



The Eastern Caribbean Supreme Court

In The High Court of Justice Antigua and Barbuda
St. John's Antigua
Claim Number: ANUHCV 2009-0149

Joint Liquidators'
Sixth Report to the Court
In the matter of Stanford International Bank in Liquidation

11 November 2014

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1 Introduction

1.1 We refer to the appointment of Marcus A. Wide and Hugh Dickson as the Joint Liquidators (“the JLS”) of Stanford International Bank Limited (“SIB”) by Order of the High Court of Antigua and Barbuda on 12 May, 2011. In accordance with paragraph 18 of that order, we now submit our Sixth report to the Court.

1.2 The JLS’ Fifth report to the Court was dated 12 February 2014 (“the Fifth Report”).

2 Highlights

2.1 In August 2014, the estate successfully completed the sale of a substantial amount of SIB controlled land in Antigua for the gross sum of US\$60m¹ to Yida International Group, based in China.

2.2 The distribution process for the first interim dividend of 1% is now well under way and after some initial processing problems, the majority of those creditors who have responded to the JLS’ communications with respect to the distribution have been paid by either our distribution agent, ItalBank (San Juan, PR), or by cheque. A significant number of creditors have not responded to the request to select payment by cheque or wire transfer.

2.3 The Antiguan Court has appointed an *Amicus Curiae* (i.e., ‘friend of the Court’) to advise the Court on the law and submit the approximately 900 objections of persons who are opposed to the JLS’ application for directions regarding the estate’s clawback claims against (a) those SIB depositors who would appear to be

¹ All figures in this report are in US dollars.

subject to clawback claims by the estate under Section 204 of the International Business Corporations Act of Antigua (S204 Claims) and (b) “net winners”.

2.4 The JLs are seeking the Court’s directions regarding the appropriateness of the estate’s intended pursuit of clawback claims given the magnitude and impact of the issue on both sides of the fence. The appointment of an *Amicus Curiae* is intended to help the Court make a just decision efficiently, without the need for individual SIB depositors who oppose the JL's view to appoint and pay for their lawyer to appear, unless they wish to do so. It is also expected to contain the cost for both sides that having possibly multiple lawyers appear. In this regard the Court has been directive with respect to the level of costs that either side can incur.

2.5 The final list of issues to be resolved has been prepared on the basis of objections articulated by creditors resisting clawback claims and legal research and investigation conducted by the *Amicus Curiae*. This list of issues has been agreed between the *Amicus* and the JLs, subject to Court ratification. A hearing date for the substantive issues has not been set but is expected to occur in the first quarter of 2015. If the Court authorises the JLs to pursue clawback claims, each defendant to each such claim shall have an opportunity to present a defence and to contest the claim when suit is filed.

2.6 We continue to discuss settlement options with net winners and those subject to S204 Claims. We have settled with a number of those that we say are subject to clawback claims from the estate at a discount, recognising there is still uncertainty on the issue. This also recognises that the estate will seek full recovery if the estate's clawback entitlement is sanctioned by the Court. Settlement now

also improves the estates cash flow, with the risk to those settling that the Court fails to uphold our position. The depositors who have settled are immediately entitled to participate in distributions.

2.7 With respect to the professional fees incurred and unpaid when the Former Liquidators were in office, the JLs have agreed to a compromise of the majority of the former legal advisors' claims totalling \$7.4 million, for \$5.5 million before interest. The settlement therefore resulted in savings for the estate of approximately US\$1.9 million. As the estate has not been in a position to pay out these claims until recently we have had to concede interest on the balances allowed to a total of US\$100,000.

2.8 Efforts are continuing to resolve the remaining US\$9.2 million of claims against the estate arising from the activities of the Former Liquidators, the greater part of which are the fees of the Former Liquidators themselves. These the estate is ready to challenge in Court. The estate is also preparing a claim with respect to losses incurred during the management of the Former Liquidators, which we believe will more than offset any earned fee.

2.9 We are continuing our efforts to recover approximately US\$210 million of frozen assets in Switzerland in conjunction with the US Receiver and the US Department of Justice. The administration of the Swiss mini-bankruptcy of SIB, which is an ancillary proceeding to the Antigua liquidation, has been transferred from the Swiss regulatory authority, FINMA, to a private Swiss professional bankruptcy trustee. The principle hold up in getting funds released for the benefit of creditors is the indemnity entitlement asserted by SG Private Banking Suisse ("Soc Gen"). This they say can be held by them against any amounts for

which they are found liable in the US with respect to claims brought against them in the US Receivership.

2.10 We are assisting the Swiss authorities with their investigations into the role played by Soc Gen and an employee in, *inter alia*, facilitating apparent money laundering activity on the part of Robert Allan Stanford (“RAS”) and others. We expect this investigation will be of great assistance, together with other information gathered through independent investigation and examination, in assessing whether SIB will pursue its own claim for damages against Soc Gen.

2.11 The Ontario Court gave a favourable preliminary judgement in respect of the Dynasty Group action against TD Bank, in concluding that the alleged facts set out in the Dynasty Group’s amended statement of claim were sufficient to allow the case to proceed to trial on all legal grounds asserted by the Dynasty Group. The SIB estate has taken an assignment of this \$18m action from a small group of SIB depositors in Canada. The amended statement of claim contained additional and material facts which were discovered by the JJs’ when conducting inquiries in support of the estate’s \$5.5bn damages claim against TD for negligence and dishonest assistance. This decision has been appealed by TD Bank.

2.12 The Court in Quebec concluded that it was not the appropriate forum to deal with the SIB estate’s \$5.5bn damages claim against TD Bank. As a result, we are pursuing what was formerly referred to as the placeholder claim in Ontario in the same amount, and are not proceeding in Quebec. The principal hurdle to be overcome is the two-year limitation period for pursuing this claim in Ontario. We are confident that the estate discovered and instituted the claim in Ontario as

promptly as was reasonable under the circumstances, and that the Court will accept that the claim is not statute-barred.

