

16/5/07

IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO. 400 OF 2005

IN THE MATTER OF THE COMPANIES LAW (2004 REVISION)

AND IN THE MATTER OF THE INSURANCE LAW (2004 REVISION)

AND IN THE MATTER OF PFA ASSURANCE GROUP LTD.

APPEARANCES:

Mr. Guy Manning of Campbells for Liquidators of PFA

Mr. Kenneth Kryz, Chartered Accountant of RSM – Joint Liquidator in attendance

BEFORE: MR. JUSTICE FOSTER

HEARING DATE: 16TH MAY 2007

RULING



This is an application by official liquidators appointed by this Court for leave to enter into an Information Sharing Protocol with a Receiver appointed over the assets of the company concerned by the United States District Court for the Southern District of Florida. The proposed Protocol, which has already been approved by the United States Court, provides for the sharing of information about the Company, it's assets and creditors by the Liquidators and the Receiver and also for the payment into the

liquidation estate of certain monies due to the Company which will go to fund the liquidation and enable the Liquidators to further investigate and, if advised, pursue a potential claim on behalf of the Company against its former managers.




I am satisfied that this Court has jurisdiction in its discretion to approve such protocols to assist its officers, such as the official Liquidators, in the performance of their duties under the law. In principle such protocols are desirable to avoid unnecessary duplication of time, effort and costs by Liquidators appointed by this Court where Liquidators or other similar officers have been appointed over the same company or its assets in another jurisdiction. In view of the international nature of the Cayman Islands as a financial centre which is attractive for the incorporation of exempted companies for offshore business purposes, it is inevitable that with such companies carrying on their business outside the Cayman Islands, there will be occasions when, notwithstanding the proper appointment of Liquidators or other officers in respect of such companies by this Court, Courts in jurisdictions overseas in which such companies have carried on business or have assets may, pursuant to their own laws, also appoint such liquidators, receivers or other officers over such companies or their assets. It seems to me in principle most desirable that in the interests of the proper winding-up of the business of such companies and particularly in the interest of their creditors, international co-operation between the respective officers so appointed should, be encouraged insofar as compatible with the requirements of Cayman Islands law and the obligations of such Liquidators and other officers appointed by this Court. It is to be hoped that the

Liquidators, Receivers or other officers appointed over such companies or their assets in other jurisdictions and, perhaps more importantly, the Courts making such appointments in respect of Cayman Islands companies in such other jurisdictions, will also recognise and act upon the desirability of such co-operation. This Court has on previous occasions authorised its officers to enter into such protocols in various circumstances and for various purposes and in those cases such protocols have been approved, as has the protocol in this case, by the overseas Courts concerned.

I am satisfied that this is such a case and that the proposed protocol contain provisions appropriate to ensure that the Official Liquidators comply with the law of this jurisdiction and their duties and obligations thereunder. I accordingly authorise the Official Liquidators to enter into the information sharing protocol with the Receiver appointed over the Company's assets by the United States District Court.

16th May 2007



Angus E. Foster
Judge of the Grand Court (Actg.)

