Exhibit 1

NINETEENTH JUDICIAL DISTRICT COURT

PARISH OF EAST BATON ROUGE

STATE OF LOUISIANA

DIVISION I, SECTION 24

. . . . . .

TROY LILLIE, ET AL .

V. . SUIT NO. 581,670

STANFORD TRUST CO., ET AL .

. . . . . .

WEDNESDAY, DECEMBER 5, 2012

ORAL REASONS FOR RULING ON CLASS CERTIFICATION

THE HONORABLE R. MICHAEL CALDWELL, JUDGE PRESIDING

APPEARANCES:

PHILLIP PREIS, CHARLES GORDON, CRYSTAL BURKHALTER, AND CAROLINE GRAHAM FOR PLAINTIFFS

DAVID LATHAM AND KEARY EVERITT FOR LOUISIANA STATE FINANCIAL INSTITUTIONS OFFICE

DURIS HOLMES AND ELIZABETH FAY FOR SEI INVESTMENTS COMPANY

REPORTED BY: PAMELA KATE VOLENTINE, CCR #26011

DECEMBER 5, 2012

THE COURT: GOOD MORNING. WE HAVE THIS MORNING SUIT NUMBER 581,670, TROY LILLIE, ET AL VERSUS STANFORD TRUST COMPANY, ET AL. I INDICATED TO COUNSEL IT WASN'T NECESSARY FOR THEM TO BE HERE, BUT I SEE THEY'RE ALL HERE, SO I'M GOING TO GO AHEAD AND LET THEM MAKE THEIR APPEARANCES FOR THE RECORD, PLEASE.

MR. PREIS: PHILLIP PREIS, CHUCK GORDON, AND CAROLINE GRAHAM FOR THE PLAINTIFFS.

MR. LATHAM: DAVID LATHAM AND KEARY EVERITT FOR THE STATE OF LOUISIANA THROUGH THE OFFICE OF FINANCIAL INSTITUTIONS.

MS. FAY: ELIZABETH FAY FOR SEI INVESTMENTS AND SEI PRIVATE TRUST COMPANY.

MR. HOLMES: DURIS HOLMES FOR SEI INVESTMENTS AND SEI PRIVATE TRUST COMPANY.

THE COURT: ALL RIGHT. THANK YOU. AS I INDICATED, WE ARE HERE THIS MORNING SOLELY FOR ME TO RENDER MY DECISION. THERE WILL BE NO ADDITIONAL ARGUMENT ON THE CASE. THIS IS A SUIT THAT WAS FILED BY SOME 86 NAMED PLAINTIFFS AGAINST STANFORD TRUST COMPANY, SEI INVESTMENT COMPANY, AND THE STATE OF LOUISIANA THROUGH THE OFFICE OF FINANCIAL INSTITUTIONS FOR CLAIMS ALLEGEDLY ARISING OUT OF THE COLLAPSE AND CLOSURE OF THE RELATED STANFORD COMPANIES IN FEBRUARY OF 2010. THESE PLAINTIFFS SEEK CERTIFICATION OF THEIR CLAIMS AS A CLASS ACTION ON BEHALF OF THEMSELVES AND ALL OTHERS SIMILARLY SITUATED. THEY PROPOSE THAT THOSE OTHERS SIMILARLY SITUATED INCLUDE ANYONE IN LOUISIANA WHO PURCHASED CERTIFICATES OF

DEPOSIT ISSUED BY STANFORD INTERNATIONAL BANK BETWEEN JANUARY 1ST, 2007 AND FEBRUARY 13, 2009, THE DATE THE STANFORD COMPANIES WERE SHUT DOWN BY THE FEDERAL GOVERNMENT. IN ADDITION, ANY PERSONS WHO RENEWED ANY SIB CD'S IN LOUISIANA DURING THAT SAME TIME PERIOD, AND PERSONS WHO MADE A DECISION NOT TO REDEEM ANY SIB CD'S PRIOR TO MATURITY BASED UPON REPRESENTATIONS MADE BY THE TRUST OR BASED UPON VALUES STATED BY SEI DURING THAT TIME PERIOD, AND LASTLY, THE PERSONS FOR WHOM THE TRUST PURCHASED ANY SIB CD'S DURING THAT PERIOD. SEI AND OFI OPPOSE CERTIFICATION OF ANY CLASS. THE PLAINTIFFS ALLEGE LIABILITY ON THE PART OF SEI BASED UPON LOUISIANA REVISED STATUTE TITLE 51, SECTION 712 AND 714, WHICH ARE PARTS OF THE LOUISIANA SECURITIES LAW. SECTION 712 CREATES PRIMARY LIABILITY FOR THE SALE OF SECURITIES UNDER SUBPARAGRAPH A OF SECTION 714 AND SUBPARAGRAPH B OF SECTION 14 DEALS WITH POSSIBLE SECONDARY LIABILITY ARISING OUT OF THAT SALE. SPECIFICALLY, THE PLAINTIFFS ALLEGE THAT SEI HAD SOME DUTY OF DUE DILIGENCE TO VERIFY THE TRUE VALUE OF THE CD'S BEFORE PERIODICALLY REPORTING THOSE VALUES TO THE CD HOLDERS, AND THAT SEI'S ALLEGED FAILURE TO DO SO PERPETUATED, AIDED OR ABETTED STANFORD'S ALLEGED PONZI SCHEME ASSOCIATED WITH THE ORIGINAL SALE OF THE CD'S. THIS COURT HAS HELD THAT BASED LARGELY UPON THE US SUPREME COURT DECISION IN **SECURITIES AND EXCHANGE COMMISSION VERSUS ZANFORD**, 122 S. CT. 1899 DECIDED IN 2002, THAT THESE PLAINTIFFS HAVE AT LEAST STATED A CAUSE OF ACTION AGAINST SEI. IN 2010, WHEN DISCOVERY ON

