

# TAB 55

## C/M/S/ Cameron McKenna

Winthrop Asset Management  
One Stamford Plaza - 9th Floor, 263 Tresser Boulevard,  
Stamford, CT 06901-3236  
UNITED STATES OF AMERICA  
FAO: The Company Secretary

CMS Cameron McKenna LLP

Mitre House  
160 Aldersgate Street  
London EC1A 4DD

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Tel +44(0)20 7367 2428  
rachel.rees@cms-cmck.com

Our Ref: PRW/DAHE/RF/MIT6.22b/101248.00021

2 March 2009

Dear Sirs

Stanford International Bank Limited (receiver-managers appointed) ("SIB")  
Stanford Trust Company Limited (receiver-managers appointed) ("STC")

We are the law firm instructed by the Receiver-Managers (the "Receivers") of SIB and STC, appointed in Antigua and Barbuda, where both SIB and STC are registered. We enclose a copy of the document appointing the Receivers dated 19 February 2009, which was executed by the Antiguan Financial Services Regulatory Commission under section 287 of the Antiguan International Business Corporations Act. The appointment of the Receivers was subsequently ratified by the High Court of Justice in Antigua and Barbuda on 26 February 2009. A copy of this court order is also attached.

We see from SIB's records that in recent months SIB has made a payment to your company, which is listed below. The Receivers are in the process of verifying and updating SIB's investment and account information and we should be grateful if you could provide up to date details of all payments made to you and what the purpose of those payments were, whether as investments in equities, debt or otherwise.

SIB's records show that you received a payment from SIB on the following dates:

Date of Payment	Amount Paid
20 January 2009	\$121,602.59

You may be aware that proceedings have also been initiated in the USA and that the US Securities and Exchange Commission has obtained the appointment of a separate receiver in respect of SIB. Please note

(22687768.01)

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C/M/S/ Cameron McKenna

that, at this juncture, we are solely collating up to date information to ensure that the Receivers can assess the financial positions of SIB and STC. Needless to say, the Receivers also require this information to ensure that assets are not dissipated or otherwise jeopardised.

We expect to correspond with you further in the near future with regard to the Receivers' further instructions, and in the meantime, we look forward to hearing from you with the information requested above.

We ask you to respond within 10 days of the date of this letter.

Yours faithfully

CMS Cameron McKenna LLP

CMS Cameron McKenna LLP



# FINANCIAL SERVICES REGULATORY COMMISSION

International Business Corporations Act, Cap.222  
 APPOINTMENT OF JOINT RECEIVERS-MANAGERS  
 Stanford International Bank Ltd (SIBL)  
 And  
 Stanford Trust Company Ltd (STCL)

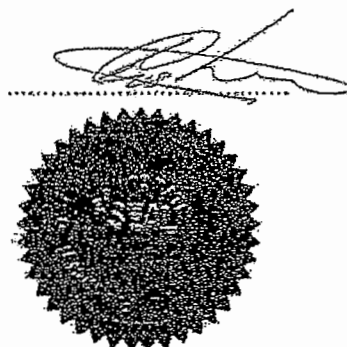
I, PAUL A. ASHE, Supervisor of International Banks and Trust Corporations of the FINANCIAL SERVICES REGULATORY COMMISSION (the Commission) a statutory body, established under the International Business Corporation Act, Cap 222 of the Laws of Antigua and Barbuda as amended (the Act) of Old Parham Road, St. John's Antigua, being the APPROPRIATE OFFICIAL responsible for control and regulation of corporations established under the Act, in pursuance of the power conferred on me under Section 287 of the Act, DO NOW APPOINT PETER WASTELL and NIGEL HAMILTON-SMITH both of Vantis Business Recovery Services of Torrington House, 47 Holywell, St. Albans, Hertfordshire, England, to be JOINT-RECEIVERS-MANAGERS of all the undertaking, property and assets of the Stanford International Bank Ltd (SIBL) and Stanford Trust Corporation Ltd (STCL) upon the terms and with all the powers, duties and liabilities conferred and imposed by the Act or by any other law PROVIDED ALWAYS AND WITHOUT PREJUDICE TO THE FOREGOING:

1. The Receiver-Managers shall be deemed to agents of SIBL and STCL; and SIBL and STCL shall be responsible for the remuneration, acts and defaults.
2. The Receiver-Managers shall have the duties and powers previously vested and discharged by the directors of the SIBL and STCL
3. The Receiver-Managers may exercise, perform and discharge their statutory powers, duties and liabilities independently of the other or jointly according to law.

Dated the 19<sup>th</sup> day of February, 2009

Signed by PAUL A. ASHE,  
 Supervisor of International Banks and  
 Trusts Corporations, the Appropriate  
 Official, Financial Services Regulatory  
 Commission before and in the  
 presence of

Trevor Mathurin  
 Deputy Administrator



THE EASTERN CARIBBEAN SUPREME COURT  
IN THE HIGH COURT OF JUSTICE  
ANTIGUA AND BARBUDA



Claim No. ANUHCV2009/0110

In the Matter of Stanford International Bank Limited.

-And-

In the Matter of Stanford Trust Company Limited.

-And-

In the Matter of the International Business Corporations Act, 1982, CAP.222  
of the Laws of Antigua and Barbuda

-And-

In the Matter of an Application for the Appointment of a Receiver-Manager of Stanford  
International Bank Limited and Stanford Trust Company Limited

BETWEEN:



THE FINANCIAL SERVICES REGULATORY COMMISSION

Applicant/Claimant

-And-

STANFORD INTERNATIONAL BANK LIMITED  
STANFORD TRUST COMPANY LIMITED

Respondents/Defendants

ORDER

BEFORE The Honourable Justice David Harris, (In Chambers)

DATED the 26<sup>th</sup> day of February, 2009

ENTERED the 26<sup>th</sup> day of February, 2009

UPON THE APPLICATION filed herein on the 26<sup>th</sup> day of February, 2009

AND UPON READING the Affidavits of Peter Nicholas Wastell and Paul A. Ashe  
filed on the 26th day of February, 2009.

AND UPON HEARING Charlesworth O. D. Brown, Counsel for the Applicant/Claimant,  
Jasmine Wade appearing with him.

IT IS ORDERED THAT:

1. The Respondents/Defendants be and are hereby restrained by themselves, their agents, servants or otherwise from:-

- a. disposing of or otherwise dealing with any of their assets.
  - b. entering into any agreement or arrangement to sell, transfer or otherwise dispose of any of their assets.
  - c. carrying on or transacting business of any kind whatsoever under the licence granted by the Applicant/Claimant without the consent, management and supervision of the Applicant/Claimant.
2. The Respondents/Defendants do account for all their assets now or previously in their possession or under the control of any entity on their behalf.
3. The Respondents/Defendants do provide the Applicant/Claimant with:
  - a. a comprehensive list of all transactions, agreements, arrangements and undertakings and copies of documents evidencing the same.
  - b. All accounts, documents and information to enable the Applicant/Claimant to trace, if necessary, any or all of the assets of the Respondents/Defendants.
  - c. A comprehensive list of all its creditors, customers, employers, employees and other persons or entities to whom they have outstanding obligations and the extent of their obligations in respect of any or all of their assets.
4. Messrs Peter Nicholas Wastell and Nigel Hamilton-Smith be and are hereby appointed Joint Receivers-Managers of the Respondents/Defendants pursuant to Section 220 of the International Business Corporations Act (the Act) with such powers as the Court may determine.
5. The Joint Receivers-Managers do take immediate steps to stabilize the operations of the Respondents/Defendants unless ordered to do otherwise by further order of the Court.
6. The Joint Receivers-Managers do execute their duties in accordance with the Act and otherwise only in accordance with this order and the directions of the Court.

7. The Joint Receivers-Managers do prepare and file in Court a Monthly Interim Report and Financial Statement in respect of the affairs of the Respondents/Defendants within 30 days of the date of this order and thereafter at regular intervals on the fifth day of each ensuing month.
  8. The Joint Receivers-Managers upon the completion of their duties do prepare and file Final Accounts including a Financial Statement with recommendations as to the further conduct of the affairs, if any, of the Respondents/Defendants.
  9. The Joint Receivers-Managers do take into their custody and control all the property, undertakings and other assets of the Respondents/Defendants pursuant to Section 221 of the Act and comply with all the other parts of the Section.
  10. The Joint Receivers-Managers do open and maintain bank accounts within the jurisdiction or in such jurisdictions as they consider appropriate in their names as Joint Receiver-Managers of the Respondents/Defendants for the monies of the corporations coming under their control.
  11. Subject to Section 220 of the Act, the Receivers-Managers do exercise, perform and discharge their duties independently or jointly and in so doing they shall be deemed to act as agents for the Respondents/Defendants without personal liability.
  12. Without prejudice to the provisions of Section 373 of the Act, the Joint Receiver-Managers be and are hereby authorized to disclose information concerning the management, operations, and financial situation of the Respondents/Defendants as they consider appropriate in the performance of their functions PROVIDED ALWAYS THAT  
(1) no disclosure of customer specific information is authorized without further or other order of the Court; and
-

(2) no disclosure of information is permitted under this Order to any foreign governmental or regulatory body unless such disclosure is subject to mutual disclosure obligations.

For the purposes of this Order, customer specific information means information of sufficient detail to enable a recipient of the information to identify the customer in question, the customer's address or other location, and/or the amount of such customer's credit balances or other investments in the Respondents/Defendants.

13. The remuneration of the Joint Receivers-Managers be fixed on a time-cost basis at the rates agreed between the Applicant/Claimant and the Joint Receivers-Managers.
  14. The Joint Receivers-Managers be reimbursed for all reasonable and necessary expenses as may be incurred by them during the course of the receivership from the assets of the Respondents/Defendants.
  15. The costs of this Application and all related proceedings be met from the assets of the Respondents/Defendants.
  16. The Joint Receivers-Managers be directed from time to time on matters relating to their duties as the Court may determine on the application of the Applicant/Claimant or on the application of the Joint Receivers-Managers or on the application of the Respondents/Defendants.
  17. That the Applicant do serve the Defendants/Respondents with the Fixed Date Claim Form, Affidavits thereto, the Notice of Application and this Order.
  18. That the return date be fixed for the 9<sup>th</sup> day of March, 2009.
-



19. That this Order remains in full force and effect until further order.

BY THE COURT



REGISTRAR

AND TAKE NOTICE that if you the Directors and Officers of the Respondents /Defendants fail to comply with the terms of this order, proceedings may be commenced against you for contempt of court and you may be liable to be Imprisoned.

THE EASTERN CARIBBEAN SUPREME COURT  
IN THE HIGH COURT OF JUSTICE  
ANTIGUA AND BARBUDA

Claim No. ANUHCv2009/

In the Matter of Stanford International Bank Limited,

-And-

In the Matter of Stanford Trust Company Limited,

-And-

In the Matter of the International Business Corporations Act, 1982, CAP.222  
of the Laws of Antigua and Barbuda

-And-

In the Matter of an Application for the Appointment of a Receiver-Manager of Stanford  
International Bank Limited and Stanford Trust Company Limited

BETWEEN:

THE FINANCIAL SERVICES REGULATORY COMMISSION

Applicant/Claimant

-And-

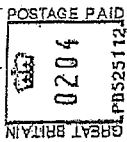
STANFORD INTERNATIONAL BANK LIMITED  
STANFORD TRUST COMPANY LIMITED

Respondent/Defendants

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ORDER  
+++++

CHARLESWORTH O. D. BROWN

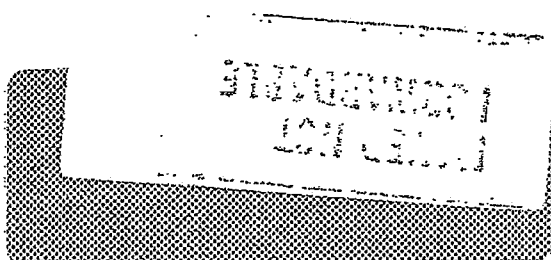
Attorney-at-Law



00063225

Return Address  
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London  
EC1A 4DD

PLW



## C/M/S/ Cameron McKenna

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Stamford, Connecticut 06901-3236,  
UNITED STATES OF AMERICA

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Tel +44(0)20 7367 2428  
rachel.rees@cms-cmck.com

Your Ref:  
Our Ref: RF/PRW/DAHE/MIT6.29a/101248/00021

11 March 2009

Dear Sirs

Stanford International Bank Ltd (in receiver-managership) ("SIB")  
Stanford Trust Company Ltd (in receiver-managership) ("STC")  
(SIB and STC are defined as the "Companies")

We refer to our letter of 3 March 2009.

We have not yet had a reply from you on the questions raised by us in that letter and again kindly request that you provide us with your response in the next 7 days.

As you are aware, the Companies are both registered in Antigua, and regulated by the Financial Services Regulatory Commission in Antigua (the "FSRC"). It was upon the FSRC's application that our clients were appointed, and this appointment was ratified in the Antiguan High Court.

We refer you to paragraph 9 of the Order of the High Court of Justice of Antigua and Barbuda dated 26 February 2009, by which the Antiguan appointed Receivers are required to take into their custody and control "*all the property, undertakings and assets*" of the Companies. This wording naturally includes any accounts, equities, debts or any other assets held by, or in, you, which relate to the Companies.

The Antiguan appointed Receivers are currently in correspondence with the US Receiver over the scope of their respective powers and the extra-territorial effect of the Orders under which they are appointed. These issues remain outstanding.

We understand that the US Receiver has written to a number of financial institutions to request the movement of monies but as you have not been in contact with us we do not know if he has corresponded with you. It is a matter for you and your legal advisers but, in our clients' view, the proper course is for

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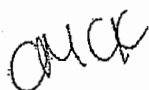
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## C/M/S/ Cameron McKenna

the accounts, equities, debt or other assets held by or for the Companies to be frozen pending clarification and resolution of this issue. If you fail to take this course, our clients' view would be that they reserve their rights to hold you liable for paying these monies or assets away.

We look forward to hearing from you shortly.

Yours faithfully



CMS Cameron McKenna LLP

This is **Exhibit "F"** referred to in the  
Second Affidavit of Peter R. Wiltshire  
sworn before me, this 16<sup>th</sup> day of January, 2015.

A. GARRETT

ALASTAIR GARRETT

---

A Commissioner, notary, etc.

---

From: Stanford, Allen  
Sent: 12-Feb-2009 1:59 PM  
To: SFGC Global-All Employees

To the Stanford Family of Employees

Much has changed since my grandfather started our first company 77 years ago. As you all know, the Stanford Companies were born in the bleakness of the Great Depression. Yet here we are, having survived over seven decades proudly serving tens of thousands of global clients, we find ourselves in the midst of an economic crisis. The continual news of outrageous abuses by the big banks which have already gotten a \$350 billion bailout from taxpayers in the US alone has sapped the confidence of an entire industry. Although we have not been the beneficiary of any taxpayer money, hard as we try, we are not immune from that crisis. You have heard that regulators from different agencies have visited our offices in recent weeks, as they have been doing to many financial operations around the country. They are responding appropriately after the regulatory deficiencies of the last decade. Although we are all aware that former disgruntled employees have gone to the regulators questioning our work and our processes, this could have compounded an otherwise routine examination. Regulatory officers have conveyed to us these visits are part of their routine examinations. I want to assure you that if they find any areas in which we need to improve or alter our operations, we will take immediate action to correct them. You and our clients deserve no less. We have been fully cooperative with regulators and focused on upholding industry's regulations and standards. You, your managers and I, will fight with every breath to continue to uphold our good name and continue the legacy we have built together. On the issue of Stanford International Bank, I want to be very clear. SIB remains a strong institution, and even without the benefit of billions in US taxpayer's dollars we are taking a number of decisive steps to reinforce our financial strength. We will take the necessary actions to protect our depositors. I have already added two capital infusions into the bank and we are considering a number of other steps as needed.

Yours truly, RAS

This is **Exhibit "G"** referred to in the  
Second Affidavit of Peter R. Wiltshire  
sworn before me, this 16<sup>th</sup> day of January, 2015.

A. GARRETT .

ALASTAIR GARRETT .

---

A Commissioner, notary, etc.



General Technical Maintenance Solution  
 Airport Road, Coolidge  
 St. Georges Antigua  
 (268) 725-9338/ 723-9338  
 P.O. Box W1965

Date: 04/03/10

TO: STANFORD INTERNATIONAL BANK  
 SIR GEORGE WALTER HIGH WAY, COOLIDGE  
 ST. GEORGE'S ANTIGUA, W.I.

Scope of work:

Installing of boxes.

Taking out of files from cabinet to file in boxes in order given.

Remove of all files from the inside of the building packed on trucks to deliver to stores area then pack off truck to the stores in order.

Renting of 4 trucks for two weeks.

Man power is @ 20 men for two weeks.

Total area of filing space at an area of 19,136 sq ft, with a height of six (6) ft.

Cost @ \$1.00 per sq ft.

$19,136 \times 6 = \$114,816.00$

Total cost

\$ 114,816.00

Respectfully Yours

*Noel Henry*.....

This is **Exhibit "H"** referred to in the  
Second Affidavit of Peter R. Wiltshire  
sworn before me, this 16<sup>TH</sup> day of January, 2015.

A. GARZITUEL

ALASTAIR GARZITUEL

---

A Commissioner, notary, etc.

THE EASTERN CARIBBEAN SUPREME COURT  
IN THE HIGH COURT OF JUSTICE  
ANTIGUA AND BARBUDA



Claim No. ANUHCv2009/

In the Matter of Stanford International Bank Limited.

-And-

In the Matter of Stanford Trust Company Limited.

-And-

In the Matter of the International Business Corporations Act, 1982, CAP.222  
of the Laws of Antigua and Barbuda

-And-

In the Matter of an Application for the Appointment of a Receiver-Manager of Stanford  
International Bank Limited and Stanford Trust Company Limited

BETWEEN:

THE FINANCIAL SERVICES REGULATORY COMMISSION

Applicant

-And-

STANFORD INTERNATIONAL BANK LIMITED  
STANFORD TRUST COMPANY LIMITED

Respondents

AFFIDAVIT OF PETER NICHOLAS WASTELL  
IN SUPPORT OF APPLICATION

I, PETER NICHOLAS WASTELL of ,Torrington House, 47 Holywell Hill, St. Albans,  
Hertfordshire, England, Licensed Insolvency Practitioner, make oath and say as  
follows:-

1. I swear this Affidavit on behalf of the Applicant in support of the Application filed herewith for, inter alia, the appointment Mr. Nigel Hamilton-Smith also a Licensed Insolvency Practitioner, and myself as Joint Receivers-Managers of the Respondents.

2. Save where it otherwise appears, the contents of this affidavit are true to the best of my knowledge, information and belief. I have informed Mr. Hamilton-Smith of all the matters to which I swear and he has informed me that he also believes the same to be true.
3. I have been practicing as a licenced Insolvency Practitioners in the accounting firm Vantis Business Recovery Services ("Vantis") of Torrington House, 47 Holywell Hill, St. Albans, Hertfordshire, England since 1999. A copy of my practicing certificate is exhibited hereto and marked "PW1".
4. I am not disqualified to be appointed as a Receiver-Manager under section 213 as I am neither a body corporate nor an undischarged bankrupt.
5. On the 19<sup>th</sup> February, 2009 Mr. Nigel Hamilton-Smith and I were appointed as joint Receiver-Managers for the Respondents by the Supervisor of International Banks and Trust Corporations pursuant to the provisions of the International Business Corporation Act, Cap. 222 of the Laws of Antigua and Barbuda ( the Act) upon the terms and with all powers, duties and liabilities conferred and imposed by the Act. A copy of the instrument of appointment is exhibited hereto and marked "PW2".
6. By agreement between the Applicant on the one hand and Mr. Hamilton Smith and me on the other, the rates for our professional services on a time costs basis were agreed. A copy of the schedule of rates is hereto exhibited and marked "PW3".
7. Since my appointment I have attended a meeting with the Managers of the Respondents and have had the opportunity to examine their preliminary financial records. I have observed the likelihood that the assets of both Respondents/Defendants will shortly be less than the aggregate of their liabilities.
8. During the period immediately before the appointment of Mr. Nigel Hamilton-Smith and I, there was a continuing run on the First Respondent which we are attempting to control.
9. From my examination of the records it is evident that the Second Respondent keeps the majority of its deposit and accounts with the First Respondent. Accordingly, I anticipate that the effect of the run on the First Respondent will shortly cause the Second Respondent to be in an unsustainable financial position. I understand that the number of claims made to the Applicant since our appointment would confirm this

THE EASTERN CARIBBEAN SUPREME COURT  
IN THE HIGH COURT OF JUSTICE  
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-And-

In the Matter of an Application for the Appointment of a Receiver-Manager of  
Stanford International Bank Limited and Stanford Trust Company Ltd.

BETWEEN:

THE FINANCIAL SERVICES REGULATORY COMMISSION  
Applicant / Claimant

-And-

STANFORD INTERNATIONAL BANK LTD.  
STANFORD TRUST COMPANY LTD.  
Respondents / Defendant

EXHIBIT CERTIFICATE

Copy of exhibit marked "PW1" referred to in paragraph 3 of the Affidavit.

*Nipka Reynolds*  
COMMISSIONER FOR OATH  
ANTIGUA & BARBUDA

outlook. Copies of the management accounts of the corporations for the year ended 31 December, 2008 are exhibited hereto as a bundle and marked "PW4".

10. The Applicant is desirous of having Nigel Hamilton-Smith and me appointed as Joint Receivers – Managers by the Court. I support the Application and undertake that if the application is granted I will act and discharge my duties in accordance with the orders and directions of the Court and pursuant to the Act,
11. In the circumstances, I humbly request that this Honourable Court grant the Applicant's application as prayed.

Sworn at the High Court of Justice )  
 Parliament Drive, St. John's, Antigua )  
 this 25<sup>th</sup> day of February, 2009 in the )  
 presence of :- )  
 )  
 )  
 )  
 )  
 )

*Nyoka Reynolds*  
 .....  
 COMMISSIONER FOR OATH  
 ANTIGUA & BARBUDA

*Subject*  
 .....

## INSOLVENCY PRACTITIONERS ASSOCIATION



This is to Certify that

**Peter Nicholas Wastell**

is authorised by this Association to

act as an insolvency practitioner as

defined in Section 388 of the Insolvency Act 1986

and as defined in The Insolvency (Northern Ireland) Order 1989.

This authorisation shall take effect

1st January 2009

31st December 2009

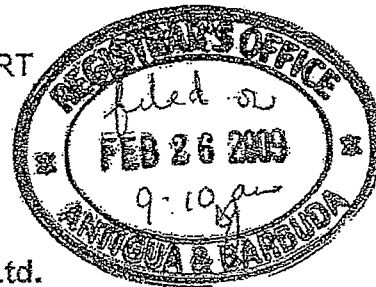
for the INSOLVENCY PRACTITIONERS ASSOCIATION

Certificate number

09100490

Secretary

THE EASTERN CARIBBEAN SUPREME COURT  
IN THE HIGH COURT OF JUSTICE  
ANTIGUA AND BARBUDA



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BETWEEN:

THE FINANCIAL SERVICES REGULATORY COMMISSION

Applicant / Claimant

-And-

STANFORD INTERNATIONAL BANK LTD.

STANFORD TRUST COMPANY LTD.

Respondents / Defendant

EXHIBIT CERTIFICATE

Copy of exhibit marked "PW2" referred to in paragraph 4 of the Affidavit.

*Nyoka Reynolds*  
COMMISSIONER FOR OATH  
ANTIGUA & BARBUDA





## FINANCIAL SERVICES REGULATORY COMMISSION

International Business Corporations Act, Cap.222  
APPOINTMENT OF JOINT RECEIVERS-MANAGERS  
Stanford International Bank Ltd (SIBL)  
And  
Stanford Trust Company Ltd (STCL)

I, PAUL A. ASHE, Supervisor of International Banks and Trust Corporations of the FINANCIAL SERVICES REGULATORY COMMISSION (the Commission) a statutory body, established under the International Business Corporation Act, Cap 222 of the Laws of Antigua and Barbuda as amended (the Act) of Old Parham Road, St. John's Antigua, being the APPROPRIATE OFFICIAL responsible for control and regulation of corporations established under the Act, in pursuance of the power conferred on me under Section 287 of the Act, DO NOW APPOINT PETER WASTELL and NIGEL HAMILTON-SMITH both of Vantis Business Recovery Services of Torrington House, 47 Holywell, St. Albans, Hertfordshire, England, to be JOINT-RECEIVERS-MANAGERS of all the undertaking, property and assets of the Stanford International Bank Ltd (SIBL) and Stanford Trust Corporation Ltd (STCL) upon the terms and with all the powers, duties and liabilities conferred and imposed by the Act or by any other law PROVIDED ALWAYS AND WITHOUT PREJUDICE TO THE FOREGOING :

1. The Receiver-Managers shall be deemed to agents of SIBL and STCL; and SIBL and STCL shall be responsible for the remuneration, acts and defaults.
2. The Receiver-Managers shall have the duties and powers previously vested and discharged by the directors of the SIBL and STCL
3. The Receiver-Managers may exercise, perform and discharge their statutory powers, duties and liabilities independently of the other or jointly according to law.

Dated the 19<sup>th</sup> day of February, 2009

Signed by PAUL A. ASHE,

)

THE EASTERN CARIBBEAN SUPREME COURT  
IN THE HIGH COURT OF JUSTICE  
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of the Laws of Antigua and Barbuda

-And-

In the Matter of an Application for the Appointment of a Receiver-Manager of  
Stanford International Bank Limited and Stanford Trust Company Ltd.

BETWEEN:

THE FINANCIAL SERVICES REGULATORY COMMISSION  
Applicant / Claimant

-And-

STANFORD INTERNATIONAL BANK LTD.  
STANFORD TRUST COMPANY LTD.  
Respondents / Defendant

EXHIBIT CERTIFICATE

Copy of exhibit marked "PW3" referred to in paragraph 6 of the Affidavit.

*Thyoka Reynolds*  
COMMISSIONER FOR OATH  
ANTIGUA & BARBUDA

**Vantis - Standard Hourly Rates**

Grade	US\$	£
Partner	653	450
Associate Partner	508	350
Senior Manager	435	300
Manager	399	275
Assistant Manager	363	250
Supervisor	326	225
Senior Administrator	290	200
Administrator	254	175
Support & Cashiering	174	120
Rate \$1.45 / £		

THE EASTERN CARIBBEAN SUPREME COURT  
IN THE HIGH COURT OF JUSTICE  
ANTIGUA AND BARBUDA

Claim No. ANUHCV2009/

In the Matter of Stanford International Bank Ltd.

-And-

In the Matter of Stanford Trust Company Ltd.

-And-

In the Matter of the International Business Corporations Act, 1982, CAP.222  
of the Laws of Antigua and Barbuda

-And-

In the Matter of an Application for the Appointment of a Receiver-Manager of  
Stanford International Bank Limited and Stanford Trust Company Ltd.

BETWEEN:

THE FINANCIAL SERVICES REGULATORY COMMISSION  
Applicant / Claimant

-And-

STANFORD INTERNATIONAL BANK LTD.  
STANFORD TRUST COMPANY LTD.  
Respondents / Defendant

EXHIBIT CERTIFICATE

Copy of exhibit marked "PW4" referred to in paragraph 9 of the Affidavit.

