

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

UNITED STATES OF AMERICA

v.

LAURA PENDERGEST-HOLT

a/k/a Laura Pendergest

a/k/a Laura Holt

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Criminal No. H-09-342-2

PLEA AGREEMENT

The United States of America, by and through its United States Attorney for Southern District of Texas and the Fraud Section of the Criminal Division of the Department of Justice, the defendant, Laura Pendergest-Holt, and the defendant's counsel have entered into the following plea agreement (the "Agreement") pursuant to Rules 11(c)(1)(A) and 11(c)(1)(C) of the Federal Rules of Criminal Procedure:

The Defendant's Agreement

1. The defendant agrees to plead guilty to Count Twenty of the Indictment. Count Twenty charges the defendant with Obstruction of an SEC Investigation in violation of Title 18, United States Code, Section 1505. The defendant further agrees to persist in that plea through sentencing. By entering this Agreement, the defendant waives any right to have the facts that the law makes essential to the punishment of Count Twenty either charged in the Indictment, proved to a jury or proven beyond a reasonable doubt.

Punishment Range

2. The **statutory** penalty for the violation of Title 18, United States Code, Section 1505 in Count Twenty is not more than five (5) years imprisonment and/or a fine of up to \$250,000.00. Additionally, the defendant may receive a term of supervised release after imprisonment of up to three (3) years. Title 18 U.S.C. §§ 3559(a)(4) and 3583(b)(2). Defendant acknowledges and understands that if she should violate the conditions of any period of supervised release which may be imposed as part of her sentence, then defendant may be imprisoned for the entire term of supervised release, not to exceed two (2) years, without credit for time already served on the term of supervised release prior to such violation. Title 18 U.S.C. §§ 3559(a)(4) and 3583(e)(3). Defendant understands that she cannot have the imposition or execution of the sentence suspended, nor is she eligible for parole.

The Sentence

3. The parties have agreed, pursuant to Rule 11(c)(1)(C) of the Federal Rules of Criminal Procedure, to a sentence of thirty-six (36) months of imprisonment followed by three (3) years of supervised release. The defendant understands that the Agreement will be binding upon the Court if and when the Court accepts the Agreement.

Waiver of Appeal

4. The defendant is aware that 18 U.S.C. § 3742 affords a defendant the right to appeal the sentence imposed. The defendant agrees to waive the right to appeal the sentence imposed or the manner in which it was determined on any grounds set forth in 18 U.S.C. § 3742. Additionally, the defendant is aware that 28 U.S.C. § 2255 affords the right to contest or “collaterally attack” a conviction or sentence after the conviction or sentence has become final. The defendant waives the right to contest her conviction or sentence by means of any post-conviction proceeding.

5. In exchange for this Agreement with the United States, the defendant waives all defenses based on venue, speedy trial under the Constitution and Speedy Trial Act, and the statute of limitations with respect to any prosecution that is not time-barred on the date that this Agreement is signed, in the event that (a) the defendant’s conviction is later vacated for any reason, (b) the defendant violates any provision of this Agreement, or (c) the defendant’s plea is later withdrawn.

6. The defendant understands and agrees that each and all of her waivers contained in this Agreement are made in exchange for the corresponding concessions and undertakings to which this Agreement binds the United States. If the defendant instructs her attorney to file a notice of appeal at the time the sentence is imposed, the United States will seek specific performance of this provision.

The United States' Agreements

7. The United States agrees to each of the following:
 - (a) The United States agrees to the sentence described in paragraph 3 of this Agreement; and
 - (b) If the defendant pleads guilty to Count Twenty of the Indictment and persists in that plea through sentencing, and if the Court accepts this Agreement, the United States will at sentencing move to dismiss all remaining Counts of the Indictment against the defendant.

United States' Rights

8. The United States reserves the right to carry out its responsibilities under the *Sentencing Guidelines*. Specifically, the United States reserves the right:
 - (a) to bring its version of the facts of this case, including its evidence file and any investigative files, to the attention of the Probation Office in connection with that office's preparation of a presentence report;
 - (b) to set forth or dispute sentencing factors or facts material to sentencing;
 - (c) to seek resolution of such factors or facts in conference with the defendant's counsel and the Probation Office; and
 - (d) to file a pleading relating to these issues, in accordance with U.S.S.G. § 6A1.2 and 18 U.S.C. § 3553(a).

Withdrawal of Plea

9. The United States and defendant agree that should the Court reject this plea agreement at sentencing the defendant shall be permitted to withdraw her plea of guilty and proceed to trial on all counts of the Indictment.

