

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

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

**RECEIVER'S FIFTH INTERIM REPORT REGARDING STATUS OF
RECEIVERSHIP, ASSET COLLECTION, AND ONGOING ACTIVITIES**

The Receiver hereby submits for the Court's consideration the following information regarding the status of the Receivership, asset collection efforts, and other ongoing activities. Unless otherwise stated herein, the information in this report is current as of January 31, 2013.¹ The Receiver will supplement this report as circumstances develop or if the information herein materially changes.

I. CASH INFLOWS & MAJOR RECEIVERSHIP ASSETS

The total amount of cash collected by the Receiver — including, but not limited to, remaining operating income streams, asset liquidation, and recovery of assets and funds from third parties — was approximately \$230.2 million as of January 31, 2013. The total of all cash on hand was \$111 million, which is net of the cash outflows discussed in more detail below in

¹ A summary of the data in this report is contained in the concurrently filed Appendix. In particular, page 1 of the Appendix provides both summary- and detail-level information regarding the Receivership's cash flow. Page 2 of the Appendix lists major Receivership assets identified thus far.

Section II of this report. Of this amount, \$8 million was restricted² and \$103 million was unrestricted.

Cash Balances & Trailing Revenue: The cash balances recovered by the Receiver shortly following his appointment on February 17, 2009 totaled approximately \$63.1 million. In addition, the Receivership has collected roughly \$5.3 million in cash associated with income earned prior to the inception of the Receivership.

Private Equity: The Receiver has recovered approximately \$37.5 million in net cash proceeds from the liquidation of private equity investments and expects to receive approximately \$300,000 more from closed or pending private equity liquidations. In addition, the Receiver's financial advisor is continuing to market the remaining investments in Stanford's private equity portfolio, which has an estimated value of up to \$6.7 million.

Real Estate: The Receiver has recovered approximately \$18.7 million in net cash proceeds from the liquidation of real estate, including the recent Holly Springs sale [see Doc. 1695]. Although the Receiver's real estate brokers are continuing to market other properties in Stanford's real estate portfolio, the Receiver is unable to estimate the potential recovery from the liquidation of those properties at this time.

Watercraft and Airplanes: The Receiver has recovered approximately \$8.0 million from the disposition of airplanes owned or leased by Stanford and from the sales of the Sea Eagle yacht, the Little Eagle yacht, and the Robust Eagle tugboat.

Latin American Assets: The Receiver has been able to liquidate assets in Panama, Ecuador, and Peru, resulting in a recovery of approximately \$12.9 million.³ Moreover, the Receiver is pursuing the recovery of up to \$10.2 million in additional Latin American assets.

² This restricted cash includes, *inter alia*, the following: amounts held in escrow pending resolution of negotiations with regulators concerning Stanford Trust Company; amounts held in escrow pending the outcome of the controversy between the Receiver and Dillon Gage; and amounts subject to potential liens.

Miscellaneous Asset Sales: The Receiver has recovered approximately \$2.2 million from the sale of miscellaneous assets — including, but not limited to, furniture, coins, vehicles, and assorted equipment.

Litigation: The Receiver has fraudulent-transfer, unjust-enrichment, and other claims pending against numerous defendants, through which the Receiver seeks the recovery of approximately \$700 million.⁴ The Receiver has identified at least an additional \$1.1 million in international litigation claims. Asset recovery litigation is difficult, protracted, and expensive. Nevertheless, such claims are the single largest potential source of funds which may be recovered for the benefit of Stanford's victims. Although the Receiver has thus far received approximately \$15.5 million⁵ from settlements and other litigation efforts (including over \$2.2 million received from the political committee defendants in Case No. 3:10-CV-0346-N) and has secured an injunction to hold another approximately \$25 million, the amount that the Receiver ultimately is able to collect from defendants is uncertain and may be less than the amounts claimed. The Receiver will continue to work towards appropriate and reasonable settlements, where possible, in order to maximize the net recovery to the Receivership Estate. A detailed report regarding the status of the Receiver's many litigation claims is found in the Third

³ This figure comprises the following: (a) over \$7.7 million in net proceeds from the sale of Stanford Bank (Panama) S.A. and Stanford Casa de Valores; (b) approximately \$612,000 from the sale of the Stanford Peruvian brokerage business; and (c) over \$4.5 million through the liquidation of Stanford Ecuadoran assets.