*Nyoka Reynolds*  
COMMISSIONER FOR OATH  
ANTIGUA & BARBUDA



# STANFORD INTERNATIONAL BANK LIMITED

2008 ANNUAL REPORT

## BALANCE SHEET

(Expressed in United States dollars)

Year Ended 31 December 2008

### NOTE

#### ASSETS

- 11 Cash and Balances with Other Banks
- 12 Financial Assets at Fair Value
- 13 Loans and Advances to Clients
- 14 Property and Equipment
- 15 Other Assets
- TOTAL ASSETS**

#### LIABILITIES AND SHAREHOLDER'S EQUITY

- 16 Deposits from Clients (see Figure 5)
- 17 Other Liabilities and Provisions
- TOTAL LIABILITIES**
- 18 Share Capital
- 18 Share Premium
- 19 Retained Earnings (see Figure 6)
- TOTAL SHAREHOLDER'S EQUITY (see Figure 6)**

#### TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY

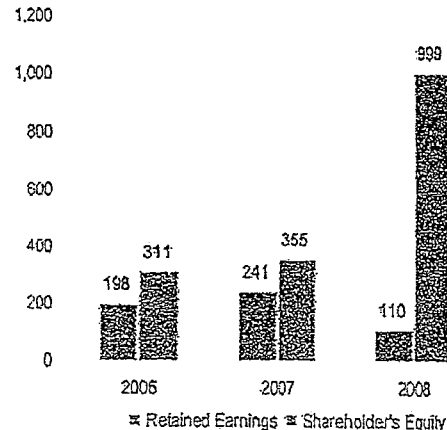
The notes on pages 28 to 49 are an integral part of these financial statements

	2007
Cash and Balances with Other Banks	\$ 627,822,483
Financial Assets at Fair Value	6,347,631,574
Loans and Advances to Clients	69,732,601
Property and Equipment	6,910,778
Other Assets	5,785,277
<b>TOTAL ASSETS</b>	<b>\$ 7,057,882,713</b>
Deposits from Clients	6,689,964,303
Other Liabilities and Provisions	12,996,649
<b>TOTAL LIABILITIES</b>	<b>\$ 6,702,960,952</b>
Share Capital	10,000,000
Share Premium	103,500,000
Retained Earnings	241,421,761
<b>TOTAL SHAREHOLDER'S EQUITY</b>	<b>\$ 354,921,761</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>	<b>\$ 7,057,882,713</b>

Figure 5. DEPOSITS FROM CLIENTS  
Dollars in (billions)



Figure 6. EARNINGS AND EQUITY  
Dollars in (millions)



## STANFORD INTERNATIONAL BANK LIMITED

2008 ANNUAL REPORT

## INCOME STATEMENT

(Expressed in United States dollars)

Year Ended 31 December 2008

NOTE

OPERATING INCOME

5 NET INVESTMENT INCOME

Interest Income

Interest Expense

6 NET INTEREST INCOME/(EXPENSE)

Fee Income

Fee Expense

7 NET FEE INCOME/(EXPENSE)

8 Other Income

TOTAL OPERATING INCOME (see Figure 3)

OPERATING EXPENSES

9 Personnel Expenses

10 General and Administrative Expenses

14 Depreciation of Property and Equipment

TOTAL OPERATING EXPENSES

OPERATING PROFIT (see Figure 4)

2007

\$ 641,773,996

164,843,390

437,192,793

(272,349,403)

3,030,799

150,075,660

(147,044,861)

(20,171,473)

\$ 202,210,259

3,512,747

154,226,063

852,885

\$ 158,591,695

\$ 43,618,564

The notes on pages 28 to 49 are an integral part of these financial statements

Figure 3. OPERATING INCOME

Dollars in (millions)

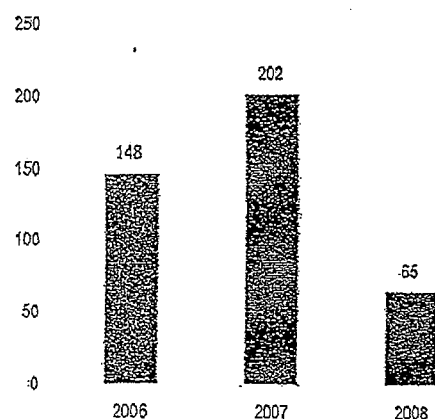
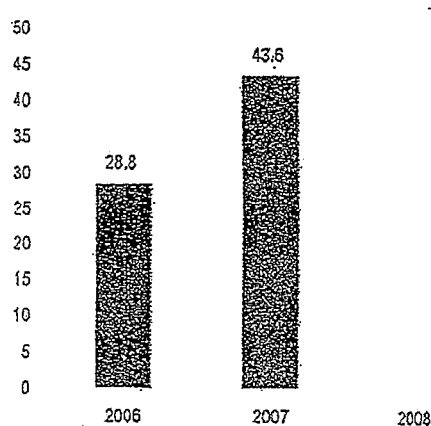


Figure 4. OPERATING PROFIT

Dollars in millions



## STANFORD INTERNATIONAL BANK LIMITED

2008 ANNUAL REPORT

## STATEMENT OF CASH FLOWS

(Expressed in United States dollars)

Year Ended 31 December 2008

## NOTE

## CASH FLOWS FROM OPERATING ACTIVITIES

5	Investment Income	\$ 641,775,996
6	Interest Received	164,843,390
6	Interest Paid	(437,192,793)
7	Fees Received	3,030,799
8	Other Income	(20,171,473)
	Cash Payments to Employees and Suppliers	(307,814,470)
	Cash Flows From Operating Profits	\$ 44,471,449

## Changes in Operating Assets and Liabilities

12	Net Increase in Financial Instruments at Fair Value	(1,411,980,477)
13	Net Increase in Loans and Advances to Clients	(5,106,127)
15	Net Increase in Other Assets	2,812,516
16	Net Increase in Deposits from Clients	1,679,880,537
17	Net Increase in Other Liabilities	(1,933,835)
	Net Cash Flows from Operating Activities	\$ 308,144,063

## CASH FLOWS FROM INVESTING ACTIVITIES

14	Purchase of Property and Equipment	(3,260,285)
14	Proceeds from Sale of Property and Equipment	51,366
	Net Cash Used in Investing Activities	\$ (3,208,919)

## CASH FLOWS FROM FINANCING ACTIVITIES

18	Contribution to Share Premium Account	0
	Net Cash Flows from Financing Activities	\$ 0

## Net Increase/(Decrease) in Cash and Cash Equivalents

304,935,144

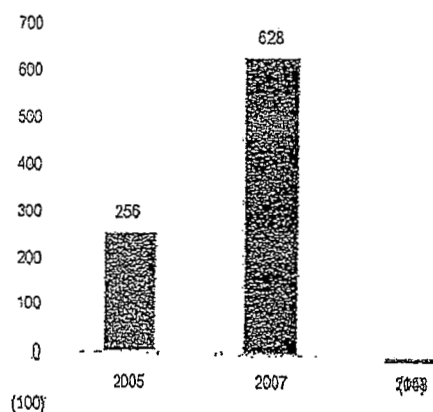
## CASH AND EQUIVALENTS AT BEGINNING OF YEAR

\$ 322,887,339

## 11 CASH AND EQUIVALENTS AT END OF YEAR

\$ 627,822,483

The notes on pages 28 to 49 are an integral part of these financial statements

Figure 7. CASH AND EQUIVALENTS  
Dollars in (millions)

**STANFORD INTERNATIONAL BANK LIMITED**  
2008 ANNUAL REPORT

**STATEMENT OF CHANGES IN EQUITY**


(Expressed in United States dollars)

	Share Capital	Share Premium	Retained Earnings	Total Shareholder's Equity
At December 31, 2006	\$ 10,000,000	\$ 103,500,000	\$ 197,803,197	\$ 311,303,197
Additional Contributions	0	0	0	0
Net Income for the Year	0	0	43,618,564	43,618,564
At December 31, 2007	\$ 10,000,000	\$ 103,500,000	\$ 241,421,761	\$ 354,921,761
Additional Contributions	0	776,000,000		776,000,000
Net Income for the Year	0	0	(131,846,549)	(131,846,549)
At December 31, 2008	\$ 10,000,000	\$ 879,500,000	\$ 109,575,212	\$ 999,075,212

The notes on pages 28 to 49 are an integral part of these financial statements



Financial Services  
Regulatory Commission  
Banking Department

12/02/08 

**Stanford Trust Company Limited**

**Unaudited Financial Statements**

**December 31, 2008**

## STANFORD TRUST COMPANY LIMITED

REVENUE STATEMENT (Unaudited)  
Expressed in United States Dollars

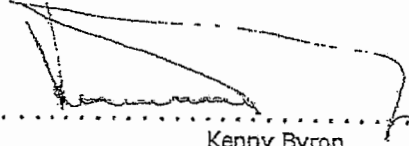
	Quarter Ended December 2008	YTD December 2008
Revenues		
Less: Direct Costs	\$ 4,702,422	18,346,940.00
	(409,365)	(947,268.00)
<b>NET OPERATING INCOME</b>	<b>4,293,057</b>	<b>17,399,672.00</b>
Other Income	535,769	1,519,465.00
<b>TOTAL NET OPERATING INCOME AND OTHER INCOME</b>	<b>\$ 4,828,826</b>	<b>18,919,137.00</b>
<b>EXPENSES</b>		
Salaries and wages	\$ 2,133,212	8,687,981.00
Rent	423,508	1,619,311.00
Travel and entertainment	113,610	408,114.00
Office supplies	28,566	181,954.00
Depreciation	49,773	198,454.00
Licences and fees	38,549	77,706.00
Postage	64,064	201,353.00
Utilities	66,702	329,525.00
Advertising	34,596	59,483.00
Repairs and maintenance	36,220	119,853.00
Professional fees	47,764	151,294.00
Insurance	16,238	74,906.00
Training and education	884	23,000.00
Finance fees	3,011	13,232.00
Contributions and donations	31,632	60,869.00
Dues and subscriptions	2,575	19,992.00
Security	2,485	10,628.00
Property taxes	3,901	16,813.00
<b>TOTAL OPERATING EXPENSES</b>	<b>\$3,097,290</b>	<b>12,254,468.00</b>
<b>OTHER EXPENSES</b>		
Management support fee	566,592	2,266,367.00
Global Marketing Expenses	243,408	973,633.00
Loss on Disposal	6,835	6,835.00
Investment Loss	5,337,021	5,618,193.00
<b>TOTAL OTHER EXPENSES</b>	<b>6,153,856</b>	<b>8,865,028.00</b>
<b>NET INCOME</b>	<b>\$ (4,422,320)</b>	<b>(2,200,359.00)</b>

## STANFORD TRUST COMPANY LIMITED

STATEMENT OF CONDITION (Unaudited)  
Expressed in United States Dollars

	December 2008	%	December 2007	%
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 11,345,005	41%	\$ 12,126,292	42%
Accounts Receivable	3,202,650	12%	2,165,565	8%
Due from Related Companies	2,747,341	10%	1,935,448	7%
Prepaid Expenses and Deposits	166,285	1%	100,027	0%
Total Current Assets	<u>17,461,281</u>	<u>64%</u>	<u>16,327,332</u>	<u>57%</u>
Investments	9,218,264	34%	11,635,007	40%
Leasehold Improvements, Furniture and Equipment	1,101,394	4%	1,091,435	4%
Less Accumulated Depreciation	(586,709)	-2%	(400,512)	-1%
Net Fixed Assets	<u>514,685</u>	<u>35%</u>	<u>690,923</u>	<u>43%</u>
Work in Progress	<u>268,682</u>	<u>1%</u>	<u>186,261</u>	<u>1%</u>
<b>TOTAL ASSETS</b>	<u><b>\$ 27,462,912</b></u>	<u><b>100%</b></u>	<u><b>\$ 28,839,523</b></u>	<u><b>100%</b></u>
<b>LIABILITIES AND SHAREHOLDER'S EQUITY</b>				
Accounts Payable	\$ 225,868	1%	\$ 42,957	0%
Accrued Liabilities	546,441	2%	693,664	2%
Due To Related Companies	1,323,047	5%	580,487	2%
Unearned Revenue	45,500	0%	-	0%
<b>TOTAL LIABILITIES</b>	<u><b>2,140,856</b></u>	<u><b>8%</b></u>	<u><b>1,317,108</b></u>	<u><b>5%</b></u>
<b>SHAREHOLDER'S EQUITY</b>				
Capital Stock	500,000	2%	500,000	2%
Contributed capital	5,983,983	22%	5,983,983	21%
Retained Earnings - Prior Year	21,038,432	77%	14,760,171	51%
Current Year Profit	(2,200,359)	-8%	6,278,261	22%
<b>TOTAL SHAREHOLDER'S EQUITY</b>	<u><b>25,322,056</b></u>	<u><b>92%</b></u>	<u><b>27,522,415</b></u>	<u><b>95%</b></u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<u><b>\$ 27,462,912</b></u>	<u><b>100%</b></u>	<u><b>\$ 28,839,523</b></u>	<u><b>100%</b></u>

Approved by:

  
 Kenny Byron  
 Director

THE EASTERN CARIBBEAN SUPREME COURT  
IN THE HIGH COURT OF JUSTICE  
ANTIGUA AND BARBUDA

Claim No. ANUHCV2009/

In the Matter of Stanford International Bank Limited.

-And-

In the Matter of Stanford Trust Company Limited.

-And-

In the Matter of the International Business Corporations Act, 1982, CAP.222  
of the Laws of Antigua and Barbuda

-And-

In the Matter of an Application for the Appointment of a Receiver-Manager of Stanford  
International Bank Limited and Stanford Trust Company Limited

BETWEEN:

THE FINANCIAL SERVICES REGULATORY COMMISSION

Applicant

-And-

STANFORD INTERNATIONAL BANK LIMITED  
STANFORD TRUST COMPANY LIMITED

Respondents

++++  
AFFIDAVIT OF PETER NICHOLAS WASTELL  
IN SUPPORT OF APPLICATION  
++++

CHARLESWORTH O. D. BROWN

Attorney-at-Law

This is **Exhibit "I"** referred to in the  
Second Affidavit of Peter R. Wiltshire  
sworn before me, this 16<sup>th</sup> day of January, 2015.

A. CARROLL

AUSTIN CARROLL

---

A Commissioner, notary, etc.

1<sup>st</sup> Affidavit  
Applicant  
18 March 2009  
Exhibit "NIGEL" NIGEL 6

THE EASTERN CARIBBEAN SUPREME COURT  
IN THE HIGH COURT OF JUSTICE  
ANTIGUA AND BARBUDA



Claim No. 2009/0149

In the Matter of Stanford International Bank Limited (In Receivership)

-And-

In the Matter of the International Business Corporations Act, Cap 222 of the  
Laws of Antigua and Barbuda

-And-

In the Matter of an Application for the Liquidation and Dissolution of Stanford  
International Bank Limited and the Appointment of Liquidators

AFFIDAVIT OF NIGEL HAMILTON-SMITH  
IN SUPPORT OF PETITION

I, NIGEL JOHN HAMILTON-SMITH of Torrington House, 47 Holywell Hill, St.  
Albans, Hertfordshire, England, licensed Insolvency Practitioner make oath and say  
as follows:

1. I swear this Affidavit on behalf of the Applicant in support of the Petition filed  
herewith for, inter alia, the appointment of Mr. Peter Wastell, also a licensed  
Insolvency Practitioner, and myself as Joint Liquidators of Stanford  
International Bank Ltd (in receivership) ("the Bank").
2. Save where it otherwise appears, the contents of this affidavit are true to the  
best of my knowledge, information and belief. I have informed Mr. Wastell of  
all the matters to which I swear and he has knowledge of the same from his  
role in the receivership team of the Bank. Mr Wastell has informed me that

he believes the contents of this affidavit to be true to the best of his knowledge information and belief.

3. I have been practising as a licensed Insolvency Practitioners in the accounting firm Vantis Business Recovery Services ("Vantis") of Torrington House, 47 Holywell Hill, St. Albans, Hertfordshire, England and its predecessor firms since 1986. Copies of practicing certificates for Mr Wastell and for me are exhibited hereto and marked "NJHS1". Mr Wastell is also a partner of Vantis and has been practicing as a licensed Insolvency Practitioner since 1999 and involved in full time insolvency work since 1990.
4. [On 19 February 2009 Mr. Peter Wastell and I were appointed as joint Receiver-Managers for the Bank by the Supervisor of International Banks and Trust Corporations (the Appropriate Official) of the Financial Services Regulatory Commission (the Commission) pursuant to the provisions of the International Business Corporation Act, Cap. 222 of the Laws of Antigua and Barbuda (the "Act") upon the terms and with all powers, duties and liabilities conferred and imposed by the Act. A copy of the Instrument of appointment is exhibited hereto and marked "NJHS2".]
5. On 26 February 2009, the appointment of Mr. Peter Wastell and me as Receiver-Managers by the Appropriate Official of the Commission was substituted by an Order of the Antiguan High Court appointing us as Receiver-Managers. A copy of the Court Order is exhibited hereto and marked "NJHS3".

6. This affidavit supports the Petition filed herewith for the liquidation of the Bank, and for the appointment of Mr Wastell and me as joint liquidators pursuant to sections 300, 304 and 306 of the Act.

#### Events since appointment

7. A detailed account of our actions as Receiver-Managers of the Bank is contained in the Receiver Managers' Final Report filed in Court on March 18, 2009 (the "Final Report"), which is exhibited hereto at "NJHS4". The Final Report deals with our actions under the following headings:

##### 7.1 *Assisting Investors*

- 7.1.1 My team has put in place appropriate arrangements to ensure communication with the Bank's clients who total in excess of 27,000, including by way of press releases, websites, re-opening of the Bank's telephone lines, opening email communication channels for investors, producing statements of accounts for them and holding daily meetings.

##### 7.2 *Identifying the nature of operations undertaken by SIB in Antigua*

- 7.2.1 Members of my team and I have had a number of meetings with the Bank's staff to identify the nature of the activities of the Bank and its interaction with other Stanford companies and operations it conducted in other parts of the world. We have reviewed a substantial volume of records held by the Bank in order to obtain



information about the deposits taken from clients and investments made by the Bank.

### 7.3 *Operations in Montreal*

7.3.1 The Bank had a representative office in Montreal, Canada, which operated as a sales office for the Bank. A team of accountants and specialist IT staff have attended at those offices to send all staff home, deal with local legal issues in conjunction with local legal counsel, and ensure that all files and paperwork have been stored and that IT equipment has been imaged and safe-guarded. We are currently dealing with the sale of the assets located in the Canada office, which are limited to office and IT equipment.

### 7.4 *Identifying Assets*

7.4.1 My team have been carrying out investigations in order to identify assets held by the Bank, including cash balances, investment assets and non-investment assets. This process has involved not only reviewing the Bank's records but also sending out letters to approximately 60 financial institutions and companies to obtain their confirmation as to the cash, bonds, equities and other investments they are holding on behalf of the Bank's as well as communications with regulators in Ecuador and Mexico and the lawyers acting for the US Receiver about the relationship between Bank and other entities in the Stanford group.

### 7.5 *Communicating with the US Receiver*

7.5.1 Since our appointment, we have been attempting to reach an agreement with the Receiver appointed by the US District Court in Dallas, Mr Janvey (the "US Receiver"), to establish a protocol to be put in place so as to enable co-operation between the US Receiver and us. However, as explained in the Final Report and further below, the US Receiver has not been prepared to co-operate in providing information to the Receiver-Managers.

#### Reasons for liquidation

8. As explained in the Final Report, the Receiver-Managers have concluded that the Bank is insolvent and is not capable of being re-organised via Receivership. We have therefore recommended that the Bank should be placed into immediate liquidation, in order that the appointed liquidators can undertake the recovery and realisation of the Bank's assets, agree creditor claims and, in due course, declare a dividend (subject to realisation levels). The reasons for the Receiver-Managers conclusion are set out in the Final Report and, for the sake of brevity, will not be repeated here.
9. Having reached the conclusion that the Bank should be placed in liquidation, the Receiver-Managers consider that the liquidation process of the Bank should be commenced immediately and respectfully submit that the Court grant an order for the liquidation of the Bank on an expedited basis. The reasons for urgency are set out below.

#### Asset Recovery

12. It has become apparent that an immediate liquidation of the Bank is necessary if overseas assets are to be gathered in from overseas financial institutions and made available for the company's creditors. As explained in the Final Report, between 22 February and 10 March, the Receiver-Managers wrote to 62 financial institutions and/or companies where it was believed that the Bank had deposits or investments (or who might have information about such investments on the basis that they were involved in managing or auditing them) to seek confirmation of the balances held by them on behalf of the Bank. So far, we have received responses from 12 of these financial institutions. Of these replies, 2 have refused to confirm the balances to us and 6 have advised that no monies will be released in the absence of a Court Order, or an agreement with the US Receiver. A copy of specimen correspondence is attached at "NJHS5".

11. In an attempt to reach agreement, the Receiver-Managers have been in correspondence with the US Receiver through their respective lawyers. A copy of this exchange of correspondence is attached at "NJHS6". As can be seen, although the Receiver-Managers have attempted to co-operate with the US Receiver in order to ensure that there is no duplication of work and that the best result for creditors is obtained and, as part of that effort, have provided details of the work they have undertaken, the US Receiver has been either unwilling or unable, to reciprocate.
12. The latest correspondence has related to a possible meeting in Miami but, as yet, no meeting has been scheduled. I am advised by my US Attorneys that there may be risks for me and my team in travelling to the US, and

~~potentially submitting~~ ourselves to the jurisdiction of the US Courts given the ~~reported~~ effect of the US court order dated 16 February 2009 (the "US Receivership Order"). In addition, I have real doubts as to what could be achieved in a meeting with the US Receiver at this stage given his stance towards the Receiver-Managers' appointment and authority. For example, it appears that the US Receiver takes the view that he has exclusive jurisdiction over all of the Bank's assets worldwide and he has made it clear in correspondence that he does not recognise the authority of the Receiver-Managers or the Antiguan Court Order appointing them.

13. Mr Janvey's attitude to our appointment and the authority of the Antiguan Court is succinctly expressed in an exchange of emails in relation to an insurance issue (relating to the insurance of certain of the Bank's assets in Antigua where both Mr Janvey and the Receiver-Managers were looking to ensure that adequate insurance cover was in place). This exchange of emails is attached as part of "NJHS6". We draw the Court's attention to the following message from Mr Janvey's representatives to an employee at Willis, a London insurance broker firm:

*"Thank you for forwarding the information from Vantis. Mr Janvey was appointed a Receiver for the two subject entities [SIB and STC] more than a week before the Antiguan Court took action to appoint Mr Hamilton-Smith and Mr Wastell as Receivers. We do not recognise the Antiguan Receivers as having any authority. Neither, to our understanding, is their receivership recognised in the United Kingdom. We see no need for you to provide any information on Mr*

~~Hamilton-Smith's instructions. So far as we are concerned,~~  
*insurable interests are as have been previously discussed".*

The US Receiver made a further filing in the US on 11 March 2009 to amend the US Receivership Order. My understanding of this motion is that the US Receiver is seeking:

- (i) to become the only person who can file for bankruptcy proceedings in respect of the Bank or any other Stanford entity in the USA (and also worldwide);
- (ii) to become the only person who can apply for the recognition of foreign proceedings in the US Courts;
- (iii) to only be obliged to give the Bank two days notice of his decision to file for bankruptcy should that filing be made in due course; and
- (iv) to block for 180 days any attempt by any other party to seek relief from the injunction against bankruptcy-related proceedings or applications to have foreign proceedings recognised;

15. In these circumstances it is difficult to envisage how it would be possible for the Receiver-Managers to co-operate with the US Receiver in the collection of overseas assets. On this basis, it appears that the only prospect which the Bank has of recovering its overseas assets is if it can obtain a Court Order from a Court with jurisdiction over the relevant financial institutions holding assets of the Bank. I am advised by my lawyers (CMS Cameron McKenna LLP and Jones Day) that this will only be possible if the Bank is

placed into liquidation. The liquidators are then able to obtain recognition of their appointment from overseas Courts, including the Court in the United States.

16. By way of explanation of this last point, I am further advised by my lawyers that the appointment of Receiver-Managers does not constitute a "collective proceeding" and would not, therefore, be recognised as a "foreign proceeding" for the purposes of the UNCITRAL Model Law on Cross-Border Insolvency. I understand this to mean that the Receiver-Managers are unlikely to be recognised by overseas courts and will not receive the level of co-operation that is afforded to foreign insolvency officeholders who are so recognised. I am, however, advised that the liquidation of the Bank would be regarded as a "collective proceeding" falling within the definition of "foreign proceeding" and that a liquidator would therefore command recognition by overseas Courts. Once liquidators have been appointed in Antigua and have been recognised by the competent Courts in the various jurisdictions where assets are located (being Switzerland, Panama, United Kingdom, Canada, United States and Israel) they will be able to apply to those courts for orders requiring the release of the assets to the Bank, acting by its liquidators.

17. To the extent that it is relevant to this application, I am also advised that there is overwhelming evidence to suggest that the Centre of Main Interest, or COMI, of the Bank is in Antigua. The registered office of the Bank is in Antigua and Antigua was the place where all of the operational functions of the Bank were carried out.

The recovery of the Bank's assets is obviously critical to the outcome for creditors and the sooner the liquidation is commenced and overseas recognition obtained, the greater the prospects of recovery from the overseas financial institutions.

19. In addition, it is to be hoped that the US Receiver will recognise the authority of liquidators once they have been appointed by the Antiguan Court, and that a level of co-operation may then be possible, possibly leading to a protocol of the type he describes in his letter dated 11 March 2009 as shown in "NHJS6". If the US Receiver proves unwilling to recognise the authority of the liquidators, the liquidators would be able to seek recognition by the US court and the assistance of the US court to enable them to gather assets and information.

#### Controlling costs

20. As explained in the Final Report, although the Receiver-Managers have continued to employ all of the staff of the Bank, it is now necessary to reduce staff levels as the Bank has limited funds and efforts must be focused on preserving assets for creditors. The current monthly salary cost is in excess of US\$180,000. To date it has been necessary to continue employing the Bank staff in order to deal with initial investor telephone enquiries, produce the statement run informing investors of their account balances as at the date of our appointment as Receiver-Managers, and process the change of address/email instructions that have been sent to us. There is now insufficient work for all staff given that the day to day operations of the Bank

have ceased and so it is necessary to implement staff reductions in line with the available work. I am advised by our Antiguan lawyer that redundancies are best effected as part of the liquidation process. As such liquidation is necessary to reduce costs.

#### Appointment of Vantis

21. I have set out above why the Receiver-Managers consider that a liquidation of the Bank is necessary and why we believe that the Order should be made as a matter of urgency. I set out below, the reasons why my partner Mr Wastell and I, both of Vantis, should be appointed as liquidators.

#### Work undertaken by Vantis

22. As is explained in the Final Report, Mr Wastell and I, and a team from Vantis, have been based at the headquarters of the Bank at St John's, Antigua since 20 February 2009. The Vantis team has undertaken an enormous amount of work (as detailed in the Final Report and summarised and we have gained a deep understanding of the Bank's business, its assets, and its liabilities from our review of its records, our searches of its computer systems and IT databases, and our interviews of key members of staff. It would make sense to make the most of our efforts and knowledge and to take the same team forward to deal with the liquidation of the Bank most efficiently. This would also ensure continuity and avoid confusion for investors who have been informed of our appointment as Receiver-Managers.

#### Experience of Vantis



23. It is my understanding that one of the reasons why members of Vantis were initially asked to accept the appointment as Receiver-Managers of the Bank was because of our previous experience with a large Antiguan liquidation, BetonSports (Antigua) Limited ("BetonSports"), where Mr Wastell and I were appointed as Receiver-Managers of BetonSports in September 2007 and subsequently as liquidators in February 2008. That liquidation was also large (the company had a multi-billion dollar turnover) and complex (not least because the company had 80,000 creditors). The assignment caused a team from Vantis to work on site in Antigua on a number of occasions and we are familiar with the process for the liquidation of an Antiguan company and the issues that are likely to arise.

24. As explained above, Mr Wastell and I are both independent licensed practitioners with over [50] years of experience between us. We are well-qualified to act as liquidators of the Bank and have the necessary resource available from our firm of Vantis, which has over 1000 staff in the United Kingdom and access to further professional assistance in some 100 additional countries by reason of its membership of the HLB International network. Membership of the HLB network has already allowed us to introduce another HLB member firm to deal with issues at the Stanford operations in Colombia.

**Mr Fundora's petition to wind-up the Bank and his application for the appointment of provisional liquidators to SIB**

25. I have seen a copy of a petition to wind-up SIB which was apparently signed by the petitioner, Alexander M. Fundora, on 8 March 2009 and filed at the court on 9 March 2009. I have also seen a copy of a Notice of Application dated 8 March 2009 which was filed at the court on 9 March 2009. By the Application, Mr Fundora seeks the appointment of two accountants, respectively from Canada and Barbados, as provisional liquidators of SIB.
26. Apart from having sight of the copy Petition and copy Notice mentioned above, I have also read copies of three affidavits that I understand were sworn by Mr. Fundora in connection with this matter. The first affidavit, sworn on 3 March 2009, was prepared in support of Mr. Fundora's petition to wind-up the Bank; the second affidavit, also sworn on 3 March 2009, was prepared in support of Mr. Fundora's application for the appointment of provisional liquidators; and the third affidavit, sworn on 8 March 2009, was prepared to reflect the fact that Mr. Wastell and I had been appointed Receiver-Managers of the Bank by the High Court of Justice, Antigua and Barbuda, on 26 February 2009.
27. I shall deal briefly with each of the main assertions that Mr. Fundora makes in his affidavit evidence in support of his petition to wind-up the Bank and his application to have Mr Marcus. A. Wide and Mr Christopher S. Sambrano appointed provisional liquidators of the Bank.

#### *Jurisdiction*

28. Mr. Fundora states (in his first affidavit, paragraph 7) that he does not understand how the US District Court can assume jurisdiction over the

affairs and assets of the Bank, as he believes that such jurisdiction would rest with this Honourable Court since the Bank and its operations are domiciled in Antigua. I share Mr. Fundora's understanding that it is this Court that has jurisdiction to deal with any insolvency of the Bank.

*The Receiver-Managers' appointment and powers*

29. In paragraph 15 of his first affidavit, Mr. Fundora states, accurately, that Mr. Wastell and I were appointed by the Commission. Our original appointment, on 19 February 2009, was as Receiver-Managers of the Bank under an appointment by the Appropriate Official of the Commission. In his third affidavit, Mr. Fundora reflects the fact that, subsequent to our appointment by the Commission, Mr. Wastell and I were appointed Receiver-Managers of the Bank on 26 February 2009 by an order of the High Court of Justice, Antigua and Barbuda.
30. In all three of his affidavits, Mr. Fundora stresses that the powers of Receiver-Managers are inadequate to safeguard his interests and the interests of other creditors in the Bank. He refers (at paragraph 15(c) of his first affidavit) to the fact that the appointment of Receiver-Managers did not cause any stay of proceedings the Bank or stay of execution against the Bank to come into force by operation of Antiguan law. He also refers to the fact that the appointment of Receiver-Managers was not made in the context of insolvency proceedings and he goes on to say that it is probable that the appointment of Receiver-Managers will not therefore achieve recognition in courts in other jurisdictions where the Bank's assets are situated. I refer to

the Final Report and to my own conclusion, expressed elsewhere in this affidavit that it is vital that the Bank be placed in liquidation as soon as possible in order to enable Mr. Wastell and me, as liquidators, to act with the greater powers of liquidators for the benefit of the Bank's creditors.

31. In paragraph 12 of his second affidavit, Mr. Fundora states that he believes that the Government of Antigua has an interest adverse to the general body of creditors of the Bank, given that the Government is a significant debtor to the Bank. Mr. Fundora states that he has deep reservations with respect to the mandate that has been given to Mr. Wastell and me as joint Receiver-Managers appointed by the Government as opposed to this Honourable Court. From reading Mr. Fundora's third affidavit, it appears to me that his reason for swearing that affidavit on 8 March 2009 was that the High Court's order of 26 February 2009 appointing Receiver-Managers had come to his attention. Mr. Fundora does not refer in his third affidavit to any perceived conflict of interest on the part of Mr. Wastell and me, but the suggestion remains in his second affidavit, which is before the court. In case it is still relevant for me to do so, I refute Mr. Fundora's suggestion that there might be a conflict of interest preventing the present Receiver-Managers from making enquiries into the Bank's assets and liabilities. Even before the Court made its order on 26 February, I did not regard myself as being under any constraint to operate other than entirely independently and objectively.
32. It is also relevant, in light of Mr. Fundora's assertions, that it is my understanding, from my investigations as Receiver-Manager of the Bank, that the Antiguan Government is not, in fact, a debtor of the Bank but rather

a debtor of the Bank of Antigua which is no longer part of the Stanford group of companies. As such, Mr. Fundora's attempts to suggest that the Government's debt to the Bank would affect the independence of us, if appointed as liquidators, is entirely misconceived (if not offensive).

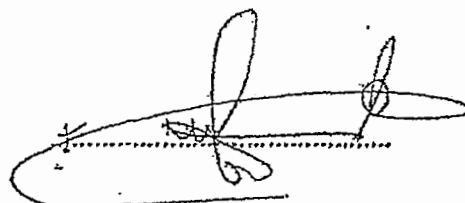
*The competence and experience of Mr. Fundora's proposed appointees*

33. I have never encountered Mr Wide or Mr. Sambrano, and am not therefore in a position to comment with any authority on their suitability to act as liquidators of the Bank, although I do note that it appears that neither of them has been an insolvency office-holder in relation to an Antigua-registered company. Elsewhere in this affidavit, I refer to my own experience as an insolvency practitioner, to the resources available to me, and to the substantial work that I and my team have carried out so far towards understanding the affairs of the Bank and safeguarding its assets. In light of this I humbly propose to this Court that my colleagues Peter Wastell and I be appointed as liquidators of the Bank for the reasons set out above and to ensure that no undue confusion is caused to creditors (in an already complicated matter) by a change in the officers appointed to conduct the operations of the Bank in its liquidation, if so ordered.

### Statutory duties, powers and liabilities

34. Having previously acted as a liquidator of an Antiguan company, both Mr. Wastell and I are familiar with the relevant legislation and are mindful of the statutory duties, powers and liabilities which Mr. Wastell and I are obliged to exercise perform and discharge.
35. I humbly ask this Court to grant the relief sought in the Petition.

Sworn at the High Court of Justice )  
 Parliament Drive, St. John's, Antigua )  
 this 25<sup>th</sup> day of March, 2009 in the )  
 presence of :- )



*Nyoka Reynolds*  
 COMMISSIONER FOR OATH  
 ANTIGUA & BARBUDA

THE EASTERN CARIBBEAN SUPREME COURT  
IN THE HIGH COURT OF JUSTICE  
ANTIGUA AND BARBUDA

Claim No. 2009/

In the Matter of Stanford International Bank Limited (In Receivership)  
-And-

In the Matter of the International Business Corporations Act, Cap 222 of the  
Laws of Antigua and Barbuda  
-And-

In the Matter of an Application for the Liquidation and Dissolution of  
Stanford International Bank Limited and the Appointment of Liquidators.

+++++

AFFIDAVIT OF NIGEL H. HAMILTON-SMITH  
IN SUPPORT OF PETITION

+++++

Served on *Commodore & Assoc.*  
Time/Date *11:15pm 25/3/09*  
Received by *[Signature]*

CHARLESWORTH O. D. BROWN  
Attorney-at-Law

Served on *Court & Court*  
Time/Date *9:24 26/3/09*  
Received by *relmstph*  
*MELARBA CHRISTOPHER*

NSHS 1

## INSOLVENCY PRACTITIONERS ASSOCIATION



This is to Certify that

**Peter Nicholas Wastell**

is authorised by this Association to

act as an insolvency practitioner as

defined in Section 383 of the Insolvency Act 1986

and as defined in The Insolvency (Northern Ireland) Order 1989.

