

## SETTLEMENT AGREEMENT

**THIS SETTLEMENT AGREEMENT** (the “Agreement”) is made and entered into by and among (i) Ralph S. Janvey, solely in his capacity as court appointed Receiver for Stanford International Bank, Ltd., et al. (the “Receiver”); (ii) the Official Stanford Investors’ Committee (the “Committee”); and (iii) Certain Underwriters at Lloyd’s of London,<sup>1</sup> Arch Specialty Insurance Co., and Lexington Insurance Company (collectively referred to as “Underwriters”) (the Receiver, the Committee, and Underwriters are each referred to in this Agreement individually as a “Party” and together as the “Parties”);

**WHEREAS**, on February 16, 2009, the Securities and Exchange Commission (“SEC”) filed Civil Action No. 3:09-cv-00298-N, *Securities and Exchange Commission v. Stanford International Bank, Ltd., et al.*, (N.D. Tex.) (the “SEC Action”), alleging that Robert Allen Stanford, James M. Davis, Laura Pendergest-Holt, Stanford International Bank, Ltd., Stanford Group Company, Stanford Capital Management, LLC, and Stanford Financial Group (the “Stanford Defendants”) had engaged in a fraudulent scheme affecting tens of thousands of customers from over one hundred countries;

**WHEREAS**, in an order dated February 16, 2009, in the SEC Action (Doc. 10), the United States District Court for the Northern District of Texas assumed exclusive jurisdiction and took possession of the assets, monies, securities, properties, real and personal, tangible and intangible, of whatever kind and description, wherever located, and the legally recognized privileges (with respect to the entities) of the Stanford Defendants and all entities they owned or controlled (the “Receivership Assets”), and the books and records, client lists, account statements, financial and accounting documents, computers, computer hard drives, computer

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<sup>1</sup> Certain Underwriters at Lloyd’s of London refers to Lloyd’s of London Syndicates 2987, 2488, 1084, 1886, 4000, 1183, and 1274.

disks, internet exchange servers, telephones, personal digital devices and other informational resources of or in possession of the Stanford Defendants, or issued by the Stanford Defendants and in possession of any agent or employee of the Stanford Defendants (the “Receivership Records”);

**WHEREAS**, in an order dated February 16, 2009, in the SEC Action (Doc. 10), Ralph S. Janvey was appointed Receiver for the Receivership Assets and the Receivership Records (collectively, the “Receivership Estate”) with the full power of an equity receiver under common law as well as such powers as are enumerated in that order, as amended by an order in that same matter, dated March 12, 2009 (Doc. 157), and as further amended by an order entered in that same matter, dated July 19, 2010 (Doc. 1130);

**WHEREAS**, Ralph Janvey has served as Receiver continuously since his appointment and continues to serve in that capacity;

**WHEREAS**, John J. Little, Esq., was appointed to serve as Examiner (the “Examiner”) by an order entered in the SEC Action, dated April 20, 2009 (Doc. 322), to assist the Court in considering the interests of the worldwide investors in any financial products, accounts, vehicles or ventures sponsored, promoted or sold by any defendants in the SEC Action;

**WHEREAS**, John Little has served as Examiner continuously since his appointment and continues to serve in that capacity;

**WHEREAS**, the Committee was created pursuant to an order entered in the SEC Action, dated August 10, 2010 (Doc. 1149) (the “Committee Order”), to represent the customers of Stanford International Bank, Ltd., who, as of February 16, 2009, had funds on deposit at Stanford International Bank, Ltd. and/or were holding certificates of deposit issued by Stanford International Bank, Ltd.;

**WHEREAS**, by the Committee Order, the Examiner was named as the initial Chairperson of the Committee;

**WHEREAS**, the Examiner has served as Chairperson of the Committee continuously since his appointment and continues to so serve;

**WHEREAS**, Lloyd's Syndicates 2987, 2488, and 1886 and Arch Specialty Insurance Company subscribe to the Directors' and Officers' Liability and Company Indemnity Policy No. 576/MNK558900 (the "D&O Policy");

**WHEREAS**, Lloyd's Syndicates 2987, 2488, 1084, 1886, 4000, and 1183 and Arch Specialty Insurance Company subscribe to the Financial Institutions and Professional Indemnity Policy No. 576/MNA851300 (the "PI Policy");

**WHEREAS**, Lloyd's Syndicates 2987, 2488, 1886, 1084, 1274, and 4000, Lexington Insurance Company, and Arch Specialty Insurance Company subscribe to the Excess Blended "Wrap" Policy No. 576/MNA831400 (the "Excess Policy"), which sits above or is in excess to the D&O Policy and the PI Policy;

**WHEREAS**, the Receiver has made multiple claims for coverage (the "Direct Claims") under the D&O, PI, and Excess Policies (collectively, the "Policies" or "Insurance Policies");

**WHEREAS**, the Receiver and the Committee have filed numerous lawsuits against Underwriters' Insureds (all such claims, including but not limited to the Receiver's and the Committee's claims against the individuals identified in Exhibit A and those claims identified in Exhibit B, are referred to collectively, as the "Indirect Claims") who sought or may seek coverage under the Policies and which coverage was, or might have been, pursued directly by Underwriters' Insureds or by the Receiver or the Committee, through assignment or otherwise;

**WHEREAS**, Underwriters and the Receiver are parties to a lawsuit, *Underwriters v. Janvey*, No. 3:09-cv-1736 (N.D. Tex.), concerning their respective rights and obligations relating to the Policies (the “Coverage Action”);

**WHEREAS**, Underwriters dispute that coverage exists under the Policies for the Indirect Claims and have been and are party to numerous lawsuits relating to certain individuals’ claims for coverage under the Policies;

**WHEREAS**, the Policies provide for certain policy limits, and the Parties dispute issues of coverage, the legal effect of the provisions governing the Policies’ limits, and the amount of the Policies’ remaining limits;

**WHEREAS**, the Receiver has sought to intervene or has intervened in certain of the “Third-Party Coverage Actions” (as defined below);

**WHEREAS**, Underwriters each expressly deny any and all allegations by the Receiver or anyone else of wrongdoing, fault, liability or damages whatsoever, pursuant to the Insurance Policies or otherwise, and are entering into this Agreement to avoid the burden, expense, and risks of litigation;

**WHEREAS**, the Receiver has conducted an investigation into the facts and the law relating to the Indirect Claims and the Direct Claims (the “Indirect Claims” and the “Direct Claims” are referred to, collectively, as the “Claims for Coverage”), and after considering the results of that investigation and the benefits of this Agreement, as well as the burden, expense, and risks of litigation, has concluded that the Agreement is fair, reasonable, adequate, and in the overall best interests of the Receivership Estate; the Claimants; the individuals, entities, and/or customers who, as of February 16, 2009, had funds on deposit at Stanford International Bank, Ltd., or were holding certificates of deposit issued by Stanford International Bank, Ltd. (the

“Stanford Investors”), and/or who had an interest in any financial products, services, accounts, vehicles, or ventures that the Stanford Entities sponsored, issued, promoted or sold; any other interested party; and all Persons affected by the Stanford Entities;

**WHEREAS**, the Committee has conducted an investigation into the facts and the law relating to the Indirect Claims it is prosecuting, and after considering the results of that investigation and the benefits of this Agreement, as well as the burden, expense, and risks of litigation, has concluded that the Agreement is fair, reasonable, adequate, and in the overall best interests of the Receivership Estate; the Claimants; the Stanford Investors and/or other Persons who had an interest in any financial products, services, accounts, vehicles, or ventures that the Stanford Entities sponsored, issued, promoted or sold; any other interested party; and all Persons affected by the Stanford Entities;

**WHEREAS**, the Parties desire to fully, finally, and forever compromise and effect a global settlement and discharge of all claims, disputes, and issues between Underwriters and the Receiver and Committee pursuant to the terms outlined herein, including that Underwriters would have no further obligation to Underwriters’ Insureds or to Stanford Investors;

**WHEREAS**, the Parties have engaged in extensive, good faith, arm’s-length negotiations, including participation by the Receiver and his counsel, representatives of Underwriters and Underwriters’ counsel, and the Examiner in three days of mediation with Jed Melnick, Esq. of JAMS, leading to this Agreement;

**WHEREAS**, absent this Agreement, the Parties would have faced years of litigation in a variety of different civil actions, substantial litigation costs, and uncertainty as to the outcome of such litigation;

**WHEREAS**, the Examiner, both in his capacity as Chairperson of the Committee and in his capacity as the Court-Appointed Examiner, participated in the negotiation of the Agreement;

**WHEREAS**, the Examiner, in his capacity as Examiner, has reviewed this Agreement and, as evidenced by his signature hereon, has approved this Agreement and will recommend that this Agreement be approved by the Court and implemented;<sup>2</sup> and

**WHEREAS**, the Receiver has reviewed and approved this Agreement, as evidenced by his signature hereon;

**WHEREAS**, the Examiner and the Committee have reviewed and approved this Agreement, as evidenced by the Examiner's signature hereon;

**NOW, THEREFORE**, in consideration of the agreements, covenants and releases set forth herein and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

**I. Agreement Date**

1. This Agreement shall take effect once all Parties have signed the Agreement, and as of the date of execution by the last Party to sign the Agreement (the "Agreement Date").

**II. Terms Used in this Agreement**

The following terms, as used in this Agreement, the Bar Order, and the Judgment and Bar Orders, have the following meanings:

2. "Attorneys' Fees" means those fees awarded to the Receiver's and Committee's counsel from the Settlement Amount pursuant to order of the Court on motion by the Receiver.

3. "Claim" means a Person's potential or asserted right to receive funds from the Receivership Estate.

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<sup>2</sup> The Examiner has also executed this Agreement to confirm his obligation to post Notice on his website, as required herein, but is not otherwise individually a party to the Agreement.

4. “Claimant” means any Person who has submitted a Claim to the Receiver or to the Joint Liquidators. Where a Claim has been transferred to a third party and such transfer has been acknowledged by the Receiver, the transferee is a Claimant, and the transferor is not a Claimant unless the transferor has retained a Claim that has not been transferred. Where the Receiver has disallowed a Claim and the disallowance has become Final, then the submission of the disallowed Claim does not make the Person who submitted it a Claimant.

5. “Confidential Information” means the communications and discussions in connection with the negotiations that led to this Agreement. Confidential Information also includes the existence and terms of this Agreement, but only until the filing of this Agreement and related documents with the Court.

6. “Court” means the United States District Court for the Northern District of Texas, Judge David C. Godbey currently presiding.

7. “Distribution Plan” means the plan hereafter approved by the Court for the distribution of the Settlement Amount (net of any attorneys’ fees or costs that are awarded by the Court) to Stanford Investors who, as of the date of the approval of the Distribution Plan, have had their Claims allowed by the Receiver (“Allowed Claims”).

8. “Settlement Effective Date” means the date on which the last of all of the following have occurred:

a. entry in the SEC Action of a bar order including findings under Federal Rule of Civil Procedure 54(b) and in substantially the form attached hereto as Exhibit C (the “Bar Order”);

b. entry in the Coverage Action of a judgment and bar order in substantially the form attached hereto as Exhibit D (the “Coverage Action Judgment and Bar Order”);

c. entry in each of the Third-Party Coverage Actions of a judgment and bar order in substantially the form attached hereto as Exhibit E (the “Third-Party Coverage Action Judgment and Bar Order”); and

d. the Bar Order, the Coverage Action Judgment and Bar Order, and each Third-Party Coverage Action Judgment and Bar Order have all become Final.

9. “Final” means unmodified after the final conclusion of, or expiration of any right of any Person to pursue, any and all possible forms and levels of appeal, reconsideration, or review. The Bar Order including findings under Federal Rule of Civil Procedure 54(b) will become final as set forth in this paragraph as though such order was entered as a judgment at the end of the case, and the continuing pendency of the SEC Action shall not be construed as preventing such an order from becoming final.

10. “Forum” means any court, adjudicative body, tribunal, or jurisdiction, whether its nature is federal, foreign, state, administrative, regulatory, arbitral, local, or otherwise.

11. “Hearing” means a formal proceeding in open court before the Court.

12. “Interested Parties” means the Receiver, the Receivership Estate, the Committee, the members of the Committee, the Claimants, the Examiner, the Stanford Investors, and Underwriters’ Insureds.

13. “Joint Liquidators” means the liquidators appointed by the Eastern Caribbean Supreme Court in Antigua and Barbuda to take control of and manage the affairs and assets of Stanford International Bank, Ltd.

14. “Notice” means a communication, in substantially the form attached hereto as Exhibit F, describing (a) the material terms of this Agreement; (b) the rights and obligations of the Interested Parties with regard to this Agreement; (c) the deadline for the filing of objections

to the Agreement, the Bar Order, the Coverage Action Judgment and Bar Order, and each Third-Party Coverage Action Judgment and Bar Order; (d) the date, time and location of the Hearing to consider final approval of this Agreement, the Bar Order, the Coverage Action Judgment and Bar Order, and each Third-Party Coverage Action and Bar Order.

15. “Person” means any individual, entity, governmental authority, agency or quasi-governmental person or entity, worldwide, of any type, including, without limitation, any individual, partnership, corporation, estate, trust, association, proprietorship, organization, or business, regardless of location, residence, or nationality.

16. “Receivership Released Parties” means the Receiver, the Examiner, the Committee, and each of their counsel. Receivership Released Parties also includes each of the foregoing persons’ respective past, present, and future directors, officers, legal and equitable owners, shareholders, members, managers, principals, employees, associates, representatives, distributees, agents, attorneys, trustees, general and limited partners, lenders, insurers and reinsurers, direct and indirect parents, subsidiaries, affiliates, related entities, divisions, partnerships, corporations, executors, administrators, heirs, beneficiaries, assigns, predecessors, predecessors in interest, successors, and successors in interest but only in the capacity in which they allegedly would incur liability or potential liability that is derivative of or related to their relationship with the Receiver, the Examiner, the Committee, or their counsel.

17. “Releasor” means any Person granting a release of any Settled Claim.

18. “Settled Claims” means any action, cause of action, suit, liability, claim, right of action or demand whatsoever, whether or not currently asserted, known, suspected, existing, or discoverable, and whether based on federal law, state law, foreign law, common law, or otherwise, and whether based on contract, tort, statute, law, equity or otherwise, that a Releasor

ever had, now has, or hereafter can, shall, or may have, directly, representatively, derivatively, or in any other capacity, for, upon, arising from, relating to, or by reason of any matter, cause, or thing whatsoever, that, in full or in part, concerns, relates to, arises out of, or is in any manner connected with (i) the Policies; (ii) the Stanford Entities; (iii) any actual or potential claim of coverage under the Policies in connection with the SEC Action, the Receivership, the Indirect Claims, the Direct Claims, the Stanford Investor Claims, or any claim asserted against any of Underwriters' Insureds or any Stanford Defendant or any other Person who has ever had any affiliation with any Stanford Defendant; (iv) any certificate of deposit, CD, depository account, or investment of any type with any one or more of the Stanford Entities; (v) any one or more of the Underwriters' relationship with any one or more of Underwriters' Insureds; (vi) the Coverage Action; (vii) the Third-Party Coverage Actions; (viii) the Indirect Claims; and (ix) all matters that were asserted in, could have been asserted in, or relate to the SEC Action, the Coverage Action, the Indirect Claims, the Coverage Action, the Third-Party Coverage Actions, the Stanford Investor Claims, or any proceeding concerning the Stanford Entities pending or commenced in any Forum. "Settled Claims" specifically includes, without limitation, all claims each Releasor does not know or suspect to exist in his, her, or its favor at the time of release, which, if known by that Person, might have affected their decisions with respect to this Agreement ("Unknown Claims"). Each Releasor expressly waives, releases, and relinquishes any and all provisions, rights, and benefits conferred by any law or principle, in the United States or elsewhere, which governs or limits the release of unknown or unsuspected claims, including, without limitation, California Civil Code § 1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM

OR HER MUST HAVE MATERIALLY AFFECTED HIS OR  
HER SETTLEMENT WITH THE DEBTOR.

Each Releasor acknowledges that he, she, or it may hereafter discover facts different from, or in addition to, those which such Releasor now knows or believes to be true with respect to the Settled Claims, but nonetheless agrees that this Agreement, including the releases granted herein, is and will remain binding and effective in all respects. Unknown Claims include contingent and non-contingent claims, whether or not concealed or hidden, without regard to the subsequent discovery or existence of different or additional facts. These provisions concerning unknown and unsuspected claims and the inclusion of Unknown Claims in the definition of Settled Claims were separately bargained for and are an essential element of this Agreement.

19. “Settlement Amount” means Sixty-Five Million Dollars (\$65,000,000.00) in United States currency.

20. “Stanford Entities” means Stanford International Bank, Ltd.; Stanford Group Company; Stanford Capital Management, LLC; Stanford Financial Group; Stanford Trust Company; the Stanford Financial Building Inc.; the entities listed in Exhibit H to this Agreement; any entity of any type that was owned or controlled by Robert Allen Stanford, James M. Davis, Laura Pendergest-Holt, Gilbert Lopez, Mark Kuhrt, Stanford International Bank, Ltd., Stanford Group Company, Stanford Capital Management, LLC, Stanford Financial Group, Stanford Trust Company, the Stanford Financial Building Inc., or the entities listed in Exhibit H, on or before February 16, 2009.

21. “Stanford Investor Claims” means any action, lawsuit, claim, or proceeding brought by any Stanford Investor against Underwriters, Underwriters Released Parties, or Underwriters’ Insureds arising out of, in connection with, or in any way relating to (i) the Stanford Entities; (ii) any certificate of deposit, CD, depository account, or investment of any

type with any one or more of the Stanford Entities; (iii) any one or more of the Underwriters' relationship with any one or more of Underwriters' Insureds; or (iv) any matter that relates to the SEC Action, the Indirect Claims, the Coverage Action, and the Third-Party Coverage Actions, or any proceeding concerning the Stanford Entities pending or commenced in any Forum.

22. "Taxes" means any and all taxes, whether federal, state, local, or other taxes related to this Agreement or the Settlement Amount, and costs incurred in connection with such taxation including, without limitation, the fees and expenses of tax attorneys and accountants.

23. "Third-Party Coverage Actions" means those lawsuits between Underwriters and Underwriters' Insureds relating to the Policies and/or the Stanford Entities identified in Exhibit J.

24. "Underwriters Released Parties" means Underwriters and each of their respective past, present, and future directors, officers, legal and equitable owners, shareholders, members, managers, principals, employees, associates, representatives, distributees, receivers, agents, attorneys, trustees, general and limited partners, lenders, insurers and reinsurers, direct and indirect parents, subsidiaries, affiliates, related entities, divisions, partnerships, corporations, executors, administrators, heirs, beneficiaries, assigns, predecessors, predecessors in interest, successors, and successors in interest, and all Persons acting by, through, or under any of them. Notwithstanding the foregoing, "Underwriters Released Parties" shall not include any Person, other than Underwriters, against whom, as of the Agreement Date, the Receiver or the Committee is asserting a claim or cause of action in any Forum, and also shall not include any Person who becomes employed by, related to, or affiliated with Underwriters after the Agreement Date and whose liability, if any, arises solely out of or derives solely from their

actions or omissions before becoming employed by, related to, or affiliated with Underwriters. For clarification, and without limiting the generality of the foregoing sentence, neither “Underwriters” nor “Underwriters Released Parties” shall be construed to include any of the Persons identified on Exhibit A, any of the Persons who are identified in Exhibit B, or any of the Persons who are parties to the proceedings identified in Exhibit B.