3 Update On Recoveries Being Pursued

3.1 The below table summarises the recoveries currently being pursued by the JJs and the cash on hand.

| Asset | Location | Estimated Value US\$ millions | Net |
|------------------------------------|--|----------------------------------|-------------|
| Cash at bank | UK & Antigua (1) | | 4 |
| Proceeds from Sale of land to YIDA | Antigua | | 50 |
| Cash / Investments | UK | | 4 |
| | Ring-fenced until release of Switzerland funds | | 18 |
| | Switzerland (2) | | 70 |
| Real Estate | Antigua | | |
| | - SIB | | 5 |
| | - Non SIB | | 15 |
| Litigation Claims: | - TD Bank - Other banks - Law Firms - Vingerheodt | | Unknown |
| Stanford Trust Company | Colombia | | 12 |
| Bank of Antigua | | | Unknown |
| Former Liquidators Costs(3) | | | Unknown |
| TOTAL | | | 178+ |

Notes

- (1) The cash on hand excludes all amounts set aside for the first interim distribution.
- (2) The Swiss money in this table represents the Antiguan liquidation estate's approximate share of the total Swiss funds that will ultimately flow back into the Antiguan liquidation estate. Pursuant to the Settlement Agreement entered into with the US Department of Justice and the US Receiver the Antiguan estate will receive approximately one-third of the Swiss assets and the remaining two-thirds will flow to the US Receiver's estate.
- (3) The Former Liquidators initially filed a claim for approximately US\$18 million in fees and disbursements against the estate.

The following sections provide further commentary on the status of each of these recoveries.

a) Swiss Assets

- 3.2 Approximately \$210 million continues to remain tied up in Switzerland. Our efforts are on-going to recover these monies so that they may flow back into the Antiguan liquidation and US SEC receivership estates in accordance with the terms of the March 2013 Settlement Agreement, as explained more fully below.
- 3.3 The approximate breakdown of the \$210 million of assets in Switzerland is as follows:-

- Assets held by the Trustee of the Swiss SIB mini-bankruptcy proceeding from Stanford Group (Suisse) AG – \$11 million.
- Held in SIB Bank Accounts with banks other than Soc Gen – \$42 million, subject to freeze.
- Held in SIB Bank Accounts at Soc Gen – \$107 million, subject to Soc Gen’s claim of lien and set-off which has been rejected by FINMA and is currently the subject of court proceedings in Geneva.
- Assets held in Bank accounts of related Stanford Companies – \$50 million.

3.4 These sums are held mostly in Swiss francs, divided between cash, a few equities and bonds. Therefore the value will fluctuate both on the basis of movements in the markets and the rate of exchange of the US dollar against the Swiss franc. With the newly appointed Trustee in Switzerland we are doing what we can to realise the more volatile instruments and convert them to US dollars. There are substantial limitations on the extent to which we are able to do this.

3.5 The Settlement Agreement of March 2013, as approved by the Courts in the US, UK and Antigua between the DoJ, the US Receiver parties and the Antiguan liquidators, provides that the proceeds of liquidation of the Swiss assets be divided up between the US and Antiguan estates. The split is approximately two-thirds to the US estate and one-third to the Antiguan estate.

3.6 In anticipation that the Settlement Agreement would end the contest for the frozen funds and allow the money to flow promptly, there was also agreement that, of the money released to the Antiguan estate, the portion paid to the

Antiguan estate would be paid into a specific account in the UK for distribution. It also provided that the sum of US\$18 million reserved from the funds released in the UK would be reserved for working capital in funding the Antiguan estate's on-going asset recovery efforts, to be released only upon release of the Swiss assets as provided thereunder. In the event the agreement between the US parties and the Antiguan liquidation has not resulted in the swift release of any of the Swiss monies as other disputes, notably with Soc Gen continue as more fully set out below.

Assets held by the Trustee of the Swiss SIB mini-bankruptcy proceeding from Stanford Group (Suisse) AG – US\$11 million.

- 3.7 Until recently the Swiss regulator of financial institutions, FINMA, was itself acting as Trustee in the Bankruptcy regarding SIB's mini-bankruptcy in Switzerland, and had recognised the Antiguan proceeding as the only Foreign Representative in the global winding up of SIB. After approximately \$11 million was recovered from Stanford Group (Suisse) AG (Kuesnacht), in the context of a sentencing order issued by the Attorney General Office of Switzerland and allocated to SIB's mini-bankruptcy, FINMA, due to the increasing complexity of the case and the amounts involved, decided to appoint a professional bankruptcy trustee in its place. Consequently, on 3 July 2014, Mr Christophe de Kalbermatten, a Partner in the Swiss law firm of Python & Peter (Geneva) was appointed as the Trustee of the Swiss SIB mini-bankruptcy in place of FINMA.
- 3.8 We have met with the new Trustee and as a result believe that having a professional and pragmatic Trustee will prove beneficial in removing the

obstacles in getting the release of the frozen monies, for the benefit of both estates and the creditors generally.

- 3.9 Before the net proceeds of recovery arising from the US\$11 million currently available to the Trustee of the Swiss mini-bankruptcy of SIB as well as any other monies recovered in the future may be distributed, the Antiguan schedule of claims will have to be approved by FINMA. While we have previously provided reporting on the claims process and other matters relevant to the Swiss creditors interests, it is clear that a formal report in affidavit format will be required to demonstrate the claims process is collective, fair and not inconsistent with principles of Swiss insolvency law, and specifically that Swiss creditors, which Soc Gen assert should include them, are treated equally and fairly in the same manner as all other creditors.

Assets held in SIB Bank Accounts at Various Banks – Approximately US\$42 million

- 3.10 These assets were frozen in February 2009 by the Swiss Office of Justice (the “OoJ”) in Berne, Switzerland on the basis of a request by the US DoJ. We are working with our Swiss lawyers, the US parties and the Swiss authorities to ensure that all remaining barriers to the release of these monies are removed. It is our view that the swiftest way to obtain and distribute these assets is to flow them to the Trustee of the Swiss mini-bankruptcy, who will then pay them out to the SIB estate for distribution under the clear terms of the Settlement Agreement and then out to creditors via the two estates. At this point we do not necessarily have the agreement of DoJ to this mechanism being the most appropriate and

quickest routing. This remains a topic of discussion and we are open to being shown a better and quicker mechanism if one exists.

- 3.11 In addition the following hurdles that need to be cleared to release the balance of the Swiss assets:-

Assets held in SIB Bank Accounts at Soc Gen – Approx US\$107 million

- 3.12 These monies are subject to a claim of a lien and of set-off by Soc Gen. It claims that it has the right to retain these funds to indemnify itself against claims brought against Soc Gen in the US in connection with its role in providing banking services to SIB. FINMA had rejected these claims, which then became the subject of court proceedings in Geneva prior to the appointment of the private Trustee. The Trustee of the Swiss mini-bankruptcy of SIB now has carriage of this action to have the Soc Gen claim disallowed. It seems to us that there is a certain illogic to the Soc Gen position, as if it is held to account in the US for its actions in the fraudulent operation of SIB and the Stanford empire, then it should not be entitled to indemnity from the assets of the SIB, which was the victim of its actions. If it is not held to account, then there is no need of the indemnity.
- 3.13 Should the Swiss courts finally reject Soc Gen's claims, the process of distribution will be the same as that applicable to the value credited to SIB's Bank Accounts, and in respect of the US\$11 million which derived from the liquidation of Stanford Group (Suisse) AG.

