

Stanford executive claims 'improper' raid

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One of Sir Allen Stanford's top lieutenants has asked a Dallas judge to dissolve a court-appointed receiver's authority over her after an "improper" raid on her home, court documents show.

Laura Pendergest-Holt, chief investment officer of the Stanford Group, claimed two lawyers representing the receiver appointed to administer the group's affairs, entered and searched her Mississippi home "without any warning or notice".

In a motion filed late on Tuesday, she accused the men of "rummaging through [her] undergarment drawer, rifling through her personal items" and redirecting her mail in the latest twist to the complex drama.

"The lawyers took what they pleased," Ms Pendergest-Holt alleged in the filing. "[They] were so delighted in doing so that, at one point, they gleefully indicated to Mr Holt [her husband] that he was not going to be living in the house much longer."

Neither Ms Pendergest-Holt's lawyer nor attorneys for the receiver were available for comment.

Ms Pendergest-Holt has been charged with criminal obstruction of an investigation by the US Securities and Exchange Commission into the alleged \$8bn fraud perpetrated by Sir Allen. Ms Pendergest-Holt and James Davis, Stanford's chief financial officer, were also named in the SEC's civil complaint.

The request comes as the judge is expected to rule on Thursday on whether to make permanent a temporary freeze on assets of Sir Allen and his deputies and on those of the Stanford group.

The freeze, requested by the SEC, has been contested by clients of the company, who say they have been deprived of their capital despite not having been accused of any wrongdoing.

Representatives for Sir Allen and Mr Davis did not return calls seeking comment on their clients' current whereabouts.

Both are, however, in the US, having surrendered their passports.

Lawyers are debating whether the authorities will soon bring any further Stanford-related charges.

"I fully anticipate you will be seeing indictments for the fraud shortly," said Philip Hilder, of Hilder & Associates, an organised crime specialist who represented Sherron Watkins, the Enron whistleblower, in the trials against Enron management. "The government has to marshal its evidence until it can pull the trigger."

Dan Hedges, the lawyer representing Jay Comeaux, executive director of Stanford Group Company, said he had found there was a sense of confusion around the SEC's investigation.

When he went for a meeting at the Stanford offices in Houston a few days ago, he could not find the lawyer due to interview his client.

"People are going around looking confused," he said, adding that the complexities of the case could mean SEC officials have to move slowly.

"They're just digging through it," he said.

The international element has only added complexity to the case. "It creates more procedural hoops," said David Scott, of Scott & Scott. "Whenever there is an overseas element, it adds a layer of complexity."

He added that, following the Madoff scandal, where officials have admitted they have found far less funds than they had expected, Stanford investigators will be aware of the need to ascertain quickly what assets exist.

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