



Lloyd's Policy

We, Underwriting Members of the Syndicates whose definitive numbers and proportions are shown in the Table attached hereto (hereinafter referred to as 'the Underwriters'), hereby agree, in consideration of the payment to Us by or on behalf of the Assured of the Premium specified in the Schedule, to insure against loss, including but not limited to associated expenses specified herein, if any, to the extent and in the manner provided in this Policy.

The Underwriters hereby bind themselves severally and not jointly, each for his own part and not one for another, and therefore each of the Underwriters (and his Executors and Administrators) shall be liable only for his own share of his Syndicate's proportion of any such Loss and of any such Expenses. The identity of each of the Underwriters and the amount of his share may be ascertained by the Assured or the Assured's representative on application to Lloyd's Policy Signing Office, quoting the Lloyd's Policy Signing Office number and date or reference shown in the Table.

If the Assured shall make any claim knowing the same to be false or fraudulent, as regards amount or otherwise, this Policy shall become void and all claim hereunder shall be forfeited.

In Witness whereof the General Manager of Lloyd's Policy Signing Office has signed this Policy on behalf of each of Us.

LLOYD'S POLICY SIGNING OFFICE
General Manager

If this policy (or any subsequent endorsement) has been produced to you in electronic form, the original document is stored on the Insurer's Market Repository to which your broker has access.

Attaching to and forming part of Policy Number 576MNA831400 in the name of Stanford Financial Group Company and Stanford Group Company and as per Policy Schedule

TEXAS COMPLAINTS NOTICE

IMPORTANT NOTICE	AVISO IMPORTANTE
<p>To obtain information or make a complaint:</p> <p>You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at:</p> <p style="text-align: center;">1-800-252-3439</p> <p>You may write to the Texas Department of Insurance:</p> <p>P. O. Box 149104 Austin, TX 78714-9104 Fax: (512) 475-1771 Web: http://www.tdi.state.tx.us E-mail: ConsumerProtection@tdi.state.tx.us</p>	<p>Para obtener informacion o para someter una queja:</p> <p>Puede comunicarse con el Departamento de Seguros de Texas para obtener informacion acerca de companias, coberturas, derechos o quejas al:</p> <p style="text-align: center;">1-800-252-3439</p> <p>Puede escribir al Departamento de Seguros de Texas:</p> <p>P. O. Box 149104 Austin, TX 78714-9104 Fax: (512) 475-1771 Web: http://www.tdi.state.tx.us E-mail: ConsumerProtection@tdi.state.tx.us</p>
<p>PREMIUM OR CLAIM DISPUTES:</p> <p>Should you have a dispute concerning your premium or about a claim you should contact the agent first. If the dispute is not resolved, you may contact the Texas Department of Insurance.</p> <p>ATTACH THIS NOTICE TO YOUR POLICY: This notice is for information only and does not become a part or condition of the attached document.</p>	<p>DISPUTAS SOBRE PRIMAS O RECLAMOS: Si tiene una disputa concerniente a su prima o a un reclamo, debe comunicarse con el agente primero. Si no se resuelve la disputa, puede entonces comunicarse con el departamento (TDI).</p> <p>UNA ESTE AVISO A SU POLIZA: Este aviso es solo para proposito de informacion y no se convierte en parte o condicion del documento adjunto.</p>

07/07
LSW1022A

TEXAS SURPLUS LINES CLAUSE

This insurance contract is with an insurer not licensed to transact insurance in this state and is issued as a surplus lines coverage pursuant to the Texas insurance statutes. The State Board of Insurance does not audit the finances or review the solvency of the surplus lines insurer providing this coverage and this insurer is not a member of the Property and Casualty Insurance Guaranty Association created under Article 1.14.2, Insurance Code, requires payment of 4.85 percent on gross premium.