Assets held in related Stanford Companies – US\$50 million

3.14 Approximately US\$50 million in cash and investments are currently held with bank accounts in the name of entities other than SIB, albeit related companies, of the Stanford Group. The JLS have assisted FINMA and the Trustee of the Swiss mini-bankruptcy of SIB to bring clawback actions before Swiss courts on the basis that these funds are traceable to SIB, were paid over without apparent benefit or value to SIB, and should be brought into the Swiss mini-bankruptcy of SIB for further distribution.

b) Canada – Claim Against TD Bank

3.15 A successful result against TD Bank could give rise to a dramatically higher return of capital for the Investors than is presently possible, potentially to an almost full recovery. As such we have made this a priority for the estate.

3.16 On 22 August 2011 the JLS commenced parallel actions against TD Bank in Quebec and Ontario. Our position was that the Quebec action should proceed on its merits. The Ontario action was commenced to preserve any limitation period that may be applicable in that province. Accordingly, the Ontario action was initially stayed.

3.17 The claim seeks the amount of US\$5.5 billion in damages based on TD's alleged negligence in the manner in which it provided banking services to SIB and/or knowing assistance in facilitating the fraud committed on SIB by certain senior managers of SIB. If successful, this claim could substantially repay the lost principal of CD investors in SIB. It is our estimate that a very significant part of the US\$10 billion that was raised over the life of the fraud was run through the

TD account, and that the fraud could not have been perpetrated without the use of the TD account.

3.18 TD Bank took the position that the most appropriate forum for the dispute is Ontario. The Quebec court agreed. The JJs decided not to pursue an appeal and instead are pursuing their Ontario action.

3.19 In May 2014, the JJs filed an amended pleading in the Ontario action. That pleading contains the results of the JJs' access to more documents in the US and elsewhere, as well as the JJs' extensive investigative efforts, which are on-going.

3.20 TD Bank delivered a 'bare-denial' statement of defence in the Ontario action in September 2014, coupled with a primary defence that alleges that the JJs' claim is barred pursuant to Ontario's two (2) year limitation period. The two year limitation period commences running from the day on which a reasonable liquidator, with the abilities and in the circumstances of the former JJs, first ought to have discovered the claim.

3.21 The circumstances facing the JJs and the estate during the former JJs' first 4.3 months in office as liquidators from 15 April 2009 (the date of appointment of the former JJs) and 22 August 2009 (two years prior to the date when the claim was launched by the present JJs on 22 August 2011) included, subject to further on going legal advice and investigation, at least the following problems which mitigated against establishing that there was a fraud, the nature of the fraud and the role of the correspondent banks:-

- many of the relevant documents were unavailable to the Antiguan estate initially

- there were no facts on which a fraud could be asserted until the James Davis plea was announced
- there was no information with respect to the manner in which the correspondent accounts , including that at the TD, were operated nor on what terms, as a consequence of these issues being primarily run from the US
- there was no information on volumes of money funnelled through each of the correspondent bank accounts
- there was no information on which to assess the role on the correspondent accounts and how that might have contributed to the concealment of the fraud or abetting the fraud once the fraud issue was determined
- there was pressure from creditors to recognise their claims
- the estate had many contentious issues in seeking to recover liquid assets in the UK, Switzerland and Canada in competition with the US Receiver and DoJ
- the Liquidation had no authority to bring any claims in Canada, nor did the US Receiver for some months
- the actions the estate could undertake, including engaging forensic professionals, were severely limited for want of funding

3.22 The JJs believe that, under these circumstances, a reasonable liquidator would not have discovered the wrongful acts or omissions of TD Bank within this 4.3-month timeframe. In addition, neither the US Receiver nor the former JJs had the necessary legal authority to sue TD bank in Canada until 11 September 2009, when the Québec Superior Court issued an order of recognition favouring the US Receiver, and rejecting the parallel application of the Former Liquidators seeking the same status. This is significant in as much as no person was authorised to sue

TD Bank in Canada on behalf of SIB until some 20 days after 22 August 2009 (which is two years preceding the date when SIB sued TD in Ontario).

- 3.23 As the JJs anticipated, TD Bank has moved for summary judgment seeking to dismiss the JJs' action as being barred by the statute of limitations. The JJs are resisting this motion vigorously, and are preparing their materials accordingly. The limitations motion may be heard in the spring of 2015. A directions hearing is set for 4 November 2014. Ontario counsel to the JJs have prepared an outline of the reasons why the defence of limitation should be resolved at trial as background for the hearing. In cases of complexity, the Court has the power to direct that determination of limitation period issues be put to a full test at trial.
- 3.24 In addition, the JJs have taken an assignment of the proceeds of an US\$18 million action by certain SIB creditors (known as the 'Dynasty Group') against TD Bank. Those creditors recently moved to amend their pleading to include the facts alleged in the JJs' pleading. In authorising the making of the Dynasty Group's amendments over TD Bank's objections, the Ontario court canvassed the alleged facts and agreed they are legally adequate to justify a trial of the action.
- 3.25 Nothing in the litigation process nor our continuing investigation to date has caused the JJs to think that SIB's claim against TD Bank is not appropriate or not viable.
- 3.26 Legal actions of this nature are expensive to pursue, can take years to achieve a result and require access to funds to pay for the expert witnesses, legal advisors and investigators needed to advance the case. For example in support of litigation we have already identified and interviewed more than 50 potential witnesses,

briefed and obtained opinions from 5 expert witnesses, reviewed over 10 terabytes of electronic data, reviewed hard copy records running to several thousand "bankers boxes" and conducted the legal research to support the claim. We have therefore set aside funds to cover the on-going costs of this litigation. In the absence of the Swiss money being recovered in the near future we will need to set aside the necessary funding to pursue this claim from the recent Antiguan land sales.

(c) Possible Claims Against Other Banks

3.27 We continue to investigate whether we have viable claims against other banks that also provided banking services to SIB. An application under s.236 of the Insolvency Act (UK) has been prepared for filing in the High Court in London for an order compelling HSBC to disclose all of its SIB records to the JJs. We have provided a draft of this application to HSBC with a view to avoiding the cost of a Court hearing, and obtaining voluntary disclosure. Negotiations along this line are underway.

3.28 As discussed in Paragraph 2.7 above, we are gathering information to see whether SIB should pursue a claim against Soc Gen in Switzerland.