25. “Underwriters’ Insureds” means any Person insured under any of the Policies, including (1) any Persons who were, now are, or shall be directors or officers of any of the Stanford Entities; (2) any Persons who were foreign titled equivalents of directors and officers in U.S. corporations of any of the Stanford Entities; (3) employees of any of the Stanford Entities; (4) the lawful spouse or domestic partner of any director, officer, or employee of any of the Stanford Entities, solely to the extent that such Person is a party to any Claim solely in his or her capacity as spouse or domestic partner; (5) the estates, heirs, legal representatives or assigns of any director, officer, or employee of any of the Stanford Entities; and (6) the Stanford Entities.

### **III. Delivery and Management of Settlement Amount**

26. Delivery of Settlement Amount: Thirty days after the Settlement Effective Date, Underwriters shall deliver the Settlement Amount to the Receiver by wire transfer in accordance with wire transfer instructions provided by the Receiver for purposes of receiving the payment.

### **IV. Use of Settlement Amount**

27. Management and Distribution of Settlement Amount: If and when the Settlement Amount is delivered to the Receiver pursuant to the terms of this Agreement, the Receiver shall receive and take custody of the Settlement Amount and shall maintain, manage and distribute the Settlement Amount in accordance with the Distribution Plan and under the supervision and direction and with the approval of the Court. The Receiver shall be responsible

for all Taxes, fees and expenses that may be due with respect to the Settlement Amount or the management, use, administration or distribution of the Settlement Amount.

28. No Liability: Underwriters and the Underwriters Released Parties shall have no liability, obligation, or responsibility whatsoever with respect to the investment, management, use, administration, or distribution of the Settlement Amount or any portion thereof, including, but not limited to, the costs and expenses of such investment, management, use, disbursement, or administration of the Settlement Amount, and any Taxes arising therefrom or relating thereto.

**V. Motion for Scheduling Order and Final Bar Order and Judgment**

29. Motion: Within fifteen (15) days after the Agreement Date, the Receiver shall submit to the Court in the SEC Action, the Coverage Action, and the Third-Party Coverage Actions a motion requesting entry of an order substantially in the form attached hereto as Exhibit I (the “Scheduling Order”) (a) preliminarily approving the Agreement; (b) approving the content and plan for publication and dissemination of Notice; (c) setting the date by which any objection to this Agreement must be filed; (d) staying the Coverage Action and the Third-Party Coverage Actions during the Court’s consideration of the Agreement (as more particularly described in Exhibit I); and (e) scheduling a Hearing to consider final approval of the Agreement and entry of the orders required by Paragraph 8 of this Agreement. With respect to the content and plan for publication and dissemination of Notice, the Receiver will propose that Notice in substantially the form attached hereto as Exhibit F, be sent via electronic service to all counsel of record (who are deemed to have consented to electronic service) for any Person who is, at the time of the Notice, a party in any matter in (i) MDL No. 2099, *In re: Stanford Entities Securities Litigation* (N.D. Tex.) (the “MDL”); (ii) the SEC Action; (iii) the Indirect Claims; and (iv) the Third-Party Coverage Actions. The Receiver will further propose that notice be sent via facsimile transmission and/or first class mail to any other counsel of record for any

other Person who is, at the time of service, a party in any case included in the foregoing sentence, and via electronic mail, first class mail or international delivery service to all Interested Parties not served via one of the other foregoing methods, except that the Receiver is not required to individually provide notice to any Person who is an Underwriters' Insured but is not included in any of the following groups: Stanford Investors; Claimants; or parties to one or more of the MDL, the SEC Action, the Indirect Claims, and the Third-Party Coverage Actions. The Receiver will further propose that notice be posted on the websites of the Receiver and the Examiner along with complete copies of this Agreement, including all exhibits. The Receiver will further propose that Notice in substantially the form attached hereto as Exhibit G be published once in the national edition of *The Wall Street Journal* and once in the international edition of *The New York Times*. In advance of filing the motion papers to accomplish the foregoing, the Receiver shall provide Underwriters with a reasonable opportunity to review and comment on such motion papers.

30. Notice Preparation and Dissemination: The Receiver shall be responsible for the preparation and dissemination of the Notice pursuant to this Agreement and as directed by the Court. In the absence of intentional refusal by the Receiver to prepare and disseminate Notice pursuant to this Agreement or a court order, no Interested Party or other Person shall have any recourse against the Receiver with respect to any claims that may arise from or relate to the Notice process. In the case of intentional refusal by the Receiver to prepare and disseminate Notice pursuant to this Agreement or a court order, Underwriters shall not have any claim against the Receiver other than the ability to seek specific performance. The Parties do not intend to give any other Person any right or recourse against the Receiver in connection with the Notice process.

31. No Recourse Against Underwriters: No Interested Party or any other Person shall have any recourse against the Underwriters or the Underwriters Released Parties with respect to any claims that may arise from or relate to the Notice process.

32. Motion Contents: In the motion papers referenced in Paragraph 29 above, the Receiver shall request that the Court, *inter alia*:

- a. approve the Parties' settlement as set out in this Agreement;
- b. enter in the SEC Action a Bar Order in substantially the form attached hereto as Exhibit C;
- c. enter in the Coverage Action a judgment and bar order in substantially the form attached hereto as Exhibit D; and
- d. enter in each of the Third-Party Coverage Actions, a judgment and bar order in substantially the form attached hereto as Exhibit E.

33. Parties to Advocate: The Parties shall take all reasonable steps to advocate for and encourage the Court to approve the terms of this Agreement.

34. No Challenge: No Party shall challenge the approval of the Agreement, and no Party will encourage or assist any Interested Party in challenging the Agreement.

## **VI. Withdrawal and Termination**

35. Right to Withdraw and Terminate: The Parties represent and acknowledge that the following were necessary to the Parties' agreement to this settlement, are each an essential term of this Agreement, and that the Agreement would not have been reached in the absence of these terms: (a) Court approval of the Agreement without amendment or revision; (b) entry by the Court of the Bar Order in the SEC Action in substantially the form attached hereto as Exhibit C; (c) entry in the Coverage Action of a judgment and bar order in substantially the form attached hereto as Exhibit D; (d) entry in each of the Third-Party Coverage Actions

identified in Exhibit J of a judgment and bar order in substantially the form attached hereto as Exhibit E; and (e) all such approvals, judgments, and orders becoming Final, pursuant to Paragraphs 8 and 9 of this Agreement. If the Court refuses to provide the approvals, judgments, and orders described in this paragraph or if the final result of any appeal from the approvals, judgments, and orders is that any of the approvals, judgments, or orders are not affirmed, in their entirety and without modification or limitation, then any Party can withdraw its agreement to the settlement and terminate this Agreement by providing written notice thereof. In the event that any Party withdraws its agreement to the settlement and terminates this Agreement as allowed in this paragraph, this Agreement will be null and void and of no further effect whatsoever (except for the provisions identified in paragraph 36, which shall survive), shall not be admissible in any ongoing or future proceedings for any purpose whatsoever (except as necessary to enforce the provisions identified in paragraph 36, which survive termination), and shall not be the subject or basis for any claims by any Party against any other Party (except for claims to enforce the provisions identified in paragraph 36, which survive termination). If any Party withdraws from this Agreement pursuant to the terms of this paragraph, then each Party shall be returned to such Party's respective position immediately prior to such Party's execution of the Agreement, except that the Parties will remain bound by the provisions identified in paragraph 36, which survive termination. For clarity, if the Agreement is terminated pursuant to this paragraph, then any agreement that arose or is alleged to have arisen in connection with or related to the November 16, 2015 Mediator's Proposal sent to the Parties by Jed Melnick and Simone Lechuk, will likewise be considered to have been terminated and any such agreement will thus be unenforceable.

36. Limitation: The following paragraphs of this Agreement shall survive termination of the Agreement: 35, 36, and 66.

## **VII. Distribution Plan**

37. Duties: The Receiver, with the approval and guidance of the Court, shall be solely responsible for preparing, and filing a motion seeking approval of and implementing the Distribution Plan including, without limitation, receiving, managing and disbursing the Settlement Amount. The Receiver owes no duties to Underwriters or Underwriters Released Parties in connection with the distribution of the Settlement Amount or the Distribution Plan, and if the Receiver complies with all orders issued by the Court relating to the Distribution Plan, neither Underwriters or Underwriters Released Parties may assert any claim or cause of action against the Receiver in connection with the distribution of the Settlement Amount or the Distribution Plan. In no event will the Receiver or the Receivership Estate be liable to Underwriters or Underwriters Released Parties for damages or the payment or re-payment of funds of any kind as a result of any deficiency associated with the distribution of the Settlement Amount or the Distribution Plan.

38. No Responsibility: Underwriters and the Underwriters Released Parties shall have no responsibility, obligation, or liability whatsoever with respect to the terms, interpretation or implementation of the Distribution Plan; the management, investment or disbursement of the Settlement Amount or any other funds paid or received in connection with the Agreement; the payment or withholding of Taxes that may be due or owing by the Receiver or any recipient of funds from the Settlement Amount; the determination, administration, calculation, review, or challenge of claims to the Settlement Amount, any portion of the Settlement Amount, or any other funds paid or received in connection with this Agreement; any

losses, attorneys' fees, expenses, vendor payments, expert payments, or other costs incurred in connection with any of the foregoing matters.

### **VIII. Releases, Covenant Not to Sue, and Permanent Injunction**

39. Release of Underwriters and Underwriters Released Parties: As of the Settlement Effective Date, the Receiver on behalf of the Receivership Estate (other than the natural persons listed in Paragraph 20 of this Agreement) and the Committee, fully, finally, and forever release, relinquish, and discharge, with prejudice, all Settled Claims against Underwriters and the Underwriters Released Parties.

40. Release of Receivership Released Parties: As of the Settlement Effective Date, Underwriters fully, finally, and forever release, relinquish, and discharge, with prejudice, all Settled Claims against the Receivership Released Parties.

41. No Release of Obligations Under Agreement: Notwithstanding anything to the contrary in this Agreement, the releases and covenants contained in this Agreement do not release the Parties' rights and obligations under this Agreement or bar the Parties from enforcing or effectuating this Agreement.

42. Covenant Not to Sue: Effective as of the Agreement Date, the Receiver and the Committee covenant not to, directly or indirectly, or through a third party, institute, reinstitute, initiate, commence, maintain, continue, file, encourage, solicit, support, participate in, collaborate in, or otherwise prosecute against any of Underwriters or the Underwriters Released Parties any action, lawsuit, cause of action, claim, investigation, demand, complaint, or proceeding, whether individually, derivatively, on behalf of a class, as a member of a class, or in any other capacity whatsoever, concerning the Settled Claims, whether in a court or any other Forum. Effective as of the Agreement Date, Underwriters covenant not to, directly or indirectly, or through a third party, institute, reinstitute, initiate, commence, maintain, continue,

file, encourage, solicit, support, participate in, collaborate in, or otherwise prosecute against any of the Receivership Released Parties any action, lawsuit, cause of action, claim, investigation, demand, complaint, or proceeding, whether individually, derivatively, on behalf of a class, as a member of a class, or in any other capacity whatsoever, concerning the Settled Claims, whether in a court or any other Forum. Notwithstanding the foregoing, however, the Parties retain the right to sue for alleged breaches of this Agreement. Further, notwithstanding the foregoing, the Coverage Action and the Third-Party Coverage Actions will remain open pending consideration and Final Approval of the Agreement (though during that time, the Coverage Action and the Third-Party Coverage Actions will be stayed for all activities other than those activities necessary to obtain approval of the Agreement).

43. Nothing in this Agreement is intended to release the Receiver or the Committee's claims in the proceedings identified in Exhibit B to the Agreement, or prevent, bar, restrain, or enjoin the continuation of such proceedings by the Receiver or the Committee, except as is otherwise provided by paragraph 44.

#### **IX. Dismissal of Certain Claims by the Receiver and the Committee**

44. As soon as is practicable following the Settlement Effective Date, the Receiver and the Committee each agree to dismiss, pursuant to this Agreement, their respective claims against the individuals identified in Exhibit A, on the condition that the obligation to dismiss claims against any individual will not arise until such individual agrees to a joint dismissal of all claims between or among the individual, on the one hand, and the Receiver and the Committee, on the other hand, including the dismissal of any and all claims by such individual against the Receiver or the Committee, with each party to bear his, hers, or its own costs and attorneys' fees, and, with respect to Daniel Bogar, Bernerd Young, Jason Green, Gilbert Lopez, Mark Kuhrt, and Jay Comeaux, further agrees that such dismissal shall not (i) prevent or preclude the

Receiver or the Committee from receiving from the SEC, DOJ, or any other governmental or regulatory authority, whether directly or indirectly, any funds obtained by the SEC, DOJ, or any other governmental or regulatory authority from such individual; or (ii) prevent or preclude the Receiver or the Committee from obtaining ownership of, by assignment or otherwise, or pursuing collection of any judgment obtained by the SEC, DOJ, or any other governmental or regulatory authority against such individual. For any individual identified in Exhibit A who fails or refuses to so agree, the Receiver and the Committee may continue to pursue their claims against such individual.

45. Within ten (10) days of receiving the Settlement Amount from Underwriters, the Receiver agrees to file a notice in *Janvey v. Hamric, et al.*, 3:13-cv-775, in the United States District Court for the Northern District of Texas stating that the judgment against the Estate of Robert S. Winter has been fully and completely satisfied. Within ten (10) days of receiving the Settlement Amount from Underwriters, the Receiver agrees to file a notice in *Janvey v. Maldonado*, 3:14-cv-2826, in the United States District Court for the Northern District of Texas stating that the judgment against Patricia Maldonado has been fully and completely satisfied, on the condition that Ms. Maldonado has, within ten (10) days of the entry of the Scheduling Order, filed a motion in the U.S. Court of Appeals for the Fifth Circuit to stay her appeal of said judgment until the earlier of the Settlement Effective Date or any termination of the Agreement pursuant to paragraph 35, and further on condition that Ms. Maldonado dismisses her appeal of said judgment within five (5) days of the Settlement Effective Date.

46. The Receiver and the Committee do not agree to dismiss and will not, pursuant to this Agreement, dismiss or release any Indirect Claims against any Person other than the individuals identified in Exhibit A. Without limiting the generality of the foregoing sentence,

neither the Receiver nor the Committee will, pursuant to this Agreement, dismiss or release any of the claims identified in Exhibit B. For purposes of clarification, nothing in this paragraph permits the Receiver to pursue any settlement, judgment, or claim against Underwriters or Underwriters Released Parties or otherwise limits the scope of the releases provided in this agreement.

47. This Agreement does not prevent or preclude the SEC, DOJ, or any other governmental or regulatory authority, or any of their assignees from pursuing, enforcing or collecting any judgments entered against, or settlements agreed to by, any of the individuals identified in Exhibit A. Further, this Agreement does not prevent or preclude the Receiver or the Committee from receiving from the SEC, DOJ, or any other governmental or regulatory authority, whether directly or indirectly, any funds obtained by the SEC, DOJ, or any other governmental or regulatory authority from any of the individuals identified in Exhibit A. Nor does this Agreement prevent or preclude the Receiver or the Committee from cooperating with any claim or investigation by the SEC, DOJ, or any other governmental or regulatory authority against, into, or related to the any of the individuals identified in Exhibit A. Nor does this Agreement prevent or preclude the Receiver or the Committee from obtaining ownership of, by assignment or otherwise, or pursuing collection of any judgment obtained by the SEC, DOJ, or any other governmental or regulatory authority from any of the individuals identified in Exhibit A. For purposes of clarification, however, nothing in this paragraph shall serve as a basis for the SEC, DOJ, or any other governmental agency, or any of their assignees, to pursue any settlement, judgment, or claim against Underwriters or Underwriters Released Parties; limits the scope of the releases provided in this Agreement; or otherwise limits the bar, restraint, and injunction of claims against Underwriters and Underwriters Released Parties provided in the

Bar Order to be entered in the SEC Action or the Judgments and Bar Orders to be entered in the Coverage Action or the Third-Party Coverage Actions.

**X. Representations and Warranties**

48. No Assignment, Encumbrance or Transfer: The Receiver represents and warrants that he has not, in whole or in part, assigned, encumbered, sold, pledged as security, or in any manner transferred or compromised the Settled Claims against Underwriters or the Underwriters Released Parties. Underwriters represent and warrant that they have not, in whole or in part, assigned, encumbered, sold, pledged as security, or in any manner transferred or compromised the Settled Claims against the Receiver or the Receivership Released Parties.

49. Authority: Each person executing this Agreement or any related documents represents and warrants that he or she has the full authority to execute the documents on behalf of the entity each represents and that they have the authority to take appropriate action required or permitted to be taken pursuant to this Agreement to effectuate its terms.

**XI. No Admission of Fault or Wrongdoing**

50. The settlement between the Parties, this Agreement, and the negotiation thereof shall in no way constitute, be construed as, or be evidence of an admission or concession of any violation of any statute or law; of any fault, liability or wrongdoing; or of any infirmity in the claims or defenses of the Parties with regard to any of the complaints, claims, allegations or defenses asserted or that could have been asserted in the Coverage Action, the Indirect Claims, the Third-Party Coverage Actions, or any other proceeding in any Forum. The settlement and this Agreement are a resolution of disputed claims in order to avoid the risk and expense of protracted litigation. The settlement, this Agreement, and evidence thereof shall not be used, directly or indirectly, in any way, in the Coverage Action, the Indirect Claims, the Third-Party

Coverage Actions, the SEC Action, or in any other proceeding, other than to enforce the terms of this Agreement.

## **XII. Confidentiality**

51. Confidentiality: Except as necessary to obtain court approval of this Agreement, to provide the Notices as required by this Agreement, or to enforce the terms of this Agreement, the Parties will keep confidential and shall not publish, communicate, or otherwise disclose, directly or indirectly, in any manner whatsoever, Confidential Information to any Person except that (i) a Party may disclose Confidential Information pursuant to a legal, professional, or regulatory obligation, court order, or lawfully issued subpoena, but only after providing prompt notice to the other Parties so that, to the extent practicable, each Party has the time and opportunity, before disclosure of any Confidential Information, to seek and obtain a protective order preventing or limiting disclosure; and (ii) a Party may disclose Confidential Information based on specific written consent from the other Parties. Notwithstanding anything else in this Agreement or otherwise, such consent may be transmitted by e-mail.

## **XIII. Miscellaneous**

52. Final and Complete Resolution: The Parties intend this Agreement to be and constitute a final, complete, and worldwide resolution of all matters and disputes between (1) the Receiver and the Interested Parties, on the one hand, and Underwriters, on the other hand, and (2) Underwriters, on the one hand, and Underwriters' Insureds, on the other hand. This Agreement, including its exhibits, shall be interpreted to effectuate this purpose. The Parties agree not to assert in any Forum that the other Party violated Rule 11 of the Federal Rules of Civil Procedure, or litigated, negotiated, or otherwise engaged in conduct in bad faith or without a reasonable basis in connection with the Coverage Action, the Indirect Claims, the Third-Party Coverage Actions, or this Agreement.

53. Binding Agreement: As of the Agreement Date, this Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors and assigns. No Party may assign any of its rights or obligations under this Agreement without the express written consent of the other Parties.

54. Incorporation of Recitals: The Recitals contained in this Agreement are essential terms of this Agreement and are incorporated herein for all purposes.

