

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

SECURITIES AND EXCHANGE COMMISSION,	§	
	§	
Plaintiff,	§	
v.	§	
	§	Civil Action No. 3:09-cv-0298-N
STANFORD INTERNATIONAL BANK, LTD., et al.,	§	
	§	
Defendants.	§	
<hr style="border: 0.5px solid black;"/>		
RALPH S. JANVEY, et al.	§	
	§	
Plaintiffs,	§	
v.	§	
	§	Civil Action No. 3:13-cv-03980-N
WILLIS OF COLORADO INC., et al.	§	
	§	
Defendants.	§	

**SCHEDULING ORDER**

This matter is before the Court on (a) the Expedited Request for Entry of Scheduling Order and Motion to Approve Proposed Settlement of Claims Against the BMB Defendants, to Enter the Bar Order and to Enter the Final Judgments and Bar Orders filed by Ralph S. Janvey (the “Receiver”), as Receiver for the Receivership Estate in *SEC v. Stanford International Bank, Ltd.*, No. 3:09-CV-0298-N (N.D. Tex.) (the “SEC Action”), and the Official Stanford Investors Committee (the “Committee”), as a party to the SEC Action and, along with the Receiver, as a plaintiff in *Janvey v. Willis of Colorado Inc.*, No. 3:13-CV-03980-N (N.D. Tex.) (the “Janvey Litigation”), and Samuel Troice, Martha Diaz, Paula Gilly Flores, Punga Punga Financial, Ltd., Manual Canabal, Daniel Gomez and Promontora Villa Marina, C.A., on behalf of a putative

class of Stanford investors (collectively, the “Investor Plaintiffs”), as plaintiffs in *Troice v. Willis of Colorado, Inc.*, No. 3:09-CV-1274-N (N.D. Tex.) (the “Troice Litigation”)<sup>1</sup> [SEC Action, ECF No. 2383; Janvey Litigation, ECF No. 106] (the “Scheduling/Approval Motion”), and (b) Plaintiffs’ Motion for an Award of Attorneys’ Fees in Connection with the Settlements with Willis and BMB Defendants [SEC Action, ECF No. 2398; Janvey Litigation, ECF No. 109] (the “Attorneys’ Fees Motion”).<sup>2</sup>

The Motions concern a proposed settlement (the “Settlement”) involving, on the one hand, the Receiver; the Committee; the Court-appointed Examiner, John J. Little (the “Examiner”);<sup>3</sup> and the Investor Plaintiffs; and, on the other hand, BMB and Paul D. Winter, Dependent Executor of the Estate of Robert S. Winter, Deceased (“Winter” and together with BMB, the “BMB Defendants”) as defendants in the Janvey Litigation and the Troice Litigation. Capitalized terms not otherwise defined in this order shall have the meaning assigned to them in the settlement agreement attached as Exhibit 1 to the appendix accompanying the Scheduling/Approval Motion (the “Settlement Agreement”).

In the Scheduling/Approval Motion, the Plaintiffs seek the Court’s approval of the terms of the Settlement, including entry of a final bar order in the SEC Action (the “Bar Order”) and entry of final judgments and bar orders in the Janvey Litigation and the Casanova Litigation (the “Final Judgments and Bar Orders”).

After reviewing the terms of the Settlement and considering the arguments presented in the Motions, the Court preliminarily approves the Settlement as adequate, fair, reasonable, and

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<sup>1</sup> The Receiver, the Committee and the Investor Plaintiffs are collectively referred to herein as “Plaintiffs.”

<sup>2</sup> The Scheduling/Approval Motion and the Attorneys’ Fees Motion are collectively referred to herein as the “Motions.”

