidators shall have the authority as officers of this Honourable Court to act in Antigua and Barbuda or any foreign jurisdiction where they believe assets, property or Papers of the Bank may be situate or traced at equity or otherwise, and they shall have the right to bring any proceeding or actions in Antigua and Barbuda and any foreign

jurisdiction for the purpose of fulfilling their duties and obligations under this Order and the Act and to seek the assistance of any Court of a foreign jurisdiction in the carrying out of the provisions of this Order or any subsequent order in this proceeding, including without limitation, subject to the Liquidators tendering to pay such person or body all reasonable disbursements incurred in relation thereto (once S.I.B. has funds available to pay for the same),, an order of examination of persons believed to be knowledgeable of the affairs, assets and property of the Bank and to assist the Liquidators in the recovery of the assets and property of the Bank or to trace such assets into the hands of others.

26. The Liquidators are hereby constituted as foreign representatives for the purposes of any proceedings with respect to the Bank that may be commenced or taken under any applicable law outside Antigua and Barbuda, including but not limited to any foreign bankruptcy, trust, insolvency, company or other applicable law.

27. Subject always (in the case of the Outgoing Liquidators, and their managers, employees, agents, accountants, holders of powers of attorney, legal counsel and shareholders and all persons acting on their instructions or behalf) to the terms and conditions of the TAO of even date herewith, the Liquidators shall be at liberty and are hereby authorised and empowered to apply, upon such notice as they may consider necessary or desirable, to any other Court or administrative body in any other jurisdiction, whether in Antigua and Barbuda or elsewhere, without limitation, for orders recognising the appointment of the Liquidators by this Honourable Court and confirming the powers of the Liquidators in such other jurisdictions, and requesting the further aid, assistance or recognition of any Court, tribunal, governmental and administrative body or other judicial authority, howsoever styled or constituted, to assist in carrying out the terms of this Order and the duties and responsibilities of the Liquidators hereunder, including but not limited to, and on the basis of:
 - (a) all applicable foreign corporate, insolvency or other statutory provisions or customary practices that permit the recognition of foreign representatives of an insolvent estate; and/or
 - (b) the doctrines of curial deference and comity, including but not limited to:

- (i) recognising the Liquidators as having the equivalent powers of a liquidator or of an insolvency office holder within any foreign jurisdiction(s) and to investigate the affairs of the Bank, take evidence thereof and identify, trace, arrest, seize, freeze, detain, secure, recover, receive, control, preserve and protect the Bank's assets, property and Papers and administer such property, assets and Papers, howsoever characterised, pursuant to this Order;
- (ii) granting extraordinary relief to the Liquidators to identify, trace, arrest, seize, freeze, detain, secure, recover, receive, control, preserve and protect the Bank's assets, property and Papers and compel disclosure of information and documents to the fullest extent otherwise permitted, in aid of the Liquidators' authority hereunder to discover assets, property and Papers under the dominion or control of the Bank, to trace the movement and conversion, past and present, of the Bank's property, assets or Papers and to learn fully of the activities of the Bank with regard thereto;
- (iii) compelling disclosure of the identities of all known or unknown wrongdoers, facilitators and all other persons or entities who have acted, knowingly or unknowingly, in concert with the Bank in any fashion whatsoever; and
- (iv) compelling for examination under oath, by the Liquidators or other authorised person, any person reasonably thought to have knowledge of the affairs of the Bank, or any person who is or has been an agent, banker, clerk, employee, contractor, servant, officer, director, nominee, trustee, fiduciary, auditor, accountant, shareholder, lawyer, attorney, solicitor, advocate or advisor to the Bank, regarding the Bank, their dealings or the Bank's assets, property or Papers; and ordering any person liable to be so examined to produce any books, documents, correspondence, reports or papers in his possession or power relating in

whole or in part to the Bank, or in respect of his dealings with either the Bank or with the Bank's assets, property or Papers.

COSTS.

