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Stanford Financial Group Company

April 1, 2009

As you are aware, due to recent events, Stanford is experiencing difficult financial issues and is currently under the authority of a Receiver appointed by the United States District Court. In light of Stanford's current situation, changes were required with respect to some of the employee benefit plans maintained by Stanford Financial Group Company and its affiliates (collectively, the "Company"). A summary of these changes follows:

1. Stanford Financial Group 401(k) Plan (the "401(k) Plan")

As an employee, you may continue to make pre-tax deferred and Roth 401(k) contributions to the 401(k) Plan. However, for any pay period beginning after March 31, 2009, the Company will no longer make matching contributions to the 401(k) Plan. The Company will retain the right to make discretionary matching contributions. You should not expect any matching contributions to be made in the foreseeable future.

2. Life Insurance, AD&D, and Disability Benefits

Effective March 31, 2009, the Company will terminate the employee benefit plans, programs, and policies that currently provide life insurance, accidental death and dismemberment ("AD&D") and long-term and short-term disability benefits. If you are enrolled in one of these plans, programs or policies, your coverage will terminate on March 31, 2009. You have the opportunity to convert your group coverage into an individual policy for life and AD&D, subject to the terms set forth in the applicable insurance policy within 31 days. If you are interested in converting your insurance, please contact the Human Resources department to obtain the documentation needed.

3. Health Care, Dependent Care, Parking, and Transportation Programs

The 2009 health care, dependent care, parking, and transportation flexible spending accounts and programs ("Programs") with PayFlex will terminate on April 30, 2009. Accordingly, pursuant to the terms of the Programs, only expenses incurred prior to the termination of the plan are eligible for claims reimbursement. Claims should be submitted to PayFlex at www.mypayflex as quickly as possible, but no later than July 31, 2009.

4. Medical, Dental, and Vision Insurance

The medical, dental and vision coverage will terminate on April 30, 2009. The Receiver worked with CIGNA and various other insurance companies to try and secure medical coverage for active employees and COBRA participants. Due to the significant risk in potential claims costs, we were unable to do so. There will be an additional communication about this subject in the near future.

This memorandum serves as a Summary of Material Modifications for purposes of the Employee Retirement Income Security Act of 1974, as amended.

If you have any questions, please contact Human Resources at Benefits@StanfordEagle.com or 713.964.6131.