

IN THE GRAND COURT OF THE CAYMAN ISLANDS

FINANCIAL SERVICES DIVISION

CAUSE NO. FSD 166 OF 2012 (AEFJ)

IN THE MATTER OF THE COMPANIES LAW (2012 REVISION)

AND IN THE MATTER OF JP SPC 4 (THE "COMPANY")

AND IN THE MATTER OF THE AXIOM LEGAL FINANCING FUND MASTER SP (IN RECEIVERSHIP) (THE "PORTFOLIO"), A SEGREGATED PORTFOLIO OF THE COMPANY

ORDER



UPON HEARING Counsel for the Receivers of the Portfolio and Counsel for the Cayman Islands Monetary Authority

AND UPON the Receivers' Summons dated 8 March 2013 (the "**Summons**")

AND UPON reading the Second Affidavit of Michael Edward George Saville sworn on 8 March 2013

IT IS HEREBY ORDERED AND DECLARED that:-

1. The Receivers shall possess the powers set out in sections 101-103, 110(2), 145-147 and Parts I and II of Schedule 3 of the Companies Law (2012 Revision) (the "**Law**"), (the

“Provisions”), and the Provisions shall apply in the Receivership proceedings and the powers contained therein shall be applicable to and exercisable by the Receivers of the Portfolio as they would be to and by liquidators of a company in a liquidation under Part V of the Law, without further sanction of the Court (save in the case of Part I of Schedule 3 of the Law, which shall be exercisable by the Receivers only with the sanction of the Court), for which purpose:

- a. References in the Provisions to a company shall be taken to refer to the Portfolio, save where the context requires the reference to be to the Company acting on behalf of the Portfolio;
 - b. References in the Provisions to an official liquidator, a provisional liquidator or a liquidator shall be taken to refer to the Receivers; and
 - c. References in the Provisions to a winding up or winding up order shall be taken to refer to the Receivership or Receivership Order, as appropriate.
2. Applications by the Receivers to the High Court of England & Wales for recognition of the Receivers pursuant to the Cross-Border Insolvency Regulations 2006 of the United Kingdom (“**CBIR 2006**”), and pursuant to section 426 of the Insolvency Act 1986 of the United Kingdom, are hereby sanctioned;
 3. The Receivers are authorised to commence proceedings in the name of the Company on behalf of the Portfolio in the High Court of England & Wales and/or to make ancillary or



interlocutory applications in that Court for the preservation or recovery of documents, evidence and assets in respect of the Portfolio;

4. The Receivership Committee (the “**Committee**”) ordered to be established in respect of JP SPC 1 in Cause No. FSD 165 of 2012, in the manner described in that Order and in the Second Affidavit of Michael Edward George Saville, shall also serve as the Committee for the Company in Cause No. FSD 166 of 2012;
5. The Receivers’ application for directions in respect of the foreign currency ‘hedging’ arrangements entered into by the Directors of JP SPC 1 in respect of the Portfolio by way of sub-paragraph 1.f. of the Summons be adjourned to the hearing listed on 23 May 2013;
6. The Court shall grant a certificate in the form attached hereto pursuant to Article 15(2) of the CBIR 2006;
7. The Court shall issue a request to the High Court of England & Wales for its assistance in the Receivership in the form attached hereto;
8. The Second Affidavit of Michael Edward George Saville and its Exhibit MS2 shall be sealed and kept confidential and be not open to inspection by any person other than the Receivers except with the prior leave of the Court; and



9. The costs of this application be paid out of the assets of the Portfolio.

DATED this 13th day of March 2013

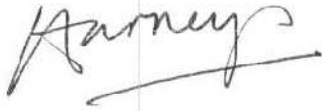
FILED this 20th day of March 2013



The Honourable Mr Justice Foster
JUDGE OF THE GRAND COURT
FINANCIAL SERVICES DIVISION



Approved as to form and content:



HARNEY WESTWOOD & RIEGELS
ATTORNEYS-AT-LAW FOR THE JOINT OFFICIAL LIQUIDATORS



CAYMAN ISLANDS MONETARY AUTHORITY



THIS ORDER was FILED by HARNEY WESTWOOD & RIEGELS, Attorneys-at-Law for the Receivers, whose address for service is 3rd Floor, Queensgate House, 113 South Church Street, PO Box 10240, Grand Cayman KY1-1002, Cayman Islands (Ref: AMA/DWH/044219.0001).