LSW1023

THE SCHEDULE

Policy Number: 576/MNA831400

Name of the Assured:

Stanford Financial Group Company and Stanford Group Company and as more fully set out in the Primary Policies applicable to Sections 1 – 5 inclusive

Address of the Assured:

5050 Westheimer
Houston
Texas
77056
USA

Or as may be stated in the Primary Policies

Period of Insurance:

From: 15th August 2008

To: 15th August 2009

both days at 12.01 a.m. Local Standard Time at the Address of the Assured stated above or as may be stated in the Primary Policy

Limit(s) of Liability:

As more fully set out herein

Interest:

- (i) Excess Financial Institutions Crime, referred to as 'Section 1' herein
- (ii) Excess Electronic and Computer Crime, referred to as 'Section 2' herein
- (iii) Excess Financial Institutions Professional Indemnity, referred to as 'Section 3' herein
- (iv) Excess Directors and Officers and Company Reimbursement Liability Insurance (including Excess Fiduciary Liability and Excess Entity Liability), referred to as 'Section 4' herein
- (v) Excess Employment Practices Insurance, referred to as 'Section 5' herein

All as more fully set out herein

Premium:

USD 483,734.43 being this policy's proportion of USD 597,203.00 (100% amount) (Inclusive of USD 7,543.12 being this policy's proportion of USD 9,312.50 for TRIA) plus taxes applicable as per the attached tax schedule.

Premium is split between sections as follows:

Sections 1 and 2

USD 137,902.50 part of USD 170,250 (100%) including 5% (USD 6,895.12 part of USD 8,512.50) TRIA allocation

Section 3

USD 257,541.93 part of USD 317,953 (100%)

Section 4

USD 64,800.00 part of USD 80,000 (100%) including 1% (USD 648.00 part of USD 800.00) TRIA allocation

Section 5

USD 23,490.00 part of USD 29,000 (100%)

Dated in London: 25th July 2008

EXCESS BLENDED 'WRAP' POLICY

Underwriters shall indemnify or reimburse or pay on behalf of the Assured, any loss or losses first discovered and/or any claim or claims first made against the Assured during the Period of Insurance hereon up to this Policy's amount of liability (as hereinafter specified) in the aggregate, the excess of the Underlying Policy(ies) limits (as hereinafter specified) in the aggregate, the latter amount being the subject of Policy(ies) (as hereinafter specified) or any Policy(ies) issued in substitution or renewal thereof for the same amount effected by the Assured and hereinafter referred to as "the Underlying Policy(ies)"

The word 'indemnify' as used above shall apply only to Excess Insurance hereunder in respect of Sections 1 and 2 of Policy Number 576MMA851300 and 576/MMK559000. The word 'reimburse' as used above shall apply only to Excess Insurance hereunder in respect of Sections 3 of Policy Number 576/MMA851300 and the words 'pay on behalf of' shall apply only to Excess Insurance hereunder in respect of Policy Numbers 576/MMK558900"

This Policy's amount of liability: USD 45,000,000 each and every loss / any one claim but USD 90,000,000 in the annual aggregate over all Sections combined

Underlying Policy(ies) limits: As set out in Endorsement Number 1 attached hereto

Underlying Policy(ies) Number(s):

Sections 1, 2 and 3	576/MNA851300
Section 4	576/MNK558900
Section 5	576/MNK559000

1. Liability to pay under this Policy shall not attach unless and until the Underwriters of the Underlying Policy(ies) shall have paid or have admitted liability or have been held liable to pay, the full amount of their indemnity inclusive of costs and expenses.
2. It is a condition of this Policy that the Underlying Policy(ies) shall be maintained in full effect during the currency of this Policy except for any reduction of the aggregate limits contained therein solely by payment of any loss or losses and/or any claim or claims and/or of legal costs and expenses incurred in defence or settlement of such losses and/or claims.
3. (a) Subject to the Limit(s) of Liability herein, the insurance afforded by this Policy for any loss or claim or legal costs and expenses applies to the amount of such loss or claim or legal costs or expenses which exceeds the applicable Limit of Indemnity or Limit of Liability or Sum Insured remaining (after any reduction by payment of previous loss(es), claim(s) or legal costs and expenses) under the applicable Underlying Policy.

