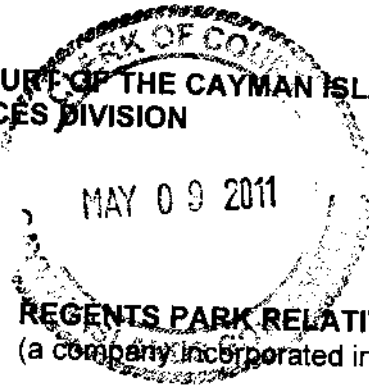


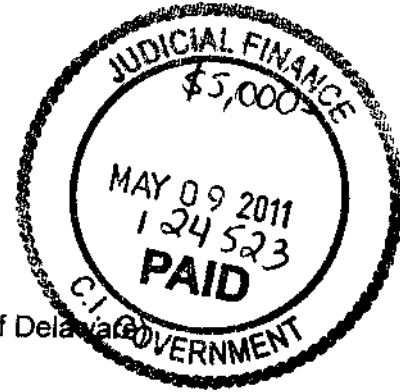
IN THE GRAND COURT OF THE CAYMAN ISLANDS  
FINANCIAL SERVICES DIVISION



CAUSE NO: FSD 85 OF 2011

BETWEEN:

- (1) **REGENTS PARK RELATIVE VALUE MASTER FUND**  
(a company incorporated in the Cayman Islands)
- (2) **REGENTS PARK RELATIVE VALUE FUND (CAYMAN)**  
(a company incorporated in the Cayman Islands)
- (3) **REGENTS PARK RELATIVE VALUE FUND L.P.**  
(a limited partnership formed under the laws of the state of Delaware)
- (4) **REGENTS PARK GENERAL PARTNER LIMITED**  
(a company incorporated in the Cayman Islands)



Plaintiffs

AND

- (1) **JAE WOOK OH**
- (2) **BRENTON SHUM**



Defendants

**WRIT OF SUMMONS**

- TO:
- (1) **JAE WOOK OH** of Gangnam-Gu, Daechi 2-Dong, Euama Apt 23-901, Seoul 135-969, South Korea
  - (2) **BRENTON SHUM** of 52 Balcombe Street, Flat 1, London, NW16ND, England

THIS WRIT OF SUMMONS has been issued against you by the above-named Plaintiffs in respect of the claim set out on the next page.

Within 28 days after the service of this Writ on you, counting the day of service, you must either satisfy the claim or return to the Court Office, PO Box 495, George Town, Grand Cayman, KY1-1106, Cayman Islands, the accompanying Acknowledgment of Service stating therein whether you intend to contest these proceedings.

If you fail to satisfy the claim or to return the Acknowledgment within the time stated, or if you return the Acknowledgment without stating therein an intention to contest the proceedings, the Plaintiffs may proceed with the action and judgment may be entered against you forthwith without further notice.

Issued this 9th day of May 2011

NOTE - This Writ may not be served later than 4 calendar months (or, if leave is required to effect service out of the jurisdiction, 6 months) beginning with the date of issue unless renewed by order of the Court.

### **IMPORTANT**

Directions for Acknowledgment of Service are given with the accompanying form.

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### **STATEMENT OF CLAIM**

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#### **General Nature of the Statement of Claim**

- 1 The Statement of Claim is set out in detail at paragraph 2 and following. Without prejudice to that detailed case, the general nature of the Statement of Claim is as follows:
  - 1.1 The Defendants each provided directorship and/or investment management services to and/or were otherwise in relationships with the Plaintiff investment funds from July 2003 to November 2005 giving rise to personal duties of care and fiduciary obligations on their part.
  - 1.2 From March 2005 onwards, the First and/or Second Defendant perpetrated a massive fraud on the Plaintiffs by manipulating the Plaintiffs' net asset values and concealing significant losses.
  - 1.3 In November 2005, the First Defendant admitted that he had been mispricing instruments in the Plaintiffs' portfolio since March 2005.
  - 1.4 The Defendants' fraud, gross negligence and/or breaches of duties caused the Plaintiffs approximately US\$48 million in damages.