THE CLASS CERTIFICATION ISSUE WAS FIRST UNDERTAKEN, SEI SUCCESSFULLY BLOCKED DISCOVERY ON ISSUES GOING TO ANY ALLEGED DUTY ON ITS PART BASED UPON JURISPRUDENCE THAT HELD THAT CLASS CERTIFICATION WAS CLEARLY A PROCEDURAL ISSUE AND NO DETERMINATION OF THE VALIDITY OR EVEN THE EXISTENCE OF A CAUSE OF ACTION WAS TO PLAY ANY PART IN THAT DETERMINATION. LIKEWISE, THE MERITS OF THE CLAIM WERE NOT TO BE CONSIDERED. SINCE THEN, THE U.S. SUPREME COURT IN **WAL-MART STORES VERSUS DUKES**, 131 S. CT. 2541 DECIDED IN JUNE OF 2011, FOLLOWED BY THE LOUISIANA SUPREME COURT DECISION IN **PRICE VERSUS MARTIN**, 79 SO. 3D 960 DECIDED IN DECEMBER OF 2011, HAVE INDICATED THAT COURTS SHOULD MAKE A "RIGOROUS ANALYSIS" OF ALL FACTORS TO BE CONSIDERED AND THUS MAY INVOLVE SOME INVESTIGATION AND ANALYSIS OF THE MERITS OF THE CLAIM. BASED UPON THOSE DECISIONS, SEI NOW ASSERTS THAT BECAUSE PLAINTIFFS DID NOT PROVE AT THE CERTIFICATION HEARING THAT SEI WAS INVOLVED IN A SALE, IT CANNOT BE LIABLE UNDER RS 12:714(A). AND BECAUSE THERE WAS NO EVIDENCE OF ITS STATUS AS SOMEONE WHO COULD BE HELD SECONDARILY LIABLE UNDER RS 12:714(B), PLAINTIFFS HAVE NOT SHOWN THAT THEY ARE ENTITLED TO CERTIFICATION AS A CLASS. HOWEVER, SEI NEVER PETITIONED THE COURT TO REOPEN DISCOVERY OR TO REMOVE THE PROTECTION PREVIOUSLY AFFORDED IT IN 2010. WITH REGARD TO OFI, THE PLAINTIFFS ALLEGE THAT OFI HAD A DUTY TO EVALUATE AND REGULATE STANFORD TRUST, AND THAT DUTY ENCOMPASSED DETERMINING THE TRUE VALUE OF THE CD'S WHICH CONSTITUTED THE OVERWHELMING PERCENTAGE OF

THE TRUST ASSETS. OFI'S ALLEGED FAILURE TO DO SO ALLOWED THE PONZI SCHEME TO CONTINUE TO THE DETRIMENT OF THE PUTATIVE CLASS. OFI ALSO ASSERTS THE HOLDING IN **WAL-MART VERSUS DUKES** AND **PRICE VERSUS MARTIN**, AND THE MORE RECENT CASE OF **HEBERT VERSUS OCHSNER FERTILITY CLINIC**, A LOUISIANA FIFTH CIRCUIT CASE DECIDED IN OCTOBER OF 2012, WHICH APPEARS TO MERELY REITERATE AND RESTATE THE **PRICE** DECISION ON THE RELEVANT ISSUES HEREIN. IT LIKEWISE ALLEGES THAT THE ABSENCE OF EVIDENCE FROM THE PLAINTIFFS WITH REGARD TO THE EXISTENCE OF THE DUTY PRECLUDES CLASS CERTIFICATION. OFI ALSO RAISED THE ISSUE OF THE TYPICALITY OF THE CLAIMS OF THE PURPORTED REPRESENTATIVES TO THE REST OF THE PUTATIVE CLASS AND THUS, THE ADEQUACY OF THE REPRESENTATION OF THE REST OF THE CLASS. WHEN CALLED UPON TO DECIDE COMPLICATED ISSUES SUCH AS THIS, I GENERALLY TRY TO FAMILIARIZE MYSELF WITH THE APPLICABLE LAW BEFORE REVIEWING THE ARGUMENT SET FORTH IN THE PARTIES' BRIEFS. HERE, OF COURSE, I BEGAN WITH CODE OF CIVIL PROCEDURE ARTICLE 591. SUBPARAGRAPH A SETS FORTH FIVE MANDATORY CRITERIA FOR CLASS CERTIFICATION. THESE ARE GENERALLY REFERRED TO AS ONE, NUMEROSITY; TWO, COMMON QUESTIONS OF LAW OR FACT; THREE, TYPICALITY OF CLAIMS; FOUR, FAIR AND ADEQUATE PROTECTION OF THE INTEREST OF THE CLASS BY THE PROPOSED REPRESENTATIVES; AND FIVE, OBJECTIVE ASCERTAINABLE CRITERIA TO ALLOW DEFINITION OF THE CLASS. IN ADDITION, SUBPART B SETS FORTH FOUR ADDITIONAL POSSIBLE CRITERIA, ONLY ONE OF WHICH MUST BE MET. THE APPLICABLE PROVISION FOR THIS CASE IS

