

THE EASTERN CARIBBEAN SUPREME COURT
IN THE HIGH COURT OF JUSTICE
ANTIGUA AND BARBUDA



Claim No. ANUHCV 2009/ O149

In the Matter of Stanford International Bank Limited (In Receivership)
-And-

**In the Matter of the International Business Corporations Act, Cap 222 of the
Laws of Antigua and Barbuda**
-And-

**In the Matter of an Application for the Liquidation and Dissolution of
Stanford International Bank Limited and the Appointment of Liquidators**

ORDER

BEFORE THE HONOURABLE JUSTICE DAVID HARRIS, IN OPEN COURT

DATED THE 15TH DAY OF APRIL, 2009

ENTERED THE 17th DAY OF APRIL, 2009

UPON THE Hearing of the Petition filed herein on the 25th day of March, 2009.

AND UPON READING the Petition and Affidavits of Paul A. Ashe and Nigel Hamilton-Smith filed herein on the 25th day of March 2009 in support of the Petition;

AND UPON HEARING the evidence of Paul A. Ashe and Nigel Hamilton-Smith given in Court on the 15th day of April, 2009

AND UPON HEARING Charlesworth O. D. Brown, Counsel for the Petitioner, Jasmine Wade appearing with him; Conliffe Clarke, Counsel for Alexander M. Fundora, and several other creditors and an interested persons, appearing with Marcel E. Commodore and R. Dexter Wason; Leslie Anne Brisette, Counsel for Victoria Rolston and other creditors and interested persons; and Sir Clare K. Roberts QC, amicus curiae, Counsel for Ralph S. Janvey, US Receiver of the



Stanford International Bank Limited appointed by the United States District Court for the Northern District of Texas, Dallas Division United States of America.

THE PETITION herein

Having been filed by Paul A. Ashe, the Supervisor of International Banks and Trusts of the Financial Services Regulatory Commission, the Appropriate Official, under section 300 of the International Business Corporations Act, Cap. 222 of the Laws of Antigua and Barbuda (the Act);

Having been heard on the 6th, 7th, 8th, 9th, 14th, and 15th days of April 2009 together with the Petition of Alexander M. Fundora, a creditor and an interested person, filed on the 9th day of March 2009 under section 220 of the Act in Claim No; ANUHCV 2009/ 0126 (the Fundora Petition).

THIS COURT having

dismissed the Fundora Petition on the ground that Mr. Fundora has no standing to present the Fundora Petition under section 220 of the Act;

satisfied itself that the Stanford International Bank had acted in contravention of the Act and that the Appropriate Official has standing and met the pre requisite conditions stipulated under section 300 of the Act;

considered the evidence adduced in support of and in opposition to the Petition;

noted the failure of the Stanford International Bank Limited to oppose the Petition or otherwise avail itself of the opportunity to be heard during the proceedings by itself or through Counsel.

AND THIS COURT having determined that in the circumstances it is just and convenient that the Stanford International Bank be liquidated and dissolved under the supervision of this Court pursuant to the Act.

IT IS HEREBY ORDERED THAT:

1. Stanford International Bank Limited (the "Bank") be liquidated and dissolved under the supervision of this Honourable Court pursuant to the provisions of the International Business Corporations Act, Cap. 222, as amended, of the Laws of Antigua and Barbuda (the Act).
2. Nigel Hamilton-Smith and Peter Wastell be and are hereby appointed liquidators (the "Liquidators") of the Bank, with all of the powers and duties of a liquidator as contained in the Act or any other legislation

related thereto and with further powers, duties and responsibilities as conferred by this Order.

