

JURISDICTION & VENUE

4. Respondent denies this Court has subject matter jurisdiction or *in rem* jurisdiction over all or some amounts the Receiver seeks. Stanford International Bank Ltd. did not transfer Respondent's funds to the United States and the Receiver does not allege any portion of those funds are now located in a judicial district where he filed notice under 28 U.S.C. § 754.

5. Respondent denies all other allegations in Paragraphs 9 to 13 for lack of knowledge or information sufficient to form a belief.

STATEMENT OF FACTS

6. Respondent denies the allegations in Paragraphs 14 to 25 for lack of knowledge or information sufficient to form a belief.

REQUESTED RELIEF / PRAYER

7. Respondent denies the allegations in Paragraphs 26 to 27 for lack of knowledge or information sufficient to form a belief.

8. The allegations in Paragraph 28 require no response because they are legal conclusions. To the extent a response is required, Respondent denies them for lack of knowledge or information sufficient to form a belief.

9. Respondent denies the allegations in Paragraphs 29 to 30 for lack of knowledge or information sufficient to form a belief.

10. The allegations in Paragraphs 31 to 42 require no response because they are legal conclusions. To the extent a response is required, Respondent denies them for lack of knowledge or information sufficient to form a belief.

APPENDIX

11. Respondent denies that the amounts stated in the Receiver's Appendix to his Complaint are correct.

**II.
AFFIRMATIVE DEFENSES**

UNIFORM FRAUDULENT TRANSFER ACT

12. The Receiver cannot prevail upon his claims because any amounts Respondent allegedly received were not fraudulent transfers as a matter of law and Respondent has an affirmative defense under TEX BUS. & COM. CODE § 24.010.

ESTOPPEL / PROMISSORY ESTOPPEL

13. The Receiver cannot prevail upon his claims because any amounts Respondent allegedly received were the result of reasonable reliance upon misrepresentations made by the Receiver's predecessor in interest.

FAILURE TO MITIGATE

14. The Receiver cannot prevail upon his claims because, in pursuing them, he has failed to mitigate damages to the receivership estate.

15. The Receiver cannot prevail upon his claims because his predecessor in interest failed to mitigate damages for the amounts now sought from Respondent.

FRAUD / MISREPRESENTATION

16. The Receiver cannot prevail upon his claims because they are the result of fraud or misrepresentation by the Receiver's predecessor in interest.

ILLEGALITY

17. The Receiver cannot prevail upon his claims because they are the result of illegality by the Receiver's predecessor in interest.

LACHES

18. The Receiver cannot prevail because he improperly rested on his claims and Respondent would be prejudiced as a result.

STATUTE OF LIMITATIONS / STATUTE OF REPOSE

19. The Receiver cannot prevail upon his claims because the limitations period has expired and all or a part of the claims or remedies are extinguished.

UNCLEAN HANDS

20. The Receiver cannot prevail upon his claims due to the comparative lack of equity by the Receiver and his predecessor in interest.

IN PARI DELICTO

21. The Receiver cannot prevail upon his claims due to wrongful conduct by the Receiver and his predecessor in interest.

PRINCIPLES OF EQUITY

22. The Receiver cannot prevail upon his claims because they are not consistent with applicable principles of equity.

PREMATURE / STANDING

23. The Receiver cannot prevail upon his claims until this Court determines the Antiguan Liquidators' petition for recognition under Chapter 15 of the Bankruptcy Code. If granted, the Receiver would not have standing to assert his claims.

24. The Receiver lacks standing to pursue transfers Stanford International Bank Ltd. sent directly from Antigua to accounts located outside the United States.

OFFSET

25. The Receiver's claims must be offset by any amounts the Respondent paid in penalties and taxes.

26. The Receiver's claims must be offset by the amount of Respondent's CD that remains frozen or unreturned by the Receiver or his predecessor in interest.

**III.
COUNTER CLAIMS**

BREACH OF CONTRACT

27. The Respondent has an unredeemed CD that constitutes a valid and enforceable contract between Respondent and the Receiver's predecessor in interest. Respondent fully performed all contractual obligations by purchasing the CD, which should have been valued at or around \$78,534.28 in August 2009. The Receiver, however, has not and will not return that balance to the Respondent. Those acts amount to a material breach of the agreement that caused Respondent damages in the amount of his remaining principal investment, accrued interest, future interest, and reasonable attorneys' fees.

28. All conditions precedent have been performed or have occurred. Respondent is presenting this claim to the Receiver for payment under Texas Civil Practice and Remedies Code § 38.002. If not paid, the Receiver will seek all damages available by statute and common law.

PROMISSORY ESTOPPEL / UNJUST ENRICHMENT

29. In the alternative, if the unredeemed CD is not a valid and enforceable contract, it amounts to a promise that the Receiver's predecessor in interest made to Respondent. Respondent reasonably, substantially, and detrimentally relied on it by purchasing the CD that should have been valued at or around \$78,534.28 in August 2009. This conduct was foreseeable to both parties because they each participated in the transfer and purchase. As a result,

Respondent suffered damages in the amount of the principal investment, accrued interest, and reasonable attorneys' fees. Judgment for those amounts is necessary to avoid injustice to Respondent and unjust enrichment.

30. Respondent is presenting this claim to the Receiver for payment under Texas Civil Practice and Remedies Code § 38.002. If not paid, the Receiver will seek all damages available by statute and common law.

**IV.
JURY DEMAND**

31. Respondent requests that this matter be tried before a jury.

**V.
PRAYER FOR RELIEF**

Respondent respectfully asks this Court for an Order that: (1) denies the Receiver's claims for fraudulent conveyance, unjust enrichment, and constructive trust; (2) awards Respondent damages for his breach of contract and promissory estoppel claims or, alternatively, a credit in that amount; and (3) awards Respondent the costs of this lawsuit, attorneys' fees, and pre-judgment and post-judgment interest. Respondent also asks for a jury trial and such other and further relief, general or special, at law or in equity, that the Court may find appropriate.

Respectfully submitted,

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By: /s/ Michael J. Quilling

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ATTORNEYS FOR RESPONDENT

CERTIFICATE OF SERVICE

On May 14, 2010, I electronically submitted this pleading to the Clerk of Court for 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 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/ Michael J. Quilling