(b) Where the Limit of Indemnity or Limits of Liability or Sum Insured of any of the Underlying Policies is exhausted by payment of loss(es), claim(s) or legal costs and expenses, this Policy shall continue to apply to any loss(es) and/or claim(s) and/or legal costs and expenses thereafter as if it were such Underlying Policy, subject to:
 - (i) the Deductible, Retention or Excess provisions of such Underlying Policy;
 - (ii) the remaining Limit(s) of Liability of this Policy.
4. In the event of a loss and/or claim arising to which the Underwriters hereon may be liable to contribute, no costs shall be incurred on their behalf without their consent being first obtained (such consent not to be unreasonably withheld). No settlement of a loss and/or claim shall be effected by the Assured for such a sum as will involve this Policy without the consent of Underwriters hereon.

5. Any claim(s) made against the Assured and/or the discovery by the Assured of any loss(es) or any circumstances of which the Assured becomes aware during the subsistence hereof which are likely to give rise to such a claim and/or loss, shall, if it appears likely that such claim(s) and/or loss(es) plus costs and expenses incurred in the defence or settlement of such claim(s) and/or loss(es) may exceed the indemnity available under the Policy(ies) of the Primary and Underlying Excess Insurers, be notified immediately by the Assured in writing to the Underwriters hereon.
6. All recoveries or payments recovered or received subsequent to a loss settlement under this Policy shall be applied as if recovered or received prior to such settlement and all necessary adjustments shall then be made between the Assured and the Underwriters provided always that nothing in this Policy shall be construed to mean that loss settlements under this Policy are not payable until the Assured's ultimate net loss has been finally ascertained.
7. Except as otherwise provided herein this Policy is subject to the same terms, exclusions, conditions and definitions as the Policy of the Primary Insurers. No amendment to the Policy of the Primary Insurers during the period of this Policy in respect of which the Primary Insurers require an additional premium or a deductible shall be effective in extending the scope of this Policy until agreed in writing by the Underwriters.

04/00
LSW055 (Amended)

Attaching to and forming part of Policy Number 576/MNA831400 in the name of Stanford Financial Group Company and Stanford Group Company and as per Policy Schedule

ENDORSEMENT NUMBER. 1

It is hereby understood and agreed that, the 'Underlying Policy(ies) limits', as referred to on page 4 herein, shall read as follows:

SECTION 1 – FINANCIAL INSTITUTIONS CRIME AND SECTION 2 - ELECTRONIC AND COMPUTER CRIME

USD 5,000,000 each and every loss (all as more fully set out in the Primary Policy), limited to USD 10,000,000 in the aggregate for the Policy Period in respect of the entities referred to in Item 1(a) of the Primary Policy Declarations to Section 1 and Item 2(a) of the Primary Policy Declarations to Section 2, both Sections combined

And separately

USD 5,000,000 each and every loss (all as more fully set out in the Primary Policy) limited to USD 10,000,000 in the aggregate for the Policy Period in respect of the entities referred to in Item 1(b) of the Primary Policy Declarations to Section 1 and Item 2(b) of the Primary Policy Declarations to Section 2, both Sections combined

Plus sub-limits as more fully set out in the Primary Policy

SECTION 3 – FINANCIAL INSTITUTIONS PROFESSIONAL INDEMNITY

USD5,000,000 each single claim but USD10,000,000 in the aggregate annually in respect of the entities referred to in Item A1 of the Primary Policy Declarations to Section 3 sub-limited to USD2,000,000 in the aggregate in respect of coverage for legal work provided by the licensed attorneys of Stanford Financial Group Company on behalf of any company owned one hundred per cent (100%) by R. Allen Stanford as more fully set out in the Primary Policy

And separately

USD5,000,000 each single claim but USD10,000,000 in the aggregate annually in respect of the entities referred to in Item A2 of the Primary Policy Declarations to Section 3

