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3:09-cv-00298-N Securities and Exchange Commission v. Stanford International Bank Ltd et al

SANDERSON

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U.S. District Court**Northern District of Texas****Notice of Electronic Filing**

The following transaction was entered by Reece, David on 3/11/2009 at 1:05 PM CDT and filed on 3/11/2009

Case Name: Securities and Exchange Commission v. Stanford International Bank Ltd et al

Case Number: 3:09-cv-298

Filer: Securities and Exchange Commission

Document Number: 142

Docket Text:

NOTICE Supplemental Appendix in Support of Application for Preliminary Injunction and Other Emergency Relief re: [7] Appendix in Support, [13] Additional Attachments to Main Document,,,, [12] Additional Attachments to Main Document,,,, filed by Securities and Exchange Commission (Attachments: # (1) 5th Amendment Declaration of R. Allen Stanford, # (2) 5th Amendement Declaration of James M. Davis, # (3) Notice of Videotaped Depositions, # (4) Notice of R. Allend Stanford's Videotaped Deposition.1, # (5) Notice of R. Allen Stanford's Videotaped Deposition.2, # (6) Transcript of James A. Stanford's Deposition, # (7) Dorsett Letter, # (8) Declaration of James R. Scarazzo) (Reece, David)

3:09-cv-298 Notice has been electronically mailed to:

Gagosian Gallery, Inc. jerler@warnerstevens.com

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William Trey Jones , III tjones@brunini.com, lgregory@brunini.com

If you have not consented to receive electronic notice, or if you are no longer an active participant in this case and you want electronic noticing to be turned off so that you will stop receiving filing notices, click, [CMECF.widgit.ProcessingWindowDestroy\(\) ro3/index.php"> here](#), then click on "Ask a Question."

3:09-cv-298 Notice will not be electronically mailed to:

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2753 NW 34th Street
Boca Raton, FL 33434

The following document(s) are associated with this transaction:

Document description:Main Document

Original filename:n/a

Electronic document Stamp:

[STAMP dcecfStamp_ID=1004035775 [Date=3/11/2009] [FileNumber=4185948-0]
] [bbf04d9a5ebcad87cebc5c91ae15329081e424956c4610f1b722adda1a1259af0cc
a0d25e3aa7457d5971c8c7beda6d71560f5861a9e611ae66aedc231047665]]

Document description: 5th Amendment Declaration of R. Allen Stanford

Original filename:n/a

Electronic document Stamp:

[STAMP dcecfStamp_ID=1004035775 [Date=3/11/2009] [FileNumber=4185948-1]
] [b5cc8815d6fb3e0c7a2a4ecd36b84bb1b741654d1530ba601eec53228044b95caa7
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Document description: 5th Amendment Declaration of James M. Davis

Original filename:n/a

Electronic document Stamp:

[STAMP dcecfStamp_ID=1004035775 [Date=3/11/2009] [FileNumber=4185948-2]
] [eef82ae86779bd22d0648886afde9a27f407434efef4735439c1df31d2a51715b4a
037fe0c5e2f29955e78edaa99e0b782ad55cf033a7163c8ea2b1f6aa774c8]]

Document description: Notice of Videotaped Depositions

Original filename:n/a

Electronic document Stamp:

[STAMP dcecfStamp_ID=1004035775 [Date=3/11/2009] [FileNumber=4185948-3]
] [b618d4c4d93be04c7b5140b0e2e9921e7e3c796cee68d1f4541024da6176001658f
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Document description: Notice of R. Allend Stanford's Videotaped Deposition.1

Original filename:n/a

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[STAMP dcecfStamp_ID=1004035775 [Date=3/11/2009] [FileNumber=4185948-4]
] [9313fdcbf5d515443ff8f5b5073a8cfff9cca265bda2f5959fe27206198374aff
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Document description: Notice of R. Allen Stanford's Videotaped Deposition.2

Original filename:n/a

Electronic document Stamp:

[STAMP dcecfStamp_ID=1004035775 [Date=3/11/2009] [FileNumber=4185948-5]
] [d2c5f21e72173d56edb008ac169279b0b7cf774f464bff840091ebda14d6031f873
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Document description: Transcript of James A. Stanford's Deposition

Original filename:n/a

Electronic document Stamp:

[STAMP dcecfStamp_ID=1004035775 [Date=3/11/2009] [FileNumber=4185948-6]
] [7ca6981c9f1d0001cc932523a4699ccf160104f2fba04b8dddfbc22278d19f2dc7ef
6c323a73505e90f2b044333f4687c3e1f29c271a710ac62896ea2dda4e127]]

Document description: Dorsett Letter

Original filename:n/a

Electronic document Stamp:

[STAMP dcecfStamp_ID=1004035775 [Date=3/11/2009] [FileNumber=4185948-7]
] [9ea7b395d54abe0ac0a52faedc5075bd0f72a857ab251c91c44cdc3d7a9ceff9af4
12ebbad48b567af7446b2ea86e7f51515f712287611baf15986c5f88603f2]]

Document description: Declaration of James R. Scarazzo

Original filename:n/a

Electronic document Stamp:

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] [acdd9b34bf60965ffeae64a87a97b906a0c005640fac187e21dd3dd04436800226e
263434e3eac88f5a770d3c8537b7e53c713472fe795a9b58d2d5b28342a]]

5. Notice of Videotaped Deposition of R. Allen Stanford
Dated March 4, 2009 Supp. App. 0013-0015
6. Deposition transcript of James A. Stanford (Feb.24, 2009) Supp. App. 0016-0027
7. Letter from Keith Dorsett (counsel for O.Y. Goswick)
to Kevin Edmundson (SEC counsel) regarding
Mr. Goswick's medical condition (Feb 23, 2009) Supp. App. 0028
8. Declaration of James R. Scarazzo, with attached documents Supp. App. 0029-0038

Dated: March 11, 2009.

Respectfully submitted,

s/ David B. Reece

STEPHEN J. KOROTASH

Oklahoma Bar No. 5102

J. KEVIN EDMUNDSON

Texas Bar No. 24044020

DAVID B. REECE

Texas Bar No. 242002810

MICHAEL D. KING

Texas Bar No. 24032634

D. THOMAS KELTNER

Texas Bar No. 24007474

U.S. Securities and Exchange Commission

Burnett Plaza, Suite 1900

801 Cherry Street, Unit #18

Fort Worth, TX 76102-6882

(817) 978-6476 (dbr)

(817) 978-4927 (fax)

CERTIFICATE OF SERVICE

I hereby certify that, on this 11th day of March 2009, a true and correct copy of the foregoing document has been electronically filed with the Clerk of the Court for the Northern District of Texas, Dallas Division, by using the CM/ECF system which will send a notice of electronic filing to all the CM/ECF participants.

I further certify that on this 11th day of March 2009, I served a true and correct copy of the foregoing document and the notice of electronic filing by depositing a copy thereof in an authorized Federal Express depository at Fort Worth, Texas, with overnight express charges prepaid and addressed to the following parties and persons entitled to notice that are non-CM/ECF participants:

Eliot Bernstein
2753 NW 34th Street
Boca Raton, FL 33434

s/ David B. Reece
DAVID B. REECE

among other things, to provide an accounting of: (1) all monies and other benefits that I received, directly and indirectly, as a result of the activities alleged in the Complaint; (2) all my current assets wherever they may be located and by whomever they are being held; and (3) all accounts with any financial or brokerage institution maintained by or for me. I am also aware of the Court's March 2, 2009 order extending the temporary restraining order, order freezing assets, order requiring an accounting, order requiring preservation of documents, and order authorizing expedited discovery and setting a preliminary injunction hearing for March 12, 2009.

2. I hereby assert my privilege against self-incrimination under the Fifth Amendment to the United States Constitution and decline to testify or provide an accounting, and will continue to decline to testify, provide an accounting, or produce any documents related to the matters set forth in the Commission's Complaint, including without limitation, testimony or documents regarding the following:

- A. My personal background including, but not limited to, questions concerning family members, education, training, professional licenses, employment history, disciplinary history, criminal record and any civil actions in which I was or am a witness, a defendant, or a respondent;
- B. My personal assets, including, but not limited to, questions concerning any bank, brokerage, trust or any other financial accounts, as well as any entities, domestic or foreign, in which I hold a beneficial interest or over which I exercise discretionary control;
- C. Any and all conduct related to Stanford International Bank, Ltd. ("SIB"), Stanford Group Company ("SGC"), Stanford Capital Management, LLC

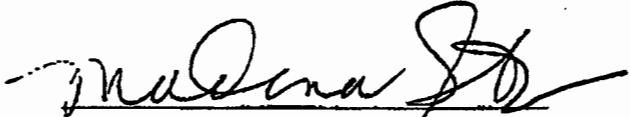
("SCM"), or any other entities owned or controlled, directly or indirectly, by me, and any of their control persons, officers, directors, managers, employees, and agents, including, but not limited to: (1) the solicitation of investors and the offering and sale of SIB certificates of deposit ("SIB CDs"); (2) the use of SIB CD investor funds; (3) the location of SIB CD investor funds; (4) assets of SIB or any of the entities identified in the caption above; (5) the solicitation of investors and the offering and sale of the Stanford Allocation Strategy mutual fund wrap program; and (6) the destruction of documents or other evidence related to the matters set forth in the Commission's Complaint;

- D. Any and all communications with persons or entities identified as a "Defendant" or "Relief Defendant" in the caption, above;
- E. Any and all receipt of funds, directly or indirectly by me from SIB CD investor funds, or any entity, or persons affiliated with any entity, named in the caption, above; and
- F. Any and all transfers of SIB CD investor funds to any entity or individual located outside of the Continental United States.

