

Accused Baptist swindler sued for gambling debt: Allen Stanford

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An accused swindler who allegedly traded on his Southern Baptist faith in business dealings owes more than a quarter-million dollars in gambling debt, according to a lawsuit filed by the Bellagio casino in Las Vegas.

Allen Stanford is in jail awaiting trial on charges of orchestrating a \$7 billion Ponzi scheme. The gaming Web site Gambling 911 had reported that Stanford refused to deal with anyone associated with the gambling business because he claimed to be a Southern Baptist. Officials of the famous Las Vegas Strip hotel-casino, however, filed a suit September 1 claiming that Stanford signed for 14 gambling “markers” (checklike documents acknowledging a gambling debt) totaling \$258,480 in the month before regulators shut down his empire in February.

Stanford, 59, recruited his old Baylor University roommate James Davis, 60, as chief financial officer of the Stanford Financial Group, headquartered in Houston, with offices in Memphis, Tennessee, and Antigua. Davis brought in Chief Investment Officer Laura Pendergest-Holt, 35, whom he met at First Baptist Church in Baldwin, Mississippi, where he was a Sunday school teacher.

In February, the U.S. Securities and Exchange Commission charged all three with selling \$8 billion worth of what they called certificates of deposit while misrepresenting to customers how the money was being invested.

In March Bloomberg reported that religion was a part of boardroom culture at Stanford Financial. Davis, who left First Baptist Church of Baldwin to launch LifeWay Community Church in nearby Guntown, Mississippi, would routinely clasp the shoulders of employees, look them in the eyes and pray for them, one former executive told the news service.

Another Bloomberg story said that the firm’s financial advisers drew on church and community ties to find customers. One e-mail from a supervisor pushing his team to

sell more certificates of deposit quoted Proverbs 3:11: "Wealth from get-rich-quick schemes quickly disappears; wealth from hard work grows."

Stanford surrendered to authorities on June 13. Justice Department officials say that he, three associates and a Caribbean regulator swindled thousands of investors with their elaborate scheme. Stanford is being held without bail until his trial.

Davis has pleaded guilty to conspiracy, fraud and obstruction charges and has agreed to cooperate with federal prosecutors. He could face up to 30 years in prison.
-Associated Baptist Press