IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

SEcurities AND EXCHANGE
COMMISSION,

Plaintiff,

v.

STANFORD INTERNATIONAL BANK,
LTD., STANFORD GROUP COMPANY,
STANFORD CAPITAL MANAGEMENT,
LLC, ROBERT ALLEN STANFORD, JAMES
M. DAVIS, and LAURA PENDERGEST-
HOLT,

Defendants.

Case No. 3-09-CV-00298-N

APPENDIX TO RECEIVER’S REPLY TO DEFENDANT R. ALLEN
STANFORD’S OPPOSITION TO RECEIVER MOTION AND BRIEF TO
APPROVE PRIVATE SALE OF ASSETS IN PANAMA CITY, PANAMA
February 9, 2010

Richard B. Roper
Thompson & Knight, LLP
Dallas, TX, USA

Re: Stanford Bank (Panama), S.A. sale or liquidation scenarios.

Dear Richard:

This letter is to elaborate on the criteria regarding the values to be obtained from the realization of Stanford Bank (Panama), S.A. under a sale process versus the remainder values of the bank under a liquidation scenario.

First let me recall that under the sale process, all of the Banks that operate in Panama under a General License - same license as Stanford Bank (Panama), S.A. - (43 banks) were invited to perform a due diligence and present an offer to acquire the bank, however none of the banks were interested, and the only interested parties were groups of entrepreneurs that considered the banking license to have serious value along with the operational model.

As a representative of the receiver, you had the opportunity to negotiate with all of said interested parties that were vetted by the Superintendence of Banks of Panama as eligible to apply for acquiring a bank in this country; thanks to your negotiations, I believe that the best offer was obtained in the offer presented by Strategic Investor Group, Inc., as such offer compares very favorably with the technical valuations performed by MMG and by Mann Lee Asociados of 7.8 and 7.2 US Million respectively. It also exceeds my optimistic scenario projections that placed the value between 9 and 12 US Million. In summary the offer to acquire the bank for 12.5 Million is 1.7 times larger than scenario of least value and is equivalent to the bank’s most optimistic scenario. (Details of the losses of value of the bank’s assets are found in the documents supporting the technical valuations from the companies mentioned above.)

Regarding the comparative scenarios of a sale versus liquidation, first we should note is that always, as evidenced by experience (including that of the FDIC), is that sales scenarios are economically better than those of a liquidation process. The reasons that support this alternative here are:

- The intangible asset value in a liquidation scenario is zero. Based upon August 2009 figures Stanford Bank (Panama) shows a value in intangible assets of 7 US Million.
- The value of investments, although valued at market prices, they do not represent a final sales price if these are to be sold in mass. In a liquidation, the investment are to be rapidly converted into cash, if for discussion purposes we estimate that investments will be effectively sold under 5% of their value due to liquidation, in this case we would be confronted with the loss of about 5 US Million in value.
- Liquidation processes are long during, by only considering Panama’s legal regime, in a very optimistic scenario the liquidation process could consume no less than 12 to 18 months, and liquidation costs can easily reach additional expenses between 2 to 3 US Million, plus interest and litigation costs.

Given the elements above, it can easily be predicted that there would be less value in the bank’s equity in the event of liquidation. The losses in liquidation could easily surpass the
US Million figure, which basically is the bank's equity figures of August 2009 according the financial statements as audited independently by Baker Tilly Panama.

I can affirm that the best offer in the Panamanian market was selected by the receiver. By selling the bank, the receiver would obtain the assignment of the US $5 Million plus interest Bank of Antigua CD, the assignment of the Desca loan and US$6.25 Million in cash, where in liquidation, in an optimum scenario, only the Bank of Antigua CD and the Desca loan could possibly be available as remainder.

Sincerely,

Jaime de Gamboa
Reorganizer of Stanford Bank (Panama), S.A.
Appointed by the Superintendence of Banks of Panama
JAIME DE GAMBOA GAMBOA
FINANCIAL SPECIALIST
BUSINESS ADMINISTRATION

EDUCATION

- FINANCIAL SPECIALIST
  Eafit University (1983 – 1984)

- BUSINESS ADMINISTRATION

PRIOR EXPERIENCE

(Last)

DE GAMBOA VELEZ & ASOCIADOS
Of counsel
From March 2009 until today

Incorporation of a consulting firm which specializes in financial institutions, Top Management and Financial Management out sourcing process and valuation and normalization process of unproductive assets. Superintendent of Panama Bank and National Securities Commission Agent, for the reorganization of the Stanford Group Bank and Brokerage.

BANVIVIENDA
General Manager
May 2008 to March 2009

Reorganization and commercial, technologic, financial and operative restructuring of a bank and its affiliates with 25 years of experience in the panama market and part of the financial group of Aseguradora Mundial S.A. This task was accomplished in coordination with the Superintendent of Panama Banks.

BANCAFE PANAMÁ
General Manager
February 2004 to May 2008

Commercial, administrative and financial recovery of an entity in financial crisis owned by the Agencia de Seguro de Depósitos de Colombia (FOGAFIN), sale of the entity and administration of the same for the new owner. Additionally we participated in the recovery strategy, administration and sale of Granbanco S.A. (Colombian).
CENTRAL DE INVERSIONES S.A.
President
September 2000 to February 2004

Design, administration and operation of the collector of the Colombian state of unproductive assets. We performed purchase and recovery process of distressed portfolio and real estate assets received in lieu of payment for an estimate value of one thousand million dollars, as part of the general strategy of the financial crisis of the Colombian public banks in the 90’s.

SODIMAC COLOMBIA S.A. HOMECENTER
Financial Manager
Private Business Card Manager
February 1995 to August 2000

Incorporation of a project of 5 stores, for the improvement of homes under the format of large surfaces. Incorporation and administration of a private operator for credit cards business.

BANCOLDEX - Banco de Comercio Exterior de Colombia
Commercial Vice-President
May 1993 - February 1995

Design and incorporation of a development bank second floor of the Colombian Government which was created as a consequence of the economical opening of the country in the 90’s.

PUBLICATIONS

FINANCE TO SURVIVE
Editorial Alfaomega September 2003

MANAGE YOUR BUSINESS VOLUME 2 FINANCE
Editorial Alfaomega March 2008

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ACADEMIC EXPERIENCE

- Universidad Interamericana de Panamá – Masters in Administration.
  Business Finance Professor (2005-2008)

- C.E.S.A. - Colegio de Estudios Superiores de Administración
  Professor:
  Microeconomics
  Financial Management

- Universidad de la Salle -Escuela de Post-grado.
  Finance I Professor (1984 – 1987)

- Universidad de la Salle -Magister en Administración
  Diagnosis and Financial Analisys Professor (1986 – 1994)

- Universidad del Rosario – Management Specialization

- Universidad Externado de Colombia Maestría en Administración Financiera

CONTACT AND PERSONAL INFORMATION

Date of Birth: May 22, 1958
Identification Document: E-8-95145
Marital Status: Married, two daughters
City: Panama
Phone Number: (507) 394-4086 / 87 – (507)6614-6017
E-mail: jaimedegamboa@degamboavelez.com