

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

RALPH S. JAMBAY, IN HIS CAPACITY	§
AS COURT APPOINTED RECEIVER	§
FOR THE STANFORD INTERNATIONAL	§
BANK, LTD. ET AL.,	§
	§
Plaintiff,	§ CASE NO. 03-09-CV-0724-N
	§
vs.	§
	§
JAMES R. ALGUIRE, ET AL.,	§
	§
Relief Defendants	§

ANSWER OF SEVERED STANFORD EMPLOYEES

COME NOW, Defendants Gustavo A. Garcia Escalante, Robert A. Kramer, James F. Anthony, Helena M. Herrero, Nicholas P. Salas, Juan C. Riera, Giampiero Riccio, Kelley L. Hawkins, Lori Fischer, Juliana Franco, Michael Contorno, Jane E. Bates and Susan K. Jurica, (“Severed Stanford Employees”) and file this their Original Answer to Plaintiff, Ralph S. Janvey’s, in his Capacity as Court-Appointed Receiver for the Stanford International Bank, Ltd., et al. (“Receiver”) First Amended Complaint and in support thereof, states as follows:

1-7. The allegations contained in paragraphs 1-7 of Receiver’s First Amended Complaint are denied. The majority of the averments contained in paragraphs 1-7 are conclusions of law which do not require further response. The Severed Stanford Employees specifically deny the averments contained in paragraph 5 that they failed to provide legitimate services in their capacity as Stanford employees. They further deny that they have no legitimate ownership interests in the severance funds they received after being terminated by Stanford without notice and in accordance with Stanford’s employment policies. The Severed Stanford Employees deny that they hold the

severance funds in trust for the receivership estate for the benefit of any investors. The Severed Stanford Employees further deny that they ever received "CD proceeds."

8. Paragraph 8 contains legal conclusions and does not necessitate a response by the Severed Stanford Employees.

9. Paragraph 9 contains legal conclusions and does not necessitate a response by the Severed Stanford Employees.

10. Paragraph 10 contains a summary of the procedural history of the case. The Severed Stanford Employees are without knowledge or information sufficient to form a belief as to the truth of the recitation of the procedural history of the case contained in paragraph 10.

11-15. Paragraphs 11-15 contain legal conclusions and do not necessitate a response by the Severed Stanford Employees. The Severed Stanford Employees deny that they have filed any Motions to Intervene in the SEC's lawsuit against Stanford.

16. The Severed Stanford Employees are without knowledge or information sufficient to form a belief as the truth of the allegations in paragraph 16 of the First Amended Complaint. Therefore, they are denied. The Severed Stanford Employees deny any involvement or complicity in the alleged wrongful conduct.

17. The Severed Stanford Employees are without knowledge or information sufficient to form a belief as the truth of the allegations in paragraph 17 of the First Amended Complaint. Therefore, they are denied. The Severed Stanford Employees deny any involvement or complicity in the alleged wrongful conduct.

18. The Severed Stanford Employees lack sufficient information to admit or deny the allegations in paragraph 18 of the First Amended Complaint. Therefore, they are denied.

19-28. The Severed Stanford Employees are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 19-28 of the Reciever's First

Amended Complaint. Therefore, they are denied. Answering further, the Severed Stanford Employees deny any involvement or complicity in any alleged improper conduct. The Severed Stanford Employees further specifically deny that their compensation while employed by Stanford or any severance payments made to them were based on revenue from CD sales.

29. The Severed Stanford Employees are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 29 of the First Amended Complaint. Therefore, they are denied. The Severed Stanford Employees specifically deny that their compensation was based on CD sales. The Severed Stanford Employees further deny that they failed to perform services or performed services only in furtherance of an alleged Ponzi scheme. The Severed Stanford Employees further specifically deny that they do not have a rightful ownership interest in retaining the funds paid to them in connection with Stanford's decision to sever their employment. The remaining allegations contained in paragraph 29 are legal argument and do not necessitate a response from the Severed Stanford Employees.

30. Paragraph 30 of the First Amended Complaint is a prayer for relief. The Severed Stanford Employees deny that the Receiver is entitled to recover any assets in their possession.

31. Paragraph 31 sets out a summary of the Receiver's authority pursuant to the Order Appointing Receiver. As such, paragraph 31 does not necessitate a response from the Severed Stanford Employees.

32. Paragraph 32 sets out legal conclusions and does not necessitate a response from the Severed Stanford Employees.

33. Paragraph 33 contains a legal conclusion and thus does not necessitate a response from the Severed Stanford Employees.

34. The portions of paragraph 34 which set forth legal conclusions or argument do not necessitate a response from the Severed Stanford Employees. The Severed Stanford Employees

specifically deny that they received any proceeds from a Ponzi scheme. The Severed Stanford Employees further specifically deny that they lack a legitimate claim to the severance funds they received. The Severed Stanford Employees received severance payments in the regular course of business following their involuntary termination by Stanford and in accordance with Stanford's employment policies. The Severed Stanford Employees deny that their claims to the severance payments are illegitimate.

35. Paragraph 35 of the First Amended Complaint contains conclusions of law which do not necessitate a response from the Severed Stanford Employees.

36. The Severed Stanford Employees deny the allegation contained in the first sentence of paragraph 36. The Severed Stanford Employees have a legitimate claim to severance payments made to them in the regular course of business and in accordance with Stanford's employment policies. The Severed Stanford Employees deny that the Receiver is entitled to the relief requested in paragraph 36.

37. The Severed Stanford Employees deny that the Receiver is entitled to the relief requested in paragraph 37.

38. The Severed Stanford Employees are without information sufficient to admit or deny the allegations contained in paragraph 38. Therefore, they are denied. The Severed Stanford Employees specifically deny that they were paid based upon sales of CDs. The Severed Stanford Employees deny that the Receiver is entitled to the relief requested in paragraph 38.

39. Paragraph 39 of the First Amended Complaint sets forth legal conclusions and does not necessitate a response. The Severed Stanford Employees specifically deny that they failed to provide value to Stanford.

40. Paragraph 40 of the First Amended Complaint sets out a prayer for relief and does not necessitate a response from the Severed Stanford Employees.

41. The Severed Stanford Employees lack information sufficient to admit or deny the allegations contained in the first sentence of paragraph 41. Therefore, they are denied. The remainder of paragraph 41 in a request for relief by the Receiver which does not necessitate a response from the Severed Stanford Employee, although they deny he is entitled to the relief requested from the Severed Stanford Employees.

42-43. Paragraphs 42 and 43 of the First Amended Complaint are requests for relief which do not necessitate a response from the Severed Stanford Employees, although they deny he is entitled to the relief requested from the Severed Stanford Employees. The Severed Stanford Employees specifically deny that they have been unjustly enriched.

44. The Severed Stanford Employees specifically deny that they have been unjustly enriched by their receipt of severance payments from Stanford. They further specifically deny that their severance payments were related to sales of CDs. The remainder of paragraph 44 is a request for relief which does not necessitate a response by the Severed Stanford Employees, although they deny he is entitled to the relief requested from the Severed Stanford Employees.

45-54. The Severed Stanford Employees lack information sufficient to admit or deny the allegations contained in paragraphs 45-54. Therefore, they are denied.

55. The Severed Stanford Employees admit that they received severance payments in the amounts reflected in the Appendix. The Severed Stanford Employees specifically deny that such severance payments were made from the proceeds of CD sales.

56. Paragraph 56 is a prayer for relief. The Severed Stanford Employees deny that the Receiver is entitled to the relief requested from them.

