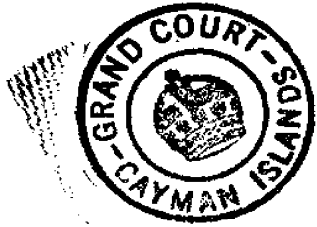


IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION

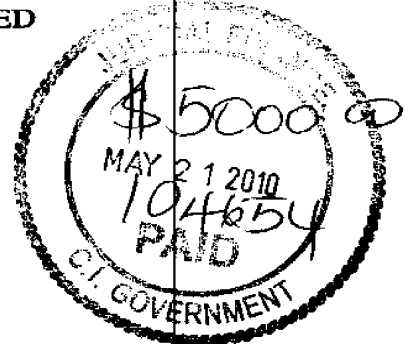
CAUSE NO: FSD 139 OF 2010

IN THE MATTER OF SECTION 94 OF THE COMPANIES LAW (2009
REVISION)

AND IN THE MATTER OF EMERGENT CAPITAL LIMITED



WINDING UP PETITION

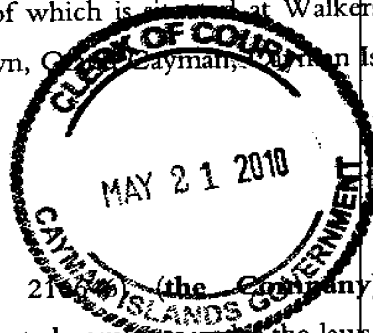


To: The Grand Court of the Cayman Islands

The humble petition of KTC, the registered office of which is situated at Walkers SPV Limited, Walker House, 87 Mary Street, George Town, Grand Cayman, Cayman Islands, ("KTC") shows that:

The Company

1. Emergent Capital Limited (company no. 21000) (the Company) was incorporated on 4 September 2008 as an exempted company under the laws of the Cayman Islands.
2. The registered office of the Company is situated at Walkers SPV Limited, Walker House, 87 Mary Street, George Town, Grand Cayman, Cayman Islands.
3. The share capital of the Company is US\$50,000 divided into 50,000 ordinary shares with a par value of US\$1.00 each.
4. The principal object for which the Company was established was to undertake ventures in connection with waste management in Australia and the Middle



East/Africa.

5. The Company carries on the business of providing waste management services in Australia, and sourcing opportunities to provide such services in the United Arab Emirates (U.A.E).

The Partnership

6. In early 2008, Charif Kazal (**Kazal**) and Rodric David (**David**) discussed and orally agreed to work together jointly in partnership to investigate and undertake investment opportunities pertaining to waste management in Australia and the Middle East/Africa (**the Partnership**).
7. The oral agreement between Kazal and David was that for the purposes of the Partnership:
 - a. Kazal would contribute his knowledge and experience in conducting business in the U.A.E, his personal contacts in the Middle East, and some start-up capital;
 - b. David would be the primary contributor of the start-up capital for the new venture, and would oversee the day-to-day operations of the business;
 - c. Kazal and David would jointly manage the Partnership; and
 - d. If the Partnership was profitable, all profits would be shared equally between Kazal and David.

Establishment of the Company

8. In August 2009, Kazal and David discussed and orally agreed that the appropriate vehicle through which to conduct the Partnership was a company incorporated in the Cayman Islands.