⁴ For the purposes of this report, the Receiver has excluded the following amounts from this figure: (a) claims for the return of over \$971.2 million in "principal" amounts from net winner defendants; (b) claims against R. Allen Stanford for at least \$1.8 billion; (c) claims against the defendants in *Janvey, et al. v. Adams & Reese, LLP, et al.* (Case No. 3:12-CV-0495-N-BL), *Janvey, et al. v. Proskauer Rose, LLP, et al.* (Case No. 3:12-CV-0644-N-BL), *Janvey, et al. v. Greenberg Traurig, LLP, et al.* (Case No. 3:12-CV-4641-N), and *Janvey, et al. v. Proskauer Rose, LLP, et al.* (3:13-CV-0477-N) for actual and punitive damages; and (d) the approximately \$25 million in enjoined funds discussed above.

⁵ This figure comprises the following: (a) settlements with 112 investors/investor groups for approximately \$8.0 million; (b) \$2,255,911.23 received from the political committee defendants; (c) a settlement with former employees Aitken and Thacker for \$4.4 million (of which \$50,000 remains to be funded by Thacker); (d) a settlement with Walton Houston Galleria Office, L.P. for \$385,000; (e) a settlement with Buhler and DePierro for approximately \$29,000 relating to a Stanford interest in GoAntiques; (f) approximately \$506,000 collected from an account with Charles Schwab; (g) a settlement with former employee Luke Patterson for \$15,000; and (h) over \$36,000 in other litigation recoveries.

Joint Report of the Receiver, the Examiner and the Investors Committee Concerning Pending Litigation (For the Quarter Ending September 30, 2012) [see Doc. 1716], and related litigation issues are discussed in the Report of the Examiner and Receiver Addressing Matters Assigned to Magistrate Judge Frost [see Doc. 1720].

Return of Political Contributions: The Receiver has identified approximately \$1.9 million in political contributions made by Allen Stanford and related entities. The Receiver has requested the return of these contributions from over 90 politicians, political action committees, and congressional committees. Through January 31, 2013, \$1,770,380 has been returned (including the principal amount of the contributions that were part of the over \$2.2 million received from the political committee defendants discussed above).

Coins and Bullion Inventory: The Receiver has approximately \$200,000 in remaining coins and bullion inventory relating to the coins and bullion operations.

Overseas Cash: The Receiver has identified approximately \$310 million in cash, assets, and other investments in foreign accounts, including accounts in Canada, the United Kingdom, and Switzerland. The Receiver cannot ascertain the exact current value of these assets, which are subject to forfeiture proceedings, because those funds are not currently subject to the Receiver's control or direct monitoring. The Receiver is working with the Department of Justice and the Joint Liquidators in Antigua in an effort to reach agreement concerning the release and distribution of these assets.

Other Inflows & Assets: The Receivership has collected approximately \$66.8 million through the liquidation of other investment accounts held on behalf of Stanford, including approximately \$5.0 million held on behalf of Stanford Trust Company; \$1.0 million from the liquidation of Bank of Antigua accounts; \$46.7 million through the liquidation of

Stanford accounts at Pershing and of various investment funds held on Stanford's behalf; \$8.4 million through the recovery of additional cash balances; and \$5.7 million received via other inflows, including, but not limited to, rental and interest income, cash flows from other liquidated bank accounts, and restricted funds and interest thereon. The Receiver estimates that he may recover up to \$2.5 million⁶ in additional assets held in U.S. banks and brokerages.

II. CASH OUTFLOWS

From February 17, 2009 through January 31, 2013, the total amount of Receivership cash outflows — comprising professional fees and expenses, as well as other types of expenses — was approximately \$119.2 million.

Expenses Other than Professional Fees: The total amount of all payments made by the Receiver for expenses other than professional fees was approximately \$53.3 million. This figure comprises the following approximate amounts: \$26.7 million in personnel expenses and other employee expenses; \$3.8 million in insurance expenses; \$3.5 million in taxes; \$1.6 million in general and administrative expenses; \$2.4 million in telecommunications expenses; \$5.2 million in occupancy expenses; \$2.5 million in settled claims; and \$7.7 million in other expenses. As previously explained in the Fourth Interim Report [*see* Doc. 1630 at 5-7], these expenses have decreased dramatically as the Receivership has progressed.