SUBSECTION 3, WHICH REQUIRES THAT COMMON QUESTIONS OF LAW OR FACT PREDOMINATE OVER ANY QUESTIONS AFFECTING ONLY INDIVIDUAL MEMBERS, AND THAT A CLASS ACTION IS SUPERIOR TO ALTERNATIVE METHODS OF ADJUDICATION. THESE PROVISIONS ARE TAKEN IN LARGE PART FROM THE FEDERAL RULES ON CLASS CERTIFICATION SO THAT FEDERAL JURISPRUDENCE IN INTERPRETING THOSE RULES IS RELEVANT AND PERSUASIVE TO INTERPRETATION OF OUR CODE OF CIVIL PROCEDURE ARTICLE 591. ACCORDINGLY, I STARTED OUT BY READING THE FAIRLY RECENT AND EXTENSIVELY REPORTED U.S. SUPREME COURT DECISION IN **WAL-MART STORES VERSUS DUKES**. THAT CASE DEALT WITH THE COMMONALITY ISSUE RAISED BY OUR ARTICLE 591(B)(3), WHICH IS AKIN TO THE FEDERAL RULE 23(B)(3). I NOTED THAT THE PROPER INQUIRY SET FORTH IN **WAL-MART** WAS NOT SO MUCH THE EXISTENCE OF COMMON QUESTIONS, BUT RATHER THE CLASS ACTION CAN GENERATE COMMON ANSWERS APT TO DRIVE THE RESOLUTION OF THE LITIGATION. THE COURT ALSO NOTED IN FOOTNOTE 6 THAT PERHAPS THE MOST COMMON EXAMPLE OF CONSIDERING A MERITS QUESTION AT THE RULE 23 STAGE ARISES IN CLASS ACTION SUITS FOR SECURITIES FRAUD. RULE 23(B)(3)'S REQUIREMENT THAT QUESTIONS OF LAW OR FACT COMMON TO CLASS MEMBERS PREDOMINATE OVER ANY QUESTIONS AFFECTING ONLY INDIVIDUAL MEMBERS WOULD OFTEN BE AN INSUPERABLE BARRIER TO CLASS CERTIFICATION SINCE EACH OF THE INDIVIDUAL INVESTORS WOULD HAVE TO PROVE RELIANCE ON THE ALLEGED MISREPRESENTATION. BUT THE PROBLEM DISSIPATES IF THE PLAINTIFFS CAN ESTABLISH THE APPLICABILITY OF THE SO-CALLED FRAUD

OF THE MARKET PRESUMPTION, WHICH SAYS THAT ALL TRADERS WHO PURCHASE STOCK IN AN EFFICIENT MARKET ARE PRESUMED TO HAVE RELIED ON THE ACCURACY OF A COMPANY'S PUBLIC STATEMENTS. I NEXT READ THE LOUISIANA SUPREME COURT CASE OF **DUPREE VERSUS LAFAYETTE INSURANCE COMPANY**, 51 SO.3D 673 DECIDED IN NOVEMBER OF 2010, WHICH WAS BEFORE THE **WAL-MART** DECISION. INTERESTINGLY, THOUGH, WHILE USING THE SAME PHRASE OF RIGOROUS ANALYSIS AS DID LATER DECISIONS, THAT CASE REITERATED THE LONG-STANDING JURISPRUDENTIAL RULE THAT COURTS SHOULD ERR MORE IN FAVOR OF CLASS CERTIFICATION THAN AGAINST IT, BECAUSE THE CLASS CAN ALWAYS BE MODIFIED OR DECERTIFIED LATER IN THE PROCEEDINGS. THAT RULE WAS QUESTIONED TO AN EXTENT BY THE LATER DECISION IN **PRICE**. THE COURT ALSO NOTED THAT THE FACT THAT CLASS MEMBERS MAY HAVE DIFFERENT INDIVIDUAL DAMAGES DOES NOT NECESSARILY PRECLUDE CLASS CERTIFICATION. BUT MORE IMPORTANTLY, ON THE ISSUE OF COMMONALITY, THE COURT STATED THAT TO SATISFY THE COMMONALITY REQUIREMENT, THERE MUST EXIST AS TO THE TOTALITY OF THE ISSUES, A COMMON NUCLEUS OF OPERATIVE FACTS. A COMMON QUESTION IS ONE THAT WHEN ANSWERED AS TO ONE CLASS MEMBER IS ANSWERED AS TO ALL OF THEM. UPON READING THAT, I NOTED THAT IN THIS CASE, THE COMMON NUCLEUS OF OPERATIVE FACTS WAS THAT ALL PUTATIVE CLASS MEMBERS BOUGHT THEIR CD'S IN LOUISIANA WHERE OFI HAS REGULATORY AUTHORITY, AND THEY ALL RECEIVED PERIODIC STATEMENTS GENERATED BY SEI. I THEN WROTE THE FOLLOWING QUESTIONS IN THE MARGIN OF THAT CASE AS I READ IT: ONE, DID SEI OR OFI HAVE A DUTY TO