55. Disclaimer of Reliance: Each Party represents and acknowledges that in negotiating and entering into this Agreement the Party has not relied on, and has not been induced by, any representation, warranty, statement, estimate, communication, or information, of any nature whatsoever, whether written or oral, by, on behalf of, or concerning any other Party, any agent of any other Party, or otherwise, except as expressly set forth in this Agreement. To the contrary, each Party represents and acknowledges that the Party is relying solely on the express terms contained within this Agreement. Each Party represents and acknowledges that the Party consulted with the Party's own legal counsel and advisors, has considered the advantages and disadvantages of entering into this Agreement, and has relied solely on the Party's own judgment and advice of the Party's legal counsel in negotiating and entering into this Agreement.

56. Third-Party Beneficiaries: This Agreement is not intended to and does not create rights enforceable by any Person other than the Parties (or their respective successors and assigns, as provided in Paragraph 53 of this Agreement), except that if this Agreement provides that a Person is released or should not be sued as a consequence of a covenant not to sue or agreement to dismiss a claim or claims, then such Person may enforce the release or covenant not to sue or agreement to dismiss a claim or claims as it relates to said Person. For the

avoidance of doubt, the Parties disclaim any intent that this Agreement provides any direct or indirect benefit or enforceable right in the defendants who are parties to the proceedings identified in Exhibit B (except for those defendants individually identified in Exhibit A, whose limited rights of enforcement are described in the foregoing sentence).

57. Negotiation, Drafting, and Construction: The Parties agree and acknowledge that they each have reviewed and cooperated in the preparation of this Agreement, that the Parties jointly drafted this Agreement, and that any rule, presumption, or burden of proof that would construe this Agreement, any ambiguity, or any other matter, against the drafter shall not apply and is waived. The Parties are entering into this Agreement freely, after good faith, arm's-length bargaining, with the advice of counsel, and in the absence of coercion, duress, and undue influence. The titles and headings in this Agreement are for convenience only, are not part of this Agreement, and shall not bear on the meaning of this Agreement. The words "include," "includes," or "including" shall be deemed to be followed by the words "without limitation." The words "and" and "or" shall be interpreted broadly to have the most inclusive meaning, regardless of any conjunctive or disjunctive tense. Words in the masculine, feminine, or neuter gender shall include any gender. The singular shall include the plural and vice versa. "Any" shall be understood to include and encompass "all," and "all" shall be understood to include and encompass "any."

58. Cooperation: The Parties agree to execute any additional documents reasonably necessary to finalize and carry out the terms of this Agreement. In the event a third party or any Person other than a Party at any time challenges any term of this Agreement, including the Bar Order in the SEC Action and the Judgment and Bar Orders in the Coverage Action and the Third-Party Coverage Actions, the Parties agree to cooperate with each other, including using

reasonable efforts to make documents or personnel available as needed to defend any such challenge. Further, the Parties shall reasonably cooperate to defend and enforce each of the orders required under Paragraph 8 of this Agreement.

59. Notice: Any notices, documents, or correspondence of any nature required to be sent pursuant to this Agreement shall be transmitted by both e-mail and overnight delivery to the following recipients, and will be deemed transmitted upon receipt by the overnight delivery service.

If to Underwriters:

Neel Lane  
Manuel Mungia  
Matthew Pepping  
Akin Gump Strauss Hauer & Feld LLP  
300 Convent Street  
Suite 1600  
San Antonio, Texas 78205-3732  
nlane@akingump.com  
mmungia@akingump.com  
mpepping@akingump.com

If to the Receiver:

Michael J. Kuckelman  
Stephen J. Torline  
Kathryn A. Lewis  
Kuckelman Torline Kirkland & Lewis  
10740 Nall Avenue, Suite 250  
Overland Park, Kansas 66211  
mkuckelman@ktklattorneys.com  
storline@ktklattorneys.com  
klewis@ktklattorneys.com

and

Ralph S. Janvey  
2100 Ross Ave.  
Suite 2600  
Dallas, Texas 75201  
rjanvey@jkjllp.com

and

Kevin M. Sadler  
Baker Botts LLP  
1001 Page Mill Road  
Building One, Suite 200  
Palo Alto, California 94304-1007  
[Kevin.sadler@bakerbotts.com](mailto:Kevin.sadler@bakerbotts.com)

If to the Committee:

John J. Little  
Little Pedersen Fankhauser, LLP  
901 Main Street, Suite 4110  
Dallas, Texas 75202  
[jlittle@lpf-law.com](mailto:jlittle@lpf-law.com)

Each Party shall provide notice of any change to the service information set forth above to all other Parties by the means set forth in this paragraph.

60. Choice of Law: This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Texas applicable to contracts executed in and to be performed in that jurisdiction, without regard to the choice of law principles of Texas or any other jurisdiction.

61. Mandatory, Exclusive Forum Selection Clause: Any dispute, controversy, or claim arising out of or related to this Agreement, including breach, interpretation, effect, or validity of this Agreement, whether arising in contract, tort, or otherwise, shall be brought exclusively in the United States District Court for the Northern District of Texas. With respect to any such action, the Parties irrevocably stipulate and consent to personal and subject matter jurisdiction and venue in such court, and waive any argument that such court is inconvenient, improper, or otherwise an inappropriate forum.

62. United States Currency: All dollar amounts in this Agreement are expressed in United States dollars.

63. Timing: If any deadline imposed by this Agreement falls on a non-business day, then the deadline is extended until the next business day.

64. Waiver: The waiver by a Party of any breach of this Agreement by another Party shall not be deemed a waiver of any other prior or subsequent breach of this Agreement.

65. Exhibits: The exhibits annexed to this Agreement are incorporated by reference as though fully set forth in this Agreement.

66. Integration and Modification: This Agreement sets forth the entire understanding and agreement of the Parties with respect to the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations, and communications, whether oral or written, with respect to such subject matter. Without limiting the generality of the foregoing, this Agreement supersedes and replaces any agreement that arose, or is alleged to have arisen, in connection with or related to the November 16, 2015 Mediator's Proposal sent to the Parties by Jed Melnick and Simone Lelchuk. Neither this Agreement, nor any provision or term of this Agreement, may be amended, modified, revoked, supplemented, waived, or otherwise changed except by a writing signed by all of the Parties.

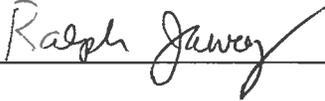
67. Agreed Changes: Notwithstanding any other provision of this Agreement, the Parties may consent, but are not obligated to consent, to substantive changes made by the Court to the Scheduling Order, the Notice, the Bar Order, the Coverage Action Judgment and Bar Order, the Third-Party Coverage Action Judgments and Bar Orders, or other filings. Any such consent must be in writing and signed by all Parties or must be agreed to by all Parties on the record in open court.

68. Counterparts: This Agreement may be executed in one or more counterparts, each of which for all purposes shall be deemed an original but all of which taken together shall constitute one and the same instrument.

**[SIGNATURE PAGE FOLLOWS]**

IN WITNESS HEREOF, the Parties have executed this Agreement signifying their agreement to the foregoing terms.

Ralph Janvey, in his capacity as the Receiver  
for the Stanford Receivership Estate

  
\_\_\_\_\_

John J. Little, in his capacity as Examiner

\_\_\_\_\_

Official Stanford Investors Committee

\_\_\_\_\_

By: John J. Little  
Title: Chairman

Certain Underwriters' at Lloyds London

\_\_\_\_\_

By: Gary Mann  
Title: Senior Claims Adjuster at Brit Global  
Specialty

Lexington Insurance Company

\_\_\_\_\_

By: Andy Tucker  
Title: Vice President Casualty Claims

Arch Specialty Insurance Company

\_\_\_\_\_

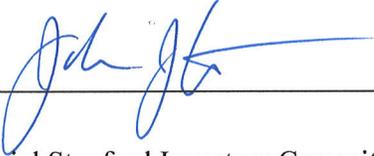
By: Jeremy Salzman  
Title: Vice President/Claims Counsel

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John J. Little, in his capacity as Examiner



---

Official Stanford Investors Committee



By: John J. Little  
Title: Chairman

Certain Underwriters' at Lloyds London

---

By: Gary Mann  
Title: Senior Claims Adjuster at Brit Global  
Specialty

Lexington Insurance Company

---

By: Andy Tucker  
Title: Vice President Casualty Claims

Arch Specialty Insurance Company

---

By: Jeremy Salzman  
Title: Vice President/Claims Counsel

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Title: Vice President Casualty Claims

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John J. Little, in his capacity as Examiner

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Official Stanford Investors Committee

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By: John J. Little  
Title: Chairman

Certain Underwriters' at Lloyds London

---

By: Gary Mann  
Title: Senior Claims Adjuster at Brit Global  
Specialty

Lexington Insurance Company



---

By: Andy Tucker

Title: ~~Vice President Casualty Claims~~

CLAIMS COORDINATOR, FINANCIAL LINES  
CLAIMS

Arch Specialty Insurance Company

---

By: Jeremy Salzman  
Title: Vice President/Claims Counsel

IN WITNESS HEREOF, the Parties have executed this Agreement signifying their agreement to the foregoing terms.

Ralph Janvey, in his capacity as the Receiver  
for the Stanford Receivership Estate

---

John J. Little, in his capacity as Examiner

---

Official Stanford Investors Committee

---

By: John J. Little  
Title: Chairman

Certain Underwriters' at Lloyds London

---

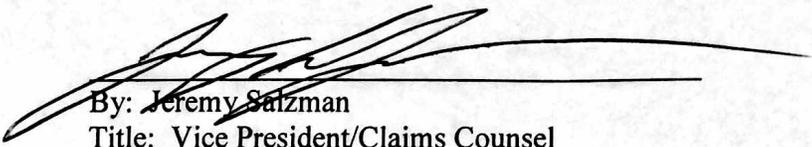
By: Gary Mann  
Title: Senior Claims Adjuster at Brit Global  
Specialty

Lexington Insurance Company

---

By: Andy Tucker  
Title: Vice President Casualty Claims

Arch Specialty Insurance Company



---

By: Jeremy Salzman  
Title: Vice President/Claims Counsel

**EXHIBIT A**

**LIST OF DEFENDANTS WHO WILL BE DISMISSED ON FULFILLMENT OF  
CONDITIONS IDENTIFIED IN PARAGRAPH 44 OF AGREEMENT:**

1. Rebecca Hamric
2. Glen Rigby
3. Linda Wingfield
4. Gilbert Lopez
5. Mark Kuhrt
6. Luis Garcia
7. Henry Amadio
8. Daniel Bogar
9. Bernerd Young
10. Jay Comeaux
11. Jason Green
12. Suzanne Hamm
13. Jack Staley
14. Claude Reynaud

## EXHIBIT B

### NON-EXCLUSIVE LIST OF INDIRECT CLAIMS UNAFFECTED BY SETTLEMENT AND NOT TO BE RELEASED PURSUANT TO SETTLEMENT:

1. *Janvey v. Alguire, et al.*, No. 3:09-cv-0724 (N.D. Tex.) (except for Jason Green)\*
2. *Janvey & OSIC v. Alvarado, et al.*, No. 3:10-cv-2584 (N.D. Tex.) (as to Mauricio Alvarado only)
3. *Janvey v. Hamric, et al.*, No. 3:13-cv-775 (N.D. Tex.) (as to Laura Holt only)
4. *Janvey, et al. v. Greenberg Traurig, LLP, et al.*, No. 3:12-cv-4641 (N.D. Tex.)
5. *Janvey & OSIC v. Bogar, et al.*, No. 3:14-cv-3635 (N.D. Tex.) (as to Osvaldo Pi only)
6. *Janvey & OSIC v. Rodriguez-Tolentino, et al.*, No. 3:10-cv-2290 (N.D. Tex.)
7. *Janvey v. Nanes*, No. 3:15-cv-3171 (N.D. Tex.)
8. *Janvey v. Rincon*, No. 3:11-cv-1659 (N.D. Tex.)
9. *Janvey & OSIC v. Breazeale, Sachse, & Wilson, et al.*, No. 3:11-cv-329 (N.D. Tex.) (as to J.D. Perry only)
10. *Janvey & OSIC v. Vingerhoedt and SANO Education Trust*, No. 3:11-cv-291 (N.D. Tex.)
11. *Janvey v. Conzelman and Johnson*, No. 3:11-cv-2788 (N.D. Tex.)
12. *Janvey & OSIC v. Tonarelli*, No. 3:10-cv-1955 (N.D. Tex.)
13. *Janvey & OSIC v. Giusti*, No. 3:11-cv-292 (N.D. Tex.)
14. *Janvey & OSIC v. Romero*, No. 3:11-cv-297 (N.D. Tex.)
15. *Janvey v. Wieselberg, et al.*, No. 3:10-cv-1394 (N.D. Tex.)
16. *Janvey v. Stanford*, No. 11-cv-1199 (N.D. Tex.)
17. *Janvey & OSIC v. Proskauer Rose LLP, et al.*, 3:13-cv-477 (N.D. Tex.)
18. *Janvey v. Hughes*, No. 1:15-ap-90312 (Bankr. M.D. Tenn.)
19. *In re: Charles Hughes*, No. 1:15-bk-02164 (Bankr. M.D. Tenn.)
20. *In re: Charles Brickey*, No. 11-26722 (Bankr. W.D. Tenn.)
21. *In re: Thomas Sjoblom*, No. 14-00329 (Bankr. D.D.C.)

22. *In re: Peter Romero*, No. 15-23570 (Bankr. D. Md.)

23. *Troice v. Willis of Colorado, Inc., et al.*, No. 09-1274 (N.D. Tex.)

24. *Janvey v. Willis of Colorado, Inc., et al.*, No. 13-3980 (N.D. Tex.)

\* -- The director/officer/employee defendants named in *Janvey v. Alguire*, Case No. 3:09-CV-0724-N (N.D. Tex.) who are not to be dismissed or released pursuant to the Agreement, includes but is not limited to:

- i. Jeffrey E. Adams
- ii. Paul Adkins
- iii. Jeannette Aguilar
- iv. James R. Alguire
- v. Peggy Allen
- vi. Orlando Amaya
- vii. Victoria Anctil
- viii. Tiffany Angelle
- ix. Susana Anguiano
- x. James F. Anthony
- xi. Sylvia Aquino
- xii. Juan Araujo
- xiii. Monica Ardesi
- xiv. George Arnold
- xv. John Michael Arthur
- xvi. Patricio Atkinson
- xvii. Mauricio Aviles
- xviii. Donal Bahrenburg

**EXHIBIT B**

- xix. Brown Baine
- xx. Timothy Bambauer
- xxi. Isaac Bar
- xxii. Elias Barbar
- xxiii. Stephen R. Barber
- xxiv. Jonathan Barrack
- xxv. Robert Barrett
- xxvi. Jane E. Bates
- xxvii. Timothy W. Baughman
- xxviii. Marie Bautista
- xxix. Oswaldo Bencomo
- xxx. Teral Bennett
- xxxi. Lori Bensing
- xxxii. Andrea Berger
- xxxiii. Marc H. Bettinger
- xxxiv. Norman Blake
- xxxv. Stephen G. Blumenreich
- xxxvi. Michael Bober
- xxxvii. Nigel Bowman
- xxxviii. Brad Bradham
- xxxix. Fabio Bramanti
- xl. Fernando Braojos
- xli. Alexandre Braune
- xlii. Charles Brickey
- xliii. Alan Brookshire

**EXHIBIT B**

- xliv. Nancy Brownlee
- xlv. Richard Bucher
- xlvi. George Cairnes
- xlvii. Fausto Callava
- xlviii. Robert Bryan Cannon
- xlix. Frank Carpin
  - l. Rafael Carriles
  - li. Scott Chaisson
  - lii. James C. Chandley
  - liii. Naveen Chaudhary
  - liv. Jane Chernovetzky
  - lv. Susana Cisneros
  - lvi. Ron Clayton
  - lvii. Neal Clement
  - lviii. Christopher Collier
  - lix. Michael Conrad
  - lx. Bernard Cools-Lartigue
  - lxi. Don Cooper
  - lxii. Jose Cordero
  - lxiii. Oscar Correa
  - lxiv. James Cox
  - lxv. John Cravens
  - lxvi. Ken Crimmins
  - lxvii. Shawn M. Cross
  - lxviii. James Cross

**EXHIBIT B**

- lxix. Patrick Cruickshank
- lxx. Greg R. Day
- lxxi. William S. Decker
- lxxii. Michael DeGolier
- lxxiii. Andres Delgado
- lxxiv. Pedro Delgado
- lxxv. Ray Deragon
- lxxvi. Arturo R. Diaz
- lxxvii. Ana Dongilio
- lxxviii. Matthew Drews
- lxxix. Carter W. Driscoll
- lxxx. Abraham Dubrovsky
- lxxxii. Torben Garde Due
- lxxxiii. Sean Duffy
- lxxxiii. Christopher Shannon Elliotte
- lxxxiv. Neil Emery
- lxxxv. Thomas Espy
- lxxxvi. Jordan Estra
- lxxxvii. Jason Fair
- lxxxviii. Nolan Farhy
- lxxxix. Evan Farrell
- xc. Marina Feldman
- xc. Ignacio Felice
- xcii. Bianca Fernandez
- xciii. Freddy Fiorillo

**EXHIBIT B**

- xciv. Lori J. Fischer
- xcv. Rosalia Fontanals
- xcvi. James Fontenot
- xcvii. Juliana Franco
- xcviii. John Fry
- xcix. Roger Fuller
- c. Attlee Gaal
- ci. Miguel A. Garces
- cii. Gustavo A. Garcia
- ciii. David Braxton Gay
- civ. Gregg Gelber
- cv. Mark Gensch
- cvi. Gregory C. Gibson
- cvii. Michael D. Gifford
- cviii. Eric Gildhorn
- cix. Luis Giusti
- cx. Steven Glasgow
- cxii. John Glennon
- cxiii. Susan Glynn
- cxiiii. Larry Goldsmith
- cxv. Ramiro Gomez-Rincon
- cxvi. Joaquin Gonzalez
- cxvii. Juan Carlos Gonzalez
- cxviii. Russell Warden Good
- cxviiii. John Gear

**EXHIBIT B**

- cxix. Stephen Greenhaw
- cxx. Mark Groesbeck
- cxxi. Billy Ray Gross
- cxxii. Vivian Guarch
- cxxiii. Donna Guerrero
- cxxiv. John Gutfranski
- cxxv. Rodney Hadfield
- cxxvi. Gary Haindel
- cxxvii. Jon Hanna
- cxxviii. Dirk Harris
- cxxix. Virgil Harris
- cxxx. Kelley L. Hawkins
- cxxxii. Charles Hazlett
- cxxxiii. Roberto T. Helguera
- cxxxiiii. Luis Hermosa
- cxxxv. Daniel Hernandez
- cxxxvi. Martine Hernandez
- cxxxvii. Patrica Herr
- cxxxviii. Alfredo Herraes
- cxxxix. Helena M. Herrero
- cxxxix. Steven Hoffman
- cxli. Robert Hogue
- cxli. John Holliday
- cxlii. Nancy J. Huggins
- cxliii. Charles Hughes

