



Marcus A. Wide and Hugh Dickson
Joint Liquidators
Stanford International Bank Limited
c/o Grant Thornton (BVI) Limited
PO Box 4259
171 Main Street
Road Town
Tortola
BVI

3rd May, 2012

T +1 284 494 6162
F +1 284 494 3529

Mr. Fredrick Reynolds
Deputy Chief Asset Forfeiture and Money Laundering Section
US Department of Justice Criminal Division
1400 New York Avenue, N.W., Room 10102
Washington, DC 20530

Dear Mr. Reynolds:

Stanford International Bank Limited (In Liquidation) (SIB)

This letter supplements our attorneys' prior communications regarding a possible solution to the situation whereby the US Department of Justice – through its Asset Forfeiture and Money Laundering Section (“the DOJ”) -- is seeking to forfeit the assets of SIB or traceable by SIB; assets that the Joint Liquidators (“the JLS”) believe belong in the SIB liquidation estate (“the Estate” or “the Liquidation”).

The JLS believe that the ongoing dispute between them and the DOJ, which is centered around the efforts by the DOJ to forfeit these funds, is regrettable and is causing needless expense and delay to SIB's victim depositors. However, we remain convinced that the best alternative for the victim depositors is for SIB's frozen assets to be placed into the hands of the JLS for an immediate initial interim distribution to the creditors of SIB, 99.92% of which are victim depositors. We believe that forfeiture as currently contemplated by the DOJ has the potential to be so disadvantageous for the victims that we have no conscionable alternative but to oppose it.

The DOJ has consistently argued that it seeks forfeiture to protect the interests of SIB's victim depositors, but the JLS have unanswered concerns that the forfeiture process proposed by the DOJ would result, for example, in duplicative costs and a redundant process, expose assets to claims by parties (including bodies of the US Government) that are not victim depositors of SIB, impose an unstructured and unregulated claims process that would be problematic for non US depositors (who constitute more than 85% of the victims) to access, result in a loss of bank customer privacy rights for the depositor victims and would be subject to material delays in distribution. We note with interest that the DOJ did not seek to forfeit the US domiciled assets of, or traceable, to SIB. It would appear that the DOJ's principal concern is that the JLS may improperly spend funds

recovered by them, notwithstanding that both JLS are highly experienced and respected insolvency professionals within Grant Thornton, one of the five largest accounting and professional services firms in the world, and are subject to both regulatory supervision of their professional bodies and the supervision of the Antiguan Court (an institution independent of the government of Antigua, and itself subject to the appellate oversight of the Eastern Caribbean Court of Appeal and ultimately the Judicial Committee of the Privy Council of the United Kingdom).

In that regard the JLS are prepared to agree to a settlement with the DOJ on the following core terms. If these are acceptable to the DOJ then we will work with you to reach a written agreement as soon as possible to deal with any detailed points of implementation.

1. The agreement, which must provide a clear basis for enforcement, would set out the basis for a collaborative approach by the DOJ and the JLS to seek the release to the estimated US\$80 million in assets remaining in the United Kingdom, US\$20 million in Canada and US\$208 million in Switzerland ("the Frozen Assets"). For clarity a list of the accounts and funds which compromise the dispute with the DOJ at present is attached to this letter as Appendix "A". Not all of the Frozen Assets are in cash and it may take some time to liquidate them. We estimate that approximately 20% of the Frozen Assets are in a non-cash form, and have limited information as to the accuracy of their purported values. Unfortunately, prior to the appointment of the current JLS the Frozen Assets were not actively managed or monetized by the freezing authorities (and in certain cases are still not being managed by the relevant authorities). The Frozen Assets have been exposed to market fluctuations which caused their value to drop in some cases, and to avoidable bank and management fees being charged against them in all cases. Widely varying amounts and values of the Frozen Assets have been reported in the press and by various parties. We believe the amounts are closer to what is stated above given the information we have been able to obtain.
2. On entering into the agreement, the DOJ will advise the foreign regulatory, law enforcement agencies and parties holding (or effecting restraint against) the Frozen Assets that, following an agreement with the JLS whereby the JLS have acknowledged that the Frozen Assets concerned should be deemed to be forfeited to the DOJ, but in the interests of speed, efficiency and the best interests of SIB's victim depositors, the DOJ wishes that the Frozen Assets be passed directly to the JLS for administration and distribution under terms agreed by the DOJ. As such the DOJ will withdraw its requests effecting restraint of the Frozen Assets pursuant to Mutual Legal Assistance Treaties (or Letter of Agreement in the case of the assets restrained in Ontario) and, instead, would indicate that it wishes the assistance of said agencies and parties in transferring the Frozen Assets to the JLS. The DOJ will then take no further steps in regard to the Frozen Assets other than providing any necessary and reasonable endeavors to assist in resolving the transfer of the Frozen Assets for distribution in accordance with the terms of the agreement, including working with and through the Ontario Attorney General (OAG), the UK Serious Fraud Office (SFO) and the Swiss National Office of Justice (OOJ).

