

**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.

[illegible]

Case No. 3:09-CV-00298-N

**RECEIVER'S MOTION FOR SUPPLEMENTAL AWARD OF PROFESSIONAL FEES
AND EXPENSES AND BRIEF IN SUPPORT**

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I. Executive Summary

The Court has approved a distribution of **\$1.2 billion**, the largest distribution in the 15-year history of the Receivership, bringing the total approved distributions to over \$1.9 billion. [Order Approving Receiver’s Eleventh Interim Distribution Plan, September 26, 2024, Doc. 3418 at 1.] The Receivership has as of today marshaled assets exceeding **\$2.6 billion dollars**, more than 83% of which resulted from lengthy, complex, and difficult litigation carried out with the assistance of a team of professionals and the attorneys representing the Official Stanford Investors Committee (“OSIC”). That sum stands in stark contrast to the mere \$63 million available to the Stanford entities when the Receiver took charge in February 2009. And there is yet another \$157 million of inflows still to come from the settlement with SocGen (further discussed herein). And so, after more than 15 years of work, the “ultimate financial condition of the Receivership [has been] ascertained.” [Pls.’ Resp. to Receiver’s Mot. for Approval of Interim Fee Appl., June 4, 2009, Doc. 437 at 2.] The “results obtained” are a more than forty-fold increase in the Receivership’s cash resources.¹

Moreover, the Receivership has achieved this result at a total cost that is reasonable by any measure, with a ratio of recovery-to-professional-fees-and-expenses of more than five-to-one. After payment of all professional fees and expenses, including the amounts requested in this

¹ Unlike the Madoff Ponzi scheme, the Receiver in this case did not have access to insurance coverage to pay victim losses or professional fees and expenses, nor were there multi-billion dollar recoveries made available by governmental entities. *See generally Advances Reimbursed to SIPC on Fully Satisfied Accounts*, The Madoff Recovery Institute, <https://www.madofftrustee.com/distributions-16.html> (SIPC coverage has provided \$850.4 million in advances for recoveries to victims of the Madoff Ponzi scheme as of August 2024.); Chris Matthews, *Bernie Madoff trustee has earned \$1.5 billion in fees — and counting*, MSN, (Dec. 11, 2023, 9:18 a.m.), <https://www.msn.com/en-us/money/markets/bernie-madoff-trustee-has-earned-1-5-billion-in-fees-and-counting/ar-AA11ktMa> (SIPC also paid the fees of the trustee, Irving Picard, which were \$1.5 billion as of December 2023); *Justice Department Announces Total Distribution of Over \$4 Billion to Victims of Madoff Ponzi Scheme*, Dep’t. of Justice Office of Public Affairs, (Sept. 28, 2022), <https://www.justice.gov/opa/pr/justice-department-announces-total-distribution-over-4-billion-victims-madoff-ponzi-scheme> (The Department of Justice obtained \$4 billion in recoveries for distribution to the Madoff scheme victims.).

motion (a total of approximately \$41.8 million), and expenses of every other kind, the Receiver ultimately will distribute over **\$2.1 billion** to investor victims. Total professional fees and expenses will stand at less than 20% of total recoveries. No party to this case can offer any evidence, nor any case law, to suggest that these results could have been achieved faster and at a lower cost by some other hypothetical team of professionals or through some different imaginary asset-recovery strategy. The undisputed facts of the *results obtained* refute any suggestion that the Receiver has spent too much and recovered too little.

Indeed, this outcome could not have been achieved without the dedication and diligence of the Receiver and his professionals who collectively logged more than 540,000 hours over more than a decade and a half. Now that those efforts are nearly concluded, and the “results obtained” are substantially confirmed, it is appropriate for the Court to allow the Receiver and his professionals to be paid that portion of fees and expenses held back over the last fifteen years. Doing so would not provide a bonus or windfall to the Receiver and these professionals. Instead, payment of the fees and expenses held back simply fulfills the legal requirement that the professionals receive compensation that is reasonable under the applicable legal standard and unique facts of this receivership.

The Receiver therefore respectfully requests that the Court—consistent with its prior findings that the Receiver’s fees and expenses have been “spent gainfully and billed reasonably” (*see* Order Denying Mot. to Intervene, Nov. 14, 2011, Doc. 1471 at 7)—now order that the Receiver pay (1) that portion of the Receivership professionals’ fees and expenses that have been held back to date [\$29.5 million]; (2) a CPI-based upward adjustment on those fees and expenses held back to account for deferred payments [\$10.3 million]; (3) fees to compensate Baker Botts for its work preparing and submitting 81 fee applications on behalf of all Receivership

professionals over the past 15 years [\$1,641,010.20]; and (4) a CPI-based upward adjustment on those fees to account for deferred payments [\$432,458.95].

The Receiver also requests that beginning with the 82nd fee application (expected to cover the period of June to September 2024), the Court lift the holdback on Receivership fees and expenses going forward and award appropriate compensation for the preparation of fee applications contemporaneously with the filing of those applications. These requests are well supported by the evidence in the record of the substantial achievements by the Receiver and his team, and by the applicable law.

The Receiver has conferred with the Examiner and the SEC concerning the relief requested in this Motion, and they each oppose the relief requested. Although the Receiver believes this Motion fully covers the factual and legal issues pertinent to the requests herein, the Receiver would welcome the opportunity to appear at a hearing to answer any questions the Court may have.

II. Factual Background

A. To fulfill this Court's directives, the Receiver hired a multidisciplinary team of professionals who have worked diligently for more than fifteen years to obtain very substantial recoveries for the Stanford investors.

On February 17, 2009, this Court appointed Ralph S. Janvey as the Receiver over all Stanford assets (the "Receivership Estate"), and directed him to "collect, marshal, and take custody, control, and possession" of all the Receivership Estate's assets. [Order Appointing Receiver, Feb. 17, 2009, Doc. 10 at 1–3.] To do so, the Receiver was directed to, among other things, "institute such actions or proceedings . . . [to obtain] assets or records traceable to the Receivership Estate," and to "[i]nstitute, prosecute, compromise, adjust, intervene in, or become party to such actions or proceedings in state, federal, or foreign courts that the Receiver deems necessary and advisable to preserve the value of the Receivership estate or . . . carry out the Receiver's mandate under this Order . . ." [*Id.* at 5.]

To effectuate these directives, the order appointing the Receiver also directed him to “[e]nter into such agreements in connection with the administration of the Receivership Estate, including, but not limited to, the employment of such managers, agents, custodians, consultants, investigators, attorneys, and accountants as Receiver judges necessary to perform the duties set forth in this Order and to compensate them from the Receivership Assets.” [*Id.*] That order also required the Receiver to “[f]ile with this Court requests for approval of reasonable fees to be paid to the Receiver and any person or entity retained by him and interim and final accountings for any reasonable expenses incurred and paid pursuant to order of this Court.” [*Id.* at 6.]

Pursuant to the Court’s orders, the Receiver engaged a team of sophisticated firms with multi-disciplinary skill sets and substantial expertise in areas such as finance, brokerage, bankruptcy, receivership, tax, fraud, and complex litigation, and they stepped up to confront the daunting challenges facing the Receivership.

The task confronting the Receiver and his professionals over the past 15 years was indeed enormous. Immediately upon his appointment in February 2009, the Receiver became, among many other things: CEO of more than 100 entities; manager of thousands of employees; steward of hundreds of millions of dollars in third-party investments; and owner of airplanes, yachts, and real estate interests, among other diverse assets. The Receivership quickly became the epicenter of intense litigation activity. Using the limited resources available to him, the Receiver assembled a team of diligent professionals and set promptly to work—corralling assets, stanching the flow of cash out of the Stanford estate, responding to innocent investors and other third parties, and otherwise bringing order to the chaos wrought by the collapse of Stanford’s fraudulent empire.

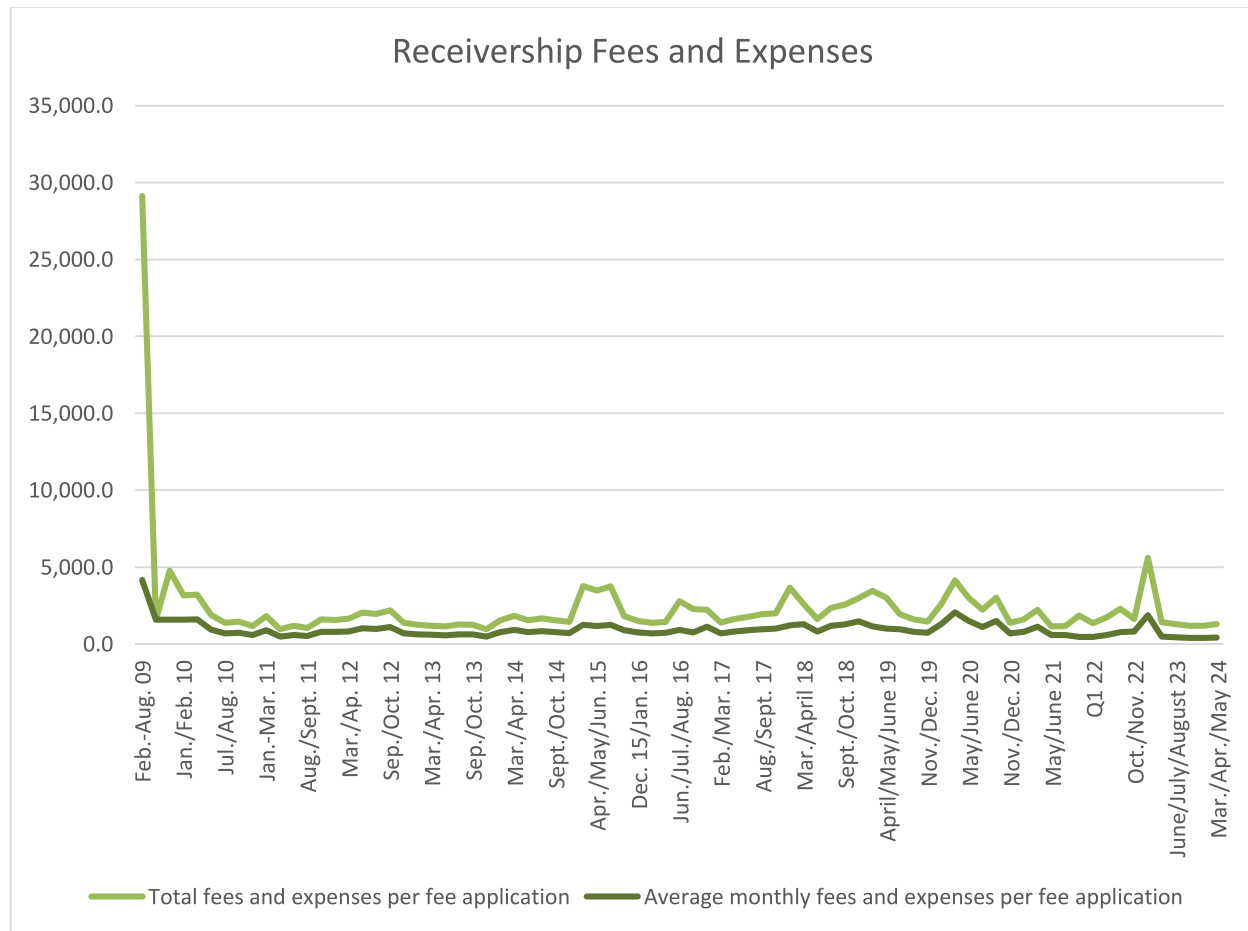
The Receiver and his professionals also began formulating a long-term plan to reverse the otherwise bleak trajectory of the Stanford estate, which had lost hundreds of millions of dollars in

just the 120 days prior to the Receivership. It appeared initially that only a small fraction of innocent investor victim losses would likely be recovered. Concerns were raised about the fees and expenses the Receiver was incurring to carry out his job. In the words of the then Regional Director of the SEC's Fort Worth office, the estate might be "eaten away" so that "nothing" would be left. [July 31, 2009 Hearing Tr. at 38:25-39:1, Doc. 664.] But the estate did not run out of money, and after years of work by the Receiver and his professionals, something far better was achieved—a result that no one imagined in 2009.

