



identified payments of CD Proceeds totaling at least \$492,978.54 from the Stanford Parties to third parties on behalf of or for the benefit of Susan Stanford.

4. Starting in 1999, Susan Stanford has lived rent-free in the mansion located at 5476 Holly Springs Drive, Houston, TX 77056 (the “Holly Springs Mansion”), which has been owned by the Stanford Development Corporation (“SDC”) since it was purchased in August 1999 for over \$2.1 million. She has also received the use of and access to the Stanford Parties’ airplanes, yachts, event tickets and related amenities, and properties in Antigua (collectively, the “Other Property”).

5. Through this lawsuit, the Receiver seeks the return of the CD Proceeds received directly or indirectly by Susan Stanford, as well as payment for the use and occupation of the Holly Springs Mansion and the use and access to the Other Property, in order to make an equitable distribution to claimants. The Receiver’s investigation is continuing, and should more payments of CD Proceeds to Susan Stanford or the use of, occupation of, or access to other Stanford real or personal property by Susan Stanford be discovered, the Receiver will amend this Complaint to assert claims regarding such additional payments and property.

6. Susan Stanford did not provide reasonably equivalent value in exchange for the transfers of CD Proceeds to her, and she cannot establish that she is a good-faith transferee.

7. At all times relevant to this complaint, the Stanford Parties were insolvent, and Defendant Allen Stanford operated the Stanford entities in furtherance of his fraudulent scheme. Each payment of CD Proceeds from the Stanford Parties to Susan Stanford was made with actual intent to hinder, delay, and defraud the Stanford Parties’ creditors.

8. The Receiver was only able to discover the fraudulent nature of the above-referenced transfers after Allen Stanford and his accomplices were removed from control

of the Stanford entities and after a time-consuming and extensive review of thousands upon thousands of paper and electronic documents relating to the Stanford entities.

9. The Receiver seeks an order that: (a) CD Proceeds received directly or indirectly by Susan Stanford were fraudulent transfers under applicable law or, in the alternative, unjustly enriched Susan Stanford; (b) CD Proceeds received directly or indirectly by Susan Stanford are property of the Receivership Estate held pursuant to a constructive trust for the benefit of the Receivership Estate; (c) Susan Stanford is liable to the Receivership Estate for an amount equaling the amount of CD Proceeds she directly or indirectly received; (d) Susan Stanford was unjustly enriched by the use and occupation of the Holly Springs Mansion and the use of and access to the Other Property; (e) Susan Stanford is liable to the Receivership Estate for an amount equaling the rental value of the Holly Springs Mansion from 1999 until such time as she vacates the mansion; (f) Susan Stanford is liable to the Receivership Estate for an amount equaling the value of the use of and access to the Other Property; and (g) awards attorneys' fees, costs, and interest to the Receiver.

### **JURISDICTION & VENUE**

10. This Court has jurisdiction over this action, and venue is proper, under Section 22(a) of the Securities Act (15 U.S.C. § 77v(a)), Section 27 of the Exchange Act (15 U.S.C. § 78aa), and under Chapter 49 of Title 28, Judiciary and Judicial Procedure (28 U.S.C. § 754).

11. Further, as the Court that appointed the Receiver, this Court has jurisdiction over any claim brought by the Receiver to execute his Receivership duties.

12. Further, within 10 days of the entry of the Order and Amended Orders Appointing Receiver, the Receiver filed the original SEC Complaint and the Order Appointing Receiver in the United States District Court for the Southern District of Texas (Susan Stanford's district of

residence) pursuant to 28 U.S.C. § 754, giving this Court *in rem* and *in personam* jurisdiction in that district and every other district where the Complaint and Order have been filed.

13. This Court has personal jurisdiction over Susan Stanford pursuant to FED. R. CIV. P. 4(k)(1)(C) and 15 U.S.C. §§ 754 and 1692.

