

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

SECURITIES EXCHANGE COMMISSION, §  
§  
Plaintiff, §  
§  
vs. § No.: 3:09-CV-0298-N  
§  
STANFORD INTERNATIONAL BANK, LTD., ET AL., §  
§  
Defendants. §

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*In re* STANFORD INTERNATIONAL BANK, LTD., §  
§ No.: 3:09-CV-0721-N  
Debtor in a Foreign Proceeding §

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RALPH S. JANVEY, ET AL., §  
§  
Plaintiffs. §  
§  
vs. § No.: 3:12-CV-04641-L  
§  
GREENBERG TRAURIG LLP, ET AL., §  
§  
Defendants. §

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**PARTIAL OBJECTION OF HUNTON & WILLIAMS LLP TO  
PROPOSED SETTLEMENT AGREEMENT AND CROSS-BORDER PROTOCOL**

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Hunton & Williams LLP (“Hunton”), an interested party in Case Nos. 09-CV-0298 and 09-CV-0721 and a defendant in Case No. 12-CV-04641, objects to portions of the proposed Settlement Agreement and Cross-Border Protocol between and among the SEC, Receiver, Examiner, Official Stanford Investors Committee, U.S. Department of Justice, and Antiguan Joint Liquidators. Joint Am. Mot. & Appendix to Mot., *Secs. & Exch. Comm'n v. Stanford Int'l Bank, Ltd.*, No. 09-CV-0298 (N.D. Tex. Mar. 12, 2013) [Dkts. 1792 & 1793] (hereinafter

“Settlement Motion” and “Proposed Settlement Agt.”); *see also* Joint Liquidators’ Joinder in Support of Joint Mot., *In re Stanford Int’l Bank, Ltd.*, No. 3:09-cv-00721 (N.D. Tex. Mar. 26, 2013) [Dkt. 194]. In support of this partial objection, Hunton states as follows:

## **INTRODUCTION**

1. Hunton appreciates that the settlement agreement that the SEC, Receiver, Examiner, Official Stanford Investors Committee (“OSIC”), and Antiguan Joint Liquidators (collectively, the “Movants”) ask this Court to approve is the product of lengthy negotiations and discussions between and among those parties. Hunton generally takes no position with respect to the bulk of the proposed settlement agreement, including its provisions addressing the distribution of Stanford-related monetary assets between the Receiver and the Joint Liquidators.

2. However, Hunton does object to the proposed settlement for substantially the reasons set forth in the objections filed by Greenberg Traurig LLP (“Greenberg Objection”)<sup>1</sup> and Chadbourne & Parke LLP (“Chadbourne Objection”),<sup>2</sup> as well as the further points set forth below.<sup>3</sup>

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<sup>1</sup> Objection of Greenberg Traurig, LLP to Proposed Settlement Agreement and Cross-Border Protocol, *Secs. & Exch. Comm’n v. Stanford Int’l Bank, Ltd.*, No. 09-CV-0298 (N.D. Tex. Mar. 25, 2013) [Dkt. 1805].

<sup>2</sup> Nonparty Chadbourne & Parke LLP’s Objection to the SEC, Receiver, Examiner, and Official Stanford Investors Committee’s Amended Joint Motion to Approve Settlement Agreement and Cross-Border Protocol and Brief in Support Thereof, *Secs. & Exch. Comm’n v. Stanford Int’l Bank, Ltd.*, No. 09-CV-0298 (N.D. Tex. Mar. 28, 2013) [Dkt. 1816].

<sup>3</sup> Notwithstanding any potentially contrary statements in the Greenberg Objection and/or the Chadbourne Objection, Hunton does not waive and expressly preserves its ability to take any and all measures it deems appropriate to protect its interests in Case No. 12-cv-04641 or with respect to claims that may be asserted by the Joint Liquidators, including but not limited to: (1) seeking joinder of the Joint Liquidators in Case No. 12-cv-04641 under Federal Rule of Civil Procedure 19; (2) arguing that the OSIC cannot properly assert claims belonging to former Stanford entities; and (3) arguing that, for purposes of the claims asserted against Hunton, SIBL was a distinct entity from other entities in the Stanford group of companies.

## FACTUAL BACKGROUND

3. Hunton is a law firm that provided certain limited legal services to several Stanford-related entities. In related Case No. 12-CV-04641, the Receiver, OSIC, three alleged Stanford investors, and a putative class of Stanford investors have sued both Hunton and Greenberg Traurig LLP (“Greenberg”). The Receiver and OSIC purport to assert their various causes of action, including professional negligence, on behalf of all the Stanford entities, including Stanford International Bank, Ltd. (“SIBL”). Compl. ¶¶ 1-2, 407-28, 441-59, *Janvey v. Greenberg Traurig LLP*, No. 12-CV-04641 (N.D. Tex. Nov. 15, 2012) [Dkt. 1]. Hunton believes the plaintiffs’ claims against it are factually and legally meritless, and Hunton will vigorously defend itself against those allegations.

