

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

SECURITIES AND EXCHANGE COMMISSION,	§	
	§	
Plaintiff,	§	
	§	
v.	§	Case No. 3:09-CV-0298-N
	§	
STANFORD INTERNATIONAL BANK, LTD., ET AL.,	§	
	§	
Defendants.	§	

**RECEIVER’S FIFTH MONTHLY REPORT REGARDING
FEES AND EXPENSES INCURRED AS A RESULT OF THE CLAIMS PROCESS**

Receiver Ralph S. Janvey (the “Receiver”) hereby files his Fifth Monthly Report Regarding Fees and Expenses Incurred as a Result of the Claims Process (the “Fifth Monthly Report”), respectfully stating as follows:

BACKGROUND

As noted in the Receiver’s April 27, 2012 Estimated Budget Letter, the Receiver stated that he would “submit monthly reports to the Court reflecting the fees and expenses incurred by the Receiver as a result of the claims process.” [See Doc. 1583 at 4.] On June 8, 2012, the Receiver submitted his First Monthly Report Regarding Fees and Expenses Incurred as a Result of the Claims Process (the “First Monthly Report”) for the period ending May 31, 2012. [See Doc. 1618.] On July 10, 2012, the Receiver submitted his Second Monthly Report Regarding Fees and Expenses Incurred as a Result of the Claims Process (the “Second Monthly Report”) for the period ending June 30, 2012. [See Doc. 1641.] On August 10, 2012, the Receiver submitted his Third Monthly Report Regarding Fees and Expenses Incurred as a Result of the Claims Process (the “Third Monthly Report”) for the period ending July 31, 2012. [See

Doc. 1676.] And on September 11, 2012, the Receiver submitted his Fourth Monthly Report Regarding Fees and Expenses Incurred as a Result of the Claims Process (the “Fourth Monthly Report”) for the period ending August 31, 2012. [See Doc. 1700.]

STATUS OF PROFESSIONAL FEES & EXPENSES

The Receiver now hereby submits his Fifth Monthly Report for the period ending September 30, 2012, which also includes the figures for the periods subject to the First through Fourth Monthly Reports.¹ As of September 30, 2012, **\$3,239,841.81** in professional fees and expenses were incurred as a result of the claims process. The fees and expenses related to the claims process that are attributable to each of the Receiver’s professional firms are as follows:

GILARDI & CO. LLC		
REPORT PERIOD	PROFESSIONAL FEES	EXPENSES
First Monthly Report (as of May 31, 2012)	\$143,991.25	\$339,260.19
Second Monthly Report (June 1-30, 2012)	\$246,503.66	\$9,141.09
Third Monthly Report (July 1-31, 2012)	\$245,596.97	\$15,189.57
Fourth Monthly Report (August 1-31, 2012)	\$416,174.02	\$1,537.98
Fifth Monthly Report (September 1-30, 2012)	\$371,832.42	\$1,227.73
Gilardi Total (as of September 30, 2012)	\$1,424,098.32	\$366,356.56

FTI CONSULTING, INC.		
REPORT PERIOD	PROFESSIONAL FEES	EXPENSES
First Monthly Report (as of May 31, 2012)	\$167,317.20	\$0.00
Second Monthly Report (June 1-30, 2012)	\$89,735.60	\$0.00
Third Monthly Report (July 1-31, 2012)	\$184,634.80	\$0.00
Fourth Monthly Report (August 1-31, 2012)	\$286,457.60	\$98.23
Fifth Monthly Report (September 1-30, 2012)	\$433,769.20	\$575.19
FTI Total (as of September 30, 2012)	\$1,161,914.40	\$673.42

¹ FTI’s expenses and Baker Botts’s fees and expenses detailed in the Fourth Monthly Report have been slightly revised as a result of additional fee and expense information received after that Report was originally submitted to the Court.

BAKER BOTTS L.L.P.		
REPORT PERIOD	PROFESSIONAL FEES	EXPENSES
First Monthly Report (as of May 31, 2012)	\$53,948.80	\$792.74
Second Monthly Report (June 1-30, 2012)	\$65,978.00	\$303.67
Third Monthly Report (July 1-31, 2012)	\$52,016.00	\$490.39
Fourth Monthly Report (August 1-31, 2012)	\$69,056.80	\$344.48
Fifth Monthly Report (September 1-30, 2012)	\$43,582.00	\$286.23
Baker Botts Total (as of September 30, 2012)	\$284,581.60	\$2,217.51

In April 2012, the Receiver estimated that “the claims process — from notice through claims reconciliation and determination — [would] cost approximately \$3.85 million in expenses and professional fees.” [See Doc. 1583 at 1.] As of September 30, 2012, approximately \$610,000 of this budget remained. The Receiver anticipates that the Estate will expend the remainder of the budgeted amount by the end of October 2012. In his next Monthly Report to the Court, the Receiver intends to set forth the amount of additional fees and expenses that will be needed to fully complete the claims process.

