Grant Thornton

Ms. Shaw
By E-Mail

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Stanford International Bank Limited (In Liquidation) (SIB)

Dear Ms. Shaw

Here are our answers to the questions you wanted us to reply to during our last Webinar. As we advised at the time that Webinar was intended to focus on our claims procedure and had been booked for one hour. It was clearly not possible to deal with your extensive list of questions, responding to which would have taken more than an hour on their own. However we undertook to post, subject to your consent, the list of questions on our website together with our response.

Below we set out the questions and our answers using the same paragraph numbers as in your revised letter which we received on the morning of the Webinar and in which we note the dubious hand of Morgenstern.

"Q1 As you know, the litigation for control of the frozen assets in the UK, Canada and Switzerland has cost Stanford's victims dearly as we have financed both sides of those legal actions. Now that Allen Stanford has been convicted and the criminal forfeiture request for the frozen assets has been approved by the same jury that found Allen Stanford guilty, will the Joint Liquidators drop their litigation and allow DOJ to expeditiously repatriate that $330 million and make a distribution to the victims? (Obviously any continued litigation by the JLs could delay such a distribution for years.)

(NOTE: As part of the SVC's grassroots political efforts in the U.S., we are currently in the process of confirming with the IRS its intentions are not to pursue Allen Stanford's personal taxes against funds available for distribution to the victims. The IRS filed notice of claims for Allen Stanford's personal income taxes prior to becoming aware of the dire financial situation of the Stanford estate. The IRS has not actively pursued those claims since its initial filing in 2009.)"

1. **Response.** I think you have this point backwards.

    a. These monies are SIB's that have vested in the liquidation for the benefit of its creditors. Our predecessors sought to recover these funds, as did the SEC Receiver, very early in the proceeding.

    b. The dispute between the estates allowed DoJ the opportunity to intervene with their criminal complaint. Had they not done so, the funds would have long since been in the Liquidation **and the vast bulk of them, and potentially more, distributed by now.** If the DoJ released their claim today, we would be able to complete an almost instantaneous release of the frozen funds in the UK and Switzerland.

    c. If the liquidation estate had had earlier access to these funds it is **entirely probable that other recoveries could have been generated** by now. It is probable therefore

that by now even more money than the frozen funds would have been distributed.

d. In fact the DoJ **are still not in a position to distribute these monies if they recover them and may not be for one year or more** as has been admitted by the Receiver's lawyer in a recent hearing relating to his request to increase his fees.

e. In the alternative, **we expect to be able to distribute funds as early as September this year if they are available** by virtue of the DoJ dropping its actions. The claim that the DoJ can deliver funds to investors quickly and cheaply is misleading.

f. Something else of which you may not be aware is that while the funds are in the hands of DoJ, any income derived or which should have been derived from investing them belongs to and is for the benefit of the US Treasury. If they had "repatriated" the funds to the US the US Treasury would have had three years' interest to its account and not yours.

g. We also note that while the freeze has been in place the DoJ has done nothing to manage the funds. In the UK it is clear that there has been an erosion in value. This may be also true of the Swiss monies but this will not be known until the investments are realised as some of the assets are not in cash but investments in hedge funds and the like.

h. Upon forfeiture the funds taken by DoJ become the property of the US Government. **I am sure you understand that while funds are administered in the Antiguan liquidation the usual level of bank confidentiality applies. This would not apply to funds owned by the US Government, who may by treaty or otherwise, have disclosure obligations to other parties or governments. This will have the effect of depriving depositors of the right of privacy over their banking records and information. Upwards of 70% of SIB's depositors hail from Latin America (over 80% are from outside the United States) where the right to privacy over confidential financial information is a serious matter, due in part to the risk of kidnapping and extortion which is present for many affluent citizens.**

i. We have a claims process running – the DoJ has not, but they have indicated they will hire an outside processor. This will merely be a duplicated cost – potentially running to several million dollars. There now seems to be a move afoot by the DOJ and the US Receiver to give these funds to the US Receiver if they are recovered by the DOJ.

