

SETTLEMENT AGREEMENT AND CROSS-BORDER PROTOCOL Q&A

When will money be distributed?

The date when distributions will be made is presently unknown. Although the Receiver, the Joint Liquidators, and the Department of Justice have reached agreement regarding the disposition of the international Stanford assets, the assets remain in control of authorities in the U.K., Switzerland, and Canada. The parties will work together to encourage these authorities to release the assets quickly upon approval of the agreement so that money may be distributed to creditor-victims as soon as possible.

What was the cause for the delay in reaching a final agreement after the agreement in principle was announced?

The settlement agreement is a six-party agreement that deals with assets and related litigation in five different jurisdictions. As a result, the drafting of the agreement was a lengthy process, requiring consultation with attorneys and authorities in numerous jurisdictions. Once the agreement was drafted, all parties to the agreement carefully evaluated the agreement, considering all possible implications of finally approving its terms. Because of the importance of the issues covered by the settlement agreement, the final deliberative phase of the process was necessarily lengthy. The length of time needed to complete the settlement agreement is ultimately a reflection of the degree of care all parties exercised in preparing and finalizing the agreement.

Why is \$36 million being reserved for working capital?

The settlement agreement allocates \$18 million to the Antiguan liquidation estate primarily to fund litigation that the parties believe will have a substantially positive return for the Antiguan liquidation estate. An additional \$18 million may also be allocated for working capital, including litigation funding, if necessary. This working capital cannot be used to fund any litigation adverse to any other party to the definitive agreement. Further, every effort will be made to minimize the amount actually used for working capital, and any funds not actually used for working capital will be released for distribution to creditor-victims.

What is the status of the \$20 million that was previously loaned to the Antiguan liquidation estate from the U.K. Central Criminal Court?

The \$20 million, which came from Stanford assets in the U.K., was advanced to the Antiguan liquidation estate during the pendency of the dispute over control of those assets. The funds have been spent to cover expenses of the Antiguan liquidation estate, which was the purpose for which they were advanced by the Central Criminal Court. Because the Settlement Agreement places control of the U.K. assets with the Antiguan Joint Liquidators, the Settlement Agreement extinguishes the obligation to repay the loan.

Who will receive money from the distribution?

The international assets covered by the settlement agreement will be released only to creditor-victims of the Stanford fraud scheme. No other claimant will receive a distribution from the pool of international assets. Therefore, claimants such as the United States Internal Revenue Service and the Government of Antigua and Barbuda will be excluded from the distribution of the international Stanford assets.

What do claimants need to do to become eligible for a distribution by the Receiver from the international assets covered by the settlement agreement?

The Receiver will distribute funds from the international assets to eligible claimants who submitted claims to the Receiver on or before September 1, 2012, which was the deadline set by the United States District Court for the Northern District of Texas for submitting claims to the Receiver. Claimants do not need to take any further action at this time to become eligible for a distribution of funds from the international assets.

Why aren't the Joint Liquidators and the Receiver making a single, joint distribution?

The Receiver and the Joint Liquidators are each charged by their appointing courts with making a distribution of assets from their respective estates. The laws applicable to their respective distributions are similar but not identical. Therefore, it is impractical to have a single, joint distribution. However, the Joint Liquidators and the Receiver have agreed to coordinate their efforts to the maximum extent possible to minimize duplication.

Will this agreement end all litigation between the Receiver and the Joint Liquidators?

The agreement will resolve all current disputes between and among the Receiver, the Joint Liquidators, and the Department of Justice concerning the international Stanford assets. It is anticipated that further court proceedings may be required before all international assets are released for distribution. However, the Receiver, the Joint Liquidators, and the Department of Justice have agreed to work in concert in any such proceedings to ensure that assets are released for distribution as quickly and expeditiously as possible.

What has to happen before the settlement agreement is fully and finally approved?

The settlement agreement will be presented to the US federal court in Dallas, the court in Antigua and Barbuda, and to the Central Criminal Court in London. Once all of those courts have approved the settlement agreement, the agreement will become effective.

Will creditors be permitted to state their views concerning the settlement agreement prior to review of the agreement by the courts?

Yes. The Receiver, the Joint Liquidators, the Examiner, and the Official Stanford Investors Committee each invite Stanford creditors to contact them and express their views, whether favorable or unfavorable, concerning the settlement agreement. Creditors are also encouraged

to file any objections to the settlement agreement with the courts in the United States and Antigua and to attend the hearings regarding approval of the settlement agreement. The Receiver, the Joint Liquidators, and the Examiner will post notice on their respective websites regarding the date and locations of those hearings, as well as the deadlines for filing objections to settlement approval. Creditors considering filing an objection or appearing in court should consult with their own legal counsel.

How will the Receiver, the Joint Liquidators, and the Official Stanford Investors Committee handle asset recovery litigation in the future?

In general, the Receiver, the Official Stanford Investors Committee, and the Joint Liquidators will continue to handle litigation in the jurisdictions where they have already been recognized. The Receiver, the Official Stanford Investors Committee, and the Joint Liquidators will share information and coordinate their efforts when possible in an effort to maximize recoveries for victims of the Stanford fraud.