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Loren Jackson
District Clerk
Harris District

No. ~~2009-10664~~

JOHAN PIETER DAHLER M.D., D.D.S.,
TRUSTEE,

IN THE DISTRICT COURT OF

Plaintiff,

vs.

STANFORD GROUP COMPANY,
STANFORD FINANCIAL GROUP,
STANFORD CAPITAL
MANAGEMENT, LLC, STANFORD
VENTURE CAPITAL HOLDINGS, INC.,
STANFORD GROUP HOLDINGS, INC.,
STANFORD INTERNATIONAL
BANK, LTD., R. ALLEN STANFORD,
JAMES M. DAVIS AND LAURA
PENDERGEST-HOLT,

HARRIS COUNTY, TEXAS

Defendants.

334 JUDICIAL DISTRICT

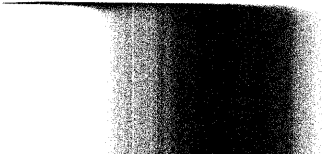
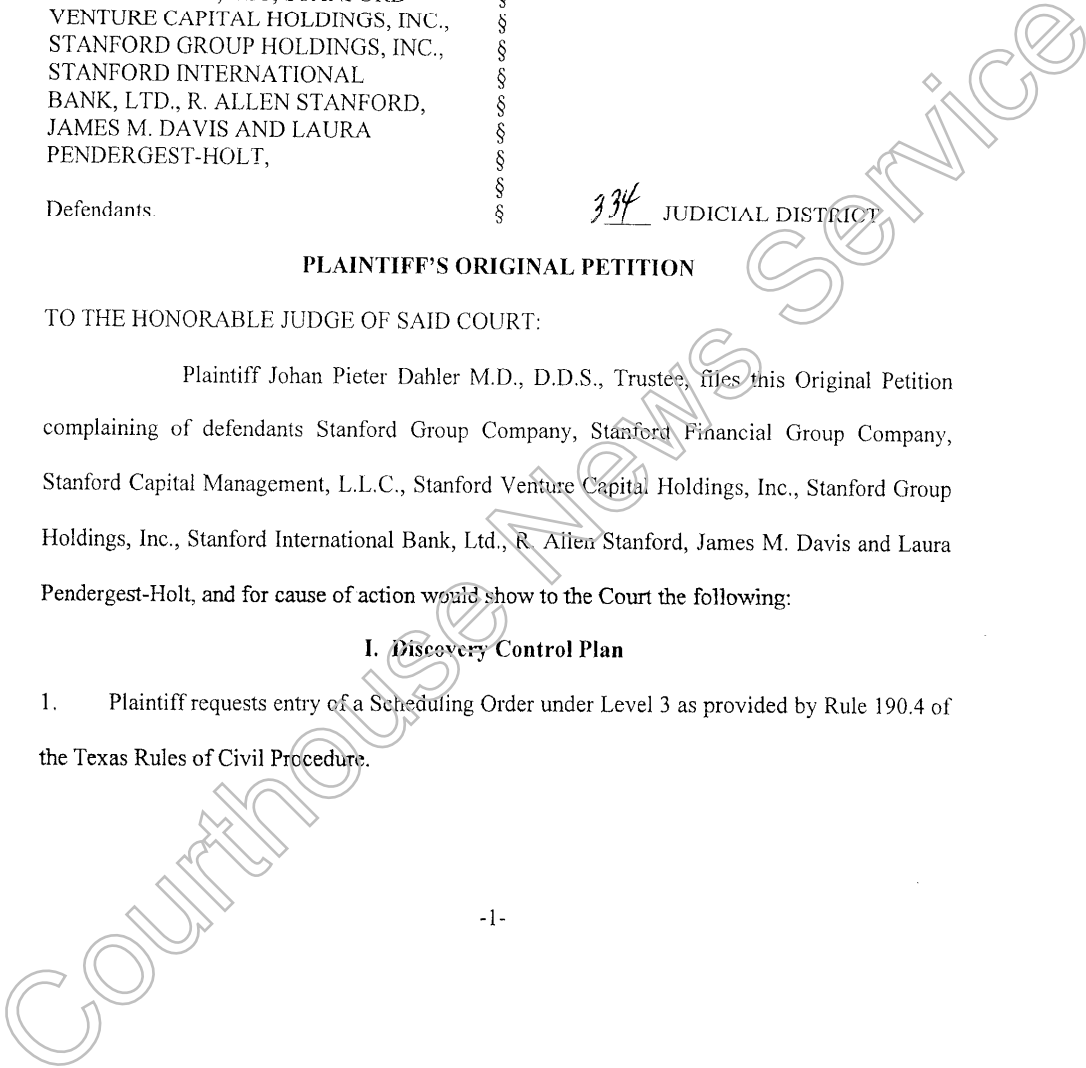
PLAINTIFF'S ORIGINAL PETITION