Rights at Trial

10. The defendant represents to the Court that she is satisfied that her attorneys have rendered effective assistance. The defendant understands that by entering into this Agreement, she surrenders certain rights as provided herein. The defendant understands that the rights of a defendant include the following:

- (a) If the defendant persisted in a plea of not guilty to the charges, the defendant would have the right to a speedy jury trial with the assistance of counsel. The trial may be conducted by a judge sitting without a jury if the defendant, the United States, and the Court all agree.
- (b) At a trial, the United States would be required to present witnesses and other evidence against the defendant. The defendant would have the opportunity to confront those witnesses and her attorney would be allowed to cross-examine them. In turn, the defendant could, but would not be required to, present witnesses and other evidence on her own behalf. If the witnesses for the defendant would not appear voluntarily, she could require their attendance through the subpoena power of the Court.
- (c) At a trial, the defendant could rely on a privilege against self-incrimination and decline to testify, and no inference of guilt could be drawn from such refusal to testify. However, if the defendant desired to do so, she could testify on her own behalf

Factual Basis for Guilty Plea

11. The defendant is pleading guilty because she *is* guilty of the charge contained in Count Twenty of the Indictment. If this case were to proceed to trial, the United States could prove each element of the offense beyond a reasonable doubt.

The following facts, among others, would be offered to establish the defendant's guilt:

Stanford Financial Group (SFG) was based in Houston, Texas, and maintained offices in other locations, including Memphis, Tennessee. SFG provided its affiliated companies in the financial services industry with accounting, investment, and other professional support services. Two of SFG's affiliated companies were Stanford International Bank, Ltd. (SIB) and Stanford Group Company (SGC).

SIB was incorporated and based in Antigua. SIB's primary product was the certificate of deposit (CD). SIB marketed its CDs to investors in the United States and elsewhere via affiliated companies, and SIB claimed to have conservatively invested the proceeds of those CD sales in a manner designed to maintain the highest level of liquidity. By 2008, SIB's liabilities to investors who had purchased CDs exceeded \$7 billion.

SGC was incorporated in Texas, was based in Houston, and maintained offices throughout the United States. SGC was affiliated with SIB and SFG, and SGC was registered with the United States Securities and Exchange Commission (SEC) as an investment advisor and as a broker-dealer. SGC employed numerous Financial Advisors (FAs) who, among other things, helped sell SIB CDs to the public.

Robert Allen Stanford was the sole shareholder (owner) of SIB, SFG, SGC, and their affiliated entities. James M. Davis was the Chief Financial Officer of SFG.

Laura Pendergest-Holt (Holt) joined SFG as a Research Analyst in June 1997. After a series of promotions over the next seven years, Holt was named SFG's Chief Investment Officer in Spring 2005. As SFG's Chief Investment Officer, Holt gave the impression to SIB clients and to SIB, SFG, and SGC employees that she was aware of SIB's entire portfolio of non-cash assets, and that those non-cash assets were managed by a global network of money managers. Although Holt knew that Stanford, Davis, and others had internally segregated SIB's investment portfolio into three tiers — (a) cash and cash equivalents ("Tier I"); (b) investments with "outside money managers," sometimes also referred to as "outside portfolio managers" ("Tier II"); and (c) other assets ("Tier III") — Holt did not disclose to SIB clients that Tier III constituted the vast majority of SIB's entire investment portfolio. Holt also did not

disclose that up until late 2008, Holt had no knowledge of the content or performance of Tier III, despite the magnitude of Tier III relative to the rest of SIB's investments. In fact, Holt's management of SIB's investments was confined to Tier II, which by 2008 amounted to only 12% of SIB's purported assets.

On January 14, 2009, the SEC served, through Outside Attorney A, investigatory subpoenas to Davis and Holt seeking testimony and documents related to SIB. Stanford also was served an SEC subpoena through Outside Attorney A. On or shortly after January 14, 2009, Holt knew that the SEC's inquiry was focused on determining the content of SIB's investment portfolio, including the vast majority of the portfolio designated as Tier III.

On January 21, 2009, Holt met with Stanford, Davis, Outside Attorney A, and others at the SIB airplane hangar in Miami, Florida, to discuss who would testify before the SEC. At that meeting, despite knowing that she was incapable of testifying about the content of Tier III, and knowing that up until late 2008 she had no knowledge of the content or performance of Tier III, Holt agreed with Stanford, Davis, Outside Attorney A and others that Outside Attorney A would seek to convince the SEC that Holt and SIB Executive A were the most appropriate individuals to testify about SIB's entire investment portfolio.

On February 3, 4, 5, and 6, 2009, Holt met with Davis, SFG Attorney A, SIB Executive A, Outside Attorney A and others, including Stanford on February 5th, at SFG's office in Miami, Florida to discuss the presentations that Holt and SIB Executive A would provide to the SEC during the week of February 9, 2009. During these meetings, Davis revealed that Tier III was made up of (a) real estate purportedly valued at more than \$3 billion; (b) \$1.6 billion of "loans" to Stanford; and (c) various private equity investments. Further, on February 9th, prior to meeting with the SEC, Holt met with Outside Attorney A to discuss and prepare for her testimony.

Despite the fact that (a) Holt was provided the information above, (b) Holt knew that prior SIB disclosures were therefore materially inaccurate, (c) Holt knew the SEC's inquiry was focused on determining the content of SIB's entire investment portfolio (including the vast majority of the portfolio designated as Tier III), and (d) Holt unequivocally knew she was incapable of testifying about Tier III, Holt nevertheless appeared before the SEC in Fort Worth, Texas, on February 10, 2009, and provided sworn testimony.

