

Stanford Financial Group Receivership
Ralph S. Janvey, Receiver
2100 Ross Avenue | Suite 2600 | Dallas, TX 75201

August 12, 2009

Mr. Stephen Harbeck
President and Chief Executive Officer
Securities Investor Protection Corporation
805 15th Street, N.W., Suite 800
Washington, D.C. 20005

Dear Mr. Harbeck:

As the court-appointed Receiver for the Stanford Financial Group of companies, I am writing to request that you advise me of SIPC's position regarding certain issues related to customer accounts at Stanford Group Company ("SGC") and Stanford International Bank Ltd. ("SIBL") and the self-styled "certificates of deposit" ("CDs") issued by SIBL. While my representatives have discussed these issues with SIPC representatives, it would be helpful to all concerned to receive SIPC's views in writing.

Background and Facts

On February 16, 2009, the U.S. District Court for the Northern District of Texas, Dallas Division (the "Court") signed an order appointing me to be the Receiver for SGC, SIBL and certain related entities and persons. The appointment was made in connection with a lawsuit filed the same day by the Securities and Exchange Commission against those entities and persons alleging that they had engaged in certain fraudulent activities. SGC, SIBL and other Stanford entities were all owned and controlled by Robert Allen Stanford.

SGC operated as a registered broker dealer and is a member of SIPC. Prior to February 16, 2009, it had more than 32,000 active customer accounts that held securities worth billions of dollars. The clearing brokers for these accounts were Pershing LLC and J.P. Morgan Clearing Corporation, both of which are also SIPC members. During the relevant time period, the securities of non-Stanford entities owned by customers and held in custody in these accounts at Pershing and J.P. Morgan have remained at the clearing brokers, or have been transferred to accounts at other non-Stanford financial institutions. No question is raised in this letter regarding such securities of non-Stanford entities or regarding any customer-owned cash held in custody at Pershing or J.P. Morgan on behalf of customers. Similarly, no question is raised in this letter regarding any instances of alleged unauthorized purchases of CDs by SGC on behalf of customers.

SIBL was formed under the laws of Antigua and Barbados and purported to operate as a bank, though it was not a bank in the conventional sense. It did not generally make loans to unaffiliated parties, and its operations were required by Antigua law to avoid the provision of

banking services and products to Antiguans. SIBL is not a member of SIPC. The self-styled "CDs" were its primary product. It issued and sold CDs to thousands of customers, and it had CDs outstanding with a face value of more than \$7 billion as of February 16, 2009. However, at that time and today, the fair market value of the assets of SIBL (as well as the fair market value of the assets of SIBL and other Stanford entities on a combined or consolidated basis) is only a small fraction of that amount. The SEC has alleged that the difference in value is the result of the CDs having been issued in a Ponzi scheme operated by the Stanford entities and their controlling persons.

A substantial portion of the CDs were sold to customers of SGC, and a substantial portion of these customers are in the United States. The sales of such CDs were actively solicited by financial advisors employed by SGC. U.S. sales were made pursuant to Regulation D private placements, and in that connection SIBL filed several Forms D with the SEC. SGC received fees from SIBL of as much as 3% on sales of CDs by SGC financial advisors. In many cases, purchases of CDs were effected with funds transferred directly to SIBL from SGC customer accounts at Pershing or J.P. Morgan. Although it appears that SGC did not issue any purchase confirmations when a customer bought a CD through the efforts of an SGC financial advisor, SGC sent letters advising the customer that SGC was receiving a referral fee for the CD sale. An example of such letter (with customer name redacted) is attached as Exhibit A to this letter.

Moreover, although SIBL was in form a separate entity from SGC, the two entities (as well as other Stanford entities) were operated and marketed as an integrated network, with the sale of SIBL CDs as both a central objective and the primary source of revenue for the Stanford companies. SIBL's operations were directed and controlled from the United States by the same persons who directed and controlled SGC and other Stanford entities. For these and other reasons, we believe, and have filed papers recommending to the Court, that the entities should be substantively consolidated for liquidation purposes.¹

The periodic account statements prepared by Pershing and J.P. Morgan and sent to customers did not, to our knowledge, reflect ownership by customers of SIBL CDs. However, some SGC customers who owned CDs received, in addition to their Pershing or J.P. Morgan statements, consolidated statements from SGC (bearing SGC's name and the legend "Member FINRA/SIPC") that reflected ownership by the respective customer of all accounts, securities and deposits, including SIBL CDs, that had been effected or purchased through SGC and other Stanford entities. An example of such a consolidated statement (with customer name redacted) is attached as Exhibit B to this letter. Some SGC branch offices may have provided other forms of reports that listed CD holdings. Some marketing materials used by the Stanford companies also suggested that SIBL CDs enjoyed the benefit of SIPC protection. See Exhibit C to this letter.

