

**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 MOTION FOR ENTRY OF AN ORDER (I) ESTABLISHING BAR
DATE FOR CLAIMS; (II) APPROVING FORM AND MANNER OF NOTICE
THEREOF; AND (III) APPROVING PROOF OF CLAIM FORM AND
PROCEDURES FOR SUBMITTING PROOFS OF CLAIM**

I. INTRODUCTION

Ralph S. Janvey, Receiver for the assets of the Defendants and all Stanford-controlled entities, respectfully moves this Court for an order: (i) establishing a bar date for claims; (ii) approving the form and manner of notice thereof; and (iii) approving the proof of claim form and procedures for submitting proofs of claim (the “Motion”). This Motion was drafted in consultation with the Investor Committee and the Examiner, and much of what is contained herein reflects their input. The Investor Committee and Examiner, however, are not in complete agreement with the Receiver on certain aspects of this Motion, including the timing of the filing of this Motion. The Investor Committee and Examiner will separately file responses to this Motion to address their concerns to the Court.

II. FACTUAL BACKGROUND

On February 16, 2009, the Securities and Exchange Commission (the “Commission”) commenced a lawsuit in this Court against R. Allen Stanford; two associates,

James M. Davis and Laura Pendergest-Holt; and three of Mr. Stanford's companies, Stanford International Bank, Ltd., Stanford Group Company, and Stanford Capital Management, LLC (collectively, the "Defendants").¹ The Commission alleges, in its Second Amended Complaint filed on January 8, 2010, that the Defendants perpetrated a multi-billion-dollar Ponzi scheme by, among other things: (1) promising high rates of return on "certificates of deposit" that exceeded those available through true certificates of deposit offered by traditional banks and (2) selling a proprietary mutual fund wrap program known as Stanford Allocation Strategy using materially false and misleading historical performance data. [Doc. 952 (SEC's Second Amended Complaint) at ¶¶ 1-2, 7.]

This Court found good cause to believe that the Defendants violated federal securities laws. Accordingly, on February 16, 2009, this Court signed an order appointing Ralph S. Janvey as Receiver over all the assets of the Defendants and all the entities they own or control, which was entered on February 17, 2009, and which was amended on March 12, 2009, and July 19, 2010 (as so amended, the "Amended Receivership Order"). [See Docs. 10, 157, 1130.]

Pursuant to the Amended Receivership Order, the Receiver is charged with marshaling and preserving all the assets of the Defendants and the entities they own or control, including, without limitation, Stanford International Bank, Ltd.; Stanford Financial Group Company; Stanford Group Company; Stanford Trust Company; Stanford Capital Management, LLC; Stanford Coins & Bullion, Inc.; and the entities listed in Exhibit 1 to the Appendix in support of the Motion (collectively, including their respective estates, subsidiaries, and other property, the "Receivership Entities").

¹ The term "Defendants" as used herein also includes Stanford Financial Group Company and The Stanford Financial Group Building, Inc.

On April 20, 2009, this Court entered an order appointing John J. Little (the “Examiner”) as the examiner in this case. [Doc. 322.]

The Receiver periodically files reports with this Court to provide information regarding, among other things, the status of the receivership and his asset recovery efforts. [See Docs. 336, 859, 1117-1118, 1236-1237, 1469-1470.] The Receiver maintains a website at <http://stanfordfinancialreceivership.com/> that provides information about the receivership, including information regarding customer accounts, claims information, contact information for the Receiver, statements issued by the Receiver, and significant filings in this case.

On August 10, 2010, this Court entered an order appointing a committee to represent investors in this case and related matters, to be comprised of seven voting members including the Examiner and six other members that represent a cross-section of investors (the “Investor Committee”). [Doc. 1149.]

III. RELIEF REQUESTED

By this Motion, the Receiver seeks entry of an order (the “Bar Date Order”) (1) establishing 5:00 p.m. (prevailing Central Time) on the date that is 180 days after entry of the Bar Date Order as the deadline by which all Claimants must submit completed and signed Proofs of Claim evidencing their Claims against one or more of the Receivership Entities; (2) approving the form and manner of the notice thereof; and (3) approving the Proof of Claim Form and procedures for submitting Proofs of Claim (collectively, the “Claims Procedures”).

