

due to governmental immunity, and that instead Stanford should use political pressure through his Congressmen, and even the White House, to “*keep the heat on Shockey*”.

5. Greenberg Assists Stanford to Silence Journalists

75. In what became a regular occurrence over the course of his twenty years representing Stanford, in 1991 Loumiet assisted Stanford to silence a journalist who had raised questions about Stanford Financial’s business practices. In September, 1991 Stanford sent Loumiet a copy of an article written by British journalist Tony Hetherington exposing Stanford Financial’s shady dealings in Montserrat and Antigua and reporting that Stanford Financial did not have authorization to operate banking offices in the United States. Hetherington published another article entitled “*Monster Rat in Montserrat*”, in which he described how GIBL’s advertisements offered CD rates 2-3 points higher than rates obtainable at any other financial institution and that even though GIBL was purportedly an Antiguan bank, prospective clients were directed by the advertisement to request more information from GIIS’ offices in Houston. Hetherington questioned how GIBL could be selling its bank products from the U.S. since it had no banking license there, and also hypothesized that Latin American depositors might be tricked by such advertisements into believing that, in dealing with GIBL, they were dealing with “*Texans who have been checked out by the authorities and granted a banking license*”.

76. Of course, that was Stanford’s entire business model from 1986 all the way until 2009.

77. In December 1991, Loumiet helped Stanford’s father, James Stanford, draft a threatening letter to Mr. Hetherington’s editors at the Financial Times, demanding a full public retraction or else Stanford Financial’s lawyers (i.e., Greenberg) would take “full legal recourse” against all parties involved. As a result of this letter, and apparently to avoid litigation, the

Financial Times did indeed publish an apology, despite the fact that everything Mr. Hetherington had said was true.

6. Greenberg Acts as Securities Counsel for Stanford

78. Greenberg routinely provided U.S. securities law advice and counsel to Stanford, particularly after Stanford hired (at Loumiet's recommendation) former Greenberg lawyer Yolanda Suarez ("Suarez") to be the General Counsel for Stanford Financial in February, 1992. Suarez had been an associate at Greenberg under Loumiet's tutelage and Loumiet recommended her to Stanford to become Stanford's chief "in-house" counsel.

79. In January 1991, Stanford Financial employees prepared several draft "service agreements" to be executed between GIIS and the newly constituted Antiguan entities, GIBL, Guardian Trust Company ("GTC") and BoA, as well as Guardian Development Corporation ("GDC"), and sent them to Loumiet to review and approve. Loumiet provided Stanford with his comments on the service agreements via letter dated February 1, 1991, in which he noted that Stanford Financial was operating in a "grey area" with respect to whether or not GIIS was carrying out banking operations in the United States at its Houston and Miami offices by providing bank "representation" services to GIBL.⁹ Loumiet also warned Stanford about Stanford Financial's sales of securities from the U.S., which might require it to be registered as a securities broker, which, Loumiet reminded Stanford, was something that "*I am sure you would like to avoid*".

80. Thereafter in 1992, Greenberg continued to advise Stanford Financial regarding whether GIBL's affiliated U.S. company GIIS had to register as a broker/dealer or as an

⁹ In 1996, Greenberg lawyers worked on a U.S. Tax Court brief in Stanford's dispute with the IRS, and represented to the court that Stanford owned "*three foreign corporations (the "Guardian Banking Companies") which jointly conduct the operations of an offshore bank, including its financial, management and marketing operations*". The three corporations were GIBL, GIIS and Stanford Financial Group – with the latter two entities based in the United States.