I, Robert Allen Stanford, do hereby declare under penalty of perjury, in accordance with 28 U.S.C. § 1746, that the foregoing is true and correct.

Executed on the 9th day of March 2009.


ROBERT ALLEN STANFORD


Witness

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

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

**STANFORD INTERNATIONAL BANK, LTD.,
STANFORD GROUP COMPANY,
STANFORD CAPITAL MANAGEMENT, LLC,
R. ALLEN STANFORD, JAMES M. DAVIS, and
LAURA PENDERGEST-HOLT**

Defendants.

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Case No.: 3:09-cv-0298-L

**DECLARATION OF JAMES M. DAVIS ASSERTING FIFTH AMENDMENT RIGHT
AGAINST SELF-INCRIMINATION**

I, James M. Davis, hereby declare under penalty of perjury, in accordance with 28 U.S.C. § 1746, that the following is true and correct, that I am at least twenty-one years of age, and that I am competent to testify as to the matters stated herein:

1. The United States Securities and Exchange Commission has served upon me a summons and complaint in this matter, and a notice of deposition. Further, I have received copies of:
 - (a) the temporary restraining order, order freezing assets, order requiring an accounting, order requiring preservation of documents, and order authorizing expedited discovery; and
 - (b) the order appointing receiver which require me, among other things, to provide an accounting of: (1) all monies and other benefits that I received, directly and indirectly, as a result of the activities alleged in the Complaint; (2) all my current assets wherever they may be located and by whomever they are being held; and (3) all accounts with any financial or brokerage institution maintained by or for me.

2. I hereby assert my privilege against self-incrimination under the Fifth Amendment to the United States Constitution and decline to testify or provide an accounting, and will continue to decline to testify, provide an accounting, or produce any documents related to the matters set forth in the Commission's Complaint, including without limitation, testimony or documents regarding the following:

- A. My personal background including, but not limited to, questions concerning family members, education, training, professional licenses, employment history, disciplinary history, criminal record and any civil actions in which I was or am a witness, a defendant, or a respondent;
- B. My personal assets, including, but not limited to, questions concerning any bank, brokerage, trust or any other financial accounts, as well as any entities, domestic or foreign, in which I hold a beneficial interest or over which I exercise discretionary control;
- C. Any and all conduct related to Stanford International Bank, Ltd. ("SIB"), Stanford Group Company ("SGC"), Stanford Capital Management, LLC ("SCM"), or any other entities owned or controlled, directly or indirectly, by me or by R. Allen Stanford ("Stanford"), and any of their control persons, officers, directors, managers, employees, and agents, including, but not limited to: (1) the solicitation of investors and the offering and sale of SIB certificates of deposit ("SIB CDs"); (2) the use of SIB CD investor funds; (3) the location of SIB CD investor funds; (4) SIB's assets; (5) the solicitation of investors and the offering and sale of the Stanford Allocation Strategy mutual fund wrap program; and (6) the destruction of

documents or other evidence related to the matters set forth in the Commission's Complaint;

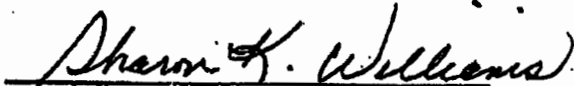
- D. Any and all communications with persons or entities identified as a "Defendant" in the caption, above;
- E. Any and all receipt of funds, directly or indirectly by me from SIB CD investor funds, or any entity, or persons affiliated with any entity, named in the caption, above; and
- F. Any and all transfers of SIB CD investor funds to any entity or individual located outside of the Continental United States.

I, James M. Davis, do hereby declare under penalty of perjury, in accordance with 28 U.S.C. § 1746, that the foregoing is true and correct.

Executed on the 21st day of February 2009.



JAMES M. DAVIS



Witness

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

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

**STANFORD INTERNATIONAL BANK, LTD.,
STANFORD GROUP COMPANY,
STANFORD CAPITAL MANAGEMENT, LLC,
R. ALLEN STANFORD, JAMES M. DAVIS, and
LAURA PENDERGEST-HOLT,**

Defendants.

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Case No.: 3:09CV0298-L

NOTICE OF VIDEOTAPED DEPOSITIONS

To: All Parties and Counsel of Record

Please take notice that, in accordance with Federal Rule of Civil Procedure 30(a), and pursuant to the terms of the Court's Temporary Restraining Order Freezing Assets and Granting Other Relief, Plaintiff Securities and Exchange Commission will take the oral deposition of:

1. Defendant James Davis at 9:00 a.m. on Monday, February 23, 2009.
2. Defendant Laura Pendergest-Holt at 1:00 p.m. on Monday, February 23, 2009.
3. O.Y. Goswick at 9:00 a.m. on Tuesday, February 24, 2009.
4. James A. Stanford at 1 p.m. on Tuesday, February 24, 2009.
5. Robert S. Winter at 11 a.m. on Friday, February 20, 2009.

The Davis and Pendergest-Holt depositions will be taken at:

United States Attorney's Office
900 Jefferson Avenue
Oxford, MS 38655-3608

The Goswick and Stanford depositions will be taken at:

United States Attorney's Office
800 Franklin Avenue
Suite 280
Waco, Texas 76701

The Winter deposition will be taken at:

United States Attorney's Office
919 Milam St # 1500
Houston, TX 77002

The depositions will be taken before a certified court reporter or another person authorized by law, and will be videotaped. You are invited to attend and cross-examine.

Dated: February 17, 2009

Respectfully submitted,



STEPHEN J. KOROTASH
Oklahoma Bar No. 5102
J. KEVIN EDMUNDSON
Texas Bar No. 24044020
DAVID B. REECE
Texas Bar No. 242002810
MICHAEL D. KING
Texas Bar No. 24032634
D. THOMAS KELTNER
Texas Bar No. 24007474

U.S. Securities and Exchange Commission
Burnett Plaza, Suite 1900
801 Cherry Street, Unit #18
Fort Worth, TX 76102-6882
(817) 978-6476 (dbr)
(817) 978-4927 (fax)

CERTIFICATE OF SERVICE

I hereby certify that on the 17 day of February, 2009, I served a true and correct copy of this *Notice of Videotaped Deposition of James Davis and Laura Holt* by facsimile or by depositing a copy thereof in an authorized Federal Express depository at Fort Worth, Texas, with priority overnight charges prepaid and addressed to the following parties and persons entitled to notice:

Defendant Stanford International Bank
c/o O.Y. Goswick, Member
Board of Directors
Grosbeck Highway
Mexia, TX 76667

Defendant James Davis
1140 County Road 165
Baldwyn, MS 38824

Defendant Laura Pendergest-Holt
408 E. Clayton Street
Baldwyn, MS 38824

Defendant Stanford Capital Management Co.
Jason D'Amato, President
5051 Westheimer
Houston, TX 77056

Defendant Robert Allen Stanford
c/o Stanford International Bank
No. 11 Pavillion Drive
St. Johns, Antigua, West Indies
Fax: (268) 480-3700

Defendant Stanford Group Company
c/o Danny Bogar, President
5050 Westheimer
Houston, TX 77056



J. KEVIN EDMUNDSON

STEPHEN J. KOROTASH
Oklahoma Bar No. 5102
J. KEVIN EDMUNDSON
Texas Bar No. 24044020
DAVID B. REECE
Texas Bar No. 242002810
MICHAEL D. KING
Texas Bar No. 24032634
D. THOMAS KELTNER
Texas Bar No. 24007474

U.S. Securities and Exchange Commission
Burnett Plaza, Suite 1900
801 Cherry Street, Unit #18
Fort Worth, TX 76102-6882
(817) 978-6476 (dbr)
(817) 978-4927 (fax)

CERTIFICATE OF SERVICE

I hereby certify that on the 18th day of February, 2009, I served a true and correct copy of this *Notice of Videotaped Deposition* by facsimile or by depositing a copy thereof in an authorized Federal Express depository at Fort Worth, Texas, with priority overnight charges prepaid and addressed to the following parties and persons entitled to notice:

Defendant Stanford International Bank
c/o O.Y. Goswick, Member
Board of Directors
Groesbeck Highway
Mexia, TX 76667

Defendant James Davis
1140 County Road 165
Baldwyn, MS 38824

Defendant Laura Pendergest-Holt
408 E. Clayton Street
Baldwyn, MS 38824

Defendant Stanford Capital Management Co.
Jason D'Amato, President
5051 Westheimer
Houston, TX 77056

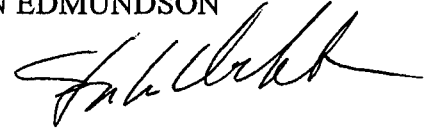
Defendant Robert Allen Stanford
c/o Stanford International Bank
No. 11 Pavillion Drive
St. Johns, Antigua, West Indies
Fax: (268) 480-3700

Defendant Stanford Group Company
c/o Danny Bogar, President
5050 Westheimer
Houston, TX 77056

and
5476 Holly Springs Drive
Houston, TX 77056-2022

Kevin Edmundson by permission

J. KEVIN EDMUNDSON



The deposition will be taken before a certified court reporter or another person authorized by law, and will be videotaped. You are invited to attend and cross-examine.

