

**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.

CERTAIN UNDERWRITERS AT LLOYD'S OF  
LONDON, *et al.*,

Plaintiffs,

V.

RALPH S. JANVEY, IN HIS CAPACITY AS  
COURT APPOINTED RECEIVER FOR  
STANFORD INTERNATIONAL BANK, LTD., *et*  
*al.*,

Defendants.

CERTAIN UNDERWRITERS AT LLOYD'S OF  
LONDON, *et al.*,

Plaintiffs

V.

PABLO M. ALVARADO, *et al.*,

Defendants.

*[Decorative separator consisting of a horizontal line of repeating scrollwork symbols]*

Civil Action No. 3:09-CV-0298-N

Civil Action No. 3:09-cv-01736-N

Civil Action No. 3:13-CV-2226-N

CERTAIN UNDERWRITERS AT LLOYD'S OF  
LONDON, *et al.*,

Plaintiffs.

V.

PAUL D. WINTER, *et al.*,

Defendants.

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Civil Action No. 3:15-cv-1997

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CLAUDE F. REYNAUD, *et al.*,

Plaintiffs

V.

CERTAIN UNDERWRITERS AT LLOYD'S OF  
LONDON, *et al.*,

Defendants.



Civil Action No. 3:14-CV-3731

**APPENDIX IN SUPPORT OF MOTION TO APPROVE PROPOSED AMENDED  
SETTLEMENT WITH CERTAIN UNDERWRITERS AT LLOYD’S OF LONDON,  
LEXINGTON INSURANCE CO., AND ARCH SPECIALTY INSURANCE CO., TO  
ENTER THE ACCOMPANYING BAR ORDERS AND JUDGMENTS, AND TO  
CONFIRM PRIOR APPROVAL OF THE MOVANTS’ ATTORNEYS’ FEES**

Ralph S. Janvey, in his capacity as the court appointed receiver for Stanford International Bank, Ltd., et al. (the “Receiver”) and the Official Stanford Investors’ Committee (the “Committee”) (the Receiver and Committee are collectively the “Movants”), file this appendix (the “Appendix”) in support of the Motion to Approve Proposed Amended Settlement with Certain Underwriters at Lloyd’s of London, Lexington Insurance Co., and Arch Specialty Insurance Co., to Enter the Accompanying Bar Orders and Judgments, and to Confirm Prior Approval of the Movants’ Attorneys’ Fees (the “Motion”).

<b>Exhibit</b>	<b>Description</b>	<b>App. Nos.</b>
1	Settlement Agreement	1-107
2	Amendment to Settlement Agreement	108-116
3	Second Amendment to Settlement Agreement	117-186
4	Notice of Amended Settlement Agreement	187-189
5	Order Approving Attorneys' Fees	190-193

Date: July 7, 2020.

Respectfully submitted,

/s/ Michael J. Kuckelman

Michael J. Kuckelman KS #14587  
Stephen J. Torline KS #18292  
KUCKELMAN TORLINE KIRKLAND, LLC  
10740 Nall, STE 250  
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[storline@ktk-law.com](mailto:storline@ktk-law.com)

**ATTORNEYS FOR RECEIVER  
RALPH S. JANVEY**

/s/ Scott D. Powers

Kevin M. Sadler, TX # 17512450  
Scott D. Powers, TX # 24027746  
BAKER BOTTS L.L.P  
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**ATTORNEYS FOR RECEIVER  
RALPH S. JANVEY**

/s/ Judith R. Blakeway

Judith R. Blakeway, TX #02434400

CLARK HILL STRASBURGER

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**COUNSEL FOR THE OFFICIAL STANFORD  
INVESTORS COMMITTEE**

**CERTIFICATE OF SERVICE**

I certify that on July 7, 2020, I electronically filed the foregoing document with the Clerk of the Court for the Northern District of Texas, Dallas Division, using the CM/ECF system. The ECF system will send a “Notice of Electronic Filing” to all counsel of record who have consented in writing to accept service of this document by electronic means.

I further certify that on July 7, 2020, I served a true and correct copy of the foregoing document and the notice of electronic filing by United States Postal Service Certified Mail, Return Receipt requested, to the persons noticed below who are non-CM/ECF participants:

R. Allen Stanford, Pro Se  
Inmate #35017183  
Coleman II USP  
Post Office Box 1034  
Coleman, FL 33521  
*Via Certified Mail, Return Receipt Requested*

/s/ Scott D. Powers  
Scott D. Powers

# **Exhibit 1**







<b>Exhibit</b>	<b>Description</b>	<b>App. Nos.</b>
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/s/ Scott D. Powers

Kevin M. Sadler, TX # 17512450  
Scott D. Powers, TX # 24027746  
BAKER BOTTS L.L.P  
98 San Jacinto Center  
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[Scott.powers@bakerbotts.com](mailto:Scott.powers@bakerbotts.com)

**ATTORNEYS FOR RECEIVER  
RALPH S. JANVEY**

/s/ Judith R. Blakeway

Judith R. Blakeway, TX #02434400

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Coleman, FL 33521  
*Via Certified Mail, Return Receipt Requested*

/s/ Scott D. Powers  
Scott D. Powers

## **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.

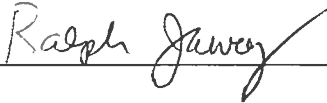


68. Counterparts: This Agreement may be executed in one or more counterparts, each of which for all purposes shall be deemed an original but all of which taken together shall constitute one and the same instrument.

**[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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By: Andy Tucker  
Title: ~~Vice President Casualty Claims~~

Arch Specialty Insurance Company

---

By: Jeremy Salzman  
Title: Vice President/Claims Counsel

CLAIMS COORDINATOR, FINANCIAL LINES  
CLAIMS

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

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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

**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

- 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

- xliv. Nancy Brownlee
- xliv. Richard Bucher
- xlvi. George Cairnes
- xlvii. Fausto Callava
- xlvi. 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

- 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
- lxxxi. Torben Garde Due
- lxxxii. 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

- 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
- cx. John Glennon
- cxii. Susan Glynn
- cxiii. Larry Goldsmith
- cxiv. Ramiro Gomez-Rincon
- cxv. Joaquin Gonzalez
- cxvi. Juan Carlos Gonzalez
- cxvii. Russell Warden Good
- cxviii. John Gear

- 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
- cxxxi. Charles Hazlett
- cxixii. Roberto T. Helguera
- cxixiii. Luis Hermosa
- cxixiv. Daniel Hernandez
- cxixv. Martine Hernandez
- cxixvi. Patrica Herr
- cxixvii. Alfredo Herraез
- cxixviii. Helena M. Herrero
- cxixix. Steven Hoffman
- cxl. Robert Hogue
- cxli. John Holliday
- cxlii. Nancy J. Huggins
- cxliii. Charles Hughes

- 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

- 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
- cxc. Nolan N. Metzger
- cxcii. William J. Metzinger
- cxciii. Donald Miller



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

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  
ccxliii. Charles Rawl

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

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

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

- cccix. Thomas Woolsey
- cccxx. Michael Word
- cccxi. 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, reinstituting, 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, reinstituting, 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 E**


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

**[INSERT UNDERWRITERS OR  
UNDERWRITERS'  
INSUREDS]**

**Plaintiffs,**

**V.**

**[INSERT UNDERWRITERS OR  
UNDERWRITERS'  
INSUREDS]**



**CIVIL ACTION NO.** \_\_\_\_\_

## **FINAL JUDGMENT AND 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. The Court-appointed Examiner signed the Agreement as Examiner solely to evidence his support and approval of the Agreement and to confirm his

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

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@ktklattorneys.com](mailto:Stanfordsettlement@ktklattorneys.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@ktklattorneys.com  
Stephen J. Torline  
Email: storline@ktklattorneys.com  
Kathryn A. Lewis  
Email: klewis@ktklattorneys.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.)