SECTION 4 – DIRECTORS AND OFFICERS AND COMPANY REIMBURSEMENT LIABILITY INSURANCE (INCLUDING FIDUCIARY LIABILITY)

USD5,000,000 each claim and in the aggregate each Policy Period in respect of the entities referred to in Section One of the Primary Policy Declarations

And separately

USD5,000,000 each claim and in the aggregate each Policy Period in respect of the entities referred to in Section Two of the Primary Policy Declarations

The above limits being sub-limited to an overall combined limit of USD5,000,000 each claim and in the aggregate in respect of the entities referred to in Section One and Two of the Primary Policy Declarations, in respect of Fiduciary Liability.

Attaching to and forming part of Policy Number 576MNA831400 in the name of Stanford Financial Group Company and Stanford Group Company and as per Policy Schedule

SECTION 5 – EMPLOYMENT PRACTICES INSURANCE

USD 5,000,000 each claim and in the aggregate for the Policy Period

All of the above limits being in Excess of any Retention / Deductibles as more fully set out in the Primary Policies

ALL OTHER TERMS AND CONDITIONS REMAIN UNALTERED

Attaching to and forming part of Policy Number 576MNA831400 in the name of Stanford Financial Group Company and Stanford Group Company and as per Policy Schedule

CONDITIONS APPLICABLE TO SECTIONS 1, 2 AND 3 OF THIS POLICY

SERVICE OF SUIT (POLICY DISPUTES)

USA (NMA1998 Amended)

In respect of any Insured's operations in the United States of America, it is agreed that in the event of the failure of the Underwriters hereon to pay any amount claimed to be due hereunder, the Underwriters hereon, at the request of the Insured, will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or of any State in the United States. It is further agreed that services of process in such suit may be made upon Mendes & Mount, Attn Arthur Washington, 750 Seventh Avenue, New York, New York 100196829, USA and that in any suit instituted against any one of them upon this contract, Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The above-named are authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the Insured to give a written undertaking to the Insured that they will enter a general appearance upon Underwriters' behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, Underwriters hereon hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom maybe served any lawful process in any action, suit or proceeding instituted by or on behalf of the Insured or any beneficiary hereunder arising out of this contract of insurance, and hereby designate the abovenamed as the person to whom the said officer is authorized to mail such process or a true copy thereof.

CHOICE OF LAW CLAUSE

In respect of any Assured's operations in the United States of America it is hereby agreed that this insurance shall be governed by the laws of Texas, in accordance with the English text as it appears in this Policy.

OVERSEAS (N.M.A. 1483 Amended)

In respect of any Assured's operations outside of the United States of America, It is hereby agreed that:-

- (1) this insurance shall be governed by the law of Antiguain accordance with the English text as it appears in this Policy, whose courts shall have jurisdiction in any dispute arising hereunder; and
- (2) any summons, notice or process to be served upon the Underwriters for the purpose of instituting any legal proceedings against them in connection with this insurance may be served upon

Mr George W.Bennet,

Of

Bryson & Co Ltd, Long Street, P.O.Box 162, St Johns, Antigua.

who has authority to accept service on their behalf.

Attaching to and forming part of Policy Number 576/MNA831400 in the name of Stanford Financial Group Company and Stanford Group Company and as per Policy Schedule

CONDITIONS APPLICABLE TO SECTIONS 4 AND 5 OF THIS POLICY

SERVICE OF SUIT CLAUSE (U.S.A.)

It is agreed that in the event of the failure of the Underwriters hereon to pay any amount claimed to be due hereunder, the Underwriters hereon, at the request of the Insured (or Reinsured), will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or of any State in the United States. It is further agreed that service of process in such suit may be made upon Mendes & Mount, 750 Seventh Avenue, New York, New York 100196829, and that in any suit instituted against any one of them upon this contract, Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The above-named are authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the Insured (or Reinsured) to give a written undertaking to the Insured (or Reinsured) that they will enter a general appearance upon Underwriters' behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, Underwriters hereon hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Insured (or Reinsured) or any beneficiary hereunder arising out of this contract of insurance (or reinsurance), and hereby designate the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

All other terms and conditions remain unchanged.

