

Court File No: CV-12-9780-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

**MARCUS WIDE of Grant Thornton (British Virgin Islands) Limited, and HUGH
DICKSON, of Grant Thornton Specialist Services (Cayman) Ltd, acting together herein in
their capacities as joint liquidators of Stanford International Bank Limited**

Plaintiffs

- and -

THE TORONTO-DOMINION BANK

Defendant

AFFIDAVIT OF OMARI OSBOURNE

(Sworn November 13, 2014)

I, **OMARI OSBOURNE**, of the City of St. Johns, in the Country of Antigua and Barbuda, MAKE OATH AND SAY:

1. As detailed herein, at the time of the collapse of Stanford International Bank Limited ("**SIB**") in February 2009, I was employed as the Manager of SIB's Accounting Department. Following SIB's collapse, I have remained in this position and have reported first to the former joint liquidators of SIB, Peter Wastell and Nigel Hamilton-Smith (the "**Former Officeholders**"), and now the current joint liquidators, Marcus Wide and Hugh Dickson (the "**Joint Liquidators**"). As such, I have knowledge of the information to which I hereinafter depose, except where my statements are of my information or belief, in which cases I have identified the source of that information or belief and I believe the statements to be true.

2. As Manager of SIB's Accounting Department, I was the most senior employee at SIB exclusively responsible for SIB's accounting activities at the time of its collapse. As a result, my knowledge and understanding of the Accounting Department was communicated to the Former Officeholders during the period that they served as receiver-managers and later as joint liquidators of SIB. I have outlined the information that I provided to the Former Officeholders in a general way in this affidavit. This is done in order to explain the extent and nature of the information available to the Former Officeholders regarding SIB's financial affairs in the initial months following SIB's collapse.

I. BACKGROUND

A. Personal Background

3. I was born in Antigua on September 13, 1979. I obtained a bachelor's degree in accounting at the University of West Indies in Barbados. I have also engaged in training in respect of banking compliance awareness and "know your client" regulations and requirements.

B. Employment History

4. Following the completion of my bachelor's degree, I worked as an auditor at KPMG in Antigua for approximately one year. I was in that position until May 2002, at which time I became employed for the first time at SIB.

5. My first position at SIB was as a junior accountant in SIB's Accounting Department. In that role, I was responsible for processing payables, performing bank reconciliations and completing any other tasks that were requested by the then-Manager of the Accounting Department, Bhanoo Persaud.

6. Towards the end of 2003 or the beginning of 2004, Juan Rodriguez-Tolentino (“Rodriguez-Tolentino”) replaced Frans Vingerhoedt (“Vingerhoedt”) as President of SIB. This was to enable Vingerhoedt to organize and set up a new company related to but separate from SIB called Stanford Group (Antigua) Limited (“SGAL”). It was also so that Vingerhoedt could explore the possibility of establishing an office for the U.S.-based Stanford Financial Group (“SFG”) in London, U.K. SFG was a separate entity from SIB but was also owned by SIB’s owner, Robert Allen Stanford (“Stanford”).

7. In June or July 2004, I was transferred from SIB to SGAL and thereafter assisted with various financial and accounting issues in respect of SGAL. Notwithstanding my transfer to SGAL, I continued to work in the same building I had previously, namely SIB’s headquarters at No. 11 Pavilion Drive, St John’s, Antigua. However, in August 2008, I returned to being employed by SIB. At that time, I became the Manager of SIB’s Accounting Department, a position that I was in at the time of SIB’s collapse in February 2009 and remain in today, albeit under the direction of the Joint Liquidators.

8. As detailed herein, in my role as Manager of SIB’s Accounting Department, I monitored SIB’s bank accounts to ensure that there were sufficient funds to cover SIB’s outgoing transactions and had responsibility for aspects of SIB’s daily, monthly and yearly financial reporting, as well as certain other accounting functions necessary to the operation of SIB.

II. SIB’S ACCOUNTING DEPARTMENT

9. SIB’s Accounting Department was at all times located at SIB’s headquarters in St. John’s, Antigua. At the time I served as the Manager of the Account Department, it was comprised of four personnel. These personnel consisted of the Manager (myself), a Supervisor

and two junior accountants. SIB's Accounting Department was responsible for the various tasks outlined below.

A. Summary of SIB's Banking Activities

10. Although SIB was itself a bank, it also had the need for various banking services of third party financial institutions. SIB's Accounting Department was involved to various extents with such banking services, of which there were essentially three types.

