

Stanford Financial Group Receivership

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February 14, 2014

To All Those Affected by the Stanford Fraud:

It has been five years since the Court appointed me as Receiver to unwind the world-wide Ponzi scheme perpetrated by Allen Stanford and those who aided, abetted and enabled him. I know that these continue to be very difficult times for the thousands of you whose lives were impacted, and in many cases devastated, by the Stanford fraud. Even though my team and I have worked hard and made much progress over the last 5 years, the process of unwinding the fraud and the pace of recovering money have been frustratingly slow. Unfortunately, the costs associated with this process have been substantial. Although many challenges still lie ahead, the entire Receivership team and I are committed to working as hard as we can to recover as much money as we can for the eligible claimants.

Many of the tasks involved in winding down the Stanford enterprise and liquidating assets are substantially complete. In addition, last year, we were able to end a protracted dispute with the liquidators appointed by the Antigua court over control of Stanford-related assets outside the United States. The settlement agreement I reached with the Antigua liquidators, the Securities and Exchange Commission and the U.S. Department of Justice ("DOJ") will allow the Receivership to focus on the distribution of funds already recovered and the recovery of additional assets. That includes distributing funds still being held in Canada and Switzerland and prosecuting lawsuits against hundreds of defendants who profited from or assisted Stanford's Ponzi scheme.

Distribution of Assets

In April 2013, the Court approved my request to distribute up to \$55 million to certain Stanford CD investors ("Initial Distribution"). That process has been underway for several months. Thus far, we have distributed approximately \$25 million to Stanford CD investors, and we expect to distribute another approximately \$5.5 million this month. We are processing claimant certification forms as quickly as we receive them and will continue to file distribution schedules with the Court on a rolling basis as we receive and process additional certification forms.

If you are eligible for, but have not received, a payment under the Initial Distribution, please ensure that you have returned the certification form that the Receivership's claims agent, Gilardi & Co. LLC ("Gilardi") sent to you. The Court's Order authorizing the Initial Distribution requires that you sign and return these forms to us before you can participate

in the distribution. *We cannot list your claim on a distribution schedule or send your payment until we receive signatures on the certification form from all payees listed on your notice of determination.* We are still awaiting signed certification forms relating to over 6,000 claims. The fact that these signed certification forms remain outstanding is the primary reason that a substantial sum remains to be distributed under the Initial Distribution. If you have questions regarding the certification forms, please contact Gilardi at info@stanfordfinancialclaims.com.

Foreign Asset Recovery

Under the settlement agreement with the Antiguan liquidators, I agreed to work with the DOJ and the Antiguan liquidators toward the release and distribution of Stanford assets located outside of the United States for the benefit of Stanford investors. Although concluding the settlement agreement was only the first step to actually obtaining custody of the international assets for distribution, we have already made significant progress in this regard.

After more than four years of difficult litigation and negotiation, I obtained court approval in Canada for the release of approximately \$18 million in Stanford assets that have been the subject of Canadian criminal forfeiture proceedings since 2009. I expect to receive these funds in the coming weeks for distribution to investors during 2014. Moreover, as a result of separate legal proceedings in Canada in January of this year, I obtained approval for the release of approximately \$5 million in additional Stanford assets. I expect to receive and distribute the substantial majority of those funds in February 2014. I also anticipate that additional funds subject to criminal forfeiture proceedings in Canada may be transferred to me in the future. The amount and timing of the release of such funds remains to be determined.

My team and I also are working closely with the DOJ, the Antiguan liquidators, and Swiss criminal and civil authorities to obtain release of Stanford assets in Switzerland with an estimated value of approximately \$208 million. We are working for release of those assets through multiple channels, including criminal forfeiture and Swiss insolvency proceedings. Because of the complexity and difficulty involved in the Swiss proceedings, we do not yet know when the assets in Switzerland will be released for distribution. However, we are attempting to move the process along as quickly as possible. Members of my team met with the DOJ, the Joint Liquidators and Swiss authorities in December 2013 to work toward coordinating the overlapping civil and criminal proceedings related to the Stanford Swiss assets. Assuming all \$208 million in Stanford assets are released for distribution, the Receivership will be responsible for distributing approximately \$143 million of those funds, and the remainder will be distributed through the Antiguan liquidators' claims process.

Asset Recovery Litigation

My team and I are working closely with the Investors Committee to prosecute multiple lawsuits against hundreds of defendants who profited from or assisted the Stanford Ponzi scheme. These lawsuits seek to recover in excess of \$680 million in total.

Asset recovery litigation is difficult, lengthy and expensive. The defendants, many of whom have significant resources, are defending the cases aggressively, and many of the

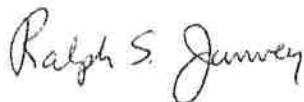
favorable rulings in these cases have already been appealed. Nonetheless, these claims are the single largest potential source of funds which may be recovered for the benefit of the eligible claimants. Although the Receivership has thus far received approximately \$20.8 million from settlements and other litigation efforts and has secured injunctions to hold another approximately \$27.4 million, the amount that the Receivership ultimately is able to collect from defendants is uncertain and very likely will be less than the amounts claimed.

Wherever possible, we will work toward appropriate and reasonable settlements, keeping in mind the costs associated with litigation. It will, however, be necessary to prosecute some of the cases through trial and appeal. In those instances, we will also seek to recover attorney's fees and costs from the defendants. As recoveries are obtained, we will work to get those funds distributed to eligible claimants as quickly as possible.

Conclusion

The Stanford fraud has caused incalculable harm to thousands of people in this country and around the world. And I know that the damage caused by the Stanford fraud can never be fully repaired, no matter how hard my team and I pursue our work in this Receivership. We will continue to work tirelessly to return to eligible claimants as much money as we can and as soon as we can.

Sincerely,

A handwritten signature in cursive script that reads "Ralph S. Janvey".

Ralph S. Janvey
Receiver for Stanford Financial
Group of Companies