The work required of the Receiver in the early months of the Receivership was substantial in scope and complexity. In addition to rapidly bringing the Estate under control, and taking charge of the operations, investments, and records of the Stanford entities, the Receiver was required to comply with requests for information from state and federal authorities and to defend litigation over Receivership assets. [See Receiver's Mot. for Approval of Interim Fee Appl., May 15, 2009, Doc. 384; Receiver's Mot. for Approval of Second Interim Fee Appl., Aug. 4, 2009, Doc. 669.] Initially, the fees and expenses necessarily incurred so that the Receiver could fulfill his core duties under the Receiver Order were substantial, over \$27 million in the first three and half months of the Receivership. [See *id.*] However, the rate of expenditure decreased dramatically thereafter. By the fourth interim fee application (covering September 2009), the Receiver's fees and expenses had decreased by more than 75 percent as compared to the initial fee application (measured by the weekly rate of expenditure). [Receiver's Mot. for Approval of Fourth Interim Fee Appl., Dec. 11, 2009, Doc. 914.]

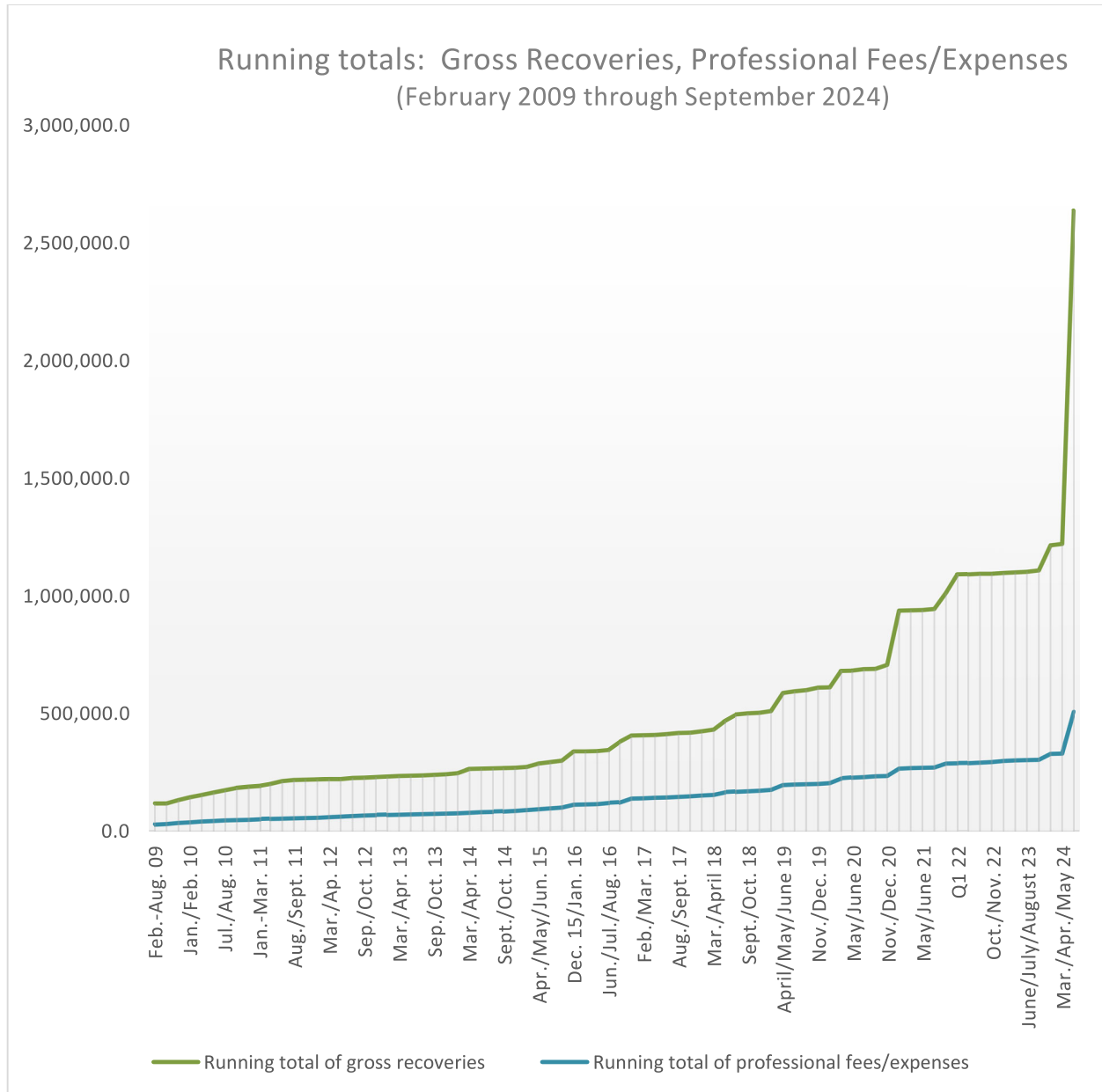
Over the next fifteen years, Receivership professionals' fees and expenses remained stable and continued to be prudently spent, laying the groundwork for recoveries that have increased

dramatically over time. The following graph illustrates the Receivership professionals' fees and expenses over the first 81 fee applications:



Comparing all professional fees and expenses (including fees paid to contingency fee counsel) to recoveries over time, as shown in the following graph, demonstrates that such fees and expenses were a prudent investment that has produced increasing recoveries over time, all for the ultimate benefit of investors.²

² Of the total professional fees and expenses paid to date (\$463.7 million), 58.9% (\$272.9 million) was paid to attorneys handling litigation on a contingency fee basis. Approximately \$111.4 million was paid to the Receiver and all other attorneys representing the Receiver, with about \$74.1 million being paid to other professionals (such as expert witnesses, accountants, tax advisors, and claims administrators). Approximately \$5.3 million was paid to the Examiner. This motion addresses the Receiver and attorneys and professionals working for the Receiver who have been working on an hourly (non-contingency) basis.



The overall value to the Stanford investors of the professionals' work is further illustrated by the fact that all professional fees and expenses as a percentage of total recoveries has decreased steadily over the past several years to *less than 20 percent* (and will remain less than 20 percent after payment of the fees requested in this Motion).³ This is substantially less than the 25%

³ The expected SocGen inflow, discussed elsewhere herein, will not significantly affect the ratio of professional fees and expenses to recoveries. Approximately 24% of the SocGen inflow will be paid in attorneys' fees to contingency fee counsel.

contingency fee that this Court has found presumptively reasonable and has approved (without objection from the SEC or Examiner) in connection with numerous individual settlements.⁴ The fact that all professional fees and expenses account for less than 20 percent of overall recoveries is even more remarkable when one considers that it includes the payment of 25% contingency fees to lawyers representing OSIC on hundreds of millions of dollars in settlements. If you exclude those contingency fees as well as the fees paid to the Examiner, Receivership professional fees and expenses amount to *only* 7.7% of the recoveries in this Receivership.⁵

Given the enormous scope, challenges, and complexity of the professionals' work over the past 15 years, the low expense ratio of less than 20 percent shows that the more than 540,000 hours of work was performed competently and efficiently, and resulted in the large sums available to distribute to victims.⁶

⁴ In 2011, the Court approved the 25% contingent fee agreement established between the Receiver and OSIC for fraudulent transfer litigation, finding that the fee agreement was reasonable and ordering that payment pursuant to that agreement did not require further approval by the Court in individual cases unless required by Rule 23 of the Federal Rules of Civil Procedure. [Doc. 1267 at 2.] The Court thereafter approved numerous attorneys' fee awards based on a 25% contingency fee, including settlements with Kroll [Doc. 2364], BDO [Case No., 3:12-cv-01447-N-BG, Doc. 80], Chadbourne & Parke [Doc. 2366], Greenberg Traurig [Doc. 2958], Hunton & Williams [Doc. 2702], Proskauer Rose [Doc. 2820], Trustmark [Doc. 3279], Independent Bank, HSBC [Doc. 3332], and SocGen [Doc. 3305].

⁵ Fees and expenses paid to OSIC and attorneys advising OSIC amount to 10% of the recoveries in this Receivership. Fees and expenses paid to the Examiner amount to 0.2% of the recoveries in this Receivership.

⁶ The total recoveries and expense ratio of this Receivership compares favorably with those of the Antiguan Joint Liquidators, [see Ex. A at 3, JL's March 2024 Update to Creditors (reflecting \$288 million in recoveries and a professional-fees-and-expense-to-recoveries ratio of more than 35%)], who were appointed to do the same thing as the Receiver. *SEC v. SIBL*, 112 F.4th 284, 289 (5th Cir. 2024) ("the Receiver and the Joint Liquidators were tasked with the same responsibility: retrieving assets and pursuing legal claims on behalf of creditors.")

B. The Receiver's professionals have charged steeply discounted rates, with a substantial part of their fees deferred pending a later determination of the results obtained by the Receivership.

1. In 2009, the Court instituted a partial holdback of the Receivership professionals' discounted fees pending greater certainty as to the results obtained for the Receivership Estate.