Dated: March 4, 2009

Respectfully submitted,

s/ David B. Reece

STEPHEN J. KOROTASH

Oklahoma Bar No. 5102

J. KEVIN EDMUNDSON

Texas Bar No. 24044020

DAVID B. REECE

Texas Bar No. 242002810

MICHAEL D. KING

Texas Bar No. 24032634

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CERTIFICATE OF SERVICE

I hereby certify that on the 4th day of March, 2009, I served a true and correct copy of this *Notice of Videotaped Deposition* by facsimile or by depositing a copy thereof in an authorized Federal Express depository at Fort Worth, Texas, with priority overnight charges prepaid and addressed to the following parties and persons entitled to notice:

Defendant Stanford International Bank
c/o Ralph Janvey, Receiver
Board of Directors
Groesbeck Highway
Mexia, TX 76667

Defendant James Davis
1140 County Road 165
Baldwyn, MS 38824

Jeffrey M. Tillotson
Lynn Tillotson Pinker & Cox LLP
2100 Ross Ave.
Suite 2700
Dallas, TX 75201
Counsel for Defendant Laura Pendergest-Holt

Defendant Stanford Capital Management Co.
c/o Ralph Janvey, Receiver
5051 Westheimer
Houston, TX 77056

Defendant Robert Allen Stanford
c/o Stanford International Bank
No. 11 Pavillion Drive
St. Johns, Antigua, West Indies
Fax: (268) 480-3737

and

5476 Holly Springs Drive
Houston, TX 77056-2022

and

c/o

Charles M. Meadows, Jr.
Meadows Collier Reed Cousins & Blau, LLP
901 Main St.
Suite 3700
Dallas, TX 75202

Having entered a "limited appearance" on
behalf of Defendant Stanford

Defendant Stanford Group Company
c/o Ralph Janvey, Receiver
5050 Westheimer
Houston, TX 77056

Ralph Janvey, Receiver
c/o Kevin M. Sadler
Baker Botts
98 San Jacinto Blvd
Suite 1600
Austin, TX 78701
Counsel for the Receiver

s/ David B. Reece

David B. Reece

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

3 SECURITIES AND EXCHANGE)
4 COMMISSION,)
5)
6 Plaintiff,)
7) CIVIL ACTION
8 VS.)
9) NO.: 3:09CV0298-L
10 STANFORD INTERNATIONAL)
11 BANK, LTD., STANFORD GROUP)
12 COMPANY, STANFORD CAPITAL)
13 MANAGEMENT, LLC, R. ALLEN)
14 STANFORD, JAMES M. DAVIS,)
15 and LAURA PENDERGEST-HOLT,)
16)
17 Defendants.)

11 -----
12 ORAL AND VIDEOTAPED DEPOSITION OF
13 JAMES A. STANFORD
14 FEBRUARY 24, 2009
15 -----

17 ORAL AND VIDEOTAPED DEPOSITION OF JAMES A. STANFORD,
18 produced as a witness at the instance of the PLAINTIFF,
19 and duly sworn, was taken in the above-styled and
20 numbered cause on February 24, 2009, from 1:14 p.m. to
21 2:10 p.m., before Kim A. McCann, CSR in and for the State
22 of Texas, reported by machine shorthand, at the offices
23 of United States Attorneys Office, 800 Franklin Street,
24 Waco, Texas, pursuant to the Federal Rules of Civil
25 Procedure.

Page 1

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Page 2

1 APPEARANCES
 2 FOR THE PLAINTIFF:
 3 J. Kevin Edmundson, Esq.
 Michael King, Esq.
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 Fort Worth, Texas 76102
 6 (817) 978-1411
 (817) 978-4927 fax
 7 edmundsonk@sec.gov
 kingm@sec.gov
 8
 9 ALSO PRESENT:
 10 Kirby Read, Videographer;
 11 Billie Stanford; Darlene Teel;
 12
 13
 14
 15
 16
 17
 18
 19
 20
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 24
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Page 3

1 INDEX PAGE
 2 Appearances..... 2
 3 Stipulations..... -
 4 JAMES A. STANFORD
 Examination by Mr. Edmundson..... 5
 5
 6 Corrections and Changes..... 39
 Reporter's Certificate..... 41
 7
 8
 9
 10
 11
 12
 13
 14
 15
 16
 17
 18
 19
 20
 21
 22
 23
 24
 25

Page 4

1 PROCEEDINGS
 2 THE VIDEOGRAPHER: This is the beginning of
 3 this deposition, the beginning of tape 1, and we're on
 4 the record at 1:14. Today's date is February 24th, 2009.
 5 My name is Kirby Read. We are here at the offices of the
 6 U.S. Attorneys in Waco, Texas, located at 800 Franklin,
 7 Waco, Texas 76701 to take the videotaped deposition of J.
 8 Kevin Edmundson.
 9 MR. EDMUNDSON: The witness is James
 10 Stanford.
 11 THE VIDEOGRAPHER: My paperwork is wrong,
 12 sorry. In the matter of Securities and Exchange
 13 Commission versus Stanford International Bank, Ltd.,
 14 Stanford Group Company, Stanford Capital Management, LLC,
 15 R. Allen Stanford, James M. Davis, and Laura
 16 Pendergest-Holt as defendants, in the United States
 17 District Court for the Northern District of Texas, Dallas
 18 Division.
 19 If the attorneys would state their
 20 appearances -- appearances, after which the court
 21 reporter will swear in the witness.
 22 MR. EDMUNDSON: Kevin Edmondson and Michael
 23 King for the Securities and Exchange Commission.
 24 Would you swear in the witness.
 25 JAMES ALLEN STANFORD,

Page 5

1 Having being first duly sworn, testified as follows:
2 EXAMINATION
3 BY MR. EDMUNDSON:
4 Q. Good afternoon, Mr. Stanford.
5 A. Yes.
6 Q. Would you state your full name for the record.
7 A. My name is James Allen Stanford.
8 Q. All right. Mr. Stanford, I appreciate you
9 appearing here today for your deposition.
10 Have you ever had your deposition taken
11 before?
12 A. Not -- I'm 81, I don't rec-- recollect that
13 I've ever done --
14 Q. Okay.
15 A. -- a deposition.
16 Q. I'm going to ask you some questions, and -- and
17 if I ask you a question that you don't understand, will
18 you let me know?
19 A. Yes.
20 Q. Mr. Stanford, you have some people present with
21 you here today, and I want to introduce them for the
22 record. I understand Darlene Teel is sitting next to
23 you, and I understand that she's your daughter; is that
24 correct?
25 A. That is correct.

Page 6

1 Q. Okay. And also your wife, Billie Stanford, is
2 here and she's sitting here also in the deposition room;
3 is that correct?
4 A. That is correct.
5 Q. And it's your wish that they sit here with you
6 throughout your deposition?
7 A. Yes.
8 Q. Okay. And -- and as an accommodation to you,
9 we don't object to that.
10 A. Thank you.
11 Q. All right. Mr. Stanford, how old are you?
12 A. I'm 81.
13 Q. What is your date of birth?
14 A. August 30, 1927.
15 Q. And what is your address?
16 A. 706 South Ross, Mexia, Texas.
17 Q. How long have you lived in Mexia?
18 A. I'm a native.
19 Q. All your life?
20 A. Yes.
21 Q. I assume, Mr. Stanford, that you're retired?
22 A. Yes.
23 Q. What was your profession prior to your
24 retirement?
25 A. Prior to retirement, at one time for years I

Page 7

1 was in the insurance business.
2 Q. What type of insurance business?
3 A. It was general insurance.
4 Q. Were you a sales agent?
5 A. I was a local independent agent.
6 Q. Okay. Who did you work for?
7 A. I was an independent agent.
8 Q. Okay. Well, was there a business name that
9 you -- that you were affiliated?
10 A. It was Stanford Insurance.
11 Q. Stanford Insurance?
12 A. Uh-huh, that's back years -- some years ago.
13 Q. One of the things that is going to be important
14 for this deposition is for us not to talk over each
15 other, which means that I can't talk over your answers
16 and I'll ask that your answers, you know --
17 A. Yes.
18 Q. -- you try to let me ask the question and that
19 will help out the court reporters.
20 How long were you affiliated with Stanford
21 Insurance?
22 A. Oh, it's hard to remember. 35 years, maybe,
23 some -- somewhere in that range.
24 Q. Okay. Approximately when did you retire?
25 A. I went out of that business in the -- in the

Page 8

1 early -- early '80s.
2 Q. What did you do after that?
3 A. Well, for a while I didn't do anything. I just
4 was retired.
5 Q. Okay. I -- Mr. Stanford, was your business,
6 Stanford Insurance, was that located in Mexia, Texas?
7 A. Yes. Yes, sir.
8 Q. What is your father's name?
9 A. My father's name was Lodis. That's L-o-d-i-s.
10 Q. Did you work with your father?
11 A. Yes.
12 Q. Was he the owner of the Stanford Insurance
13 Company?
14 A. Yeah, uh-huh.
15 Q. Is that a yes?
16 A. Uh-huh. What do you have there?
17 Q. It's a document that I just wanted to read, but
18 I wanted to make sure that the last question was
19 answered.
20 A. All right.
21 MR. KING: Did your father own the
22 business?
23 Q. (BY MR. EDMUNDSON) Yeah. Did your father own
24 the business?
25 A. Yes.