IN THE GRAND COURT OF THE FSD CAUSE NO 166 OF 2012 (AEFJ)
CAYMAN ISLANDS

FINANCIAL SERVICES DIVISION

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MASTER SP (IN RECEIVERSHIP) (THE "PORTFOLIO"), A SEGREGATED
PORTFOLIO OF THE COMPANY

LETTER OF REQUEST



WHEREAS

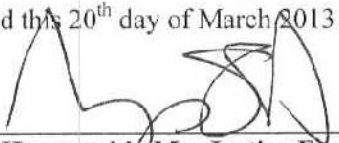
1. This Court is a court exercising jurisdiction in relation to company and insolvency law in the Cayman Islands.
2. JP SPC4 (the "Company") is a segregated portfolio company within the meaning of Part XIV of the Companies Law (2012 Revision) (the "Law"), and is incorporated under the laws of the Cayman Islands.
3. The Axiom Legal Financing Fund Master SP (the "Portfolio") is a segregated portfolio of the Company.
4. On 13 December 2012 a Petition was presented in this Court for Receivers to be appointed over the Portfolio for the purposes specified in section 224(3) of the Law, namely to manage the business and assets of the Portfolio for the purposes of (i) the orderly closing down of the business of or attributable to the Portfolio and (ii) the distribution of the assets of the Portfolio to those entitled to have recourse to them.
5. On 12 February 2013, this Court made an order (the "Order", which is annexed hereto) and granted the relief sought on the said Petition (which was amended on 25 January 2013), and appointed Michael Edward George Saville and Hugh Dickson of Grant Thornton Specialist Services (Cayman) Limited and James Earp of Grant Thornton UK LLP as Receivers (the "Receivers").
6. Pursuant to the Order and to Part XIV of the Law the Receivers are authorised and empowered, *inter alia*:

- a. to do all such things as may be necessary for the purposes of managing the business and assets of the Portfolio for the purposes of (i) the orderly closing down of the business of or attributable to the Portfolio and (ii) the distribution of the assets of the Portfolio to those entitled to have recourse to them; and
 - b. to have all of the functions and powers of the directors in respect of the business and assets of or attributable to the Portfolio.
7. Further as a result of the Order and of section 226(5) of the Law, *"no suit, action or other proceedings shall be instituted against the [Company] in relation to the [Portfolio] except by leave of the Court..."*.
8. Further still, by Order of this Court dated 13 March 2013 this Court declared and ordered that the Receivers shall possess the powers set out in the provisions of the Law annexed hereto, namely ss.101-103, 110(2), 145-147 and Parts I and II of Schedule 3, (the "**Provisions**"), and the Provisions shall apply in the Receivership proceedings and the powers contained therein shall be applicable to and exercisable by the Receivers of the Portfolio as they would be to and by liquidators of a company in a liquidation under Part V of the Law, without further sanction of the Court (save in the case of Part I of Schedule 3 of the Law, which shall be exercisable by the Receivers only with the sanction of the Court), for which purpose:
- a. References in the Provisions to a company shall be taken to refer to the Portfolio, save where the context requires the reference to be to the Company acting on behalf of the Portfolio;
 - b. References in the Provisions to an official liquidator, a provisional liquidator or a liquidator shall be taken to refer to the Receivers; and
 - c. References in the Provisions to a winding up or winding up order shall be taken to refer to the Receivership or Receivership Order, as appropriate.
9. The evidence filed in the proceedings has demonstrated to the satisfaction of this Court that in order for the Receivers to discharge their obligations and in order to get in, preserve and realise the assets of the Portfolio for the benefit of creditors it is just and convenient that this request should issue.
10. This Court hereby requests the High Court of Justice in England & Wales (the "**High Court**") pursuant to the provisions of section 426 of the Insolvency Act 1986 to act in aid of the Receivership proceedings and in aid of the Receivers by ordering and directing that:
- a. The appointment of Michael Edward George Saville and Hugh Dickson of Grant Thornton Specialist Services (Cayman) Limited and James Earp of Grant Thornton UK LLP as Receivers of the Portfolio be recognised by the High Court;



