

IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION

FSD CAUSE NO 165 OF 2012
AND
FSD CAUSE NO 166 OF 2012

IN THE MATTER OF THE COMPANIES LAW (2012 REVISION)
AND IN THE MATTER OF RE JP SPC 1 and JP SPC 4

IN CHAMBERS
19 DECEMBER 2012
BEFORE THE HON. MR. JUSTICE FOSTER QC



DIRECTIONS ORDER

UPON HEARING the Summonses for Directions of Ronan Guilfoyle and Graham Hampson (the "Directors"), the directors of JP SPC 1 (the "SPC") and JP SPC 4 (the "Master SPC") dated 13 December 2012

AND UPON READING the Affidavits of Ronan Guilfoyle, Kris Beighton and John Milsom sworn on 14 December 2012, the Affidavit of Graham Hampson sworn on 18 December 2012, the signed but unsworn Affidavits of Terry Harvey dated 18 and 19 December 2012, and the letter dated 18 December 2012 from Jerry N. Stewart

AND UPON HEARING Counsel for the Directors, Counsel for Mr. Harvey and Counsel for Andrew Peat, Prestige Select Finance Fund (Cayman) and Tangerine Investment Management Limited

AND UPON the Court being satisfied that the Petitions herein should be served on Counsel for Mr. Harvey and Counsel for Andrew Peat, Prestige Select Finance Fund (Cayman) and Tangerine Investment Management Limited pursuant to s.225(3)(c) of the Companies Law (2012 Revision)

IT IS HEREBY ORDERED AND DIRECTED that:

1. the Directors' application for the appointment of receivers over Axiom Legal Financing Fund ("the Portfolio"), a segregated portfolio of the SPC, and Axiom Legal Financing Fund Master SP ("the Master Portfolio"), a segregated portfolio of the Master SPC, be adjourned;
2. so far as necessary under s.226(5) of the Companies Law (2012 Revision), Mr. Harvey is given leave to present a winding up petition in respect of the SPC;

3. the Affidavits of Mr. Guilfoyle and Mr. Hampson and exhibits be sealed;
4. the Directors shall serve redacted copies of the Affidavits of Mr. Guilfoyle and Mr. Hampson and exhibits, with reasons for the redactions, on Messrs Harneys and Messrs Forbes Hare, together with unredacted copies of the affidavits of Mr Beighton and Mr Milsom, within 5 days of the date of this Order;
5. Messrs Harneys and Messrs Forbes Hare shall serve the evidence of their clients in response to the Directors' applications by 11 January 2013;
6. the Directors shall serve any evidence in reply by 22 January 2013;
7. the hearing of the Directors' applications shall be restored to 31 January 2013 and 1 February 2013;
8. notice of the adjournment of the Directors' applications shall be given to the registered shareholders of the Portfolio, in the form attached at Schedule 1 hereto;
9. costs reserved.

Dated this 19th day of December 2012

Filed this 21st day of December 2012



The Honourable Mr. Justice Foster QC
Judge of the Grand Court
Financial Services Division



Approved as to form and content:

Ogier

Ogier
Attorneys for the Directors

Harneys

Harneys
Attorneys for Terry Harvey

Forbes Hare

Forbes Hare
Attorneys for Andrew Peat,
Prestige Select Finance Fund (Cayman) and
Tangerine Investment Management Limited



This Directions Order was filed by Ogier, Attorneys-at-law for the Petitioners, whose address for service is:
89 Nexus Way, Camana Bay, Grand Cayman KY1-9007, Cayman Islands (PDC/RAR/421255.0002)

BTLG-5003917-2

Schedule 1

21 December 2012

Dear Shareholders,

Re: Axiom Legal Financing Fund, Segregated Portfolio, a segregated portfolio of JP SPC 1 (the "Fund")

We are writing this letter to update holders of participating shares designated to the Fund ("**Shareholders**") with respect to recent developments concerning the Fund.

As we indicated in our letter of 19 December 2012, the directors' application to the Grand Court of the Cayman Islands to have receivers appointed over the Fund was heard on 19 December 2012.

The Honourable Mr. Justice Foster QC heard submissions from Ogier on behalf of the directors, from Harneys on behalf of an investor in the Fund, and from Forbes Hare on behalf of certain other investors in the Fund who included the Fund's former investment manager, Tangerine Investment Management Limited, and directed that the hearing of the directors' application should be adjourned to 31 January 2013 and 1 February 2013, and gave directions for the exchange of evidence in advance of that adjourned hearing.

Messrs Harneys submitted that their client opposed the appointment of a receiver over the Fund and that he was in favour of bringing an application to wind up JP SPC 1, and the Court granted that investor leave to present a winding up petition in respect of JP SPC 1 if he so wishes. Mr Justice Foster stated that in granting such permission he was not indicating one way or another as to whether grounds existed for such a petition, but to save the need for any future application for leave. Messrs Harneys' client's position was also to challenge the appointment of KPMG as receivers in any event, as their client's position is that alternative insolvency practitioners who had not previously been engaged by the directors, such as Grant Thornton, should be appointed. Messrs Forbes Hare also submitted that their clients opposed the appointment of a receiver over the Fund, but that their clients were in favour of restructuring the Fund, rather than winding up JP SPC 1.

If you wish to be heard by the Court at the restored hearing of the directors' application to have a receiver appointed over the Fund on 31 January 2013 and 1 February 2013, either in support or opposition to that application, you must give notice to the directors of your intention to appear at the restored hearing as soon as possible but in any event prior to 11 January 2013. Alternatively, if you wish to support either course of action proposed by the parties represented by Messrs Harneys and Messrs Forbes Hare, you may contact those firms directly.

Yours faithfully

**The directors of JP SPC 1, on behalf of the
Axiom Legal Financing Fund, Segregated Portfolio**