CHOICE OF LAW CLAUSE

In respect of any Assured's operations in the United States of America, it is hereby agreed that this insurance shall be governed by the laws of Texas, in accordance with the English text as it appears in this Policy.

Attaching to and forming part of Policy Number 576MNA831400 in the name of Stanford Financial Group Company and Stanford Group Company and as per Policy Schedule

CONDITIONS APPLICABLE TO SECTIONS 1,2 AND 4 OF THIS POLICY ONLY

**U.S. TERRORISM RISK INSURANCE ACT OF 2002 AS AMENDED
NEW & RENEWAL BUSINESS ENDORSEMENT**

This Endorsement is issued in accordance with the terms and conditions of the "U.S. Terrorism Risk Insurance Act of 2002" as amended as summarized in the disclosure notice.

In consideration of an inclusive premium of USD9,312.50 paid, it is hereby noted and agreed with effect from inception that the Terrorism exclusion to which this Insurance is subject, shall not apply to any "insured loss" directly resulting from any "act of terrorism" as defined in the "U.S. Terrorism Risk Insurance Act of 2002", as amended ("TRIA").

The coverage afforded by this Endorsement is only in respect of any "insured loss" of the type insured by this Insurance directly resulting from an "act of terrorism" as defined in TRIA. The coverage provided by this Endorsement shall expire at 12:00 midnight December 31, 2014, the date on which the TRIA Program is scheduled to terminate, or the expiry date of the policy whichever occurs first, and shall not cover any losses or events which arise after the earlier of these dates. The Terrorism exclusion, to which this Insurance is subject, applies in full force and effect to any other losses and any act or events that are not included in said definition of "act of terrorism".

This Endorsement only affects the Terrorism exclusion to which this Insurance is subject. All other terms, conditions, insured coverage and exclusions of this Insurance including applicable limits and deductibles remain unchanged and apply in full force and effect to the coverage provided by this Insurance.

Furthermore the Underwriter(s) will not be liable for any amounts for which they are not responsible under the terms of TRIA (including subsequent action of Congress pursuant to the Act) due to the application of any clause which results in a cap on the Underwriter's liability for payment for terrorism losses.

21/12/2007
LMA5091 amended

Attaching to and forming part of Policy Number 576MNA831400 in the name of Stanford Financial Group Company and Stanford Group Company and as per Policy Schedule

CONDITIONS APPLICABLE TO ALL SECTIONS OF THIS POLICY

SPECIAL CANCELLATION CLAUSE

In the event that an Underwriter:

- a) ceases underwriting; or
- b) is the subject of an order or resolution for winding up or formally proposes a scheme of arrangement; or
- c) has its authority to carry on insurance business withdrawn,
- d) has its financial strength rating reduced by A.M.Best's, Standard & Poor's or equivalent rating agency to less than A-

the Insured may terminate that Underwriter's participation on this risk forthwith by giving notice and the premium payable to that Underwriter shall be pro rata to the time on risk. In the event there are any notified, reserved or paid losses or circumstances, premium shall be deemed fully earned. Any return of premium shall also be subject to a written full release of liability from the Insured.

NMA2975 (amended)
30/05/03

PREMIUM PAYMENT CLAUSE

The Insured undertakes that premium will be paid in full to underwriters by 14th October 2008.

If the premium due under this policy has not been so paid to Underwriters by the above date (and, in respect of instalment premiums, by the date they are due) Underwriters shall have the right to cancel this policy by notifying the Insured via the broker in writing. In the event of the cancellation, premium is due to Underwriters on a pro rata basis for the period that Underwriters are on risk but the full policy premium shall be payable to Underwriters in the event of a loss or occurrence prior to the date of the termination which gives rise to a valid claim under this policy.

