

STANFORD FINANCIAL GROUP RECEIVERSHIP

How to Request Release of a Frozen Stanford Group Company Customer Brokerage Account

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On March 27, 2009, the Court, at the request of the Receiver, approved an account review process that will permit holders of frozen Stanford Group Company customer brokerage accounts to provide information to the Receiver that may lead to the release of their accounts. The order became available on March 30, 2009.

Question 1. Who may use this account review process?

Answer. The account review process is available to:

(1) holders of Stanford Group Company customer brokerage accounts that are frozen because the Receiver has determined, based on the data available to him through his investigation, that they may contain proceeds from allegedly fraudulent products or activities (these accounts are referred to as Category 1 accounts); and

(2) holders of frozen Stanford Group Company accounts that are owned by certain Stanford related persons (these accounts are referred to as Category 2 accounts).

Both Category 1 and Category 2 accounts also include accounts that are related to those accounts by social security number or tax identification number, when available.

You do **not** need to file the account review application form if your account is one of the approximately 28,000 accounts that were released by the Court's orders dated March 5 and March 12, 2009. If your account is one of those accounts, it is not frozen and you may [click here](#) for information on how to transfer it to a new firm.

Question 2. What information will I be required to provide in this process?

Answer. If your account is frozen because it is a Category 1 account, then you will need to provide information about your ownership of Stanford International Bank Ltd. certificates of deposit that you own or may have owned in the past and about transfers of funds between you and Stanford International Bank Ltd.

If your account is frozen because it is a Category 2 account, then the Receiver has identified you as someone who is or was, with respect to the Stanford entities, a shareholder, member of the board of directors, member of senior management or

registered representative or financial advisor who earned commissions or fees based on certificates of deposit or owed loans to Stanford Group Company. In that case, you will need to provide information explaining either:

- why you think you should not be classified as a person who had any of the above-listed relationships to the Defendants or the Stanford entities; or
- even if you are a person who had such a relationship, why you think the Receiver should not view you as an account holder who has participated in or benefited from fraudulent activities.

In either case, the account review application form will also require you to provide your name, identifying information, contact information, account number and other relevant information. In addition, the form will require you to make certain representations.

Question 3. How do I know which category my account is in?

Answer. If you never had an employment or other relationship with the Stanford companies or the Defendants in the litigation, you should assume your account is a Category 1 account. Some accounts may be both Category 1 and Category 2.

Question 4. Why are Category 1 accounts frozen?

Answer. Information available to the Receiver indicates that these Stanford Group Company accounts may be associated with certificates of deposit ("CDs") issued by Stanford International Bank, Ltd. ("SIB") or with transfers of funds to or from SIB. The information indicates that these accounts may have received amounts from redemption of SIB CDs or from interest on SIB CDs, that these accounts may have received other amounts directly or indirectly from SIB or in some way related to SIB CDs, or that the owners of these accounts may have received amounts related to SIB or SIB CDs outside of their brokerage accounts, such as in non-brokerage accounts at other Stanford companies. The Receivership Estate is entitled to recover these amounts related to SIB or SIB CDs for the benefit of the Estate, so that they may be shared equitably with other claimants against the Estate. These other claimants would include people who purchased SIB CDs but were not able to redeem them before the Stanford companies were placed in receivership.

Question 5. What will the Receiver do with the information I provide?

Answer. The Receiver will consider the information you provide, together with other information available to him, in determining whether he believes the account should be released from the freeze and made eligible for transfer. The Receiver will then notify you whether he believes your account should be released or should continue to be frozen. If he concludes it should be released, he will direct you to the procedures to transfer your account to a new firm.

Question 6. What if the Receiver continues to believe my account should remain frozen, but I disagree?

Answer. If you disagree with the Receiver's determination, then the Receiver may seek more information from you in an attempt to understand your position better and may seek to negotiate a compromise or settlement with you, subject to Court approval of the compromise or settlement as required by the terms of the Court's order approving the account review process. For situations in which the account holder and the Receiver are unable to reach mutual agreement, a non-binding dispute-resolution process will be developed, subject to the Court's approval. For situations in which that process does not result in an outcome as to which both the account holder and the Receiver are willing to agree, a formal objection process will be developed, so that the account holder will be able to request the Court to review the Receiver's determination.

Question 7. You said above that the account review process may result in a compromise or settlement between the account holder and the Receiver. In my situation, I own or owned a small amount of Stanford International Bank certificates of deposit, but the total value of all the assets in my account is much greater than the value of the certificates of deposit. In a case like that, can this account review process be used to release a portion of the assets in my account, even if the Receiver is unwilling to release all the assets in the account?

Answer. Yes. The Receiver expects that this type of compromise outcome may be available, depending on the facts of the particular situation and subject to Court approval of the compromise as required by the terms of the Court's order approving the account review process. For example, a compromise involving a partial release of funds may be available where there is a large difference between the total assets in the account and the amount of activity related to certificates of deposit or Stanford International Bank.

Question 8. Where may I obtain a copy of the form I need to file?

Answer. [Click here to access the online version of the account review form.](#) The Receiver is also mailing copies of the form and related documents to all holders of frozen Category 1 and Category 2 accounts. Your request may be processed more quickly if you use the online form.

Question 9. How do I submit the application form?