1. SIB's Local Bank Accounts

11. The Accounting Department oversaw SIB's local bank accounts in Antigua. SIB held two such accounts, both at the Bank of Antigua. SIB used its accounts at Bank of Antigua for purposes such as the payment of local vendors and payment of employees, including health benefits, insurance and meal allowances. Relative to the billions of dollars it transacted internationally, SIB's use of its accounts at Bank of Antigua was minimal.

2. SIB's Correspondent Bank Accounts

12. The Accounting Department had certain responsibilities in respect of SIB's correspondent bank accounts. Such accounts were required given SIB's status as an "offshore" bank. In particular, because SIB was classified under Antiguan law as an offshore bank, it was prohibited from knowingly accepting deposits in the legal tender of Antigua or of other countries in the CARICOM region. Therefore, SIB was effectively barred from doing business with residents of Antigua. Instead, its customers were almost exclusively located in foreign jurisdictions.

13. SIB did not have banking facilities in any jurisdictions outside of Antigua. As such, SIB was incapable of independently completing any transactions with individuals or entities outside

of Antigua. Therefore, in order to undertake any such transactions, SIB required the services of foreign financial institutions, namely the provision of "correspondent bank" accounts. By holding correspondent accounts, SIB became capable of transacting funds to and from the individuals and entities with which it did business.

14. For example, if a customer wished to send U.S. dollars to SIB, that customer could attend at his or her own bank (outside of Antigua) and provide SIB's wire transfer instructions to that bank. Those wire instructions would provide that the customer's funds should be wired first to one of SIB's correspondent banks for credit to SIB's correspondent account. The customer's bank would then implement those wire instructions, with the result being that the customer's U.S. dollars would arrive in SIB's correspondent account. At that point, SIB could direct that the funds be further transferred as required, most often to third parties that provided services to SIB (as discussed below) or to customers for redemption payments.

15. In short, the correspondent bank account provided a mechanism that allowed SIB to complete transactions with individuals and entities around the world, so long as those individuals and entities were capable of conducting transactions in the denominations of one of SIB's correspondent bank accounts. Due to the nature and purpose of the correspondent accounts, those accounts often transacted significant funds but, at any moment in time, not necessarily hold significant funds. From time to time, when there came to be a larger-than-usual amount of funds in a correspondent account, the Accounting Department was instructed by SFG to cause certain of those funds to be sent to SFG's bank account, at which point SFG could allocate the funds as it saw fit.

16. Throughout the time that I was employed as the Manager of SIB's Accounting Department, SIB held correspondent bank accounts at three foreign financial institutions:

- (a) The Toronto-Dominion Bank ("TD Bank") in Toronto, Canada, which facilitated virtually all U.S. dollar and Canadian dollar wire transfers for SIB, as well as facilitated all payments to or from SIB by way of Canadian dollar cheques;
- (b) HSBC Bank PLC in London, U.K. ("HSBC"), which facilitated all EURO and British Pound Sterling wire transfers for SIB and also provided a seldom-used U.S. dollar account, as well as facilitated payments to or from SIB by way of any cheques that were not in Canadian or U.S. dollars; and
- (c) Trustmark National Bank in Texas, U.S., which facilitated all payments made to or from SIB by way of U.S. dollar cheques.

17. At the time that I was its Manager, SIB's Accounting Department had online access to the activity in each of the correspondent accounts and, in at least some instances, received monthly statements summarizing the activities in the correspondent accounts.

18. Part of the role of the Accounting Department was to ensure that there were sufficient funds in the necessary correspondent bank accounts to complete any particular transaction. For instance, if SIB was required to send U.S. dollar funds to a third party located in the U.S., it would rely on the correspondent bank accounts at TD Bank. Before causing TD Bank to transfer funds to that third party, the Accounting Department could use its online access to review the funds held in SIB's U.S. dollar correspondent account. Assuming there were sufficient funds, the Accounting Department would allow the transaction to proceed. On the other hand, if there were

insufficient funds, the Accounting Department would ensure the transaction was delayed until there were sufficient funds. The issue of there being insufficient funds did not arise until late 2008, as discussed below.

19. In addition, SIB's Accounting Department was also required to reconcile the online records provided by the correspondent banks and SIB's own records. Generally speaking, such reconciliations were undertaken on a daily basis. To complete the reconciliations, personnel from the Accounting Department would input the relevant information from the records provided by a given correspondent bank and SIB's own records into an Excel spreadsheet. The spreadsheet was designed to detect any instances in which a line item on the correspondent bank's records did not match the corresponding line item in SIB's own records.