(d) Real Property Of Stanford International Bank

3.29 The JJs entered into a sales and purchase agreement with Yida International Investment Group (Yida) to sell the majority of the lands controlled by SIB through subsidiary companies, and ultimately owned by Asian Village Antigua Limited (AVA). The sale successfully completed on 29 August 2014 for US\$60 million, before taking account of costs, taxes and commissions.

- 3.30 The sale was the largest land deal in 2014 in the Organisation of Eastern Caribbean States and proved very challenging to close, especially as to concessions agreed between the buyer and the Government of Antigua that were put at risk by the General Election in June 2014, which essentially froze Government initiatives and the negotiation for concessions required to complete the sale, which were already slow, for some weeks prior to the election date. There were also delays in clearing sufficient foreign exchange with the Chinese central bank, which release of foreign currency is in essence "rationed".
- 3.31 In the event and despite the change of Government the newly elected Prime Minister quickly determined that the sale was advantageous for development in Antigua and put the needed concessions in place. The Government of Antigua also agreed to make a significant concession to the SIB estate and its creditors by agreeing to waive US\$6 million in Appreciation Tax that could have been levied.
- 3.32 As noted above this land was owned by SIB via wholly owned subsidiary companies incorporated in the Isle of Man and Antigua. These holding companies need to be formally liquidated in order to distribute the net proceeds to SIB through its shareholding and settle the few intermediary creditors. This process is underway and while SIB clearly has the interest in the proceeds, until the process is complete these monies are legally not SIB's.
- 3.33 Following the payoff of the US\$5 million secured loan obtained to provide initial funding to the estate, together with interest of approximately \$800,000 accrued under the terms of the Court approved financing agreement, and payment of certain transaction-related fees and disbursements, the net recoveries to the estate from the sale of land to Yida are approximately US\$49 million. See table below:-

| | US\$'000 | US\$'000 |
|--|--------------|-----------------|
| Sale of Lands | 60,000 | |
| Settlement discount | <u>(625)</u> | |
| | | 59,375 |
| Secured Loan Payoff | 5,825 | |
| Sales Commission and Consultancy | 3,300 | |
| Inland Revenue Payments (taxes and stamp duty) | 977 | |
| Surveying | 196 | |
| Antiguan Legal Fees | 141 | |
| Escrow Fees | <u>2</u> | |
| | | <u>(10,441)</u> |
| Net Recoveries | | <u>48,934</u> |

3.34 As advised in previous reports, we obtained \$5m in funding from a third party who secured their loan over the title to SIB's Antiguan lands. On completion we were able to pay off the secured loan and the interest, which had been accruing at 12% per annum for a value of US\$5.8m as indicated in the chart above.²

3.35 Pelican Island, the last remaining property owned by SIB controlled companies, continues to be marketed for sale. We believe that the recent sale to Yida and its significant development plans for that large block of land will assist us in generating interest for the sale of this island which is in the same general area and will benefit from some of the infrastructure improvements.

(e) Real Property Of Related SIB Group Companies

Stanford Development Company Limited (In Liquidation) (SDC)

3.36 The assets owned by SDC consist of Antiguan real estate, money owing by the Government of St Kitts and Nevis, and money in a lawyers trust account. Efforts have been underway to sell or recover these since the SDC winding up Order was

² The loan also comes with an ongoing contingent liability to pay 2.5x/3x of the principal sum of the loan from certain litigation that the estate is pursuing, as added interest. See further discussion on this at section 5.

obtained. It will be recalled that the petition was strongly defended and also opposed by a creditor wanting another liquidator.

3.37 Recoveries will first go to pay the creditors of SDC before any surplus is paid to SIB and against its subordinate capital advances totalling in the range of \$380million. The JL's of SDC report that its creditors totally approximately US\$10 million based on initial filings, and current estimates are that SDC's assets have an realisable value in that same range. Therefore, depending on the ultimate sales prices which are achieved, there may be realisations that will flow to SIB.

3.38 Over and above the confirmed employee claims there are substantial labour claims for employees of other Stanford companies which are not in liquidation, but which to the best of our knowledge are without assets. These individuals assert that they are "de facto" employees of SDC and a Labour Board ruling to this effect is being sought by them.

3.39 With legal counsel the SDC JL's met with the Labour Board to refute this allegation as these were in fact separate operating companies with their own payrolls. We also wanted to emphasise that we would resist any ruling that did not provide a sound legal basis for the decision.

3.40 Recently, the sum of \$1,799,968.31 was recovered by the SDC estate from the Government of St Kitts (less \$40,000 in legal fees charged by local counsel). This sum represented the balance owing from a compulsory land acquisition (the taking of a building belonging to SDC located near to the St Kitts airport). This was a matter which took significant effort to accomplish, as initially there was no inclination by the Government of St Kitts to deal with our demands.

- 3.41 A sale of airport lands and a hanger has been agreed to at EC\$5.5million, but is held up on closing by an Inland Revenue valuation at five times the agreed price, which results in transfer tax being levied at almost 50% of the cash proceeds. An adjustment is being sought as this valuation is clearly well beyond any sensible interpretation of market value which we think is represented by the agreed price.
- 3.42 Other sales minor sales are completed and others are pending. The largest property still to be sold is the bank's premises for which offers are being sought, now that the SIB liquidation is making arrangements for alternate accommodation for its limited operations and storage.
- 3.43 Examination of the lawyer with respect to an accounting for the funds in his trust account related to SDC is pending.

Other Related Companies

- 3.44 Other companies in Antigua over which we have been appointed as liquidators include Maiden Island Holdings, Stanford Hotel Properties and Gilberts Resort Development. All of these companies own real estate in Antigua and these properties are being actively marketed. The major parcels are the Crabbs shipyard and associated electrical generating and water plants, and Maiden Island and Barnacle Point. Interest has been expressed in each of these although at present we believe the prices being offered are below fair value.
- 3.45 Net recoveries which will accrue to SIB on the basis of its contribution to the capital of these companies are likely to be in the range of \$10 - \$20 million.

3.46 We note that each of these companies are separate legal entities which are being wound up through their own liquidation processes. These liquidations have to be completed before the surplus proceeds can flow back to SIB. We do not envisage any issues arising which would prevent the surplus proceeds being distributed to SIB. However, we cannot be certain of this until we sell the properties and settle any direct creditors. At present we are not aware of any substantial claims in any of these companies. The timing of this process is dependent on the sale of the properties.

3.47 None of these entities, including SDC, had sufficient cash flow to pay for the security, necessary preventative maintenance and insurance on their real property. As SIB is the ultimate beneficiary of any surplus over the individual company claims, funds to cover these expenses have been forwarded to preserve values and ensure that no further deterioration takes place. These funds are advanced on a priority basis and will be repaid from realisations. There is more than adequate value to repay these advances together with reasonable interest to the SIB estate, and the process of repayment has in fact commenced.

