

capitalized terms used in this Notice of Settlement and Bar Order Proceedings that are defined in the Settlement Agreement, which is attached as Exhibit 1 of the Appendix to the Motion (described below), have the same meaning as in the Settlement Agreement (which is deemed incorporated herein by reference), unless expressly otherwise defined herein.

PLEASE TAKE FURTHER NOTICE that the Plaintiffs have filed an Expedited Request for Entry of Scheduling Order and Motion to Approve Proposed Settlement with Proskauer Rose LLP, to Approve the Proposed Notice of Settlement with Proskauer Rose LLP, to Enter the Bar Order, to Enter the Final Judgment and Bar Order, and for Plaintiffs' Attorneys' Fees (the "Motion"), in *SEC v. Stanford Int'l Bank, Ltd.*, No. 3:09-cv-0298-N (N.D. Tex.) (the "SEC Action"). Copies of the Settlement Agreement, the Motion, and other supporting papers may be obtained from the Court's docket in the SEC Action [ECF Nos. 2768, 2769], 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/). Copies of these documents may also be requested by email, by sending the request to legalassistant@casnlaw.com; or by telephone, by calling Nadia Ramon at (210) 630-4200.

PLEASE TAKE FURTHER NOTICE that the Motion requests that the Court approve the Settlement and enter a bar order permanently enjoining, among others, Interested Parties,¹

¹ "Interested Parties" means the Receiver; the Receivership Estate; the Committee; the members of the Committee; the Plaintiffs; the Stanford Investors; the Claimants; the Examiner; or any Person or Persons alleged by the Receiver, the Committee, or other Person or entity on behalf of the Receivership Estate to be liable to the Receivership Estate, whether or not a formal proceeding has been initiated.

including Stanford Investors² and Claimants,³ from pursuing Stanford Claims,⁴ including claims you may possess, against Proskauer.

PLEASE TAKE FURTHER NOTICE that the settlement amount is sixty-three million U.S. dollars (\$63,000,000.00) (the “Settlement Amount”). The Settlement Amount, less any fees and costs awarded by the Court to the attorneys for Plaintiffs and expenses paid by the Receiver (the “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 SEC Action (*see* subparagraph e below).

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

The material terms of the Settlement Agreement are as follows:

² “Stanford Investors” means customers of Stanford International Bank, Ltd. (“SIB”), 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.

³ “Claimants” means any Persons who have 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 or the Joint Liquidators, 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 or the Joint Liquidators have 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.

⁴ “Stanford Claims” generally means any action, cause of action, suit, liability, claim, right of action, right of levy or attachment, 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 Person 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 Stanford Entities; (ii) any CD, depository account, or investment of any type with any one or more of the Stanford Entities; (iii) Proskauer’s relationship with any one or more of the Stanford Entities and/or any of their personnel; (iv) Proskauer’s provision of services to or for the benefit of or on behalf of the Stanford Entities; or (v) any matter that was asserted in, could have been asserted in, or relates to the subject matter of the SEC Action, the Litigation, or any proceeding concerning the Stanford Entities pending or commenced in any Forum. “Stanford Claims” specifically includes, without limitation, the claims filed against Proskauer and Thomas V. Sjoblom (“Sjoblom”) in *ARCA Investments v. Proskauer Rose LLP*, Civil Action No. 3:15-CV-02423-N (N.D. Tex.) (the “*ARCA Investments Litigation*”). “Stanford Claims” also specifically includes, without limitation, all claims a 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 the Settlement Agreement and the Settlement. *See* Paragraph 17 of the Settlement Agreement for a complete definition of Stanford Claims. [ECF No. 2769.]

- a) Proskauer will pay \$63 million, which will be deposited with the Receiver as required pursuant to the Settlement Agreement;
- b) Plaintiffs will fully release the Proskauer Released Parties⁵ from Stanford Claims, *e.g.*, claims arising from or relating to Robert Allen Stanford, the Stanford Entities,⁶ or any conduct by the Proskauer Released Parties relating to Robert Allen Stanford or the Stanford Entities, with prejudice;
- c) The Settlement Agreement requires entry of a Final Judgment and Bar Order in the Receiver Litigation, and entry of a Final Bar Order in the SEC Action, each of which permanently enjoins, among others, Interested Parties, including all Stanford Investors and Claimants, from bringing, encouraging, assisting, continuing, or prosecuting, against Proskauer or any of the Proskauer Released