20. If any discrepancies were identified in the course of a reconciliation, the Accounting Department would contact individuals responsible for wire transfers in SIB's Client Services Department and advise them of the discrepancies. These wire transfer personnel would subsequently contact the correspondent bank directly and attempt to determine the reason for the discrepancies.

21. However, although SIB's Accounting Department had some knowledge of the correspondent bank accounts and dealt with information provided by the correspondent banks, it was not responsible for managing SIB's relationships with the correspondent banks or making any major decisions in respect of the funds in the correspondent accounts. Instead, such responsibilities were held exclusively by the U.S.-based SFG.

22. SFG undertook virtually all of SIB's treasury functions pursuant to a contractual agreement and SIB paid SFG on a monthly basis for its services. As a result, SFG managed all of

SIB's relationships with third party financial institutions outside of Antigua, including the correspondent banks. SFG also provided certain other services to SIB, including virtually all work in connection with SIB's extensive marketing endeavors.

23. The fact that SFG was responsible for SIB's relationships with the correspondent banks meant that SIB generally did not deal in any way with establishing or maintaining the relationships with those banks. Thus, for instance, SIB generally did not handle any issues that a correspondent bank may have with SIB, including regulatory compliance or "know your client" due diligence, negotiations regarding fees or terms of services, or other account management issues.

24. SFG was almost exclusively responsible for making decisions in respect of the funds held in the correspondent accounts. Once those decisions were made, SFG personnel communicated them to personnel in SIB's Accounting Department. In some cases, the Accounting Department confirmed that all required details and signatures had been provided by SFG. Once those details and signatures were in place, the Accounting Department would instruct wire transfer personnel from SIB's General Affairs Department to use the SWIFT system to instruct the correspondent bank to undertake the transfer.

25. This approach was taken because only SIB's General Affairs Department had access to the SWIFT system, which is a secure messaging system used exclusively by financial institutions around the world in order to communicate with each other in a safe and secure manner. Personnel in that department were exclusively tasked with implementing wire transfer instructions using the SWIFT system. There was a dedicated room at SIB where those personnel were located and from which the SWIFT instructions were inputted. The SWIFT messages that

were sent by the General Affairs Department were short and technical, sufficient only to indicate what needed to be done with the funds in a given correspondent account to give effect to the instructions of SFG.

26. In the event that issues in respect of a given wire transfer occurred, the issue would be handled by personnel in SIB's Client Services Department. Those personnel were responsible for investigating issues or discrepancies in respect of a given wire transfer. I understand that those wire investigation personnel may have occasionally placed phone calls to a "help desk" service at the correspondent banks, which would then attempt to assist when there were issues with wire transfers.

27. While serving as the Manager of SIB's Accounting Department, I interacted virtually every day with personnel from SFG. Most notably, I had regular interactions with Patricia Maldonado ("**Maldonado**"), who was directly responsible for managing SIB's relationships with the correspondent banks and determining how to utilize or allocate the funds in the correspondent accounts. It was typically Maldonado who instructed the Accounting Department what to do with the funds in the correspondent accounts, although at times such instructions were provided by someone working with Maldonado at SFG.

28. The primary correspondent bank account that SIB utilized was the U.S. dollar account at TD Bank numbered 0360012161670 (the "**1670 Account**"). The reason that the 1670 Account was the most highly utilized of SIB's correspondent bank account was that the majority of SIB's business was conducted using U.S. dollar wire transfers. Although HSBC technically could transact U.S. dollar wires on behalf of SIB, it only very rarely did so and the volume of such transactions was essentially insignificant. TD Bank was therefore the primary institution through

which the majority of funds flowing both to and from SIB were transacted. TD Bank also provided a Canadian dollar correspondent account, but that account was significantly less utilized than the 1670 Account.

29. Notwithstanding SIB's reliance on TD Bank's correspondent services, no one from SIB's Accounting Department had occasion to interact with TD Bank personnel in respect of the correspondent accounts. While the Accounting Department monitored the funds in the TD Bank correspondent accounts, the purpose of such monitoring was exclusively to ensure there were sufficient funds to make transfer or payments from that account as had been instructed by SFG.

30. I do not recall any instance in which TD Bank personnel visited SIB's headquarters in Antigua while I was the Manager of the Accounting Department. I do recall that such visits may have taken place before I became the Manager, but I was not involved with those visits and, to the best of my knowledge, those visits were primarily (if not exclusively) hosted by SFG personnel who would attend at SIB for those visits. I do not know who from TD Bank may have attended visits at SIB.