As discussed in more detail in the “Ongoing Activities” section below, the Receiver is continuing to reconcile thousands of claims, and notices of determination must still be disseminated to claimants. Moreover, the Receiver received several thousands of new, revised, and/or incomplete claims from claimants represented by law firms in the days both immediately preceding and long after the expiration of the Bar Date, and the Receiver continues to receive on a daily basis supplemental information from claimants who previously submitted claims.

The Receiver’s claims-reconciliation activities are taking more time to complete than initially expected, in a substantial part because the vast majority of CD claimants have submitted claims for fictitious interest, which requires the Receiver’s professionals to undertake more work to account for and disclaim such purported interest. Moreover, the Receiver expects

that many claimants will object to the Receiver's notices of determination on the grounds that the Receiver's allowed claim amounts will not include fictitious interest. Should the Court issue a ruling regarding the Receiver's fully briefed and ripe Motion for Partial Summary Judgment Against Certain Stanford Net Winner Investors,² which addresses the issue of fictitious interest, such objections will be rendered moot, and the fees and expenses incurred by the Receiver relating to such objections will be minimized. Should that issue not be settled prior to the Receiver's issuance of notices of determination, however, the Receiver anticipates receiving a large number of objections from claimants, many of which may require Court intervention and briefing by the Receiver's attorneys.

ONGOING ACTIVITIES

The following is an update concerning the activities of the Receiver and his professionals with regard to claims processing:

- The Receivership received 19,602 claims through October 5, 2012 as a result of the Court-approved claims process. Of these, 3,922 were received online, and 15,680 were received via mail, electronic mail, fax, or courier delivery.
- In accordance with the Court's Bar Date Order, as of October 5, 2012, Gilardi had sent 19,521 confirmations to claimants via e-mail or mail stating that the Receivership had received their claim forms.
- The Receivership has continued to make significant progress reconciling claims submitted to the Estate. The following statistics reflect the status of the 33,561 claims (whether CD or non-CD) received through both the prior claims process and the Court-approved claims process as of October 11, 2012. Please note that these numbers will continue to fluctuate based upon continuing reconciliation activities and as a result of the thousands of claims that were only recently submitted to the Receiver (discussed *supra*).
 - Reconciliation activities regarding 20,451 claims were completed based on information processed to date. However, some of these claims may be

² This Motion is pending on the docket of the following cases before the Court: Case No. 3:09-CV-0724-N-BL, Doc. 615; Case No. 3:10-CV-0366-N-BL, Doc. 145; Case No. 3:10-CV-0415-N-BL, Doc. 46; Case No. 3:10-CV-0478-N-BL, Doc. 46; Case No. 3:10-CV-0528-N-BL, Doc. 30; Case No. 3:10-CV-0617-N-BL, Doc. 26; Case No. 3:10-CV-0725-N-BL, Doc. 24; Case No. 3:10-CV-0844-N-BL, Doc. 31; Case No. 3:10-CV-0931-N-BL, Doc. 43; and Case No. 3:10-CV-1002-N-BL, Doc. 89.

impacted by recently received information that is in the initial stages of processing.

- 2,285 claims were being manually reconciled as of October 11, 2012, as follows: (a) Gilardi was reconciling 52 CD claims; (b) Stanford Staff was reconciling 1,913 CD and non-CD claims; (c) FTI was reconciling 153 CD claims; (d) Baker Botts was reconciling 16 non-CD claims; and (e) Gilardi and FTI were appending additional claims-related data to 151 claims.
- 1,113 claims were deficient due to a lack of required information on the claimants' claim forms. Gilardi has thus far contacted claimants for 1,013 of those claims — whether through the dissemination of formal notices of deficiency (978 claims) or through more informal means of communication (35 claims) — to obtain the missing information. In addition, Gilardi is in the process of contacting claimants who submitted 114 claims that, while not facially deficient, require additional documentation to effectively reconcile their claims.
- 8,422 claims were duplicates of claims already submitted.
- 878 claims were in the beginning stages of intake processing, initial review, and claim type determination.
- 298 claims were served upon the Receiver after the Court-approved Bar Date expired.
- As discussed above, Baker Botts drafted and submitted the Fourth Monthly Report on September 11, 2012 and continued to monitor and oversee the claims process and fees and expenses related thereto.
- Through October 5, 2012, the Receivership received approximately 7,800 telephone calls (of which approximately 4,000 were escalated to a customer service representative) and approximately 10,300 inquiries via electronic mail.
- As of October 5, 2012, there have been approximately 95,000 visitors to the claims process website; 345,000 page views; and 115,000 document downloads. The Receiver does not expect these numbers to change in any significant amounts going forward, given that the Bar Date has passed.

Dated: October 12, 2012

Respectfully submitted,

BAKER BOTTS L.L.P.

By: /s/ Kevin M. Sadler

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**ATTORNEYS FOR RECEIVER
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CERTIFICATE OF SERVICE

On October 12, 2012, I electronically submitted the foregoing document with the clerk of the court of the U.S. District Court, Northern District of Texas, using the electronic case filing system of the court. I hereby certify that I have served the Court-appointed Examiner, all counsel and/or pro se parties of record electronically or by another manner authorized by Federal Rule of Civil Procedure 5(b)(2).

/s/ Kevin M. Sadler
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