

**Stanford International Bank
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Operator: Hello and welcome to the webinar presentation by the Joint Liquidators of Stanford International Bank Ltd. We have just a few announcements before we begin. The slides will advance automatically throughout the presentation. To enlarge the slides, slick the "enlarge slides" button located above your presentation window. Should you need technical assistance, click on the "help" button. If your screen freezes or the slides do not appear to be advancing as they should, please try exiting and restarting the session, as it may be an issue with your connectivity. At any time you can submit a question using the "ask a question" box that's located in the bottom left-hand corner of your screen. I will now turn the call over to Ed Davis so we may begin. Please go ahead, Ed.

Mr. Edward Davis: Good morning. My name is Edward Davis and I serve as the Co-General Counsel to the Stanford International Bank Joint Liquidators. Welcome to this first webinar of the Stanford International Bank Liquidation. There are going to be accompanying slides in English and in Spanish, and there is a simultaneous Spanish translation of this presentation. That translation will be approximately fifteen seconds delayed, so when you see the slides and you're listening to the Spanish version, they may come up slightly out of order. But don't worry, because the slides and this entire presentation will be available to review later, after this presentation, both on the SIB website and on the website that you're currently on. I'm here this morning with the Joint Liquidators -- Marcos Wide and Hugh Dickson. Marcus, good morning.

Mr. Marcus Wide: Good morning, and let me say we really hope this will be a useful exercise that will enable us to interact with our creditor body. We are very aware that this process is all about the creditors, so if you are online and listening to this, we hope you will participate and give us your feedback. As noted, you have the ability to ask questions and we ask that you do that freely, and more importantly, we ask that once this presentation is over, you give us your comments and your views as to how we are doing and how you would like to see us proceed.. These comments will be very helpful to us as we go forward with this exercise.

Mr. Edward Davis: Thank you, Marcus. Marcus Wide is a Chartered Accountant, a Chartered Insolvency and Restructuring Professional, and he's practiced in the Insolvency field fulltime since 1974. For the past fifteen years, Marcus has specialized in dealing with insolvent financial institutions in the eastern Caribbean, and has liquidated more than thirty offshore banks including several that were involved with Ponzi schemes. Currently Mr. Wide is based in the British Virgin Islands where he's the Managing Director of Grant Thornton BVI Ltd., based in Road Town, Tortola. As I said at the beginning, also here with me is the other Joint Liquidator, Hugh Dickson. Good morning, Hugh.

Mr. Hugh Dickson: Good morning, Ed. Good morning, everything. Let me just add my opening comments to Marcus's. Marcus and I know how important this is to people listening who've lost their savings in one of the largest ever Ponzi schemes, and I hope that today we can answer some of the questions that you have about how the case is progressing and how it's going to go forward. We have a large number of people logged in and listening, and we've already received a considerable number of questions and hopefully we will receive more during the webinar. We will try and answer as many of those as we can during the webinar today. For those that we don't get to, we will update our Frequently

Asked Questions sheet on the SIB webpage, so that we do our best to answer everyone's questions in due course.

Mr. Edward Davis: Great. Thank you, Hugh. Hugh Dickson is a Chartered Accountant and a qualified Insolvency Practitioner in the Cayman Islands and the United Kingdom. He has twenty-five years of insolvency experience across a large number of countries and legal systems. Hugh has experience in recovering in assets for victims and creditors of high-value frauds and Ponzi schemes, including one other case he's handling right now with over ten thousand creditors. He specializes in large, complex and contentious international cases with asset retracing and recovery, and litigation in multiple jurisdictions including several that are relevant to this case, such as Switzerland, the United Kingdom, the United States, and Canada. Hugh, I'd like to stay with you for the first question, and ask you if you can give us the details of how, when and why you and Marcus were appointed as the new Joint Liquidators of the Stanford International Bank estate.

Mr. Hugh Dickson: Sure. As most victims are probably aware, Marcus and I are not the first liquidators in this case. Originally Mr. Hamilton-Smith and Mr. Wastell were appointed as liquidators. We were appointed to replace them on May 12th of this year by the High Court in Antigua. I would emphasize that that was based on a victim's application to the Court, a victim who was unhappy with the speed and the progress and the direction that the liquidators were taking, asked the Court to remove them and replace them, and that's what's happened. If I can deal with a popular misconception, Marcus and I were not in any way appointed by the Antiguan government, but by the Court on the application of a victim. And the Antiguan Court itself, again another popular misconception -- this is a small country with a small Court dealing with a very big and complex case. In fact, the Antiguan High Court is part of the Eastern Caribbean Circuit. It's a regional court covering a number of countries. The judges in that Court have very strict standards before they can be appointed to the Court. They are appointed independent of governments. There's no political involvement in their appointment. The Court has a large Court of Appeal, and has an ultimate Court of Appeal which is the UK Privy Council. Effectively, the UK is the final Court of Appeal for the system. The liquidation itself is governed by Antiguan law, but Antiguan law is very similar to the law operating in a number of other former British colonies and British Dependent Territories. It's based on British law at heart, has hundreds of years of case precedents and experience behind it, and it's a good, solid basis for liquidation.

Mr. Edward Davis: Hugh, would you cover the duties that you and Marcus have as the Joint Liquidators?

