

Stanford workers stunned, strapped -- Future, benefits, pay in limbo with frozen assets

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Even as employees of Stanford Financial Group return to the lavish offices at the Crescent Center in East Memphis to retrieve personal items, they remain in limbo.

They are unsure whether they will receive another paycheck, unable to file for unemployment benefits and frustrated that the Securities and Exchange Commission and the court-appointed receiver are not providing more detailed information.

"Basically it's affecting me because we were all depending on our pay or separation letters from the receiver," said Latrice Stanton, a single mother of two teenagers and an administrative assistant at Stanford for four years. "They actually told us the last day we were there, when they sent us home, it was vacation with pay. We have yet to receive pay nor have we heard anything other than the assets and the money is frozen.

"It is affecting our families because we have bills that need to be paid, and we can't pay them."

The SEC is charging that the companies belonging to Texas billionaire R. Allen Stanford have been involved in an \$8 billion fraud and have accused Stanford, the company CEO, of executing a massive Ponzi scheme with help from his college roommate, Memphis-based chief financial officer James Davis of Baldwyn, Miss.

Chief investment officer Laura Pendergest-Holt, a Baldwyn native who has also been based out of Memphis, is also included in the SEC charges, and was arrested Thursday on criminal charges of obstructing the investigation.

Suzanne Hamm, Stanford's Memphis-based worldwide chief marketing officer for North America, believes that while authorities "rushed" to shut down Stanford, they have been slow to take care of employees. She wrote a memo expressing the frustration and anger coming from employees after the court-appointed receiver did not make payroll on Friday.

On Monday, the receiver, Texas attorney Ralph Janvey, said in a hearing in a Dallas federal court that he hoped to pay employees this week and to clarify their employment status soon.

Hamm's response is simple: "I'll believe it when I see it hit my direct deposit."

A federal judge also ruled Monday to keep client assets with Stanford frozen until at least March 12.

Hamm had advocated on behalf of the employees to The Wall Street Journal, which ran an article under the headline "Stanford Employees Feel The Pinch."

Stanford has 3,000 employees worldwide, with about 50 at the Memphis offices.

Janvey's only response so far has been a statement on the receivership Web site acknowledging that he is "aware of the confusion and hardship" being experienced by employees.

"That doesn't help; it is insufficient," Hamm said Tuesday. "Just do what you said you are going to do."

Many employees have agreed to come back to Stanford's offices, including in Memphis, to help investigators.

Stanford employees are also being contacted to make appointments to collect personal effects. Hamm and several employees said Tuesday it is their understanding that those visits are not considered final termination.

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Stanley clears out

State Sen. Paul Stanley, R-Germantown, says he will clean out his desk Thursday at Stanford Financial Group.

Stanley, who hasn't been accused of any wrongdoing, said he was last paid by the company Jan. 15 and does not expect another

paycheck.

He said an outside investor is negotiating to buy the broker-dealer and he will wait for details before deciding whether to remain with the business.

- Associated Press

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