Under different circumstances the JLS would be willing to propose an arrangement similar to that used by the DOJ in the Madoff, BCCI or the AremisSoft case, in which the DOJ would first pass the funds through its entire forfeiture process then deliver the funds to the JLS for distribution. However, due to the inevitable delays to be caused by the anticipated

appeals of Robert Allen Stanford of his convictions and the forfeiture conviction which could result in the funds not even be available for forfeiture until the Spring of 2013, after which there would still be the foreign governmental issues to be dealt with, and the use of a separate DOJ claims process, we believe that the foregoing arrangement accomplishes the key goal – getting the funds back into the hands of the victims – much faster and without any corresponding, and unnecessary, delay or cost.

3. Notwithstanding the foregoing paragraph, if the DOJ can reasonably assure the JLs in writing a) that the forfeiture and repatriation process would take no longer than and be entirely concluded by August 31, 2012; b) that it will turn over all of the Frozen Assets to the JLs immediately upon forfeiture without the need to go through any remission or other process; and c) that all other potential claimants to these funds (particularly the SEC Receiver and the US Internal Revenue Service) have waived in writing all claims to such Frozen Assets, then the JLs would be open to the more traditional process that was followed in the aforementioned cases whereby the funds would be forfeited and then transmitted to the JLs for distribution along the lines set forth in this letter.
4. Frozen Assets transferred to the JLs control are hereafter referred to as the "Forfeited Assets".
5. The JLs will undertake to liquidate and monetize any non-cash Forfeited Assets as quickly as practicable and consistent with obtaining commercially reasonable values. All cash based Forfeited Assets and the proceeds of any realized non cash Forfeited Assets will be converted to US dollars, or held in the form of low risk cash equivalent instruments such as US Treasury Bills, and placed in a separate Forfeited Assets account or accounts in the name of the SIB estate. In the case of non-cash assets, the assets will where possible be transferred to new custodian arrangements. All accounts holding Forfeited Assets will be maintained in a Tier I bank (such as the Bank of Nova Scotia) in the Cayman Islands, or other jurisdiction outside of Antigua or the United States. The DOJ will be provided with a copy of the monthly statements.
6. The JLs will make a first interim distribution of 80% of the cash balance of Forfeited Assets and the proceeds of any non-cash Forfeited Assets within 90 days of the Forfeited Assets cash or cash equivalents balance in its possession and control exceeding US\$25 million, and will on a periodic basis make further distributions of the balance of the Forfeited Assets subject to the balances held making such an exercise economically viable. While the actual timetable is subject to factors outside the control of the JLs, they envision that with the DOJ's cooperation a first interim distribution would be possible by 30 September 2012. Further interim distributions would be made when sufficient funds had been realized, but the JLs would formally review the position with the DOJ every three (3) months.
7. Distributions will only be made to valid claims adjudicated by the JLs by the date of distribution, but provision will be made to cover claims received but not adjudicated on or anticipated claims (i.e. claims expected to be made following a review of SIB's depositor records). We presently have received over 7,000 claims. We are using SIB staff for the recording, initial review, detailing discrepancies, and drafting forms for requests for additional information, disallowance of improper claims, or notices of acceptance. These

staff are costing the estate between EC\$15 – EC\$25 an hour (US\$5.56 – US\$9.25 an hour). Supervision and sign off is provided by the JL's at GT staff rate of US\$400/hr. Based on our actual experience of the claims processed to date our best estimate of the total cost of the claims process is in the range of \$750,000 to \$950,000 including statutory notices. This assumes that our experience to date is reflected in the claims presently being filed and to be filed, and that there are no significant disputes or other deficiencies not yet identified that occur going forward. We have no impediments to distribution, save that we are required for each interim distribution to provide 30 days notice of intention to make a distribution, which acts as a claims bar for that distribution. Claims are assessed on a "net cash invested" basis.

