

# United States Senate

WASHINGTON, DC 20510

July 26, 2012

The Honorable Mary Schapiro  
Chairwoman, Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090

Dear Chairwoman Schapiro:

On behalf of our constituents, we write to respectfully request that the Securities and Exchange Commission (SEC) file an appeal with the U.S. Court of Appeals, District of Columbia Circuit, seeking to overturn the July 3, 2012, ruling by U.S. District Court Judge Robert L. Wilkins in the matter of SEC v. SIPC, Civil Action No. 11-mc-678.

Each of our constituencies has been greatly affected by the Ponzi scheme perpetrated by R. Allen Stanford. We have been confronted almost daily with the heartbreaking stories and tragic outcomes that have befallen our constituents.

As you know, US District Judge Robert Wilkins recently ruled in favor of Securities Investor Protection Corporation (SIPC). This is horribly disappointing news, especially in light of US District Judge David Hittner's recent sentencing of R. Allen Stanford for flagrantly stealing billions of dollars from thousands of his investor victims. Most, if not all of our constituents lost their savings doing business with Stanford Group Company (SGC), a SIPC-member broker dealer owned by R. Allen Stanford.

The Securities Investor Protection Act of 1970 (SIPA) was enacted to promote investor confidence by protecting customers of SIPC-member broker dealers. If investors cannot depend on SIPC to protect them when their savings are stolen by the owner of a SIPC-member firm--due entirely to a hyper-technical interpretation of the statute--investor confidence will suffer and render SIPC protection meaningless.

In June 2011, in its capacity as the Congressionally-mandated oversight authority over both SIPA and SIPC, the SEC determined that SGC customer funds were missing. In that determination, the SEC ordered SIPC to initiate a liquidation of SGC in order to accept and pay claims for certain affected customers of the former Stanford companies. SIPC, however, refused to comply with the SEC's order and hired outside legal counsel, which led to the unprecedented court proceedings and, ultimately, Judge Wilkins' decision to deny coverage for the Stanford victims.

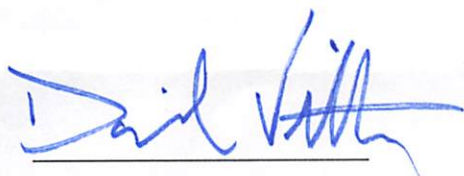
The ultimate outcome of this court case will set a significant legal precedent for investors who rely on introducing broker dealers to safely invest their life savings. This is a very important legal matter as introducing broker dealers make up a significant majority of SIPC's membership.

Whether or not the SEC can compel SIPC to act is a significant legal issue that merits consideration by more than a single District Court Judge.

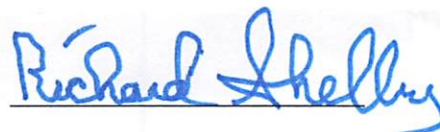
Once again, we respectfully urge you and the rest of the Commission to move quickly to appeal Judge Wilkins' ruling and pursue the course of action that began when the SEC rightfully declared that many of the Stanford victims are entitled to SIPC coverage.

We appreciate your efforts thus far and ask you to continue to pursue justice for these Americans.

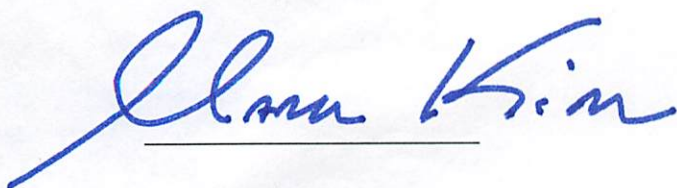
Sincerely,



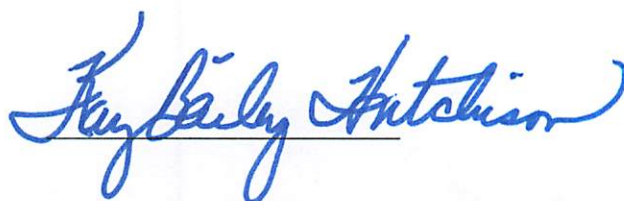
David Vitter  
United States Senator



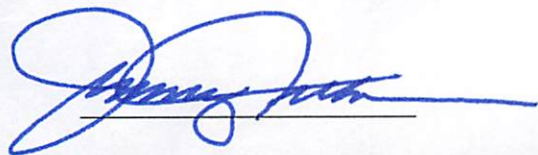
Richard Shelby  
United States Senator



Mark Kirk  
United States Senator



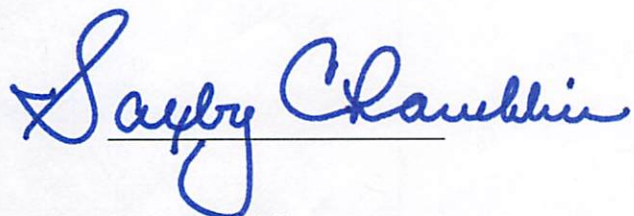
Kay Bailey Hutchison  
United States Senator



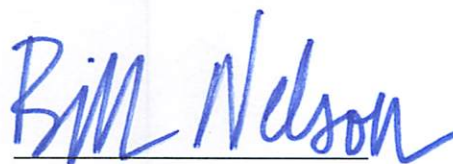
Johnny Isakson  
United States Senator



Robert Casey  
United States Senator



Saxby Chambliss  
United States Senator



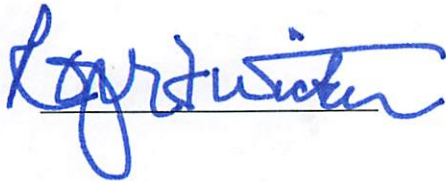
Bill Nelson  
United States Senator



Thad Cochran  
United States Senator



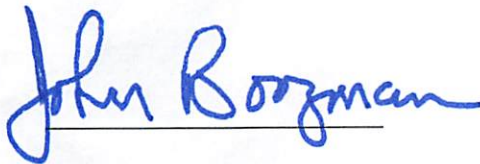
Mary Landrieu  
United States Senator



Roger Wicker  
United States Senator



Claire McCaskill  
United States Senator



John Boozman  
United States Senator



Roy Blunt  
United States Senator