

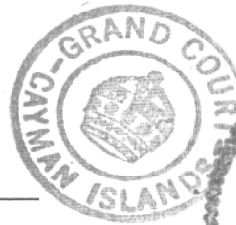
IN THE GRAND COURT OF THE CAYMAN ISLANDS

FINANCIAL SERVICES DIVISION

FSD 0070
CAUSE NO. FSD of 2010

IN THE MATTER OF PART XVI OF THE COMPANIES LAW

AND IN THE MATTER OF RESERVE INTERNATIONAL LIQUIDITY FUND LTD (IN LIQUIDATION)



PETITION

To: The Grand Court of the Cayman Islands

The humble Petition of Mr. Nicholas Carter of PricewaterhouseCoopers (BVI) Limited, Level 2, 139 Main Street, Rhode Town, Tortola, British Virgin Islands and Mr. David Walker of PWC Corporate Finance & Recovery (Cayman), Strathvale House, Grand Cayman (together "the Petitioners") in their capacity as Joint Liquidators of Reserve International Liquidity Fund Ltd (In Liquidation) ("the Company"), shows that:-

Particulars of the Company's Incorporation

1. The Company was incorporated in the British Virgin Islands ("BVI") on 15 March 1990 under the BVI International Business Companies Act (CAP.291). It was automatically re-registered under the BVI Companies Act 2004 on 1 January 2007.
2. The authorised share capital of the Company is US\$2,800,000,000, Euro2,800,000,000 and £2,800,000,000 made up of 42 classes of shares comprising 14 classes in each of the three currencies.

Nature and Place of the Company's Business

3. The Company was registered by the BVI Financial Services Commission as a Public Fund under the BVI Mutual Funds Act on 24 September 1996.
4. The Company conducted business from offices located in New York, USA, and formed part of a wider structure of entities which made up the "Reserve Group" of companies.

The Court by Which the Foreign Representatives Were Appointed

5. The Petitioners were appointed by Order of the Honourable Mr. Justice Edward Bannister QC dated 18 January 2010 made in Matter Number BVI HCV 2009/322

captioned *Western Union International Limited v. Reserve International Liquidity Fund Ltd*, currently before the Eastern Caribbean Supreme Court, High Court of Justice, Virgin Islands.

Powers and Duties of the Petitioners under BVI Law

6. Pursuant to s.185(1) of the BVI Insolvency Act 2003, the Petitioners are required to take possession of, protect and realise the assets of the Company, and distribute those assets to the Company's creditors, and thereafter the surplus assets, if any, to its members, accordance with that Act.
7. The powers of the Petitioners are set out in paragraphs 2 and 3 of the Order, which provide as follows:-
 - “(2) The Liquidators shall have custody and control of all the assets of the Company wherever situated and shall have the power pursuant to schedule 2 of the Insolvency Act 2003 with the sanction of the Court, to do the following things in the British Virgin Islands or elsewhere:
 - (a) Power to pay any class of creditors in full.
 - (b) Power to make a compromise or arrangement with creditors or persons claiming to be creditors, or having or alleging that they have any claim against the Company, whether present or future, certain or contingent, ascertained or not.
 - (c) Power to compromise, on such terms as may be agreed:
 - (i) calls and liabilities to calls, debts and liabilities capable of resulting in debts, and claims, whether present or future, certain or contingent, ascertained or not, subsisting or supposed to subsist between the Company and any person; and
 - (ii) questions in any way relating to or affecting the assets or the liquidation of the Company;and take security for the discharge of any such call, debt, liability or claim and give a complete discharge in respect of it.
 - (d) Power to commence, continue, discontinue or defend any action or other legal proceedings in the name and on behalf of the Company.
 - (e) Power to carry on the business of the Company so far as may be necessary for its beneficial liquidation.
- (3) The Liquidators shall have power pursuant to schedule 2 of the Insolvency Act 2003, without requiring the sanction of the Court, to do the following things in the British Virgin Islands or elsewhere:
 - (a) Power to sell or otherwise dispose of property of the Company.
 - (b) Power to do all acts and execute, in the name and on behalf of the Company, any deeds, receipts or other documents.
 - (c) Power to use the Company's seal.