9. On 4 September 2008, the Company was incorporated as a special purpose vehicle to carry on the Partnership.
10. Also on 4 September 2008, Kazal and David incorporated holding companies in the Cayman Islands to hold their respective interests in the Company. Specifically:
 - a. Kazal incorporated KTC in which he, and his brother Tarek Kazal (**Tony**), were sole shareholders and directors; and
 - b. David incorporated RAAL Limited (**RAAL**).
11. In order to implement and reflect the Partnership, the Company was structured as follows:
 - a. KTC and RAAL were each allotted 50 ordinary shares; and
 - b. Kazal, Tony, and David were appointed directors of the Company. To ensure that equality in the management of the Company was maintained in accordance with the Partnership, David was entitled to exercise one directorial vote, and Kazal and Tony were entitled to jointly exercise one directorial vote between them.
12. A draft shareholders agreement containing the terms of the Partnership was prepared by Denton Wilde Sapte (attorneys in the U.A.E) and distributed to Kazal and David on or about 18 August 2008. Notwithstanding that this shareholder agreement was never finalised and executed, Kazal and David at all material times acted in accordance with its terms as if it was finalised and executed. That is, they exercised equal management power, and retained equal rights to distribution of profits.
13. In addition to incorporating the Company, Kazal and David also arranged for the incorporation of three Cayman Islands subsidiaries of the Company, being (IPS) International Property Services Limited (**IPS Cayman**), Global Renewables

Limited (**GR Cayman**), and Emergent Digital Limited (**ED**).

14. A chart depicting the structure of the Company and its subsidiaries is exhibited hereto as "Attachment 1".

The Eastern Creek Facility

15. The first investment opportunity identified by Kazal and David was a waste management facility located at Eastern Creek in New South Wales, Australia (**the Eastern Creek Facility**).
16. Kazal and David decided to purchase the Eastern Creek Facility through the subsidiary company, GR Cayman. The purchase price was AUD\$1.00 to reflect the lack of profitability of the business, and the existence of a debt of AUD\$35 million owing to the Commonwealth Bank of Australia.
17. For the purposes of the acquisition of the Eastern Creek Facility, in addition to using GR Cayman, Kazal and David incorporated four further companies in accordance with the laws of Australia.
18. The purchase was effected via the acquisition of all issued shares in the Australian companies which owned and operated the Eastern Creek Facility, namely Global Renewables Eastern Creek Pty Ltd and Eastern Creek Operations Pty Ltd.
19. A pre-condition to the purchase proceeding was that the Commonwealth Bank of Australia, the primary financier of the facility, required a personal guarantee in the sum of AUD\$ 2 million in respect of loans made to Global Renewables Eastern Creek Pty Ltd. This guarantee was provided by Kazal's brother, Karl.
20. Kazal and David agreed to introduce David Singh (**Singh**) as a partner in the Eastern Creek Facility. Sufficient shares in GR Cayman were issued to Singh Investments Limited (a Cayman Islands company owned and controlled by Singh) to provide a 20% stake.

21. The ultimate beneficial ownership of the Eastern Creek Facility is held by the Company as to 80% and Singh Investments Limited as to 20%.
22. A chart depicting the structure of the ownership of the Eastern Creek Facility is exhibited hereto as "Attachment 2".

The IPS Joint Venture

23. The second investment opportunity sourced by Kazal was a joint venture with 4N Property LLC (**4N**).
24. 4N carried on business developing large "worker cities" for expatriates working in the U.A.E. The joint venture involved IPS Cayman (a wholly owned subsidiary of the Company) providing housing community management, and ultimately waste management services, for these cities (**the 4N Venture**).
25. The opportunity for the Company to invest in the 4N Venture arose as a direct result of Kazal's personal contacts in the U.A.E, and David was responsible for the day to day management of the 4N Venture.
26. Kazal assisted with management tasks when needed, for example, by meeting with a representative of 4N on 20 November 2009 to discuss and attempt to resolve issues 4N were having with David's financial control of the 4N Venture.
27. For the purposes of the 4N Venture, 4N and IPS Cayman incorporated a local entity, (IPS) International Property Services LLC (**IPS U.A.E**) as the joint venture vehicle, with 4N holding 51% of the shares and IPS Cayman holding the remaining 49% of the shares.
28. The initial start-up capital for the 4N Venture was contributed as to AED 5.1 million from 4N and AED 4.9 million from IPS Cayman. It was agreed between Kazal and David that IPS Cayman's contribution would be funded by way of a loan from David to IPS Cayman.

