September 1, 2003

NASD Complaint Center 1735 K Street NW Washington, D.C. 20000-1500



RE: Stanford Financial Group Case of Corporate Fraud

Since business scandals like those of ENRON and WORLDCOM became public, it is the duty of all Americans to speak up and denounce any wrongdoing of Corporate America for the sake of justice to many impoverished innocent people. This letter discloses another possible case of "Corporate Fraud" being perpetuated by the Stanford Financial Group and its owner, banking and real estate mogul Mr. Allen Stanford.

STANFORD FINANCIAL IS THE SUBJECT OF A LINGERING CORPORATE FRAUD SCANDAL PERPETUATED AS A "MASSIVE PONZI SCHEME" THAT WILL DESTROY THE LIFE SAVINGS OF MANY, DAMAGE THE REPUTATION OF ALL ASSOCIATED PARTIES, RIDICULE SECURITIES AND BANKING AUTHORITIES, AND SHAME THE UNITED STATES OF AMERICA.

The Stanford Financial Group of Houston, Texas has been selling to people of the United States and of Latin America, offshore certificates of deposit issued by Stanford International Bank, a wholly owned unregulated subsidiary. With the mask of a regulated US Corporation and by association with Wall Street giant Bear Stearns, investors are led to believe these CD's are absolutely safe investments. Not withstanding this promise, investor proceeds are being directed into speculative investments like stocks, options, futures, currencies, real estate, and unsecured loans.

For the past seventeen years or so, Stanford International Bank has reported to clients in perfect format and beautifully printed material of the highest quality, consistent high returns on the bank's portfolio, with never a down year, regardless of the volatile nature of the investments. By showing these unbelievable returns, Stanford has justified the expense spent on luxury, lavish styles of management, high bonuses, and generous contributions to all sorts of causes.

The questionable activities of the bank have been covered up by an apparent clean operation of a US Broker-Dealer affiliate with offices in Houston, Miami, and other cities that clears through Bear Stearns Securities Corporation. Registered Representatives of the firm, as well as many unregistered representatives that office within the B-D, are unreasonably pressured into selling the CD's. Solicitation of these high risk offshore securities occurs from the United States and investors are misled about the true nature of the securities.

The offshore bank has never been audited by a large reputable accounting firm, and Stanford has never shown verifiable portfolio appraisals. The banks portfolio is invested primarily in high risk securities, which is not congruent with the nature of safe CD investments promised to clients.

For reference purposes, attached are copies of financial statements of the bank for the years 2000 and 2001 taken from the annual reports. These reports indicate some very untimely investment decisions, extremely high risk profiles, elevated expenses, and no disclosure about the investment portfolio.

Stanford has been in the past the subject of numerous investigations and press articles that have focused on the dubious activities and deals of Mr. Allen Stanford, who recently became a citizen of Antigua. These investigations have focused on issues like, bribery of the Government of Antigua, illegal selling of offshore securities and money laundering, but have missed the point of truly unveiling the value of the bank's portfolio, which has been covered up by the bank's non-jurisdictional nature. Unbelievable returns of the portfolio, non verifiable portfolio appraisals, non prudent investment strategies, information from insiders, and lavish expense management styles, suggest the portfolio is deeply underwater. If true, returns and expenses are being paid out of clients' monies and by the size of the portfolio, this would be one of the largest Ponzi Schemes ever discovered.

This letter is being written by an insider who does not wish to remain silent, but also fears for his own personal safety and that of his family. The issue is being referred for investigation to the proper authorities, related parties, and persons whose mission is to inform the general public. The key point to focus on is the real market value of Stanford International Bank's investment portfolio, which is believed to be significantly below the bank's obligations to clients. Overlooking these issues and not thoroughly investigating them is becoming an accomplice to any wrongdoing.

Sincerely yours,

INSIDER

Ce: Bear Steams Securities Corporation
The Securities and Exchange Commission
The US Senate Committee
The Office of the Comptroller of the Currency
The National Association of Securities Dealers
The Wall Street Journal
The Miami Herald
The Washington Post