¹ SIBL has also been placed in liquidation proceedings in Antigua. The liquidators appointed by the Antigua court do not believe that SIBL should be substantively consolidated with other Stanford entities for purposes of liquidation.

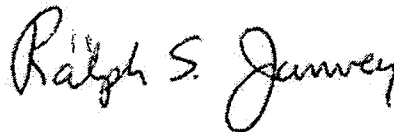
It appears that, in general, neither SGC, Pershing nor J.P. Morgan maintained custody or possession of any physical certificates that evidenced CDs. Instead, these certificates appear to have been physically held by the owner of the CD, by SIBL itself or by another Stanford entity such as Stanford Trust Company (which was not a SIPC member). However, there may have been occasional situations in which a customer's CD was physically held by the customer's financial advisor at SGC.

Question Presented

Please advise me at your earliest convenience whether SIPC believes that SIPC protection is available with respect to amounts paid to purchase SIBL CDs by (i) SGC customers in general or (ii) SGC customers who received account statements from SGC that reflected ownership of SIBL CDs and/or whose SIBL CDs were held in custody for them at SGC. I would appreciate it if you would address these issues both on the assumption that SIBL and SGC will be substantively consolidated for liquidation purposes and, in the alternative, on the assumption that they will not be so consolidated.

If you have questions or need additional information regarding this request, please contact Stephen A. Massad (stephen.massad@bakerbotts.com or 713-229-1475) at my counsel Baker Botts L.L.P.

Very truly yours,



Ralph S. Janvey
Receiver for Stanford Financial Group, et al.



EXHIBIT A

September 2, 2008

Mrs. [REDACTED]
P.O. Box [REDACTED]
Miami, FL 33231

RE: Notification of Affiliate Referral Fees

Dear Mrs. [REDACTED],

We appreciate the opportunity to serve you and thank you for your recent purchase of a Stanford International Bank Limited ("SIBL") certificate of deposit.

Stanford Group Company ("SGC") recently referred you to SIBL, our affiliate, for this purchase. As disclosed in the SIBL Disclosure Statement for the U.S. Accredited Investor Certificate of Deposit Program, SGC receives a referral fee of 2.75% (annualized) from SIBL, and may receive additional incentive fees for Financial Advisors who refer SGC clients to SIBL. These fees are subject to change annually and are payable to SGC from SIBL. You do not pay any portion of these fees. Further, the principal and interest applicable to your certificate of deposit are not reduced.

This is a notification only and does not require any response or action from you. However, if you should have any objections to SGC's receipt of a referral or incentive fees from SIBL, please notify us in writing at the address listed below. No response by you to this notification shall be deemed by SGC to reflect your consent to its receipt of such fees.

We appreciate your continuing confidence in the Stanford Financial Group of Companies and look forward to serving your needs in the future.

Sincerely,

Jason Green
President, Private Client Group

Stanford Group Company
MEMBER FINRA/SIPC

5051 Westheimer, 14th Floor • Houston, Texas 77056 USA
713.964.8300 Direct • 800.958.0009 Toll Free • 713.964.8360 Fax

EXHIBIT B

[Note: The above legend on each page
says "STANFORD - Stanford Group
Company - Member NASD/SIPC"]

Printed 3/9/2006

US/399/Mall

Allen and
TX 7



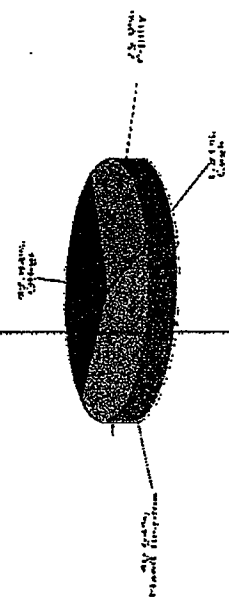
Stanford Group Company

The information contained in this consolidated statement is being provided for informational purposes only. We do not recommend this information be used for tax purposes. It does not replace or supercede the account statements provided by the issuing financial institution. We have gathered this information from various sources we believe to be reliable, but we do not offer guarantees as to its accuracy or completeness.