IV. CLAIMS AND CLAIMANTS SUBJECT TO BAR DATE

Claims. For purposes of this Motion, a “Claim” is defined as:

1. a right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, mature, unmatured, disputed,

undisputed, legal, equitable, secured, or unsecured, against one or more of the Receivership Entities; or

2. a right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured, against one or more of the Receivership Entities.

Claimants. For purposes of this Motion, a “Claimant” is defined as and includes any person or entity (including, without limitation, individuals, partnerships, corporations, estates, trusts, and governmental units) that holds a Claim. Without limiting the generality of the foregoing, the definition of Claimant includes, but is not limited to, any person or entity holding (1) a Claim based on any investment in a Receivership Entity, including an investment in a certificate of deposit issued by Stanford International Bank, Ltd. or any other Receivership Entity or (2) a Claim of any kind whatsoever against any Receivership Entity, including, without limitation, a Claim based on the provision of goods or services to any Receivership Entity and has not been paid in whole or in part therefor; money loaned to any Receivership Entity and has not been paid in whole or in part therefor; unpaid wages, compensation, or other employment benefits; tax liabilities, including those held by federal and state governments; primary, secondary, direct, indirect, secured, unsecured, or contingent liability; or contract, tort, indemnity, reimbursement, subrogation theories, or other legal or equitable theory.

V. BASIS FOR ESTABLISHING CLAIMS PROCEDURES

In order to develop a successful distribution plan, the Receiver must identify the nature and scope of the potential claims against, and liabilities of, the Receivership Entities. For

this reason, it is necessary to establish a deadline for Claimants to submit proofs of claims for processing by the Receiver.

Furthermore, it is critically important to the efficient administration of the receivership and the fair distribution of assets among Claimants that the proofs of claim be timely filed and that untimely proofs of claim be barred. With limited proceeds available for distribution, the Claims Procedures will ensure that the available proceeds are maximized and distributed to Claimants that hold valid Claims and that submitted proofs of claim prior to the deadline for doing so.

Support for the Claims Procedures can also be found in other receivership cases, where courts have held that similar procedures were in the best interests of the receivership entities, their creditors, holders of claims, and other parties in interest. *See, e.g., SEC v. Princeton Econ. Int'l Ltd*, 2008 WL 7826694 (S.D.N.Y. Sept. 30, 2008); *SEC v. Cook*, 2003 WL 22272065 (N.D. Tex. Sept. 30, 2003).

VI. CLAIMS PROCEDURES

Bar Date. The Receiver accordingly requests that this Court establish 5:00 p.m. (prevailing Central Time) on the date that is 180 days after entry of the Bar Date Order as the deadline for Claimants to submit Proofs of Claim against the Receivership Entities (the "Bar Date").

Eligibility to Submit Proofs of Claim. Proofs of Claim (as defined herein) shall be submitted by all persons or entities (including, without limitation, individuals, partnerships, corporations, joint ventures, estates, trusts, and governmental units) that are Claimants and believe that they are owed any money by, or have a right to distribution from, any of the Receivership Entities, regardless of whether the Claim at issue has been acknowledged by the

Receiver or whether the Claim at issue is held with or through any person or entity or based on primary, secondary, direct, indirect, secured, unsecured, or contingent liability.

Administrative and Professional Claims. Creditors holding claims based on the provision of goods or services to the Receivership Entities or the Receiver after the February 16, 2009 appointment of the Receiver (“Administrative Claims”) will not be required to submit proofs of claim on or before the Bar Date and will not be subject to the Bar Date. The Receiver will continue to satisfy Administrative Claims as they are incurred and come due. Additionally, the Receiver, his professionals, the Examiner, and the Investor Committee will not be required to submit proofs of claim on or before the Bar Date, and all claims of the Receiver, his professionals, the Examiner, and the Investor Committee (“Professional Claims”) will be addressed in accordance with prior orders of this Court.