## Introduction

### Parties

- 2 The First Plaintiff (the "**Master Fund**") is an exempt company incorporated under the laws of the Cayman Islands.
- 3 The Second Plaintiff (the "**Offshore Feeder Fund**") is an exempt company incorporated under the laws of the Cayman Islands.
- 4 The Third Plaintiff (the "**Onshore Feeder Fund**") is a partnership formed under the laws of the state of Delaware, USA.
- 5 The Fourth Plaintiff (the "**General Partner**") is an exempt company incorporated under the laws of the Cayman Islands and is the General Partner to the Onshore Feeder Fund.
- 6 The Offshore Feeder Fund and the Onshore Feeder Fund are the "feeder funds" to the Master Fund in a "master-feeder" structure. Together, the Master Fund, the Offshore Feeder Fund and the Onshore Feeder Fund are referred to herein as the "**Funds**".
- 7 Regents Park (Cayman) Limited (the "**Manager**") is an exempt company incorporated under the laws of the Cayman Islands.
- 8 Regents Park Capital Management LLP (in creditors voluntary liquidation) (the "**Investment Manager**") is a limited liability partnership formed under the laws of England and Wales which is in creditors voluntary liquidation with Stuart Mackellar and Jamie Gleave of Zolfo Cooper LLP appointed as joint liquidators.
- 9 The First Defendant ("**Mr Oh**") is a resident, or was last known to be resident, in South Korea. Mr Oh was at all material times a principal, Chief Executive Officer and Chief Information Officer of the Investment Manager and was the prime investment advisor for the Funds and by virtue of his personal relationship of trust and confidence with each of the Plaintiffs owed them individual duties of care and fiduciary obligations.
- 10 The Second Defendant ("**Mr Shum**") is resident, or was last known to be resident, in England. Mr Shum:

- 10.1 was a Director of the Master Fund from 22 July 2003 to 9 January 2006;
- 10.2 was a Director of the Offshore Feeder Fund from 22 July 2003 to 9 January 2006;
- 10.3 was a Director of the General Partner from 22 July 2003 to 9 January 2006;
- 10.4 is a director of the Manager; and
- 10.5 was at all material times a principal and Chief Operating Officer of the Investment Manager.

#### Relevant Agreements

- 11 On 26 August 2003, the Funds and the Manager entered a Management Agreement (the "**Management Agreement**").
- 12 Pursuant to the Management Agreement, the Manager agreed (among other matters):
  - 12.1 to provide the Funds with wide-ranging investment management services (clause 2);
  - 12.2 to supervise the Funds' administrator (the "**Administrator**") (clause 2(m)) and ensure compliance by the Administrator with its agreements with the Funds (clause 2(p));
  - 12.3 to give the Funds the benefit of its best judgment, efforts and facilities in rendering the above, and other, services (clause 1);
  - 12.4 that it may delegate any of its functions, powers and duties under the Management Agreement to any person (clause 1);
  - 12.5 to receive management and investment fees from the Funds, with such fees to be tied to the net asset value of the Funds (the "**NAV**");
  - 12.6 that the Management Agreement would be governed by English law (clause 21(g)); and
  - 12.7 to submit to the non-exclusive jurisdiction of the courts of England and Wales (clause 21(g)).

- 13 On 26 August 2003, the Funds, the Manager and the Investment Manager entered an Investment Management Agreement (the "**Investment Management Agreement**").
- 14 Pursuant to the Investment Management Agreement, the Investment Manager agreed (among other matters):
- 14.1 to provide the Funds with wide-ranging investment management services (clause 3.1);
  - 14.2 to assist as necessary in the valuation of investments which are not listed, quoted or dealt in on a Recognised Exchange (clause 3.1(p));
  - 14.3 in carrying out its duties under clause 3.1, to have due regard to and comply with (among other matters) the terms of the Prospectus and any other offering circular or other similar documents issued by or on behalf of the Onshore Feeder Fund or the Offshore Feeder (clause 3.2(e)). Without limitation, the offering documents for the Onshore Feeder Fund (pages 39 and 40) and the Offshore Feeder (pages 38 and 29) (together, the "**Offering Documents**") required that:
    - (a) the credit default swaps ("**CDSs**") held by the Master Fund be valued on the basis of the latest available valuation provided by the relevant counterparty to the swap transaction; and
    - (b) the bonds held by the Master Fund be valued at their probable realisation value as determined in good faith by the Administrator having had regard to the cost price, the price of any recent transaction in the security, the size of the holding having regard to the total amount of such security in issue, and such other factors as the Administrator deemed relevant in considering a positive or negative adjustment to the valuation;
- 15 It was an implied term of the Management Agreement and the Investment Management Agreement, such term to be implied as a matter of English law pursuant to the Supply of Goods and Services Act 1982, that the Manager and the Investment Manager would perform their respective obligations under the Management Agreement and the Investment Manager Agreement with reasonable care and skill. The standard of care to be exercised by the

Manager and the Investment Manager respectively was that degree of care, skill and diligence to be expected of reasonably competent hedge fund managers and investment managers.