**EXHIBIT B**

- cxliv. Wiley Hutchins, Jr.
- cxlv. David Innes
- cxlvi. Marcos Iturriza
- cxlvii. Charles Jantzi
- cxlviii. Allen Johnson
- cxlix. Susan K. Jurica
- cl. Marty Karvelis
- cli. Faran Kassam
- clii. Joseph L. Klingen
- cliii. Robert A. Kramer
- cliv. David Wayne Krumrey
- clv. Bruce Lang
- clvi. Grady Layfield
- clvii. James LeBaron
- clviii. Jason LeBlanc
- clix. William Leighton
- clx. Mayra C. Leon De Carrero
- clxi. Robert Lenoir
- clxii. Humberto Lepage
- clxiii. Francois Lessard
- clxiv. James C. Li
- clxv. Gary Lieberman
- clxvi. Jason Likens
- clxvii. Trevor Ling
- clxviii. Christopher Long

**EXHIBIT B**

- clxix. Robert Long, Jr.
- clxx. Humberto Lopez
- clxxi. Luis Felipe Lozano
- clxxii. David Lundquist
- clxxiii. Michael MacDonald
- clxxiv. Anthony Makransky
- clxxv. Megan R. Malanga
- clxxvi. Manuel Malvaez
- clxxvii. Maria Manerba
- clxxviii. Michael Mansur
- clxxix. Iris Marcovich
- clxxx. Janie Martinez
- clxxxi. Claudia Martinez
- clxxxii. Aymeric Martinoia
- clxxxiii. Bert Deems May, Jr.
- clxxxiv. Carol McCann
- clxxxv. Francesca McCann
- clxxxvi. Douglas McDaniel
- clxxxvii. Matthew McDaniel
- clxxxviii. Pam McGowan
- clxxxix. Gerardo Meave-Flores
- cxc. Lawrence Messina
- cxci. Nolan N. Metzger
- cxcii. William J. Metzinger
- cxcii. Donald Miller

**EXHIBIT B**

- cxciv. Trenton Miller
- cxcv. Hank Mills
- cxcvi. Brent B. Milner
- cxcvii. Peter Montalbano
- cxcviii. Alberto Montero
- cxcix. Rolando H. Mora
- cc. David Morgan
- cci. Shawn Morgan
- ccii. Jonathan Mote
- cciii. Carroll Mullis
- cciv. Spencer Murchison
- ccv. Jon Nee
- ccvi. Aaron Nelson
- ccvii. Gail Nelson
- ccviii. Russell C. Newton, Jr.
- ccix. Norbert Nieuw
- ccx. Lupe Northam
- ccxi. Scott Notowich
- ccxii. Monica Novitsky
- ccxiii. Kale Olson
- ccxiv. John D. Orcutt
- ccxv. Walter Orejuela
- ccxvi. Alfonso Ortega
- ccxvii. Zack Parrish
- ccxviii. Tim Parsons

**EXHIBIT B**

- ccxix. William Peerman
- ccxx. Beatriz Pena
- ccxxi. Ernesto Pena
- ccxxii. Roberto Pena
- ccxxiii. Roberto A. Pena
- ccxxiv. Dulce Perezmora
- ccxxv. Saraminta Perez
- ccxxvi. Tony Perez
- ccxxvii. James D. Perry
- ccxxviii. Lou Perry
- ccxxix. Brandon R. Phillips
- ccxxx. Randall Pickett
- ccxxxi. Eduardo Picon
- ccxxxii. Edward Prieto
- ccxxxiii. Christopher Prindle
- ccxxxiv. A. Steven Pritsios
- ccxxxv. Arturo Prum
- ccxxxvi. Maria Putz
- ccxxxvii. Judith Quinones
- ccxxxviii. Sumeet Rai
- ccxxxix. Michael Ralby
- ccxl. Leonor Ramirez
- ccxli. Nelson Ramirez
- ccxlii. David Rappaport
- ccxl.iii. Charles Rawl

**EXHIBIT B**

- ccxliv. Syed H. Razvi
- ccxlv. Kathleen M. Reed
- ccxlvi. Steven Restifo
- ccxlvii. Walter Ricardo
- ccxlviii. Giampiero Riccio
- ccxlix. Jeffrey Ricks
- ccl. Juan C. Riera
- ccli. Alan Riffle
- cclii. Randolph E. Robertson
- ccliii. Steve Robinson
- ccliv. Timothy D. Rogers
- cclv. Eddie Rollins
- cclvi. Peter R. Ross
- cclvii. Rocky Roys
- cclviii. Thomas G. Rudkin
- cclix. Julio Ruelas
- cclx. Nicholas P. Salas
- cclxi. Tatiana Saldivia
- cclxii. John Santi
- cclxiii. Christopher K. Schaefer
- cclxiv. Louis Schaufele
- cclxv. John Schwab
- cclxvi. Harvey Schwartz
- cclxvii. William Scott
- cclxviii. Haygood Seawell

**EXHIBIT B**

- cclxix. Leonard Seawell
- cclxx. Morris Serrero
- cclxxi. Doug Shaw
- cclxxii. Nick Sherrod
- cclxxiii. Jon C. Shipman
- cclxxiv. Jordan Sibley
- cclxxv. Rochelle Sidney
- cclxxvi. Brent Simmons
- cclxxvii. Edward Simmons
- cclxxviii. Peter Siragna
- cclxxix. Steve Slewitzke
- cclxxx. Nancy Soto
- cclxxxii. Paul Stanley
- cclxxxiii. Sanford Steinberg
- cclxxxiv. Heath Stephens
- cclxxxv. William O. Stone Jr.
- cclxxxvi. David M. Stubbs
- cclxxxvii. Mark V. Stys
- cclxxxviii. Timothy W. Summers
- cclxxxix. Paula S. Sutton
- cclxxxix. William Brent Sutton
- ccxc. Ana Tanur
- ccxci. Juan Carlos Terrazas
- ccxcii. Scot Thigpen
- ccxciii. Christopher Thomas

**EXHIBIT B**

- ccxciv. Mark Tidwell
- ccxcv. Yliana Torrealba
- ccxcvi. Jose Torres
- ccxcvii. Al Trullenque
- ccxcviii. Audrey Truman
- ccxcix. Roberto Ulloa
- ccc. Eric Urena
- ccci. Miguel Valdez
- cccii. Nicolas Valera
- ccciii. Tim Vanderver
- ccciv. Jaime Vargas
- cccv. Pete Vargas
- cccvi. Ettore Ventrice
- cccvii. Mario Vieira
- cccviii. Evely Villalon
- cccix. Maria Villanueva
- cccx. Chris Villemarette
- cccxi. Daniel Vitrian
- cccxi. Charles Vollmer
- cccxiii. James Weller
- cccxiv. Bill Whitaker
- cccxv. Donald Whitley
- cccxvi. David Whittemore
- cccxvii. Charles Widener
- cccxviii. John Whitfield Wilks

**EXHIBIT B**

- cccix. Thomas Woolsey
- cccxx. Michael Word
- cccxxi. Ryan Wrobleske
- cccxxii. Ihab Yassine
- cccxxiii. Leon Zaidner

**EXHIBIT C**

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

|                              |   |                                 |
|------------------------------|---|---------------------------------|
| SECURITIES AND EXCHANGE      | § |                                 |
| COMMISSION,                  | § |                                 |
|                              | § |                                 |
| Plaintiff,                   | § |                                 |
|                              | § |                                 |
| v.                           | § | Civil Action No. 3:09-CV-0298-N |
|                              | § |                                 |
| STANFORD INTERNATIONAL BANK, | § |                                 |
| LTD., <i>et al.</i> ,        | § |                                 |
|                              | § |                                 |
| Defendants.                  | § |                                 |

**FINAL BAR ORDER**

Before the Court is the Expedited Request for Entry of Scheduling Order and Motion to Approve Proposed Settlement with Certain Underwriters at Lloyd’s of London,<sup>1</sup> Arch Specialty Insurance Company, and Lexington Insurance Company (collectively “Underwriters”), to Enter the Bar Order, to Enter the Final Judgments and Bar Orders, and for Attorneys’ Fees (the “Motion”), filed by Ralph S. Janvey, in his capacity as court-appointed Receiver for Stanford International Bank, Ltd. et al. (the “Receiver”). Docket No. [CITE]. The Motion concerns an Agreement (the “Agreement”)<sup>2</sup> among and between Underwriters, the Official Stanford Investors Committee, and the Receiver. Underwriters and the Receiver are parties to *Certain Underwriters at Lloyd’s of London, et al. v. Ralph S. Janvey, et al.*, Civil Action No. 3:09-CV-01736 (the “Coverage Action”). The Court-appointed Examiner signed the Agreement as Examiner solely to evidence his support and approval of the Agreement and to confirm his

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<sup>1</sup> “Certain Underwriters at Lloyd’s of London” means Lloyd’s of London Underwriting Members in Syndicates 2987, 2488, 1886, 1084, 4000, 1183, and 1274.

<sup>2</sup> The term “Agreement” refers to the Settlement Agreement that is attached as Exhibit [CITE] of the Appendix to the Motion.

obligations to post the Notice on his website, but is not otherwise individually a party to the Coverage Action or the Agreement.

Following notice and a hearing, and having considered the filings and heard the arguments of counsel, the Court hereby GRANTS the Motion.

## **I. INTRODUCTION**

On February 16, 2009, this Court appointed Ralph S. Janvey to be the Receiver for the Stanford Entities. Docket No. 10, *Securities and Exchange Commission v. Stanford International Bank, Ltd.*, No. 3:09-cv-298 (N.D. Tex.) (the “SEC Action”). Following his appointment, the Receiver made claims for coverage (the “Direct Claims”) under three insurance policies issued by Underwriters to the Stanford Entities: (1) Financial Institutions Crime and Professional Indemnity Policy, Policy Number 576/MNA851300 (the “PI Policy”); (2) Directors’ and Officers’ Liability and Company Indemnity Policy, Policy Number 576/MNK558900 (the “D&O Policy”); and (3) Excess Blended Wrap Policy, Policy Number 576/MNA831400 (the “Excess Policy,” and collectively with the PI Policy and the D&O Policy, the “Insurance Policies” or the “Policies”).

The Insurance Policies provide for certain limits of the amount of coverage available. The Parties dispute the available limits, the legal effect of the provisions governing the Policies’ limits, and the amount of the Policies’ remaining limits.

Underwriters dispute there is coverage for the Direct Claims and filed the Coverage Action, seeking a declaration of no coverage under the Insurance Policies. The Receiver counterclaimed, alleging, *inter alia*, breach of contract, breach of the duty of good faith and fair dealing, bad faith under the Texas Insurance Code, and violation of the Texas Deceptive Trade Practices Act.

Underwriters filed a motion for judgment on the pleadings, (Doc. 50, Coverage Action), to which the Receiver responded, (Doc. 58, Coverage Action), and which the Court denied, (Doc. 93, Coverage Action). Underwriters and the Receiver engaged in written discovery and electronic discovery, reviewing and analyzing voluminous Stanford documents maintained by the Receivership. Numerous depositions were taken in the United States, London, and Mexico.

In addition to the Coverage Action, the Insurance Policies are or may be implicated in numerous other disputes. The Receiver and the Committee filed numerous lawsuits against Underwriters' Insureds (the "Indirect Claims"),<sup>3</sup> who in turn made or may make claims for coverage under the Policies. Stanford Investors<sup>4</sup> also made numerous claims against Underwriters Insureds (the "Stanford Investor Claims"),<sup>5</sup> who in turn made or may make claims for coverage under the Insurance Policies. Underwriters contend that the Insurance Policies do not provide coverage for the Indirect Claims or the Stanford Investor Claims, and they are involved in numerous lawsuits relating to the various claims for coverage under the Policies (the "Third-Party Coverage Actions").<sup>6</sup> Nonetheless, pursuant to the Policies and as permitted by this Court's prior order (Docket No. 831), Underwriters have paid approximately \$30.3 million for the defense costs of various of Underwriters' Insureds. The Receiver has intervened or sought to intervene in the Third-Party Coverage Actions.

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<sup>3</sup> The term "Underwriters' Insureds" is defined in Paragraph 25 of the Agreement. The term "Indirect Claims" is defined on page 3 of the Agreement.

<sup>4</sup> The term "Stanford Investors" is defined on pages 4-5 of the Agreement.

<sup>5</sup> The term "Stanford Investor Claims" is defined in Paragraph 21 of the Agreement.

<sup>6</sup> The term "Third- Party Coverage Actions" is defined in Paragraph 23 of the Agreement and Exhibit J to the Agreement.

The litigated resolution of the Coverage Action and the Third-Party Coverage Actions would likely cost millions of dollars and the outcome is uncertain. Recognizing the uncertainties, risks, and costs of litigation, the Receiver and Underwriters entered into formal, mediated settlement negotiations beginning in June 2015. In addition to the Receiver and Underwriters, the Examiner participated in the settlement discussions, ensuring that the perspective of the Committee—which the Court appointed to “represent[] in this case and related matters” the “customers of SIBL who, as of February 16, 2009, had funds on deposit at SIBL and/or were holding certificates of deposit issued by SIBL” (Docket No. 1149)—would be heard in connection with any proposed settlement involving the Insurance Policies. Following the last day of mediation, the parties continued their negotiations and arrived at a settlement which the Agreement documents.

Under the terms of the Agreement, Underwriters will pay \$65 million to the Receivership Estate, which (less attorneys’ fees and expenses) will be distributed to Stanford Investors with allowed claims. In return, Underwriters seek global peace with respect to all claims that have been asserted, or could have been asserted, against Underwriters arising out of, in connection with, or relating to: the events leading to this Receivership, the Coverage Action, the Third-Party Coverage Actions, the Indirect Claims, and the Stanford Investor Claims; all matters that were or could have been asserted in the Coverage Action, the Third-Party Coverage Actions, the Indirect Claims, and the Stanford Investor Claims; the Insurance Policies; Underwriters’ relationship with the Stanford Entities;<sup>7</sup> and any actual or potential claim of coverage under the Insurance Policies in connection with the SEC Action, the Receivership, the Indirect Claims, the Stanford Investor Claims, or any claim asserted against any person who has ever had any affiliation with any of the

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<sup>7</sup> The term “Stanford Entities” is defined in Paragraph 20 of the Agreement and Exhibit H to the Agreement.

Stanford Entities. Accordingly, the Settlement is conditioned on the Court's approval and entry of this Final Bar Order.

On \_\_\_\_\_, 2016, the Receiver filed the Motion. [ECF No. \_\_\_\_]. The Court thereafter entered a Scheduling Order on \_\_\_\_\_, 2016 [ECF No. \_\_\_\_], which, *inter alia*, authorized the Receiver to provide notice of the Agreement, established a briefing schedule on the Motion, and set the date for a hearing. On \_\_\_\_\_, 2016, the Court held the scheduled hearing. For the reasons set forth herein, the Court finds that the terms of the Agreement are adequate, fair, reasonable, and equitable, and that it should be and is hereby **APPROVED**. The Court further finds that entry of this Final Bar Order is appropriate.

## **II. ORDER**

It is hereby **ORDERED, ADJUDGED, AND DECREED** as follows:

1. Terms used in this Final Bar Order that are defined in the Agreement, unless expressly otherwise defined herein, have the same meaning as in the Agreement.

2. The Court has "broad powers and wide discretion to determine the appropriate relief in [this] equity receivership," including the authority to enter the Final Bar Order. *SEC v. Kaleta*, 530 F. App'x 360, 362 (5th Cir. 2013) (internal quotations omitted). Moreover, the Court has jurisdiction over the subject matter of this action, and the Receiver is the proper party to seek entry of this Final Bar Order.

3. The Court finds that the methodology, form, content and dissemination of the Notice: (i) were implemented in accordance with the requirements of the Scheduling Order; (ii) constituted the best practicable notice; (iii) were reasonably calculated, under the circumstances, to apprise all interested Persons of the Agreement, the releases therein, and the injunctions provided for in this Final Bar Order and in the Final Judgments and Bar Orders to be entered in

the Coverage Action and the Third-Party Coverage Actions; (iv) were reasonably calculated, under the circumstances, to apprise all interested Persons of the right to object to the Agreement, this Final Bar Order, and the Final Judgments and Bar Orders to be entered in the Coverage Action and the Third-Party Coverage Actions, and to appear at the Final Approval Hearing; (v) were reasonable and constituted due, adequate, and sufficient notice; (vi) met all applicable requirements of law, including, without limitation, the Federal Rules of Civil Procedure, the United States Constitution (including Due Process), and the Rules of the Court; and (vii) provided to all Persons a full and fair opportunity to be heard on these matters.

4. The Court finds that the Agreement was reached following substantial litigation and an extensive investigation of the facts and resulted from vigorous, good faith, arm's-length, mediated negotiations involving experienced and competent counsel. The competing claims in the Coverage Action and the Third-Party Coverage Actions involve complex legal and factual issues that would require a substantial amount of time and expense to litigate, with uncertainty as to the outcome. The range of possible outcomes includes that there may be no coverage of any kind under the Insurance Policies, that there may be less coverage than the amount provided for in the Agreement, or that there may be more coverage than the amount provided for in the Agreement. In any event, the proceeds of the Insurance Policies represent a finite pool of resources. In the absence of the Agreement, the proceeds of the Insurance Policies, to whatever extent they are available, would be dissipated through mere happenstance, rather than through consideration of equity or fairness.

5. Further, it is clear that Underwriters would never agree to the terms of the Agreement unless they were assured of "total peace" with respect to all claims that have been, or could be, asserted against Underwriters arising from, in connection with, or relating to the actual

or alleged insurer-insured relationship between Underwriters, on the one hand, and Underwriters' Insureds, the Stanford Entities, and the Stanford Investors, on the other hand.

6. The injunction against any such claims against Underwriters is therefore a necessary and appropriate order ancillary to the relief obtained for the Stanford Entities, and by extension, the victims of the Stanford Ponzi scheme, pursuant to the Agreement. *See Kaleta*, 530 F. App'x at 362 (entering bar order and injunction against investor claims as "ancillary relief" to a settlement in an SEC receivership proceeding).

7. Pursuant to the Agreement and upon motion by the Receiver, this Court will approve a Distribution Plan that will fairly and reasonably distribute the net proceeds of the Settlement Amount (less attorneys' fees and expenses) to Stanford Investors who have claims approved by the Receiver. The Court finds that the Receiver's claims process and the Distribution Plan contemplated in the Agreement have been designed to ensure that all Stanford Investors have received an opportunity to pursue their claims through the Receiver's claims process previously approved by the Court (ECF No. 1584).

8. The Court further finds that the Parties and their counsel have at all times complied with the requirements of Rule 11 of the Federal Rules of Civil Procedure.

9. Accordingly, the Court finds that the Agreement is, in all respects, fair, reasonable, and adequate, and in the best interests of all Persons claiming an interest in, having authority over, or asserting a claim against Underwriters, Underwriters' Insureds, the Stanford Entities, the Receiver, or the Receivership Estate. The settlement, the terms of which are set forth in the Agreement, is hereby fully and finally approved. The Parties are directed to implement and consummate the Agreement in accordance with its terms and provisions and this Final Bar Order.

10. Based on the considerations outlined herein, the Court further finds that the Agreement and this Order are fair, just, and equitable, notwithstanding the fact that some individuals who may qualify as Underwriters' Insureds will no longer be in a position to seek insurance coverage from Underwriters for Stanford-related claims against them that are not resolved by the Agreement.

