

EXHIBIT A-17

 STANFORD

STANFORD INTERNATIONAL BANK

ANNUAL REPORT

| 2007

AT STANFORD INTERNATIONAL BANK, OUR INDIVIDUALIZED PERSONAL SERVICE, client relationships and global investment strategy transcend borders to preserve and grow our clients' capital, helping to provide financial security in any economic climate.

HARD WORK. CLEAR VISION. VALUE FOR THE CLIENT.®

Preservation

At Stanford International Bank, our forward-thinking approach means focusing on what we can achieve in the long term and uncovering new and viable investment opportunities. Through meticulous research and analysis, we strive to reach realistic goals when it comes to our return on investment and preserving the wealth of our clients.



FINANCIAL HIGHLIGHTS
(Expressed in United States dollars)

YEAR ENDED 31 DECEMBER 2007

	2007	2006	2005
RESULTS			
TOTAL REVENUE (see Figure 1)	\$ 789,479	\$ 565,677	\$ 431,731
Interest Paid to Clients	437,193	310,635	220,792
Fees and Operating Expenses	308,667	226,193	175,028
Total Expenses	745,860	536,828	395,820
EARNINGS	\$ 43,619	\$ 28,849	\$ 35,911
CAPITAL			
Shareholder's Equity	\$ 354,922	\$ 311,303	\$ 282,454
Percent of Total Assets*	5.03%	5.83%	6.96%
Percent of Total Client Deposits*	5.31%	6.21%	7.51%
YEAR-END BALANCES			
TOTAL ASSETS (see Figure 2)	\$ 7,057,883	\$ 5,336,317	\$ 4,058,114
TOTAL DEPOSITS (see Figure 2)	\$ 6,689,964	\$ 5,010,084	\$ 3,763,011

*Based on year-end equity as a percentage of year-end balances of assets and client deposits.

Figure 1. REVENUES
Dollars (in millions)

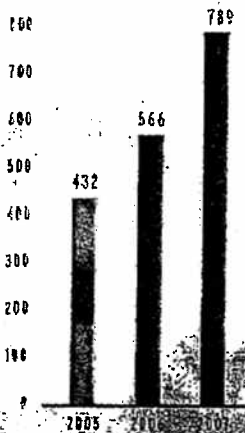


Figure 2. ASSETS AND DEPOSITS
Dollars (in billions)

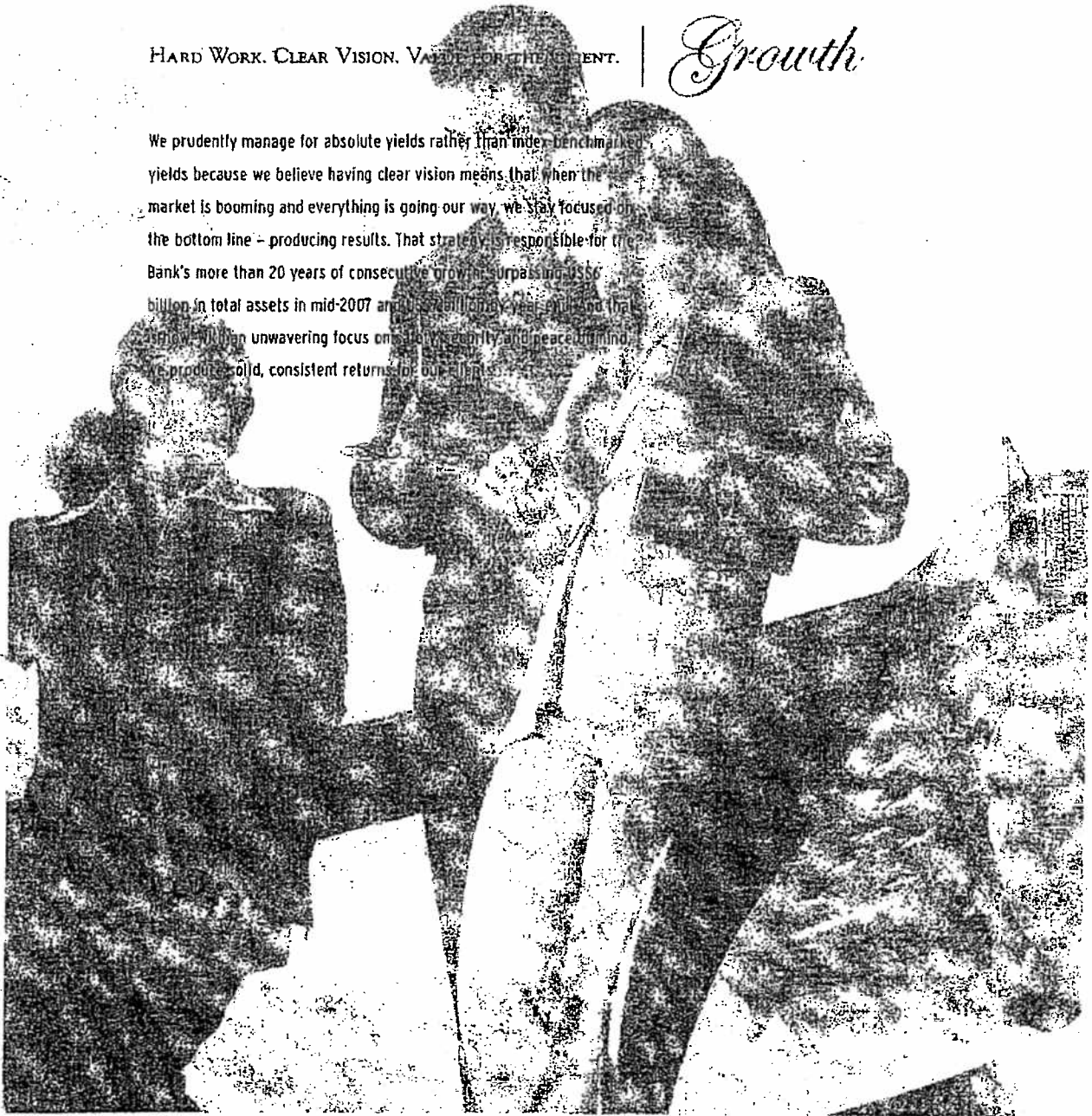


STANFORD INTERNATIONAL BANK'S INVESTMENT STRATEGY is designed to minimize systematic and unsystematic risk while maintaining liquidity, portfolio efficiency (highest yield/minimum risk), operational flexibility and absolute yields.

HARD WORK. CLEAR VISION. VALUE FOR THE CLIENT.

Growth

We prudently manage for absolute yields rather than index-benchmarked yields because we believe having clear vision means that when the market is booming and everything is going our way, we stay focused on the bottom line - producing results. That strategy is responsible for the Bank's more than 20 years of consecutive growth, surpassing US\$6 billion in total assets in mid-2007 and US\$1 billion in year-end total assets. With an unwavering focus on safety, security and peace of mind, we produce solid, consistent returns for our clients.





5

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STANFORD INTERNATIONAL BANK goes beyond traditional banking and lending methodology and offers an enlightened, innovative approach - In essence, there is no such thing as dormant capital. We put capital to work by investing in what we believe will offer the greatest opportunities for our clients. As a privately held institution, ensuring value for our customers is our top priority. We never lose sight of what our clients expect of us: putting their interests and premium return ahead of any other stakeholder.

HARD WORK. CLEAR VISION. VALUE FOR THE CLIENT.

Security

We believe value for clients means value for capital. Theirs and ours. That's why we zealously manage for a strong balance sheet, a strong cash flow and a strong return on equity. Further, our sole shareholder reinvests every dollar earned back into retained earnings; an act of foresight that has continuously strengthened our capital base for future growth. And that's why we are able to pay consistent returns to our clients, year after year, through market ups and market downs.





7

001808

Dear Valued Clients and Friends,

On behalf of the Board of Directors, management and staff of Stanford International Bank, I am pleased to highlight the accomplishments and milestones achieved during the Bank's 22nd year of continuous operation.

In 2007 the Bank earned a record profit, generated more revenue than at any time in the Bank's history and also set a new milestone at year end by growing total assets to more than \$7 billion.

The year began with robust economic forecasts for a growing global economy. Few people realized the enormous amount of leverage and securitized debt that had been utilized and underwritten by some of the world's largest and most respected banks and investment firms in the U.S. market. The overexpansion of credit and shortsighted investment decisions made in preceding years created a bubble that burst in June. Since then, there has been a continuous flow of negative news related to the U.S. economy. We have all read the stories of multibillion dollar write-offs that these banks and brokerage firms have been forced to make due to the securitized mortgage debt meltdown. We have also seen a continuing exodus in top management and thousands of employees laid off at these industry giants. The ensuing global credit crisis resulted in central banks cutting interest rates and providing massive liquidity to strained financial markets.

Rumors and fears about what might come next produced tremendous swings in the world market indices. Chaos and confusion were, at times, the rule of the day. This, combined with the U.S. single-family housing market being flooded with foreclosures and tens of thousands of unsold units in the high-rise condo market; record-high oil prices; the war in Iraq reaching its sixth year with a cost to the U.S. economy now measured in trillions of dollars; a growing imbalance of trade in the U.S. despite a sinking dollar; the adverse effects of global climate pattern changes; commodity prices that are completely out of sync; and unprecedented worldwide food price hikes with 89 nations deemed by the UN to be in full-blown food crisis, makes it clear that the United States may be on the road to a recession.

LETTER FROM THE CHAIRMAN

Overview

How long will it last, how severe will it be and how will it impact the rest of the world? No one knows for certain. However, there are bright spots. Certainly, the world's petroleum-based economies are enjoying levels of prosperity never seen before, and there are other market segments in emerging and developed economies that are performing well. But to know and understand these markets requires firsthand knowledge. You must roll up your sleeves and do the hard work necessary to fully understand the risk in order to make sound investment decisions. There never has been, and there never will be, an easy way to make money. It requires discipline, knowledge, experience, hard work and plain common sense. When most in our industry were quick to jump on the easy path to perceived big profits in the securitized debt market, we decided not to follow. The reason Stanford International Bank did not get caught in the subprime debacle was very simple: since we could not clearly define the risk, the potential reward became irrelevant. Today, while others in our industry are fighting for their survival, we are growing our business. While others in our industry have seen a complete turnover in management and are grappling with how to develop a new business strategy, our core leadership team remains intact, and our investment philosophy of global diversification remains unchanged. While others in our industry, even the world's largest, have needed to take extreme steps to recapitalize their balance sheets, Stanford International Bank's overall liquidity and tier one capital are stronger today than at any time in our history.

Although our world is far different than the one in which my grandfather lived when the first Stanford company was founded back in 1932, and technology has dramatically changed the way we live and conduct business, the old saying that "the more things change, the more they remain the same" has never been more true. As a company founded in the midst of the Great Depression, a time of despair and negativity, we have a long-proven understanding of how even the most severe down cycles can bring opportunities that yield significant benefits in the long run. This proven, well-grounded approach when making investment decisions and giving investment advice will benefit you, our clients, in these tumultuous times as never before.

8

001809

FINANCIAL PERFORMANCE

Our strong performance in 2007 speaks for itself. Total assets grew by 32.3 percent to \$7.1 billion. Deposits grew 33.5 percent to \$6.7 billion and the Bank earned a record operating profit of \$43.6 million. At year end, shareholder's equity was \$354.9 million, up 14 percent from 2006. Investments at fair value increased \$1.4 billion to \$6.3 billion, 28.6 percent greater than 2006. Total revenues for the year were \$789.5 million, representing an increase of 39.6 percent over 2006. Investment income for 2007 was \$641.8 million, or 81.3 percent of total revenue, which was 33.9 percent greater than 2006. Interest paid to depositors for 2007 was \$437.2 million, or 40.7 percent greater than the interest paid on deposits in 2006. The Bank's cash balances at year-end 2007 were \$627.3 million, 94.6 percent greater than in 2006.

LOOKING FORWARD

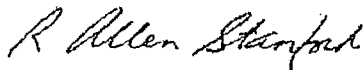
During the first quarter of 2008 the Bank implemented Temenos T24, a state-of-the-art international banking system that allows our clients access to real-time account information 24 hours a day, 7 days a week. The new system will enable the Bank to expand its products and services in an even more secure environment in the future.

Sir Courtney M. Blackman, Ph.D., a long-standing member of the Board of Directors, noted economist and former head of the Central Bank of Barbados, has been appointed Vice Chairman of the Board and will assume greater responsibility as Chair of the Bank's Investment and Audit Committees. As I have stated many times over the years, the Bank's Board of Directors and Advisors, most of whom have been with the Bank throughout its 22-year history, have been instrumental in our prior success and will continue to play a vital role in the Bank's future.

In addition, by the end of 2008, the Bank will be operating under Basel II regulatory mandates, which are the most stringent in the world.

In closing, I want to thank all of our clients for the trust you have placed in Stanford International Bank during this past year. You can rest assured that the principles of hard work, clear vision and value for the client will remain our bedrock. We look forward to continuing to serve you.

Sincerely,



Sir Allen Stanford
Chairman

INCOME STATEMENT
(Expressed in United States dollars)

YEAR ENDED 31 DECEMBER 2007

NOTE		2007	2006
	OPERATING INCOME		
5	NET INVESTMENT INCOME	\$ 641,775,896	\$ 479,175,564
	Interest Income	164,843,390	86,441,691
	Interest Expense	437,192,793	310,634,646
6	NET INTEREST INCOME/(EXPENSE)	\$ (272,349,403)	\$ (224,192,955)
	Fee Income	3,030,799	1,545,734
	Fee Expense	150,075,660	107,454,298
7	NET FEE INCOME/(EXPENSE)	\$ (147,044,861)	\$ (105,908,564)
8	Other Income/(Loss)	(20,171,473)	(1,485,877)
	TOTAL OPERATING INCOME (see Figure 3)	\$ 202,210,259	\$ 147,588,168
	OPERATING EXPENSES		
9	Personnel Expenses	3,512,747	2,706,766
10	General and Administrative Expenses	154,226,063	115,056,703
14	Depreciation of Property and Equipment	852,885	895,332
	TOTAL OPERATING EXPENSES	\$ 158,591,695	\$ 118,738,801
	OPERATING PROFIT (see Figure 4)	\$ 43,618,564	\$ 28,849,367

The notes on pages 10 to 31 are an integral part of these financial statements.

Figure 3. OPERATING INCOME
dollars (in millions)

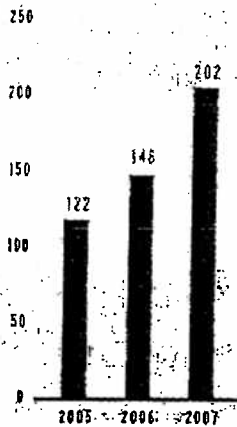
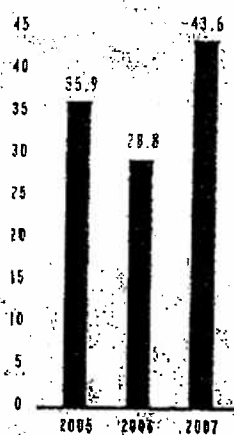


Figure 4. OPERATING PROFIT
dollars (in millions)



10

8

001811

BALANCE SHEET
(Expressed in United States dollars)

AT 31 DECEMBER 2007

NOTE		2007	2006
	ASSETS		
11	Cash and Balances with Other Banks	\$ 627,822,483	\$ 322,967,339
12	Financial Assets at Fair Value	6,347,831,574	4,936,651,007
13	Loans and Advances to Clients	69,732,601	64,626,474
14	Property and Equipment	6,910,778	4,554,743
15	Other Assets	5,785,277	8,597,784
	TOTAL ASSETS	\$ 7,057,882,713	\$ 5,336,317,447
	LIABILITIES AND SHAREHOLDER'S EQUITY		
16	Deposits from Clients (see Figure 5)	6,689,964,303	5,018,083,766
17	Other Liabilities and Provisions	12,996,649	14,930,464
	TOTAL LIABILITIES	\$ 6,702,960,952	\$ 5,025,014,250
18	Share Capital	10,000,000	10,000,000
18	Share Premium	103,500,000	103,500,000
19	Retained Earnings (see Figure 6)	241,421,761	197,803,197
	TOTAL SHAREHOLDER'S EQUITY (see Figure 6)	\$ 354,921,761	\$ 311,303,197
	TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	\$ 7,057,882,713	\$ 5,336,317,447

The notes on pages 12 to 31 are an integral part of these financial statements.

Figure 5. DEPOSITS FROM CLIENTS
Dollars (in billions)

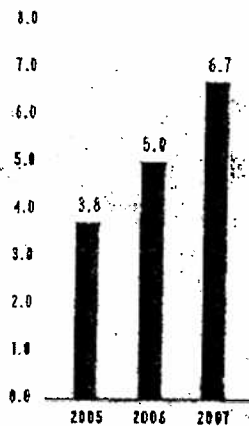
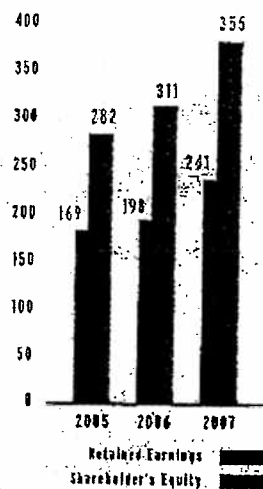


Figure 6. EARNINGS AND EQUITY
Dollars (in millions)



11

001812

STATEMENT OF CHANGES IN EQUITY
 (Expressed in United States dollars)

YEAR ENDED 31 DECEMBER 2007

	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS	TOTAL SHAREHOLDER'S EQUITY
AT 31 DECEMBER 2005	\$ 10,000,000	\$ 103,500,000	\$ 168,958,830	\$ 282,458,830
Additional Contributions	0	0	0	0
Net Income for the Year	0	0	28,849,367	28,849,367
AT 31 DECEMBER 2006	\$ 10,000,000	\$ 103,500,000	\$ 197,808,197	\$ 311,308,197
Additional Contributions	0	0	0	0
Net Income for the Year	0	0	43,618,564	43,618,564
AT 31 DECEMBER 2007	\$ 10,000,000	\$ 103,500,000	\$ 241,426,761	\$ 354,926,761

The notes on pages 12 to 31 are an integral part of these financial statements.

12

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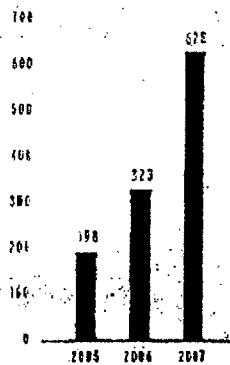
STATEMENT OF CASH FLOWS
(Expressed in United States dollars)

YEAR ENDED 31 DECEMBER 2007

NOTE	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES		
5 Investment Income	\$ 641,775,996	\$ 479,175,564
6 Interest Received	164,843,390	96,441,691
6 Interest Paid	(437,192,793)	(310,634,640)
7 Fees Received	3,030,799	1,545,734
8 Other Income/(Loss)	(20,171,473)	(1,485,877)
Cash Payments to Employees and Suppliers	(307,814,470)	(225,907,767)
CASH FLOWS FROM OPERATING PROFITS	\$ 44,471,448	\$ 28,734,699
CHANGES IN OPERATING ASSETS AND LIABILITIES		
12 Net (Increase) in Financial Instruments at Fair Value	(1,411,980,477)	(1,180,895,992)
13 Net (Increase) in Loans and Advances to Clients	(5,106,127)	(26,177,626)
15 Net (Increase)/Decrease in Other Assets	2,812,516	(3,772,181)
16 Net Increase in Deposits from Clients	1,679,880,537	1,247,072,726
17 Net Increase/(Decrease) in Other Liabilities	(1,933,835)	1,281,567
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$ 308,144,063	\$ 67,253,193
CASH FLOWS FROM INVESTING ACTIVITIES		
14 Purchase of Property and Equipment	(3,260,285)	(1,205,930)
Proceeds from Sale of Property and Equipment	51,366	365,151
NET CASH FLOWS FROM INVESTING ACTIVITIES	\$ (3,208,919)	\$ (840,788)
CASH FLOWS FROM FINANCING ACTIVITIES		
18 Contribution to Share Premium Account	0	0
Net Cash Flows from Financing Activities	\$ 0	\$ 0
Net Increase in Cash and Cash Equivalents	\$ 304,935,144	\$ 66,412,405
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	\$ 322,887,339	\$ 256,474,934
17 CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 627,822,483	\$ 322,887,339

The notes on pages 12 to 21 are an integral part of these financial statements.

Figure 7. CASH AND CASH EQUIVALENTS
Dollars (in millions)



NOTES TO THE FINANCIAL STATEMENTS
Expressed in United States dollars

YEAR ENDED 31 DECEMBER 2007

NOTE 1 - GENERAL INFORMATION

Stanford International Bank Limited ("the Bank") provides private banking services to the international market. The Bank has in excess of 50,000 clients from more than 100 countries around the world. The Bank is registered under the International Business Corporations Act No. 28 of 1982 as amended ("the Act"). The Bank's activities are governed by the Act and by every other act currently in force concerning international business corporations and affecting the corporation in Antigua and Barbuda. The Bank is also regulated by the Financial Services Regulatory Commission (FSRC). International banks are subject to annual audits, regulatory inspections and licensing requirements by this body. The supervisory authority for money laundering and other financial crimes is the Office of National Drug and Money Laundering Control Policy (ONDCP). The FSRC and the ONDCP, although independent, work closely together.

These financial statements have been approved for issue by the Board of Directors on 18 April 2008.

NOTE 2 - ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2.1 BASIS OF PRESENTATION

Stanford International Bank's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets held at fair value through profit or loss and all derivative contracts.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Bank's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

The Bank has adopted the following IFRS, which are relevant to its operations. All other standards do not currently apply to the Bank's operations.

IFRS 7	Financial Instruments: Disclosures
IAS 01	Presentation of Financial Statements
IAS 07	Cash Flow Statements
IAS 08	Accounting Policies, Changes in Accounting Estimates and Errors
IAS 16	Property, Plant and Equipment
IAS 18	Revenue
IAS 21	The Effects of Changes in Foreign Exchange Rates
IAS 24	Related Party Disclosures
IAS 36	Impairment of Assets
IAS 37	Provisions, Contingent Liabilities and Contingent Assets
IAS 39	Financial Instruments: Recognition and Measurement

All changes in the accounting policies have been made in accordance with the provisions in the respective standards.

2.2 FOREIGN CURRENCY TRANSLATION

The financial statements are presented in United States dollars, which is the Bank's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement. Translation differences on nonmonetary items, such as equities held at fair value through profit and loss, are reported as part of the fair value gain or loss.

2.3 DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at their fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions and also from valuation techniques such as discounted cash flow models and options-pricing models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

The best evidence of the fair value of a derivative at initial recognition is the transaction price (i.e., the fair value of the consideration given or received) unless the fair value of the instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e., without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When such evidence exists, the Bank recognizes profits on day one.

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

(Expressed in United States dollars)

The Bank uses the following derivative instruments and strategies for hedging and non-hedging purposes:

Financial futures contracts represent commitments to buy and sell underlying financial instruments in the future and are accounted for on a recognition and specific identity basis.