- (d) Power to prove, rank and claim in the bankruptcy, liquidation, insolvency or sequestration of any member or past member for the balance against his estate, and to receive dividends, in the bankruptcy, liquidation, insolvency, sequestration and in respect of that balance, as a separate debt due from the bankrupt or insolvent, and rateably with the other separate creditors.
- (e) Power to draw, accept, make and endorse any bill of exchange or promissory note in the name and on behalf of the Company with the same effect with respect to the Company's liability as if the bill or note had been drawn, accepted, made or endorsed by or on behalf of the Company in the course of its business.
- (f) Power to borrow money, whether on the security of the assets of the Company or otherwise.
- (g) Power to take out in his official name letters of administration to any deceased member or past member or debtor, and to do any other act necessary for obtaining payment of any money due from a member or past member or debtor, or his estate that cannot conveniently be done in the name of the Company.

For the purposes of enabling the liquidator to take out letters of administration or do any other act under this paragraph, to be due to the liquidator himself.

- (h) Power to call meetings of creditors or members for:
 - (i) the purpose of informing creditors or members concerning the progress or matters arising in the liquidation;
 - (ii) the purpose of ascertaining the views of creditors or members on any matter arising in the liquidation; or
 - (iii) such other purpose connected with the liquidation as the liquidator considers fit.
- (i) Power to appoint a solicitor, accountant or other professionally qualified person to assist them in the performance of their duties.
- (j) Power to appoint an agent to do any business that the liquidators are unable to do themselves, or which can be more conveniently done by an agent."

Reasons for Seeking a Declaratory Order

8. The Company's books and records indicate that the Company has in excess of US\$300 million in assets. Those records also indicate that US\$20 million of those assets are held in two bank accounts located in the Cayman Islands, those accounts being held with the Cayman Islands branches of Branch Banking and Trust ("BB&T") and Societe Generale ("SocGen"), each account having a cash balance of US\$10 million. As part of their duties, the Petitioners are required to take possession of these funds.
9. BB&T, by way of telephone conversation with the Petitioners' legal advisors on 24 February 2010, has confirmed that before it is willing to hand over the US\$10 million which is currently holds on behalf of the Company, it requires the Petitioners' appointment to be recognised by the Cayman Islands Court. Although no such

indication has been received by SocGen, it is likely that prior to that entity handing over those funds which it holds on behalf of the Company to the Petitioners, it will also require the Petitioners' appointment to be similarly recognised, or alternatively, such appointment may persuade SocGen's to agree to release those funds without requiring the further involvement of the Court.

10. For those reasons, the Petitioners seek a declaratory Order in accordance with s.241 of the Companies Law (2009 Revision).

YOUR PETITIONERS THEREFORE HUMBLY PRAY THAT:

1. The Petitioners, as foreign representatives, be recognised as having the right to act in the Cayman Islands on behalf of and/or in the name of the Company.
2. The Petitioners not be required to serve the Petition on any other person.
3. Such other Orders as the Court deems necessary.

AND your Petitioners will ever pray etc.

Dated the 2nd day of March 2010



Ogier
Attorneys for the Petitioners

Note: It is not intended to serve this Petition on any person.

This Petition is filed by Ogier, Attorneys for the Petitioners, whose address for service is that of their said attorneys: 89 Nexus Way, Camana Bay, Grand Cayman KY1-9007, Cayman Islands (Ref. CRU/SHF/Reserve)

NOTICE OF HEARING

TAKE NOTICE THAT the hearing of this Petition will take place at the Law Courts, George Town, Grand Cayman on _____ at _____ am.

Any correspondence or communication with the Court relating to the hearing of this Petition should be addressed to the Registrar of the Financial Services Division of the Grand Court at P.O. Box 495, Grand Cayman, KY1-1106, telephone 345 949 4296