29. In November 2009, it was apparent that additional funding would be required to continue the 4N Venture, and it was decided by Kazal and David that additional funds of AED 2 million would be sought from 4N.
30. Contrary to the agreement between Kazal and David, the actual funding sought by David from 4N was AED 6 million. 4N did not respond to this request and terminated the 4N Venture shortly thereafter.
31. No commercial or strategic reason has been provided by David as to why he unilaterally tripled the agreed funding request from 4N from AED 2 million to AED 6 million.

Deterioration of the Relationship

32. In late 2009, Kazal became suspicious of the manner in which David was managing the day to day operations of the Company and its subsidiaries. As a result, Kazal began requesting David to arrange for full audited accounts of the Company to be prepared and distributed. Those requests were never complied with.

Purported Meeting on 13 November 2009

33. On 13 November 2009, Kazal travelled to Abu Dhabi to meet with David and Singh for the purpose of receiving a presentation from Singh in relation to GR Cayman and the Eastern Creek Facility. On his arrival at the meeting, he was met by David, Singh, and David's consultant, Nikolaos Mavromanolakis (**Mavro**).
34. David informed Kazal that the meeting was in fact a shareholders meeting of the Company. Kazal was taken by surprise and objected because there had been no notice issued for the convening of a shareholders meeting.
35. At the meeting, financial matters relating to the Company were discussed. These included:

- a. Mavro presented a set of figures and a budget for the Company which included David receiving a salary and housing allowances from the Company.
 - b. Kazal objected to the budget on the basis that the Company had no permanent income stream. Consolidating that income stream should be the number one priority;
 - c. Kazal objected to David's claim for a salary and housing allowances from the Company on the basis that the Company was merely a holding company, and David already received a salary and management fees from IPS Cayman which was an operating company. Kazal drew no salary from any of the companies; and
 - d. Kazal again requested full audited financial statements of the Company from David.
36. Minutes of the meeting were prepared and distributed by Mavro. Kazal objected to the minutes on the grounds which included:
- a. The minutes were stated to be of a directors meeting when in fact it was neither a directors nor a shareholders meeting due to the failure to issue any notice of the meeting; and
 - b. In any event, the minutes were inaccurate, especially in relation to reciting that it had been resolved that Mavro be appointed a director of the Company. There was never any mention at the meeting, nor resolution proposed, for Mavro to receive such an appointment.

Meeting on 10 December 2009

37. A meeting of the directors of the Company was held on 10 December 2009. Present at the meeting were Kazal, David, Mavro, Tony, and Karl Kazal.

38. Kazal commenced the meeting by pointing out that Mavro was not a director and shouldn't be present at the meeting. David did not assert that Mavro was a director, but instead, said that Mavro was his personal advisor.
39. Matters discussed at the meeting included financial matters in relation to the Company.
40. David presented financial statements for the Company prepared by the auditors of the business carried on by David's family in Australia. Kazal objected to these reports on the basis that the auditor was not independent, and requested audited accounts from an independent auditor.
41. After the meeting, Kazal received minutes of the meeting which had been prepared by Mavro. Kazal disputed the accuracy of the minutes by email to David dated 22 December 2009.

Dilution of KTC's Shareholding

42. On 22 January 2010, Mavro circulated a Notice of Directors Meeting to be convened on 28 January 2010 (**the Notice of Meeting**). The sole agenda item stipulated in the Notice of Meeting was *"to discuss and resolve certain matters relating to the capital structure of the Company"*.
43. The Notice of Director Meeting was defective in that it was not issued at least seven days prior to the meeting as required by the Articles of Association of the Company.
44. On 27 January 2010, Kazal objected to the validity of the notice by email to David, and again objected to any contention that Mavro was a director of the Company.
45. Unbeknown to Kazal, the meeting proceeded on 28 January 2010. At the meeting:

