

IN THE GRAND COURT OF THE CAYMAN ISLANDS  
FINANCIAL SERVICES DIVISION

CAUSE NO: FSD 88 OF 2012



IN THE MATTER OF SECTION 94 OF THE COMPANIES LAW (2011  
REVISION)

AND IN THE MATTER OF FORTUNE NEST CORPORATION



WINDING UP PETITION



To: The Grand Court of the Cayman Islands

The humble petition of Mr Robert Earl Lee of 1201 Third Ave., Suite 5113, Seattle, Washington, USA, 98101 ("Mr Lee") shows that:

1. Fortune Nest Corporation (the "**Company**"), is a Cayman Islands exempted company established on 5 February 2008 under the laws of the Cayman Islands.
2. The registered office of the Company is situated at Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, Cayman Islands KY1-1104.
3. The objects for which the Company was established are unrestricted. The principal business of the Company is the provision of financial advisory services and Project financing. The Company carries on business in Asia, the Middle East and North America including in China, Hong Kong, Bahrain and the United States.
4. The share capital of the Company is US\$50,000,000 divided into 50,000,000 shares of a nominal or par value of \$1 each.

5. The majority shareholder of the Company is a British Virgin Islands company called Fortune Nest Ltd. (“**FNL**”). FNL holds 10,000,000 shares in the Company.
6. Mr Lee holds 1,500,000 shares in the Company, for which he paid the sum of US\$10 million on 7 December 2009.
7. Another shareholder is Khaled Ahmad Shaker Abu Keshck (“**Mr Khaled**”), who holds 3,000,000 shares. It is understood that as of 18 February 2009, a further 134,000 shares had been issued and were held between six other investors.
8. These shareholdings as of December, 2009, may therefore be summarised as follows:

Shareholder	% Shareholding
FNL	68.3%
Mr Khaled	20.5%
Mr Lee	10.25%
6 other shareholders	0.95%

9. The Chairman, CEO and sole director of the Company is a Jordanian national, Dr Mohammed Abdel-Haq (“**Dr Mohammed**”). Dr Mohammed also controls FNL. Public information available from the office of the Secretary of State of the state of Nevada in the United States shows that two companies having the same name as the Company have been incorporated in that state. The first such company was incorporated on 29 May 2008 and its status is described on the website as “Revoked”, which, taken together with a calculation of “reinstatement fees” shown on the website suggests that the company has been struck off. The second such company was incorporated on 31 March 2011. Dr Mohammed is recorded as the sole director and President of each of these Corporations.

10. The winding-up of the Company is sought on the basis that Mr Lee has lost confidence in the management of the Company due to a lack of probity on their part.
11. Alternatively Mr Lee, as a minority shareholder, has suffered oppression by the majority shareholder, FNL acting through its controlling mind Dr Mohammed. Details of such oppression are provided below.
12. Alternatively, there is a need for investigation of the Company's affairs.
13. Alternatively, as a result of the relationship between Mr Lee and Dr Mohammed, the Company is by nature a quasi-partnership. The relationship between Dr Mohammed and Mr Lee has broken down, and accordingly it is just and equitable that the Company should be wound up.
14. Mr Lee has no reason to believe that the Company is not solvent. Accordingly as a member of the Company he has a tangible interest in the proceeds of the winding-up of the Company after the payment of creditors and the costs and expenses of any winding-up.

## **Overview - Grounds for Petition**

### ***Background to the relationship between Mr Lee and Dr Mohammed***

15. Mr Lee is the sole owner of R. E. Lee International, LLC ("**RELI**") a limited liability company incorporated in the state of Washington with headquarters in Seattle. RELI operates in the life insurance planning and sales business.
16. In or around March or April 2008 Mr Lee met Dr Mohammed in San Francisco, California. Mr Lee was introduced to Dr Mohammed by Mr Khaled, a business associate of Dr Mohammed and a shareholder in the Company as described in paragraphs 7 and 8 above. They discussed the creation of a business relationship

between Mr Lee and Dr Mohammed with the aim of facilitating the issue of life insurance to high net-worth clients in the Middle East (the “**Joint Venture**”). Mr Lee was told by Dr Mohammed that Mr Khaled was his (Dr Mohammed’s) and the Company’s representative in the United States and would act as a conduit for communications and the passing of information between the two gentlemen.