Notice. The Receiver believes that the following efforts will ensure broad notice to Claimants:

1. Notice by Mail. The Receiver proposes to serve by mail, within 30 business days of entry of the Bar Date Order, (a) SIB CD accountholders who had a positive SIB CD account balance as of February 16, 2009 and for whom the Receiver has physical addresses from the books and records of SIB and (b) potential Claimants who have provided the Receiver with a physical address through (i) communications directed to the Receiver’s email address info@stanfordfinancialreceivership.com, (ii) the prior submission of a Claimant Form, or (iii) the prior submission of an “Application for Review and Potential Release of Stanford Group Company Brokerage Accounts,” with: (1) a notice of the Bar Date and the

procedures for submitting proofs of claim, substantially in the form of the notice attached hereto as Exhibit 2 to the Appendix in support of the Motion and incorporated herein by reference (the “Bar Date Notice”) and (2) a proof of claim form substantially in the form of the document attached hereto as Exhibit 3 to the Appendix in support of the Motion and incorporated herein by reference (the “Proof of Claim Form”). With respect to the Claimants that meet the above requirements for notice by mail, the Receiver proposes to serve (a) those located within the United States by United States first class mail and (b) those located outside the United States by any method he deems reasonable in his sole and absolute discretion but subject to review by, and concurrence of, the Investor Committee. The Bar Date Notice and the Proof of Claim Form provide clear notice and instructions concerning the Claims Procedures.

2. Notice by Electronic Mail. In addition to notice by mail (if required pursuant to the previous paragraph), where potential Claimants have provided an electronic mail address to the Receiver through (a) communications directed to the Receiver’s email address info@stanfordfinancialreceivership.com, (b) the prior submission of a Claimant Form, or (c) the prior submission of an “Application for Review and Potential Release of Stanford Group Company Brokerage Accounts,” the Receiver proposes to serve, within 30 business days of entry of the Bar Date Order, the Bar Date Notice and the Proof of Claim Form on such potential Claimants via the electronic mail address provided by them.

3. Notice by Publication. The Bar Date Notice and the Proof of Claim Form will also be made available, within 10 calendar days of entry of the Bar Date Order, on the Receiver's website (www.stanfordfinancialreceivership.com) and on the website maintained by the Examiner (<http://www.lpf-law.com/sub/stanford.jsp>), and the Receiver and the Examiner shall issue, within 3 calendar days of entry of the Bar Date Order, press releases that include the Bar Date Notice and the Proof of Claim Form. The Receiver also proposes to publish, within 45 calendar days of entry of the Bar Date Order, a notice of the Bar Date and the procedures for submitting proofs of claim, substantially in the form of the notice attached hereto as Exhibit 4 to the Appendix in support of the Motion and incorporated herein by reference (the "Bar Date Publication Notice"), in newspapers of general and local circulation, including *The Wall Street Journal*, *Houston Chronicle*, *The New York Times*, *Financial Times*, and other such publications that in the Receiver's sole and absolute discretion are reasonably calculated to provide notice to potential Claimants, on two days that are two weeks apart. The Receiver has chosen the publications listed above because they are most likely to reach an audience that may hold unknown Claims, as they target the financial industry and the geographical areas most affected by the receivership.
4. Notice Upon Inquiry. The Receiver will promptly provide the Bar Date Notice and the Proof of Claim Form to any Claimant who makes a written request for such documents to the e-mail address

info@stanfordfinancialreceivership.com or to the physical address
**Stanford Financial Group Receivership, 1029 State Highway 6 North,
Suite 650 #272, Houston, TX 77079.**

Procedure for Submitting Proof of Claim. Except as otherwise ordered by this Court or provided below, each Claimant must submit a completed and signed Proof of Claim Form under penalty of perjury and evidencing such Claimant's Claim, together with supporting documentation (a "Proof of Claim"), with the Receiver's agent in the manner indicated below, so that such Proof of Claim is **actually received** on or before the Bar Date. Proofs of Claim may be submitted to the Receiver's agent (1) in person or by courier service, hand delivery, or mail addressed to **Stanford Financial Group Receivership, 1029 State Highway 6 North, Suite 650 #272, Houston, TX 77079**; (2) by electronic mail, as an attachment in portable document format (.pdf), to **info@stanfordfinancialreceivership.com**; or (3) by facsimile or by telecopy to **(281) 368-2054**.