### **THE PARTIES**

14. Plaintiff Ralph S. Janvey has been appointed by this Court as the Receiver for the assets, monies, securities, properties, real and personal, tangible and intangible, of whatever kind and description, wherever located, and the legally recognized privileges (with regard to the entities) of Stanford International Bank, Ltd., Stanford Group Company, Stanford Capital Management, LLC, Robert Allen Stanford, James M. Davis, Laura Pendergest-Holt, Stanford Financial Group, the Stanford Financial Group Bldg., Inc., and all entities the foregoing persons and entities own or control, including, but not limited to SFGGM and SFGC (the “Receivership Assets”). Plaintiff Janvey is asserting the claims contained herein in his capacity as Court-appointed Receiver.<sup>1</sup>

15. Defendant Susan Stanford resides in Houston, Texas. Susan Stanford will be served pursuant to the Federal Rules of Civil Procedure or by other means approved by the Court.

### **STATEMENT OF FACTS**

16. On February 16, 2009, the Securities and Exchange Commission commenced a lawsuit in this Court against R. Allen Stanford, two associates, James M. Davis and Laura Pendergest-Holt, and three of Mr. Stanford’s companies, Stanford International Bank, Ltd. (“SIB,” “SIBL,” or “the Bank”), Stanford Group Company, and Stanford Capital Management,

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<sup>1</sup> The Receiver’s claims in this Complaint are related to his claims on file in Case No. 03:09-CV-0724-N before this Court. Pursuant to Local Rule 3.3(a), the Receiver has filed a notice of related case concurrently with this Complaint.

LLC (collectively the “Stanford Defendants”). On the same date, the Court signed an Order appointing a Receiver, Ralph S. Janvey, over all property, assets, and records of the Stanford Defendants, and all entities they own or control.

***I. Stanford Defendants Operated a Ponzi Scheme.***

17. As alleged by the SEC, the Stanford Defendants marketed fraudulent SIB CDs to investors through SGC financial advisors pursuant to a Regulation D private placement. SEC’s Second Amended Complaint (Doc. 952), ¶ 27.<sup>2</sup> The CDs were sold by Stanford International Bank, Ltd. *Id.*

18. The Stanford Defendants orchestrated and operated a wide-ranging Ponzi scheme. Stanford Defendant James M. Davis has admitted that the Stanford fraud was a Ponzi scheme from the beginning. Doc. 771 (Davis Plea Agreement) at ¶ 17(n) (Stanford, Davis, and other conspirators created a “massive Ponzi scheme”); Doc. 807 (Davis Tr. of Rearrangement) at 16:16-17, 21:6-8, 21:15-17 (admitting the Stanford Ponzi fraud was a “massive Ponzi scheme ab initio”). In fact, this Court recently found that the Stanford fraud was indeed a Ponzi scheme. *See* Case No. 3:09-CV-0724-N, Doc. 456 at 2 (“The Stanford scheme operated as a classic Ponzi scheme, paying dividends to early investors with funds brought in from later investors.”), at 11 (“[T]he Receiver presents ample evidence that the Stanford scheme . . . was a Ponzi scheme.”), and at 13 (“The Court finds that the Stanford enterprise operated as a Ponzi scheme . . .”).

19. In marketing, selling, and issuing CDs to investors, the Stanford Defendants repeatedly touted the CDs’ safety and security and SIB’s consistent, double-digit returns on its investment portfolio. SEC’s Second Amended Complaint (Doc. 952), ¶¶ 32-33.

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<sup>2</sup> Unless otherwise stated, citations to Court records herein are from the case styled *SEC v. Stanford Int’l Bank, Ltd., et al.*, Civil Action No. 3-09-CV-0298-N.

20. In its brochure, SIB told investors, under the heading “Depositor Security,” that its investment philosophy is “anchored in time-proven conservative criteria, promoting stability in [the Bank’s] certificate of deposit.” SIB also emphasized that its “prudent approach and methodology translate into deposit security for our customers.” *Id.* ¶ 34. Further, SIB stressed the importance of investing in “marketable” securities, saying that “maintaining the highest degree of liquidity” was a “protective factor for our depositors.” *Id.*

21. In its 2006 and 2007 Annual Reports, SIB told investors that the Bank’s assets were invested in a “well-balanced global portfolio of marketable financial instruments, namely U.S. and international securities and fiduciary placements.” *Id.* ¶ 35. More specifically, SIB represented that its 2007 portfolio allocation was 58.6% equity, 18.6% fixed income, 7.2% precious metals and 15.6% alternative investments. *Id.*

22. Consistent with its Annual Reports and brochures, SIB trained SGC financial advisors, in February 2008, that “liquidity/marketability of SIB’s invested assets” was the “most important factor to provide security to SIB clients.” *Id.* ¶ 36. In training materials, the Stanford Defendants also claimed that SIB had earned consistently high returns on its investment of deposits (ranging from 11.5% in 2005 to 16.5% in 1993). *Id.* ¶ 49.