<sup>3</sup> The Examiner executed the Settlement Agreement to indicate his approval of the terms of the Settlement and to confirm his obligation to post Notice on his website, as required herein, but is not otherwise individually a party to the Settlement Agreement, the Janvey Litigation, or the Troice Litigation.

equitable. Accordingly, the Court enters this scheduling order to: (i) provide for notice of the terms of the Settlement, including the proposed Bar Order in the SEC Action and the proposed Final Judgments and Bar Orders in the Janvey Litigation and the Casanova Litigation; (ii) set the deadline for filing objections to the Settlement, the Bar Order, the Final Judgments and Bar Orders, or the Attorneys' Fees Motion; (iii) set the deadline for responding to any objection so filed; and (iv) set the date of the final approval hearing regarding the Settlement, the Bar Order in the SEC Action, the Final Judgments and Bar Orders in the Janvey Litigation and the Casanova Litigation and the Attorneys' Fees Motion (the "Final Approval Hearing"), as follows:

1. Preliminary Findings on Potential Approval of the Settlement: Based upon the Court's review of the terms of the Settlement Agreement, the arguments presented in the Motions, and the Motions' accompanying appendices and exhibits, the Court preliminarily finds that the Settlement is fair, reasonable, and equitable; has no obvious deficiencies; and is the product of serious, informed, good-faith, and arm's-length negotiations. The Court, however, reserves a final ruling with respect to the terms of the Settlement until after the Final Approval Hearing referenced below in Paragraph 2.

2. Final Approval Hearing: The Final Approval Hearing will be held before the Honorable David C. Godbey of the United States District Court for the Northern District of Texas, United States Courthouse, 1100 Commerce Street, Dallas, Texas 75242, in Courtroom 1505, at 10:00 a.m. on Friday, January 20, 2017, which is a date at least ninety (90) calendar days after entry of this Scheduling Order. The purposes of the Final Approval Hearing will be to: (i) determine whether the terms of the Settlement should be finally approved by the Court; (ii) determine whether the Bar Order attached as Exhibit C to the Settlement Agreement should be entered by the Court in the SEC Action; (iii) determine whether the Final Judgments and Bar

Orders attached as Exhibit D to the Settlement Agreement should be entered by the Court in the Janvey Litigation and the Casanova Litigation; (iv) rule upon any objections to the Settlement, the Bar Order, or the Final Judgments and Bar Orders; (v) rule upon the Attorneys' Fees Motion; and (vi) rule upon such other matters as the Court may deem appropriate.

3. Notice: The Court approves the form of Notice attached as Exhibit A to the Settlement Agreement and finds that the methodology, distribution, and dissemination of Notice described in the Motion: (i) constitute the best practicable notice; (ii) are reasonably calculated, under the circumstances, to apprise all Interested Parties, including the plaintiffs in the Other BMB Litigation<sup>4</sup>, of the Settlement, the releases therein, and the injunctions provided for in the Bar Order and the Final Judgments and Bar Orders; (iii) are reasonably calculated, under the circumstances, to apprise all Interested Parties of the right to object to the Settlement, the Bar Order, and the Final Judgments and Bar Orders, and to appear at the Final Approval Hearing; (iv) constitute due, adequate, and sufficient notice; (v) meet all requirements of applicable law, including the Federal Rules of Civil Procedure, the United States Constitution (including Due Process), and the Rules of the Court; and (vi) will provide to all Persons a full and fair opportunity to be heard on these matters. The Court further approves the form of the publication Notice attached as Exhibit F to the Settlement Agreement. Therefore:

a. The Receiver is hereby directed, no later than twenty-one (21) calendar days after entry of this Scheduling Order, to cause the Notice in substantially the same form attached as Exhibit A to the Settlement Agreement to be sent via electronic mail, first class mail,

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<sup>4</sup> The "Other BMB Litigation," as defined in the BMB Settlement Agreement, includes: (i) *Rupert v. Winter, et al.*, Case No. 20090C116137, filed on September 14, 2009 in Texas state court (Bexar County) (the "Rupert Litigation"); (ii) *Casanova v. Willis of Colorado, Inc., et al.*, C.A. No. 3:10-CV-1862-O, filed on September 16, 2010 in the United States District Court for the Northern District of Texas (the "Casanova Litigation"); (iii) *Rishmague v. Winter, et al.*, Case No. 2011C12585, filed on March 11, 2011 in Texas state court (Bexar County)(the "Rishmague Litigation"); and (iv) *MacArthur v. Winter, et al.*, Case No. 2013-07840, filed on February 8, 2013 in Texas state court (Harris County)(the "MacArthur Litigation").