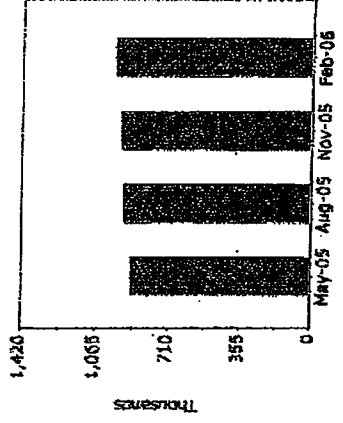
Premiere Wealth Management Services
February 2006

(713) 964-8330
@stanfordesgje.com

Asset Allocation Summary



Consolidated Portfolio Value



Total Value
\$966,681.00

Accounts Summary

Account	Type	Abbreviated Title	This Period	Last Period
187-27458	MFP	ALLEN AND [REDACTED] JTWRQS	\$ 125,739.41	\$ 126,972.47
187-31661	Oth	ALLEN AND [REDACTED] IRA R/O	\$ 78,672.54	\$ 79,218.54
413-03779	Oth	ALLEN AND [REDACTED] JTWRQS	\$ 12,850.90	\$ 14,656.77
413-95705	Oth	ALLEN AND [REDACTED] IRA R/O	\$ 102,443.66	\$ 103,136.24
SIBL		ALLEN AND [REDACTED]	\$ 329,509.47	\$ 327,725.45
OTHER		ALLEN AND [REDACTED]	\$ 317,464.84	\$ 320,671.10
Total Portfolio			\$ 966,680.82	\$ 972,380.57

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Portfolio Appraisal
 ALLEN AND [REDACTED] TWROS
 Mutual Fund Partners
 February 2006

Account:	187-27458										
Quantity	Purchase Date	Description	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	% Assets	Unrealized Gain/Loss	Annual Income	% Yield
CASH AND EQUIV.											
		CASH ACCOUNT BALANCE		41.24	1.00	41.24		.03			
117.27		CORTLAND GENERAL MONEY MARKET FUND	1.00	117.27	1.00	117.27		.09		.04	.03
TOTAL CASH AND EQUIV.				158.51		158.51		.13		.04	
EQUITIES											
Mutual Funds											
682.57	4/5/2004	MARSICO GROWTH FUND	16.25	11,091.83	19.26	13,146.38		10.46	2,054.55	1.37	.01
521.05	4/5/2004	JOHN HANCOCK CLASSIC VALUE CL A	21.59	11,247.89	25.53	13,302.29		10.58	2,054.40	51.58	.39
779.06	1/25/2006	BRIDGEWAY AGGRESSIVE INVESTOR'S II FUND	17.96	13,991.88	17.77	13,843.86		11.01	(148.02)		
550.58	9/16/2004	T ROWE PRICE MID-CAP VALUE FUND INC	22.08	12,158.50	24.32	13,390.04		10.65	1,231.54	88.08	.66

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 Page 1 of 9

Portfolio Appraisal
ALLEN AND [REDACTED] UTWROS
Mutual Fund Partners
 February 2006

Account	187-27458	Purchase Date	Description	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	% Assets	Unrealized Gain/Loss	Annual Income	% Yield
EQUITIES												
Mutual Funds												
Small Cap Growth	303.47	4/5/2004	TOUCHSTONE_MID CAP GROWTH FUND CLASS A	22.25	6,752.23	23.33	7,079.91		5.63	327.68		
Small Cap Value	249.64	4/4/2005	KEELEY SMALL CAP VALUE FD INC	38.18	9,531.64	47.57	11,875.18		9.44	2,343.54		
Foreign Stock	75.70	4/5/2004	AMERICAN EURO PACIFIC GROWTH CLASS F	33.10	2,505.84	43.03	3,257.16		2.59	751.31	54.12	1.66
Specialty-Real Estate	299.30	9/16/2004	ALPINE EQUITY TR RLT Y INCOME & GROWTH FD C	19.64	5,878.23	24.38	7,296.95		5.80	1,418.72	253.50	3.47
Specialty-Natural Res	301.34	9/16/2004	IVY GLOBAL NATURAL RESOURCES FUND-CL A	19.19	5,783.83	28.80	8,678.54		6.90	2,894.71		
Mutual Fund	215.76	5/25/2005	PERMANENT PORTFOLIO FD INC	26.76	5,773.08	29.63	6,393.06		5.08	619.98	43.15	.67
TOTAL EQUITIES					84,714.95		98,263.37		78.15	13,548.41		491.80