28. The Applicant be awarded all his reasonable costs and disbursements incurred in, and arising out of, the Removal Application, the related appeals litigation and the instant new appointment application (such costs to include the costs and disbursements of the Applicant's overseas Solicitors and/or Attorneys retained to instruct his counsel herein) (the "Applicant's Costs"). The Applicant's Costs shall be paid from either any loan advanced to the estate of S.I.B. by a third party under clause 14 or from the assets of the estate of S.I.B. within 28 days of the entering of this Order, such costs to be assessed if not agreed upon by the New Officeholders and the Applicant.

REQUEST.

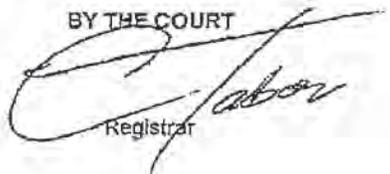
29. This Honourable Court requests the aid, assistance and recognition of any foreign Court, tribunal, governmental body or other judicial authority howsoever styled or constituted, in any other jurisdiction where property, assets or Papers of the Bank may be found (or traced to), to assist in carrying out the terms of this Order and the duties and responsibilities of the Liquidators hereunder and to act in aid of, and to be complementary to, this Court in carrying out the terms of this Order.

INTERPRETATION.

30. To the extent of any conflict or inconsistency between the contents of this Order and the contents of the Order of this Court dated 15th April, 2009 (and which appointed the Outgoing Officeholders, Nigel Hamilton-Smith and Peter Wastell to office), the contents of this Order shall prevail otherwise the terms of the 15 April 2009 Order shall continue to subsist and endure.

31. The Court notes the agreement of the Outgoing Officeholders to co-operate with the Liquidators in providing all reasonable assistance in connection with matters arising in the estate of S.I.B. and in the handover of the liquidation, such co-operation being in accordance with the terms of a Transitional Arrangements Order of equal date herewith. All reasonable costs incurred by the Outgoing Officeholders in providing assistance (including of legal advisors) in the transition of the Estate from the Outgoing Officeholders to the New Office Holders be costs in the estate and payable from any borrowings obtained under clause 14 to a limit of US\$250,000 unless approved by the Court. The Liquidators shall not be required to post security in respect of their appointment.
32. The Liquidators act solely in their capacity as Liquidators and without personal liability if they rely in good faith upon the financial statements or records of the Bank or upon an opinion, report or statement of any professional advisor retained by them.

BY THE COURT



Registrar

Exhibit 4

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

In re:	§	
	§	
STANFORD INTERNATIONAL BANK,	§	Civil Action No. 3:09-CV-0721-N
LTD.,	§	
	§	
<i>Debtor in a Foreign Proceeding.</i>	§	

**JOINT LIQUIDATORS’ EMERGENCY MOTION FOR LEAVE
TO PURSUE PROFESSIONAL NEGLIGENCE CLAIMS**

COME NOW Hugh Dickson and Marcus Wide (together, the “JLs”), the duly-appointed joint liquidators of Stanford International Bank, Ltd. (“SIB”) in SIB’s liquidation proceeding pending before the High Court of Antigua and Barbuda in Antigua, and file this Emergency Motion for Leave to Pursue Professional Negligence Claims (the “Motion”) respectfully stating as follows:

1. Through the Motion, the JLs seek leave from the broad litigation stay imposed by the Court’s Second Amended Order Appointing Receiver [Dkt. #1130] (the “Receivership Order”) to pursue negligence, malpractice, breach of fiduciary duty, and/or similar claims against third-party professionals that facilitated Stanford’s fraudulent scheme (collectively, “Professional Claims”). Specifically, the JLs seek leave to pursue Professional Claims against Proskauer Rose LLP, Chadbourne & Parke LLP, Hunton & Williams LLP, and Greenberg Traurig LLP (collectively, the “Attorney Defendants”). The JLs further seek the Court’s support in pursuing

Professional Claims, including directing applicable third parties to produce SIB's records and any related documents to the JLs.

2. For the reasons detailed in the JLs' brief in support of the Motion filed contemporaneously herewith, the JLs contend that leave to pursue Professional Claims is both authorized by applicable case law and necessary to ensure that applicable statute of limitations periods do not bar Professional Claims from ever being pursued. Accordingly, granting the JLs leave to pursue Professional Claims is in the best interests of all victims/creditors and is warranted under the circumstances.