3. SIB's Investment Accounts

31. The final type of bank account held by SIB was investment accounts. During SIB's operations I was aware that SIB held investment accounts at TD Bank in Canada, Comerica Bank and Bank of Houston in the U.S., and Societe Generale and RBS Coutts in Switzerland. I did not know of any other investment accounts held by SIB.

32. The only investment account that SIB's Accounting Department had direct involvement with was the TD Bank account, which was a short-term deposit account. In particular, if SFG determined that funds should be placed in the TD Bank short-term deposit account, it would

advise SIB's Accounting Department, which would in turn send an email to the "investment desk" at TD Bank and provide terms in respect of the transfer into the short-term deposit account. At times, the Accounting Department would also later place a phone call to the "investment desk" simply for the purpose of confirming the transfer had taken place. To the best of my knowledge, this is the only way in which instructions were provided by SIB to TD Bank that did not involve the SWIFT system.

33. My understanding is that the purpose of the TD Bank short-term deposit account was to provide SIB with a place to hold funds in a manner that earned higher interest but would still be immediately available to SIB if needed to cover unforeseen demands for funds from customers. This understanding is based on the use of the TD Bank short-term deposit account. Funds placed in that account were typically held in the account in batches, each of which matured in 30 days, and which were arranged so that at least one batch matured daily. When a given batch matured after the 30 day period, the funds were removed from the short-term deposit account and placed back in a correspondent account. At that time, SFG could determine how to utilize those funds as it saw fit.

34. SIB's Accounting Department did not have involvement with the other investment accounts. Although the Accounting Department had online access to the statements in respect of the Bank of Houston account, it normally did not have reason to review those statements. Further, those statements simply indicated the amount held in that investment account and not any other transaction details. SIB's Accounting Department did not have direct access to the Comerica Bank account statements, but instead those statements were provided by SFG. The Comerica Bank account statements also indicated only the amount held in that account and not transaction details. Finally, SIB's Accounting Department did not have any access to or

information in respect of the investment accounts at Societe Generale and RBS Coutts. In light of the foregoing, I do not know how the investment accounts at Comerica Bank, Bank of Houston, Societe Generale or RBS Coutts were utilized by SFG.

B. Summary of SIB's Asset Information and Investment Activities

35. The Accounting Department had only very limited access to information about SIB's investment activities. This was because responsibility for management of SIB's investments was held by SFG pursuant to its contractual agreement with SIB to provide treasury services. SFG therefore made all SIB's investment decisions and did so without the involvement of any SIB personnel, including those from the Accounting Department.

36. To the extent that the Accounting Department had any information concerning SIB's investments, that information was provided by SFG and was always provided in a summary fashion. To the best of my knowledge, at no time was anyone from the Accounting Department (or SIB more broadly) provided any information concerning the underlying investments. In particular, no one from SIB had access to any statements from third party financial institutions that held investments for SIB or any detailed breakdown of the amounts, locations or types of investments that were being made by SFG.

37. The only information that I had on the location of SIB's investments came from the reports that SIB filed with SIB's regulator in Antigua, the Financial Services Regulatory Commission (the "FSRC"). As detailed below, I had some limited involvement in preparing those reports and, in doing so, observed that they listed certain financial institutions that held investments for SIB. Those lists were created exclusively by SFG and I had no way to verify

them. During the course of SIB's operations, I did not have any reason to believe those lists were anything but accurate and therefore assumed them to be true.

38. At times, SIB received mail at its headquarters in Antigua from third party financial institutions that named SFG or SFG personnel as the intended recipient. Due to the fact that SFG provided treasury services to SIB, I assumed that mail usually concerned either SIB's investments or perhaps information on banking services provided to SIB by third party financial institutions. However, no one at SIB opened, processed or reviewed any such mail. Instead, that mail was simply placed in a secure location at SIB's headquarters until it was either forwarded to SFG or picked up by someone from SFG who was visiting Antigua. As a result, neither I nor any other SIB personnel were aware of the specific contents of the mail addressed to SFG during the course of SIB's operations.

C. Summary of the Financial Reporting Undertaken By SIB's Accounting Department

39. SIB's Accounting Department was responsible for certain financial reporting in respect of SIB. Most notably, the Accounting Department was responsible for the creation of certain daily reports, as well as SIB's monthly financial statements and annual reports. The Accounting Department also had certain responsibility for SIB's reports to its regulator and the annual budgeting process.