- b. The Receivers have and may exercise such powers as are available to them as a matter of Cayman Islands law (as set out above) and would be available to them under the Insolvency Act 1986 (including Schedule 4) or under the common law of England & Wales as if they had been appointed liquidators of the Portfolio under a compulsory liquidation pursuant to Part IV of the Insolvency Act 1986 and in particular, but without prejudice to the generality of the foregoing, for the following purposes:
- i. To locate, protect, secure and take into their possession and control all assets and property within the jurisdiction of the High Court to which the Portfolio is or appears to be entitled;
 - ii. To locate, protect, secure and take into their possession and control the books, papers and records of the Portfolio including the accounting and statutory records within the jurisdiction of the High Court;
 - iii. To retain and employ barristers, solicitors or attorneys and/or such other agents or professional persons as the Receivers consider appropriate for the purpose of advising or assisting in the execution of their powers and duties; and
 - iv. So far as may be necessary to supplement and to effect the powers set out at paragraphs (i) and (ii) above, to bring legal proceedings, including proceedings under s.213, 214, 234-237, 238, 239, 242, 243 or 423 of the IA 1986 and make all such applications to the High Court, whether in their own names or in the name of the Company on behalf of or for the benefit of the Portfolio including any applications for ancillary relief such as freezing orders, search and seizure orders, and disclosure.
- c. Anything that is authorised or required to be done by the Receivers is to be done by all or any one or more of the persons appointed.
- d. For so long as the Portfolio remains in Receivership in the Cayman Islands, no action or proceeding shall be proceeded with or commenced against the Portfolio, or against the Company in respect of the Portfolio or its assets or affairs, or their property within the jurisdiction of the High Court except with leave of the High Court and subject to such terms as the High Court may impose.
11. The High Court grant such further or other relief as it thinks fit in aid of the Receivers and the Receivership proceedings.

Dated this 20th day of March 2013


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



ANNEX 1: THE PROVISIONS



101. (1) Where the Court has made a winding up order or appointed a provisional liquidator, the liquidator may require some or all of the persons mentioned in subsection (3) to prepare and submit to him a statement in the prescribed form as to the affairs of the company.

(2) The statement shall be verified by an affidavit sworn by the persons required to submit it and shall show-

- (a) particulars of the company's assets and liabilities, including contingent and prospective liabilities;
- (b) the names and addresses of any persons having possession of the company's assets;
- (c) the assets of the company held by those persons;
- (d) the names and addresses of the company's creditors;
- (e) the securities held by those creditors;
- (f) the dates when the securities were respectively given; and
- (g) such further or other information that the liquidator may require.

(3) The persons referred to in subsection (1) are-

- (a) persons who are or have been directors or officers of the company;
- (b) persons who are or have been professional service providers to the company; and
- (c) persons who are or have been employees of the company, during the period of one year immediately preceding the relevant date.

(4) Where any persons are required under this section to submit a statement of affairs to the liquidator, they shall do so, subject to subsection (5), before the end of the period of twenty-one days beginning with the day after that on which the prescribed notice of the requirement is given to them by the liquidator.

(5) The liquidator may release a person from an obligation imposed on him under subsection (1) or, when giving the notice mentioned in subsection (4), or subsequently, the liquidator may extend the time for compliance; and if the liquidator refuses to extend the time for compliance, the Court may do so.

(6) In this section-

"relevant date" means-

- (a) in a case where a provisional liquidator is appointed, the date of his appointment; and
- (b) in any other case, the commencement of the winding up.

(7) A person who, without reasonable excuse, fails to comply with any obligation imposed under this section commits an offence and is liable on conviction to a fine of ten thousand dollars.

102. (1) Where a winding up order is made by the Court, the liquidator shall be empowered to investigate- Investigation by liquidator

- (a) if the company has failed, the causes of the failure; and
- (b) generally, the promotion, business, dealings and affairs of the company,

and to make such report, if any, to the Court as he thinks fit.

(2) Subject to obtaining the directions of the Court, the liquidator shall have power to -

- (a) assist the Authority and the Royal Cayman Islands Police Force to investigate the conduct of persons referred to in section 101(3); and
- (b) institute and conduct a criminal prosecution of persons referred to in section 101(3).

(3) Subject to obtaining the prior approval of the company's creditors, if it is insolvent, or its contributories, if it is solvent, the directions given under subsection (2) may include a direction that the whole or part of the costs of investigation and prosecution be paid out of the assets of the company.