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Portfolio Appraisal
ALLEN AND JTWROS
Mutual Fund Partners
 February 2006

Account:	187-27468																			
Quantity	Purchase Date	Description	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	% Assets	Unrealized Gain/Loss	Annual Income	% Yield									
FIXED INCOME																				
Mutual Funds																				
Intermediate Term Bond																				
869.18	4/5/2004	MANAGERS FDS FREMONT BD FD	10.56	9,178.22	10.35	8,996.00		7.15	(182.22)	345.93	3.85									
Long-Term Bond																				
893.30	2/28/2006	LOOMIS SAYLES BOND FUND RETAIL CLASS	13.99	12,497.31	13.99	12,497.31		9.94		721.79	5.78									
High Yield Bond																				
478.57	3/1/1904	PIONEER GLOBAL HIGH YIELD FD CL A	11.90	5,696.92	12.17	5,824.22		4.63	127.30	424.50	7.29									
TOTAL FIXED INCOME												27,372.45	27,317.53	21.73	(54.92)	1,492.22				
TOTAL PORTFOLIO												112,245.91	125,739.41	100.00	13,493.49	1,984.06				

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Portfolio Appraisal
 ALLEN IRA R/O
 February 2006

Account:	187-31661										
Quantity	Purchase Date	Description	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	% Assets	Unrealized Gain/Loss	Annual Income	% Yield
CASH AND EQUIV.											
2,969.02		CORTLAND GENERAL MONEY MARKET FUND	1.00	2,969.02	1.00	2,969.02		3.77		1.04	.03
				TOTAL CASH AND EQUIV.		2,969.02		3.77		1.04	
EQUITIES											
<i>Mutual Funds</i>											
420.17	9/20/2005	MARSICO GROWTH FUND	17.85	7,500.00	19.26	8,092.44		10.29	592.44	.84	.01
254.99	9/20/2005	JOHN HANCOCK CLASSIC VALUE CL A	23.92	6,099.63	25.53	6,509.96		8.28	410.33	25.24	.39
311.26	9/21/2005	THE FAIRHOLME FUND	24.77	7,710.66	26.13	8,133.33		10.34	422.67	90.27	1.11
190.80	1/25/2006	BRIDGEWAY AGGRESSIVE INVESTOR'S II FUND	17.96	3,426.69	17.77	3,390.44		4.31	(36.25)		
142.35	9/20/2005	KEELEY SMALL CAP VALUE FD INC	42.56	6,058.38	47.57	6,771.78		8.61	713.40		

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Portfolio Appraisal
 ALLEN IRA R/O

February 2006

Account:	187-31661										
Quantity	Purchase Date	Description	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	% Assets	Unrealized Gain/Loss	Annual Income	% Yield
EQUITIES											
Mutual Funds											
Specialty-Real Estate											
170.57	9/20/2005	ALPINE EQUITY TR RLTY INCOME & GROWTH FD C	22.70	3,872.25	24.38	4,158.60		5.29	286.35	144.48	3.47
Specialty-Natural Res											
152.50	9/20/2005	IVY GLOBAL NATURAL RESOURCES FUND-CL A	26.03	3,969.02	28.80	4,392.06		5.58	423.04		
Mutual Fund											
134.33	9/20/2005	PERMANENT PORTFOLIO FD INC	28.16	3,783.29	29.63	3,980.17		5.06	196.88	26.87	.87
				TOTAL EQUITIES	42,419.92	45,428.78		57.75	3,008.86	287.70	
FIXED INCOME											
Mutual Funds											
Intermediate Government											
926.29	9/20/2005	VANGUARD INFL-PROTECTED SECS	12.56	11,632.83	12.16	11,263.71		14.32	(369.12)	630.81	5.60
Intermediate Term Bond											
1,091.96	9/20/2005	MANAGERS FDS FREMONT BD FD	10.49	11,451.89	10.35	11,301.73		14.37	(150.16)	434.60	3.85
Long-Term Bond											
275.30	11/2/2005	LOOMIS SAYLES BOND FUND RETAIL CLASS	13.68	3,764.61	13.99	3,851.43		4.90	86.82	222.44	5.78

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Portfolio Appraisal
 ALLEN IRA R/O
 February 2006