This authorisation shall take effect

1st January 2009

31st December 2009

for the INSOLVENCY PRACTITIONERS ASSOCIATION

Certificate number

09100490

Secretary



Security Council Chamber



SECRET

For the Security Council

UN Security Council Chamber

UN Security Council Chamber

UN Security Council Chamber

UN Security Council Chamber

UN Security Council Chamber

UN Security Council Chamber

UN Security Council Chamber



NJHS 2

## FINANCIAL SERVICES REGULATORY COMMISSION

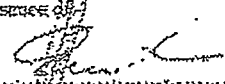
International Business Corporations Act, Cap.222  
 APPOINTMENT OF JOINT RECEIVERS-MANAGERS  
 Stanford International Bank Ltd (SIBL)  
 And  
 Stanford Trust Company Ltd (STCL)

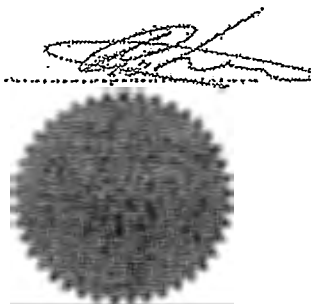
I, PAUL A. ASHE, Supervisor of International Banks and Trust Corporations of the FINANCIAL SERVICES REGULATORY COMMISSION (the Commission) a statutory body, established under the International Business Corporation Act, Cap 222 of the Laws of Antigua and Barbuda as amended (the Act) of Old Parham Road, St John's Antigua, being the APPROPRIATE OFFICIAL responsible for control and regulation of corporations established under the Act, in pursuance of the power conferred on me under Section 287 of the Act, DO NOW APPOINT PETER WASTELL and NIGEL HAMILTON-SMITH both of Vantis Business Recovery Services of Torrington House, 47 Holywell, St. Albans, Hertfordshire, England, to be JOINT-RECEIVERS-MANAGERS of all the undertaking, property and assets of the Stanford International Bank Ltd (SIBL) and Stanford Trust Corporation Ltd (STCL) upon the terms and with all the powers, duties and liabilities conferred and imposed by the Act or by any other law PROVIDED ALWAYS AND WITHOUT PREJUDICE TO THE FOREGOING:

1. The Receiver-Managers shall be deemed to agents of SIBL and STCL; and SIBL and STCL shall be responsible for the remuneration, acts and defaults.
2. The Receiver-Managers shall have the duties and powers previously vested and discharged by the directors of the SIBL and STCL.
3. The Receiver-Managers may exercise, perform and discharge their statutory powers, duties and liabilities independently of the other or jointly according to law.

Dated the 19<sup>th</sup> day of February, 2009

Signed by PAUL A. ASHE,  
 Supervisor of International Banks and  
 Trusts Corporations, the Appropriate  
 Official, Financial Services Regulatory  
 Commission before and in the  
 presence of

  
 Trevor Mathurin  
 Deputy Administrator



N5453

THE EASTERN CARIBBEAN SUPREME COURT  
IN THE HIGH COURT OF JUSTICE  
ANTIGUA AND BARBUDA



Claim No. ANUHCv2009/0110

In the Matter of Stanford International Bank Limited.

-And-

In the Matter of Stanford Trust Company Limited.

-And-

In the Matter of the International Business Corporations Act, 1982, CAP 222  
of the Laws of Antigua and Barbuda

-And-

In the Matter of an Application for the Appointment of a Receiver-Manager of Stanford  
International Bank Limited and Stanford Trust Company Limited

BETWEEN:



THE FINANCIAL SERVICES REGULATORY COMMISSION

Applicant/Claimant

-And-

STANFORD INTERNATIONAL BANK LIMITED

STANFORD TRUST COMPANY LIMITED

Respondents/Defendants

ORDER

BEFORE The Honourable Justice David Harris, (In Chambers)

DATED the 26<sup>th</sup> day of February, 2009

ENTERED the 26<sup>th</sup> day of February, 2009

UPON THE APPLICATION filed herein on the 26<sup>th</sup> day of February, 2009

AND UPON READING the Affidavits of Peter Nicholas Wastell and Paul A. Asha  
filed on the 26<sup>th</sup> day of February, 2009.

AND UPON HEARING Charlesworth O. D. Brown, Counsel for the Applicant/Claimant,  
Jasmine Wade appearing with him.

IT IS ORDERED THAT:

1. The Respondents/Defendants be and are hereby restrained by themselves, their agents, servants or otherwise from:-

- a. disposing of or otherwise dealing with any of their assets.
  - b. entering into any agreement or arrangement to sell, transfer or otherwise dispose of any of their assets.
  - c. carrying on or transacting business of any kind whatsoever under the licence granted by the Applicant/Claimant without the consent, management and supervision of the Applicant/Claimant.
2. The Respondents/Defendants do account for all their assets now or previously in their possession or under the control of any entity on their behalf.
3. The Respondents/Defendants do provide the Applicant/Claimant with:-
  - a. a comprehensive list of all transactions, agreements, arrangements and undertakings and copies of documents evidencing the same.
  - b. All accounts, documents and information to enable the Applicant/Claimant to trace, if necessary, any or all of the assets of the Respondents/Defendants.
  - c. A comprehensive list of all its creditors, customers, employers, employees and other persons or entities to whom they have outstanding obligations and the extent of their obligations in respect of any or all of their assets.
4. Messrs Peter Nicholas Wastell and Nigel Hamilton-Smith be and are hereby appointed Joint Receivers-Managers of the Respondents/Defendants pursuant to Section 220 of the International Business Corporations Act (the Act.) with such powers as the Court may determine.
5. The Joint Receivers-Managers do take immediate steps to stabilize the operations of the Respondents/Defendants unless ordered to do otherwise by further order of the Court.
6. The Joint Receivers-Managers do execute their duties in accordance with the Act and otherwise only in accordance with this order and the directions of the Court.

7. The Joint Receivers-Managers do prepare and file in Court a Monthly Interim Report and Financial Statement in respect of the affairs of the Respondents/Defendants within 30 days of the date of this order and thereafter at regular intervals on the fifth day of each ensuing month.
8. The Joint Receivers-Managers upon the completion of their duties do prepare and file Final Accounts including a Financial Statement with recommendations as to the further conduct of the affairs, if any, of the Respondents/Defendants.
9. The Joint Receivers-Managers do take into their custody and control all the property, undertakings and other assets of the Respondents/Defendants pursuant to Section 221 of the Act and comply with all the other parts of the Section.
10. The Joint Receivers-Managers do open and maintain bank accounts within the jurisdiction or in such jurisdictions as they consider appropriate in their names as Joint Receiver-Managers of the Respondents/Defendants for the monies of the corporations coming under their control.
11. Subject to Section 220 of the Act, the Receivers-Managers do exercise, perform and discharge their duties independently or jointly and in so doing they shall be deemed to act as agents for the Respondents/Defendants without personal liability.
12. Without prejudice to the provisions of Section 373 of the Act, the Joint Receiver-Managers be and are hereby authorized to disclose information concerning the management, operations, and financial situation of the Respondents/Defendants as they consider appropriate in the performance of their functions PROVIDED ALWAYS THAT:
  - (1) no disclosure of customer specific information is authorized without further or other order of the Court; and

(2) no disclosure of information is permitted under this Order to any foreign governmental or regulatory body unless such disclosure is subject to mutual disclosure obligations.

For the purposes of this Order, customer specific information means information of sufficient detail to enable a recipient of the information to identify the customer in question, the customer's address or other location, and/or the amount of such customer's credit balances or other investments in the Respondents/Defendants.

13. The remuneration of the Joint Receivers-Managers be fixed on a time-cost basis at the rates agreed between the Applicant/Claimant and the Joint Receivers-Managers.
14. The Joint Receivers-Managers be reimbursed for all reasonable and necessary expenses as may be incurred by them during the course of the receivership from the assets of the Respondents/Defendants.
15. The costs of this Application and all related proceedings be met from the assets of the Respondents/Defendants.
16. The Joint Receivers-Managers be directed from time to time on matters relating to their duties as the Court may determine on the application of the Applicant/Claimant or on the application of the Joint Receivers-Managers or on the application of the Respondents/Defendants.
17. That the Applicant do serve the Defendants/Respondents with the Fixed Date Claim Form, Affidavits thereto, the Notice of Application and this Order.
18. That the return date be fixed for the 9<sup>th</sup> day of March, 2009.

19. That this Order remains in full force and effect until further order.

BY THE COURT



REGISTRAR

AND TAKE NOTICE that if you the Directors and Officers of the Respondents /Defendants fail to comply with the terms of this order, proceedings may be commenced against you for contempt of court and you may be liable to be imprisoned.

N545 4

THE EASTERN CARIBBEAN SUPREME COURT

IN THE HIGH COURT OF JUSTICE

ANTIGUA AND BARBUDA

Claim No. ANUHCv2009/0110

In the Matter of Stanford International Bank Ltd. (In Receivership)

-And-

In the Matter of Stanford Trust Company Ltd. (In Receivership)

-And-

In the Matter of the International Business Corporations Act, 1982, CAP.222

of the Laws of Antigua and Barbuda

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REPORT TO THE ANTIGUAN HIGH COURT  
 BY THE JOINT RECEIVER-MANAGERS ON  
 STANFORD INTERNATIONAL BANK LTD

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**Reasons for the filing of this Report**

Under an Order made by the High Court of Antigua and Barbuda on 26 February 2009, Nigel Hamilton-Smith and Peter Wastell are required, as Receiver-Managers, to prepare and file with the High Court an Interim Report on the affairs of Stanford International Bank Ltd ("SIB" or the "Bank") within 30 days of the date of that Order. This Report is prepared to comply with that Order, and also to set out the Receiver-Managers' recommendations for how to deal with the Bank going forwards, based on their findings to date.

**Events Leading to the Appointment of Receiver-Managers**

The decision to appoint receivers arose because of the restraining order obtained by the Securities and Exchange Commission ("SEC") in the United States of America which meant that SIB no longer had access to its bank accounts (which were located in countries including the United States, Canada, Panama, and the United Kingdom) to continue its operations. Separately SIB was in receipt of significant volumes of e-mails, telephone calls and personal visits from investors seeking confirmation that their investments were safe and, in many instances, seeking the withdrawal of their funds which could not be processed.

Accordingly Nigel Hamilton-Smith and Peter Wastell were appointed as Joint Receiver-Managers on February 19, 2009 by the powers conferred on the Financial Services Regulatory Commission of Antigua ("FSRC"). Separately the appointment of Receiver-Managers was made by order of the High Court in Antigua on February 26, 2009.



### **Actions Immediately Upon Appointment**

On Friday February 20, 2009 the Receiver-Managers, with additional staff from Vantis and legal counsel, attended the headquarters of SIB at St John's, Antigua to meet with the management and staff and to also deal with investors who had decided to travel to the Bank's headquarters either to withdraw their investments or seek clarity on the status of their funds.

Meetings were held with the SIB staff to advise of the Receiver-Managers appointment and to explain that the Receiver-Managers primary focus would be to:

1. Protect the position of investors who were located around the world;
2. Confirm the sums owed to investors;
3. Deal with staff concerns and seek funding for payment of staff salaries whilst they remained employed by SIB in receivership;
4. Seek to establish the position with the investment assets held by SIB;
5. Establish the position with the non investment assets held by SIB;
6. Engage with Mr Janvey the US Receiver and the US Court; and
7. Ensure the preservation of the operating infrastructure and IT systems used by SIB.

At the time of arriving at the Bank's headquarters there were approximately 100 investors in the lobby entrance. Many had travelled to Antigua from overseas and there were investors present from countries including the United States, Canada, Venezuela, Columbia, Mexico and Ecuador. Prior to the arrival of the Receiver-Managers the staff at SIB had become concerned for their personal safety and it had been necessary to seek the assistance of the Antiguan police. Having addressed the staff, a meeting was then held with the investors to advise of the appointment of the Receiver-Managers. The Bank was then closed to all visitors and remains closed to all persons save for staff, the Receiver-Managers, their staff and legal counsel.

Any client visiting the Bank is now provided with a statement confirming the appointment of Messrs Hamilton-Smith and Wastell as Receiver-Managers and a Frequently Asked Questions sheet. This information is available in both English and Spanish. Meetings are held at 12 noon and 4 pm each day with any client visiting the Bank and wishing to speak to a member of the Receiver-Managers' staff in person.

### **Work Undertaken to Assist Investors**

As expected, the current position with SIB and the freezing of all accounts has been a matter of the highest concern for the Bank's clients who total in excess of 27,000. Significant efforts have therefore been made to put in place appropriate arrangements to ensure communication with clients and our efforts have included:

1. Notifying investors of our appointment by way of a world-wide press release with additional press releases being issued on a regular basis as matters have developed;
2. Ensuring details of the Receiver-Managers' appointment have been provided on our website [www.vantisplc.com](http://www.vantisplc.com);
3. Re-opening the Bank's telephone lines to deal with investor enquiries and for clients to be provided with FAQ's sheets in both English and Spanish as required;

4. Opening e-mail communication channels for investors including the ability to provide instructions for change of address and change of mailing instructions. To date approximately 8,700 e-mails have been received from clients and over 800 change of address and mailing instructions have been received for processing;
5. Ensuring statements of account are produced for investors, detailing investment balances as at February 19, 2009. This has given rise to significant issues to be addressed in relation to dealing with IT matters due to the need to undertake a mid-month statement run (had we waited until month end the Bank's IT system would have continued to calculate interest due on balances). We have also had to deal with 12 postal and courier companies who initially refused to provide any services to SIB due to outstanding amounts being owed by SIB for services prior to the receivership. Having resolved the IT and logistical problems it has now been possible to issue over 12,500 statements to clients with a further 3,200 currently awaiting delivery. All statements have also been accompanied by a letter from the Joint Receiver-Managers confirming their appointment, setting out the key purposes of the receivership and advising that a report to clients on initial findings will be provided within 90 days of the commencement of the receivership.
6. It should be noted that over 9,000 clients had standing instructions with the Bank for their statements to be issued under "Hold Mail" instructions. Clients can now change those instructions via a dedicated e-mail address operated by the Receiver-Managers.

It had also been hoped that joint statements with Mr Janvey the US Receiver could be made via the main SIB website which is controlled from Houston, Texas and is therefore now under the control of Mr Janvey. This was raised by us within 7 days of our appointment with Mr Janvey's lawyers, Baker Botts LLP ("Baker Botts"), although to date no positive response has been received on our proposal which, regrettably, we consider only causes added confusion for SIB's clients. As Receiver-Managers we also believe that under Antiguan banking law the only place where client records can be held is in Antigua and it remains unclear as to how Mr Janvey believes he is or will be able to communicate with clients in the absence of holding their contact and account details.

#### US Receiver Communications

Initial communications were made on February 20, 2009 between my lawyers CMS Cameron McKenna LLP ("CMS") and Baker Botts. A conference call was then held on February 23, 2009 with the Receiver-Managers, Mr Janvey and our respective legal counsel. During the course of the call we suggested that an early meeting with Mr Janvey would be beneficial to all parties in order to accelerate the process for both parties to come to a memorandum of understanding, and the Joint Receiver-Managers offered to travel to the United States. Whilst the basic idea of co-operation appeared to be welcomed by Mr Janvey he declined the offer to meet requesting that we initially communicate with Baker Botts.

That request was met by CMS providing a detailed letter to Baker Botts on February 26, 2009 with which we provided an initial six page report on work undertaken by the Receiver-Managers to that date. Despite verbal assurances of a substantive response from Baker Botts it took until March 5, 2009 for them to advise that they could not provide a substantive response and progress a co-operation agreement due to issues including:

- The Antiguan authorities not legally recognising the US receivership;
- The US authorities not recognising the Antiguan receivership;

- The US Receiver being prevented from providing information under US law and his court appointment (which we have requested be substantiated); and
- That the estate falls entirely within the scope of the US order.

However, in the same letter an offer of a meeting in Miami was made, although no agenda has been suggested and the Receiver-Managers have real concerns about the true desire of Mr Janvey to co-operate. CMS have therefore replied seeking clarity on the purpose of the meeting if the US Receiver is unable to provide us with information and Baker Botis' response is awaited.

#### Operations Undertaken by SIB in Antigua

A number of meetings have been held with the Bank staff to establish the activities of SIB and its interaction with other Stanford companies and the operations it conducted in other parts of the world.

Whilst further investigations continue our current findings are as follows:

- SIB was engaged in the taking of deposit from clients and then investing those monies on behalf of the clients. The products offered by SIB appear to be limited to the following:
  - Fixed term deposits known as Fixed Certificates of Deposit ("FixedCD") with terms ranging from 3 months to 60 months. The longer the term of the deposit the higher the interest rate offered. Clients could invest in multiple currencies including US Dollars, Euros, Canadian Dollars and Sterling;
  - Flexible term deposits known as Flexible Certificates of Deposit ("FlexCD") with terms ranging from 3 months to 60 months but with permitted withdrawals during the term. Again interest rates were linked to the term of the deposit and clients could invest in multiple currencies;
  - Index Linked Certificates of Deposit ("ILCD") – where growth of the ILCD was linked to the performance of certain equity markets but with certain minimum guaranteed returns being offered to investors;
  - Express A/c – 24 hour call account;
  - Performance A/c – 15 day call account;
  - Premium A/c – 15 day call account where client liability is matched by treasury bills;
  - Ancillary services including the issuance of SIB credit cards (via Visa and Mastercard) and managing bill payment on behalf of clients.

Clients could also borrow monies from SIB against their deposits. We are advised that typically the client's monies would be invested on a long term basis with loans taken on a short term basis on which SIB made a margin on the interest charged. The Bank records indicate that it has \$104,421,957 of loans outstanding against clients Certificates of Deposit ("CD"). It is not considered that it will be possible to realise value for these loans since they are collateralised against clients' own deposits with the Bank.

The records of SIB further indicate that as of February 19, 2009 the Bank had 27,982 active clients. Including accrued interest to February 19, 2009 the Bank's records indicate a total of \$7,203,204,579 as being invested by clients and held in the following products:

	US\$ million
Fixed CD	4,952
Flex CD	1,994
ILCD	13
Express A/c	227
Performance A/c	1
Premium A/c	19
Total	7,206

SIB's clients were from around the world. It is noted that there are clients based in 113 different countries with the top 10 countries, by value of deposits and number being:

Country of Depositor	Number of Clients	% of total clients	Amount US\$	% of total deposits
United States of America	4,360	15.65%	1,574,889,257	21.85%
Venezuela	10,432	37.22%	1,511,858,918	20.98%
Antigua & Barbuda *see note below	4,011	14.34%	1,402,094,181	19.45%
Mexico	3,855	13.82%	932,241,662	12.94%
Canada	224	0.80%	308,349,845	4.28%
Haiti	412	1.47%	219,557,759	3.05%
Peru	553	1.98%	120,757,660	1.68%
Colombia	580	2.07%	110,245,322	1.53%
Panama	171	0.61%	89,540,559	1.24%
British Virgin Islands	132	0.47%	84,532,344	1.17%
TOTALS (referring to top 10 by deposit value)	24,720	88.51%	6,353,827,370	88.48%

\*Note: Within the amounts detailed as being received from clients based in Antigua and Barbuda are included investments held in the name of Stanford Trust Company Ltd on behalf of its 3,800 clients.

We are advised that typically a client would be referred to SIB by a financial advisor from within the Stanford Financial Group which appears to have had a number of offices in:

Canada	Caribbean
Colombia	Ecuador
Mexico	Panama
Peru	Switzerland
United States of America	Venezuela

We are advised that nearly 100% of the Bank's clients were referred to SIB by Stanford Financial Advisors.

From the headquarters in Antigua the following operations were conducted:

- Client take on procedures and account openings;
- Receipt of client investments;
- Payments to clients including interest payments and capital redemptions;
- Preparation and issue of client statements;
- Client file management;
- Operational accounting functions.

### Operations in Montreal, Canada

In addition to the operations conducted in Antigua, SIB had a representative office in Montreal, Canada which operated as a sales office for SIB. At the date of our appointment there were 5 employees in Montreal.

Since the day to day operations of SIB had ceased prior to our appointment and SIB was no longer able to accept any further deposits from clients the decision was taken to close the Montreal office and members of the Receiver-Manager's staff attended the office in Montreal to close the office and make the staff redundant. Specialist IT staff have also attended the offices to ensure that all IT equipment has been imaged and safeguarded.

We are presently liaising with our lawyers in Canada to deal with the sale of the assets located in the Canada office which is limited to office and IT equipment.

### ASSET IDENTIFICATION WORK

As detailed above, SIB is subject to regulation by the FSRC. As part of the regulatory process in Antigua, SIB was required to file with the FSRC quarterly reports on a set of forms known as IB5. The last return filed by SIB was for the quarter ended September 30, 2008 which was submitted on October 21, 2008.

The reporting package required that SIB provide information on:

- Details of key employees;
- Statement of Assets and Liabilities;
- Schedule of deposits classified by country of depositor;
- Schedule of borrowers classified by country of borrowers;
- Schedule of interest rates applied to deposits and loans with minimum and maximum rate disclosure;
- Analysis of deposits and loans by size (in bands) and number of clients for each band;
- Details of the twenty largest depositors and borrowers;
- Analysis of investments by:
  - o Type (which as at September 30, 2008 included, Brokerage accounts, Equity Securities, Private Bonds, Other)
  - o Currency of holding
  - o Country of Issuance
  - o Intermediary/Broker/Issuer
  - o Initial / Cost Value
  - o Current balance sheet value

Mr Juan Rodriguez-Tolentino, the President of SIB Caribbean based in Antigua, has advised that the Quarterly Reporting Package was always prepared by Mr James Davis and colleagues from the Stanford offices in Houston, Texas and then provided to SIB for submission to the FSRC.

As at September 30, 2008 the Assets and Liabilities statement provided to the FSRC detailed the following:

ASSETS		US\$
Cash in hand		1,222
Due from Banks	Time deposits	382,041,278
	Demand	405,948,399
	Other	500,000
Loans advanced		84,117,173
Investments	Corporate bonds and long term securities	2,082,247,089
	Other investments	5,574,549,324
Fixed Assets	Property, office equipment, vehicles	7,221,738
Other Assets	Accrued interest & Prepayments	4,760,522
TOTAL ASSETS		8,562,381,850
LIABILITIES		US\$
Deposits	Demand	140,854,759
	Time	7,819,367,249
Accrued interest		57,870,012
Share Capital	Ordinary shares	10,000,000
	Ordinary share surplus	338,500,000
Undistributed Profits	Retained earnings	241,421,761
	Profit & Loss Account	(59,701,931)
TOTAL LIABILITIES		8,562,381,850

Mr Rodriguez-Tolentino has advised that save for the analysis provided to SIB with each quarterly submission, SIB in Antigua was not provided with specific details of the Investment Assets which were managed by Mr Davis and Mr Stanford from the Stanford Financial Group offices in the United States of America.

On a monthly basis the SIB accounting team in Antigua would prepare the management accounts covering matters such as operating costs, interest payments to clients and would then be advised by Stanford Financial Group of the Investment Income and analysis of SIB results for the month in question.

Mr Rodriguez-Tolentino has further informed us that during November 2008 he was advised that Mr Stanford had invested additional capital of US\$541,000,000 into SIB. The Receiver-Managers have located faxes and e-mails received on December 18, 2008 from Mr Rolando D. Roca from Stanford Houston detailing the accounting entries that were required to be made by the accounts team based in Antigua to reflect the increased capital in SIB. Mr Rodriguez-Tolentino is unable to advise in what form the capital injection was made although he advised the Receiver-Managers that he had heard it related to property assets being injected into SIB by Mr Stanford. A written request has been made of Mr Stanford, Mr Davis and Ms Laura Pendergest-Holt via their lawyers to confirm the exact nature of the purported capital injection so that the Receiver-Managers can seek to identify the assets for the benefit of the investors and creditors of SIB. No response has been received to date.

#### Cash Balances

Our investigations have established that as of close of business on Wednesday, February 18, 2009 SIB's records detailed the following cash balances being held:

Bank	Country	US\$
The Toronto Dominion Bank	Canada	13,916,662
Trustmark National Bank	United States of America	1,888,857
HSBC Bank Plc	United Kingdom	5,248,601
HSBC Bank Panama S.A.	Panama	3,143,478
Bank of Antigua	Antigua	2,664,971
Bank of Houston	United States of America	1,948,374
Comerica Bank	United States of America	5,457,660
	<b>TOTAL BALANCES</b>	<b>43,594,623</b>

All banks known to be holding cash balances have been contacted to seek confirmation of balances. At present the following responses have been received:

Bank	Response received
The Toronto Dominion Bank	Confirmed account numbers and balances; accounts frozen until they receive a Canadian Court order or joint instructions from the Antiguan and US Receivers
Trustmark National Bank	Confirmed account numbers and balances; accounts frozen pursuant to Temporary Restraining Order
HSBC Bank Plc	Confirmed account numbers and balances; accounts frozen until they receive an English Court order or joint instructions from the Antiguan and US Receivers
HSBC Bank Panama S.A.	No response
Bank of Antigua	Bank of Antigua have made deductions from the account of US\$9,737,520 in relation to credit card debts for credit card accounts issued to SIB customers along with a further \$500,000 retention for future debts. The balance has been released to the Receiver-Managers to meet the ongoing operational costs of SIB and the professional costs that are being incurred by the Receiver-Managers.
Comerica Bank	No response
Bank of Houston	Confirmed account numbers and balances; accounts frozen but they assert right of set-off

#### Investment Assets

Whilst we were advised that these assets were dealt with from Houston our investigations have located significant amounts of paperwork detailing accounts with financial institutions and companies where it would appear that SIB has invested monies. To date we have been in contact with 33 financial institutions who are detailed as holding cash, bonds, equities and other investments on behalf of SIB and the statements located detail maximum holdings of \$443 million although we have serious concerns that the current values will be much less.

We have also located monthly reporting schedules from Stanford Group Company the latest being December 31, 2003 showing 21 different equity investments managed on behalf of SIB totalling \$365 million and loans to 10 companies of \$105 million.

Further investigations have also been commenced with a review of some 782 wire transfers made from one of SIB's main bank accounts held with Bank of Houston for the 12 month period prior to the commencement of the receivership which has detailed over 150 transfers to non Stanford companies totalling US\$152 million. Letters have been issued to all recipients of these monies (a number of which are shown in the December 31, 2003 schedule) seeking confirmation of investments and/or sums owed to SIB. The movements on this bank account also detail many payments to other Stanford entities and in due course it will be necessary to conduct a more detailed forensic examination of the movement of monies to and from all SIB bank accounts to establish whether SIB monies have been used to acquire other assets held by Mr Stanford personally, other individuals or

other Stanford entities whether in Antigua or other countries around the world. Where it is established that claims exist then all efforts will be made to recover the assets in question for the benefit of SIB's creditors.

At this time it is not possible for the Receiver-Managers to accurately advise the Court of the value of the investment assets identified for a number of reasons including:

1. SIB not being in receipt of current statements from financial institutions detailed as holding funds. We have however located significant paperwork detailing that SIB was providing high volumes of sell orders on their investment portfolios to these organisations during January and February 2009 which we understand was to generate cash to meet client redemption requests which had been increasing steadily since October 2008 when the worldwide financial institution crisis gathered momentum. It is likely that due to the withdrawals made and the continuing decline in worldwide equity markets, values have diminished since the date of the statements we have located which range from 2005 to January 2009.
2. Refusal by Swiss financial institutions (RBS Coutts and SG Private Banking) to release information without an order of the Swiss Court.
3. A number of the investments being made in privately held entities where it is not possible to access public data and for which responses are awaited.

In addition to external organisations we have also sought confirmation of balances held with other Stanford entities which, according to the last regulatory return of September 30, 2008, were shown as holding the following monies on behalf of SIB:

**Casa de Valores**

US\$1,390,343 – brokerage account

US\$2,048,544 – equities

US\$7,118,876 – private bonds

**Stanford Global Financial:**

US\$3,167,816,080 – equities

US\$910,000,000 – bonds

**Stanford Coins & Bullion:**

US\$1,327,584

For Casa de Valores we have written directly to the company in Ecuador and their response is awaited although we understand that the company is now under the control of the Regulator in Ecuador and a response may take some time to be obtained.

For Stanford Global Financial and Stanford Coins & Bullion we have written to Baker Botts seeking their confirmation of balances held in the name of SIB. On March 4, 2009 we were advised by Baker Botts that they did not have any detailed information on the investments held in the name of SIB although regrettably they have failed to provide any information on any assets they have located in the name of SIB.

We also asked Baker Botts about the basis on which Mr Janvey provided a press release on March 2, 2009 in which he stated "the liquidity situation and overall financial condition of the Stanford entities can only be described as dire" and that "Evidence is mounting that the assets of the Estate will only



be a fraction of the amount needed to satisfy the anticipated claims against the Estate". Baker Botts' response was merely to state that "Mr Janvey reached the conclusion that there will be low recoveries for SIB's investors based upon the information brought to his attention during the course of his work as Receiver". Baker Botts have not sought to provide any further information on how Mr Janvey has reached his conclusions which again is a matter of ongoing disappointment for the Receiver- Managers.

We are further confused at Mr Janvey's inability to advise of the position with the assets held by other Stanford companies now under his control given his further statement of March 2, 2009 that "my advisors and I have made significant progress in securing Stanford's assets and operations".

Notwithstanding the lack of clarity from Mr Janvey, the information we have located on the investment assets confirms his overall conclusion that the assets of SIB are insufficient to meet the liabilities owed to investors and other creditors. At present we have not seen information that indicates that investment assets held outside of other Stanford entities (assuming there are assets held by other Stanford entities on behalf of SIB) have a value in excess of US\$943 million and that estimate remains highly speculative pending confirmation from the parties identified as holding SIB assets.

#### Non Investment assets

We have undertaken a review of the balance sheet of SIB which has identified a number of additional assets including:

- The freehold property at 1000 Airport Boulevard, Coolidge, St John's, Antigua which is occupied by Bank of Antigua;
- A further 3 small parcels of land in Antigua;
- Office furniture and IT equipment within the Bank's head office at No.11 Pavillion Drive, St John's, Antigua; and
- A number of motor vehicles.

The overall value of these assets within SIB's accounts is detailed at US\$8.2 million. We are aware that the property assets are subject to the terms of the declaration made under Section 3 of the Land Acquisition Act, Cap. 233 and in due course it will be either necessary to agree the value to be paid by the Antiguan Government for the land acquired or reach agreement that the land and property assets can be sold on the open market for the benefit of SIB's creditors.

Our investigations have also identified that SIB pre-paid US\$6.5 million in rent in 1998 for its headquarters which were then No.1 Pavillion Drive and now No.11 Pavillion Drive. The basis on which any company would pre-pay such a large amount of rent is unclear particularly when SIB has only ever enjoyed the benefit of a 2 year lease. Further investigation will be required but it is considered that a claim may be made for the beneficial ownership of No. 11 Pavillion Drive which if successful will further improve the pool of assets available for the creditors of SIB.

#### CONCLUSION ON THE INSOLVENCY OF SIB

Since our appointment we have been able to establish that SIB has outstanding investor liability balances totalling some \$7.2 billion.

It has not been possible to identify assets that total an amount close to the liabilities owing to investors and there will be further liabilities to suppliers such as telephone, utilities, tax authorities, employees, software providers which have yet to be fully established, although our current estimate is that such liabilities are in excess of US\$1 million.

The Receiver-Managers have therefore concluded that SIB is insolvent and is not capable of being re-organised via Receivership. We therefore believe that SIB should be placed into liquidation without delay in order that the appointed liquidators can continue the work required to realise the assets of SIB, agree the creditor claims of SIB and in due course return monies to creditors.