Holt corruptly took this action knowing that her testimony would impede the SEC's investigation of SIB, with the intention of delaying the SEC's attempts to secure testimony from Davis and Stanford, and in an effort to help SIB to continue operating. SIB's continued operations would enable Holt to continue to receive her salary.

Breach of Plea Agreement

12. If the defendant fails in any way to fulfill completely all of her obligations under this Agreement, the United States will be released from its obligations hereunder, and the defendant's plea and sentence will stand. If at any time the defendant retains, conceals, or disposes of assets in violation of this Agreement, or if the defendant knowingly withholds evidence or is otherwise not completely truthful with the United States, then the United States may ask the Court to set aside her guilty plea and reinstate prosecution. Any information and documents that have been disclosed by the defendant, whether prior to or subsequent to execution of this Agreement, and all leads derived therefrom, will be used against the defendant in any prosecution.

Mandatory Special Assessment

13. Pursuant to 18 U.S.C. § 3013(a)(2)(A), immediately after sentencing the defendant will pay to the Clerk of the United States District Court a special assessment in the amount of \$100.00. The payment will be by cashier's check or

money order payable to the Clerk of the United States District Court, c/o District Clerk's Office, P.O. Box 61010, Houston, Texas 77208, Attention: Finance.

Fine and Reimbursement

14. The defendant understands that under the *Sentencing Guidelines* the Court is permitted to order the defendant to pay a fine that is sufficient to reimburse the United States for the costs of any imprisonment or term of supervised release, if any is ordered.

15. The defendant agrees to make complete financial disclosure by truthfully executing a sworn financial statement (Form OBD-500) prior to sentencing if she is requested to do so. In the event that the Court imposes a fine as part of the defendant's sentence, the defendant shall make complete financial disclosure by truthfully executing a sworn financial statement immediately following her sentencing.

16. In calculating the fine, the Court is advised that on February 17, 2009, Holt was named as a Defendant in *Securities and Exchange Commission, Plaintiff, vs. Stanford International Bank, Ltd., Stanford Group Company, Stanford Capital Management, LLC, R. Allen Stanford, James M. Davis, and Laura Pendergest-Holt*, Defendants, Case No. 3:09-CV-298-L, In the United States District Court for the

Northern District of Texas, Dallas Division. The receiver in this case has restrained all of Holt's assets in the approximate amount of \$350,000.

Complete Agreement

17. This Agreement, consisting of 11 pages, together with the attached addendum signed by the defendant and her attorney, constitutes the complete plea agreement between the United States, the defendant, and her counsel. No promises or representations have been made by the United States except as set forth in writing in this Agreement. The defendant acknowledges that no threats have been made against her and that she is pleading guilty freely and voluntarily because she is guilty.

18. Any modification of this Agreement must be in writing and signed by all parties.

Filed at Houston, Texas, on 6-21, 2012.

Laura Pendergest-Holt
Laura Pendergest-Holt
Defendant

Subscribed and sworn to before me on June 21, 2012.

DAVID J. BRADLEY
UNITED STATES DISTRICT CLERK

By: Erin M. Alexander
Deputy United States District Clerk

APPROVED:

KENNETH MAGIDSON
United States Attorney

By: Jason Varnado
Assistant U. S. Attorney

Chris Flood
Chris Flood
Attorney for Defendant

KATHLEEN McGOVERN
Acting Chief, Fraud Section

Jeffrey Goldberg
Jeffrey Goldberg
Deputy Chief, Fraud Section
Criminal Division
Department of Justice

/s/ Andrew Warren
Andrew Warren
Trial Attorney
Criminal Division
Department of Justice

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Criminal No. H-09-342-2

ADDENDUM TO PLEA AGREEMENT

I have fully explained to the defendant her rights with respect to the pending Indictment. I have reviewed the provisions of the *United States Sentencing Commission Guidelines Manual*, and I have fully and carefully explained to the defendant the provisions thereof which may apply in this case. I have also explained to the defendant that the *Sentencing Guidelines* are only advisory and the Court may sentence the defendant up to the maximum allowed under the plea agreement. Further, I have carefully reviewed every part of the Agreement with the defendant. To my knowledge, the defendant's decision to enter into the Agreement is an informed and voluntary one.

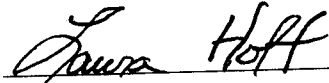


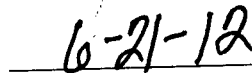
Attorney

6-21-12

Date

I have consulted with my attorney and fully understand all my rights with respect to the Indictment pending against me. My attorney has fully explained and I understand all my rights with respect to the provisions of the *United States Sentencing Commission Guidelines Manual* which may apply in my case. I have read and carefully reviewed every part of the Agreement with my attorney. I understand the Agreement, and I voluntarily agree to its terms.


Defendant


Date