## **Exhibit 2**

## **AMENDMENT TO SETTLEMENT AGREEMENT**

**THIS AMENDMENT TO SETTLEMENT AGREEMENT** (the “Amendment”) 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 June 3, 2016, the Parties entered into a Settlement Agreement (“Agreement”);

**WHEREAS**, the Parties desire to amend the Agreement with respect to the identity of the Third-Party Coverage Actions as that term is used in the Agreement and to extend the deadline for filing a motion to approve the Agreement and the settlement contemplated therein;

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

### **I. Third-Party Coverage Actions**

1. Paragraph 23 of the Agreement is amended as follows: “Third-Party Coverage Actions” means those lawsuits between Underwriters and Underwriters’ Insureds relating to the Policies and/or the Stanford Entities identified in Amended Exhibit J, which is attached to the Amendment.

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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.

**II. Deadline for Filing Motion to Approve Agreement**

2. The Parties agree that the deadline for filing the motion required by Paragraph 29 of the Agreement is extended to July 1, 2016.

**III. No Other Changes Intended**

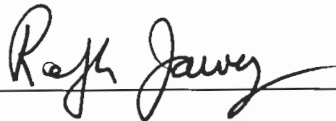
3. No changes to the Agreement are intended by this Amendment other than those expressly set forth herein.

**[SIGNATURE PAGE FOLLOWS]**



IN WITNESS HEREOF, the Parties have executed this Amendment 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: 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 Amendment 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

\_\_\_\_\_  
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Title: Senior Claims Adjuster at Brit Global  
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Lexington Insurance Company

\_\_\_\_\_  
By: Andy Tucker  
Title: 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 Amendment signifying their agreement to the foregoing terms.

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

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John J. Little, in his capacity as Examiner

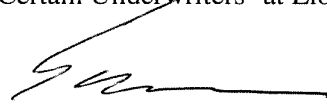
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Official Stanford Investors Committee

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By: John J. Little  
Title: Chairman

Certain Underwriters' at Lloyds London



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

Lexington Insurance Company

---

By: Andy Tucker  
Title: Claims Coordinator, Financial Lines  
Claims

Arch Specialty Insurance Company

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By: Jeremy Salzman  
Title: Vice President/Claims Counsel

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

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

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John J. Little, in his capacity as Examiner

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Official Stanford Investors Committee

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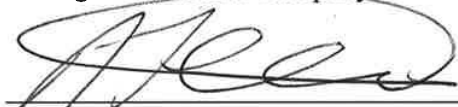
By: John J. Little  
Title: Chairman

Certain Underwriters' at Lloyds London

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

Lexington Insurance Company



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By: Andy Tucker  
Title: 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 Amendment signifying their agreement to the foregoing terms.

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

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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

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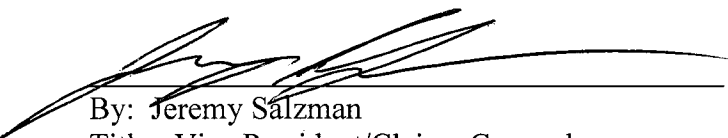
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Lexington Insurance Company

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By: Andy Tucker  
Title: Claims Coordinator, Financial Lines  
Claims

Arch Specialty Insurance Company



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By: Jeremy Salzman  
Title: Vice President/Claims Counsel

**AMENDED 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.)

## **Exhibit 3**

**SECOND AMENDMENT TO SETTLEMENT AGREEMENT**

**THIS SECOND AMENDMENT TO SETTLEMENT AGREEMENT** (the “Second Amendment”) 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 June 3, 2016, the Parties entered into a Settlement Agreement (“Agreement”), which Agreement the Parties thereafter amended by adopting an amended Exhibit J and extending the deadline for filing a motion to approve the Agreement (the “First Amendment”);

**WHEREAS**, on May 16, 2017, the United States District Court for the Northern District of Texas (the “Court”) approved the Agreement;

**WHEREAS**, on June 17, 2019, the United States Court of Appeals for the Fifth Circuit (the “Fifth Circuit”) issued an opinion vacating the Court’s approval of the Agreement and remanding the case for further proceedings (the “Fifth Circuit Opinion”);

**WHEREAS**, the Fifth Circuit held (1) that the Court erred by abrogating Individual Underwriters’ Insureds’ contractual claims to the policy proceeds without affording them an alternative compensation scheme similar, if not identical to, the Receiver’s claims process (Op. at 26); (2) that the Court erred by extinguishing Individual Underwriters’ Insureds extracontractual

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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.



claims, if any, against Underwriters (*id.*); and (3) that the Court should clarify whether the Bar Order enjoins investors from pursuing claims against their Stanford brokers (Op. at 28);

**WHEREAS**, on October 31, 2019, the United States Court of Appeals for the Fifth Circuit issued its mandate based on the Fifth Circuit Opinion;

**WHEREAS**, the Parties desire to further amend the Agreement to address the issues that led the Fifth Circuit to vacate the Court's approval of the Agreement and have hereby done so by: (1) permitting Individual Underwriters' Insureds an opportunity to present a claim to the proceeds of the settlement through the Receiver's claims process; (2) exempting from the anti-suit injunction any extracontractual claim by an Individual Underwriters' Insured; and (3) clarifying that the Order does not enjoin Stanford Investors from suing their Stanford brokers;

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

1. All terms not otherwise defined herein shall have the meaning set forth in the Agreement.
2. All references in the Agreement to the "Agreement" shall be interpreted to refer to the Agreement, as amended by the First Amendment and Second Amendment.
3. The term "Individual Underwriters' Insureds" means Underwriters' Insureds who are individual persons or an individual person's estate, but not including the Receiver.
4. The second Whereas clause on page 6 of the Agreement shall be deleted and replaced with the following: "**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, the Receivership Estate, and the Committee pursuant to

the terms outlined herein, including that Underwriters would have no contractual obligation to Individual Underwriters' Insureds and would have no further obligation of any kind to the Receiver, the Receivership Estate, the Committee, or the Stanford Investors;".

5. Paragraph 1 of the Agreement shall be deleted and replaced with the following: This Agreement shall take effect as of June 3, 2016 (the "Agreement Date").

