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An Oscar at last for Kate Winslet?

Nigel Andrews on the British screen star's sixth nomination

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New looks in New York

Vanessa Friedman on fashion week trends



ANALYSIS PAGE 8

Downfall of a Texan tycoon

How Sir Allen Stanford's innings came to a close



USA \$2.50 Canada C\$3.00

Newspaper of the year

World Business Newspaper

Inside

Mrs Moneybags's toughest business decision



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The joy of a truly tiny home



House & Home Cover Story

Pro cycling tries to clean up its act



Life & Arts Cover story

News Briefing

Madoff data point to 13-year securities gap

Records recovered from the investment firm run by Bernard Madoff, who is accused of a \$50bn fraud, suggest that no securities were purchased on behalf of customers for as much as 13 years. **Page 9**

\$3bn lure for advisers

Morgan Stanley's brokerage joint venture with Citigroup's Smith Barney has offered 6,500 financial advisers a total of up to \$3bn over nine years if they stay with the business. **Page 9; www.ft.com/usbanks**

Retailers downbeat

JC Penney and Lowe's set out gloomy sales forecasts for 2009 that underlined the minimal short-term benefit retailers were expecting from the government's stimulus plan approved this week. **Page 9**

Rebels bomb Colombo

Sri Lankan rebels launched an air raid on the centre of the capital, Colombo, in a show of defiance from a group considered a spent force. **Page 3**

Medvedev hits at Putin

President Dmitry Medvedev criticised the government of Vladimir Putin for its handling of the economic crisis, in another sign of friction between Russia's power centres. **Page 4**

Qantas rating cut

Qantas has become the latest international airline to be downgraded by Moody's Investors Service, which expressed concerns about the Australian carrier's debt and falling profits and cash flow. **Page 9**

Shell loan for Nigeria

Royal Dutch Shell plans to lend Nigeria \$3bn to sustain oil production and investment threatened by the lack of government funding. **Page 10**

3D TV fights to focus

The first experiment in marketing 3D television is struggling, with a few hundred sets sold since their launch in Japan in April. **Page 9**

Fears for BofA and Citi rattle markets

Nationalisation concerns deepen

White House moves to ease suspicions

By Francesco Guerrera, and Aline van Duyn in New York and Krishna Guha in Washington

Fears that Citigroup and Bank of America would be nationalised shook global markets yesterday, prompting the Obama administration to reaffirm its commitment to private ownership of financial institutions.

"This administration continues to strongly believe that a privately held banking system is the correct way to go, ensuring that they are regulated sufficiently by this government," said Robert Gibbs, White House press secretary. "That's been our belief for quite some time, and we continue to have that."

A Treasury spokesman said: "There are a lot of rumours in the market...but you should not regard these as any indication of the policy of this administration." However, officials stopped short of ruling out nationalisation in all circumstances.

Chris Dodd, chairman of the Senate banking committee, earlier stirred speculation about nationalisation by telling Bloomberg television: "I'm concerned that we may end up hav-

ing to do that, at least for a short time."

Wall Street executives told the Financial Times that the federal government would begin its "stress tests" of banks' health as early as next week. This could expose further need for capital.

As reported in yesterday's FT, Citi has floated a plan allowing it to raise equity without full nationalisation through conversion of about \$75bn of preferred shares held by the government and other investors. But people close to Citi said the Treasury had so far failed to engage in concrete discussions.

Citi fell 22.3 per cent to \$1.95, bringing its losses this week to nearly 44 per cent and reducing its market value to \$10.6bn. Bank of America fell another 3.6 per cent to \$3.79, giving it a loss of 33.6 per cent this week. At one point BofA was down more than 35 per cent, before rallying on the White House statement. The S&P 500 closed 1.1 per cent lower.

Gold prices were pushed beyond \$1,000 a troy ounce during the day. "It is all fear-driven of one kind or another," said Jay Mueller, senior portfolio manager at Wells Capital Management.

Additional reporting by Saskia Scholtes and Alistair Gray in New York and Andrew Ward in Washington

Fears for banks, Page 2
Investors flee to gold, Page 14

Little red scarf Clinton arrives in China



Hillary Clinton arrives in Beijing on a three-day visit to the Chinese capital. The US secretary of state said disputes over human rights should not derail talks on key issues such as the financial crisis and climate change, where there was a chance of making progress **Clinton in Asia, Page 3**

GM's Saab files for creditor protection

By John Reed in Lordstown, Ohio, Robert Anderson in Stockholm, and Daniel Schäfer in Rüsselsheim, Germany

Saab, General Motors' Swedish brand, filed for bankruptcy protection yesterday while its German Opel unit sought more emergency state aid as the US carmaker's insolvency problems created a domino effect in Europe.

The moves came after Sweden's government ruled out a bail-out of Saab on Thursday and GM signalled that it was willing to loosen or even sever ties with some of its large European operations in order to stay afloat.

Saab said it had applied for protection from creditors while seeking to restructure its debts and seek new funding.

"We are now recreating Saab Automobile as an independent unit," said Jan-Ake Jonsson, managing director of the car brand, which GM bought in two tranches in 1990 and 2000. "The road ahead will not be easy."

Sweden, which has approved SKr25bn (\$2.9bn) of loans and guarantees for its motor industry, ruled out rescuing Saab, fearing it would set a precedent.