17. Mr Lee and Dr Mohammed agreed in principle that they would share equally the capital contributions, operating expenses and profits of the Joint Venture. Mr Lee was to provide the sales and underwriting expertise and services. Dr Mohammed was to provide prospective clients and obtain the necessary licences and regulatory approvals. Each agreed to contribute 50% of the necessary capital.

18. On or about 20 May 2008, Dr Mohammed delivered a written proposal for documenting the Joint Venture to Mr Lee, which was entitled Partnership Agreement. This was the first attempt to document the oral agreement which had been reached between Mr Lee and Dr Mohammed. The Partnership Agreement proposed an agreement for partnership between the Company and a Cayman Islands company, RE Lee International (Cayman) Ltd (“**RELI Cayman**”) in which Mr Lee had an interest and recorded that the parties had decided to establish a Cayman Island Corporation, to be called REL-FNC, to own and operate the Joint Venture. Each of the Company and RELI Cayman would own 50% of REL-FNC. The proposed Partnership Agreement went on to record in general terms the respective responsibilities of the Company and RELI Cayman in relation to the Joint Venture and included appendices setting out the proposed criteria for the Joint Venture’s target clients (Appendix A) and the proposed initial operating budget for the Joint Venture (Appendix B).

19. The Partnership Agreement specifically records, at Article 9, that *“In the implementation of this Agreement, the parties undertake to observe the utmost good faith and they warrant in their dealings with each other that they shall neither do anything nor refrain from doing anything which might prejudice or detract from the rights, assets or interests of the other of them.”* This accurately reflected Mr. Lee’s expectations and understanding.

20. As the entity which it was proposed Mr Lee would use as his partner in the Joint Venture was not an entity which Mr Lee wished to use for that purpose, the Partnership Agreement was never executed, but each of Mr Lee and Dr Mohammed signed a copy of Appendix B evidencing their agreement to go forward with the Joint Venture on the commercial principles as to ownership of and the sharing in profits etc of REL-FNC described in paragraph 17 above, recognizing that the Partnership Agreement needed revisions and that further terms and documentation would be required.

***Advances made to the Company in 2008 and 2009 for the purpose of providing capital to the Joint Venture***

21. On 24 June 2008, at the request of Dr Mohammed (which request was made through Mr Khaled), Mr Lee caused RELI to pay US\$1 million directly to a bank account at the Lone Tree Street branch of Bank of America in California in the name of the Company for the purpose of providing initial capital to the Joint Venture and getting the Joint Venture underway.

22. In August 2008, the Joint Venture was incorporated in the Cayman Islands as REL-FNC (Cayman) Limited (“REL-FNC”). The initial shareholders were RELI and the Company.

23. On 22 September 2008, again at the request of Dr Mohammed (which request was made to Mr Lee on Dr Mohammed's behalf by Mr Khaled), Mr Lee caused RELI to pay an additional US\$2.5 million directly to a bank account at the Lone Tree Street branch of Bank of America in California in the name of the Company as an advance of further capital to the Joint Venture.

24. Mr Bruce Wotherspoon ("Mr Wotherspoon") is the Chief Financial Officer of RELI and arranged for the advances described in paragraphs 22 and 23 above to be made by RELI on Mr Lee's instructions. As the final terms of the Joint Venture had not been settled or documented, Mr Wotherspoon was concerned that the advances made by RELI to the Company for the purposes of the Joint Venture should be memorialized such that those monies could be recovered by RELI if the Joint Venture were not to proceed further and could be accounted for on that basis. Accordingly, Mr Wotherspoon prepared promissory notes memorializing the advances made to the Company by RELI on 24 June 2008 and 22 September 2008 as loans. The promissory notes were delivered to Mr Khaled in September 2008 and Mr. Khaled had agreed to sign them as a condition of the advances, but they were never executed by the Company. The Company was identified by Mr Wotherspoon in the promissory notes as "a Nevada Corporation" on the basis of searches of public information, and Mr Khaled was identified as its Treasurer. Mr Lee was not aware, until Mr Wotherspoon informed him of that fact, that a corporation having the same name as the Company was incorporated in the State of Nevada or that Dr Mohammed was an officer and Director of that corporation.