Professional Fees and Expenses:⁷ As of January 31, 2013, the professional fees and expenses paid to the Receiver and his professionals total approximately \$63.3 million. Approximately half of this amount was paid in the first year of the Receivership (\$30.9 million

⁶ Trustmark has agreed to transfer approximately \$986,000 of this amount (currently in the registry of the Court) to the Receiver.

⁷ Details regarding all professional fees and expenses, as well as amounts currently held back, are contained in the several fee applications submitted to and approved by this Court.

from the first quarter of 2009 through the first quarter of 2010) to wind down operations and institute necessary legal actions to protect and benefit the Estate.

Furthermore, the Receivership Estate has paid (per Court approval) the Examiner's expenses and legal fees totaling approximately \$1.9 million through January 31, 2013. Also per Court direction, the Receivership Estate has paid a total of approximately \$600,000 in attorneys' fees, expert fees, and expenses incurred by the Official Stanford Investors Committee (the "OSIC") through January 31, 2013.

Dated: February 7, 2013

Respectfully submitted,

BAKER BOTTS L.L.P.

By: /s/ Kevin M. Sadler

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**ATTORNEYS FOR RECEIVER
RALPH S. JANVEY**

CERTIFICATE OF SERVICE

On February 7, 2013, I electronically submitted the foregoing document with the clerk of the court of the U.S. District Court, Northern District of Texas, using the electronic case filing system of the Court. I hereby certify that I have served the Court-appointed Examiner, all counsel and/or pro se parties of record electronically or by another manner authorized by the Federal Rules of Civil Procedure.

/s/ Kevin M. Sadler

Kevin M. Sadler

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**APPENDIX IN SUPPORT OF
RECEIVER'S FIFTH INTERIM REPORT REGARDING STATUS OF
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CASH FLOW FROM 2/17/09 - 1/31/2013 (\$M)		
Total Cash Inflow	\$	230.2
Expenses Other Than Professional Fees		(53.3)
Professional Fees and Expenses		(65.9)
Restricted Cash		(8.0)
Total Unrestricted Cash	\$	103.0

DETAILS OF TOTAL CASH INFLOWS AS OF 1/31/2013 (\$M)		
Cash Balances of Stanford Accounts on 2/17/09	\$	63.1
Trailing Revenue		5.3
Private Equity		37.5
Real Estate		18.7
Watercraft and Airplanes		8.0
Latin American Assets		12.9
Miscellaneous Asset Sales		2.2
Litigation		15.5
Return of Other Political Contributions		0.2
Stanford Trust Company Monies Held as Restricted		5.0
Liquidation of Bank of Antigua Accounts		1.0
Liquidation Of Fund Accounts		25.2
Liquidation of Company Accounts at Pershing		21.5
Recovery of Additional Cash Balances		8.4
Other Inflows		5.7
Total Cash Inflow	\$	230.2

DETAILS OF TOTAL CASH OUTFLOWS AS OF 1/31/2013 (\$M)		
Personnel Expenses and Other Employee Expenses	\$	26.7
Insurance Expenses		3.8
Taxes		3.5
General and Administrative Expenses		1.6
Telecommunications Expenses		2.4
Occupancy Expenses		5.2
Settled Claims		2.5
Other Expenses		7.7
Receivership's Professional Fees & Expenses		63.3
Examiner's Professional Fees & Expenses		1.9
Investors Committee's Professional Fees & Expenses		0.6
Total Cash Outflow		119.2

ESTIMATED VALUE OF MAJOR RECEIVERSHIP ASSETS**AS OF 1/31/2013 (\$M)**

Closed or Pending Private Equity Liquidation	\$	0.3
Other Private Equity		6.7
Latin American Assets		10.2
Domestic Litigation Claims		700.0
International Litigation Claims		1.1
Funds Frozen Pursuant to Injunction		25.0
Available Coin Inventory		0.2
Assets Held in Switzerland, Canada, and the UK		310.0
Assets Held in US Banks and Brokerages		2.5
Estimated Total Major Receivership Assets	\$	1,055.9