6. Paragraph 7 of the Agreement shall be deleted and replaced with the following: "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") or to Individual Underwriters' Insureds who have a non-released, non-waived contractual claim to the proceeds of the Policies and whose claims are allowed by the Receiver, subject to review by the Court. Nothing in this paragraph or elsewhere in this Agreement is intended to revive nor shall it be construed to revive, a claim belonging to an Individual Underwriters' Insured who, as of June 1, 2020, had waived or released any such claim. Any Individual Underwriters' Insured who has not, as of the Agreement Date, submitted to the Receiver a claim related to the Policies ("Outstanding Insurance Claim"), may seek to participate in the Distribution Plan, by submitting to the Receiver a proof of claim form substantially in the form of Exhibit K within seventy-five (75) days of the Insurance Claim Notice Date (the "Outstanding Insurance Claim Deadline"). Outstanding Insurance Claims submitted on or before the Outstanding Insurance Claim Deadline shall be subject to review and determination by the Receiver, whose determination shall be subject to Court review pursuant to the procedures outlined in the Court's May 4, 2012 Order establishing the Receiver's claims process (Doc. 1584, SEC Action).

7. Paragraph 9 of the Agreement is amended by adding the following sentence to the end: The Judgment and Bar Orders to be entered in the Third-Party Coverage Actions including findings under Federal Rule of Civil Procedure 54(b) will become final as set forth in this paragraph as though such judgment and orders were entered as judgments at the end of the Third-Party Coverage Actions, and the continuing pendency of the Third-Party Coverage Actions shall not be construed as preventing such judgment and orders from becoming final.

8. The fourth sentence of paragraph 35 of the Agreement shall be deleted and replaced with the following: 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 preceding the Agreement Date, except that the Parties will remain bound by the provisions identified in paragraph 36, which survive termination.

9. The first sentence of paragraph 52 of the Agreement shall be deleted and replaced with the following: The Parties intend this Agreement to be and constitute a final, complete, and worldwide resolution of all matters and disputes between (1) the Interested Parties other than the Individual Underwriters' Insureds, on the one hand, and Underwriters, on the other hand, and (2) Underwriters, on the one hand, and Individual Underwriters' Insureds, on the other hand, with respect to any contractual commitments that Individual Underwriters' Insureds claim Underwriters have under the Policies.

10. The Parties agree that nothing in this Agreement or in the proposed Bar Orders in Exhibits C, D, or E, is intended to prohibit, nor shall it be construed to prohibit, any Stanford Investor from pursuing any claim against any former Stanford officer, director, or employee; provided, however, that no Stanford Investor shall pursue or continue any claim against

Underwriters, whether directly or indirectly, or be entitled to any recovery from the Policies or Underwriters except through the Distribution Plan.

11. All references in the Agreement to Exhibit A shall be understood to refer instead to Amended Exhibit A, attached hereto.

12. All references in the Agreement to Exhibit B shall be understood to refer instead to Amended Exhibit B, attached hereto.

13. All references in the Agreement to Exhibit C shall be understood to refer instead to Amended Exhibit C, attached hereto.

14. All references in the Agreement to Exhibit D shall be understood to refer instead to Amended Exhibit D, attached hereto.

15. All references in the Agreement to Exhibit E shall be understood to refer instead to Amended Exhibit E, attached hereto.

16. Paragraph 44 is amended by striking the reference to Jason Green.

17. Paragraph 59 is amended to provide that notice to Underwriters shall be directed to: Manuel Mungia and Matthew Pepping, Chasnoff Mungia Valkenaar Pepping & Stribling, LLP, 1020 N.E. Loop 410, Ste. 150, San Antonio, Texas 78209, [mmungia@chasnoffstribling.com](mailto:mmungia@chasnoffstribling.com), [mpepping@chasnoffstribling.com](mailto:mpepping@chasnoffstribling.com).

18. The Parties agree that within thirty (30) days of this Second Amendment, they will jointly submit a motion to the Court in the SEC Action, the Coverage Action, and the Third-Party Coverage Actions to approve the Agreement, as amended by the First Amendment and Second Amendment. Within thirty (30) days of the Settlement Effective Date (the “Outstanding Insurance Claim Notice Date”), notice of the opportunity to submit a new claim as set forth in Paragraph 7 of the Agreement (as amended herein) shall be (i) sent by the Receiver by first-class

mail or electronic mail to all persons who have made a claim on the Policies on or before the Settlement Effective Date (with Underwriters to provide the Receiver with the names and contact information of all such persons); (ii) posted by the Receiver and Examiner on their respective websites; and (iii) sent by the Receiver 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; and via facsimile transmission and/or first class mail to any other counsel of record for any other such Person. The content of the notice shall be substantially in the form of Exhibit L, attached hereto.

19. The Parties agree that the motion and notice provisions of paragraphs 29 and 30 of the Agreement have been completed and the obligations set forth in those paragraphs have been satisfied.

20. No changes to the Agreement are intended by this Second Amendment other than those expressly set forth herein.

**[SIGNATURE PAGE FOLLOWS]**

IN WITNESS HEREOF, the Parties have executed this Second Amendment 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: David Scott, Solicitor  
Title: Major Loss Adjuster, Financial Lines, American International Group UK Limited

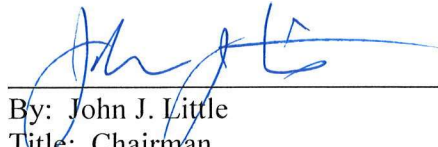
IN WITNESS HEREOF, the Parties have executed this Second Amendment signifying their agreement to the foregoing terms.

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: David Scott, Solicitor

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Title: Chairman

Certain Underwriters' at Lloyds London



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By: Gary Mann  
Title: Senior Claims Adjuster at Brit Global  
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Lexington Insurance Company

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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: David Scott, Solicitor

Title: Major Loss Adjuster, Financial Lines,  
American International Group UK Limited

Arch Specialty Insurance Company



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By: Michael T. Skoglund  
Title: Vice President Executive Assurance  
Claims

**AMENDED 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. Suzanne Hamm
12. Jack Staley
13. Claude Reynaud

**AMENDED 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.)\*
2. *Janvey v. Hamric, et al.*, No. 3:13-cv-775 (N.D. Tex.) (as to Laura Holt only)
3. *Janvey v. Nanes*, No. 3:15-cv-3171 (N.D. Tex.)
4. *Janvey v. Conzelman and Johnson*, No. 3:11-cv-2788 (N.D. Tex.)
5. *Janvey & OSIC v. Giusti*, No. 3:11-cv-292 (N.D. Tex.)
6. *Janvey v. Wieselberg, et al.*, No. 3:10-cv-1394 (N.D. Tex.)
7. *Janvey v. Stanford*, No. 11-cv-1199 (N.D. Tex.)
8. *Troice v. Willis of Colorado, Inc., et al.*, No. 09-1274 (N.D. Tex.)
9. *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. Peggy Allen
- ii. Orlando Amaya
- iii. Victoria Anctil
- iv. James F. Anthony
- v. Juan Araujo
- vi. Monica Ardesi
- vii. John Michael Arthur
- viii. Mauricio Aviles
- ix. Brown Baine