TO THE HONORABLE JUDGE OF SAID COURT:

Plaintiff Johan Pieter Dahler M.D., D.D.S., Trustee, files this Original Petition complaining of defendants Stanford Group Company, Stanford Financial Group Company, Stanford Capital Management, L.L.C., Stanford Venture Capital Holdings, Inc., Stanford Group Holdings, Inc., Stanford International Bank, Ltd., R. Allen Stanford, James M. Davis and Laura Pendergest-Holt, and for cause of action would show to the Court the following:

I. Discovery Control Plan

1. Plaintiff requests entry of a Scheduling Order under Level 3 as provided by Rule 190.4 of the Texas Rules of Civil Procedure.



II. Parties

2. Plaintiff Johan Pieter Dahler is an individual who resides in Colorado. Dr. Dahler is Trustee of the Rocky Mountain Trust (“the Trust”), and brings this suit in his capacity as Trustee. The Trust has utilized its income to fund a charitable foundation dedicated to improving the health and well being of the poor in Mexico and Central America.

3. Defendant Stanford Group Company (“SGC”) is a Texas corporation with its principal office in Houston, Harris County, Texas. Service of process can be made upon its registered agent, Corporation Service Company D B A +, 701 Brazos Street, Suite 1050, Austin, Texas 78701.

4. Defendant Stanford Financial Group (“SFG”) is a corporation organized under the laws of the State of Florida with its principal office in Texas located in Houston, Harris County, Texas. Service of process can be made upon its registered agent, Corporation Service Company D/B/A +, 701 Brazos St., Suite 1050, Austin, Texas 78701.

5. Defendant Stanford Capital Management, L.L.C. (“SCM”) is a registered investment advisor with its principal office in Texas located in Houston, Harris County, Texas.

6. Defendant Stanford Venture Capital Holdings, Inc. (“SVC”) is a corporation organized under the laws of the State of Florida with its principal office in Texas located in Houston, Harris County, Texas. Service can be made upon its registered agent, Corporation Service Company D B A +, 701 Brazos Street, Suite 1050, Austin, Texas 78701.

7. Defendant Stanford Group Holdings, Inc. (“SGH”) is a corporation organized under the laws of the State of Delaware with its principal office in Texas located in Houston, Harris

County, Texas. Service can be made upon its registered agent, Corporation Service Company D B A +, 701 Brazos Street, Suite 1050, Austin, Texas 78701.

8. Defendant Stanford International Bank, Ltd. ("SIBL") represents itself as a private bank domiciled in St. Johns, Antigua, West Indies. Stanford International Bank, Ltd.'s principal office in Texas is located in Houston, Harris County, Texas. Stanford International Bank, Ltd. has entered into contracts in the State of Texas, has committed torts in the State of Texas, and has done business in the State of Texas. Stanford International Bank, Ltd. has not designated a registered agent for service of process within the State of Texas; therefore, service upon Stanford International Bank, Ltd. may be had by serving the Secretary of State of Texas with instructions that this Original Petition be forwarded to its President or Chief Officer at No. 11 Pavilion Dr., St. John's, Antigua, West Indies.

9. Defendant R. Allen Stanford ("RAS") is an individual who resides in St. Croix, United States Virgin Islands. R. Allen Stanford has not designated a registered agent for service of process within the State of Texas; therefore, service upon R. Allen Stanford may be had by serving the Secretary of State of Texas with instructions that this Original Petition be forwarded to his place of business, 5050 Westheimer, Houston, Texas.