3. Also, because the statute of limitations periods for Professional Claims in some jurisdictions have already expired and others will expire as soon as February 2012, the JLs seek an emergency hearing on this matter.

WHEREFORE, PREMISES CONSIDERED, the JLs respectfully request that the Court enter an order: (i) granting them relief from the Receivership Order's litigation stay for the limited purpose of pursuing Professional Claims against the Attorney Defendants; (ii) directing third parties to produce SIB's records and any related documents to the JLs; (iii) setting an emergency hearing on this matter for the earliest available date and time and, if possible, no later than January 23, 2012; and (iv) granting the JLs such other and further relief to which they are justly entitled.

Dated: January 13, 2012

Respectfully submitted,

REID COLLINS & TSAI LLP

By: /s/ William T. Reid IV _____

William T. Reid IV (0078817)
P. Jason Collins (24040711)
Nathaniel J. Palmer (24065864)
4301 Westbank Dr., Suite B230
Austin, Texas 78746
Tel.: 512-647-6100
Fax: 512-647-6129
wreid@rctlegal.com
jcollins@rctlegal.com
npalmer@rctlegal.com

MUNSCH HARDT KOPF & HARR P.C.

Joseph J. Wielebinski (21432400)
Lee J. Pannier (24066705)
3800 Lincoln Plaza
500 N. Akard Street
Dallas, Texas 75201
Tel.: 214-855-7500
Fax: 214-855-7584
jwielebinski@munsch.com
lpannier@munsch.com

**COUNSEL FOR HUGH DICKSON AND
MARCUS WIDE, JOINT LIQUIDATORS
OF STANFORD INTERNATIONAL
BANK, LTD.**

CERTIFICATE OF SERVICE

The undersigned hereby certifies that, on this 13th day of January, 2012, he caused a true and correct copy of this pleading to be serviced on all parties requesting electronic notice via the Court's ECF system and he also caused a true and correct copy of this pleading to be served on all parties listed on the attached Service List via first class U.S. mail, postage prepaid.

/s/ Nathaniel J. Palmer

Nathaniel J. Palmer

CERTIFICATE OF CONFERENCE

William T. Reid and P. Jason Collins, counsel for Marcus A. Wide and Hugh Dickson, the duly-appointed liquidators of Stanford International Bank Ltd., met and conferred in-person on January 13, 2012, with Kevin Sadler, counsel for Ralph Janvey, the court-appointed receiver for various Stanford related entities, regarding the relief requested in this motion. Mr. Sadler indicated at this meeting that Mr. Janvey opposes the relief requested in this motion. Additionally, William T. Reid met and conferred with Ed Snyder, counsel for the Official Stanford Investors Committee, and John Little, the court-appointed examiner by phone and email, respectively, on January 13, 2012. The Official Stanford Investors Committee and John Little also indicated that they oppose the relief requested herein.

/s/ William T. Reid IV

William T. Reid IV

Exhibit 5

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

In re

Stanford International Bank, Ltd.

Debtor in a Foreign Proceeding

§
§
§
§
§
§

Case No. 3:09-CV-0721-N

**JOINT RESPONSE OF THE RECEIVER, THE EXAMINER, THE INVESTORS
COMMITTEE, AND THE SEC TO THE JOINT LIQUIDATORS' EMERGENCY
MOTION FOR LEAVE TO PURSUE PROFESSIONAL NEGLIGENCE CLAIMS**

The JLs' latest motion is a perfect demonstration of why giving them any recognition in the United States would only serve to waste resources and duplicate effort. The JLs claim that an "emergency" exists, because they fear that the Receiver and the Investors Committee have abandoned certain claims and that, unless they are permitted to file lawsuits asserting those claims, limitations on the claims will expire. Notably, the JLs did not mention the imminent "emergency" at the December 21st Chapter 15 hearing, nor did they ever raise this issue with the Receiver, the Examiner, the Investors Committee, or the SEC prior to January 13, 2012, when they sought to confer on, and then filed, their motion for leave. The reality is that the "emergency" is a phantom. The Receiver and the Investors Committee are, and have been prior to the JLs raising this issue, aware of the particular claims at issue as well as of their responsibilities to the Court generally. The JLs' second-guessing based on only partial information does nothing other than waste the Receivership's resources and distract attention from productive activity.