It is agreed that Underwriters shall give not less than 15 days prior notice of cancellation to the Insured via the broker. If premium due is paid in full to Underwriters before the notice period expires, notice of cancellation shall automatically be revoked. If not, the policy shall automatically be terminated at the end of the notice period.

Unless otherwise agreed, the Leading Underwriter (and Agreement Parties if appropriate) are authorised to exercise rights under this clause on their own behalf and on behalf of all Underwriters participating in this contract.

If any provision of this clause is found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability will not affect the other provisions of this clause which will remain in full force and effect.

Where the premium is to be paid through a London Market Bureau, payment to Underwriters will be deemed to occur on the day of delivery of a premium advice note to the Bureau.

Notice of Cancellation in writing for the purposes of the PPC LSW3000 shall be notice in writing to the Group's Compliance Officer at 51 Lime Street, London, EC3M 7DQ and delivered by registered post or received and acknowledged personally by the Compliance Officer. The notice will only be

Attaching to and forming part of Policy Number 576MNA831400 in the name of Stanford Financial Group Company and Stanford Group Company and as per Policy Schedule.

CONDITIONS APPLICABLE TO ALL SECTIONS OF THIS POLICY

(Continued...)

accepted if the risk is properly identified, and includes at least the name of the assured, the Willis slip reference number, the class of business and any other information which will enable the risk to be readily identified. Further, for the avoidance of doubt, a notice of cancellation sent by email to the Company shall not constitute notice in writing for the purposes of the application of LSW3000.

11/01
LSW3000 (Amended)

NMA LINES CLAUSE

This Insurance, being signed for 81.0000% of 100.0000% insures only that proportion of any loss, whether total or partial, including but not limited to that proportion of associated expenses, if any, to the extent and in the manner provided in this Insurance.

The percentages signed in the Table are percentages of 1000000% of the amount(s) of Insurance stated herein.

NMA 2419

(RE)INSURERS LIABILITY CLAUSE

(Re)insurer's liability several not joint

The liability of a (re)insurer under this contract is several and not joint with other (re)insurers party to this contract. A (re)insurer is liable only for the proportion of liability it has underwritten. A (re)insurer is not jointly liable for the proportion of liability underwritten by any other (re)insurer. Nor is a (re)insurer otherwise responsible for any liability of any other (re)insurer that may underwrite this contract.

The proportion of liability under this contract underwritten by a (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp. This is subject always to the provision concerning "signing" below.

In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is a (re)insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other (re)insurer that may underwrite this contract. The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

Attaching to and forming part of Policy Number 576MNA831400 in the name of Stanford Financial Group Company and Stanford Group Company and as per Policy Schedule

CONDITIONS APPLICABLE TO ALL SECTIONS OF THIS POLICY

(Continued...)

Proportion of liability

Unless there is "signing" (see below), the proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp and is referred to as its "written line".

Where this contract permits, written lines, or certain written lines, may be adjusted ("signed"). In that case a schedule is to be appended to this contract to show the definitive proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together). A definitive proportion (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of a Lloyd's syndicate taken together) is referred to as a "signed line". The signed lines shown in the schedule will prevail over the written lines unless a proven error in calculation has occurred.

Although reference is made at various points in this clause to "this contract" in the singular, where the circumstances so require this should be read as a reference to contracts in the plural.

LMA3333

21 June 2007

Memoranda attaching to and forming part of Policy Number 576MNA831400 in the name of Stanford Financial Group Company and Stanford Group Company and as per Policy Schedule

Memorandum no. 1

Losses to be notified to Insurers via:
Willis Limited
Finex – Claims Department,
The Willis Building,
51 Lime Street,
London EC3M 7DQ,
United Kingdom

Memorandum no. 2

Any fraudulent claims clause contained within the Policy Wording shall override any fraudulent claims clause appearing on the Policy Jacket or its Schedule. In which case, any fraudulent claims clause appearing on such Policy Jacket or its Schedule is deleted.