11. Pursuant to the provisions of Paragraph 39 of the Agreement, as of the Settlement Effective Date, Underwriters and the Underwriters Released Parties shall be completely released, acquitted, and forever discharged from all Settled Claims by the Receiver or the Committee, including any action, cause of action, suit, liability, claim, right of action, or demand whatsoever, whether or not currently asserted, known, suspected, existing, or discoverable, and whether based on federal law, state law, foreign law, common law, or otherwise, and whether based on contract, tort, statute, law, equity or otherwise, that the Receiver, the Receivership Estate, the Committee, the Claimants, Underwriters' Insureds, the Stanford Investors, and the Persons, entities and interests represented by those Persons ever had, now has, or hereafter can, shall, or may have, directly, representatively, derivatively, or in any other capacity, for, upon, arising from, relating to, or by reason of any matter, cause, or thing whatsoever, that, in full or in part, concerns, relates to, arises out of, or is in any manner connected with (i) the Insurance Policies; (ii) the Stanford Entities; (iii) any certificate of deposit, CD, depository account, or investment of any type with any one or more of the Stanford Entities; (iv) any one or more of Underwriters' relationships with any one or more of the Stanford Entities; (v) any actual or potential claim of coverage under the Insurance Policies in connection with the SEC Action, the Receivership, the Indirect Claims, the Stanford Investor Claims, or any claim asserted against any Stanford Defendant or any other Person who has ever had any affiliation with any Stanford Defendant;

(vi) the Coverage Action; (vii) the Third-Party Coverage Actions; (viii) the Indirect Claims; and (ix) all matters that were or could have been asserted in SEC Action, the Coverage Action, the Indirect Claims, the Stanford Investor Claims, and/or the Third-Party Coverage Actions, or any proceeding concerning the Stanford Entities pending or commenced in any Forum.

12. Pursuant to the provisions of Paragraph 40 of the Agreement, as of the Settlement Effective Date, the Receivership's Released Parties shall be completely released, acquitted, and forever discharged from all Settled Claims by Underwriters.

13. Notwithstanding anything to the contrary in this Final Bar Order, the foregoing releases do not release the Parties' rights and obligations under the Agreement or bar the Parties from enforcing or effectuating the terms of the Agreement.

14. The Court hereby permanently bars, restrains and enjoins the Receiver, the Receivership Estate, the Committee, the Claimants, the Stanford Investors, Underwriters' Insureds, the Interested Parties, and all other Persons or entities, whether acting in concert with the foregoing or claiming by, through, or under the foregoing, or otherwise, all and individually, from directly, indirectly, or through a third party, instituting, reinstating, intervening in, initiating, commencing, maintaining, continuing, filing, encouraging, soliciting, supporting, participating in, collaborating in, or otherwise prosecuting, against any of the Underwriters or any of the Underwriters Released Parties, any action, lawsuit, cause of action, claim, investigation, demand, complaint, or proceeding of any nature, including but not limited to litigation, arbitration, or other proceeding, in any Forum, whether individually, derivatively, on behalf of a class, as a member of a class, or in any other capacity whatsoever, that in any way relates to, is based upon, arises from, related to, or is connected with (i) the Insurance Policies; (ii) the Stanford Entities; (iii) any certificate of deposit, CD, depository account, or investment of

any type with any one or more of the Stanford Entities; (iv) any one or more of Underwriters' relationships with any one or more of the Stanford Entities; (v) any actual or potential claim of coverage under the Insurance Policies in connection with the SEC Action, the Receivership, the Indirect Claims, the Stanford Investor Claims, or any claim asserted against any Stanford Defendant or any other Person who has ever had any affiliation with any Stanford Defendant; (vi) the Coverage Action; (vii) the Third-Party Coverage Actions; (viii) the Indirect Claims; (ix) the Stanford Investor Claims; and (x) all matters that were or could have been asserted in SEC Action, the Coverage Action, the Indirect Claims, the Stanford Investor Claims, and/or the Third-Party Coverage Actions, or any proceeding concerning the Stanford Entities pending or commenced in any Forum.

15. Underwriters and the Underwriters Released Parties have no responsibility, obligation, or liability whatsoever with respect to the content of the Notice; the notice process; the Distribution Plan; the implementation of the Distribution Plan; the management, investment, disbursement, allocation, or other administration or oversight of the Settlement Amount, any other funds paid or received in connection with the Agreement, or any portion thereof; the payment or withholding of Taxes; the determination, administration, calculation, review, or challenge of claims to the Settlement Amount, any portion of the Settlement Amount, or any other funds paid or received in connection with the Agreement; or any losses, attorneys' fees, expenses, vendor payments, expert payments, or other costs incurred in connection with any of the foregoing matters. No appeal, challenge, decision, or other matter concerning any subject set forth in this paragraph shall operate to terminate or cancel the Agreement or this Final Bar Order.

16. The Court finds entry of the bar order in exchange for the payment of the Settlement Amount in accordance with the terms of the Agreement is fair and reasonable based

on at least the following considerations: (i) Underwriters are entitled to exhaust policy limits by settling with one but not all insureds; (ii) the insurance proceeds represent a finite pool of resources available to satisfy claims against Underwriters' Insureds; (iii) there is a substantial dispute over the amount of the proceeds available under the Insurance Policies; (iv) the proceeds of the Insurance Policies may be less than the Settlement Amount, in which case the Agreement would result in the exhaustion of the proceeds under the Insurance Policies; (v) in the absence of a global settlement and bar order, Underwriters would be unwilling to pay the Settlement Amount and thus allowing any Person to retain the right to litigate the questions of coverage and available policy limits could work to the detriment of all persons interested in the Insurance Policies; (vi) in the absence of a settlement, the potential beneficiaries of the Insurance Policies might recover substantially less than is being made available pursuant to the Insurance Policies; (vii) the Settlement Amount is fair and equitable taking into account the merits of the claims and potential claims released and Underwriters' defenses to those claims and potential claims; and (viii) the Agreement represents a fair and reasonable balancing of the various interests implicated by the Insurance Policies and disputes and controversies related thereto.

17. Nothing in this Final Bar Order or the Agreement and no aspect of the Agreement or negotiation thereof is or shall be construed to be an admission or concession of any violation of any statute or law, of any fault, liability or wrongdoing, or of any infirmity in the claims or defenses of the Parties with regard to any of the complaints, claims, allegations or defenses in the Coverage Action, the Indirect Claims, the Stanford Investor Claims, the Third-Party Coverage Actions, or any other proceeding.

18. Nothing in this Final Bar Order is intended to release the Receiver or the Committee's claims in the proceedings identified in Exhibit B to the Agreement, or prevent, bar, restrain, or enjoin the continuation of such proceedings by the Receiver or the Committee.

19. Underwriters are hereby ordered to deliver the Settlement Amount (\$65,000,000) as described in Paragraphs 19 and 26 of the Agreement. Further, the Parties are ordered to act in conformity with all other provisions the Agreement.

20. Without in any way affecting the finality of this Final Bar Order, the Court retains continuing and exclusive jurisdiction over the Parties for purposes of, among other things, the administration, interpretation, consummation, and enforcement of the Agreement, the Scheduling Order, and this Final Bar Order, including, without limitation, the injunctions, bar orders, and releases herein, and to enter orders concerning implementation of the Agreement, the Distribution Plan, and any payment of attorneys' fees and expenses to the Receiver's counsel.

21. The Court expressly finds and determines, pursuant to Federal Rule of Civil Procedure 54(b), that there is no just reason for any delay in the entry of this Final Bar Order, which is both final and appealable, and immediate entry by the Clerk of the Court is expressly directed.

22. This Final Bar Order shall be served by counsel for the Receiver, via email, first class mail or international delivery service, on any person or entity that filed an objection to approval of the Agreement, or this Final Bar Order.

Signed on \_\_\_\_\_, 2016

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DAVID C. GODBEY  
UNITED STATES DISTRICT JUDGE



Committee, and the Receiver. Underwriters and the Receiver are parties to *Certain Underwriters at Lloyd's of London, et al. v. Ralph S. Janvey, et al.*, Civil Action No. 3:09-CV-01736 (the "Coverage Action"). The Court-appointed Examiner signed the Agreement as Examiner solely to evidence his support and approval of the Agreement and to confirm his obligations to post the Notice on his website, but is not otherwise individually a party to the Coverage Action or the Agreement.

Following notice and a hearing, and having considered the filings and heard the arguments of counsel, the Court hereby GRANTS the Motion.

## **I. INTRODUCTION**

On February 16, 2009, this Court appointed Ralph S. Janvey to be the Receiver for the Stanford Entities. Docket No. 10, *Securities and Exchange Commission v. Stanford International Bank, Ltd., et al.*, No. 3:09-cv-298 (N.D. Tex.) (the "SEC Action"). Following his appointment, the Receiver made claims for coverage (the "Direct Claims") under three insurance policies issued by Underwriters to the Stanford Entities: (1) Financial Institutions Crime and Professional Indemnity Policy, Policy Number 576/MNA851300 (the "PI Policy"); (2) Directors' and Officers' Liability and Company Indemnity Policy, Policy Number 576/MNK558900 (the "D&O Policy"); and (3) Excess Blended Wrap Policy, Policy Number 576/MNA831400 (the "Excess Policy," and collectively with the PI Policy and the D&O Policy, the "Insurance Policies" or the "Policies").

The Insurance Policies provide for certain limits of the amount of coverage available. The Parties dispute the available limits, the legal effect of the provisions governing the Policies' limits, and the amount of the Policies' remaining limits.

Underwriters dispute there is coverage for the Direct Claims and filed the Coverage Action, seeking a declaration of no coverage under the Insurance Policies. The Receiver counterclaimed, alleging, *inter alia*, breach of contract, breach of the duty of good faith and fair dealing, bad faith under the Texas Insurance Code, and violation of the Texas Deceptive Trade Practices Act. Underwriters filed a motion for judgment on the pleadings, (Doc. 50), to which the Receiver responded, (Doc. 58), and which the Court denied, (Doc. 93). Underwriters and the Receiver engaged in written discovery and electronic discovery, reviewing and analyzing voluminous Stanford documents maintained by the Receivership. Numerous depositions were taken in the United States, London, and Mexico.

In addition to the Coverage Action, the Insurance Policies are or may be implicated in numerous other disputes. The Receiver and the Committee filed numerous lawsuits against Underwriters' Insureds (the "Indirect Claims"),<sup>3</sup> who in turn made or may make claims for coverage under the Policies. Stanford Investors<sup>4</sup> also made numerous claims against Underwriters Insureds (the "Stanford Investor Claims"),<sup>5</sup> who in turn made or may make claims for coverage under the Insurance Policies. Underwriters contend that the Insurance Policies do not provide coverage for the Indirect Claims or the Stanford Investor Claims, and they are involved in numerous lawsuits relating to the various claims for coverage under the Policies (the "Third-Party Coverage Actions").<sup>6</sup> Nonetheless, pursuant to the Policies and as permitted by

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<sup>3</sup> The term "Underwriters' Insureds" is defined in Paragraph 25 of the Agreement. The term "Indirect Claims" is defined on page 3 of the Agreement.

<sup>4</sup> The term "Stanford Investors" is defined on pages 4-5 of the Agreement.

<sup>5</sup> The term "Stanford Investor Claims" is defined in Paragraph 21 of the Agreement.

<sup>6</sup> The term "Third- Party Coverage Actions" is defined in Paragraph 23 of the Agreement and Exhibit J to the Agreement.

this Court’s prior order (Docket No. 831, SEC Action), Underwriters have paid approximately \$30.3 million for the defense costs of various of Underwriters’ Insureds. The Receiver has intervened or sought to intervene in the Third-Party Coverage Actions.

The litigated resolution of the Coverage Action and the Third-Party Coverage Actions would likely cost millions of dollars and the outcome is uncertain. Recognizing the uncertainties, risks, and costs of litigation, the Receiver and Underwriters entered into formal, mediated settlement negotiations beginning in June 2015. In addition to the Receiver and Underwriters, the Examiner participated in the settlement discussions, ensuring that the perspective of the Committee—which the Court appointed to “represent[] in this case and related matters” the “customers of SIBL who, as of February 16, 2009, had funds on deposit at SIBL and/or were holding certificates of deposit issued by SIBL” (Docket No. 1149, SEC Action)—would be heard in connection with any proposed settlement involving the Insurance Policies. Following the last day of mediation, the parties continued their negotiations and arrived at a settlement which the Agreement documents.

Under the terms of the Agreement, Underwriters will pay \$65 million to the Receivership Estate, which (less attorneys’ fees and expenses) will be distributed to Stanford Investors with allowed claims. In return, Underwriters seek global peace with respect to all claims that have been asserted, or could have been asserted, against Underwriters arising out of, in connection with, or relating to: the events leading to this Receivership, the Coverage Action, the Third-Party Coverage Actions, the Indirect Claims, and the Stanford Investor Claims; all matters that were or could have been asserted in the Coverage Action, the Third-Party Coverage Actions, the Indirect Claims, and the Stanford Investor Claims; the Insurance Policies; Underwriters’ relationship with

the Stanford Entities;<sup>7</sup> and any actual or potential claim of coverage under the Insurance Policies in connection with the SEC Action, the Receivership, the Indirect Claims, the Stanford Investor Claims, or any claim asserted against any person who has ever had any affiliation with any of the Stanford Entities. Accordingly, the Settlement is conditioned on the Court's approval and entry of this Final Judgment and Bar Order.

On \_\_\_\_\_, 2016, the Receiver filed the Motion. [ECF No. \_\_\_\_]. The Court thereafter entered a Scheduling Order on \_\_\_\_\_, 2016 [ECF No. \_\_\_\_], which, *inter alia*, authorized the Receiver to provide notice of the Agreement, established a briefing schedule on the Motion, and set the date for a hearing. On \_\_\_\_\_, 2016, the Court held the scheduled hearing. For the reasons set forth herein, the Court finds that the terms of the Agreement are adequate, fair, reasonable, and equitable, and that it should be and is hereby **APPROVED**. The Court further finds that entry of this Final Judgment and Bar Order is appropriate.

## **II. ORDER**

It is hereby **ORDERED, ADJUDGED, AND DECREED** as follows:

1. Terms used in this Final Judgment and Bar Order that are defined in the Agreement, unless expressly otherwise defined herein, have the same meaning as in the Agreement.

2. As this case is related to the equitable receivership proceedings in the SEC Action, the Court has "broad powers and wide discretion to determine the appropriate relief in [this] equity receivership," including the authority to enter the Final Judgment and Bar Order. *SEC v. Kaleta*, 530 F. App'x 360, 362 (5th Cir. 2013) (internal quotations omitted). Moreover,

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<sup>7</sup> The term "Stanford Entities" is defined in Paragraph 20 of the Agreement and Exhibit H to the Agreement.

the Court has jurisdiction over the subject matter of this action, and the Receiver is the proper party to seek entry of this Final Judgment and Bar Order.

3. The Court finds that the methodology, form, content and dissemination of the Notice: (i) were implemented in accordance with the requirements of the Scheduling Order; (ii) constituted the best practicable notice; (iii) were reasonably calculated, under the circumstances, to apprise all interested Persons of the Agreement, the releases therein, and the injunctions provided for in this Final Judgment and Bar Order, the Final Bar Order to be entered in the SEC Action, and the Final Judgments and Bar Orders to be entered in the Third-Party Coverage Actions; (iv) were reasonably calculated, under the circumstances, to apprise all interested Persons of the right to object to the Agreement, this Final Judgment and Bar Order, the Final Bar Order to be entered in the SEC Action, and the Final Judgments and Bar Orders to be entered in the Third-Party Coverage Actions, and to appear at the Final Approval Hearing; (v) were reasonable and constituted due, adequate, and sufficient notice; (vi) met all applicable requirements of law, including, without limitation, the Federal Rules of Civil Procedure, the United States Constitution (including Due Process), and the Rules of the Court; and (vii) provided to all Persons a full and fair opportunity to be heard on these matters.

4. The Court finds that the Agreement was reached following substantial litigation and an extensive investigation of the facts and resulted from vigorous, good faith, arm's-length, mediated negotiations involving experienced and competent counsel. The competing claims in the Coverage Action and the Third-Party Coverage Actions involve complex legal and factual issues that would require a substantial amount of time and expense to litigate, with uncertainty as to the outcome. The range of possible outcomes includes that there may be no coverage of any kind under the Insurance Policies, that there may be less coverage than the amount provided for

in the Agreement, or that there may be more coverage than the amount provided for in the Agreement. In any event, the proceeds of the Insurance Policies represent a finite pool of resources. In the absence of the Agreement, the proceeds of the Insurance Policies, to whatever extent they are available, would be dissipated through mere happenstance, rather than through consideration of equity or fairness.

5. Further, it is clear that Underwriters would never agree to the terms of the Agreement unless they were assured of “total peace” with respect to all claims that have been, or could be, asserted against Underwriters arising from, in connection with, or relating to the actual or alleged insurer-insured relationship between Underwriters, on the one hand, and Underwriters’ Insureds, the Stanford Entities, and the Stanford Investors, on the other hand.

6. The injunction against any such claims against Underwriters is therefore a necessary and appropriate order ancillary to the relief obtained for the Stanford Entities, and by extension, the victims of the Stanford Ponzi scheme, pursuant to the Agreement. *See Kaleta*, 530 F. App’x at 362 (entering bar order and injunction against investor claims as “ancillary relief” to a settlement in an SEC receivership proceeding).

7. Pursuant to the Agreement and upon motion by the Receiver in the SEC Action, this Court will approve a Distribution Plan that will fairly and reasonably distribute the net proceeds of the Settlement Amount (less attorneys’ fees and expenses) to Stanford Investors who have claims approved by the Receiver. The Court finds that the Receiver’s claims process and the Distribution Plan contemplated in the Agreement have been designed to ensure that all Stanford Investors have received an opportunity to pursue their claims through the Receiver’s claims process previously approved by the Court (Docket No. 1584, SEC Action).

8. The Court further finds that the Parties and their counsel have at all times complied with the requirements of Rule 11 of the Federal Rules of Civil Procedure.

9. Accordingly, the Court finds that the Agreement is, in all respects, fair, reasonable, and adequate, and in the best interests of all Persons claiming an interest in, having authority over, or asserting a claim against Underwriters, Underwriters' Insureds, the Stanford Entities, the Receiver, or the Receivership Estate. The settlement, the terms of which are set forth in the Agreement, is hereby fully and finally approved. The Parties are directed to implement and consummate the Agreement in accordance with its terms and provisions and this Final Judgment and Bar Order.

10. Based on the considerations outlined herein, the Court further finds that the Agreement and this Order are fair, just, and equitable, notwithstanding the fact that some individuals who may qualify as Underwriters' Insureds will no longer be in a position to seek insurance coverage from Underwriters for Stanford-related claims against them that are not resolved by the Agreement.

11. Pursuant to the provisions of Paragraph 39 of the Agreement, as of the Settlement Effective Date, Underwriters and the Underwriters Released Parties shall be completely released, acquitted, and forever discharged from all Settled Claims by the Receiver or the Committee, including any action, cause of action, suit, liability, claim, right of action, or demand whatsoever, whether or not currently asserted, known, suspected, existing, or discoverable, and whether based on federal law, state law, foreign law, common law, or otherwise, and whether based on contract, tort, statute, law, equity or otherwise, that the Receiver, the Receivership Estate, the Committee, the Claimants, Underwriters' Insureds, the Stanford Investors, and the Persons, entities and interests represented by those Persons ever had, now has, or hereafter can, shall, or

may have, directly, representatively, derivatively, or in any other capacity, for, upon, arising from, relating to, or by reason of any matter, cause, or thing whatsoever, that, in full or in part, concerns, relates to, arises out of, or is in any manner connected with (i) the Insurance Policies; (ii) the Stanford Entities; (iii) any certificate of deposit, CD, depository account, or investment of any type with any one or more of the Stanford Entities; (iv) any one or more of Underwriters' relationships with any one or more of the Stanford Entities; (v) any actual or potential claim of coverage under the Insurance Policies in connection with the SEC Action, the Receivership, the Indirect Claims, the Stanford Investor Claims, or any claim asserted against any Stanford Defendant or any other Person who has ever had any affiliation with any Stanford Defendant; (vi) the Coverage Action; (vii) the Third-Party Coverage Actions; (viii) the Indirect Claims; and (ix) all matters that were or could have been asserted in SEC Action, the Coverage Action, the Indirect Claims, the Stanford Investor Claims, and/or the Third-Party Coverage Actions, or any proceeding concerning the Stanford Entities pending or commenced in any Forum.