THESE PLAINTIFFS? TWO, WHAT WAS THAT DUTY? THREE, DID THEY BREACH THAT DUTY? THOSE APPEAR TO BE THE QUESTIONS RAISED BY THIS LAWSUIT, AND I LATER SAW THAT THESE WERE BASICALLY THE SAME QUESTIONS RAISED BY THE PLAINTIFFS IN THEIR BRIEF. NOW, THE **DUPREE** CASE ALSO STATED: IN ADDITION TO PROVING QUESTIONS OF LAW OR FACT COMMON TO MEMBERS OF THE CLASS EXIST, THE PLAINTIFFS ALSO MUST ESTABLISH UNDER ARTICLE 591(B)(3) THAT THESE COMMON ISSUES PREDOMINATE OVER ANY INDIVIDUAL ISSUES AND THAT THE CLASS ACTION PROCEDURE IS SUPERIOR TO ANY OTHER. THE INQUIRY INTO PREDOMINANCE TESTS WHETHER THE PROPOSED CLASSES ARE SUFFICIENTLY COHESIVE TO WARRANT ADJUDICATION BY REPRESENTATION. THIS COURT HAS EXPLAINED THAT THE PREDOMINANCE REQUIREMENT IS MORE DEMANDING THAN THE COMMONALITY REQUIREMENT, BECAUSE IT ENTAILS IDENTIFYING THE SUBSTANTIVE ISSUES THAT WILL CONTROL THE OUTCOME, ASSESSING WHICH ISSUES WILL PREDOMINATE, AND THEN DETERMINING WHETHER THE ISSUES ARE COMMON TO THE CLASS, A PROCESS THAT ULTIMATELY PREVENTS THE CLASS FROM DEGENERATING INTO A SERIES OF INDIVIDUAL TRIALS. AS I JUST NOTED, THE QUESTIONS THAT FIRST OCCURRED TO ME WHEN CONSIDERING COMMONALITY; THAT IS, THE EXISTENCE OF A DUTY, THE NATURE OF ANY DUTY, AND A BREACH OF THAT DUTY WOULD, IN MY OPINION, BE THOSE SUBSTANTIVE ISSUES THAT WILL CONTROL THE OUTCOME OF THE CASE, AND THUS WILL PREDOMINATE OVER ANY INDIVIDUAL ISSUES. ALL OF THESE ISSUES ARE COMMON TO THE PROPOSED CLASS, AND ONE TRIAL IS CAPABLE OF RESOLVING THOSE ISSUES FOR THE ENTIRE CLASS. I

NEXT READ THE **PRICE VERSUS MARTIN** CASE DECIDED BY OUR SUPREME COURT IN DECEMBER OF 2011. THAT CASE AGAIN CITES THE RIGOROUS ANALYSIS CALLED FOR IN **WAL-MART** AS SOMEHOW DENIGRATING THE GENERAL RULE THAT ANY ERRORS TO BE MADE SHOULD BE MADE IN FAVOR OF CLASS CERTIFICATION RATHER THAN AGAINST IT. HOWEVER, THE BASIS FOR THE **WAL-MART** REQUIREMENT FOR RIGOROUS ANALYSIS WAS THE 1982 U.S. SUPREME COURT CASE OF **GENERAL TELEPHONE SOUTHWEST VERSUS FALCON**, AND THE LOUISIANA BASIS FOR THE RIGOROUS ANALYSIS WAS THE LOUISIANA SUPREME COURT CASE OF **MCCASTLE VERSUS ROLLINS ENVIRONMENTAL SERVICE OF LOUISIANA** DECIDED IN 1984. THEREFORE, THE RIGOROUS ANALYSIS IS NOT SOME NEW STANDARD THAT COURTS MUST APPLY, RATHER IT HAS BEEN AROUND FOR SOME TIME. AND THE **PRICE** DECISION WENT ON TO CITE EARLIER JURISPRUDENCE FOR THE HOLDING THAT THE PURPOSE AND INTENT OF THE CLASS ACTION IS TO ADJUDICATE AND OBTAIN RES JUDICATA EFFECT ON ALL COMMON ISSUES APPLICABLE NOT ONLY TO PERSONS WHO BRING THE ACTION, BUT ALSO TO ALL OTHERS SIMILARLY SITUATED. THAT IS VERY SIMILAR TO THE **DUPREE** HOLDING THAT SAYS THAT ANSWERS FOR QUESTIONS FOR ONE PLAINTIFF SHOULD BE ANSWERS FOR ALL. THE COURT ALSO QUOTED THE **WAL-MART** THEORY ON COMMONALITY THAT THE PLAINTIFFS' CLAIMS MUST DEPEND ON A COMMON CONTENTION, AND DETERMINATION OF THE TRUTH OR FALSITY OF THAT CONTENTION WILL RESOLVE AN ISSUE CENTRAL TO THE VALIDITY OF EACH CLASS MEMBER'S CLAIM IN ONE STROKE. THE COURT THEN WENT ON TO STATE THAT TO HAVE COMMONALITY, EACH MEMBER OF THE CLASS MUST BE ABLE TO PROVE INDIVIDUAL