10. Defendant James M. Davis ("Davis") is an individual who resides in Baldwin, Mississippi. James M. Davis has not designated a registered agent for service of process within the State of Texas; therefore, service upon James M. Davis may be had by serving the Secretary of State of Texas with instructions that this Original Petition be forwarded to his place of business, 6075 Poplar Ave., No. 202, Memphis, Tennessee.

11. Defendant Laura Pendergest-Holt ("Pendergest-Holt") is an individual who works in Tennessee. She has not designated a registered agent for service of process within the State of Texas; therefore, service upon Laura Pendergest-Holt may be had by serving the Secretary of State of Texas with instructions that this Original Petition be forwarded to her place of business, 6075 Poplar Ave., No. 202, Memphis, Tennessee.

III. Jurisdiction And Venue

12. The Court has jurisdiction to hear this cause in that the damages are in excess of the minimum jurisdictional limits of the Court.

13. All or a substantial part of the events and transactions giving rise to the causes of action stated herein occurred in Houston, Harris County, Texas, making venue proper in Harris County pursuant to Tex. Civ. Prac. & Rem. Code § 15.002(a)(1).

14. At the time of the events and transactions giving rise to the causes of action:

- (a) at least one of the individual defendants resided in Harris County, making venue proper in Harris County pursuant to Tex. Civ. Prac. & Rem. Code § 15.002(a)(2), and
- (b) at least one of the corporate defendants had a principal office in Harris County, making venue proper in Harris County pursuant to Tex. Civ. Prac. & Rem. Code § 15.002(a)(3).

15. Venue is proper as to each defendant who participated in the transactions made the basis of this action, which occurred in Harris County, Texas, and thus, venue is proper as to all defendants in Harris County, pursuant to Tex. Civ. Prac. & Rem. Code §15.005.

IV. Factual Background

16. Plaintiff is a retired oral surgeon who found a special vocation in serving the needs of the poor in Mexico and Central America. As its Trustee, he has directed the income of the Rocky

Mountain Trust to the support of the Foundation For The Healthy Development Of Healthy Teeth In A Healthy Body ("Foundation"), which funds medical, dental and nutritional programs in Mexico and Central America. Thousands of the poor, and hundreds of orphanages, receive vital assistance through the Foundation.

17. Plaintiff first learned of Stanford and its apparently exceptional returns from acquaintances in Mexico who joined him in supporting the Foundation's humanitarian activities. As described by these acquaintances, the Stanford investment products appeared to offer a means of safely increasing the Trust's income, which would allow them Foundation to expand the scope of its work and improve the lives of even more people. Plaintiff's acquaintances invested in Stanford products through its offices in Houston, Texas.

18. Plaintiff contacted the Stanford offices in Houston, and said that his acquaintances in Mexico had told him about Stanford's investment products. The person he spoke to touted SIBL's certificates of deposit. Plaintiff was told that SIBL was a sound bank in Antigua, that it had a history of consistently paying higher interest rates on its certificates of deposit than other banks and that it was able to do this because of its superior management and investment strategy. The Houston representative said that the certificates of deposit were insured and that a depositor could redeem all or part of a deposit, and receive the money back, at any time.

19. Plaintiff accepted these representations and became convinced that Stanford certificates of deposit were in the best interest of the Trust. At the direction of Stanford's Houston representative, he invested all of the Trust's assets in Stanford certificates of deposit. Plaintiff told the Stanford representative in Houston and the SIBL personnel that the funds invested in Stanford CDs were assets of the Trust, and that the interest income was for the benefit of the

Foundations humanitarian mission. In fact, the SIBL account was established in the name of the Rocky Mountain Trust. Interest payments were sent to the Trust's account in Colorado. As certificates matured, Plaintiff reinvested them in new SIBL CDs.