### **The Manager's Duties to the Funds**

- 16 At all material times, the Manager owed the Funds:
- 16.1 the contractual duties summarised (without limitation) in paragraph 12 above, such duties being express or implied;
  - 16.2 by virtue of its position as the Manager of the Funds, the following fiduciary duties:
    - (a) a duty to act honestly and in good faith with a view to the best interests of the Funds;
    - (b) a duty to act at all times in the best interests of the Funds and not to prefer the interests of itself, its related parties or any other party over those of the Funds;
    - (c) a duty not to act for a purpose collateral to the purposes conferred by the Management Agreement;
    - (d) a duty to act only within its powers;
    - (e) a duty to exercise its powers only for the purposes for which they were conferred;
    - (f) a duty to act only within the scope of its powers;
    - (g) a duty to avoid a situation in which it had, or might have had, a direct or indirect interest that conflicted, or possibly may have conflicted, with the interests of the Funds;
    - (h) a duty to ensure that in the event a conflict or potential conflict arose between the interests of the Funds and the interest of any other party for whom it acted, that the Funds were so advised;

- 16.3 by virtue of its position as the Manager of the Funds, a duty at common law to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

#### **The Investment Manager's Duties to the Funds**

- 17 At all material times, the Investment Manager owed the Funds:
- 17.1 the contractual duties summarised (without limitation) in paragraph 14 above, such duties being express or implied;
  - 17.2 the fiduciary duties summarised in paragraph 16.2 above;
  - 17.3 the duty of care to the Funds summarised in paragraph 16.3 above.

#### **The First Defendant's Duties to the Funds**

- 18 At all material times, by virtue of his position as a principal and the Chief Executive Officer and Chief Information Officer of the Investment Manager, and the position of trust and confidence that he held, Mr Oh owed the Funds a duty at common law to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and the fiduciary duty to act honestly and in good faith.

#### **The Second Defendant's Duties to the Funds**

- 19 At all material times, Mr Shum owed:
- 19.1 the Master Fund, the Offshore Feeder Fund and the General Partner, by virtue of his position as a Director of those companies:
    - (a) the fiduciary duties summarised in paragraphs 16.2(a)-(h) above; and
    - (b) a duty at common law to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances;

19.2 the Funds, by virtue of his position as a Director of the Manager and a principal and the Chief Operating Officer of the Investment Manager, and the position of trust and confidence that he held:

(a) the fiduciary duties to act honestly and in good faith and to ensure that the Manager and Investment Manager complied with their duties to the Funds as quoted in paragraphs 16 and 17 above and summarised in paragraph 16.2 above; and

(b) a duty at common law to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

20 From March 2005 onwards, the Defendants and the Manager and the Investment Manager commenced providing the Administrator with materially misstated and inflated pricing information in relation to the instruments in the Funds' portfolio, in particular CDSs and bonds (the "**Mispricing**"), and thereby manipulated the Funds' NAV and concealed significant losses.

21 By the September 2005 month-end NAV, the difference between the month-end NAV produced based on the Mispricing and the true month-end NAV of the Funds amounted to more than US\$54 million.

22 In early November 2005, certain investors in the Funds decided that they wished to exit the Funds and redeem the entirety of their investments. Confronted with the inevitable revelation of the true position of the Funds, Mr Oh advised the Investment Manager's solicitors that he had been mispricing instruments in the Funds' portfolio since at least March 2005.

#### **The First Defendant's Breaches of Duty**

23 By providing the Mispricing to the Administrator and/or manipulating the Funds' NAV and/or concealing the Funds' significant losses and/or failing to refer such matters to the Boards of Directors of the Master Fund, the Offshore Feeder Fund and the General Partner, the First Defendant:

23.1 wilfully breached his duties to the Plaintiffs as pleaded in paragraph 18 above;

- 23.2 dishonestly defrauded the Plaintiffs, including without limitation by obtaining (or obtaining the benefit of) Investment Manager fees tied to a NAV which the First Defendant knew to be inflated and incorrect;
- 23.3 was grossly negligent in performing his obligations to the Plaintiffs in that he seriously disregarded or was indifferent to the likely consequences of his actions.

### **Particulars of Gross Negligence**

The First Defendant:

- (a) failed or neglected to promote the success of the Plaintiffs;
- (b) failed or neglected to exercise independent judgment;
- (c) failed or neglected to exercise reasonable skill, care or diligence; and
- (d) failed or neglected to report to the directors and/or shareholders or auditors of the Plaintiffs;

all in a manner which was grossly negligent, or reckless.