23. Contrary to the Stanford Defendants’ representations regarding the liquidity of SIB’s portfolio, SIB did not invest in a “well-diversified portfolio of highly marketable securities.” Instead, significant portions of the Bank’s portfolio were misappropriated by the Stanford Defendants and were either placed in speculative investments (many of them illiquid, such as private equity deals), diverted to other Stanford Entities “on behalf of shareholder” – *i.e.*, for the benefit of Allen Stanford, or used to finance Allen Stanford’s lavish lifestyle (*e.g.*, jet planes, a yacht, other pleasure craft, luxury cars, homes, travel, company credit cards, etc.). In

fact, at year-end 2008, the largest segments of the Bank's portfolio were private equity; over-valued real estate; and at least \$1.6 billion in undocumented "loans" to Defendant Allen Stanford. *See id.* ¶¶ 39-40.

24. In an effort to conceal their fraud and ensure that investors continued to purchase the CDs, the Stanford Defendants fabricated the performance of SIB's investment portfolio. *Id.* ¶ 4.

25. SIB's financial statements, including its investment income, were fictional. *Id.* ¶¶ 4, 53. In calculating SIB's investment income, Stanford Defendants Allen Stanford and James Davis provided to SIB's internal accountants a pre-determined return on investment for the Bank's portfolio. *Id.* Using this pre-determined number, SIB's accountants reverse-engineered the Bank's financial statements to reflect investment income that SIB did not actually earn. *Id.*

26. For a time, the Stanford Defendants were able to keep the fraud going by using funds from current sales of SIB CDs to make interest and redemption payments on pre-existing CDs. *See id.* ¶ 1. However, in late 2008 and early 2009, CD redemptions increased to the point that new CD sales were inadequate to cover redemptions and normal operating expenses. As the depletion of liquid assets accelerated, this fraudulent Ponzi scheme collapsed.

27. Most of the above facts discovered from Stanford's records have since been confirmed by Stanford's Chief Financial Officer, James Davis, who has pleaded guilty to his role in running the Stanford Ponzi scheme.

***II. Stanford Transferred CD Proceeds from the Ponzi Scheme to Susan Stanford and to Third Parties on Behalf of or for the Benefit of Susan Stanford.***

28. CD Proceeds from the Ponzi scheme described above were transferred by or at the direction of the Stanford Parties to Susan Stanford and to third parties on behalf of or for the

benefit of Susan Stanford. Susan Stanford did not provide reasonably equivalent value for the transfers of CD Proceeds to her and to the third parties and cannot establish that she is a good-faith transferee.

29. The transfers of CD Proceeds to Susan Stanford consisted of at least the following: \$394,000.00 in 2002; \$171,000.00 in 2003; \$50,000.00 in 2004; \$310,000.00 in 2005; \$275,437.50 in 2006; \$307,920.38 in 2007; \$980,425.99 in 2008; and the purchase prices of at least three automobiles. *See* Appendix in Support of this Complaint, incorporated herein by reference (“Appendix”) at 1-2 (Exhibit 1) and at 17-18 (Exhibit 9). E-mails between Allen Stanford and Susan Stanford also evidence her many requests for payments from Allen Stanford, as well as Allen Stanford’s payments to her. *See* Appendix at 3-4 (Exhibit 2), at 5-6 (Exhibit 3), at 7-8 (Exhibit 4), at 9-10 (Exhibit 5), at 11-12 (Exhibit 6), and at 13-14 (Exhibit 7).

30. The transfers of CD Proceeds from the Stanford Parties to third parties on behalf of or for the benefit of Susan Stanford total at least \$485,037.50.

