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**Subject:** INVESTOR ALERT: Alleged Certificate of Deposit Investment Scheme

**Dear News Media Professionals: FOR IMMEDIATE RELEASE**

## **INVESTOR ALERT: Alleged Certificate of Deposit Investment Scheme**

MONTGOMERY, ALABAMA (March 6, 2009) Joseph Borg, Director of the Alabama Securities Commission (ASC) warns Alabama citizens to beware of an alleged far-reaching illicit investment scheme that could affect Alabama investors.

The U.S. Securities and Exchange Commission (SEC) recently filed a complaint in United States District Court against Stanford International Bank, Ltd., a purported private international bank headquartered in St. Johns, Antigua, West Indies and its affiliated financial entities in the United States, alleging the companies and their officers orchestrated a massive multi-billion dollar investment scheme centered on an \$8 billion certificate of deposit program. Charges against the company allege it misappropriated billions of dollars of investor funds and falsified financial statements in order to conceal its fraudulent conduct.

“In the wake of recent headline-grabbing scandals that have rocked investor confidence, the ASC will closely monitor the investigation and will cooperate with the SEC to make certain that Alabama investors are not preyed upon by companies or individuals seeking to defraud them through reprehensible actions and empty promises,” Borg said.

On February 23, 2009, pursuant to the provisions of the Alabama Securities Act, the ASC issued an Administrative Order suspending all operations of Stanford International Bank and its affiliates in Alabama. The order also suspended the companies’ senior officers from conducting further securities business in Alabama.

According to allegations, Stanford International Bank, Ltd., together with Stanford Group Company, Stanford Capital Management, LLC and several of the companies’ chief financial officers, facilitated the fraudulent scheme by offering and selling self-styled “certificates of deposit” (CDs), by promising improbable and unsubstantiated high return rates that exceeded those available through traditional banks; and, and misrepresenting to investors the bank’s safety, security and the liquidity of its investments. It is further alleged that investor money was misappropriated to make undocumented personal loans to company officers and “invested” in speculative, unprofitable business ventures controlled by the company. In an effort to conceal

its actions and to recruit additional investors, the company allegedly fabricated financial statements and other communications to investors.

The Court has granted an order to freeze company assets and has appointed a receiver to marshal those assets. “The ASC encourages any Alabama residents who may have frozen assets with Stanford International Bank or any of its subsidiaries or anyone who may have been previously approached or contacted by representatives of the company to immediately contact the ASC’s Enforcement Division at 1-800-222-1253,” Borg said.

Those with questions or concerns about securities broker-dealers, agents, investment advisers, investment adviser representatives, financial planners, the registration status of securities, suspected fraud or those seeking consumer information are also encouraged to contact the ASC.

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For further information contact Dan Lord, Education and Public Affairs Manager, 334-353-4858.

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