or international delivery service to all Claimants; to be sent via electronic service to all counsel of record for any Person who is, at the time of Notice, a party in any case included in *In re Stanford Entities Securities Litigation*, MDL No. 2099 (N.D. Tex.) (the “MDL”), the SEC Action, the Troice Litigation, the Janvey Litigation, or the Other BMB Litigation who are deemed to have consented to electronic service through the Court’s CM/ECF System under Local Rule CV- 5.1(d); sent via certified mail to plaintiffs’ counsel in the Rupert Litigation, the Rishmague Litigation and the MacArthur Litigation; and to be sent via facsimile transmission and/or first class mail to any other counsel of record for any other Person who is, at the time of service, a party in any case included in the MDL, the SEC Action, the Troice Litigation, the Janvey Litigation, or the Other BMB Litigation.

b. The Receiver is hereby directed, no later than twenty-one (21) calendar days after entry of this Scheduling Order, to cause the notice in substantially the same form attached as Exhibit F to the Settlement Agreement to be published once in the national edition of *The Wall Street Journal* and once in the international edition of *The New York Times*.

c. The Receiver is hereby directed, no later than twenty-one (21) calendar days after entry of this Scheduling Order, to cause the Settlement Agreement, the Motions, this Scheduling Order, the Notice, and all exhibits and appendices attached to these documents, to be posted on the Receiver’s website (<http://stanfordfinancialreceivership.com>). The Examiner is hereby directed, no later than twenty-one (21) calendar days after entry of this Scheduling Order, to cause the Settlement Agreement, the Motions, this Scheduling Order, the Notice, and all exhibits and appendices attached to these documents, to be posted on the Examiner’s website (<http://lpflaw.com/examiner-stanford-financial-group>).

d. The Receiver is hereby directed promptly to provide the Settlement

Agreement, the Motions, this Scheduling Order, the Notice, and all exhibits and appendices attached to these documents, to any Person who requests such documents via email to Margaret Hagelman, an attorney at Strasburger & Price, LLP, at [margaret.hagelman@strasburger.com](mailto:margaret.hagelman@strasburger.com), or via telephone by calling Margaret Hagelman at 210-250-6001. The Receiver may provide such materials in the form and manner that the Receiver deems most appropriate under the circumstances of the request.

e. No less than ten days before the Final Approval Hearing, the Receiver shall cause to be filed with the Clerk of this Court written evidence of compliance with subparts (a) through (d) of this Paragraph, which may be in the form of an affidavit or declaration.

4. Objections and Appearances at the Final Approval Hearing: Any Person who wishes to object to the terms of the Settlement, the Final Bar Order in the SEC Action, the Final Judgments and Bar Orders or the Attorneys' Fees Motion, or who wishes to appear at the Final Approval Hearing, must do so by filing an objection, in writing, with the Court in the SEC Action (3:09-CV-0298-N), by ECF or by mailing the objection to the Clerk of the United States District Court for the Northern District of Texas, 1100 Commerce Street, Dallas, Texas 75242, no later than December 30, 2016. All objections filed with the Court must:

- a. contain the name, address, telephone number, and (if applicable) an email address of the Person filing the objection;
- b. contain the name, address, telephone number, and email address of any attorney representing the Person filing the objection;
- c. be signed by the Person filing the objection, or his or her attorney;
- d. state, in detail, the basis for any objection;
- e. attach any document the Court should consider in ruling on the Settlement,

the Bar Order, the Final Judgments and Bar Orders or the Attorneys' Fees Motion; and

f. if the Person filing the objection wishes to appear at the Final Approval Hearing, make a request to do so.