⁵ “Proskauer Released Parties” means Proskauer, and all of its predecessor firms and, of each of the foregoing, all of their respective past and present subsidiaries, parents, predecessors, affiliates, related entities and divisions, and all of their respective past, present, and future successors, and all of their respective current and former partners, members, counsel, principals, participating principals, associates, managing or other agents, management personnel, officers, directors, shareholders, administrators, servants, employees, staff, consultants, advisors, attorneys, accountants, lenders, insurers and reinsurers, representatives, successors and assigns, known or unknown, in their representative capacity or individual capacity. Without limiting the generality of the foregoing, “Proskauer Released Parties” shall include Sjoblom. Notwithstanding the foregoing, “Proskauer Released Parties” shall not include (x) any Person, other than Proskauer and Sjoblom, who is a party to one or more of the actions or proceedings listed in Exhibit H to the Settlement Agreement (i) against whom, on the Agreement Date, the Receiver or the Committee is asserting claims or causes of action in any such action or proceeding, or (ii) with whom, as of the Agreement Date, the Receiver or the Committee has entered into a settlement agreement relating to any such action or proceeding and final approval of such settlement agreement remains pending; or (y) any Person, other than Proskauer and Sjoblom, who is a party to one or more of the actions or proceedings listed in Exhibit I to the Settlement Agreement with whom, as of the Agreement Date, the Receiver or the Committee has entered into a settlement agreement relating to any such action or proceeding and final approval of such settlement agreement remains pending, provided, however, that to the extent that any such Persons are insurers or reinsurers of Proskauer, such Persons shall nonetheless be included in the definition of “Proskauer Released Parties” in their capacity, but only in their capacity, as insurers or reinsurers of Proskauer.

⁶ “Stanford Entities” means Robert Allen Stanford; James M. Davis; Laura Pendergest-Holt; Gilbert Lopez; Mark Kuhrt; SIB; Stanford Group Company; Stanford Capital Management, LLC; Stanford Financial Group; the Stanford Financial Bldg. Inc.; the entities listed in Exhibit D to the Settlement Agreement [ECF No. 2769]; and any entity of any type that was owned, controlled by, or affiliated with Robert Allen Stanford, James M. Davis, Laura Pendergest-Holt, Gilbert Lopez, Mark Kuhrt, SIB, Stanford Group Company, Stanford Capital Management, LLC, Stanford Financial Group, or the Stanford Financial Bldg Inc., on or before February 16, 2009.

Parties, the Litigation, or any action, lawsuit, cause of action, claim, investigation, demand, levy, complaint, or proceeding of any nature arising from or relating to any Stanford Claim, including, without limitation, contribution or indemnity claims, and the claims filed against Proskauer and Sjoblom in the *ARCA Investments* Litigation;

- d) The Receiver will disseminate notice of the Settlement Agreement to Interested Parties, through one or more of the following: mail, email, international delivery, CM/ECF notification, facsimile transmission, and/or publication, including on the websites maintained by the Examiner (www.lpf-law.com/examiner-stanford-financial-group/) and the Receiver (<http://www.stanfordfinancialreceivership.com>);
- e) The Receiver will develop and submit to the Court for approval a plan for distributing the Net Settlement Amount (the “Distribution Plan”);
- f) 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;
- g) Persons who accept funds from the Settlement Amount will, upon accepting the funds, fully release the Proskauer Released Parties from any and all Stanford Claims;
- h) The Receiver Litigation will be fully and finally resolved and concluded and considered dismissed as to Proskauer, with each party bearing its own costs and attorneys’ fees, by the Judgment and Bar Order being entered in the Receiver Litigation and becoming Final;

- i) The Investor Litigation will be dismissed with prejudice, with each party bearing its own costs and attorneys' fees; and
- j) The State Court Litigations pending in this Court will be dismissed with prejudice as to Proskauer, with each party bearing its own costs and attorneys' fees.

Attorneys for the Plaintiffs seek a fee award based upon 25% of the Settlement Amount, pursuant to 25% contingency fee agreements with the Plaintiffs. Twenty-five percent of the net recovery from the Settlement is to be calculated but shall not exceed \$15,750,000.00.

The final hearing on the Motion is set for **December 14, 2018** (the "Final Approval Hearing"). Any objection to the Settlement Agreement or its terms, the Motion, the Final Judgment and Bar Order, the Final Bar Order, or the request for approval of the Plaintiffs' attorneys' fees must be filed, in writing, with the Court in the SEC Action no later than **November 23, 2018**. Any objections not filed by this date will be deemed waived and will not be considered by the Court. Those wishing to appear and to orally present their written objections at the Final Approval Hearing must include a request to so appear within their written objections.