Forward foreign exchange contracts are agreements to buy or sell fixed amounts of currency at agreed rates of exchange on specific future dates.

Cross-currency swaps are agreements to exchange, and on termination of the swap, re-exchange principal amounts denominated in different currencies. Cross-currency swaps may involve the exchange of interest payments in one specified currency for interest payments in another specified currency for specific periods.

A currency option gives the buyer the right, but not the obligation, to buy or sell specified amounts of currency at agreed rates of exchange on or before a specified future date.

Interest-rate futures are typically exchange-traded documents to buy or sell a standard amount of a specified fixed-income security or time deposit at an agreed interest rate on a standard date.

A forward rate agreement gives the buyer the ability to determine the underlying rate of interest for a specified holding period commencing on a specified future date. There is no exchange of principal, and settlement is effected on the settlement date. The settlement amount is calculated by reference to the difference between the contract rate and the market rate prevailing on the settlement date.

Interest-rate options give the buyer the right, but not the obligation, to fix the rate of interest on a future deposit or loan for a specified period and commencing on a specified future date.

Interest-rate caps and floors give the buyer the ability to fix the maximum or minimum rate of interest. There is no facility to deposit or draw down funds; instead the writer pays to the buyer the amount by which the market rate exceeds or falls short of the cap rate or the floor rate respectively. A combination of an interest-rate cap and floor is known as an interest-rate collar.

Equities options give the buyer the right, but not the obligation, to buy or sell specified amounts of equities or a basket of equities in the form of published indices.

2.4 INTEREST INCOME AND EXPENSE

Interest income and expense are recognized in the income statement for all instruments measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, through a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts that have been paid or received between parties to the contract.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognized using the rate of interest utilized to discount the future cash flows for the purpose of measuring the impairment loss.

2.5 FEE INCOME

Commission and fees arising from negotiating, or participating in the negotiation of a transaction for a third party – such as the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses – are recognized on completion of the underlying transaction. Investment and other management advisory and service fees are recognized based on the applicable service contracts, usually on a time-apportionable basis. Asset management fees related to investment funds are recognized ratably over the period the service is provided. The same principle is applied for wealth management, financial planning and custody services that are continuously provided over an extended period of time.

2.6 INSURANCE

The insurance coverage of the Bank includes Property and Casualty, Worldwide Package, Vehicle, Workers' Compensation and Travel Accident coverage. Financial coverage includes Banker's Blanket Bond, Directors' and Officers' Liability, and Errors and Omissions Liability. The Bank also maintains Depository Insolvency coverage for its correspondent banks.

The Bank's insurance program is independently reviewed. The latest review was performed by Slogniew & Associates, an independent risk management consultant. The primary objective of each review is to provide assurance that the risk management and internal controls currently implemented minimize the Bank's exposure to loss. The most recent assessment stated that the Bank had reasonable internal controls and risk management systems in place and found no material weaknesses in these areas.

NOTES TO THE FINANCIAL STATEMENTS
(Expressed in United States dollars)

CONTINUED

2.7 FINANCIAL ASSETS

The Bank classifies its financial assets in the following categories: financial assets at fair value through profit or loss; loans and receivables; held-to-maturity investments; and available-for-sale financial assets. Management determines the classification of its investments at initial recognition.

Financial assets at fair value through profit or loss have two subcategories: financial assets held for trading and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorized as held for trading unless they are designated as hedges.

Purchases and sales of financial assets at fair value through profit or loss are recognized on trade date – the date on which the Bank commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or where the Bank has transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Gains and losses arising from changes in the fair value of the “financial assets at fair value through profit or loss” category are included in the income statement in the period in which they arise. Interest calculated using the effective interest method is recognized in the income statement.

The fair values of quoted investments in active markets are based on current bid prices. If the market for a financial asset is not active (for unlisted securities), the Bank establishes fair value by using valuation techniques. These include the use of recent arm's-length transactions, discounted cash flow, option pricing models and other valuation techniques commonly utilized by market participants.

2.8 IMPAIRMENT OF FINANCIAL ASSETS

(a) Assets carried at amortized cost

The Bank assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a “loss event”) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Bank about the following loss events:

- (i) significant financial difficulty of the issuer or obligor;
- (ii) a breach of contract, such as a default or delinquency in interest or principal payments;
- (iii) the Bank granting to the borrower, for economic or legal reasons relating to the borrower's financial difficulty, a concession that the lender would not otherwise consider;
- (iv) the growing probability that the borrower will enter bankruptcy or other financial reorganization;
- (v) the disappearance of an active market for that financial asset because of financial difficulties; or
- (vi) observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including:
 - a. adverse changes in the payment status of borrowers in the group; or
 - b. national or local economic conditions that correlate with defaults on the assets in the group.

The Bank first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and then individually or collectively for financial assets that are not individually significant. If the Bank determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on loans and receivables or held-to-maturity investments carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the income statement. As a practical expedient, the Bank may measure impairment on the basis of an instrument's fair value using an observable market price. The calculation of the present value of the estimated future cash flows of a collateralized financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (i.e., on the basis of the Bank's grading process that considers asset type, industry, geographical location, collateral type, past-due status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated. Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the Bank and historical loss experience for assets with credit risk characteristics similar to those in the group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently.

16

001817

NOTES TO THE FINANCIAL STATEMENTS
(Expressed in United States dollars)

CONTINUED

Estimates of changes in future cash flows for groups of assets should reflect and be directionally consistent with changes in related observable data from period to period (for example, changes in unemployment rates, property prices, payment status or other factors indicative of changes in the probability of losses in the group and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Bank to reduce any differences between loss estimates and actual loss experience.

(b) Assets carried at fair value

The Bank assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. Impairment losses recognized in the income statement on equity instruments are not reversed through the income statement.

2.9 LOANS AND ADVANCES TO CLIENTS

Stanford International Bank does not expose its clients to the risks associated with commercial loans. The Bank's only form of lending is done on a cash-secured basis solely to existing clients. Loans and advances to clients are permitted up to 80 percent of deposits maintained by the client at the Bank. The deposits serve as guarantee to the loan and therefore no additional provision is needed to support a potential loan loss.

2.10 PROPERTY AND EQUIPMENT

Property and equipment includes land and buildings and is comprised mainly of offices. All property and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or are recognized as a separate asset. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

- Buildings	20 years
- Leasehold Improvements	20 years, or over the period of the lease if less than 20 years
- Computer Equipment	5 years
- Furniture and Equipment	3-8 years
- Motor Vehicles	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. Gains and losses on disposals are determined by comparing proceeds with the carrying amounts. These are included in the income statement.

2.11 LEASES

The leases entered into by the Bank are primarily operating leases for office space and equipment. Payments made by the Bank under operating leases are charged to the income statement on a straight-line basis as defined in the lease agreements in effect for the period. If an operating lease is terminated before the lease period has expired, any payment required to be made by the Bank as a penalty is recognized as an expense in the period in which termination takes place.

Income received by the Bank is recorded as rental income in the other income section of the income statement and is not part of the normal business of the Bank.

2.12 CASH AND CASH EQUIVALENTS

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash and nonrestricted balances with central banks; treasury bills and other eligible bills; loans and advances to banks; amounts due from other banks; and short-term government securities.

2.13 SHARE CAPITAL

(a) Ordinary shares

All authorized shares have been issued, fully paid and carry a par value of \$100 per share.

(b) Share premium

Contributions made by the shareholder in excess of the par value of the issued capital.

(c) Dividends

No dividends have been authorized or distributed. All excess earnings have been reinvested into the Bank.

2.14 COMPARATIVES

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

NOTES TO THE FINANCIAL STATEMENTS
(Expressed in United States dollars)

CONTINUED

NOTE 3 - FINANCIAL RISK MANAGEMENT

3.1 STRATEGY IN USING FINANCIAL INSTRUMENTS

The strategy of the Bank is to efficiently manage its assets and liabilities. In this process, assets primarily consist of securities and, to a lesser degree, client credits that are matched in premium and timing. The Bank's assets are invested in a well-balanced global portfolio of marketable financial instruments, namely U.S. and international securities and fiduciary placements.

The Bank's investment portfolio maintains a stable and well-balanced structure due to a high proportion of fixed-income investments and a diversified investment advisory network resulting in an optimum diversification process. There is a policy of maintaining sufficient liquidity, thus protecting longer-term investments with significant returns.

3.2 CREDIT RISK

The Bank takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Significant changes in the economy, or in the health of a particular industry segment that represents a concentration in the Bank's investments, could result in losses that are different from those provided for at the balance sheet date. Management therefore carefully manages its exposure to credit risk.

The Bank structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to geographical and industry segments. Such risks are monitored on a revolving basis and subject to weekly review. Limits on the level of credit risk by product, industry sector and by country are approved quarterly by the Board of Directors.

The exposure to any one borrower is further restricted by sub-limits covering on- and off-balance sheet exposures, and daily delivery risk limits in relation to trading items such as forward foreign exchange contracts. Actual exposures against limits are monitored daily. Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate. Exposure to credit risk is also managed in part by obtaining collateral and corporate and personal guarantees.

(a) Derivatives

The Bank maintains strict control limits on net open derivative positions (i.e., the difference between purchase and sale contracts), by both amount and term. At any one time, the amount subject to credit risk is limited to the current fair value of instruments that are favorable to the Bank (i.e., assets where their fair value is positive), which in relation to derivatives is only a small fraction of the contract, or notional values used to express the volume of instruments outstanding. This credit risk exposure is managed as part of the overall exposures from market movements. Collateral or other security is not usually obtained for credit risk exposures on these instruments.

(b) Credit-related commitments

The primary purpose of these instruments is to ensure that funds are available to a client as required. Guarantees and standby letters of credit - which represent irrevocable assurances that the Bank will make payments in the event that a client cannot meet its obligations to third parties - carry the same credit risk as loans. Documentary and commercial letters of credit that are written undertakings by the Bank on behalf of a client authorizing a third party to draw drafts on the Bank up to a stipulated amount under specific terms and conditions - are generally collateralized by compensating cash balances to which they relate and therefore carry less risk than a direct borrowing. Commitments to extend credit represent unused portions of authorizations to extend credit in the form of loans, guarantees or letters of credit.

3.3 GEOGRAPHICAL CONCENTRATIONS OF ASSETS, LIABILITIES AND OFF-BALANCE SHEET ITEMS

The Bank has a global investment strategy that ensures that rates are not directly affected by prevailing rates in any single market. The Bank's assets consist of established, quality companies, governments and agencies from around the world. The portfolio investments are leaders in particular fields, financially strong with demonstrated consistency in earnings. The Bank invests in companies, governments and agencies whose managements have proven demonstrated ability. Investments favored are those with global diversification.

Antigua and Barbuda, West Indies, is the Bank's domicile. The Bank has also maintained a representative office in Montreal, Canada, since December 2004. The Bank has in excess of 50,000 depositors and clients from more than 100 countries around the world. The Bank's certificates of deposit and other investment accounts are primarily denominated in U.S. dollars, British pounds/sterling, euros and Canadian dollars.

3.4 MARKET RISK

Capital preservation and steady annual flow of revenues is a specific objective of the investments. This objective is met by the investment methodology that pursues a minimization of risk (both systematically and unsystematically), liquidity (marketability), investment efficiency (highest return/minimum risk), operational flexibility and absolute, as opposed to index-linked, yields on investments. Risk is monitored and managed on a day-to-day basis, and a major part of this management is to remain widely diversified on an international scale. This objective is attained through diversification in asset classes (debt, equity, cash and hard assets), economic sectors (health, financials, energy, etc.), issuers (governments, multinationals, commercial banks, etc.), currencies (U.S. dollars, Swiss francs, Japanese yen, euros and other currencies), and geographical areas (United States, Switzerland, England, France, Austria, Australia, Asia/Pacific Rim, etc.). Furthermore, the Bank's investment policy specifies setting limits at 7 percent to 8 percent on the downside for equity holdings and monitors historical statistical information for diversified investments, such as funds, for exposure to risk.

16

18

001819

NOTES TO THE FINANCIAL STATEMENTS
(Expressed in United States dollars)

CONTINUED

The measurement techniques used to measure and control market risk are outlined below.

(a) Value at risk

The Bank applies a "value-at-risk" methodology (VAR) to its trading portfolios to estimate the market risk of positions held and the mathematical chance of maximum losses based upon a number of assumptions for various changes in market conditions and asset classes. The Board of Directors sets limits on the value of risk that may be accepted for the Bank that are monitored on a daily basis by the Bank's finance division.

VAR is a statistically based estimate of the potential loss on the current portfolio from significant market movements. It expresses the "maximum" amount the Bank might lose, but only to a certain level of confidence. There is therefore a specified statistical probability that actual loss could be greater than the VAR estimate. The VAR model assumes a certain "holding period" until positions can be closed (10 days). It also assumes that market moves occurring over this holding period will follow a similar pattern to those that have occurred over 10-day periods in the past. The Bank's assessment of past movements is based on historical data for the past five years. The Bank applies these historical changes in rates, prices, indices, etc. directly to its current positions - a method known as historical simulation. Actual outcomes are monitored regularly to test the validity of the assumptions and parameters/factors used in the VAR calculation.

The use of this approach does not prevent losses outside of these limits in the event of more significant market movements. The main purpose of VAR is risk management of a worse case occurrence within a certain level of confidence. As VAR constitutes an integral part of the Bank's market risk control regime, VAR limits are established by the Board of Directors annually for all trading portfolio operations. Actual exposure against limits is reviewed daily by the Bank's finance division. The quality of the VAR model is continuously monitored by back-testing the VAR results for trading books. All back-testing exceptions and any exceptional reverses on the profit side of the VAR distribution are investigated, and all back-testing results are reported to the Board.

(b) Stress tests

Stress tests provide an indication of the potential size of losses that could arise in extreme conditions. The stress tests carried out by the Bank's finance division include: risk factor stress testing, where stress movements are applied to each risk category; emerging market stress testing, where emerging market portfolios are subject to stress movements; and ad hoc stress testing, which includes applying possible stress events to specific positions or regions - for example, the stress outcome to a region following a currency peg break. The results of the stress tests are reviewed by senior management in each business unit and by the Board of Directors. The stress testing is tailored to the business and typically uses scenario analysis.

	2007 VAR	2006 VAR
Risk Potential	-4.40%	-4.85%
Probability	5.00%	5.00%
Maximum Drawdown	-1.88%	-2.34%

As a bank, Stanford International Bank matches its assets and liabilities. However, most banks have portfolios that invest predominately in loans and credits and to a much lower degree in investable assets. The Bank's portfolio is primarily invested in investable assets with a minimal amount in cash-backed loans. The investment philosophy focuses on global diversification utilizing various products and sectors to minimize volatility while providing consistent returns. Achieving this balance is an integral component of portfolio management. As reflected in the above tables VAR figures for the Bank's 2006 portfolio had a 5 percent chance of having a maximum drawdown of -4.85 percent. The actual maximum drawdown during that year was -2.34 percent. For 2007 the Bank's portfolio had a 5 percent chance of a maximum drawdown of -4.4 percent. The actual maximum drawdown for 2007 was -1.88 percent. Both portfolio declines fall within our set of probable outcomes within a normal distribution curve. The decline in VAR from 2006 to 2007, was due to reduction in currency and equity market volatility. The reduction in equity volatility was primarily affected by the removal of 11 September 2004 data and its extreme volatility from the trailing five years of data used for VAR calculations.

These VAR figures were calculated independently from the underlying positions and historical market moves. The aggregate of the trading VAR results does not constitute the Bank's VAR due to correlations and consequent diversification effects between risk types and portfolio types. Also credit risk and currency risk are combined in the overall VAR analysis due to the interdependent nature of the portfolio's holdings and asset classes. This should give a clearer picture of actual risk.

3.5 CURRENCY RISK

The Bank takes on exposure to effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The table below summarizes the Bank's exposure to foreign currency exchange rate risk at 31 December. Included in the table are the Bank's assets and liabilities at carrying amounts, categorized by currency.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars)

(CONTINUED)

CONCENTRATIONS OF ASSETS, LIABILITIES AND OFF-BALANCE SHEET ITEMS

At 31 December 2007	US\$	€	£	¥	OTHER	TOTAL
ASSETS						
Cash and Deposits with Other Banks	\$ 504,078,060	\$ 52,285,974	\$ 44,519,296	\$ 0	\$ 26,939,153	\$ 627,822,483
Financial Instruments at Fair Value	4,755,807,798	860,137,548	45,424,724	66,148,793	620,112,711	6,347,631,574
Loans and Advances to Clients	68,752,433	704,748	275,420	0	0	69,732,601
Property and Equipment	6,910,778	0	0	0	0	6,910,778
Other Assets	5,273,018	47,765	274,331	0	180,163	5,785,277
TOTAL ASSETS	\$ 5,340,822,087	\$ 913,176,035	\$ 90,493,771	\$ 66,148,793	\$ 647,242,027	\$ 7,057,882,713
LIABILITIES AND SHAREHOLDER'S EQUITY						
Deposits from Clients	6,307,979,494	265,317,720	86,550,601	404,886	29,711,602	6,889,964,303
Other Liabilities and Provisions	12,994,005	0	0	0	2,644	12,996,649
TOTAL LIABILITIES	\$ 6,320,973,499	\$ 265,317,720	\$ 86,550,601	\$ 404,886	\$ 29,714,246	\$ 6,702,960,952
NET ON-BALANCE SHEET POSITION	\$ (980,151,412)	\$ 647,858,315	\$ 3,943,170	\$ 65,743,907	\$ 617,527,781	\$ 354,921,761
Credit Commitments	\$ 77,660,315	\$ 0	\$ 0	\$ 0	\$ 0	\$ 77,660,315
AT 31 DECEMBER 2006						
Total Assets	2,779,672,897	730,096,421	413,038,900	439,766,513	973,742,716	5,336,317,447
Total Liabilities	4,772,911,379	172,993,563	65,434,350	0	13,674,958	5,025,014,250
NET ON-BALANCE SHEET POSITION	\$ (1,993,238,482)	\$ 557,102,858	\$ 347,604,550	\$ 439,766,513	\$ 960,067,758	\$ 311,303,197
Credit Commitments	\$ 61,961,521	\$ 0	\$ 0	\$ 0	\$ 0	\$ 61,961,521

3.6 CASH FLOW AND FAIR VALUE INTEREST RATE RISK

Cash flow and fair value interest rate risk is the risk that future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Bank takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. The system of global interest rate risk monitoring rests almost solely on two points. Firstly, depositor payables in the form of fixed income products are paid a minimum interest rate that for the past two decades has ensured extremely low volatility and accounted for an incredible deposit base growth rate. Secondly, on the asset side, modern securities investment management systems are utilized and spread across multiple investment managers in several countries. The Board of Directors monitors interest rates on a quarterly basis.

3.7 LIQUIDITY RISK

The Bank is exposed to daily calls on its available cash resources from maturing deposits, current accounts and other drawdowns. The Bank monitors client account maturities on the daily management report. Then, based on this information, the treasury department ensures short-term deposits are made accordingly in laddered fiduciary or overnight deposits as deemed appropriate to cover liquidity needs. The Board of Directors sets limits on the minimum percentage of cash and cash-in-kind assets and liquidity to cover withdrawals at unexpected levels of demand.

Assets primarily consist of securities and, to a lesser degree, client credits that are matched in premium and timing. It is unusual for banks to be completely matched due to terms and types of products. An unmatched position potentially enhances profitability, but may increase the risk of losses.

The maturities of assets and liabilities, and the ability to replace liabilities as they mature, are important factors in assessing the liquidity of the Bank and its exposure to changes in interest rates and exchange rates.

Liquidity requirements to support calls under guarantees and standby letters of credit are considerably less than the amount of the commitment because the Bank does not generally expect the third party to draw funds under the agreement. The total outstanding contractual amount of commitments to extend credit does not necessarily represent future cash requirements, as many of these commitments will expire or terminate without being funded.

iB

20

001821

NOTES TO THE FINANCIAL STATEMENTS
(Expressed in United States dollars)

CONTINUED

AT 31 DECEMBER 2007	UP TO 1 MONTH	1-3 MONTHS	3-6 MONTHS	6-12 MONTHS	OVER 12 MONTHS	NON-INTEREST-BEARING	TOTAL
ASSETS							
Cash and Balances with Other Banks	\$ 627,322,483	\$ 0	\$ 0	\$ 0	\$ 0	\$ 500,000	\$ 627,822,483
Financial Assets at Fair Value	5,636,685,438	197,098,866	25,289,803	80,451,575	408,105,882	0	6,347,631,574
Loans and Advances to Clients	69,732,601	0	0	0	0	0	69,732,601
Property and Equipment	0	0	0	0	0	6,910,778	6,910,778
Other Assets	0	0	0	0	0	5,785,277	5,785,277
TOTAL ASSETS	\$ 6,333,740,522	\$ 197,098,866	\$ 25,289,803	\$ 80,451,575	\$ 408,105,882	\$ 13,196,055	\$ 7,051,882,713
LIABILITIES							
Deposits from Clients	480,040,692	530,340,338	716,474,596	1,107,864,300	3,855,244,377	0	6,689,964,303
Other Liabilities	0	0	0	0	0	12,996,649	12,996,649
TOTAL LIABILITIES	\$ 480,040,692	\$ 530,340,338	\$ 716,474,596	\$ 1,107,864,300	\$ 3,855,244,377	\$ 12,996,649	\$ 6,702,960,962
NET LIQUIDITY GAP	\$ 5,853,699,830	\$ (333,241,472)	\$ (691,184,793)	\$ (1,027,412,725)	\$ (3,447,138,495)	\$ 199,406	\$ 354,921,761
AT 31 DECEMBER 2006							
Total Assets	\$ 4,458,272,893	\$ 51,283,001	\$ 15,366,000	\$ 55,867,001	\$ 740,876,015	\$ 13,052,537	\$ 5,336,317,447
Total Liabilities	\$ 383,888,899	\$ 446,715,265	\$ 213,738,713	\$ 1,203,585,335	\$ 2,762,156,554	\$ 14,930,464	\$ 5,025,014,250
NET LIQUIDITY GAP	\$ 4,075,383,994	\$ (395,432,264)	\$ (188,372,713)	\$ (1,147,718,334)	\$ (2,021,279,539)	\$ (1,277,947)	\$ 311,303,197

3.8 CAPITAL MANAGEMENT

The Bank's objectives when managing capital, which is a broader concept than the "equity" on the face of balance sheets, are: (1) to comply with the capital requirements set by the regulator of the banking market where the Bank operates; (2) to safeguard the Bank's ability to carry on as a going concern so that it can continue to provide returns for clients and the shareholder and benefits for the stakeholders; and (3) to maintain a capital base to support the development of its business.

Capital adequacy and the use of regulatory capital are monitored routinely by the Bank's management, employing techniques based on the guidelines developed by the Basel Committee, as implemented by the FSRC for supervisory purposes. The required information is filed with the Regulatory Authority on a quarterly basis.