***III. Susan Stanford Used, Accessed, and Occupied the Holly Springs Mansion and the Other Property.***

31. Susan Stanford has lived in the Holly Springs Mansion since 1999. She has never made a mortgage or rental payment for the use and occupation of the Holly Springs Mansion, which is — and always has been — owned by SDC, a Receivership entity.

32. Susan Stanford has also received the use of and access to the Other Property, which includes the Stanford Parties’ airplanes, yachts, event tickets and related amenities, and properties in Antigua. *See, e.g.*, Appendix at 15-16 (Exhibit 8). She has never paid for such use of and access to the Other Property.

### REQUESTED RELIEF

33. This Court appointed Ralph S. Janvey as Receiver for the Receivership Assets. Order Appointing Receiver (Doc. 10) at ¶¶ 1-2; Amended Order Appointing Receiver (Doc. 157) at ¶¶ 1-2; Second Amended Order Appointing Receiver (Doc 1130) at ¶¶ 1-2. The Receiver seeks the relief described herein in this capacity.

34. Paragraph 4 of the Order Appointing Receiver, signed by the Court on February 16, 2009, authorizes the Receiver “to immediately take and have complete and exclusive control, possession, and custody of the Receivership Estate and to any assets traceable to assets owned by the Receivership Estate.” Order Appointing Receiver (Doc. 10) at ¶ 4; Amended Order Appointing Receiver (Doc. 157) at ¶ 4; Second Amended Order Appointing Receiver (Doc. 1130) at ¶ 4. Paragraph 5(c) of the Order specifically authorizes the Receiver to “[i]nstitute such actions or proceedings [in this Court] to impose a constructive trust, obtain possession, and/or recover judgment with respect to persons or entities who received assets or records traceable to the Receivership Estate.” Order Appointing Receiver (Doc. 10) at ¶ 5(c); Amended Order Appointing Receiver (Doc. 157) at ¶ 5(c); Second Amended Order Appointing Receiver (Doc. 1130) at ¶ 5(c).

35. One of the Receiver’s key duties is to maximize distributions to defrauded investors and other claimants. *See* Second Amended Order Appointing Receiver (Doc. 1130) at ¶ 5(g), (j) (ordering the Receiver to “[p]reserve the Receivership Estate and minimize expenses in furtherance of maximum and timely disbursement thereof to claimants”); *Scholes v. Lehmann*, 56 F.3d 750, 755 (7th Cir. 1995) (receiver’s “only object is to maximize the value of the [estate assets] for the benefit of their investors and any creditors”); *SEC v. TLC Invs. & Trade Co.*, 147 F. Supp. 2d 1031, 1042 (C.D. Cal. 2001); *SEC v. Kings Real Estate Inv. Trust*, 222 F.R.D. 660,

669 (D. Kan. 2004). But before the Receiver can attempt to make victims whole, he must locate and take exclusive control and possession of assets of the Estate or assets traceable to the Estate. See Second Amended Order Appointing Receiver (Doc. 1130) at ¶ 5(b).

***COUNT I: The Receiver is Entitled to Disgorgement of CD Proceeds Fraudulently Transferred to Susan Stanford and to Third Parties on Behalf of or for the Benefit of Susan Stanford.***

36. The Receiver is entitled to disgorgement of the CD Proceeds transferred from the Stanford Parties to Susan Stanford and to third parties on behalf of or for the benefit of Susan Stanford because such payments constitute fraudulent transfers under applicable law. The Stanford Parties made the payments to Susan Stanford and to third parties on her behalf or for her benefit with actual intent to hinder, delay, or defraud Stanford's creditors; as a result, the Receiver is entitled to the disgorgement of those payments. Additionally, the Stanford Parties transferred the funds to Susan Stanford and to the third parties at a time when the Stanford Parties were insolvent, and the Stanford Parties did not receive reasonably equivalent value in exchange for the transfers.

