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Cause No. 2008-05203

D. MARK TIDWELL and CHARLES W. RAWL,

Plaintiffs,

v.

STANFORD GROUP COMPANY,

Defendant.

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IN THE DISTRICT COURT OF

HARRIS COUNTY, TEXAS

189TH JUDICIAL DISTRICT

PLAINTIFFS' FIRST AMENDED ORIGINAL PETITION

D. Mark Tidwell ("Tidwell") and Charles W. Rawl ("Rawl") (collectively, "Plaintiffs"), and file this their First Amended Original Petition complaining of Defendant, Stanford Group Company ("Stanford"), and would show this Court the following:

I. DISCOVERY LEVEL

Pursuant to TEX. R. CIV. P. 190.4, Plaintiffs move the Court to issue an order that discovery in this case be controlled by a Scheduling Order under Level 3.

II. PARTIES

1. Plaintiff, D. Mark Tidwell ("Tidwell") is an individual who resides in Harris County, Texas.
2. Plaintiff, Charles W. Rawl ("Rawl") is an individual who resides in Fort Bend County, Texas.
3. Defendant, Stanford Group Company ("Stanford") is a Texas corporation and has been served and has appeared.

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 DISTRICT JURISDICTION AND VENUE
 HARRIS COUNTY, TEXAS

4. The Court has jurisdiction over this controversy, as the damages sought herein are within the jurisdictional limits of this Court.

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5. The Court has jurisdiction over this controversy, as the damages sought herein are within the jurisdictional limits of this Court.

6. Pursuant to TEX. CIV. & REM. CODE § 15.002(a)(1), venue is proper in Harris County, Texas as a substantial portion of the events giving rise to this lawsuit occurred in Harris County, Texas.

IV. FACTS

7. Rawl and Tidwell were employed as financial advisors with Stanford until they were constructively discharged in December 2007 after they learned that Stanford employed illegal and unethical methods to market and sell its financial products to the public. Although Rawl and Tidwell repeatedly asked Stanford management to change Stanford's business practices, Stanford refused to cease its illegal activity, and Rawl and Tidwell were forced to resign rather than expose themselves to criminal and civil liability.

8. Tidwell began his employment with Stanford on or about January 16, 2004 and Rawl began his employment on or about May 13, 2005. In their capacities as financial advisors, Plaintiffs solicited sophisticated investors and high net worth clients to purchase fixed income, equity, and other securities offerings using financial information provided by Stanford.

9. During the course of their employment, Plaintiffs became aware of certain illegal practices at Stanford involving the sale of SIBL certificates of deposit and other securities offerings. In multiple communications and meetings, Plaintiffs encouraged and requested the management of Stanford to correct its practices and to institute procedures to comply with the legal requirements governing the securities industry, to no avail.

10. When management of Stanford refused to take any corrective action, Plaintiffs realized that these illegal practices could implicate them, given their knowledge of these activities.

11. Based on the advice of counsel, and Plaintiffs' own understanding of the governing rules and regulations as applied to securities dealers, brokers, and agents of securities brokers, Tidwell and Rawl had no choice but to resign rather than participate in Stanford's illegal business practices. Plaintiffs tendered their resignations to Executive Director, Jay Comeaux, on or about December 12 and 14, 2007, respectively.

12. At the time of their resignations, Plaintiffs again informed Stanford of the reasons causing their constructive discharge. In fact, Rawl stated some of the reasons in a letter to Stanford at the time of his resignation, including:

- a. Stanford's decision that Stanford Trust Company, as custodian of a SIBL CD, is not required to file the Treasury Department form, and its further failure to advise clients of its decision or the client's obligation to file this form;
- b. Stanford's purging of files and destruction of documents with knowledge of an ongoing SEC Inquiry into the SIBL CD and the CD sales practices;
- c. Stanford's use of historical performance data that was known to be incorrect in connection with the sale of securities to clients.

13. Plaintiffs believed in good faith that each of the enumerated acts named above constitute state, and federal and/or regulatory violations which could subject Plaintiffs to the risk of criminal prosecution and penalty.