40. SIB's Accounting Department created what were known as "management reports". The management reports were comprised of various components, namely a "scorecard", a "production report", a "portfolio report" and a "futures report". The management reports were prepared daily, although they included up-to-date information in respect of the given month or

quarter. The management reports together provided various information in respect of the financial advisors that sold SIB's products including, most notably, certificates of deposit.

41. While certain of those financial advisors were occasionally employed directly by SIB, the vast majority of financial advisors who sold SIB products were employees of distinct Stanford-owned entities located in foreign jurisdictions. For instance, clients in the U.S. worked with financial advisors were employed by the U.S.-based Stanford Group Company, clients from Mexico worked with Stanford Group Mexico, and so on (the “**Stanford Group Companies**”). Each of the Stanford Group Companies provided services to SIB pursuant to contractual agreements and, in accordance with those agreements, financial advisors received referral fees for successfully guiding customers to invest in SIB products. It was due to such agreements that SIB was required to track the performance of financial advisors and prepare the management reports. Each management report was provided to team leaders at the Stanford Group Companies and would be subsequently provided to the financial advisors themselves. It was also provided to the various department heads at SIB.

42. Both the scorecard and the production report concerned the client transactions of the previous day. In particular, those reports indicated the inflow and outflow of funds in respect of financial advisors and provided that information on a daily, monthly and quarterly basis. The difference between the scorecard and the production report was how the financial advisors were listed. While the scorecard grouped financial advisors together based on teams (e.g. “EuroStars” or “Aztec Warriors”), the production report listed individual financial advisors using their unique assigned codes. In addition, the management reports included a portfolio report that provided the total current client account balances by financial advisor and also a futures report that showed a

list of future outgoing client related transactions that had been posted to SIB's internal banking system, normally for up to 10 days ahead.

43. The Accounting Department also created a separate daily report each afternoon that summarized in a more general fashion the customer deposits of that day. This report detailed in a general way any new or major accounts and how much money arrived from customers into each of the correspondent bank accounts. They were sent on a daily basis to various senior SIB personnel, as well as to Stanford himself in Houston, Texas.

44. SIB's Accounting Department was also responsible for preparing part of SIB's monthly financial statements. Those financial statements were for internal use only. The information inserted into the financial statements by the Accounting Department included that which was generally available in Antigua such as figures in respect of payables, customer transactions, cash on hand, cash flow through the correspondent bank accounts and other similar information. However, once such information was inputted into the financial statements by the Accounting Department, the draft statements were then provided to personnel at SFG.

45. Most notably, during my time as Manager of the Accounting Department, the financial statements were provided to Mark Kuhrt ("**Kuhrt**"), who was SFG's Global Controller. Kuhrt and his team were then responsible for providing any revenue entries for the financial statements, which included SIB's investments and interest earned, and was generally separated into categories such as fixed income, metal, shares, options and other such holdings. Once such revenue entries were provided, the financial statements were updated by SIB's Accounting Department and then posted to the general ledger in Antigua.

46. Other SFG personnel that I was aware of included Laura Pendergest-Holt (“**Pendergest-Holt**”) and James Milton Davis (“**Davis**”). It was at all times my understanding that Pendergest-Holt had primary responsibility for making decisions in respect of SIB’s investments and that Davis was the head of SFG and oversaw all of SFG’s activities.

47. There were also two types of reports that SIB’s Accounting Department was involved with generating on an annual basis. First, the Accounting Department assisted with the preparation of SIB’s annual budget. It did so using certain internal data from records available in Antigua, but relied on investment asset projections that were provided by SFG personnel based in the U.S.

48. Second, the Accounting Department assisted with the production of SIB’s annual reports, which also included SIB’s yearly financial statements. In order to prepare the annual reports, SIB relied on information about its investment assets that was supplied by SFG personnel based in the U.S. In addition, Pendergest-Holt, who had a very senior role at SFG, came to Antigua and assisted with the preparation and finalization of the investment figures, although it was Davis who had ultimate say on decisions in respect of the annual reports..

49. Finally, SIB’s Accounting Department was involved with the generation of reports that were provided on a quarterly basis to the FSRC. Specifically, at the end of each quarter, the Accounting Department would gather certain information needed to generate those reports and provide it to Davis and Kuhrt of SFG. The information provided by the Accounting Department detailed certain customer activity (namely a listing of SIB’s largest accounts, the largest loans, number of customers, internal operations and client-related transactions) and categorized client

accounts. It also included a list of key SIB personnel and an income statement and balance sheet, both of which were prepared in reliance on information provided by SFG.