Duty to co-operate and
the private examination
of relevant persons

103. (1) This section applies to any person who, whether resident in the Islands or elsewhere-

- (a) has made or concurred with the statement of affairs;
- (b) is or has been a director or officer of the company;
- (c) is or was a professional service provider to the company;
- (d) has acted as a controller, advisor or liquidator of the company or receiver or manager of its property;
- (e) not being a person falling within paragraphs (a) to (c), is or has been concerned or has taken part in the promotion or management of the company,

and such person is referred to in this section as the "relevant person".

(2) It is the duty of every relevant person to co-operate with the official liquidator.

(3) While a company is being wound up, the official liquidator may at any time before its dissolution apply to the Court for an order-

- (a) for the examination of any relevant person; or
- (b) that a relevant person transfer or deliver up to the liquidator any property or documents belonging to the company.

(4) Unless the Court otherwise orders, the official liquidator shall make an application under subsection (3) if he is requested in accordance with the rules to do so by one-half, in value, of the company's creditors or contributories.

(5) On an application made under subsection (3) (a), the Court may order that a relevant person-

- (a) swear an affidavit in answer to written interrogatories;
- (b) attend for oral examination by the official liquidator at a specified time and place, or
- (c) do both things specified in paragraphs (a) and (b).

(6) The Court may direct that any creditor or contributory of the company be permitted by the official liquidator to participate in an oral examination.

(7) The Court shall have jurisdiction-

- (a) to make an order under this section against a relevant person resident outside the Islands; and
- (b) to issue a letter of request for the purpose of seeking the assistance of a foreign court in obtaining the evidence of a relevant person resident outside the jurisdiction.



Function and powers of
official liquidators

110.

(2) The official liquidator may-

- (a) with the sanction of the Court, exercise any of the powers specified in Part I of Schedule 3; and
- (b) with or without that sanction, exercise any of the general powers specified in Part II of Schedule 3.

Voidable preference

145. (1) Every conveyance or transfer of property, or charge thereon, and every payment obligation and judicial proceeding, made, incurred, taken or suffered by any company in favour of any creditor at a time when the company is unable to pay its debts within the meaning of section 93 with a view to giving such creditor a preference over the other creditors shall be invalid if made, incurred, taken or suffered within six months immediately preceding the commencement of a liquidation.

(2) A payment made as aforesaid to a related party of the company shall be deemed to have been made with a view to giving such creditor a preference.

(3) For the purposes of this section a creditor shall be treated as a "related party" if it has the ability to control the company or exercise significant influence over the company in making financial and operating decisions.

Avoidance of
dispositions made at an
undervalue
2011 Revision

146. (1) In this section and section 147-

- (a) "disposition" has the meaning ascribed in Part VI of the Trusts Law (2011 Revision);
- (b) "intent to defraud" means an intention to wilfully defeat an obligation owed to a creditor;
- (c) "obligation" means an obligation or liability (which includes a contingent liability) which existed on or prior to the date of the relevant disposition;
- (d) "transferee" means the person to whom a relevant disposition is made and shall include any successor in title; and
- (e) "undervalue" in relation to a disposition of a company's property means:
 - (i) the provision of no consideration for the disposition; or
 - (ii) a consideration for the disposition the value of which in money or monies worth is significantly less than the value of the property which is the subject of the disposition.

(2) Every disposition of property made at an undervalue by or on behalf of a company with intent to defraud its creditors shall be voidable at the instance of its official liquidator.

(3) The burden of establishing an intent to defraud for the purposes of this section shall be upon the official liquidator.

(4) No action or proceedings shall be commenced by an official liquidator under this section more than six years after the date of the relevant disposition.

(5) In the event that any disposition is set aside under this section, then if the Court is satisfied that the transferee has not acted in bad faith-

- (a) the transferee shall have a first and paramount charge over the property, the subject of the disposition, of an amount equal to the entire costs properly incurred by the transferee in the defence of the action or proceedings; and
- (b) the relevant disposition shall be set aside subject to the proper fees, costs, pre-existing rights, claims and interests of the transferee (and of any predecessor transferee who has not acted in bad faith).

147. (1) If in the course of the winding up of a company it appears that any business of the company has been carried on with intent to defraud creditors of the company or creditors of any other person or for any fraudulent purpose the liquidator may apply to the Court for a declaration under this section.

Fraudulent trading

(2) The Court may declare that any persons who were knowingly parties to the carrying on of the business in the manner mentioned in subsection (1) are liable to make such contributions, if any, to the company's assets as the Court thinks proper.