CAUSATION BASED UPON THE SAME SET OF OPERATIVE FACTS AND LAW AS ANY OTHER CLASS MEMBER. I AGAIN WROTE IN THE MARGIN OF THAT CASE AND SET FORTH WHAT I PERCEIVED TO BE THE FACTS EACH CLASS MEMBER MIGHT USE TO PROVE CAUSATION. THOSE WERE: NUMBER ONE, I, PLAINTIFF, UNINTENTIONALLY INVESTED IN A PONZI SCHEME; TWO, THESE DEFENDANTS SHOULD HAVE KNOWN AND SHOULD HAVE TOLD ME IT WAS A PONZI SCHEME; THREE, I LOST MONEY OR SUFFERED OTHER DAMAGE BECAUSE OF THAT PONZI SCHEME. NOW WITH REGARD TO CAUSATION, THE **PRICE** COURT ALSO SAID THAT PLAINTIFFS MUST SHOW THAT THEY WILL BE ABLE TO PROVE CAUSATION WITH COMMON EVIDENCE; THAT IS, THERE MUST BE SOME COMMON THREAD WHICH HOLDS THE CLAIMS TOGETHER. WRITING AGAIN IN THE MARGIN, I ASKED WAS THERE SOME COMMON THREAD IN THIS CASE. WHAT I WROTE WAS THE PUTATIVE CLASS MEMBERS ALL BOUGHT CD'S IN LOUISIANA WHERE OFI ALLEGEDLY HAD REGULATORY OR OVERSIGHT AUTHORITY, AND ALL RECEIVED PERIODIC STATEMENTS FROM SEI SHOWING THE VALUE OF THE CD'S. SO THE **PRICE** CASE SEEMS TO SET FORTH TWO REQUIREMENTS TO SHOW COMMONALITY. FIRST, THAT CLAIMS DEPEND ON A COMMON CONTENTION AND THAT THE DETERMINATION OF THOSE CONTENTIONS' TRUTH OR FALSITY WILL RESOLVE ALL CLAIMS IN ONE STROKE. THE COMMON CONTENTION MUST BE BASED UPON A COMMON NUCLEUS OF OPERATIVE FACTS. THE SECOND REQUIREMENT IS THAT EACH MEMBER OF THE CLASS MUST BE ABLE TO PROVE CAUSATION BASED UPON THE SAME SET OF OPERATIVE FACTS AND LAW. AS I APPRECIATE THIS CASE AS IT STANDS AT THIS POINT, WITHOUT DISCOVERY INTO OR THE PRESENTATION OF EVIDENCE ON THE

MERITS, THE COMMON CONTENTIONS OF THE PUTATIVE CLASS MEMBERS ARE THAT ONE, IF I, PLAINTIFF HAD KNOWN THAT STANFORD WAS RUNNING A PONZI SCHEME AND THAT THE CD'S HAD NO VALUE, I WOULD NOT HAVE PURCHASED OR RENEWED THOSE CD'S; AND TWO, SEI AND OFI, YOU HAD A DUTY TO INDEPENDENTLY DETERMINE THE VALUE OF THOSE CD'S, OR AT LEAST FORCE STANFORD TO COME FORTH WITH SOME RELIABLE EVIDENCE OF THEIR VALUE, AND HAD YOU DONE SO, YOU WOULD HAVE KNOWN IT WAS A PONZI SCHEME AND YOU WOULD AT THAT TIME HAVE A DUTY TO TELL ME ABOUT IT. AND BY NOT DETERMINING THE VALUE AND NOT TELLING ME ABOUT IT, THAT MAKES YOU, SEI, A PARTICIPANT IN THE ALLEGED FRAUDULENT SALE OF THE SECURITIES. AGAIN, THESE ARE JUST CONTENTIONS AT THIS POINT. I AM NOT MAKING ANY RULING THAT THESE FACTS EXIST OR WILL BE PROVEN AT SOME LATER DATE. BUT IF THOSE CONTENTIONS ARE TRUE, ALL CLASS MEMBERS HAVE A VIABLE CLAIM, AND UPON PROOF OF CAUSATION AND DAMAGES THEY WOULD WIN. IF THOSE CONTENTIONS ARE FALSE; THAT IS, THE DEFENDANTS HAD NO SUCH DUTY, ALL CLASS MEMBERS LOSE. THE COMMON NUCLEUS OF FACTS TO PROVE CAUSATION MAY BE: ONE, NO ONE WOULD INVEST IN OR KEEP INVESTING IN A PONZI SCHEME IF THEY KNEW THAT'S WHAT IT WAS; AND TWO, THEY SUFFERED DAMAGES BECAUSE THEY DID INVEST OR CONTINUED TO INVEST IN THAT PONZI SCHEME. AS YOU CAN TELL, I WENT TO WHAT I SAW AS THE MOST SERIOUS AND IN MY MIND, THE MOST RELEVANT ISSUE FOR CONSIDERATION, AND THAT IS THE COMMONALITY REQUIREMENT UNDER ARTICLE 591(A)(2) AND 591(B)(3) FIRST. AS YOU CAN ALSO TELL BY THE QUESTIONS THAT