The JLs' emergency motion is flawed for four principal reasons.

First, there is no emergency. The Receiver already has the responsibility to analyze and assert claims on behalf of SIB and the other Receivership entities. To that end, prior to the JLs notifying the Receiver of their intent to file this motion, the Receiver and the Investors Committee were already analyzing the claims at issue and developing a strategy for asserting those claims.¹ Almost a year ago, the Receiver and the Investors Committee entered into tolling agreements with certain of the attorney defendants identified in the JLs' motion. Those agreements remain in place. As for the remaining attorney defendants identified by the JLs, although the Receiver and the Investors Committee do not think it would be prudent or necessary to disclose publicly the details of their litigation strategy, the claims against such defendants will be addressed within a few days.

Second, the JLs do not represent SIB in the United States. The Court has appointed the Receiver as the representative of SIB; therefore, if any claims of SIB are to be asserted in the United States, it is the Receiver who is responsible to assert them. The JLs are simply the latest in an unfortunately long line of individuals or groups who have asked the Court to allow them to assert claims that belong to the Receivership or to intervene in the Receivership because, in their view, they can do a better job than the Receiver or they have an idea that they want to force the Receivership to pursue. But, as the Court noted when the KLS Stanford Victims filed their motion to intervene in July 2011, the Receiver has discharged his duties competently and has, together with his professionals, spent tens of thousands of hours gainfully on Receivership-related business. (No. 3:09-CV-281-N, Doc. 1471 at 5-7.) The reality is that there are far more people and entities who wish to participate in Receivership litigation activities than the resources of the Receivership will accommodate. Allowing the JLs to come to the

¹ The Receiver does not agree with the positions asserted by the JLs on a number of legal and factual issues, including the issue of limitations.

United States and assert claims or to serve discovery on behalf of SIB, when the Receiver already has the right and responsibility to do so, will only serve to waste resources, create confusion, and complicate the Receiver's efforts on behalf of the Receivership entities.

Third, the JLs' latest motion is little more than an exercise in gamesmanship. The JLs already have a Chapter 15 recognition proceeding pending. One of the JLs' stated purposes in seeking recognition is to gain the opportunity to assert litigation in the United States. (*See, e.g.*, Dec. 21, 2011 Hrg. Tr. [*see* Doc. 132] at 10:6-11:5.) In fact, the JLs have taken the position that they must have main recognition so that they can assert claims, such as the very ones at issue, using Antiguan law, which the JLs say will allow them to avoid an *in pari dilecto* defense being asserted against SIB. (*See id.* at 11:6-21.) The JLs now claim that Chapter 15 recognition is not a prerequisite to their filing litigation in the United States. (See Doc 128 at 6 n.7 ("The Court is not necessarily required to rule on the JLs' Chapter 15 petition in order to grant them the relief sought herein.")) They also apparently believe that it is critically important that professionals be pursued under theories of American professional negligence law, which the JLs claim have a three-year statute of limitations (thus, the "emergency"). The JLs' willingness to take all sides of every issue² suggests that their interests are aligned less with what is right for investors and more with what will get them *any* foot-hold in the U.S.