In summary, the Antiguan liquidation was always and continues to be a "quicker, cheaper, fairer" method of distributing these funds to the creditor victims as we said in our webinar.

"Q2 If Allen Stanford stole Stanford International Bank depositors' funds, why are the JLs concerned about the IRS making claims against the estate or against DOJ forfeiture funds? Are the JLs suggesting that DOJ is attempting to repatriate the (stolen) funds so that it can turn the funds over to the IRS for Allen Stanford's personal tax liabilities rather than distribute the funds to Stanford's victims? Why do the JLs believe the IRS would have a claim against the Stanford estate if the Stanford entities are consolidated (not Allen Stanford personally)?

2. **Response.** The JL's have had experience with the consolidation of estates. It is clear that either all assets and liabilities of the SEC Receivership entities and individuals should be consolidated, or none. Allen Stanford is one of the receivership parties so it would be very hard to exclude him in the allocation of assets and liabilities if the challenges posed

by completing an inter-company accounting between the Stanford Group parties, which Ms van Tassel viewed as an overly expensive and complicated exercise at the Chapter 15 hearing, have merit. It is our view that to consolidate the balance sheets of the various Receivership entities will risk the dilution of funds otherwise available to depositors, by other creditor claims that are not directed against Stanford International Bank and its depositors. This could include the personal IRS claim against Robert Allen Stanford. The claims process as put forward by the Receiver does nothing to resolve this issue but leaves it to be addressed in the future. Today the depositors have no assurance that the funds will not be diluted. we have not seen anything from OSIC, on which you sit, protecting the depositors' interests and ensuring there will be no unnecessary dilution through the Receivers claims process.

We note that the Receiver raised the issue of a potential preferred (ie, ahead of depositors) claim in the Liquidation from the Government of Antigua. This was a fair question although we could see no basis for such a claim. In order to resolve this we took the matter up directly with the Government and have an assurance in writing that they have no intention to assert a claim, as they have no claim they are aware of to make. It would presumably be simple for the Receiver to get a similar assurance from the IRS which would put an end to this issue.

As a final point on this topic since you raised it, 99.9% of distributions in the Antiguan liquidation will go to depositors. At this point it is not clear what percentage of the Receivership assets will go to depositors. We would appreciate having your views on this issue.

"**Q3.** *As stated on page 13 of the Second Report of the Joint Liquidators, the current recovery amount for Stanford's victims is approximately $500 million (11% of expected total claim volume). Why do the JLs state that amount is <u>not</u> currently available for distribution? If the JLs ceased litigation for control of the $330 million approved for forfeiture and repaid the $14.74 million "borrowed" from the UK account, a distribution of approximately 10.5% of losses could be made in the very near future per the chart below:*

Criminal Forfeiture Funds	**$ 330,000,000**
Repayment of JLs' Draw Down from UK Accounts	**$ 14,740,076**
JLs' Balance On Hand	**$ 11,910,774**
U.S. Receiver's Unrestricted Cash On Hand	**$ 100,000,000**
TOTAL AVAILABLE FOR DISTRIBUTION	**$456,650,850**

3. This question presumes an answer that is based on a flawed premise not the least of which is that "... a distribution ... could be made in the very near future...". That is just flat out incorrect if you are referring to either the US Receiver or the DOJ. We can say that if DoJ were to stand down tomorrow as we have already said in our reply to Q1 above:

   a. our claims process is well underway;

   b. we do not have to wait until potential appeals are dealt with;

   c. we could likely have a distribution in July

   d. the DoJ claims process would represent an additional cost; and

e. as we stated in our webinar, we will be "Quicker, Cheaper, Fairer";

Again we say what has stood between the victims and recoveries in their pocket is the DoJ forfeiture application – not the other way round.

As a secondary point let us ask – **how do you suggest that the Liquidation fund its efforts to recover at least several hundreds of millions, and potentially several billion, dollars of value for depositors** not presently part of any proceeding or realisation strategy of the Receiver or his allies? We note that the Receiver and his team have been paid on a continuous basis since the start of his work in February 2009.