Proofs of Claim should not be filed with this Court, and any Proof of Claim so filed will not be considered properly submitted.

Prior Submissions by Claimants. Prior submissions by Claimants will be treated in the following manner:

1. Claims Submitted with Antiguan Liquidators or Receivers. There is a proceeding pending in the courts of Antigua and Barbuda, in which those courts have appointed liquidators for Stanford International Bank, Ltd. and receivers for Stanford Trust Company Limited (an Antiguan entity controlled by R. Allen Stanford). A Claimant that has submitted evidence of a Claim with the Antiguan liquidators or receivers or that has a Claim as a

beneficiary of a trust for which Stanford Trust Company Limited is the trustee will not be relieved from the obligation to submit a Proof of Claim evidencing such Claim in order to be entitled to receive a distribution from any of the Receivership Entities. This includes, but is not limited to, any claim registered through the Antiguan liquidators' website (<https://stanford.frpadvisor.com/default.aspx>) or with Vantis plc or any other representative of the Antiguan liquidators or receivers. The liquidators in the Antiguan proceeding have made efforts to establish a form of claims process that is independent of the claims processes in this court. In addition, the receivers (who are the same individuals as the original Antiguan liquidators of Stanford International Bank, Ltd.) have said that they have established, within their claims procedure, a related procedure for claims through trusts for which Stanford Trust Company Limited is the trustee. The Receiver currently has no way of coordinating the information he has received with the information received by the Antiguan liquidators and receivers, and therefore requiring Claimants to also submit Proofs of Claim is necessary.

2. Claims Submitted on Receiver's Website. A Claimant that, through the Receiver's website (<http://stanfordfinancialreceivership.com/claims.php>), has submitted a "Claimant Form" asserting a Claim may, but is not required to, submit a Proof of Claim with respect to such Claim. If such a Claimant does not submit a Proof of Claim, the Claimant Form will be treated as a timely and sufficiently filed Proof of Claim. However, upon

request from the Receiver, the Claimant may be required to submit additional supporting documentation in order for the Claim asserted in the Claimant Form to be allowed. Such requests will be made through the electronic mail address included on the Claimant Form. Beginning on the date the Bar Date Order is entered, Claimants shall not submit a Claimant Form but shall, instead, submit a Proof of Claim in accordance with the terms of the Bar Date Order.

Supporting Documentation for Proof of Claim. Each Claimant should attach to each Proof of Claim copies of all documents available to the Claimant that could support such Proof of Claim. Such documentation may include, but is not limited to: copies of personal checks, cashiers checks, wire transfer advices, and other documents evidencing the investment of funds; copies of each signed investment contract; a chronological accounting of all money received by the Claimant from any Receivership Entity or the Receiver, whether such payments are denominated as the return of principal, interest, commissions, finder's fee, sponsor payment, or otherwise; copies of all agreements, promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, mortgages, security agreements, evidence of perfection of lien; and other documents evidencing the amount and basis of the Claim. If such supporting documentation is not available, the Claimant must attach to the Proof of Claim an explanation of why the documentation is unavailable.

Depending upon the Claim review process ultimately employed by the Receiver, each Claimant will have to satisfy certain minimum standards in order to establish a Claim and receive a distribution. Accordingly, the more information a Claimant provides, the easier it will be for the Receiver to validate that Claimant's Proof of Claim.