- x. Timothy Bambauer
- xi. Isaac Bar
- xii. Jane E. Bates
- xiii. Teral Bennett
- xiv. Lori Bensing
- xv. Fabio Bramanti
- xvi. Fernando Braojos
- xvii. Alan Brookshire
- xviii. Nancy Brownlee
- xix. George Cairnes
- xx. Rafael Carriles
- xxi. Naveen Chaudhary
- xxii. Jane Chernovetzky
- xxiii. Susana Cisneros
- xxiv. Neal Clement
- xxv. Michael Conrad
- xxvi. Bernard Cools-Lartigue
- xxvii. Don Cooper
- xxviii. Jose Cordero
- xxix. Oscar Correa
- xxx. John Cravens
- xxxi. Ken Crimmins
- xxxii. James Cross
- xxxiii. William S. Decker
- xxxiv. Pedro Delgado

- xxxv. Arturo R. Diaz
- xxxvi. Ana Dongilio
- xxxvii. Torben Garde DueNeil Emery
- xxxviii. Jordan Estra
- xxxix. Jason Fair
- xl. Marina Feldman
- xli. Ignacio Felice
- xl.ii. Lori J. Fischer
- xl.iii. James Fontenot
- xl. iv. Juliana Franco
- xl. v. John Fry
- xl. vi. Miguel A. Garces
- xl. vii. Gustavo A. Garcia
- xl. viii. Gregg Gelber
- xl. ix. Mark Gensch
- l. Juan Carlos Gonzalez
- li. Mark Groesbeck
- lii. John Gutfranski
- liii. Jon Hanna
- liv. Dirk Harris
- lv. Kelley L. Hawkins
- lvi. Roberto T. Helguera
- lvii. Martine Hernandez
- lviii. Alfredo Herraes
- lix. Helena M. Herrero

- lx. Robert Hogue
- lxi. John Holliday
- lxii. Marcos Iturriza
- lxiii. Allen Johnson
- lxiv. Susan K. Jurica
- lxv. Marty Karvelis
- lxvi. Faran Kassam
- lxvii. David Wayne Krumrey
- lxviii. Bruce Lang
- lxix. Grady Layfield
- lxx. William Leighton
- lxxi. Robert Lenoir
- lxxii. Humberto Lepage
- lxxiii. Francois Lessard
- lxxiv. Jason Likens
- lxxv. Luis Felipe Lozano
- lxxvi. Anthony Makransky
- lxxvii. Manuel Malvaez
- lxxviii. Michael Mansur
- lxxix. Iris Marcovich
- lxxx. Claudia Martinez
- lxxxi. Aymeric Martinoia
- lxxxii. Douglas McDaniel
- lxxxiii. Gerardo Meave-Flores
- lxxxiv. Lawrence Messina

- lxxxv. Nolan N. Metzger
- lxxxvi. William J. Metzinger
- lxxxvii. Hank Mills
- lxxxviii. Peter Montalbano
- lxxxix. Alberto Montero
- xc. Shawn Morgan
- xc. Spencer Murchison
- xcii. Aaron Nelson
- xciii. Scott Notowich
- xciv. Walter Orejuela
- xcv. Alfonso Ortega
- xcvi. Zack Parrish
- xcvii. Tim Parsons
- xcviii. Beatriz Pena
- xcix. Ernesto Pena
- c. Saraminta Perez
- ci. Tony Perez
- cii. Eduardo Picon
- ciii. Edward Prieto
- civ. Arturo Prum
- cv. Maria Putz
- cvi. Michael Ralby
- cvii. Charles Rawl
- cviii. Steven Restifo
- cix. Walter Ricardo



- cx. Giampiero Riccio
- cx. Juan C. Riera
- cxii. Thomas G. Rudkin
- cxiii. Julio Ruelas
- cxiv. Nicholas P. Salas
- cxv. Tatiana Saldivia
- cxvi. John Santi
- cxvii. Louis Schaufele
- cxviii. Haygood Seawell
- cxix. Leonard Seawell
- cxx. Morris Serrero
- cxxi. Nick Sherrod
- cxxii. Rochelle Sidney
- cxxiii. Peter Siragna
- cxxiv. Nancy Soto
- cxxv. Sanford Steinberg
- cxxvi. David M. Stubbs
- cxxvii. Ana Tanur
- cxxviii. Juan Carlos Terrazas
- cxxix. Yliana Torrealba
- cxxx. Jose Torres
- cxxxi. Audrey Truman
- cxxxii. Roberto Ulloa
- cxxxiii. Miguel Valdez
- cxxxiv. Mario Vieira

- xxxxv. Evely Villalon
- xxxxvi. Daniel Vitrian
- xxxxvii. Charles Vollmer
- xxxxviii. David Whittemore
- xxxxix. Charles Widener
- cxl. Thomas Woolsey
- cxli. Michael Word
- cxlii. Ryan Wrobleske
- cxliii. Ihab Yassine
- cxliv. Leon Zaidner

**AMENDED EXHIBIT C**

**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.

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Civil Action No. 3:09-CV-0298-N

**FINAL BAR ORDER**

Before the Court is the Motion to Approve Amended 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 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

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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, as amended by the First Amendment and Second Amendment, which is attached as Exhibit [CITE] of the Appendix to the Motion. Unless otherwise indicated, all references to the Agreement are intended to refer to the Agreement, as amended by the First Amendment and Second Amendment.

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”).<sup>3</sup>

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,

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<sup>3</sup> Arch Specialty Insurance Company also referred to the D&O Policy by reference number DOX009453-03; the PI Policy by reference number FIF0009455-03; and the Excess Policy by reference number BFI0009530-03.

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>4</sup> who in turn made or may make claims for coverage under the Policies. Stanford Investors<sup>5</sup> also made numerous claims against Underwriters Insureds (the "Stanford Investor Claims"),<sup>6</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>7</sup> Nonetheless, pursuant to the Policies and as permitted by this Court's prior order (Doc. 831), Underwriters have paid approximately \$30.3 million for the defense costs of

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

<sup>6</sup> The term "Stanford Investor Claims" is defined in Paragraph 21 of the Agreement.

<sup>7</sup> The term "Third- Party Coverage Actions" is defined in Paragraph 23 of the Agreement and Exhibit J to the Agreement.

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)—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 original Agreement documents.

On June 27, 2016, the Receiver filed a motion to approve the original Agreement. (Doc. 2324.) The Court thereafter entered a Scheduling Order on July 12, 2016 (Doc. 2333), 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 October 28, 2016, the Court held the scheduled hearing. On May 16, 2017, the Court approved the original Agreement.