We also note that, of the Receiver's recoveries, approximately $146 million is from cash and securities, the very assets which the DoJ has sought to freeze overseas but which it opted not to forfeit in the US. Instead, the US Receiver has had access to them to, in part, pay his substantial fees and costs. This seems to run entirely contrary to the DoJ's stated position of preserving assets for depositors. They would have done a big favour to the depositors if they had frozen those funds as well. Would you be seeking that these funds be paid over into the DoJ pot? Do you feel it is equitable and fair to depositors that the DoJ takes one position with respect to the US receivership and allow it to do the very things it says it wants to protect creditors from, but wants to treat the Liquidation on a different basis entirely?

We should also point out that the frozen funds in Canada, the UK and Switzerland amount to $308-330 million. This is itself an estimate which may not prove to be accurate on recovery. Many of the assets are represented by investments in hedge funds and other investment securities. Some of the banks involved are charging "investment management" fees.

We further note you have suggested that free funds in the SEC Receivership total $100 million. This should be contrasted with the Receiver's representation to the US Court that he expects only $56 to $60 million will be made available to creditors. Based on total recoveries of slightly more than $200 million (of which $146 million was in cash and securities which could not have been difficult to realise), the costs of the Receivership are staggering. We fully understand that if the SEC Receiver is provided with the frozen assets by the DoJ, his distribution of the resultant funds may provide some optical improvement on the performance of his estate. This will assist the SEC in deflecting criticism of its performance in overseeing the conduct of the Receiver.

The Receiver's mandate is to marshal assets into the Receivership, and to generate a return to all the creditors of the receivership entities. To find him now declaring that he takes his instruction from US Government agencies, rather than the Court which appointed him, is ironic, given the incorrect and condemning accusations that we were an arm of the Antiguan Government (which is untrue).

"Q4. The Joint Liquidators have proposed a $100 million asset recovery plan. Are the details of that plan available to the victims?"

4. We do not expect to expend $100 million or anything like that in on our asset recovery plan. Our independent Creditors' Committee which, as you know is not permitted to get any financial benefit from acting in the interests of creditors, would never sanction such a plan. Our point was, and remains, that we need to have a large enough war chest (as does the Receiver to be taken seriously but many of the targets we are pursuing so that we can bring the largest recovery for the victims.

"Q5. Page 13 of the Second Report of the Joint Liquidators states the $100 million litigation plan includes actions against four U.S. law firms, although the JLs previously disclosed it had contracted a Texas firm to handle the litigation against the U.S. law firms on a purely contingency fee basis. Are there other expenses related to that particular litigation the JLs expect beyond a contingency fee?"

5. We anticipate that we would be providing some oversight to the current and any new contingency fee litigation so that we can intervene if we believe that it is not being prosecuted efficiently and in the interests of the depositors. Unfortunately we see no such provision in the OSIC contingency fee agreements which means that the Receiver is completely in their hands and there seems to be no way out for the creditor victims if things do not go well and the strategy needs to be revised.

   You also ask if future litigation can be undertaken on a full contingency fee basis. We are of the view that:

   a. If a claim is well substantiated in law and by the facts, a contingency fee arrangement can be a very expensive way to litigate and may significantly over-compensate lawyers at the expense of the creditors.

   b. For claims less well founded or where there are no funds available to pursue otherwise strong claims, a contingency fee arrangement is one option that we would consider, where such fees are permitted and available in the market, but again it is a very expensive arrangement where other options are available.

   Luckily unlike the US Receiver and the OSIC, we are not limited to the Texas court. Subject to jurisdictional limitations, we can bring actions where the law is most favourable to the claim we want to bring. In making our strategic decisions on litigation, a comparative law analysis is one of the steps that our experience in international liquidations prompts us to undertake. Frequently Texas is neither the best place to sue nor the 'natural forum' for a dispute, or indeed anywhere in the United States. In some cases the most natural forum for a dispute does not allow contingency fee funded litigation.