Fourth, the JLs' motion is procedurally improper. The litigation stay was not entered in the above-captioned case, and the JLs have said that this motion does not require a ruling on their request for Chapter 15 recognition. If the JLs want the Court to partially lift the litigation stay that was entered in the SEC enforcement action, then they need to seek that relief in the SEC enforcement action. That they have not done so gives the impression that they are

² Compare also Doc. 128 at 19 (describing the Stanford scheme as a "Ponzi-scheme") with Dec. 21, 2011 Hrg. Tr. [*see* Doc. 132] at 38:2-5 ("Q: You agree do you not, [Mr. Wide], that Stanford International Bank operated a business model which was in fact a Ponzi scheme. You agree with that, don't you? A: No.").

unwilling to appear before the Court outside of the context of the Chapter 15 proceedings and thereby subject themselves to the Court's jurisdiction for all purposes. *See* 11 U.S.C. § 1510 ("The sole fact that a foreign representative files a petition under section 1515 does not subject the foreign representative to the jurisdiction of any court in the United States for any other purpose."). If the JLs are unwilling to subject themselves generally to this Court's jurisdiction, then they certainly should not be entrusted with claims that belong to the Receivership.

Finally, the Receiver, the Examiner, the Investors Committee, and the SEC observe that the instant motion is part of an unfortunate developing pattern by the JLs. Since the December 21, 2011 hearing on the JLs' request for recognition, the JLs seem to be less focused on attempting to actually resolve disputes among the parties, and more focused on increasing litigation activity in jurisdictions where the Receiver is recognized:

- On December 21, the Joint Liquidators filed a motion in Canada seeking to displace the Receiver as the recognized representative of SIB.³
- On December 22, the Joint Liquidators filed a list of supplemental exhibits related to the December 21 hearing.
- On December 29, the Joint Liquidators filed their Motion for Substitution as Plaintiff *Nunc Pro Tunc* to May 12, 2011 (the "Motion"), seeking to address the problem that the Joint Liquidators technically have no Chapter 15 petition on file with the Court.
- On December 29, the Joint Liquidators filed supplemental testimony from Hugh Dickson.
- On January 6, the Joint Liquidators sent a four-page letter to the co-sponsors of House Resolution 507, expressing their disagreement with the views expressed in the proposed resolution (the Receiver had offered H.R. 507 into evidence at the December 21 hearing).⁴

³ The following day, on December 22, the Canadian Supreme Court confirmed that the Receiver is the proper representative of the Stanford estate in Canada. Nevertheless, the JLs have not withdrawn the December 21st motion, which remains pending at this time.

⁴ The JLs are using investor money to pay for the services of Prime Policy Group, a Washington-based lobbying firm, in connection with their opposition to H.R. 507 (and its Senate counterpart).

- On January 13, the Joint Liquidators filed the instant “emergency” motion for leave to pursue professional negligence claims in the United States.

The JLs are recognized in Antigua, the U.K., and Switzerland. They have filed a grand total of one lawsuit in those jurisdictions, and none since the December 21 hearing. Rather than spending their time thinking about litigation they might bring in the U.S. or in Canada, where the Receiver and the Investors Committee are already working, the JLs should be spending their limited resources focusing on activities that can be undertaken in other jurisdictions. To the extent that discovery in the U.S. might be of assistance in that regard, the Receiver, with the consent of the Examiner, the Investors Committee, and the SEC, has already made a written proposal to the JLs, pursuant to which the Receiver would share information with the JLs and seek third-party discovery in the U.S. on the JLs’ behalf. Although the JLs have rejected that proposal, the Receiver remains ready and willing to agree to it or to any other reasonable information-sharing protocol. The Receiver, the Examiner, the Investors Committee, and the SEC respectfully request that the instant motion be denied and that the parties return to attempting to resolve this case by agreement, rather than through the type of litigation tactics reflected in the instant motion.

PRAYER

For the reasons stated herein, the Receiver, the Examiner, the Investors Committee, and the SEC respectfully request that the Court deny the JLs’ Motion for Leave to Pursue Professional Negligence Claims.

Dated: January 24, 2012

Respectfully submitted,

BAKER BOTTS L.L.P.

By: /s/ Kevin M. Sadler

Kevin M. Sadler
Texas Bar No. 17512450
kevin.sadler@bakerbotts.com
Scott D. Powers
Texas Bar No. 24027746
scott.powers@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
2001 Ross Avenue
Dallas, Texas 75201
(214) 953-6500
(214) 953-6503 (Facsimile)
tim.durst@bakerbotts.com

ATTORNEYS FOR RECEIVER RALPH S. JANVEY

LITTLE PEDERSEN FANKHAUSER, LLP

By: /s/ John J. Little

John J. Little
Texas Bar No. 12424230
901 Main Street, Suite 4110
Dallas, Texas 75202
(214) 573-2300
(214) 573-2323 (Facsimile)
jlittle@lpf-law.com

COURT-APPOINTED EXAMINER

BUTZEL LONG, P.C.