Mr. Hugh Dickson: Sure. I think they can be broken down into four categories, and those categories are reflected in the court order that appointed us. We're required to take possession of the assets of the Bank; to investigate and collect assets including litigation, suing third parties who have misappropriated or stolen the Bank's assets, or in some way are liable and have to pay compensation to the Bank. Third, we're empowered to seek recognition and the assistance of foreign courts and foreign jurisdictions where that's necessary to assist us in gathering the assets; and last and certainly not least, we are commanded, if you like, to distribute the proceeds of the assets of the liquidation to the innocent victims and creditors of the estate.

Mr. Edward Davis: Thank you, Hugh. Marcus, what is the approach that Hugh and you have adopted with regard to this liquidation?

Mr. Marcus Wide: Let me say, Ed, that the very first thing that we are aware of is it's the creditors' money that we are trying to recover here. We are also very aware the creditors have been waiting for a long time to get any money back. The difficulty we face right now is that there is a huge shortfall between the assets that are available and the claims of creditors. We're also faced with assets which are

frequently illiquid -- they're very hard to get cash out of quickly. We have some which are capable of realization in the short-term and we're going to press forward with those as quickly as we can. But there are things like land and litigation which will take time to progress, and in order to get the maximum value out of those, it may be a number of years. However we are very much aware, as I said before, with creditors' interest, some creditors are interested in getting money quickly, other creditors are prepared to wait longer to get more; and it's this balance that we are trying to achieve. This is one of the reasons we have a Creditors Committee which is made up of victims. We consider this to be important, and we have selected them from the broad geographic base that the creditor body represents. Our objective in having a committee like this, of victims, is so that we can get input from them as to what it is that the creditors really want. Are they prepared to settle for quick cash, or are they prepared to work their way through? The important thing, however, is that our objective is to negotiate solutions wherever possible, and to litigate only when absolutely necessary. We want to avoid confrontation. In this respect, we spend a lot of time trying to solve problems up front, and in that regard we've met with people like the U.S. Department of Justice. We've met with the U.S. receiver and his committee, and the Examiner appointed in that matter. We've met and spent time with the Serious Fraud Office in UK. We've met and spent time with the prosecutor and the trustee in Switzerland. We spent time with the Ontario Attorney General, where there's money frozen. We've dealt with the Superintendent of Banks in Panama, and we've dealt with a Liquidator in Colombia. -- All of which we're trying to do to negotiate solutions where there are assets, to avoid litigation. However we are not afraid, where necessary, to engage in litigation to get those properties and those assets which we think belong in the estate, and ultimately to be distributed to the creditors.

Mr. Edward Davis: Thank you, Marcus, very much. Hugh, picking up on the point that Marcus touched on regarding the Creditors Committee, are you taking the victim/creditors points into question as part of running the liquidation? Are you seeking their advice and getting input from them, and if so, how?

Mr. Hugh Dickson: Yes. Well, of course we are, and I'd reiterate Marcus' earlier comments about how we see this as being about the creditors. It's the whole purpose of the liquidation. It's a creditor-driven process, in fact, this webinar is a good example of how we're trying to reach out to creditors and invite their comments and feedback on the progress of the case. However we have over 20,000 creditors in this case. There are practical limits to what we can do in terms of speaking to individual creditors. So to assist us, as well as this webinar and our Frequently Asked Questions site and the ability to post question on the webpage, we have appointed a Creditors Committee to act as a sounding board for the liquidators. There's no explicit provision for a Creditors Committee in Antiguan law, but we've appointed one anyway, and what we've done is we've selected seven creditors with large claims to cover a range of jurisdictions, so we get a reflection of the many different countries that the victims come from. Those countries include Mexico, the U.S., Antigua, Venezuela, Panama, and Switzerland. They're all represented on the Committee. All the members of the Committee bar one person are individual victims, people who have lost their money; and that one person is a lawyer who in turn represents a number of Mexican victims. So we feel the Committee really speaks from the heart when advising the Liquidators in how to proceed. We have consulted the Committee on all major decisions taken in the case so far, and will continue to do that going forward; and so far we've had I think six meetings, Marcus, with the Committee.

Mr. Edward Davis: Thank you, Hugh. Marcus, we can see the questions coming in on the program that runs this webinar, and one of the questions that we see coming up repeatedly is, what have you accomplished in the five months that you've been serving as the Joint Liquidators of this estate?

Mr. Marcus Wide: Sure, that's a very fair question to ask. Let me start out by saying that when we took over this file, we were faced with a situation where there had been very little activity in the last year-and-a-half of the two years the file had been running. It would appear that when challenged, the previous

incumbents essentially had down tools and did not do very much to progress the interest of creditors. We therefore had to spend a lot of time just catching up, trying to get back on track to understand what the issues were, and to understand where the assets might lie. However we have actually accomplished quite a lot, I think, in the time since we have been appointed. Some of the highlights -- and these are not everything that we've done but just to touch on some of the highlights -- for example, we've recovered \$3.2 million from Panama. We've managed to get a building sold, one of the finished buildings, for which we got a price of \$4.1 million. That should close very shortly. We've managed to reach out to London and the funds frozen there, and from that we have persuaded the courts to allow us access to \$20 million, which is being paid to us in installments. I can also say that we've brought an action against Allen Stanford personally, so that we have our claim established against him. We have also found that in Antigua, there were a number of properties and some non-real property, which was being administered by a former Stanford associate. We have taken steps to get a freezing order over those properties so they cannot be dealt with while we bring a claim against the company, and we expect to have property worth approximately \$70 million brought back into the SIB, the Stanford International Bank Estate. We've also done a lot of work in reviewing records and documents. We have a lot more to do yet, but the important thing with this is that we are building the framework under which we can bring other actions to recover other assets. For example there's about a terabyte of electronic data that we are presently reviewing and investigating. We think this may point to assets that are hidden, or else it will enable us to review for things like preferences -- people who have received money that should not otherwise have done so. We also think this will continue to support the other actions that we expect will be brought in the future.