12. Pursuant to the provisions of Paragraph 40 of the Agreement, as of the Settlement Effective Date, the Receivership's Released Parties shall be completely released, acquitted, and forever discharged from all Settled Claims by Underwriters.

13. Notwithstanding anything to the contrary in this Final Judgment and Bar Order, the foregoing releases do not release the Parties' rights and obligations under the Agreement or bar the Parties from enforcing or effectuating the terms of the Agreement.

14. The Court hereby permanently bars, restrains and enjoins the Receiver, the Receivership Estate, the Committee, the Claimants, the Stanford Investors, Underwriters' Insureds, the Interested Parties, and all other Persons or entities, whether acting in concert with the foregoing or claiming by, through, or under the foregoing, or otherwise, all and individually,

from directly, indirectly, or through a third party, instituting, reinstating, intervening in, initiating, commencing, maintaining, continuing, filing, encouraging, soliciting, supporting, participating in, collaborating in, or otherwise prosecuting, against any of the Underwriters or any of the Underwriters Released Parties, any action, lawsuit, cause of action, claim, investigation, demand, complaint, or proceeding of any nature, including but not limited to litigation, arbitration, or other proceeding, in any Forum, whether individually, derivatively, on behalf of a class, as a member of a class, or in any other capacity whatsoever, that in any way relates to, is based upon, arises from, related to, or is connected with (i) the Insurance Policies; (ii) the Stanford Entities; (iii) any certificate of deposit, CD, depository account, or investment of any type with any one or more of the Stanford Entities; (iv) any one or more of Underwriters' relationships with any one or more of the Stanford Entities; (v) any actual or potential claim of coverage under the Insurance Policies in connection with the SEC Action, the Receivership, the Indirect Claims, the Stanford Investor Claims, or any claim asserted against any Stanford Defendant or any other Person who has ever had any affiliation with any Stanford Defendant; (vi) the Coverage Action; (vii) the Third-Party Coverage Actions; (viii) the Indirect Claims; (ix) the Stanford Investor Claims; and (x) all matters that were or could have been asserted in SEC Action, the Coverage Action, the Indirect Claims, the Stanford Investor Claims, and/or the Third-Party Coverage Actions, or any proceeding concerning the Stanford Entities pending or commenced in any Forum.

15. Underwriters and the Underwriters Released Parties have no responsibility, obligation, or liability whatsoever with respect to the content of the Notice; the notice process; the Distribution Plan; the implementation of the Distribution Plan; the management, investment, disbursement, allocation, or other administration or oversight of the Settlement Amount, any

other funds paid or received in connection with the Agreement, or any portion thereof; the payment or withholding of Taxes; the determination, administration, calculation, review, or challenge of claims to the Settlement Amount, any portion of the Settlement Amount, or any other funds paid or received in connection with the Agreement; or any losses, attorneys' fees, expenses, vendor payments, expert payments, or other costs incurred in connection with any of the foregoing matters. No appeal, challenge, decision, or other matter concerning any subject set forth in this paragraph shall operate to terminate or cancel the Agreement or this Final Judgment and Bar Order.

16. The Court finds entry of the bar order in exchange for the payment of the Settlement Amount in accordance with the terms of the Agreement is fair and reasonable based on at least the following considerations: (i) Underwriters are entitled to exhaust policy limits by settling with one but not all insureds; (ii) the insurance proceeds represent a finite pool of resources available to satisfy claims against Underwriters' Insureds; (iii) there is a substantial dispute over the amount of the proceeds available under the Insurance Policies; (iv) the proceeds of the Insurance Policies may be less than the Settlement Amount, in which case the Agreement would result in the exhaustion of the proceeds under the Insurance Policies; (v) in the absence of a global settlement and bar order, Underwriters would be unwilling to pay the Settlement Amount and thus allowing any Person to retain the right to litigate the questions of coverage and available policy limits could work to the detriment of all persons interested in the Insurance Policies; (vi) in the absence of a settlement, the potential beneficiaries of the Insurance Policies might recover substantially less than is being made available pursuant to the Insurance Policies; (vii) the Settlement Amount is fair and equitable taking into account the merits of the claims and potential claims released and Underwriters' defenses to those claims and potential claims; and

(viii) the Agreement represents a fair and reasonable balancing of the various interests implicated by the Insurance Policies and disputes and controversies related thereto.

17. Nothing in this Final Judgment and Bar Order or the Agreement and no aspect of the Agreement or negotiation thereof is or shall be construed to be an admission or concession of any violation of any statute or law, of any fault, liability or wrongdoing, or of any infirmity in the claims or defenses of the Parties with regard to any of the complaints, claims, allegations or defenses in the Coverage Action, the Indirect Claims, the Stanford Investor Claims, the Third-Party Coverage Actions, or any other proceeding.

18. Nothing in this Final Judgment and Bar Order is intended to release the Receiver or the Committee's claims in the proceedings identified in Exhibit B to the Agreement, or prevent, bar, restrain, or enjoin the continuation of such proceedings by the Receiver or the Committee.

19. Underwriters are hereby ordered to deliver the Settlement Amount (\$65,000,000) as described in Paragraphs 19 and 26 of the Agreement. Further, the Parties are ordered to act in conformity with all other provisions the Agreement.

20. Without in any way affecting the finality of this Final Judgment and Bar Order, the Court retains continuing and exclusive jurisdiction over the Parties for purposes of, among other things, the administration, interpretation, consummation, and enforcement of the Agreement, the Scheduling Order, and this Final Judgment and Bar Order, including, without limitation, the injunctions, bar orders, and releases herein, and to enter orders concerning implementation of the Agreement, the Distribution Plan, and any payment of attorneys' fees and expenses to the Receiver's counsel.

21. This Final Judgment and Bar Order shall be served by counsel for the Receiver, via email, first class mail or international delivery service, on any person or entity that filed an objection to approval of the Agreement, or this Final Judgment and Bar Order.

22. Each party is to bear its own costs. All relief not expressly granted herein is denied. The Clerk of the Court is directed to enter Judgment in conformity herewith.

Signed on \_\_\_\_\_, 2016

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DAVID C. GODBEY  
UNITED STATES DISTRICT JUDGE



obligations to post the Notice on his website, but is not otherwise individually a party to this action or the Agreement.

Following notice and a hearing, and having considered the filings and heard the arguments of counsel, the Court hereby GRANTS the Motion.

## **I. INTRODUCTION**

On February 16, 2009, this Court appointed Ralph S. Janvey to be the Receiver for the Stanford Entities. Docket No. 10, *Securities and Exchange Commission v. Stanford International Bank, Ltd., et al.*, No. 3:09-cv-298 (N.D. Tex.) (the “SEC Action”). Following his appointment, the Receiver made claims for coverage (the “Direct Claims”) under three insurance policies issued by Underwriters to the Stanford Entities: (1) Financial Institutions Crime and Professional Indemnity Policy, Policy Number 576/MNA851300 (the “PI Policy”); (2) Directors’ and Officers’ Liability and Company Indemnity Policy, Policy Number 576/MNK558900 (the “D&O Policy”); and (3) Excess Blended Wrap Policy, Policy Number 576/MNA831400 (the “Excess Policy,” and collectively with the PI Policy and the D&O Policy, the “Insurance Policies” or the “Policies”).

The Insurance Policies provide for certain limits of the amount of coverage available. The Parties dispute the available limits, the legal effect of the provisions governing the Policies’ limits, and the amount of the Policies’ remaining limits.

Underwriters dispute there is coverage for the Direct Claims and filed *Certain Underwriters at Lloyd’s of London, et al. v. Ralph S. Janvey, et al.*, Civil Action No. 3:09-CV-1736 (the “Coverage Action”), seeking a declaration that the Receiver is not entitled to coverage under the Insurance Policies. The Receiver counterclaimed, alleging, *inter alia*, breach of contract, breach of the duty of good faith and fair dealing, bad faith under the Texas Insurance

Code, and violation of the Texas Deceptive Trade Practices Act. Underwriters filed a motion for judgment on the pleadings, (Doc. 50, Coverage Action), to which the Receiver responded, (Doc. 58, Coverage Action), and which the Court denied, (Doc. 93, Coverage Action). Underwriters and the Receiver engaged in written discovery and electronic discovery, reviewing and analyzing voluminous Stanford documents maintained by the Receivership. Numerous depositions were taken in the United States, London, and Mexico.

In addition to the Coverage Action, the Insurance Policies are or may be implicated in numerous other disputes. The Receiver and the Committee filed numerous lawsuits against Underwriters' Insureds (the "Indirect Claims"),<sup>3</sup> who in turn made or may make claims for coverage under the Policies. Stanford Investors<sup>4</sup> also made numerous claims against Underwriters Insureds (the "Stanford Investor Claims"),<sup>5</sup> who in turn made or may make claims for coverage under the Insurance Policies. Underwriters contend that the Insurance Policies do not provide coverage for the Indirect Claims or the Stanford Investor Claims, and they are involved in numerous lawsuits relating to the various claims for coverage under the Policies (the "Third-Party Coverage Actions"), including this lawsuit.<sup>6</sup> Nonetheless, pursuant to the Policies and as permitted by this Court's prior order (Docket No. 831, SEC Action), Underwriters have paid approximately \$30.3 million for the defense costs of various of Underwriters' Insureds. The Receiver has intervened or sought to intervene in the Third-Party Coverage Actions.

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<sup>3</sup> The term "Underwriters' Insureds" is defined in Paragraph 25 of the Agreement. The term "Indirect Claims" is defined on page 3 of the Agreement.

<sup>4</sup> The term "Stanford Investors" is defined on pages 4-5 of the Agreement.

<sup>5</sup> The term "Stanford Investor Claims" is defined in Paragraph 21 of the Agreement.

<sup>6</sup> The term "Third- Party Coverage Actions" is defined in Paragraph 23 of the Agreement and Exhibit J to the Agreement.

The litigated resolution of the Coverage Action and the Third-Party Coverage Actions would likely cost millions of dollars and the outcome is uncertain. Recognizing the uncertainties, risks, and costs of litigation, the Receiver and Underwriters entered into formal, mediated settlement negotiations beginning in June 2015. In addition to the Receiver and Underwriters, the Examiner participated in the settlement discussions, ensuring that the perspective of the Committee—which the Court appointed to “represent[] in this case and related matters” the “customers of SIBL who, as of February 16, 2009, had funds on deposit at SIBL and/or were holding certificates of deposit issued by SIBL” (Docket No. 1149, SEC Action)—would be heard in connection with any proposed settlement involving the Insurance Policies. Following the last day of mediation, the parties continued their negotiations and arrived at a settlement which the Agreement documents.

Under the terms of the Agreement, Underwriters will pay \$65 million to the Receivership Estate, which (less attorneys’ fees and expenses) will be distributed to Stanford Investors with allowed claims. In return, Underwriters seek global peace with respect to all claims that have been asserted, or could have been asserted, against Underwriters arising out of, in connection with, or relating to: the events leading to this Receivership, the Coverage Action, the Third-Party Coverage Actions, the Indirect Claims, and the Stanford Investor Claims; all matters that were or could have been asserted in the Coverage Action, the Third-Party Coverage Actions, the Indirect Claims, and the Stanford Investor Claims; the Insurance Policies; Underwriters’ relationship with the Stanford Entities;<sup>7</sup> and any actual or potential claim of coverage under the Insurance Policies in connection with the SEC Action, the Receivership, the Indirect Claims, the Stanford Investor Claims, or any claim asserted against any person who has ever had any affiliation with any of the

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<sup>7</sup> The term “Stanford Entities” is defined in Paragraph 20 of the Agreement and Exhibit H to the Agreement.

Stanford Entities. Accordingly, the Settlement is conditioned on the Court's approval and entry of this Final Judgment and Bar Order.

On \_\_\_\_\_, 2016, the Receiver filed the Motion. [ECF No. \_\_\_\_]. The Court thereafter entered a Scheduling Order on \_\_\_\_\_, 2016 [ECF No. \_\_\_\_], which, *inter alia*, authorized the Receiver to provide notice of the Agreement, established a briefing schedule on the Motion, and set the date for a hearing. On \_\_\_\_\_, 2016, the Court held the scheduled hearing. For the reasons set forth herein, the Court finds that the terms of the Agreement are adequate, fair, reasonable, and equitable, and that it should be and is hereby **APPROVED**. The Court further finds that entry of this Final Judgment and Bar Order is appropriate.

## **II. ORDER**

It is hereby **ORDERED, ADJUDGED, AND DECREED** as follows:

1. Terms used in this Final Judgment and Bar Order that are defined in the Agreement, unless expressly otherwise defined herein, have the same meaning as in the Agreement.

2. As this case is related to the equitable receivership proceedings in the SEC Action, the Court has "broad powers and wide discretion to determine the appropriate relief in [this] equity receivership," including the authority to enter the Final Judgment and Bar Order. *SEC v. Kaleta*, 530 F. App'x 360, 362 (5th Cir. 2013) (internal quotations omitted). Moreover, the Court has jurisdiction over the subject matter of this action, and the Receiver is the proper party to seek entry of this Final Judgment and Bar Order.

3. The Court finds that the methodology, form, content and dissemination of the Notice: (i) were implemented in accordance with the requirements of the Scheduling Order; (ii) constituted the best practicable notice; (iii) were reasonably calculated, under the circumstances,

to apprise all interested Persons of the Agreement, the releases therein, and the injunctions provided for in this Final Judgment and Bar Order, the Final Bar Order to be entered in the SEC Action, and the Final Judgments and Bar Orders to be entered in the Coverage Action and the other Third-Party Coverage Actions; (iv) were reasonably calculated, under the circumstances, to apprise all interested Persons of the right to object to the Agreement, this Final Judgment and Bar Order, and the Final Bar Order to be entered in the SEC Action, the Final Judgments and Bar Orders to be entered in the Coverage Action and the other Third-Party Coverage Actions, and to appear at the Final Approval Hearing; (v) were reasonable and constituted due, adequate, and sufficient notice; (vi) met all applicable requirements of law, including, without limitation, the Federal Rules of Civil Procedure, the United States Constitution (including Due Process), and the Rules of the Court; and (vii) provided to all Persons a full and fair opportunity to be heard on these matters.

4. The Court finds that the Agreement was reached following substantial litigation and an extensive investigation of the facts and resulted from vigorous, good faith, arm's-length, mediated negotiations involving experienced and competent counsel. The competing claims in the Coverage Action and the Third-Party Coverage Actions involve complex legal and factual issues that would require a substantial amount of time and expense to litigate, with uncertainty as to the outcome. The range of possible outcomes includes that there may be no coverage of any kind under the Insurance Policies, that there may be less coverage than the amount provided for in the Agreement, or that there may be more coverage than the amount provided for in the Agreement. In any event, the proceeds of the Insurance Policies represent a finite pool of resources. In the absence of the Agreement, the proceeds of the Insurance Policies, to whatever

extent they are available, would be dissipated through mere happenstance, rather than through consideration of equity or fairness.

5. Further, it is clear that Underwriters would never agree to the terms of the Agreement unless they were assured of “total peace” with respect to all claims that have been, or could be, asserted against Underwriters arising from, in connection with, or relating to the actual or alleged insurer-insured relationship between Underwriters, on the one hand, and Underwriters’ Insureds, the Stanford Entities, and the Stanford Investors, on the other hand.

6. The injunction against any such claims against Underwriters is therefore a necessary and appropriate order ancillary to the relief obtained for the Stanford Entities, and by extension, the victims of the Stanford Ponzi scheme, pursuant to the Agreement. *See Kaleta*, 530 F. App’x at 362 (entering bar order and injunction against investor claims as “ancillary relief” to a settlement in an SEC receivership proceeding).

7. Pursuant to the Agreement and upon motion by the Receiver in the SEC Action, this Court will approve a Distribution Plan that will fairly and reasonably distribute the net proceeds of the Settlement Amount (less attorneys’ fees and expenses) to Stanford Investors who have claims approved by the Receiver. The Court finds that the Receiver’s claims process and the Distribution Plan contemplated in the Agreement have been designed to ensure that all Stanford Investors have received an opportunity to pursue their claims through the Receiver’s claims process previously approved by the Court (Docket No. 1584, SEC Action).

8. The Court further finds that the Parties and their counsel have at all times complied with the requirements of Rule 11 of the Federal Rules of Civil Procedure.

9. Accordingly, the Court finds that the Agreement is, in all respects, fair, reasonable, and adequate, and in the best interests of all Persons claiming an interest in, having

authority over, or asserting a claim against Underwriters, Underwriters' Insureds, the Stanford Entities, the Receiver, or the Receivership Estate. The settlement, the terms of which are set forth in the Agreement, is hereby fully and finally approved. The Parties are directed to implement and consummate the Agreement in accordance with its terms and provisions and this Final Judgment and Bar Order.

10. Based on the considerations outlined herein, the Court further finds that the Agreement and this Order are fair, just, and equitable notwithstanding the fact that some individuals who may qualify as Underwriters' Insureds will no longer be in a position to seek insurance coverage from Underwriters for Stanford-related claims against them that are not resolved by the Agreement.

11. Pursuant to the provisions of Paragraph 39 of the Agreement, as of the Settlement Effective Date, Underwriters and the Underwriters Released Parties shall be completely released, acquitted, and forever discharged from all Settled Claims by the Receiver or the Committee, including any action, cause of action, suit, liability, claim, right of action, or demand whatsoever, whether or not currently asserted, known, suspected, existing, or discoverable, and whether based on federal law, state law, foreign law, common law, or otherwise, and whether based on contract, tort, statute, law, equity or otherwise, that the Receiver, the Receivership Estate, the Committee, the Claimants, Underwriters' Insureds, the Stanford Investors, and the Persons, entities and interests represented by those Persons ever had, now has, or hereafter can, shall, or may have, directly, representatively, derivatively, or in any other capacity, for, upon, arising from, relating to, or by reason of any matter, cause, or thing whatsoever, that, in full or in part, concerns, relates to, arises out of, or is in any manner connected with (i) the Insurance Policies; (ii) the Stanford Entities; (iii) any certificate of deposit, CD, depository account, or investment of

any type with any one or more of the Stanford Entities; (iv) any one or more of Underwriters' relationships with any one or more of the Stanford Entities; (v) any actual or potential claim of coverage under the Insurance Policies in connection with the SEC Action, the Receivership, the Indirect Claims, the Stanford Investor Claims, or any claim asserted against any Stanford Defendant or any other Person who has ever had any affiliation with any Stanford Defendant; (vi) the Coverage Action; (vii) the Third-Party Coverage Actions; (viii) the Indirect Claims; and (ix) all matters that were or could have been asserted in SEC Action, the Coverage Action, the Indirect Claims, the Stanford Investor Claims, and/or the Third-Party Coverage Actions, or any proceeding concerning the Stanford Entities pending or commenced in any Forum.