37. The Receiver may avoid transfers made with the actual intent to hinder, delay, or defraud creditors. "[T]ransfers made from a Ponzi scheme are presumptively made with intent to defraud, because a Ponzi scheme is, as a matter of law, insolvent from inception." *Quilling v. Schonsky*, No. 07-10093, 2007 WL 2710703, at \*2 (5th Cir. Sept. 18, 2007); see also *Warfield v. Byron*, 436 F.3d 551, 558 (5th Cir. 2006) ("... [the debtor] was a Ponzi scheme, which is, as a matter of law, insolvent from its inception. . . . The Receiver's proof that [the debtor] operated as a Ponzi scheme established the fraudulent intent behind transfers made by [the debtor]."). Moreover, "in determining actual intent . . . , consideration may be given, among other factors, to whether . . . the transfer or obligation was to an insider." TEX. BUS. & COM. CODE ANN. § 24.005(b)(1) (Vernon 2009). Because Susan Stanford was an insider, the fraudulent transfers

to her and to third parties on her behalf or for her benefit were made with the actual intent to hinder, delay, or defraud creditors. *See* TEX. BUS. & COM. CODE ANN. § 24.002(7) (defining “insider” for the purposes of the fraudulent-transfer statute).

38. The Stanford Parties were running a Ponzi scheme and paid Susan Stanford with funds taken from unwitting SIB CD investors. The Receiver is, therefore, entitled to disgorgement of the CD Proceeds the Stanford Parties fraudulently transferred to Susan Stanford and to third parties on behalf of or for the benefit of Susan Stanford.

39. Consequently, the burden is on Susan Stanford to establish an affirmative defense, if any, of good faith and provision of reasonably equivalent value. *See* Case No. 3:09-CV-0724-N, Doc. 456 at 13 (“A defendant invoking this defense has the burden to show *both* objective good faith and reasonable equivalence of consideration.”) (emphasis in original); *see also Scholes*, 56 F.3d at 756-57 (“If the plaintiff proves fraudulent intent, the burden is on the defendant to show that the fraud was harmless because the debtor’s assets were not depleted even slightly.”). The Receiver is, therefore, entitled to recover the full amount of the payments that Susan Stanford received — either directly or indirectly — unless Susan Stanford proves *both* objective good faith *and* reasonably equivalent value.

40. The good-faith element of this affirmative defense requires that Susan Stanford — Stanford’s spouse and, therefore, an insider — prove objective, rather than subjective, good faith. *See Warfield*, 436 F.3d at 559-560 (good faith is determined under an “objectively knew or should have known” standard); *In re IFS Fin. Corp.*, Bankr. No. 02-39553, 2009 WL 2986928, at \*15 (Bankr. S.D. Tex. Sept. 9, 2009) (objective standard is applied to determine good faith); *Quilling v. Stark*, No. 3-05-CV-1976-BD, 2007 WL 415351, at \*3 (N.D. Tex. Feb. 7, 2007) (good faith “must be analyzed under an objective, rather than a subjective, standard. The

relevant inquiry is what the transferee objectively knew or should have known instead of examining the transferee's actual knowledge from a subjective standpoint.") (internal citations and quotation marks omitted).

41. There is no evidence that Susan Stanford provided any value — much less reasonably equivalent value — in exchange for the fraudulent transfers she received. Consideration which has no utility from the creditor's perspective does not satisfy the statutory definition of "value." *SEC v. Res. Dev. Int'l, LLC*, 487 F.3d 295, 301 (5th Cir. 2007); *In re Hinsley*, 201 F.3d 638, 644 (5th Cir. 2000). Because Susan Stanford cannot meet her burden to establish that she provided reasonably equivalent value for such payments of CD Proceeds, the Receiver is entitled to the disgorgement of those funds.

42. Moreover, under applicable fraudulent-transfer law, the Receiver is entitled to attorneys' fees and costs for his claims against Susan Stanford. *See, e.g.*, TEX. BUS. & COM. CODE ANN. § 24.013 ("[T]he court may award costs and reasonable attorney's fees as are equitable and just."). As a result, the Receiver requests reasonable attorneys' fees and costs for prosecuting his fraudulent-transfer claims against Susan Stanford.

43. Susan Stanford cannot meet her burden to establish that she provided reasonably equivalent value for the CD Proceeds she directly or indirectly received from the Stanford Parties and that she received such payments in good faith. Accordingly, the Receiver is entitled to the disgorgement of those funds.

44. In order to carry out the duties delegated to him by this Court, the Receiver seeks complete and exclusive control, possession, and custody of the CD Proceeds received by Susan Stanford directly and the CD Proceeds paid to third parties on her behalf or for her benefit.