Mr. Edward Davis: Great. Thank you, Marcus. Hugh, I'd like to turn to you with the next question. One of the questions that comes up, both before this webinar and I can see some of the questions that are coming in from various victims who have logged on and creditors, as to how much has been spent with regard to this estate. And I'd like you to address how much the Joint Liquidators have spent so far, meaning since you've taken over this case, and what you've done with the creditors' money.

Mr. Hugh Dickson: Okay, Ed. Well, to date we have incurred costs of approximately \$5 million. Now, that may seem like a lot of money, and I'm conscious that the people on this call -- it's their money that we're spending. But if we put it in context, I think that would help. Compared to the value of assets that we have either recovered and realized or frozen, and are actively taking action to recover, that's approximately 5% of the value of assets that are seized and frozen. Creditors need to recall that this is a very large, complex fraud covering a large number of jurisdictions, and we are currently having to take legal action in six different jurisdictions to protect asset value. As we will see later -- we're going to comment later in the webinar on potential recoveries for the estate going forward -- you will see that for creditors to get a substantial amount of their money back is going to require active and aggressive litigation to recover assets and money, and a lot of that \$5 million has gone into investments in protecting those courses of action, investigating them, developing them, seizing and recovering assets. I saw one of the questions that came up earlier is, why can't we get our money back? Why don't the liquidators just give us our money? Well the trouble is, there is no money actually in the hands of the Bank. The assets of the estate are all held by other people, and we have to go out and get that money, get those assets, and then realize them for the benefit of the victims; and unfortunately, that takes professional fees and costs to do. It's absolutely critical for the outcome of the estate.

Mr. Edward Davis: Let me stay with you, Hugh, to pick that question up, and ask you if you can comment for the benefit of the creditor/victims on the webinar -- what do you estimate the total assets of the estate are? I know this is a difficult question, but I've seen many questions come in already asking, what are the assets. Can you go through that?

Mr. Hugh Dickson: Yes, I'll do my best, Ed. As I said earlier, it's a large and very complex fraud. Mr. Stanford has been stealing people's money for some time, and distributing it around the world and

squirreling it away; and as Marcus I think mentioned earlier, there's a terabyte of data to go through to find out what exactly happened, where the monies went, and to recover them. I put up a slide for victims there that will help show down our initial thoughts on asset cash [PH] grieves. I think there's basically four areas of assets. We have physical assets in Antigua -- real estate, buildings, including real estate and buildings not held by the Bank itself but held by other Stanford-related entities, which as Marcus said earlier, we are actively going out, freezing, and taking legal action to recover those assets for the benefit of victims. It's very early days in terms of assessing value, and the current real estate market in the Caribbean is an extremely difficult one because of the worldwide recession. But we reckon a minimum value of \$50 million for that, and it could be on a good day -- if the appropriate investments are made to properly market and sell that property -- it could be as much as \$300 million. The second cash review is what I like to call frozen assets. These are monies, financial investments, securities, equities, that sort of thing, held overseas, largely in Switzerland, the UK and Canada, which have been frozen by the action of the Department of Justice, and we're seeking to recover that money directly into the estate, because we believe we are the best-placed to distribute that money to victims. And I think Marcus is going to talk about that in a little bit more detail shortly. It's not as easy to put a value on that as you might expect because it's not just cash. It's [PH] first items. There are things like hedge fund investments in there. The second problem is of course, that the DOJ hasn't accepted that we should get the money, so it may not come back to us. But I reckon a minimum of \$20 million being the monies we've already agreed with the UK Court, and possibly as much as \$250. Third category -- foreign assets. We're talking about assets in other jurisdictions. I think Panama's a good example. \$3 million so far from Panama, and we're still looking for more, so the top number there is completely uncertain. And last but not least, litigation gets third parties. -- Two basic categories: those companies or people who aided and abetted the fraud and who owe the estate compensation as a result; and secondly, people who took monies out of the estate that they weren't entitled to, and they need to pay it back. Again, the outcome uncertain, but there are some very large potential causes of action there, and could conceivably recover as much as \$500 million to a billion dollars. It could be as big a number as that, and that really just re-emphasizes the point I made earlier about investing. And the last comment I'd make on that is, it's not just about the assets. There's a popular number bandied around, saying there's claims of \$7 billion, maybe more, but those claims are probably overstated. Once claims are corrected -- for false claims, for interest on claims that shouldn't have been charged -- the claims number could get a lot smaller. So, if you're looking about the percentage of recovery of victims going to get back, it's composed of those two elements -- maximizing the assets we get, and dealing properly with the claims to ensure that only valid claims are admitted.

Mr. Edward Davis: We're going to talk more about the claims process in a little bit, but I want to ask Marcus to take up on one of the questions that I see coming up, regarding the Antiguan land. First of all, Marcus, would you address whether or not the Antiguan government has taken away any of the Antiguan land from SIB or any of the related SIB entities? -- And two, what are you doing with regard to that land to try to maximize a recovery for the victims?