The Authority requires each bank to: (1) hold all the minimum level of the regulatory capital, and (2) maintain a capital ratio to assets at or above the minimum of 5 percent.

The Bank's regulatory capital as managed by its finance division is made up of share capital, share capital premium and retained earnings.

The table below summarizes the composition of regulatory capital and the ratios of the Bank for the two years ended 31 December 2007. During those two years, the Bank complied with all of the externally imposed capital requirements to which they are subject.

Tier 1 Capital	2007	2006
Ordinary Share Capital	\$ 10,000,000	\$ 10,000,000
Share Premium	103,500,000	103,500,000
Retained Earnings	241,421,761	197,803,197
TOTAL QUALIFYING TIER 1 CAPITAL	\$ 354,921,761	\$ 311,303,197
TOTAL RISK-WEIGHTED ASSETS	\$ 4,350,750,278	\$ 3,867,120,459
Capital Ratio	8.16%	8.05%

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

(Expressed in United States dollars)

NOTE 4 - CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The Bank makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 FAIR VALUE OF DERIVATIVES

The fair value of financial instruments that are not quoted in active markets are determined by using valuation techniques. Where valuation techniques (for example, models) are used to determine fair values, they are validated and periodically reviewed by qualified personnel independent of the area that created them. All models are certified before they are used, and models are calibrated to ensure that outputs reflect actual data and comparative market prices. To the extent practical, models use only observable data; however, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect reported fair values of financial instruments.

4.2 INCOME TAX

As a company formed under the Act, the Bank is exempt from all direct taxes with respect to any international trading, investment or commercial activity including withholding taxes and stamp duties.

4.3 LEGAL ACTIONS

At this time, there is no significant pending legal activity. In the normal course of business, the Bank is subject to legal actions. The Bank is not able to predict whether or not there will be an adverse effect on results of operations in a particular future period.

NOTE 5 - NET INVESTMENT INCOME

	2007	2006
Equities	\$ 269,717,040	\$ 286,972,011
Fixed Income	126,488,427	32,357,937
Alternative	163,017,443	74,456,110
Precious Metals	82,559,086	85,360,512
TOTAL (see Figure 8 and 9)	\$ 641,775,996	\$ 479,175,564

Figure 8. INVESTMENT INCOME
Dollars (in millions)

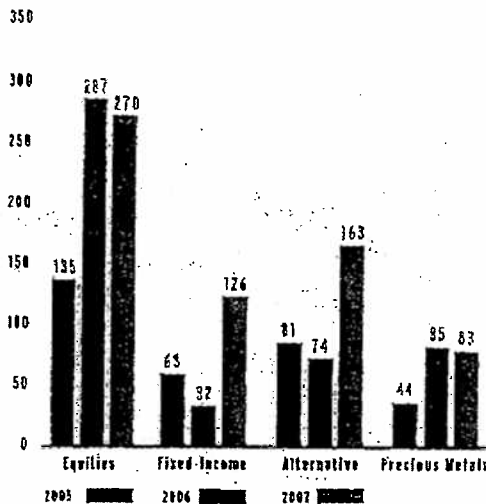
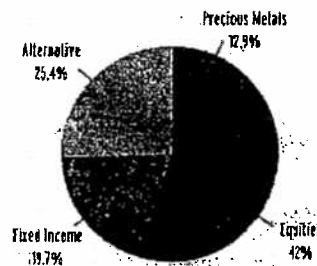


Figure 9. INVESTMENT INCOME



22

NOTES TO THE FINANCIAL STATEMENTS
 (Expressed in United States dollars)

CONTINUED

NOTE 6 - NET INTEREST INCOME/(EXPENSE)

	2007	2006
INTEREST INCOME		
Cash and Short-Term Funds	\$ 18,598,765	\$ 14,000,506
Investment Securities	140,186,786	67,638,600
Loans and Advances	6,057,829	4,812,583
TOTAL (see Figure 10)	\$ 164,843,390	\$ 86,441,691
INTEREST EXPENSE		
Banks and Clients	437,192,793	310,634,646
TOTAL (see Figure 11)	\$ 437,192,793	\$ 310,634,646
NET INTEREST INCOME/(EXPENSE)	\$ (272,349,403)	\$ (224,192,955)

Figure 10. INTEREST INCOME
 Dollars (in millions)

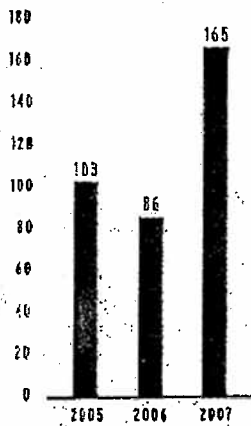
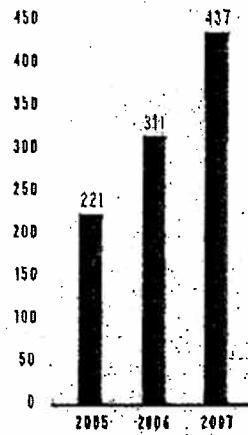


Figure 11. INTEREST EXPENSE
 Dollars (in millions)



23

001824

NOTES TO THE FINANCIAL STATEMENTS
(Expressed in United States dollars)

CONTINUED

NOTE 7 - NET FEE INCOME/(EXPENSE)

	2 0 0 7	2 0 0 6
FEE INCOME		
Loan Processing Fees	\$ 132,085	\$ 77,892
Early Withdrawal Fees	2,898,714	1,467,842
TOTAL	\$ 3,030,799	\$ 1,545,734
FEE EXPENSE		
Bank Fees	245,632	332,489
Commissions	618,890	161,414
Credit Card Losses	69,160	88,402
Waived Annual Fees	116,568	76,207
Referral Fees	149,025,410	106,795,766
TOTAL	\$ 150,075,660	\$ 107,454,298
NET FEE INCOME/(EXPENSE)	\$ (147,044,861)	\$ (105,908,564)

Referral fees are paid to Standard Income Company, Standard Trust Company Limited and Standard Group (Antigua) Limited. The fees are a percentage of the managed assets investments and are reported annually.

NOTE 8 - OTHER INCOME/(LOSS)

Gain/(Loss) on Foreign Exchange	\$ (20,209,739)	\$ (1,750,255)
Gain/(Loss) on Disposal of Fixed Assets	(51,365)	19,148
Rental Income	33,951	37,037
Miscellaneous Income	55,680	214,193
TOTAL	\$ (20,171,473)	\$ (1,485,877)

NOTE 9 - PERSONNEL EXPENSES

Wages and Salaries	\$ 2,812,032	\$ 2,268,149
Company Portion of Payroll Taxes	165,159	139,240
Employee Insurance	105,363	77,035
Employee Benefits	380,419	258,803
Personnel Recruitment, Training and Education	49,774	53,521
TOTAL	\$ 3,512,747	\$ 2,796,768

Average Number of Employees During the Year 75 65

24

001825

NOTES TO THE FINANCIAL STATEMENTS
(Expressed in United States dollars)

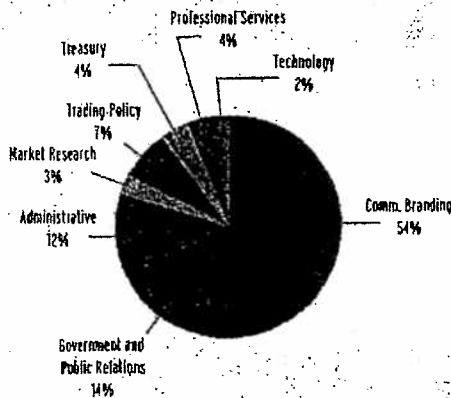
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NOTE 10 - GENERAL AND ADMINISTRATIVE EXPENSES

	2007	2006
Rent and Maintenance of Offices and Equipment	\$ 540,455	\$ 1,434,146
Telephone, Telex and Fax	534,965	712,353
Mail and Delivery Services	1,523,608	1,432,001
Advertising and Promotion	624,984	548,858
Travel and Accommodations	983,939	680,193
Insurance	1,513,444	1,566,638
Management Fees (see Figure 12)	142,699,711	185,882,842
Directors' Emoluments	175,550	87,500
Information Technology	323,540	269,928
Professional Fees	1,559,776	1,347,499
Audit Fees	60,650	66,000
Other General and Administrative Expenses	3,685,441	1,027,645
TOTAL	\$ 154,226,063	\$ 115,056,703

Management fees consist of expenses related to the marketing and service agreement in place with Stanford Financial Group Global Management, LLC. These services include treasury-related functions, establishing and implementing trading policy, client communications, research, marketing and branding, government and public relations, technology and other related administrative costs. The service agreement is renegotiated annually and was renewed for the year 2007 on 30 December 2006.

Figure 12. MANAGEMENT FEES



NOTES TO THE FINANCIAL STATEMENTS CONTINUED
(Expressed in United States dollars)

NOTE 11 - CASH AND BALANCES WITH OTHER BANKS

	2007	2006
Included in Cash and Cash Equivalents	\$ 627,322,483	\$ 322,387,339
Mandatory Reserve Deposits Placed with Local Entities	500,000	500,000
TOTAL	\$ 627,822,483	\$ 322,887,339

Mandatory reserve deposits are not available for use in the Bank's day-to-day operations.

NOTE 12 - FINANCIAL ASSETS AT FAIR VALUE

Equity	\$ 3,717,219,465	\$ 2,892,866,747
Fixed Income	1,182,339,462	1,146,887,233
Alternative	989,785,316	316,879,526
Precious Metals	458,287,331	539,017,591
TOTAL (see Figures 13 and 14)	\$ 6,347,631,574	\$ 4,935,651,097

Figure 13: FINANCIAL ASSETS

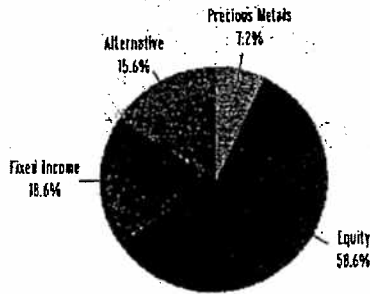
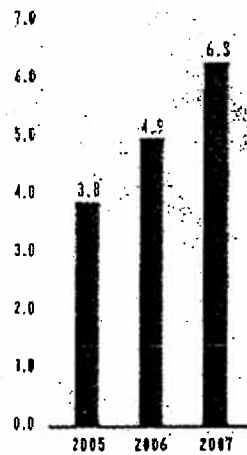


Figure 14: TOTAL FINANCIAL ASSETS
Dollars (in billions)



26

001827

NOTES TO THE FINANCIAL STATEMENTS
(Expressed in United States dollars)

CONTINUED

NOTE 13 - LOANS AND ADVANCES TO CLIENTS

	2007	2006
Loan Principal	\$ 65,908,580	\$ 60,982,752
Accrued Interest on Loans	3,824,021	3,663,722
TOTAL (see Figure 15)	\$ 69,732,601	\$ 64,626,474
By Client Type		
Corporate	45,252,393	29,531,519
Private	24,480,208	25,044,955
TOTAL (see Figure 16)	\$ 69,732,601	\$ 64,626,474
By Geographic Region		
North America	3,291,023	3,366,037
Central America	32,655,197	39,378,904
South America	13,712,054	16,689,359
Caribbean	18,751,338	12,975,600
Other	1,322,989	1,226,574
TOTAL (see Figure 17)	\$ 69,732,601	\$ 64,626,474
By Type of Collateral Guarantees	\$ 69,732,601	\$ 64,626,474

Figure 15. LOANS AND ADVANCES
 Dollars (in millions)

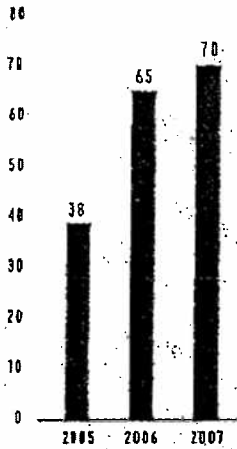


Figure 16. CLIENT LOANS BY TYPE

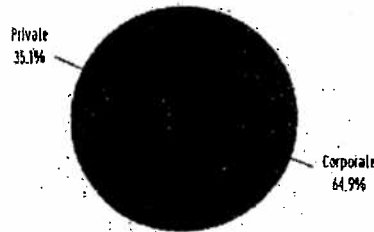
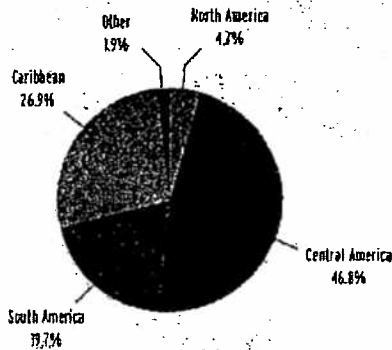


Figure 17. CLIENT LOANS BY REGION



25

27

001828

NOTES TO THE FINANCIAL STATEMENTS
(Expressed in United States dollars)

CONTINUED

NOTE 14 - PROPERTY AND EQUIPMENT

	LAND, BUILDING AND LEASEHOLD	COMPUTER AND SOFTWARE	FURNITURE AND EQUIPMENT	MOTOR VEHICLES	ARTWORK	WIP	TOTAL
HISTORICAL COST							
At 31 December 2006	\$ 5,929,162	\$ 2,503,712	\$ 1,187,958	\$ 242,734	\$ 53,592	\$ 683,411	\$ 10,600,569
Additions	72,376	297,639	133,669	17,890	0	2,738,711	3,260,285
Disposals and Write-Offs	0	(84,194)	(238,168)	0	0	0	(322,362)
AT 31 DECEMBER 2007	\$ 6,001,538	\$ 2,717,157	\$ 1,083,459	\$ 260,624	\$ 53,592	\$ 3,422,122	\$ 13,538,492
DEPRECIATION							
At 31 December 2006	\$ 3,514,177	\$ 2,006,764	\$ 432,521	\$ 88,234	\$ 4,130	\$ 0	\$ 6,045,826
Additions	338,552	386,041	76,388	46,919	4,985	0	852,885
Disposals and Write-Offs	0	(82,699)	(188,298)	0	0	0	(270,997)
AT 31 DECEMBER 2007	\$ 3,852,729	\$ 2,310,106	\$ 320,611	\$ 135,153	\$ 9,115	\$ 0	\$ 6,627,714
CARRYING AMOUNT							
31 DECEMBER 2007 (see Figures 18 and 19)	\$ 2,148,809	\$ 407,051	\$ 702,848	\$ 125,471	\$ 44,477	\$ 3,422,122	\$ 6,810,778
CARRYING AMOUNT							
31 DECEMBER 2006 (see Figure 18)	\$ 2,414,985	\$ 436,948	\$ 755,437	\$ 154,500	\$ 49,462	\$ 683,411	\$ 4,554,743

Figure 18. PROPERTY AND EQUIPMENT
dollars (in millions)

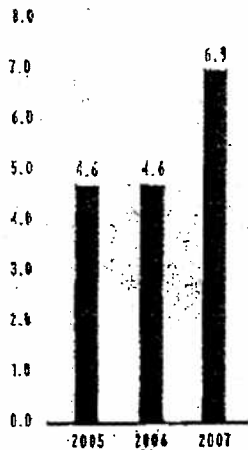
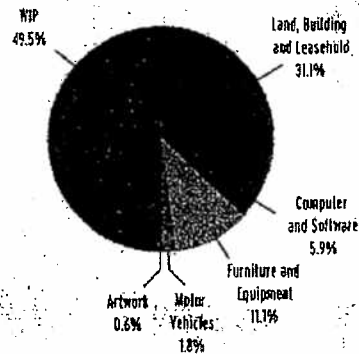


Figure 19. PROPERTY AND EQUIPMENT



NOTE 15 - OTHER ASSETS

	2007	2006
Accounts Receivable	\$ 147,500	\$ 3,003,513
Prepayments	4,207,509	4,520,900
Other Assets	1,430,268	1,079,351
TOTAL	\$ 5,785,277	\$ 8,597,794

28

001829

NOTES TO THE FINANCIAL STATEMENTS
(Expressed in United States dollars)

CONTINUED

NOTE 16 - DEPOSITS FROM CLIENTS

EXPRESSSM ACCOUNTS

Funds from these accounts are generally invested in short-term instruments and foreign currency deposits.

PERFORMANCESM ACCOUNTS

Funds from these accounts are generally invested in investment-grade bonds, securities and foreign currency deposits.

CERTIFICATES OF DEPOSIT

The certificates of deposit accounts will pay the interest rate stated at inception until maturity. Funds from these accounts are generally invested in investment-grade bonds, securities, euros and foreign currency deposits.

FLEXCDSM - A certificate of deposit that accepts additional deposits and withdrawals (up to 25 percent of the balance and a maximum of four per year) without incurring early withdrawal penalties or additional fees. This product is available in most international currencies.

FIXEDCDSM - A certificate of deposit that does not accept additional deposits and withdrawals and is subject to early withdrawal penalties. This product is available in most international currencies.

INDEX-LINKED CERTIFICATE OF DEPOSITSM (ILCD) - A certificate of deposit that is linked to the performance of either the S&P 500 Index, the NASDAQ 100 Index or the Dow Jones Euro STOXX 50 Index. At term end, the depositor receives the initial amount invested plus a fixed interest rate or an index participation rate, whichever is greater. This product does not renew automatically, is only available in U.S. dollars and withdrawals are subject to an early withdrawal penalty.

	2007	2006
Express Accounts	\$ 159,023,555	\$ 118,325,271
Performance Accounts	3,236,470	4,715,073
FlexCD	1,822,986,167	1,392,764,570
FixedCD	4,895,305,628	3,460,500,146
Index-Linked Certificates of Deposit	9,412,483	13,718,704
TOTAL (see Figures 20 and 21)	\$ 6,689,954,303	\$ 5,010,083,766

Figure 20. CERTIFICATES OF DEPOSIT AND CLIENT DEPOSITS
 Dollars (in billions)

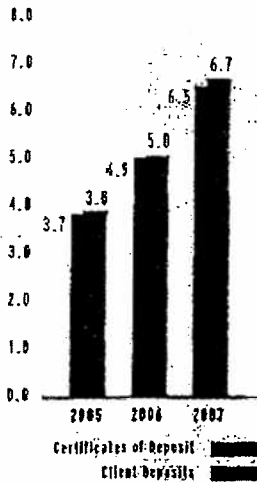
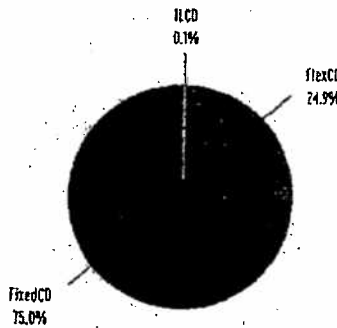


Figure 21. CERTIFICATES OF DEPOSIT



29

001830

NOTES TO THE FINANCIAL STATEMENTS
(Expressed in United States dollars)

CONTINUED

ACCRUED INTEREST COMPONENT OF CLIENT DEPOSITS AT 31 DECEMBER WERE:

	2 0 0 7	2 0 0 6
Express Accounts	\$ 53,990	\$ 31,438
Performance Accounts	0	1,233
FlexCD	81,730,215	61,508,066
FixedCD	308,801,188	164,751,074
Index-Linked Certificates of Deposit	483,591	997,916
TOTAL	\$ 391,068,984	\$ 247,290,629

DEPOSITS PER ACCOUNT ON AN AVERAGE BASIS

Express Accounts	\$ 121,583,329	\$ 94,020,036
Performance Accounts	3,497,644	6,226,777
FlexCD	1,506,018,350	1,332,080,186
FixedCD	4,253,208,032	2,928,147,452
Index-Linked Certificates of Deposit	12,322,531	15,130,699
TOTAL	\$ 5,896,629,886	\$ 4,375,605,152

NOTE 17 - OTHER LIABILITIES AND PROVISIONS

Accounts Payable Trade	\$ 2,644	\$ 107,069
Accounts Payable to Related Parties	12,421,752	12,811,568
Other Liabilities	572,253	2,011,647
TOTAL	\$ 12,996,649	\$ 14,930,484

NOTE 18 - SHARE CAPITAL AND SHARE PREMIUM

	NUMBER OF SHARES		ORDINARY	SHARE	TOTAL
	AUTHORIZED	ISSUED	SHARES	PREMIUM	
AT 31 DECEMBER 2005	100,000	100,000	\$ 10,000,000	\$ 103,500,000	\$ 113,500,000
Additional Contributions	0	0	0	0	0
AT 31 DECEMBER 2006	100,000	100,000	\$ 10,000,000	\$ 103,500,000	\$ 113,500,000
Additional Contributions	0	0	0	0	0
AT 31 DECEMBER 2007	100,000	100,000	\$ 10,000,000	\$ 103,500,000	\$ 113,500,000

All shares have a par value of \$100.00 and have been fully paid.

30

001831

NOTES TO THE FINANCIAL STATEMENTS
 (Expressed in United States dollars)

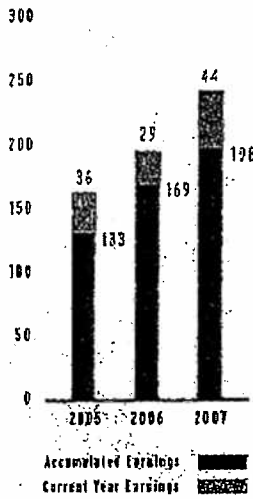
CONTINUED

NOTE 19 - RETAINED EARNINGS

MOVEMENTS IN RETAINED EARNINGS WERE:

	2007	2006
At 1 January	\$ 197,803,197	\$ 168,983,830
Net Profit for the Year	43,618,564	28,849,367
AT 31 DECEMBER (see Figure 22)	\$ 241,421,761	\$ 197,803,197

Figure 22. RETAINED EARNINGS
 Dollars (in millions)



NOTE 20 - CONTINGENT LIABILITIES AND COMMITMENTS

Guarantees and Standby Letters of Credit	\$ 77,660,315	\$ 61,961,521
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Letters of credit and guarantee documents issued by the Bank on behalf of clients are fully cash secured and do not represent a direct contingent liability or risk to the Bank.

31

NOTES TO THE FINANCIAL STATEMENTS
(Expressed in United States dollars)

CONTINUED

NOTE 21 - RELATED-PARTY TRANSACTIONS

Stanford International Bank is a member of the Stanford Financial Group, which is a privately held global group of wholly owned, independently managed financial services companies founded by Loris B. Stanford in 1932. Stanford's core businesses are wealth management for high-net-worth individuals and investment banking for institutions and emerging growth companies. Knowledgeable private and institutional investors have availed themselves of Stanford's global expertise in asset allocation strategies, investment advisory services, equity and fixed income research, international private banking and trust administration, commercial banking, investment banking, merchant banking, institutional sales and trading, real estate investment and insurance. Stanford serves clients from more than 100 countries on six continents.