"Q6. The law firms referenced in the question above have already been sued by, or have entered into tolling agreements with, lawyers serving on Stanford Investors Committee (on behalf of their Stanford victim clients). Additionally, the District Court in Dallas denied the JLs' motion seeking leave to file third party lawsuits in the U.S., and the Fifth Circuit Court of Appeals has denied the JLs' request to expedite the appeal of that motion.

How do the JLs justify the expense of filing lawsuits that have already been filed on behalf of Stanford's victims? It seems the JLs' duplication of those efforts is a costly endeavor that results only in complicating the existing litigation without resulting in any additional recovery for the victims. Would the JLs be willing to agree with the Investors Committee lawyers and the Receiver to only pursue litigation that has not yet been filed, and only on a contingency fee basis?"

6. If you are being advised that the claims we would have made against the law firms mirror those that have been taken by the Receiver or any of the OSIC members, this advice is false. Had we not applied to bring actions against two of the law firms involved in this case, the Receiver would have let the time limitations (which were within eight days of expiring in DC and which had expired in Texas where he was obligated to bring his claims) expire. It is also possible that the stand taken by the Receiver during the Chapter 15 hearing, denigrating the status of Stanford International Bank as a separate and

distinct legal entity, has undermined the position of the Receiver or the OSIC in asserting damage claims against the law firms (and potentially others) where the damages that could be asserted are significantly greater than the claims asserted to date. It is also apparent that the claims as pleaded by the Receiver would not be covered by the usual professional indemnity insurance and that any judgement obtained would have to come from the firms themselves which may create collection problems. This would not have been the case if the JLs had been allowed to bring these cases which we hope the 5th Circuit Court of Appeals will allow in the near future. Moreover, it is clear that none of these law firms is going to settle if they are facing the possibility of being sued again by the JLs so a collaborative arrangement is the only one that makes sense for the victims.

"Q7. Will the JLs make available to the victims any contingency fee agreements that have been signed with law firms for the purpose of pursuing third party claims?"

7. With respect to the fee arrangements for Grant Thornton and its team of professionals, we are preparing an omnibus application in the Antiguan court for all fee arrangements, and these will be made public as part of that application.

"Q8. Are the JLs willing to share information with the U.S. Receiver and the Stanford Investor Committee without Chapter 15 recognition, or is information sharing strictly contingent on the District Court's recognition of the JLs?"

8. On the issue of information sharing between the two estates outside recognition under Chapter 15 of the US Bankruptcy Code, we require permission of the Court in Antigua to release certain information. To do this we would need a reason to seek such permission. In our view, our Court will require a Cross-Border Insolvency Cooperation Protocol, which is most easily embodied through Chapter 15 recognition for the SIB estate, with all the other benefits that are available to enhance total recoveries to depositors. Today there is nothing we can put before the Antiguan Court as justification. We also note that our efforts to obtain information within the US in respect of Stanford International Bank and its affairs were blocked by the aggressive intervention of the Receiver. This severely militates against the Antiguan Court agreeing to provide information to third parties where there is not only no reciprocity but actual opposition to getting information which would be helpful to its officer and the liquidation process it supervises.

"Q9. If, as the JLs stated on page 13 of their recent report, investors forgo 2-3% of their recovery now ($10-$15 million based on $500 million recovery) in order to gain 40-50% of their recovery in the future, what is the source of the additional $85-$90 million to make up the $100 million?"

9. Our approximation of the immediate impact on depositors in the short term against the benefits over the long term were merely that – an approximation. Since then we have refined our action plan, done costings of our significant litigation on a worst case basis and commenced discussions on using some alternative financing. These issues are all being discussed with our Creditors' Committee, composed as you know of depositors with no financial stake except from the improvements in recovery that we believe we can generate. We contrast the nature of our Committee in terms of the interests they represent and their lack of financial conflict, which is so severely apparent with many of the OSIC members, and which has frankly tainted the process of reaching a Co-operation Protocol that would help maximise recoveries for depositors. We note that the Chairman of the OSIC whose initial mandate was to review the fairness of the SEC Receiver's fees has, ironically, become a substantial fee earner in the Receivership. Our Committee members act without compensation.