50. Separately, SFG prepared and provided a list of certain third party financial institutions that were holding investments for SIB. That list was provided to the Accounting Department, which in turn inserted the list as a schedule into the FSRC report. The report was then provided to the FSRC by SIB's President.

III. THE FRAUD PERPETRATED ON SIB

51. In late 2008, SIB's customers began demanding repayment of their investments in unprecedented numbers. From my perspective, this appeared to be caused by the turmoil in the global economy that was emanating from the U.S. markets around that time. I was not aware of any event at or information surrounding SIB that would have caused investors to be particularly interested in receiving repayment of their investments with SIB.

52. Soon after the influx of customer demands for repayments of their investments at SIB, I observed that there was a shortage of funds in SIB's correspondent accounts to make such repayments. Over time, a shortage of funds in the TD Bank short-term deposit account that could be used for the repayments also developed.

53. As a result, I discussed this apparent shortage of funds with other SIB personnel and came to understand that a request was being placed with SFG personnel to make more funds available in the correspondent accounts. In particular, I understood that such requests were made by SIB's President, Rodriguez-Tolentino. Subsequently, Rodriguez-Tolentino informed me that SFG personnel had told him that the necessary funds would soon be made available to repay customer demands and I understood that would be the case. However, while some funds did

appear, there soon came to be a significant backlog in customer repayment demands. This backlog was at times upwards of USD \$100 million.

54. Notwithstanding the backlog of customer repayment demands, I was not concerned about the viability of SIB's operations. The reason I was not concerned was that I had continuously been provided information from SFG in respect of SIB's investments. That information revealed that SIB had several billion dollars of assets invested. Therefore, while I assumed that certain of those investments may need to be liquidated, I had no reason to believe that SIB would ultimately have any issue meeting the customer repayment demands. Nonetheless, the repayment issues facing SIB continued into early 2009.

55. On approximately February 18, 2009, SIB personnel (including myself) received an email from an individual named Ralph Janvey explaining that he had been appointed as a U.S. Securities and Exchange Commission receiver by a U.S. court over SIB and all other Stanford-owned entities (the "U.S. Receiver"). The email from the U.S. Receiver included certain instructions to SIB personnel, including that we were to cease normal client operations and that we should not remove or destroy anything from SIB's headquarters. My recollection is that the U.S. Receiver's emails indicated that he was in control of all Stanford-owned entities but did not make any mention of fraud.

56. The appointment of the U.S. Receiver took me completely by surprise. In fact, at that time, I did not believe that any of the allegations could be true. This was not only because I generally had never received any indication of fraud in connection with SIB, but also specifically because I had seen what I then understood to be SIB's financial information. That information was completely at odds with the fraud allegations being made in the U.S. In particular, the

information concerning SIB's investments that had been provided to the Accounting Department at all times indicated that SIB had not only extensive assets invested, but that those investments were thriving. Accordingly, the fraud allegations were entirely at odds with my own understanding of SIB's affairs.

57. On or about February 19, 2009, I learned that the FSRC had appointed the Former Officeholders as receiver-managers of SIB and the separate but affiliated Stanford Trust Company Ltd. By the following day, the Former Officeholders arrived at SIB's headquarters in Antigua along with personnel from their firm, Vantis Business Recovery Services ("Vantis") and the FSRC, as well as their legal counsel.

58. By the time the Former Officeholders were appointed, SIB was in complete chaos. Customers were arriving at the headquarters in Antigua from around the world and phone calls and emails flooded into SIB from customers concerned about the state of their investments. At that time, neither I nor any other SIB personnel initially had any instructions or guidance and, as a result, had no idea what to do. Further, many SIB personnel understandably were concerned about their employment status, which had suddenly become very uncertain. However, to the best of my knowledge, all SIB personnel simply continued to attend at SIB's headquarters and hope that some clarity on the shocking fraud allegations and the chaotic state of affairs at SIB would soon be provided.

59. Soon after their arrival at SIB, the Former Officeholders began holding meetings and interviews both with individual SIB employees and with broader groups of employees. During such meetings and interviews, the Former Officeholders explained that they did not yet have any information on the allegations of fraud that had been made against Stanford, Davis and

Pendergest-Holt. In addition, the Former Officeholders advised that, for the time being, their mandate was limited to stabilizing SIB's operations, including, among other things, by establishing the position of all investment and non-investment assets held by SIB.