OCCURRED TO ME AS I READ THESE CASES AND THE ANSWERS THAT OCCURRED TO ME, I FEEL THAT PLAINTIFFS HAVE MET THE COMMONALITY REQUIREMENT FOR CLASS CERTIFICATION. HOWEVER, I MUST ADDRESS THE REMAINDER OF THE REQUIRED CRITERIA. IN MY PREPARATIONS, I ALSO REREAD THE DECISION OF **STEWART VERSUS RHODIA**, A 2012 DECISION BY THE LOUISIANA FIRST CIRCUIT COURT OF APPEAL. THAT CASE, WHICH WAS DECIDED AFTER **WAL-MART** AND AFTER **PRICE**, AND BY THE CONTROLLING CIRCUIT COURT FOR THIS JUDICIAL DISTRICT, STILL HELD THAT CLASS CERTIFICATION IS PURELY A PROCEDURAL ISSUE AND DOES NOT REST ON THE PLAINTIFF'S POSSIBLE SUCCESS ON THE MERITS. FURTHERMORE, CERTIFICATION IS NOT EVEN DEPENDENT ON THE PRESENCE OF A CAUSE OF ACTION. UNDER THAT RULING, SEI'S DEFENSE THAT RS 51:712 AND 714 ARE NOT APPLICABLE TO THEM WOULD NOT BE RELEVANT. HOWEVER, AS I NOTED EARLIER, THE FACT THAT THE PLAINTIFFS WERE BLOCKED FROM DISCOVERY DIRECTED AT THE MERITS OR THE EXISTENCE OF A DUTY ON THE PART OF THESE DEFENDANTS, TOGETHER WITH THE HOLDING IN THE **SECURITIES AND EXCHANGE COMMISSION VERSUS ZANFORD**, THIS COURT NEED NOT RELY ON THAT PART OF THE **STEWART** HOLDING. HOWEVER, THE **STEWART** CASE IS RELEVANT TO THE ISSUE OF NUMEROSITY. THERE, THE COURT STATED THIS COURT HAS REQUIRED THAT PLAINTIFFS SEEKING CERTIFICATION MEET A THRESHOLD BURDEN OF PLAUSIBILITY AS A COMPONENT ELEMENT OF A PRIMA FACIE SHOWING OF NUMEROSITY. THE BURDEN OF PLAUSIBILITY REQUIRES SOME EVIDENCE OF A CAUSAL LINK BETWEEN THE INCIDENT AND THE INJURIES OR DAMAGE CLAIMED BY

SUFFICIENT NUMEROUS CLASS MEMBERS. PRIMA FACIE SHOWING NEED NOT RISE TO THE LEVEL OF PROOF BY A PREPONDERANCE OF THE EVIDENCE AS WOULD BE NECESSARY TO PREVAIL ON THE MERITS. NOW, THAT WAS A MASS TORT CASE, SO THAT EVIDENCE OF A CAUSAL LINK SHOULD HAVE BEEN AVAILABLE AND WAS, IN FACT, OFFERED. THE INSTANT CASE IS SOMEWHAT DIFFERENT, BUT I STILL BELIEVE PLAINTIFFS HAVE SHOWN THAT CAUSAL LINK. THEY ALLEGE, AND THE EVIDENCE AT THE HEARING SHOWS THEY ALL BOUGHT SIB CD'S EITHER INDIVIDUALLY OR THROUGH THE STANFORD TRUST. THEY MADE A PRIMA FACIE SHOWING THAT THE CD'S WERE PART OF THE PONZI SCHEME. THEIR CONTENTION IS THAT THESE DEFENDANTS SHOULD HAVE KNOWN IT WAS A PONZI SCHEME AND SHOULD HAVE TOLD THE PLAINTIFFS BUT DID NOT. BECAUSE THEY WERE NOT INFORMED IT WAS A PONZI SCHEME, THEY ALL SUFFERED DAMAGES. THUS, I FIND THAT PLAINTIFFS HAVE CARRIED THEIR BURDEN OF PLAUSIBILITY WITH REGARD TO THE NUMEROSITY ISSUES. SO NOW, TO ADDRESS THE ADDITIONAL CRITERIA REQUIRED BY ARTICLE 591. SUBPART A(1) IS NUMEROSITY. PLAINTIFFS OFFERED EVIDENCE SHOWING THE EXISTENCE OF OVER 1,000 ACCOUNTS HOLDING SIB CD'S THROUGH STANFORD TRUST. THERE ARE 86 NAMED PLAINTIFFS. SEI AND OFI WOULD APPEAR TO HAVE BETTER ACCESS TO THE NUMBER OF PERSONS WHO OWNED THOSE ACCOUNTS. ABSENT EVIDENCE FROM THEM THAT THOSE 1,000 ACCOUNTS WERE HELD BY SOME SUBSTANTIALLY SMALLER NUMBER OF PEOPLE, THE COURT FINDS THAT PLAINTIFFS HAVE SHOWN THAT THE CLASS IS SO NUMEROUS THAT JOINDER OF ALL MEMBERS IS IMPRACTICAL. SUBPART A(2) OF ARTICLE 591 REFERS

