

Statement on Filing of Complaints to Recover CD-Related Proceeds From Certain Customer Accounts

June 26, 2009

On June 22, 2009, the Receiver for the Stanford Financial Group filed a lawsuit that seeks to recover from certain customer brokerage accounts more than \$9.5 million in proceeds related to Stanford International Bank certificates of deposit.

The lawsuit provides an opportunity for the Court overseeing the Stanford Estate to resolve important legal issues that will determine whether and how the Receiver may proceed with other similar claims to recover CD-related proceeds from other recipients.

The lawsuit makes clear that the Receiver is not alleging that the customers – referred to as “relief defendants” – participated in the fraudulent schemes at issue in the case or otherwise committed any wrongdoing.

The seven relief defendants named in the complaint were selected because (1) their situations have key facts in common (they each received CD redemptions between October 2008 and January 2009); (2) the amount at issue in the aggregate is substantial yet held by a small number of individuals; and (3) they are all represented by the same counsel.

On June 25, 2009, the Receiver filed another similar complaint against another individual and a related entity to recover more than \$11 million of such CD-related proceeds. This complaint also presents a “test case” and is a response to a motion filed by these relief defendants to unfreeze their accounts.

The Securities and Exchange Commission has alleged that the CDs were not genuine investments but rather were part of a massive Ponzi scheme that defrauded investors out of billions of dollars. The complaints against the relief defendants request the Court to order that the CD-related proceeds, including both principal and interest, be determined to be property of the Estate and held in a constructive trust for the benefit of the Estate, so that they may be shared on an equitable basis by all CD investors and other claimants against the Estate.

In deciding to file these cases against only a small number of individuals, the Receiver was mindful that the Court-appointed Examiner has raised objections to the pursuit of such “clawback” claims. Filing of these “test cases” provides an appropriate opportunity for the Court to address these key issues at an early stage.

The lawsuits were filed in the Dallas Federal court that has jurisdiction over the Receivership. A copy of the court filings may be found on the Receiver’s website at: <http://www.stanfordfinancialreceivership.com/papers.shtml>.

The Receiver, Ralph S. Janvey, was appointed on February 16, 2009, by the United States District Court for the Northern District of Texas to take possession of all the assets and records of Stanford International Bank, Ltd., Stanford Group Company, Stanford Capital Management, LLC, R. Allen Stanford, James M. Davis, and Laura Pendergest-Holt and of all entities they own or control. The order directed the Receiver to, among other things, take control and possession of and to operate the Receivership Estate, and to perform all acts necessary to conserve, hold, manage and preserve the value of the Estate.