2 (Pages 5 to 8)

James A. Stanford - 2/24/2009

Page 9

1 Q. I'm going to read you a statement -- you know,
 2 I'm going to hold off on this for just a second. I'm
 3 going to get a little more background.
 4 What did your father do?
 5 A. He was the -- he was at the business with me.
 6 Q. Was he the principal of the agency?
 7 A. Yes, sir.
 8 Q. At Stanford Insurance, did you sell any
 9 securities as part of your business?
 10 A. Not -- not as such. Life insurance, annuities,
 11 maybe something like that.
 12 Q. Okay. Did you ever attain any license to sell
 13 a security?
 14 A. No, sir, I never did.
 15 Q. Did Stanford Insurance operate a bank?
 16 A. No, sir, we did not.
 17 Q. Okay. Mr. Stanford, can you tell me who O.Y.
 18 Goswick?
 19 A. O.Y. Goswick is a long-time friend of mine.
 20 Q. Where does he live?
 21 A. He lives at his home, Mexia, Texas.
 22 Q. How long have you known Mr. Goswick?
 23 A. Oh, over 50 years.
 24 Q. Okay. What was his profession, if you know?
 25 What did he do for a living?

Page 10

1 A. He was in the automobile -- auto -- pardon me,
 2 automobile business.
 3 Q. Okay.
 4 A. And had a small amount of acreage and a few
 5 cows.
 6 Q. Okay. Was he a cattle rancher?
 7 A. Well, not as such.
 8 Q. Okay.
 9 A. Not -- not what you would call a full-time
 10 rancher, just a hobby.
 11 Q. Okay. All right. When was the last time you
 12 spoke with Mr. Goswick?
 13 A. The last time I spoke to him I can't tell you.
 14 He -- he's had health problems and hasn't been able to
 15 speak in some time. The last time I spoke to him, I
 16 couldn't tell you exactly. It's been a year, maybe, year
 17 and a half, perhaps. Just a guess.
 18 Q. And as I understand it, he is -- he has a
 19 medical condition right now and he is unable to -- to
 20 speak?
 21 A. Yes, sir, that's my understanding.
 22 Q. Okay. And you haven't talked with him in at
 23 least a year to a year and a half, approximately?
 24 A. It's been less time than that. It's not in his
 25 full voice, but I've communicated as best -- best we

Page 11

1 could with him.
 2 Q. You have a son named Robert Allen Stanford, do
 3 you not?
 4 A. Yes, sir.
 5 Q. And do you understand that Robert Allen
 6 Stanford is a defendant in a lawsuit recently filed by
 7 the Securities and Exchange Commission?
 8 A. Yes, sir, I've understood -- become to that
 9 understanding within the last few days.
 10 Q. All right. Okay. When was the last time you
 11 spoke with your son, Allen Stanford?
 12 A. It would have been sometime last year, maybe in
 13 the fall of '08 sometime.
 14 Q. You -- have you not spoken with Mr. Stanford in
 15 the past two weeks?
 16 A. No, I have not.
 17 Q. All right. And I'm sorry, you said in sometime
 18 in the fall of last year?
 19 A. Yes.
 20 Q. Okay.
 21 A. Sometime in the fall.
 22 Q. The last time you spoke with him, was that a --
 23 was that around a particular holiday?
 24 A. No, sir, it was not around a particular
 25 holiday. It was sometime in -- in the fall.

Page 12

1 Q. All right.
 2 A. Not Christmas.
 3 Q. Did you speak with him in person or by
 4 telephone?
 5 A. I spoke to him in person.
 6 Q. And where -- where was your conversation?
 7 Where did that occur?
 8 A. It would have been in Mexia.
 9 Q. Okay. Was Mr. -- your son, Allen Stanford, in
 10 Mexia for a visit?
 11 A. He came to see me on a -- on a -- on a matter.
 12 Q. Okay.
 13 A. Innovative, both.
 14 Q. What was the matter that he came to see you
 15 about?
 16 A. I don't recall.
 17 Q. Do you have any documents regarding that matter
 18 that might refl- -- refresh your recollection?
 19 A. No, sir, I do not.
 20 Q. Was it a business matter?
 21 A. I do not recall.
 22 Q. Was it a matter that related to any of
 23 Mr. Stanford's, and I'm talking about your son, Allen
 24 Stanford's, businesses?
 25 A. No, sir, it was not.

3 (Pages 9 to 12)

James A. Stanford - 2/24/2009

Page 13	Page 15
<p>1 Q. Do you believe it was a personal matter?</p> <p>2 A. It was primarily a personal matter, yes.</p> <p>3 Q. Mr. Stanford, are you familiar with an entity</p> <p>4 known as Stanford International Bank, Ltd.?</p> <p>5 A. Yes.</p> <p>6 Q. What is it?</p> <p>7 A. It was -- it is an international bank.</p> <p>8 Q. Where is it located?</p> <p>9 A. It's domiciled in St. John's, Antigua.</p> <p>10 Q. Where is it operated from?</p> <p>11 A. It's operated from there.</p> <p>12 Q. Mr. Stanford --</p> <p>13 A. To the best of my knowledge.</p> <p>14 Q. Okay, Mr. Stanford, is there a local office in</p> <p>15 or around Mexia associated with the Stanford group of</p> <p>16 companies?</p> <p>17 A. I have an office, but it's strictly -- it's not</p> <p>18 for any of those companies. It was our -- an office that</p> <p>19 I had that we've used all these years, and it's my</p> <p>20 personal little office. It's not -- it's not tied into</p> <p>21 any of the Stanford.</p> <p>22 Q. Okay. Where is that office located?</p> <p>23 A. It's right in Mexia.</p> <p>24 Q. What's its address?</p> <p>25 A. 508 East Milam, Mexia. I'm sure y'all know</p>	<p>1 record?</p> <p>2 A. We've lived there since 1975.</p> <p>3 Q. I have read a news report that you were</p> <p>4 previously the mayor of Mexia?</p> <p>5 A. Yes.</p> <p>6 Q. Is that accurate?</p> <p>7 A. That's correct.</p> <p>8 Q. When were you the mayor in Mexia?</p> <p>9 A. Oh, for three different occasions I served</p> <p>10 around a 15-year term. I served on the -- on the</p> <p>11 commission or the counsel, whatever you call it now, and</p> <p>12 I served as mayor at that time. The mayor was elected</p> <p>13 from within the counsel. It's been changed since then to</p> <p>14 an elective basis like somewhat like maybe Waco is now.</p> <p>15 Q. And approximately when did you serve as the</p> <p>16 mayor?</p> <p>17 A. It would have been in the mid '70s, maybe, and</p> <p>18 the last term maybe the last, '80s, they weren't</p> <p>19 consecutive terms, anyway, during my tenure of 15 years</p> <p>20 on the counsel.</p> <p>21 Q. Okay. Was your --</p> <p>22 MR. EDMUNDSON: While we've got a pause for</p> <p>23 the court reporter to move her equipment, if you need to</p> <p>24 take a break, let me know.</p> <p>25 THE WITNESS: All right.</p>
<p>1 that.</p> <p>2 Q. East Milam?</p> <p>3 A. Yes.</p> <p>4 Q. Do you own that property?</p> <p>5 A. Yes.</p> <p>6 Q. How long have you owned it?</p> <p>7 A. Owned that probably -- I don't recall exactly,</p> <p>8 several years.</p> <p>9 Q. Did you -- did you purchase that property with</p> <p>10 your own funds?</p> <p>11 A. Yes.</p> <p>12 Q. Did your son give you funds to purchase that</p> <p>13 property?</p> <p>14 A. At the time it was purchased, it was so many</p> <p>15 years ago, to tell you the truth, I don't remember.</p> <p>16 Q. All right. Well, from time to time has your</p> <p>17 son given you funds to buy property?</p> <p>18 A. No, sir.</p> <p>19 Q. Do you own your own home?</p> <p>20 A. Yes.</p> <p>21 Q. Okay. Did he give you any money to buy your</p> <p>22 own home?</p> <p>23 A. No, sir.</p> <p>24 Q. All right. How long have you lived at the</p> <p>25 address that you previous -- previously gave on the</p>	<p>1 MS. TEEL: Are you okay?</p> <p>2 THE WITNESS: I'm all right. Thank you.</p> <p>3 Q. (BY MR. EDMUNDSON) Did Robert Allen Stanford</p> <p>4 grow up in Mexia?</p> <p>5 A. He was born and reared there until the age nine</p> <p>6 and he left and moved with his mother. We divorced and</p> <p>7 they moved off.</p> <p>8 Q. And he moved to Fort Worth; is that correct?</p> <p>9 A. Yes.</p> <p>10 Q. Okay. Outside of -- well, have you had any</p> <p>11 business dealings with your son in the past 30 years?</p> <p>12 A. In the last 30 years?</p> <p>13 Q. Let me be a little bit more specific.</p> <p>14 Did you and your son engage in a real</p> <p>15 estate business in Houston in the '80s?</p> <p>16 A. Yes.</p> <p>17 Q. Okay. What was the name of that business?</p> <p>18 A. It wasn't just -- I don't recall, to tell you</p> <p>19 the truth if it really had a name. But anyway, that's</p> <p>20 a -- it was a time that we -- the bad -- the downturn in</p> <p>21 the bad market during that time of foreclosures and that</p> <p>22 sort of thing.</p> <p>23 Q. Would you -- can you -- can you describe the</p> <p>24 nature of the business?</p> <p>25 A. It was basically a -- a business similar to</p>

4 (Pages 13 to 16)

Page 17

1 what's going on today in a lot of places, on distressed
 2 properties, to pick them up, you know, if you can buy
 3 them and try to refurbish them and reclaim them, and when
 4 the market comes up, like they hope to do today, is to
 5 turn them, sell them. It was for a few years there and
 6 then it died out like everything.
 7 Q. Approximately when did you cease participating
 8 in that business?
 9 A. I can't tell you the exact years. I can't
 10 remember that.
 11 Q. Well, was it in the '80s?
 12 A. I would say maybe somewhere in there.
 13 Q. Okay. Well, was it in the '90s?
 14 A. I wouldn't have -- it might have been -- I
 15 can't remember sir, I'm sorry.
 16 Q. Okay. Other than that real estate business
 17 that you've just described, have you participated in
 18 other businesses with your son?
 19 A. We have been engaged from time to time.
 20 Q. All right. Now you are familiar with Stanford
 21 International Bank?
 22 A. Yes.
 23 Q. What is your association with the bank?
 24 A. I serve -- I serve on the board of directors of
 25 the bank.