The Court's approval of the original Agreement was ultimately reversed on appeal by the Fifth Circuit. The opinion reversed the Court's approval of the original Agreement because of the following issues identified by the Fifth Circuit: (1) that the Court erred by abrogating Individual Underwriters' Insureds' contractual claims to the policy proceeds without affording them an alternative compensation scheme similar, if not identical to, the Receiver's claims process (the

“First Issue”) (Op. at 26); (2) that the Court erred by extinguishing Individual Underwriters’ Insureds’ extracontractual claims, if any, against Underwriters (the “Second Issue”) (*id.*); and (3) that the Court should clarify whether the Bar Order enjoins investors from pursuing claims against their Stanford brokers (the “Third Issue”) (Op. at 28).

The Receiver, Underwriters, and OSIC reconvened their settlement negotiations to address the issues identified by the court of appeals and ultimately entered into a Second Amendment to the Agreement, which is now before the Court. 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 or to Individual Underwriters’ Insureds who have a non-released, non-waived contractual claim to the proceeds of the Policies and whose claims are allowed by the Receiver, subject to review by the Court. 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>8</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, save and except the Individual Underwriters’ Insureds’ extracontractual claims described in the second sentence of

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<sup>8</sup> The term “Stanford Entities” is defined in Paragraph 20 of the Agreement and Exhibit H to the Agreement.

Paragraph 14 below. Accordingly, the Settlement is conditioned on the Court's approval and entry of this Final Bar Order.

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 and that this Final Bar Order adequately addresses the issues with the original bar order identified by the Fifth Circuit. In particular, this Final Bar Order: (1) addresses the First Issue by permitting Individual Underwriters' Insureds an opportunity to present a claim to proceeds of the settlement through the Receiver's claims process; (2) addresses the Second Issue by exempting from the anti-suit injunction any extracontractual claim by an Individual Underwriters' Insured; and (3) addresses the Third Issue by clarifying that the Order does not enjoin Stanford Investors from suing their Stanford brokers.

## **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 or the First Amendment or the Second Amendment, unless expressly otherwise defined herein, have the same meaning as in the Agreement or the First Amendment or the Second Amendment.

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, as supplemented by notice of the Motion, which was filed on the dockets of this action, the Coverage Action, and the Third-Party Coverage Actions: (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 Bar Order and in the 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 Bar Order, and the 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, save and except the Individual Underwriters’ Insureds’ extracontractual claims described in the second sentence of Paragraph 14 below.

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 or to Individual Underwriters’ Insureds who have a non-released, non-waived contractual claim to the proceeds of the Policies and whose claims are allowed by the Receiver. The Receiver’s determinations of contractual claims to the proceeds of the Policies are subject to review by the Court. Nothing in this Judgment and Bar Order should be construed as pre-approving any such claim or requiring the Receiver to approve any such claim. The Court

finds that the Receiver's claims process, the opportunity to submit supplemental claims to the Receiver related to the Policies, and the Distribution Plan contemplated in the Agreement have been designed to ensure that all Stanford Investors and all Individual Underwriters' Insureds have received or will receive 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 Individual Underwriters' Insureds will no longer be in a position to assert contractual claims relating to the Policies against Underwriters other than pursuing claims through the Distribution Plan.

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, reinstituting, 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. Notwithstanding the foregoing, this Order shall not bar Individual Underwriters' Insureds, who have not previously

released or waived such claims, from asserting against Underwriters extracontractual claims arising out of the Policies, if any. Nothing in this Final Bar Order should be construed as this Court opining on the validity of any extracontractual claims against Underwriters. Nor does anything in this Final Bar Order limit or preclude any defenses that Underwriters may raise in response to any extracontractual claims. Further, nothing in this Final Bar Order shall be construed as barring any Stanford Investor from pursuing any claim against any former Stanford officer, director, or employee; provided, however, that no Stanford Investor shall pursue any claim directly or indirectly against Underwriters.

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 the settlement and bar order outlined herein, 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; (viii) the Settlement is fair and equitable taking into consideration that the Individual Underwriters' Insureds will be entitled to pursue recovery of any contractual claims against Underwriters or for coverage under the Policies through the Receiver's claims process; and (ix) 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 as amended by the Second Amendment or this Final Bar Order.

Signed on \_\_\_\_\_, 20\_\_

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DAVID C. GODBEY  
UNITED STATES DISTRICT JUDGE





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").<sup>3</sup>

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.

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<sup>3</sup> Arch Specialty Insurance Company also referred to the D&O Policy by reference number DOX009453-03; the PI Policy by reference number FIF0009455-03; and the Excess Policy by reference number BFI0009530-03.

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>4</sup> who in turn made or may make claims for coverage under the Policies. Stanford Investors<sup>5</sup> also made numerous claims against Underwriters Insureds (the "Stanford Investor Claims"),<sup>6</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>7</sup> Nonetheless, pursuant to the Policies and as permitted by this

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

<sup>6</sup> The term "Stanford Investor Claims" is defined in Paragraph 21 of the Agreement.

<sup>7</sup> The term "Third- Party Coverage Actions" is defined in Paragraph 23 of the Agreement and Exhibit J to the Agreement.

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 original Agreement documents.

On June 27, 2016, the Receiver filed a motion to approve the original Agreement. (SEC Action, Doc. 2324.) The Court thereafter entered a Scheduling Order on July 12, 2016 (SEC Action, Doc. 2333), 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 October 28, 2016, the Court held the scheduled hearing. On May 16, 2017, the Court approved the original Agreement.

The Court's approval of the original Agreement was ultimately reversed on appeal by the Fifth Circuit. The opinion reversed the Court's approval of the original Agreement because of the following issues identified by the Fifth Circuit: (1) that the Court erred by abrogating

Individual Underwriters' Insureds' contractual claims to the policy proceeds without affording them an alternative compensation scheme similar, if not identical to, the Receiver's claims process (the "First Issue") (Op. at 26); (2) that the Court erred by extinguishing Individual Underwriters' Insureds' extracontractual claims, if any, against Underwriters (the "Second Issue") (*id.*); and (3) that the Court should clarify whether the Bar Order enjoins investors from pursuing claims against their Stanford brokers (the "Third Issue") (Op. at 28).

The Receiver, Underwriters, and OSIC reconvened their settlement negotiations to address the issues identified by the court of appeals and ultimately entered into a Second Amendment to the Agreement, which is now before the Court. 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 or to Individual Underwriters' Insureds who have a non-released, non-waived contractual claim to the proceeds of the Policies and whose claims are allowed by the Receiver, subject to review by the Court. 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>8</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>8</sup> The term "Stanford Entities" is defined in Paragraph 20 of the Agreement and Exhibit H to the Agreement.

Stanford Entities, save and except the Individual Underwriters' Insureds' extracontractual claims described in the second sentence of Paragraph 14 below. Accordingly, the Settlement is conditioned on the Court's approval and entry of this Final Judgment and Bar Order.