"Q10. As the JLs are aware, Stanford's victims were not told investor funds intended to purchase Stanford International Bank CDs would be stolen to purchase property in Antigua. Why do the JLs propose to "throw good money after bad" by investing what little is left of our savings to carry out Allen Stanford's development plans for the Antiguan real estate?"

10. This is yet another myth with respect to the liquidation process for which we can find absolutely no foundation. We have said that if our real property experts suggest that limited investment in "improvements" will dramatically increase buyer interest we will consider them. We are speaking of improvements to planning, zoning, use restrictions, land title defects and possibly access to roadways or utilities. This is much like a realtor suggesting to someone selling their home that their house will be much more saleable if – for example – they paint the kitchen, or repair a leak that might deter a buyer. We are not developers and will not become developers – and we frankly find it disturbing that this sort of misinformation is disseminated to the depositors.

"Q11. Exactly how much do the JLs plan to spend developing the Antiguan real estate, and how long is that development expected to take? How long do the JLs expect it will take to market and sell those properties?"

11. This is answered in our response to Q10 above. We also want to make sure that all depositors are aware that we have a marketing and sales team in place with credentials within the international market place and reach to access the sort of developers that have both the funds and interest to pay for and take on the significant projects that the Antiguan lands represent.

"Q12. How much do the JLs expect to recover from these properties if developed vs. not developed?"

12. Given that the land development risk is not something that we intend to assume, this is a non-issue.

"Q13. Page 10 of the JLs' recent report states the Fair Market Value of the SIB-owned Antiguan property is $212 million. Does that amount double count Guiana Island and Crump Island? In the first column of the table on page 10 ("Fire Sale" Value), it states that Crump Island is valued as part of Guiana Island, and is given no independent value. In the second column ("Fair Market Value"), the two properties appear to be valued separately, substantially increasing the total for the two properties. How did the JLs arrive at these numbers?"

13. The appraisal of value at fair market was broken down between the two properties of Crump and Guiana islands while the fire sale value was not. The really important thing for depositors to understand is that in the totality of the situation there is a massive difference between selling the lands (a) at fire sale prices and (b) following a proper marketing of the properties over a longer period. This goes again to the funding of the liquidation process. If funding is available we can take the longer term view and seek to get fair market values. If we are forced for lack of funding to take the "fire sale" route, the cost to depositors could be as much as US$166 million because of opposition by the DOJ and the Receiver. This I hope you will agree is a very significant amount of money to be thrown away for want of a very small amount to be invested as described above. It really is "cutting off your nose to spite your face."

"Q14. Did Mr. Fundora get to keep the $2.82 million "awarded" by the Antiguan High Court and the Court of Appeal (page 17 of the JLs recent report), or were those funds used to compensate his lawyers? Are the billing records related to those expenses available to the victims?"

14. The costs awarded to Fundora are not for his personal benefit and we are grateful to you for raising this. These are the legal costs he was liable to pay personally when his removal action was taken for the benefit of all creditors. We predict with some certainty that the $18 million bill for the former Liquidators and their legal counsel which otherwise would have been paid from the estate will be reduced by far more than the cost of the removal action to replace the former Joint Liquidators. To the extent that we are able to reduce them by more than the cost of replacing them the depositors are the winners. Let us also consider the accomplishments of the former JL's. In over 2 years in office they generated less than $400,000 in asset recoveries, did no forensic analysis, developed no claims, started a claims "registration" process that failed to comply with the statute, and most importantly were found to be persons unfit to act as Liquidators by two Courts. We sincerely hope that no one would suggest that that is an adequate performance.

"Q15. Page 17 of the JLs' report states that Ed Davis and Martin Kenney, as counsel to the JLs, are billing 75% of their regular hourly rate, and that they will pursue a "success component based on recoveries to compensate for this risk." What is the hourly rate that is being billed, and what sort of "success component" will be pursued?"

15. As noted above, and as you will read in our next report to the Antiguan Court, we expect to have an application before the Court in the coming month which will provide full disclosure of the fee arrangements of all the professionals engaged in the liquidation.

