

9, 2009. In his supplemental brief, the Receiver will address why the judgment should not be followed by this Court in deciding the motion for Recognition filed by the Antiguan Liquidators.

In its judgment, the UK Court recognized the Receiver as the UK representative of all Stanford Entities with the exception of Stanford International Bank Limited (SIBL). As to SIBL, the UK court held that, under the UK Cross-Border Insolvency Regulations 2006, the Antiguan Liquidators are entitled to receive SIBL's assets located in the UK.

The UK court based its judgment as to SIBL on the following two grounds:

- The Antiguan Liquidators were recognized as SIBL's foreign representatives and the Antiguan liquidation was recognized as the "main proceeding" because, the court held, SIBL's "center of main interests" (COMI) was in Antigua. In arriving at this conclusion, the court analyzed the case as though SIBL were a legitimate stand-alone entity, because that was the appearance it gave to the outside world. According to the court, the fact that SIBL was an instrument for perpetrating a Ponzi scheme could not be considered because fraud schemes are, by their nature, secret. That SIBL's head office functions were carried out in the United States was disregarded because, the court concluded, that fact was not ascertainable by third parties.
- The US receivership does not qualify as a "foreign proceeding" within the meaning of the Cross-Border Insolvency Regulations because, as analyzed by the UK Court, the Receiver has not yet been given authority to liquidate and distribute, the US receivership is for the benefit of only investors and not all creditors, and common law does not qualify as "law relating to insolvency."

The Receiver believes strongly that the UK court made erroneous assumptions and employed flawed legal analysis and, as a result, arrived at the wrong result regarding SIBL. Among other errors, the UK Court incorrectly interpreted the Model Law (and hence the Cross-Border Regulations), this Court's Orders, and the U.S. common law of receivers. It also incorrectly applied an "objective and ascertainable" standard for determining COMI when, because of fraud, it was impossible for any third-party to ascertain the true reality of SIBL.

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Respectfully submitted,

BAKER BOTTS L.L.P.

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CERTIFICATE OF SERVICE

On July 6, 2009 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
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