20. At present, the Trust is invested in the following three CDs:

No. 122409

Purchased on or about August 24, 2004
Term: 60 months
Interest Rate: 8.15%
Currency: United States Dollars
Amount: \$271,830.52
Maturity: August 24, 2009

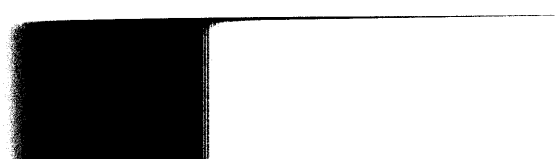
No. 138782

Purchased on or about November 4, 2005
Term: 60 months
Interest Rate: 7.65%
Currency: United States Dollars
Amount: \$203,661.54
Maturity: November 4, 2010

No. 177512

Purchased on or about December 13, 2007
Term: 60 months
Interest Rate: 6.225%
Currency: European Union Euros
Amount: €202,786.75
Maturity: December 13, 2012

21. Beginning last week customers of Stanford have been told that a "moratorium" had been placed on all CD redemptions and withdrawals due to the fact that SIBL was currently going through a "liquidity situation." Plaintiff has demanded the return of his investments by defendants but they have refused, ignoring plaintiff's pleas that the funds were needed because the entire Foundation's efforts south of the U.S. border depended on them. Indeed, plaintiff expressly told defendants that thousands of natives will not get medical and dental surgical help,



nor will hundreds of orphanages be getting food for their daily lives if these funds are not received.

V. Fraud

22. All previous allegations are incorporated herein by reference.
23. Defendants knowingly and recklessly made false and material misrepresentations intended to be communicated to plaintiff, as described above. Defendants also omitted to state material facts which made their representations misleading. Defendants knew that their representations were false when they were made, and/or made these misrepresentations recklessly. Defendants have committed fraud in both the inducement and the performance of the agreements represented by their certificates of deposit.
24. Defendants intended that plaintiff would act on their misrepresentations and omissions.
25. Plaintiff relied on the foregoing misrepresentations to the detriment of the Trust, and defendants have benefited from plaintiff's reliance.
26. In particular, plaintiff relied on defendants' false representations when he entered into the investment transactions described above.
27. All of the foregoing acts of common law fraud are continuing in nature.
28. As a result of the foregoing common law fraud by the defendants, plaintiff is entitled to rescission of all transactions, and to the return of all consideration paid by the Trust.
29. In the alternative, as a result of the foregoing common law fraud by the defendants, plaintiff and the Trust have sustained actual damages in excess of the minimum jurisdictional limits of this Court.

VI. Violation Of The Texas Securities Act

30. All previous allegations are incorporated herein by reference.
31. Pleading in the alternative, plaintiff would show that defendants have violated the Texas Securities Act, Article 581-1 *et seq.* of the Texas Revised Civil Statutes.
32. All defendants sold securities to plaintiff, within the meaning of the terms “sale” and “security” as defined in Art. 581-4 of the Texas Securities Act. Defendants sold these securities by means of untrue statements of material fact and/or omissions of material facts which made their statements misleading in the light of the circumstances in which they were made. These misrepresentations and omissions were in violation of Art. 581-33(A)(2).
33. Plaintiff relied on the foregoing material misrepresentations and/or omissions to his and the Trust’s detriment.
34. Defendants RAS, Davis and Pendergest-Holt are control persons of defendants SGC, SFG, SCM, SVC, SGH and SIBL. Defendants RAS, Davis and Pendergest-Holt are therefore liable under Article 581-33(F)(1).
35. Each defendant aided and abetted the fraud of every other defendant. Each defendant had subjective knowledge of every other defendant’s improper activity. Defendants are therefore liable under Article 581-33(F)(1).
36. The foregoing violations of the Texas Securities Act are continuing in nature.
37. In the alternative, as a result of the foregoing violations, plaintiff is entitled to rescission of all transactions, as provided in Art. 581-33(D) of the Texas Securities Act.
38. As a result of the foregoing violations of the Texas Securities Act, plaintiff has sustained actual damages in excess of the minimum jurisdictional limits of this Court.

VII. Negligent Misrepresentation

39. All previous allegations are incorporated herein by reference.
40. Pleading in the alternative, plaintiff would show that defendants have made negligent misrepresentations to plaintiff.
41. In the course of their business, defendants made representations to plaintiff in which they supplied false information.
42. Defendants made these false representations for the guidance of plaintiff, and plaintiff justifiably relied on these false representations.
43. Defendants did not exercise reasonable care of competence in obtaining and communicating the false information to plaintiff.
44. Defendants' negligence has proximately caused damage to plaintiff and the Trust in excess of the minimum jurisdictional limits of this Court.