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 and that this Final Judgment and Bar Order adequately addresses the issues with the original bar order identified by the Fifth Circuit. In particular, this Final Judgment and Bar Order: (1) addresses the First Issue by permitting Individual Underwriters' Insureds an opportunity to present a claim to proceeds of the settlement through the Receiver's claims process; (2) addresses the Second Issue by exempting from the anti-suit injunction any extracontractual claim by an Individual Underwriters' Insured; and (3) addresses the Third Issue by clarifying that the Order does not enjoin Stanford Investors from suing their Stanford brokers.

## 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 or the First Amendment or the Second Amendment, unless expressly otherwise defined herein, have the same meaning as in the Agreement or the First Amendment or the Second Amendment.

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, as supplemented by notice of the Motion, which was filed on the dockets of this action, the SEC Action, and the Third-Party Coverage Actions: (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 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 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, save and except the Individual Underwriters’ Insureds’ extracontractual claims described in the second sentence of Paragraph 14 below.

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 or to Individual Underwriters' Insureds who have a non-released, non-waived contractual claim to the proceeds of the Policies and whose claims are allowed by the Receiver. The Receiver's determinations of contractual claims to the proceeds of the Policies are subject to review by the Court. Nothing in this Judgment and Bar Order should be construed as pre-approving any such claim or requiring the Receiver to approve any such claim. The Court finds that the Receiver's claims process, the opportunity to submit supplemental claims to the Receiver related to the Policies, and the Distribution Plan contemplated in the Agreement have been designed to ensure that all Stanford Investors and all Individual Underwriters' Insureds have received or will receive 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 Individual Underwriters' Insureds will no longer be in a position

to assert contractual claims relating to the Policies against Underwriters other than pursuing claims through the Distribution Plan.

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, reinstituting, 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. Notwithstanding the foregoing, this Order shall not bar Individual Underwriters' Insureds, who have not previously released or waived such claims, from asserting against Underwriters extracontractual claims arising out of the Policies, if any. Nothing in this Final Judgment and Bar Order should be construed as this Court opining on the validity of any extracontractual claims against Underwriters. Nor does anything in this Final Judgment and Bar Order limit or preclude any defenses that Underwriters may raise in response to any extracontractual claims. Further, nothing in this Final Judgment and Bar Order shall be construed as barring any Stanford Investor from pursuing any claim against any former Stanford officer, director, or employee; provided, however, that no Stanford Investor shall pursue any claim directly or indirectly against Underwriters.

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 the settlement and bar order outlined herein, 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; (viii) the Settlement is fair and equitable taking into consideration that the Individual Underwriters' Insureds will be entitled to pursue recovery of any contractual claims against

Underwriters or for coverage under the Policies through the Receiver's claims process; and (ix) 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 as amended by the Second Amendment 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 \_\_\_\_\_, 20\_\_

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DAVID C. GODBEY  
UNITED STATES DISTRICT JUDGE





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 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”).<sup>3</sup>

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 of no coverage under the Insurance

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<sup>3</sup> Arch Specialty Insurance Company also referred to the D&O Policy by reference number DOX009453-03; the PI Policy by reference number FIF0009455-03; and the Excess Policy by reference number BFI0009530-03.

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>4</sup> who in turn made or may make claims for coverage under the Policies. Stanford Investors<sup>5</sup> also made numerous claims against Underwriters Insureds (the "Stanford Investor Claims"),<sup>6</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>7</sup> Nonetheless, pursuant to the Policies and as permitted by this Court's prior order (Docket No. 831, SEC Action), Underwriters have

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<sup>4</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.

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<sup>6</sup> The term "Stanford Investor Claims" is defined in Paragraph 21 of the Agreement.

<sup>7</sup> The term "Third- Party Coverage Actions" is defined in Paragraph 23 of the Agreement and Exhibit J to the Agreement.

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 original Agreement documents.

On June 27, 2016, the Receiver filed a motion to approve the original Agreement. (SEC Action, Doc. 2324.) The Court thereafter entered a Scheduling Order on July 12, 2016 (SEC Action, Doc. 2333), 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 October 28, 2016, the Court held the scheduled hearing. On May 16, 2017, the Court approved the original Agreement.

The Court's approval of the original Agreement was ultimately reversed on appeal by the Fifth Circuit. The opinion reversed the Court's approval of the original Agreement because of the following issues identified by the Fifth Circuit: (1) that the Court erred by abrogating Individual Underwriters' Insureds' contractual claims to the policy proceeds without affording

them an alternative compensation scheme similar, if not identical to, the Receiver's claims process (the "First Issue") (Op. at 26); (2) that the Court erred by extinguishing Individual Underwriters' Insureds' extracontractual claims, if any, against Underwriters (the "Second Issue") (*id.*); and (3) that the Court should clarify whether the Bar Order enjoins investors from pursuing claims against their Stanford brokers (the "Third Issue") (Op. at 28).

The Receiver, Underwriters, and OSIC reconvened their settlement negotiations to address the issues identified by the court of appeals and ultimately entered into a Second Amendment to the Agreement, which is now before the Court. 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 or to Individual Underwriters' Insureds who have a non-released, non-waived contractual claim to the proceeds of the Policies and whose claims are allowed by the Receiver, subject to review by the Court. 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>8</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, save and except the Individual Underwriters' Insureds' extracontractual claims

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<sup>8</sup> The term "Stanford Entities" is defined in Paragraph 20 of the Agreement and Exhibit H to the Agreement.

described in the second sentence of Paragraph 14 below. Accordingly, the Settlement is conditioned on the Court's approval and entry of this Judgment and Bar Order.

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 Judgment and Bar Order is appropriate and that this Judgment and Bar Order adequately addresses the issues with the original bar order identified by the Fifth Circuit. In particular, this Judgment and Bar Order: (1) addresses the First Issue by permitting Individual Underwriters' Insureds an opportunity to present a claim to proceeds of the settlement through the Receiver's claims process; (2) addresses the Second Issue by exempting from the anti-suit injunction any extracontractual claim by an Individual Underwriters' Insured; and (3) addresses the Third Issue by clarifying that the Order does not enjoin Stanford Investors from suing their Stanford brokers.

## II. ORDER

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

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

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 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 Judgment and Bar Order.

3. The Court finds that the methodology, form, content and dissemination of the Notice, as supplemented by notice of the Motion, which was filed on the dockets of the SEC Action, the Coverage Action, and the Third-Party Coverage Actions: (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 Judgment and Bar Order, the Final Bar Order to be entered in the SEC Action, and the 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 Judgment and Bar Order, the Final Bar Order to be entered in the SEC Action, the 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, save and except the Individual Underwriters’ Insureds’ extracontractual claims described in the second sentence of Paragraph 14 below.

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 or to Individual Underwriters’ Insureds who have a non-

released, non-waived contractual claim to the proceeds of the Policies and whose claims are allowed by the Receiver. The Receiver's determinations of contractual claims to the proceeds of the Policies are subject to review by the Court. Nothing in this Judgment and Bar Order should be construed as pre-approving any such claim or requiring the Receiver to approve any such claim. The Court finds that the Receiver's claims process, the opportunity to submit supplemental claims to the Receiver related to the Policies, and the Distribution Plan contemplated in the Agreement have been designed to ensure that all Stanford Investors and all Individual Underwriters' Insureds have received or will receive 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 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 Individual Underwriters' Insureds will no longer be in a position



to assert contractual claims relating to the Policies against Underwriters other than pursuing claims through the Distribution Plan.