In May 2009, the Receiver sought the Court's approval to pay fees and expenses to the firms that had rendered professional services on behalf of the Receiver during the first several weeks of the Receivership. [Receiver's Mot. for Approval of Interim Fee Appl., May 15, 2009, Doc. 384.] In that fee application, the Receiver and his professionals voluntarily discounted their rates by 20 percent. Though this was a substantial reduction, the Receiver and his professionals provided this discount because of the difficult financial circumstances facing the Receivership at its inception. Despite the significant discount, the SEC opposed the Receiver's fee application, and in doing so proposed that the Court impose a 20 percent holdback on top of the rate discount. [Pls.' Resp. to Receiver's Mot. for Approval of Interim Fee Appl., June 4, 2009, Doc. 437 at 2.] The SEC suggested that the Receiver be permitted to resubmit an application for the amount held back "once the ultimate financial condition of the Receivership Estate [had] been better ascertained." [*Id.*] The Examiner seconded the SEC's proposal. [Br. of the Examiner in Resp. to the Receiver's First Interim Fee Appl., June 8, 2009, Doc. 452.] At the September 10, 2009 hearing on the Receiver's first and second interim fee applications, the Court directed that 20 percent of the already-discounted professional fees and expenses incurred by the Receiver, would be held back for determination at a later date. [Sept. 10, 2009 Hearing Tr. at 44–46, Doc. 777.]⁷

⁷ Ten years ago, the Receiver requested the release of a portion of the fees and expenses that had been held back over the first five years of the Receivership. [Mot. for Approval to Release Portion of Holdback, Apr. 18, 2014, Doc. 1998.] At the time of the motion, the amount withheld from the professionals' discounted fees and expenses incurred through October 31, 2013 for general Receivership Estate matters (*i.e.*, matters other than work pursuant to the Court-ordered claims and distribution process) had reached \$17.3 million. [*Id.* at 4.] The Receiver submitted a request to

2. Since 2009, the Receiver's professionals have continued to bill at discounted rates, and the Court has continued to impose a holdback on the Receivership professionals' fees and expenses.

Within the general holdback and discount framework, the Receiver has, since 2009, periodically sought and obtained approval to modify the base rate, holdback and discount arrangements.⁸ In April 2012, the Court amended the fee structure to permit the Receivership professionals to bill their time at 2012 rates with a 20 percent discount and reduced the holdback on all fees and non-out-of-pocket expenses to 10 percent. [Order Granting Receiver's Mot. to Amend Fee Structure and Holdback, Apr. 4, 2012, Doc. 1565.]⁹ In September 2015, the Court permitted the Receiver and his professionals to bill for their services at their customary 2015 rates for professional services, less a 20 percent discount and subject to a 10 percent holdback. [Order Granting Receiver's Mot. to Amend Fee Structure, Sept. 1, 2015, Doc. 2238.] In July 2021, the Court permitted Baker Botts to bill at its customary 2021 rates less a 30 percent discount and subject to the 10 percent holdback. [Order Granting Receiver's Mot. for Increased Hourly Rates for Baker Botts, July 21, 2021, Doc. 3099.]

Under the current fee structure, all professional firms providing services in connection with general Estate matters continue to charge at rates that are discounted by 20 percent or more. [See Order Granting Receiver's Motion to Amend Fee Structure, Sept. 1, 2015, Doc. 2238 (ordering professional firms to bill at their customary 2015 rates).] These discounted rates are also subject to a 10 percent holdback, as are all non-out-of-pocket expenses (*e.g.*, database hosting and data loading expenses).

the Court for release of only one-third of that amount. [*Id.*] The Court denied the Receiver's motion, concluding that it was premature. [Order Denying Motion, July 2, 2014, Doc. 2033.]

⁸ Consistent with the Court's ruling in September 2009, the Receivership professional fees from 2009 through early 2012 were billed at 2009 rates minus a 20% discount and a 20% holdback on fees and expenses.

⁹ The Court had previously granted in part a request to reduce the holdback on out-of-pocket expenses. [See Order Granting Motion in Part, Mar. 29, 2011, Doc. 1302.]

Since February 2009, the total discount that the Receiver and professional firms serving the Receivership have provided amounts to more than \$39 million. The Receiver and professional firms are not seeking through this Motion to recoup any amount of this benefit that they have provided to the Estate.

III. Argument

A. Application of the holdback has resulted in deferred compensation for 44 professional firms, all of whom have provided valuable service to the Receivership.

Over time, the holdback has been applied to 44 professional firms. The current holdback totals through the 81st fee application are set forth by professional firm in the following table:

Professional Firm	Fees and Expenses Paid to Date	Fees and Expenses Held Back
In Order of Largest HB to Smallest HB:		
Baker Botts L.L.P.	\$100,999,806.39	\$ 14,276,415.85
FTI Consulting, Inc.	39,309,603.47	7,945,356.00
Ernst & Young US LLP	7,633,754.04	1,860,181.01
Thompson & Knight LLP	3,475,917.11	976,774.22
BDO	7,115,447.78	785,137.37
Financial Industry Technical Services, Inc.	2,225,056.40	727,484.52
Krage & Janvey, L.L.P.	4,546,575.27	696,902.13
Gilardi	6,164,265.04	600,194.80
Osler, Hoskin & Harcourt LLP	1,452,175.62	455,984.08
Navigant Consulting (PI) - LLC Consulting	1,972,035.33	215,092.02
Stuart Isaacs	564,884.05	176,900.00
Altenburger Ltd	914,157.27	149,870.03
Strategic Capital Corporation	356,458.00	104,244.40
Roberts & Co	290,022.28	85,806.42
Pierpont Communications, Inc.	220,727.27	67,099.82
Baker Tilly US, LLP	589,407.67	65,320.00
Felicity Toubé	150,795.79	54,522.61
J.S. Held LLC	427,922.41	45,810.40
Ankura Consulting Group LLC	361,783.15	38,876.35
Riveron Consulting, LLC	201,383.29	22,245.50
Alvarez & Marsal Disputes and Investigations, LLC	164,531.07	17,560.80
Jeremy Goldring	47,831.56	14,781.68
Venable LLP	114,511.28	12,563.46
Groner Law P.C.	52,352.15	12,082.20
Barry M. Levine	38,463.84	9,615.96
Paul Joseph McMahon, P.A.	85,336.63	9,240.19
Innovest Portfolio Solutions LLC	73,912.50	8,212.50
Jeanette Day	58,061.25	6,448.75
Dudley, Topper & Feuerzeig, LLP	36,356.12	5,769.31
Liskow & Lewis	19,559.46	4,889.87
Georgina Peters	9,278.99	4,303.65
Conyers Dill & Pearman	14,515.35	3,439.19
Lowy and Cook, P.A.	29,054.90	3,103.20
Winstead PC	30,433.59	2,664.75
Butler Snow LLP	21,360.99	2,291.91
Fowler White Burnett	5,394.35	1,348.59
Waller Lansden Dortch & Davis, LLP	9,730.70	1,007.04
Deloitte	8,197.87	910.87
Mattlin & Wyman, PL	3,284.80	821.20
Basham, Ringe y Correa, S. C.	4,517.25	501.92
Digital Discovery	4,848.28	488.45
Mourant Ozannes	3,255.00	350.00
Williford McAllister Jacobus & White, LLP	2,442.60	271.40
William S. McConnell	810.00	50.00
Total	\$ 179,810,218.17	\$ 29,472,934.42

As the Court has recognized every time it has evaluated one of the Receiver's fee applications, the professional fees and expenses billed to the Receivership have been both reasonable and necessary. [*See* Order Denying Mot. to Intervene, Nov. 14, 2011, Doc. 1471 at 7 (“[T]he Court reiterates, as it implicitly has in almost every fee application order, that the Receiver's professional fees and expenses generally have been spent gainfully and billed reasonably.”).] Through his fee applications, and numerous interim reports, the Receiver has already briefed the Court concerning the work that he and his professional firms have performed. The Receiver will not repeat all that briefing here. Instead, in the following sections, the Receiver will highlight some of the key contributions of the professional firms with the greatest amount of fees held back.

1. Krage & Janvey L.L.P.

The Receiver, assisted by other professionals at Krage & Janvey, has held ultimate responsibility for every aspect of the Receivership since day one, including the Receivership's litigation docket, the Receivership's operational and administrative needs, and decisions about the management and liquidation of assets, among other things. The Receiver also works closely with the Examiner, the Official Stanford Investors Committee (“OSIC”), and the SEC to ensure that they each have appropriate input on issues of importance to the Receivership.

In the early weeks of the Receivership, the Receiver discharged his Court-ordered duties by assembling a multi-disciplinary team of skilled professionals and securing Stanford offices from San Francisco to Orlando, bank accounts from Houston to Toronto, personal property from Miami to Mexico City, and real estate from Geneva to St. Croix. The Receiver's diligence was particularly crucial during the early stages of the Receivership, as it was paramount to avoid the dissipation of scarce Receivership Estate assets by those who had such assets under their control or who sought to gain control of such assets in contravention of this Court's orders.

Without the diligent and effective oversight of the Receiver and his firm, none of the successes achieved by the Receivership would have been possible.

Estate Administration: The Receiver has diligently worked to minimize the costs of the Stanford entities' operations and the Receivership's professional fees and expenses. Among other things, Krage & Janvey has worked with the Receiver's counsel and other professionals to prepare interim reports regarding the status of the Receivership's asset collection and liquidation efforts for the Court and the SEC; corresponded with the Examiner, the SEC, investors, and other claimants regarding various Receivership matters; addressed various issues related to real and personal property belonging to the Receivership Estate; and supervised the management of the Receivership's outgoing checks, wires, and accounts payable.

Litigation Supervision: The Receiver oversees all aspects of the litigation docket affecting the Receivership, including litigation managed by OSIC, and the Receiver reviews all major pleadings drafted on behalf of the Receivership and provides substantive input prior to their filing. The Receiver has also executed affidavits, given many depositions, and appeared as a witness at trial numerous times over the life of the Receivership. The Receiver has also been extensively involved in the settlement of Receivership and OSIC litigation, including through, among other things, working with his counsel on negotiation strategy; participating in mediations; and reviewing, commenting on, and ultimately approving settlement papers.

2. Baker Botts L.L.P.

Baker Botts serves as the Receiver's lead counsel and provides the Receiver with essential legal advice and management related to nearly all aspects of the Receivership, including with respect to both litigation and non-litigation matters. These matters have required expertise in a wide range of legal subject matters, including complex commercial litigation (both domestic and international), bankruptcy, labor and employment, securities, broker-dealer matters, employee

benefits, banking, trust law, real estate, tax, fiduciary issues, insurance, private equity, and aviation.

During the early months of the Receivership, Baker Botts provided the Receivership with the personnel necessary to address a variety of activities necessitated by the institution of the Receivership. For example, Baker Botts was involved in taking control of and securing numerous Stanford offices throughout the United States, including the main Stanford offices in Houston, Texas. Baker Botts also marshaled valuable real and personal property belonging to the Receivership Estate. Baker Botts also ensured that this Court's Receivership Order was applied to approximately 240 banks or bank branches in the United States and abroad. Baker Botts was instrumental in obtaining more than \$58 million in funds from various entities at the inception of the Receivership and bringing those funds under the Receiver's exclusive control and possession.