Page 18

1 Q. And that's currently; isn't that correct?
 2 A. Yes. You know that.
 3 Q. Now, I'm going to -- there's a statement in one
 4 of Stanford's corporate brochures that I'd like to read
 5 into the record, and this brochure was submitted to the
 6 Court in connection with our filing. And it can be found
 7 at Appendix 526, but it says from the corporate brochure:
 8 Stanford Financial Group is a privately-held,
 9 wholly-owned global group of independent financial
 10 services companies founded in 1932 by Lodis B. Stanford.
 11 And did your father, Lodis B. Stanford,
 12 found or start the Stanford Financial Group in 1932?
 13 A. I was a little young, I don't remember that.
 14 Q. Do you think that's an accurate statement?
 15 A. It's briefly accurate I would hope.
 16 Q. Well, when you were growing up, were you
 17 familiar with an entity known as Stanford Financial
 18 Group?
 19 A. I don't remember. He had two or three
 20 different names. He had a partner or two along during
 21 the time I was growing up. They changed the name, I
 22 couldn't -- it could have or could not have been. I
 23 can't tell you for sure. I can't remember.
 24 Q. All right. And when you were working with your
 25 father at Stanford Insurance at that time, did you become

Page 19

1 familiar with an entity known as Stanford Financial
 2 Group?
 3 A. I can't remember that exactly. It's been a few
 4 years.
 5 Q. Now, as a member of the board of Stanford
 6 International Bank, were you compensated for
 7 participating on the board?
 8 A. No, sir, I was compensated to the extent of a
 9 director's fee.
 10 Q. In 2008 what was that fee?
 11 A. That fee, it was \$30,000 for the year for -- it
 12 was paid semiannually.
 13 Q. The -- but the annual fee was \$30,000; is that
 14 right?
 15 A. Yes, sir, it was payable -- it was paid 30,000
 16 per year payable semiannually, 15,000.
 17 Q. I understand.
 18 A. Every six months.
 19 Q. And that was for -- I believe that was for
 20 2008. How about 2007, do you recall what the fee was?
 21 A. I would -- I would recall -- I would assume it
 22 would be the same.
 23 Q. Have you ever been paid six figures or more for
 24 participating on the board?
 25 A. No. No.

Page 20

1 Q. According to the 2007 Annual Report of the
 2 Stanford International Bank, and in a filing that we made
 3 at Appendix 877, the Annual Report reflects that the
 4 director's compensation was \$175,550 per year. Is that
 5 accurate?
 6 A. Per -- per -- per -- you're saying per -- is
 7 that for the board, the total group? That's not correct.
 8 Q. Okay. That's not?
 9 A. No, sir. No, sir, that probably would have
 10 been for the group.
 11 Q. For the group?
 12 A. There are other people -- other directors of
 13 this board.
 14 Q. Okay. So that is not an annual fee, that is a
 15 collective fee for the board?
 16 A. That would be a collective fee, yes, sir. Yes,
 17 sir.
 18 Q. Who were the other -- in 2008, who were the
 19 other board members of the bank?
 20 A. Mr. Goswick, myself, Allen Stanford, Jim Davis,
 21 Bob Winter, Courtney -- Dr. Courtney Blackman, he's a
 22 Ph.D., and Kenneth Allen, he's an attorney in the
 23 Caribbean. Is that seven?
 24 Q. It is.
 25 A. Uh-huh. Thank you.

James A. Stanford - 2/24/2009

Page 21	Page 23
<p>1 Q. Did you attend physically with physical 2 presence any board meetings of Stanford International 3 Bank? 4 A. For the last year or so, you see my condition, 5 I have attended every board meeting by teleconference in 6 Mexia, and the meetings have by law, now they're required 7 to be held on Antigua soil. And they would be there and 8 I would be in telephone conversation with -- with the 9 board on everything. 10 Q. And that is throughout 2008? 11 A. Yes. 12 Q. Prior to that did you -- did you make a 13 personal appearance in Antigua? 14 A. I used to make every year. Probably back a 15 couple of years ago when I came to begin with this 16 condition, like time, I can't remember, it may have 17 been -- 18 THE WITNESS: My wife -- two years? Three 19 years? 20 MRS. STANFORD: I guess three. 21 THE WITNESS: Something like that. Three 22 years. 23 MRS. STANFORD: How long ago, I don't 24 remember. 25 A. It's been progressive.</p>	<p>1 guess. Somewhere in there. 2 Q. How often -- how often did the board meet? 3 A. Periodically. I can't say every quarter. 4 Periodically as the need-be, but it was periodically, 5 several times a year. 6 Q. Were there board minutes prepared of the 7 meetings? 8 A. Yes. 9 Q. Did you have occasion to review the board 10 amendment? 11 A. I have in the past. 12 Q. And do you know where those board minutes are 13 maintained? 14 A. They should be maintained in Antigua, I would 15 suppose. 16 Q. Okay. 17 A. It being an Antigua company. 18 Q. Why, Mr. Stanford, was the Stanford 19 International Bank formed in Antigua? 20 A. Why was it? 21 Q. Yeah. 22 A. It was a place that was conducive to that type 23 of operations, offshore banking, it was a -- anyway, to 24 the best of my knowledge, that was the reason. I can't 25 tell you just exactly why it was. But anyway, that the</p>
<p>Page 22</p> <p>1 Q. (BY MR. EDMUNDSON) I understand. What is your 2 current medical condition? 3 A. My condition? 4 Q. Yeah. 5 A. I have a extended weakness in my neck, there's 6 a term for it, I can't name, and it surgi- -- it's 7 operable, but it's highly dangerous at my age. I have 8 neuropathy in my feet, and I did have Parkinson's but 9 it's gotten where -- my gentleman doctor has taken me off 10 the medicine. And I think I'm -- really didn't have 11 that, but anyway, basically other than that and just old 12 age. 13 Q. Well, it looks like you're doing fine for our 14 purposes here today. 15 A. Yeah, I hope not. 16 Q. And if you -- if you need a break, let me know. 17 A. Okay. 18 Q. How long approximately did you serve on the 19 board of Stanford International Bank? 20 A. I've been serving since it was organized, since 21 formed. 22 Q. It's my understanding that -- that the bank was 23 formed in the mid '80s. Does that sound about right? 24 A. I can't remember. I guess so. You seem to 25 have -- seem to know. I can't remember exactly. I would</p>	<p>Page 24</p> <p>1 world catered to that sort of thing. I can't say it 2 was thus and so, thus and so, but anyway, that's the best 3 I can tell you. 4 Q. Okay. What did the bank do? 5 A. What does the bank do? 6 Q. Uh-huh. 7 A. It's a offshore investment-type bank. 8 Q. Investment-type bank? 9 A. That's the way I would term it. That's my own 10 term. 11 Q. And is there a particular clientele that the 12 bank serves? 13 A. A particular clientele, I can't say that with 14 any -- I can't -- I can't answer that. I would hope -- I 15 would say we would not want to serve the criminal element 16 or the -- something like that. But people of respectable 17 means that -- that would be my thought. That's something 18 we've always strived to do I thought. 19 Q. Did the bank offer any particular products to 20 its customers? 21 A. Various types of products. I'm really not at 22 liberty to say that. Anything that we've offered I 23 thought was strictly above board and legal. 24 Q. Okay. Well, did the bank offer certificates of 25 deposit?</p>

6 (Pages 21 to 24)

James A. Stanford - 2/24/2009

Page 25

1 A. I believe that they did.
 2 Q. Okay. And were there other bank products that
 3 Stanford International Bank offered?
 4 A. I can't -- I can't really say with any real
 5 certainty, but...
 6 Q. What was the source of revenue for the bank?
 7 A. Earnings.
 8 Q. Earnings from what?
 9 A. Earnings from working and --
 10 Anyway, without counsel I don't feel I
 11 should be answering maybe some of these questions.
 12 Q. Would you -- well, would you like to have
 13 counsel present here with you?
 14 A. Maybe so. You're asking questions that I don't
 15 know really -- I'm trying to be honest, above board.
 16 You're asking questions that I just can't say bam, bam,
 17 bam like that to you, and I don't feel comfortable
 18 answering some of the questions that you're leading to.
 19 So I'm going to say no to some of them.
 20 THE VIDEOGRAPHER: Somebody's got a phone
 21 that's making a lot of noise. Just if you'll set it on
 22 the floor.
 23 Q. (BY MR. EDMUNDSON) Mr. Stanford, would you like
 24 to proceed with this deposition without counsel?
 25 A. I don't know what questions you have in mind at

Page 26

1 this point. I've -- I've actually now talked to you more
 2 than what I thought I might, to be truthful with you.
 3 Q. Okay. Would you like to proceed without
 4 counsel?
 5 A. I don't know who counsel would be. I've talked
 6 to an attorney, but I could have somebody, but I don't
 7 know.
 8 MR. EDMUNDSON: Why don't -- why don't we
 9 go off the record at this point, and we'll have a
 10 discussion with the witness to see how he might like to
 11 proceed.
 12 THE VIDEOGRAPHER: We're off the record at
 13 1:40.
 14 (Break taken from 1:40 p.m. to 1:42 p.m.)
 15 THE VIDEOGRAPHER: We're back on the record
 16 at 1:42.
 17 Q. (BY MR. EDMUNDSON) Mr. Stanford, what is the
 18 investment philosophy of Stanford International Bank?
 19 A. Here we go. I don't want to answer that.
 20 Q. All right. What is its business purpose?
 21 A. I don't want to answer that.
 22 Q. All right. Mr. Stanford, can you tell me who
 23 are the members of the investment committee of the bank?
 24 A. I can't an -- I can't -- I don't want to
 25 answer that.