(f) Clawback Claims

3.48 As addressed in our last report, we are pursuing in Antigua a direction from the Court approval with respect to our intended claims against those SIB CD holders who are in our view subject to clawbacks under the provisions of Section 204 of the International Business Corporations Act (S204 Claims) or who are net winners.

i) Section 204 Claims

3.49 As previously noted, we sought directions from the Antiguan Court in respect of (i) whether we were entitled to hold back amounts from the first distribution from those who are subject in our view to S204 Claims; and (ii) how to deal with any objections received.

3.50 The Antiguan Court authorised us to hold back amounts from the first interim distribution to those subject to the S204 Claims

3.51 However this did not resolve the bigger issue of the overall position, based on our review of the detailed legal opinion we received with respect to the relevant provisions of the International Business Corporations Act (Antigua) (the “IBC Act”), of our ability to prevail on the issue of clawbacks under S204 of the IBC Act.

ii) Net Winners

3.52 The US Receiver has initiated actions to recover net wins in the US against SIB CD holders. Net winners being defined as those who received more money out of SIB, no matter how characterised, for example interest or credit card usage, than they paid into SIB. The right of the Receiver to seek recovery of these “net wins” has recently been affirmed by the US Court of Appeals for the Fifth Circuit. The Receiver has only pursued those net winners within the scope of its US mandate.

iii) Our actions to clawback the “net wins” will not overlap with those already taken by the US Receiver, but will extend to those outside of the

US Receiver's jurisdiction. We are working cooperatively with the Receiver to ensure there is firstly no duplication and to assist each other with collection where possible. This co-operation should enable us to save significant costs.

Clawback overview

3.53 Our current estimate of the total value of the asserted clawback claims, both S204 and net winners, is in the range of US\$1.5 billion, involving some 4,400 SIB CD holders. If this estimate is proven to be correct, then the impact of the recovery of clawback claims should result in an increase of approximately 20c on the dollar to the prejudiced creditors (who represent about 80% of all creditors), in a current scenario where if there are no major litigation wins, they would expect to recover in total from both estates, 8c to 10c on the dollar. That is it could triple recoveries to the "innocent" CD holders. This is a material situation which simply cannot be ignored by the JL's, despite its controversial nature amongst the clawback targets. As previously stated in our last report and in our website postings, we believe that fairness in arriving at a proper pari-passu distribution requires this redistribution, and does not create a new class of victim.

3.54 Realistically we do not expect to be able to fully recover the amounts involved if we are correct in our interpretation of our obligation to clawback. However, based on a 10% distribution before add back of S204 clawbacks recovered, which we believe is a reasonable expectation outside any substantial recovery from litigation, we would be able to holdback from distributions approximately US\$150 million, which would be sufficient to boost distributions to the prejudiced creditors by 50% (i.e from 8%-10% to approximately 15%). We

regard this as a realistic minimum requiring little positive collection action or cost on our part. We would therefore expect that with positive collection activity we should be able to dramatically improve the recovery to the 8) creditors.

3.55 While the JJs fully appreciate that this is a controversial position, the strength of the legal opinion which we obtained on the relevant provisions of the IBC Act, combined with the very substantial adverse impact on the creditors who did not benefit from the sort of pay-outs we are seeking to clawback, required us to fully explore the issue and seek the intervention and guidance of the Court.

3.56 In order to determine what the objections were and provide a basis for contesting the JJs' position on clawback claims, we were instructed by the Court to solicit objections from intended clawback defendants. Approximately 900 objections were received by the JJs and presented to the Court. Further direction from the Court was sought. The Court directed that these objections be collated, sent to an *Amicus Curiae* (i.e., a 'friend of the Court'), and that the interests of the objectors be represented by that *Amicus Curiae*, who would also provide the Court with his view of the law on the issues put before the Court around those objections. This also prevents the need for multiple creditor representatives appearing on essentially the same issue and transfers the cost burden from every objecting creditor to the estate. At the same time any creditor who wishes to have his own representation at his own expense is permitted to do that. The Court has imposed cost restrictions on both the estate and on the Amicus in dealing with this issue.

- 3.57 Mr Lenworth Johnson was appointed by the Antiguan Court as an *Amicus Curiae* (the “Amicus”). A British barrister, Professor. Mark Watson-Gandy, of 13 Old Square, Lincoln's Inn, London, has been appointed to assist Mr Johnson.
- 3.58 The Court directed that the JJs disclose to the *Amicus* all of the objections received from the S204 defendants and net winners, which has now been complied with.
- 3.59 On 30 May 2014 the JJs gave notice of the appointment of the *Amicus* to the creditors/victims by way of publication on the SIB estate’s website. The publication included a summary of the application which will result in the *Amicus* and the JJs attending a Final Directions Hearing. The publication also confirmed that the Court had provided investors with an entitlement to take part at the Final Directions Hearing and any subsequent hearing on this matter, through their own lawyers should they chose to do so at their own expense.
- 3.60 An interim directions hearing was held on 28 July 2014 where the list of issues was considered by the Court, on a preliminary basis, in preparation for the Final Directions Hearing, which is expected to take place in early 2015.
- 3.61 We note that when purchasing certificates of deposit from SIB each investor agreed that the jurisdiction governing the relationship between SIB and the CD holder was Antigua. As such it is our position that for all disputes with CD holders the Antiguan Court is the only Court with jurisdiction, and its rulings are binding on all CD holders and specifically those with respect to clawbacks.
- 3.62 At this point we are prepared to settle claims at a discount given that the Court has not given its ruling on our position. The risk to those with whom we settle is

that in the final analysis we are not supported by the Court. However once we have a final directions ruling, and assuming it is in our favour, we shall be seeking recovery of the full value of the S204 claims and net wins.

3.63 Presently we have issued demands for payment on a select group of net winners valued at US\$70 million based in Latin America, principally in: Argentina, Colombia, Panamá, Peru, Ecuador, Guatemala, Venezuela and Mexico. No formal judicial proceedings have been launched yet.

3.64 These efforts are bearing fruit. For example we have recently reached another settlement in Venezuela for US\$50,000, and are in the process of finalising documents. We are also near to reaching a settlement with a reputable Venezuelan Group with a claim of approximately US\$1 million, and a Mexican investor for approximately US\$396,000.

3.65 The JJs have also made an application before a Court in Mexico for judicial recognition of SIB's foreign insolvency proceedings. The recognition would accompany the position in the negotiations of clawback claims against both net-wins and S204 claims, and provide additional routes to recover assets located in Mexico, for the benefit of all creditors of the estate.