Fraudulent Transfer Litigation: The Receiver has a Court-ordered duty to collect and marshal all assets traceable to the Receivership Estate. Because much of the Stanford entities' assets and funds were fraudulently transferred to third parties before the Receiver was appointed, the Receiver has been required to pursue the recovery of those assets through litigation. These litigation efforts, which Baker Botts led on behalf of the Receiver, have yielded exceptional returns for the Receivership Estate, with fraudulent transfer recoveries exceeding \$280 million, including

\$177.6 million from net winner investors, \$74.2 million from Stanford financial advisors and other Stanford insiders, and \$28.2 million from third parties.¹⁰

Of the \$177.6 million from net winners, the single largest net winner recovery came from SIB's largest U.S. CD investor, Gary Magness. The Receiver not only recovered net winnings, but also recovered additional transfers that Magness received in the form of sham "loans." After more than fifteen years of litigation that included a jury trial, four appeals to the Fifth Circuit, briefing to the U.S. Supreme Court on a petition for certiorari, and a certified question to the Texas Supreme Court, the Receiver ultimately recovered \$143.1 million from Magness. *See Janvey v. Alguire, et al.*, No. 3:09-cv-0724-N (adjudicating the Receiver's net-winnings claims against the Magness Defendants); *Janvey v. GMAG LLC, et al.*, No. 3:15-cv-0401-N (adjudicating the Receiver's remaining claims against Magness).

Other Litigation: In addition to fraudulent transfer litigation, the Receiver has pursued other litigation for the benefit of investors, including against third parties who assisted or benefited from the Stanford fraud (banks, insurance brokers, law firms, accountants) and against insurance companies. This litigation has frequently been undertaken in coordination with OSIC. These litigation efforts, which Baker Botts has led on behalf of the Receiver, have yielded exceptional returns for the Receivership Estate, with litigation recoveries in such other affirmative litigation exceeding \$1.8 billion.

By far, the single most significant monetary recovery for the Receivership came from litigation against the five banks that played an essential role in the Stanford Ponzi scheme. These banks were Trustmark National Bank ("Trustmark") and Independent Bank f/k/a Bank of

¹⁰ Early in the Receivership, the SEC asked the Court to strip the Receiver of his authority to pursue claw-back claims against CD purchasers, but the Court declined to do so. [Order Denying Plaintiff's Emergency Motion to Modify Receivership Order, August 4, 2009, Doc. 674.] Had the SEC's request been granted, it is unlikely that anything, let alone anything close to \$177.6 million, would have been recovered for the benefit of the Stanford victims.

Houston (“Independent Bank/Bank of Houston”), both located in Houston; HSBC Bank PLC (“HSBC”), located in the United Kingdom; The Toronto-Dominion Bank (“TD”), located in Canada; and Société Générale Private Banking (Suisse) S.A. (“SocGen”), located in Switzerland (collectively, the “Bank Defendants”). The Bank Defendants facilitated transfers of billions of dollars in CD funds to the Stanford entities, to Allen Stanford himself, and to his personal and private business ventures. As explained more fully below, Baker Botts played a unique and essential role in the work that led to this substantial recovery.

The case against the Bank Defendants began as a putative class action filed in state court, and the case was later removed and transferred to this Court. [See Notice of Removal, *Rotstain v. Trustmark Nat’l Bank*, No. 3:09-cv-02384-N-BQ (N.D. Tex. Nov. 13, 2009), Doc. 1 at 2; Conditional Transfer Order, *Rotstain*, No. 3:09-cv-02384-N-BQ (N.D. Tex. Dec. 10, 2009), Doc. 6.] No class was ever certified, but while the bank case was pending, this Court approved the formation of OSIC, [Order Establishing Investors Committee, Aug. 10, 2010, Doc. 1149], and later granted OSIC’s motion to intervene, [Order Granting Motion for Leave to Intervene, *Rotstain*, No. 3:09-cv-02384-N-BQ (N.D. Tex. Dec. 6, 2012), Doc. 129.] The Receiver assigned to OSIC his claims against the Banks, and OSIC as intervenor pursued the Receiver’s claims as well as claims on behalf of all Stanford investors. [See Letter Agreement, Jan. 10, 2011, Doc. 1208 at 6–10.]

A long-standing discovery stay in the case was lifted in November 2017, [Order Lifting Discovery Stay, *Rotstain*, No. 3:09-cv-02384-N-BQ (N.D. Tex. Nov. 7, 2017), Doc. 428 at 5], and at that point, Baker Botts commenced a more direct role to assist OSIC in the prosecution of this important case. Baker Botts developed and managed the overall strategy of the litigation and coordinated the efforts of four different law firms representing OSIC. The firm played a

critical role in (1) framing OSIC's second amended intervenor complaint, on which the case ultimately was to go to trial; (2) working with experts; and (3) researching issues and participating in comprehensive and complex *Daubert* and summary judgment briefing.

In January 2022, this Court denied the Bank Defendants' summary judgment motions on nearly all grounds asserted and filed a suggestion of remand to the Southern District of Texas ("Transferor Court") for jury trial. [Memorandum Opinion & Order, *Rotstain*, No. 3:09-cv-02384-N-BQ (N.D. Tex. Jan. 30, 2022), Doc. 1150; Suggestion of Remand, *Rotstain*, No. 3:09-cv-02384-N-BQ (N.D. Tex. Jan. 19, 2022), Doc. 1151.] On remand, Baker Botts appeared as additional counsel for OSIC, and with the approval of the Examiner and the Receiver, Kevin Sadler served as lead counsel. [Notice of Appearance, *Rotstain v. Trustmark Nat'l Bank*, No. 4:22-cv-00800 (S.D. Tex. Mar. 14, 2022), Doc. 1159.]

Following remand, the Bank Defendants sought to delay the trial, filing a suite of motions to dismiss, a *res judicata* and collateral estoppel motion, motions for leave to designate responsible third parties, and other motions. [See, e.g., Docs. 1166, 1168, 1173, 1175, 1179, 1183, 1249, *Rotstain*, No. 4:22-cv-00800.] Baker Botts took the lead in briefing the responses and the Transferor Court denied them all. [Docs. 1319, 1325, 1327, 1328, 1356, *Rotstain*, No. 4:22-cv-00800.] On December 19, 2022, TD filed a petition for writ of mandamus in the Fifth Circuit, seeking an order directing the Transferor Court to dismiss all claims against TD on grounds of *res judicata*, as well as lack of jurisdiction and standing. [Petition for a Writ of Mandamus, *In re Toronto-Dominion Bank*, No. 22-20648 (5th Cir. Dec. 16, 2022).] On January 31, 2023, TD filed a motion to stay trial proceedings during the pendency of its first petition for mandamus, [Time-Sensitive Motion for Stay, *In re Toronto-Dominion Bank*, No. 22-20648 (5th Cir. Jan. 31, 2023)], and filed a second petition for mandamus that was filed concurrently with the motion. [Petition for

a Writ of Mandamus, *In re Toronto-Dominion Bank*, No. 23-20033 (5th Cir. Feb. 1, 2023).] The second petition—joined by two other Bank Defendants—sought a directive to the Transferor Court to reverse its previous order denying TD’s and the other Bank Defendants’ motion for leave to designate responsible third parties. [*Id.* at 30.] Baker Botts took the lead in briefing the responses, and, by order dated February 14, 2023, the Fifth Circuit denied both petitions for writs of mandamus and the motion for a stay of trial proceedings. *In re Toronto-Dominion Bank*, 59 F.4th 1326 (5th Cir. 2023) (per curiam).

Prior to the jury trial set for February 27, 2023, the Receiver and OSIC engaged in successful settlement negotiations with all Bank Defendants. With the agreement of the Receiver and the Examiner, Mr. Sadler served as settlement counsel, similar to his role as such in the *Proskauer* and *Greenberg* cases discussed below, reporting to the Receiver and the Examiner.

In January 2023, the Receiver and OSIC agreed to settle with Trustmark (\$100 million) and SocGen (\$157 million). Then, on February 24, 2023, the eve of trial, the Receiver and OSIC agreed to settle with TD (\$1.205 billion), Independent Bank/Bank of Houston (\$100 million), and HSBC (\$40 million). The total of \$1.602 billion in settlements was an extraordinary result for the benefit of Stanford’s victims. [*See* Receiver’s 23rd Interim Rep., May 15, 2023, Doc. 3287 at 4.] As of this date, four of the five banks have funded their settlements (after nearly a year of delay due to frivolous objections by Allen Stanford), for a total recovery to date of \$1.445 billion. The remaining \$157 million from SocGen will be paid following final resolution of the Joint Liquidators’ appeal of the Court’s bar order irrespective of the outcome of the appeal, as

required by the terms of the SocGen settlement agreement negotiated by Baker Botts on behalf of the Receiver and OSIC.¹¹

The Receiver and OSIC also asserted claims against the many professionals and other service providers who assisted the Stanford entities while the entities were perpetrating a massive fraud. These professionals included insurance brokers, lawyers, accountants, and financial advisors, against whom the Receiver alleged claims based on negligence, breaches of fiduciary duties, and other causes of action. The largest of the recoveries from these cases include a \$120 million settlement with Willis Towers Watson Public Limited Company (and related persons and entities); a \$65 million settlement with Greenberg Traurig LLP; and \$98 million in settlements arising out of the Receiver's action against attorney Tom Sjoblom and the law firms Proskauer Rose, LLP and Chadbourne & Park, LLP. [See Receiver's 19th Interim Rep., June 18, 2020, Doc. 2995 at 4 (Greenberg Settlement); Receiver's 20th Interim Rep., Nov. 23, 2020, Doc. 3086 at 4 (Willis Settlement); Receiver's 17th Interim Rep., May 22, 2019, Doc. 2850 at 2 (Proskauer Settlement); Receiver's Motion to Approve Chadbourne Settlement, Apr. 20, 2016, Doc. 2300 at 3; Chadbourne Final Bar Order, Aug. 16, 2016, Doc. 2365 at 2.] The Receiver recovered a total of \$398 million in pursuit of his claims against all the professional firms that served the Stanford Ponzi scheme. In connection with the *Greenberg* and *Proskauer* cases, Baker Botts served as settlement counsel and provided overall supervision of the litigation effort. Baker Botts also led the efforts for Receiver and OSIC to execute and implement the settlement agreements between the Receivership and OSIC and these professional firms.

¹¹ The Fifth Circuit issued its opinion in the appeal on August 9, 2024. *Sec. & Exch. Comm'n v. Stanford Int'l Bank, Ltd.*, 112 F.4th 284 (5th Cir. 2024). SocGen filed a petition for rehearing *en banc*, which the Fifth Circuit denied on September 19, 2024. [Order Denying Petition for Rehearing En Banc, *Sec. & Exch. Comm'n v. Stanford Int'l Bank, Ltd.*, No. 23-10726 (5th Cir. Sept. 19, 2024).]