TO COMMON ISSUES OF LAW AND FACT WHICH I HAVE ALREADY ADDRESSED. A(3) IS THE TYPICALITY REQUIREMENT, THAT IS, THAT THE CLAIMS OF THE REPRESENTATIVE PARTIES ARE TYPICAL OF THE CLAIMS OF THE CLASS. THE **STEWART** CASE ALSO ADDRESSED THIS ISSUE. THE COURT STATED THIS ELEMENT REQUIRES THAT THE CLAIMS OF THE CLASS REPRESENTATIVES MUST BE A CROSS SECTION OF, OR TYPICAL OF THE CLAIMS OF ALL CLASS MEMBERS. TYPICALITY IS SATISFIED IF THE CLAIMS OF THE CLASS REPRESENTATIVES ARISE OUT OF THE SAME EVENT, PRACTICE, OR COURSE OF CONDUCT, GIVING RISE TO THE CLAIMS OF OTHER CLASS MEMBERS AND ARE BASED ON THE SAME LEGAL THEORY. HERE, THE TESTIMONY OF SOME OF THE PURPORTED CLASS REPRESENTATIVES WAS THAT ALL OF THEM HAD SIB CD'S, SOME OF THEM LOST ALL OF THEIR MONEY, SOME OF THEM TEMPORARILY LOST USE OF THEIR MONEY WHEN THEIR ACCOUNTS WERE FROZEN, AND THEY FACE THE POSSIBILITY OF LOSING ALL OF THEIR MONEY IF THE CLAWBACK SUITS ARE SUCCESSFUL, SOME OF THEM LOST HUNDREDS OF THOUSANDS OF DOLLARS, AND SOME OF THEM LOST MILLIONS. ALL OF THEIR CLAIMS ARISE OUT OF THE SAME PRACTICE OR COURSE OF CONDUCT AND ARE BASED UPON THE SAME LEGAL THEORY. THUS, I FIND THAT PLAINTIFFS HAVE PROVEN TYPICALITY. A(4) REQUIRES THAT THE REPRESENTATIVES WILL FAIRLY AND ADEQUATELY PROTECT THE INTEREST OF THE CLASS. ALL OF THE PROPOSED REPRESENTATIVES WHO TESTIFIED AT THE HEARING INDICATED THEIR WILLINGNESS TO REPRESENT THE CLASS. ALL SEEMED COMPETENT AND INTERESTED IN THE OUTCOME OF THE CLAIMS. DESPITE THE DIFFERENCE IN

THE BASIS FOR SOME OF THEIR CLAIMS AS ONE OF THEM NOTED, "WE ARE ALL IN THIS TOGETHER." DEFENDANTS OFFERED NO EVIDENCE CHALLENGING THE ADEQUACY OF THE REPRESENTATION. FURTHERMORE, PLAINTIFFS OFFERED EVIDENCE SHOWING THEIR ATTORNEYS ARE MORE THAN COMPETENT TO HANDLE AND MANAGE THIS LITIGATION. ACCORDINGLY, I FIND THAT PLAINTIFFS HAVE DEMONSTRATED THAT THE REPRESENTATIVES WILL FAIRLY AND ADEQUATELY PROTECT THE INTEREST OF THE CLASS. THE LAST REQUIREMENT OF SUBPARAGRAPH A IS THAT THE CLASS MAY BE DEFINED OBJECTIVELY IN TERMS OF ASCERTAINABLE CRITERIA. AS I NOTED EARLIER IN THE FOUR CRITERIA, THE PLAINTIFFS HAVE PROPOSED TO DEFINE THE CLASS AS FOLLOWS: ONE, PERSONS WHO PURCHASED SIB CD'S IN LOUISIANA BETWEEN JANUARY 1ST, 2007 AND FEBRUARY 13, 2009; TWO, PERSONS WHO RENEWED ANY SIB CD'S IN LOUISIANA DURING THAT SAME TIME PERIOD; THREE, PERSONS WHO MADE A DECISION NOT TO REDEEM ANY SIB CD'S PRIOR TO MATURITY BASED UPON REPRESENTATIONS MADE BY THE TRUST OR BASED UPON VALUES STATED BY SEI DURING THAT TIME PERIOD; OR FOUR, ANY PERSON FOR WHOM THE TRUST PURCHASED ANY SIB CD'S DURING THE RELEVANT TIME PERIOD. THE FIRST, SECOND, AND FOURTH DEFINITION SET FORTH EASILY ASCERTAINABLE CRITERIA THAT ARE OBJECTIVELY DEFINED. THE THIRD PROPOSED CRITERIA, THAT IS, PERSONS WHO MADE A DECISION NOT TO REDEEM PRIOR TO MATURITY BASED UPON REPRESENTATIONS MADE TO THEM IS A DIFFERENT MATTER. ANY DECISION NOT TO REDEEM COULD BE BASED UPON A MYRIAD OF SUBJECTIVE REASONS. PROOF WOULD BE COMPLETELY INDIVIDUAL AS TO EACH CLAIMANT AND

