

[TO BE TYPED ON POLICYHOLDER'S LETTERHEAD]

WARRANTY AND REPRESENTATION LETTER

[DATE]

RE: [POLICY]: _____

NAME OF INSURER: _____

Re: WARRANTY AND REPRESENTATION LETTER
(Bernard L. Madoff – R. Allen Stanford)

DEAR UNDERWRITER:

WE DECLARE THAT OUR ORGANIZATION, ITS SUBSIDIARIES, AND AFFILIATES (HEREAFTER COLLECTIVELY REFERRED TO AS THE "ORGANIZATION"), AFTER DUE INQUIRY: (1) DO NOT CURRENTLY HOLD AND HAVE NOT HELD ANY ASSETS INVESTED, MANAGED OR PURCHASED, DIRECTLY OR INDIRECTLY WITH OR THROUGH (A) ANY MADOFF COMPANY (AS DEFINED BELOW), OR (B) ANY MADOFF PERSON (AS DEFINED BELOW), OR (C) THE STANFORD GROUP (AS DEFINED BELOW), OR (D) ANY STANFORD PERSON (AS DEFINED BELOW); AND (2) HAVE NOT EARNED ANY FEES, REVENUE OR COMMISSIONS IN CONNECTION WITH THE AFOREMENTIONED COMPANIES OR PERSONS IN CLAUSE (1).

OUR ORGANIZATION HAS NOT RECEIVED ANY INQUIRIES FROM ANY REGULATORS REGARDING ANY MADOFF COMPANY, ANY MADOFF PERSON, THE STANFORD GROUP OR ANY STANFORD PERSON.

WE REPRESENT AND WARRANT, AFTER DUE INQUIRY WITH ALL RELEVANT PERSONS AND SUBSIDIARIES, THAT:

- THERE HAS NOT BEEN, NOR IS THERE NOW, ANY PENDING CLAIM(S), SUIT(S), OR ACTION(S) (INCLUDING BUT NOT LIMITED TO ANY INVESTIGATION) AGAINST ANY PERSON OR ENTITY PROPOSED FOR INSURANCE UNDER THE POLICY; AND
- NO PERSON OR ENTITY PROPOSED FOR INSURANCE UNDER THE POLICY HAS KNOWLEDGE OR INFORMATION OF ANY ACT, ERROR, OR OMISSION WHICH MIGHT GIVE RISE TO A CLAIM(S), SUIT(S), INVESTIGATION(S) OR ACTION(S) UNDER THE POLICY;

IN CONNECTION WITH ANY MADOFF COMPANY, MADOFF PERSON, STANFORD GROUP OR STANFORD PERSON, OR THEIR RESPECTIVE PRODUCTS, PRACTICES OR ACTIVITIES.

IT IS FURTHER UNDERSTOOD AND AGREED IF SUCH CLAIM(S), SUIT(S), ACTION(S), KNOWLEDGE OR INFORMATION EXISTS, THEN SUCH CLAIM(S), SUIT(S), OR ACTION(S) AND ANY CLAIM(S), SUIT(S) OR ACTIONS ARISING THEREFROM OR ARISING FROM SUCH KNOWLEDGE OR INFORMATION IS EXCLUDED FROM COVERAGE UNDER THE POLICY.

[POLICYHOLDER]

SIGNED: _____ SIGNED: _____

TITLE: _____ TITLE: _____

DATE: _____ DATE: _____

DEFINITIONS

“MADOFF COMPANY” MEANS:

- (A) BERNARD L. MADOFF INVESTMENT SECURITIES LLC, MADOFF SECURITIES INTERNATIONAL LIMITED AND MADOFF LIMITED; OR
- (B) ANY MADOFF SUBSIDIARY; OR
- (C) ANY AFFILIATE OF ANY ORGANISATION DESCRIBED IN (A) OR (B) IMMEDIATELY ABOVE; OR
- (D) ANY PARTNERSHIP, LIMITED PARTNERSHIP OR LIMITED LIABILITY PARTNERSHIP IN WHICH AN ORGANISATION DESCRIBED IN (A) OR (B) IMMEDIATELY ABOVE IS A PARTNER OR MEMBER.