Answer. There are three ways to submit the application form:

- Complete the online account review application form ([click here to access the online version of the form](#));
- Complete a paper copy of the form and email it in electronic form (PDF version) to: accountreview@stanfordfinancialreceivership.com; or

- Complete a paper copy of the form and mail it to:

Stanford Receivership Brokerage Account Review
PO Box 460089
Houston, Texas
77056-8089

[\(Click here to print a paper copy of the form.\)](#)

Question 10. Is there a benefit to submitting the application form in any particular way versus another?

Answer. Your request may be processed more quickly if you use the online form, but you may use any method you choose. Please do not submit it multiple ways, however, since doing that may delay processing.

Question 11. I have multiple Stanford Group Company brokerage accounts that are frozen. May I submit one application that covers them all?

Answer. No. You must submit a separate application form for each of your Stanford Group Company brokerage accounts that are frozen. However, you do not need to repeat all the required information on each form. You should complete the first form in full, and that one form should include all required information about any other accounts (whether one or more) that you may have at Stanford entities other than Stanford Group Company.

When the first form is submitted online, you will receive a unique Account Review Identification Number for the form. Then, on the second form, you should include your name, your address, your phone number(s), the second Stanford Group Company brokerage account number and the Account Review Identification Number for the first form you submitted, all as indicated on the form. If you do not have the Account Review Identification Number, you may instead include the account number for your Stanford Group Company brokerage account that is covered by the first form.

If you have more than two Stanford Group Company brokerage accounts, you should follow the same pattern for each other application form. The Receiver will then be able to refer to the information on the first form when processing the forms for your other Stanford Group Company brokerage accounts that are frozen.

Question 12. If my account is released, does that mean my funds can never be recovered by the Receiver?

Answer. No. Any release of an account under this process would be subject to an obligation on the part of the account holder to return the transferred assets to the Receivership Estate if it is later determined that the holder has participated in a fraud or has received (knowingly or unknowingly) any assets or funds from fraudulent activities or products.

Question 13. The application form requires me to sign a declaration saying that I submit to the exclusive jurisdiction of the Federal Court in Dallas. What does that mean if I disagree with the Receiver's determination about my account?

Answer. It means that you must agree that the Dallas Federal Court, rather than some other court in another place, is the proper court for resolution of disputes. It does not mean that you are waiving any rights to challenge the Receiver's determination about your account or any right to argue that the Receiver was wrong. As noted above, if you disagree with the Receiver's determination, there will be a non-binding dispute resolution process to let you challenge the Receiver's determination. In addition, if that does not result in an outcome that both you and the Receiver agree upon, there will be a formal objection process in which you may request the Court to review the matter.

Question 14. Does the declaration saying that I submit to the exclusive jurisdiction of the Federal Court in Dallas mean I cannot contact Vantis or other receivers and participate in their claims processes?

Answer: No, it does not mean that. Claimants are free to contact other receivers and participate in any actions (including distributions) by those receivers. In the event a claimant is involved in litigation with Vantis or any such other receiver, the declaration does not affect what court that litigation may be brought in.

Question 15. My account is frozen because it secures an unpaid balance or non-purpose loan that I owe. Do I need to file this account review form to obtain release of my account?

Answer. If that is the only reason your account is frozen, you do not need to file the form. To obtain release of your account, you need to pay off the unpaid balance or non-purpose loan and notify the Receiver, who will then release your account. However, if your account is also in Category 1 or Category 2 as described above, you will need to file the account review form to seek release of your account. For information on paying off an unpaid balance or non-purpose loan, please use the phone numbers established by the Receiver: 866-964-6301 or 713-964-6300.

Question 16. Do I need a lawyer to help me with the application?

Answer. Submission of the application form affects your legal rights, so you are encouraged to seek the assistance of a lawyer before submitting it.

Question 17. The application form requires me to submit account statements and other documentation. How do I do that if I file the online application form?

Answer. Depending on your answers, you may be asked to provide copies of certain documentation to the Receiver to support your application. After you complete and submit the application form, you will see a confirmation page. It will give you a confirmation number and will also tell you how to provide copies of relevant

documentation by postal mail or email. Please print and retain a copy of the confirmation page as evidence of your submission.

Question 18. The application form requires me to submit account statements and other documentation that I have misplaced or do not have. May I still submit the application form?

Answer. Yes. Complete the form as fully as you are able and submit the documentation that is available to you. The Receiver will still process your application, though it may take longer to do so if your documentation is incomplete.

Question 19. I already submitted an application form and now I need to correct my information or add additional information. How may I do that?

Answer. You may submit another application form. In the box that asks whether you have previously submitted an application form, enter either the confirmation number from your prior submission or the Stanford Group Company account number on your prior submission.

Question 20. The application form asks for my Stanford Group Company account number. Is that the same as the Pershing LLC or J.P. Morgan Clearing Corp. account number on my account statement?

Answer. Yes.

Question 21. Will the Receiver send me an email or letter confirming that my online application form has been received?

Answer. After you complete and submit the application form, you will see a confirmation page. Please print and retain a copy of the confirmation page as evidence of your completed submission. Each submission receives a unique identification number. Please refer to it in any future communications with the Receiver about your submission.

Question 22. Where can I learn more about the account review process?

Answer. These FAQs summarize certain important information about the account review process. You should also carefully review the instructions on the application form and the Procedures for Applying for Review and Potential Release of Accounts. In addition, you may also read the Court's order and the motion filed by the Receiver requesting the order. [\(Click here to view a copy of the Court's order, as well as the Receiver's motion and the Procedures, which are attached to the order.\)](#)