3. The Liquidators shall forthwith give notice of the liquidation and the appointment of the Liquidators to each known claimant and creditor of the Bank and all other interested persons by publishing a notice in the Official Gazette and in a newspaper with national circulation in Antigua and Barbuda and otherwise give notice in every jurisdiction where the Bank had a place of business..
4. The Liquidators shall take possession of, gather in and realise all the present and future assets and property of the Bank, including without limitation, any real and personal property, cash, choses in action, negotiable instruments, security granted or assigned to the Bank by third parties including property held in trust or for the benefit of the Bank, and rights, tangible or intangible, wheresoever situate and to take, such steps as are necessary or appropriate to verify the existence and location of all the assets of the Bank, or any assets formerly held whether directly or indirectly or to the order of or for the benefit of the Bank or any present or former subsidiary or company associated with the Bank, including the terms of all agreements or other arrangements relating thereto, whether written or oral, the existence or assertion of any lien, charge, encumbrance or security interest thereon, and any other matters which in the opinion of the Liquidators may affect the extent, value, existence, preservation, and liquidation of the assets and property of the Bank.
5. All assets, tangible and intangible and wheresoever situate, shall vest in the Liquidators, who shall collect and gather in all such assets for the general benefit of the Bank's creditors and as may be directed by this Court.
6. The Liquidators shall open and maintain in their official name as Liquidators a bank account in this jurisdiction or in such other jurisdiction as they consider appropriate (collectively referred to as the "Account"), in order to deposit therein the funds so gathered and realised.
7. The funds in the Account and any other of the Bank's assets and property are to be held for the benefit of the depositors, creditors and investors of the Bank as their interests appear in accordance with the laws of Antigua and Barbuda, subject to the payment of the fees, expenses and costs of the receivership and liquidation which shall be paid in the following order in priority to claims of depositors, creditors and investors:
 - 7.1 The fees and expenses of the Receiver-Managers and of the Liquidators, including fees and expenses of legal counsel, and agents, accountants, investigators or other experts engaged by the Receiver-Managers and

the Liquidators to assist them in the conduct of their duties and responsibilities;

- 7.2 The costs of the receivership and the liquidation, including but not limited to any costs of retaining the Bank's staff and officers to assist in liquidation including without limitation benefits and expenses, rent, power telephone, charges associated with computer systems, bank charges and interest and any other costs that in the opinion of the Liquidators are required to facilitate the liquidation process;
- 7.3 Severance payments to former employees of the Bank;
- 7.4 The balance to be paid on account of the claims of creditors and depositors of the Bank as at the date of this Order and in accordance with their priority under the Act and other laws of Antigua and Barbuda, or as may be ordered by this Honourable Court with the remaining balance, if any, to be distributed to the shareholders of the Bank in accordance with their entitlement.
8. The Liquidators shall have a first priority security interest in the assets and property of the Bank in priority to all other persons as security for the Liquidators' fees, expenses and costs.
9. The Liquidators shall be at liberty, and without the necessity of any further order, to summon before the High Court for examination under oath any person reasonably thought to have knowledge of the affairs of the Bank or any person who is or has been a director, officer, employee, agent, shareholder, accountant of the Bank, or such other person believed to be knowledgeable of the affairs of the Bank and to order such person(s) liable to be examined to produce any books, documents, correspondence or papers in his or her possession or power relating to all or in part to the Bank, its dealings, property and assets and the Liquidators are authorised to issue writs of subpoena ad testificandum and duces tecum for the compulsory attendance of any of the persons aforesaid required for such examination.
10. The Bank and any person holding or reasonably believed to have in their possession or power any assets or property of the Bank including without limitation, computer records, programs, disks, documents, books of account, corporate records, minutes, opinions rendered to the Bank, documents of title, electronic or otherwise (collectively called "Papers") relating in whole or in part to the Bank or such persons, dealings, or property showing that he or she is indebted to the Bank may be required by the Liquidators to produce or deliver over such property forthwith to the Liquidators notwithstanding any claim or lien that such person may have or claim on such assets and property and the Liquidators shall have full and complete possession and control of such assets and property of

the Bank including its premises. In the event of a bona fide dispute as to ownership and legal entitlement to such property and Papers, the Liquidators shall take away copies of such Papers.

11. Further, and without limiting the generality of paragraphs 9 and 10 hereof:
 - 11.1 The (i) Bank; (ii) all of its current and former directors, officers, managers, employees, agents, accountants, holders of powers of attorney, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Liquidators of the existence of any Property in such Person's possession, power, control, or knowledge, and shall grant immediate and continued access to the Property to the Liquidators, and shall deliver all such Property to the Liquidators upon the Liquidators' request, subject only to any privilege attaching to solicitor-client communications or statutory provisions prohibiting such disclosure;
 - 11.2 All Persons shall forthwith advise the Liquidators of the existence of and grant access to and deliver to the Liquidators or to such Agent or Agents they may appoint, any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Bank, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Liquidators or permit the Liquidators to make, retain and take away copies thereof and grant to the Liquidators unfettered access to and use of accounting, computer, software and physical facilities relating thereto, subject only to any privilege attaching to solicitor-client communications or statutory provisions prohibiting such disclosure;
 - 11.3 If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Liquidators for the purpose of allowing the Liquidators to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Liquidators in their discretion deem expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Liquidators. Further, for the purposes of this paragraph, all Persons shall provide the Liquidators

with all such assistance in gaining immediate access to the information in the Records as the Liquidators may in their discretion require including providing the Liquidators with instructions on the use of any computer or other system and providing the Liquidators with any and all access codes, account names and account numbers that may be required to gain access to the information; and

