

STATE OF FLORIDA
DEPARTMENT OF BANKING AND FINANCE

IN THE MATTER OF:

**STANFORD TRUST COMPANY LIMITED d/b/a
STANFORD FIDUCIARY INVESTOR SERVICES**

MEMORANDUM OF AGREEMENT

WHEREAS, Stanford Trust Company Limited ("Stanford Trust") is a trust company organized under the laws of Antigua and Barbuda; and

WHEREAS, Stanford Trust desires to establish a trust representative office in the State of Florida which comports in all respects with Florida law; and

WHEREAS, the Florida Department of Banking and Finance (the "Department") understands that Stanford Trust is the first trust company organized under the laws of a foreign nation to establish a trust representative office with the jurisdiction of the Department; and

WHEREAS, the Department desires to establish a statement of understanding governing the expected operations of such an office to assure predictable and effective compliance with applicable laws;

THEREFORE, Stanford Trust and the Department agree as follows:

1. Stanford Trust agrees to apply to the State of Florida Department of State, Division of Corporations, to register to do business in the State of Florida as "Stanford Trust Company Limited, Inc. d/b/a Stanford Fiduciary Investor Services." Stanford Trust agrees to transact any and all business from its trust representative office in the State of Florida under the fictitious name "Stanford Fiduciary Investor Services" and under no other name, except to advise customers that any trust representative office established in Florida is only a trust representative office of Stanford Trust.

2. The Department agrees to communicate in writing to the State of Florida Department of State, Division of Corporations, that it has no objection to the registration of Stanford Trust to do business in Florida as "Stanford Trust Company Limited, Inc., d/b/a Stanford Fiduciary Investor Services."

3. Stanford Trust agrees that the Department shall have the right to reasonably examine any trust representative office established by Stanford Trust within the State of Florida to assure that no business prohibited by this Memorandum of Agreement is conducted in such office. Stanford Trust agrees that no trust administration or any other discretionary investment activity related to any trust account will be permitted or suffered to be conducted at any such office located in the State of Florida as set forth in Paragraph 5 of this Agreement.

4. The parties agree that the following enumerated activities will be deemed as permissible business activities to be conducted by the officers and employees at any trust representative office located in Florida:

a. distributing and communicating information as to various investment products available through trusts established with Stanford Trust and its affiliates;

b. Forwarding trust agreements and other documents executed in Florida by clients to Stanford Trust offices located outside the State of Florida, and vice versa;

c. As a convenience for customers only, forwarding money or securities to Stanford Trust Offices located outside of the State of Florida and receiving money or securities for customers from Stanford Trust offices located outside the State of Florida;

- d. Facilitating communications between customers and companies where investments held in trust are located;
- e. Obtaining rate quotes and other information and communicating such information at the request of existing and potential customers;
- f. Responding to customer inquiries by communicating with persons or entities involved in trust accounts established at offices of Stanford Trust located outside of the State of Florida.
- g. Acting as liaison between existing and potential customers and offices of Stanford Trust located outside of the State of Florida.
- h. Providing information to customers concerning existing trust accounts established at offices of Stanford Trust located outside of the State of Florida.
- i. Soliciting new fiduciary accounts on behalf of Stanford Trusts and affiliates, including providing brochures and other written information, and conducting meetings with prospective customers.
- j. Reviewing past investment decisions and investment performance with customers.

5. The parties agree that the following enumerated activities are not permissible business activities to be conducted by the officers and employees at any trust representative office located in Florida, and Stanford Trust agrees to refrain from conducting any of these activities at any trust representative office located in Florida:

- a. carrying on a trust business by acting as a:
 - (i.) trustee;

- (ii.) committee, guardian, custodian, conservator, or other personal representative of a person, property, or an estate;
 - (iii.) registrar or transfer agent of stocks, notes or bonds;
 - (iv.) fiscal or financial agency;
 - (v.) investment advisor;
 - (vi.) receiver;
 - (vii.) trustee in bankruptcy; or
 - (viii.) assignee for creditors;
- b. conducting discretionary investment activity including any of the following when done on a discretionary basis:
- (i.) execution of buy and sell orders;
 - (ii.) selection of securities for customer's accounts;
 - (iii.) collection of dividends and interest, periodic deposit of income to an account, remittance to customers or reinvestment;
 - (iv.) bookkeeping (other than appropriate record keeping for the operation of the trust representative office), receipt of deposits, and exchange or delivery of securities (except as provided in sub-paragraph 4.c. of this Agreement),
 - (v.) receipt of annuities, rents, royalties, or similar payments, except to forward such items to Stanford Trust or to its customers upon request of customers of Stanford Trust;
 - (vi.) safekeeping of securities (except as provided in sub-paragraph 4.c. of this Agreement);
 - (vii.) purchase and sale of securities, physical possession thereof, bookkeeping (other than appropriate record keeping for the operation of the trust representative office), and collection functions;

- c. effecting client transactions, such as trading or buying stock, or closing a transaction;
- d. acting as an investment advisor; and
- e. performing acts of discretion regarding any fiduciary accounts, including daily administration of accounts.

6. Stanford Trust agrees that no employee stationed at any trust representative office located in Florida shall have or exercise discretionary signatory authority on behalf of Stanford Trust regarding any customer account or related matter.

7. This agreement shall be in effect for as long as Stanford Trust maintains or transacts business from any trust representative office located in the State of Florida. This agreement shall have no further force or effect in the event that Stanford Trust gives notification of the closure of all trust representative offices in this State.

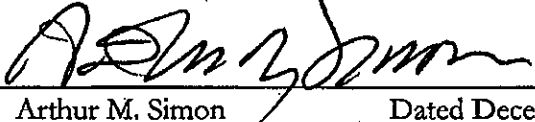
8. Nothing in this agreement shall be deemed to grant the Department authority or jurisdiction over business activities conducted by Stanford Trust outside of the State of Florida.

9. Each of the undersigned representatives is authorized to bind its principal.

STATE OF FLORIDA, DEPARTMENT

OF BANKING AND FINANCE

By:



Arthur M. Simon

Dated December 14, 1998

Director, Division of Banking

400 South Monroe Street

Tallahassee, Florida 32399-0350

STANFORD TRUST COMPANY LIMITED

By: *Yolanda M. Suarez*
Yolanda Suarez Dated December 10, 1998
Secretary
5050 Westheimer
Houston, Texas 77056

/121960/