

STANFORD FINANCIAL GROUP RECEIVERSHIP

Stanford International Bank Ltd. Certificates of Deposit

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Question 1. What is the status of my Stanford International Bank Ltd. (“SIB”) certificates of deposit (“CDs”)?

Answer. The Receiver is working to identify and recover assets that can be used to make distributions to holders of CDs and other claimants against the Estate.

Emails received from some CD holders have indicated that those holders think that the money they paid to buy a CD is currently held in a specific account for their benefit, and that the reason they cannot access that money is that the Receiver has frozen the CD account. Some stories in the media have used language to describe the CDs that may have inadvertently added to this confusion.

The assumption that a CD represents identifiable funds held in a separate account for the benefit of the CD holder is not correct. The CD represents an obligation on the part of SIB to pay you an amount of money, similar to a debt obligation on the part of SIB, not identifiable funds that are held by SIB in a specific segregated account for your benefit. The foregoing is true whether the CD is held by you, by a Stanford company on your behalf, or by someone else.

The money you paid to buy a CD from SIB was used by SIB and other Stanford companies to buy other assets and/or for other purposes. The Receiver is working to identify those assets and determine their value, and tracing other uses. The SEC has alleged in its lawsuit against the Defendants that the CDs were sold in a Ponzi scheme, in which money from sales of new CDs was used to make payments on older CDs instead of invested on the new purchaser’s behalf. Based on what the Receiver has learned so far, it appears that the total value of the assets of the Estate is likely to be only a fraction of the total amount that would be needed to pay all outstanding CDs and other anticipated claims against the Estate.

Question 2. How much money will I receive for my CD and when will I receive it?

Answer. Unfortunately, the answers to those two questions are not yet known. The task of determining what happened to the money and of identifying and recovering assets is complex and will take significant time, given the nature of the Stanford companies and operations. Adding to the difficulty of the task, some of the financial records of the Stanford companies appear to be inaccurate or even fictional, and appear to have been prepared in an effort to inflate asset values. Based on what the Receiver has learned so far, it appears that the total value of the assets of the Estate is likely to be only a fraction of the total amount that would be needed to pay all outstanding CDs and other anticipated claims against the Estate.