25. In March 2009 the Company's shares in REL-FNC were transferred to FNL with the approval of both Dr Mohammed and Mr Lee.

26. In September 2009, Dr Mohammed asked Mr Lee to advance an additional US\$1 million to continue to fund the Joint Venture. In response to that request and for the purpose of funding the furtherance of the Joint Venture's insurance business (which had not to Mr Lee's knowledge generated any revenue from the sale of insurance at that time), Mr Lee caused RELI to pay US\$1 million to an account in the name of FNL at the Standard Chartered Bank in Manama, Bahrain.

***Purchase of shares in the Company***

27. From the date of their introduction in 2008, Dr Mohammed and Mr Lee spoke extensively about the Company's business activities. In late 2009, Dr Mohammed began to encourage Mr Lee to invest in the Company for the purpose of cementing and expanding the business relationship between them. Dr Mohammed suggested that if he and Mr Lee were to be partners in the Middle East insurance business, they should be partners in all of the Company's business activities. These business activities were represented by Dr Mohammed to be substantial investments in the development of emerging technologies and a new "Silicon Valley" in Bahrain among other significant projects. During the course of their relationship, Dr Mohammed has expressly referred to Mr Lee as his "partner", most recently in an email to Mr Lee dated 30 January 2012.

28. Dr Mohammed also represented to Mr Lee, in early December 2009, that he had 25 insurance clients which were ready to apply for insurance through the Joint Venture. In reliance on this, and on the representations made regarding the Company's business referred to at paragraph 27 above, Mr Lee agreed to invest US\$10 million in return for shares in the Company and sent the funds to a bank account in the name of the

Company at the Standard Chartered Bank in Manama, Bahrain in three tranches on 7 December 2009. In fact, none of the 25 promised insurance applications were actually received. At no point did Dr Mohammed suggest to Mr Lee that the shares for which he subscribed would not be fully paid or that they would be subject to forfeiture if Mr Lee did not invest further funds. No share purchase agreement was prepared or signed in respect of this investment.

29. On 16 April 2010, the Company issued a certificate for 1,500,000 shares in exchange for Mr Lee's investment of US\$10 million. Dr Mohammed told Mr Lee that because of their relationship he had given him a special deal, giving him US\$15 million worth of shares for his US\$10 million investment. Dr Mohammed did not suggest at any time prior to 7 May 2012 that the shares issued to Mr. Lee were not fully paid. Mr. Lee would not have accepted the shares if he had been informed that they came with a risk of forfeiture if he did not make a further investment of \$5,000,000 at some future time.

***Further provision of funds***

30. In late November 2010, Dr Mohammed requested that Mr Lee transfer the further sum of US\$309,390 to the Company to fund RELI's share of the operating expenses for REL-FNC from October to December 2010.

31. This payment was made in two tranches: Mr Lee caused RELI to send US\$154,695 to the a bank account in the name of the Company at the Standard Chartered Bank in Manama, Bahrain on 8 December 2010 and a further US\$154,695 to the same account on 26 January 2011.

32. All funds transferred by RELI as set out above were transferred pursuant to requests made and in accordance with instructions provided by Dr Mohammed (either directly or through Mr Khaled) solely because Mr Lee believed, based on oral representations made by Dr Mohammed (directly or through Mr Khaled), that the funds were required and would be used to pay for start-up costs and expenses of the Joint Venture and/or REL-FNC and in reliance on those representations.

33. The transferred funds were not used for the benefit of the Joint Venture. Some of the funds transferred to the Company by RELI have been transferred by the Company to family members of Dr Mohammed or used for the personal purposes of Dr Mohammed or used to pay the Company's legal fees and other expenses not related to the Joint Venture. Neither FNL nor the Company supplied its 50% capital contribution to REL-FNC, as required by the agreement between Mr Lee and Dr Mohammed, and Mr Lee does not believe that any of the funds transferred by RELI as described above were used for the benefit of the Joint Venture.

34. REL-FNC was struck off the Cayman Islands companies register on 30 June 2011.

***Refusal of Requests for Information and Documentation by Dr Mohammed/the Company***

35. In December 2009, shortly after wiring the funds to acquire shares in the Company, Mr Lee requested details of the application of his investment and financial statements for the entity in which he was investing. Dr Mohammed promised those would be available after the year end when the Company's accountants had prepared the annual statements.