A number of banking transactions are entered into with related parties in the normal course of business. These include but are not limited to loans, deposits and foreign currency transactions. The volumes of related-party transactions, outstanding balances at year end and related expenses for the year are as follows:

	2 0 0 7	2 0 0 6
DEPOSITS AT 31 DECEMBER	\$ 41,683,288	\$ 24,413,129
EXPENSES		
Interest on Deposits	\$ 1,971,553	\$ 1,349,126
Rent	124,355	970,060
Referral Fees	149,025,410	108,755,786
Management Fees	142,689,711	105,882,642
TOTAL	\$ 293,821,029	\$ 214,997,623
Accounts Receivable Balance at 31 December	\$ 147,500	\$ 3,003,513
Accounts Payable Balance at 31 December	\$ 12,421,752	\$ 12,611,568

Referral fee agreements exist between the Bank and Stanford Group Company, Stanford Trust Company Limited and Stanford Group (Antigua) Limited. The fee is a percentage of the managed client investment portfolio of each company and is negotiated annually.

A management fee agreement related to marketing and services exists between the Bank and Stanford Financial Group Global Management, LLC. The services include treasury-related functions, establishing and implementing trading policy, client communications, research, marketing and branding, government and public relations, technology and other related administrative services.

All Bank personnel are compensated in the same manner and no special benefits exist for management.

Directors' Remuneration	\$ 175,550	\$ 97,500
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A listing of the members of the Board of Directors is shown on page 35 of this annual report.

32

001833

NOTES TO THE FINANCIAL STATEMENTS
(Figures stated in United States dollars)

(CONTINUED)

NOTE 22 - INTERNATIONAL BUSINESS CORPORATIONS (IBC) ACT
 DISCLOSURE INFORMATION

Under authority of section 350 of the IBC Act, the Bank is required to disclose the following information as it pertains to the expenses that impact the national economy of Antigua and Barbuda.

	2007	2006
OPERATING EXPENSES (see Figures 23 and 24)		
Salaries	\$ 2,211,932	\$ 1,810,025
Other Staff Cost	1,300,816	904,298
Vehicle Expense	16,461	17,493
Rent	306,223	1,162,369
Professional Fees	289,465	278,636
Electricity and Water	232,498	219,094
Telephone/fax	484,109	682,849
Travel and Entertainment	707,544	408,278
General Office	1,402,803	1,280,619
Insurance	212,954	97,077
Management Fees - Local	1,117,642	831,144
Repairs and Maintenance	158,170	238,865
Subscriptions and Donations	129,442	212,767
Licenses and Permits	100,639	43,136
TOTAL	\$ 8,668,698	\$ 8,055,879
CAPITAL EXPENSES		
Asset Purchases	\$ 313,620	\$ 107,524

Figure 23. HEADQUARTERS EXPENSE
 Dollars (in millions)

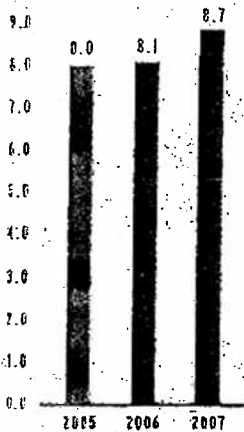
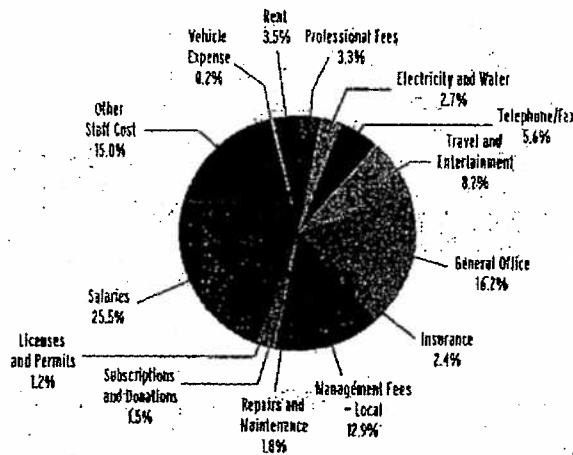


Figure 24. HEADQUARTERS EXPENSE



33

HARD WORK. CLEAR VISION. VALUE FOR THE CLIENT.

Reports

34

001835

REPORTS

AUDITORS' REPORT

We have audited the accompanying balance sheet of Stanford International Bank Limited as at 31 December 2007 and the related statements of income, changes in shareholder's equity and cash flows for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with international auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We consider that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements are fair in all material respects, and they show a true position of the company as at 31 December 2007, and the results of its operations and its cash flow for the year in accordance with international financial reporting standards.

C. A. S. Hewlett & Co.

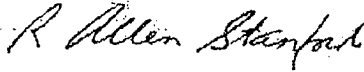
C. A. S. Hewlett & Co. Ltd.
Chartered Accountants
St. John's Street, St. John's, Antigua
18 April 2008

REPORTS | REPORT OF MANAGEMENT

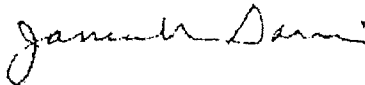
The management of Stanford International Bank is responsible for the preparation, integrity and objectivity of the financial statements of the Bank. The financial statements and notes have been prepared by the Bank in accordance with International Financial Reporting Standards and in the judgement of management present fairly and consistently the Bank's financial position and results of operations. The financial statements and other financial information in this annual report include amounts that are based on management's best estimates and judgements and give due consideration to materiality.

The Bank maintains a system of internal accounting controls to provide reasonable assurance that assets are safeguarded and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with International Financial Reporting Standards. The internal audit function of the Bank reviews, evaluates, monitors and makes recommendations on both administrative and accounting controls, which act as an integral but independent part of the system of internal controls. The Bank's independent accountants were engaged to perform an examination of the financial statements. This examination provides an objective outside review of management's responsibility to report operating results and financial condition. Working with the Bank's internal auditors, they review and make tests, as appropriate, of the data included in the financial statements.

The Board of Directors discharges its responsibility for the Bank's financial statements through its Audit Committee. The Audit Committee meets periodically with the independent accountants, internal auditors and management. The independent accountants and the internal auditors have direct access to the Audit Committee to discuss the scope and results of their work, the adequacy of internal accounting controls and the quality of financial reporting.



Sir Allen Stanford
Chairman of the Board



James M. Davis
Director and CFO

36

001837

MANAGEMENT

DIRECTORS, OFFICERS AND PROFESSIONAL ADVISORS

BOARD OF DIRECTORS

Sir Allen Stanford
Chairman of the Board

James A. Stanford
Chairman Emeritus

Sir Courtney N. Blackman, Ph.D.
Vice Chairman

James M. Davis
Chief Financial Officer

D. Y. Goswick
Investments

Kenneth C. Allen, O.C.
Secretary and Treasurer

Robert S. Winter
Insurance

BANK MANAGEMENT

Juan Rodriguez-Tolentino
President

Miguel Pacheco
Senior Vice President

Eugene Kipper
Vice President

Beverly M. Jacobs
Vice President

Bhanoo P. Persaud, ACCA
Accounting Manager

COMPLIANCE

Pedro E. Rodriguez, CRCM
Vice President &
Senior Compliance Officer

BANK REPRESENTATIVE OFFICE

Alain Lapointe
Senior Vice President
1800 McGill College Ave., 30th Floor
Montreal, Quebec, Canada

AUDITORS

C. A. S. Hewlett & Co.
Chartered Accountants
St. John's Street, St. John's, Antigua

INSURANCE AND RISK MANAGERS

Bowen, Milette & Briff
111 North Loop West
P.O. Box 922022
Houston, Texas 77292

Wills Limited
10 Trinity Square
London EC3P 3AX
United Kingdom

BARRISTERS AND SOLICITORS

Hutton & Williams
Barclays Financial Center
111 Brickell Avenue
Miami, Florida 33131

37



STANFORD INTERNATIONAL BANK

No. 11 PAVILION DRIVE, P.O. Box 3300 | ST. JOHN'S, ANTIGUA, WEST INDIES

PHONE: 268 460 3700 | STANFORDINTERNATIONALBANK.COM

A MEMBER OF THE STANFORD FINANCIAL GROUP

38

001839

EXHIBIT A-18

MANGEMENT SUPPORT AGREEMENT

This Management Support Agreement (this "Agreement") is entered into as of September 1, 2008 by and between STANFORD CARIBBEAN LIMITED, a company duly formed and existing in good standing under the laws of Antigua & Barbuda ("SCL"), and STANFORD INTERNATIONAL BANK LIMITED, a company duly formed and existing in good standing under the laws of Antigua & Barbuda ("SIBL"). SCL and SIBL are each a "Party" and, collectively, are the "Parties."

WHEREAS, SCL has the necessary resources and skills to provide the professional services required by SIBL from time to time; and

WHEREAS, SIBL desires to retain SCL, as an independent contractor, to provide corporate direction, governance and other services to SIBL, and SCL hereby agrees to provide such services;

NOW, THEREFORE, in consideration of the mutual covenants set forth below and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. SCOPE OF SERVICES

- a. SCL shall provide the services described in this section to SIBL on a daily basis as the operations of SIBL may require.
- b. SCL shall provide corporate direction, governance and services to support the objectives of the shareholder of SIBL. Services include advice and monitoring of accounting, auditing, compliance, human resources, information technology, legal, risk and insurance, treasury and related functions including, without limitation, making its relevant employees available to SIBL as is necessary to provide support to SIBL's day-to-day operations.
- c. SCL shall provide or upon consent by SIBL, as specified in Section 4(b) shall engage others to provide corporate direction, governance and other services, which may reasonably be requested by SIBL from time to time.
- d. SCL shall provide all services as an independent contractor on a non-exclusive basis, and unless stated explicitly, nothing contained herein shall be deemed to create any partnership, joint venture, or relationship of principal and agent between the Parties hereto or any of their affiliates, or to provide either Party with any right or power of authority, whether expressed or implied, to create any such duty or obligation on behalf of the other Party.

2. SERVICE FEE AND PAYMENT

- a. Service fees for SCL will be as set forth in "Exhibit A" attached hereto and made a part hereof.
- b. In connection with providing the services as agreed herein, SCL will, on occasion, pay for items on behalf of SIBL. SCL will invoice these costs to SIBL as outlined in Exhibit A.

3. TERM AND TERMINATION

This Agreement shall be effective as of September 1, 2008, and shall continue in full force and effect until either Party terminates the same by giving the other Party thirty (30) days written notice.

4. COVENANTS & GENERAL PROVISIONS

- a. The Parties covenant and represent that they are each organized corporations in good standing under the laws of such jurisdictions under which they are organized and that the undersigned are officers of the same and authorized to execute this Agreement.
- b. This Agreement may not be assigned in whole or in part without the prior written consent of the other Party. No such consent shall be required if the services rendered shall be for the benefit of an affiliate of SCL.
- c. This Agreement shall be deemed made in, and governed by, the laws of Antigua & Barbuda and in the event of a dispute, each Party hereby consents to the jurisdiction of the appropriate courts of Antigua & Barbuda to resolve such dispute.
- d. This Agreement shall be binding upon and inure to the benefit of the Parties, and their respective successors and assigns. Nothing in this Agreement, expressed or implied, is intended to confer on any person, other than the Parties or their respective successors and assigns, any rights, remedies or liabilities under this Agreement.
- e. This Agreement constitutes the entire agreement between the Parties, contains all of the agreements between the Parties with respect to the subject matter hereof and supersedes any and all other agreements, either oral or written, between the Parties hereto with respect to the subject matter hereof. No change or modification of this Agreement shall be valid unless the same shall be in writing and signed by the Parties. No waiver of any provision of this Agreement shall be valid unless in writing and signed by the Party against whom the waiver is sought to be enforced.
- f. All notices, requests, demands, waivers and other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given upon receipt if delivered, personally, by mail, facsimile or by courier service mailed by certified or registered mail, postage prepaid, as follows:

If to Stanford Caribbean Limited:
No 11 Pavilion Drive, Antigua

If to Stanford International Bank Limited.:
No. 11 Pavilion Drive
St. John's
Antigua

Either Party may, by giving written notice to the other Party, change its address set forth above, said change of address to be effective upon receipt.

- g. The section headings contained in this Agreement are inserted for reference purposes only and shall not affect the meaning or interpretation of this Agreement.
- h. This Agreement may be executed in any number of counterparts, but all of such counterparts together shall constitute one and the same agreement.
- i. No provision contained in this Agreement shall be deemed to have been abrogated or waived by reason of failure or delay to enforce the same, regardless of the number of breaches or violations, which may occur.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized officers, effective as of the date set forth in Section 3 hereof.

STANFORD CARIBBEAN LIMITED

By _____

Name _____

Title _____

STANFORD INTERNATIONAL BANK LIMITED

By _____

Name _____

Title _____

EXHIBIT A

For services described, SCL will receive 0.05% of total assets on an annual basis, calculated and paid monthly.

When providing a specific service to SIBL, SCL will receive cost plus 15% of expenses incurred for the specific support.

EXHIBIT A-19

NON-EXCLUSIVE REFERRAL AGREEMENT

THIS NON-EXCLUSIVE REFERRAL AGREEMENT (this "Agreement") is made and entered into as of the 25 day of October, 2004, by and between Stanford International Bank Limited, a company duly incorporated under the laws of Antigua and Barbuda having its office at No. 11 Pavilion Drive, St. John's, Antigua, West Indies (hereinafter the "Bank"), and Avro Financial Services Inc., located at 630 Rene-Levesque Blvd. West, Suite 1850, Montreal, Quebec H3B 1S6, Canada (hereinafter the "Contractor") (collectively the "Parties").

WHEREAS, the Bank is interested in obtaining referrals from various contractors within the territory covered by this Agreement; and

WHEREAS, Contractor has represented to the Bank that Contractor has access and desires to refer Clients to the Bank; who are both willing and able to open accounts with the Bank; and

WHEREAS, the Bank and Contractor desire to enter into an Agreement whereby Contractor will act as an independent non-exclusive Contractor to provide such services to the Bank within the territory specified herein.

NOW THEREFORE, in consideration of the mutual covenants set forth below and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. **Appointment and Non-Exclusivity of Relationship.** The Bank hereby appoints Contractor as a non-exclusive independent contractor with respect to Contractor's referral of individuals, companies and/or institutions willing and able to open accounts with the Bank ("Clients"). Contractor hereby accepts such appointment and acknowledges and agrees that there exists no exclusivity in the relationship between the Bank and Contractor. Additionally, it is neither the intent of the Parties, nor shall this Agreement be interpreted or construed as creating any limitation on the Bank's right within the Territory covered by this Agreement, as referenced in Clause 3 below, to either: a) enter into other referral agreements with other third Parties, or b) directly contact and conduct business with any other potential Clients. In short, the Bank retains its rights outside of the scope of this Agreement to directly conduct its business and offer its products and services within the Territory referenced in Clause 3 below, without incurring any obligations under this Agreement. There shall be no obligation under this Agreement on either Party unless a Client is referred by Contractor and the Bank at its sole discretion accepts the account of the Client referred. It is understood and agreed that the Bank has the right to reject the account of any potential Client for any reason at its sole discretion, without explanation.

14. **Entire Agreement; Amendment; Severability.** This Agreement, including the schedules attached hereto, constitutes the entire agreement between the Parties with respect to the subject matter herein and supersedes and cancels any prior agreement, representations, warranties or communications, whether oral or written, among the Parties hereto relating to the transactions contemplated hereby or the subject matter herein. Neither this Agreement nor any provision hereof may be changed, waived, discharged or terminated orally, but only by an agreement in writing signed by the Party against which the enforcement of such change, waiver, discharge or termination is sought. If any term or provision of this Agreement, or the application thereof to any person or circumstance, shall to any extent be contrary to any exchange or government regulation or otherwise invalid or unenforceable, the remainder of this Agreement or the application of such provision to persons or circumstances other than those as to which it is contrary, invalid or unenforceable, shall not be affected thereby, and shall be enforced to the fullest extent permitted by regulation and law.

15. **Governing Law and Arbitration.** This Agreement including, but not limited to, the validity, interpretation, performance, effects, derivatives and consequences thereof, shall be governed and construed by the laws of Antigua and Barbuda, W.I., without regard to the principles and conflicts of laws. Any disputes relating to or arising from this Agreement shall be resolved by arbitration pursuant to the Arbitration Act Cap 33, of the laws of Antigua and Barbuda, W.I.

16. **Assignment.** Neither the rights nor the obligations of Contractor under this Agreement may be assigned without the express written consent of the Bank; provided that the Bank may assign its rights and obligations hereunder to any third Party, including any of the Bank's affiliated companies and/or institutions.

17. **Section Heading.** The section headings in this Agreement are for convenience and reference only, and shall not be construed or held in any way to explain, modify, amplify, or add to the interpretation, construction or meaning of this Agreement.

18. **Counterparts.** This Agreement, made in two originals in the English language with the same contents and for a single effect, may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement may also be translated in writing to the Spanish language, which translation shall be for informational purposes only, without any legal effect whatsoever. In all

NON-EXCLUSIVE REFERRAL AGREEMENT

THIS NON-EXCLUSIVE REFERRAL AGREEMENT (this "Agreement") is made and entered into as of the 15th day of March, 2007, by and between STANFORD INTERNATIONAL BANK LIMITED, a company duly incorporated under the laws of Antigua and Barbuda, having its office at No. 11 Pavilion Drive, St. Johns, Antigua, W.I. (hereinafter "SIBL"), and STANFORD BOLSA Y BANCA S.A., COMISIONISTA DE BOLSA, a company duly incorporated under the laws of the Republic of Colombia, having its office at Carrera 7 No. 73-55 Piso 9, Bogotá D.C., Republic of Colombia (hereinafter "Company") (collectively, the "Parties").

WHEREAS, SIBL is interested in obtaining referrals from the Company of potential clients who have an interest in the financial products and services offered by SIBL, and/or its affiliated companies; and

WHEREAS, Company has represented to SIBL that Company has access and desires to refer clients to SIBL; who are both willing and able to establish relationships with SIBL and/or its affiliated companies; and

WHEREAS, SIBL and Company desire to enter into an Agreement whereby Company will act as an independent non-exclusive contractor to provide such services to SIBL.

NOW THEREFORE, in consideration of the mutual covenants set forth below and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

- 1. Appointment and Non-Exclusivity of Relationship.** SIBL hereby appoints Company as a non-exclusive independent contractor with respect to Company's referral of individuals, companies and/or institutions willing and able to establish relationships with SIBL ("Clients"). Company hereby accepts such appointment and acknowledges and agrees that there exists no exclusivity in the relationship between SIBL and Company. Additionally, it is neither the intent of the Parties, nor shall this Agreement be interpreted or construed as creating any limitation on SIBL's right covered by this Agreement to either: (a) enter into other referral agreements with other third parties, or (b) directly contact and conduct business with any other potential Clients. In short, SIBL retains its rights outside of the scope of this Agreement to directly conduct its business and offer its products and services without incurring any obligations under this Agreement. There

shall be no obligation under this Agreement on either Party unless a Client is referred by Company and SIBL, at its sole discretion, accepts the relationship with the Client referred. It is understood and agreed that SIBL has the right to reject the relationship with any potential Client for any reason at its sole discretion, without explanation.

2. **Referral of Clients.** Company shall, in a business-like manner, identify Clients who have an interest in the types of financial products and services that are available through SIBL and/or its affiliated companies and from time to time will refer those Clients to SIBL. Once Company identifies a potential Client who is willing and able to establish a relationship with SIBL, Company shall give written notice to SIBL to this effect. Company agrees not to perform services for other parties or to engage in any other business activity that may be in conflict with the business interests of SIBL and its affiliates. Company agrees to advise SIBL of all Company's other business activities and Company agrees to be bound by SIBL's determination of whether the Company's other business activities constitutes a conflict of interest.

3. **SIBL's Arrangements with Clients.** SIBL will review referrals of Clients from Company, but has no obligation to establish a relationship or transact business with any particular Client. In addition, SIBL retains the right to terminate any Client relationship at any time. SIBL retains the right to determine the suitability of the Client for the purchase of any investment product. SIBL retains the right to refer the Client to a broker-dealer or another financial institution, including any of SIBL's affiliated companies and/or institutions. In the event that securities or other investment products are offered or sold to a Client, SIBL may also refer the Client to additional investment programs offered by SIBL or by third parties, including any of SIBL's affiliated companies and/or institutions.

SIBL shall have sole discretion in accepting or declining any business referred by Company. SIBL reserves the right to add to, delete from, or modify, at any time, the specification or structure of SIBL's services and fees. Upon written request, SIBL may furnish Company with reasonable quantities of literature and like information which describe SIBL's services. Company shall not disclose said literature except for the purpose of performing its obligations hereunder.

4. **Fee Arrangements.** SIBL will pay Company referral fees in accordance with Schedule A attached hereto. The calculation of the referral fees shall be made solely by SIBL. In the event that a referral fee(s) cannot be paid due to regulatory and/or legal restrictions, then the Parties in good

faith shall negotiate and mutually agree upon a revised compensation formula, which shall be consistent with such regulatory and/or legal provisions and shall effect the same or substantially similar economic benefit to Company and SIBL.

5. **Covenants of Company.** Company hereby acknowledges that it is completely aware of the scope and extent of its obligations contained in this Agreement, and therefore covenants and agrees:
- (a) to instruct its employees, personnel, representatives, subcontractors, and agents, as the case may be, to observe and comply with all provisions of this Agreement and any applicable laws or regulations;
 - (b) to abstain from performing any act in connection with this Agreement which may be contrary to applicable laws, regulations or public policy or activities which may require any kind of authorization from any governmental authority;
 - (c) to abide by the position that it does not have any proprietary or other rights whatsoever to any Clients;
 - (d) to conduct its operations in accordance with the relevant laws, regulations, decrees and/or official government orders of the country having jurisdiction, provided that nothing in this Agreement is intended or should be construed to require Company to act or fail to act if such action or failure to act would be inconsistent with or penalized by the laws and regulations of Antigua and Barbuda; and
 - (e) that neither Company nor any of its employees, subcontractors, representatives, or agents shall pay any fee, commission, rebate, or other value to or for the benefit of any official or functionary of the government or a government agency having jurisdiction if such payment would be inconsistent with or penalized by the laws and regulations of Antigua and Barbuda.
6. **Duration and Termination.** This Agreement shall continue indefinitely until either Party terminates this Agreement by giving the other Party thirty (30) days written notice of its intention to terminate. The Parties hereby expressly agree that this Agreement shall be interpreted as an indefinite term agreement.
7. **Independent Contractor.** Company is an independent contractor in the performance of this Agreement and is not an agent or employee of SIBL. Company shall have no power or authority

to pledge SIBL credit, to enter into any agreement on behalf of SIBL, or to give any warranty, representation, or guarantee on behalf of SIBL. Company is not granted any right of authority to assume or create responsibility, express or implied, on behalf of SIBL, or legally bind SIBL in any manner whatsoever.

Company shall be solely and exclusively responsible for the due and timely compliance with any and all labor liabilities arising from applicable law or contract, or from any other nature regarding its personnel, including, without limitation, any obligation or liability based on or derived from any applicable labor or wage act laws, social security or other similar laws, and/or housing laws of the applicable jurisdiction.