45. The Receiver was only able to discover the fraudulent nature of the above-referenced transfers after Allen Stanford and his accomplices were removed from control of the Stanford entities, and after a time-consuming and extensive review of thousands upon thousands of paper and electronic documents relating to the Stanford entities. Thus, the discovery rule and equitable tolling principles apply to any applicable limitations period. *See, e.g., Wing v. Kendrick*, No. 08-CV-01002, 2009 WL 1362383, at \*3 (D. Utah May 14, 2009); *Quilling v. Cristell*, No. 304CV252, 2006 WL 316981, at \*6 (W.D.N.C. Feb. 29, 2006); *see also* TEX. BUS. & COMM. CODE ANN. § 24.010(a)(1) (claims may be brought either within four years of the transfer *or* “within one year after the transfer or obligation was or could reasonably have been discovered by the claimant”).

46. The Stanford Parties, who orchestrated the Ponzi scheme, transferred the CD Proceeds to Susan Stanford and to third parties on her behalf or for her benefit with actual intent to hinder, delay, or defraud their creditors. The Receiver is, therefore, entitled to disgorgement of all CD Proceeds fraudulently transferred to Susan Stanford. Pursuant to the equity powers of this Court, the Receiver seeks an order that: (a) CD Proceeds received directly or indirectly by Susan Stanford were fraudulent transfers under applicable law; (b) CD Proceeds received directly or indirectly by Susan Stanford are property of the Receivership Estate held pursuant to a constructive trust for the benefit of the Receivership Estate; (c) Susan Stanford is liable to the Receivership Estate for an amount equaling the amount of CD Proceeds she directly or indirectly received; and (d) awards attorneys’ fees, costs, and interest to the Receiver.

***COUNT II: In the Alternative, the Receiver is Entitled to Disgorgement of CD Proceeds from Susan Stanford under the Doctrine of Unjust Enrichment.***

47. In the alternative, the Receiver is entitled to disgorgement of the CD Proceeds paid to Susan Stanford or to third parties on her behalf or for her benefit pursuant to the doctrine

of unjust enrichment under applicable law. Susan Stanford received funds that in equity and good conscience belong to the Receivership for ultimate distribution to the defrauded investors. Susan Stanford has been unjustly enriched by such funds, and it would be unconscionable for her to retain the funds.

48. In order to carry out the duties delegated to him by this Court, the Receiver seeks complete and exclusive control, possession, and custody of the CD Proceeds received by Susan Stanford directly and the CD Proceeds paid to third parties on her behalf or for her benefit.

49. Susan Stanford has been unjustly enriched by her receipt of CD Proceeds from the Stanford Parties. The Receiver is, therefore, entitled to disgorgement of all CD Proceeds Susan Stanford received. Pursuant to the equity powers of this Court, the Receiver seeks an order that: (a) CD Proceeds received directly or indirectly by Susan Stanford unjustly enriched Susan Stanford; (b) CD Proceeds received directly or indirectly by Susan Stanford are property of the Receivership Estate held pursuant to a constructive trust for the benefit of the Receivership Estate; (c) Susan Stanford is liable to the Receivership Estate for an amount equaling the amount of CD Proceeds she directly or indirectly received; and (d) awards attorneys' fees, costs, and interest to the Receiver.

***COUNT III: Under the Doctrine of Unjust Enrichment Susan Stanford is Liable to the Receiver for Her Use of, Access to, and Occupation of the Holly Springs Mansion and the Other Property.***

50. Susan Stanford is liable to the Receivership Estate for her use of, access to, and occupation of the Holly Springs Mansion and the Other Property, pursuant to the doctrine of unjust enrichment under applicable law. Susan Stanford received the benefit of both the Holly Springs Mansion and the Other Property without paying for them, and in equity and good conscience Susan Stanford should pay the Receivership Estate for the use of, access to, and occupation of the Holly Springs Mansion and the Other Property for ultimate distribution to the

defrauded investors. Susan Stanford has been unjustly enriched as result of her use of, access to, and occupation of the Holly Springs Mansion and the Other Property, and it would be unconscionable for her to retain such benefits without payment to the Receivership Estate.