VIII. Breach Of Fiduciary Duty And Constructive Fraud

45. All previous allegations are incorporated herein by reference.
46. Pleading in the alternative, plaintiff would show that defendants have breached fiduciary duties owed to plaintiff.
47. The relationship developed between plaintiff and defendants. This relationship gave rise to a fiduciary duty on the part of defendants was a relationship of trust and confidence. Defendants therefore owed a duty to plaintiff to act fairly and in the utmost good faith in all of their transactions with plaintiff, to make full and fair disclosure of all material facts to plaintiff, not to take advantage of their relationship with plaintiff for personal gain, and to act openly and honestly regarding their transactions with plaintiff.

48. Defendants breached this fiduciary duty by failing to disclose to the plaintiff that their representations were false and misleading. This included conflicts of interest that should have been disclosed to investors like plaintiff so that plaintiff could properly evaluate the advice that he was receiving from defendants.

49. Defendants committed constructive fraud when they misrepresented material facts and failed to disclose material facts, including their conflicts of interest as described above.

50. As a result of the foregoing breaches of fiduciary duty and constructive fraud by defendants, plaintiff is entitled to the rescission of all transactions, and to the return of all consideration paid.

51. In the alternative, as a result of the foregoing breaches of fiduciary duty and constructive fraud by defendants, plaintiff is entitled to actual damages in excess of the minimum jurisdictional limits of this Court.

52. In addition to the foregoing remedies, plaintiff is also entitled to the equitable remedy of disgorgement of all compensation and other benefits received by defendants in the course of their breaches of the fiduciary duties to plaintiff.

IX. Aiding And Abetting

53. All previous allegations are incorporated herein by reference.

54. Each of the defendants has aided, abetted and assisted each of the other defendants in committing the tortuous conduct described above.

X. Conspiracy

55. All previous allegations are incorporated herein by reference.

56. Defendants acted together to accomplish the wrongful acts described above. Defendants had a meeting of the minds on the object of their wrongful acts, and on the course of action that they pursued to the detriment of plaintiff.

57. Defendants are jointly and severally liable for all damages to plaintiff resulting from their conspiracy.

Breach Of Contract

58. All previous allegations are incorporated herein by reference.

59. Pleading in the alternative, plaintiff would show that defendants have breached a contract or contracts with plaintiff.

60. Plaintiff entered into three agreements with defendant SIBL which SIBL characterized as certificates of deposit. SIBL promised that, in return for plaintiff's investment of the Trust's funds, SIBL would make timely interest payments at the agreed rates and would return the Trust's deposits either upon a certificate's maturity or upon plaintiff's decision to redeem that certificate. These agreements are certain, unambiguous and is based on valuable consideration.

61. Plaintiff has fully performed each contract, and comes before the Court with clean hands.

62. Defendant SIBL has failed to perform the certificate of deposit agreements by failing to return all consideration after plaintiff's notice and demand for redemption.

63. All conditions precedent have occurred, have been performed by Plaintiffs, or have been excused or waived by SIBL.

64. Plaintiff is entitled to rescission of the Contract, including a return of all consideration tendered by plaintiff to defendants, and cancellation of the Contract.

65. In the alternative, Plaintiff is entitled to specific performance of the Contract, including an order of this Court that all consideration be paid or tendered to Plaintiffs.

66. In the further alternative, Plaintiff has been damaged by SIBL's material breaches of contract and will continue to be damaged by SIBL's wrongful retention of the funds in question. Plaintiff is therefore entitled to actual damages in excess of the minimum jurisdictional limits of this Court.

Constructive Trust

67. All previous allegations are incorporated herein by reference.

68. As a result of their foregoing conduct, defendants have been unjustly enriched. Plaintiff is therefore entitled to the imposition of a constructive trust on plaintiff's deposits and all other proceeds of defendants' wrongful conduct.

Exemplary Damages

69. All previous allegations are incorporated herein by reference.

70. The harm to plaintiff from defendants' tortious conduct resulted from defendants' fraud, malice and/or gross negligence.

71. As permitted by Chapter 41 of the Texas Civil Practice & Remedies Code, plaintiff asks that the Court and Jury award exemplary damages in an amount sufficient to punish the defendants and to set an example that will deter others from committing similar acts in the future.

XIV. Defendants' Relationships And Mutual Liability

72. Defendants SGC, SFG, SCM, SVC, SGH and SIBL are each vicariously liable for the acts of defendants RAS, Davis and Pendergest-Holt under the doctrine of respondeat superior.