Page 27

1 Q. Mr. Stanford, does your son, Allen Stanford,
 2 have a role with respect to the bank?
 3 A. I don't want to answer that.
 4 Q. Who is Jim Davis?
 5 A. I don't want to answer that.
 6 Q. Did Mr. Stanford, your son, and Mr. Davis go to
 7 college together?
 8 A. I can answer that. Yes.
 9 Q. Okay. And they went to Baylor?
 10 A. Yes.
 11 Q. And you went to Baylor as well; is that
 12 correct?
 13 A. Correct.
 14 Q. All right. And did your son to your knowledge
 15 graduate from Baylor?
 16 A. Yes.....
 17 Q. Do you -- do you know what his degree was in?
 18 A. He had a BA degree in an area of finance as I
 19 recall. I'm not for certain on that, but anyway, he did
 20 graduate. We attended his graduation, that I know.
 21 Q. Okay. How would you describe, Mr. Stanford,
 22 your fiduciary duties as a board member to the bank?
 23 A. I don't want to answer that.
 24 Q. Mr. Stanford, as far as you're -- you were
 25 concerned as a board member, do you believe that the bank

Page 28

1 was liquid at the end of 2008?
 2 A. I don't want to answer that.
 3 Q. Did the bank invest customer deposits in the
 4 securities market?
 5 A. I don't want to answer that.
 6 Q. In fact, did the bank make loans to your son?
 7 A. I don't want to answer that.
 8 Q. Do you know how many billions of dollars the
 9 bank loaned to your son in the past, let's say, ten
 10 years?
 11 A. I don't want to answer that.
 12 Q. Can you tell me all of the real estate assets
 13 and holdings your son has in the United States?
 14 A. I don't want to answer that.
 15 Q. Does your son have real estate assets and
 16 holdings outside of the United States?
 17 A. I don't want to answer that.
 18 Q. Does your son have any real estate holdings in
 19 Mexia, Texas?
 20 A. No.
 21 Q. You're aware, are you not, Mr. Stanford, that
 22 there was a purported capital infusion into the bank in
 23 late 2008?
 24 A. I don't want to answer that.
 25 Q. And in fact, according to a monthly report

7 (Pages 25 to 28)

James A. Stanford - 2/24/2009

Page 29

1 issued by the bank in December 2008, the bank reported
2 that the bank's board of directors made a decision to
3 increase the bank's capital by 541 million on
4 November 28, 2008.

5 Are -- were you aware of that capital
6 contribution?

7 A. I don't want to answer that.

8 Q. Why is it that you don't want to answer?

9 A. I don't want to answer it. I don't know. I
10 don't know.

11 Q. Is it because you don't know or that you don't
12 want to answer it?

13 A. I don't want to answer.

14 Q. Mr. Stanford, do you know one way or the other
15 whether or not there actually was a contribution of
16 \$541 million on November 28, 2008?

17 A. I don't want to answer that. You're asking me
18 things I don't want to answer and I'm not going to.

19 Q. And again, you -- you don't know one way or the
20 other whether or not your son -- strike that.

21 Did your son ever put any cash capital into
22 the bank in the past year?

23 A. I don't -- I don't want to answer that.

24 Q. Did you personally?

25 A. No.

Page 30

1 Q. Did the board of directors ever approve a cash
2 contribution or a capital infusion into the bank in 2008?

3 A. I don't want to answer that.

4 Q. Can you describe the portfolio of assets that
5 the bank invested in?

6 A. Generally, I can say I don't think I can do
7 that. I don't want to answer that because I don't think
8 I could. So I won't answer it.

9 Q. Well, do you know how the bank invested its
10 assets in the market?

11 A. I have a general idea but I can't say
12 specifically.

13 Q. I'll take the general.

14 A. Just in a general -- I should say I don't want
15 to answer that. I think I know but I can't answer your
16 question the way you want to. So I'm not going to answer
17 it.

18 Q. All right. Let me -- let me try an easy one.

19 Who is the bank president?

20 A. The bank president is a man in Antigua, is it
21 Juan Tortillo, Tortello, I believe is his name, if I'm
22 answering it correctly.

23 Q. Mr. Stanford, who manages the assets of the
24 bank?

25 A. I don't want to answer that because I can't

Page 31

1 say. I just don't want to answer these -- these things.

2 I'm not going to.

3 Q. And again, why is it that you don't want to
4 answer it?

5 A. Because I don't want to.

6 Q. All right. When was the last time you spoke
7 with Mr. Davis?

8 A. With Jim Davis? Probably within the last two
9 weeks, the last time I spoke to Allen Stanford. He was
10 on the phone and I said, Hello, Jim, maybe for one

11 minute. That's the last time that was -- sometime maybe,
12 you know, the last time I spoke to him was by telephone.

13 Q. And that you think that was within the last
14 couple of weeks?

15 A. Oh, it might -- might have been, it's the last
16 time I've spoken to Allen Stanford.

17 Q. When was the last time you spoke to Allen
18 Stanford?

19 A. It would have been at the same time.

20 Q. Within the past couple of weeks?

21 A. A couple of weeks the last time I talked to
22 him.

23 Q. Was it after the SEC filed its lawsuit?

24 A. It was right before it, I think, as far as I
25 know. He called me.

Page 32

1 Q. What did y'all talk about?

2 A. Just hello and something and he told me to go
3 watch the paper, and that's when I found out about this
4 stuff. He didn't say anything specifically what it was
5 and that's it.

6 Q. Okay. Did he call you?

7 A. Yes, he did.

8 Q. All right. And was it unusual for Mr. Davis to
9 be on the phone call?

10 A. No, not -- not at all. If they were together
11 at a meeting or something to say hello, you know, they're
12 friends, Jim, I've known him a long time.

13 Q. Did -- were Jim Davis and your son, were they
14 college roommates?

15 A. They were apartment mates out here at Baylor,
16 years ago. That is true. That I'll answer.

17 Q. Mr. Stanford, I'm going to show you a document
18 that we previously filed with our lawsuit at Appendix 345
19 and the title of the document is Stanford International
20 Bank's 10-year Investment Portfolio Performance.

21 Have you ever seen this document before?

22 A. Not this one, no, sir, I have not.

23 Q. Mr. Stanford, how does the bank calculate its
24 yearly performance on its CDs that it offers to its
25 depositors?

8 (Pages 29 to 32)

Page 33

1 A. I cannot answer that or else I won't answer. I
 2 don't know.
 3 Q. You don't know?
 4 A. I assume that it's done with the people that do
 5 that sort of thing.
 6 Q. Do you have an understanding of who manages the
 7 portfolio of assets at the bank?
 8 A. I have a general understanding, but I'm not
 9 going to answer anything on that who I think they are or
 10 anything like if you ask. So...
 11 Q. All right. And again, you don't want to
 12 answer. Why is it that you don't want to answer those
 13 questions?
 14 A. I don't think I should, you know. You know,
 15 I've come here, I didn't have to come here. I could
 16 have -- I could have cup-towelled and done something or
 17 other and not come here, but I thought, well, I'll come
 18 here and do the best I could. But, you know, everything
 19 you're asking me, I just can't answer accurately or
 20 without benefit of legal counsel.
 21 Q. All right. And you understand you're appearing
 22 here today pursuant to a subpoena?
 23 A. Huh?
 24 Q. You're pursuant -- you're appearing here today
 25 pursuant to a subpoena?

Page 34

1 A. I understand that. I understand that totally.
 2 MR. EDMUNDSON: Let's go off the record.
 3 THE VIDEOGRAPHER: We're off the record at
 4 1:52.
 5 (Break taken from 1:52 p.m. to 2:04 p.m.)
 6 THE VIDEOGRAPHER: We're back on the record
 7 at 2:04.
 8 MR. EDMUNDSON: Over the break, Commission
 9 counsel had an opportunity to speak with Mr. Stanford
 10 about this deposition. We explained to Mr. Stanford
 11 our -- our belief that in answers such as "I'm not going
 12 to tell you" is perhaps not a -- an appropriate answer
 13 for a deposition. We explained to Mr. Stanford that if
 14 he didn't know the answer to the -- to the question, "I
 15 don't know" is a -- is a fine answer, so long as it is
 16 truthful. And we also explained to Mr. Stanford that if
 17 he really -- that if he didn't want to answer the
 18 question, an option that he has is to assert his rights
 19 under the Fifth Amendment.
 20 Q. Is that a fair summary of our discussion,
 21 Mr. Stanford?
 22 A. Yes, I believe so.
 23 Q. Okay. We're going to go back through just a
 24 few high points of your testimony and we're going to try
 25 this again. Okay?