"Q16. Will the JLs make available to the victims the letters of engagement that have been entered into with Mr. Davis' and Mr. Kenney's law firms?"

16. We refer to our response to Q15 above.

"Q17. Page 17 of the JLs' report mentions "risk/benefit sharing arrangements." What are those "arrangements", and whom have the JLs pursued for such arrangements?"

17. At present we are looking at a number of ways of funding some of the larger claims that the JLs have determined should be pursued. Contingency fee arrangements represent one common risk/benefit sharing arrangement where they are available in the market and legally permissible. There exist other funding options which give rise to a sharing of the risk and the ultimate reward. We have no arrangements in place as yet, although we are having discussions on a number of fronts. At this point the discussions are confidential or privileged and it is inappropriate to disclose them. However any proposed funding arrangement will be put to our Creditors' Committee and Court approval will be sought prior to completion. The cheapest way to fund these claims for the creditors (meaning what brings them the biggest net gain) could be through a partial use of Estate funds.

"Q18. What are the secured claims on the accounts in Switzerland, as referenced on page 6 of the JLs' recent report? Who are the other Swiss creditors (also referenced on page 6)?"

18. As you should have been advised by the Receivers' legal team, the Swiss take the claims of its citizens seriously and will only pay over monies where the court is satisfied the claims of its citizens will get equal treatment in a foreign proceeding. As we work with FINMA on this aspect of the case we will consult with them to determine if we are allowed to disclose the identity of any of the Swiss claimants.

"Q19. Page 9 of the JLs' recent report states that if the Canadian AGO gets the $18 million that is currently frozen, that it will be subject to costs deducted by the AGO and DOJ "under the settlement agreement." What are these costs and how are the JLs aware of the terms of the agreement when the JLs admit

to not seeing such an agreement?"

19. This is a surprising question as the Receiver, on whose Committee you act, has signed off on a deal which provides that the Attorney General of Ontario (the "AGO") will turn over to the DoJ any money which it forfeits. Having come to learn of its existence we have now obtained a copy of this agreement. We would expect the Receiver would have reported this arrangement to his Committee. You should not therefore be surprised to learn that this agreement – as set forth in the Minutes of Settlement - specifically provides for

    a. the costs of the AGO to the extent of $100,000;'

    b. allows for the forfeiture to the AGO of up to $2.3 million which it can apparently keep if certain possible claimants don't materialize;

    c. that certain SIB creditors have a priority claim to the frozen funds to the possible extent of $5 million which will come out of the pockets of the remaining depositors; and

    d. provides a recognition by both the Receiver and the AGO that the DoJ is also entitled to costs for administering the money.

    It is fortunate we found out about this, as there was an effort to have this approved by the Courts in Canada without any input from creditors, and specifically us. We hope your Committee was not privy to this secret agreement.

"Q20. Page 14 of the JLs' recent report references claims that have been rejected by the Court on the basis of standing. What are those claims?"

20. At the time of the final draft of the report, the SLUSA matter appeared to have blocked some significant third party liability claims in the United States. We have now seen the ruling from the 5th Circuit which has opened the way for these claims to be reinstated. We note however that other active litigation is being defended on the grounds the Receiver has no standing; and that Defendants such as TD Bank, HSBC plc and SG (Private Banking) Suisse SA are foreign to the United States and that therefore the USDC has no personal jurisdiction over them. This defence could be readily disposed of if the Antiguan Liquidation had standing under Chapter 15 of the US Bankruptcy Code, and we would be pleased to join these actions to do that.

"Q21. Page 3 of the JLs' recent report references $3.2 million recovered from the Panamanian bank. What was the source of those assets?"

21. It is not clear to us why the source of the Panamanian funds is of interest to you, thinking it would be seen as a good thing that we were able to locate and recover these monies in a country over which the Receiver had already cast his net. We discovered accounts of SIB in Panama. We approached the bank concerned and the Superintendent of Banks. We were ultimately able to demonstrate that we were properly the successor to SIB and entitled to withdraw those monies for the benefit of the liquidation. This required the presence of both the Joint Liquidators at the bank in Panama. No one else could have recovered those funds as they were SIB funds on deposit.