#### Urgency of Need for Liquidation Proceedings to Commence

To date the Receiver-Managers have continued the employment of all staff of SIB. Whilst this has been necessary in ensuring initial investor enquiries have been dealt with and client statements issued it is no longer viable to continue to employ all staff as there are insufficient tasks for them to undertake on a day to day basis. The Receiver-Managers are also conscious that the continued employment of staff who are not meaningfully employed will only deplete the limited monies held and which may be the subject of criticism from the Bank's investors and other creditors. The current monthly salary costs are in excess of US\$180,000. Action now needs to be taken to reduce staff levels which we are advised by our Antiguan lawyer can only be properly achieved in a liquidation and not in a receivership.

As detailed in our report there is very significant concern from the Bank's investors to understand the true levels of the Bank's assets and therefore to understand the level of funds that may be returned to them in due course. Work to resolve these key issues must be the ongoing primary focus for the liquidators.

At present the Receiver-Managers have encountered difficulties in both establishing and securing the Bank's assets many of which are held in foreign jurisdictions (Switzerland, Panama, United Kingdom, Canada, United States, Israel) due to the legal position of a receivership not being treated as a collective procedure that is recognised by Courts around the world as a bankruptcy procedure. Upon SIB being placed into liquidation it will be possible to seek formal recognition in each of the countries where assets are held that should then allow for the assets to be released into the control of the appointed liquidators and therefore for the ultimate benefit of SIB's creditors.

Advice has been taken from the Receiver-Managers' lawyers in the United Kingdom, Switzerland, Canada and the United States and we are advised that early applications can be made to avoid any further delay in securing assets. Given that a number of the assets held are equities and with the current state of the world-wide equity markets it is considered imperative that pro-active action is taken to secure investment assets and manage their realisation.

It is accepted that there are likely to be multi-jurisdictional issues to be resolved in the various countries where assets are held, not least due to the order of the United States Court, which claims control of all assets wherever held in the world. Our legal advice however, is that the Centre of Main Interest ("COMI") for SIB is Antigua. COMI is the primary test that Courts in foreign jurisdictions will wish to consider in dealing with applications for recognition and the earlier such applications are made the greater the chance that the liquidators appointed by the Antiguan Court will have in being able to fulfil their duties. Notwithstanding this advice we remain open to entering into co-operation agreements both with the US Receiver and any regulator who has sought to take control of SIB assets. With particular regard to the US Receiver any agreement must however recognise the authority of the Antiguan Court and provide for meaningful two way sharing of information. Further there must be collective efforts to locate and realise assets for the benefit of SIB's creditors. We believe this remains the appropriate route despite concerns as to Mr Jarvey's intentions on co-operation given his failure to share any information to date and his unannounced representation in the

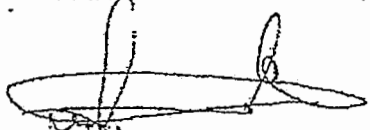
Antiguan Court on March 9, 2009 during which his legal counsel sought various relief under section 220 of the International Business Corporations Act, Cap 222, including relating to the primacy of the US receivership.

Entry into liquidation would also allow the Court to order a stay of all proceedings, actions and claims against SIB or its assets in Antigua and Barbuda and elsewhere. Due to the distress and panic caused by the freezing of SIB accounts under the order of the US Court, law suits have been entered against SIB in a number of jurisdictions including the US and Canada. By combining a stay against all proceedings brought against SIB with an Order granting the liquidators the power to initiate proceedings in other jurisdictions, it would grant the liquidators the capacity to build upon the work of the Receiver-Managers to date and to complete the work of identifying, tracing and bringing under their control the assets of SIB for the purpose of ultimately distributing the maximum return possible for all creditors of SIB around the world.

In order to ensure that assets are not dissipated, that identified assets of SIB are preserved and that applicable antecedent transactions are examined, and, if appropriate, unwound, it is necessary for the Receiver-Managers to be granted the powers of liquidators with the appropriate orders of the Court and for SIB to be placed into liquidation. Given the multi-jurisdictional nature of this matter, and the daily developments that are occurring in various jurisdictions, it is of utmost importance that these issues are resolved as soon as possible so that the Bank and its assets can be managed and controlled effectively.

Moreover, I am aware of an application filed with the Antiguan Court on Monday March 9, 2009 served on SIB Wednesday 11, March 2009 seeking the provisional liquidation of SIB as a matter of urgency. In addition my US Counsel inform me that a considerable number of actions have been filed in Dallas, Texas relating to the Stanford Group. I therefore believe it is imperative that a multiplicity of actions should be avoided in different jurisdictions and that the proper place for the liquidation of SIB is in Antigua. Thereafter, other jurisdictions will have the opportunity to proceed in accordance with international law as the liquidators make the appropriate recognition and declaratory applications.

Dated March 18, 2009



Nigel Hamilton-Smith,  
Joint Receiver-Manager

C/M/S/ Cameron McKenna

NJHS 5

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FAO: Mr Alan Burden, Deputy Head of Legal

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Our Ref: PRW/DAHE/MIT6.226/101248.00021

22 February 2009

Dear Sirs

Stanford International Bank Limited (receiver-managers appointed) ("SIB")  
Stanford Trust Company Limited (receiver-managers appointed) ("STC")

We act on behalf of the receiver-managers (the "Receivers") of SIB and STC, appointed in Antigua and Barbuda, where both SIB and STC are registered. We enclose a copy of the document appointing the Receivers dated 19 February 2009, which was executed by the Antiguan Financial Services Regulatory Commission under section 287 of the Antiguan International Business Corporations Act.

We understand that you hold assets or accounts in the name, or otherwise for the benefit, of SIB. We should be grateful if, as a matter of urgency, you could confirm details of all assets or accounts that you hold for SIB and the balances on those accounts. We understand that as at 19 February 2009, you hold at least four accounts for SIB, the details of which are as follows:

Account No.	Currency	USD Conversion
58180160	GBP	1,067,788.53
58293136	EUR	3,872,978.35
59198105	USD	230,623.78
67760538	CHF	75,210.87
	Total	5,246,601.53

(22680618.01)

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C/M/S/ Cameron McKenna

Please could you inform us as to the accuracy of this information and whether there are other assets or accounts held with you in the name of SIB. Also, please could you provide us with any information regarding any assets or accounts held in the name, or for the benefit, of STC.

You may be aware that injunctive proceedings have also been initiated in the USA and that the Securities and Exchange Commission has obtained the appointment of a separate receiver to oversee the assets of all Stanford entities. Accordingly, at this juncture, we are solely attempting to identify assets to ensure that they are not dissipated or otherwise jeopardised.

Please also confirm whether there are any liabilities of either SIB or STC to your bank or any of your affiliated companies.

We expect to correspond with you further in the near future in order to confirm instructions, and in the meantime, we look forward to hearing from you with the information requested above.

Yours faithfully

CMC

CMS Cameron McKenna LLP



Ralph S. Janvey, Receiver  
Stanford Financial Group Receivership  
c/o Kyle Marie Amschler  
FTI Consulting  
1201 West Peachtree Street  
Suite 500  
Atlanta GA 30309

And

Peter Wastell & Nigel Hamilton-Smith  
Joint Receivers-Managers  
Stanford International Bank Ltd (Antigua)  
c/o CMS Cameron McKenna solicitors  
Mitre House  
160 Aldersgate Street  
London EC1A 4DD

27 February 2009

Dear Madam/Sirs

Re: Stanford International Bank Ltd (Antigua) ("SIB") - Accounts at HSBC Bank plc

We refer to our recent correspondence and discussions regarding the above and your requests for account information and assurances that the accounts for SIB will be frozen.

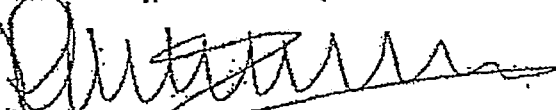
With respect to your respective requests for information on the accounts, information on the account balances has been provided. With respect to further requests or dealings on the accounts, however, we cannot give any assurances to, or honour instructions of, either of both of you regarding the accounts whilst the English law basis of your authority to act remains to be determined. That difficulty can only be further compounded by the fact that we are currently receiving separate approaches from each of you albeit that we understand from Cameron McKenna that you may be currently in discussions to establish a jointly agreed way forward.

Whilst we note the legal steps that have been taken in Antigua and the United States respectively, you will appreciate that the accounts in question are located here in England and we are subject to English law and the jurisdiction of the English courts with respect to these accounts and the rights and liabilities associated therewith.

On that basis, we can only recommend that all interested parties seek advice from legal counsel in England (which in the case of Peter Wastell and Nigel Hamilton-Smith we understand is being sought from Cameron McKenna solicitors) as to the steps that may be available in the English courts to have their status confirmed as the party with authority to give instructions on the accounts as a master of English law. In particular, to the extent to which the steps taken in the US and/or Antigua respectively constitute insolvency proceedings with respect to SIB, we understand that the Cross Border Insolvency Regulations 2006 (which enacted into English law the UNCITRAL model law on insolvency) set out the appropriate framework under which the credentials of overseas officeholders to act in the UK are to be established.

We would be grateful if you could confirm in due course what steps you are taking in that regard and we look forward to hearing further from you.

Yours faithfully,



Richard Whitehouse

For and on behalf of HSBC Bank plc

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8 Canada Square  
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Our Ref: RFP/KW/DAHE/MEI6.29#101248.00021

11 March 2009  
BY POST AND BY EMAIL  
(richard.whitehouse@hsbc.com  
johnroy@hsbc.com)

Dear Sirs

Account Numbers: 58293136, 58180160, 59198105, 67760538 (the "Accounts")  
Stanford International Bank Ltd (in receiver-ownership) ("SIB")  
Stanford Trust Company Ltd (in receiver-ownership) ("STC")  
(SIB and STC are defined as the "Companies")

Thank you for your letter of 27 February 2009 in response to our request for information contained in our letter dated 22 February 2009.

We note your request for the US appointed Receiver and the Antiguan appointed Receivers to approach the Bank on a jointly agreed basis in relation to the Accounts. However, while the Antiguan appointed Receivers are currently in correspondence with the US Receiver over the scope of their respective powers and the extra-territorial effect of the orders under which they were appointed, these issues remain outstanding.

We further note that the Bank cannot give any assurances that it will honour any instructions to deal with the accounts from either the US Receiver or the Antiguan appointed Receivers at the present time. We understand that the US Receiver has written to a number of financial institutions to request the movement of monies from accounts held by them. While it is obviously a matter for you and your legal advisers as to how you respond to such a request, we assume from what you have said in your previous letter that if you were to receive such a request, the monies held in the Accounts will remain frozen.

(22694994.01)

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We anticipate contacting you shortly.

Yours faithfully

*CMS Cameron* LLP

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Our Ref: PRW/DAH/RE/MT/6.22b/101248.00021

27 February 2009

Dear Sirs

Account Number: 11083375

Stanford International Bank Limited (receiver-manager appointed) ("SIB")

Stanford Trust Company Limited (receiver-manager appointed) ("STC")

We are the law firm instructed by the receiver-managers (the "Receivers") of SIB and STC, appointed in Antigua and Barbuda, where both SIB and STC are registered. We enclose a copy of the document appointing the Receivers dated 19 February 2009, which was executed by the Antiguan Financial Services Regulatory Commission under section 287 of the Antiguan International Business Corporations Act. The appointment of the Receivers was subsequently ratified by the High Court of Justice in Antigua and Barbuda on 26 February 2009. A copy of this court order is also attached.

We see from SIB's records that you hold assets or accounts in the name, or otherwise for the benefit, of SIB. The Receivers are in the process of verifying and updating SIB's account information and we should be grateful if you could provide up to date details of all assets or accounts that you hold for SIB and the balances on those accounts.

SIB's records show that you hold at least one account for SIB, the details of which are as follows:

Account No.	Currency
11083375	USD

(22685023.01)

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Please could you confirm the accuracy of this information and whether there are other assets or accounts held with you in the name of SIB. Also, please could you provide us with any information regarding any assets or accounts held in the name, or for the benefit, of STC.

You may be aware that proceedings have also been initiated in the USA and that the Securities and Exchange Commission has obtained the appointment of a separate receiver. Please note, therefore, that at this juncture we are solely collecting up to date information on assets and accounts to ensure that the Receivers can assess SIB's financial position. Needless to say, the Receivers also need this information to ensure that assets are not dissipated or otherwise jeopardised and please confirm that you will not pay out any monies without our consent.

In addition, if you have a claim against either SIB or STC, please provide details.

We expect to correspond with you further in the near future in order to confirm the Receivers' instructions, and in the meantime, we look forward to hearing from you with the information requested above.

We would be grateful if you could respond within 10 days of the date of this letter.

Yours faithfully

CMS Cameron McKenna LLP

03/03 2009 17:11 FAX 0041432455546

RBS Legal Services

12001

**\*\*RBS Coutts**

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9 March 2009 - gsf

Your Ref: PRW/DAHE/RF/MT6.22b/101243.00021

Dear Sir, Madam,

We refer to your two letters, (one sent to "RBS Coutts", the other to our old trading name "Coutts Bank von Emst") regarding the above-mentioned matter.

We regret to inform you that we are prevented under applicable Swiss law to disclose any information about the existence or non-existence of a present or past relationship with an individual or a legal entity directly to you.

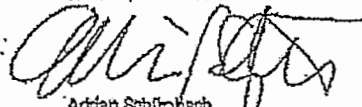
Furthermore, we would like to inform you that we are not in a position to execute any order from a foreign authority or an office, agency or individual performing acts of a foreign authority without official authorisation of a competent Swiss authority as this could expose us to criminal sanctions under Swiss criminal law. Should you wish to proceed in this matter, we may kindly suggest that you consider going through the official route applicable in Switzerland.

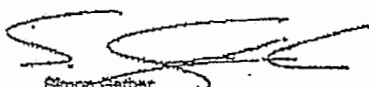
Please note that this letter should not be read as a confirmation of the existence or non-existence of a present or past relationship with our bank with the individuals or entities stipulated in your facsimile mentioned above.

We hope to have been of assistance to you with this information.

Yours sincerely,

RBS Coutts Bank Ltd

  
 Adrian Schupbach  
 Head of Regulatory Risk

  
 Simon Garber  
 Senior Legal Counsel

RBS Coutts Bank Ltd  
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Your Ref:  
 Our Ref: RM/PRW/DAHE/MT6.29a/101248.00021

11 March 2009  
 BY POST AND BY FAX

Dear Sirs

Stanford International Bank Ltd (in receiver-managership) ("SIB")  
 Stanford Trust Company Ltd (in receiver-managership) ("STC")  
 (SIB and STC are defined as the "Companies")

Thank you for your letter of 3 March 2009 in response to our request for information contained in our letter dated 27 February 2009.

We note that you have declined to disclose any account information to us on the basis that you are prevented from doing so under Swiss law.

Our clients are in the process of instructing local counsel in Switzerland and we anticipate that you will hear from them shortly.

Yours faithfully

CMS CAMERON

CMS Cameron McKenna LLP

(22695032.01)

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Our Ref: PRW/DAHE/MR/5225/101248.00021

24 February 2009

Dear Sirs

Stanford International Bank Limited (receiver-managers appointed) ("SIB")  
Stanford Trust Company Limited (receiver-managers appointed) ("STC")

We act on behalf of the receiver-managers (the "Receivers") of SIB and STC, appointed in Antigua and Barbuda, where both SIB and STC are registered. We enclose a copy of the document appointing the Receivers dated 19 February 2009, which was executed by the Antiguan Financial Services Regulatory Commission under section 287 of the Antiguan International Business Corporations Act.

We understand that you hold assets or accounts in the name, or otherwise for the benefit, of SIB. We should be grateful if, as a matter of urgency, you could confirm details of all assets or accounts that you hold for SIB and the balances on those accounts. We understand that as at 19 February 2009, you hold at least two accounts for SIB, the details of which are as follows:

Account No.	Currency	USD Conversion
8706	USD	1,946,972.32
8284	USD	1,402.27
	Total	1,948,374.59

(22680542.01)

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McKenna has been a part of several mergers for the purpose of providing a more efficient and effective service to our clients and to the legal community.

Please could you inform us as to the accuracy of this information and whether there are other assets or accounts held with you in the name of SIB. Also, please could you provide us with any information regarding any assets or accounts held in the name, or for the benefit, of STC.

You may be aware that proceedings have also been initiated in the USA and that the Securities and Exchange Commission has obtained the appointment of a separate receiver. At this juncture, we are solely attempting to identify assets to ensure that they are not dissipated or otherwise jeopardised.

Please also confirm whether there are any liabilities of either SIB or STC to your bank or any of your affiliated companies.

We expect to correspond with you further in the near future in order to confirm instructions, and in the meantime, we look forward to hearing from you with the information requested above.

Yours faithfully

CMS Cameron McKenna LLP

C/M/S/ Cameron McKenna

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Our Ref: PRW/DAHB/MTS.22b/101248.00021

4 March 2009

Dear Sirs

Stanford International Bank Limited (receiver-managers appointed) ("SIB")  
Stanford Trust Company Limited (receiver-managers appointed) ("STC")

As you know, we act on behalf of the receiver-managers (the "Receivers") of SIB and STC, appointed in Antigua.

It has come to the Receivers' attention that SIB's accounts held at Bank of Houston, which we have twice requested account information for from you, first on 24 February 2009 and then on 2 March 2009, have had their balances transferred from those accounts. The account numbers and balances, as at 19 February 2009, that we requested confirmation on were as follows:

Account No.	Currency	USD Conversion
8706	USD	1,945,972.32
8284	USD	1,402.27
	Total	1,948,374.59

Your actions in allowing funds to be removed from those accounts are in breach of the Antiguan Court Order. As such we require you to provide us with details of the US Court Order which allowed you to

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C/M/S/ Cameron McKenna

remove those funds, rather than merely freeze them, and the name of the banking institution and account details to which you have directed those monies.

The accounts held at Bank of Houston are in the name of "Standard International Bank Limited", which is registered and based in Antigua. Although a receiver has been appointed with respect to SIB in the United States, the Financial Services Regulatory Commission, the regulator in Antigua that has jurisdiction over SIB, appointed the Receivers over SIB on 19 February 2009 and this act was ratified by the Antiguan Court on 26 February 2009. The Receivers have all the powers of the directors of SIB, which the US receiver does not. The Receivers are obliged by the Antiguan court order to trace assets, which includes the accounts held at Bank of Houston, and we therefore, as the current office-holders of SIB, require you to provide us with the information requested above which is duly ours. As the Receivers of SIB we are your client with accounts at your bank. Provision of this information would not be in contravention of the US order but would merely acknowledge that there is an equal order that co-exists with the US order.

We look forward to your swift response.

Yours faithfully

CMEK

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Your Ref: \_\_\_\_\_  
 Our Ref: RH/PRW/DAHB/MT16.29a/101248.00021

11 March 2009  
 BY POST AND EMAIL  
 (jhamilton@rossbanks.com)

Dear Sirs

Your client: Bank of Houston  
 Stanford International Bank Ltd (in receiver-liquidation) ("SIB")

Thank you for your email of 4 March 2009 in response to our request for information contained in our letters to your client dated 24 February and 4 March 2009.

We note your confirmation that your client has frozen all monies held in the name of SIB and we will revert to you in due course in relation to the remittance of these funds. We further note that you say that "Bank of Houston cannot agree to not pay out such sums otherwise than with the Antiguan Receivers' Consent", as "the Bank of Houston is subject to the jurisdiction of the US Federal District Court that appointed the Receiver in the States".

The Antiguan appointed Receivers are currently in correspondence with the US Receiver over the scope of their respective powers and the extra-territorial effect of the Orders under which they are appointed. These issues remain outstanding.

We understand that the US Receiver has written to a number of financial institutions to request the movement of monies from accounts held by them. While it is obviously a matter for you to advise your client as to how it should respond to any such request, in our clients' view, the proper course is for the accounts held by Bank of Houston to remain frozen pending clarification and resolution of this issue. If your client fails to take this course, our clients' view would be that they reserve their rights to hold your client liable for paying these monies away.

(22695033.01)

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In the meantime, you have asserted that your client is entitled to set-off sums your client claims is owed to it by SBH. Please could you provide copies of the deposit agreement and loan documentation pursuant to which you claim that the right to set-off arises. Please also provide details of the sums your client claims to be entitled to set-off.

We look forward to hearing from you.

Yours faithfully

*CMS Cameron McKenna LLP*

CMS Cameron McKenna LLP

Paradigm Capital Management LLC  
650 Fifth Avenue,  
17<sup>th</sup> Floor,  
New York, N.Y. 10019  
UNITED STATES OF AMERICA  
FAO: The Company Secretary

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Our Ref: PRW/DAHB/RE/MIT6.22b/101248.00021

4 March 2009

Dear Sirs

Stanford International Bank Limited (receiver-managers appointed) ("SIB")  
Stanford Trust Company Limited (receiver-managers appointed) ("STC")

We are the law firm instructed by the Receiver-Managers (the "Receivers") of SIB and STC, appointed in Antigua and Barbuda, where both SIB and STC are registered. We enclose a copy of the document appointing the Receivers dated 19 February 2009, which was executed by the Antiguan Financial Services Regulatory Commission under section 287 of the Antiguan International Business Corporations Act. The appointment of the Receivers was subsequently ratified by the High Court of Justice in Antigua and Barbuda on 26 February 2009. A copy of this court order is also attached.

The Receivers received your letter dated 17 February 2009 giving SIB notice that Paradigm Capital Management LLC ("Paradigm") had elected to require the withdrawal of SIB's capital account. The Receivers are currently in the process of verifying and updating SIB's and STC's account information, and we would be grateful if you could supply us with up to date details of the money that SIB and / or STC had invested with Paradigm and of your understanding of the contractual relationships between the parties. Please confirm that any SIB accounts are frozen and that monies have not been paid out of your control and will not be paid out without our consent.

You may be aware that proceedings have also been initiated in the USA and that the Securities and Exchange Commission has obtained the appointment of a separate receiver in respect of SIB. Please note that, at this juncture, we are solely collating up to date information to ensure that the Receivers can assess the financial position of SIB and STC. Needless to say, the Receivers also require this information to ensure that assets are not dissipated or otherwise jeopardised.

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We expect to correspond with you further in the near future with regard to the Receiver's further instructions, and in the meantime, we look forward to hearing from you with the information requested above.

We ask you to respond within 10 days of the date of this letter.

Yours faithfully

CMK

CMK Cameron McKenna LLP

## TAGLIAFERRO &amp; LOPRESTI, LLP

45 Broadway, Suite 2000  
New York, New York 10006

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March 10, 2009

## VIA ELECTRONIC &amp; REGULAR MAIL

CMS Cameron McKenna LLP  
Mitre House  
160 Aldersgate Street  
London EC1A 4DD

Re: *Securities and Exchange Commission v. Stanford International Bank, Ltd ("SIB"), et al.*  
*USDC Northern District of Texas, Dallas Division*

*Stanford Trust Company, Ltd. ("STC")*

CMS Reference No. PRW/DAHE/RP/MT6.22b/101248.00021

Gentlemen:

This Firm is counsel to PARADIGM Global Advisors, LLC ("PGA"), PARADIGM Capital Management, LLC ("PCM") and Paradigm Core Alternative Fund, LLC (f/k/a Paradigm Stanford Core Alternative Fund, LLC and hereinafter the "Fund"). We write in connection with the above-referenced matters and in response to your letter dated March 4, 2009.

In response to your request for an explanation of the contractual relationship between the Fund, STC and SIB, please be advised of the following. STC and SIB were investors in the Fund, which is structured as a Delaware Limited Liability Company. STC and SIB's investments in the Fund are governed by the Fund's Operating Agreement, which provides that the Managing Member (PCM) may elect, in its sole discretion, to terminate any investor's membership interest in the Fund. Upon learning of the SEC's civil enforcement action, PCM exercised its discretion under Article 11(b) of the Operating Agreement, terminated SIB and STC's membership interests and withdrew their investments in the Fund.

As of November 30, 2008, SIB had an account balance of approximately \$2,718,957, and STC had an account balance of approximately \$475,085. These balances are approximated for several reasons: first, our Clients are awaiting the final NAV (net asset value) for the Fund for December 31, 2008 from the Fund's administrator, as well as NAV for January and February 2009. Moreover, pursuant to Article 14(b) of the Operating Agreement, PCM is entitled to be indemnified by SIB and STC for any and all expenses, costs and losses incurred "in connection with any Member's obligations or liabilities unrelated to the Company's business".

TAGLIAFERRO & LOPRESTI, LLP

CMS Cameron McKenna LLP

March 10, 2009

Page 2 of 2

As of the date hereof, PCM has incurred substantial legal fees in connection with SIB and STC's investment in the Fund, and PCM and its affiliates have suffered other losses occasioned by STC, SIB and other Stanford entities' misdeeds. It is our intention to exercise PCM's right to indemnification under Article 14(b) of the Operating Agreement and recover the amounts expended and lost as a result of these proceedings.

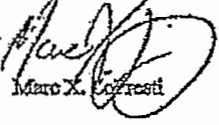
We have instructed our Clients to set aside the funds representing SIB and STC's investments in the Fund pending further instruction from this Firm. We have been informed that the funds have been set aside in a memorandum account and will remain there accordingly.

Please note that we have also contacted the Receiver in the US proceedings and have requested instruction as to the disposition of these funds. Given your letter and potential claim to these funds, we will require joint instruction from both receivers, as well as resolution of the above-referenced claim for indemnification, prior to releasing these funds to either receiver.

We look forward to discussing this matter with you at your earliest convenience. Thank you in advance for your time and attention.

Very truly yours,

TAGLIAFERRO & LOPRESTI, LLP

  
Marc A. Lopresti

cc: Paradigm Capital Management, LLC  
Paradigm Global Advisors, LLC

NJSAS 6

## C/M/S/ Cameron McKenna

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Our Ref: PRW/DAHB/MT6.22b/101243.00021

26 February 2009

Dear Mr Straus

Stanford International Bank Limited (receiver-managers appointed) ("SIBL")  
Stanford Trust Company Limited (receiver-managers appointed) ("STCL")  
SIC & SIBL and STCL at 21 (Receiver appointed)

I write further to our conversations of Friday, 20 February and Monday, 23 February 2009 and my emails to you of yesterday. I confirm that we act for the Joint Receiver-Managers appointed initially by the Financial Services Regulatory Commission ("FSRC") in Antigua on 19 February 2009, being Nigel Hamilton-Smith and Peter Westell, both partners of Vanis and licensed insolvency practitioners in the UK. Although I previously forwarded a soft copy of the FSRC's appointment document, I am enclosing a hard copy with the original of this letter. In addition, earlier today the High Court of Justice of Antigua and Barbuda ordered the appointment of Receiver-Managers and made consequential further orders. I attach a copy of the relevant Court Order.

As we have discussed, the receivers in both jurisdictions have expressed their desire to work together in mutual co-operation. The Receiver-Managers are disappointed that Mr Janvey is currently reluctant to meet in person with them and the offer to fly to the US to meet remains open. In the meantime we suggest that we maintain regular telephone contact.

We set out in this letter the areas where we believe the mutual sharing of information and cooperative action concerning SIBL and STCL would assist both jurisdictions:-

1. Bank accounts identified in the names of SIBL and STCL and balances (whether subject to verification or not) with the relevant account information;

(22584192.01)

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2. Other assets identified (whether real estate, investments, derivative assets or otherwise) again whether subject to verification or not;
3. Aggregate of all assets (including cash balances) and whether yet under receivership control;
4. Depositor information by country of residence of depositor;
5. Offices identified in any jurisdiction and current status, relevant employer and number of employees (In that regard please let us know what actions have been taken with respect to STC's representative offices in the US and elsewhere);
6. Regulators and government bodies contacted;
7. Summary of actions taken to date in dealing with depositors (including correspondence and website communications);
8. All proceedings issued to date with a summary of the nature of such proceedings;
9. Jointly agree:
  - (i) How websites communicate with customers;
  - (ii) How other correspondence with customers should refer to the other receiver(s); and
  - (iii) To provide at least 72 hours prior written notice before issuing any proceedings (or taking any steps in existing proceedings)

As a gesture of good-faith between the receivers, I attach a summary of the Receiver-Managers' actions since their appointment which they have prepared to assist in Mr Janvey gaining an overview of the Antiguan receiverships.

You will note from the Court Order that the FSRC, at the request of the Receiver-Managers, specifically sought permission from the Antiguan Court for the Receiver-Managers to disclose certain information. However, that order is restricted to avoid breach of customer confidentiality (so that information is generic) and in the context of mutual disclosure. Please therefore confirm you agree to the suggested areas of co-operation noted above. As a further indication of good faith we confirm details below of the Bank accounts of SIBL where we have issued requests to confirm credit balances and where we currently await verification. We look forward to receiving Mr Janvey's like response.

Banks to whom requests for information have been made:

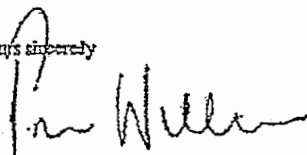
The Toronto Dominion Bank  
 Trustmark National Bank  
 HSBC Bank (London and Panama)  
 Bank of Antigua  
 Bank of Houston  
 Comerica Bank

You will note from the summary that the Receiver-Managers are seeking to secure funds held in Antigua and which will be required and used beginning Friday, 27 February 2009 to meet wages and expenses of the receivership. We are happy to confirm when any amounts have been secured and used to pay necessary expenses.

Please let us know how you wish to proceed, particularly concerning the formalisation of our mutual desire to co-operate. In our view, an agreement between the receivers regarding mutual co-operation should be formalised as soon as possible.

I look forward to your early response to this letter.

Yours sincerely



Peter WBisbire  
CMS Cameron McKenna LLP

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3

STANFORD INTERNATIONAL BANK LIMITED ("SIB")  
STANFORD TRUST COMPANY LIMITED ("STC")  
(BOTH IN RECEIVERSHIP)

Financial Services Regulatory Commission of Antigua & Barbuda ("FSRC")

The legislation covering both SIB and STC is the International Business Corporation Act, Cap.222, ("the IBC Act").

Pursuant to the IBC Act the FSRC is obliged to establish an office to carry out the oversight provided in the Act, this includes the appointment of a Supervisor of International Banking and Trust Corporations. Any International Banking or Trust business must be licensed under the IBC Act and the FSRC is the licensing body. The licence granted requires a physical presence in Antigua and Barbuda.

One of the powers reserved to the Supervisor of International Banking and Trust Business is to appoint a Receiver-Manager in various circumstances including where the realisable value of the Corporation's assets is less than the aggregate of its liabilities and capital accounts or where the Corporation's financial condition suggests that it will shortly be in that circumstance.

The decision to appoint receivers had arisen given the restraining order that had been obtained by the Securities and Exchange Commission ("SEC") which meant that SIB no longer had access to its bank accounts to continue its operations. Separately SIB was in receipt of significant volumes of e mail, telephones and personal visits from investors seeking confirmation that their investments were safe and in many instances seeking the withdrawal of their funds which could not be processed.

Accordingly Nigel Hamilton-Smith and Peter Wastell were appointed as Joint Receiver-Managers on February 19, 2009 by the powers conferred on the FSRC. Separately the appointment of Receiver-Managers was made by order of the High Court in Antigua on February 26, 2009.

#### Events Since Appointment

On Friday 20<sup>th</sup> February the Receiver-Managers along with additional staff from Vantis and legal counsel attended the headquarters of both SIB and STC at St John's, Antigua to meet with the management and staff and to also deal with investors who had decided to travel to the Bank's headquarters either to withdraw their investments or seek clarity on the status of their funds.

Meetings were held with the staff at both SIB (87 of) and STC (20 of) to advise of the Receiver-Managers appointment and to explain that the Receiver-Managers primary focus would be to:

1. Protect the position of investors who were located around the world;
2. Confirm the sums owed to investors;
3. Deal with the staff of SIB and STC based in Antigua numbering 107 in total;
4. Seek to establish the position with the investments assets held by SIB and STC;
5. Establish the position with the non investment assets held by SIB and STC
6. Engage with Mr Janvey the US Receiver and the US Court;
7. Ensure the preservation of the operating infrastructure and IT systems used by SIB and STC.