Account:	197-31861																		
Quantity	Purchase Date	Description	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	% Assets	Unrealized Gain/Loss	Annual Income	% Yield								
FIXED INCOME																			
Mutual Funds																			
317.00	9/20/2005	PIONEER GLOBAL HIGH YIELD FD CL A	12.17	3,859.07	12.17	3,857.87		4.90	(1.20)	281.18	7.29								
				TOTAL FIXED INCOME		30,274.74		38.48	(433.66)	1,569.03									
				TOTAL PORTFOLIO		76,097.34		100.00	2,575.20	1,867.77									



Portfolio Appraisal
 ALLEN AND [REDACTED] JTWR0S

February 2006

Account: 413-03779

Quantity	Purchase Date	Description	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	% Assets	Unrealized Gain/Loss	Annual Income	% Yield
6,050.90		CORTLAND GENERAL MONEY MARKET FUND	1.00	6,050.90	1.00	6,050.90		47.09		2.12	.03
EQUITIES											
100.00	2/23/2004	HALLIBURTON CO	30.78	3,078.00	68.00	6,800.00		52.92	3,722.00	60.00	.88
TOTAL CASH AND EQUIV.				<u>6,050.90</u>		<u>6,050.90</u>		<u>47.09</u>		<u>2.12</u>	
TOTAL EQUITIES				<u>3,078.00</u>		<u>6,800.00</u>		<u>52.92</u>	<u>3,722.00</u>	<u>60.00</u>	
TOTAL PORTFOLIO				<u>9,128.90</u>		<u>12,850.90</u>		<u>100.00</u>	<u>3,722.00</u>	<u>62.12</u>	

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Portfolio Appraisal
 ALLEN [REDACTED] IRA R/O
 February 2006

Quantity	Purchase Date	Description	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	% Assets	Unrealized Gain/Loss	Annual Income	% Yield
CASH AND EQUIV.											
2,529.18		CORTLAND GENERAL MONEY MARKET FUND	1.00	2,529.18	1.00	2,529.18		2.47		.89	.03
TOTAL CASH AND EQUITY.				<u>2,529.18</u>		<u>2,529.18</u>		<u>2.47</u>		<u>.89</u>	
EQUITIES											
<i>Mutual Funds</i>											
895.55	1/18/2002	VAN KAMPEN COMSTOCK CLASS B	15.49	13,867.39	18.18	16,281.17		15.89	2,413.77	160.29	.98
1,752.68	3/22/2004	CALAMOS INV'T TRUST GROWTH & INCOME FD CL B	30.86	54,090.74	35.46	62,150.15		60.67	8,059.41	736.14	1.18
<i>Foreign Stock</i>											
1,292.61	3/19/2004	ING MUT FDS FOREIGN FD CL B	11.93	15,417.11	16.62	21,483.16		20.97	6,066.05		
TOTAL EQUITIES				<u>83,375.24</u>		<u>99,914.48</u>		<u>97.53</u>	<u>16,539.23</u>	<u>896.43</u>	
OTHER											
45,078.00	3/1/1904	QUADRIGA SUPERFUND LP SER A									
TOTAL OTHER											

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Portfolio Appraisal
ALLEN [REDACTED] IRA R/O
 February 2006

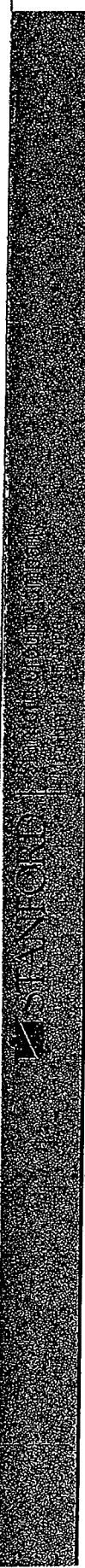
Account:	Quantity	Purchase Date	Description	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	% Assets	Unrealized Gain/Loss	Annual Income	% Yield
413-96705			TOTAL PORTFOLIO		85,904.42		102,443.66		100.00	16,539.23	897.32	



Portfolio Appraisal
ALLEN AND [REDACTED]
Stanford International Bank
February 2006

Account	Description	Maturity Date	Interest Rate	Balance
S00321660	EXPRESS ACCOUNT			
S00321760	USAI FIXED CD	9/28/2007	7.45	216,882.40
S00321950	USAI FIXED CD	3/21/2006	6.40	112,627.07
	Total			329,509.47

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Portfolio Appraisal

ALLEN AND J. [REDACTED]

Other

February 2006

Account	Description	Market Value
AN000176	Equitable (301 611 117)	271,921.84
	Total Annuity	271,921.84
HF000175	Quadrige Superfund A (33,414 units)	45,543.00
	Total Hedge Funds	45,543.00
	Total Other	317,464.84

