



Press Release

August 2006, Stanford Financial Group News

Stanford to invest in Israeli Market

Houston, TX (July 25, 2006) – Stanford Financial Group has announced it has committed to invest \$5mm in Catalyst II Fund, a late stage Israeli private equity fund and successor to Catalyst I Fund, a top-performing vintage 2000 venture capital fund focused on the Israeli high-technology industry. Stanford is the lead investor of the fund's first closing. Stanford is joining the team of European investors on this late-stage private equity fund, which targets mainly the technology sector. Catalyst II Fund is expected to raise \$100mm in total.

The fund will focus on investing in maturing Israeli and Israeli-related companies looking to expand internationally and increase exposure throughout Europe and the U.S. Its goal is to achieve a diversified portfolio of information technology, wireless communications, semiconductor companies and biotechnology. Investment targets are companies with technologies that address a large or rapidly growing market and have a proven track record of sales.

The investment represents Stanford's first foray into the Israeli investment market, a hotbed for innovative technology development. Stanford, a global wealth management firm representing 100,000 clients in 102 countries, has offered its private banking services in Israel for approximately two years.

Subsequent to the closing of the investment in Catalyst II, Stanford is expected to form a strategic alliance with Cukierman & Co. Investment House, the sponsor of Catalyst II. Cukierman is a leading investment house in Israel and provides a full scope of European focused Investment Banking activities. The two entities will strive to cooperate on multiple platforms including investment banking, international private banking, research and strategic consulting services, and capital market services.

The alliance will allow both companies to maximize opportunities in the attractive Israeli investment market. During the last several years, Israeli companies raised more than \$15.6 billion in more than 107 public offerings on the U.S. markets, making Israel the most represented foreign country on the NASDAQ. The rapid growth in the Israeli high technology sector has also seen a continuous and healthy growth in mergers and acquisitions activity. In the last decade there have been more than 359 cross-border Israel-related mergers and acquisitions transactions valued at \$28 billion.

According to Tal Kimmel, Vice President of Merchant Banking for Stanford, partnering with Cukierman will provide Stanford with a strategic gateway through which the company can achieve its expansion goals in the region. "Cukierman & Co. is a well respected investment house with exceptional relationships throughout Israel and Europe. Their presence and experience will give us a strategic entry point to grow our business and, at the same time, provides Cukierman with a desirable U.S. presence. Stanford has high expectations with our

involvement with Cukierman and, specifically, with our investment in the Catalyst II Fund. I have no doubt that our expectations will be exceeded," he said.

"We see Stanford as a complete and committed partner to us, both in our private equity and our investment banking activities. I feel that our European presence and expertise complements Stanford's status, and I am certain, that by this

partnership, we can generate an even bigger business model in all aspects of the spectrum, one that will benefit the two companies. We have found a great team work between the two organizations

and a shared vision of what we can accomplish. We believe we can make Stanford a familiar name in Israel and Europe and we look forward to the joint venture," said Edouard Cukierman, General Partner of Catalyst.

About Stanford

Stanford is a global network of privately held, wholly owned financial service companies providing a wide range of coordinated wealth management and investment advisory services, including trust administration, international private banking, investment banking, institutional investment services, tangible asset management, equity and policy research, commercial banking and insurance. Stanford employs approximately 3,000 professionals who serve over 100,000 clients in 102 countries in North and South America, the Caribbean and Europe. Securities products and services offered through Stanford Group Company, member NASD/SIPC. More information on the company can be found at www.stanfordeagle.com and www.stanfordinstitutional.com

About Cukierman

Cukierman & Co. Investment House Ltd., was established in 1993 by Edouard Cukierman and has become a leading Investment House in Israel, providing a full scope of European focused investment banking activities, including corporate finance, real estate, equity investment, strategic consulting and alliances, to Israeli and European companies. Cukierman & Co. has realized 1.7 Billion € of Corporate Finance transactions.

Cukierman & Co. Investment House is dedicated to providing its clients with innovative strategic services, sage advice and tailored international investment banking solutions. Cukierman & Co. will continue to be a different breed of investment bank. Our strong international network, responsiveness and multifaceted investment team combine to make Cukierman & Co. a leading provider of sound and innovative growth strategies.

Cukierman & Co. is a savvy partner - fully dedicated to its client's interests, supporting their efforts to meet and exceed their business and financial goals.

About Catalyst Funds

Catalyst Funds are Israeli-based private equity funds investing in maturing Israeli companies that are in pre-IPO, expansion and turnaround phases. Catalyst aims to fill the financing void of under-financed bridge or mezzanine rounds and provides the necessary capital for its portfolio companies to further expand development, increase production and expand marketing efforts.



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Catalyst I is an Israeli venture capital fund and was top performer among all Vintage 2000 Israeli VC funds with six exits out of 11 portfolio companies. The fund invested strictly in technological companies and managed a diversified portfolio, including companies from the telecommunication, information technologies, enterprise software, medical devices and biomedical/pharmaceutical.

Catalyst II, managed by the same team as Catalyst I, was launched in Q2/06 and has completed its initial closing. The fund invests in maturing technological companies which are expanding internationally. www.catalyst-fund.com

***For more information, contact: Suzanne Hamm for Stanford Group Company
901-277-6067 shamm@stanfordeagle.com***