- a. The attendees were David and Mavro;
 - b. It was noted that RAAL had made demand for immediate repayment in full of its loans to the Company, but would accept shares in the Company in partial satisfaction of those loans (a demand that had not been communicated to Kazal);
 - c. A request from RAAL dated 28 January 2010 to be issued 49,000 ordinary shares in the Company at par value was tabled; and
 - d. David and Mavro resolved to issue 49,000 ordinary shares in the Company at par value to RAAL in return for the Company's indebtedness to RAAL being reduced by US\$49,000 (**the Disputed Share Issue**).
46. The purported effect of the Disputed Share Issue was to:
- a. Increase RAAL's shareholding in the Company to 49,950 ordinary shares, or 99.9% of the issued share capital; and
 - b. Thereby dilute KTC's shareholding of 50 ordinary shares in the Company to 0.10% of the issued share capital.
47. The Disputed Share Issue was unlawful and/or invalid and/or ineffective on the grounds that, *inter alia*:
- a. The Notice of Meeting was issued less than seven days before the due date for the meeting contrary to the requirements of the Articles of Association of the Company, and such contravention was not waived by Kazal or Tony;
 - b. The agenda for the meeting contained in the Notice of Meeting was misleading and did not properly describe the business to be carried on, or the business in fact carried on, at the meeting; and

- c. Even if the Notice of Meeting was not defective as asserted by KTC, there was no quorum for the meeting because only one director of the Company (David) was in attendance, or if Mavro was a validly appointed director (which is denied by KTC), David and Mavro were joint directors holding one vote between them, and such joint directorship was not effective to constitute a quorum.
48. David neglected or refused to notify Kazal of the Disputed Share Issue. David discovered the outcome of the meeting, and the Disputed Share Issue, from an external party (Walkers Global) on 18 March 2010.
49. Kazal objected to the meeting and disputed the Disputed Share Issue by email to David dated 23 March 2010.

Removal of Kazal and Tony as Directors

50. On 18 March 2010, Kazal issued a Notice of Meeting calling a meeting of the directors of the Company. The stated agenda for the meeting was *"to discuss and resolve the issue of the urgent provision of detailed accounting and other information relating to the Company"*.
51. The meeting was duly held on 29 March 2010.
52. At the meeting, David called for a resolution to remove Kazal and Tony as directors of the Company, and David used his purported 99.9% shareholding in the Company to purport to remove Kazal and Tony as directors.

Misappropriation of Funds by David

53. David was in control of the day to day management of IPS Cayman and the 4N Venture, and it was agreed between Kazal and David that David would fund IPS Cayman's required start-up capital contribution to the 4N Venture by a loan of AED 4.9 million to IPS Cayman.

54. The manner in which David provided the required funding was that his family's company, DavidsGroup, would pay certain expenses of the 4N Venture, and David would then provide claims to IPS U.A.E for reimbursement of those expenses. Those claims would then be credited towards the loan of AED 4.9 million he was required to make.

55. In late April 2010, Kazal discovered from the General Manager of IPS U.A.E, Mr Andrew Kelly, that David had falsified expense claims he made to IPS U.A.E.

56. As at the end of January 2009, David had lodged the following fictitious and deceptive claims for expenses with IPS U.A.E:

a.	Non-existent Employee Salaries	AUD\$200,000
b.	Unclaimable Corporate Support Fees	AUD\$221,630
c.	Misapplication of Currency Exchange Rates	AUD\$90,777
d.	Overcharged Project Management Fees	AUD\$120,888
e.	Non-existent Directors Fees	AUD\$306,370
	TOTAL	AUD\$939,665

57. Particulars of these fictitious and deceptive expense claims are contained in the First Affidavit of Andrew Kelly filed in these proceedings.

58. The total amount of fictitious and deceptive expense claims lodged by David as at the date of this Petition exceed AUD\$939,665 because the claims for unclaimable corporate support fees, misapplication of currency exchange rates, overcharged project management fees, and non-existent directors fees continued for at least 11 months after January 2009.

59. As at the date of this Petition, it is estimated that the fictitious and deceptive

expense claims made by David totalled approximately AUD\$1.4 million.