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STANFORD GROUP

Stanford Group Company

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Cash Flow

Allen and [REDACTED]
February 2006

Account	Account Number	Contributions	Withdrawals	MTD	YTD
Allen and [REDACTED] TWROS	187-27458				
Allen and [REDACTED] TWROS	413-03779		(662.35)	(662.35)	(2,946.78)
Allen [REDACTED] IRA R/O	187-31661		(35.00)	(35.00)	(35.00)
Allen [REDACTED] IRA R/O	413-95705		(35.00)	(35.00)	(35.00)
SIBL					
OTHER					
Totals			(732.35)	(732.35)	(3,016.78)

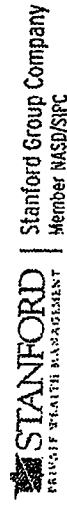
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Stanford Group Company

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Your Financial Consultant would be pleased to advise you of the current valuation and assessment of your holdings and other information about your account.



[Note: The above legend was pre-printed on the back of each page of the customer statement.]

EXHIBIT C

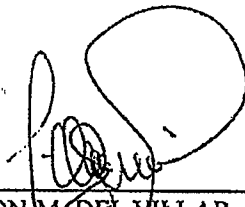
THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

AFFIDAVIT OF TRANSLATION

Before me, the undersigned Notary appears RAMON M. DEL VILLAR who, after being first duly sworn, deposes and says that the facts contained herein are true and correct and based upon his personal knowledge:

1. "My name is Ramón Miguel del Villar. I am over the age of twenty-one years and competent to make this affidavit. I have personal knowledge of all the facts stated in this affidavit and they are true and correct.
2. I am a court interpreter certified for Spanish/English proceedings by the Administrative Office of the United States Courts.
3. I am an attorney licensed in the State of Texas with Texas State Bar Number 00785814.
4. I am the Chief Interpreter for the United States District Court, Southern District of Texas.
5. I am the holder of license number 292 as a State of Texas court interpreter.
6. I hereby certify that the document attached hereto is an English translation of a Spanish document with the heading: "Stanford. What protection does Stanford International Bank offer its depositors?"
7. I further certify that said translation is a fair and accurate translation of the poorly drafted and punctuated Spanish language document provided to me for translation of which a copy is kept in my records."

FURTHER AFFIANT SAYETH NOT.



RAMON M. DEL VILLAR

BEFORE ME, the undersigned Notary Public, appeared today RAMON M. DEL VILLAR who, having first been placed under oath, under his oath stated that he is the person whose signature appears affixed to the foregoing statement and further stated

under his oath that what said statement contains is of his personal knowledge and true and correct.

SUBSCRIBED before me on this 18th day of June of 2009.



Cynthia Jartowski
Notary Public in and for the State of Texas

My commission expires: 5/6/2011

Stanford

What protection offers Stanford International Bank to its depositors?

The funds of Stanford International Bank and its clients are protected by one of the insurance programs, unique in its class, that provide the following coverage:

Insolvency policy that insures the funds that SIB maintains in deposit with correspondent institutions, including a coverage of the excess over the FDIC in case of United States banks. This policy is issued by **Brit Insurance Ltd.** and scored by **AM. Best "A+" (Excellent)** and by **Fitch A+**.

General bond for bankers with **Lloyds of London**, one of the insurance companies with great reputation and more important of London and the score granted by **AM. BEST** is **"AA-" (Excellent)**.

Policy of liability of directors and executives with **Lloyds of London** scored by **AM. BEST "AA+" (Excellent)**.

All the correspondent banks utilized by **Stanford International Bank** have great reputation (**TORONTO DOMINION BANK, UBS and HSBC**) have already been pre-approved by the insurance companies that issued the policies for the coverage that these institutions require to guarantee our operations in their banks and thus guarantee the funds that SIB maintains in these institutions for any insolvency of some of these banks.

To be able to qualify **Stanford International Bank**, and to have the following coverage the Bank is audited annually by the insurance companies. Another external company also makes a risk analysis to determine if the Bank is doing everything necessary to protect its assets. This provides another safety element for the clients. These policies have been kept in **SIB** for **over 20 years** granting firmness and seriousness, to over 75,000 clients in the world, and to the almost **\$6 billion dollars** in direct deposits in instruments that belong to **SIB**.