SCHEDULE 3

Powers of Liquidators

Part I

Powers exercisable with sanction

1. Power to bring or defend any action or other legal proceeding in the name and on behalf of the company.
2. Power to carry on the business of the company so far as may be necessary for its beneficial winding up.
3. Power to dispose of any property of the company to a person who is or was related to the company.
4. Power to pay any class of creditors in full.
5. Power to make any compromise or arrangement with creditors or persons claiming to be creditors or having or alleging themselves to have any claim (present or future, certain or contingent, ascertained or sounding only in damages) against the company or for which the company may be rendered liable.
6. Power to compromise on such terms as may be agreed all debts and liabilities capable of resulting in debts, and all claims (present or future, certain or contingent, ascertained or sounding only in damages) subsisting, or supposed to subsist between the company and a contributory or alleged contributory or other debtor or person apprehending liability to the company.
7. Power to deal with all questions in any way relating to or affecting the assets or the winding up of the company, to take any security for the discharge of any such call, debt, liability or claim and to give a complete discharge in respect of it.
8. The power to sell any of the company's property by public auction or private contract with power to transfer the whole of it to any person or to sell the same in parcels.
9. The power to raise or borrow money and grant securities therefor over the property of the company.
10. The power to engage staff (whether or not as employees of the company) to assist him in the performance of his functions.
11. The power to engage attorneys and other professionally qualified persons to assist him in the performance of his functions.

Part II

Powers exercisable without sanction

1. The power to take possession of, collect and get in the property of the company and for that purpose to take all such proceedings as he considers necessary.
2. The power to do all acts and execute, in the name and on behalf of the company, all deeds, receipts and other documents and for that purpose to use, when necessary, the company seal.
3. The power to prove, rank and claim in the bankruptcy, insolvency or sequestration of any contributory for any balance against his estate, and to receive



dividends in the bankruptcy, insolvency or sequestration in respect of that balance, as a separate debt due from the bankrupt or insolvent and rateably with the other separate creditors.

4. The power to draw, accept, make and indorse any bill of exchange or promissory note in the name and on behalf of the company, with the same effect with the respect of the company's liability as if the bill or note had been drawn, accepted, made or indorsed by or on behalf of the company in the course of its business.

5. The power to promote a scheme of arrangement pursuant to section 85.

6. The power to convene meetings of creditors and contributories.

7. The power to do all other things incidental to the exercise of his powers.



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MASTER SP (IN RECEIVERSHIP) (THE "PORTFOLIO"), A SEGREGATED
PORTFOLIO OF THE COMPANY**

BEFORE THE HONOURABLE JUSTICE FOSTER

ON THE 13th DAY OF MARCH 2013



CERTIFICATE

UPON the application of Michael Edward Saville, Hugh Dickson (both of Grant Thornton Specialist Services (Cayman) Limited) and James Earp (of Grant Thornton UK LLP) as Receivers of the Portfolio by summons dated 8 March 2013

AND UPON reading the Second Affidavit of Mr Saville dated 8 March 2013

AND UPON hearing counsel for the Receivers and counsel for the Cayman Islands Monetary Authority

AND UPON the Court being satisfied that the Company is a Segregated Portfolio Company, registered pursuant to Part XIV of the Companies Law (2012 Revision) (the "**Law**") of which the Portfolio is a Segregated Portfolio

AND UPON the Court determining that it is desirable and expedient that the Receivership is recognised in the United Kingdom as a foreign proceeding and that the Receivers are recognised as foreign representatives of the Portfolio

IT IS HEREBY CERTIFIED as follows:

1. The proceedings herein (the “**Receivership Proceedings**”), whereby by Order of this Court dated 12 February 2013 Messrs Saville, Dickson and Earp were appointed Receivers of the Portfolio under Part XIV of the Law:
 - 1.1. are a collective judicial proceeding in the Cayman Islands, and
 - 1.2. are pursuant to Part XIV of the Law, which Part of the Law relates, *inter alia*, to insolvency.
2. By way of the Receivership Proceedings, the assets and affairs of the Portfolio, being also assets and affairs of the Company, are subject to the control and supervision of this Court for the purpose of liquidation.
3. The Receivers are each persons authorised by this Court in the Receivership Proceedings, and pursuant to the provisions of the Law, to administer the liquidation of the assets and affairs of the Portfolio, by way of the orderly closing down of the business of or attributable to the Portfolio and the distribution of the assets of the Portfolio to those entitled to have recourse to them.

Dated this ^{13th} day of March 2013




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