8. The JLs will initially retain up to 20% of Forfeited Assets (including the funds already approved by the London Court) to finance the continued conduct of SIB's liquidation estate, and in particular their efforts to identify and recover additional assets, in accordance with a business plan approved by the Liquidation's creditors' committee and Antiguan Court. The JLs will review the amount of Forfeited Assets retained for this purpose from time-to-time, and in particular in light of future realisation of other assets. The intention would be to replace or refund any retained monies from other asset recoveries once achieved, with the goal of eventually utilizing the entirety of the Forfeited Assets for distribution. For the avoidance of doubt the proportion of Forfeited Assets utilised for the funding of the Liquidation will never exceed 20% of the total amount of Forfeited Assets, and will ideally be reduced to zero by further asset realizations.
9. None of the Forfeited Assets will be used to pay the small holders (those holding claims of less than \$20,000) or the other creditors of SIB who are non-depositor/victim creditors set out in the Section 289 Antiguan IBC claims schedule or waterfall as they will be paid out of other recovered funds.
10. None of the Forfeited Assets will be used to pay any claims in the Liquidation by the Government of Antigua and Barbuda (GOAB) or any entity owned or controlled by GOAB. GOAB have verbally confirmed with to the JLs that it is unaware of any claims against SIB; however, in any event, the JLs undertake not to utilize any of the Forfeited Assets to meet any of GOAB's future claims, if any are in fact made. In addition the JLs will take all reasonable steps to close out any potential for GOAB to raise claims against SIB, including seeking a written declaration that no such claims exist to supplement their verbal assurances of same and seeking a Court finding to that effect to bar any possibility of such claims in the future.
11. The JLs and their counsel will receive no contingency fee payments of any kind or in any manner with regard to the Frozen Funds or Forfeited Assets either upon recovery or distribution or otherwise. We would seek the DOJ's assistance in seeking a similar approach from the freezing governments to maximize the amount paid out to the creditor/victims. For the avoidance of doubt, the JLs will seek reimbursement from the Estate for their costs of negotiating and performing the agreement, such costs to be subject to the approval of the Antiguan Court.
12. The JLs will allow an employee of DOJ to audit the Forfeited Assets account and the JLs claims and distribution processes on a regular basis – every three (3) months. As well, the

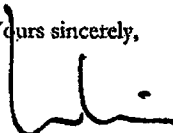
Frederick Reynolds
May 3, 2012
Page 5

DOJ could designate someone to sit on the Interim Advisory Creditor's Committee of the SIB Liquidation so as to be privy to all of the plans of the JJs on a confidential basis.

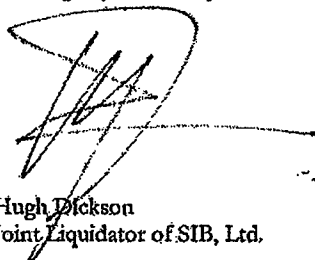
Please understand we have a claims process underway and have already received more than 7,000 claims. We have also received numerous pleas from victims impoverished by the fraud, many of them elderly and unable to wait out an extended claims process. We are in a position to make an early distribution but, given that SIB's remaining assets largely compromise illiquid land holdings or litigation claims, access to the Frozen Assets or Forfeited Assets, the majority of which are SIB's own liquid assets, will enable us to make an early payment to the victim/depositors.

In the interests of avoiding further costs and delay please let us know as soon as possible if the foregoing is an acceptable offer to resolve the issues between us in order to allow a faster distribution to the victims. We look forward to discussing any and all aspects of this proposal with you as soon as is practicable.

Yours sincerely,



Marcus A. Wide
Joint Liquidator of SIB, Ltd.



Hugh Dickson
Joint Liquidator of SIB, Ltd.

