

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

SECURITIES AND EXCHANGE COMMISSION,	§	
	§	
Plaintiff,	§	
	§	
v.	§	Case No.: 3-09-CV-0298-N
	§	
STANFORD INTERNATIONAL BANK, LTD.,	§	
STANFORD GROUP COMPANY,	§	
STANFORD CAPITAL MANAGEMENT, LLC,	§	
R. ALLEN STANFORD, JAMES M. DAVIS, and	§	
LAURA PENDERGEST-HOLT,	§	
	§	
Defendants.	§	

**RECEIVER’S INTERIM REPORT ON ACCOUNT FREEZE,
APPLICATION PROCESS, AND PARTIAL ACCOUNT RELEASES**

On March 27, 2009 this Court approved the Receiver’s proposed procedures for Stanford customers with frozen accounts at Pershing to submit an application and request review and possible release of all or some of their funds. Order Granting Receiver’s Unopposed Motion to Approve Procedures to Apply for Review and Potential Release of Accounts, Doc. 239. The Court amended that order on May 21, 2009. Agreed Order Granting Receiver’s Unopposed Motion to Supplement the Court’s Order Granting Receiver’s Unopposed Motion to Approve Procedures to Apply for Review and Potential Release of Accounts, Doc. 394. The account review and release procedures were made applicable to customers of Stanford Trust Company with accounts frozen at JP Morgan and SEI in the Court’s May 27th order. Agreed Order Granting Receiver’s Unopposed Motion for Order Authorizing Release of Additional Stanford Trust Company Customer Accounts, Doc. 407. Pursuant to these orders the Receiver has been processing customer applications, releasing accounts and funds, and retaining CD proceeds in an

escrow account pending adjudication of rights to those proceeds. The Receiver has routinely provided the Examiner with written reports regarding the ongoing review of accounts.

The Receiver hereby submits for the Court's consideration the following information which is current as of the close of business on June 25, 2009. Additional detail is contained in the attached Appendix. This Report is not directed to the status of the estimated thousands of persons and entities who currently hold Stanford CDs and who did not receive payments of CD proceeds before the Stanford entities were placed into Receivership.

- Approximately 20,416 customers of Stanford Group Company and Stanford Trust Company (Louisiana) have had their accounts at Pershing, J.P. Morgan or SEI released from the Court-ordered freeze;
- 299 customers of Stanford Group Company have brokerage accounts that remain subject to the account freeze because the owners are former senior management of the Stanford companies, former financial advisors who appear to owe amounts to the Estate or customers who have not taken any action to repay an outstanding loan or debit balance owed to the Estate;
- An additional 531 customers of Stanford Group Company have brokerage accounts at Pershing or JP Morgan that remain subject to the account freeze because they contain or appear to contain CD proceeds;
- 203 of the 531 Stanford Group Company customers noted above have submitted applications for review and possible release and the resolution of those applications is in progress;
- 28 Stanford Group Company customers have entered stipulations which have been filed with the Court and which have resulted in the release of funds in excess of the amount of CD proceeds in the account;
- 110 customers of Stanford Trust Company have accounts at SEI that remain subject to the account freeze because they contain or appear to contain CD proceeds;
- \$17.6 million in CD proceeds is being held by the Receiver in escrow pursuant to stipulations with account holders; and
- An estimated \$196 million of the funds that remain frozen at Pershing, JP Morgan and SEI, plus an additional amount not yet determined, are proceeds related to CDs which the Receiver believes are funds that should be part of the Receivership Estate.

In his Reply Brief in Support of Examiner's Report and Recommendation No. 1, Doc. 470, the Examiner commented on certain individual account holders and the status of the account review process as it applied to them. The Receiver has investigated each of the accounts that he has been able to identify and submits the following report:

The Examiner identified an account that he stated contained CD proceeds of only \$14,373. However, this account holds CD proceeds of \$114,373, and is the subject of a stipulation filed on June 9, 2009. Stipulation Regarding Release of Accounts (Hausladen), Doc. 456.

The Examiner asserted that an account identified as "CLG" has a net worth of \$250,007 and that only \$8 prevented this account from being released in the under-\$250,000 category. However, this account received CD proceeds that exceed the value of the account. According to the customer's certification and Stanford records he has received \$268,000 in CD proceeds. His account remains frozen because CD proceeds exceed the total net worth of his account.

The Examiner described another account holder who lives in Maurice, Louisiana. The Receiver believes that he has identified this customer. He is a customer of Stanford Trust Company with an account at SEI. The account holds CD proceeds of \$902,113 and has a current market value of \$902,336.

The Receiver will continue to provide reports to the Examiner concerning the account review and stipulated release process, and will provide additional status reports to the Court.

Dated: June 28, 2009

Respectfully submitted,

BAKER BOTTS L.L.P.

By: /s/ Kevin M. Sadler

Kevin Sadler
Texas Bar No. 17512450
kevin.sadler@bakerbotts.com
Robert I. Howell
Texas Bar No. 10107300
robert.howell@bakerbotts.com
David T. Arlington
Texas Bar No. 00790238
david.arlington@bakerbotts.com
1500 San Jacinto Center
98 San Jacinto Blvd.
Austin, Texas 78701-4039
(512) 322-2500
(512) 322-2501 (Facsimile)

Timothy S. Durst
Texas Bar No. 00786924
tim.durst@bakerbotts.com
2001 Ross Avenue
Dallas, Texas 75201
(214) 953-6500
(214) 953-6503 (Facsimile)

**ATTORNEYS FOR RECEIVER
RALPH S. JANVEY**

CERTIFICATE OF SERVICE

On June 28, 2009, I electronically submitted the foregoing report with the clerk of court for the U.S. District Court, Northern District of Texas, using the electronic case filing system of the court. I hereby certify that I have served the Court-appointed Examiner, and all counsel and/or pro se parties of record electronically or by another manner authorized by Federal Rule of Civil Procedure 5(b)(2).

/s/ Kevin M. Sadler

Kevin M. Sadler