Opel is seeking €3.3bn (\$4.2bn) of German state guarantees by 2011 to stay afloat, German media reported yesterday. An Opel spokesman declined to comment, but pointed to the "dramatically changed" situation on European car markets since November.

GM's European arm this week said it would consider stake sales or partnerships with third parties for Opel and Vauxhall, GM's UK brand. GM had until recently dismissed selling Opel, which like Saab is an integrated part of its global operations. But the worsening outlook has caused GM to produce bearish new sales forecasts.

Life on their own, Page 10
Lex, Page 16

Coalition call



Benjamin Netanyahu, leader of Israel's rightwing Likud party, called yesterday for a unity coalition with his left-leaning rivals after he was appointed by the president to become the next prime minister. Mr Netanyahu urged Tzipi Livni, leader of the Kadima party, and Ehud Barak, head of the Labour movement, to join forces with Likud, "for the good of the people and the state".

Report, Page 4

Stanford's luxury lifestyle of yachts and private jets laid bare

Court documents detail extravagances

By Michael Peel and Megan Murphy in London

The lavish lifestyle enjoyed by Sir Allen Stanford, the Texas billionaire charged by US financial regulators with "massive" investment fraud, has been laid bare by court documents from two years ago that emerged yesterday.

A \$10m Florida mansion, bills of up to \$75,000 for Christmas presents and children's holidays, and a \$100m fleet of private jets topped a list of Sir Allen's outgoings and assets in the documents obtained by the Financial Times from a 2007 court case.

Details of his lifestyle emerged as the Federal Bureau of Investigation continued its probe into the billionaire's affairs and allegations that his Antigua-based Stanford International Bank was at the centre of an \$8bn fraud

that may have drawn in tens of thousands of investors.

It also emerged that financial regulators in Antigua had appointed receivers for SIB.

The criminal inquiry by the FBI and justice department is expected to resemble that of Enron seven years ago, when a special taskforce was formed to investigate allegations of criminal behaviour at the Houston-based energy company.

Sir Allen and two other co-defendants had surrendered their passports to the US authorities, the Securities and Exchange Commission said.

A law firm representing 100 Stanford clients filed a civil lawsuit in Texas accusing the billionaire of fraud, conspiracy and breach of contract. It is thought to be the first such action on behalf of investors. James A. Dunlap Jr and Associates LLC, a law firm in Georgia, filed its suit on behalf of a Colorado charity.

In London, the England and

Wales Cricket Board said it was ending all contracts with the Stanford Financial Group, including a planned four-country tournament in England due in May.

A 2007 court case against Sir Allen was brought by a woman who claimed to be the mother of two children by him. The documents detailed personal expenditure ranging from a \$100,000 a week yacht to \$25,000 a month rent for a Florida home.

In the paternity suit, Louise Sage Stanford said the family once lived together in a \$10m mansion. Her claims - admitted by Sir Allen - included his chartering of the yacht, the purchase of gifts and vacations costing \$30,000-\$75,000, and his ownership of a fleet of private jets.

Additional reporting by Joanna Chung, Greg Farrell and Tracy Alloway

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World Markets

STOCK MARKETS	Feb 20	prev	%chg
Dow Jones Ind	7365.67	7465.95	-1.34
Nasdaq Comp	1441.23	1442.82	-0.11
S&P 500	770.05	778.94	-1.14
FTSEurofirst 300	735.74	763.8	-3.67
DJ Euro Stoxx 50	2011.68	2114.84	-4.88
FTSE 100	3889.06	4018.37	-3.22
FTSE All-Share UK	1954.95	2019.72	-3.21
CAC 40	2750.55	2872.6	-4.25
Xetra Dax	4014.66	4215.21	-4.76
Nikkei	7416.38	7557.65	-1.87
Hang Seng	12699.17	13023.36	-2.49
FTSE All World \$	(u)	128.78	-

CURRENCIES	Feb 20	prev	Feb 20	prev	
\$ per €	1.262	1.269	€ per \$	0.793	0.788
\$ per £	1.432	1.431	£ per \$	0.698	0.699
€ per £	0.881	0.887	€ per £	1.135	1.128
¥ per \$	94.2	94.1	¥ per €	118.8	119.4
¥ per £	134.9	134.6	£ index	78.7	78.3
\$ index	92.7	92.4	€ index	98.72	99.10
Sfr per €	1.486	1.489	Sfr per £	1.687	1.679

INTEREST RATES	price	yield	chg
US Gov 10 yr	99.91	2.76	-0.10
UK Gov 10 yr	109.17	3.41	-0.10
Ger Gov 10 yr	106.24	3.01	-0.09
Jpn Gov 10 yr	100.22	1.28	0.01
US Gov 30 yr	99.03	3.55	-0.13
Ger Gov 2 yr	101.65	1.31	-0.08
Fed Funds Eff	0.21	0.23	-0.02
US 3m Bills	0.28	0.30	-0.03
Euro Libor 3m	1.88	1.89	-0.01
UK 3m	2.05	2.00	0.05

Prices are latest for edition

On FT.com today

Mortgage rescue

Clive Crook asks if the plan will do enough to stabilise the market

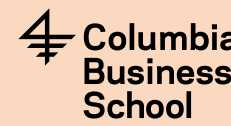
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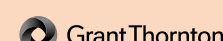
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