- 11.4 The Persons are hereby restrained and enjoined from disturbing or interfering with the Liquidators and with the exercise of the powers and authority of the Liquidators conferred hereunder.
12. The Liquidators are authorised in their own names or on behalf of the Bank as Liquidators to join in and execute, assign, issue and endorse such transfers conveyances, contracts, leases, deeds, bill of sale, cheques, bills of lading or exchange or other documents of whatever nature in respect of any assets and property of the Bank as may be required to carry out their duties including the realisation and liquidation of the assets of the Bank or for any purpose pursuant to this Order or under the law.
13. The remuneration of the Liquidators and their expenses and costs, may be drawn on account of the total on a monthly basis from the assets from the Bank including cash and deposits on hand, on the basis of the time expended by the Liquidators and their staff at rates to be approved by this Court, provided always that the statement of the Liquidators' fees expenses and costs for a particular month must be presented to the Court within 7 days of the following month.
14. The Liquidators may engage agents, appraisers, auctioneers, brokers, or any other experts as may be required to assist them with the liquidation process and determining claims in the liquidation.
15. The Liquidators may retain independent legal advice and engage legal counsel both inside and outside Antigua and Barbuda to assist them for purposes of fulfilling their duties hereunder.
16. No person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Bank, without written consent of the Liquidators or leave of this Honourable Court:
17. All persons having oral or written agreements with the Bank or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services; insurance, transportation and freight services, utility or other services to the Bank are hereby restrained until further Order of this Honourable Court from

discontinuing, altering, interfering-with or terminating the supply of such goods or services as may be required by the Liquidators; and that the Liquidators shall be entitled to the continued use of the Bank's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Liquidators in accordance with normal payment practices of the Bank or such other practices as may be agreed upon by the supplier or service provider and the Liquidators, or as may be ordered by this Honourable Court,

18. The Liquidators shall have the authority as officers of this Honourable Court to act in Antigua and Barbuda or any foreign jurisdiction where they believe assets, property or Papers of the Bank may be situate or traced at equity or otherwise, and shall have the right to bring any proceeding or action in Antigua and Barbuda and/or in a foreign jurisdiction for the purpose of fulfilling their duties and obligations under this Order and to seek the assistance of any Court of a foreign jurisdiction in the carrying out of the provisions of this Order, including without limitation, an order of examination of persons believed to be knowledgeable of the affairs, assets, property and Papers of the Bank and to assist the Liquidators in the recovery of the assets and property of the Bank.
19. The Liquidators shall have the authority to initiate, prosecute and continue the prosecution of any and all proceedings, and to defend all proceedings for the benefit of the Bank's creditors now pending or hereinafter initiated with respect to the Bank and, upon receiving the approval of this Court, to settle or compromise any such proceeding.
20. The Liquidators are hereby constituted as foreign representatives for the purposes of any proceeding with respect to the Bank that may be commenced or taken under any applicable law outside of Antigua and Barbuda, including but not limited to bankruptcy, trust, insolvency, company or other applicable law.
21. The Liquidators shall be at liberty and are hereby authorized and empowered to apply, upon such notice as they may consider necessary or desirable, to any other Court or administrative bodies in any other jurisdictions, whether in Antigua and Barbuda or elsewhere, without limitation, for orders recognizing the appointment of the Liquidators by this Honourable Court and confirming the powers of the Liquidators in such other jurisdictions, and requesting the further aid, assistance or recognition of any court, tribunal, governmental and administrative body, or other judicial authority, howsoever styled or constituted, to assist in the carrying out of the terms of this Order and the duties and responsibilities

of the Liquidators hereunder, including but not limited to, and on the basis of:

- 21.1 all applicable foreign corporate, insolvency, or other statutory provisions or customary practices that permit the recognition of foreign representatives of an insolvent estate; and/or
- 21.2 the doctrines curial deference and comity, including but not limited to:
 - 21.2.1 recognizing the Liquidators as having the equivalent powers of a liquidator or of an insolvency office holder within any foreign jurisdictions and to investigate the affairs of the Bank, take evidence thereof and identify, trace, arrest, seize, freeze, detain, secure, recover, receive, control, preserve and protect the Bank's assets, property and Papers and administer such property, assets and Papers, howsoever characterized, pursuant to this Order;
 - 21.2.2 granting extraordinary relief to the Liquidators to identify, trace, arrest, seize, freeze, detain, secure, recover, receive, control, preserve and protect the Bank's assets, property, and Papers and compel disclosure of information and documents to the fullest extent otherwise permitted, in aid of the Liquidators authority hereunder to discover assets, property and Papers under the dominion or control of the Bank, to trace the movement and conversion, past and present, of the Bank's property, assets or Papers and to fully learn of the activities of the Bank with regard thereto;
 - 21.2.3 compelling disclosure of the identities of all known or unknown wrongdoers, facilitators and all other persons or entities who have acted, knowingly or unknowingly, in concert with the Bank in any fashion whatsoever;
 - 21.2.4 restraining any person who may become aware of this Order or of any other proceedings in connection therewith from disclosing same, or any information whatsoever in this regard; and
 - 21.2.5 compelling for examination under oath, by the Liquidators or other authorized person, any person reasonably thought to have knowledge of the affairs of the Bank, or any person who is or has been an agent, banker, clerk, employee, contractor, servant, officer, director, nominee, trustee, fiduciary, auditor, accountant, shareholder, lawyer, attorney, solicitor, advocate or advisor to the Bank, regarding the Bank, their dealings or the Bank's assets, property or papers; in ordering any person liable to be so examined to produce any books, documents, correspondence,

reports or papers in his possession or power, relating in all or in part to the Bank, or in respect of his dealings with either the Bank or with the Bank's assets, property or Papers.

22. This Honourable Court requests the aid, assistance and recognition of any foreign Court, tribunal, governmental body or other judicial authority, howsoever styled or constituted, in any other jurisdiction where property and assets of the Bank may be found (or traced) to assist in carrying out the terms of this Order and the duties and responsibilities of the Liquidators hereunder and to act in aid of and to be complementary to this Court in carrying out the terms of this Order.
23. The Liquidators shall provide a report to this Honourable Court within ninety (90) days of the date of this Order with respect to the liquidation and their preliminary determination of the assets to be realised, the likely recoveries and the extent to which the claims of creditors, depositors, and investors in the Bank may be met. The Liquidators shall further report to the Court as they or the Court determine is appropriate, but shall in any event report no less frequently than three (3) months from the date of their last report.
24. The Liquidators, their officers, employees, legal counsel, agents and such other persons retained by them in the performance of their duties hereunder shall be granted indemnity from the assets of the Bank for all fees, expenses and actions taken, including indemnity for any litigation or other claims, actions or demands whatsoever in respect of any debts, costs, claims, liabilities, acts, matters, or things done or due to be done or omitted by the Liquidators, their officers, employees, legal counsel, agents and such other persons retained by them except where there is a finding by the Court of negligence or wilful neglect in the performance of their and/or their respective duties.
25. All actions, proceedings and any claims whatsoever and wheresoever initiated against the Bank, its assets and property, are hereby stayed and no person, which shall include a body corporate, shall bring or continue with a claim or proceeding in Antigua and Barbuda or elsewhere as against the Liquidators or the Bank without leave of this Honourable Court.
26. The Liquidators in the carrying out of their duties and responsibilities may apply for directions and guidance from this Honourable Court from time to time including any application as may be required for the amendment of this Order.
27. The Liquidators, in their names or in the name of the Bank, shall be at liberty to apply for any permits, licences, approvals or permissions as may be required by or deemed necessary pursuant to any laws,

governmental or regulatory authority, in the pursuit and performance of their duties hereunder.

28. The Liquidators are not required to post security in respect of their appointment.
29. The Liquidators shall exercise, perform or discharge their duties independently or jointly and in doing so shall be deemed to act as agents for the Bank and they act solely in their capacity as Liquidators and without personal liability if they rely in good faith upon the financial statements of the Bank or upon an opinion, report or statement of any professional adviser retained by them.
30. The Petitioner is hereby awarded costs to be paid out of the liquidation estate of the Bank.
31. This Order shall take effect from the date hereof.

BY THE COURT

A handwritten signature in black ink, appearing to read 'E. Faber', is written over a horizontal dotted line.

Registrar

THE EASTERN CARIBBEAN SUPREME COURT
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ORDER

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CHARLESWORTH O.D. BROWN
Attorney-at-Law