“MADOFF PERSON” MEANS:

- (A) BERNARD L. MADOFF; OR
- (B) ANY MEMBER OF BERNARD L. MADOFF’S FAMILY; OR
- (C) ANY EMPLOYEE OF BERNARD L. MADOFF OR OF A MADOFF COMPANY; OR
- (D) ANY DIRECTOR OF, OR PARTNER IN, A MADOFF COMPANY.

“MADOFF SUBSIDIARY” MEANS A COMPANY IN WHICH BERNARD L. MADOFF, BERNARD L. MADOFF INVESTMENT SECURITIES LLC, MADOFF SECURITIES INTERNATIONAL LIMITED (ALONE, OR ANY OF THEM TOGETHER) DIRECTLY OR INDIRECTLY:

- (A) HOLDS THE MAJORITY OF THE VOTING RIGHTS; OR
- (B) HAS THE RIGHT TO APPOINT OR REMOVE A MAJORITY OF THE BOARD OF DIRECTORS; OR
- (C) CONTROLS ALONE, PURSUANT TO A WRITTEN AGREEMENT WITH OTHER SHAREHOLDERS, A MAJORITY OF THE VOTING RIGHTS.

“STANFORD GROUP” MEANS:

- (A) STANFORD INTERNATIONAL BANK, LTD., STANFORD GROUP COMPANY, STANFORD CAPITAL MANAGEMENT, LLC, SANFORD FINANCIAL GROUP, STANFORD HOLDINGS, INC., STANFORD ALLOCATION STRATEGY; OR
- (B) ANY STANFORD SUBSIDIARY; OR
- (C) ANY AFFILIATE OF ANY ORGANISATION DESCRIBED IN (A) OR (B) IMMEDIATELY ABOVE; OR
- (D) ANY PARTNERSHIP, LIMITED PARTNERSHIP OR LIMITED LIABILITY PARTNERSHIP OR MUTUAL FUND IN WHICH AN ORGANISATION DESCRIBED IN (A) OR (B) IMMEDIATELY ABOVE IS A PARTNER, MEMBER, TRUSTEE, ADVISOR OR MANAGER OF.

“STANFORD PERSON” MEANS:

- (A) R. ALLEN STANFORD, JAMES M. DAVIS, LAURA PENDERGEST-HOLT (“STANFORD OFFICERS”); OR
- (B) ANY MEMBER OF A STANFORD OFFICERS’ FAMILY; OR
- (C) ANY EMPLOYEE, AGENT OR REGISTERED REPRESENTATIVES OF ANY STANFORD OFFICERS OR OF A STANFORD ORGANISATION; OR
- (D) ANY DIRECTOR, TRUSTEE OF, OR PARTNER IN, A STANFORD ORGANISATION.

“STANFORD SUBSIDIARY” MEANS A COMPANY IN WHICH A STANFORD PERSON, STANFORD INTERNATIONAL BANK, LTD., STANFORD GROUP COMPANY, STANFORD CAPITAL MANAGEMENT, LLC, SANFORD FINANCIAL GROUP, STANFORD HOLDINGS, INC. OR STANFORD ALLOCATION STRATEGY (ALONE, OR ANY OF THEM TOGETHER) DIRECTLY OR INDIRECTLY:

- (A) HOLDS THE MAJORITY OF THE VOTING RIGHTS; OR
- (B) HAS THE RIGHT TO APPOINT OR REMOVE A MAJORITY OF THE BOARD OF DIRECTORS; OR
- (C) CONTROLS ALONE, PURSUANT TO A WRITTEN AGREEMENT WITH OTHER SHAREHOLDERS, A MAJORITY OF THE VOTING RIGHTS.