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 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, reinstituting, 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. Notwithstanding the foregoing, this Order shall not bar Individual Underwriters' Insureds, who have not previously released or waived such claims, from asserting against Underwriters extracontractual claims arising out of the Policies, if any. Nothing in this Judgment and Bar Order should be construed as this Court opining on the validity of any extracontractual claims against Underwriters. Nor does anything in this Judgment and Bar Order limit or preclude any defenses that Underwriters may raise in response to any extracontractual claims. Further, nothing in this Judgment and Bar Order shall be construed as barring any Stanford Investor from pursuing any claim against any former Stanford officer, director, or employee; provided, however, that no Stanford Investor shall pursue any claim directly or indirectly against Underwriters.

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 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 the settlement and bar order outlined herein, 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; (viii) the Settlement is fair and equitable taking into consideration that the Individual Underwriters' Insureds will be entitled to pursue recovery of any contractual claims against

Underwriters or for coverage under the Policies through the Receiver's claims process; and (ix) 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 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 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. 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 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. As a consequence of the bar order contained in the Final Bar Order entered in the SEC Action, the Final Judgment and Bar Order entered in the Coverage Action, the Judgments

and Bar Orders entered in the Third-Party Coverage Actions, and Paragraph 14 above, the Court has barred, and therefore hereby dismisses with prejudice all claims by [INSERT UNDERWRITER'S INDIVIDUAL INSURED'S NAME] for breach of contract against Underwriters.

22. This 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, as amended by the Second Amendment, or this Judgment and Bar Order.

23. 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 Judgment and Bar Order, which is both final and appealable, and immediate entry by the Clerk of the Court is expressly directed.

24. 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 \_\_\_\_\_, 20\_\_

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DAVID C. GODBEY  
UNITED STATES DISTRICT JUDGE

## Exhibit K

Official  
Office  
Use  
Only

UNITED STATES DISTRICT COURT NORTHERN  
DISTRICT OF TEXAS DALLAS DIVISION

SEC v. Stanford International Bank, Ltd., ET AL.

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

**PROOF OF CLAIM FORM - INSURANCE CLAIMS**

Please Type or Print in the Boxes Below

Do NOT use Red Ink, Pencil, or Staples

Must Be Postmarked  
No Later Than

**ADD DATE**

**STANFORD**

**PART I: CLAIMANT IDENTIFICATION**

Last Name

M.I.

First Name

Date of Birth

MM / DD / YYYY

Last Four Digits of Social Security Number

Taxpayer Identification Number

or

Telephone Number (Primary Daytime)

Telephone Number (Alternate)

Email Address

**MAILING INFORMATION**

Address

Address

City

State

ZIP Code

Foreign Province

Foreign Postal Code

Foreign Country Name/Abbreviation

FOR CLAIMS PROCESSING ONLY	OB <input type="text"/>	CB <input type="text"/>	<input type="radio"/> ATP <input type="radio"/> KE <input type="radio"/> ICI	<input type="radio"/> BE <input type="radio"/> DR <input type="radio"/> EM	<input type="radio"/> FL <input type="radio"/> ME <input type="radio"/> ND	<input type="radio"/> OP <input type="radio"/> RE <input type="radio"/> SH	MM / DD / YYYY	FOR CLAIMS PROCESSING ONLY
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**PART II. STANFORD RECEIVERSHIP ENTITIES**

Please identify, by filling the appropriate circle, the Stanford Entity for whom you worked:

**STANFORD ENTITIES:**

- ☐ A: Stanford International Bank, Ltd.  
☐ B: Stanford Group Company  
☐ C: Stanford Capital Management, LLC  
☐ D: Stanford Trust Company  
☐ E: Stanford Financial Group Company  
☐ F: Stanford Coins & Bullion, Inc.  
☐ G: Other: (Please see [www.stanfordfinancialclaims.com](http://www.stanfordfinancialclaims.com) for a complete list of Stanford Entities)

TOTAL AMOUNT OF CLAIM:

\$ . 0 0

**PART III. DETAILS CONCERNING INSURANCE CLAIM**

Identify date you first submitted insurance claim to Underwriters (and attach copy of original claims submission).

MM / DD / YYYY

If a Legal Action is Pending against you for which you are seeking insurance coverage, provide Date Commenced, Court/Tribunal Name, and Case No. (and attach complaint/petition).

MM / DD / YYYY

If a Judgment has been entered against you for which you are seeking reimbursement, provide Date entered, Court/Tribunal Name, and Case No. (and attach copy of judgment).

MM / DD / YYYY

IF YOU NEED ADDITIONAL SPACE PLEASE PHOTOCOPY THIS PAGE,

WRITE YOUR NAME ON THE COPY AND FILL THIS CIRCLE: ☐

IF YOU DO NOT FILL IN THIS CIRCLE THESE ADDITIONAL PAGES MAY NOT BE REVIEWED.

YOU MUST READ AND SIGN THE RELEASE ON PAGE 3. FAILURE TO SIGN THE RELEASE MAY RESULT IN A DELAY IN PROCESSING OR THE REJECTION OF YOUR CLAIM.



**PART IV. DECLARATIONS AND SIGNATURE**

**SUPPORTING DOCUMENTATION:** Please attach to your Proof of Claim Form the documents that support your Proof of Claim Forms as further specified above. **DO NOT SEND ORIGINAL DOCUMENTS.** If such documentation is not available, please attach an explanation of why the documents are unavailable.

**VERIFICATION OF CLAIMS:** All Proof of Claim Forms submitted are subject to verification by the Receiver and approval by the Court. It is important to provide complete and accurate information to facilitate this effort. Claimants may be asked to supply additional information to complete this process **CONSENT TO JURISDICTION:** If you submit a Proof of Claim Form in this case, you consent to the jurisdiction of the District Court for all purposes related to this claim and agree to be bound by its decisions, including, without limitation, a determination as to the validity and amount of any claims asserted against the Receivership Entities. In submitting a Proof of Claim Form, you agree to be bound by the actions of the District Court even if that means your claim is limited or denied.