3.66 Demand for payment of identified clawbacks has been or will be sent out to approximately 400 investors who have submitted claims in the estate but who are actually net winners. The total clawback claims against this group equate to US\$55 million.

**(g) Stanford Trust Company (STC) And Colombian
Subsidiary (SCB)**

- 3.67 The JLs continue with efforts to recover funds via STC over which Messrs Wide and Dickson are also Joint Liquidators. We anticipate that the bulk of the recoveries achieved in the STC liquidation, which has very limited creditors, will be available to STC's shareholder. Stanford himself as the shareholder of STC is accountable to the investors of SIB as a result of his action in stripping SIB's assets into the other entities he controlled and SIB have a summary judgment to this effect, which will permit the STC surplus to flow to SIB.
- 3.68 The principal asset of STC is its interest in a subsidiary brokerage company in Colombia (SCB) which is in liquidation under a Colombian liquidator appointed by us as JL's of STC. As a result of the efforts of SCB's Colombian liquidator, SCB holds approximately US\$12 million in cash. Of this US\$8 million is frozen by the Colombian Superintendent of Finance against a class action brought by investors buying SIB CD's through SCB based on the alleged wrongful sale of the CDs which have turned out to be essentially worthless. A similar claim has been made in a group action in Medellin, for a limited number of named claimants.
- 3.69 There are also other claims in the estate, mostly with respect to commissions that are claimed to be owing to salesmen. These claims are being resolved by the local Liquidator, and the greater part have been already settled. At this point the funds in the hands of the Liquidator are all invested and earning money. To date earnings have exceeded the cost of operating the liquidation.

- 3.70 We are liaising with the Colombian liquidator of SCB in an attempt to resolve this freeze of the US\$8 million, which is subject to the Superintendent of Finance's freezing order, and challenging the claims of the CD holders under the class action. The named investors who form part of the class action in Bogota have claims against SIB totalling approximately US\$2 million. It is incidental to their damages claims that the US\$8 million of SCB assets have been frozen.
- 3.71 However, we have been advised that all those who purchased certificates of deposit from SCB would be entitled to participate in the class action and are eligible to participate in the proceeds from any successful action. The total claims of Colombian victims against SIB are approximately US\$150 million. If the class action were to be successful and all Colombian victims participated in the proceeds from the US\$8 million that would amount to a distribution to these victims of approximately 5%, excluding any provision for contingent legal fees of the Colombian lawyers representing the class action. We believe this will prove to be less than a claim in the SIB liquidation will yield.
- 3.72 Our position is that a creditor has to select its route for recovery (*i.e.*, either Colombian class action or a claim in the SIB Antiguan liquidation and US Receivership estates) and we cannot properly let one group recover more than any other group. This is a position similar to that taken by the US Receiver who as part of his distribution process is requiring confirmation from each CD holder that they have no other source of recovery.
- 3.73 Therefore until this action is either settled or the Court makes a final decision, we will not be making a distribution to any Colombian victims who could potentially join this class action. As noted above the members of the class may be obliged to

disclose to the US Receiver that they have an expectation of a recovery outside the winding up of SIB as a collateral source. We do not know if this disclosure has been made, but preliminary discussions with the Receiver's agents suggests they may not have.

3.74 We have met with the legal team representing the Class Actions on two occasions, once directly with the lawyers bringing the action and the other in settlement meeting under the direction of a mediator. This last meeting took place in August 2014. During this meeting we suggested that recoveries from the SIB Antiguan estate were likely to generate a more favourable return in less time than pursuing the Class Actions.

3.75 There was also extensive disclosure during this meeting, with respect to the background of the SIB liquidation process, the activities up to date, the claims process, news about the distribution of dividends, current efforts to recover assets worldwide, and the current status of Colombian investors. At the end of the presentation, the creditors/victims present were given the opportunity to ask questions. We presented a proposal to settle the action on the lines of paying forthwith the amount that they would reasonably expect to recover from the known assets of SIB, and permitting them to participate in additional recoveries down the road. In our view this meets our objective of them not getting a "bonus" payment over other CD holders, but offers the advantage of timing and certainty.

3.76 One of the stumbling blocks to settlement seems to be the contingency fee of the lawyers running the Class action and how that would be paid under our proposal.

3.77 Also it is not clear to us that there is, or has been communication between the class action lawyers and all the other creditors that are eligible to participate in the class. It is therefore unclear how to get a binding settlement for the whole class. This is amongst the issues to be resolved in moving this matter forward and ultimately repatriating funds to SIB.

3.78 This same offer was made to the lawyer for the group action in Medellin at a meeting with him, also in August 2014.

3.79 In the meantime we have agreed with the SCB liquidator that both the group action in Medellin and the class action in Bogota should be defended vigorously.

(h) Other Litigation Claims

(i) Law Firm Claims

3.80 We have launched negligence actions in Antigua against US law firms, Proskauer Rose LLP and Chadbourne & Parke LLP, which acted for SIB and failed to protect its interests while doing so. These claims are based on a theory of liability and damages that are substantively different from and not available in the US proceedings against the same parties and therefore in our view stand separate and apart. These claims have been filed in Antigua.

3.81 We attended a mediation meeting in Dallas in September 2014 with respect to the Chadbourne & Parke claim with a view to achieving an all-party settlement. No settlement was achieved at this meeting.

3.82 At this point, and while we are always open to settlement discussions, it is our intention to proceed with our actions in Antigua.

(ii) Vingerhoedt Claim

- 3.83 We are prosecuting an action against a former President of SIB and a former Stanford associate and insider, Frans Vingerhoedt, for the recovery of funds paid to him without apparent justification. This matter was scheduled to be tried by the Antiguan Court in November 2014. However, as a result of Vingerhoedt's appeal to the Court of Appeal of a pre-trial order concerning the admissibility of certain evidence (see below), this matter will not be heard until next year.
- 3.84 Vingerhoedt recently challenged our intention to seek the admission at trial of certain parts of the transcript of Stanford's criminal trial (rather than calling the witnesses ourselves) to prove elements of our case. The Judge found that the transcript is admissible as proof of what was said by the witnesses, but not of the truth of what was said. Thus, we can refer to certain parts of the transcript to re-enforce what we have independently corroborated with respect to what was said by the witnesses. Also, the transcript can be used in cross-examination of witnesses for defence.
- 3.85 Vingerhoedt's lawyers have applied for permission to appeal against the Judge's finding and for the trial to be adjourned pending determination of the appeal (assuming permission is granted). We believe that the proposed appeal is misconceived and have made a submission to the Court of Appeal that permission should be refused. The Court of Appeal by its Order dated 23 September 2014 adjourned the issue and ordered that it be heard by a full sitting of the Court of Appeal in Antigua on 24 November 2014.