Page 35

1 A. All right.
 2 Q. Mr. Stanford, could you tell me what the
 3 investment philosophy of the bank is?
 4 A. I take the Fifth.
 5 Q. All right. Can you tell me whether liquidity
 6 is a primary feature that the bank promotes to investors?
 7 A. I take the Fifth.
 8 Q. Mr. Stanford, would you tell me how the bank
 9 invests customer deposits?
 10 A. I take the Fifth.
 11 Q. Has the bank authorized through its board money
 12 or loans to your son, Robert Allen Stanford?
 13 A. I take the Fifth.
 14 Q. Mr. Stanford, as a member of the board, would
 15 you describe for me your duties as a board member?
 16 A. I take the Fifth.
 17 Q. Mr. Stanford, did you exercise due care in
 18 protecting the assets of the bank?
 19 A. I take the Fifth.
 20 Q. Did you do anything to ensure that customer
 21 deposits were safeguarded?
 22 A. I take the Fifth.
 23 Q. Mr. Stanford, can you tell me today where or --
 24 strike that.
 25 Can you tell me how the bank has invested

Page 36

1 customer deposits?
 2 A. I take the Fifth.
 3 Q. Do you know where customer deposits are today?
 4 A. I take the Fifth.
 5 Q. Do you know what the assets of the bank are?
 6 A. I take the Fifth.
 7 Q. When was the last time you spoke with your son?
 8 A. In the fall of 2008.
 9 Q. Did you speak with him by telephone within the
 10 past 30 days?
 11 A. Yes.
 12 Q. What did you talk about?
 13 A. General conversation.
 14 Q. Did you talk about the business of the bank?
 15 A. I take the Fifth.
 16 Q. Did he tell you he was in trouble?
 17 A. I take the Fifth.
 18 Q. In December 2008 Stanford International Bank
 19 issued a monthly report in which it stated the following:
 20 To further support the bank's growth and
 21 provide a strong cushion for any further market
 22 volatility, the bank's board of directors made a decision
 23 to increase the bank's capital by \$541 million on
 24 November 28, 2008.
 25 Mr. Stanford, did you participate in

James A. Stanford - 2/24/2009

Page 37

1 approving an increase to the bank's capital by
2 \$541 million in November of 2008?
3 A. I take the Fifth.
4 Q. Do you know whether or not any cash was
5 deposited into the bank to further support the bank's
6 growth and provide a strong cushion for any further
7 market volatility?
8 A. I take the Fifth.
9 Q. Do you know whether or not your son, Robert
10 Allen Stanford, ever made a cash contribution to the
11 bank?
12 A. I take the Fifth.
13 Q. Where does your son, Robert Allen Stanford, get
14 his money?
15 A. I take the Fifth.
16 Q. Does he have any businesses outside of that
17 generally referred to as the Stanford Financial Group?
18 A. I take the Fifth.
19 Q. What is the Stanford Financial Group?
20 A. I take the Fifth.
21 Q. You and your family don't have any direct
22 relations to Leland Stanford, do you?
23 A. Not any close relationship, no, not -- there
24 has been some extensive work that has been done that
25 ties -- ties way back in England. It's way, way, way,

Page 38

1 way back.
2 Q. And that was some work that your son, Robert
3 Allen Stanford, commissioned; is that right?
4 A. That is correct.
5 Q. And in the last couple of weeks, you've told
6 the press you're not exactly kissing cousins with Leland
7 --
8 A. Those were my words exactly, which we're not.
9 I never thought we were. But the -- enough research back
10 clear into England, way back, it's distant, it's so
11 distant it's not even worth talking about to me.
12 Q. Are you going to assist the receiver in
13 locating, securing and collecting assets for the benefit
14 of depositors in this matter?
15 A. I take the Fifth.
16 MR. EDMUNDSON: We're off the record.
17 THE VIDEOGRAPHER: This is the end of this
18 deposition, end of tape 1 and we're off the record at
19 2:10.
20 (Deposition concluded at 2:10 p.m.)
21
22
23
24
25

Page 39

1 CHANGES AND SIGNATURE
2 WITNESS NAME: JAMES A. STANFORD DATE: February 24, 2009
3 PAGE LINE CHANGE REASON
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Page 40

1
2
3 _____
4 (Signature of the Witness)
5 THE STATE OF _____
6 COUNTY OF _____
7
8 Subscribed and sworn to before me by the said
9 witness, JAMES A. STANFORD, on this the _____ day
10 of _____, 2009.
11
12 Notary Public in and for the
13 State of _____
14 County of _____
15 My commission expires: _____
16
17
18
19
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23
24
25

10 (Pages 37 to 40)

1 STATE OF TEXAS)
2 COUNTY OF DALLAS)
3
4 Kim A. McCann, Certified Shorthand
5 Reporter in and for the State of Texas, Registered
6 Professional Reporter, and Certified Shorthand Reporter,
7 certify that the foregoing deposition of JAMES A.
8 STANFORD was reported stenographically by me at the time
9 and place indicated, said witness having been placed
10 under oath by me, and that the deposition is a true
11 record of the testimony given by the witness.

12 I further certify that I am neither counsel
13 for nor related to any party in this cause and am not
14 financially interested in its outcome.

15 Given under my hand on this the _____
16 day of _____, 2009

17
18 Kim A. McCann, CSR No. 5511
19 MERRILL LEGAL SOLUTIONS
20 Registration # 191
21 4144 N. Central Expwy., #450
22 Dallas, Texas 75204
23 800.966.4567

24 My commission expires 12-31-10
25 Original deposition sent to James A. Stanford on
_____, 2009 for signature.

ALU
Kim A. McCann
Merrill Legal Solutions
Digitally signed
using a personal signature
technology.

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February 23, 2009

Via Facsimile
(817) 978-2700

J. Kevin Edmundson
U.S. Securities and Exchange Commission
Burnett Plaza, Suite 1900
801 Cherry Street, Unit # 18
Fort Worth, TX 76102-6882

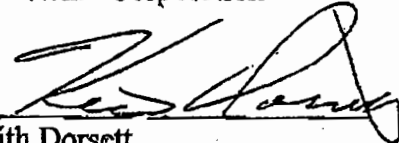
RE: Cause No.: 3:09CV0298-L; *Securities and Exchange Commission v. Stanford International Bank, LTD, et al.*

Dear Mr. Edmundson:

I have been retained to represent O. Y. Goswick for purposes of his deposition which you have noticed for tomorrow in the matter referred to above. As you and I discussed today, I met with Mr. Goswick this afternoon and was presented with a letter from a doctor that has been treating him since 2007. According to the doctor, it is his medical opinion that Mr. Goswick's medical condition prevents him from going forward with the deposition. In light of this, you have agreed to cancel the deposition and will be sending me confirmation of that cancellation. If I have misstated our agreement in any way, please let me know immediately.

Sincerely,

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A Professional Corporation

BY: 

Keith Dorsett
kdorsett@fulbrightlaw.com

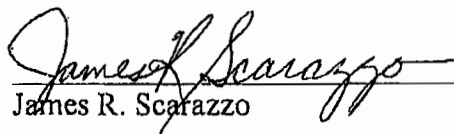
DKD:rs

Stinson to Allen Stanford (02/13/2009); (b) email correspondence from Mauricio Alvarado to James Davis (02/04/2009); (c) email correspondence from Mauricio Alvarado to Lena Stinson with attached letter (02/16/2009); and (d) email correspondence from Mauricio Alvarado to Danny Bogar, Juan Rodriguez-Tolentino, Lena Stinson, James Davis and Allen Stanford (02/08/2009).

3. I have identified the Exchange Servers for the Stanford Financial Group located at 5051 Westheimer, Houston, Texas 77056. I have extracted PST email containers from those Exchange Servers. In particular, I have examined the email of James M. Davis, Lena Stinson, and Mauricio Alvarado that was extracted from the Exchange Servers. I have located the emails attached to this declaration in the extracted PST email containers, and compared the emails attached to this declaration to the message metadata in the extracted PST email containers. The eight pages of email attached to this declaration are true and correct copies of the email that exists on the Stanford Exchange email system and within the ESI acquired by FTI Consulting.

4. I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.”

EXECUTED on March 11, 2009.