Mr. Marcus Wide: Ed, the short answer to the first part of your question is -- no, the Antiguan government has not taken any land away from the estate, away from us. Like every country in the world, I think, they have a right to expropriate, and there was a time when they started the expropriation process, in their minds I think in order to try and protect the estate, to make sure that the property did not go elsewhere. That process was never completed, and even if it had been, they would have been obliged to compensate the Bank for that expropriation process on a fair market value. But the answer is no, they didn't. They have acquiesced to the Liquidation taking control of those properties. With respect to dealing with those lands, as Hugh has said, how we deal with the issue is going to be determined on a number of things. These are very large parcels of land for a small country. They are subject to development agreements with the government. The market in the Islands right now is very difficult. I have assets in other estates that I am liquidating where we have held properties for two years or more before finding buyers at anything like a proper price. So the approach we're taking to the land there is one

of determining with expert advice how best to bring these properties to market; what sort of timeframe they might be sold over; and exactly what we need to invest to maximize those values. Hugh, you wanted to say something too.

Mr. Hugh Dickson: Yes, I was just going to add a comment, Marcus, about the Antiguan government. The Antiguan government is actually being very supportive in the process of realizing the land. They are doing their best to encourage potential investors to acquire the land in terms of cooperating re. landholder licenses, certain consents and waivers, and even going so far as, we had an interested party visit Antigua and looking at a large quantity of land -- two government ministers went out of their way to meet that interested party and to emphasize the Antiguan government was going to support inward investment to buy that land at the best possible value.

Mr. Edward Davis: Great. We have now, I count almost 600 questions that have come in, and I would say at least half of those questions, if not more -- Marcus, I'm going to direct this one to you -- deal with distribution and payment. So let me ask you -- and I'm trying to synthesize a number of questions that have come in from a variety of the folks that are watching this webinar, many of whom are quite despondent and some angry, and understandably -- when do you envision paying money to the victims? And one of the other questions that's come up is do they have to wait until the end of the whole case, the end of the entire liquidation, to be paid? And then other questions, which I think are too technical to be addressed here, deal with specific types of investments, but I'd like you to just deal with it in a general context first.

Mr. Marcus Wide: Certainly. As we said when we started, we are very aware that creditors have waited a long time so far for the money and have yet to receive anything. The assets, as Hugh has described them, fall into a number of buckets, one of which is those that are cash or something close to cash, and the others are litigation and land that will take time to realize. In our mind, the cash assets should be distributed to victims soon. There is no reason, in our estate, why we cannot pay interim dividends as soon as we have funds in our account from which to pay those dividends, and in particular, I can look to the funds presently frozen in other jurisdictions by the Department of Justice, or DOJ as we sometimes refer to it in short. The Department of Justice's position, as we understand it, is they say that they're holding this for victims and they can recover and pay this out very cheaply. We say that that's perhaps not right, that our estate might be in a position to pay that money out frankly much quicker than they can. So the short answer to your question, Ed, is we will pay people dividends as soon as we have cash available. The second answer is, when do we get cash available? Can we access the money that's presently frozen, which would be a source of quick payments? Or are we going to have to wait while we go through the somewhat longer process of marketing real property and pursuing litigation to generate cash in the bank?

Mr. Edward Davis: So if I understand you, you are envisioning making interim distributions as assets become liquid and you're in a position to do that. Is that correct?

Mr. Marcus Wide: Absolutely, yes.

Mr. Edward Davis: Okay. One question that came in on this same point, I want to stay, this is a question that just came in is that -- why don't you distribute as you collect? Why don't you distribute "\$73 million that you now have"? And I think this points up an issue that this particular questioner may be thinking about, the FCC receivership, and we're going to get to that, and the interaction between this estate and the FCC receivership. But I just want to make sure that no one leaves this webinar with the belief that you are holding \$73 million and you're not distributing it.

Mr. Marcus Wide: Well, that's exactly right, Ed. I mean, what we have presently is a fairly small amount of cash in real terms, and the \$70 million that's been referred to is not in our possession as yet. This is property that we have seized or frozen against other people who are trying to take advantage of it to the disadvantage of the creditors of this estate, and it will be some time in the future before we are actually able to turn that into cash.

Mr. Hugh Dickson: Or, Marcus, it's also real estate which will take time to realize. With the current markets in real estate, if you were to try and just sell it, dump it on the market, you might actually be lucky to even find a buyer, at any price. -- And if you did, the price would be terrible. So, selling that real estate has to be done quite carefully and in a sensible manner to maximize the value for the victims.

Mr. Edward Davis: Great. Thank you, Hugh and Marcus. Now Marcus, I want to stay with you on this because I want to stick with this question about the cash, and several questions have come in. The United States Department of Justice is seeking to take the Bank's funds that are currently held in bank accounts of the Bank in Canada, the United Kingdom, and in Switzerland, by a process known as forfeiture. And I'd like to know what your view is on this, because several of the creditor/victims have asked questions about this.