At the time of arriving at the Bank's headquarters there were approximately 100 investors in the lobby entrance. Many had travelled to Antigua from overseas and there were investors present from countries including the United States, Canada, Venezuela, Columbia, Mexico and Ecuador. Prior to

the arrival of the Receiver-Managers the staff at SIB had become concerned for their personal safety and it had been necessary to seek the assistance of the Antiguan police. Having addressed the staff, a meeting was then held with the investors to advise of the appointment of the Receiver-Managers. The Bank was then closed to all visitors and remains closed to all persons save for staff, the Receiver-Managers, their staff and legal counsel.

#### Operations Undertaken in Antigua

Since the appointment of the Receiver-Managers further meetings have been held with the bank staff to commence the process of establishing the activities of both SIB and STC and their interaction with other Stanford companies and also the operations conducted in the United States of America over which Mr Janvey has been appointed.

The Receiver-Managers now have team of 15 people based at SIB and STC including dedicated legal and IT specialists.

Whilst further investigations continue our preliminary findings are as follows:

#### Stanford International Bank Limited

SIB was engaged in the taking of monies from customers and then investing those monies on behalf of the customers. The products offered by SIB appear to be limited to the following:

- Fixed term deposits known as Fixed Certificate of Deposit ("FixedCD") with terms ranging from 3 months to 60 months. The longer the term of the deposit the higher the interest rate offered. Clients could invest in multiple currencies including US Dollars, Euros, Canadian Dollars and Sterling;
- Flexible term deposits known as Flexible Certificate of Deposit ("FlexCD") with terms ranging from 3 months to 60 months but with permitted withdrawals during the term. Again interest rates were linked to the term of the deposit and clients could invest in multiple currencies;
- Index Linked Certificates of Deposit ("ILCD") -- where growth of the ILCD was linked to the performance of certain equity markets but with certain minimum guaranteed returns being offered to investors;
- Express A/c -- 24 hour call account;
- Performance A/c -- 15 day call account;
- Premium A/c -- 15 day call account where client liability is matched by treasury bills.
- Ancillary services including the issuance of SIB credit cards (via AMEX, Visa and Mastercard) and managing bill payment on behalf of clients.

Clients could also borrow monies from SIB against their deposits. We are advised that typically the client's monies would be invested on a long term basis with loans taken on a short term basis on which SIB made a margin on the interest charged. The Bank records indicate that it has \$104,421,957 of loans outstanding against clients Certificates of Deposit ("CD"). It is not considered that it will be possible to realise value for these loans since they are against client's own deposits with the Bank.

The records of SIB further indicate that as of February 19, 2009 the Bank had 27,992 clients (of which 4,380 were accredited USA clients). Including accrued interest to February 19, 2009 the Bank's records indicate a total of \$7,208,204,579 as being invested by clients and held in the following products;

	US\$ million
Fixed CD	4,852
Flex CD	1,864
ILCO	33
Express A/c	227
Performance A/c	1
Premium A/c	19
Total	7,206

SIB's clients were from around the world. It is noted that there are clients based in 113 different countries with the top 10 countries, by value of deposits being:

Country of Depositor	Number of Clients	% of total clients	Amount US\$	% of total deposits
United States of America	4,860	16.69%	1,574,389,267	21.85%
Venezuela	10,432	37.26%	1,511,888,916	20.98%
Antigua & Barbuda *see note below	4,011	14.34%	1,432,094,491	19.45%
Mexico	3,865	13.82%	632,241,682	12.94%
Canada	224	0.80%	308,349,645	4.28%
Haiti	412	1.47%	219,667,759	3.05%
Peru	553	1.98%	120,767,560	1.66%
Colombia	580	2.07%	110,245,222	1.53%
Panama	171	0.61%	89,540,559	1.24%
British Virgin Islands	132	0.47%	64,632,344	1.17%
TOTALS (relating to top 10 by deposit value)	24,760	88.91%	8,353,827,370	88.18%

**\*Note:**

Within the amounts detailed as being received from clients based in Antigua and Barbuda are included investments held in the name of Stanford Trust Company Ltd on behalf of its [number] clients.

We are advised that typically a client would be referred to SIB by a financial advisor from within the Stanford Financial Group who appear to have had a number of offices in:

Canada	Caribbean
Colombia	Ecuador
Mexico	Panama
Peru	Switzerland
United States of America	Venezuela

We are advised that nearly 100% of clients were referred to SIB by Stanford Financial Advisors.

From the headquarters in Antigua the following operations were conducted:

- Client take on procedures and account openings;
- Receipt of client investments;
- Payments to clients including interest payments and capital redemptions;
- Preparation and issue of client statements;
- Client file management;
- Operational accounting functions.

As detailed above SIB was the subject of regulation by the FSRC. As part of the regulatory process in Antigua, SIB was required to file with the FSRC quarterly reports on a set of forms known as ISF.

The last return filed by SIB was for the quarter ended 30 September 2008 which was submitted on 21 October 2008.

The reporting package required that SIB provide information on:

- Details of key employees;
- Statement of Assets and Liabilities;
- Schedule of deposits classified by country of depositor;
- Schedule of borrowers classified by country of borrowers;
- Schedule of interest rates applied to deposits and loans with minimum and maximum rate disclosure;
- Analysis of deposits and loans by size (in bands) and number of clients for each band;
- Details of the twenty largest depositors and borrowers;
- Analysis of investments by:
  - Type (which as at 30<sup>th</sup> September 2008 included, Brokerage accounts, Equity Securities, Private Bonds, Other)
  - Currency of holding
  - Country of Issuance
  - Intermediary/Broker/Issuer
  - Initial / Cost Value
  - Current balance sheet value

Mr Juan Rodriguez-Torlento the President of SIB Caribbean, based in Antigua, has advised that the Quarterly Reporting Package was always prepared by Mr James Davis and colleagues from the Stanford offices in Houston, Texas and then provided to SIB for submission to the FSRC.

As at 30<sup>th</sup> September 2008 the assets and liabilities statement provided to the FSRC detailed the following:

ASSETS		US\$
Cash in hand		1,222
Due from Banks	Time deposits	382,041,278
	Demand	405,946,399
	Other	500,600
Loans advanced		94,117,178
Investments	Corporate bonds and long term securities	2,062,247,089
	Other investments	5,574,548,324
Fixed Assets	Property, office equipment, vehicles	7,221,739
Other Assets	Accrued interest & Prepayments	4,760,622
	<b>TOTAL ASSETS</b>	<b>8,552,381,850</b>

LIABILITIES		US\$
Deposits	Demand	140,954,788
	Time	7,819,387,249
Accrued interest		57,870,012
Share Capital	Ordinary shares	10,000,000

	Ordinary share surplus	338,500,000
Undistributed Profits	Retained earnings	241,421,781
	Profit & Loss Account	(65,781,831)
	<b>TOTAL LIABILITIES</b>	<b>5,582,381,850</b>

Mr Rodriguez-Tolentino has advised that save for the analysis provided to SIB with each quarterly submission, SIB in Antigua was not provided with specific details of the Investment Assets which were managed by Mr Davis and Mr Stanford from the Stanford Financial Group offices in the United States of America.

On a monthly basis the accounting team based in SIB in Antigua would prepare the management accounts covering matters such as operating costs, interest payments to clients and would then be advised by Stanford Financial Group of the Investment Income and analysis of SIB results for the month in question.

Mr Rodriguez-Tolentino has further advised that during November 2008 he was advised that Mr Stanford had invested additional capital of US\$541,000,000 into SIB. The Receiver-Managers have located faxes and e mails received on December 16, 2008 from Mr Rolando D. Roca from Stanford Houston detailing the accounting entries that were required to be made by the accounts team based in Antigua to reflect the increased capital in SIB. Mr Rodriguez is unable to advise in what form the capital injection was made although he advised the Receiver-Managers that he had heard it related to property assets being injected into SIB by Mr Stanford.

Our investigations have established that as of close of business on Wednesday 18, February SIB's records detailed the following cash balances being held:

Bank	Country	US\$
The Toronto Dominion Bank	Canada	18,918,682
Trustmark National Bank	United States of America	1,888,857
HSBC Bank Plc	United Kingdom	5,248,601
HSBC Bank Panama S.A.	Panama	3,148,478
Bank of Antigua	Antigua	9,884,974
Bank of Houston	United States of America	1,945,374
Comerica Bank	United States of America	5,457,680
	<b>TOTAL BALANCES</b>	<b>48,594,623</b>

The Receiver-Managers have contacted all of the above Bank's seeking confirmation of balances and in the case of Bank of Antigua, requesting the release of funds to pay wages and operating expenses.

In relation to investment assets, statements of portfolio assets have been located which are all addressed to SIB in Antigua. Arrangements are now being put in place to confirm current investments held by SIB and market values with the financial institutions at which holdings are believed to exist.

#### Montreal Representative Office, Canada

In addition to the headquarters in Antigua SIB has a representative office in Montreal, Canada. The Receiver-Managers have been advised that the office effectively acted as a sales office for SIB with no operations or client records being held in the Montreal office. There are 8 members of staff in Montreal.

On February 20, 2009 the Office of the Superintendent of Financial Institutions Canada served notice on SIB in Canada of its proposal to restrict the Montreal operations to "providing information and assistance to any person in Canada wishing to withdraw amounts deposited or otherwise invested with the Bank". Although as noted above the Receiver-Managers believe that SIB has cash on deposit at the Toronto Dominion Bank, its representative office in Montreal is not licensed to take deposits in

Canada and the representative office does not control the Toronto Dominion Bank account which is controlled from Antigua. The Receiver-Managers confirmed on the evening of February 20, 2009 that there was no intention to continue any business in Canada and that no representations would be made to the Superintendent's notice.

The Receiver-Managers arranged for members of their team to attend the offices of SIB in Montreal along with legal counsel from Ogilvy Renault on Monday 23<sup>rd</sup> February 2009 for the purposes of securing the records and IT equipment held at the office and to advise the staff that operations are to cease. The offices are now shut with access under the control of the Receiver-Managers and their lawyers.

#### Receiver-Managers Early Stage Strategy

1. Put in place arrangements for investors to be notified of the appointment of Receiver-Managers, advising of the impact for investors and seek to manage expectations on future communications and reporting;
2. Open e mail communication channels for investors;
3. Engage with US Receiver to start process to agree co-operation arrangements;
4. Ensure statement of accounts are produced for all investors, detailing investments as at February 19, 2009;
5. Deal with staff at SIB and re-open telephone lines for investors wishing to make contact via telephone;
6. Contact bank's holding cash assets on behalf of SIB;
7. Secure sufficient funds from Bank of Antigua to meet staff wage payments and operating costs of SIB;
8. Commence process to identify financial institutions holding investment assets on behalf of SIB.

#### STANFORD TRUST COMPANY LIMITED

STC operates from separate premises in St. John's, Antigua to those occupied by SIB.

It provides clients with the ability to invest via trust arrangements. We are advised that STC has approximately 3,900 clients with \$1,450,000,000 invested via SIB and \$40,000,000 held via Stanford Group Company in the United States of America.

It is understood that there are limited amounts of other assets held under trust from STC clients although it has not yet been possible to establish the exact nature of other assets.



In addition to the offices in Antigua STC has offices in Bogota, San Antonio, Houston and Miami. Further investigations need to be undertaken to establish the activities of each office and to then secure the information held at each office and make contact with the clients who has invested monies via STC into SIB.

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March 4, 2009

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BY ELECTRONIC MAIL

Peter Whitshire  
Partner  
CMS Cameron McKenna  
Mitie House  
160 Aldersgate Street  
London EC1A 4DD  
United Kingdom

Dear Peter:

Thanks for your letter of the evening of February 26. I have spoken with Ralph Jarvey about it.

The situation between the U.S. receivership and the later Antiguan receivership is a significant focus by all of the interested persons here. The message that has been communicated by Antiguan authorities is that they do not yet legally recognize the U.S. receivership. The same is true with the U.S. about the Antiguan receivers. All the same, the Stanford entities have had significant assets in Antigua, in the U.S. and elsewhere. As to investments that are in the name of SIB that are outside the US and Antigua, we have been advised that funds are not going to be moved on the instruction of the US receiver or the Antiguan receivers alone.

There are real constraints on Mr. Jarvey's ability to comply with your suggestions of the 26th. First is the recognition issue noted above. Secondly is the fact that Stanford's global operations and assets appear to be intertwined, which makes it practically impossible to address solely SIB and STC assets. Thirdly, compliance by Mr. Jarvey with the requests would be inconsistent with the terms of the U.S. receivership order and, in some instances, would violate U.S. law. Accordingly, that structure does not work.

Any limited arrangements seem to be not in the interest of the estate the Stanford group of entities. You understand the position of the SEC, the U.S. court and therefore of the U.S. receiver, that the estate is entirely within the scope of the U.S. order. On the other hand, we understand the interests of constituencies in Antigua that are concerned that Sir Allen Stanford's

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BAKER BOTTS LLP

Peter Wiltshire

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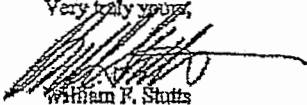
March 4, 2009

activities will ultimately harm employees and providers in Antigua, even if those employees and providers are not depositors.

So, we propose that the parties—that includes regulatory bodies who want to express a voice in the matter—make a joint arrangement to provide for the efficient and effective administration and distribution of the assets of the estate having due regard to the interests of the United States and Antigua. It would cover the following points: (a) recognizing the principal center of interests; (b) marshalling and liquidating assets (c) maintaining liquid assets, (d) reviewing and controlling administrative expenses (e) establishing a claims process and notification; (f) vetting and adjustment of claims, and (g) distributing assets. We suggest that the parties set a time suitable for a meeting in Miami, which is about 1/2 way between Houston, St. John, and Washington.

Please let me know what further steps in this direction may be feasible.

Very truly yours,

  
William F. Stutts

WFS:dk

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## C/M/S/ Cameron McKenna

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Our Ref: PRW/DAHE/MIT6.22b/101248.00021

4 March 2009

Dear Bill

Stanford International Bank Limited ("SIB") (Receiver-Managers appointed)  
Stanford Trust Company Limited ("STC") (Receiver-Managers appointed)  
SEC v. SIBL and STCL et al (US Receiver appointed)

The Receiver-Managers' investigations have identified that regulatory returns submitted by SIB to the Antigua Financial Services Regulatory Commission have shown that a significant proportion of the SIB investment portfolio of assets was held in other Stanford companies. Specifically the last return made on 30 September 2008 detailed assets being held in the following:

**Stanford Global Financial**

\$3,167,816,080 as being held in equities

\$910,000,000 as being held in private bonds

**Stanford Coins & Bullion**

\$1,327,584

We note your client's press release issued on 2 March 2009 and are aware of the submissions made to the US Court in which Mr Janvey has stated that the financial position of Stanford is "dire" and that he expects returns to investors to be low cents in the dollar.

We should be obliged if you would confirm the following:

(22689574.01)

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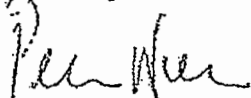
1. What investments are detailed as being held in the name of SIB in relation to other Stanford companies to which Mr Janvey's investigations are covering;
2. Where investments have been shown as being in the name of SIB, what steps are being taken to preserve those assets for the benefit of SIB's clients/investors and
3. What is the basis on which Mr Janvey has sought to value the assets leading him to the conclusion of low recoveries for investors.

Separately we note from the SEC proceedings for the arrest of Laura Pendergast-Holt that it is alleged that there were shareholder loans totalling \$1.6 billion on the balance sheet of SIB and again we should be obliged to understand whether you have been able to confirm this allegation from work undertaken to date.

Finally we note that comment has been made by your client that he is seeking to assess ways in which assets held on behalf of clients which total less than \$100,000 might be freed up, subject to certain exceptions. It will be of no surprise to you that such comments have been interpreted by some parts of the media, and therefore SIB clients, that this might mean that clients who had invested less than \$100,000 will receive the return of their investments in SIB. We assume that your client was only referring to brokerage accounts and not SIB investments but should be obliged to receive your confirmation in order that we can manage investor enquiries appropriately.

I look forward to your response.

Yours sincerely



Peter Willshire  
CMS Cameron McKenna LLP

# BAKER BOTTS LLP

March 4, 2009

BY FAX

Peter Wulshire  
CMS Cameron McKenna LLP  
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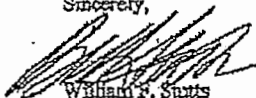
Re: Stanford International Bank Limited ("SIB"); Stanford Trust Company Limited ("STC"); SEC v. SIB and STC et al.

Dear Peter:

Thank you for your letter dated today. As to the assets that are being held at Stanford Global Financial and Stanford Coins & Bullion, the numbers puzzle everyone here. Nothing of that magnitude seems to correspond to what people here have seen.

In response to your additional questions, we do not have detailed information as to what investments are being held in the name of SIB versus other Stanford companies for which Mr. Janvey is Receiver. In light of the limitations that have arisen due to the Antiguan receivership, Mr. Janvey is taking the actions that are available to him to protect investments that have been identified as being held in the name of SIB, as he is doing for other entities for which he is Receiver. Finally, Mr. Janvey reached the conclusion that there will be low recoveries for SIB's investors based on the information that has been brought to his attention in the course of his work as Receiver. I'm sorry not to have more definitive information on your questions right now.

Sincerely,



William F. Sauts

WFS/JMG

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9 March 2009  
By Fax and Email

Dear Bill

Stanford International Bank Limited (receiver-managers appointed) ("SIBL")  
Stanford Trust Company Limited (receiver-managers appointed) ("STCL")  
SEC v. SIBL and STCL et al (Receiver appointed)

Thank you for your letter dated 4 March, the contents of which we have discussed with our client.

As you know, our clients are, and remain, keen to co-operate with the US Receiver as they see this as a prerequisite to an efficient estate administration process which will maximise the return to the creditors of SIBL and STCL. Specifically, our clients consider that co-operation is essential to ensure that there is no duplication of effort, no confusion on the part of debtors as to who they should deal with (which will complicate the recovery of assets), no confusion on the part of creditors as to how claims should be made, and the establishment of an efficient claims process.

In our letter of 26 February, we set out those areas where we believed mutual sharing of information and co-operation would assist in achieving these goals, and we summarised the actions which the Receiver-Managers in Antigua had taken since their appointment. Our clients' hope was that Mr Jervay would reciprocate by appraising the Receiver-Managers of his actions to date, so that we would then be in a position to formalise arrangements for future co-operation.

In your response dated 4 March, you explained that there are "real constraints" on your client's ability to comply with our proposal that the Receivers co-operate, and you point out that to do so would be "inconsistent" with the terms of the US receivership and may indeed violate US law.

(22/2458.01)

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## C/M/S/ Cameron McKenna

Our client is obviously disappointed by this response given the issues that it foresees will arise if our clients continue to take separate paths. It would assist our clients' understanding of Mr Jarvey's position if you could refer us to the terms of the US receivership order, and the US law provisions, that you consider give rise to the difficulty you describe.

Our clients are, however, pleased that Mr Jarvey is now prepared to meet with them with a view to discussing a joint arrangement. We do, nevertheless, have concerns as to how this might work given your client's current stance on information sharing and co-operation. If Mr Jarvey is constrained in the way you describe, presumably there is a limit to what can be achieved in a meeting.

In order to enable our clients to consider this further, would you please provide a (non-binding) outline of how your client sees such a joint arrangement working? Subject to this, and our clients being confident that a meeting would be productive, we can confirm that our clients are happy to travel to Miami for a meeting, and we would be grateful to know when you consider that such a meeting would be practicable.

Kind regards,

Yours sincerely

*P. Wilshire*

PP. Peter Wilshire  
CMS Cameron McKenna LLP

P.S. Since dictating this letter, I have been informed that your client was represented by Counsel in the Antiguan Court proceedings earlier today. I will write to you separately on this once I have taken full instructions.





C/M/S/ Cameron McKenna

I look forward to hearing from you as a matter of urgency.

Yours sincerely

*P. Wiltshire*

PP

Peter Wiltshire  
CMS Cameron McKenna LLP

BAKER BOTTS LLP

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March 11, 2009

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BY ELECTRONIC MAIL

Peter Wilshire  
Partner  
CMS Cameron McKenna  
Mitris House  
160 Aldersgate Street  
London EC1A 4DD  
United Kingdom

William F. Sells  
TEL +1 512.322.2542  
FAX +1 512.322.6338  
wsells@bakerbotts.com

re: Stanford International Bank, Ltd., and Stanford Trust Company Ltd.

Dear Peter:

I have your letters of March 9 and 10.

Dealing first with your earlier letter, the main issue to note is the problem that I raised in my letter dated March 4: the U.S. does not recognize the receivership order made by the Antiguan court, and Antigua apparently does not presently recognize Mr. Janvey's authority. This is not particularly surprising at this stage of proceedings in the two jurisdictions. This situation must be resolved so that the ultimate mission of both receiverships—the marshalling of assets for the benefit of claimants—is not compromised. Multi-jurisdictional administrations such as this often proceed in accordance with a negotiated protocol. The kind of information exchange that your February 26 letter contemplates typically comes after the approval of such a protocol, principally because without a protocol—or some other binding resolution recognized by all concerned—neither jurisdiction will recognize the authority of the other. As matters now stand, the U.S. Receiver is bound by order of the U.S. Court to take exclusive possession of all records and assets, wherever located, of the persons and entities in receivership (including all entities owned by them). Without a court-approved protocol in place, the U.S. Receiver cannot share information or permit persons holding information on his behalf to share information with others. I also note that compliance with some of your requests would require the U.S. Receiver to violate U.S. data disclosure laws. This is not intended to be a complete list of issues. I suspect that Jones Day may be the best source of information to advise you on these very real questions in those areas.

We believe it would be a good idea for the two receivers to work toward a protocol or arrangement and so, to that end, we suggest a meeting in Miami on March 17, 18 or 19. I don't have everyone's schedule but know that at least the decision makers for the U.S.

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BAKER BOTTS LLP

Peter Wiltshire

- 2 -

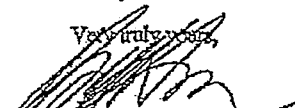
March 11, 2009

receiver can attend those days. We envision that the principal items for discussion will be the subjects outlined in my letter of March 4, which in my experience are typically those addressed in cross-border administration protocols. We will propose an allocation of roles on the stated topics that will recognize the national interests (in this case, unusually important) of Antigua and Barbuda, including allocating moneys for distribution to Antiguan employees and other Antiguan claimants of the Stanford Antiguan enterprises, pursuant to an Antiguan-administered process. The proposal will also address the matter of compensation for the Antiguan-appointed receivers and their counsel. If Mr. Hamilton-Smith and Mr. Wastell (and others from Antigua) can meet on March 17, 18 or 19, please advise and we will firm up meeting plans and finalize our protocol proposal.

As for your later letter, I am not sure I understand the distress--Mr. Hamilton-Smith and Mr. Wastell were appointed without notice to the pre-existing U.S. receiver, we received no notice of your hearing in court on February 26 (even though you had our telephone numbers and email addresses), and neither the application nor the evidence in support was served on us prior to that application (and nor indeed has it been served subsequently). Our appearance in court on March 9 was made to extend the time prior to further action being taken. Our evidence and application(s) will be filed and served by April 1 in accordance with the order made by the Antiguan court, prior to the April 3 return date. Surely Mr. Hamilton-Smith and Mr. Wastell did not assume that the U.S. receiver would sit by and permit them to continue to act under an order with terms that they knew were inconsistent with the earlier U.S. order under which the U.S. receiver has been charged with respect to the entire Stanford enterprise.

I'll look forward to hearing from you which of March 17, 18, and 19 suit your convenience for a meeting in Miami. When I hear, we will make arrangements for a venue.

Very truly yours,



William F. Stotts

WFS:ww

AUS01545782.5

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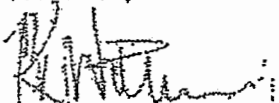
As we have advised you previously, Antiguan law prohibits the provision of bank customer information from Antigua to foreign jurisdictions. Prior to our meeting, we would like to reach an agreement with you that you will not claim that our meeting in Miami provides a basis for seeking information from us that we cannot otherwise provide under Antiguan law. If Mr. Janvey agrees in principle with this request, we will again direct our US counsel to work with you to prepare a suitable written agreement.

In your letter, you say that you will be proposing an allocation of roles on the stated topics. So as to ensure that any meeting will be productive, and as requested in our letter of 9 March, please provide us with a (non-binding) outline of your proposed allocation in advance of the meeting, so that our clients have an opportunity to consider the position, and take advice on it in advance.

Subject to confirmation on this point, and the provision of the assurances and undertakings we have requested, we will take instructions as to our clients' availability for a meeting in Miami.

With reference to your penultimate paragraph, we made our clients' position clear in our letter of 10 March and nothing you say has changed our view. We do not see any merit in continuing to debate this issue in correspondence.

Yours sincerely



Peter Wilks  
CMS Cameron McKenna LLP

Stanford Financial Group Receivership  
 Ralph S. Janvey, Receiver  
 2100 Ropes Avenue | Suite 2600 | Dallas, TX 75201  
 E-mail: [info@stanfordfinancialreceivership.com](mailto:info@stanfordfinancialreceivership.com)  
[www.stanfordfinancialreceivership.com](http://www.stanfordfinancialreceivership.com)

March 16, 2009

Peter Wilshire  
 CMS Cameron McKenna LLP  
 Mitre House, 160 Aldersgate Street  
 London EC1A 4DD  
 United Kingdom

Dear Mr. Wilshire:

I have been informed that each of the individuals identified on the attached spreadsheet is an employee of Stanford Fiduciary Investment Services, Inc. Each individual is based in either Houston, Texas, San Antonio, Texas or Miami, Florida. It is my understanding that these individuals, while technically employees of Stanford Fiduciary Investment Services, Inc., effectively performed services exclusively for Stanford International Bank, Ltd. and/or Stanford Trust Company, Ltd. It is necessary that the employment of each of these individuals by Stanford Fiduciary Investment Services, Inc. be officially terminated in order to permit these individuals to apply for unemployment benefits in the United States and to apply for distributions from their 401(k) retirement savings accounts.

I am writing to bring to your attention the termination of these individuals' employment, and to make you aware that, if the services of any of these individuals are necessary or desirable for the ongoing operations of the entities under the supervision of the Antiguan-appointed receivers, then the Antiguan-appointed receivers should make arrangements with such individuals directly for their continued employment. The contact information for each of the affected individuals is included in the attached spreadsheet.

If you have any questions regarding this matter, please contact my counsel, James Raborn of Baker Botts L.L.P. (713-229-1579; [james.raborn@bakertottis.com](mailto:james.raborn@bakertottis.com)).

Very truly yours,

*Ralph S. Janvey, Receiver*

Ralph S. Janvey  
 Receiver

cc: James Raborn, Baker Botts L.L.P.