### **The Second Defendant's Breaches of Duty**

- 24 By allowing or enabling the Mispricing to be provided to the Administrator and/or manipulating the Funds' NAV and/or concealing the Funds' significant losses and/or failing to refer such matters to the Boards of Directors of the Master Fund, the Offshore Feeder Fund and the General Partner, the Second Defendant:
- 24.1 wilfully breached his duties to the Plaintiffs as pleaded in paragraph 19 above;
  - 24.2 allowed the Plaintiffs to be defrauded by the use of a NAV which the Second Defendant knew or ought to have known was inflated and incorrect; and
  - 24.3 was grossly negligent in performing his obligations to the Plaintiffs in that he seriously disregarded or was indifferent to the likely consequences of his actions or failure to act.

## **Particulars of Gross Negligence**

The Second Defendant:

- (a) failed or neglected to promote the success of the Plaintiffs;
- (b) failed or neglected to exercise independent judgment;
- (c) failed or neglected to exercise reasonable skill, care or diligence;
- (d) failed or neglected to report to the directors and/or shareholders or auditors of the Plaintiffs; and
- (e) failed or neglected to keep himself informed as to the activities of the First Defendant and to pricing of the NAV.

all in a manner which was grossly negligent, or reckless.

### **Causation / Loss**

- 25 Had the month-end NAVs for March to September 2005 reflected the true performance of the Funds, the investors in the Funds would have take steps to redeem their investment upon receipt of the March 2005 month-end NAV (which they would have seen on 18 April 2005) on the basis that it represented a significant drop in the Funds' performance and also demonstrated that the Investment Manager was not complying with the Funds' stated relative value and "market neutral" strategy.
- 26 Thereafter, the investors in the Funds would have promptly sought to redeem their shares in the Funds and would have asked the Boards to waive the relevant redemption provisions, leading to the Funds' converting the investments held by the Master Fund into cash during May and June 2005. In those circumstances, the Funds' investments would have been crystallised for approximately US\$180 to US\$185 million. In the event, the Funds' investments were crystallised during December 2005 and January 2006 for (approximately) US\$104 million. Taking into account: (a) subscriptions and redemptions made after March 2005 that would not have been made; (b) fees that the Funds would not have paid; (c) redemptions paid prior to December 2005 that were calculated based on the overstated

NAVs and which therefore diluted the Funds' assets; and (d) interest, the Funds' suffered losses of between US\$67 million and US\$106 million, such loss to be further particularised in due course.

27 The Funds will give credit to the Defendants for the amounts received in contribution to the Funds' losses, full details of which will be particularised in due course.

28 The Plaintiffs claim interest pursuant to s.34 of the Judicature Law (2007 Revision).

**And the Plaintiffs Against Each of the Defendants Claim**

- (1) Common law damages;
- (2) Equitable compensation;
- (3) An account of profits made;
- (4) Interest;
- (5) Costs; and/or
- (6) Such further or other relief as the Court may deem just.

DATED this 9th day of May 2011

*Maples and Calder*  
**Maples and Calder**

THIS WRIT was issued by Maples and Calder, attorneys for the Plaintiffs, whose address for service is PO Box 309, Uglund House, Grand Cayman, KY1-1104, Cayman Islands. (Ref: MWI/RXC/602718/19401142)

**IN THE GRAND COURT OF THE CAYMAN ISLANDS  
FINANCIAL SERVICES DIVISION**

**CAUSE NO: FSD**

**OF 2011**

**BETWEEN:**

- (1) **REGENTS PARK RELATIVE VALUE MASTER FUND**  
(a company incorporated in the Cayman Islands)
- (2) **REGENTS PARK RELATIVE VALUE FUND (CAYMAN)**  
(a company incorporated in the Cayman Islands)
- (3) **REGENTS PARK RELATIVE VALUE FUND L.P.**  
(a limited partnership formed under the laws of the state of Delaware)
- (4) **REGENTS PARK GENERAL PARTNER LIMITED**  
(a company incorporated in the Cayman Islands)

Plaintiffs

**AND**

- (1) **JAE WOOK OH**
- (2) **BRENTON SHUM**

Defendants

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**ACKNOWLEDGMENT OF SERVICE OF WRIT OF SUMMONS**

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If you intend to instruct an Attorney to act for you, give him this form IMMEDIATELY.

Important. Read the accompanying directions and notes for guidance carefully before completing this form. If any information required is omitted or given wrongly, THIS FORM MAY HAVE TO BE RETURNED. Delay may result in judgment being entered against a Defendant whereby he may have to pay the costs of applying to set it aside.