Mr. Marcus Wide: Well, that's a good question. As I started out a few minutes ago by saying, the Department of Justice's position, as we understand it, as it's been presented to us in meetings, is that they are the best people to gather in that cash and distribute it. They believe they can do it cheaper than we can, and it is in the interest, and in fact this is what the creditors and victims of this Ponzi scheme want to happen. Anecdotally, we believe that this is not quite the case, and for a number of reasons. Firstly, the money in the Banks that has been seized and frozen, and the investments that have been frozen, are the Bank's money. I mean, these are named assets. They are part of Stanford International Bank assets, and we are its Liquidators and the proper people to receive those funds. Very bluntly, if we are obliged to fight for them, we believe we can win in probably England and in Canada. The Swiss situation is a little more complex, but certainly we believe we are entitled to those monies. As I said earlier, we are in a position to distribute those monies quicker than the DOJ. My understanding of the legal process that the Department of Justice has to go through is that they have to complete their criminal proceedings against Mr. Stanford and his accomplices, and have final judgments and final convictions against them before they can complete the forfeiture process. This may be a year, two years, three years down the road. We don't know when it will be. Secondly, once they are successful in that process, what happens is the Department of Justice and the U.S. Government, if it gets its hands on this money, takes it into their ownership. It becomes the U.S. Government's money, and what happens to it then is entirely within their discretion. They have indicated they want to pass it on quickly to victims and creditors, but there is as yet no framework for them to do that. There is no claims process set out, and I'll contrast their obligation against ours. Our claims process is an open and transparent process. If any creditor is dissatisfied with the way we have assessed its claim, or disallowed his claim, he is entitled to appeal to the Antiguan Court to have a Judge look at our decision, and if we're wrong, the Judge will tell us so. On the other hand, the Department of Justice acts as its own appeal body. So if you have a problem with the amount in which your payment's assessed, or even if your claim has been denied, the person you appeal to is back to the same group of people who disallowed your claim. We think this is a real problem and lacks transparency and independence. We have a number of other concerns about the Department of Justice handling this money. We may be able to get assurances from them that they are not going to go down these roads, but these are still open to them. For example, we know they have treaties with foreign governments with respect to disclosure of financial information. Will these funds, and the people who claim them, going to be part of that process? Is there going to be disclosure to other parties? -- Bearing in mind that we recognize that one reason people invested in Stanford International Bank is that it was not the U.S. It was outside of the U.S., and to find suddenly that you are dealing with the U.S. Government with respect to your account may be distasteful and not what was intended by people who put money there. In summary,

there are problems. There's a right to privacy in our system. The usual Bank elements of privacy continue to exist, notwithstanding the insolvency and the fact this was a Ponzi scheme. So we are concerned that victims are not going to be properly represented in a forfeiture proceeding. We think it will take longer and it may end up being more expensive. For example, we are obliged by statute to run a claims process. We have that in hand now. It will be an ongoing process and we'll probably talk about that if we have time shortly. But we have a statute obligation to do that. We are aware that Mr. Janvey will at some point also initiate a claims process. As yet he has none, but he will initiate one. We're concerned that if the Department of Justice decides to go down this same road and run its own claims process, we now have three potential claims processes running simultaneously. In fact, if you look at the Ontario legislation with respect to funds frozen in Canada, they too might have to run a claims process. Each of these claims processes might cost \$4 million to \$5 million. This is not a good use of your money, and therefore we are very much proposing, and would like to get agreement on, a combined claims process to which all those who have monies to distribute could participate, and we're driving this process in discussions, particularly with Mr. Janvey, the U.S. Receiver. So in summary, we believe we are the right, not only the legally correct person to receive those monies, but the people who can best and most quickly distribute them. Does that deal with that question?

Mr. Edward Davis: It does, and I'll just add a few points. One of the issues that will be confronted in the forfeiture process, and this is very important to the victims and the creditors because their interest is in getting the money as quickly as possible -- I see the questions coming in. When are you going to distribute? How much are you going to distribute? And the when, I would like to ask you, both Marcus and Hugh, if you are able to get these monies that are seeking to be forfeited by the United States Government, would you see yourself in a position to be able to distribute a good chunk of that money in the first quarter of 2012?

Mr. Marcus Wide: I think that would be a very realistic objective, Ed. As we know, we have a claims process to run -- and we're going to talk about that more in a moment -- but suppose it took two to three months to execute that claims process, there's no reason why very shortly thereafter, we shouldn't distribute any money that we have in the estate, and in particular the funds that are in largely cash or investments that can be realized quickly.

Mr. Edward Davis: Okay. Then the last two points I think that I would just add to what you said as the U.S. lawyer representing you, is that there are other issues with forfeiture. As you said, it is solely within the discretion of the United States Government as to what happens with the money. That requires the victims to go to Washington and make a claim, or it requires the Government to hire a claims manager, as you said, and create what could be an expensive claims process that would be the same as what you're doing. And more importantly is the possibility that the Government could -- and they haven't said they would do this, but again, it is the lack of statement on this that concerns -- is that the monies could be deemed proceeds of money laundering. There have been allegations that the Bank was used in part for laundering money, not from these innocent victims, but from perhaps others. And also there's an IRS tax lien that is seeking to be asserted against Mr. Stanford for approximately \$220 million or \$260 million, which would virtually wipe these funds out. So there are lots of reasons why we believe that the liquidation in Antigua should receive these monies, since they are the Bank's monies, and they should be directly distributed out to the victims once the claims process is completed.

Mr. Marcus Wide: I think those are all very fair points, Ed, and thank you for bringing them up. There are a couple of other things that the victims probably should know. We have spent a fair amount of time with the Department of Justice discussing these issues and trying to find a solution, trying to get assurance that what is potentially a controversial process, and maybe a process that victims are not keen to enter into, can be simplified, that we could become in some way the vehicle for that, or as I said, a combined distribution process. So we have spent a fair amount of time with the Department of Justice,

trying to find a solution to these problems and to get that money released quickly. And I think we can also say that we are aware that the U.S. receiver holds some cash, which has not yet been distributed. It may be as yet he has no process for that distribution, but there are right now some funds available that could be distributed, were a process in place.