By: /s/ Peter D. Morgenstern

Peter D. Morgenstern
(admitted pro hac vice)
BUTZEL LONG, P.C.
380 Madison Avenue
New York, New York 10017
(212) 374-5379
(212) 818-0494 (Facsimile)
morgenstern@butzel.com

**ONE OF THE ATTORNEYS FOR THE OFFICIAL
STANFORD INVESTORS COMMITTEE**

By: /s/ David B. Reece

J. Kevin Edmundson
State Bar No. 24024020
David B. Reece
State Bar No. 24002810
U.S. SECURITIES AND EXCHANGE COMMISSION
Burnett Plaza, Suite 1900
801 Cherry Street, Unit #18
Fort Worth, Texas 76102-6882
(817) 978-6476
(817) 978-4927 (Facsimile)
reeced@sec.gov

**COUNSEL FOR THE SECURITIES AND EXCHANGE
COMMISSION**

CERTIFICATE OF SERVICE

On January 24, 2012, I electronically submitted the foregoing response with the clerk of court for the US 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/ Kevin M. Sadler
Kevin M. Sadler

Exhibit 6

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

IN RE: §
§
STANFORD INTERNATIONAL BANK, § Civil Action No. 3:09-CV-0721-N
LTD., §
§
Debtor in a Foreign Proceeding. §

ORDER

This Order addresses the Joint Liquidators’ emergency motion for leave to pursue professional negligence claims [127]. Because the litigation stay remains appropriate at this time, the Court denies the Joint Liquidators’ motion.

I. ORIGINS OF THE JOINT LIQUIDATORS’ EMERGENCY MOTION

On February 17, 2009, the United States Securities and Exchange Commission (“SEC”) filed a federal securities enforcement action (“SEC Action”) in this Court, alleging that R. Allen Stanford, through and/or with his associates and various entities under his control, perpetrated a massive Ponzi scheme. As part of that litigation, this Court “assume[d] exclusive jurisdiction and t[ook] possession” of the “Receivership Assets” and “Receivership Records” (collectively, the “Receivership Estate”). See Second Am. Order Appointing Receiver, July 19, 2010, at 2-4 [1130] (the “Receivership Order”), in *SEC v. Stanford Int’l Bank*, Civil Action No. 3:09-CV-0298-N (N.D. Tex. filed Feb. 17, 2009) (Godbey, J.) (hereinafter *SEC v. SIB*). The Court appointed a Receiver to oversee the Receivership Estate and vested him with “the full power of an equity receiver under common law as well as such

powers as are enumerated” in the Receivership Order. *Id.* at 3. Among these enumerated powers, the Court “authorized [the Receiver] to immediately take and have complete and exclusive control, possession, and custody of the Receivership Estate and to any assets traceable to assets owned by the Receivership Estate.” *Id.* at 4. Additionally, the Court “specifically directed and authorized [the Receiver] to . . . [i]nstitute, prosecute, compromise, adjust, intervene in, or become party to such actions or proceedings in state, federal, or foreign courts that the Receiver deems necessary and advisable to preserve the value of the Receivership Estate, or that the Receiver deems necessary and advisable to carry out the Receiver’s mandate under this Order.” *Id.* at 6. The Court also enjoined “[c]reditors and all other persons . . . without prior approval of the Court, from: . . . [t]he commencement or continuation . . . of any judicial, administrative, or other proceeding against the Receiver, any of the defendants, the Receivership Estate, or any agent, officer, or employee related to the Receivership Estate, arising from the subject matter of this civil action.” *Id.* at 8-9.