Proof of Claim Must Identify Receivership Entity. Any Claimant holding Claims against more than one Receivership Entity must submit a separate Proof of Claim against each such Receivership Entity and identify on each Proof of Claim the particular Receivership Entity against which the Proof of Claim is asserted. This procedure will expedite the Receiver's review of the Proofs of Claim and will not be unduly burdensome because Claimants should know which Receivership Entities they hold Claims against.

In the future, it is possible that the Receiver or another party in interest may seek to consolidate some or all of the Receivership Entities; however, at this point in time no request for consolidation has been filed. As such, separate Proofs of Claim and the required supporting documentation are necessary to ensure that the Receiver has sufficient information to prepare a distribution plan regardless of whether the Receivership Entities are consolidated or remain separate entities. If multiple Proofs of Claim asserting the same Claim are submitted against several Receivership Entities, that fact will be relevant to the Receiver's views regarding whether consolidation is appropriate.

A Claimant's failure to identify the correct Receivership Entity on a Proof of Claim Form may be grounds for objection to, and disallowance of, such Claimant's Claims. However, a Claimant may submit Proofs of Claim against several or all of the Receivership Entities if, based upon a reasonable investigation, such Claimant believes that it holds a Claim against those Receivership Entities or is unsure which Receivership Entity it holds a Claim against.

Effect of Failure to Submit Proof of Claim Before Bar Date. Any Claimant who is required to submit a Proof of Claim, but fails to do so in a timely manner or in the proper form, shall be forever barred, estopped, and enjoined to the fullest extent allowed by applicable law from asserting, in any manner, such Claim against the Receivership Entities and their respective

property or estates; shall not be permitted to object to any distribution plan proposed by the Receiver on account of such Claim; shall be denied any distributions under any distribution plan implemented by the Receiver on account of such Claim; and shall not receive any further notices on account of such Claim. Further, the Receivership Entities and their respective property or estates will be discharged from any and all indebtedness or liability with respect to such Claim.

The proposed Bar Date and Proof of Claim Form are not unduly burdensome or uncommon in matters of this nature. It is important to the efficient and orderly administration of the receivership that Claimants timely file their Proofs of Claim and that late-filed Proofs of Claim be disallowed. Establishment of the Bar Date is necessary in order for the Receiver to determine which persons are entitled to share in distributions under a plan.

Proofs of Claim Processing and Verification. The Receiver has not yet decided whether to use manual or automated processing for the Proofs of Claim or how to reconcile Proofs of Claim with the books and records of the Receivership Entities. The Receiver has also not yet decided how to verify the Claims asserted in the Proofs of Claim. He is currently considering the use of certifications of truthfulness for all Proofs of Claim, an audit process for a sampling of smaller Proofs of Claim, and in-depth examination of larger Proofs of Claim. As such, the Receiver requests that he be authorized to employ any procedures he deems necessary, in his sole and absolute discretion but subject to review by, and concurrence of, the Investor Committee, for processing, reconciling, and verifying Proofs of Claim.

Reservation of Rights. Nothing herein shall prejudice any right of the Receiver to dispute, or assert offsets or defenses as to the nature, amount, liability, classification, or otherwise against, any amounts asserted in any Proof of Claim. Nothing contained herein is intended to preclude the Receiver from objecting to any Proof of Claim on any grounds.

VII. DISTRIBUTION CALCULATION METHODOLOGIES

The ultimate goal in this case, which the establishment of the Bar Date will bring one step closer, is the approval of a plan of distribution that will, among other things, provide for distributions to Claimants based on the amount of their valid Claims. Relevant authorities permit the use of different methodologies to calculate distributions to holders of Claims arising out of investments.