WOULD NOT MEET THE COMMONALITY AND TYPICALITY AND PREDOMINANCE REQUIREMENTS FOR A CLASS. THEREFORE, THAT THIRD CRITERIA CANNOT FORM THE BASIS FOR A CLASS. SUBPART 3B OF ARTICLE 591 DEALING WITH COMMONALITY ALSO HAS AN ADDITIONAL REQUIREMENT. THAT REQUIREMENT IS THAT THE CLASS ACTION IS SUPERIOR TO OTHER METHODS FOR A FAIR AND EFFICIENT ADJUDICATION OF THE ISSUES. IN THIS CASE, A CLASS CAN RESULT IN ONE DEFINITIVE ADJUDICATION OF WHETHER OR NOT A DUTY TO ALL CLAIMANTS WAS OWED BY THESE DEFENDANTS, WHETHER OR NOT ANY SUCH DUTY WAS BREACHED. IF THE ANSWER TO EITHER OF THOSE QUESTIONS IS NO, ALL CLAIMANTS LOSE. IF THE ANSWER TO BOTH QUESTIONS IS YES, ALL CLAIMANTS WIN. THOSE DETERMINATIONS MADE IN ONE CASE, BASED UPON ONLY ONE PRESENTATION OF THE EVIDENCE, IS CLEARLY SUPERIOR TO MANY DIFFERENT TRIALS IN MANY DIFFERENT JURISDICTIONS ON THE SAME ISSUES. NOW, SUBPART B3 ALSO HAS A LISTING OF PERTINENT ISSUES TO BE CONSIDERED. SUBPART B(3)(F)STATES THAT THERE BE A FINDING CONCERNING THE EXTENT TO WHICH THE RELIEF PLAUSIBLY DEMANDED ON BEHALF OF THE CLASS JUSTIFIES THE COST AND BURDENS OF CLASS LITIGATION. AS NOTED, WITH A CLASS ACTION IN THIS CASE, THE ISSUE CENTRAL TO THE DETERMINATION OF THE CLAIMS OF ALL CLASS MEMBERS CAN BE DECIDED IN ONE TRIAL AS OPPOSED TO MULTIPLE TRIALS IN VARIOUS JURISDICTIONS, THUS JUSTIFYING THE COST AND BURDENS OF CLASS LITIGATION. THE FACT THAT SOME CLAIMS MAY REQUIRE INDIVIDUAL PROOF AND DETERMINATION IF THE CASE DOES GET TO A DETERMINATION OF DAMAGES DOES NOT OVERCOME THE

OVERRIDING EFFICIENCY OF DETERMINING THE MAIN QUESTIONS IN A CLASS ACTION FORMAT. ACCORDINGLY, I DO CERTIFY THIS LAWSUIT AS A CLASS ACTION. THE CLASS WILL CONSIST OF THOSE PERSONS WHO PURCHASED SIB CD'S IN LOUISIANA BETWEEN JANUARY 1, 2007 AND FEBRUARY 13, 2009, PERSONS WHO RENEWED ANY SIB CD'S IN LOUISIANA BETWEEN JANUARY 1ST, 2007 AND FEBRUARY 13, 2009, AND PERSONS FOR WHOM STANFORD TRUST COMPANY PURCHASED SIB CD'S IN LOUISIANA BETWEEN JANUARY 1ST 2007 AND FEBRUARY 13, 2009. ALL COSTS ASSOCIATED WITH THE CLASS ACTION HEARING ARE ASSESSED EQUALLY BETWEEN SEI AND OFI. SO MR. PREIS, IF SOMEONE FROM YOUR OFFICE WILL PREPARE A JUDGMENT TO THAT EFFECT, PLEASE, SEND COPIES TO ALL OPPOSING COUNSEL PURSUANT TO RULE 9.5 OF THE UNIFORM RULES OF DISTRICT COURT, AND THEN HAVE THE ORIGINAL FILED AND SENT TO MY OFFICE, PLEASE.

MR. PREIS: WE WILL, YOUR HONOR.

THE COURT: THANK YOU.

END OF TRANSCRIPT

C E R T I F I C A T E

I, PAMELA KATE VOLENTINE, CERTIFIED COURT REPORTER IN AND FOR THE STATE OF LOUISIANA AND EMPLOYED AS OFFICIAL COURT REPORTER BY THE 19TH JUDICIAL DISTRICT COURT, DO HEREBY CERTIFY THAT THIS PROCEEDING WAS REPORTED BY ME IN THE STENOTYPE METHOD, THAT THIS TRANSCRIPT WAS PREPARED BY ME AND IS A TRUE AND CORRECT TRANSCRIPT TO THE BEST OF MY ABILITY AND UNDERSTANDING, THAT THE TRANSCRIPT HAS BEEN PREPARED IN COMPLIANCE WITH TRANSCRIPT FORMAT GUIDELINES REQUIRED BY STATUTE OR BY RULES OF THE BOARD OR BY THE SUPREME COURT OF LOUISIANA, AND THAT I AM NOT RELATED TO COUNSEL OR TO THE PARTIES HEREIN, NOR AM I OTHERWISE INTERESTED IN THE OUTCOME OF THIS MATTER.

WITNESS MY HAND THIS 10TH DAY OF DECEMBER, 2012.

OFFICIAL SEAL
PAMELA KATE VOLENTINE
Certified Court Reporter
In and for the State of Louisiana
Certificate Number 26011
Certificate expires 12-31-12

Pamela Kate Volentine

PAMELA KATE VOLENTINE, CCR
OFFICIAL COURT REPORTER
19TH JUDICIAL DISTRICT COURT
CCR #26011