60. Due to the fact that I was the Manager of SIB's Accounting Department, the Former Officeholders turned to me for assistance in determining, among other things, the nature and extent of the assets held by SIB. In particular, the Former Officeholders asked me to provide records detailing SIB's investments, whether held directly by SIB or by third parties. However, despite my role as the Manager of SIB's Accounting Department, I was not able to provide meaningful assistance to the Former Officeholders in this regard. Specifically, while I was able to provide the Former Officeholders with the summary information on SIB's investment assets that had been provided to the Accounting Department by SFG personnel, I did not have any information or way to access any detailed breakdown of SIB's investment assets or where those assets may have been located.

61. I explained to the Former Officeholders that the reason that SIB did not have the records necessary to understand SIB's investments was that SIB was provided treasury services by SFG and, as a result, records in respect of SIB's investments were presumably sent to SFG's offices in the U.S. In response, the Former Officeholders explained to me that, notwithstanding their efforts to reach an agreement whereby they would cooperate with the U.S. Receiver and thereby obtain access to SFG's records, they had been unsuccessful in doing so.

62. However, soon after their appointment, the Former Officeholders accessed the vault at SIB's headquarters that contained, among other things, certain unopened mail addressed to SFG that was being held pending delivery to SFG. Upon opening that mail, the Former Officeholders

identified some third party financial institutions that appeared to be holding investments for SIB. In addition, I was able to provide the Former Officeholders with copies of the reports that had been submitted to the FSRC. As noted above, those reports listed the names of certain third party financial institutions that had been provided by SFG and that purportedly held investment assets for SIB.

63. The Former Officeholders informed me that, although it was not clear whether the information contained on the FSRC reports was accurate, they wrote to all of the financial institutions listed on those reports. They also wrote to all of the financial institutions that had been identified using the mail found in the SIB vault.

64. I understood that the reason the Former Officeholders wrote to the financial institutions was to determine whether those institutions in fact held SIB investment assets and, if so, in what amounts. This uncertain and potentially unreliable process was necessary because there was no other way to access information about SIB's investment assets. While the Former Officeholders informed me that certain of the financial institutions replied and provided certain investment asset information, others did not reply or did so but did not provide the requested information.

65. Other factors also complicated the Former Officeholders' efforts to develop an understanding of the true nature of SIB's affairs. For instance, in addition to the extensive records that needed to be examined in order to determine and understand SIB's liabilities, SIB's online access to the activity in the correspondent accounts was terminated by the correspondent banks, including by TD Bank. As a result, the Former Officeholders did not readily have access to up-to-date information on the funds that were held in the correspondent accounts following the time SIB's normal operations ceased.

66. In light of the foregoing, in the months following the appointment of the Former Officeholders, including well after their subsequent appointment as liquidators in April 2009, the Former Officeholders simply did not have any way to access the records required in order to determine the true state of SIB's financial affairs. With extensive efforts, the Former Officeholders could access an abundant amount of information on SIB's liabilities to its customers in the form of deposit records and banking system information. However, they had virtually no access to information on SIB's investment assets.

67. In these circumstances, although I saw various news reports indicating that allegations of fraud had been made in connection with SIB, there was no way for me or anyone else at SIB to verify those allegations. In fact, those allegations were contrary to my own understanding of SIB's affairs. Further, in the months following SIB's collapse, I had occasional email correspondence with personnel from SFG who indicated that they had heard that funds had been located and were available to repay SIB's customers. In addition, all SIB employees also received an email from Stanford himself ensuring us that no fraud had been committed and that the necessary funds could still be accessed. In these circumstances, it was very hard to know what to believe and, in my view, there was no reliable no way to verify allegations of fraud that were being publicly made.

68. Eventually, after a few months following SIB's collapse, the Former Officeholders showed me various other documents that they indicated had been found in the vault at SIB's headquarters. Certain of those documents appeared to contain summaries of all of SIB's assets. That information was inconsistent with the asset information I had been provided by SFG during SIB's operations in the course of completing SIB's financial reporting. This inconsistency led me to be suspicious about SIB's affairs and wonder whether there was in fact some fraudulent or

improper conduct that had yet to be discovered. However, even then, there was no way to verify any information about SIB's assets.

69. I did ultimately form the opinion that, despite the asset information provided to me during the course of SIB's operations, a fraud had most likely been committed on SIB. The reason for this opinion was that the Former Officeholders continued to slowly obtain information about SIB's assets that was inconsistent with the representations about SIB's assets that had been made to me by SFG. Further, certain information that was publicly reported also seemed very compelling. For instance, in August 2009, it was reported that Davis had pleaded guilty to the criminal charges against him in the U.S. and that he had explained to a U.S. Court that SIB was the victim of a massive and long-running fraud.

