



IN THE GRAND COURT OF THE CAYMAN ISLANDS

FINANCIAL SERVICES DIVISION

The Honourable Justice Cresswell

In chambers by videolink on 30th April 2013

Cause No FSD 152 of 2011 – PCI

BETWEEN: (1) VALIANCE SPECIAL OPPORTUNITIES FUND OF FUNDS LIMITED
(2) VALIANCE SPECIAL OPPORTUNITIES CO-INVESTMENT GENERAL PARTNER LIMITED as General Partner for and on behalf of VALIANCE SPECIAL OPPORTUNITIES CO-INVESTMENT MASTER FUND LP

PLAINTIFFS

AND: CHEYNE NEW EUROPE FUND INC

DEFENDANT

ORDER FOR DIRECTIONS

UPON HEARING leading counsel for the Plaintiffs and for the Defendant

AND UPON THE HEARING of the Plaintiffs' Summons dated 28 March 2013

AND UPON THE HEARING of the Defendant's Summons dated 22 April 2013

AND UPON THE HEARING of the Plaintiffs' summons dated 23 April 2013 relating to the evidence of valuation experts in respect of the valuation of the Plaintiffs' remaining shareholding in the Defendant.

IT IS ORDERED THAT:

On the hearing of the Plaintiffs' summons dated 28 March 2013

Re-Amended Statement of Claim

1. By Consent the Plaintiffs have leave to serve their Re-Amended Statement of Claim and the Defendant has leave to serve its Amended Defence in accordance with the consent order agreed between the parties in the form included at tab 10 of the hearing Bundle and annexed to this Order.



Specific Discovery

2. In respect of the Plaintiffs' application at paragraph 5.2 of the Summons –
 - a. no order will be made on the understanding that the Defendant's attorneys are able to write to the Plaintiffs' attorneys confirming that the probability is that Mr James had no involvement in the identification in or before February 2009 of the conflict of interest affecting the Defendant referred to in the Re-Amended Statement of Claim or in the action taken to erect information barriers between the Defendant and Cheyne Specialty Finance Fund ("CSFF") in 2010, beyond that which is demonstrated in the documents disclosed to date, by 17 May 2013, but
 - b. if the Defendant's attorneys are unable to write such a letter the Plaintiffs are to have liberty to restore their application to the Court for an order for specific discovery of this category of documents by reference to a narrower defined time period than in the current application.
3. In respect of the Plaintiffs' application at paragraph 5.3 of the Summons it is ordered that pursuant to GCR O. 24 r.7 the Defendant's attorneys confirm to the Plaintiffs' attorneys in writing that all documents in the possession custody or power of the Defendant which disclose the circumstances leading up to CSFF making the loan to Flavus on 9 August 2007 and the negotiations of the loan between CSFF and Flavus have been disclosed and to the extent that full discovery has not already been given, do give discovery by serving a List of documents on the Plaintiffs by 17 May 2013.
4. Except as set out above, no order on the Plaintiffs' application for specific discovery.

Letters of Request

5. On Mr Lourie's agreeing, upon being given two months' notice of the need for him to do so which will include the Plaintiffs' best estimate of the date on which Mr Lourie is expected to be called, to make himself available to be called as a witness of fact for the Plaintiffs at the trial of this action to give evidence by video-link, no order is made in respect of the application pursuant to GCR O.39 r.2 for the issue of a letter of request in respect of Mr Lourie;
6. The Plaintiffs' application for the issue of a letter of request for depositions to be taken from Simon James is adjourned generally with liberty to apply.



On the hearing of the Defendant's summons

7. No order is made on the Defendant's summons.

On the hearing of the Plaintiffs' summons in respect of valuation evidence

8. By consent an order be made in the form of the agreed Consent Order agreed between the parties and annexed to this Order.

Further Directions

9. A Pre Trial Review be heard by video-link on 17 July 2013 at 9 am (Cayman Time).
10. The Case Memorandum be updated for the hearing on 17 July 2013 and corrections be made to paragraphs 13, 22, 27, 29, 34, 42.4 and 46.2 by 12 July 2013.
11. The Plaintiffs are to prepare drafts of (i) a Dramatis Personae and (ii) a Chronology by 28 June 2013.
12. The Defendant is to provide its response to and comments on the Dramatis Personae and Chronology by 12 July 2013.
13. Trial bundles to be filed with the Court by 19 August 2013, and bundle of authorities to be filed with the Court by 9 September 2013, and updated as appropriate.
14. Trial skeleton arguments are to be served and filed sequentially with the Plaintiffs' skeleton arguments to be served and filed with the Court by 3 September 2013, the Defendant's responsive skeleton arguments to be served and filed with the Court by 9 September 2013 and the Plaintiffs' reply skeleton arguments to be served and filed by 12 September 2013.

15. Costs in the Cause.

30 April 2013

Dated:May 2013

Filed: ¹⁴.....May 2013

Cresswell J
The Honourable Justice Cresswell
Judge of the Grand Court



HON. JUSTICE CRESSWELL
JUDGE OF THE FINANCIAL SERVICES DIVISION

THIS CONSENT ORDER is filed by Campbells, attorneys for the Plaintiffs, whose address for service is Floor 4, Willow House, Cricket Square, George Town, Grand Cayman (Ref: JRM/KAH/13558-18302)

Approved as to form and content:

Campbells

CAMPBELLS

Attorneys for the Plaintiffs

Mourant Ozannes

MOURANT OZANNES

Attorneys for the Defendant

.....May 2013