EXHIBIT A

Asset	Financial Institution	Account Number	Held in Name of	Amount Forfeited
1.	Union Bancaire Privee UBP Geneva, Switzerland	---3203	Bank of Antigua Ltd.	All funds on deposit as of February 28, 2009
2.	HSBC Bank, PLC London, United Kingdom	---0160	Stanford International Bank, Ltd.	All funds on deposit as of February 28, 2009
3.	HSBC Bank, PLC London, United Kingdom	---3136	Stanford International Bank, Ltd.	All funds on deposit as of February 28, 2009
4.	HSBC Bank, PLC London, United Kingdom	---8105	Stanford International Bank, Ltd.	All funds on deposit as of February 28, 2009
5.	HSBC Bank, PLC London, United Kingdom	---0538	Stanford International Bank, Ltd.	All funds on deposit as of February 28, 2009
6.	Credit Suisse United Kingdom	LD---051D	Stanford International Bank, Ltd.	All funds on deposit as of February 28, 2009
7.	Credit Suisse United Kingdom	LD---465	Stanford International Bank, Ltd.	All funds on deposit as of February 28, 2009
8.	Credit Suisse United Kingdom	2LF---651	Stanford International Bank, Ltd.	All funds on deposit as of February 28, 2009
9.	Credit Suisse United Kingdom	LD---830D	Stanford International Bank, Ltd.	All funds on deposit as of February 28, 2009
10.	SG Private Banking Geneva, Switzerland	---800	Stanford International Bank (Antigua)	All funds on deposit as of February 28, 2009
11.	SG Private Banking Geneva, Switzerland	---801	Stanford International Bank (Antigua)	All funds on deposit as of February 28, 2009
12.	SG Private Banking Geneva, Switzerland	---731	Stanford Financial Group Ltd.	All funds on deposit as of February 28, 2009
13.	SG Private Banking Geneva, Switzerland	---600	Robert Allen Stanford	All funds on deposit as of February 28, 2009
14.	SG Private Banking Geneva, Switzerland	---732	Bank of Antigua, Ltd.	\$15,220,000 of the funds on deposit
15.	Banque Franck Galland Geneva, Switzerland	---058	Stanford International Bank (Antigua)	All funds on deposit as of February 28, 2009
16.	Julius Baer Zurich, Switzerland	---6744	Stanford International Bank (Antigua)	All funds on deposit as of February 28, 2009
17.	RBS Coutts Switzerland	---375---	Stanford International Bank (Antigua)	All funds on deposit as of February 28, 2009
18.	Toronto Dominion Bank, Canada	---573	Stanford International Bank, Ltd.	All funds on deposit as of February 28, 2009
19.	Toronto Dominion Bank, Canada	---1670	Stanford International Bank, Ltd.	All funds on deposit as of February 28, 2009
20.	Toronto Dominion Bank, Canada	---4253	Stanford International Bank, Ltd.	All funds on deposit as of February 28, 2009

21.	Toronto Dominion Bank, Canada	----0513	Stanford International Bank, Ltd.	All funds on deposit as of February 28, 2009
22.	Toronto Dominion Bank, Canada	----0380	Stanford International Bank, Ltd.	All funds on deposit as of February 28, 2009
23.	Toronto Dominion Bank, Canada	----5558 (suspense account)	Stanford International Bank, Ltd.	All funds on deposit as of February 28, 2009
24.	Toronto Dominion Bank, Canada	----5569 (suspense account)	Stanford International Bank, Ltd.	All funds on deposit as of February 28, 2009
25.	Toronto Dominion Bank, Canada	----5624 (suspense account)	Stanford International Bank, Ltd.	All funds on deposit as of February 28, 2009
26.	Friends Provident International Ltd.	----8097	The Prophecy Trust	All funds on deposit
27.	RBS Coutts Bank Switzerland	----7443----	Southpac Life Insurance Limited	All funds on deposit
28.	Credit Suisse Zurich, Switzerland	----50-41	Stanford Group (Suisse) SA	Fr18,700,000 of the funds on deposit
29.	Marex Financial Limited	----886	Stanford International Bank, Ltd.	All funds on deposit as of February 28, 2009