(i) Bank Of Antigua

3.86 As advised in our previous report, a conflict with Grant Thornton office holders was identified and Marcus Wide and Charles Walwyn had to resign as liquidators of Bank of Antigua. Following this, Stuart Mackellar of Zolfo Cooper was appointed liquidator.

3.87 SIB is a creditor of Bank of Antigua and we are in contact with Mr Mackellar to monitor recovery prospects. SIB's claim has yet to be admitted in this liquidation. There is a possibility that the SIB estate will be competing against the Bank of Antigua estate for some of assets in Switzerland. It is SIB's case that these funds belong to SIB on the basis the funds were transferred without apparent purpose and not for value from SIB's own accounts. A claim to clawback these amounts to the SIB estate has been initiated in Switzerland.

(j) Former Liquidators' Costs

3.88 We are moving forward with the judicial determination of the fees of the former liquidators.

3.89 We were advised that the fees of the Former Liquidators' professional advisors are direct claims on the estate and can be adjudicated separately from the claims of the Former Liquidators' themselves. We were mindful of the cost of challenging the value of these fees in Court, and therefore commenced direct negotiations with a majority of the Former Liquidators' legal advisors to obtain significant reductions on their invoiced fees. We have successfully settled \$7.4 million in claims of most of the legal advisors for \$5.5 million. These settlements resulted in savings for the estate totalling approximately US\$1.9 million.

- 3.90 The fees of Vantis/FRP (the firms that the former liquidators worked for) are of greater concern given the issues arising for the estate as a result of their time in office as well as the amount claimed which we consider to be excessive in the context of value delivered, especially given they were dismissed for cause after a protracted fight.
- 3.91 In September 2014, we met with representatives of the Vantis/FRP parties in London to discuss settlement of their claim for \$9,191,133 in fees and remaining disbursements and to express the areas of concern with respect to their claim.
- 3.92 We also put to them in writing subsequently, the issue of potential damages to the estate caused by their conduct and delays they created in bringing forward the application to deal with their potential replacement.
- 3.93 We have consulted with UK counsel and based on that advice we believe we have a claim to bring against the former JL's which exceeds any value, if there is any, in the work done for which they are seeking compensation.
- 3.94 It is our view that we both parties would be well advised to avoid the cost of litigation both on the fee front and the estate's claim against the former JL's by coming to an agreement both walk away at this point. It is likely however in view of the sums involved that both the fees and our claim against the former JLs will be litigated.

4 Distributions Update

- 4.1 A total of 16,216 creditor claims on SIB have been agreed at the time of the declaration of the first distribution, with a total value of US\$4.89 billion. These claims are spread over 102 different countries with different banking systems and rules with respect to receiving payments from overseas.
- 4.2 We have reconciled our claims with those admitted by the US Receiver with the intention of both ensuring consistency in the amounts admitted and to understand what claims were only admitted in one of the estates. As the US Receiver has run his claims based on linked accounts with a common owner, and ours are run on the basis of the individual legal owners, in number we have more claims.
- 4.3 On the basis of values of claims by linking admitted accounts in the Antiguan estate we have for practical purposes been able to reconcile the admitted claims in the US estate to the Antiguan estate. However as there is no "claims bar" process under the Antiguan claims process, claims continue to be admitted as and when filed. The right to participate in a distribution however is determined by the date of filing, and late filers after the declared distribution date are only entitled to share in subsequent distributions.
- 4.4 As previously reported the Joint Liquidators announced their first interim distribution to eligible creditors on 20 January 2014. With the benefit of feedback from the SEC Receiver's claims payment process, the JLS decided to offer creditors the option of receiving their distribution via wire transfer, cheque or opening a bank account with our distribution agent, into which the distribution could be directly deposited. After meeting with and obtaining

proposals from a number of banks active in the region we appointed ItalBank of San Juan, Puerto Rico to be our distribution agent

- 4.5 All eligible creditors were contacted and requested to provide ItalBank with written instructions choosing, and providing information, for their preferred payment method. The relevant instruction forms and information requests were also available on the JLs website.
- 4.6 Since our last report the distribution process has been a continuing event. What has been surprising is that to date the response rate to this request for payment instructions has been low despite several follow up solicitations. The JLs therefore made the decision that if instructions were not received by ItalBank on or before 31 October 2014, the remaining distributions would be made by cheque.
- 4.7 As the funds to make the distribution are held in a bank account in the UK under the Settlement Agreement with the US parties, the cheques issued in US dollars, are not in the same format as if they were US dollar cheques written on a US bank account. This has caused some issues in having them cashed at branches of banks not familiar with international clearing procedures, reflecting the problems in trying to create a simple process that suits all 102 national jurisdictions.
- 4.8 The distribution processing time has been longer than initially anticipated. As noted above this is due in part to factors including the challenges faced with the various banking systems and the number of different jurisdictions where proven creditors are located, and partly due to the KYC and AML issues that our distribution agent was obliged to deal with to comply with its own regulatory

issues. In our search for an agent, this was a theme common to all those that we approached and are not unique to ItalBank.

- 4.9 Also while we anticipated the vast bulk of applicants would provide their documentation electronically, a significant number provided them in hard copy format for which the review procedures require more human input and processing. Finally much of the paperwork, electronic or otherwise, was incorrectly filled out or conflicted with account opening documentation or the admitted claims, and required correction by the submitting CD holder.
- 4.10 It also became apparent that resolving these unanticipated complexities strained both the resources of ItalBank and our claims team in Antigua and created delays in processing. Consequently the distribution process, which continues, has taken dramatically longer than anticipated.
- 4.11 The SIB estate continues to receive and adjudicate claims in the liquidation. Those creditors who file claims now or in the future will only be entitled to distributions subsequent to the date of their filing.
- 4.12 As noted elsewhere the Court has endorsed holdbacks from the current distribution for those who are subject to S204 Claims. The JLS' are also holding back distributions to those Colombian investors seeking relief and who may seek relief in Colombia under the group and individual actions to prevent double recovery.
- 4.13 At 30 June, 2104 we had \$34.6 million on hand for distribution after distributing approximately \$6.2million. Since then we have distributed a further \$3.4 million and we still have \$24 million to distribute to those that have made no election.

Cheques are being prepared for distribution to those eligible to receive a distribution, but who made no election.