James R. Scarazzo

FROM : Stinson, Lena </O=STANFORD/EAGLE/OU=SFG/CN=RECIPIENTS/CN=LSTINSON>
 TO : Stanford, Allen </O=STANFORD/EAGLE/OU=SFG/CN=RECIPIENTS/CN=ASTANFORD>
 CC : Alvarado, Mauricio </O=STANFORD/EAGLE/OU=SFG/CN=RECIPIENTS/CN=MALVARADO>, Davis, James
 </O=STANFORD/EAGLE/OU=SFG/CN=RECIPIENTS/CN=JDAVIS>, Rodriguez-Tolentino, Juan
 </O=STANFORD/EAGLE/OU=SFG-ANTIGUA/CN=RECIPIENTS/CN=JRODRIGUEZ>, Bogar, Danny
 </O=STANFORD/EAGLE/OU=SFG/CN=RECIPIENTS/CN=DBOGAR>

DATE = 02/13/2009
 TIME : 15:37:00 -0600
 FOLDER : \Personal Folders\Inbox
 HEADER : Microsoft Mail Internet Headers Version 2.0
 X-MimeOLE: Produced By Microsoft Exchange V6.5
 Content-class: urn:content-classes:message
 MIME-Version: 1.0
 Content-Type: application/ms-tnef;
 name="winmail.dat"
 Content-Transfer-Encoding: binary
 Subject:
 Date: Fri, 13 Feb 2009 15:37:00 -0600
 Message-ID: <8887F00FBAF7D3429C45868A87251C19CC982A@SFG-HOU-MAILV3.stanford.sfgc.com>
 X-MS-Has-Attach:
 X-MS-TNEF-Correlator: <8887F00FBAF7D3429C45868A87251C19CC982A@SFG-HOU-MAILV3.stanford.sfgc.com>
 Thread-Index: AcmOlw8rdxVEspOkQrOgSsZmMpZ6XQ==
 From: "Stinson, Lena" <LStinson@StanfordEagle.com>
 To: "Stanford, Allen" <AStanford@StanfordEagle.com>
 Cc: "Alvarado, Mauricio" <MAlvarado@StanfordEagle.com>,
 "Davis, James" <JDavis@StanfordEagle.com>,
 "Rodriguez-Tolentino, Juan" <jrt@stanfordeagle.com>,
 "Bogar, Danny" <DBogar@StanfordEagle.com>

MESSAGEID : 8887f00fbaf7d3429c45868a87251c19cc982a@sfg-hou-mailv3.stanford.sfgc.com
 MESSAGEINDEX : 0000000184
 JODY : Allen,

As you know I was first made aware of issues regarding the accuracy of the SIBL financial statements, disclosure document as well as the liquidity of Stanford International Bank (SIBL) at the meeting last week in Miami. Over the past week, I have expressed to you and counsel for the company concerns and suggestions for actions. I believe the company (Stanford Group Company (SGC) and Stanford International Bank (SIBL) should take:

1. The company should immediately disclose to the SEC that the SIBL financial statements must be revised to reflect related party transactions and the disclosure document (U.S. Accredited Investor) must be revised.
2. SIBL should contact its regulator and disclose the need to revise the financial statements. The report on the bank's investment portfolio should also be corrected to reflect all of the investments.
3. The current SIBL financial statement should not be used and should be immediately removed from all offices worldwide.
4. Deposits recently received as of February 6, 2009 (approximately 5 million were mentioned in the meeting that day) should be returned
5. SIBL should immediately stop accepting deposits worldwide until the financial statements have been revised.

I encourage the company to take immediate corrective action. From my conversation with Danny Bogar and subsequently with you last night it is my understanding that it is your plan to meet with the SEC early next week. I hope at that time you will make all of the appropriate disclosures. Allen if this does not happen I will have no choice but to tender my resignation and report to the SEC the issues I believe exist.

Sincerely,

Lena

FROM : Alvarado, Mauricio </O=STANFORDEAGLE/OU=SFG/CN=RECIPIENTS/CN=MALVARADO>
TO : Davis, James </O=STANFORDEAGLE/OU=SFG/CN=RECIPIENTS/CN=JDAVIS>
DATE = 02/04/2009
TIME : 08:53:24 -0600
SUBJECT : Our Meetings Yesterday February 3,2009
FOLDER : \Personal Folders\Inbox
HEADER : Microsoft Mail Internet Headers Version 2.0
X-MimeOLE: Produced By Microsoft Exchange V6.5
Content-class: urn:content-classes:message
MIME-Version: 1.0
Content-Type: application/ms-tnef;
name="winmail.dat"
Content-Transfer-Encoding: binary
Subject: Our Meetings Yesterday February 3,2009
Date: Wed, 4 Feb 2009 08:53:24 -0600
Message-ID: <EE2E7A121402884BAB27E0B9C1A1D87B02B7E739@SFG-HOU-MAILV3.stanford.sfgc.com>
X-MS-Has-Attach:
X-MS-TNEF-Correlator: <EE2E7A121402884BAB27E0B9C1A1D87B02B7E739@SFG-HOU-MAILV3.stanford.sfgc.com>
Thread-Topic: Our Meetings Yesterday February 3,2009
Thread-Index: AcmG2FR0dnH8izJTTVOGcYnJek7+W==
From: "Alvarado, Mauricio" <MAlvarado@StanfordEagle.com>
To: "Davis, James" <JDavis@StanfordEagle.com>

MESSAGEID : ee2e7a121402884bab27e0b9c1a1d87b02b7e739@sfg-hou-mailv3.stanford.sfgc.com
MESSAGEINDEX = 0000000674
BODY : **ATTORNEY-CLIENT PRIVILEGED AND CONFIDENTIAL**

ATTORNEY WORK PRODUCT

Jim,

I am confused. I was surprised yesterday during our meetings to learn from your comments that SIB's latest capital contribution and some of SIB's holdings in excess of 2 Billion may be comprised substantially of equity positions in real estate companies which may include the companies that owned the Guiana Island and surrounding properties as well as the Pelican Island in Antigua. As you know, the two holding companies that ultimately owned the Pelican and Guiana Islands properties were acquired directly by Stanford International Bank last year for a consideration of 17.5 MM and 68 MM respectively. Thus, while I am not an accountant or a finance person, unless you were referring to other real estate holdings of which I do not know, I do not understand or see how it is possible that said acquisitions be considered capital contributions or be valued over 2 Billion when they were acquired to start with by SIBL for a much lower consideration. Please review this matter. There must be some mistake. Naturally, if I misunderstood your comments from yesterday please disregard this e-mail. I just want to make sure that you understand my concerns.

Thanks.

Mauricio

Stinson, Lena

From: Alvarado, Mauricio
Sent: Monday, February 16, 2009 8:16 AM
To: Stinson, Lena
Subject: FW:
Attachments: resignation letter.doc

Lena,

As discussed and FYI.

Mauricio

From: Alvarado, Mauricio
Sent: Thursday, February 12, 2009 1:45 PM
To: Stanford, Allen
Subject: FW:

Dear Mr. Stanford,

Per our discussion this morning, please see attached my resignation letter.

Mauricio

2/17/2009

SUPP. APP. 0035

February 12, 2009

Stanford Financial Group Company
Sir Allen Stanford,
President, Chairman & CEO

RE: Resignation Effective Immediately

Dear Mr. Stanford:

As you know, during meetings held in Miami last week (February 2nd to the 6th, 2009) with our outside attorney, Tom Sjoblom and other employees of the company, Stanford's CFO, James M. Davis made verbal statements and presented other information which are completely opposite and in direct conflict to what I had been represented and led to believe during my entire tenure with the company. I am incredibly surprised and disappointed. Under these circumstances, I can not continue in the position of General Counsel of the Stanford Financial Group. I, therefore, tender my resignation effective immediately.

Sincerely,

Mauricio Alvarado

Mauricio

From: Alvarado, Mauricio
Sent: Sunday, February 08, 2009 5:11 PM
To: Bogar, Danny; Rodriguez-Tolentino, Juan; Stinson, Lena; Davis, James; Stanford, Allen
Cc: Sjoblom, Thomas V.
Subject: FW: Recommendations re SIB CDs

PRIVILEGED COMMUNICATION
ATTORNEY CLIENT PRIVILEGE
ATTORNEY WORK PRODUCT

Dear all,

Please see Tom's e-mail below. I fully concur with Tom's recommendations below and thus, I am forwarding them to you confirming our verbal discussions on the subject.

Thanks.

Mauricio.

From: Sjoblom, Thomas V. [mailto:tsjoblom@proskauer.com]
Sent: Sunday, February 08, 2009 4:59 PM
To: Alvarado, Mauricio
Subject: Recommendations re SIB CDs

PRIVILEGED COMMUNICATION
ATTORNEY CLIENT PRIVILEGE
ATTORNEY WORK PRODUCT

Mauricio, as we discussed last Thursday and again today, here are some of the immediate recommendations regarding both sale of the bank's CDs and use of the bank's financial statements (as well as any marketing materials) that you should make:

1. US Accredited Investor Program: All sales of CDs pursuant to the US Accredited Investor Program should cease. No further public distribution of the Disclosure Statement or the Bank's annual reports should occur. Nor should there be any distribution of any marketing materials that reference either SIB or the SIB CDs. All ongoing discussions with prospective clients about the

Bank's CDs should cease.

2. Global Distribution of the Bank's Annual Report Outside the United States: Distribution of SIB's Annual Report must also cease, until such time as the financial statements are restated. Nor should there be any further distribution of any other marketing materials that reference SIB's financial condition.

3. Global Sales of CDs Outside the United States: Sales of CDs may be possible where they are not backed by the assets and financial condition of SIB. [Mauricio, I need your input here. Are there CDs which are backed by other portfolios not attached to SIB? E.g., Aren't the CDs sold in South America and in Europe covered by assets in other investment programs?]

4. Recent CD Deposits: If there are recent CD deposits that are being held at a custodial bank, we need to discuss how those funds should be handled. One option is to return those funds and not allow them to be invested in tier #2 or tier #3 until the bank's liquidity and payment of the stated rate of interest can be assured.

We should discuss these items as soon as possible.
Tom

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