51. In order to carry out the duties delegated to him by this Court, the Receiver seeks payment for the benefits received by Susan Stanford as a result of the Holly Springs Mansion and the Other Property.

52. Susan Stanford has been unjustly enriched by her use of, access to, and occupation of the Holly Springs Mansion and the Other Property. The Receiver is, therefore, entitled to payment for the benefits Susan Stanford received. Pursuant to the equity powers of this Court, the Receiver seeks an order that: (a) Susan Stanford was unjustly enriched by the use and occupation of the Holly Springs Mansion and the use of and access to the Other Property; (b) Susan Stanford is liable to the Receivership Estate for an amount equaling the rental value of the Holly Springs Mansion from 1999 until such time as she vacates the mansion; (c) Susan Stanford is liable to the Receivership Estate for an amount equaling the value of the use of and access to the Other Property; and (d) awards attorneys' fees, costs, and interest to the Receiver.

#### **PRAYER**

53. The Receiver respectfully requests an Order providing that:

- (a) CD Proceeds received directly or indirectly by Susan Stanford were fraudulent transfers under applicable law or, in the alternative, unjustly enriched Susan Stanford;
- (b) CD Proceeds received directly or indirectly by Susan Stanford are property of the Receivership Estate;

- (c) CD Proceeds received directly or indirectly by Susan Stanford are subject to a constructive trust for the benefit of the Receivership Estate;
- (d) Susan Stanford is liable to the Receivership Estate for an amount equaling the amount of CD Proceeds she directly or indirectly received;
- (e) Susan Stanford was unjustly enriched by the use and occupation of the Holly Springs Mansion and the use of and access to the Other Property;
- (f) Susan Stanford is liable to the Receivership Estate for an amount equaling the rental value of the Holly Springs Mansion from 1999 until such time as she vacates the mansion;
- (g) Susan Stanford is liable to the Receivership Estate for an amount equaling the value of the use of and access to the Other Property;
- (h) The Receiver is awarded attorneys' fees, costs, and prejudgment and post-judgment interest; and
- (i) Such other and further relief as the Court deems proper under the circumstances.

Dated: November 15, 2010

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 November 15, 2010, I electronically submitted the foregoing document with the clerk of the court of the U.S. District Court, Northern District of Texas, using the electronic case filing system of the Court. I hereby certify that I will serve Susan Stanford individually or through her counsel of record, electronically, or by other means authorized by the Court or the Federal Rules of Civil Procedure.

/s/ Kevin M. Sadler  
Kevin M. Sadler



Dated: November 15, 2010

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 November 15, 2010, I electronically submitted the foregoing document with the clerk of the court of the U.S. District Court, Northern District of Texas, using the electronic case filing system of the Court. I hereby certify that I will serve Susan Stanford individually or through her counsel of record, electronically, or by other means authorized by the Court or the Federal Rules of Civil Procedure.

/s/ Kevin M. Sadler  
Kevin M. Sadler

# **EXHIBIT 1**

<b>Date</b>	<b>CD Proceeds Amount</b>
3/8/2002	\$ 30,000.00
4/30/2002	\$ 35,000.00
5/1/2002	\$ 44,000.00
6/5/2002	\$ 40,000.00
6/6/2002	\$ 67,000.00
6/27/2002	\$ 38,000.00
7/12/2002	\$ 40,000.00
8/28/2002	\$ 50,000.00
12/5/2002	\$ 50,000.00
1/31/2003	\$ 50,000.00
8/6/2003	\$ 116,000.00
8/7/2003	\$ 5,000.00
7/22/2004	\$ 50,000.00
1/31/2005	\$ 50,000.00
8/25/2005	\$ 100,000.00
9/27/2005	\$ 100,000.00
10/24/2005	\$ 60,000.00
3/10/2006	\$ 300.00
5/18/2006	\$ 100,000.00
5/30/2006	\$ 390.00
7/7/2006	\$ 70,000.00
11/30/2006	\$ 100,000.00
12/27/2006	\$ 4,747.50
2/20/2007	\$ 100,000.00
2/28/2007	\$ 100,000.00
4/25/2007	\$ 711.30
6/6/2007	\$ 2,105.39
9/25/2007	\$ 100,000.00
11/7/2007	\$ 1,754.99
11/20/2007	\$ 3,348.70
1/16/2008	\$ 1,061.00
3/19/2008	\$ 100,000.00
3/31/2008	\$ 60,000.00
4/16/2008	\$ 1,965.00
4/21/2008	\$ 100,000.00
5/29/2008	\$ 100,000.00
6/30/2008	\$ 100,000.00
7/29/2008	\$ 100,000.00
8/22/2008	\$ 50,000.00
9/2/2008	\$ 100,000.00
10/1/2008	\$ 50,000.00
10/15/2008	\$ 7,435.00
10/24/2008	\$ 100,000.00
11/28/2008	\$ 100,000.00
12/17/2008	\$ 9,964.99