The Receiver also pursued breach of fiduciary duty claims against former Stanford directors, officers, and other trusted insiders. Relatedly, the Receiver pursued claims for the recovery of Stanford insurance policy proceeds owing to the Stanford entities as first-party insureds and owing to the Receiver as the owner and potential owner of third-party claims against former Stanford directors, officers, and insiders, all of whom were insureds under the Stanford insurance policies.

The Receiver's lawsuits against Stanford directors, officers, and other insiders alleged that such professionals breached their fiduciary duties to the Stanford entities by putting their continued employment and substantial compensation ahead of the best interests of the entities they were hired to serve, ahead of their duty to ensure that the Stanford entities were operated lawfully, and ahead of the victims of the Stanford fraud. The Receiver sought to recover the compensation these directors and officers received from their employment by the Stanford entities and to recover the damages for the harm that they caused. Baker Botts represented the Receiver in these lawsuits, which, among other things, resulted in a \$2 billion judgment against a former director of Stanford International Bank, Ltd. (obtained on summary judgment), and a \$57 million judgment against the former treasury manager of Stanford Financial Group Company (obtained after a jury trial). [See Order Granting Summary Judgment, *Janvey v. Hamric*, No. 3:13-cv-00775-N-BG (N.D. Tex. Nov. 5, 2015), Doc. 256; Final Judgment, *Janvey v. Maldonado*, No. 3:14-cv-02826-N-BG (N.D. Tex. Dec. 1, 2015), Doc. 118.]

Leveraging the foregoing judgments and the prospect of other judgments as well as his first-party insurance claims, the Receiver successfully negotiated a settlement with Stanford's insurers, who paid \$65 million to settle the Receiver's claims against them. [See Receiver's 20th Interim Rep., Nov. 23, 2020, Doc. 3036 at 4.] Baker Botts supervised the work of contingency fee

counsel retained to handle the insurance litigation, led the settlement negotiation strategy for the Receiver, negotiated the settlement documents, and implemented and executed the settlement agreement.

Cross-Border Receivership Issues: This Receivership has involved substantial and difficult cross-border elements. As a result, the Receiver has been required to engage in litigation and negotiations in Canada, Antigua, the UK, and Switzerland. Baker Botts assisted the Receiver, for example, in reaching the Settlement Agreement and Cross-Border Protocol that resolved disputes with the Antiguan-appointed Joint Liquidators over the control of approximately \$310 million in Stanford cash, assets, and other investments located in the United Kingdom, Switzerland, and Canada. Through the DOJ's efforts and with Baker Botts's coordination at the DOJ's request, the Receiver has recovered \$149.7 million in Swiss assets, \$24.6 million in Canadian assets, and ensured that the bulk of the Stanford assets in Switzerland and the United Kingdom recovered by the Joint Liquidators would be distributed by them to investors pursuant to a distribution scheme separate from but similar to the Receiver's.¹²

Government Production: Baker Botts worked with the Receiver to provide various state and federal authorities—including, the SEC, the DOJ, the FBI, the United States Postal Inspector, the IRS, and the Department of Labor—with requested information and documents, as required by the Court's Receivership Order. The information and documents provided by the Receiver have been instrumental in sending Allen Stanford and his associates to prison and in obtaining relief against other Stanford personnel who violated federal securities laws,

¹² The Joint Liquidators report that they have distributed to investors 2.6% of their net losses, which supplements the amount investors will receive from the Receivership as further discussed in Section III.E.

including Jay Comeaux (\$3.4 million); Daniel Bogar (\$1.8 million); Bernerd Young (\$0.9 million); and Jason Green (\$2.9 million).

Preservation and Liquidation of Receivership Estate Assets: Baker Botts professionals played a key role for the Receiver in preserving and liquidating real and personal property, including private equity investments, belonging to the Receivership Estate. The Receivership Estate has received approximately \$62.5 million in cash proceeds from the liquidation of these assets, including \$39.5 million from the sale of private equity assets, \$18.4 million from the sale of real estate assets, and \$4.6 million from the sales of miscellaneous assets including, but not limited to, furniture, coins, vehicles, and assorted equipment. [See Receiver's 24th Interim Rep., Sept. 27, 2024, Doc. 3419 at 6–7.]

Claims and Distribution Work: The Court approved a formal process for the submission of claims to the Receiver through entry of an order granting the Receiver's amended bar date motion in May 2012 (the "Bar Date Order"). The Bar Date Order permitted claimants who believed they possessed potential or claimed rights to payment against any of the Receivership Entities to submit proofs of claim to the Receivership for consideration and potential recognition. The Court has since approved eleven interim distribution plans, pursuant to which the Receiver has made payments to defrauded CD investors. To date, the Receiver has been authorized to distribute more than \$1.9 billion. Additional interim distribution plans are contemplated as further discussed herein.

Baker Botts has led the Receiver's claims and distribution efforts since their inception. Baker Botts developed the Receiver's claims and distribution strategy and process; drafted all court papers related to the claims and distribution process; supervised the work of the Receiver's other claims and distribution professionals (FTI Consulting and Verita, discussed

further herein); managed the process relating to objections by claimants; and handled numerous issues related to distributions to claimants, including issues related to fraud prevention and recovery.

3. FTI Consulting, Inc.

FTI Consulting (“FTI”) has provided the Receiver with essential services in multiple areas, including forensic accounting and asset tracing, electronic evidence acquisition, electronic evidence processing and review, complex data analysis, litigation support, accounting and financial support, technological support, and interim management and operational support. FTI’s services have been critical to carrying out the Receiver’s Court-ordered duties.

General Receivership Matters: FTI has assisted with the Receivership’s day-to-day operations by, among other things, supporting the Receiver’s cost-reduction efforts; receiving and reviewing competing bids for vendor services; managing the Receivership’s office space and staff; managing real estate and vehicles owned by the Receivership; addressing issues related to the Receivership’s insurance policies and policy renewals; overseeing the services provided by the Receivership’s third-party IT providers; preserving files contained on the Receivership’s servers; overseeing the move of the Receivership’s operations in St. Croix; and providing support in connection with identifying, cataloguing, and liquidating personal and real property belonging to the Receivership Estate.

FTI’s work during the early weeks of the Receivership was instrumental to preserving the electronic data from numerous Stanford offices in the United States and Mexico, including Stanford’s Houston headquarters and more than thirty Stanford branch offices. FTI gathered data from multiple servers, more than 500 personal computers and other storage devices and created an electronic repository of more than 5.9 million documents and emails from hundreds of custodians.

Investor and Employee Litigation: FTI played a central role in the investigation and analysis of the Receiver's fraudulent transfer claims against investors. FTI gathered and reconciled data from Stanford International Bank ("SIB") records, Stanford Group Company records, bank records, documents submitted by investors, and other information available to the Receivership to provide a comprehensive analysis of the flow of funds into and out of SIB CD accounts. FTI analyzed and classified payments representing the redemption of purported principal versus payments of purported interest and identified investors who received returns in excess of their investment, known as the net winners.

FTI also assisted with the Receiver's investigation of fraudulent transfer claims against former Stanford financial advisors and other employees. FTI analyzed the compensation structure for former Stanford employees and identified the categories of compensation with a connection to SIB CD sales. A full review of these categories of compensation required FTI to review all compensation and payroll records available to the Receivership, as well as numerous accounting records.

FTI also conducted a comprehensive analysis of Stanford bank accounts in the United States and Canada. FTI confirmed that the Stanford entities generated only minimal revenue from any actual business operations, that the cash inflows were predominantly from SIB CD sales, and that purported SIB CD redemptions, purported SIB CD interest payments, and the SIB CD compensation described above were paid from the proceeds of new SIB CDs sold to the defrauded investors.

In addition, FTI analyzed substantial evidence in connection with the declarations and depositions of Karyl Van Tassel, the Receiver's lead investigator and forensic accounting expert. Ms. Van Tassel's testimony has been instrumental in determining that the Stanford entities

were operated as a massive Ponzi scheme from the very beginning, and her work has been used in support of essentially all the Receiver's and OSIC's litigation efforts.¹³

OSIC: FTI has provided substantial support to OSIC in connection with their claims on behalf of the Receivership. FTI analyzed pre-Receivership payments from Stanford entities to dozens of vendors, third parties, and Stanford executives, employees and insiders. This work involved analyzing and synthesizing a substantial volume of financial records and data from a number of sources. FTI also coordinated OSIC's access to electronic and hardcopy Receivership records maintained by the Receiver.

Government Document Production: FTI devoted substantial time to supporting the Receiver's efforts in connection with responding to various requests for documents, data, and electronic evidence from regulators and government entities, including the SEC, the FBI, the DOJ, the IRS, and others. For example, FTI imaged the hard drives of certain custodians at the request of the FBI, responded to IRS requests in connection with "John Doe" subpoenas issued to the Receivership, and performed searches of former employee email files for specific information requested by the SEC.

Cash Management and Receivership Accounting: During the first several years of the Receivership, FTI handled the Receiver's cash management and accounting function, processing all invoices submitted to the Receivership and tracking every dollar paid into and out of the Receivership Estate. The Receivership's finances must be handled in accordance with prudent and appropriate business accounting practices, which dictate that appropriate cash management and record-keeping protocols be employed as long as the Receivership is in existence.

¹³ During the fifteen years since the Receivership began, Ms. Van Tassel and other professionals supporting her work have also been associated with BDO, Ernst & Young, Navigant Consulting, J.S. Held, and Ankura Consulting.

FTI's tracking reports have been used to respond to inquiries from many sources, including the Receiver, the Examiner, the Receiver's lead counsel, third-party vendors, investors, and other claimants.

Claims and Distribution Work: FTI has assisted the Receiver and Baker Botts in the Receiver's claims and distribution efforts. FTI's work has included analyzing the Receivership's records and information submitted by claimants to help make determinations on claims submitted by defrauded investors and evaluate investor objections to claim determinations; providing data and information to Baker Botts to assist Baker Botts in the preparation of motions for the approval of interim distribution plans and schedules of payments to be issued pursuant to those distribution plans; and coordinating with Baker Botts, Verita (discussed further herein), and Receivership personnel to establish appropriate workflows related to the claims and distribution process.

4. Ernst & Young LLP

Since the beginning of the Receivership, Ernst & Young ("EY") has provided the Receiver with forensic accounting, tax accounting, and investigative support services. And during the last several years, EY has assumed responsibility for the cash management and accounting functions originally provided by FTI.

At the time of the Receiver's appointment, even the existence of many of the Stanford entities was not known. In order to acquire reliable data regarding the scope, size, and location of the Receivership Estate, EY gathered company books and records, collected and analyzed electronic and documentary evidence, and engaged in extensive interviews with Stanford personnel. Because internal Stanford financial statements were determined to be highly unreliable, EY was required to prepare combined balance sheets for the Stanford entities as of the date the Receivership commenced and as of December 31, 2008. EY's work during those early months

permitted the Receiver to gain an understanding of the complex corporate structure of the Stanford entities, to assert his jurisdiction with respect to those entities, and to secure Receivership Estate assets located around the world.