HOU03:1174018

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HS Employees as of Feb 17 2009

47 Employees

Site	City	Person Name	Organization	Location Name	Job Name	Type	Address Line 1	Address Line 2	City	State	Zip
3-Aug-2007	Apalachee	Apalachee, Aracelis J.	SFIS FL	US FL Miami	VP/Marketing Officer	IE	1600 N. Bayshore Dr.	#3007	Miami	FL	33132
4-Sep-2007	Amara	Amara, Carlos F.	SFIS FL	US FL Miami	Associate Director	INE	5755 N W 52nd	Apt. 306	Doral	FL	33178
0-Sep-2007	Amara	Amara, Orlando	SFIS FL	US FL Miami	VP/Marketing Officer	IE	11321 N W 66th	Terrace	Miami	FL	33178
6-Jan-2009	Anguiano	Anguiano, Concepcion I.	SFIS TX	US TX Houston	Associate Director	IE	7811 Crescent Vig Ln	NULL	Richmond	TX	77407
9-May-2001	Anguiano	Anguiano, Susana	SFIS TX	US TX Houston	VP/Marketing Officer	IE	2511 Wabowick Dr.	#134	Houston	TX	77027
1-Jun-1998	Barber	Barber, Elias S.	SFIS FL	US FL Miami	Executive Director	IE	3280 S W 138 Way	NULL	FL Lauderdale	FL	33330
6-May-2006	Burton	Burton, Francisco C.	SFIS FL	US FL Miami	VP/Marketing Officer	IE	8485 S W 166 Place	NULL	Miami	FL	33193
1-Jul-2005	Calleja	Calleja, Fausto E.	SFIS FL	US FL Miami	VP/Marketing Officer	IE	1581 Brickell Ave.	TH2	Miami	FL	33129
8-Apr-2007	Camila	Camila, Ricardo A.	SFIS FL	US FL Miami	VP/Marketing Officer	IE	4255 Magnolia Ridge	Dr.	Weston	FL	33331
5-Sep-2007	Cardano	Cardano, Jose A.	SFIS FL	US FL Miami	VP/Marketing Officer	IE	5085 N W 7th St.	NULL	Miami	FL	33126
7-Apr-2008	Correa	Correa, Gloria I.	SFIS FL	US FL Miami	Admin Asst I	INE	715 S W 99 Ct Circle	NULL	Miami	FL	33174
9-Jun-2008	Di Chiara	Di Chiara, Esteban L.	SFIS FL	US FL Miami	VP/Marketing Officer	IE	3340 N E 180th St	Apt. 406	Aventura	FL	33180
11-Jun-2005	Diez	Diez, Irma F.	SFIS TX	US TX San Antonio	Office Manager	IE	2603 Menard	NULL	San Antonio	TX	78251
11-Jun-2005	Dubrovsky	Dubrovsky, Abraham	SFIS TX	US TX San Antonio	VP/Marketing Officer	IE	14008 Oakhill Way	NULL	San Antonio	TX	78241
2-Aug-2007	Ezela	Ezela, Pamela M.	SFIS TX	US TX San Antonio	Admin Asst I	INE	15227 Crosscreek Park	NULL	San Antonio	TX	78247
2-May-2006	Fernandez	Fernandez, Rita O.	SFIS TX	US TX San Antonio	Admin Asst I	INE	6507 Country Field	Dr	San Antonio	TX	78240
2-Jun-2006	Fontanals	Fontanals, Rosalia	SFIS FL	US FL Miami	VP/Marketing Officer	IE	201 Grandon Blvd	#307	Key Biscayne	FL	33149
3-Oct-2005	Garcia	Garcia, Miguel A.	SFIS TX	US TX Houston	VP/Marketing Officer	IE	24814 Ranch Lake Ct.	NULL	Katy	TX	77484
2-Jan-2007	Giambroni	Giambroni, Gino J.	SFIS FL	US FL Miami	Assistant	INE	10221 Fountainsbleau	#205	Miami	FL	33172
5-Jun-2006	Gomez	Gomez, Eliaz M.	SFIS FL	US FL Miami	Recruitment	INE	10932 S W 4 St	NULL	Miami	FL	33174
11-Mar-2006	Gonzalez	Gonzalez, Emma G.	SFIS TX	US TX Houston	Admin Asst I	INE	10926 Melrose	NULL	Houston	TX	77073
8-Mar-2009	Gonzalez	Gonzalez, Ricardo	SFIS FL	US FL Miami	Deputy Director	IE	7840 S W 180th St.	NULL	Miami	FL	33157
5-Aug-2007	Hanna	Hanna, Mauricio	SFIS TX	US TX Houston	VP/Marketing Officer	IE	1617 Fountain Vw Dr	Apt 122	Houston	TX	77057
7-Apr-2006	Hernandez	Hernandez, Liliana G.	SFIS FL	US FL Miami	Admin Asst I	INE	10657 S W 244 Terr	NULL	Homestead	FL	33032
6-Feb-2006	Herrera	Herrera, Franklin E.	SFIS FL	US FL Miami	Associate Director	IE	17090 Collins Ave.	Apt. B-309	Sunny Isles Beach	FL	33160
12-Jun-2006	Hertha	Hertha, Alba I.	SFIS FL	US FL Miami	VP/Marketing Officer	IE	P.O. Box 143550	NULL	Coral Gables	FL	33114
28-Feb-2004	Knudson	Knudson, Patricia	SFIS FL	US FL Miami	Admin Asst I	INE	8305 S W 107 Avenue	Apt A	Miami	FL	33173
12-Feb-2009	Lozano	Lozano, Maria B. (Becona)	SFIS FL	US FL Miami	VP/Marketing Officer	IE	2451 Brickell Ave	17N	Miami	FL	33129
11-Feb-2006	Luciani	Luciani, Sergio	SFIS FL	US FL Miami	VP/Marketing Officer	IE	2695 S W 57 Ave	#515	Miami	FL	33133
18-Jan-2002	Mambrico	Mambrico, Maria Teresa	SFIS FL	US FL Miami	VP/Marketing Officer	IE	3051 Lucerne St	NULL	Miami	FL	33133
24-Sep-2001	Martinez	Martinez, Juanita R.	SFIS TX	US TX San Antonio	Sr VP/Marketing Officer	IE	1814 Dahlgreen	NULL	San Antonio	TX	78237
12-Jun-2008	Martinez	Martinez, Nurika	SFIS FL	US FL Miami	VP/Marketing Officer	IE	6508 S W 128 Pl	NULL	Miami	FL	33153
16-Jan-2002	Martinez	Martinez, Silvia A.	SFIS TX	US TX Houston	Office Mgr	IE	5120 Rhyarview Dr	NULL	Alvin	TX	77611
11-Feb-2007	Merritt	Merritt, Jimmy H.	SFIS FL	US FL Miami	VP/Marketing Officer	IE	199 Ocean Lake Dr.	Apt. 1105	Key Biscayne	FL	33149
02-Oct-2006	Minguez	Minguez, Nibelita	SFIS FL	US FL Miami	Admin Asst I	INE	8730 S W 133 Ave Rd	#123 Bldg 10	Miami	FL	33163
04-Apr-2005	Mora	Mora, Rolando H.	SFIS TX	US TX Houston	VP/Marketing Officer	IE	14203 Woodville	Gardens	Houston	TX	77077
06-Jun-2005	Morrell	Morrell, Dinahoe M.	SFIS FL	US FL Miami	Client Service Asst	INE	11500 S W 128th St	Apt #105	Miami	FL	33176
02-Jul-2001	Morero	Morero, Vicente	SFIS FL	US FL Miami	Associate Director	IE	9121 S W 103 Ave	NULL	Miami	FL	33176
15-Feb-1999	Modena-Ando	Modena-Ando, Victoria M.	SFIS FL	US FL Miami	Admin Asst II	INE	301 174th St #1608	NULL	Sunny Isles Beach	FL	33160
07-Jun-2006	Parais	Parais, Rolando	SFIS FL	US FL Miami	Deputy Director	IE	12318 S W 78th St.	NULL	Miami	FL	33163
07-Jun-2006	Royce	Royce, Claudia M.	SFIS FL	US FL Miami	Executive Asst	IE	15332 S.W. 48th St.	NULL	Miami	FL	33155
07-May-2001	Sanvedra	Sanvedra, Aneys	SFIS FL	US FL Miami	Housekeeper	INE	6441 S W 4th Street	Apt 405	Miami	FL	33174
30-Jul-2001	Sanchez	Sanchez, Odalys R.	SFIS FL	US FL Miami	Admin Asst I	INE	506 E 34th Street	NULL	Hialeah	FL	33013
31-Mar-2009	Torres de Echaz	Torres de Echaz, Rikda V. Ver	SFIS TX	US TX San Antonio	Admin Asst I	INE	438 Redbud Tracs	NULL	San Antonio	TX	78245
14-Aug-2006	Vazquez	Vazquez, Jaime	SFIS TX	US TX San Antonio	VP/Marketing Officer	IE	4207 San Gerardo	NULL	Mission	TX	76572
23-Jan-2002	Vazquez	Vazquez, Evelyn I.	SFIS FL	US FL Miami	Associate Director	IE	11887 S W 91 Terrace	NULL	Miami	FL	33185
05-Jan-2008	Vazquez	Vazquez, Maria E.	SFIS TX	US TX San Antonio	VP/Marketing Officer	IE	16022 Summers Pass	NULL	San Antonio	TX	78247

SFIS Employees @ 02/17/2009

Page 1 of 1



## C/M/S Cameron McKenna

Ralph S. Jarvey Esq  
Receiver, Stanford Fiduciary Investment Services Inc  
2100 Ross Avenue  
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Dallas, TX 75201

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peter.walsh@cmk-cmk.com

Your Ref:

Our Ref: PRW/PRW/MIT6.17a/101248.00022

17 March 2009

Dear Mr Jarvey

Stanford Trust Company Limited (receivers-managers appointed) ("STC")

Thank you for your letter of 16 March 2009 regarding employees of Stanford Fiduciary Investments Inc based in Miami, San Antonio and Houston.

We wrote on behalf of the Antiguan-appointed receivers to your attorneys, Baker Botts, on 26 February 2009 seeking clarification of actions you had taken with regard to these employees. We had suggested cooperation and information sharing regarding:

*"3. Offices identified in any jurisdiction and current status, relevant employer and number of employees (in that regard please let us know what actions have been taken with respect to STC's representative offices in the US and elsewhere)."*

Disappointingly that request has been ignored and your letter of yesterday marks the first time we have received any employee information and now only to be informed that you have terminated their employment. This is in contrast to the Report provided to Baker Botts by the Antiguan receivers under cover of our letter of 26 February.

Given your confirmation of your understanding that these employees effectively performed services exclusively for Stanford International Bank Ltd and for STC, the Antiguan receivers would at least have welcomed a dialogue or sooner notification of the intention to terminate. We do not believe that such a de minimis level of cooperation would have been inappropriate nor indeed in breach of your receivership duties.

(22599567.01)

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Faced with this position, I am instructed to confirm that the Antigua receivers have no desire to interfere with your termination decision. It is however important that the Antigua receivers understand the extent of these employees' claims in the event that they try to become claimants against the estate of SIC despite employment by SITS (we are not aware at present that there would be any basis for a claim against Stanford International Bank Ltd in any event). We look forward to hearing from you with this information.

Yours sincerely



Peter Wilshire  
CMS Cameron McKenna LLP

Hennis, Daniel

From: Julian Greenup [Julian.Greenup@vantisplc.com]  
Sent: 13 March 2009 18:12  
To: Hennis, Daniel  
Subject: FW: Stanford International Bank & Stanford Trust Company



Stanford Financial  
Recovership...

---

From: Mark\_Perry@JLTGROUP.COM [mailto:Mark\_Perry@JLTGROUP.COM]  
Sent: Wed 11/03/2009 14:49  
To: Julian Greenup  
Cc: Robin Petrucci@JLTGroup.Com  
Subject: FW: Stanford International Bank & Stanford Trust Company

\*\*\*\*\*

Important: We would draw your attention to the notices at  
the bottom of this e-mail, particularly before opening and  
reviewing any file attachment(s).

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Julian,

We have managed to track someone down at Willis and there reply to our request is  
attached.

Not sure on how you wish to proceed or if we can progress this further.

please let me know if we can be of any further assistance.

Many thanks.

Mark

---

From: Hunt, James [mailto:jhunt@willis.com]  
Sent: 11 March 2009 14:32  
To: Perry, Mark - GBR

28

Subject: Stanlord International Bank & Stanlord Trust Company

Dear Mr. Perry,

We refer to your request of March 2009 and having taken instructions from our clients' representatives (as appointed by the Texan Courts pursuant to the SEC Complaint (as attached)). They have responded as follows.

"Thank you for forwarding the information from Vantis. Mr. Janvey was appointed a receiver for the two subject entities more than a week before the Antiguan court took action to appoint Mr. Hamilton-Smith and Mr. Wastell as receivers. We do not recognize the Antiguan receivers as having any authority. Neither, to our understanding, is their receivership recognized in the United Kingdom. We see no need for you to provide any information on Mr. Hamilton-Smith's instruction. So far as we are concerned, the insurable interests are as have been previously discussed."

In those circumstances, we are unable to adhere to your request. If you have issues with the above please take it up directly with the US Receivers or their representatives; David S. White - Attorney - Thompson & Knight LLP, One Arts Plaza, 1722 Routh Street, Suite 1500, Dallas, TX 75201-2533, ph: (214) 969-1334, fax: (214) 880-3285, cell: (214) 566-3040, David.White@tklaw.com

Yours faithfully,

James Hunt

Executive Director

Willis Limited

FINEX UK & Ireland

The Willis Building

5th Level

51 Lime Street

London

EC3M 7DQ

Direct Line: +44 (0)20 3124 7572

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Email: huntj@willis.com

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addressed below.

Please consider the environment before printing this email.

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This is **Exhibit "J"** referred to in the  
Second Affidavit of Peter R. Wiltshire  
sworn before me, this 16<sup>th</sup> day of January, 2015.

A. CARLTON

ALAN CARLTON .

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A Commissioner, notary, etc.



# TAB 1

N J Hamilton Smith  
1st Affidavit  
Applicant  
21 April 2009  
Exhibit "NJHS1"

IN THE HIGH COURT OF JUSTICE

No. of 2009

CHANCERY DIVISION

COMPANIES COURT

IN THE MATTER of STANFORD INTERNATIONAL BANK LIMITED (IN LIQUIDATION)

AND

IN THE MATTER of THE CROSS-BORDER INSOLVENCY REGULATIONS 2006

---

AFFIDAVIT OF NIGEL JOHN  
HAMILTON-SMITH

---

I, Nigel John Hamilton-Smith, of Torrington House, 47 Holywell Hill, St Albans, Hertfordshire, make oath and say as follows:

1. I am a licensed insolvency practitioner and partner at the company Vantis Business Recovery Services ("Vantis") of the above address. I and my colleague, Peter Nicholas Wastell, have been appointed as joint liquidators of Stanford International Bank Limited ("SIB") pursuant to an order of the High Court of Antigua and Barbuda dated 15 April 2009. An original certified copy of the decision commencing the liquidation proceedings of SIB in Antigua and appointing Mr Wastell and myself as joint liquidators of SIB is exhibited at pages 1 to 11 of "NJHS1" (the "Order").
2. In our capacity as foreign representatives of SIB, Mr Wastell and I and now seek recognition of the Antiguan liquidation proceedings in England and Wales and the further relief sought in the application, pursuant to the Cross-Border Insolvency Regulations 2006.
3. I make this affidavit in support of that application and am authorised by Mr Wastell to make it on his behalf. Save as otherwise appears, the facts and matters stated herein are within my own personal knowledge, having been acquired by me in my capacity as one of the Receivers, and now one of the liquidators, to SIB. Where such facts and matters are not within my own

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personal knowledge, the source of my information and belief is set out herein and I believe such facts and matters to be true.

4. There is now shown to me marked Exhibit "NJHS1", which contains the documents I have referred to in this affidavit. References to page numbers in this affidavit are references to pages in that Exhibit.

#### Events leading to the liquidation of SIB in Antigua

5. Prior to the liquidation of SIB mentioned above, Mr Wastell and I were appointed by the Supervisor of International Banks and Trust Corporations of the Financial Services Regulatory Commission ("FSRC") pursuant to the provisions of the International Business Corporation Act Cap. 222 of the Laws of Antigua and Barbuda (the "Act") as the Receiver-Managers ("Receivers") of SIB and of Stanford Trust Company Limited ("STC") on 19 February 2009 (see appointment document exhibited at page 12). Our appointment as Receivers was subsequently ratified by the High Court of Justice in Antigua and Barbuda on 26 February 2009 (see copy of court order exhibited at pages 13 to 18).
6. I refer to the report dated 16 March 2009 (filed on 18 March 2009) prepared by the Receivers pursuant to the Order of 26 February, which is exhibited at pages 19 to 30 (the "Report").
7. The Report sets out in detail the operations undertaken by SIB in Antigua, the actions which we had taken as Receivers since our appointment, including the work undertaken to put in place arrangements for communicating with the investors in SIB and to identify the assets held by SIB (cash, investment and non-investment assets). The Report also sets out the reasons why we considered that there was an urgent need for liquidation proceedings to be commenced in Antigua in relation to SIB.
8. In addition to the information contained in the Report, the Receivers have ensured that the 27,992 existing clients of SIB have been kept informed of developments by way of press releases, websites, re-opening the telephone lines at the headquarters in Antigua, setting up an email address to respond to enquiries, producing statements of accounts for each investor and holding twice daily meetings with customers who arrive in person at the bank in Antigua. To date the Receivers have handled 13,500 investor enquiries and processed more than 3,000 change of address forms.
9. The Receivers have also sent a team of accountants and IT specialists to SIB's representative office in Canada to dismiss staff, deal with legal issues in conjunction with local legal representatives, sell the assets and image and safeguard the IT equipment. As part of this

process, the Receivers were recognised in the Canadian Superior Court for the District of Montreal, which granted them the power to take custody and control over SIB assets in Canada.

10. Our information technology advisors have made significant progress in developing an on-line claims management system that will be used to process claims from various creditors of SIB. The on-line system will allow us to issue all creditors a unique registration number and will provide various security checks relating to, among others, account numbers, passwords and digital signatures. At the same time, we have preserved all physical records to allow for necessary cross-checking to prevent fraudulent claims.
11. In the circumstances, pursuant to its powers under section 300 of the Act, the FSRC filed a petition for the liquidation of SIB in the High Court in Antigua on 25 March 2009. I refer to a copy of that re-filed petition at pages 31 to 37 and the supporting evidence at pages 87 to 177. After a hearing from 6-9 and 14-15 April 2009, SIB was placed into liquidation on 15 April 2009.
12. I am advised by Antiguan Counsel that the liquidation of SIB constitutes collective proceedings for the reasons set out below.
13. I refer to paragraph 2 of the Order which provides that Mr Wastell and I are appointed liquidators with all of the powers and duties of a liquidator as contained in the Act or any other legislation related thereto and with the further powers, duties and responsibilities as conferred by the Order. I refer to the powers provided by the Order, in particular paragraphs 4-7, which refer to the liquidators' powers of collection and realisation of assets for the general benefit of the creditors.
14. I further refer to the extract provisions of the Act at pages 38 to 53 which set out the liquidators' powers under the relevant Antiguan legislation.
15. For the reasons set out above, I am advised by the law firm acting for the liquidators, CMS Cameron McKenna LLP that the liquidation of SIB is a "foreign proceeding" within the meaning of Article 2(i) of the UNCITRAL Model Law on Cross-Border Insolvency (the "Model Law") and that my and Mr Wastell's appointment as liquidators constitutes us as "foreign representatives" of SIB within the meaning of Article 2(j) of the Model Law.
16. At paragraph 21 of the Order, the liquidators are empowered to apply for orders recognising our appointment in any other jurisdiction. I am advised by CMS Cameron McKenna LLP that the *Re Rajapakse* note on recognition applications issued by Registrar Nicholls on 28 November 2006 provides that if a foreign court has made an order permitting the foreign representative to issue a recognition application, such as is in paragraphs 21 and 22 of the Order, I am required to

state whether an appeal has been made against that order and if not, the time limits within which an appeal may be made. I am not aware of any such appeal and am advised by Antiguan Counsel that the relevant time limit for appealing against such an order is 6 weeks.

17. I should mention, for completeness, that a different winding-up petition in relation to SIB and an application for the appointment of provisional liquidators was filed in the High Court of Antigua and Barbuda on 9 March 2009 by a Mr Fundora, a creditor of SIB. Further details are set out in my affidavit for the Antiguan Court dated 25 March 2009 at paragraphs 25 to 33 (exhibited at pages 87 to 177). The Antiguan Court dismissed Mr Fundora's application for provisional liquidation on 23 March 2009 and adjourned and consolidated the hearing of the full winding-up petitions filed by Mr Fundora and the FSRC to 6 April 2009.
18. On 1 April 2009, Mr Ralph Janvey, the US Receiver, also filed an application in the Antiguan High Court requesting that both petitions for the winding up of SIB be struck out, or, alternatively, if a winding up order was made, that Mr Janvey be appointed as liquidator of SIB.
19. After hearing the case and the arguments for and against liquidation over five days, the judge decided that the petition of Mr Fundora was unsuccessful and that Mr Janvey's application had no merit. The FSRC's petition was granted and Peter Nicholas Wastell and I were appointed as joint liquidators.

#### Steps taken in US in relation to SIB

20. I refer in paragraph 18 above to Mr Ralph Janvey. As mentioned in the Receivers' report to the Antiguan Court and in my affidavit in support of the liquidation application, on Monday 16 February 2009, Mr Ralph Janvey was appointed as receiver over SIB and all other Stanford group companies pursuant to an order of the United States District Court in Dallas (the "US Receiver"). A copy of that order (and the subsequently amended order of 12 March 2009) is exhibited at pages 54 to 76). Under the terms of this order, the court in Dallas purported to assume exclusive jurisdiction over, and to take possession of the assets of, SIB as well as Stanford Group Company, Stanford Capital Management LLC, Mr R. Allen Stanford, Mr James M. Davis and Ms Laura Pendergest-Holt (the "US Defendants").
21. On the same date, the same US court issued a temporary restraining order, an order freezing assets, an order requiring an accounting, an order requiring preservation of documents, and an order authorising expedited discovery (exhibited at pages 77 to 86) against the US Defendants.
22. I am advised by CMS Cameron McKenna LLP and Jones Day, my legal advisers in the US, that the appointment of the US Receiver is not the appointment of a "foreign representative" within the meaning of Article 2(j) of the Model Law as the receivership is not a "foreign proceeding"

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within the meaning of Article 2(i) of the Model Law. This is on the basis that a US receivership, and in particular the receivership over SIB as ordered by the US District Court for the Northern District of Texas, is not a "foreign proceeding" within the meaning of that legislative provision, in that it is not "a collective judicial or administrative proceeding in a foreign State, including an interim proceeding, pursuant to a law relating to insolvency in which proceeding the assets and affairs of the debtor are subject to control or supervision by a foreign court, for the purpose of reorganization or liquidation".

#### Conflicting duties of the US Receiver and the Antiguan Liquidators

23. The terms of the order by which the US Receiver was appointed require Mr Janvey, *inter alia*, to:

"maintain full control of the Receivership Estate [defined as the assets and records of the US defendants]" (paragraph 5(a) of the order dated 16 February 2009, exhibited at pages 54 to 64),

and to

"collect, marshal, and take custody, control, and possession of all the funds, accounts, mail and other assets of, or in the possession or under the control of, the Receivership Estate" (paragraph 5(c) of the order dated 16 February 2009, exhibited at pages 54 to 64).

24. There is clear potential for a conflict between the terms of the US order and the terms of the order under which my colleague, Peter Nicholas Wastell, and I were appointed as liquidators, which requires us to:

"take possession of, gather in and realise all the present and future assets and property of the Bank" (paragraph 4 of the Antiguan court order, exhibited at pages 1 to 11).

I refer below to the steps we have taken in order to try to co-operate with the US Receiver.

#### Relationship with the US Receiver

25. Since our appointment as Receivers, my colleague Mr Wastell and I have been attempting to reach an agreement with the US Receiver, to establish a protocol to be put in place so as to enable co-operation between the US Receiver and us.
26. In an attempt to reach agreement, we have been in correspondence with the US Receiver through our respective lawyers. A copy of this exchange of correspondence is attached at pages

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177 to 218E. As can be seen, we have attempted to co-operate with the US Receiver in order to ensure that there is no duplication of work and that the best result for creditors is obtained and, as part of that effort, have provided details of the work we have undertaken. The US Receiver, however, has been unwilling to reciprocate with any information, and has provided no grounds for not doing so, despite our requests.

27. A meeting in Miami between the US Receiver, the Securities and Exchange Commission ("SEC") and us was scheduled for 1 April 2009. At that meeting, some progress was made, in that areas of potential co-operation were identified, but as the meeting was held on a "without prejudice" basis, I will not deal with it further here.
28. On 9 March 2009, the US Receiver was represented in an oral application to the Antiguan High Court at which I was present. The application centred on the US Receiver seeking to establish the primacy of the US receivership over the Receiver's own receivership proceedings in Antigua. At this hearing, no papers were submitted to the Court but the Judge gave a deadline of 1 April 2009 for papers to be filed and said that directions would be given on 3 April 2009.
29. On 27 March 2009, Mr Janvey made an application in the Antiguan High Court to postpone the hearing of his application for the Court to recognise the primacy of the US receivership from 3 April to 24 April. This step was taken after correspondence between Counsel for Mr Janvey and my own legal representatives, which resulted in me providing my consent to the postponement of that hearing.
30. At the hearing on 3 April, when Mr Janvey's application for an adjournment was heard, the Antiguan High Court said that Mr Janvey did not have locus to make the application and gave Mr Janvey the option of either withdrawing his application, or, having a costs order made against him. Mr Janvey chose to withdraw both his application for adjournment and his application to have the primacy of the US receivership recognised.
31. At pages 219 to 243 is a copy of the original pleading filed by the SEC in the District Court of the Northern District of Texas, Dallas Division.

#### Foreign proceedings

32. The matters referred to in paragraphs 17 to 19 above, were commenced in relation to SIB in the High Court in Antigua and were resolved with the appointment of Peter Wastell and me as joint liquidators.
33. We have also instigated Chapter 15 recognition proceedings in the US and intend to issue a similar recognition application in Canada and Switzerland in the near future. I am not aware of

any other insolvency proceedings having been commenced against SIB anywhere else in the world, although regulators have become involved in the running of other Stanford entities in Panama, Mexico, Peru, Colombia and Venezuela. I am not aware of any requests to the English court for assistance pursuant to S.426 of the Insolvency Act 1986.

Steps taken to preserve assets held on behalf of SIB in the UK

34. To date we have been in contact with roughly 70 entities which are said to hold cash, bonds, equities and other investments on behalf of SIB. We have serious concerns that the value of those investments will be significantly lower than the value attributed to them.
35. Of those institutions, six are based in the UK. SIB's records show that they either held accounts for SIB or carried out investment management of SIB portfolios. From the information supplied by three of the UK institutions that responded to letters sent by my English lawyers, CMS Cameron McKenna LLP, it appears that they hold assets belonging to SIB to the value of £4,029,685.07 in the UK.
36. One other of the financial institutions, Credit Suisse, has refused to provide details of accounts held in the name of SIB without a recognition order and an order granting the further relief sought herewith from the English Court (see page 261). From SIB's records, Credit Suisse appears to be holding the sterling equivalent of £117,325,636.53 worth of assets on behalf of SIB. Since Credit Suisse has refused to disclose any information on these accounts, I do not know whether those assets are based in the UK. In particular, I refer to a letter from Pershing LLC dated 12 March 2009 at page 262, which states that Pershing has a number of accounts in the name of SIB, which were opened on its books by Credit Suisse (Europe) Limited, to whom they say they provided securities, clearing and settlement services.
37. Although the three institutions which have responded positively provided the information sought from them, they refused to provide assurances that they would honour instructions from us, if we did not obtain recognition in this jurisdiction of the powers granted to us by the Antiguan court. Examples of the correspondence sent to institutions based in the UK and their responses are exhibited at pages 244 to 260.
38. The fifth UK institution contacted about investments held on behalf of SIB was Lehman Brothers Inc. ("LBI"). As has been well publicised, this bank is going through an insolvency process of its own, and as yet we have not received any information from LBI on the assets that they held on behalf of SIB.
39. On 27 March 2009, the SEC made an application to the High Court in London for a freezing injunction over the assets of the US Defendants (which include SIB) that are based in the UK.

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This application was granted by Jack J the same day with a return date of 6 April 2009 and a copy of that order is attached at pages 263 to 270.

40. On being provided with a copy of the order by Nabarro LLP, the SEC's solicitors, I became concerned that the order seemed to include at paragraph 12 an exception to the freezing order that allowed the US Receiver to repatriate assets in the UK back to the US with the consent of the SEC. Given the conflicting powers given to the US Receiver and the powers granted to me by the Antiguan Court, it was necessary for me to ensure that the US Receiver was not able to utilise this exception to bring into his control assets that I too was obliged to collect. After negotiating with Nabarro LLP, CMS Cameron McKenna LLP, acting on behalf of the FSRC, negotiated an agreement whereby the SEC would not provide its consent to any repatriation before the return date on 6 April. The SEC also agreed that on the return date it would apply to remove paragraph 12 from its own order so that there would be no requirement for a further application for a freezing order in the English Court regarding the same assets.
41. At the return date on 6 April, Stadlen J refused to remove paragraph 12 because of concerns that the order would, without it, conflict with the terms of the order appointing the US Receiver. Instead Stadlen J ordered that notice should be given to CMS Cameron McKenna LLP if any repatriation was envisaged. As Stadlen J gave no indication of the timeframe for such notice, it was suggested by David Wolfson QC representing the SEC, that a period of 24 hours notice should be given to CMS Cameron McKenna LLP and that Nabarro LLP would provide a new draft of the order to reflect that.
42. We were not able to agree a variation to the order with Nabarro LLP so were forced to make an application to Stadlen J for the order as sealed to be amended to include the requirement that CMS Cameron McKenna LLP be provided with two business days notice of any payment of funds to the US. The application was granted and a copy of the amended order is exhibited at pages 271 to 272. The next return date for the freezing injunction is 27 April 2009 and the SEC have filed an application notice for the extension of that injunction.
43. The SEC (on whose application the US Receiver was appointed) acknowledged that there is a dispute that needs to be resolved by an appropriate court in this jurisdiction as to how the assets in this jurisdiction should be dealt with.

#### EC Insolvency Regulation

44. For the reasons set out below, I do not believe that the EC Insolvency Regulation (No. 1346/2000) applies in this instance as SIB's centre of main interests is not located in the European Union.

*Centre of Main Interests*

45. For the reasons set out below, I believe that SIB's centre of main interests is located in Antigua on the basis that it conducted the administration of its interests from Antigua and that this was ascertainable by third parties dealing with the bank:
- 45.1 SIB was incorporated in Antigua on 7 December 1990, as Guardian International Bank Limited. It then changed its name on 20 December 1994 to Stanford International Bank Limited (the certificates of incorporation and change of name are exhibited at pages 273 to 274);
- 45.2 The registered address of SIB is Cort & Cort, 44 Church Street, P.O. Box 2010, St John's, Antigua and SIB's headquarters are at No. 11 Pavilion Drive, St John's, Antigua. The SIB headquarters and corporate offices are in a 30,000 square foot Georgian-style building sitting atop a hill outside Antigua Airport, which is occupied entirely by SIB's staff. SIB's only other office is a sales office in Montreal, Canada;
- 45.3 In close proximity to the headquarters, and all built by Sir Allen Stanford, the sole shareholder of SIB's ultimate parent company, are the Bank of Antigua, the Pavilion Restaurant (with a 9,000 bottle wine cellar valued in excess of \$4 million), the 5,000-seat Stanford Cricket Ground, the Antigua Athletic Club, a state-of-the-art health and fitness centre, and the Sticky Wicket, a bar and restaurant;
- 45.4 In addition to being the sole shareholder of SIB's ultimate parent company, Mr Stanford owned Antigua's largest newspaper, the Antigua Sun, headed the Bank of Antigua, was formerly the largest private employer in Antigua, sponsored Antigua Sail Week and was in the midst of developing a marina, shopping and entertainment complex near Antigua Airport when the SIB scandal broke. Stanford held dual U.S. Antiguan citizenship and resided in Antigua for more than 20 years. He was even knighted by the government of Antigua;
- 45.5 SIB was licensed and regulated in Antigua by the FSRC under the Act. SIB's banking licence is exhibited at pages 275 to 276. SIB was required to submit quarterly reports to the FSRC containing the details set out in the Report at pages 19 to 30;
- 45.6 In terms of the amounts deposited with SIB, approximately 19.46% came from Antiguan creditors (including Stanford Trust Company Limited);
- 45.7 SIB owns both directly and indirectly substantial property interests in Antigua including the freehold property of 1000 Airport Boulevard, Coolidge, St John's, Antigua, which is occupied by the Bank of Antigua. Additionally, other than the office equipment for the office in Montreal, all of SIB's non-investment assets are located in Antigua;

45.8 With respect to investment assets, and while much remains to be determined, such assets appear to have been invested throughout the world, although by far the largest financial institutional holdings appear to be in Switzerland and real property investments appear to be limited to Pelican and Guiana Islands, which are part of Antigua.

45.9 The vast majority of SIB's employees were employed at its headquarters at No. 11 Pavilion Drive, St John's, Antigua. Out of 93 employees, 88 worked in Antigua (with the other five located in Montreal, Canada) and they conducted the following operations from there in relation to its clients:

Client acceptance procedures and account openings

- SIB had a team of employees who received and processed the paperwork sent in by financial advisers for the opening of accounts, ran anti-money laundering, compliance procedures and know-your-client checks, set up the client accounts and corresponded with the new client.

- All the account opening information and account literature given to clients indicated that SIB was based in Antigua and provided that enquiries be directed to the phone number of SIB in Antigua. Examples of these documents are exhibited at pages 277 to 453. US citizens who bought CDs had to sign up to a Subscription Agreement for the US Accredited Investor Certificate of Deposit Program, which included a clause (at page 285) that said:

*"You understand that this Subscription Agreement shall be construed in accordance with and governed exclusively by the laws of Antigua and Barbuda and you consent to the exclusive jurisdiction of the courts in Antigua and Barbuda in relation to any action or any proceeding arising under this Subscription Agreement".*

- In the Disclosure Statement to the US Program that investors had to sign up to, at page 306 of, it refers to the Subscription Agreement and states:

*"...you will agree that your and our rights and obligations with respect to the CD Deposits will be governed by the laws of Antigua and Barbuda and that the courts of Antigua and Barbuda will have exclusive jurisdiction over any dispute relating to the CD Deposit."*

The first sentence of the Disclosure Statement also provided that:

*"[t]his Disclosure Statement was prepared and is being furnished by Stanford International Bank Ltd...a bank chartered in Antigua and Barbuda..."*

The same document later includes a lengthy description of Antigua and Barbuda, including its geography, system of government, legal system and financial regulatory system.

The Terms of Deposit, applicable to all investors, also set out in the opening paragraphs (at page 291) that:

*"Your deposit is...subject to the applicable laws and regulations of Antigua and Barbuda, West Indies."*

Finally, in the General Terms and Conditions for all accounts set up with SIB by citizens of any country, it is clearly set out (at page 327) that:

*"These terms and conditions shall be interpreted in accordance with the laws of Antigua and Barbuda, W.I. For any action or proceeding which the Bank or the Depositor may commence in connection with the account or with any operation or transaction involving payment to or from the account, the Depositor irrevocably submits to the jurisdiction of the courts of Antigua and Barbuda W.I. and to the fullest extent permitted by law, waives any and all immunity that it or any of its property, may have under any applicable law, as well as waiving any claim that such courts would be an inconvenient forum. Jurisdiction for all legal proceedings shall be in Antigua..."*

#### Receipt of client investments

SIB's accounting department would log the payment of monies into SIB and keep detailed records of those payments across a number of different bank accounts held by SIB at several international banks.

#### Payments to clients including interest payments and capital redemptions

Payment of interest to relevant clients occurred monthly and was in many cases undertaken via a Swift Bank Payment system from SIB's Antiguan premises, as were capital redemptions when clients withdrew their money.

#### Preparation and issue of client statements

- Each month SIB's client services department and the accounting department would compile a statement for each customer stating the balance of their deposit and the accrued interest, which was sent out via post.

