

STANFORD FINANCIAL GROUP RECEIVERSHIP

Mutual Funds

Last Updated 2/27/09

Question: What's Happening with my Mutual Funds?

Answer: The Receiver has examined information related to the status of mutual fund assets of Stanford clients held outside of Stanford's custodial relationships with Pershing, LLC and J.P. Morgan Clearing Corp. Questions had been raised about whether these accounts are subject to the Order in situations where Stanford only provided investment strategy advice to the account holder.

The Receiver has determined that these assets should be released from any freeze under the Order. Accordingly, the Order will not restrict customers from accessing these accounts.

These assets are typically held directly in the name of the client by a mutual fund. Stanford Group Company does not transact in these accounts, does not provide custody for these accounts, does not maintain books and records pertaining to the assets, and does not provide the client with individual transaction statements or periodic holdings statements. Assets in retirement plan accounts invested in a mutual fund or 529 plan account are examples of these types of accounts.

The Receiver's determination that these accounts are not subject to the Order does not apply to any accounts held or controlled by the Defendants, as defined in the answer to the first question of the FAQ regarding What Happened and General Receivership Information ([Click here](#) to view FAQ on What Happened and General Receivership Information).