EY has also provided the Receiver with various tax services, including services related to tax returns, tax consultation, tax administration, and various tax notices and audit requests. EY has prepared and filed tax returns for the various Stanford entities that were required to file state and federal tax returns.

5. Thompson & Knight LLP

Thompson & Knight has provided the Receiver with essential expertise related to many aspects of the Receivership, including, among other things, by serving as the Receiver's counsel with regard to identifying and taking possession of Receivership Estate assets located in Latin America. As a result of Thompson & Knight's efforts with respect to Stanford's Latin America operations, as well as the efforts of the Receiver's other professionals, the Receiver has collected approximately \$14.5 million in Latin American assets.

6. Financial Industry Technical Services, Inc.

Financial Industry Technical Services ("FITS") is a securities industry consulting firm that provided services to the Receiver in connection with SGC and STC, both of which were heavily involved in the sale of SIB CDs. In the early months of the Receivership, thousands of SGC and STC customer accounts required ongoing services. Because replacing all Stanford employees with outside professionals would have increased the Receivership's expenses dramatically, FITS supervised a small number of Stanford employees who remained employed by the Receivership.

FITS also advised the Receiver regarding the day-to-day operations of SGC and STC. FITS also facilitated the implementation of both the Court's freeze order and the subsequent

release of customers' brokerage accounts. As the Receiver's expert on the brokerage account transfer process, FITS analyzed, reviewed, and screened all accounts and transfers to ensure that the Court's orders were properly implemented and that all eligible accounts were released.

7. Verita

Since the inception of the Receivership claims process, Verita Global LLC, formerly Gilardi & Co LLC, has served as the Receiver's claims and distribution agent.¹⁴

Claims Processing and Administration: Verita maintains the claims portal that supports all claims and distribution efforts and has devoted substantial time to preparing and reviewing the notices of determination sent to claimants. Verita prepared and reviewed the data used to generate determination letters, including reviewing claim amounts, claim groupings, and payee identification for claim groups. Verita also analyzed claims to identify deficiencies and prepare deficiency notifications to claimants. Verita then tracked and analyzed responses and information provided by claimants in support of their claims.

Claimant Support: Verita designed, developed, and implemented a comprehensive Interactive-Voice-Recordings ("IVR") process that is supported by live operators who have been specifically trained to answer claimant inquiries in this case. Verita has taken calls and responded to email inquiries from claimants, including inquiries related to the notices of deficiency and notices of determination that have been sent to claimants.

Distribution: Verita has processed certification forms received from claimants pursuant to the terms of the Receiver's interim distribution plans, prepared distribution schedules

¹⁴ As of June 12, 2024, Gilardi changed its name to Verita Global LLC ("Verita").

for the Receiver's interim distributions, and prepared both initial distribution checks/wires and reissue checks/wires.

Settlement Support: Several of the Receiver's bar order settlements required the Receiver to send notices of settlement to the Receivership's claimant population. Leveraging its communications platform established for the claims process, Verita assisted the Receiver by sending those notices to Receivership claimants in coordination with the Receiver's counsel.

8. Osler, Hoskin & Harcourt LLP

Osler, Hoskin & Harcourt served as the Receiver's local counsel and representative in proceedings in three Canadian provinces. Osler represented the Receivership in connection with the competing claims of three different sets of liquidators to significant Receivership Estate assets located in Canada. With Osler's able assistance, the Receiver ultimately recovered \$24.6 million from Canada, including funds that have been returned to the United States pursuant to the court-approved settlement between the Receiver and the Ontario Attorney General and additional funds returned to the United States from Quebec. [See Receiver's 24th Interim Rep., Sept. 27, 2024, Doc. 3419 at 6].

B. Payment of the holdback is appropriate and necessary to provide reasonable compensation to the Receiver and his professionals.

The only legal question for this Court to consider when deciding whether to allow the Receiver to disburse the holdback is whether, under the circumstances of this Receivership, the fees and expenses held back were reasonable and necessary. The Supreme Court long ago noted:

The receiver is an officer of the court, and subject to its directions and orders . . . [h]e is . . . permitted to obtain counsel for himself, and counsel fees are considered as within the just allowances that may be made by the court. . . . So far as the allowances to counsel are concerned, it is a mere question as to their reasonableness. . . . The compensation is usually determined according to the circumstances of the particular case, and corresponds with the degree of responsibility and business ability required in the

management of the affairs intrusted [sic] to him, and the perplexity and difficulty involved in that management.

Stuart v. Boulware, 133 U.S. 78, 81–82 (1890) (quoted by *Sec. & Exch. Comm’n v. Allen*, No. 3:11-CV-882-O, 2013 WL 12125996, at *2 (N.D. Tex. Feb. 26, 2013)). In the nearly century-and-a-half following *Stuart*, courts throughout the country have articulated somewhat different approaches to analyzing the propriety of professional fee requests in the context of a Receivership. However, the courts’ various approaches and factors relating to the award of professional fees in a receivership or bankruptcy liquidation proceeding, each of which has been briefed and argued extensively during this Receivership,¹⁵ are all formulated to guide the analysis of the central question articulated in *Stuart*—*are the requested fees and expenses reasonable in light of the particular circumstances of this case?*

Many courts throughout the United States, including this Court, have considered the twelve factors enumerated by the Fifth Circuit in *Johnson*.¹⁶ The Receivership has spanned approximately fifteen years, during which the Receiver and his professionals have billed hundreds of thousands of hours. The time and labor associated with the Receivership, as well as the related nature and length of the relationship, are highly relevant factors in determining the reasonableness of

¹⁵ [See, e.g., Mot. for Approval of 76th Interim Fee Appl., May 9, 2023, Doc. 3280.]

¹⁶ [See, e.g., Order Granting Mot. for Approval of 76th Interim Fee Appl., May 26, 2023, Doc. 3296 at 1 (“the Court finds the request reasonable under the factors outlined in *Johnson v. Ga. Highway Express, Inc.*”) (citing *Johnson v. Georgia Highway Express, Inc.* 488 F.2d 714, 717–19 (5th Cir. 1974)).] Those factors are: (1) the time and labor required for the litigation; (2) the novelty and complication of the issues; (3) the skill required to properly litigate the issues; (4) whether the attorney was precluded from other employment by the acceptance of this case; (5) the attorney’s customary fee; (6) whether the fee is fixed or contingent; (7) whether the client or the circumstances imposed time limitations; (8) the amount involved and the results obtained; (9) the experience, reputation, and ability of the attorney; (10) the “undesirability” of the case; (11) the nature and length of the attorney-client relationship; and (12) awards in similar cases. *Johnson*. 488 F.2d at 717–19. When applying the *Johnson* factors, “the district court must explain the findings and the reasons upon which the award is based. However, it is not required to address fully each of the 12 factors.” *Curtis v. Bill Hanna Ford, Inc.*, 822 F.2d 549, 552 (5th Cir. 1987) (citation omitted).

professional fees.¹⁷ The Receiver's fee applications and their supporting evidence have established that the time spent, services performed, hourly rates charged, and expenses incurred were reasonable and necessary to the administration of the complex Receivership Estate and essential to the successful execution of the Receiver's numerous Court-ordered duties.

Until now, the one factor in the analysis that remained partially open is the "results obtained" by the Receiver's fifteen years of efforts, something the SEC described as the "key fact in addressing [a] request to release the hold back." [SEC's Resp. to Receiver's Mot. for Approval to Release Portion of Holdback, June 9, 2014, Doc. 2017.] At this stage, any question on that score has been definitively answered in favor of full payment of the withheld portion of the Receiver's and his professionals' discounted fees. The work of the Receiver and his professionals has resulted in more than \$2.6 billion in total recoveries to date, with \$157 million more in recoveries a virtual certainty. That result was reached with a ratio of recoveries to professional fees and expenses of more than five to one, and without the assistance of significant sources of outside compensation as were available in the *Madoff* case.¹⁸

This Court has supervised the Receivership since its inception and is well familiar with its activities. It has approved all the fees and expenses that have been paid to the Receiver and the

¹⁷ Elsewhere, district courts considering whether to disburse held back fees have analyzed whether the receiver and his professionals have added value or provided a benefit to the receivership estate. *See Sec. & Exch. Comm'n v. Byers*, No. 08 CIV. 7104 (DC), 2018 WL 11425555, at *2 (S.D.N.Y. Apr. 19, 2018).

¹⁸ There is no clear analogue to Stanford in prior receivership cases. However, in analyzing the propriety of payment of fees in the context of an overall receivership effort, courts in this district have found fee awards appropriate in cases where the results obtained and fees as a percentage of recovery were comparable to those obtained in this Receivership. In *SEC v. Megafund Corporation*, for example, investors received a 36.25% distribution on their claim, and the attorneys' fees amounted to 22.4% of the total recovery. No. 3:05-CV-1328-L, 2008 WL 2839998, at *2 (N.D. Tex. June 24, 2008). In *SEC v. Funding Resources Group*, claimants received approximately 53.65% of their approved claim amounts, and the fees totaled roughly 21% of the total recovery. No. 3:98-CV-2689-M, 2003 WL 145411, at *1 (N.D. Tex. Jan. 15, 2003). Although *Megafund* and *Funding Resources Group* were significantly smaller receiverships and the recovery efforts substantially less complex, the total fees as a percentage of recovery compare favorably here, with claimants likely to receive approximately 45.3% of their approved claim amounts, and with all professional fees and expenses making up less than 20% of the total recovery. *See infra* Section III.E.

Receiver's professionals, and recognized the reasonableness and necessity of these costs to the Estate, writing:

The Receiver's professionals, furthermore, collectively have spent tens of thousands of hours on Receivership-related business.... [W]hatever other courts might have to say about the reasonableness of other professional fees in other receivership cases, the Court reiterates, as it implicitly has in almost every fee application order, that the Receiver's professional fees and expenses generally have been spent gainfully and billed reasonably.

[See Order Denying Mot. to Intervene, Nov. 14, 2011, Doc. 1471 at 6–7.] Considering the necessary work and results obtained, this Court's findings regarding the reasonableness and necessity of the Receivership's professional fees remain as true today as they have over the past fifteen years.

The Receiver was tasked with cleaning up one of the largest Ponzi schemes in history, including the winding down of more than 130 entities that had over 200 different internal accounting systems, 70 offices in 23 states and 13 foreign countries, more than 300 bank accounts spread over more than 100 financial institutions, and tracing and administering the claims of more than 18,000 victims.¹⁹ The magnitude of the Stanford Ponzi scheme dwarfs others by comparison. The Receivership's physical material consumes more than 360,000 cubic feet of warehouse space, and the digital material amounts to more than 60 terabytes of electronic data. [See *Janvey v. Romero*, No. 3:11-cv-0297-N, Trial Tr. Vol. 1 at 128:20 (N.D. Tex. Feb. 9, 2015); *Janvey v. Romero*, No. 3:11-cv-0297-N, Trial Tr. Vol. 2 at 114:22–23 (N.D. Tex. Feb. 10, 2015).]