# **EXHIBIT 2**

**From:** Susan Stanford [sjstanford@gmail.com]

**Sent:** Saturday, September 22, 2007 9:19 AM

**To:** Stanford, Allen

**Subject:** Personal and Confidential

Will you please make August and September deposits. Love, Susan

# **EXHIBIT 3**

**From:** Susan Stanford [sjstanford@gmail.com]

**Sent:** Monday, October 01, 2007 11:03 PM

**To:** Stanford, Allen

**Subject:** Personal and Confidential

Will you please make the deposit for August and September. Also, Randi's building will be paying off a loan and her portion of the bill is around 28K or 29K. It is due next month. She is concerned about this payment because an account for the condo was never set up. Love, Susan

# **EXHIBIT 4**

**From:** Susan Stanford [sjstanford@gmail.com]

**Sent:** Saturday, October 06, 2007 12:00 AM

**To:** Stanford, Allen

**Subject:** Personal and Confidential

Please make August, September, and October's deposits! Randi needs for you to contact her concerning the 28K bill she has due on her condo as well as setting up an account to fund the monthly maintaince bill and taxes. Love, Susan

# **EXHIBIT 5**

**From:** Susan Stanford [sjstanford@gmail.com]

**Sent:** Monday, October 08, 2007 8:24 PM

**To:** Stanford, Allen

**Subject:** Personal and Confidential

August, September, and October deposits are late! Randi also needs to hear from you concerning her condo bills! Love, Susan

# **EXHIBIT 6**

**From:** Susan Stanford [sjstanford@gmail.com]  
**Sent:** Thursday, October 11, 2007 6:24 AM  
**To:** Stanford, Allen  
**Subject:** Personal and Confidential  
My checking account is getting low. Love, Susan

# **EXHIBIT 7**

**From:** Susan Stanford [sjstanford@gmail.com]

**Sent:** Tuesday, October 30, 2007 5:54 PM

**To:** Stanford, Allen

**Subject:** Personal and Confidential

Thanks for your recent deposit. Please follow up by making September and October's deposits. I am trying to buy Randi some furniture for her apartment. Love, Susan

# **EXHIBIT 8**

**From:** Susan Stanford [sjstanford@gmail.com]

**Sent:** Thursday, May 22, 2008 6:19 AM

**To:** Stanford, Allen

**Subject:** Personal and Confidential

Will you tell me what secret lies behind the gates at Barnacle Point? I decided that there must be a couple of walls constructed of gold bullion that you don't want me to know about! Randi, her boyfriend, and I still had a good time in Antigua. I love you, Susan

# **EXHIBIT 9**

**From:** Susan Stanford [sjstanford@gmail.com]

**Sent:** Friday, September 28, 2007 7:11 AM

**To:** Stanford, Allen

**Subject:** Personal and Confidential

Randi and I are back from our road trip. We had a wonderful educational experience and certainly made lifetime memories. One funny story was our hotel room in North Dakota. It was called the Rough Rider Inn. It had a fly swatter hanging from a horse shoe on the wall. Randi took pictures of this! We are hoping one day we can drive to Alaska. This week I'm going to talk to Howard about trading in the Mercedes G55 for a S550. The truck has 61K miles on it now and it is out of warrenty. The SL500 is getting close to being out of warrenty for time owned rather than mileage and it hasn't driven the same since the engine was flooded. I'm going to get pricing on the S550 and a Range Rover. I'll let you know how much extra money I'll need. Love, Susan

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