36. On 3 December 2010, Mr Wotherspoon sent an email to Dr Mohammed requesting an accounting of the funds provided to the Company, as this was required in relation to the United States Federal Income tax audit of RELI.
37. Mr Wotherspoon sent a further email to Dr Mohammed on 13 April 2011, requesting the outstanding information.
38. In July 2011, Mr Lee's United States counsel wrote to Dr Mohammed, requesting information in relation to the Company, which Mr Lee required for the purposes of his US tax and reporting requirements. Dr Mohammed passed the correspondence to the Company's Cayman counsel, Maples & Calder Hong Kong, who confirmed that Mr Lee was not entitled to and would not receive any financial information.
39. During this period, Dr Mohammed called Mr Lee repeatedly and promised to deliver an accounting in relation to the funds which Mr Lee had advanced.
40. A report prepared by Grant Thornton solely with respect to expenses incurred in relation to REL-FNC in the period 20 May 2008 to 30 June 2011 and dated 4 August 2011 was eventually delivered to Mr Lee shortly before 3 November 2011. The report accounted for US\$3,275,020 of expenses, whereas the total amount which Mr Lee had advanced to the Company and FNL for the purposes of financing the Joint Venture/REL-FNC was US\$4,809,390.
41. Furthermore, the majority of the expenses listed in the accounting (US\$2,885,452) were paid to a company called G Six International Group, WLL ("G Six") on the basis of invoices rendered to the Company by G Six. Searches show that Dr Mohammed owns 91% of the shares of G Six. G Six purports to have paid salaries and office

expenses on behalf of the Joint Venture, but the identity of the recipients of the salaries and expenses are not revealed in the accounting. Mr Lee does not believe that many of these expenses were properly incurred on behalf of the Joint Venture.

***Personal Loans made by Mr Lee to Dr Mohammed***

42. Between March 17, 2011, and May 9, 2011, Mr. Lee made personal loans to Dr. Mohammed totalling \$150,000 while the latter was in the United States for medical treatments. These loans were requested by Dr. Mohammed as short term advances to assist him in meeting personal expenses while in the United States, needed because of difficulties in accessing his funds in Bahrain. He represented to Mr. Lee that he would immediately return the funds when he returned home.
43. On June 7, 2011, Dr. Mohammed requested an additional personal loan of \$200,000 from Mr. Lee under similar circumstances. At that time, as a condition of making the loan, Mr. Lee requested that Dr. Mohammed sign a demand promissory note for the original \$150,000 and a second note for the \$200,000 advance. Both notes were dated June 7, 2011. The funds were transferred but Dr. Mohammed failed to sign the notes.
44. On November 9, 2011, Dr. Mohammed again requested a loan from Mr. Lee in the amount of \$200,000. Again he was asked to sign a note as a condition of making the advance. That note was dated November 9, 2011. Again the funds were transferred and Dr. Mohammed did not sign the note. Dr. Mohammed has failed to make any repayments and has dismissed requests for payment and requests for notes as insulting and unnecessary between partners.

### ***US Proceedings***

45. On 6 December 2011 Mr Lee and RELI filed a Complaint in the United States District Court for the Western District of Washington against Dr Mohammed, the Company and FNL seeking an accounting of the funds provided to the Company and FNL, and seeking the return of those funds, damages for breach of fiduciary duty, and damages for violations of securities laws. Mr Lee believes that Dr Mohammed, in breach of his obligations as Mr Lee's partner and in breach of their agreement, made no capital contribution to the Joint Venture, whether through the Company, FNL, REL-FNC or at all. Mr Lee further believes that Dr Mohammed made no good faith effort to seek or obtain the necessary licences and regulatory approvals required for the Joint Venture to conduct insurance business in the Middle East or to further the purposes of the Joint Venture in any way.

46. In the period since Mr Lee filed the Complaint, Dr Mohammed has made a series of calls to Mr Lee's cell phone, offering to resolve the matters and redeem Mr Lee's shares and promising to provide Mr Lee with the information Mr Lee needs to complete RELI's tax returns. Dr Mohammed has not followed up in any manner other than to issue the call for funds and the forfeiture notice described in the following paragraphs.