The professional fees incurred in this case reflect hundreds of thousands of hours spent by a large, interdisciplinary team working across international borders and fighting to maximize

¹⁹ That the Stanford Ponzi scheme was able to thrive and grow to its multi-billion dollar apex before the Receiver was appointed is attributable to several factors, as noted in the Report of the SEC's Inspector General. [See Doc. 1514-1 at 40–100; Doc. 1514-2 at 1–98.]

recovery for the victim investors. The work was novel and complex in the extreme, and the Receiver and his professionals were required to fight tooth and nail to recover each dollar that will ultimately go to the investors: over \$2.1 billion. To obtain this extraordinary result, the Receiver was required to undertake an extraordinary effort—instituting hundreds of cases to pursue recovery against net winners, insiders, and third parties; corralling assets located in multiple jurisdictions while competing with another sovereign’s efforts to frustrate the Receiver’s efforts; winding up and reducing the expenses of hundreds of entities with thousands of employees; and managing the claims and distribution process for the largest pool of Ponzi victims in history.

The circumstances of this particular case—one of the largest financial frauds in history—required an extreme “degree of responsibility and business ability,” to accomplish “the perplex[ing] and difficult[.]” work involved in achieving these extraordinary results. *Stuart*, 133 U.S. at 82. Many of the professionals involved have spent a very substantial part of their careers working on this effort, and due to the holdback, they have been only partially compensated for this work. Under any formulation of the various fee factors—and especially now that the Receivership’s results are substantially certain—continuing to withhold compensation for the professionals’ work is not reasonable, and disbursement of the full holdback is appropriate. *See Sec. & Exch. Comm’n v. W. L. Moody & Co., Bankers (Unincorporated)*, 374 F. Supp. 465, 487 (S.D. Tex. 1974), *aff’d sub nom. S. E. C. v. W. L. Moody & Co.*, 519 F.2d 1087 (5th Cir. 1975) (“Where, as here, the estate contains sufficient resources to compensate the Receiver and his attorney at commercially acceptable rates for services of considerable benefit to defendant, it would be unreasonable not to do so.”).

Finally, in addition to granting the Receiver’s request for payment of the holdback, the Court should also grant the Receiver’s request to remove the holdback beginning with the 82nd

fee application. All of the reasons discussed above that warrant payment of the holdback apply with equal force to the Receiver's forthcoming fee applications. Compared to the litigation-heavy work and related fees incurred throughout the first 15 years of the Receivership, the work that will be covered by the remaining fee applications is expected to be relatively predictable and modest in scope—largely work centered on managing and winding up the claims and distribution process. *See infra* Section III.E. Lastly, the Receivership is well-positioned financially for the holdback to be removed for the remaining fee applications. *See id.*

C. The Receiver requests that the Court approve payment of an upward adjustment to the fees held back to compensate professionals for deferred payment.

It is also appropriate for this Court to approve payment to the professionals who have served the Receivership Estate for the benefit of all investors an upward adjustment of their fees to account for the multi-year deferral of payment for their reasonable and necessary services performed. “Compensation received several years after the services were rendered . . . is not equivalent to the same dollar amount received reasonably promptly as the legal services are performed, as would normally be the case with private billings.” *Missouri v. Jenkins*, 491 U.S. 274, 283–84 (1989). This is because “[p]ayment today for services rendered long in the past deprives the eventual recipient of the value of the use of the money in the meantime, which use, particularly in an inflationary era, is valuable.” *Graves v. Barnes*, 700 F.2d 220, 223 (5th Cir. 1983) (quoting *Copeland v. Marshall*, 641 F.2d 880, 893 (D.C. Cir. 1980)) (alteration in original); *see e.g., Lopez v. Fun Eats & Drinks, LLC*, No. 3:13-CV-1091-X-BN, 2023 WL 4551576, at *5 (N.D. Tex. June 28, 2023) (because the case took more than 4 years, recommending that “the Court should use the attorneys’ and their staff members’ current rates to compensate for the delay in payment”), *report and recommendation adopted*, No. 3:18-CV-1091-X, 2023 WL 4553384 (N.D. Tex. July 14, 2023).

Recognizing these principles, the Supreme Court has explicitly held that “an enhancement for delay in payment is, where appropriate, part of a reasonable attorney’s fee.” *Jenkins*, 491 U.S. at 282 (internal quotation marks omitted). The effect of imposing a holdback starting in 2009 is that there has been a substantial deferral of a significant portion of the reasonable and necessary fees to which the professionals are entitled. The proper method for calculating an upward adjustment to compensate for the deferred payment is “either by [1)] basing the award on current rates or by [2)] adjusting the fee based on historical rates to reflect its present value.” *Perdue v. Kenny A. ex rel. Winn*, 559 U.S. 542, 556 (2010) (quoting *Jenkins*, 491 U.S. at 282) (internal quotation marks omitted).²⁰

Because the holdback amounts have already been calculated using historical rates (as opposed to unbilled hours), the Receiver requests that this Court approve the calculation of an upward adjustment using the present value method. *See Soler v. G & U, Inc.*, 801 F. Supp. 1056, 1067 (S.D.N.Y. 1992) (“delay may be compensated in a number of different ways, depending on whether the award was based on current or historical hourly rates”). Under this approach, to “adjust the fee based on historical rates to reflect its present value,” *Perdue*, 559 U.S. at 556, calculating the present value “requires a separate accounting for inflation by using the Consumer Price Index [“CPI”], the prevailing interest rate, or an increase of the lodestar figure.” *Soler*, 801 F. Supp. at 1067.²¹ This approach determines what amount paid today would be equal to the fee

²⁰ *See Walker v. U.S. Dep’t of Hous. & Urb. Dev.*, 99 F.3d 761, 773 (5th Cir. 1996) (“In compensating for a delay, the district court may either grant an unenhanced lodestar based on current rates . . . or calculate the lodestar using the rates applicable when the work was done and grant a delay enhancement . . . It may not do both.”). The Fifth Circuit has expressly affirmed fee enhancement for delayed payment in the context of a receivership fee application. *See Matter of Lawler*, 807 F.2d 1207, 1212 (5th Cir. 1987) (affirming fee award to receiver’s counsel which was enhanced to “compensate[] them for the delay in payment” for work done over the prior decade). For some of the held back fees, the delay in payment in this case—more than fifteen years—is even longer than that in *Lawler*. *See id.*

²¹ The Bureau of Labor and Statistic’s Consumer Price Index, or “CPI,” has recently been used by the Fifth Circuit in determining an appropriate enhancement to a statutory fee rate. *See Nkenglefac v. Garland*, 64 F.4th 251, 254 (5th Cir. 2023) (applying the CPI to adjust a statutorily imposed fee rate to determine the present reasonable rate).

amount if awarded when the fees were incurred.²² Using the CPI to calculate the present value of fees billed at historical rates, the reasonable and appropriate holdback disbursement would be \$39,760,828.03, broken down by professional firm as follows:

²² If \$1.00 in 2009 is equivalent to \$1.46 in 2024, the fees held back in 2009 would be multiplied by 1.46 to calculate their present value. For example, if \$1,000 in September 2009 is equivalent to \$1,457.60 in August 2024, the fees held back in September 2009 would be multiplied by 1.45760 to calculate their present value.

Professional Firm	Holdback	adjusted for inflation (using CPI monthly)
In Order of Largest HB to Smallest HB:		
Baker Botts L.L.P.	\$ 14,276,415.85	\$ 18,713,414.04
FTI Consulting, Inc.	7,945,356.00	11,070,652.68
Ernst & Young US LLP	1,860,181.01	2,657,954.33
Thompson & Knight LLP	976,774.22	1,413,276.40
BDO	785,137.37	948,811.74
Financial Industry Technical Services, Inc.	727,484.52	1,054,475.06
Krage & Janvey, L.L.P.	696,902.13	931,644.56
Gilardi	600,194.80	759,677.75
Osler, Hoskin & Harcourt LLP	455,984.08	655,547.02
Navigant Consulting (PI) - LLC Consulting	215,092.02	274,588.62
Stuart Isaacs	176,900.00	256,574.08
Altenburger Ltd	149,870.03	202,306.31
Strategic Capital Corporation	104,244.40	151,160.37
Roberts & Co	85,806.42	124,358.06
Pierpont Communications, Inc.	67,099.82	97,689.24
Baker Tilly US, LLP	65,320.00	79,000.38
Felicity Toubé	54,522.61	79,224.54
J.S. Held LLC	45,810.40	47,717.95
Ankura Consulting Group LLC	38,876.35	47,775.11
Riveron Consulting, LLC	22,245.50	29,581.95
Alvarez & Marsal Disputes and Investigations, LLC	17,560.80	22,607.42
Jeremy Goldring	14,781.68	21,388.77
Venable LLP	12,563.46	16,316.60
Groner Law P.C.	12,082.20	16,898.85
Barry M. Levine	9,615.96	13,156.27
Paul Joseph McMahon, P.A.	9,240.19	11,441.79
Innovest Portfolio Solutions LLC	8,212.50	10,583.75
Jeanette Day	6,448.75	8,494.01
Dudley, Topper & Feuerzeig, LLP	5,769.31	8,024.85
Liskow & Lewis	4,889.87	7,112.94
Georgina Peters	4,303.65	6,245.84
Conyers Dill & Pearman	3,439.19	4,945.96
Lowy and Cook, P.A.	3,103.20	3,929.02
Winstead PC	2,664.75	3,506.01
Butler Snow LLP	2,291.91	3,025.25
Fowler White Burnett	1,348.59	1,814.89
Waller Lansden Dortch & Davis, LLP	1,007.04	1,325.87
Deloitte	910.87	1,230.38
Mattlin & Wyman, PL	821.20	1,186.02
Basham, Ringe y Correa, S. C.	501.92	683.18
Digital Discovery	488.45	654.83
Mourant Ozannes	350.00	446.93
Williford McAllister Jacobus & White, LLP	271.40	328.31
William S. McConnell	50.00	50.10
Total	\$ 29,472,934.42	\$ 39,760,828.03

Because of its reliability and widespread use among courts in determining present value, the Receiver requests that the Court approve the present value method and the CPI to adjust the

holdback award to \$39,760,828.03.²³ This represents the fair present value of the fees which have been held back and compensates the various professionals for the—in some instances more than fifteen years—delay in payment.

D. The Receiver also requests that Baker Botts be awarded reasonable compensation for preparing the estate’s numerous fee applications.

