

# STANFORD FINANCIAL GROUP RECEIVERSHIP

## Account Management Fees

### Regarding Certain Accounts at Stanford Group Company, Stanford Capital Management and Stanford Trust Company

*Posted May 14, 2009*

**Question 1.** I have a Stanford Group Company account held at Pershing LLC that was managed by Stanford Group Company or Stanford Capital Management. Are management fees still being charged on my account?

**Answer.** No. There were a number of managed account programs available through Stanford Group Company and/or Stanford Capital Management. In these programs, the management of the accounts was performed directly by employees of Stanford Group Company and/or Stanford Capital Management. As the employees who formerly performed the account management were released by the Receiver, these accounts are currently unmanaged. Therefore, the Receiver has discontinued fee billings for these accounts. These accounts were managed under the following program designations; SAS, SAM, SGFI, PP, MAP and SIM.

**Question 2.** I have a Stanford Group Company account held at Pershing LLC that is managed by a manager who is not affiliated with Stanford. Are management fees still being charged on my account?

**Answer.** Yes. Under the PA program, Stanford Group Company provided access to a number of unaffiliated money managers. They continue to provide management services to these accounts. In addition, Pershing's affiliate, Lockwood, continues to provide administrative support services to these managed accounts. Therefore, the PA accounts continue to be billed in an amount equal to the fees charged by the money managers and Lockwood.

**Question 3.** Is the Receivership retaining a portion of the money management fees for the PA accounts?

**Answer.** No. The fee being charged to each account in the PA program is equal to the fees charged by the money manager and Lockwood. No portion of this fee is retained by the Receivership.

**Question 4.** What happens to the managed account fees if my account is eligible to be transferred to a new firm and I transfer it prior to the end of the quarter?

**Answer.** Accounts that are transferred prior to the end of the quarter will receive a pro-rata refund of the money manager and Lockwood fees.

**Question 5.** What if I want to terminate the management of my account?

**Answer.** To terminate the management of an account, submit a written request to the Receivership. Note that once the management of an account has been terminated, that account will be limited to liquidating transactions only. Requests may be sent by fax to 713-964-8360. They may also be sent by mail to:

Stanford Financial Receivership  
Attn: PA Terminations  
5050 Westheimer Rd  
Houston, TX 77056

Regardless of how the request is submitted, it is important to reference the account number(s) on the request.

**Question 6.** I have a Stanford Trust Company account. Are management fees still being charged on my account?

**Answer.** Fees for these accounts have historically been charged to the accounts at the end of each calendar quarter in arrears. In April, accounts were charged for the portion of the first quarter prior to February 17, 2009, the date on which the Receivership began. Customers will see these charges in their April month end statements.

These accounts have not been charged any fees for the period after February 16, 2009. The Receivership is paying the SEI fees for servicing accounts since that time.