On February 19, 2009, The High Court of Antigua and Barbuda appointed Joint Liquidators to oversee SIB’s liquidation, and it appointed the current Joint Liquidators on May 13, 2011. The May 13 Appointment Order directed the Joint Liquidators to, among other things, “take possession of, gather in[,] and realise all the present and future assets and property of [SIB], including without limitation[] . . . choses-in-action.” It further authorized them to bring “any proceeding or actions in Antigua and Barbuda and any foreign jurisdiction for purposes of fulfilling their duties and obligations under this [Appointment] Order and the [International Business Corporations] Act [of Antigua and Barbuda] and to

seek the assistance of any Court of a foreign jurisdiction in the carrying out of the provisions of this [Appointment] Order.” *See* App. Supp. Joint Liquidators’ Emerg. Mot. Leave Pursue Pro. Neg. Claims 6-23 [129] [hereinafter JL App.].

On January 13, 2012, the Joint Liquidators filed the instant emergency motion requesting the Court to lift its broad litigation stay so that the Joint Liquidators may bring suit against certain of SIB’s former attorneys (“Attorney Defendants”). The Joint Liquidators explained that they styled their motion as an “emergency” because the limitations period for professional malpractice and/or negligence claims against third-party professionals is set to expire February 9, 2012 in certain U.S. jurisdictions. *See* Br. Supp. Joint Liquidators’ Emerg. Mot. Leave Pursue Pro. Neg. Claims 2 n.5 [128] [hereinafter JL Br.]; Reply Supp. Joint Liquidators’ Emerg. Mot. Leave Pursue Pro. Neg. Claims 8 [139] [hereinafter JL Reply]. On January 27, 2012, the Receiver and the Official Stanford Investors Committee, an entity created by this Court to represent the investor-victims of Stanford’s Ponzi scheme, brought suit in the U.S. District Court for the District of Columbia against certain of the Attorney Defendants. *See* Receiver’s Notice Filing Compl. Against Proskauer Rose LLP, Chadbourne & Parke LLP, & Thomas V. Sjoblom [137].

II. THE COURT DECLINES TO LIFT THE STAY

The Court declines to lift the litigation stay at this time. In determining whether to lift a litigation stay in a receivership action, courts consider three factors: (1) whether refusing to lift the stay genuinely preserves the status quo or whether the movant will suffer substantial injury if the Court does not permit him to proceed; (2) the time in the course of

the receivership at which the movant moves for relief from the stay; and (3) the merit of the movant's underlying claim. *SEC v. Stanford Int'l Bank Ltd.*, 424 F. App'x 338, 341 (5th Cir. 2011) (citing *SEC v. Wencke (Wencke II)*, 742 F.2d 1230, 1231 (9th Cir. 1984)). The issue in the *Wencke* test is "one of timing, that is, when during the course of a receivership a stay should be lifted and claims allowed to proceed, not whether the stay should be lifted at all." *Wencke II*, 742 F.2d at 1231 (emphasis omitted).

The balance of *Wencke* factors weighs against lifting the litigation stay at this time. The first factor, the balance of interests, favors continuing the stay. Courts have often found that the first factor tilts in favor of a receiver where a movant's claims would impede or compete with a receiver's efforts. *See, e.g., SEC v. Stanford Int'l Bank*, 424 Fed. App'x at 341 (affirming this Court's decision to not lift litigation stay where competing claim "could deplete possible assets coming into the estate"). Indeed, courts have declined to lift a litigation stay where doing so would result "in a multiplicity of actions in different forums[] and would increase litigation costs for all parties while diminishing the size of the receivership estate." *SEC v. Universal Fin.*, 760 F.2d 1034, 1038 (9th Cir. 1985). Finally, this Court has previously found it relevant that the Receiver will expend monitoring costs should the Court lift the stay. *See, e.g., Order*, Jan. 24, 2012, at 16 n.16 [81], *in Rupert v. Winter*, No. 3:10-CV-0799-N (N.D. Tex. 2011) (Godbey, J.) (citing the Court's previous orders doing same).