A “professional’s preparation of a fee application is best understood as a ‘servic[e] rendered’ to the estate” *Baker Botts L.L.P. v. ASARCO LLC*, 576 U.S. 121, 132 (2015).²⁴ As a result, “it is well settled law that the time spent on an attorney’s fee application is compensable.” *Soler*, 801 F. Supp. at 1064 (citing *Gagne v. Maher*, 594 F.2d 336 (2d Cir. 1979), *aff’d*, 448 U.S. 122 (1980)).²⁵ In deference to prioritizing the amount of funds available for distribution to claimants, Baker Botts has not previously requested or received any compensation for the preparation of the Receivership’s fee applications. As part of this holdback request, the Receiver requests that this Court award Baker Botts \$1,641,010.20 million in fees for its work preparing the Receivership estate’s fee applications from 2010 through 2024 and apply the present value method using the CPI adjustment to reach a total sum of \$2,073,469.15.²⁶

²³ The CPI rates were obtained from the United States Bureau of Labor Statistics and the chart showing the applicable CPI rates from the date each fee application was approved is included in the Appendix to this Motion. [See Ex. B, Declaration of Kevin Sadler at ¶ 14.]

²⁴ See also *Frequently Asked Questions – Professional Retention and Compensation*, U.S. Trustee Program (July 13, 2023), https://www.justice.gov/ust/Prof_Comp/FAQ_Prof_Comp (recognizing that reasonable charges for preparing interim and final fee applications are compensable). Although *ASARCO* involved bankruptcy proceedings, this Court has recognized that “this particular receivership is the essential equivalent of a Chapter 7 bankruptcy.” [Order of July 30, 2014, No. 3:09-cv-00724-N-BG, Doc. 1093 at 39].

²⁵ See also 11 U.S.C. § 330(a)(6) (contemplating awarding compensation for the preparation of fee applications).

²⁶ The time for which Baker Botts requests compensation includes only time spent preparing fee applications. [See Ex. B2, Fee App Preparation Time Entries.] None of the requested compensation relates to time spent defending fee applications. Baker Botts also excluded the considerable time its professionals spent in communications with the Examiner and SEC concerning fee applications.

Baker Botts attorneys and staff have spent a collective over 5,642 hours working to prepare the Receivership's extensive 5th–81st fee applications.²⁷ [Ex. B, Declaration of Kevin Sadler at ¶ 11.] At the discounted rates approved by the Court, the fee for this work is \$1,641,010.20.²⁸ This work was necessary to the proper administration of the estate and required coordinating with all the Receivership's various professionals, ensuring that all the professional firms' invoices adhered to the standards expected for proper billing, summarizing the work of the Receivership for the Court, and preparing the entire application for public filing with the Court, which requires redaction of all firms' invoices to protect confidentiality and privilege. Baker Botts's work involved in compiling numerous fee applications over 15 years was an essential "service rendered to the estate." The alternative would have been a chaotic and disorganized free-for-all with 40-plus professional firms each submitting its own "fee application" to the Court, which would have resulted in hundreds of separate fee applications over the past 15 years.

The Court should approve the present value method using the CPI adjustment to the fee of \$1,641,010.20 for Baker Botts's work preparing the Receivership's fee applications. As with the held back fees, this approach determines what amount paid today would be equal to the fee amount if awarded when Baker Botts had prepared the fee applications. Using the CPI to calculate the present value of fees billed at the agreed-upon discounted rates, the reasonable and appropriate total compensation for the preparation of fee applications is \$2,073,469.15.

As such, the Receiver respectfully requests that the court award Baker Botts a fee of \$2,073,469.15 for its work preparing the Receivership's fee applications in service to the estate. The Receiver also requests that the Court award a reasonable fee for future work preparing the

²⁷ The individual time entries supporting the 5,642 hours figure are attached hereto as Exhibit B2. Baker Botts is not seeking compensation for preparation of the 1st–4th fee applications.

²⁸ This figure represents an average \$322 per hour for time spent preparing fee applications.

Receivership's fee applications contemporaneously with the consideration of the future fee applications themselves.

E. The Receiver's proposed payments to his professionals are reasonable and appropriate in the context of the resources available to, and the remaining activities of, the Receivership.

If the Court grants the Receiver authorization to pay the professional fees and expenses outlined herein, then the total payment authorized will be \$41,834,297.18. *See supra* at III.C. The Receiver has more than adequate resources to pay the foregoing fees and to continue to handle his remaining obligations to the Court and the Stanford investors. The Receiver currently has \$1.4 billion in cash on hand. Approximately \$1.3 billion of that amount is earmarked for distribution under the 11 interim distribution plans approved by the Court. The Receiver estimates that fees and expenses not yet paid but already incurred or expected to be incurred through the remainder of 2024 will total approximately \$2.9 million. After the conclusion of 2024, the Receiver currently anticipates the following Receivership activities will remain to be completed:

- Any remaining work concerning the \$157 million SocGen settlement following the Fifth Circuit's decision regarding the bar order, *Sec. & Exch. Comm'n v. Stanford Int'l Bank, Ltd.*, 112 F.4th 284 (5th Cir. 2024);
- Claims administration, including (1) processing claims and issuing notices of determination, (2) reviewing responses to distributed certification notices concerning collateral source recoveries and consents to U.S. jurisdiction and issuing original or amended notices of determination, (3) reviewing notices of claims transfers and issuing corresponding acknowledgements, (4) responding to and resolving objections and claimant inquiries, (5) monitoring for fraud and taking investigative, remedial, and other actions when necessary, and (6) reporting to the Court;
- Distributions and tracking payments under the 11 interim plans approved by the Court and formulation and execution of additional distribution plans (including anticipated distributions related to (1) the SocGen funds, (2) the collected judgment from Magness, and (3) final residual distributions to claimants arising from any prior unclaimed distributions and residual estate funds);
- Wind-up activities, including dissolution/wind-up of remaining entities, liquidation of remaining assets, and disposition of Receivership records; and

- Preparation of future fee applications.

The Receiver anticipates that his collection activities related to the SocGen settlement will be completed in the near term, while completion of final residual distributions and wind-up activities may extend through the end of 2029.

The Receiver currently has more than adequate resources to fund the foregoing activities even without the collection of any additional funds. If no additional funds are collected other than bank interest on existing Receivership accounts and the funds from the SocGen settlement, then the Receiver has funds sufficient to pay for the entirety of the amount requested in this motion, as well as funds necessary to complete the remaining work described herein, all while still leaving funds sufficient to make additional distributions of approximately 5.0% (or a total distribution to claimants of approximately 45.3% of their net losses).²⁹ Additional residual distributions beyond 5.0% are likely. Among other reasons, it is probable that some funds from the first eleven interim distribution plans will remain unclaimed despite the Receiver's best efforts to distribute them.

Whether investors recover 45.3% of their losses (or some greater percentage), the recovery made possible by the work of the Receiver and his professionals justifies full payment of their discounted fees and expenses.

IV. Conclusion and Relief Requested

The supplemental award of professionals' fees and expenses proposed by the Receiver would address deferred compensation for work that was necessary to the successful conclusion of the Receivership. For all the reasons set forth herein, the fees and expenses held back were both reasonable and necessary to carrying out the Receiver's duties under the Second Amended Order

²⁹ Distributions authorized to date total 40.32% of investor' net losses. Adding the expected 5.0% of additional distributions results in 45.3%. Additionally, investor claimants who participated in the Joint Liquidators' claims process will have received an additional 2.6%, for a total recovery of 47.9%.

Appointing Receiver. Accordingly, the Receiver requests that the Court grant the Receiver's motion permitting payment of the fees previously held back; payment of CPI adjustment for the amounts held back to compensate the Receiver's professionals for the delay in payment; payment of fees to Baker Botts as compensation for its work in preparing the Receivership's fee applications for the last fifteen years; and payment of a CPI adjustment for those fees. Further, the Receiver requests that the Court no longer impose a holdback on future fee applications submitted by the Receiver; that the Court award a reasonable fee for future work preparing the Receivership's fee applications contemporaneously with the consideration of the future fee applications themselves; and that the Receiver be awarded all other and further relief to which he has shown himself to be entitled.

Dated: October 11, 2024

Respectfully submitted,

BAKER BOTTS L.L.P.

By: /s/ Kevin M. Sadler

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ATTORNEYS FOR RECEIVER RALPH S. JANVEY

CERTIFICATE OF CONFERENCE

Counsel for the Receiver conferred with the parties to this case.

Counsel for the Receiver conferred with Jason Rose, counsel for the SEC, who stated that the SEC is opposed to this motion and the relief requested herein.

Counsel for the Receiver conferred with John Little, the Court-appointed Examiner, who stated that he is opposed to this motion and the relief requested herein.

Defendant R. Allen Stanford, who represents himself pro se in this matter, is currently incarcerated. It is therefore impractical to confer with him regarding this motion. It is reasonable to assume, however, that Mr. Stanford is opposed to this motion and the relief requested herein.

Counsel for the Receiver conferred with Jeff Tillotson, counsel for Laura Pendergest-Holt, who did not provide a response regarding Ms. Pendergest-Holt's position on this motion or the relief requested herein.

Counsel for the Receiver conferred with Kenneth Johnston, counsel for Trustmark National Bank, who did not provide a response regarding Trustmark's position on this motion or the relief requested herein.

Counsel for the Receiver conferred with Manuel P. Lena, Jr., counsel for the DOJ (Tax Division), who stated that the DOJ (Tax Division) takes no position on this motion or the relief requested herein.

Counsel for the Receiver conferred with John Helms, Jr. and Gregg Anderson, counsel for Mark Kuhrt, who did not provide a response regarding Mr. Kuhrt's position on this motion or the relief requested herein.

Counsel for the Receiver conferred with David Finn, who is listed on the docket sheet as the attorney to be noticed for James Davis, who did not provide a response regarding Mr. Davis's position on this motion or the relief requested herein.

Counsel for the Receiver conferred with Cole B. Ramey, counsel for Gilbert Lopez, Jr., who did not provide a response regarding Mr. Lopez's position on this motion or the relief requested herein.

Counsel for the Receiver conferred with Michael J. Stanley, counsel for Leroy King, who did not provide a response regarding Mr. King's position on this motion or the relief requested herein.

/s/ Kevin M. Sadler

Kevin M. Sadler

CERTIFICATE OF SERVICE

On October 11, 2024, I electronically submitted the foregoing document with the clerk of the court of the U.S. District Court, Northern District of Texas, using the electronic case filing system of the court. I hereby certify that I will serve the Court-appointed Examiner, all counsel and/or pro se parties of record electronically or by another manner authorized by Federal Rule of Civil Procedure 5(b)(2).

On October 11, 2024, I served a true and correct copy of the foregoing document and the notice of electronic filing by United States Postal Certified Mail, Return Receipt required to the persons noticed below who are non-CM/ECF participants:

R. Allen Stanford, Pro Se
Inmate #35017183
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Coleman, FL 33521

/s/ Kevin M. Sadler

Kevin M. Sadler