73. At all times material to this action, RAS, Davis and Pendergest-Holt were vice principals of each of SGC, SFG, SCM, SVC and SIBL.

74. At all times material to this action, SGC, SFG, SCM, SVC, SGH, RAS, Davis and Pendergest-Holt were agents of SIBL, which vested them with actual and apparent authority to act on its behalf.

75. At all times material to this action, SFG, SCM, SVC, RAS, Davis and Pendergest-Holt were agents of SGC, which vested them with actual and apparent authority to act on its behalf.

76. Each defendant ratified all acts, representations and omissions of each other defendant by approving such acts, representations and omissions after acquiring full knowledge of them, with the intention of giving validity to them.

77. Defendant RAS organized and operated SIBL as a mere tool or conduit for his own benefit. He has used the corporate form of SIBL to evade his legal obligations, to circumvent regulatory and investor protection statutes, to perpetuate fraud and to protect himself against discovery of wrongful acts. As a result, it is equitable and just to disregard the corporate form of SIBL and to hold RAS personally liable for all wrongful acts and breaches of contract perpetuated in the name of SIBL.

78. All defendants are jointly and severally liable for all actual damages caused by any defendant.

Application For Temporary Restraining Order And Temporary Injunction

79. All previous allegations are incorporated herein by reference.

80. Plaintiff seeks a temporary restraining order prohibiting defendants from transferring or encumbering any of the Trust's deposits and any other funds under defendants' control that may be required to compensate the Trust for its damages.

81. It is probable that plaintiff will prevail in his claim because the torts and breaches of contract will be established by readily available evidence. In particular, defendant SIBL's failure to redeem the Trust's certificates of deposit is proof of defendants' fraud and breaches of contract. Plaintiffs will be entitled to rescission of the Contract and cancellation of the deeds.

82. If plaintiff's application is not granted, harm is imminent and existing because equitable remedies to which plaintiff is entitled, of both rescission and specific performance will become impossible. Rescission will be impossible if defendants are permitted to transfer or encumber the funds. Specific performance will become impossible if defendants are permitted to place the funds beyond the practical or effective reach of this Court's orders.

83. The harm that will result if the temporary restraining order is not issued is irreparable if defendants are not able to respond in damages and plaintiff's only effective relief is through the equitable remedies of either rescission or specific performance. Plaintiff therefore have no adequate remedy at law.

84. Plaintiff is willing to post bond if the Court deems it appropriate.

85. Plaintiff also requests that his application for temporary injunction be set for hearing and, after hearing the application, that the Court issue a temporary injunction against defendants.

Jury Demand

86. As permitted by Rule 216 of the Texas Rules of Civil Procedure, plaintiff demands trial by jury of all issues so triable. Plaintiff has deposited with the District Clerk the required jury fee.

WHEREFORE, PREMISES CONSIDERED, Johan Pieter Dahler, Trustee, plaintiff, prays for the following:

- a. that defendants be enjoined from transferring or encumbering the Trust's deposits and any other funds under defendants' control that may be required to compensate the Trust for its damages;
- b. that a constructive trust be imposed on all funds at issue;
- c. that defendants be cited to appear and answer;
- d. that, upon trial on the merits, plaintiff recover actual damages, or in the alternative rescission, or in the alternative specific performance;
- e. that, upon trial on the merits, plaintiff recover exemplary damages, and
- f. that, upon trial on the merits, plaintiff recover attorney fees, prejudgment interest, postjudgment interest, costs of court, and such other and further relief to which plaintiff may be justly entitled.

Respectfully submitted,



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VERIFICATION

On this day, Johan Pieter Dahler M.D., D.D.S. appeared before me, the undersigned notary public, and upon his oath, said that he has read the foregoing Original Petition and that the facts stated in paragraphs 2 and 16-21 are within his personal knowledge and are true and correct.

Johan Pieter Dahler

STATE OF COLORADO §
COUNTY OF Fremont §

SWORN TO AND SUBSCRIBED BEFORE ME, the undersigned notary public
on February 19, 2009.

Milroy Canjiz
Notary Public and for the
State of Colorado



MY COMMISSION EXPIRES
MAY 21, 2012