'Just and Equitable' Ground

60. The Company was the vehicle through which David and Kazal agreed to operate the Partnership, being an agreed equal partnership between David and Kazal.
61. In clear and unequivocal breach of the agreed terms of the Partnership, David (through his holding company, RAAL) unilaterally purported to alter the shareholdings in the Company to give RAAL 99.9% of the issued capital (thereby diluting KTC's shareholding to 0.10%), and purported to remove Kazal and Tony as Directors of the Company using that purported 99.9% shareholding.
62. To further exacerbate matters:
 - a. David consistently refused to provided independent financial information in respect of the Company to Kazal despite repeated requests from Kazal; and
 - b. Through a series of fictitious and deceptive expense claims, David has unlawfully taken from IPS Cayman the sum of approximately AUD\$1.4 million which should otherwise have been available to further the 4N Venture.
63. As a result of David's conduct, the relationship of trust and confidence between Kazal and David which existed at the commencement of the Partnership has completely and irreparably broken down.
64. Further, Kazal has been unjustifiably excluded from participating in the management of the Company contrary to his legitimate expectation of participating in that management.
65. Further or in the alternative, the substratum of the Company has failed in that the Company is unable to carry on the function for which was formed, that is, to be a

special purpose vehicle for the equal partnership between Kazal and David.

66. In the premises, it is just and equitable for the Company to be wound up.

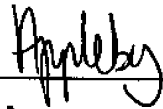
Your Petitioner therefore humbly prays that:

1. The Company be wound up in accordance with the Companies Law (2007 Revision).
2. G. James Cleaver and Richard Fogerty, both of Zolfo Cooper, PO Box 1102 GT, George Town, Grand Cayman, KY1 1102, Cayman Islands (tel: +1 345 945 0081) ("the Liquidators") be appointed joint Official Liquidators of the Company.
3. The Liquidators shall not be required to give security for their appointment.
4. The Liquidators be authorised to exercise any of the powers conferred on them by the Court pursuant to Section 110(2) and Parts I and II of the Third Schedule of the Companies (Amendment) Law (2009 Revision) without the further sanction or intervention of the Court.
5. The Liquidators be authorised to do any act or things considered by them to be necessary or desirable in connection with the liquidation of the Company and the winding-up of its affairs and to prevent the dissipation of the Company's assets.
6. No suit, action or other proceeding shall be proceeded with or commenced against the Company except with the leave of the Court and subject to such terms as the Court may impose.
7. No disposition of the Company's property by or with the authority of the Liquidators in carrying out their duties and functions and exercise of their powers under this Order shall be voided by virtue of section 99 of the Companies Law (2009 Revision).

8. The Liquidators be at liberty to appoint counsel, attorneys, and professional advisors, whether in the Cayman Islands or elsewhere as they may consider necessary to advise and assist them in the performance of their duties and on such terms as they may think fit and to remunerate them out of the assets of the Company.
9. The Liquidators and their staff be remunerated out of the assets of the Company at their usual customary rates.
10. The Liquidators be at liberty to apply generally.
11. The costs of the Petitioner of and incidental to the Petition be paid out of the assets of the Company as an expense of the liquidation, such costs to be taxed if not agreed with the Liquidators.
12. Such further or other relief be granted as the Court deems appropriate.

AND your Petitioner will ever pray etc.

Dated the 10th day of May 2010.



APPLEBY

NOTE: This Petition is intended to be served on:

1. The Registrar of Companies
2. The Company at its registered office.

This Petition was presented by Appleby, Attorneys for the Petitioner, whose address for service is of Clifton House, 75 Fort Street, PO Box 190, Grand Cayman KY1-1104, Cayman Islands (Ref. AB/JNW/19313.001).

NOTICE OF HEARING

TAKE NOTICE THAT the hearing of this Petition will take place at the Law Courts,
George Town, Grand Cayman, on 2010 at 10.00am.

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 PO Box 495, Grand Cayman, KY1-1106, telephone 345 949 4296.