In general, financial institutions that do not make commercial loans are safer than those who do, investment banks and those who do not make commercial loans are not exposed to this type of risk. One of the main causes for which a bank goes bankrupt is due to its portfolio of uncollectible loans. Throughout the years, banks around the world have experienced problems with loans that it has not been possible to collect. This is our greater virtue, why **Stanford** being **Private Investment Banking** only engaged in seeking safe products with stable earnings and with the minimum investment exposure risk, this offers a without par advantage the funds of its clients are in investments in which there are always positive results and in favor of the interests and assets of the institution.

Stanford International Bank in its investment funds same as the banks with the better reputation makes its investments of the greater part of its assets in titles such as **first grade investment bonds (AAA, AA+, AA)** and shares of stock (of great reputation, liquidity and credibility) and in negotiable instruments in the financial markets and easily made liquid should it be necessary. In contrast, commercial banks or savings banks normally place a big part of their funds in loans which are not easily made liquid upon requirements of the bank to be able to have cash liquidity and also possess other long term assets given as guarantee which are not easily made liquid in a fast market, which is why these commercial banks only maintain a minimum part of their available funds which makes them by very susceptible to any instability of liquidity and availability for their clients should it be needed.

Debtors of **Stanford International Bank** are the issuers of the titles that the Bank maintains in its portfolio (renowned companies, multinationals and prestigious international banks) whose risk of insolvency is minimum.

The Bank has resources available for productive investments greater than the total of deposits in that the Bank also has available for this purpose most of its capital (The long term assets of the Bank are minimal).

The Clients of **Stanford International Bank** come from 102 countries. This great diversification minimizes the exposure of a regional market.

Because **Stanford International Bank** is not a United States bank, it is not covered by the FDIC insurance (Federal Deposit Insurance Company). Nevertheless nowadays FDIC provides only a relatively poor protection, that has not been changed since 1929: where FDIC, First, only covers up to \$100,000 per account/client. Second, currently the reserve funds of FDIC only cover a minimum part of the deposits of all the banks that are insured in a proportion of 1 to 1000 and in the third place, FDIC does not make any bank safer, nor prevents a bank from becoming bankrupt, the banks that go bankrupt do so because of bad practices in the use of their resources and investments, where FDIC is very clear and states that there is no coverage whatsoever of Federal insurance for this type of bankruptcies.

American banks in case of a need to cover the funds by the FDIC, the client must directly address in a personal manner the governmental agency that would be in charge of programming the payments to its depositors in case an institution has to be covered for being insolvent, but there is no FDIC coverage should the bank go bankrupt because of conversion of the deposits and funds of its clients.

NASD and **SIPC**, , are two safety entities that are utilized by the New York stock exchange, where **Stanford Group** is a member, which insure that the financial companies that invest the funds of their clients in financial instruments of any kind that are traded in the stock exchange, be invested in companies that

represent for the stock exchange of high security and trust for these two supervision and guarantee entities in the stock exchange markets, measuring firmness and safety so that the funds utilized be well invested.

Stanford International Bank is probably the only International Bank that offers this type of security to its clients.

Thank you for considering us for your next investment.



Stanford

Que protección le ofrece Stanford International Bank a sus depositantes?

Los fondos de Stanford International Bank y de sus clientes están protegidos por uno de los programas de seguros, únicos en su clase, que proporciona las siguientes coberturas:

Póliza de insolvencia que asegura los fondos que SIB mantiene en depósito en instituciones corresponsales, incluyendo una cobertura del exceso sobre el FDIC en caso de bancos norteamericanos. Esta póliza está emitida por Brit Insurance Ltd. y calificada por AM, BEST "A+" (Excelente) y por Fitch A+.

Fianza general para banqueros con Lloyds of London, una de las empresas de seguros de alta reputación y más importante de Londres y la calificación otorgada por AM, BEST es de "AA-" (Excelente).

Póliza de responsabilidad de directores y ejecutivos con Lloyds of London calificada por AM, BEST "AA+" (Excelente).

Todos los bancos corresponsales utilizados por Stanford International Bank son de alta reputación (TORONTO DOMINION BANK, UBS y HSBC); ya han sido pre-aprobados por las compañías aseguradoras que emitirán las pólizas para la cobertura que estas instituciones requieren para garantizar nuestras operaciones en sus bancos y así garantizar los fondos que SIB mantiene en estas instituciones por cualquier insolvencia de alguno de estos bancos.