V. CAUSE OF ACTION-WRONGFUL TERMINATION/EMPLOYMENT DISCRIMINATION

14. Plaintiffs incorporate the allegations in paragraphs 1-13.

15. Texas law prohibits employers from engaging in employment discrimination. TEX. LAB. CODE §21.001 *et. seq.* Moreover, an employer may not discharge an employee for refusing to perform an illegal act.

16. Tidwell and Rawl became victims of employment discrimination when they were constructively discharged by Stanford for refusing to participate in illegal acts relating to the

marketing and sale of Stanford financial products. Despite Rawl and Tidwell's repeated requests for Stanford to change its business practices to conform with federal securities, FINRA regulations, Treasury laws, and Internal Revenue federal laws and/or regulations, Stanford refused to cease its illegal activity. Faced with no other choice, Tidwell and Rawl were effectively discharged when they were forced to resign rather than participate in conduct that could subject them to criminal prosecution and/or penalties.

17. Plaintiffs have been damaged as a result of their constructive discharge in a sum which exceeds the minimal jurisdictional limits of the court.

18. Plaintiffs also seek to be awarded exemplary and/or punitive damages as provided by the TEXAS CIVIL PRACTICES & REMEDIES CODE and/or, in an amount to be decided by the trier of facts for the intentional and/or malicious conduct of Defendant as stated herein.

VI. DEMAND FOR JURY

15. Plaintiffs hereby request a trial by jury.

PRAYER

WHEREFORE, PREMISES CONSIDERED, Plaintiffs pray that after proper hearing they have judgment against Defendant for all actual damages, plus pre-judgment and post-judgment interest, exemplary or punitive damages, costs of court, and for such other and further relief, both general and special, at law or equity to which they may show themselves justly entitled.

Respectfully submitted,

O'BRIEN AND BLAKENEY, LLP

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ATTORNEYS FOR PLAINTIFFS
CHARLES W. TIDWELL AND
D. MARK RAWL

CERTIFICATE OF SERVICE

I hereby certify that on the 22nd day of April, 2008, a true and correct copy of this document was provided to counsel of record at the address listed below:

Mr. Stephen H. Lee
DOYLE, RESTREPO, HARVIN & ROBBINS, L.L.P.
600 Travis, Suite 4700
Houston, Texas 77002

[Signature]

Matthew B. Henneman

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HARRIS COUNTY, TEXAS

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April 22, 2008

Theresa Chang
Harris County District Clerk
201 Caroline Street
Houston, Texas 7700

Via Hand Delivery

Re: Cause No.; 2008-05203; *D. Mark Tidwell and Charles W. Rawl, Plaintiffs v. Stanford Group Company, Defendants*; In the 189th Judicial District Court of Harris County, Texas.

Dear Ms. Chang:

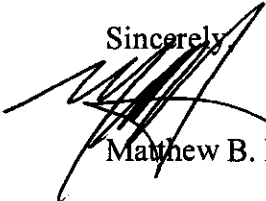
Please find enclosed:

1. Plaintiffs' First Amended Original Petition, and
2. Plaintiffs' Response to Defendant's Motion to Compel Arbitration

Please file the above documents among the papers of the court and return a file-stamped copy to me via the messenger before you for our records.

Thank you for your assistance in this matter. Please do not hesitate to contact me with any questions and/or concerns.

Sincerely,



Matthew B. Henneman

MBH:sw
Enclosure

cc: Mr. Stephen H. Lee
DOYLE, RESTREPO, HARVIN & ROBBINS, L.L.P.
600 Travis, Suite 4700
Houston, Texas 77002

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via Facsimile (713) 228-6138 and
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I, Loren Jackson, District Clerk of Harris County, Texas certify that this is a true and correct copy of the original record filed and or recorded in my office, electronically or hard copy, as it appears on this date
Witness my official hand and seal of office
this _____

Certified Document Number: _____

LOREN JACKSON, DISTRICT CLERK
HARRIS COUNTY, TEXAS

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