Mr. Edward Davis: One of the questions that comes up repeatedly, today and even before today, is the relationship of SIPC, which may or may not make some payments. And Hugh, I would like to ask you if you would cover, to the extent you can -- and I know there are a lot of uncertainties -- what effect it would have on this liquidation if SIPC were to decide to pay some or any claims.

Mr. Hugh Dickson: Well, I'm glad you mentioned there are uncertainties, Ed, because as far as I'm aware, SIPC has not yet made that decision to actually cover claims at all. -- And if it does make that decision to cover claims, it is not clear whether that cover would somehow be limited, for example, to U.S. nationals rather than foreign nationals. These are all uncertain areas. But if SIPC is to become involved and does seek to compensate people, the way the Liquidators would deal with it is to treat whatever SIPC paid out to a legitimate creditor as part of the claim against the estate. So for example, if you are due say \$600,000, and SIPC gave you \$500,000, the claim against the estate remains at \$600,000. It's just that SIPC will own \$500,000 of it and the victim will own the remaining \$100,000. Marcus and I are not going to allow people to double-dip, recover from two different sources. The claim is the claim.

Mr. Edward Davis: So you're saying that SIPC would essentially become a creditor of the Antigua liquidation?

Mr. Hugh Dickson: Yeah. I think the expression in English is "step into the shoes" of the creditor to the extent they paid them.

Mr. Edward Davis: Okay.

Mr. Marcus Wide: Hugh, we also have a question as to whether Hispanics will be covered by SIPC or whether it's going to be limited to the U.S. creditors, and the simple answer to that is we simply don't know. These rules are SIPC's to execute on, and if they decided to cover some claims, we simply don't know today how they're going to go about processing them.

Mr. Edward Davis: Well that begs the question, is it your intention to discriminate or in any way distinguish between any class of creditors in your liquidation with regard to where they come from, or the amount of their claim, or the type of claim they have?

Mr. Hugh Dickson: No, not at all, Ed. As far as we're concerned, a legitimate claim is a legitimate claim. If you're due money from the estate, you're due money from the estate, and it doesn't matter if you're Venezuelan or a U.S. national or a European. Your country of origin is irrelevant.

Mr. Edward Davis: Thank you, Hugh. Now I'd like to turn our attention to an area that has been the subject of many questions as well, and that is -- and it's sort of a rhetorical question for you, Marcus, and that is -- isn't this liquidation proceeding in Antigua running parallel to the FCC receivership in Dallas, and isn't it a waste or duplicative? Why would you be doing this, Hugh -- I'm sorry, I'll ask this to Hugh -- why would you do this in parallel with Mr. Janvey, and what is the purpose of that?

Mr. Hugh Dickson: Well, we are, of course, appointed by the Court to liquidate the estate. The fact that the SEC has appointed a receiver is not of our doing and precedes our appointment. Is it duplicative? -- No. It isn't duplicative and it shouldn't be duplicative. There are some quite complicated legal differences between a receivership and a liquidator, which I won't go into the detail. I'm sure it would bore most of

the people on this call. But suffice to say, an SEC receiver and a liquidator have different powers and different ability to get those powers recognized, particularly in a foreign jurisdictions. The important point here is to, as far as possible, avoid duplication of activities between the two estates. We've been having extensive discussions with the SEC receiver and his team to try and achieve exactly that, and I think Marcus was going to comment on that in a little bit more detail.

Mr. Edward Davis: Yes. Well, let's talk about that. What is the relationship, Marcus, between the SEC receivership in Dallas and the Antigua liquidation? Are you trying to work together with Mr. Janvey? Many of these victims want to know that answer.

Mr. Marcus Wide: Well, the short answer is yes, of course we are. There is absolutely nothing to be gained for creditor/victims by us competing for assets, by competing for money, by banging heads over who's going to do what. There was a draft agreement between our predecessors and Mr. Janvey and his team, however it really did not take advantage of what we see to be the liquidator's powers, which in some cases are more extensive than those of the receiver. Our view is this, that where there are assets anywhere in the world, the person with the best rights and the best chance of success is the person who should pursue those claims or those assets. That's true whether it's a claim in the U.S., whether it's a claim in Canada, whether it's a claim in Venezuela. The person with the best right and the best chance at success should pursue that claim, and these are the discussions that we've been having with Mr. Janvey and his team. -- To try and determine, out of all the claims possible and all the assets that are out there to collect, who has the best chance of getting them, and whose powers are most appropriate to that. There are some claims bought by Mr. Janvey and his group in the U.S. for example, which we believe may be flawed significantly because either the place they bought the claim is not the best one, or because we have better powers to bring those claims. So the discussion has been along several lines. The first one is, can we agree on who the right person to take an action is to recover an asset. The second one is we have separate blocks of information. Mr. Janvey and his team have one set of records that they got in the U.S.; we have another set of records that we've recovered from the Bank in Antigua and other places. What we need to do is to amalgamate all that information so that we have collectively the best possible view of the Bank and its affairs, and the best chance of discovering money that may have been misappropriated and paid to accounts which we have not yet discovered. The next thing is what we've spoken about earlier, the claims process. Rather than have multiple claims processes, we agree that there should be a way in which we can boil this down to a single process into which we can all agree and all participate, and we've been having discussions along these lines. And part of this process is the use of a vehicle which is referred to in the jargon of our trade as a "Chapter 15". This is a process under which the U.S. Courts will recognize a foreign liquidator. It's a statutory process. It's been set up to primarily avoid conflicts where we have international insolvencies and cross-border issues, and it's our view that this protocol, this procedure, will enable us to bring many of the advantages of the liquidation into the U.S., and to use those to supplement in some cases, or in other cases enable the two estates to bring claims that are otherwise not possible. -- And this continues to be part of our discussion with Mr. Janvey and his team. So far, we have drafted a thirty-page agreement which we think tries to set out the principles I've just been talking about with some clarity. And recognizing that there is some potential for conflict between the views of Mr. Janvey's estate and our views as to who is the best person, and in what place we should bring a claim, we have proposed a mechanism by having retired Judges, for example, review the facts of the cases and advise who in their view is the best person, and where the best place to bring these claims are. So we have, I hope, been as fair as we can to try and diffuse the areas of conflict and to focus on the areas where we can cooperate to the advantage of and for the ultimate benefit of the creditors.

