
Stanford International Bank Limited (In Liquidation)

Update to Creditors

March 2024

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Introduction

- 1.1 The purpose of this report is to update creditors on developments in the liquidation of Stanford International Bank Limited (SIB) since the previous report was posted to the liquidation website, www.sibliquidation.com, in July 2023.
- 1.2 Following Hugh Dickson's retirement from Grant Thornton Specialist Services (Cayman) Limited on 31 December 2023, Kevin Hellard of Grant Thornton UK LLP was appointed joint liquidator of SIB in his place. Mr Hellard is an experienced insolvency practitioner.
- 1.3 We continue to post updates on important developments on the liquidation website as they occur.

Distributions

- 2.1 We have made three distributions to creditors to date, totalling 2.6% of victims' claims, equivalent to approximately US\$133 million.
- 2.2 We continue to make regular redistributions to creditors who for a variety of reasons either did not receive or could not bank their cheques.
- 2.3 Unclaimed and accrued distributions currently total approximately US\$15.8 million at the date of this report. As mentioned in previous reports, unclaimed and accrued distributions represent amounts held for creditors who, for a variety of reasons, have not banked their distribution cheques or who we have not been able to contact. It is to be expected in a long running liquidation with over 17,000 creditors that there will be some creditors to whom we are unable to successfully make distributions.
- 2.4 We have set aside funds totalling US\$6 million, representing Swiss frozen fund recoveries, for the next distribution to creditors. Until further substantial recoveries are made or absent that, on closure of the liquidation, it is considered uneconomical to make a distribution to creditors for this amount and therefore these funds will not be distributed until further recoveries are made. It is not possible for us to predict the timing or amount of future distributions at this stage.

Updates on Recovery Efforts

- 3.1 The only remaining significant litigation claim being pursued by the liquidation estate is the claim against Société Générale Private Banking (Suisse) SA (Soc Gen) in Switzerland for approximately US\$700 million.
- 3.2 We also expect to recover further amounts from Switzerland totalling approximately US\$10 million following the completion of the Swiss ancillary bankruptcy process.
- 3.3 We also expect to recover further minor amounts from the liquidation of related companies in Antigua.

Claim against Soc Gen (Geneva, Switzerland)

- 3.4 The claim against Soc Gen is progressing before the Swiss courts in Geneva. The Swiss Court recently determined as a preliminary matter the payment into court by way of security for costs required from SIB to enable its claim to continue. Following submissions by both SIB and Soc Gen, in which Soc Gen asked the Court to order SIB to pay CHF2.9 million into court, the Swiss Court ultimately ordered payment of CHF1.5 million. That sum has since been paid into court by SIB. We await further directions from the Swiss Court regarding the deadline for Soc Gen's reply to SIB's claim.
- 3.5 As previously advised, we are challenging the order from the US District Court for the Northern District of Texas (USDC) (the US Bar Order) which seeks to 'bar' or prevent the claim against Soc Gen proceeding in Switzerland. We set out our reasons for objecting to the US Bar Order in our last report and it is for those reasons that we continue to challenge the US Bar Order and pursue the claim in Switzerland. Ultimately, we believe there are good prospects of achieving recoveries from our claim against Soc Gen. The appeal of the US Bar Order is scheduled to be heard by the Fifth Circuit of the United States Court of Appeals on 30 April, 2024. We will keep creditors updated on the outcome of that appeal by way of update to the liquidation website.

Recovery of Swiss Assets

- 3.6 We currently hold approximately US\$6 million of Swiss frozen funds that are set aside for distribution to creditors.
- 3.7 We anticipate that further Swiss recoveries of approximately US\$10 million will be made following the completion of the Swiss ancillary bankruptcy of SIB. We are hopeful that the Swiss ancillary bankruptcy will be completed shortly. Once recovered, these funds will be treated as Swiss Frozen Funds pursuant to the protocol agreement that we entered into with the US Receiver, the US Department of Justice and others in 2013. The protocol agreement requires that all Swiss Frozen Funds be allocated for distribution to creditors and that approximately two thirds be transferred to the US Receiver for distribution by his estate.