"Q22. Page 4 of the JLs' recent report references information shared with the UK Serious Fraud Office. Will the JLs make that information available to the victims?"

22. As part of the UK proceedings we have filed material with the Court and the UK Serious Fraud Office ("SFO") where the SFO is the other party to these contested hearings. Some of the materials are protected against disclosure by the law of solicitor-client privilege, and some are protected on the basis of commercial sensitivity as sanctioned by the Court. To the extent that our communications with SFO fall outside these privileges, the information covering the issues is contained in our public report.

"Q23. Page 12 of the JLs' recent report states the JLs consented to the sale of two houses owned by Stanford Development Company. What was the sale price of those homes, who bought them, and who received the proceeds?"

23. The house sales were conducted by Stanford Development Company Limited ("SDC"), in private transactions. We have no legal authority to disclose the confidential information relevant to such sales. However, we can advise that they were arm's length transactions at prices sufficiently close to the estimates of market value that we obtained, and that the cost of objection through a Court process would more than consume the minor difference in value, especially if adverse costs were awarded against us in the likely event our opposition was rejected by the Court. We also can confirm that the proceeds of those sales went into the SDC bank account over which we have the right of review which we exercise.

"Q23. What is the total expense for the JLs' efforts to lobby the U.S. Congress in response to the House and Senate Resolutions addressing the government of Antigua and Barbuda's role in the Stanford Ponzi scheme? Will the JLs provide to the SVC a list of offices the JLs met with in Washington, D.C., and the status of lobbying efforts on behalf of the Stanford International Bank's liquidation proceeding?"

24. You ask for information with respect to our dealings with Washington agencies. As your Committee will be well aware, certain falsehoods with respect to the nature of the SIB liquidation process, and the standing of the liquidators and their relationship with the Antiguan government, were placed before Members of the House of Representatives and the Senate, and some Committees of both, resulting in a Motion before the House containing these falsehoods. We believe these falsehoods and half-truths were placed before the members of the US Congress by the OSIC or some of its members. This misinformation having gained credibility through the Motion was having a severe negative impact on:

    a. Our ability to speak with and have a useful dialogue with the Department of Justice (both in respect of the Prosecution and Forfeiture Departments;

    b. the SEC;

    c. the attitude of depositors to the liquidation process;

    d. the attitude of the OSIC, Receiver and his counsel and potentially the US Court in the context of a cross-border insolvency co-operation agreement and our application for standing under Chapter 15;

    e. the perception of potential buyers of the Antiguan lands; and

    f. it also provided falsely predicated ammunition for those opposed to our efforts generally in other jurisdictions.

    All of these effects diminished the effectiveness of the liquidation in recovering value for

depositors.

It is unfortunate that much of this misinformation continues to be promulgated, apparently with the support of some members of the Receiver's OSIC, and it is unfortunate that any cost had to be incurred to protect the integrity of our process.

As a final comment I have to say that the combative tone and nature of your 24 questions go beyond a well-intentioned enquiry to obtain helpful information. It does embody some of the ill will which has been a feature of our dealings in the US and which seems more directed to protecting turf and fees rather than furthering the interests of the depositors. It is reasonably clear that this letter is not exclusively your own but that it was drafted for you in part by at least one lawyer within the OSIC.

The Joint Liquidators have opened lines of direct communication with the depositor body through our independent Creditors' Committee, Webinars, website write-in facility, and communications directly with the bloggers. There are large segments of the creditor body who do not share your views. The continual dissemination of misinformation does nothing but demean the winding-up process, interfere with the prospects of co-operation, and generate costs and undermine what credibility you bring to the discussion.

If you can demonstrate that any of the above representations are materially incorrect, we will gladly and publically correct them.

Yours sincerely

Marcus Wide, Hugh Dickson
Joint Liquidators
Stanford International Bank Limited (In liquidation)