Para poder calificar a Stanford International Bank, y para tener las siguientes coberturas el Banco es auditado anualmente por las compañías de seguros. Otra empresa externa también hace un análisis de riesgo para determinar si el Banco está haciendo todo lo necesario para proteger sus activos. Esto proporciona otro elemento de seguridad para los clientes. Estas pólizas se han tenido en SIB por más de 20 años otorgando solidez y seriedad, a más de 25,000 clientes en el mundo, y a los casi \$5 Mil Millones de dólares en depósitos directos en instrumentos propios de SIB.

En general, las instituciones financieras que no hacen préstamos comerciales son más seguras que aquellas que sí lo hacen, la banca de inversión y que no hacen préstamos comerciales no se exponen a este tipo de riesgo. Una de las principales causas por la cual un banco quiebra es debido a su cartera de préstamos incobrables. A través de los años, los bancos alrededor del mundo han experimentado problemas por préstamos que no han podido cobrarse. Esta es nuestra mayor virtud, por la cual Stanford al ser *Private Investment Banking* donde solo se dedican a buscar productos seguros de rentabilidad estable y con el mínimo riesgo de exposición de inversión, esto ofrece la ventaja inigualable los fondos de sus clientes está en inversiones en las cuales hay siempre resultados positivos y a favor de los intereses y activos de la institución.

Stanford International Bank en sus fondos de inversión al igual que los bancos de mas alta reputación hacen sus inversiones de la gran parte de sus activos en títulos tales como **bonos de primer grado de inversión (AAA, AA+, AA)** y acciones (de alta reputación, liquidez y credibilidad) y en instrumentos negociables en los mercados financieros y fácilmente liquidables en caso de ser necesario. En contraste, los bancos comerciales o los bancos de ahorros normalmente colocan una gran parte de sus fondos en préstamos los cuales no son fácilmente liquidables a requerimientos del banco para poder disponer de liquidez monetaria y también poseen otros activos fijos dados en garantía los cuales no son liquidables fácilmente en un mercado rápido, por lo cual estos bancos comerciales solo mantienen una mínima parte de sus fondos disponibles lo que hace que sean muy susceptibles a cualquier inestabilidad de liquidez y de disponibilidad para sus clientes de ser requerida.

Los dueños de **Stanford International Bank** son los emisores de los títulos que el Banco mantiene en su cartera (compañías de renombre, multinacionales o bancos internacionales de prestigio) cuyo riesgo de insolvencia es mínimo.

El Banco tiene recursos disponibles para inversiones productivas mayores del total de los depósitos ya que el Banco también tiene disponible para este efecto la mayor parte del capital (Los activos fijos del Banco son mínimos).

Los clientes de **Stanford International Bank** provienen de 102 países. Esta gran diversificación minimiza la exposición a un mercado regional.

Como **Stanford International Bank** no es un banco estadounidense, no cubre el seguro de FDIC (Federal Deposit Insurance Company). Sin embargo hoy el FDIC proporciona una protección relativamente pobre, que desde 1929 no ha sido cambiada: donde el FDIC, Primero, que solamente cubre hasta por \$100,000 por cuenta/cliente. Segundo, actualmente los fondos de reserva del FDIC solo cubren una mínima parte de los depósitos de todos los bancos que están asegurados en una relación 1 a 1000 y en tercer lugar, el FDIC no hace más seguro a ningún banco, ni evita que un banco entre en quiebra, los bancos que quiebran son por mala práctica en el uso de sus recursos e inversiones, donde el FDIC es muy claro y manifiesta que no existe ninguna cobertura del seguro Federal a este tipo de quiebras.

Los bancos americanos en caso de una necesidad de cubrir los fondos por el FDIC, el cliente deberá dirigirse directamente en forma personal al organismo gubernamental que se encargaría de programar el pago a sus depositarios en caso de tener que cubrir a una institución por insolvente, mas no existe la cobertura del FDIC en caso que el banco quiebre por malversación de los depósitos y fondos de sus clientes.

El **NASD** y el **SIPC**, son dos entes de seguridad que utiliza la bolsa de valores de New York, donde **Stanford Group** es miembro, los cuales aseguran que las empresas financieras que invierten los fondos de sus clientes en instrumentos financieros de cualquier índole que maneja en la bolsa, están invertidos en empresas que representan para la bolsa de alta seguridad y confianza para estos entes de vigilancia y garantía en los mercados bursátiles, midiendo la solidez y seguridad para que los fondos utilizados estén bien invertido.

Stanford International Bank es probablemente el único Banco Internacional que ofrece este tipo de seguridad para sus clientes.

Gracias por tomarnos en cuenta para su proxima inversión.