5 Financial Position Of The Estate

5.1 We attach a Statement of Receipts and Payments to 30 June 2014.

5.2 Please note the following explanations with regards to the US\$56 million held at 30 June 2014:

- US\$34.6 million represents funds which are allocated to the first interim distribution but not yet been distributed as of 30 June 2014.
- US\$18 million has been set aside from the UK assets of SIB to provide supplemental working capital to the estate. However, pursuant to the Settlement Agreement of March 2013, this \$18 million will only be released for that purpose proportionately and as funds are recovered from the Swiss frozen assets.

5.3 We had obtained funding for the estate to pursue litigation claims in the event realisations were slow in coming or in adequate to fund what we believe will be the biggest recoveries for SIB creditors. The costs of these funds was substantial were they to be drawn down, especially beyond the minimum draw of \$5 million. As a result of the land sale and based on reworked budgets, the estate is now funded sufficiently that it has repaid the base drawn down with accrued interest, and it is unlikely that any further drawdowns from the \$20 million Hamilton Funding Facility will be required.

5.4 The minimum draw down gave rise to a contingent obligation to make payments out of litigation recoveries, on a multiple of 2.5 to 3 times, the draw depending on timing, and only if such recoveries are achieved. This was believed to be preferable to sharing on a full contingency fee basis of a percentage of total recoveries. In the unlikely event there are no litigation wins from the estate's claims, no further payments would be required to be made to Hamilton.

5.5 We have summarised as a note to the Statement of Receipts and payments the cash on hand, including the funds in the process of being made available to the SIB estate from the sale of the AVA lands, and the current commitments with respect to those funds. At present there insufficient unallocated funds to warrant a second distribution. It is likely that until the Swiss monies are released a further distribution will be made unless we are successful in settling any of the litigation claims in process.

6 Antiguan Operations

6.1 For the period of the liquidation to date we have continued to occupy the SIB building in Antigua and we have continued to employ several former employees of SIB to assist us with the wind-down process. We have also employed additional Antiguan staff to assist us with:

- securing the electronic and hard copy records
- operating the accounting system to access information for asset identification, claims adjudication and litigation issues
- background information and affidavits in support of estate claims

- analysis of hard copy bank records for tracing purposes and asserting claims against other Stanford related entities
- claims administration and adjudication
- distribution issues
- organising records for storage,
- other administrative tasks in support of the Liquidation

6.2 This has been relatively inexpensive as the rent on the building had been fully prepaid, the owner SDC had no buyers for it and still does not, and there are substantial savings and data security by using local knowledgeable staff over professional staff at professional rates.

6.3 However now that we have substantially completed the claims adjudication process, reviewed and organised the very substantial volume of hard copy records, and the electronic records are uploaded to a searchable database, we can begin to wind down the operations in Antigua, and remove the remaining staff and any records that might need immediate review to smaller premises.

6.4 We will have to spend some time in ensuring that the current servers are preserved so that we can in fact access any electronic data that is required as we continue to prosecute our litigation claims.

7 Next Steps

7.1 We will complete the distribution of funds to creditors/victims from the first interim distribution. Those creditors/victims who have yet to respond to requests from Ital Bank for their preferred distribution method will receive a cheque.

- 7.2 The funding needs of the estate and claims of the Former Liquidators mean that there are insufficient funds on hand to enable a further distribution to creditors/victims at this time. Current funds in the estate are needed to pursue recovery efforts that are underway and particularly the high value litigation claims.
- 7.3 We continue to clean up other estate matters such as winding down the Antiguan operations and the management of a substantial amount of records, so that we can focus on these efforts to generate recoveries.
- 7.4 As noted above the litigation claims being pursued are very significant. However, because of the nature of litigation and the uncertainties, it is not possible to predict any final outcomes from this complex liquidation.
- 7.5 We will continue to drive the liquidations of the other Stanford entities in Antigua or that are controlled through Antigua in the expectation that monies from these will ultimately flow to SIB.
- 7.6 We will continue to work to recover the Swiss monies. Following receipt of these funds we should be in a position to make a further distribution from the estate.

Respectfully submitted

Yours faithfully



Marcus A. Wide
For and On behalf of the Joint Liquidators
Stanford International Bank Limited – In Liquidation

APPENDICES

STANFORD INTERNATIONAL BANK LIMITED (IN LIQUIDATION)

Receipts and payments statement account

| Receipts | 1 January 2014 - 30 June 2014 | As of 30 June 2014 (USD) |
|---|----------------------------------|-----------------------------|
| UK recoveries | 456,560 | 95,567,656 |
| Non UK Recoveries | | 8,156,396 |
| 3rd Party Funding (Hamilton) | | 5,001,000 |
| Settled legal claims | | 249,930 |
| Settlement on pricing error | | 230,710 |
| Recoveries of Preference Payments | 157,721 | 157,721 |
| Interest earned | 35,444 | 97,089 |
| Miscellaneous income | | 17,006 |
| | 649,725 | 109,477,507 |
| Less: Cost Awarded for removal of former liquidators | | -3,185,338 |
| Total Receipts | | 106,292,169 |
| Payments | | |
| Liquidators Fees & Expenses | 813,653 | 8,260,311 |
| Co-Lead Legal Advisors Fees And Expenses | 845,782 | 11,591,028 |
| Other Legal Advisors Fees And Expenses | 1,331,959 | 14,019,156 |
| Other Advisors Fees | 271,701 | 1,994,597 |
| Other Operational Expenses | 834,571 | 5,648,257 |
| Loans To Stanford Affiliates | 958,350 | 2,264,660 |
| Total Payments | 5,056,015 | 43,778,008 |
| Distributions | 5,159,380 | 6,211,444 |
| Balance on Hand | | 56,302,717 |
| Represented By: | | |
| Held for distribution (see report 4.12) | | 34,616,688 |
| Supplemental Working Capital Account (restricted – see report 3.6) | | 18,022,610 |
| Uncommitted cash on hand | | 3,663,419 |
| | | 56,302,717 |

Note: AVA Land sale income not included above.

Note:

Material receipts and commitments for the period post 30 June 2014 are reported below.

| | \$m | \$m |
|--|---------------|-------------------|
| Uncommitted cash in hand as at 30 June 2014 | | 3.6 |
| Sale of Lands (net of costs) | 48.9 | |
| Costs – Agreed | | |
| Accrued legal and liquidation costs | 3.0 | |
| Former liquidator's advisor costs | 5.7 | |
| Distributions subsequent to R&P date | 3.4 | |
| Commitments | | |
| Budget for litigation | 22.0 | |
| Disputed Costs of the Former Liquidators | 9.2 | |
| | <u>(43.3)</u> | |
| Uncommitted cash available further to AVA sales | | 5.6 |
| Current uncommitted cash in hand | | <u>9.2</u> |