4. Despite the existence of that lawsuit and similar lawsuits filed by the Receiver against other law firms, the Joint Liquidators have threatened – and continue to threaten – to file professional negligence and related claims against Hunton and other law firms on behalf of SIBL. *See, e.g.*, Joint Liquidators’ Emergency Mot. for Leave to Pursue Professional Claims, *In re Stanford Int’l Bank, Ltd.*, No. 09-CV-0721 (N.D. Tex. Jan. 13, 2012) [Dkt. 127] (seeking leave, which this Court subsequently denied, to assert negligence claims on behalf of SIBL against Hunton and other law firms).

5. The proposed settlement agreement appears to reflect an agreement by the Receiver and the Joint Liquidators that they *each* may pursue SIBL’s claims against Hunton. The proposed settlement agreement states that, as to “the Law Firm Claims” (which include claims against Hunton) and certain other claims, “the Parties will continue to pursue and initiate claims in jurisdictions in which they are recognized . . .” Proposed Settlement Agt. § 3.1 [Dkt. 1792]. In other words, the Receiver and Joint Liquidators apparently have agreed that they each

can pursue whatever claims they wish on SIBL's behalf, so long as they each stay out of each others' respective jurisdictions.

6. Indeed, in Section 9.1 of the proposed settlement agreement, the Joint Liquidators indicate that, once the agreement is approved, they will withdraw their appeal of this Court's order denying them leave to sue Hunton and other law firms. *Id.* § 9.1. There would be no reason to dismiss the appeal, yet continue to threaten Hunton, unless the Joint Liquidators believe that they may or will be able to sue Hunton on behalf of SIBL, even though the Receiver already has sued Hunton on SIBL's behalf in this Court.

## ARGUMENT

7. The Movants present the proposed settlement as a global resolution of all of the disputes between the Receiver and the Joint Liquidators. *See* Settlement Mot. at 1 [Dkt. 1793]. Although it may resolve disputes over the control over monetized Stanford assets, the proposed settlement does **not** resolve – and indeed may make worse – another key area of dispute between the Receiver and the Joint Liquidators: which Stanford representatives may assert which legal claims against which defendants.

8. To the extent it is facing duplicative claims from the Receiver and Joint Liquidators, Hunton echoes the views and objections of Greenberg and Chadbourne to the proposed settlement agreement. Hunton objects to the proposed settlement to the extent it purports to represent an agreement by the Receiver and the Joint Liquidators that they may assert the same claims against the same defendants in separate jurisdictions.<sup>4</sup> *See* Proposed Settlement Agt. § 3.1 [Dkt. 1792].

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<sup>4</sup> Section 8.2 of the proposed settlement agreement allocates up to \$36 million to the Joint Liquidators in the form of “working capital” to fund their litigation efforts and other operations. Proposed Settlement Agt. § 8.2 [Dkt. 1792]. Hunton objects to that provision to the extent the

9. Such an agreement would be in direct violation of *at least* the rule against claim-splitting (*see* Greenberg Objection at 7-9; Chadbourne Objection at 15-19), and it would be to the significant and unfair prejudice of Hunton, which, like Greenberg and Chadbourne, is apparently the intended target of duplicative claims by both the Receiver and the Joint Liquidators, each purporting to act on behalf of a single entity, SIBL. The Court should not countenance such duplicative litigation tactics, let alone even arguably authorize them under the guise of approving the proposed settlement agreement.

10. Greenberg has persuasively set forth in its objection some of the ways in which this Court may fashion relief to prevent this result, including by imposing conditions on its approval of the proposed settlement agreement that would prohibit the duplicative litigation efforts apparently intended by the Receiver and the Joint Liquidators. *See* Greenberg Objection ¶ 41 [Dkt. 1805]. Hunton respectfully asks the Court to fashion similar relief for Hunton as well, or take other steps it deems appropriate under the circumstances to prevent the Receiver and the Joint Liquidators from engaging in duplicative litigation.

WHEREFORE, for the foregoing reasons, Hunton respectfully requests the following relief:

- (1) That the Court sustain Hunton's objection to the proposed settlement agreement;
- (2) That the Court fashion appropriate relief as to that objection, such as conditioning its approval of the proposed settlement agreement on terms that will prevent the Receiver and Joint Liquidators from pursuing the same claims against the same parties (such as Hunton), or otherwise splitting the claims owned by the Stanford entities or engaging in duplicative litigation efforts; and

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"working capital" will or may be used to fund or support any attempts by the Joint Liquidators to pursue duplicative claims against Hunton.

(3) That the Court fashion such other and further relief to which Hunton is justly entitled.

Date: March 28, 2013

Respectfully submitted,

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**CERTIFICATE OF SERVICE**

I hereby certify that on March 28, 2013, I electronically filed the foregoing document with the clerk of court the U.S. District Court, Northern District of Texas, using the electronic case filing (ECF) system of the court. The ECF system sent a "Notice of Electronic Filing" to the attorneys of record who have consented in writing to accept this notice as service of this document by electronic means.

s/ Richard A. Sayles  
RICHARD A. SAYLES