8. **Further Assurances.** Each Party covenants that at any time, and from time to time, during the term of this Agreement, it will execute such additional instruments, produce such additional documentation and take such actions as may reasonably be requested by the other Party to confirm or otherwise to carry out the intent and purposes of this Agreement.
9. **Notices.** All notices and other communications required to be in writing hereunder shall be deemed sufficient for all purposes if sent by registered or certified letter, courier service, facsimile, or telex to the recipients' addresses as set forth herein, or if delivered by hand to the recipient Party's designated representative. Notice is given when mailed. Either Party may give notice of change of address by giving the other Party five (5) days prior written notice to this effect.
10. **Waiver.** Any failure on the part of any Party to this Agreement to comply with any of its obligations, agreements or conditions hereunder may be waived by the other Party to whom such compliance is owed. No waiver of any provision of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver.
11. **Entire Agreement; Amendment; Severability.** This Agreement, including the schedules attached hereto, constitutes the entire agreement between the Parties with respect to the subject matter herein and supersedes and cancels any prior agreement, representations, warranties or communications, whether oral or written, between the Parties hereto relating to the transactions contemplated hereby or the subject matter herein. Neither this Agreement nor any provision

hereof may be changed, waived, discharged or terminated orally, but only by an agreement in writing signed by the Party against which the enforcement of such change, waiver, discharge or termination is sought. If any term or provision of this Agreement, or the application thereof to any person or circumstance, shall to any extent be contrary to any exchange or government regulation or otherwise invalid or unenforceable, the remainder of this Agreement or the application of such provision to persons or circumstances other than those as to which it is contrary, invalid or unenforceable, shall not be affected thereby, and shall be enforced to the fullest extent permitted by regulation and law.

- 12. **Governing Law.** This Agreement, including, but not limited to, the validity, interpretation, performance, effects, derivatives and consequences thereof, shall be governed and construed by the laws of Antigua and Barbuda, without regard to the principles and conflicts of laws.
- 13. **Assignment.** Neither the rights nor the obligations of Company under this Agreement may be assigned without the express written consent of SIBL. SIBL may assign its rights and obligations hereunder to any third Party, including any of SIBL's affiliated companies and/or institutions.
- 14. **Section Headings.** The section headings in this Agreement are for convenience and reference only, and shall not be construed or held in any way to explain, modify, amplify or add to the interpretation, construction or meaning of this Agreement.

IN WITNESS WHEREOF, the undersigned have hereunto set forth their hands to this Agreement as of the date first written above.

Stanford International Bank Limited

Stanford Bolsa y Banca S.A.

Comisionista de Bolsa

Authorized

Authorized

Representative: _____

Representative: _____

Juan Rodriguez-Tolentino

Esmeralda Ávila Moncada

President

Legal Representative

SCHEDULE A
REFERRAL FEES

For the performance by the Company's hereunder, the SIBL shall pay or cause to be paid to Company a referral fee as follows:

A trailer commission of 2% per annum on net assets deposited in SIBL by Clients referred by Company; calculated on the daily net average balance for the current year (exclusive of interest accrued for the current year). Payment of the referral fees shall be made on a quarterly basis. At the end of each quarter, the exact commission owed shall be calculated, and a final settlement for the quarter will be paid on the 15th day of the following month; except if a payment date falls on a holiday, the payment will be made on the nearest preceding working day.

EXHIBIT A-20

CERTIFICATE OF DEPOSIT

STANFORD
STANFORD INTERNATIONAL BANK LTD.
No. 11 Pavilion Drive, P.O. Box 3300, St. John's, Antigua, West Indies

ACCOUNT NUMBER

DATE

ORIGIN

DEPOSIT

AMOUNT

CURRENCY

"We" means the financial institution. "You" means the depositor(s) named above. We will pay this certificate to you when you surrender it to us on the maturity date. If more than one of you are named above, you will own this certificate as joint tenants with right of survivorship (and not as tenants in common). We will treat any one of you as owner for purposes of surrender, payments of principal and interest, presentation (demanding payment of amount due), transfer and any notice for or from you. Each of you appoints the other as your agent for the purposes described above. We will use the address on our records for mailing notices to you. You cannot transfer or assign this certificate or any rights under it without our written consent. This certificate is subject to the Bank's General Terms and Conditions and applicable Deposit Terms, which are incorporated herein by reference. Unless otherwise stated, all amounts specified are in U.S. Dollars or an equivalent amount if deposits are made in currency other than U.S. Dollars.

This
THIS CERTIFICATE MATURES ON THE MATURITY DATE STATED ABOVE; IT WILL BE AUTOMATICALLY RENEWED FOR SUCCESSIVE TERMS, EACH EQUAL TO THE ORIGINAL TERM, UNLESS THE BANK IS ADVISED OTHERWISE FIVE (5) BANKING DAYS PRIOR TO MATURITY.

INTEREST DATE WILL ACCRUE AT THE BASE RATE
OF THE ANNUAL YIELD WILL BE %

This rate is subject to change with the Bank's General Terms and Conditions

Executed at St. John's, Antigua, West Indies
by AUTHORIZED SIGNATORY

CERTIFICATE OF DEPOSIT

STANFORD
STANFORD INTERNATIONAL BANK LTD.
No. 11 Pavilion Drive, P.O. Box 3300, St. John's, Antigua, West Indies

ACCOUNT NUMBER

DATE

ORIGIN

DEPOSIT

AMOUNT

CURRENCY

"We" means the financial institution. "You" means the depositor(s) named above. We will pay this certificate to you when you surrender it to us on the maturity date. If more than one of you are named above, you will own this certificate as joint tenants with right of survivorship (and not as tenants in common). We will treat any one of you as owner for purposes of surrender, payments of principal and interest, presentation (demanding payment of amount due), transfer and any notice for or from you. Each of you appoints the other as your agent for the purposes described above. We will use the address on our records for mailing notices to you. You cannot transfer or assign this certificate or any rights under it without our written consent. This certificate is subject to the Bank's General Terms and Conditions and applicable Deposit Terms, which are incorporated herein by reference. Unless otherwise stated, all amounts specified are in U.S. Dollars or an equivalent amount if deposits are made in currency other than U.S. Dollars.

This
THIS CERTIFICATE MATURES ON THE MATURITY DATE STATED ABOVE; IT WILL BE AUTOMATICALLY RENEWED FOR SUCCESSIVE TERMS, EACH EQUAL TO THE ORIGINAL TERM, UNLESS THE BANK IS ADVISED OTHERWISE FIVE (5) BANKING DAYS PRIOR TO MATURITY.

INTEREST DATE WILL ACCRUE AT THE BASE RATE
OF THE ANNUAL YIELD WILL BE %

This rate is subject to change with the Bank's General Terms and Conditions

Executed at St. John's, Antigua, West Indies
by AUTHORIZED SIGNATORY

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EXHIBIT A-21



*Stanford International Bank Ltd.
Compliance Policies and Procedures*

Client Policy and Procedures

Principle 2: Determine and record the identity, background and business of all clients/intermediaries and identify and know the beneficial owners/principals/settlers of all relationships.

Principle 3: From the information gathered, predict the types and levels of the client's transactions, and ensure the relationship is monitored continuously, in order to identify unusual or suspicious activity so that appropriate actions can be taken.

These three basic guiding and general principles will govern all SIBL's dealings with clients/intermediaries and prospective clients.

2.1 Principle 1 - In detail

Do business only with reputable clients/intermediaries who are involved in legitimate business activities and whose income and wealth are derived from legitimate sources.

2.1.1 Responsibilities

The Bank has primary responsibility for ensuring that sufficient information is gathered about their clients/intermediaries in order to make objective evaluations to determine if the clients/intermediaries are reputable and involved in legitimate business activities, with income and wealth derived from legitimate sources.

STANFORD INTERNATIONAL Bank



STANFORD INTERNATIONAL BANK LTD.

2000 AIRPORT BOULEVARD, ST. JOHN'S ANTIQUA, W.I. • TEL. (268) 480-3700 FAX (268) 480-3737

Declaration of Beneficial Owner's Identity
(For Companies/Trust Accounts)

Title of proposed/existing account:

(If existing account, please note customer number below)

Customer No.:

I/We hereby declare that the Individuals/Entities listed below are the Beneficial Owners of the proposed/existing account.

We enclose copies of Beneficial Owner's picture ID with signature

Full Name

Full Address

The Account Holder undertakes to inform the bank immediately of any changes to the information provided herein.

Place and date

Signature

27

001992



Stanford International Bank Ltd.
Compliance Policies and Procedures

4. Suspicious Activity Report (SAR) referrals

The Money Laundering (Prevention) Act exempts suspicious activity reporting from the confidentiality provisions of the laws of Antigua & Barbuda and provides complete protection to employers from liability for all reports of suspected or known criminal violations and suspicious activities to appropriate authorities.

When to make a report:

Financial institutions operating in Antigua & Barbuda are required to make this report following the discovery of:

- *Insider abuse involving any amount.* Whenever SIBL detects a suspect act and has substantial evidence that one of its officers, employees, agents, or other affiliate parties have committed or aided in the commission of a criminal act regardless of the amount involved in the violation.
- *Transactions aggregating US \$10,000 or more where a suspect can be identified.* It is SIBL policy not to receive and process cash transactions.

An officer or employee who discovers any suspicious activity shall gather all pertinent information and follow the procedures set out in the "Compliance Policies Procedures" by referring the case to management. Management will determine appropriate action in accordance with the local law.

In making a determination as to the validity of a customer, there are certain categories of activities that could be suspicious in nature and should alert as to the potential of any customer to conduct illegal activities.

STANFORD INTERNATIONAL Bank

34

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Stanford International Bank Ltd.
Compliance Policies and Procedures

Record Retention

Copies of all SAR and supporting documentation filed with the government of Antigua & Barbuda will be retained in our records for a period of 6 years.

It will be the responsibility of the CO to retain the SAR copies for the above-mentioned period.

5. Compliance procedures

Compliance reviews over the DDR and account documentation

SIBL Compliance Officer will be reviewing and monitoring the activities related to the account opening and account documentation for completion and compliance with the bank's DDR and CPP policies. Any findings will be initially presented and discussed with the Senior Vice President for the proper action.

Daily the CO will review the documentation for accounts opened the prior day for completeness and accuracy. Any exception will be notified to the Operations Manager or account opening services for completion or correction.

Periodically the CO will sample the existing customers files for activity monitoring and documentation updating.

The Compliance Officer will be available to advise SIBL management and employees in all related matters concerning compliance. He will be available to analyze, implement and enforce any changes required by the Antigua & Barbuda IBC laws.

STANFORD INTERNATIONAL Bank

37

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Stanford International Bank Ltd.
Compliance Policies and Procedures

Money Laundering (Prevention) Act - to avoid any incident and create and maintain awareness of money laundering schemes.

Know Your Customer Policy - to enforce policies and protect SIBL assets.

References

Antigua & Barbuda Money Laundering Prevention Act, 1996


Government of Antigua & Barbuda SAR form

SIB Completion of DDR policy

SIB Client Policy Procedures policy

SIB accounts opening documents

STANFORD INTERNATIONAL Bank

 THE GOVERNMENT OF ANTIGUA AND BARBUDA		SUSPICIOUS ACTIVITIES REPORT	
ANALYST COMPLIANCE UNIT			
1. Check appropriate box: A <input type="checkbox"/> Initial Report B <input type="checkbox"/> Corrected Report C <input type="checkbox"/> Supplemental Report			
REPORTING FINANCIAL INSTITUTION INFORMATION			
2. Name of Financial Institution:			
3. Address of Financial Institution:			
4. Address of Branch Office(s) where activity occurred:			
5. Account number(s) affected, if any: A _____ B _____ C _____ D _____ E _____		6. Have any of the institution's accounts related to this matter been closed? A <input type="checkbox"/> Yes B <input type="checkbox"/> No If yes, identify: _____ _____ _____	
SUSPECT INFORMATION			
7. Last Name or Name of Entity:		8. First Name:	9. Middle Initial:
10. Address:		11. Date of Birth (Day/Mo./Yr.):	
12. Phone Number - Residence (include area code): ()		13. Phone Number - Work (include area code): ()	
14. Occupation:			
15. Forms of Identification for Suspect: A <input type="checkbox"/> Driver's License B <input type="checkbox"/> Passport C <input type="checkbox"/> National Identification D <input type="checkbox"/> Other _____ E Number _____ F Issuing Authority _____			
16. Facts indicating Suspicious Activity:			
TO BE COMPLETED BY COMPLIANCE OFFICER			
17. Last Name:		18. First Name:	19. Middle Initial:
20. Phone Number (include area code): ()		21. Date (Day/Mo./Yr.):	
RECEIPT OF SUSPICIOUS ACTIVITY REPORT			
22. Last Name:		23. First Name:	24. Middle Initial:
25. Title:		26. Phone Number (include area code):	

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40

Suspicious Activity Report Instructions

The Money Laundering (Prevention) Act exempts suspicious activity reporting from the confidentiality provisions of the laws of Antigua & Barbuda and provides complete protection from liability for a reports of suspected or known criminal violations and suspicious activities to appropriate authorities MLPA §§ 13(4), 26.

DEFINITIONS:

Suspect act. For the purposes of this form, suspect act includes, but is not limited to, any known or suspected criminal violation, or pattern of criminal violations, committed or attempted against the financial institution or involving a transaction or transactions conducted through the financial institution, where the financial institution believes that it was either an actual or potential victim of a criminal violation, or series of criminal violations, or that the financial institution was used to facilitate a criminal transaction.

Transactions. For the purposes of this form, transactions includes, but is not limited to, deposits, withdrawals, transfers between accounts, exchanges of currency, loans, extensions of credit, purchases or sales of any stock, bond, certificate of deposit, or other monetary instrument or investment security, or any other payment, transfer, or delivery by, through, or to a financial institution, by whatever means effected.

WHEN TO MAKE A REPORT:

All financial institutions operating in Antigua & Barbuda are required to make this report following the discovery of:

- a. Insider abuse involving any amount. Whenever the financial institution detects a suspect act, and the financial institution has a substantial basis for identifying one of its directors, officers, employees, agents or other institution-affiliated parties as having committed or aided in the commission of a criminal act regardless of the amount involved in the violation.
- b. Transactions aggregating US\$10,000 or more where a suspect can be identified. Whenever the financial institution detects a suspect act involving or aggregating US\$10,000 or more in funds or other assets, and the financial institution has a substantial basis for identifying a possible suspect or group of suspects. If it is determined prior to filing this report that the identified suspect or group of suspects has used an "alias," or "aliases" then information regarding the true identity of the suspect or group of suspects, as well as alias identifiers, such as drivers' licenses or social security numbers, addresses and telephone numbers, must be reported.

HOW TO MAKE A REPORT:

1. Send each completed suspicious activity report to the Money Laundering Supervisory Authority with a copy to the Executive Director of the International Financial Sector Authority within 10 days of detection of the suspicious activity.
2. For items that do not apply or for which information is not available, state "N/A".
3. Complete each suspicious activity report in its entirety, even when the suspicious activity report is a corrected or supplemental report.
4. Do not include supporting documentation with the suspicious activity report. Identify and retain a copy of the suspicious activity report and all original supporting documentation or business record equivalent for 5 years from the date of the suspicious activity report. All supporting documentation must be made available to appropriate authorities upon request.
5. If more space is needed to complete an item, an additional Suspicious Activity Report should be used to provide the information. This additional report should be attached to the original report and both reports should reference one another to facilitate association if separated.
6. Line 16 of the report should be filled out with as much detail as possible and describe the nature of the suspect act, transaction, and activities of the parties involved.

41

002007

EXHIBIT B

appointment of Mr. Nigel Hamilton-Smith and Mr. Peter Wastell, both of Vantis (collectively, "Liquidators"), as Joint Receiver-Managers of SIB (and Stanford Trust Company Ltd.). On April 17, 2009, the Antiguan Court appointed Liquidators to serve as liquidators of SIB. The SIB liquidation proceeding remains pending in the Antiguan Court.

4. Mr. Janvey filed an appeal of Liquidators' appointment. That appeal remains pending.

5. On November 19, 2009, a creditor of SIB named Mr. Alexander Fundora filed an application to have Liquidators removed as liquidators of SIB in Antigua. Mr. Fundora's application relies solely on the judgment entered by the Canadian court, which I address below. Mr. Fundora previously petitioned for the winding up of SIB in Antigua and for the appointment of a Mr. Marcus Wide from PricewaterhouseCoopers as liquidator of SIB. The Antiguan Court denied that application and appointed Liquidators instead. Mr. Fundora initially appealed that decision, but has recently withdrawn his appeal in favor of making this removal application in order to have a second go at inserting Mr. Wide as liquidator of SIB. At a hearing held on December 1, 2009 the Antiguan Court directed that submissions are to be made in writing by December 11, 2009 solely on the claims of urgency which have been made by Mr Fundora following which the Judge will decide whether the application should both be heard on a substantive basis and whether any such hearing should be listed on an urgent basis.

United Kingdom

6. On July 3, 2009, the High Court of Justice, Chancery Division, Companies Court, entered an Approved Judgment (the "U.K. Judgment") which (a) found that SIB's COMI was in Antigua, (b) found that Liquidators were entitled to recognition as foreign representatives of a foreign main proceeding, and (c) ordered Liquidators to take possession of SIB's assets within the U.K. and that they should be permitted to remit those assets (or any realization from them) to

Antigua for distribution. Liquidators previously filed a copy of the U.K. Judgment with this Court on July 6, 2009.

7. The U.S. Receiver had opposed Liquidators' application for recognition and filed his own application to be recognized as a foreign representative. The U.S. Receiver has filed an appeal of the U.K. Judgment.

8. Separately, in March 2009, the U.S. Securities & Exchange Commission ("SEC") sought and obtained an order that froze the assets of SIB in the U.K., which prevented Liquidators from remitting any funds to Antigua for distribution (or for paying their professionals' costs). On July 24, 2009, however, the U.K. court discharged the injunction, and ordered the SEC to pay £20,000 to Liquidators for the costs incurred in obtaining the discharge order.

9. In April 2009, the U.K. Serious Fraud Office ("SFO"), working at the behest of the U.S. Department of Justice ("DOJ"), sought and obtained a restraint order from the U.K. Criminal Court pursuant to the U.K. Proceeds of Crime Act 2002 that prevented funds from being remitted to Antigua for distribution.

10. On July 24, 2009, a three day hearing began whereby Liquidators sought to discharge the criminal restraint order to allow the High Court Order placing the assets into the control of the Liquidators to have effect, and in the alternative, to vary the restraint order in order to pay certain costs of the liquidation. The U.K. Criminal Court denied Liquidators' motions to discharge or vary the restraint order. Liquidators appealed to the U.K. Court of Appeals on an urgent basis and at a hearing on August 18, 2009, the Court of Appeals allowed the restraint order to be varied to pay for certain of the Liquidator's costs pending the full appeal of all the substantive issues, both civil and criminal, due to be heard in November.

11. Over five days in mid-November 2009, the U.K. Court of Appeals heard argument on the U.S. Receiver's appeal against the U.K. Judgment finding COMI in Antigua (among other things), the Liquidators' appeal against the refusal by the U.K. Criminal Court to discharge or vary the restraint order, and the SFO's intervention into the matter on the basis that it has a right to be heard due to the restraint order being in place. As of the time of this Declaration, no judgment has been issued

Switzerland

12. On May 27, 2009, Liquidators filed a petition for recognition of a foreign bankruptcy decision before FINMA, the Financial Markets Supervisory Authority of Switzerland. Further, on August 17, 2009 Liquidators filed an 'Observations' document objecting to the U.S. Receiver's parallel application for recognition of a bankruptcy decision, liquidation measures or rehabilitation proceedings pronounced abroad, which was itself filed with FINMA on May 19, 2009. As of the time of this Declaration, no judgment has been issued by FINMA in relation to the applications made by Liquidators or the U.S. Receiver.

Canada

13. On April 22, 2009, Liquidators filed a motion to recognize themselves as foreign representatives and the Antiguan proceeding as a foreign proceeding pursuant to relevant Canadian law. The Canadian court heard Liquidators' motion (and the U.S. Receiver's opposition thereto) during August and September 2009, and, on September 11, 2009, declared Liquidators' motion inadmissible and dismissed it.


14. The Canadian court did not reach the issue of COMI of SIB.

15. Liquidators believe that the Canadian Court made numerous mistakes of fact and law, and have sought leave to appeal appealed the judgment against them. The Canadian court will hear Liquidators' motion for leave on December 14, 2009.

16. I have attached as Exhibit B-1 hereto a copy of an Affidavit that was filed in the proceeding pending in the United Kingdom (captioned *In the Matter of Stanford International Bank Limited (in liquidation in Antigua & Barbuda)*) (the "U.K. Affidavit"), which discusses Liquidators' various grounds for appeal. For the Court's convenience, I adopt and incorporate the statements in my U.K. Affidavit here.

17. I certify pursuant to 28 U.S.C. § 1746 under penalty of perjury under the laws of the United States that the foregoing is true and correct to the best of my knowledge, information and belief.

Dated: December 3, 2009
London, England



Geoffrey Paul Rowley

DI1-6281931v2

EXHIBIT B-1

G P Rowley
Respondent
1st Affidavit
5 November 2009
Exhibits GPR1-GPR2

IN THE COURT OF APPEAL
ON APPEAL FROM THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT

2009/1565 and 2009/1566

IN THE MATTER OF STANFORD INTERNATIONAL BANK, LTD, STANFORD GROUP COMPANY, STANFORD CAPITAL MANAGEMENT, LLC, ROBERT ALLEN STANFORD, JAMES M. DAVIS, LAURA PENDERGEST-HOLT, STANFORD FINANCIAL GROUP, AND THE STANFORD FINANCIAL GROUP BUILDING INC.) (IN RECEIVERSHIP) AND IN THE MATTER OF THE CROSS BORDER INSOLVENCY REGULATIONS 2006

RALPH STEVEN JANVEY
(AS RECEIVER OF STANFORD INTERNATIONAL BANK, LTD, STANFORD GROUP COMPANY, STANFORD CAPITAL MANAGEMENT, LLC, ROBERT ALLEN STANFORD, JAMES M. DAVIS, LAURA PENDERGEST-HOLT, STANFORD FINANCIAL GROUP, AND THE STANFORD FINANCIAL GROUP BUILDING INC.)

Appellant/Applicant

-v-

- (1) PETER NICHOLAS WASTELL AND NIGEL JOHN HAMILTON-SMITH (AS LIQUIDATORS OF STANFORD INTERNATIONAL BANK, LTD).
- (2) ROBERT ALLEN STANFORD

Respondents

AFFIDAVIT OF GEOFFREY PAUL
ROWLEY

I, Geoffrey Paul Rowley, of 66 Wigmore Street, London, W1U 2SB, make oath and say as follows:

- 1. I am a licensed insolvency practitioner and partner at the company Vantis Business Recovery Services ("Vantis") of the above address. I make this affidavit on behalf of my colleagues, Nigel Hamilton Smith and Peter Wastell, the liquidators of Stanford International Bank Limited (in Liquidation) ("SIB") (the "Liquidators") in respect of the application by Ralph Janvey

(22873152.01)



(the "US Receiver") to adduce further evidence in his appeal against the decision of Mr Justice Lewison that is due to be heard in the week of 16 November 2009.