No Person will be permitted to appear at the Final Approval Hearing without filing a written objection and request to appear at the Final Approval Hearing as set forth in subparts (a) through (f) of this Paragraph. Copies of any objections filed must be served by ECF, or by email or first class mail, upon each of the following:

Edward C. Snyder  
Jesse R. Castillo  
Castillo Snyder, P.C.  
One Riverwalk Place  
700 N. St. Mary's, Suite 405  
San Antonio, Texas 78205  
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Facsimile: (210) 630-4210  
Email: [esnyder@casnlaw.com](mailto:esnyder@casnlaw.com)

and

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Dallas, TX 75250-100  
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Facsimile: (214) 651-4330  
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and

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and

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and

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and

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and

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Any Person filing an objection shall be deemed to have submitted to the jurisdiction of this Court for all purposes of that objection, the Settlement, the Bar Order, and the Final Judgments and Bar Orders. Potential objectors who do not present opposition by the time and in the manner set forth above shall be deemed to have waived the right to object (including any right to appeal) and to appear at the Final Approval Hearing and shall be forever barred from raising such objections in this action or any other action or proceeding. Persons do not need to appear at the Final Approval Hearing or take any other action to indicate their approval.

5. Responses to Objections: Any Party to the Settlement may respond to an

objection filed pursuant to Paragraph 4 by filing a response in the SEC Action no later than January 13, 2017. To the extent any Person filing an objection cannot be served by action of the Court's CM/ECF system, a response must be served to the email and/or mailing address provided by that Person.

6. Adjustments Concerning Hearing and Deadlines: The date, time, and place for the Final Approval Hearing, and the deadlines and date requirements in this Scheduling Order, shall be subject to adjournment or change by this Court without further notice other than that which may be posted by means of ECF in the MDL, the SEC Action, the Janvey Litigation, the Troice Litigation and the Other BMB Litigation (under the federal civil action numbers for such matters).

7. Retention of Jurisdiction: The Court shall retain jurisdiction to consider all further applications arising out of or connected with the proposed Settlement.

8. Entry of Injunction: If the Settlement is approved by the Court, the Court will enter a Final Bar Order in the SEC Action and the Final Judgments and Bar Orders in the Janvey Litigation and the Casanova Litigation. If entered, such orders will permanently enjoin all Persons, including without limitation all Interested Parties, Stanford Investors, and Claimants, among others, from bringing, encouraging, assisting, continuing, or prosecuting any Settled Claims against any of the BMB Defendants or any of the BMB Released Parties (subject to certain exceptions applicable to Winter as set forth in paragraphs 38 and 41 of the Settlement Agreement), including all claims asserted in the Troice Litigation, the Janvey Litigation, and the Other BMB Litigation, whether pending before the Court or not.

9. Stay of Proceedings: The Janvey Litigation, the Troice Litigation, and the Other BMB Litigation are hereby stayed as to the BMB Defendants, except to the extent necessary to

give effect to the Settlement.

10. Use of Order: Under no circumstances shall this Scheduling Order be construed, deemed, or used as an admission, concession, or declaration by or against the BMB Defendants of any fault, wrongdoing, breach or liability. Nor shall the Order be construed, deemed, or used as an admission, concession, or declaration by or against Plaintiffs that their claims lack merit or that the relief requested is inappropriate, improper, or unavailable, or as a waiver by any party of any defenses or claims he or she may have. Neither this Scheduling Order, nor the proposed Settlement Agreement, or any other settlement document, shall be filed, offered, received in evidence, or otherwise used in these or any other actions or proceedings or in any arbitration, except to give effect to or enforce the Settlement or the terms of this Scheduling Order.

11. Entry of This Order: This Scheduling Order shall be entered separately on the dockets in the SEC Action, the Janvey Litigation, the Troice Litigation, and the Other BMB Litigation (under the federal civil action numbers for such matters).

SIGNED October 19, 2016.

  
DAVID C. GODBEY  
UNITED STATES DISTRICT JUDGE