Memorandum no. 3

Assured / Insured terms are synonymous.

Memorandum no. 4

TERRITORIAL LIMITS: Worldwide as per Primary contracts.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

Willis Global Taxation Schedule - Calculations

FOREIGN DIRECT INSURANCE TAXATION LEGISLATION - PREMIUM SPLIT

This is Willis FINEX proposed apportionment of Premium only, calculated on a pro rata basis, and utilizing rates that Willis FINEX believe to be correct as at the date of issue of the document version. The purpose of this document is to assist Underwriters in establishing an apportionment of Premium for taxation and legislative reporting purposes. This procedure in no way changes Underwriters responsibilities for making this calculation and/or ensuring that the correct tax rates are applied. **PLEASE REMEMBER THAT TAX RATES AND PROCEDURES WILL CHANGE IF THERE IS A LOCAL BROKER INVOLVED IN THE PLACING CHAIN IN ANY OF THESE TERRITORIES**

Note (1)	Where tax percentage is "0", Underwriters have agreed to the application of the <i>de minimis</i> provision.									
Note (2)	Where the policy is NOT addressed to a Swiss location, Swiss Tax will not be applied and the premium for Swiss locations will be included in "Others".									
Note (3)	In the absence of a US Broker in the placing chain, US locations will be considered written on a "Directly Procured" basis.									
Note (4)	Underwriters warrant that others' do not include any territories that have taxation and/or Lloyd's regulatory (FTL Code) reporting requirements.									
INSURED NAME: Stanford Financial Group Company Stanford Group Company										
POLICY NO: MNA8314										
100% Gross Premium 597,203.00										
	COUNTRY	Allocation Basis	Allocation %	Premium	Tax %	Tax Amount	Incl	Who Bears the Cost?	Payable to (Market "Registered to pay Tax")	Payable to (Market Not "Registered to pay Tax")
	ANTIGUA	867	29.251%	174,687.85	-3.00	-5,240.64	Y	Underwriters	Local Auth.	Not due
	CANADA (QUE)	6	0.202%	1,206.35	-3.35	-40.41	Y	Underwriters	Local Auth.	Insured to settle on URS behalf
	CANADA (QUE) - RST	6	0.202%	1,206.35	9.00	108.57	Y	Insured	Underwriters	Insured to settle locally
	CANADA (Excase Tax)	6	0.202%	1,206.35	10.00	120.64	Y	Insured	Local Auth.	Local Auth.
	COLOMBIA	184	6.208%	37,074.36	0.00	0.00	Y	N/A	N/A	N/A
	MEXICO	105	3.543%	21,158.90	0.00	0.00	Y	N/A	N/A	N/A
	NETHERLANDS (GTT)	7	0.236%	1,409.40	0.00	0.00	Y	N/A	N/A	N/A
	ST KITTS & NEVIS	6	0.202%	1,206.35	5.00	60.32	Y	Insured	Local Auth.	Local Auth.
	U.S.A. (OTHERS) - see note (3)	1,133	38.225%	228,280.85	SL	0.00	Y	Insured	Local Auth. (Directly Procured)	Must use SL approved insurers
	U.S. VIRGIN ISLANDS - see note (3) (Licenses)	58	1.937%	11,687.26	-5.00	-584.36	Y	Underwriters	Local ATFO Municipal Tax	N/A
	OTHERS - see note (4)	598	20.176%	120,491.68	0.00	0.00	Y	N/A	N/A	N/A
	TOTAL	2,964	100.000%	597,203.00		DO NOT TOTAL	Y			



The Table of Syndicates referred to on the face of this Policy follows:

BUREAU REFERENCE	61150 15/10/2008	BROKER NUMBER	0576
PROPORTION %	SYNDICATE	UNDERWRITER'S REFERENCE	
22.500	2987	TE783E08B000	
22.500	2488	AKFG68GG1229	
15.003	1886	08BA210809XA	
2.997	1084	37941K08AA	
4.500	1274	202122800008	
13.500	4000	00947X08AA	
TOTAL LINE	No. OF SYNDICATES		
81.000	6		