2. This affidavit is made in response to the affidavit of Robert Thomas Preston-Jones and the exhibits attached to it, filed with the Court on 2 October 2009 (the "Preston-Jones affidavit"), in support of the US Receiver's application referred to in paragraph 1.
3. More specifically, this affidavit deals with the further evidence adduced in the Preston-Jones affidavit in relation to the judgments of Justice Auclair handed down orally in the Montreal Superior Court on 11 September and issued in writing on 14 September (the "Canadian Judgments"). It is made in order to provide the Court with the factual context against which the further evidence should be read. I have been closely involved with the work undertaken on behalf of the Liquidators in Canada and attended the hearing before the Montreal Superior Court. I adopt the defined terms used in the Preston-Jones affidavit.
4. There are now produced and shown to me two exhibits, marked "GPR1" and "GPR2", to which I refer below.

The Canadian Judgment

5. The conduct of the receiver-managers (as the Liquidators then were) in deleting the servers at the Canadian office has been criticised in the Canadian Judgment. In my view the criticism is unfair and misplaced:
 - (a) Shortly after their appointment on the evening of 19 February 2009, the receiver-managers were made aware of the existence of the SIB branch office located in Canada where 5 employees were based. The Canadian branch office was principally a sales office for SIB and, as a result of the SEC's freezing order in the United States and the receivership of SIB, its day-to-day activities had already ceased.
 - (b) The receiver-managers had been informed by an employee at the Montreal branch that SIB was registered with the Office of the Superintendent of Financial Institutions ("OSFI"), the Canadian Federal regulator. The receiver-managers were further informed that OSFI had already served a notice on SIB's branch in Montreal varying the terms of its operating licence. It was understood that the effect of the variation was that no further business could be conducted through the branch office and its role was restricted to dealing with customer queries.
 - (c) The receiver-managers subsequently arranged for two members of their team to attend the Montreal branch accompanied by local Canadian Counsel (Ian Ness and Mario

(22873152.01)



Caron, both partners at Ogilvy Renault LLP). Of the two members of the receiver-managers team who attended the premises in Montreal, one, Mr Nick O'Reilly is a partner at Vantis, as well as being a Chartered Certified Accountant and a Licensed Insolvency Practitioner. Mr O'Reilly is an experienced insolvency professional having over 25 years of experience in corporate insolvency and fraud cases. Mr O'Reilly was accompanied by Mr Matthew Peat, an experienced manager from Vantis.

- (d) As the Montreal branch of SIB had no further function, the receiver-managers' overall strategy was to mothball its operations and continue to run the receivership out of SIB's principal premises in Antigua. The key objective of the visiting team was, therefore, to deal with the employees at the branch office, to preserve any bank records or data held on the computers and servers, and to ensure that OSFI was apprised of the situation.
- (e) As planned, therefore, the visiting team flew to Canada on 22 February 2009 and attended the premises on 23 February 2009, where Mr O'Reilly spoke to the employees, before sending them home. After meeting with the landlord's agent, the necessary steps were also taken to safeguard the premises and the data on the computer servers and laptops. The locks to the office were changed and the new sets of keys were left with Ogilvy Renault, and the passwords to all the computers were obtained and communicated to the receiver-managers.
- (f) The preservation of data was regarded as particularly important in this case because there were allegations of fraud and because the premises were occupied under a lease. There was, therefore, a perceived risk that inventory and assets (including the servers and computers) could be distrained upon for unpaid rents or were otherwise vulnerable to tampering or else enforcement action by creditors. This is a standard concern in this type of situation given that an important part of any office-holder's role is to safeguard company assets, preserve evidence, and ensure that it does not fall into the hands of third parties once premises are vacated.
- (g) Mr O'Reilly sent me an email from Montreal on 24 February 2009, to apprise me of the situation. This email is exhibited at GPR1.
- (h) The receiver-managers subsequently arranged for an IT consultant to travel to the Montreal office for the purpose of imaging (copying) the data which Mr O'Reilly and his team had safeguarded. By way of background information, the IT consultant had,

prior to the visit to the Montreal office, been working with the receiver-managers on IT issues in Antigua and he flew from Antigua to Canada on 5 March 2009, where he attended the premises, together with a representative of Ogilvy Renault LLP. The IT consultant was James Coulthard of Stroz Friedberg Limited. Mr Coulthard is a senior technical consultant for Stroz Friedberg, before which he was a forensic computer investigator for West Yorkshire Police.

(i) Mr Coulthard imaged all of the data on the computer servers at the premises to what he told me was the manner that it would have been imaged were the data to have been required as evidence in support of an English criminal prosecution. Two sets of images were made and placed in sealed bags, with one set being sent back to the receiver managers in Antigua and the other being retained in a safe by the IT consultants.

(j) Given the concerns that had been conveyed by our legal advisers that the assets were at risk of being distrained against for unpaid rent and service charges (as mentioned in paragraph 5(f) and the exhibit to 5(g) above), it was decided by the receiver-managers that the best course of action after preserving the data was to remove it from the servers which would not remain under the direct control of the receiver-managers. That served the dual purpose of ensuring that the data on the servers could not be misused and the receiver-managers did not need to incur expense in storing the servers to ensure that the data was not misused. Mr Coulthard was therefore instructed to carry out the deletion process. Mr Coulthard was familiar with this requirement from his work for the West Yorkshire Police, (which is one reason why he was chosen for the role).

6. The early days of the receiver-managers' appointment over SIB (as well as another company, Stanford Trust Company) were very busy and hectic and the decisions regarding the Montreal office were made in good faith, although, with the benefit of hindsight, it would have been advisable for the receiver-managers to have sought to be recognised by the Canadian Court first. Despite the criticism that the office-holders have received for taking these steps, no data has been lost or altered and a sealed bag containing an original copy of the data has now been provided to the Quebec State Regulator, AMF. I am not aware that any creditor or other party can claim to have suffered any prejudice as a result of the receiver-managers' actions concerning the Montreal servers.

7. The receiver-managers were also criticised by the Canadian Judge for failing to co-operate with AMF. In my view, that criticism is also unfair and misplaced:

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(22873152.01)

- (a) On 23 February 2009, after having made an initial visit to SIB's Montreal office, Mr O'Reilly, together with another partner from Ogilvy Renault, Andrew Flemming, spoke to a representative of OSFI in order to inform OSFI of the receiver-managers' appointment and their intended actions to assume control of the premises in Montreal. OSFI expressed no concerns with this approach. Mr O'Reilly met with OSFI on the following day. OSFI's primary concern was to ensure that the Canadian investors had someone to contact to ask questions about their investments – preferably within Canada.
- (b) On 25 February 2009, AMF wrote by email to Mr O'Reilly requesting that it be provided with an SIB client list and with information about the receiver-managers actions and findings. AMF also offered assistance with the interrogation of the IT system. SIB had never been regulated by AMF. Mr O'Reilly passed this letter on to his colleague Mr Peat and advised AMF that he had done so. Mr Peat responded to AMF within a week of receiving its email and provided answers to the general questions and said that he would make enquiries about the client list.
- (c) On 5 March 2009 Mr Peat prepared a response to AMF advising that the receiver-managers could not disclose client information by reason of the Court Order appointing them but, before issuing the letter, Mr Peat sought legal advice as to whether the disclosure would also be prohibited by Antigua banking law. This legal advice was not provided in a timely manner and, on 30 March, AMF contacted Ogilvy Renault LLP seeking SIB client information and threatening proceedings if it was not provided.
- (d) The receiver-managers were advised by Ogilvy Renault LLP that AMF had not disclosed its formal investigational order and had therefore not properly disclosed the basis of its authority to request this information. Based upon this advice, together with the further reasons listed below, the receiver-managers decided not to provide the client information sought by AMF at this stage.
- (e) Ogilvy Renault responded by telephone to AMF on 1 April 2009 to explain that the receiver-managers were not presently able to provide the client information because of the reason set out in paragraph 7(d) and also because it would be in breach of the order appointing the receiver-managers¹ for the client list to be disclosed without an Order

¹ See paragraph 12 of the Order appointing the receiver-managers dated 26 February 2009, which states: "Without prejudice to the provisions of Section 373 of the Act, the Joint Receiver-Managers be and are hereby authorized to disclose information concerning the management, operations and financial situation of the Respondents/Defendants as they consider appropriate in the

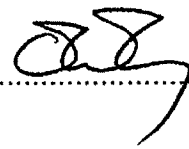


of the Antiguan Court. AMF did not agree and the point was canvassed in subsequent communications. The receiver-managers also suggested that it would be more appropriate to request this information through the usual channels from the Antiguan regulator, rather than from them as office-holders.

- (f) Although for these reasons the receiver-managers did not accede to the State Regulators' requests for *client* information (based upon advice they had received), they did provide AMF with the other information that was requested prior to the hearing (see paragraph 7(b) above), although this was not recognised by the Canadian Judge.
- (g) The first formal written communication from AMF to the Liquidators' counsel referring to an investigational order was dated 9 July 2009. Despite not being provided with the investigational order (which was requested by the Liquidators), the Liquidators still provided AMF with a substantial amount of non-client specific information within a short time which, again, was not recognised by the Canadian Judge.
- (h) The Liquidators also offered to meet with AMF during the week of 24 August 2009 while they were in Montreal for the hearing of the Canadian matter, in order to answer any questions that AMF may have had, but AMF did not respond to this offer.

8. The Canadian Judgments are currently under appeal to the Court of Appeal of Quebec, and the grounds for the appeal are set out in the Notice of Appeal, a copy of which is exhibited at GPR2.

Sworn by GEOFFREY PAUL ROWLEY)
 at 18-22 Wigmore Street London)
 W1U 2RQ)
 this 5th day of November 2009)
 Before me @ J. Maura)
 a Solicitor of the Senior Courts)



NICHOLAS & COMPANY
 Solicitors
 18-22 Wigmore Street, London W1U 2RG
 Telephone: 020 7323 4450 Fax: 020 7323 4401
 DX 82985 Mayfair 1
 Email: info@nicholassolicitors.com

performance of their functions PROVIDED ALWAYS THAT (1) no disclosure of customer specific information is authorized without further or other order of the Court..." [B1/3/505].



G P Rowley
Respondent
1st Affidavit
5 November 2009
Exhibits GPR1-GPR2

IN THE COURT OF APPEAL
2009/1565 and 2009/1566
ON APPEAL FROM THE HIGH COURT OF
JUSTICE
CHANCERY DIVISION
COMPANIES COURT

BETWEEN:

**IN THE MATTER OF STANFORD
INTERNATIONAL BANK, LTD, STANFORD
GROUP COMPANY, STANFORD CAPITAL
MANAGEMENT, LLC, ROBERT ALLEN
STANFORD, JAMES M. DAVIS, LAURA
PENDERGEST-HOLT, STANFORD
FINANCIAL GROUP, AND THE STANFORD
FINANCIAL GROUP BUILDING INC.) (IN
RECEIVERSHIP)
AND IN THE MATTER OF THE CROSS
BORDER INSOLVENCY REGULATIONS 2006
RALPH STEVEN JANVEY
(AS RECEIVER OF STANFORD
INTERNATIONAL BANK, LTD, STANFORD
GROUP COMPANY, STANFORD CAPITAL
MANAGEMENT, LLC, ROBERT ALLEN
STANDORD, JAMES M. DAVIS, LAURA
PENDERGEST-HOLT, STANFORD
FINANCIAL GROUP, AND THE STANFORD
FINANCIAL GROUP BUILDING INC.)**

Appellant/Applicant

- and -

**(1) PETER NICHOLAS WASTELL AND
NIGEL JOHN HAMILTON-SMITH (AS
LIQUIDATORS OF STANFORD
INTERNATIONAL BANK, LTD).
(2) ROBERT ALLEN STANFORD**

Respondents

AFFIDAVIT OF GEOFFREY PAUL ROWLEY

**CMS Cameron McKenna LLP
Mitre House
160 Aldersgate Street
London EC1A 4DD**

**T +44(0)20 7367 3000
F +44(0)20 7367 2000
Ref: RWH/DAHE/101248.00025**

7

Solicitors for the Respondents

(22873152.01)

G P Rowley
Respondent
1st Affidavit
5 November 2009
Exhibits GPR1-GPR2

IN THE COURT OF APPEAL
ON APPEAL FROM THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT

2009/1565 and 2009/1566

IN THE MATTER OF STANFORD INTERNATIONAL BANK, LTD, STANFORD GROUP COMPANY, STANFORD CAPITAL MANAGEMENT, LLC, ROBERT ALLEN STANFORD, JAMES M. DAVIS, LAURA PENDERGEST-HOLT, STANFORD FINANCIAL GROUP, AND THE STANFORD FINANCIAL GROUP BUILDING INC.) (IN RECEIVERSHIP) AND IN THE MATTER OF THE CROSS BORDER INSOLVENCY REGULATIONS 2006

RALPH STEVEN JANVEY
(AS RECEIVER OF STANFORD INTERNATIONAL BANK, LTD, STANFORD GROUP COMPANY, STANFORD CAPITAL MANAGEMENT, LLC, ROBERT ALLEN STANFORD, JAMES M. DAVIS, LAURA PENDERGEST-HOLT, STANFORD FINANCIAL GROUP, AND THE STANFORD FINANCIAL GROUP BUILDING INC.)

Appellant/Applicant

-v-

- (1) PETER NICHOLAS WASTELL AND NIGEL JOHN HAMILTON-SMITH (AS LIQUIDATORS OF STANFORD INTERNATIONAL BANK, LTD).**
- (2) ROBERT ALLEN STANFORD**

Respondents

EXHIBIT GPR1

This is the exhibit marked "GPR1" referred to in the Affidavit of GEOFFREY PAUL ROWLEY sworn this 5th day of November 2009.

Before me *A. J. Johnson*

A solicitor of the Senior Courts

NICHOLAS & COMPANY
Solicitors
18-22 Wigmore Street, London W1U 2RG
Telephone: 020 7323 4450 Fax: 020 7323 4401
DX 82985 Mayfair 1
Email: info@nicholassolicitors.com

Hennis, Daniel

From: Nick O'Reilly [Nick.OReilly@vantispic.com]
Sent: 24 February 2009 12:14
To: Geoffrey Rowley
Cc: WILTSHIRE, Peter; Peter Wastell; Hennis, Daniel; Julian Greenup
Subject: RE: SIB briefing note

Geoff

Update from Canada.

Office closed, staff sent home and regulator kept informed.

With regard to staff they are paid on a fortnightly basis. The next payment was due this Friday. There are 5 staff and the total net payroll cost is 22,929.49 Canadian Dollars. I have told them that we will write to them later this week to discuss whether we are able to make any payment to them. Ogilvy Renault advise that we should terminate their employment as soon as possible to prevent any liability to the Receivers under Canadian law. I am leaving details of staff and employment files with Ogilvy's today so that they can draft letters when instructed.

We met the landlord's agent yesterday. Locks have been changed and I will leave a set of keys with Ogilvy's today. Rent is paid until Saturday. The rent for March is 17,629.65 dollars. There is also service charge for 6 months outstanding now for 19,020.04 payable now. Ogilvy's say that as we have no jurisdiction recognized in Canada we should agree to pay these bills as we are not in a strong position. I have told the agent that I will get back to them later this week with news of payment likelihood.

IT system is preserved. I have password to all laptops and can scan that to IT consultants when you need me to.

I have an inventory but again Ogilvy's feel that landlord may have first call on those as they are entitled under Canadian law to six months accelerated rent if tenant defaults.

I am off to see regulator this morning. They are aware of steps taken and are happy to assist.

Nick O'Reilly
Vantis Business Recovery Services
PO Box 2653
66 Wigmore Street
London
W1A 3RT

020 7467 4282 (Direct)
020 7467 4250 (Fax)
07768 467021 (Mobile)

www.vantispic.com

From: Geoffrey Rowley
Sent: 22 February 2009 20:36
To: Nick O'Reilly
Cc: 'peter.wiltshire@cms-cmck.com'; Peter Wastell; 'daniel.hennis@cms-cmck.com'; Julian Greenup

05/11/2009

G P Rowley
Respondent
1st Affidavit
5 November 2009
Exhibits GPR1-GPR2

IN THE COURT OF APPEAL
ON APPEAL FROM THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT

2009/1565 and 2009/1566

IN THE MATTER OF STANFORD INTERNATIONAL BANK, LTD, STANFORD GROUP COMPANY, STANFORD CAPITAL MANAGEMENT, LLC, ROBERT ALLEN STANFORD, JAMES M. DAVIS, LAURA PENDERGEST-HOLT, STANFORD FINANCIAL GROUP, AND THE STANFORD FINANCIAL GROUP BUILDING INC.) (IN RECEIVERSHIP) AND IN THE MATTER OF THE CROSS BORDER INSOLVENCY REGULATIONS 2006

RALPH STEVEN JANVEY
(AS RECEIVER OF STANFORD INTERNATIONAL BANK, LTD, STANFORD GROUP COMPANY, STANFORD CAPITAL MANAGEMENT, LLC, ROBERT ALLEN STANDORD, JAMES M. DAVIS, LAURA PENDERGEST-HOLT, STANFORD FINANCIAL GROUP, AND THE STANFORD FINANCIAL GROUP BUILDING INC.)

Appellant/Applicant

-v-

- (1) PETER NICHOLAS WASTELL AND NIGEL JOHN HAMILTON-SMITH (AS LIQUIDATORS OF STANFORD INTERNATIONAL BANK, LTD).
- (2) ROBERT ALLEN STANFORD

Respondents

EXHIBIT GPR2

This is the exhibit marked "GPR2" referred to in the Affidavit of GEOFFREY PAUL ROWLEY sworn this 5th day of November 2009.

Before me E. J. Shaw

NICHOLAS & COMPANY
Solicitors
18-22 Wigmore Street, London W1U 2RG
Telephone: 020 7323 4450 Fax: 020 7323 4401
DX 82985 Mayfair 1
Email: info@nicholassolicitors.com

A solicitor of the Senior Courts

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

No.: 500-09-020001-095
(500-11-036045-090)

COURT OF APPEAL

*IN THE MATTER OF THE
LIQUIDATION OF:*

STANFORD INTERNATIONAL BANK
LIMITED

-and-

STANFORD TRUST COMPANY
LIMITED

Debtors

-and-

NIGEL JOHN HAMILTON-SMITH

-and-

PETER NICHOLAS WASTELL

Appellants / Liquidators

-and-

RALPH S. JANVEY

Respondents / American Receiver

-and-

STANFORD INTERNATIONAL BANK
LIMITED

-and-

STANFORD INTERNATIONAL BANK,
LTD.

-and-

STANFORD TRUST COMPANY
LIMITED

-and-

STANFORD GROUP COMPANY

-and-

STANFORD CAPITAL MANAGEMENT,
LLC

-and-

STANFORD FINANCIAL GROUP

-and-

STANFORD FINANCIAL GROUP
BLDG. INC.

-and-

BANK OF ANTIGUA

-and-

ROBERT ALLEN STANFORD

-and-

JAMES M. DAVIS

- 2 -

-and-
LAURA PENDERGEST-HOLT
Respondents

-and-
**AUTORITÉ DES MARCHÉS
FINANCIERS**
Intervener

NOTICE OF APPEAL

(Bankruptcy and Insolvency Act, ss. 193, 267; Bankruptcy and Insolvency Rules, s. 31)

THE APPELLANTS HEREBY APPEAL FROM TWO JUDGMENTS OF THE QUEBEC SUPERIOR COURT RENDERED ON SEPTEMBER 11, 2009, IN FILE 500-11-036045-090.

I. OVERVIEW

1. The present appeal raises important and unresolved questions regarding the role of Canadian courts under Part XIII (International Insolvencies) of the *Bankruptcy and Insolvency Act*.
2. More specifically, the appeal ultimately requires that this Court determine what principles should guide Canadian courts in deciding whether to recognize “foreign proceedings” and “foreign representatives” within the meaning of Part XIII of the *Bankruptcy and Insolvency Act*.
3. It is submitted that the judge of first instance erred in disregarding relevant factors and considering irrelevant factors in deciding to:
 - (i) dismiss a request to have a Winding-Up Order (as defined at para. 6 below) issued by the High Court of Antigua and Barbuda, and a liquidator appointed by that court, recognized as a “foreign proceeding” and “foreign representative” within the meaning of the *Bankruptcy and Insolvency Act*; and
 - (ii) accept the request to have a receivership order made by the United States District Court, under various securities laws and a receiver appointed by that court in accordance with US securities legislation, recognized as a “foreign proceeding” and “foreign representative” within the meaning of the *Bankruptcy and Insolvency Act*.
4. The appeal involves two judgments made by Justice Auclair of the Superior Court (Commercial Division), in Superior Court file 500-11-036045-090, pursuant to three (3) days of hearing held on August 25, 26, and 27, 2009 (collectively the “**Auclair Decisions**”). Oral reasons for judgment were delivered on September 11, 2009. Written reasons were subsequently issued on September 14, 2009.

- 3 -

5. The two judgments relate to the recognition of a "foreign representative" within the meaning of s. 267 of the *Bankruptcy and Insolvency Act* ("BIA"). One of the judgments also relates to the appointment of an interim receiver under Part XIII of the BIA.
6. The present Notice of Appeal is filed on behalf of Nigel John Hamilton-Smith and Peter Nicholas Wastell (the "Liquidators"), who were, on April 15, 2009, appointed as joint liquidators of Stanford International Bank Limited ("SIB") pursuant to a winding-up order (the "Winding-Up Order") under the *International Business Corporations Act*, (Cap. 222, as amended 1999-2005) (the "IBCA") by the High Court of Antigua and Barbuda.

II. PROCEDURAL BACKGROUND

A. The motions and parties before the Court

7. On April 22, 2009, the Liquidators filed before the Superior Court of Quebec a motion seeking: (i) a recognition of the Winding-Up Order pursuant to sections 267 and *seq.* of Part XIII, *International Insolvencies*, of the BIA; (ii) a recognition that their status and functions as Liquidators of SIB granted under the Winding-Up Order in Antigua and Barbuda are similar to those of a trustee appointed by the Court and as such, a recognition of their status as "foreign representatives" of an estate in a "foreign proceeding" pursuant to section 267 and *seq.* of the BIA; and (iii) a recognition of their powers as Liquidators through the issuance of an order (the "Liquidators' Application"), as more fully appears from the Liquidators' Application communicated in support hereof as **Exhibit R-1**.
8. Ralph Janvey ("Janvey"), an American attorney at law, who has been appointed, in proceedings brought by the United States Securities Exchange Commission (the "SEC"), as a Court appointed receiver over the assets of SIB and all other Stanford group companies by the United States District Court in Dallas (the "US Receivership"), opposed the Liquidators' Application and is appealing the Winding-Up Order in Antigua.
9. On or around April 16, 2009, Janvey had in fact filed his own application before the Superior Court of Quebec seeking recognition of the US Receivership for the first time since his appointment on February 17, 2009 (in relation to SIB and other Stanford entities in receivership in the US) pursuant to the BIA ("Janvey's Application"), as more fully appears from a copy of Janvey's Application communicated in support hereof as **Exhibit R-2**.
10. The Liquidators and Janvey both have duties, under the orders appointing them in their respective jurisdictions, to take into their possession all of the assets of SIB worldwide. Those duties conflict with one another.
11. The Liquidators and Janvey have filed similar recognition proceedings before the English, American and Swiss Courts.
12. On July 3, 2009, the High Court of Justice, Chancery Division (Companies Court) of the England and Wales rendered a decision in which it concluded that the Winding-Up Order

- 4 -

was a foreign main proceeding with regard to SIB and that the Liquidators were entitled to be recognized as foreign representatives of SIB because they have been appointed pursuant to a law relating to insolvency and because Antigua was SIB's centre of main interest (the "UK Decision"). Janvey is appealing the UK Decision.