The Receiver has now filed suit against some of the Attorney Defendants and has averred that it has in place tolling agreements with other Attorney Defendants. *See Joint*

Resp. of Receiver, Examiner, Investors Comm., & SEC to Joint Liquidators' Emerg. Mot. Leave Pursue Pro. Neg. Claims 2 [134] [hereinafter Receiver's Resp.]. Thus, the Joint Liquidators' proposed claims would duplicate the Receiver's efforts and thus deplete the overall monies available to Stanford victims.¹ Additionally, should the Court lift the stay, under the Receivership Order the Receiver would have a duty to monitor and possibly intervene in the action. This would mean more receivership assets spent on litigation and less available for distribution to creditors and investors. Accordingly, the first factor weighs in favor of continuing the stay.

The second factor, timing, also weighs in favor of continuing the stay because the receivership is still relatively young in time and knowledge. Indeed, courts have upheld stays in receivership cases several years past the three-year mark this Receivership is approaching. *See* Order, Mar. 8, 2010, at 7 [1030], *in SEC v. SIB* (collecting cases where courts upheld

¹The Court is cognizant that the Joint Liquidators are purportedly working toward the same ends as the Receiver – to acquire assets to later distribute to creditors and victims of Stanford's Ponzi scheme. As such, the statements in this Order should in no way be interpreted as discouraging the Joint Liquidators in their advocacy on behalf of Stanford creditors and investors in territories in which they are recognized around the world.

The Court is aware that it has pending before it the Joint Liquidators' motion for recognition as the foreign main proceeding under Chapter 15 of the Bankruptcy Code [4]. Without commenting on the pending motion, the Court notes that it behooves the parties, in pursuit of their joint goal, to work together so as to increase the funds available to Stanford victims, rather than to deplete funds via continued litigation. It seems evident now, almost three years since the SEC disrupted Stanford's Ponzi scheme, that both parties will continue to advocate zealously in their pursuit of Stanford funds and that neither will wholly surrender to the other.

In that vein, the Court notes that the only way to move forward without substantially setting the Stanford victims back is to work together. Open and frank communication between the Receiver and the Joint Liquidators could have eliminated the costs associated with this motion.

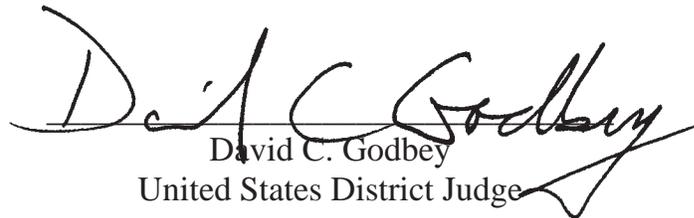
stays several years into the receivership). Additionally, although the Receiver gains more insight into Stanford's scheme everyday, lack of access to foreign documents still hampers his knowledge. *See* Receiver's Third Interim Report Re Status of Receivership, Asset Recovery & Ongoing Activities 2 [1469], *in SEC v. SIB* (describing how lack of access to records abroad continue to impede Receiver's analysis); *see also* App. Supp. Receiver's Notice of Filing Compl. Against Proskauer Rose LLP, Chadbourne & Parke LLP, & Thomas V. Sjoblom 86 [138] (Receiver stating in its D.D.C. Complaint that he "did not discover, and could not with the exercise of reasonable diligence have discovered[,] until . . . recently[] the true nature of the injury suffered by [the Stanford companies] or [the Attorney] Defendants' participation in the Stanford Ponzi scheme"). Accordingly, factor two militates against lifting the stay.

Finally, the third factor, the merits of the movant's claims, weighs in favor of the Joint Liquidators. The Joint Liquidators have undoubtedly raised a colorable claim against the Attorney Defendants for negligence given the breadth of Stanford's fraud. However, because two of the three *Wencke* factors – and the first so strongly – favor the Receiver, the Court finds that the balance of interests weighs in favor of retaining the litigation stay.

CONCLUSION

Because the balance of interests from the three-prong *Wencke* test weighs in favor of the Receiver, the Court declines to lift the litigation stay. Accordingly, the Court denies the Joint Liquidators' emergency motion.

Signed February 1, 2012.


David C. Godbey
United States District Judge