THE LIST OF UNDERWRITING MEMBERS
OF LLOYD'S IS IN RESPECT OF 2008
YEAR OF ACCOUNT

BUREAU USE ONLY

NUX5 72 13719

RISK CODE: BB

Page 1 of 1



The Table of Syndicates referred to on the face of this Policy follows:

BUREAU REFERENCE	61151 15/10/2008	BROKER NUMBER	0576
PROPORTION %	SYNDICATE	UNDERWRITER'S REFERENCE	
22.500	2987	TE782V08B000	
22.500	2488	AKEG68GG1229	
15.003	1886	08BA210809XB	
2.997	1084	37941K08AB	
4.500	1274	202122800008	
13.500	4000	00947X08AB	
TOTAL LINE	No. OF SYNDICATES		
81.000	6		

THE LIST OF UNDERWRITING MEMBERS
OF LLOYD'S IS IN RESPECT OF 2008
YEAR OF ACCOUNT

BUREAU USE ONLY

NUX5 72 13719

RISK CODE: F2

Page 1 of 1



The Table of Syndicates referred to on the face of this Policy follows:

BUREAU REFERENCE	61152 15/10/2008	BROKER NUMBER	0576
PROPORTION %	SYNDICATE	UNDERWRITER'S REFERENCE	
22.500	2987	TE781H08B000	
22.500	2488	AKDA68GG1229	
15.003	1886	08BA210809XC	
2.997	1084	37941K08AC	
4.500	1274	202122800008	
13.500	4000	00947X08AC	
TOTAL LINE	No. OF SYNDICATES		
81.000	6		

THE LIST OF UNDERWRITING MEMBERS
OF LLOYD'S IS IN RESPECT OF 2008
YEAR OF ACCOUNT

BUREAU USE ONLY
NUX5 72 13719

RISK CODE: D4



The Table of Syndicates referred to on the face of this Policy follows:

BUREAU REFERENCE	61154 15/10/2008	BROKER NUMBER	0576
PROPORTION %	SYNDICATE	UNDERWRITER'S REFERENCE	
22.500	2987	TE783E08B000	
22.500	2488	AKTF68GG1229	
15.003	1886	08BA210809XA	
2.997	1084	37941K08AD	
4.500	1274	202122800008	
13.500	4000	00947X08AD	
TOTAL LINE	No. OF SYNDICATES		
81.000	6		

THE LIST OF UNDERWRITING MEMBERS
OF LLOYD'S IS IN RESPECT OF 2008
YEAR OF ACCOUNT

BUREAU USE ONLY
NUX5 72 13719

RISK CODE: 7T



One Lime Street London EC3M 7HA

Willis

Telephone: (441) 295-1272
Website: www.willis.com
E-mail: Amy.Baranoucky@willis.com

October 29, 2008

Barbara Fortin
Stanford Financial Group
5050 Westheimer
Houston, TX 77056

**Re: Blended Wrap
Policy No. MNA8314
August 15, 2008 – August 15, 2009**

Dear Barbara,

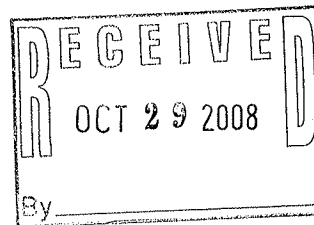
We have received and reviewed the enclosed policy. This policy sets out the benefits and coverage of the insurance we have placed for you in accordance with your instructions. We recommend that you read the policy very carefully; particularly sections regarding the claims reporting procedures.

If you consider the policy is not consistent with your instructions or if there are any errors or discrepancies, please advise us as soon as possible.

Sincerely,



Amy Baranoucky
Vice President
Executive Risks



Willis of Bermuda
The Vallis Building
58 Par La Ville Road
Hamilton HMHX
BERMUDA