**I (WE) DECLARE UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE UNITED STATES OF AMERICA THAT ALL OF THE FOREGOING INFORMATION SUPPLIED ON THIS PROOF OF CLAIM FORM BY THE UNDERSIGNED IS TRUE AND CORRECT.**

Executed this \_\_\_\_\_ day of \_\_\_\_\_  
(Month/Year)

\_\_\_\_\_  
(Sign your name here)

\_\_\_\_\_  
(Type or print your name here)

\_\_\_\_\_  
(Capacity of person(s) signing, e.g.,  
Beneficial Purchaser or Acquirer, Executor or Administrator)

**Reminder Checklist:**

1. Please sign the above declaration.
2. Remember to attach copies of supporting documentation, if available.
3. Keep a copy of your Proof of Claim and all supporting documentation for your records.
4. If you move, please send the Claims Agent your new address.
5. Contact the Claims Agent at (866) 964-6301 or (317) 324-0757 with any questions. Inquiries can also be sent via email to [info@stanfordfinancialclaims.com](mailto:info@stanfordfinancialclaims.com)

Submit your Proof of Claim Form and supporting documentation to the Receiver's Claims Agent: (1) By email at [info@stanfordfinancialclaims.com](mailto:info@stanfordfinancialclaims.com); (2) by mail to Stanford Financial Claims, P.O. Box 990, Corte Madera, CA 94976-0990; (3) by courier service to Stanford Financial Claims, 3301 Kerner Blvd, San Rafael, CA 94912; or (4) by facsimile or by telecopy to (415) 258-9639.



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**Exhibit L****Content of notice of the opportunity to submit an Outstanding Insurance Claim:**

You are receiving this notice because you previously made a claim with Certain Underwriters at Lloyd's of London,<sup>1</sup> Arch Specialty Insurance Co., and Lexington Insurance Company (collectively referred to as "Underwriters") for insurance coverage pursuant to certain insurance policies issued to the Stanford Financial Group. The Receiver, Ralph S. Janvey, and the Official Stanford Investors Committee have entered into a settlement agreement with Underwriters pursuant to which Underwriters will pay the Receiver the total sum of \$65 million (the "Settlement Amount") to resolve Underwriters' liability for all contractual claims to coverage under such policies. You may access a copy of the settlement agreement and the court orders approving the settlement at the following web address: [add].

Pursuant to the terms of the Receiver's settlement with Underwriters, the Court has ordered that all claims to recover insurance proceeds from the policies issued by Underwriters shall be determined exclusively through the Receiver's claims process. The Court has ordered that any individual insured under the policies who has not, as of [add], already submitted such a claim to the Receiver may nevertheless seek to participate in the distribution of the Settlement Amount, by submitting to the Receiver the enclosed proof of claim form no later than [insert date that is seventy-five (75) days of the date of the notice]. All proofs of claim submitted on or before [insert date that is seventy-five (75) days of the date of the notice] shall be subject to review and determination by the Receiver, whose determination shall be subject to Court review pursuant to the procedures outlined in the Court's May 4, 2012 Order establishing the Receiver's claims process [add web address]. Your submission of a proof of claim does not guarantee that your claim will be approved or that you will be entitled to a distribution. However, **if you fail to submit a proof of claim to the Receiver on or before [insert date that is seventy-five (75) days of the date of the notice], you will be forever barred from receiving any distribution of the Settlement Amount and you will have no further opportunity to recover any proceeds from the insurance policies issued by Underwriters.**

If you have any questions concerning this notice, please send an email to info@stanfordfinancialclaims.com or call [add].

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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.

## **Exhibit 4**

**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 AMENDED SETTLEMENT AND BAR ORDER  
PROCEEDINGS**

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 of London,<sup>1</sup> Arch Specialty Insurance Company, and Lexington Insurance Company (collectively, “Underwriters”), have amended the Settlement Agreement entered into on June 6, 2016 (the “Original Agreement” and, as amended, the “Amended Agreement”).

Notice of the Original Agreement was previously published in 2016.

PLEASE TAKE FURTHER NOTICE that the Amended Agreement modifies and clarifies the Original Agreement by:

- (1) permitting former Stanford directors, officers, and employees an opportunity to present a claim to the proceeds of the settlement through the Receiver’s claims process;
- (2) permitting former Stanford directors, officers, and employees to continue to assert certain types of claims against Underwriters notwithstanding the settlement; and
- (3) clarifying that the settlement does not prevent Stanford Investors from suing their former Stanford brokers.

PLEASE TAKE FURTHER NOTICE that the Receiver has requested that the Court approve the Amended Agreement, enter the accompanying bar orders and judgments, and confirm the Court’s prior award of attorneys’ fees (the “Motion”).

Copies of the Amended Agreement, 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/)).

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

Any objection to the Amended Agreement or the Motion must be filed, in writing, with the Court in the SEC Action no later than Tuesday, July 28, 2020. You may file an objection with the Court by mailing the objection to the Court at the following address:

District Judge David C. Godbey  
1100 Commerce Street, Room 1504  
Dallas, Texas 75242-1003

You should also send copies of your objection to counsel for the Receiver and for Underwriters by mail or email to the following addresses:

**COUNSEL FOR UNDERWRITERS**

Manuel Mungia, Jr.  
Matthew E. Pepping  
Chasnoff Mungia Valkenaar Pepping & Stribling, LLP  
1020 N.E. Loop 410, Suite 150  
San Antonio, Texas 78209  
[mmungia@chasnoffstribling.com](mailto:mmungia@chasnoffstribling.com)  
[mpepping@chasnoffstribling.com](mailto:mpepping@chasnoffstribling.com)

**COUNSEL FOR RECEIVER**

Michael J. Kuckelman  
Stephen J. Torline  
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Kevin M. Sadler  
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1001 Page Mill Road  
Building One, Suite 200  
Palo Alto, California 94304-1007  
[Kevin.sadler@bakerbotts.com](mailto:Kevin.sadler@bakerbotts.com)

Any objections not filed with the Court by Tuesday, July 28, 2020 will be deemed waived and will not be considered by the Court.

If the Court sets a hearing on the Motion, it will post notice of the hearing on the docket of the above-captioned case. Notice will be further published on the websites of the Receiver (<http://www.stanfordfinancialreceivership.com>) and Court-appointed Examiner ([www.lpf-law.com/examiner-stanford-financial-group/](http://www.lpf-law.com/examiner-stanford-financial-group/)).

## **Exhibit 5**



**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.

CERTAIN UNDERWRITERS AT LLOYD'S OF LONDON, *et al.*,

Plaintiffs,

V.

RALPH S. JANVEY, IN HIS CAPACITY AS  
COURT APPOINTED RECEIVER FOR  
STANFORD INTERNATIONAL BANK, LTD., *et*  
*al.*,

Defendants.

CERTAIN UNDERWRITERS AT LLOYD'S OF LONDON, *et al.*,

Plaintiffs

V.

PABLO M. ALVARADO, *et al.*,

Defendants.

*[Decorative separator consisting of a horizontal line with a repeating scroll pattern]*

Civil Action No. 3:09-CV-0298-N

Civil Action No. 3:09-cv-01736-N

Civil Action No. 3:13-CV-2226-N



fees award.

Upon receipt of the Settlement Amount, the Receiver is therefore ORDERED to pay (1) attorneys' fees in the amount of \$14 million to Kuckelman Torline, and (2) attorneys' fees in the amount of \$100,000 to Movants' counsel in the Reynaud litigation.

Signed on \_\_\_\_\_, 2020.

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DAVID C. GODBEY  
UNITED STATES DISTRICT JUDGE