Mr. Edward Davis: Marcus, let me stay with you. Thank you for that answer. This coming Thursday, in two days, there's a Status Conference in Dallas. What is that all about?

Mr. Marcus Wide: The Status Conference in Dallas is one in which we hope the Court will set up a system or set the process under which our application to be recognized under Chapter 15 of the Bankruptcy Code will be heard and dealt with. If we're lucky, we might get the Court to agree -- if we can get Mr. Janvey to agree, I think -- agree to expedite that process and maybe even make some rulings which will give us some of those powers and authorities very quickly, like almost immediately. This will enable us to accelerate the process of bringing claims and pursuing claims for the benefits of victims. Anyway, that's my understanding of it. Ed, maybe you can add something to that.

Mr. Edward Davis: Yes, just to be very, very succinct with regard to what's going to happen on Thursday, there's a Status Conference, and we're using that as an attempt to work out and finalize, if possible, a protocol that is an agreement between the Antiguan Estate and the SEC receiver to avoid any unnecessary expenditures and so that we are all focused on getting assets into the estate in a manner that allows a distribution to the victims as quickly as possible. Hugh, I'd like to turn to you now for the next question, and this has come up quite a bit. Do the creditor/victims need to file a new claim if they have already filed something with the former liquidators? In essence, are you having to restate the claims? That's one of the questions that has come in.

Mr. Hugh Dickson: Yes, Ed. Well, I'm afraid that the answer to that is yes, they will. It's unfortunate, I know, and must be quite frustrating for victims who have filed a claim already to be told they have to do it again, but there are two solid reasons for it. The first is that, as Marcus discussed, we're trying to reach a collaborative position with the SEC receiver, agree a claims process that both estates can deal with -- a harmonized claims process; and if that succeeds, then that will have to replace what the former liquidators did. The second issue is that what the former liquidators did in the form of a claims process doesn't actually follow the law. They effectively allowed people to simply state what the balance was on their statement. Now, that includes unpaid interest, and it also takes account of interest paid out in the past. Now, Stanford International Bank is a Ponzi scheme. This is a fraud which doesn't actually generate any value. There's no underlying investments that generate the monies that were meant to pay the interests. All that happened was Allen Stanford took new depositors' money and used it to pay other people interest, or to claim interest. That's why he could afford to pay interest rates that were massively beyond the market norms, and Marcus and myself don't think it's reasonable or fair that claims should include that interest. We think fictitious interest should be stripped out, and that's a principle fairly recognized in Ponzi scheme frauds. Madoff is a classic example in which the Madoff trustee has eliminated fictitious interest. Let me give you an example of how that might impact a depositor. If you deposit \$100 and Allen Stanford tells you that you're due \$20 in interest, you thought you had \$120 of value, and you took out \$30, your statement from Stanford International Bank may say you're due \$90. -- But in our view, you're actually due what you put in -- the \$100 -- less what you took out -- the \$30 -- i.e. \$70. And I think the claims process should reflect that fundamental truth. If we don't do that, all that happens is some victims are paying other victims out of their own pockets, and it's just compounding an injustice.

Mr. Edward Davis: Thank you, Hugh, very much. Is there a deadline, Hugh, right now to file a claim in Antigua with your liquidation?

Mr. Hugh Dickson: No, there's not. Ideally we'd like to agree a claims adjudication process with the SEC receiver. If that's not possible, then we will instigate our own process. But in their event, as soon as we've agreed the way forward, we'll set out the details of the claims process and a timetable for it. I can tell depositors, we will try and make this as simple as possible for them to file claims. We do have Bank records which indicate what the amounts are and who they are. We will make the system as simple as possible to follow to minimize the inconvenience.

Mr. Edward Davis: One of the questions, Marcus, that's come up repeatedly today is, who is running STC, that is Stanford Trust Company Ltd. in Antigua, and are you at all involved in that process?

Mr. Marcus Wide: The STC was, as Ed says, the Stanford Trust Company Antigua, is presently in receivership, and Mr. Hamilton-Smith and Wastell are presently the receivers. We have brought an application to have them removed, and Hugh and I to replace them, so that we will become the receivers, and in fact I think the expectation is we will have this put into liquidation to give us the full authority to look after the affairs of STC.

Mr. Edward Davis: Marcus, staying with you, does the Antiguan Government owe any money to the Bank? There have been several questions about whether or not you're going to be going after the Antiguan Government for monies owed.