12. Pursuant to the provisions of Paragraph 40 of the Agreement, as of the Settlement Effective Date, the Receivership's Released Parties shall be completely released, acquitted, and forever discharged from all Settled Claims by Underwriters.

13. Notwithstanding anything to the contrary in this Final Judgment and Bar Order, the foregoing releases do not release the Parties' rights and obligations under the Agreement or bar the Parties from enforcing or effectuating the terms of the Agreement.

14. The Court hereby permanently bars, restrains and enjoins the Receiver, the Receivership Estate, the Committee, the Claimants, the Stanford Investors, Underwriters' Insureds, the Interested Parties, and all other Persons or entities, whether acting in concert with the foregoing or claiming by, through, or under the foregoing, or otherwise, all and individually, from directly, indirectly, or through a third party, instituting, reinstating, intervening in, initiating, commencing, maintaining, continuing, filing, encouraging, soliciting, supporting, participating in, collaborating in, or otherwise prosecuting, against any of the Underwriters or any of the Underwriters Released Parties, any action, lawsuit, cause of action, claim,

investigation, demand, complaint, or proceeding of any nature, including but not limited to litigation, arbitration, or other proceeding, in any Forum, whether individually, derivatively, on behalf of a class, as a member of a class, or in any other capacity whatsoever, that in any way relates to, is based upon, arises from, related to, or is connected with (i) the Insurance Policies; (ii) the Stanford Entities; (iii) any certificate of deposit, CD, depository account, or investment of any type with any one or more of the Stanford Entities; (iv) any one or more of Underwriters' relationships with any one or more of the Stanford Entities; (v) any actual or potential claim of coverage under the Insurance Policies in connection with the SEC Action, the Receivership, the Indirect Claims, the Stanford Investor Claims, or any claim asserted against any Stanford Defendant or any other Person who has ever had any affiliation with any Stanford Defendant; (vi) the Coverage Action; (vii) the Third-Party Coverage Actions; (viii) the Indirect Claims; (ix) the Stanford Investor Claims; and (x) all matters that were or could have been asserted in SEC Action, the Coverage Action, the Indirect Claims, the Stanford Investor Claims, and/or the Third-Party Coverage Actions, or any proceeding concerning the Stanford Entities pending or commenced in any Forum.

15. Underwriters and the Underwriters Released Parties have no responsibility, obligation, or liability whatsoever with respect to the content of the Notice; the notice process; the Distribution Plan; the implementation of the Distribution Plan; the management, investment, disbursement, allocation, or other administration or oversight of the Settlement Amount, any other funds paid or received in connection with the Agreement, or any portion thereof; the payment or withholding of Taxes; the determination, administration, calculation, review, or challenge of claims to the Settlement Amount, any portion of the Settlement Amount, or any other funds paid or received in connection with the Agreement; or any losses, attorneys' fees,

expenses, vendor payments, expert payments, or other costs incurred in connection with any of the foregoing matters. No appeal, challenge, decision, or other matter concerning any subject set forth in this paragraph shall operate to terminate or cancel the Agreement or this Final Judgment and Bar Order.

16. The Court finds entry of the bar order in exchange for the payment of the Settlement Amount in accordance with the terms of the Agreement is fair and reasonable based on at least the following considerations: (i) Underwriters are entitled to exhaust policy limits by settling with one but not all insureds; (ii) the insurance proceeds represent a finite pool of resources available to satisfy claims against Underwriters' Insureds; (iii) there is a substantial dispute over the amount of the proceeds available under the Insurance Policies; (iv) the proceeds of the Insurance Policies may be less than the Settlement Amount, in which case the Agreement would result in the exhaustion of the proceeds under the Insurance Policies; (v) in the absence of a global settlement and bar order, Underwriters would be unwilling to pay the Settlement Amount and thus allowing any Person to retain the right to litigate the questions of coverage and available policy limits could work to the detriment of all persons interested in the Insurance Policies; (vi) in the absence of a settlement, the potential beneficiaries of the Insurance Policies might recover substantially less than is being made available pursuant to the Insurance Policies; (vii) the Settlement Amount is fair and equitable taking into account the merits of the claims and potential claims released and Underwriters' defenses to those claims and potential claims; and (viii) the Agreement represents a fair and reasonable balancing of the various interests implicated by the Insurance Policies and disputes and controversies related thereto.

17. Nothing in this Final Judgment and Bar Order or the Agreement and no aspect of the Agreement or negotiation thereof is or shall be construed to be an admission or concession of

any violation of any statute or law, of any fault, liability or wrongdoing, or of any infirmity in the claims or defenses of the Parties with regard to any of the complaints, claims, allegations or defenses in the Coverage Action, the Indirect Claims, the Stanford Investor Claims, the Third-Party Coverage Actions, or any other proceeding.

18. Nothing in this Final Judgment and Bar Order is intended to release the Receiver or the Committee's claims in the proceedings identified in Exhibit B to the Agreement, or prevent, bar, restrain, or enjoin the continuation of such proceedings by the Receiver or the Committee.

19. Underwriters are hereby ordered to deliver the Settlement Amount (\$65,000,000) as described in Paragraphs 19 and 26 of the Agreement. Further, the Parties are ordered to act in conformity with all other provisions the Agreement.

20. Without in any way affecting the finality of this Final Judgment and Bar Order, the Court retains continuing and exclusive jurisdiction over the Parties for purposes of, among other things, the administration, interpretation, consummation, and enforcement of the Agreement, the Scheduling Order, and this Final Judgment and Bar Order, including, without limitation, the injunctions, bar orders, and releases herein, and to enter orders concerning implementation of the Agreement, the Distribution Plan, and any payment of attorneys' fees and expenses to the Receiver's counsel.

21. This Final Judgment and Bar Order shall be served by counsel for the Receiver, via email, first class mail or international delivery service, on any person or entity that filed an objection to approval of the Agreement, or this Final Judgment and Bar Order.

22. Each party is to bear its own costs. All relief not expressly granted herein is denied. The Clerk of the Court is directed to enter Judgment in conformity herewith.

Signed on \_\_\_\_\_, 2016

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DAVID C. GODBEY  
UNITED STATES DISTRICT JUDGE

**EXHIBIT F**

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

SECURITIES AND EXCHANGE COMMISSION,  
Plaintiff,

v.

STANFORD INTERNATIONAL BANK, LTD., *et al.*,  
Defendants.

Case No. 3:09-CV-0298-N

**NOTICE OF SETTLEMENT AND BAR ORDER  
PROCEEDINGS; OF OUTSTANDING CLAIM DEADLINE;  
AND OF PROCEDURES FOR SUBMITTING PROOFS OF CLAIM**

PLEASE TAKE NOTICE that, on the one hand, the Court-appointed Receiver for the Stanford Receivership Estate (“Receiver”) and the Official Stanford Investors Committee (“Committee”), and, on the other hand Certain Underwriters at Lloyd’s, London,<sup>1</sup> Arch Specialty Insurance Company, and Lexington Insurance Company (collectively, “Underwriters”), have reached an agreement (the “Agreement”) to settle all claims asserted or that could have been asserted against Underwriters or the other Underwriters Released Parties.<sup>2</sup>

PLEASE TAKE FURTHER NOTICE that the Receiver has requested that the Court approve the Agreement and enter bar orders permanently enjoining Interested Parties,<sup>3</sup> including Stanford Investors and Claimants, from pursuing claims they may possess, against Underwriters or the other Underwriters Released Parties.

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<sup>1</sup> Certain Underwriters at Lloyd’s, London include Syndicates 2987, 2488, 1084, 1886, 4000, 1183, and 1274.

<sup>2</sup> “Underwriters Released Parties” means Underwriters and each of their respective past, present, and future directors, officers, legal and equitable owners, shareholders, members, managers, principals, employees, associates, representatives, distributees, receivers, agents, attorneys, trustees, general and limited partners, lenders, insurers and reinsurers, names, direct and indirect parents, subsidiaries, affiliates, related entities, divisions, partnerships, corporations, executors, administrators, heirs, beneficiaries, assigns, predecessors, predecessors in interest, successors, and successors in interest, and all persons acting by, through, or under any of them. Underwriters Released Parties specifically includes any of Underwriters’ Insureds. Notwithstanding the foregoing, “Underwriters Released Parties” shall not include any Person, other than Underwriters, against whom, as of the Agreement Date, the Receiver or the Committee is asserting a claim or cause of action in any Forum, and also shall not include any Person who becomes employed by, related to, or affiliated with Underwriters after the Agreement Date and whose liability, if any, arises solely out of or derives solely from their actions or omissions before becoming employed by, related to, or affiliated with Underwriters. For clarification, and without limiting the generality of the foregoing sentence, neither “Underwriters” nor “Underwriters Released Parties” shall be construed to include any of the Persons identified on Exhibit A to the Agreement, any of the Persons who are identified in Exhibit B to the Agreement, or any of the Persons who are parties to the proceedings identified in Exhibit B to the Agreement.

<sup>3</sup> “Interested Party” means the Receiver, the Receivership Estate, the Committee, the members of the Committee, the Claimants, the Examiner, the Stanford Investors, and Underwriters’ Insureds. “Stanford Investors” means the individuals, entities, and/or customers who, as of February 16, 2009, had funds on deposit at Stanford International Bank, Ltd., or were holding certificates of deposit issued by Stanford International Bank, Ltd.

PLEASE TAKE FURTHER NOTICE that the Settlement Amount is Sixty-Five Million US Dollars (\$65,000,000.00). The Settlement Amount, less any fees and costs awarded by the Court to the attorneys for the Receiver (“Net Settlement Amount”), will be deposited with and distributed by the Receiver pursuant to a Distribution Plan hereafter to be approved by the Court in the Stanford receivership proceeding, *SEC v. Stanford Int’l Bank, Ltd., et al.*, (Case No. 3:09-cv-0298-N) (the “SEC Action”).

**This matter may affect your rights and you may wish to consult an attorney.**

The material terms of the Agreement are as follows:

- a) Underwriters will pay \$65 million, which will be deposited with the Receiver as required pursuant to the Agreement;
- b) The Receiver and the Committee will fully release Underwriters and the Underwriters Released Parties from Settled Claims,<sup>4</sup> e.g. claims arising from or relating to Allen Stanford, the Stanford Entities, or any conduct by Underwriters or Underwriters’ Released Parties relating to Allen Stanford or the Stanford Entities;
- c) The Agreement requires entry of a Judgment and Bar Order in *Underwriters v. Janvey*, No. 3:09-cv-1736 (N.D. Tex.) and the Third-Party Coverage Actions;<sup>5</sup> and entry of a Bar Order in the SEC Action, each of which permanently enjoins Interested Parties and other Persons, including all Stanford Investors and Claimants, from bringing or continuing any legal proceeding and/or asserting, encouraging, assisting, or prosecuting any cause of action arising from, relating to, or in connection with the Settled Claims or the Insurance Policies against Underwriters or the Underwriters Released Parties, including claims for contribution, breach of contract, bad faith, and statutory violations;

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<sup>4</sup> “Settled Claim” means any action, cause of action, suit, liability, claim, right of action, or demand whatsoever, whether or not currently asserted, known, suspected, existing, or discoverable, and whether based on federal law, state law, foreign law, common law, or otherwise, and whether based on contract, tort, statute, law, equity or otherwise, that a Releasor ever had, now has, or hereafter can, shall, or may have, directly, representatively, derivatively, or in any other capacity, for, upon, arising from, relating to, or by reason of any matter, cause, or thing whatsoever, that, in full or in part, concerns, relates to, arises out of, or is in any manner connected with (i) the Policies; (ii) the Stanford Entities; (iii) any actual or potential claim of coverage under the Policies in connection with the SEC Action, the Receivership, the Indirect Claims, the Direct Claims, the Stanford Investor Claims, or any claim asserted against any of Underwriters’ Insureds or any Stanford Defendant or any other Person who has ever had any affiliation with any Stanford Defendant; (iv) any certificate of deposit, CD, depository account, or investment of any type with any one or more of the Stanford Entities; (v) any one or more of the Underwriters’ relationship with any one or more of Underwriters’ Insureds; (vi) the Coverage Action; (vii) the Third-Party Coverage Actions; (viii) the Indirect Claims; and (ix) all matters that were asserted in, could have been asserted in, or relate to the SEC Action, the Coverage Action, the Indirect Claims, the Coverage Action, the Third-Party Coverage Actions, the Stanford Investor Claims, or any proceeding concerning the Stanford Entities pending or commenced in any Forum. “Settled Claims” specifically includes, without limitation, all claims each Releasor does not know or suspect to exist in his, her, or its favor at the time of release, which, if known by that Person, might have affected their decisions with respect to this Agreement (the “Unknown Claims”).

<sup>5</sup> The “Third-Party Coverage Actions” are identified in paragraph 23 of the Agreement and Exhibit J to the Agreement.

- d) Following the entry of the proposed judgments and bar orders, Underwriters will have no further obligations or liability arising under, relating to, or in connection with the Policies to any of Underwriters' Insureds,<sup>6</sup> Stanford Investors, Claimants, or any other Person;
- e) With limited exceptions that are identified in the Agreement, neither the Agreement nor the proposed judgments and bar orders affect the Receiver's or Committee's pursuit of their claims against Underwriters' Insureds, nor do the Agreement or proposed judgments and bar orders affect the pursuit of claims against Underwriters' Insureds by any other person;
- f) The Receiver will disseminate notice of the Agreement (*i.e.* this Notice) to Interested Parties, through one or more of the following: mail, email, international delivery, CM/ECF notification, facsimile transmission, and/or publication on the Examiner ([www.lpf-law.com/examiner-stanford-financial-group/](http://www.lpf-law.com/examiner-stanford-financial-group/)) and Receiver (<http://www.stanfordfinancialreceivership.com>) web sites and newspaper publication;
- g) The Receiver will develop and submit to the Court for approval a plan for disseminating the Settlement Amount ("Distribution Plan"); and
- h) Under the Distribution Plan, once approved, the Net Settlement Amount will be distributed by the Receiver, under the supervision of the Court, to Stanford Investors who have submitted Claims that have been allowed by the Receiver.

Attorneys for the Receiver seek a fee award not to exceed fourteen million dollars (\$14 million), and attorneys for the Committee seek a fee award not to exceed one hundred thousand dollars (\$100,000).

Copies of the Settlement Agreement; the Expedited Request for Entry of Scheduling Order and Motion to Approve Proposed Settlement with Certain Underwriters at Lloyd's of London, Arch Specialty Insurance Company, and Lexington Insurance Company, to Approve the Proposed Notice of Settlement with Certain Underwriters at Lloyd's of London, Arch Specialty Insurance Company, and Lexington Insurance Company, to Enter the Bar Order, to Enter the Final Judgments and Bar Orders, and for the Receiver's Attorneys' Fees (the "Motion"); and other supporting papers may be obtained from the Court's docket in the SEC Action (ECF No. \_\_\_), and are also available on the websites of the Receiver (<http://www.stanfordfinancialreceivership.com>) and the Examiner ([www.lpf-law.com/examiner-stanford-financial-group/](http://www.lpf-law.com/examiner-stanford-financial-group/)). Copies of these documents may also be requested by email, by

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<sup>6</sup> "Underwriters' Insureds" means any Person who is insured under any of the insurance policies Underwriters issued to the Stanford Entities, including (1) any Persons who were, now are, or shall be directors or officers of any of the Stanford Entities; (2) any Persons who were foreign titled equivalents of directors and officers in U.S. corporations of any of the Stanford Entities; (3) employees of any of the Stanford Entities; (4) the lawful spouse or domestic partner of any director, officer, or employee of any of the Stanford Entities, solely to the extent that such Person is a party to any Claim solely in his or her capacity as spouse or domestic partner; (5) the estates, heirs, legal representatives or assigns of any director, officer, or employee of any of the Stanford Entities; and (6) the Stanford Entities.

sending the request to stanfordsettlement@kttlattorneys.com; or by telephone, by calling Molly Hogan at 913-951-8610.

The final hearing on the Motion is set for [\_\_\_\_\_], 2016 (the “Final Approval Hearing”). Any objection to the Agreement, the Motion, the Judgments and Bar Orders, the Final Bar Order, or the request for approval of the Receiver’s attorneys’ fees must be filed, in writing, with the Court in the SEC Action no later than [insert date of 21st day before Final Approval Hearing]. Any objections not filed by this date will be deemed waived and will not be considered by the Court. Those wishing to appear and present objections at the Final Approval Hearing must include a request to appear in their written objections.

## **EXHIBIT G**

To be published once in the national edition of *The Wall Street Journal* and once in the international edition of *The New York Times*:

PLEASE TAKE NOTICE that the court-appointed Receiver for Stanford International Bank, Ltd. (“SIBL”) has reached an agreement to settle all claims asserted or that could have been asserted against Certain Underwriters’ at Lloyd’s of London, Arch Specialty Insurance Co., and Lexington Insurance Company (collectively “Underwriters”) relating to or in any way concerning SIBL or Underwriters’ insurance policies issued to SIBL and other Stanford Entities. As part of the settlement, the Receiver has requested orders which permanently enjoin all Persons, including Stanford Investors (*i.e.* the individuals, entities, and/or customers who had funds on deposit at SIBL or were holding certificates of deposit issued by SIBL as of February 16, 2009) from bringing any legal proceeding or cause of action arising from or relating to the Stanford Entities or Underwriters’ insurance policies issued to SIBL and the other Stanford Entities against Underwriters or the other Underwriters Released Parties.

Complete copies of the settlement agreement with Underwriters, the proposed bar orders, and other settlement documents are available on the Receiver’s website <http://www.stanfordfinancialreceivership.com>. All Persons who wish to object must file written objections with the Court on or before \_\_\_\_\_, 2016.

