

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

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

**RECEIVER’S SECOND MONTHLY REPORT REGARDING
FEES AND EXPENSES INCURRED AS A RESULT OF THE CLAIMS PROCESS**

Receiver Ralph S. Janvey (the “Receiver”) hereby files his Second Monthly Report Regarding Fees and Expenses Incurred as a Result of the Claims Process (the “Second Monthly Report”), respectfully stating as follows:

As noted in the Receiver’s April 27, 2012 Estimated Budget Letter, the Receiver stated that he would “submit monthly reports to the Court reflecting the fees and expenses incurred by the Receiver as a result of the claims process.” [See Doc. 1583 at 4.] On June 8, 2012, the Receiver submitted his First Monthly Report Regarding Fees and Expenses Incurred as a Result of the Claims Process (the “First Monthly Report”) for the period ending May 31, 2012. [See Doc. 1618.] The Receiver now hereby submits his Second Monthly Report for the period ending June 30, 2012. As of that date, **\$1,112,158.91** in professional fees and expenses were incurred as a result of the claims process.¹

The fees and expenses related to the claims process that are attributable to each of the Receiver’s professional firms through June 30, 2012 are as follows:

¹ This amount is inclusive of the approximately \$700,000 in fees and expenses detailed in the First Monthly Report. [See Doc. 1618 at 2.]

- **Gilardi & Co. LLC** — \$390,495.00 in professional fees and \$348,401.19 in expenses.²
- **FTI Consulting, Inc.** — \$257,316.00 in professional fees.³
- **Baker Botts L.L.P.** — \$115,842.00 in professional fees and \$104.72 in expenses.⁴

During this period, the Receiver and his professionals engaged in the following claims-related activities:

- The Receivership has received 5,619 claims through June 29, 2012 as a result of the Court-approved claims process. Of these, 1,451 were received online; 2,923 were received through mail or delivery; 1,138 were received via electronic mail; and 107 were received via fax.
- In accordance with the Court's Bar Date Order, as of June 29, 2012, Gilardi had sent approximately 1,200 confirmations to claimants via e-mail or mail stating that the Receivership had received their claim forms.
- Gilardi, FTI, and Baker Botts developed claims-processing guidelines and a workflow management system to increase efficiency of all aspects of the Receivership's claims-processing activities. The topics and activities addressed include, but are not limited to: sending notices of deficiency; verifying the identity of claimants; de-duplicating claims and claimants; communicating with claimants in order to request supplemental information; reconciling claims both manually or through an automated and cost-effective query initially developed and now further refined by FTI; escalating the review of claims, where necessary, from Gilardi to the Receiver's other professional firms and remaining staff employees to leverage their experience and familiarity with the Stanford data; and sending notices of determination to claimants.
- With regard to claims submitted by CD investors, Gilardi, FTI, and the Receiver's staff employees began de-duplicating claims submitted in the prior claims process with those submitted in the current claims process and began the automated and manual review of SIB CD-based claims by reconciling a test group of such claims in accordance with the above-referenced guidelines.

² Gilardi's totals are inclusive of its approximately \$144,000 in fees and \$339,000 in expenses contained in the First Monthly Report.

³ FTI's total is inclusive of its approximately \$168,000 in fees contained in the First Monthly Report.

⁴ Baker Botts's totals are inclusive of its approximately \$49,000 in fees and \$100 in expenses contained in the First Monthly Report.

- The Receiver's staff employees continued to make progress reconciling claims submitted by claimants other than CD investors.
- As discussed above, Baker Botts drafted and submitted the First Monthly Report on June 8, 2012 and continued to monitor fees and expenses related to the claims process in order to further report to the Court.
- Through June 29, 2012, the Receivership has received approximately 3,800 telephone calls (of which over 1,800 were escalated to a customer service representative) and more than 3,200 inquiries via electronic mail.
- The Receiver's continuing social media campaign regarding the Bar Date Order resulted in over 22.3 million views by users through June 29, 2012. Moreover, there have been approximately 74,000 visitors to the claims process website; 220,000 page views; and 80,000 document downloads.

CONCLUSION

The Receiver intends to continue providing a monthly report concerning expenses and fees incurred as a result of the claims process. If the Receiver anticipates that the total fees and expenses for the claims process will exceed his overall estimate of \$3.85 million, the Receiver will seek further guidance from the Court.

Dated: July 10, 2012

Respectfully submitted,

BAKER BOTTS L.L.P.

By: /s/ Kevin M. Sadler

Kevin M. Sadler
Texas Bar No. 17512450
kevin.sadler@bakerbotts.com
Robert I. Howell
Texas Bar No. 10107300
robert.howell@bakerbotts.com
David T. Arlington
Texas Bar No. 00790238
david.arlington@bakerbotts.com
1500 San Jacinto Center
98 San Jacinto Blvd.
Austin, Texas 78701-4078
Tel: 512.322.2500
Fax: 512.322.2501

Timothy S. Durst
Texas Bar No. 00786924
tim.durst@bakerbotts.com
2001 Ross Avenue
Suite 600
Dallas, Texas 75201-2980
Tel: 214.953.6500
Fax: 214.953.6503

**ATTORNEYS FOR RECEIVER
RALPH S. JANVEY**

CERTIFICATE OF SERVICE

On July 10, 2012, I electronically submitted the foregoing document with the clerk of the court of the U.S. District Court, Northern District of Texas, using the electronic case filing system of the court. I hereby certify that I have served the Court-appointed Examiner, 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