Recoveries from related Stanford companies

- 4.1 Mark McDonald acts as Joint Liquidator of each of the following companies jointly with Mr Hordley Forbes, an accountant based in Antigua:
- Stanford Development Company Limited (“SDC”)
 - Stanford Hotel Properties Limited (“SHPL”)
- (collectively “the Companies”)
- 4.2 The only remaining assets of SDC are a parcel of land in Antigua, owned jointly with SHPL, and debts due to SDC from the Government of Antigua and Barbuda (“GOAB”). The only remaining asset owned by SHPL is the parcel of land owned jointly with SDC.
- 4.3 This parcel of land has proved difficult to sell and unfortunately, we are now involved in litigation before the Antiguan court because of a dispute that has arisen with a potential purchaser of this parcel. We estimate this land has a value of between US\$740,000 and US\$1.2 million. We will assist the court in dealing with the litigation claim and seek to sell this land as soon as possible once it is resolved.
- 4.4 The debt due to SDC from the GOAB is in excess of EC\$20 million (US\$7.4 million) and we continue to attempt to resolve this matter with the GOAB by agreement.

SIB Receipts and Payments

- 5.1 We attach a statement of Receipts and Payments as at 31 December 2023 at Appendix A which shows that the cash on hand at that date totalled US\$26.7 million. This cash balance is held for the following purposes:

	US \$000's
Distribution funds (accrual)	15,226
Amounts held to cover the risk of adverse legal costs orders	2,275
Frozen Swiss Assets held for future distribution	6,056
Available funds	3,227
Total	26,784

- 5.2 The balance of distribution funds (accrual) represents funds owing to creditors in respect of distributions declared to date who have either not banked their cheques or who the Joint Liquidators have been unable to contact to date (see paragraph 2.3).
- 5.3 As discussed above, frozen Swiss Assets held by the Antiguan liquidation estate will be distributed to creditors at such a time as we have sufficient funds for a fourth distribution to be economical.
- 5.4 Amounts held to cover the risk of adverse legal costs orders represents the costs ordered to be paid by the Swiss court as security for costs in the Soc Gen proceedings, discussed at paragraph 3.4 above, which were recently paid into the Swiss court.
- 5.5 We closely oversee the expenditure of liquidation estate funds. This estate is now in a wind down phase and we have minimised all ongoing costs where possible in order to allow us to continue to run the estate, make distributions and support the pursuit of the remaining litigation claim against Soc Gen.
- 5.6 The Receipts and Payments account at Appendix A also shows the total balance of our fees and other professional fees incurred in the period of the liquidation to 31 December 2023. We submit all of our fees and our professional advisors' fees to the Antiguan Court on a regular basis for the Court's review and approval.

Further updates from the Liquidators

- 6.1 We will continue our efforts to achieve further recoveries from the sources outlined in this report and will provide updates via the liquidation website with regards to any significant developments in these efforts.



Mark McDonald
Joint Liquidator – Stanford International Bank Limited (in Liquidation)

26 DAY OF MARCH 2024

Appendix A

Receipts and Payments Account as of 31 December 2023

	1 July 2023 to 31 December 2023	Total as at 31 December 2023
	US\$	US\$
Receipts		
UK recoveries	-	99,494,719
Sale of Guana and Pelican Islands	-	64,851,341
Sale of Sticky Wicket	-	1,856,000
Non UK Recoveries	411,089.00	79,770,078
General Litigation Claims Settlements	-	22,920,022
Distribution from subsidiaries	-	14,746,841
Interest earned	388,772.00	3,143,790
Claims transfer income	2,975.00	893,336
Rental Income and Miscellaneous Income	1,160.00	355,958
Total receipts	803,996	288,032,085
Payments		
Other Legal Advisors Fees And Expenses	299,197.00	48,973,423
Co-Lead Legal Advisors Fees And Expenses	170,728.00	25,951,905
Adverse Costs	-	6,838,886
Provision for Adverse Costs	-	2,275,500
Liquidators Fees & Expenses	308,075.00	17,917,605
Cost of 3rd party funding	-	14,284,633
Former Liquidators' and Advisors Fees	-	9,215,062
Other Operational Expenses	180,994.00	6,635,576
Other Advisors Fees	-	4,671,599
IT / eDiscovery	5,028.00	4,148,718
Cost Awarded for removal of former liquidators	-	3,185,338
Loans to related Stanford Liquidations	-	1,804,518
Exchange Rate Adjustment	516.00	(334,730)
Total Payments	964,538	145,568,033
Net receipts / (payments)	(160,542)	142,464,052
Less Distribution to Creditors		
Banked Distributions		117,955,128
Unbanked & Accrued Distributions		15,225,830
Total Distribution to Date		133,180,958
Frozen Swiss Assets held for Future Distribution		6,055,769
Surplus		3,227,325
Represented By:		
Cash in Hand		26,784,424
Cash held/ accrued for distribution		(15,225,830)
Adverse legal costs provision		(2,275,500)
Frozen Swiss Assets held for Distribution		(6,055,769)
Available balance on hand		3,227,325