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1. State the full name of the Defendant by whom or on whose behalf the service of the Writ of Summons is being acknowledged.

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2. State whether the Defendant intends to contest the proceedings (*tick appropriate box*)

yes

no

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3. If the claim against the Defendant is for a debt or liquidated demand, AND he does not intend to contest the proceedings, state if the Defendant intends to apply for a stay of execution against any judgment entered by the Plaintiffs (*tick box*)

yes       no

---

Service of the Writ is acknowledged accordingly

(Signed) .....

Attorney for

Dated:

Attention:      Maples and Calder  
                    Ugland House  
                    PO Box 309  
                    George Town  
                    Grand Cayman  
                    KY1-1104  
                    Cayman Islands

**Please complete overleaf**

**Notes on address for service**

**Attorney:** where the Defendant is represented by an attorney, state the attorney's place of business in the Cayman Islands. A Defendant may not act by a foreign attorney.

**Defendant in person:** where the Defendant is acting in person, he must give his post office box number and the physical address of his residence or, if he does not reside in the Cayman Islands, he must give an address in Grand Cayman where communications for him should be sent. In the case of a limited company, "residence" means its registered or principal office.

**Endorsement by Plaintiff's Attorney (or by plaintiff if suing in person)** of his name, address and reference, if any, in the box below.

Maples and Calder  
Ugland House  
PO Box 309  
George Town  
Grand Cayman  
KY1-1104  
Cayman Islands  
  
Ref: MWI/RXC/602718/21034417

**Endorsement by Defendant's attorney (or by Defendant if suing in person)** of his name, address and reference, if any, in the box below.

**DIRECTIONS FOR ACKNOWLEDGMENT OF SERVICE  
OF WRIT OF SUMMONS**

1. The accompanying form of Acknowledgment of Service should be completed by an Attorney acting on behalf of the Defendant or by the Defendant if acting in person.

After completion it must be delivered or sent by post to the Law Courts, PO Box 495, George Town, Grand Cayman, KY1-1106, Cayman Islands.

2. A Defendant who states in his Acknowledgement of Service that he intends to contest the proceedings must also serve a Defence on the Attorney for the Plaintiffs (or on the Plaintiffs if acting in person).

If a Statement of Claim is indorsed on the Writ (i.e. the words "Statement of Claim" appear on the top of page 2), the Defence must be served within 14 days after the time for acknowledging service of the Writ, unless in the meantime a summons for judgment is served on the Defendant.

If the Statement of Claim is not indorsed on the Writ, the Defence need not be served until 14 days after a Statement of Claim has been served on the Defendant.

If the Defendant fails to serve his Defence within the appropriate time, the Plaintiffs may enter judgment against him without further notice.

3. A Stay of Execution against the Defendant's goods may be applied for where the Defendant is unable to pay the money for which any judgment is entered. If a Defendant to an action for a debt or liquidated demand (i.e. a fixed sum) who does not intend to contest the proceedings states, in answer to Question 3 in the Acknowledgement of Service, that he intends to apply for a stay, execution will be stayed for 14 days after his Acknowledgement, but he must, within that time, issue a Summons for a stay of execution, supported by an affidavit of his means. The affidavit should state any offer which the Defendant desires to make for payment of the money by instalments or otherwise.

### **Notes for Guidance**

1. Each Defendant (if there are more than one) is required to complete an Acknowledgment of Service and return it to the Courts Office.
2. For the purpose of calculating the period of 28 days for acknowledging service, a writ served on the Defendant personally is treated as having been served on the day it was delivered to him.
3. Where the Defendant is sued in a name different from his own, the form must be completed by him with the addition in paragraph 1 of the words "sued as (the name stated on the Writ of Summons)".
4. Where the Defendant is a FIRM and an attorney is not instructed, the form must be completed by a PARTNER by name, with the addition in paragraph 1 of the description "Partner in the firm of (.....)" after his name.
5. Where the Defendant is sued as an individual TRADING IN A NAME OTHER THAN HIS OWN, the form must be completed by him with the addition in paragraph 1 of the description "trading as (.....)" after his name.
6. Where the Defendant is a LIMITED COMPANY the form must be completed by an Attorney or by someone authorised to act on behalf of the Company, but the Company can take no further step in the proceedings without an Attorney acting on its behalf.
7. Where the Defendant is a MINOR or a MENTAL PATIENT, the form must be completed by an Attorney acting for a guardian ad litem.
8. A Defendant acting in person may obtain help in completing the form at the Courts Office.