Statement of Phillip Preis
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Obviously, the Class Members are devastated by the recent ruling. This was the first Stanford Ponzi Scheme case to be tried by a jury of the victim's peers. The Class Members had waited 15 years, and the system has once again failed them. And it was tried here in Baton Rouge because Stanford Trust was the focal point for all of the retiree funds from all over the United States being funnel through Baton Rouge Stanford Trust to Antiqua.

The cases presented by the Class Members and the case presented by OFI were like "two shipping passing in the night". The Class Members case focused on OFI Banking's inactions between 2001 and January 1, 2007. OFI defense focused on the argument that they were not reckless in not discovering the Stanford Ponzi scheme. The history of the ruling allowing OFI to make this their case, as set forth below, is the real reason this verdict occurred. In my opinion, the jury focused on the question of whether OFI was reckless in not discovering the Ponzi scheme and not on the real issue in the case- OFI's actions between 2001 to 2007 which allowed the class members to become "sacrificial lambs."

The Class Member's case was whether OFI should have barred the sale of the SIB CDs to Stanford Trust prior to 2007 because of its recklessness in not examining the receipt of fees and not valuing the SIB CDs prior to 2007. We had the smoking gun memo from the Commissioner of OFI that said OFI had determined in 2004 that the SIB CDs were "unsafe and unsound". We had the other smoking gun documents that was a directive from the Commissioner of OFI that said no fees should be paid to Stanford Trust on the sale of the SIB CDs. The evidence was uncontested that there were no valuations and the call reports during this period showed they were receiving illegal fees from Stanford to promote the scheme and was ignored by the examiners between 2001 and 2007. It was the class members' position that OFI's inaction in requiring valuations and not doing something about the illegal fees propping up the trust operation was reckless, and nothing was done by OFI Banking to correct these actions.

Early on in the trial, it was obvious to us that the strategy of OFI was to make their reasonableness in not discovering the Ponzi scheme the focus of their case and to create a "smoke screen" around their inaction between 2001 and 2007. This came as no surprise. And that is was they did at trial after multiple rulings on the issue.

The First Circuit in 2017 defined the issues in the case as follows:

> "[T]he questions of whether the OFI had a duty to disclose suspected risks and concerns regarding the soundness of the CDs and whether such disclosure would have impacted the identified investors' decision to have acquired or renewed SIB CDs between January 1, 2007, and February 13, 2009."

Lillie v. Stanford Tr. Co., 2013-1995 (La. App. 1 Cir. 11/1/17), 235 So. 3d 1139, 1152 . In 2017, the First Circuit clearly ruled that the focus of the case was OFI's Pre-2007 Conduct.

In a ruling on June 11, 2024, Judge Johson followed the 2017 opinion of the First Circuit and ruled that the conduct of OFI in not discovering the Ponzi scheme was not the focus of the case and no evidence could be introduced on the issue in the case. This was consistent with the ruling of the First Circuit in 2017.

However in an emergency writ to the First Circuit weeks before the trial, Judge Johnson was reversed and as a practical matter, the scope of the case as set forth in the 2017 Class Certification ruling was reversed, and expanded to allow OFI to make the argument that it was not reckless in not discovering the Ponzi scheme. This was OFI's theme in the opening statement, their expert's testimony for an entire day, and their closing statement. It highly prejudiced the jury review of the Pre-2007 conduct. I think the issue determined by the jury was whether OFI was reckless in not discovering the Ponzi scheme. They never determine the issue of whether OFI was reckless in not barring the SIBs by Stanford Trust prior to 2007.

In order to defend that Pre-2007 Conduct, OFI was allowed to focus on the 2008 Ponzi Scheme to deflect from their inaction between 2001 and 2007. Their expert focused solely on two things. First OFI Securities and not OFI Banking. Secondly, on how they could have discovered the Ponzi scheme when no one else could. He refused to address OFI's Pre 2007 conduct.

I highly commend Judge Donald Johnson on the efficient, being immediately accessible, and highly organized in the way he ran this trial. It was a complicated trial, he gave it his sole attention, and responded timely to the issues. Further, it was impacted by several delays because of COVID on the jury, which presented its own special challenges, and the technological challenges with no internet at the Courthouse the last days of trial. It was a real pleasure working with Judge Johnson. If the First Circuit in the emergency writ had not reversed his definition of the scope of the trial, I don't believe the type of prejudice that occurred would have happened and the results would have been different for the Class Members. Working with Judge Johnson was truly one of the greatest pleasures I have had in my 48 years of practicing law.

In my opinion, because of Judge Johnson's desire not to have reversal error if a judgment was rendered against OFI, he "bent over backwards" and allowed OFI to put into evidence from the complaints of multiple lawsuits from the Receivership Proceeding which are classic hearsay documents and are inadmissible and clearly prejudiced the Class Members case. There was no judicial precedent to allow OFI to put into evidence these pleadings from other lawsuits. The prejudice of being able to put these documents into evidence in violation of the rules of evidence clearly was prejudicial to the class members' case and in my opinion. resulted in the verdict. I don't think Judge Johnson would have let these documents into evidence if he had not thought a pro victim verdict was likely.

After the ruling by the First Circuit, we hoped that the sympathy factor in favor of the victims would offset the prejudicial effect of them now being able to center their entire case about whether they should have discovered the Ponzi scheme and not their Pre-2007 Conduct. In the final analysis the prejudice created by the "Receivership Documents" and the Ponzi Scheme testimony of OFI's expert was too much for the Class Members to overcome and resulted in the verdict.

I commend counsel for OFI for presenting the only defense they could to their Pre-2007 conduct--focusing on other issues to create confusion on the real issue. Their expert refused to and did not testify about their Pre-2007 Conduct of OFI Banking. OFI never introduced any facts to contest their Pre-2007 Conduct. They focused solely on whether they should have discovered the Ponzi scheme in 2008. It was a good defense tactic on their part by highly prejudicial to the real issue in the case-the uncontested admission of recklessness before 2007.

After all of these years, we are disappointed about the results. We will look at the issue and see whether an appeal should be filed.