#### Client file management

- Comprehensive files were kept solely at SIB in Antigua for each client with contact addresses, phone numbers, emails, passwords for those who had access to their accounts online and client directions, and these were updated in line with client instructions over time.

#### Operational accounting functions

- When a client wished to change his/her deposit account, provide any payment instructions, request private banking facilities or change his/her personal details, they would contact SIB in Antigua to give those instructions.

#### Private banking functions

- Customers could opt to have SIB conduct various activities on their behalf, such as paying monthly mortgage payments, credit card bills, school fees or any other payment required from the account and this was carried out by SIB's employees in Antigua based on instructions given directly to SIB in Antigua.

#### Customer loans

- The Bank allowed customers to loan money, although only up to a limit of 80% of their deposit with the Bank. The provision and conduct of these loans was managed and approved from SIB in Antigua.

#### Management of Tier 1 investments (being the cash assets of SIB)

- SIB held accounts at seven different banks based in the US, Canada, UK, Panama and Antigua and the operation of these accounts and the instructions for the movement of monies was managed from SIB's headquarters in Antigua.

#### Statements from financial institutions

- The financial institutions that were holding monies on behalf of SIB were instructed to send the paper copy monthly financial statements for the accounts in the name of SIB

to SIB at the Bank's headquarters at No. 11 Pavilion Drive, Antigua. These were filed in cabinets in the basement of those headquarters in Antigua.

#### Investment payments

SIB's employees in Antigua would transfer money from the accounts held with SIB to other Stanford companies for the purposes of investments and would even make some investment payments directly themselves.

46. Based on the above factors, it seems overwhelmingly likely that, if asked, customers (who form by far the largest constituency of SIB's creditors and who, I am advised, are the most important third parties for the purposes of stating where SIB is ascertainable by third parties) would have expressed the view that the main centre of operations of SIB was in Antigua, not least because all account documentation and paperwork that they received from the moment they expressed an interest in depositing funds with SIB made this clear. For many customers, the location of SIB outside their jurisdiction, and specifically in Antigua, was one of the main attractions of investing in or through SIB because of the historically unstable nature of their own country's economy and banking system. Many customers visited SIB headquarters in Antigua before investing their money, the same place that many investors visited when the news of the US Court's freezing order became known, as mentioned on the second page of the Report exhibited at pages 19 to 30.
47. The only direct function that SIB carried on outside Antigua was through a sales office based in Montreal. This office was not entitled to take deposits and its sole purpose was to promote SIB to investors who then would deposit money directly with SIB.
48. SIB relied on management agreements with third parties or Stanford group companies to operate the bulk of two of the arms of its business:

#### (a) Attracting Customers

This was undertaken by a team of financial advisers who were either independent or operated at branches of various Stanford group companies (such as Stanford Group (Venezuela)) in North, South and Central America. These people were not employees of SIB but operated individually under management agreements with SIB, or were employed by other Stanford companies which had management agreements with SIB.

## (b) Investing the Bank's Assets

The investment of deposits was managed from Houston by James Davis and Allen Stanford (Chief Financial Officer and Chairman of SIB respectively), partly on their own, and partly through funds deposited with Stanford Group Company, a broker-dealer company regulated by FINRA and the SEC in the US, and other group companies ultimately owned by Allen Stanford. As mentioned above, Mr Stanford was an Antiguan (as well as U.S.) citizen and spent substantial amounts of time in Antigua, where he had bought property and owned a large private marina where he moored his private yacht and often stayed while on the island. Both Mr Stanford and Mr Davis spent time each year on the island, including for a number of board meetings, though Mr Stanford spent substantially more time in the country than Mr Davis did.

## The US Receiver's position on COMI

49. The US Receiver disagrees with this assessment and contends that SIB's COMI is in the US. He has set out his arguments in an affidavit submitted to the Antiguan High Court on 1 April 2009, which is exhibited at pages 454 to 484 and which refers to SIB by an alternative acronym, "SIBL". Although a number of the US Receiver's arguments are points for legal submission, I set out my preliminary view or comments below:

- 49.1 *"SIBL was ultimately owned and controlled by a single shareholder, Allen Stanford, a United States citizen."* (paragraph 29a of the US Receiver's affidavit of 1 April 2009, page 466).

I am informed by CMS Cameron McKenna LLP that the nationality and place of residence of a shareholder are not factors that are relevant to COMI under English law. However, it is worth repeating the information set out above that Mr Stanford was a full citizen of Antigua and had been knighted by the Government of Antigua and Barbuda.

- 49.2 *"SIBL was one of many legal entities...which together comprised a single global financial services network owned and controlled by Allen Stanford from the United States"* (paragraph 29b, page 467).

I do not accept that SIB's business was part of a single global financial services network. SIB is a Bank, with its own business and customers. Its customers have a relationship with the Bank and not with a "single financial services network". In addition, the nationality and domicile of Mr Stanford are not relevant.

- 49.3 "...Allen Stanford used SIBL - and indeed the other entities that comprised his global empire - as instruments for perpetrating a massive fraud" (paragraph 29c, page 467).

The role of SIB in the alleged fraud has not yet been established and I am advised that it does not affect its COMI.

- 49.4 "...Jim Davis and Laura Pendergest-Holt, alleged accomplices of Allen Stanford, are also U.S. citizens and performed their roles principally from the U.S." (paragraph 29d, page 467).

As above, the nationality of these individuals is not relevant. Whilst it does appear that Mr Stanford, Mr Davis and Ms Pendergest-Holt, as Chairman, Chief Financial Officer and Chief Investment Officer respectively, made most of the strategic decisions in relation to SIB (including the Tier 2 and Tier 3 investments) and conducted the alleged fraud, the operational decisions and day-to-day running of the Bank were conducted from Antigua led by Juan Rodriguez-Tolentino, the President of the Bank.

- 49.5 "...Stanford, Davis and Holt...are [therefore] subject to the U.S. Court's jurisdiction." (paragraph 29e, page 467).

The fact that each of the above is subject to the US Court's jurisdiction individually has no bearing on the COMI of SIB.

- 49.6 "...more U.S. citizens than Antiguans invested in or made deposits in SIBL..." (paragraph 29f, page 467).

This statement needs further explanation. In fact, only 15% of SIB's depositors were citizens of the US. The rest of SIB's clients were based in 113 different countries around the world, with the top 10 countries by value of deposits and number being:

Country of Depositor	Number of clients	% of total clients	Amount US\$	% of total deposits
United States of America	4,380	15.66%	1,574,389,287	21.85%
Venezuela	10,432	37.29%	1,511,898,916	20.98%
Antigua and Barbuda	4,011	14.34%	1,402,094,191	19.46%
Mexico	3,865	13.82%	932,241,682	12.94%
Canada	224	0.80%	308,349,645	4.28%
Haiti	412	1.47%	219,667,759	3.05%
Peru	553	1.98%	120,767,660	1.68%



Colombia	580	2.07%	110,245,322	1.53%
Panama	171	0.51%	89,540,559	1.24%
British Virgin Islands	132	0.47%	84,632,344	1.17%
TOTALS	24,760	88.51%	6,353,827,370	88.18%

- 49.7 *"Most of the sales activities of SIBL occurred outside Antigua. Much, indeed probably most, of that activity occurred in or from the U.S." (paragraph 29h, page 468).*

SIB's sales activities did not occur mostly in the US. The financial advisers who sold certificates of deposits for SIB were based all over the world, and in particular in countries in South and Central America. These sales "staff" in every jurisdiction other than Canada were not employees of SIB but were independent contractors.

- 49.8 *"The assets of SIBL are located principally in jurisdictions other than Antigua and Barbuda..." (paragraph 29k, page 469).*

There are assets of SIB located all over the world, including substantial and valuable land holdings in Antigua.

- 49.9 *"Administrative and other support for the operations of SIBL was located in the U.S. and managed out of the Houston, Texas office..." (paragraph 29o, page 469).*

SIB was principally run in Antigua with a few support functions provided by other group companies in the US. However, the Antiguan head office had its own accounts department, its own human resources department, its own IT department which was supplemented by another Stanford entity in Antigua, its own payroll department and it ran SIB's operating software (which was upgraded in 2008 with a US\$3 million investment) from Antigua.

- 49.10 *"The entire Stanford operation was a single operation" (paragraph 29p, page 469).*

This is not true. SIB was a part of the Stanford group but was a separate legal entity. The products which it offered were the only way that investors could directly invest in a Stanford product. Whilst there were other operations providing financial advice, brokering services and general wealth management, SIB was the central banking institution in the Stanford empire and stood clearly apart from the rest of the group. Investors in SIB were well informed of its location, where it was operated from and that their investments would be subject to the laws and jurisdiction of Antigua and Barbuda. The full effect of this would be that those investors would

understand that in the situation of the insolvency of SIB, the laws of Antigua would apply to its liquidation.

- 49.11 "Stanford marketing materials emphasized not just SIBL but the entire global Stanford family of companies, which was headquartered in the USA..." (paragraph 29q, page 470).

It is true that the generic Stanford group marketing materials did not just emphasize or promote SIB, but also the various companies that were spread around the world. However, it certainly did not promote an impression of the group being headquartered in the US, but rather it provided updates on the Stanford operations in South America, Central America and Europe, as well as its activities in the US. Also, this group marketing material should be compared with the specific SIB investor information and account opening contracts (exhibited at pages 281 to 453) which made very clear that SIB was the product provider for certificates of deposit, that it was based in and run from Antigua, that queries should be directed to a phone number at SIB in Antigua, and that their account operation would be subject to the laws of Antigua.

- 49.12 "...the only connection to Antigua...is that SIBL was incorporated in Antigua." (paragraph 30, page 470).

As can be seen above, this is a misrepresentation of the facts.

#### Reasons for application for recognition in England and Wales

50. As mentioned in paragraph 10 of my affidavit for the Antiguan Court dated 25 March 2009 and the Report, in our capacity as Receivers, Mr. Wastell and I wrote to a number of financial institutions and entities, where it appeared from SIB's records that SIB held deposits or other investments, seeking information as to the balances held. Examples of the correspondence sent to institutions based in the UK and their responses are exhibited at pages 244 to 260.
51. As mentioned above, there are six financial institutions based in the UK where SIB's records showed that accounts were held or which carried out investment management of SIB portfolios. Of these financial institutions, three have confirmed the balances held (but have advised that no monies will be released without a court order or agreement of the US Receiver) and one financial institution, Credit Suisse, has refused to provide details of the accounts held without a recognition order and an order granting the further relief sought being obtained from the English Court (page 261).
52. As already stated above, from the information supplied by the three institutions, it appears that assets belonging to SIB to at least the sterling value of £4,029,685.07 are located in the UK, so that that is the minimum value of the assets of SIB in England and Wales in respect of which the

relief in the application under Article 21 of the Model Law is sought. This figure does not take into account any assets held by Credit Suisse. From SIB's records, Credit Suisse in London appears to be holding the sterling equivalent of £117,325,636.53 worth of assets on behalf of SIB.

53. In terms of depositors with SIB, I understand from SIB's records that there are approximately 219 depositors resident in the UK who hold certificates of deposit totalling \$56,413,898.46.
54. In light of the correspondence from the financial institutions and the freezing injunction obtained by the SEC, we consider that the recognition of the liquidation of SIB in the UK is necessary for Mr Wastell and I, as liquidators, to be able to safeguard and gather in assets held in the UK so that these can ultimately be made available to SIB's creditors. For this reason, in our application, we are not only seeking recognition of the liquidation of SIB but also further relief to enable us, as liquidators, to take control of SIB's assets in the UK, and realise the same for the benefit of the general body of creditors of SIB. Once the liquidators are recognised, it is anticipated that the financial institutions holding assets within this jurisdiction will disclose information concerning those assets without the need of further order of this court, particularly if the realisation of the assets is entrusted to the liquidators under paragraph 1(c) of Article 21 of the Model Law.
55. In our application, we are also seeking further relief (under paragraph 2 of Article 21 of the Model Law) for the Court to entrust to us as liquidators the distribution of all of SIB's assets located in Great Britain in due course, as has been ordered by the Antiguan High Court. It is not our intention to commence separate insolvency proceedings in this jurisdiction. The cost of doing so is unlikely to be justified given the limited scope of the assets within this jurisdiction, so far as we are currently aware. Moreover, with the benefit of recognition under the Cross-Border Insolvency Regulations 2006, I believe that we will be able to preserve and realise the assets, for the benefit of all creditors, more efficiently than by commencing separate insolvency proceedings here. To the best of my knowledge and belief, the interests of SIB's creditors will be adequately protected by the legislation in Antigua and Barbuda governing the liquidators' powers in this regard. In particular, the treatment of customer claims will be conducted on a *pari passu* basis and the priority of payment will be in accordance with s.289 of the Act and clause 7 of the Order.

#### Reasons for urgency

56. The allegations against Sir Allen Stanford, the founder of the Stanford group, are that he has been involved in fraudulent activity for many years, apparently involving the misappropriation of SIB customer deposits. Although SIB kept records of its credit balances with the various

banks and financial institutions, it seems (from those that have responded) that in several cases the balance held is far lower than SIB's records indicate. For example, in relation to the balances confirmed by HSBC, these are substantially less than the amounts identified from SIB's records as being held by HSBC and we need to obtain such information so that we can conduct an immediate tracing exercise and take the necessary steps to recover such amounts. Given the position taken by certain of the UK based financial institutions as to providing information without an order of the English court or releasing assets without such an order, the Liquidators consider it imperative to obtain recognition as a matter of urgency, so that they have the necessary standing to conduct immediate investigations to determine the source of the discrepancies and, where necessary, to trace the missing monies.

57. It is crucial that the issue of which office-holder should be entitled to take custody of the assets in this jurisdiction should be dealt with by the English Court as soon as possible. There are currently two different officers from two different jurisdictions appointed over SIB with no guidance as to which of them has primacy. In addition to causing confusion and distress for the creditors of SIB based both in the UK and elsewhere around the world, it also creates a continued delay for both office-holders in properly administering SIB's estate. Assets will remain frozen and no actions can be taken for moving forward the asset recovery and realisation process, or else claims handling, or ultimately distribution to creditors until this is resolved.
58. For the reasons set out in paragraph 22 above, I do not believe that I am required to serve this application on the US Receiver or that anyone other than SIB is required to be served. I am not aware of any person who has been appointed as administrative receiver of SIB or as a receiver or manager of SIB's property in England and Wales, nor any qualifying floating chargeholder who is or may be entitled to appoint an administrator under Schedule B1 to the Insolvency Act 1986 nor do I believe that SIB is of interest to the Financial Services Authority ("FSA") so that it would not be required to be served with the application. Since Mr Wastell and I are the Liquidators of SIB, I respectfully submit that the requirement to serve SIB be dispensed with.
59. Given that he contends that he has an interest in the assets within this jurisdiction, notwithstanding that I have been advised that he is not entitled to be served with this application as the US Receivership is not a "collective proceeding", I intend to give notice of the Application to the US Receiver, Mr Janvey.
60. I respectfully submit that a recognition order should, therefore, be made as a matter of urgency.

THE UNITED STATES OF AMERICA  
DOCTOR JOHN HAZELTON SMITH  
OF THE DISTRICT OF COLUMBIA  
DOES HEREBY CERTIFY THAT  
THE FOLLOWING IS A TRUE AND CORRECT  
COPY OF THE RECORDS OF THE  
DISTRICT OF COLUMBIA  
AS KEPT IN THE OFFICE OF THE  
COMMISSIONER OF THE DISTRICT OF COLUMBIA  
IN THE YEAR 1900  
AT WASHINGTON, D. C.  
JANUARY 1, 1901  
JOHN HAZELTON SMITH  
COMMISSIONER OF THE DISTRICT OF COLUMBIA

N J Hamilton-Smith  
1st Affidavit  
Applicant  
21 April 2009  
Exhibit "NJHS1"

No. of 2009.

IN THE HIGH COURT OF JUSTICE

CHANCERY DIVISION

COMPANIES COURT

IN THE MATTER OF STANFORD  
INTERNATIONAL BANK LIMITED (IN  
LIQUIDATION)

AND

IN THE MATTER OF THE CROSS-BORDER  
INSOLVENCY REGULATIONS 2006

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AFFIDAVIT OF  
NIGEL JOHN HAMILTON SMITH

---

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Mitre House  
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Ref: DAHE/RF/RWH/101248.00021

(22727182.01)

000199

IN THE HIGH COURT OF JUSTICE  
CHANCERY DIVISION  
COMPANIES COURT

Case No. 11 of 2009

IN THE MATTER OF STANFORD INTERNATIONAL BANK, LTD, STANFORD  
 GROUP COMPANY, STANFORD CAPITAL MANAGEMENT, LLC, ROBERT ALLEN  
 STANFORD, JAMES M. DAVIS, LAURA PENDERGEST-HOLT, STANFORD  
 FINANCIAL GROUP, AND THE STANFORD FINANCIAL GROUP BUILDING INC.  
 (IN RECEIVERSHIP)  
 AND IN THE MATTER OF THE CROSS BORDER INSOLVENCY REGULATIONS  
 2006

RALPH STEVEN JANVEY

(AS RECEIVER OF STANFORD INTERNATIONAL BANK, LTD, STANFORD GROUP  
 COMPANY, STANFORD CAPITAL MANAGEMENT, LLC, ROBERT ALLEN  
 STANFORD, JAMES M. DAVIS, LAURA PENDERGEST-HOLT, STANFORD  
 FINANCIAL GROUP, AND THE STANFORD FINANCIAL GROUP BUILDING INC.)

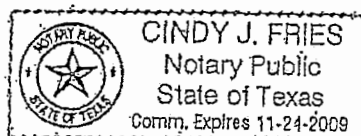
Applicant

Exhibit RSJ13

*Ralph S Janvey*

This is the exhibit "RSJ13" signed and sworn to before me, the undersigned notary public in and  
 for the State of Texas, on the 8<sup>th</sup> day of May, 2009.

*Cindy J. Fries*



Notary Public  
 My Commission Expires 11/24/2009

001178

THE EASTERN CARIBBEAN SUPREME COURT  
ANTIGUA AND BARBUDA

IN THE HIGH COURT OF JUSTICE



Claim No. ANUHCV 126/2009

IN THE MATTER OF THE  
INTERNATIONAL BUSINESS CORPORATIONS ACT, CAP. 222  
-And-IN THE MATTER OF THE PETITION FOR THE COMPULSORY WINDING-UP OF  
STANFORD INTERNATIONAL BANK

Between:

ALEXANDER M. FUNDORA

Claimant

-And-

STANFORD INTERNATIONAL BANK LIMITED

Defendant

AFFIDAVIT OF NIGEL HAMILTON-SMITH  
IN OPPOSITION TO THE APPLICATION

I, NIGEL JOHN HAMILTON-SMITH of Torrington House, 47 Holywell Hill, St  
Albans, Hertfordshire, England, licensed Insolvency Practitioner make oath and say  
as follows:

1. I swear this Affidavit on behalf of the Applicant in opposition to the  
Application of the the Claimant for the appointment of Provisional Liquidators  
for the Defendant.
2. Save where it otherwise appears, the contents of this affidavit are true to the  
best of my knowledge, information and belief. I have informed Mr. Westall of  
all the matters to which I swear and he has knowledge of the same from his  
role in the receivership team of SIB. Mr Westall has informed me that he

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believes the contents of this affidavit to be true to the best of his knowledge information and belief.

3. I have been practising as a licensed Insolvency Practitioners in the accounting firm Vantis Business Recovery Services ("Vantis") of Torrington House, 47, Holywell Hill, St. Albans, Hertfordshire, England and its predecessor firms since 1988. Copies of practicing certificates for Mr Wastell and for me are exhibited hereto and marked "NJHS1". Mr Wastell is also a partner of Vantis and has been practicing as a licensed Insolvency Practitioner since 1999 and involved in full time Insolvency work since 1990.

4. On 19 February 2009 Mr. Peter Wastell and I were appointed as joint Receiver-Managers for SIB and Stanford Trust Company Ltd ("STC") by the Supervisor of International Banks and Trust Corporations pursuant to the provisions of the International Business Corporation Act, Cap. 222 of the Laws of Antigua and Barbuda (the "Act") upon the terms and with all powers, duties and liabilities conferred and imposed by the Act.

5. On 26 February 2009, the appointment of Mr. Peter Wastell and me as Receiver-Managers by the FSRC was substituted by an Order of the Antiguan High Court appointing us as Receiver-Managers.

#### Events since appointment

6. A detailed account of our actions as Receiver-Managers of SIB and STC is contained in the Receiver Managers' Final Report filed herein a copy of which is exhibited herewith as "NJHS4". The Final Report deals with our actions under the following headings:

## 7.1 Assisting Investors

7.1.1 My team has put in place appropriate arrangements to ensure communication with SIB's clients who total in excess of 27,000, including by way of press releases, websites, re-opening of SIB's telephone lines, opening email communication channels for investors, producing statements of accounts for them and holding daily meetings.

### *Identifying the nature of operations undertaken by SIB in Antigua*

7.2.1 Members of my team and I have had a number of meetings with SIB's staff to identify the nature of the activities of SIB and its interaction with other Stanford companies and operations it conducted in other parts of the world. We have reviewed a substantial volume of records held by SIB in order to obtain information about the deposits taken from clients and investments made by SIB.

## 7.3 Operations in Montreal

7.3.1 SIB had a representative office in Montreal, Canada, which operated as a sales office for SIB. A team of accountants and specialist IT staff have attended at those offices to send all staff home, deal with local legal issues in conjunction with local legal counsel, and ensure that all files and paperwork have been stored and that IT equipment has been imaged and safe-guarded. We are currently dealing with the sale of the assets located in the Canada office, which are limited to office and IT equipment.

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*Identifying Assets*

7.4.1 My team have been carrying out investigations in order to identify assets held by SIB, including cash balances, investment assets and non-investment assets. This process has involved not only reviewing SIB's records but also sending out letters to approximately [60] financial institutions and companies to obtain their confirmation as to the cash, bonds, equities and other investments they are holding on behalf of SIB as well as communications with regulators in Ecuador and Mexico and the lawyers acting for the US Receiver about the relationship between SIB and other entities in the Stanford group.

*Communicating with the US Receiver*

Since our appointment, we have been attempting to reach an agreement with the Receiver appointed by the US District Court in Dallas, Mr Janvey (the "US Receiver"), to establish a protocol to be put in place so as to enable co-operation between the US Receiver and us. However, as explained in the Final Report, the US Receiver has not been prepared to co-operate in providing information to us as Receiver-Managers.

*Reasons for liquidation*

7. As explained in the Final Report, the Receiver-Managers have concluded that SIB is insolvent and is not capable of being re-organised via Receivership. We have therefore recommended that SIB should be placed into immediate liquidation, in order that the appointed liquidators can undertake the recovery and realisation of SIB assets, agree creditor claims and, in due course, declare a dividend (subject to realisation levels). The

reasons for the Receiver-Managers conclusion are set out in the Final Report and, for the sake of brevity, will not be repeated here.

8. Having reached the conclusion that SIB should be placed in liquidation, the Receiver-Managers consider that the liquidation process of SIB should be commenced immediately and respectfully submit that the Court should grant an order for the liquidation of SIB and that Mr. Wastell and I be appointed Joint Liquidators on an expedited basis.
9. I am mindful of the attitude of the US Receiver and the need to place the Defendant into liquidation. In that regard I am advised by my lawyers (CMS Cameron McKenna LLP and Jones Day) of the mechanics by which liquidators of the Defendant would be to able obtain recognition of their appointment from overseas Courts, including the Court in the United States.
10. I am advised by my lawyers in respect of the constitution of a "collective proceeding" and the recognition thereof as a "foreign proceeding" for the purposes of the UNCITRAL Model Law on Cross-Border Insolvency. I understand this to mean that as Joint Liquidators Mr. Wastell and I would be recognised by overseas courts and will receive the level of co-operation which we do not now have. Given the connections that we have established as Receiver-Managers we are confident that once we are appointed we will be recognised by the competent Courts in the various jurisdictions where assets are located (being Switzerland, Panama, United Kingdom, Canada, United States and Israel) and be in a position to apply to those courts for orders requiring the release of the assets to the defendant.

### Appointment of Vantis

11. As shown in our Report, I am convinced that a liquidation of SIB is necessary. I set out below, the reasons why my partner Mr Wastell and I, both of Vantis, should be appointed as liquidators.

### Work undertaken by Vantis

12. As is explained in the Final Report, Mr Wastell and I, and a team from Vantis, have been based at the headquarters of SIB at St John's, Antigua since 20 February 2009. The Vantis team has undertaken an enormous amount of work (as detailed in the Final Report) and we have gained a deep understanding of the Defendant's business, its assets, and its liabilities from our review of its records, our searches of its computer systems and IT databases, and our interviews of key members of staff. It would make sense to make the most of our efforts and knowledge and to take the same team forward to deal with the liquidation most efficiently. This would also ensure continuity and avoid confusion for investors who have been informed of our appointment as Receiver-Managers.

### Experience of Vantis

13. It is my understanding that one of the reasons why members of Vantis were initially asked to accept the appointment as Receiver-Managers was because of our previous experience with a large Antiguan liquidation, BetonSports (Antigua) Limited ("BetonSports"), where Mr Wastell and I were appointed as Receiver-Managers of BetonSports in September 2007 and subsequently as liquidators in February 2008. That liquidation was also

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large (the company had a multi-billion dollar turnover) and complex (not least because the company had 80,000 creditors). The assignment caused a team from Vantis to work on site in Antigua on a number of occasions and we are familiar with the process for the liquidation of an Antiguan company and the issues that are likely to arise.

14. As explained above, Mr Wastell and I are both independent licensed practitioners with over [50] years of experience between us. We are well-qualified to act as liquidators of SIB and have the necessary resource available from our firm of Vantis, which has over 1000 staff in the United Kingdom and access to further professional assistance in some 100 additional countries by reason of its membership of the HLB International network. Membership of the HLB network has already allowed us to introduce another HLB member firm to deal with issues at the Stanford operations in Colombia.

**Mr Fundora's petition to wind-up SIB and his application for the appointment of provisional liquidators to SIB**

15. I have seen a copy of a petition to wind-up SIB which was apparently signed by the petitioner, Alexander M. Fundora, on 8 March 2009 and filed at the court on 9 March 2009. I have also seen a copy of a Notice of Application dated 8 March 2009 which was filed at the court on 9 March 2009. By the Application, Mr Fundora seeks the appointment of two accountants, respectively from Canada and Barbados, as provisional liquidators of SIB.

16. Apart from having sight of the copy Petition and copy Notice mentioned above, I have also read copies of three affidavits that I understand were sworn by Mr Fundora in connection with this matter. The first affidavit, sworn on 3 March 2009, was prepared in support of Mr Fundora's petition to wind-up SIB; the second affidavit, also sworn on 3 March 2009, was prepared in support of Mr Fundora's application for the appointment of provisional liquidators; and the third affidavit, sworn on 8 March 2009, was prepared to reflect the fact that Mr Wastell and I had been appointed Receiver-Managers of the Bank by the High Court of Justice, Antigua and Barbuda, on 26 February 2009.

17. I shall deal briefly with each of the main assertions that Mr Fundora makes in his affidavit evidence in support of his petition to wind-up SIB and his application to have Mr Marcus A. Wide and Mr Christopher S. Sambrano appointed provisional liquidators of SIB.

*Jurisdiction*

18. Mr Fundora states (in his first affidavit, paragraph 7) that he does not understand how the US District Court can assume jurisdiction over the affairs and assets of SIB, as he believes that such jurisdiction would rest with this Honourable Court since SIB and its operations are domiciled in Antigua. I share Mr Fundora's understanding that it is this Court that has jurisdiction to deal with any insolvency of SIB.

*The Receiver-Managers' appointment and powers*

19. In paragraph 15 of his first affidavit, Mr Fundora states, accurately, that Mr Wastell and I were appointed by the FSRC. Our original appointment, on 19 February 2009, was as Receiver-Managers of SIB under an appointment by the Supervisor of International Banks and Trusts of the FSRC. In his third affidavit, Mr Fundora reflects the fact that, subsequent to our appointment by the FSRC, Mr Wastell and I were appointed Receiver-Managers of SIB on 26 February 2009 by an order of the High Court of Justice, Antigua and Barbuda:

20. In all three of his affidavits, Mr Fundora stresses that the powers of Receiver-Managers are inadequate to safeguard his interests and the interests of other creditors in SIB. He refers (at paragraph 15(c) of his first affidavit) to the fact that the appointment of Receiver-Managers did not cause any stay of proceedings SIB or stay of execution against SIB to come into force by operation of Antiguan law. He also refers (at paragraph 15(e) of his first affidavit) to the fact that the appointment of Receiver-Managers was not made in the context of insolvency proceedings and he goes on to say that it is probable that the appointment of Receiver-Managers will not therefore achieve recognition in courts in other jurisdictions where the Bank's assets are situated. I refer to the Final Report and to my own conclusion, expressed elsewhere in this affidavit that it is vital that SIB be placed in liquidation as soon as possible in order to enable Mr Wastell and me, as liquidators, to act with the greater powers of liquidators for the benefit of SIB's creditors.



21. In paragraph 12 of his second affidavit, Mr Fundora states that he believes that the Government of Antigua has an interest adverse to the general body of creditors of SIB, given that the Government is a significant debtor to SIB. Mr Fundora states that he has deep reservations with respect to the mandate that has been given to Mr Wastell and me as joint Receiver-Managers appointed by the Government as opposed to this Honourable Court. From reading Mr Fundora's third affidavit, it appears to me that his reason for swearing that affidavit on 8 March 2009 was that the High Court's order of 26 February 2009 appointing Receiver-Managers had come to his attention. Mr Fundora does not refer in his third affidavit to any perceived conflict of interest on the part of Mr Wastell and me, but the suggestion remains in his second affidavit, which is before the court. In case it is still relevant for me to do so, I refute Mr Fundora's suggestion that there might be a conflict of interest preventing the present Receiver-Managers from making enquiries into SIB's assets and liabilities. Even before the Court made its order on 26 February, I did not regard myself as being under any constraint to operate other than entirely independently and objectively.

22. It is also relevant, in light of Mr Fundora's assertions, that it is my understanding, from my investigations as Receiver-Manager of SIB, that the Antiguan Government is not, in fact, a debtor of SIB but rather a debtor of the Bank of Antigua which is no longer part of the Stanford group of companies. As such, Mr Fundora's attempts to suggest that the Government's debt to SIB would affect the independence of us, if appointed as liquidators, is entirely misconceived (if not offensive).

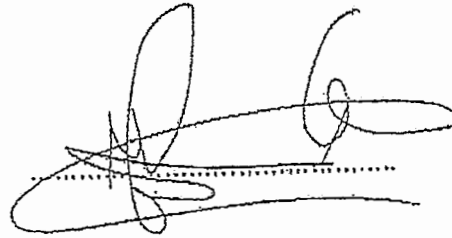
*The competence and experience of Mr Fundora's proposed appointees*

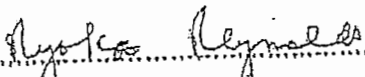
23. I have never encountered Mr Wide or Mr Sembrano, and am not therefore in a position to comment with any authority on their suitability to act as liquidators of SIB, although I do note that it appears that neither of them has been an insolvency office-holder in relation to an Antigua-registered company. Elsewhere in this affidavit, I refer to my own experience as an insolvency practitioner, to the resources available to me, and to the substantial work that I and my team have carried out so far towards understanding the affairs of SIB and safeguarding its assets. In light of this I humbly propose to this Court that my colleagues Peter Wastell and I be appointed as liquidators of SIB for the reasons set out above and to ensure that no undue confusion is caused to creditors (in an already complicated matter) by a change in the officers appointed to conduct the operations of SIB in its liquidation, if so ordered.