13. On August 25, 26 and 27, 2009, both the Liquidators' Application and Janvey's Application were heard by the honourable Justice Claude Auclair, J.S.C.
14. Janvey recognized during the hearing that the Winding-Up Order met the criteria for recognition as a "foreign proceeding" under Part XIII of the BIA. The issue of whether the US Receivership, created under US securities legislation, met these criteria remained outstanding. With respect to this issue, both the Liquidators and Janvey filed expert reports to prove US law pertaining to the US Receivership and to opine upon the legal nature of the US Receivership. As more fully discussed below, Justice Auclair failed to address this evidence in his reasons for judgment and erred in his analysis of this issue.

B. The issues before the Superior Court

15. The issues presented for the Superior Court's determination were as follows:
 - (i) Is the Liquidation a "foreign proceeding" entitled to recognition under the BIA?
 - (ii) Is the US Receivership a "foreign proceeding" entitled to recognition under the BIA?
 - (iii) Who should be recognized as SIB's "foreign representative" under the BIA?
 - (iv) Who should be entrusted with the distribution of SIB's Canadian assets?
 - (v) Should the Order made by the Registrar Chantal Flamand of the Superior Court of Québec on April 6, 2009, recognizing Nigel Hamilton-Smith and Peter Wastell, in their capacity as receiver-managers, as foreign representatives under the BIA, be revoked and rescinded?
 - (vi) In the context of the recognition of a foreign representative under the BIA, should the Canadian Court order that the foreign representative, who is a foreign licensed trustee, be assisted by a Canadian licensed trustee in the context of the discharge of his duties with regard to the Canadian assets?
16. As described in greater detail below, on September 11, 2009, Justice Auclair of the Superior Court (Commercial Division) issued two judgments dismissing the Liquidators' Application ("Auclair Decision #1") and granting Janvey's Application ("Auclair Decision #2"). Justice Auclair's written reasons for judgment delivered on September 14, 2009, are communicated in support hereof as **Exhibit R-3**.

III. ISSUES ON APPEAL

17. The following important issues are raised in this appeal:

- 5 -

A. With respect to Auclair Decision #1:

1. The Superior Court erred in law in failing to consider the purpose of Part XIII of the BIA when exercising its discretion under s. 268(6) of the BIA;
2. The Superior Court erred in fact and in law in relying on the clean hands doctrine to dismiss the Liquidators' Application without examining it on the merits;
3. The Superior Court erred in fact and in law in concluding that the Liquidators' conduct was improper.

B. With respect to Auclair Decision #2:

1. The Superior Court erred in law in concluding that the US Receivership instituted under US securities legislation was a "foreign proceeding" relating to bankruptcy and insolvency and dealing with the collective interests of creditors generally as defined under the BIA.

18. These issues are addressed below in turn.

19. At the outset, however, it must be said that Justice Auclair committed significant errors of law and palpable and overriding errors of fact in concluding that the Liquidator's conduct was such so as to justify his decision to dismiss the Liquidators' Application without addressing it on the merits. In truth, the Liquidators have always presented themselves in good faith before the Quebec Superior Court and the courts of other countries. At all times, their sole interest and motivation has been to act in the best interests of SIB's creditors while respecting the laws of all the jurisdictions in which they are called to exercise their duties under the Winding-Up Order. Justice Auclair's unjustified and erroneous assessment of the Liquidator's conduct manifestly tainted his analysis of the important legal issues raised in this case. It led him to commit errors that the Court of Appeal must correct.

20. Ultimately, this case offers the Court of Appeal an opportunity to provide useful guidance as to the principles that should guide the Canadian courts in deciding whether to recognize "foreign proceedings" and "foreign representatives" within the meaning of the BIA.

A. Auclair Decision #1 – The Superior Court Erred in Law in Exercising its Discretion in a Manner Contrary to the Purpose of Part XIII of the BIA and Dismissing the Liquidator's Application without Addressing its Merits

21. Justice Auclair committed a manifest error of law in concluding that the discretion afforded by s. 268(6) of the BIA permitted him to dismiss the Liquidators' Application relying on the equitable doctrine of "clean hands" developed by the English Court of Chancery and without examining or addressing the merits of said application.

22. In so doing, Justice Auclair:

- 6 -

- (i) Ignored the purpose of Part XIII of the BIA; and
 - (ii) Incorrectly held that the equitable doctrine of clean hands could be applied by the Quebec Superior Court sitting in Bankruptcy and exercising powers under Part XIII of the BIA.
- J. The Superior Court Erred in Law in Failing to Consider the Purpose of Part XIII of the BIA When Exercising its Discretion*

23. The exercise of any form of judicial discretion granted by legislation is necessarily framed and circumscribed by the terms and purpose of the statute. In the present case, Justice Auclair failed to examine the Purpose of Part XIII of the BIA.
24. In enacting a scheme for the recognition of “foreign proceedings” and “foreign representatives”, Parliament created a system designed to further international cooperation and judicial collaboration in order to ensure the orderly resolution of transnational insolvencies in a manner respectful of the principle of comity. Ultimately, by promoting cooperation, collaboration and order, the scheme adopted by Parliament in Part XIII of the BIA seeks to protect the interests of the creditors affected by international insolvencies, in particular Canadian creditors, and ensure their fair treatment.
25. In the present case, Justice Auclair erred by exercising his discretion in a manner that defeats the purpose of Part XIII of the BIA as adopted by Parliament:
- (i) The Auclair Decisions foster disorder in the resolution and unraveling of SIB’s insolvency by creating a situation whereby the insolvency will be governed in Antigua and the United Kingdom by the insolvency regime created by the IBCA, whereas SIB’s Canadian assets will be removed from that regime and placed within the control of a receiver who is not charged with the application of any insolvency legislation. Justice Auclair has exercised his discretion in a manner that entrenches competition between two mutually incompatible regimes to the detriment of both order and economic efficiency;
 - (ii) The creditors of SIB, and in particular SIB’s Canadian creditors, will see the assets available for distribution in SIB’s insolvency diminished on account of the exclusion of SIB’s Canadian assets from the insolvency. To the extent that such assets are eventually made available to the creditors of the entire Stanford group of companies in the context of some presently unknown scheme of distribution, SIB’s creditors will see their interest in SIB’s Canadian assets diluted within a far larger pool of creditors.¹ Justice Auclair erred in focusing exclusively on the equities of the Liquidators’ conduct, ignoring the crucial and overriding issue of fairness and equity towards SIB’s creditors.

¹ See Affidavit of Nigel Hamilton-Smith dated June 24, 2009 at paras. 40-42 and Exhibit NHS-6; Exhibit R-5 of Janvey’s Application (complaint by the SEC) at para. 11.

- 7 -

26. Had Justice Auclair considered the purpose of Part XIII of the BIA, the merits of the Liquidators' Application and the real and substantial connection between SIB and Antigua, he necessarily would have granted that Application. In failing to do so, Justice Auclair erred in law.
2. *The Superior Court Erred in Fact and in Law in Relying on the Clean Hands Doctrine to Dismiss the Liquidators' Application without Examining it on the Merits*
27. In lieu of addressing the merits of the Liquidators' Application, Justice Auclair held that it should be dismissed on the basis of the "clean hands" doctrine. In this regard, Justice Auclair erred in law:
- (i) by relying on case law that is without any relevance to the application of Part XIII of the BIA; and
 - (ii) by applying a doctrine of the English law of equity that forms no part of the positive law to be applied by the Quebec Superior Court sitting in Bankruptcy.
28. Moreover, even assuming *arguendo* that the clean hands doctrine could be applied by the Quebec Superior Court sitting in Bankruptcy, Justice Auclair erred in law and in fact in applying this equitable doctrine in the circumstances of this case.
- (i) *The Clean Hands Doctrine Is Not Part of the Applicable Law*
29. With respect, Justice Auclair erred in law in adopting the view that the clean hands doctrine formed part of the positive law he could apply in exercising the Court's discretion under Part XIII of the BIA.
30. There is no authority for the proposition that the clean hands doctrine has any application under Part XIII of the BIA. Indeed, there is sparse authority as to the principles governing the application of Part XIII of the BIA and appellate guidance in this regard will be of great value.
31. In concluding that he could apply the clean hands doctrine, Justice Auclair referred to a case that has to do with nullities in municipal law,² a case involving the issuance of an injunction,³ and a doctrinal text on judicial review of administrative action.⁴

² *Les Immeubles Port Louis ltée v. Corporation municipale du Village de Lafontaine*, [1991] 1 S.C.R. 326, cited at para. 7 of Auclair Decision #1.

³ *A.I.E.S.T., local de scène no. 56 v. Société de la Place des Arts de Montréal*, [2004] SCC 2, cited at para. 8 of Auclair Decision #1.

⁴ D. Lemieux, *Le contrôle judiciaire de l'action gouvernementale*, looseleaf ed. (Brossard : CCH), cited at para. 10 of Auclair Decision #1.

- 8 -

32. The authorities relied on by Justice Auclair are without any relevance to the discretion granted to the Court by s. 268(6), or more generally under Part XIII of the BIA. In relying on them, Justice Auclair erred in law.
33. The clean hands doctrine is a principle of English law of equity (i.e. the corpus of rules developed by the Courts of Chancery prior to the fusion of the courts of law and equity under the *Judicature Acts* adopted in the 1870s). Under the clean hands doctrine, a court may decline to award discretionary equitable relief – such as an injunction, specific performance or an accounting for profits – based on the plaintiff's own inequitable conduct.
34. The clean hands doctrine may find application in Quebec in areas where specific equitable remedies have been imported into Quebec law or in matters governed by public common law. However, it forms no part of Quebec civil law⁵, which operates as the suppletive law when federal legislation – including the BIA – is applied in the province of Quebec.⁶
35. Moreover, and most significantly, Parliament has not constituted the Quebec Superior Court sitting in Bankruptcy as a court having jurisdiction in equity empowered by statute to apply the law of equity.⁷ The Quebec Superior Court differs in this regard from the other Bankruptcy Courts in Canada.⁸
36. Parliament has determined that the BIA must be applied in Quebec in a manner that respects this province's distinct legal tradition. In relying on the clean hands doctrine, Justice Auclair disregarded Parliament's clear direction and ascribed to himself an equitable jurisdiction that has no basis in law.
37. Furthermore, even a court having jurisdiction in equity would not apply the clean hands doctrine here. The clean hands doctrine plays a very limited role in matters of judgment recognition. The three traditional common law defences to judgment recognition are fraud, public policy and natural justice. The equitable doctrine of clean hands may only be relied on to refuse judgment recognition where a foreign order granting equitable relief was obtained by reason of some inequitable conduct.⁹ It is unavailable here as the Winding-Up Order is made under statute and does not constitute an equitable remedy.
38. Perhaps alert to these difficulties, Justice Auclair also relied on the civilian concept of "*fin de non-recevoir*" in support of his decision dismissing the Liquidators' Application

⁵ *Antoine Guertin Ltée v. Chamberland Co. Ltd.*, [1971] R.C.S. 385, at 398 and 402.

⁶ See s. 8.1 of the *Interpretation Act*, R.S.C., c. I-21; *Peoples Department Stores Inc. (Trustee of) v. Wise*, [2004] 3 S.C.R. 461, para. 29; and *St-Hilaire v. Canada (Attorney General)*, [2001] 4 F.C. 289 (C.A.).

⁷ See s. 183(1.1) of the BIA.

⁸ See s. 183(1) of the BIA.

⁹ *Pro Swing Inc. v. Elta Golf Inc.*, [2006] 2 S.C.R. 612 at paras. 21 to 23, 28 and 31.

- 9 -

on a preliminary basis without disposing of the merits. In this regard, Justice Auclair cited the Quebec Court of Appeal in *Richter & Associés inc. v. Merrill Lynch Canada Inc.*¹⁰

39. However, on the face of the passages quoted by Justice Auclair, it is manifest that the concept is not applicable in the present case. In *Richter & Associés inc. v. Merrill Lynch Canada Inc.*, the Court of Appeal quoted Lliuelles and Moore to the effect that “*fin de non-recevoir*” can be applied “*dans la mesure où c’est précisément le comportement hautement répréhensible du demandeur qui est à l’origine du litige*” [emphasis added].¹¹
40. In the present case, the conduct relied upon by Justice Auclair to dismiss the Liquidators’ Application on a preliminary basis is not at the origin of the present litigation. It is not what gave rise to the litigation. Justice Auclair blames the Liquidators for actions committed after their appointment as Receiver-Managers and while executing their duties as such under the IBCA and the Winding-Up Order. The origin of the litigation giving rise to the Auclair Decisions, on the other hand, is a dispute as to who under the BIA is the most appropriate foreign representative in Canada for the administration of the estate of SIB.
41. The Court of Appeal’s intervention is required in order to correct Justice Auclair’s errors of law with respect to both the equitable doctrine of clean hands and the civil law concept of “*fin de non-recevoir*” in the context of Part XIII of the BIA.

(ii) *The Superior Court Erred in Fact and in Law in Concluding that the Liquidators’ Conduct Was Improper*

42. Even assuming *arguendo* that the doctrine of clean hands or the notion of “*fin de non-recevoir*” could apply in the present case (which they do not), Justice Auclair erred in law and committed palpable and overriding errors of fact in concluding that the Liquidators acted improperly and in a manner justifying his decision to dismiss the Liquidators’ Application on a preliminary basis.
43. Throughout his decision, Justice Auclair harshly and unjustifiably criticized the conduct of the Liquidators. The criticisms fall generally into three categories: (1) non-disclosure at the time of making an *ex parte* motion; (2) deletion of information on computer servers; and (3) non-cooperation with the Autorité des marchés financiers (“AMF”). Each is addressed in turn below.

¹⁰ 2007 QCCA 124, cited at para. 36 of Auclair Decision #1.

¹¹ *Ibid.*

- 10 -

- *The ex parte motion was not tainted by any material non-disclosure*

44. Justice Auclair erred in law in concluding that there was material non-disclosure in the context of the *ex parte* motion.
45. The *ex parte* motion must first be placed in its proper context.
46. The Motion seeking the appointment of a foreign representative, the recognition of a foreign order, for judicial assistance and for the appointment of an interim receiver (the "Receivership Motion") was made on April 3, 2009, for the principal purpose of having the Liquidators recognized as receivers-managers of SIB. Registrar Flamand granted the Receivership Motion on April 6, 2009, and the two most significant actions completed by the Liquidators under the order of Registrar Flamand were to resiliate the lease of SIB and conduct a valuation of SIB's property found on the leased premises. Neither of these actions has been impugned by Janvey or by Justice Auclair.
47. The Liquidators' Application of April 22, 2009, was distinct from the Receivership Motion as, in the interval, the Winding-Up Order appointing the Liquidators to the estate of SIB was issued by the High Court of Antigua on April 15, 2009. The Liquidators' Application was brought in order to have the Winding-Up Order recognized in Canada.
48. Aside from the fact that Justice Auclair failed to consider that the *ex parte* Receivership Motion was distinct from the Liquidators' Application, he also erred in concluding that the Liquidators had failed to disclose material information.
49. The instances of non-disclosure identified by Justice Auclair are set out at para. 39 of Auclair Decision #1. These can be organized into four general categories: (1) failure to mention the role of the American Receiver; (2) failure to mention the AMF's investigation; (3) failure to mention the previous actions taken by the Liquidators in Montréal; and (4) failure to mention that the Liquidators, of the UK firm Vantis, were not Canadian licensed trustees.
50. Regarding the role of the American Receiver, Justice Auclair committed a palpable and overriding error in concluding that there had been material non-disclosure. Indeed, Justice Auclair failed to consider that the Liquidators included in their Receivership Motion material a copy of their report to the High Court of Antigua (Exhibit P-4 to the Receivership Motion), which explicitly mentions that the American Receiver does not recognize the Liquidators' status at the time as Antiguan receivers of the estate. Had the intent been to conceal the existence of the American Receiver, this report would not have been filed.
51. As for the role of the AMF, Justice Auclair erred in referring to its role as an "*enquête*" ("investigation") given that it is uncontested in the factual record that the AMF first referred to the existence of an "*ordonnance d'enquête*" in a letter to counsel dated July 9, 2009, many months after the *ex parte* Receivership Motion (Exhibit I-4).

- 11 -

52. Prior to the correspondence of July 9, 2009, the involvement of the AMF was completely devoid of any formal context and it is an error to expect a party to mention that involvement to the Court at a time when the AMF itself did not think it necessary to advise that party of its formalized involvement. Moreover, in the correspondence of July 9, 2009, the AMF specifically prohibits the Liquidators from disclosing to any person the existence of the investigation.
53. In light of this, it is difficult to see what exactly the Liquidators were required to disclose and why they would be so obliged. The issue of the purported lack of cooperation with the AMF is addressed further below.
54. Justice Auclair would also have required the Liquidators to mention to Registrar Flamand that they previously attended at the Montreal offices of SIB, made copies of data stored on three of the six servers on the premises, and then erased the servers that they copied.
55. The issue of the deletion of the servers is addressed further below. Suffice it to say that Justice Auclair's conclusion as to the impropriety of this conduct and its non-disclosure is tainted by palpable and overriding error.
56. Finally, Justice Auclair committed a clear error in concluding that the Liquidators ought to have mentioned that they were not trustees within the meaning of the BIA. It is obvious on the very face of the proceedings that the Liquidators, who declared their UK addresses only, could not possibly have caused the Registrar to erroneously believe that they were licensed Canadian trustees.
57. The Registrar, who sits in Bankruptcy on a near daily basis and who is called regularly to approve Quebec-based trustees' appointments, bills of costs and discharges in accordance with their powers under the BIA, could not reasonably have been misled on such an obvious matter. Indeed, it is manifestly for the very reason that the Liquidators are not Canadian trustees that they applied for recognition as a foreign representative under Part XIII of the BIA.
58. Finally, Justice Auclair erred in law in characterizing the Liquidators' actions as illegal under s. 271 of the BIA since they were not authorized trustees under the BIA.¹² The Liquidators' actions contravened no provision of the BIA or any other legislation identified by Justice Auclair.
59. Section 271(3) of the BIA merely provides that the court may, on application by a foreign representative, appoint a trustee as interim receiver. Part XIII of the BIA simply does not require that a foreign representative generally act through a Canadian trustee.
60. Ultimately, Justice Auclair erred in failing to recognize that the purpose of resorting to the BIA is to protect property against creditors and grant powers in order to coerce third parties to remit property to the trustee.

¹² Auclair Decision #1 at para. 39 (D).

- 12 -

- *Deletion of information on computer servers*

61. Justice Auclair erred in fact and in law in concluding that the Liquidators acted improperly in copying the data on three computer servers at the SIB office in Montreal (the "Three Servers Data"), deleting such data from the servers and transporting the copied data to Antigua and the UK.
62. There is simply no evidence to support Justice Auclair's suggestion that the Liquidators were motivated by some unidentified improper purpose. The uncontradicted evidence is against any such inference.
63. The Liquidators were executing their mandate under the Antiguan Winding-Up Order and were concerned that the Three Servers Data in Montreal might be accessed by unauthorized persons since it was physically located on leased premises.¹³ A good faith concern for client confidentiality, which under Antiguan law must be sedulously protected, is the only reason for which the Three Servers Data was copied and deleted.
64. Justice Auclair further erred in adopting a negative view of the protection of confidential client information under Antiguan law. In this regard, Antiguan law is manifestly not contrary to Canadian public order. In seeming to suggest otherwise, Justice Auclair disregarded the important principle of comity.
65. The Liquidators retained world-class information technology experts to carry out the task of copying the data and deleting the servers, taking care to hire experts known to them in the U.K. and flying an expert from the U.K. to Montreal for this purpose at significant cost.¹⁴ Justice Auclair's suggestion that there may be some doubt as to the integrity of the copied Three Servers Data¹⁵ is also against the uncontradicted evidence.
66. The Liquidators' actions were taken entirely in good faith and directed only towards protecting the Three Servers Data. The evidence is that the Liquidators acted neither carelessly nor for any improper purpose. While Justice Auclair may well hold the view, that the Liquidators ought to have acted differently, he could not, in fact or in law conclude that there was any misconduct.
67. Furthermore, the order of Justice Auclair contained at para. 46 of Auclair Decision #2 is incomprehensible as far as the Three Servers Data is concerned.
68. In his French-language Auclair Decision #2, Justice Auclair essentially copied and pasted the English-language conclusions drafted by Janvey in the Janvey Application. The order drafted by Janvey and reproduced at para. 46 of the Auclair Decision #2 is so ambiguous

¹³ See Admissions at para. 6.

¹⁴ See Admissions at para. 12 and Exhibit IT-3.

¹⁵ Auclair Decision #1 at para. 59(b).

- 13 -

that it is impossible to comply with without further clarification. Such clarification cannot be obtained from the Superior Court as it is *functus officio*.

69. Paragraph 46 of Auclair Decision #2 is as follows:

[46] ORDERS the Antiguan Receivers to render a full written accounting of their administration of the property, assets, information and records, located in Canada, of the Debtors, Respondents and all entities they own or control (the "Stanford Entities' Property"), within a delay of 10 days from the date of judgment to intervene on this Motion, to remit to Ernst & Young within such delay any and all of the Stanford Entities' Property which was in their possession or control since February 26, 2009 and to restore it in the condition in which they received it; [emphasis added]

70. On the one hand, Justice Auclair in Auclair Decision #1 accepted it as a *fait accompli* that the Three Servers Data was copied and deleted, and he severely reproached the Liquidators for this. On the other hand, in Auclair Decision #2, at para. 46, he orders the Liquidators to restore, and in the condition in which they received it, the very data that he acknowledged was deleted. This order places the Liquidators in jeopardy of being found in contempt of an order that may be impossible to comply with.

