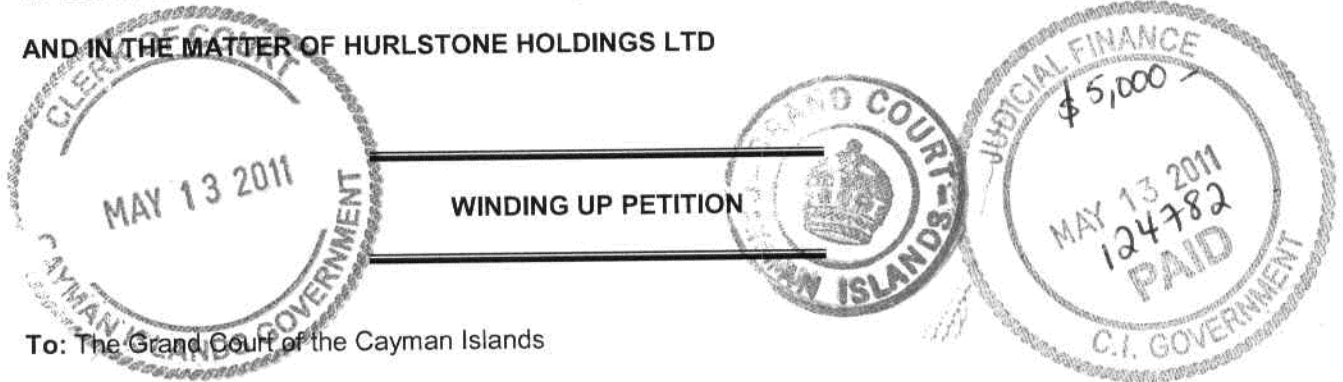


IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION

CAUSE NO FSD: 91 OF 2011

IN THE MATTER OF THE COMPANIES LAW (2010 REVISION)

AND IN THE MATTER OF HURLSTONE HOLDINGS LTD



To: The Grand Court of the Cayman Islands

THE HUMBLE PETITION of:

Penha Image Duty Free Ltd. (the "**Petitioner**"), of PO Box 294, Heywood House, Anguilla, West Indies shows that:

1. Hurlstone Holdings Ltd. (hereinafter referred to as the "**Company**") is a resident company, organised and incorporated on 12 December 1984, under the laws of the Cayman Islands with registration number 21597.
2. The registered office of the Company is situated at 802 Grand Pavilion Commercial Centre, West Bay Road, PO Box 10335 Airport, George Town, Grand Cayman, Cayman Islands.
3. The Company, trading as Caymania Duty Free Ltd., operates a retail business which trades in a number of duty free goods including, without limitation, high-end jewellery and perfumes. The Company only conducts business in the Cayman Islands.
4. The Petitioner is a company incorporated under the laws of Anguilla and is a minority shareholder in the Company.
5. As at the date of this Petition, pursuant to the terms of a contract for sale of goods entered into between the Company and the Petitioner, the Company is indebted to the Petitioner in the sum of **US\$643,201.59**, exclusive of interest.

Background and Particulars of the Debts

6. In or around October 2010, the Petitioner entered into negotiations with the Company's then sole shareholder, Harriett Lott ("**Mrs. Lott**") to acquire the totality of her interest in the Company.
7. On 11 November 2011, the Petitioner entered into a sale and purchase agreement with Mrs. Lott for the sale of her interests in the Company (the "**SPA**").
8. The SPA provides, *inter alia*, as follows:-

"2. Agreement for Sale

2.1 *Subject to the terms and conditions of this Agreement, the vendor shall sell as beneficial owner and Penha Image shall relying on the warranties of the vendor set out in clause 5 of this Agreement purchase the Initial Shares with effect from Completion free from all claims, liens, charges and encumbrances and together with all rights now or hereafter attaching or accruing thereto. At Completion, the certificate(s) for the Final Shares shall be delivered to Carlton Fields P.A. (the "Escrow Agent") pursuant to an escrow agreement in the form attached as Exhibit "A," to be released to Penha Image upon receipt of the governmental approvals necessary for transfer (the "Approvals") and release of the liens on the real property owned by the vendor and her mother pledged as collateral for the Loan (the "Release").*