*Statutory duties, powers and liabilities*

24. Having previously acted as a liquidator of an Antiguan company, both Mr Wastell and I are familiar with the relevant legislation and are mindful of the statutory duties, powers and liabilities which Mr Wastell and I are obliged to exercise perform and discharge.
25. In the circumstances, I oppose the Application and humbly ask this Court to reject it in its entirety.

Sworn at the High Court of Justice )  
Parliament Drive, St. John's, Antigua )  
this 18<sup>th</sup> day of March, 2009 in the )  
presence of :- )  
)



  
.....  
COMMISSIONER FOR OATH  
ANTIGUA & BARBUDA

THE EASTERN CARIBBEAN SUPREME COURT  
ANTIGUA AND BARBUDA

## IN THE HIGH COURT OF JUSTICE

Claim No. ANUHCV 126/2009

IN THE MATTER OF THE  
INTERNATIONAL BUSINESS CORPORATIONS ACT, CAP. 222  
-And-IN THE MATTER OF THE PETITION FOR THE COMPULSORY WINDING-UP  
OF  
STANFORD INTERNATIONAL BANK

Between:

ALEXANDER M. FUNDORA

Claimant

-And-

STANFORD INTERNATIONAL BANK LIMITED

Defendant

+++++  
AFFIDAVIT OF NIGEL HAMILTON-SMITH  
IN OPPOSITION TO THE APPLICATION  
+++++

18/03/09

12:40 PM

CHARLESWORTH O. D. BROWN  
Attorney-at-Law

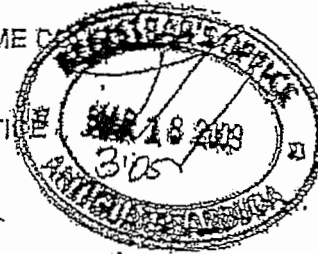
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THE EASTERN CARIBBEAN SUPREME COURT  
ANTIGUA AND BARBUDA

IN THE HIGH COURT OF JUSTICE

Claim No. ANUHCV 126/2009

IN THE MATTER OF THE  
INTERNATIONAL BUSINESS CORPORATIONS ACT, CAP. 222  
-And-IN THE MATTER OF THE PETITION FOR THE COMPULSORY WINDING-UP  
OF STANFORD INTERNATIONAL BANK

Between:

ALEXANDER M. FUNDORA

Claimant

-And-

STANFORD INTERNATIONAL BANK LIMITED

Defendant

EXHIBITS

These are the exhibits marked "NJHS1" and "NJHS4" referred to in the Affidavit  
of Nigel Hamilton-Smith filed on the 18th day of March, 2009.

Dated the 18<sup>th</sup> day of March, 2009

*Nyoka Reynolds*  
.....  
COMMISSIONER FOR OATH  
ANTIGUA & BARBUDA

THE EASTERN CARIBBEAN SUPREME COURT  
IN THE HIGH COURT OF JUSTICE  
ANTIGUA AND BARBUDA  
Claim No. ANUHCV2009/0110

In the Matter of Stanford International Bank Ltd. (in Receivership)

-And-

In the Matter of Stanford Trust Company Ltd. (in Receivership)

-And-

In the Matter of the International Business Corporations Act, 1982, CAP.222  
of the Laws of Antigua and Barbuda

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REPORT TO THE ANTIGUAN HIGH COURT  
BY THE JOINT RECEIVER-MANAGERS ON  
STANFORD INTERNATIONAL BANK LTD

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Reasons for the filing of this Report

Under an Order made by the High Court of Antigua and Barbuda on 28 February 2009, Nigel Hamilton-Smith and Peter Wastell are required, as Receiver-Managers, to prepare and file with the High Court an Interim Report on the affairs of Stanford International Bank Ltd ("SIB" or the "Bank") within 30 days of the date of that Order. This Report is prepared to comply with that Order, and also to set out the Receiver-Managers' recommendations for how to deal with the Bank going forwards, based on their findings to date.

Events Leading to the Appointment of Receiver-Managers

The decision to appoint receivers arose because of the restraining order obtained by the Securities and Exchange Commission ("SEC") in the United States of America which meant that SIB no longer had access to its bank accounts (which were located in countries including the United States, Canada, Panama, and the United Kingdom) to continue its operations. Separately SIB was in receipt of significant volumes of e-mails, telephone calls and personal visits from investors seeking confirmation that their investments were safe and, in many instances, seeking the withdrawal of their funds which could not be processed.

Accordingly Nigel Hamilton-Smith and Peter Wastell were appointed as Joint Receiver-Managers on February 19, 2009 by the powers conferred on the Financial Services Regulatory Commission of Antigua ("FSRC"). Separately the appointment of Receiver-Managers was made by order of the High Court in Antigua on February 26, 2009.

### Actions Immediately Upon Appointment

On Friday February 20, 2009 the Receiver-Managers, with additional staff from Ventis and legal counsel, attended the headquarters of SIB at St John's, Antigua to meet with the management and staff and to also deal with investors who had decided to travel to the Bank's headquarters either to withdraw their investments or seek clarity on the status of their funds.

Meetings were held with the 87 staff to advise of the Receiver-Managers appointment and to explain that the Receiver-Managers primary focus would be to:

1. Protect the position of investors who were located around the world;
2. Confirm the sums owed to investors;
3. Deal with staff concerns and seek funding for payment of staff salaries whilst they remained employed by SIB in receivership;
4. Seek to establish the position with the investment assets held by SIB;
5. Establish the position with the non investment assets held by SIB;
6. Engage with Mr Janvey the US Receiver and the US Court; and
7. Ensure the preservation of the operating infrastructure and IT systems used by SIB.

At the time of arriving at the Bank's headquarters there were approximately 100 investors in the lobby entrance. Many had travelled to Antigua from overseas and there were investors present from countries including the United States, Canada, Venezuela, Columbia, Mexico and Ecuador. Prior to the arrival of the Receiver-Managers the staff at SIB had become concerned for their personal safety and it had been necessary to seek the assistance of the Antiguan police. Having addressed the staff, a meeting was then held with the investors to advise of the appointment of the Receiver-Managers. The Bank was then closed to all visitors and remains closed to all persons save for staff, the Receiver-Managers, their staff and legal counsel.

Any client visiting the Bank is now provided with a statement confirming the appointment of Messrs Hamilton-Smith and Wastell as Receiver-Managers and a Frequently Asked Questions sheet. This information is available in both English and Spanish. Meetings are held at 12 noon and 4 pm each day with any client visiting the Bank and wishing to speak to a member of the Receiver-Managers' staff in person.

### Work Undertaken to Assist Investors

As expected, the current position with SIB and the freezing of all accounts has been a matter of the highest concern for the Bank's clients who total in excess of 27,000. Significant efforts have therefore been made to put in place appropriate arrangements to ensure communication with clients and our efforts have included:

1. Notifying investors of our appointment by way of a world-wide press release with additional press releases being issued on a regular basis as matters have developed;
2. Ensuring details of the Receiver-Managers' appointment have been provided on our website [www.ventisplc.com](http://www.ventisplc.com);
3. Re-opening the Bank's telephone lines to deal with investor enquiries and for clients to be provided with FAQ's sheets in both English and Spanish as required;

4. Opening e-mail communication channels for investors including the ability to provide instructions for change of address and change of mailing instructions. To date approximately 8,700 e-mails have been received from clients and over 800 change of address and mailing instructions have been received for processing;
5. Ensuring statements of account are produced for investors, detailing investment balances as at February 19, 2009. This has given rise to significant issues to be addressed in relation to dealing with IT matters due to the need to undertake a mid-month statement run (had we waited until month end the Bank's IT system would have continued to calculate interest due on balances). We have also had to deal with 12 postal and courier companies who initially refused to provide any services to SIB due to outstanding amounts being owed by SIB for services prior to the receivership. Having resolved the IT and logistical problems it has now been possible to issue over 12,500 statements to clients with a further 8,200 currently awaiting delivery. All statements have also been accompanied by a letter from the Joint Receiver-Managers confirming their appointment, setting out the key purposes of the receivership and advising that a report to clients on initial findings will be provided within 90 days of the commencement of the receivership.
6. It should be noted that over 9,000 clients had standing instructions with the Bank for their statements to be issue under "Hold Mail" instructions. Clients can now change those instructions via a dedicated e mail address operated by the Receiver-Managers.

It had also been hoped that joint statements with Mr Janvey the US Receiver could be made via the main SIB website which is controlled from Houston, Texas and is therefore now under the control of Mr Janvey. This was raised by us within 7 days of our appointment with Mr Janvey's lawyers, Baker Botts LLP ("Baker Botts"), although to date no positive response has been received on our proposal which, regrettably, we consider only causes added confusion for SIB's clients. As Receiver-Managers we also believe that under Antiguan banking law the only place where client records can be held is in Antigua and it remains unclear as to how Mr Janvey believes he is or will be able to communicate with clients in the absence of holding their contact and account details.

#### US Receiver Communications

Initial communications were made on February 20, 2009 between my lawyers CMS Cameron McKenna LLP ("CMS") and Baker Botts. A conference call was then held on February 23, 2009 with the Receiver-Managers, Mr Janvey and our respective legal counsel. During the course of the call we suggested that an early meeting with Mr Janvey would be beneficial to all parties in order to accelerate the process for both parties to come to a memorandum of understanding, and the Joint Receiver-Managers offered to travel to the United States. Whilst the basic idea of co-operation appeared to be welcomed by Mr Janvey he declined the offer to meet requesting that we initially communicate with Baker Botts.

That request was met by CMS providing a detailed letter to Baker Botts on February 26, 2009 with which we provided an initial six page report on work undertaken by the Receiver-Managers to that date. Despite verbal assurances of a substantive response from Baker Botts it took until March 5, 2009 for them to advise that they could not provide a substantive response and progress a co-operation agreement due to issues including:

- The Antiguan authorities not legally recognising the US receivership;
- The US authorities not recognising the Antiguan receivership;



- The US Receiver being prevented from providing information under US law and his court appointment (which we have requested be substantiated); and
- That the estate falls entirely within the scope of the US order.

However, in the same letter an offer of a meeting in Miami was made, although no agenda has been suggested and the Receiver-Managers have real concerns about the true desire of Mr Janvey to cooperate. OMS have therefore replied seeking clarity on the purpose of the meeting if the US Receiver is unable to provide us with information and Baker Botis' response is awaited.

#### Operations Undertaken by SIB in Antigua

A number of meetings have been held with the Bank staff to establish the activities of SIB and its interaction with other Stanford companies and the operations it conducted in other parts of the world.

Whilst further investigations continue our current findings are as follows:

- SIB was engaged in the taking of deposit from clients and then investing those monies on behalf of the clients. The products offered by SIB appear to be limited to the following:
  - Fixed term deposits known as Fixed Certificates of Deposit ("FixedCD") with terms ranging from 3 months to 60 months. The longer the term of the deposit the higher the interest rate offered. Clients could invest in multiple currencies including US Dollars, Euros, Canadian Dollars and Sterling;
  - Flexible term deposits known as Flexible Certificates of Deposit ("FlexCD") with terms ranging from 3 months to 60 months but with permitted withdrawals during the term. Again interest rates were linked to the term of the deposit and clients could invest in multiple currencies;
  - Index Linked Certificates of Deposit ("ILCD") - where growth of the ILCD was linked to the performance of certain equity markets but with certain minimum guaranteed returns being offered to investors;
  - Express A/c - 24 hour call account;
  - Performance A/c - 15 day call account;
  - Premium A/c - 15 day call account where client liability is matched by treasury bills;
  - Ancillary services including the issuance of SIB credit cards (via Visa and Mastercard) and managing bill payment on behalf of clients.

Clients could also borrow monies from SIB against their deposits. We are advised that typically the client's monies would be invested on a long term basis with loans taken on a short term basis on which SIB made a margin on the interest charged. The Bank records indicate that it has \$104,421,957 of loans outstanding against clients Certificates of Deposit ("CD"). It is not considered that it will be possible to realise value for these loans since they are collateralised against clients' own deposits with the Bank.

The records of SIB further indicate that as of February 19, 2009 the Bank had 27,992 active clients. Including accrued interest to February 19, 2009 the Bank's records indicate a total of \$7,206,204,578 as being invested by clients and held in the following products:

	US\$ million
Fixed CD	4,952
Flex CD	1,894
ILCD	19
Express A/c	227
Performance A/c	1
Premium A/c	19
Total	7,208

SIB's clients were from around the world. It is noted that there are clients based in 113 different countries with the top 10 countries, by value of deposits and number being:

Country of Depositor	Number of Clients	% of total clients	Amount US\$	% of total deposits
United States of America	4,380	15.65%	1,574,389,287	21.85%
Venezuela	10,432	37.29%	1,511,698,916	20.98%
Antigua & Barbuda *see note below	4,011	14.34%	1,402,094,181	19.48%
Mexico	3,665	13.62%	932,241,682	12.94%
Canada	224	0.80%	308,349,645	4.28%
Haiti	412	1.47%	219,687,759	3.05%
Peru	553	1.99%	120,767,550	1.68%
Columbia	580	2.07%	110,245,322	1.53%
Panama	171	0.61%	89,540,659	1.24%
British Virgin Islands	132	0.47%	84,632,344	1.17%
TOTALS (relating to top 10 by deposit value)	24,760	88.51%	6,353,827,370	88.18%

\*Note: Within the amounts detailed as being received from clients based in Antigua and Barbuda are included investments held in the name of Stanford Trust Company Ltd on behalf of its 3,800 clients.

We are advised that typically a client would be referred to SIB by a financial advisor from within the Stanford Financial Group which appears to have had a number of offices in:

Canada	Caribbean
Columbia	Ecuador
Mexico	Panama
Peru	Switzerland
United States of America	Venezuela

We are advised that nearly 100% of the Bank's clients were referred to SIB by Stanford Financial Advisors.

From the headquarters in Antigua the following operations were conducted:

- Client take on procedures and account openings;
- Receipt of client investments;
- Payments to clients including interest payments and capital redemptions;
- Preparation and issue of client statements;
- Client file management;
- Operational accounting functions.

#### Operations in Montreal, Canada

In addition to the operations conducted in Antigua, SIB had a representative office in Montreal, Canada which operated as a sales office for SIB. At the date of our appointment there were 5 employees in Montreal.

Since the day to day operations of SIB had ceased prior to our appointment and SIB was no longer able to accept any further deposits from clients the decision was taken to close the Montreal office and members of the Receiver-Managers' staff attended the office in Montreal to close the office and make the staff redundant. Specialist IT staff have also attended the offices to ensure that all IT equipment has been imaged and safeguarded.

We are presently liaising with our lawyers in Canada to deal with the sale of the assets located in the Canada office which is limited to office and IT equipment.

#### ASSET IDENTIFICATION WORK

As detailed above, SIB is subject to regulation by the FSRC. As part of the regulatory process in Antigua, SIB was required to file with the FSRC quarterly reports on a set of forms known as IB5. The last return filed by SIB was for the quarter ended September 30, 2008 which was submitted on October 21, 2008.

The reporting package required that SIB provide information on:

- Details of key employees;
- Statement of Assets and Liabilities;
- Schedule of deposits classified by country of depositor;
- Schedule of borrowers classified by country of borrowers;
- Schedule of interest rates applied to deposits and loans with minimum and maximum rate disclosure;
- Analysis of deposits and loans by size (in bands) and number of clients for each band;
- Details of the twenty largest depositors and borrowers;
- Analysis of investments by:
  - Type (which as at September 30, 2008 included, Brokerage accounts, Equity Securities, Private Bonds, Other)
  - Currency of holding
  - Country of Issuance
  - Intermediary/Broker/Issuer
  - Initial / Cost Value
  - Current balance sheet value

Mr Juan Rodriguez-Tolentino, the President of SIB Caribbean based in Antigua, has advised that the Quarterly Reporting Package was always prepared by Mr James Davis and colleagues from the Stanford offices in Houston, Texas and then provided to SIB for submission to the FSRC.

As at September 30, 2008 the assets and liabilities statement provided to the FSRC detailed the following:

ASSETS		US\$
Cash in hand		1,222
Due from Banks	Time deposits	582,041,278
	Demand	405,946,399
	Other	500,000
Loans advanced		94,117,178
Investments	Corporate bonds and long term securities	2,082,247,089
	Other investments	5,574,545,324
Fixed Assets	Property, office equipment, vehicles	7,221,738
Other Assets	Accrued Interest & Prepayments	4,760,622
TOTAL ASSETS		8,552,381,850
LIABILITIES		US\$
Deposits	Demand	140,954,759
	Time	7,519,397,249
Accrued Interest		57,870,012
Share Capital	Ordinary shares	10,000,000
	Ordinary share surplus	635,500,000
Undistributed Profits	Retained earnings	241,421,761
	Profit & Loss Account	(55,751,931)
TOTAL LIABILITIES		8,552,381,850

Mr Rodriguez-Tolentino has advised that save for the analysis provided to SIB with each quarterly submission, SIB in Antigua was not provided with specific details of the Investment Assets which were managed by Mr Davis and Mr Stanford from the Stanford Financial Group offices in the United States of America.

On a monthly basis the SIB accounting team in Antigua would prepare the management accounts covering matters such as operating costs, interest payments to clients and would then be advised by Stanford Financial Group of the Investment Income and analysis of SIB results for the month in question.

Mr Rodriguez-Tolentino has further informed us that during November 2008 he was advised that Mr Stanford had invested additional capital of US\$541,000,000 into SIB. The Receiver-Managers have located faxes and e-mails received on December 16, 2008 from Mr Rolando D. Roca from Stanford Houston detailing the accounting entries that were required to be made by the accounts team based in Antigua to reflect the increased capital in SIB. Mr Rodriguez-Tolentino is unable to advise in what form the capital injection was made although he advised the Receiver-Managers that he had heard it related to property assets being injected into SIB by Mr Stanford. A written request has been made of Mr Stanford, Mr Davis and Ms Laura Pendergast-Holt via their lawyers to confirm the exact nature of the purported capital injection so that the Receiver-Managers can seek to identify the assets for the benefit of the investors and creditors of SIB. No response has been received to date.

#### Cash Balances

Our investigations have established that as of close of business on Wednesday, February 18, 2009 SIB's records detailed the following cash balances being held:

Bank	Country	US\$
The Toronto Dominion Bank	Canada	18,918,662
Trustmark National Bank	United States of America	1,888,857
HSBC Bank Plc	United Kingdom	5,246,601
HSBC Bank Panama S.A.	Panama	3,149,478
Bank of Antigua	Antigua	9,954,971
Bank of Houston	United States of America	1,948,374
Comerica Bank	United States of America	5,457,680
	TOTAL BALANCES	48,594,623

All banks known to be holding cash balances have been contacted to seek confirmation of balances. At present the following responses have been received:

Bank	Response received
The Toronto Dominion Bank	Confirmed account numbers and balances; accounts frozen until they receive a Canadian Court order or joint instructions from the Antiguan and US Receivers
Trustmark National Bank	Confirmed account numbers and balances; accounts frozen pursuant to Temporary Restraining Order
HSBC Bank Plc	Confirmed account numbers and balances; accounts frozen until they receive an English Court order or joint instructions from the Antiguan and US Receivers
HSBC Bank Panama S.A.	No response
Bank of Antigua	Bank of Antigua have made deductions from the account of US\$5,737,520 in relation to credit card debts for credit card accounts issued to SIB customers along with a further \$500,000 retention for future debts. The balance has been released to the Receiver-Managers to meet the ongoing operational costs of SIB and the professional costs that are being incurred by the Receiver-Managers.
Comerica Bank	No response
Bank of Houston	Confirmed account numbers and balances; accounts frozen but they assert right of set-off

#### Investment Assets

Whilst we were advised that these assets were dealt with from Houston our investigations have located significant amounts of paperwork detailing accounts with financial institutions and companies where it would appear that SIB has invested monies. To date we have been in contact with 38 financial institutions who are detailed as holding cash, bonds, equities and other investments on behalf of SIB and the statements located detail maximum holdings of \$443 million although we have serious concerns that the current values will be much less.

We have also located monthly reporting schedules from Stanford Group Company the latest being December 31, 2008 showing 21 different equity investments managed on behalf of SIB totalling \$355 million and loans to 10 companies of \$165 million.

Further investigations have also been commenced with a review of some 762 wire transfers made from one of SIB's main bank accounts held with Bank of Houston for the 12 month period prior to the commencement of the receivership which has detailed over 150 transfers to non Stanford companies totalling US\$152 million. Letters have been issued to all recipients of these monies (a number of which are shown in the December 31, 2008 schedule) seeking confirmation of investments and/or sums owed to SIB. The movements on this bank account also detail many payments to other Stanford entities and in due course it will be necessary to conduct a more detailed forensic examination of the movement of monies to and from all SIB bank accounts to establish whether SIB monies have been used to acquire other assets held by Mr Stanford personally, other individuals or

other Stanford entities whether in Antigua or other countries around the world. Where it is established that claims exist then all efforts will be made to recover the assets in question for the benefit of SIB's creditors.

At this time it is not possible for the Receiver-Managers to accurately advise the Court of the value of the investment assets identified for a number of reasons including:

1. SIB not being in receipt of current statements from financial institutions detailed as holding funds. We have however located significant paperwork detailing that SIB was providing high volumes of sell orders on their investment portfolios to these organisations during January and February 2009 which we understand was to generate cash to meet client redemption requests which had been increasing steadily since October 2008 when the worldwide financial institution crisis gathered momentum. It is likely that due to the withdrawals made and the continuing decline in worldwide equity markets, values have diminished since the date of the statements we have located which range from 2005 to January 2009.
2. Refusal by Swiss financial institutions (RBS Coutts and SG Private Banking) to release information without an order of the Swiss Court.
3. A number of the investments being made in privately held entities where it is not possible to access public data and for which responses are awaited.

In addition to external organisations we have also sought confirmation of balances held with other Stanford entities which, according to the last regulatory return of September 30, 2008, were shown as holding the following monies on behalf of SIB:

**Casa de Valores**

US\$1,390,348 -- brokerage account

US\$2,048,544 -- equities

US\$7,118,876 -- private bonds

**Stanford Global Financial:**

US\$3,167,818,080 -- equities

US\$10,000,000 -- bonds

**Stanford Coins & Bullion:**

US\$1,327,584

For Casa de Valores we have written directly to the company in Ecuador and their response is awaited although we understand that the company is now under the control of the Regulator in Ecuador and a response may take some time to be obtained.

For Stanford Global Financial and Stanford Coins & Bullion we have written to Baker Botts seeking their confirmation of balances held in the name of SIB. On March 4, 2009 we were advised by Baker Botts that they did not have any detailed information on the investments held in the name of SIB although regrettably they have failed to provide any information on any assets they have located in the name of SIB.

We also asked Baker Botts about the basis on which Mr Janvey provided a press release on March 2, 2009 in which he stated "the liquidity situation and overall financial condition of the Stanford entities can only be described as dire" and that "Evidence is mounting that the assets of the Estate will only

be a fraction of the amount needed to satisfy the anticipated claims against the Estate". Baker Botts' response was merely to state that "Mr Janvey reached the conclusion that there will be low recoveries for SIB's investors based upon the information brought to his attention during the course of his work as Receiver". Baker Botts have not sought to provide any further information on how Mr Janvey has reached his conclusions which again is a matter of ongoing disappointment for the Receiver-Managers.

We are further confused at Mr Janvey's inability to advise of the position with the assets held by other Stanford companies now under his control given his further statement of March 2, 2009 that "my advisors and I have made significant progress in securing Stanford's assets and operations".

Notwithstanding the lack of clarity from Mr Janvey, the information we have located on the investment assets confirms his overall conclusion that the assets of SIB are insufficient to meet the liabilities owed to investors and other creditors. At present we have not seen information that indicates that investment assets held outside of other Stanford entities (assuming there are assets held by other Stanford entities on behalf of SIB) have a value in excess of US\$943 million and that estimate remains highly speculative pending confirmation from the parties identified as holding SIB-assets.

#### Non investment assets

We have undertaken a review of the balance sheet of SIB which has identified a number of additional assets including:

- The freehold property at 1000 Airport Boulevard, Coolidge, St John's, Antigua which is occupied by Bank of Antigua;
- A further 3 small parcels of land in Antigua;
- Office furniture and IT equipment within the Bank's head office at No.11 Pavillion Drive, St John's, Antigua; and
- A number of motor vehicles.

The overall value of these assets within SIB's accounts is detailed at US\$6.2 million. We are aware that the property assets are subject to the terms of the declaration made under Section 3 of the Land Acquisition Act, Cap. 233 and in due course it will be either necessary to agree the value to be paid by the Antiguan Government for the land acquired or reach agreement that the land and property assets can be sold on the open market for the benefit of SIB's creditors.

Our investigations have also identified that SIB pre-paid US\$6.5 million in rent in 1988 for its headquarters which were then No.1 Pavillion Drive and now No.11 Pavillion Drive. The basis on which any company would pre-pay such a large amount of rent is unclear particularly when SIB has only ever enjoyed the benefit of a 2 year lease. Further investigation will be required but it is considered that a claim may be made for the beneficial ownership of No. 11 Pavillion Drive which if successful will further improve the pool of assets available for the creditors of SIB.

#### CONCLUSION ON THE INSOLVENCY OF SIB

Since our appointment we have been able to establish that SIB has outstanding investor liability balances totalling some \$7.2 billion.

It has not been possible to identify assets that total an amount close to the liabilities owing to investors and there will be further liabilities to suppliers such as telephone, utilities, tax authorities, employees, software providers which have yet to be fully established, although our current estimate is that such liabilities are in excess of US\$1 million.

The Receiver-Managers have therefore concluded that SIB is insolvent and is not capable of being re-organised via Receivership. We therefore believe that SIB should be placed into liquidation without delay in order that the appointed liquidators can continue the work required to realise the assets of SIB, agree the creditor claims of SIB and in due course return monies to creditors.

#### Urgency of Need for Liquidation Proceedings to Commence

To date the Receiver-Managers have continued the employment of all staff of SIB. Whilst this has been necessary in ensuring initial investor enquiries have been dealt with and client statements issued it is no longer viable to continue to employ all staff as there are insufficient tasks for them to undertake on a day to day basis. The Receiver-Managers are also conscious that the continued employment of staff who are not meaningfully employed will only deplete the limited monies held and which may be the subject of criticism from the Bank's investors and other creditors. The current monthly salary costs are in excess of US\$180,000. Action now needs to be taken to reduce staff levels which we are advised by our Antiguan lawyer can only be properly achieved in a liquidation and not in a receivership.

As detailed in our report there is very significant concern from the Bank's investors to understand the true levels of the Bank's assets and therefore to understand the level of funds that may be returned to them in due course. Work to resolve these key issues must be the ongoing primary focus for the liquidators.

At present the Receiver-Managers have encountered difficulties in both establishing and securing the Bank's assets many of which are held in foreign jurisdictions (Switzerland, Panama, United Kingdom, Canada, United States, Israel) due to the legal position of a receivership not being treated as a collective procedure that is recognised by Courts around the world as a bankruptcy procedure. Upon SIB being placed into liquidation it will be possible to seek formal recognition in each of the countries where assets are held that should then allow for the assets to be released into the control of the appointed liquidators and therefore for the ultimate benefit of SIB's creditors.

Advice has been taken from the Receiver-Managers' lawyers in the United Kingdom, Switzerland, Canada and the United States and we are advised that early applications can be made to avoid any further delay in securing assets. Given that a number of the assets held are equities and with the current state of the world-wide equity markets it is considered imperative that pro-active action is taken to secure investment assets and manage their realisation.

It is accepted that there are likely to be multi-jurisdictional issues to be resolved in the various countries where assets are held, not least due to the order of the United States Court, which claims control of all assets wherever held in the world. Our legal advice however, is that the Centre of Main Interest ("COMI") for SIB is Antigua. COMI is the primary test that Courts in foreign jurisdictions will wish to consider in dealing with applications for recognition and the earlier such applications are made the greater the chance that the liquidators appointed by the Antiguan Court will have in being able to fulfill their duties. Notwithstanding this advice we remain open to entering into co-operation agreements both with the US Receiver and any regulator who has sought to take control of SIB assets. With particular regard to the US Receiver any agreement must however recognise the authority of the Antiguan Court and provide for meaningful two way sharing of information. Further there must be collective efforts to locate and realise assets for the benefit of SIB's creditors. We believe this remains the appropriate route despite concerns as to Mr Jarvey's intentions on co-operation given his failure to share any information to date and his unannounced representation in the



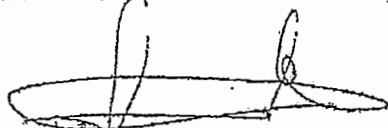
Antiguan Court on March 9, 2009 during which his legal counsel sought various relief under section 220 of the International Business Corporations Act, Cap 222, including relating to the primacy of the US receivership.

Entry into liquidation would also allow the Court to order a stay of all proceedings, actions and claims against SIB or its assets in Antigua and Barbuda and elsewhere. Due to the distress and panic caused by the freezing of SIB accounts under the order of the US Court, law suits have been entered against SIB in a number of jurisdictions including the US and Canada. By combining a stay against all proceedings brought against SIB with an Order granting the liquidators the power to initiate proceedings in other jurisdictions, it would grant the liquidators the capacity to build upon the work of the Receiver-Managers to date and to complete the work of identifying, tracing and bringing under their control the assets of SIB for the purpose of ultimately distributing the maximum return possible for all creditors of SIB around the world.

In order to ensure that assets are not dissipated, that identified assets of SIB are preserved and that applicable antecedent transactions are examined, and, if appropriate, unwound, it is necessary for the Receiver-Managers to be granted the powers of liquidators with the appropriate orders of the Court and for SIB to be placed into liquidation. Given the multi-jurisdictional nature of this matter, and the daily developments that are occurring in various jurisdictions, it is of utmost importance that these issues are resolved as soon as possible so that the Bank and its assets can be managed and controlled effectively.

Moreover, I am aware of an application filed with the Antiguan Court on Monday March 9, 2009 served on SIB Wednesday 11, March 2009 seeking the provisional liquidation of SIB as a matter of urgency. In addition my US Counsel inform me that a considerable number of actions have been filed in Dallas, Texas relating to the Stanford Group. I therefore believe it is imperative that a multiplicity of actions should be avoided in different jurisdictions and that the proper place for the liquidation of SIB is in Antigua. Thereafter, other jurisdictions will have the opportunity to proceed in accordance with international law as the liquidators make the appropriate recognition and declaratory applications.

Dated March 16, 2009



Nigel Hamilton-Smith,  
Joint Receiver-Manager

## INSOLVENCY PRACTITIONERS ASSOCIATION



This is to Certify that

**Peter Nicholas Wastell**

is authorised by this Association to

act as an insolvency practitioner as

defined in Section 388 of the Insolvency Act 1986

and as defined in The Insolvency (Northern Ireland) Order 1989.

This authorisation shall take effect

1st January 2009

31st December 2009

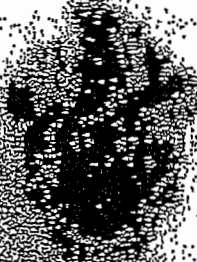
for the INSOLVENCY PRACTITIONERS ASSOCIATION

Receipt number

09700480

Secretary

# Solvency Practitioners Association



## The Certificate

### A Legal Practice Certificate

BEFORE ME, the undersigned authority, on this \_\_\_\_\_ day of \_\_\_\_\_, 2009, personally appeared \_\_\_\_\_, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.



*[Handwritten signature]*

WITNESSETH

Notary Public for the State of \_\_\_\_\_

My Commission Expires \_\_\_\_\_

My Office is located at \_\_\_\_\_