Mr. Marcus Wide: Well, let me just start answering that by how you ended -- we will sue anybody, attempt to recover assets from anybody who has the property of the Bank in their possession, whether it's by way of an owed debt or whether it's by way of an asset owned. So whether it's the Antiguan Government or not, we will pursue anybody from whom we can recover money. With respect to does the Bank have a debt from the Antiguan Government -- at the time of our appointment, it did not. However, there were previous loans, many of them placed through the Bank of Antigua, which was a domestic bank and it was owned by Mr. Stanford. Around the time of the failure of the Stanford Enterprises, the Eastern Caribbean Central Bank, which is the regulatory bank for the region, intervened for the Bank of Antigua and a number of other small banks in the region, and what resulted was the winding up in some manner of the Bank of Antigua, and the creation with those other weak eastern Caribbean banks of an entity called the Eastern Caribbean Amalgamated Bank. We don't know how the obligations of the Antiguan Government, and any advances by Stanford into the Bank of Antigua, were deal with, so that is something that we're going to have to spend some time looking at. So today, there is no direct obligation by the Antiguan Government to Stanford International Bank; however there is a set of circumstances we're going to have to investigate to see if in fact we have some sort of a claim.

Mr. Edward Davis: Is there any claim that [PH] STC has with regard to funds in Colombia?

Mr. Marcus Wide: We believe that there will be, Ed, that there is certainly some money down there, and we are speaking with the Colombian liquidator to determine exactly what our rights and remedies down there are.

Mr. Edward Davis: Okay. Thank you. Hugh, one of the questions that's come in, and we've seen it several times now, is how much did the former liquidators, that is your predecessors, spend with regard to this estate? There have been all kinds of numbers floating around. I'd like to know how much they've spent.

Mr. Hugh Dickson: Well, Ed, they didn't actually spend in terms of paying that much, largely because they didn't actually realize any assets.

Mr. Edward Davis: I mean Vantis.

Mr. Hugh Dickson: The Vantis Liquidators, yes, or FRP I think they're now called, Mr. Hamilton-Smith and Mr. Wastell. I think during their tenure, they managed to realize approximately \$300,000 of cash, so they couldn't actually spend much. Maybe I'm being a bit pedantic, but they incurred considerable costs. So the total of their professional fees incurred, and their lawyers' professional fees that they're seeking to recover from the estate is approximately \$18 million. -- 1-8- million dollars. That would be a priority charge against the estate, would be paid out of the estate before any monies went to the victims. Marcus and I don't agree with that number at all. We are contesting it. It's currently going through a court

process at the moment, so I can't really go into it in too much detail, but suffice it to say that we are trying to reduce that number considerably, and we'll see what the court agrees.

Mr. Edward Davis: Thank you, Hugh, very much. One of the questions that's come in is with regard to a ruling that came out of Dallas involving SLUSA -- and I don't mean to get into any detailed legal analysis -- but the question was, would the ruling that pre-empted several of the claims that were brought on behalf of a group of creditors, that is a Class Action as it's known in the United States, would that affect the liquidators? And with your permission, I'll take that, since it's legal.

Mr. Hugh Dickson: Sure.

Mr. Edward Davis: We don't believe that it would, that SLUSA -- S-L-U-S-A -- ruling would affect any of the rights of this liquidation to bring those claims or similar claims. So they would run in parallel to and our -- that is, the rights of the liquidation -- rise and fall on an entirely different set of circumstances, not on the application of that law.

Mr. Marcus Wide: I think, Ed, that this is indicative of the very reason that we're looking for recognition in the United States. This is exactly one of those actions where I believe, and Hugh and I believe, that we can bring value by taking a claim which is being dismissed in the U.S. Courts, and pursuing it under our name for the benefit of creditors. It seems to me this is exactly the sort of situation we envision, and why we're speaking to Mr. Janvey to reach a cooperative agreement.

Mr. Edward Davis: We have reached the end of the time allotted to this webinar, and let me just refresh everyone's recollection. I think I said before that we had I think over 600 questions. That number has now gone up to well over 1,000 questions, and since we're not going to be able to answer all of these questions in an hour, is there a mechanism, Hugh, that you've put in place so that you could continue to interact, either by another webinar or otherwise, with the creditor/victims who have these very important questions that they need answered?

Mr. Hugh Dickson: Yes, Ed. If victims look at the screen, they will see the slide up there that gives the details for our webpage. If you go to the website, you'll find amongst other things the ability to raise additional questions. You'll also find a Frequently Asked questions list, which we will update to deal with many of the questions we've received today; and there'll also be a recording of this webinar, so people can play it back and listen to it at their leisure, and that will be there for the next few months. So if in doubt, go to the webpage. The webpage will also contain periodic updates, and I think we will also consider extending this experience and having another webinar in the future when we have some material developments in the case.

Mr. Marcus Wide: And as I said, look, at the start of this webinar, we very much hope that this will be a continuing dialogue, so that not only can you post questions, we'd also appreciate your comments on anything you've heard here today, of the things we plan to do. But let us know whether there are sorts of things that you would like us to do, or [PH] whether you find our approach something that you have a severe disagreement with or otherwise. It's important we have your feedback into our action plan. We can't make everybody happy, we understand that, because there's a lot of you and you all have different needs and expectations. But it's very important we hear from as many of you as we can, because your input is very important to the way in which we conduct this liquidation.

Mr. Edward Davis: We also have on the website a Frequently Asked Questions section, and we will be going through these now, what appears to be over 1,200 questions, almost 1,300 questions, and grouping them in a way so that we can answer them in the Frequently Asked Questions section of the website. So don't worry if all of your questions weren't answered. We will get to them, and we will continue the

dialogue. With that, I'd like to thank all of you for attending and taking time out of your day for this webinar. And thank Marcus and Hugh, for their time and all of the effort they've put into this. Thank you very much. That is the end of this webinar.