9. Furthermore, also on 11 November 2011, Mrs Lott and the Petitioner entered into a shareholder agreement (the "**Shareholder Agreement**") dated 11 November 2010 whereby it was agreed, *inter alia*, that the Company would purchase the goods intended to be sold in the course of its business, exclusively from the Petitioner.
10. The Shareholder Agreement provides, *inter alia*, as follows:-

"SOURCING PRODUCTS FROM SUPPLIERS

4. *The Company will source products for its business exclusively from or through Penha Image".*

11. On or about 13 September 2010, pursuant to Clause 4 of the Shareholder Agreement, the Company began placing various orders for products for its business with the Petitioner. In relation to each order made by the Company, invoices were prepared and provided to the Company quantifying the cost of the goods, together with any expenses incurred by the Petitioner in the delivery of the goods to the Company.
12. The standard term for repayment of each invoice was 30 days from the date of the invoice.
13. During the period 13 September 2010 to 6 May 2011, 86 invoices were rendered by the Petitioner and provided to the Company in respect of goods delivered and accepted by the Company (the "Invoices"). The total sum due by the Company to the Petitioner, as at the date of this Petition, in respect of the Invoices is US\$343,201.59 (the "Debt").
14. The Company has failed to satisfy its obligations in breach of the payment terms of the Invoices, as set out at paragraph 12 above, in time or at all. Following these failures, the Petitioner contacted the Company on several occasions demanding the sums owed. Despite such demands, the Company had not paid any of the above-mentioned monies.
15. Accordingly, the entirety of the Debt is still due and owing to the Petitioner. For the avoidance of doubt, the Petitioner claims the amounts due under each individual Invoice as well as the Invoices cumulatively.

The Company's inability to pay its debts

16. The Debt remains unpaid to date. The Petitioner does not hold security over any shares or assets of the Company in respect of the Debt.
17. In light of the failure of the Company to comply with the Petitioner's demands for payment outlined at paragraphs 13 to 15 above, the Company is unable to pay its debts as they fall due.

Conclusion

18. In the circumstances, it is just and equitable that the Company should be wound up.


YOUR PETITIONER THEREFORE HUMBLY PRAYS THAT:

- (i) The Company be wound up in accordance with the Companies Law (2010 Revision);
- (ii) Mr. Stuart Sybersma and Mr. Michael Pearson of Deloitte & Touche, Citrus Grove, PO Box 1787, Grand Cayman be appointed as joint official liquidators of the Company with power to act jointly and severally (the "**Liquidators**");
- (iii) The Liquidators shall not be required to give security for their appointment;
- (iv) In addition to their powers prescribed in Part II of the Third Schedule to the Companies Law which are exercisable without sanction of the Court, the Liquidators may also, without further sanction or intervention from this Court, exercise the powers set out in Part I of the Third Schedule to the Companies Law (2010 Revision);
- (v) 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 including the Company continuing to trade and to do business and including all acts or things considered by the Liquidators to be ancillary to the Company continuing to trade and do business;
- (vi) The Liquidators do file with the Clerk of the Court a report in writing of the position of the Company and the progress which the Liquidators have made with the winding up of the Company, with the realisation of its assets and in relation to any other matters connected with the winding up of the Company, at such time and in such manner as the Court may direct;
- (vii) The Liquidators and their staff be remunerated out of the assets of the Company at the usual customary rate;
- (viii) The Liquidators be at liberty to appoint such counsel, attorneys, or other professional advisors 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.
- (ix) The Liquidators be at liberty to apply generally;

- (x) The costs of and incidental to this Petition be paid forthwith from the assets of the Company on an indemnity basis; and
- (xi) Such further or other relief be granted as the Court deems appropriate.

AND your Petitioner will ever pray etc.

DATED the 13th day of May 2011



Stuarts Walker Hersant,

Attorneys-at-law for the Petitioner

NOTE: This Petition is intended to be served on Hurlstone Holdings Ltd.

NOTICE OF HEARING

TAKE NOTICE THAT the hearing of this Petition will take place at the Law Courts, George Town, Grand Cayman on _____ 2011 at _____.

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.