The Receiver has not decided which methodology is best suited for the circumstances of this case, although for investor claimants, the amount of the investor's net investment in the ponzi scheme will be one of the most significant factors. A preferred choice may emerge by consensus after negotiations among interested parties. Furthermore, ultimate payment on any claims will take into account payments, if any, made pursuant to distribution plans, which may be implemented by relevant constituencies such as U.S. Dept. of Justice, SIPC and/or Liquidators appointed by any foreign court or governmental authority. For his current purposes, the Receiver needs to ensure that Claimants provide sufficient information to allow him to determine the amount and validity of their Claims using whichever method this Court ultimately directs him to employ.²

VIII. CONCLUSION AND PRAYER

WHEREFORE, the Receiver respectfully requests that this Court grant this Motion and enter an order: (1) establishing the Bar Date by which Claimants must submit Proofs of Claim of any type (other than Administrative Claims) against any of the Receivership Entities; (2) approving the proposed form and manner of notice of the Bar Date and related procedures;

² Any Claim submitted by INX will be treated in accordance with the Court's Order of November 4, 2011 [Doc. 1466].

(3) approving the proposed Proof of Claim Form and procedures for submitting Proofs of Claim;
and (4) granting such other and further relief as is appropriate.

Dated: November 16, 2011

Respectfully submitted,

BAKER BOTTS L.L.P.

By: /s/ Kevin M. Sadler

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ATTORNEYS FOR RECEIVER RALPH S. JANVEY

CERTIFICATE OF CONFERENCE

On November 15-16, 2011, counsel for the Receiver conferred or attempted to confer with the parties to this case. Counsel for the Receiver conferred with David Reece, counsel for the SEC, regarding this motion and sent a draft of same to the SEC on October 25, 2011. On November 16, 2011, Mr. Reece stated that the SEC is still reviewing the motion and will make a separate filing to advise the Court of its position. Counsel for the Receiver conferred with John Little, the Court-appointed Examiner, and with Peter Morgenstern, counsel for the Official Stanford Investors Committee, who stated that Investor Committee and Examiner are not in complete agreement with the Receiver on certain aspects of this Motion, including the timing of the filing of this Motion and will separately file responses to this Motion to address their concerns to the Court. Counsel for the Receiver attempted to confer with Stephen Cochell, counsel for R. Allen Stanford, but did not receive a response regarding Mr. Stanford's position on this motion or the relief requested herein. Counsel for the Receiver attempted to confer with Jeff Tillotson, counsel for Laura Pendergest-Holt, but did not receive a response regarding Ms. Pendergest-Holt's position on this motion or the relief requested herein. Counsel for the Receiver conferred with Kenneth Johnston and Joseph Hummel, counsel for Trustmark National Bank, who stated that Trustmark takes no position on this motion or the relief requested herein. Counsel for the Receiver attempted to confer with Manuel P. Lena, Jr., counsel for the DOJ (Tax Division), but did not receive a response regarding the DOJ (Tax Division)'s position on this motion or the relief requested herein. Counsel for the Receiver attempted to confer with David Finn, counsel for James Davis as indicated by the docket sheet in the above-captioned case but who has represented to counsel for the Receiver that he no longer represents Mr. Davis, but did not receive a response regarding Mr. Davis's position on this motion or the relief requested herein. Counsel for the Receiver attempted to confer with J. Randy Burton, counsel for Susan Stanford, but did not receive a response regarding Mrs. Stanford's position on this motion or the relief requested herein. Counsel for the Receiver conferred with Jason Brookner, counsel for HP Financial Services Venezuela C.C.A., who stated that HP takes no position on this motion or the relief requested herein. Counsel for the Receiver conferred with Andrew Warren, counsel for the DOJ (Fraud Division), who stated that the DOJ (Fraud Division) takes no position on this motion or the relief requested herein. Counsel for the Receiver attempted to confer with Gregg Anderson and John Helms, Jr., counsel for Mark Kuhrt, but did not receive a response regarding Mr. Kuhrt's position on this motion or the relief requested herein. Counsel for the Receiver attempted to confer with Stephanie Curtis, counsel for INX, Inc., but did not receive a response regarding INX's position on this motion or the relief requested herein. The motion is, therefore, presumed to be opposed under Local Rule 7.1(b)(3).

/s/ Kevin M. Sadler

Kevin M. Sadler

CERTIFICATE OF SERVICE

On November 16, 2011, 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