### ***Purported Call on Mr Lee's shares***

47. On 10 May 2012 Mr Lee received a notice from FNC dated 7 May 2012, calling on him to pay to FNC the sum of US\$5 million, which the notice alleged was unpaid on Mr Lee's shares. The notice specified a due date of 24 May 2012.

48. This was a matter of concern to Mr Lee as he had never been told, either before he invested in the Company or at any time thereafter that his shares were not fully paid, and would not have made the investment had he known that. Accordingly, on 23 May 2012, Mr Lee's Cayman Islands attorneys, Appleby, wrote to the Company explaining that Mr Lee's shares were fully paid, and requesting an explanation as to why the Company considered that the sum of \$5 million was due and payable and copies of any supporting documents.

49. The Company did not reply to Appleby's letter. Instead, on 29 May 2012, Mr Lee received a further notice from the Company dated 25 May 2012, which purported to forfeit Mr Lee's shares unless the sum of US\$5 million was received by the final due date of 11 June 2012.

50. On 1 June 2012, Appleby wrote to the Company once again, confirming that the Company was not entitled to issue the forfeiture notice and inviting the Company to confirm that the notice was withdrawn. On 6 June 2012 Maples and Calder responded on behalf of the Company, alleging that Mr Lee understood and agreed that the shares were issued to him on the terms of the sole director's resolution dated 6 April 2010, which resolved that Mr Lee was to be issued with 1,500,000 shares fully paid at a price of US\$10 each. Mr Lee disputes the allegations made by Maples and Calder that the shares were not issued fully paid and that the Company has the right to issue the call notice or forfeit Mr. Lee's shares in the absence of a further \$5,000,000 investment.

51. A call notice and forfeiture notice has also been served by the Company on Mr Khaled in respect of his shareholding in the Company. This is despite the fact that the Share

Register of the Company, which Mr Lee has seen, shows Mr Khaled's shares as being fully paid.

52. Mr Lee believes that the service of call and forfeiture notices on himself and Mr Khaled is a strategy devised by Dr Mohammed to deprive Mr Lee of his shareholding in the Company to prevent him from finding out the truth about what has happened to the money he advanced to the Joint Venture and invested into the Company, to deprive Mr Lee of his other rights as shareholder or, with the same end in view, to compel Mr Khaled to provide sufficient finance to the Company so that Dr Mohammed can buy Mr Lee out.

53. By reason of the aforesaid:

53.1. Dr Mohammed and/or FNL have acted with a lack of probity in repeatedly requesting funds from Mr Lee, which funds have not been used for the purposes for which they were provided but have instead been paid to members of Dr Mohammed's family and for other unauthorised purposes.

53.2. Dr Mohammed and/or FNL have acted with a lack of probity in seeking to forfeit Mr Lee's and Mr Khaled's shares, in circumstances where Dr Mohammed represented to Mr Lee that those shares were issued fully paid.

53.3. In light of the above, Mr Lee has justifiably and irreversibly lost trust and confidence in Dr Mohammed and the financial strength of the Company.

53.4. Dr Mohammed and/or FNL have persistently disregarded the interests of Mr Lee as a minority shareholder in the Company and have acted in a manner which is oppressive to Mr Lee.

53.5. There is a need for investigation of the Company's affairs and in particular the use made by the Company of the funds advanced by Mr Lee.

53.6. By reason of the relationship between Dr Mohammed and Mr Lee, the Company is a quasi-partnership and the relationship between Mr Lee on the one hand and Dr Mohammed/FNL on the other has irretrievably broken down.

54. 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 (2011 Revision).
2. Messrs Ian Stokoe and David Walker both of PricewaterhouseCoopers, 5th Floor Strathvale House, 90 North Church Street, George Town, Grand Cayman, Cayman Islands (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 Law (2011 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 (2011 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 11 day of June 2012.

Appleby (Cayman) Ltd.

**APPLEBY (CAYMAN) LTD.**

NOTE: This Petition is intended to be served on the Company at its registered office.

This Petition was presented by Appleby (Cayman) Ltd., 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/KLB 070056.0003).

**NOTICE OF HEARING**

**TAKE NOTICE THAT** the hearing of this Petition will take place at the Law Courts,  
George Town, Grand Cayman, on 2012 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.