## EXHIBIT H

16NE Huntingdon, LLC  
20/20 Ltd.  
Antigua Athletic Club Limited  
The Antigua Sun Limited  
Apartment Household, Inc.  
Asian Village Antigua Limited  
Bank of Antigua Limited  
Boardwalk Revitalization, LLC  
Buckingham Investments A.V.V.  
Caribbean Aircraft Leasing (BVI) Limited  
Caribbean Airlines Services Limited  
Caribbean Airlines Services, Inc.  
Caribbean Star Airlines Holdings Limited  
Caribbean Star Airlines Limited  
Caribbean Sun Airlines Holdings, Inc.  
Casuarina 20 LLC  
Christiansted Downtown Holdings, LLC  
Crayford Limited  
Cuckfield Investments Limited  
Datcom Resources, Inc.  
Devinhouse, Ltd.  
Deygart Holdings Limited  
Foreign Corporate Holdings Limited  
Guardian International Investment Services  
No. One, Inc.  
Guardian International Investment Services  
No. Three, Inc.  
Guardian International Investment Services  
No. Two, Inc.  
Guardian One, Ltd.  
Guardian Three, Ltd.  
Guardian Two, Ltd.  
Guiana Island Holdings Limited  
Harbor Key Corp.  
Harbor Key Corp. II  
Idea Advertising Group, Inc.  
International Fixed Income Stanford Fund, Ltd.  
The Island Club, LLC  
The Islands Club, Ltd.  
JS Development, LLC  
Maiden Island Holdings Ltd.  
Miller Golf Company, L.L.C.  
Parque Cristal Ltd.  
Pelican Island Properties Limited  
Pershore Investments S.A.  
Polygon Commodities A.V.V.  
Porpoise Industries Limited  
Productos y Servicios Stanford, C.A.  
R. Allen Stanford, LLC  
Robust Eagle Limited  
Sea Eagle Limited  
Sea Hare Limited  
SFG Majestic Holdings, LLC  
SG Ltd.  
SGV Asesores C.A.  
SGV Ltd.  
Stanford 20\*20, LLC  
Stanford 20/20 Inc.  
Stanford Acquisition Corporation  
Stanford Aerospace Limited  
Stanford Agency, Inc. [Louisiana]<sup>1</sup>  
Stanford Agency, Inc. [Texas]  
Stanford Agresiva S.A. de C.V.  
Stanford Aircraft, LLC  
Stanford American Samoa Holding Limited  
Stanford Aviation 5555, LLC  
Stanford Aviation II, LLC  
Stanford Aviation III, LLC  
Stanford Aviation Limited  
Stanford Aviation LLC  
Stanford Bank (Panama), S.A.  
Stanford Bank Holdings Limited  
Stanford Bank, S.A, Banco Comercial  
Stanford Capital Management, LLC  
Stanford Caribbean Investments, LLC  
Stanford Caribbean Regional Management  
Holdings, LLC  
Stanford Caribbean, LLC  
Stanford Casa de Valores, S.A.  
Stanford Cobertura, S.A. de C.V.  
Stanford Coins & Bullion, Inc.  
The Stanford Condominium Owners'  
Association, Inc.  
Stanford Corporate Holdings International, Inc.  
Stanford Corporate Services (BVI) Limited  
Stanford Corporate Services (Venezuela), C.A.

|   |   |
|---|---|
| Stanford Corporate Services, Inc.               | Stanford Group Peru, S.A., Sociedad Agente de Bolsa                 |
| Stanford Corporate Ventures (BVI) Limited       | Stanford Group Venezuela Asesores de Inversion, C.A                 |
| Stanford Corporate Ventures, LLC                | Stanford Group Venezuela, C.A.                                      |
| Stanford Crecimiento Balanceado, S.A. de C.V.   | Stanford Holdings Venezuela, C.A.                                   |
| Stanford Crecimiento, S A. de C.V.              | Stanford International Bank Holdings Limited                        |
| Stanford Development Company (Grenada) Ltd      | Stanford International Bank Limited                                 |
| Stanford Development Company Limited            | Stanford International Holdings (Panama) S.A                        |
| Stanford Development Corporation                | Stanford International Management Ltd.                              |
| Stanford Eagle, LLC                             | Stanford International Resort Holdings, LLC                         |
| Stanford Family Office, LLC                     | Stanford Investment Advisory Services, Inc.                         |
| The Stanford Financial Group Building, Inc.     | Stanford Leasing Company, Inc.                                      |
| Stanford Financial Group Company                | Stanford Management Holdings, Ltd.                                  |
| Stanford Financial Group Global Management, LLC | Stanford Real Estate Acquisition, LLC                               |
| Stanford Financial Group (Holdings) Limited     | Stanford S.A. Comisionista de Bolsa                                 |
| Stanford Financial Group Limited                | Stanford Services Ecuador, S.A.                                     |
| Stanford Financial Group Ltd.                   | Stanford South Shore Holdings, LLC                                  |
| Stanford Financial Partners Advisors, LLC       | Stanford Sports & Entertainment Holdings, LLC                       |
| Stanford Financial Partners Holdings, LLC       | Stanford St. Croix Marina Operations, LLC                           |
| Stanford Financial Partners Securities, LLC     | Stanford St. Croix Resort Holdings, LLC                             |
| Stanford Financial Partners, Inc.               | Stanford St. Croix Security, LLC                                    |
| Stanford Fondos, S.A. de. C.V.                  | Stanford Trust Company  |
| The Stanford Galleria Buildings, LP             | Stanford Trust Company Administradora de Fondos y Fideicomisos S.A. |
| Stanford Galleria Buildings Management, LLC     | Stanford Trust Company Limited                                      |
| Stanford Gallows Bay Holdings, LLC              | Stanford Trust Holdings Limited                                     |
| Stanford Global Advisory, LLC                   | Stanford Venture Capital Holdings, Inc.                             |
| Stanford Group (Antigua) Limited                | The Sticky Wicket Limited   |
| Stanford Group (Suisse) AG                      | Sun Printing & Publishing Limited                                   |
| Stanford Group Aruba, N.V.                      | Sun Printing Limited  |
| Stanford Group Bolivia                          | Torre Oeste Ltd.  |
| Stanford Group Casa de Valores, S.A.            | Torre Senza Nome Venezuela, C.A.                                    |
| Stanford Group Company                          | Trail Partners, LLC   |
| Stanford Group Company Limited                  | Two Islands One Club (Grenada) Ltd                                  |
| Stanford Group Holdings, Inc.                   | Two Islands One Club Holdings Ltd                                   |
| Stanford Group Mexico, S.A. de C.V.             |   |

<sup>1</sup> Locations in brackets are included to differentiate between legal entities with the same name but different locations or other identifying information.

<sup>2</sup> Locations in parentheses are included in the legal name of an entity or other identifying information.

**EXHIBIT I**

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

|                                     |   |                                 |
|-------------------------------------|---|---------------------------------|
| SECURITIES AND EXCHANGE COMMISSION, | § |                                 |
|                                     | § |                                 |
| Plaintiff,                          | § |                                 |
|                                     | § |                                 |
| v.                                  | § | Civil Action No. 3:09-CV-0298-N |
|                                     | § |                                 |
| STANFORD INTERNATIONAL BANK,        | § |                                 |
| LTD., <i>et al.</i> ,               | § |                                 |
|                                     | § |                                 |
| Defendants.                         | § |                                 |

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**SCHEDULING ORDER**

Before the Court is the Expedited Request for Entry of Scheduling Order and Motion to Approve Proposed Settlement with Certain Underwriters at Lloyd’s of London, Arch Specialty Insurance Company, and Lexington Insurance Company (collectively “Underwriters”), to Enter the Bar Order, to Enter the Final Judgments and Bar Orders, and for Attorneys’ Fees (the “Motion”) filed by Ralph S. Janvey, in his capacity as court-appointed Receiver for Stanford International Bank, Ltd. et al. (the “Receiver”). Docket No. [CITE]. The Motion concerns a proposed settlement (the “Agreement”) among and between the Receiver, the Official Stanford Investors Committee, and Underwriters. Capitalized terms not otherwise defined in this order shall have the meaning assigned to them in the Agreement.

In the Motion, the Receiver seeks the Court’s approval of the terms of the Agreement, including entry of a bar order in the SEC Action (the “Bar Order”), and a final judgment and bar order in *Underwriters v. Janvey*, No. 3:09-cv-1736 (N.D. Tex.) (the “Coverage Action”) and the

Third-Party Coverage Actions.<sup>1</sup> After reviewing the terms of the Agreement and considering the arguments presented in the Motion, the Court preliminarily approves the Agreement as adequate, fair, reasonable, and equitable. Accordingly, the Court enters this scheduling order to (i) provide for notice of the terms of the Agreement, including the proposed Bar Order in the SEC Action and the proposed Judgments and Bar Orders in the Coverage Action and the Third-Party Coverage Actions; (ii) set the deadline for filing objections to the Agreement, the Bar Order, the Judgment and Bar Orders, or the request for approval of the Receiver's attorneys' fees; (iii) set the deadline for responding to any objection so filed; and (iv) set the date of the Final Approval Hearing regarding the Agreement, the Bar Order in the SEC Action and the proposed Judgments and Bar Orders in the Coverage Action and the Third-Party Coverage Actions, and the Receiver's request for attorneys' fees, as follows:

1. Preliminary Findings on Potential Approval of the Agreement: Based upon the Court's review of the terms of the Agreement, the arguments presented in the Motion, and the Motion's accompanying appendices and exhibits, the Court preliminarily finds that the settlement and Agreement are fair, reasonable, and equitable; have no obvious deficiencies; and are the product of serious, informed, arm's-length negotiations. The Court, however, reserves a final ruling with respect to the terms of the Agreement until after the Final Approval Hearing referenced below in Paragraph 2.

2. Final Approval Hearing: The Final Approval Hearing will be held before the Honorable David C. Godbey in the United States District Court for the Northern District of Texas, United States Courthouse, 1100 Commerce Street, Dallas, Texas 75242, in Courtroom 1505, at \_\_:\_\_.m. on \_\_\_\_\_, which is a date at least ninety (90) calendar days after entry of

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<sup>1</sup> The "Third-Party Coverage Actions" are identified in Paragraph 23 and Exhibit J to the Agreement.

this Scheduling Order. The purposes of the Final Approval Hearing will be to: (i) determine whether the terms of the Agreement should be approved by the Court; (ii) determine whether the Bar Order attached as Exhibit C to the Agreement should be entered by the Court in the SEC Action; (iii) determine whether the Final Judgment and Bar Order attached as Exhibit D to the Agreement should be entered by the Court in the Coverage Action; (iv) determine whether the Final Judgment and Bar Order attached as Exhibit E to the Agreement should be entered by the Court in the Third-Party Coverage Actions; (v) rule upon any objections to the Agreement, Bar Order, or the Judgments and Bar Orders; (vi) rule upon the Receiver's request for approval of attorneys' fees; and (vii) rule upon such other matters as the Court may deem appropriate.

3. Notice: The Court approves the form of Notice attached as Exhibit F to the Agreement and finds that the methodology, distribution, and dissemination of Notice described in the Motion (i) constitute the best practicable notice; (ii) are reasonably calculated, under the circumstances, to apprise all interested Persons of the Agreement, the releases therein, and the injunctions provided for in the Bar Order and the Judgments and Bar Orders; (iii) are reasonably calculated, under the circumstances, to apprise all interested Persons of the right to object to the Agreement, the Bar Order, or the Judgments and Bar Orders, and to appear at the Final Approval Hearing; (iv) constitute due, adequate, and sufficient notice; (v) meet all requirements of applicable law, including the Federal Rules of Civil Procedure, the United States Constitution (including Due Process), and the Rules of the Court; and (vi) will provide to all Persons a full and fair opportunity to be heard on these matters. The Court further approves the form of the publication Notice attached as Exhibit G to the Agreement. Therefore:

a. The Receiver is hereby directed, no later than twenty-one (21) calendar days after entry of this Scheduling Order, to cause the notice in substantially the same form

attached as Exhibit F to the Agreement (the “Notice”) to be sent via electronic service to all counsel of record for any Person who is, at the time of Notice, a party in any case included in MDL No. 2099, *In re: Stanford Entities Securities Litigation* (N.D. Tex.) (the “MDL”), the SEC Action, the Indirect Claims, or the Third-Party Coverage Actions. The Receiver is further directed to cause the Notice to be sent via facsimile transmission and/or first class mail to any other counsel of record for any other Person who is, at the time of service, a party in any case included in the foregoing sentence, and via electronic mail, first class mail or international delivery service to all Interested Parties not served via one of the other foregoing methods, except that the Receiver is not required to individually provide notice to any Person who is an Underwriters’ Insured but who is not included in any of the following groups: Stanford Investors, Claimants, or parties to one or more of the MDL, the SEC Action, the Indirect Claims, and the Third-Party Coverage Actions (such persons will be deemed to have received notice by one or more of the notice methods described in subparagraphs (b) or (c) of this paragraph).

b. The Receiver is hereby directed, no later than twenty-one (21) calendar days after entry of this Scheduling Order, to cause the notice in substantially the same form attached as Exhibit G to the Agreement to be published once in the national edition of *The Wall Street Journal* and once in the international edition of *The New York Times*.

c. The Receiver is hereby directed, no later than twenty-one (21) calendar days after entry of this Scheduling Order, to cause the Agreement, the Motion, this Scheduling Order, the Notice, and all exhibits and appendices attached to these documents, to be posted on the Receiver’s website (<http://stanfordfinancialreceivership.com>). The Examiner is hereby directed, no later than twenty-one (21) calendar days after entry of this Scheduling Order, to cause the Agreement, the Motion, this Scheduling Order, the Notice, and all exhibits and

## **EXHIBIT I**

appendices attached to these documents, to be posted on the Examiner's website (<http://lpf-law.com/examiner-stanford-financial-group>).

d. The Receiver is hereby directed promptly to provide the Agreement, the Motion, this Scheduling Order, the Notice, and all exhibits and appendices attached to these documents, to any Person who requests such documents via email to Molly Hogan, a paralegal at Kuckelman Torline Kirkland & Lewis, LLC, at [Stanfordsettlement@kttlattorneys.com](mailto:Stanfordsettlement@kttlattorneys.com), or via telephone by calling Molly Hogan at 913-951-5652. The Receiver may provide such materials in the form and manner that the Receiver deems most appropriate under the circumstances of the request.

4. Objections and Appearances at the Final Approval Hearing: Any Person who wishes to object to the terms of the Agreement, the Bar Order, the Judgments and Bar Orders, or the Receiver's request for approval of the Receiver's attorneys' fees, or who wishes to appear at the Final Approval Hearing, must do so by filing an objection, in writing, with the Court in the SEC Action (3:09-CV-0298-N), by ECF or by mailing the objection to the Clerk of the United States District Court for the Northern-District of Texas, 1100 Commerce Street, Dallas, Texas 75242, no later than [insert date of 21st day before Final Approval Hearing], 2016. All objections filed with the Court must:

- a. contain the name, address, telephone number, and (if applicable) an email address of the Person filing the objection;
- b. contain the name, address, telephone number, and email address of any attorney representing the Person filing the objection;
- c. be signed by the Person filing the objection, or his or her attorney;
- d. state, in detail, the basis for any objection;

e. attach any document the Court should consider in ruling on the Agreement, the Bar Order, the Judgments and Bar Orders, or the Receiver's request for approval of the Receiver's attorneys' fees; and

f. if the Person filing the objection wishes to appear at the Final Approval Hearing, make a request to do so.

No Person will be permitted to appear at the Final Approval Hearing without filing a written objection and request to appear at the Final Approval Hearing as set forth in subparts (a) through (f) of this Paragraph. Copies of any objections filed must be served by ECF, or by email or first class mail, upon each of the following:

Daniel McNeel Lane, Jr.  
Email: nlane@akingump.com  
Manuel Mungia  
Email: mmungia@akingump.com  
Matthew Pepping  
Email: mpepping@akingump.com  
Akin Gump Strauss HAuer & Feld LLP  
300 Convent Street  
Suite 1600  
San Antonio, Texas 78205-3732

and

Michael J. Kuckelman  
Email: mkuckelman@kttlattorneys.com  
Stephen J. Torline  
Email: storline@kttlattorneys.com  
Kathryn A. Lewis  
Email: klewis@kttlattorneys.com  
Kuckelman Torline Kirkland & Lewis LLP  
10740 Nall Avenue  
Suite 250  
Overland Park, Kansas 6611  
(913) 948-8610

and

John J. Little  
Little Pedersen Fankhauser LLP  
901 Main Street, Suite 4110  
Dallas, Texas 75202  
214.573.2307  
214.573.2323 fax  
Email: [jlittle@lpf-law.com](mailto:jlittle@lpf-law.com)

and

Ralph Janvey  
2100 Ross Ave  
Suite 2600  
Dallas, TX 75201  
E-mail: [rjanvey@jkjllp.com](mailto:rjanvey@jkjllp.com)

and

Kevin Sadler  
Baker Botts  
1001 Page Mill Road  
Building One, Suite 200  
Palo Alto, California 94304-1007  
Email: [kevin.sadler@bakerbotts.com](mailto:kevin.sadler@bakerbotts.com)

Any Person filing an objection shall be deemed to have submitted to the jurisdiction of this Court for all purposes of that objection, the Agreement, the Bar Order, and the Judgments and Bar Orders. Potential objectors who do not present opposition by the time and in the manner set forth above shall be deemed to have waived the right to object (including any right to appeal) and to appear at the Final Approval Hearing and shall be forever barred from raising such objections in this action or any other action or proceeding. Persons do not need to appear at the Final Approval Hearing or take any other action to indicate their approval.

5. Responses to Objections: Any Party to the Agreement may respond to an objection filed pursuant to Paragraph 4 by filing a response in the SEC Action no later than

[insert date of 7th day before the Final Approval Hearing], 2016. To the extent any Person filing an objection cannot be served by action of the Court's CM/ECF system, a response must be served to the email and/or mailing address provided by that Person.

6. Adjustments Concerning Hearing and Deadlines: The date, time, and place for the Final Approval Hearing, and the deadlines and date requirements in this Scheduling Order, shall be subject to adjournment or change by this Court without further notice other than that which may be posted by means of ECF in the MDL, the SEC Action, the Coverage Action, the Indirect Claims, and the Third-Party Coverage Actions.

7. Retention of Jurisdiction: The Court shall retain jurisdiction to consider all further applications arising out of or connected with the Agreement.

8. Entry of Injunction: If the Agreement is approved by the Court, the Court will also enter the Bar Order in the SEC Action and the Judgments and Bar Orders in the Coverage Action and the Third-Party Coverage Actions. If entered, each order will permanently enjoin all Persons, including Stanford Investors and Claimants, from pursuing Settled Claims against Underwriters and/or Underwriters' Released Parties.

9. Stay of Proceedings: The Coverage Action and the Third-Party Coverage Actions are hereby stayed except to the extent necessary to give effect to the Agreement. The Receiver's and the Committee's claims against the defendants identified in Exhibit A to the Agreement are hereby stayed; where such defendants are included in cases with defendants not identified in Exhibit A to the Agreement, the stay shall only apply to the claims against the defendants identified in Exhibit A to the Agreement. With respect to the stays, they shall expire on the earlier of the Settlement Effective Date or the date of any termination of the Agreement pursuant to Paragraph 35 of the Agreement.

10. Use of Order: Under no circumstances shall this Scheduling Order be construed, deemed, or used as an admission, concession, or declaration by or against the Receiver, the Committee, or Underwriters of any fault, wrongdoing, breach or liability. Nor shall the Order be construed, deemed, or used as an admission, concession, or declaration by or against the Receiver, the Committee, or Underwriters that their claims lack merit or that the relief requested is inappropriate, improper, or unavailable, or as a waiver by any party of any defenses or claims he or she may have. Neither this Scheduling Order, nor the proposed Agreement, or any other settlement document, shall be filed, offered, received in evidence, or otherwise used in these or any other actions or proceedings or in any arbitration, except to give effect to or enforce the Agreement or the terms of this Scheduling Order.

11. Entry of this Order: This Scheduling Order shall, be entered separately on the dockets in the SEC Action, the Indirect Claims, the Third-Party Coverage Actions, and the Coverage Action.

**IT IS SO ORDERED.**

Signed on \_\_\_\_\_, 2016

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DAVID C. GODBEY  
UNITED STATES DISTRICT JUDGE

**EXHIBIT J**

1. *Certain Underwriters at Lloyd's of London v. Alvarado*, No. 3:13-cv-2226 (N.D. Tex.)
2. *Certain Underwriters at Lloyd's of London v. Winter*, No. 3:15-cv-1997 (N.D. Tex.)
3. *Haymon v. Certain Underwriters of Lloyd's of London*, No. 3:14-cv-3731 (N.D. Tex.)
4. *Pendergest-Holt v. Certain Underwriters at Lloyd's of London*, No. 3:09-cv-3712 (S.D. Tex.)