- *The Liquidators' Cooperation with the AMF* -

71. Justice Auclair further erred in fact and in law in concluding that the Liquidators' purported lack of cooperation with the AMF justified dismissing the Liquidators' Application on a preliminary basis.
72. In arriving at this conclusion, Justice Auclair ignored the uncontradicted evidence to the effect that the Liquidators communicated significant information to the AMF in response to its various requests.¹⁶
73. The key element of the Liquidators' purported lack of cooperation with the AMF is their refusal to provide the AMF with a list of Canadian investors. In reality, however (1) no list of investors was found among the documents in SIB's Montreal office; (2) no paper documents were removed from those premises without the consent of the AMF and Janvey; and (3) no list of investors was ultimately found in the Three Servers Data.
74. Moreover, in concluding that the Liquidators had breached their duty to cooperate with the AMF, Justice Auclair committed a clear error of law.
75. The AMF has no unfettered power to obtain information. Its power to seek the disclosure of information in the context of an investigation is constrained by both statute and the

¹⁶ Exhibits I-1, I-2, I-3, I-4 and I-5.

- 14 -

terms of its investigation order.¹⁷ It is also subject to judicial review. A duty to cooperate exists only where the AMF's requests for information are authorized by law.

76. In the present case, the AMF refused to provide the Liquidators with its investigation order, thereby preventing the Liquidators from verifying the legality of its requests for information.¹⁸
77. More significantly, the AMF did not provide the Court with its investigation order.
78. Without such an order, Justice Auclair simply could not in law determine whether the AMF's requests for information were made legally and within the scope of its investigation. Similarly, in the absence of this basic and essential information, Justice Auclair simply could not determine whether the Liquidators were obliged to comply with those requests. In concluding, despite this informational vacuum, that the Liquidators had insufficiently cooperated with the AMF, Justice Auclair erred in law.

B. Auclair Decision #2 – The Superior Court Erred in Law in Concluding that the US Receivership Instituted under US Securities Legislation was a “Foreign Proceeding” Relating to Bankruptcy and Insolvency under the BIA

79. Justice Auclair erred in law in concluding that Janvey could be recognized as a “foreign representative” and that the US Receivership constituted “foreign proceedings” within the meaning of s. 267 of the BIA.
80. It is uncontested that the US Receivership is commenced under and governed by US securities legislation following an action (or complaint) brought by the SEC. Such proceedings are not brought under insolvency and bankruptcy legislation and do not qualify under s. 267 of the BIA.
81. The Liquidators submit that it is a serious error of law to equate US securities legislation with insolvency and bankruptcy legislation within the meaning of s. 267 of the BIA. Respectfully, this is contrary to the text of s. 267 BIA and Parliament's intent. It will have an adverse impact not only on the proper worldwide administration of the property in the present matter but also in future cases where US securities proceedings will be able to masquerade as insolvency proceedings in Canada.
82. In concluding that the US Receivership constituted “foreign proceedings” under s. 267 of the BIA, Justice Auclair ignored the Liquidator's cogent evidence to the effect that the US Receivership does not constitute, pursuant to US law, a proceeding under a law

¹⁷ Section 12 of *An Act respecting the Autorité des marchés financiers*, R.S.Q. c. A-33.2; Section 239, 240 and 242 of the *Securities Act*, R.S.Q., c. V-1.1; and sections 6 and 9 of *An Act respecting public inquiry commissions*, R.S.Q., c. C-37.

¹⁸ Exhibits P-16 and P-17.

- 15 -

relating to bankruptcy or insolvency.¹⁹ Indeed US Courts have been highly critical of the use of securities legislation to effect liquidations.²⁰

83. Justice Auclair erred in finding that the case law supported his conclusion that a receivership under securities legislation can be equated with foreign proceedings relating to bankruptcy or insolvency. He cited no authority as there is simply no precedent in the case law of a receivership commenced under securities legislation being recognized under s. 267 of the BIA.
84. Justice Auclair concluded that the US Receivership constituted "foreign proceedings" under s. 267 of the BIA relying largely on the fact that the Liquidators took the position that their prior appointment as receiver-managers under the IBCA qualified as "foreign proceedings". Justice Auclair took the view that this constituted an admission that Janvey and the US Receivership should also qualify under s. 267 of the BIA. With respect, Justice Auclair's reasoning is in error.
85. To begin with, admissions can only be made regarding facts, not questions of law. The issue of who qualifies under s. 267 of the BIA is a question of law that the Court must decide applying the text of the statutory provision. The Court cannot simply conclude that a party qualifies by virtue of a purported contradiction in the arguments of the opposing party. This is an abdication of the Court's role and an error of law.
86. Moreover, the Liquidators argued that they qualify under s. 267 of the BIA not because the relevant Antiguan statute is a securities statute, but rather, because it is a statute relating to insolvency and bankruptcy in Antigua.
87. The uncontested evidence is that the Antiguan IBCA, under which the Liquidators were appointed, has a section dealing with insolvency and bankruptcy. An expert in Antiguan law attested to the fact that that section is the relevant legislative instrument in Antigua dealing with insolvency and bankruptcy of international business corporations.²¹
88. The US securities legislation under which Janvey was appointed simply does not deal with bankruptcy or insolvency. The US Bankruptcy Code deals with bankruptcy and insolvency. Accordingly, there is no contradiction in the positions advanced by the Liquidators. In essence, Justice Auclair mistakenly understood the IBCA to be an ordinary corporations statute of a similar nature to the U.S securities legislation. The IBCA is not an ordinary corporations statute. The Antiguan expert was clear and uncontradicted on this point.

¹⁹ First Affidavit of Daniel M. Glosband at paras. 16, 17, 18, 19, 21, 22, 25, 26, 27, 28.

²⁰ See *Lankenau v. Coggeshall & Hicks*, 350 F.2d 61 (1965 - U.S. Ct. App. 2nd Cir.), p. 63; *Securities and Exchange Commission v. The American Board of Trade, Inc.*, 830 F.2d 431 (1987 - U.S. Ct. App. 2nd Cir.), p. 436; *Eberhard v. Marcu*, 530 F.3d 122 (2008 - U.S. Ct. App. 2nd Cir.), pp. 131-132; *In Re the Investment Bankers, Inc.*, 136 B.R. 1008 (1989 - U.S. Dist. Ct.), p. 1016.

²¹ See Affidavit of Jasmine J. Wade dated June 19, 2009 at para. 3.

- 16 -

89. In the result, a Canadian court has recognized as a "foreign representative" under s. 267 of the BIA a US receiver whose empowering legislation does not accord him all the powers necessary to deal with the liquidation comprehensively.²²
90. Had Justice Auclair engaged in the requisite analysis, he would necessarily have concluded, as did the High Court of Justice of England and Wales²³, that the U.S Receivership was not a proceeding commenced under a law relating to bankruptcy or insolvency.
91. The Court of Appeal's intervention is required to correct the errors of law committed by Justice Auclair in concluding that the US Receivership qualified as "foreign proceedings" and that Janvey could be recognized as a "foreign representative" under s. 267 of the BIA.

FOR THESE REASONS, MAY IT PLEASE THE COURT TO:

ALLOW the appeal of the Liquidators Nigel John Hamilton-Smith and Peter Nicholas Wastell;

QUASH the two decisions of Justice Claude Auclair, delivered orally on September 11, 2009 and issued in writing on September 14, 2009;

GRANT Nigel John Hamilton-Smith and Peter Nicholas Wastell's Motion seeking the appointment of a foreign representative, the recognition of a foreign order and for judicial assistance dated April 22, 2009;

DISMISS Ralph Janvey's Motion to Revoke and Rescind an Ex-Parte Order, to Recognize a Foreign Proceeding and a Foreign Representative, to Recognize and Enforce a Foreign Decision, to Appoint an Interim Receiver and for Other Judicial Assistance and Interim and Final Relief dated April 15, 2009;

RECOGNIZE the appointment of Nigel John Hamilton-Smith and Peter Wastell as Liquidators (the "**Liquidators**") of Stanford International Bank Limited (the "**Bank**") in Antigua and Barbuda pursuant to the terms of the Winding-Up Order (Exhibit P-7) (the "**Winding-Up Order**") rendered by the High Court of Antigua and Barbuda ("**High Court of Antigua**");

GRANT the Winding-Up Order full force and effect in Canada;

APPOINT the Liquidators as foreign representatives pursuant to sections 267 and *seq.* of the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3 (the "**BIA**");

RECOGNIZE that the Liquidators shall forthwith give notice of the liquidation and the appointment of the Liquidators to each known claimant and creditor of the Bank and all other interested persons by publishing a notice in the Official Gazette and in a newspaper with

²² See Affidavit of Daniel Glosband dated June 17, 2009 at paras. 16-18.

²³ *Re Stanford International Bank*, [2009] EWHC 1441 (Ch.), paras. 71-85.

- 17 -

National Circulation in Antigua and Barbuda and otherwise give notice in every jurisdiction where the Bank had a place of business;

GRANT the Liquidators the power to take possession of, gather in and realise all the present and future assets and property of the Bank, including without limitation, any real and personal property, cash, choses in action, negotiable instruments, security granted or assigned to the Bank by third parties including property held in trust or for the benefit of the Bank, and rights, tangible or intangible ("**Property**"), wheresoever situate and to take, such steps as are necessary or appropriate to verify the existence and location of all the assets of the Bank, or any assets formerly held whether directly or indirectly or to the order of or for the benefit of the Bank or any present or former subsidiary or company associated with the Bank, including the terms of all agreements or other arrangements relating thereto, whether written or oral, the existence or assertion of any lien, charge, encumbrance or security interest thereon, and any other matters which in the opinion of the Liquidators may affect the extent, value, existence, preservation, and liquidation of the assets and property of the Bank;

ORDER that all assets, tangible and intangible and wheresoever situated, shall vest in the Liquidators, who shall collect and gather in all such assets for the general benefit of the Bank's creditors and as may be directed by the High Court of Antigua;

ORDER that the Liquidators shall open and maintain in their official name as Liquidators a bank account in the jurisdiction or in such other jurisdiction as they consider appropriate (collectively referred to as the "**Account**"), in order to deposit therein the funds so gathered and realized;

ORDER that the funds in the Account and any other of the Bank's assets and property are to be held for the benefit of the depositors, creditors and investors of the Bank as their interests appear in accordance with the laws of Antigua and Barbuda, subject to the payment of the fees, expenses and costs of the receivership and liquidation which shall be paid in the following order in priority to claims of depositors, creditors and investors:

- [1.1] The fees and expenses of the Receiver-Managers and of the Liquidators, including fees and expenses of legal counsel, and agents, accountants, investigators or other experts engaged by the Receiver-Managers and the Liquidators to assist them in the conduct of their duties and responsibilities;
- [1.2] The costs of the receivership and the liquidation, including but not limited to any costs of retaining the Bank's staff and officers to assist in liquidation including without limitation benefits and expenses, rent, power telephone, charges associated with computer systems, bank charges and interest and any other costs that in the opinion of the Liquidators are required to facilitate the liquidation process;
- [1.3] Severance payments to former employees of the Bank;
- [1.4] The balance to be paid on account of the claims of creditors and depositors of the Bank as at the date of this Order and in accordance with their priority under the Act and other laws of Antigua and Barbuda, or as may be ordered by this Honourable Court with the remaining balance, if any, to be distributed to the

- 18 -

shareholders of the Bank in accordance with their entitlement;

ORDER that the Liquidators shall have a first priority security interest in the assets and property of the Bank in priority to all other persons as security for the Liquidators' fees, expenses and costs;

ORDER that the Liquidators shall be at liberty, and without the necessity of any further order, to summon before this Court for examination under oath any person reasonably thought to have knowledge of the affairs of the Bank or any person who is or has been a director, officer, employee, agent, shareholder, accountant of the Bank, or such other person believed to be knowledgeable of the affairs of the Bank and to order such person(s) liable to be examined to produce any books, documents, correspondence or papers in his or her possession or power relating to all or in part to the Bank, its dealings, property and assets and the Liquidators are authorized to issue writs of subpoena ad testificandum and duces tecum for the compulsory attendance of any of the persons aforesaid required for such examination;

ORDER that the Bank and any person holding or reasonably believed to have in their possession or power any assets or property of the Bank including without limitation, computer records, programs, disks, documents, books of account, corporate records, minutes, opinions rendered to the Bank, documents of title, electronic or otherwise (collectively called "**Papers**") relating in whole or in part to the Bank or such persons, dealings, or property showing that he or she is indebted to the Bank may be required by the Liquidators to produce or deliver over such property forthwith to the Liquidators notwithstanding any claim or lien that such person may have or claim on such assets and property and the Liquidators shall have full and complete possession and control of such assets and property of the Bank including its premises. In the event of a bona fide dispute as to ownership and legal entitlement to such property and Papers, the Liquidators shall take away copies of such Papers;

ORDER that (i) the Bank; (ii) all of its current and former directors, officers, managers, employees, agents, accountants, holders of powers of attorney, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Liquidators of the existence of any Property in such Person's possession, power, control, or knowledge, shall grant immediate and continued access to the Property to the Liquidators, and shall deliver all such Property to the Liquidators upon the Liquidators' request, subject only to any privilege attaching to solicitor-client communications or statutory provisions prohibiting such disclosure;

ORDER that all persons shall forthwith advise the Liquidators of the existence of and grant access to and deliver to the Liquidators or to such Agent or Agents they may appoint, any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Bank, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Liquidators or permit the Liquidators to make, retain and take away copies thereof and grant to the Liquidators unfettered access to and use of accounting,

- 19 -

computer, software and physical facilities relating thereto, subject only to any privilege attaching to solicitor-client communications or statutory provisions prohibiting such disclosure;

ORDER that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all persons in possession or control of such Records shall forthwith give unfettered access to the Liquidators for the purpose of allowing the Liquidators to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Liquidators in their discretion deem expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Liquidators. Further, for the purposes of this paragraph, all Persons shall provide the Liquidators with all such assistance in gaining immediate access to the information in the Records as the Liquidators may in their discretion require including providing the Liquidators with instructions on the use of any computer or other system and providing the Liquidators with any and all access codes, account names and account numbers that may be required to gain access to the information;

ORDER the Persons are hereby restrained and enjoined from disturbing or interfering with the Liquidators and with the exercise of the powers and authority of the Liquidators conferred by this Order;

ORDER that the Liquidators are authorised in their own names or on behalf of the Bank as Liquidators to join in and execute, assign, issue and endorse such transfers conveyances, contracts, leases, deeds, bill of sale, cheques, bills of lading or exchange or other documents of whatever nature in respect of any assets and property of the Bank as may be required to carry out their duties including the realisation and liquidation of the assets of the Bank or for any purpose pursuant to this Order or under the law;

ORDER that the remuneration of the Liquidators and their expenses and costs, may be drawn on account of the total on a monthly basis from the assets from the Bank including cash and deposits on hand, on the basis of the time expended by the Liquidators and their staff at rates to be approved by the High Court of Antigua, provided always that the statement of the Liquidators' fees expenses and costs for a particular month must be presented to the Court within seven days of the following month;

ORDER that the Liquidators may engage agents, appraisers, auctioneers, brokers, or any other experts as may be required to assist them with the liquidation process and determining claims in the liquidation;

ORDER that the Liquidators may retain independent legal advice and engage legal counsel both inside and outside Antigua and Barbuda to assist them for purposes of fulfilling their duties hereunder;

ORDER that no person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, license or permit in favour of or held by the Bank, without written consent of the Liquidators or leave of this Honourable Court;

- 20 -

ORDER that all persons having oral or written agreements with the Bank or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services; insurance, transportation and freight services, utility or other services to the Bank are hereby restrained until further Order of this Honourable Court from discontinuing, altering, interfering-with or terminating the supply of such goods or services as may be required by the Liquidators; and that the Liquidators shall be entitled to the continued use of the Bank's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Liquidators in accordance with normal payment practices of the Bank or such other practices as may be agreed upon by the supplier or service provider and the Liquidators, or as may be ordered by this Honourable Court;

RECOGNIZE that the Liquidators shall have the authority as officers of the High Court of Antigua to act in Antigua and Barbuda or any foreign jurisdiction where they believe assets, property or Papers of the Bank may be situate or traced at equity or otherwise, and shall have the right to bring any proceeding or action in Antigua and Barbuda and/or in a foreign jurisdiction for the purpose of fulfilling their duties and obligations under the Winding-Up Order and to seek the assistance of any Court of a foreign jurisdiction in the carrying out of the provisions of the Winding-Up Order, including without limitation, an order of examination of persons believed to be knowledgeable of the affairs, assets, property and Papers of the Bank and to assist the Liquidators in the recovery of the assets and property of the Bank;

ORDER that the Liquidators shall have the authority to initiate, prosecute and continue the prosecution of any and all proceedings, and to defend all proceedings for the benefit of the Bank's creditors now pending or hereinafter initiated with respect to the Bank and, upon receiving the approval of this Court, to settle or compromise any such proceeding;

RECOGNIZE that the Liquidators are constituted as foreign representatives for the purposes of any proceeding with respect to the Bank that may be commenced or taken under any applicable law outside of Antigua and Barbuda, including but not limited to bankruptcy, trust, insolvency, company or other applicable law;

RECOGNIZE that the Liquidators shall be at liberty and are authorized and empowered to apply, upon such notice as they may consider necessary or desirable, to any other Court or administrative bodies in any other jurisdictions, whether in Antigua and Barbuda or elsewhere, without limitation, for orders recognizing the appointment of the Liquidators by the High Court of Antigua and confirming the powers of the Liquidators in such other jurisdictions, and requesting the further aid, assistance or recognition of any court, tribunal, governmental and administrative body, or other judicial authority, howsoever styled or constituted, to assist in the carrying out of the terms of the Winding-Up Order and the duties and responsibilities of the Liquidators hereunder, including but not limited to, and on the basis of:

- [1.1] all applicable foreign corporate, insolvency, or other statutory provisions or customary practices that permit the recognition of foreign representatives of an insolvent estate; and/or

- 21 -

- [1.2] the doctrines curial deference and comity, including but not limited to:
- [1.2.1] recognizing the Liquidators as having the equivalent powers of a liquidator or of an insolvency office holder within any foreign jurisdictions and to investigate the affairs of the Bank, take evidence thereof and identify, trace, arrest, seize, freeze, detain, secure, recover, receive, control, preserve and protect the Bank's assets, property and Papers and administer such property, assets and Papers, howsoever characterized, pursuant to the Winding-Up Order;
 - [1.2.2] granting extraordinary relief to the Liquidators to identify, trace, arrest, seize, freeze, detain, secure, recover, receive, control, preserve and protect the Bank's assets, property, and Papers and compel disclosure of information and documents to the fullest extent otherwise permitted, in aid of the Liquidators authority hereunder to discover assets, property and Papers under the dominion or control of the Bank, to trace the movement and conversion, past and present, of the Bank's property, assets or Papers and to fully learn of the activities of the Bank with regard thereto;
 - [1.2.3] compelling disclosure of the identities of all known or unknown wrongdoers, facilitators and all other persons or entities who have acted, knowingly or unknowingly, in concert with the Bank in any fashion whatsoever;
 - [1.2.4] restraining any person who may become aware of the Winding-Up Order or of any other proceedings in connection therewith from disclosing same, or any information whatsoever in this regard; and
 - [1.2.5] compelling for examination under oath, by the Liquidators or other authorized person, any person reasonably thought to have knowledge of the affairs of the Bank, or any person who is or has been an agent, banker, clerk, employee, contractor, servant, officer, director, nominee, trustee, fiduciary, auditor, accountant, shareholder, lawyer, attorney, solicitor, advocate or advisor to the Bank, regarding the Bank, their dealings or the Bank's assets, property or papers; in ordering any person liable to be so examined to produce any books, documents, correspondence, reports or papers in his possession or power, relating in all or in part to the Bank, or in respect of his dealings with either the Bank or with the Bank's assets, property or Papers;

RECOGNIZE that the High Court of Antigua requests the aid, assistance and recognition of any foreign Court, tribunal, governmental body or other judicial authority, howsoever styled or constituted, in any other jurisdiction where property and assets of the Bank may be found (or traced) to assist in carrying out the terms of the Winding-up Order and the duties and responsibilities of the Liquidators hereunder and to act in aid of and to be complementary to the High Court of Antigua in carrying out the terms of the Winding-Up Order;

RECOGNIZE that the Liquidators shall provide a report to the High Court of Antigua within ninety (90) days of the date of the Winding-Up Order with respect to the liquidation and their

- 22 -

preliminary determination of the assets to be realized, the likely recoveries and the extent to which the claims of creditors, depositors, and investors in the Bank may be met. The Liquidators shall further report to the High Court of Antigua as they or such Court determine is appropriate, but shall in any event report no less frequently than three (3) months from the date of their last report;

ORDER that the Liquidators, their officers, employees, legal counsel, agents and such other persons retained by them in the performance of their duties hereunder shall be granted indemnity from the assets of the Bank for all fees, expenses and actions taken, including indemnity for any litigation or other claims, actions or demands whatsoever in respect of any debts, costs, claims, liabilities, acts, matters, or things done or due to be done or omitted by the Liquidators, their officers, employees, legal counsel, agents and such other persons retained by them except where there is a finding by the Court of negligent or wilful neglect in the performance of their and/or their respective duties;

ORDER that all actions, proceedings and any claims whatsoever and wheresoever initiated against the Bank, its assets and property, are hereby stayed and no person, which shall include a body corporate, shall bring or continue with a claim or proceeding in Antigua and Barbuda or elsewhere as against the Liquidators or the Bank without leave of this Honourable Court;

ORDER that the Liquidators in the carrying out of their duties and responsibilities may apply for directions and guidance from this Honourable Court from time to time including any application as may be required for the amendment of this Order;

ORDER that the Liquidators, in their names or in the name of the Bank, shall be at liberty to apply for any permits, licenses, approvals or permissions as may be required by or deemed necessary pursuant to any laws, governmental or regulatory authority, in the pursuit and performance of their duties hereunder;

ORDER that the Liquidators are not required to post security in respect of their appointment;

ORDER that the Liquidators shall exercise, perform or discharge their duties independently or jointly and in doing so shall be deemed to act as agents for the Bank and they act solely in their capacity as Liquidators and without personal liability if they rely in good faith upon the financial statements of the Bank or upon an opinion, report or statement of any professional adviser retained by them;

ORDER that any interested party who wishes to apply to this Court, whether to vary or rescind the Order or for any renewal, extension or modification thereof, shall give five (5) business days notice thereof to the Petitioner c/o Ogilvy Renault, attention: Mtre. Julie Himo (1 Place Ville-Marie, Suite 2500, Montreal, Quebec, H3B 1R1, tel: (514) 847-6017, fax: (514) 286-5474);

ORDER that the Winding-Up Order and any other order in these proceedings shall have full force and effect in all provinces and territories in Canada;

ORDER the provisional execution of this Order, notwithstanding any appeal and without the necessity of furnishing any security;

- 24 -

**WRITTEN STATEMENT CERTIFYING DIRECTIONS
TO TRANSCRIBE**
(Art. 495.2 C.C.P. and 15 R.P.C.A.)

I, the undersigned, Julie Himo, hereby certify under oath of office that no deposition is necessary for the appeal.

SIGNED AT MONTREAL, this 14th day of October 2009

AND I HAVE SIGNED:

(sgd) Julie Himo

JULIE HIMO, advocate for the Appellants

TRUE COPY

Julie Himo

DENAULT LLP / S.E.N.C.R.L., s.r.l.