70. As a result, it appeared to me that the information that SIB's Accounting Department had received and relied upon from SFG in respect of SIB's investments was a complete sham. In fact, it appeared that it was by using some of the very reports that I and the previous Managers of the Accounting Department had a role in creating that Stanford, Davis and others had perpetrated the fraud.

IV. FINANCIAL ISSUES RESULTING FROM THE COLLAPSE OF SIB

71. Following SIB's collapse, I assisted the Former Officeholders with reviewing the available information concerning the deposits of SIB's customers. This was a long process. For instance, approximately one year following SIB's collapse, the Former Officeholders continued to process information and inquiries from SIB customers on nearly a daily basis. At that time, it had been determined that there were customer claims totaling at least approximately USD \$2.8 billion. Since the time the Joint Liquidators were appointed, it has been established that SIB had

approximately 25,000 customers located in approximately 113 countries and that those customers collectively held certificates of deposit valued at approximately \$8 billion.

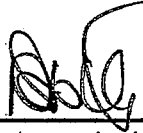
72. SIB also had various other financial obligations around the world. For instance, SIB had a representative sales office in Montreal, Quebec. In connection with that office, SIB was required to make monthly lease payments, as well as pay for various services required to keep that office functional such as electricity and other utilities. In addition, SIB's headquarters in Antigua, which were actually owned by another Stanford-owned entity, Stanford Development Company Ltd., had even more extensive service contracts. As a result, SIB's creditors also included local providers responsible for equipment supplies (such as computers, office equipment, etc.) and equipment maintenance, marketing and various other items.

73. Notwithstanding the volume of funds owed to SIB's customers and other creditors, the amount of cash available to the Former Officeholders upon their appointment as receiver-managers was extremely limited. In particular, due to the freeze of SIB's accounts by the U.S. court, the only funds available to the Former Officeholders in the months following their appointment were those funds in an account at Bank of Antigua. While those funds initially appeared to be approximately USD \$10 million, upon further examination and discussions with Bank of Antigua, it successfully took the position that those funds were in fact subject to a significant set-off owing in connection with SIB's credit cards.

74. As a result, it is my understanding that the Former Officeholders ultimately had access to only approximately USD \$700,000 to fund their efforts and the continued financial obligations of SIB. At the time of the appointment of the Former Officeholders as receiver-managers, those obligations totaled approximately USD \$400,000 per month for expenses such as employee

salaries, security, amenities, IT and maintenance alone. While I worked with the Former Officeholders in an effort to cut SIB's costs (even my own salary was cut in light of SIB's financial difficulties), the Former Officeholders nonetheless continued to lack the funds required to cover their efforts and the financial obligations of SIB. This lack of funding continued throughout the time the Former Officeholders were in office, although improved as a result of a U.K. court granting them access to certain of SIB's funds in August 2009.

SWORN before me at the City of St. John's,)
 in the Country of Antigua and Barbuda, this)
 13th day of November, 2014.)



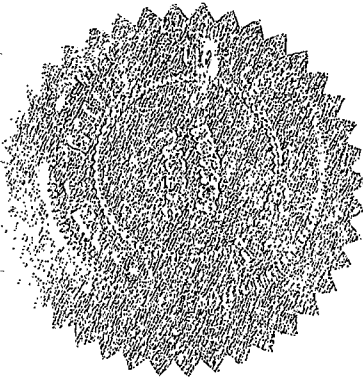
 A Commissioner, notary, etc.



 OMARI OSBOURNE

NICOLETTE M. DOHERTY BA, LL.M
ATTORNEY AT LAW
NOTARY PUBLIC

Island House, Newgate Street, P.O. Box W1661,
 Woods Centre, St. John's, Antigua, West - Indies



MARCUS A. WIDE, et al.
Plaintiffs

v.

THE TORONTO-DOMINION BANK
Defendant

Court File No. CV-12-9780-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

**AFFIDAVIT OF OMARI OSBOURNE
(Sworn November 13, 2014)**

BENNETT JONES LLP
Barristers and Solicitors
One First Canadian Place
Suite 3400, P.O. Box 130
Toronto, Ontario
M5X 1A4

Lincoln Caylor (LSUC # 37030L)
Maureen M. Ward (LSUC #44065Q)
Nathan J. Shaheen (LSUC #60280U)

Tel: 416.777.6121/4630/7306
Fax: 416.863.1716

Lawyers for the plaintiffs