

IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION

FSD CAUSE NO. 0094 OF 2013

IN THE MATTER OF THE COMPANIES LAW (2012 REVISION) (AS AMENDED)
AND
IN THE MATTER OF HADAR FUND LTD. (IN VOLUNTARY LIQUIDATION)

PETITION

TO: The Grand Court of the Cayman Islands

The humble petition of David A.K. Walker and Ian D. Stokoe of PwC Corporate Finance & Recovery (Cayman) Limited, PO Box 258, Strathvale House, George Town, Grand Cayman KY1-1104, Cayman Islands as Joint Voluntary Liquidators (the "JVLs") of Hadar Fund Ltd. (in Voluntary Liquidation) (the "**Company**") shows that:

1. The purpose of this Petition is to seek an order that the voluntary liquidation of the Company continue under the supervision of this Honourable Court pursuant to section 124(1) of the Companies Law (2012 Revision) (as amended) (the "**Law**") and Order 15, rule 1(1) and Order 15, rule 2(4) of The Companies Winding Up Rules 2008 (as amended) (the "**CWR**").
2. The Company is an exempted company with limited liability incorporated on 8 May 2008 and organised pursuant to the Law. The registration number of the Company issued by the Registrar of Companies is OG-210142. The Company is also regulated by the Cayman Islands Monetary Authority ("**CIMA**") and has been assigned the reference number 15538 by CIMA.
3. The registered office of the Company is presently at PwC Corporate Finance & Recovery (Cayman) Limited, PO Box 258, Strathvale House, George Town, Grand Cayman KY1-1104, Cayman Islands. The registered office of the Company was formerly situated at Ogier Fiduciary Services (Cayman) Limited, 89 Nexus Way, Camana Bay, Grand Cayman, Cayman Islands.

4. The object for which the Company was established was as an open ended investment company.
5. The Company has an authorised share capital of fifty thousand United States dollars (US \$50,000) divided into one hundred (100) voting non-participating Management Shares of one United States cent (US\$0.01) par value each and four million nine hundred and ninety-nine thousand nine hundred (4,999,900) non-voting Participating Shares of one United States cent (US \$0.01) par value each ("**Shares**").
6. Hadar Investment Advisers Limited ("**HIA**") of 89 Nexus Way, Camana Bay, Grand Cayman, KY1-9007, Cayman Islands is the sole remaining shareholder of the Company (the participating shareholders having been redeemed during March 2013, albeit that certain further redemption proceeds were likely to be distributed to such investors during the course of the Company's liquidation). By a unanimous written resolution of HIA on 31 May 2013, it was resolved that the Company be placed into voluntary liquidation and that the JVLs be appointed to act jointly and severally for the purposes of winding-up the Company.
7. The JVLs have consented to act as joint and several voluntary liquidators of the Company by way of their written consent addressed to the Company dated 31 May 2013, which was duly filed with the Cayman Islands Companies Registrar of Companies and with CIMA.
8. The voluntary winding-up of the Company is deemed to have commenced on 31 May 2013 pursuant to section 117(1)(a) of the Law.
9. The sole director of the Company as at the date of the commencement of the voluntary winding up of the Company was Simon Graham (the "**Director**").
10. The JVLs have not, as at the date of this Petition, received a declaration of solvency in the prescribed form (or in any form) from the Director and the Director has confirmed that he was not prepared to sign a declaration of solvency within 28 days of the commencement of the voluntary winding-up of the Company (that is, by 28 June 2013), or at all.
11. The JVLs therefore respectfully request orders of the Court pursuant to section 124(1) of the Law that the liquidation of the Company continue under the supervision of the Court,

and that they (David A.K. Walker and Ian D. Stokoe of PwC Cayman) be appointed as Joint Official Liquidators of the Company (the "JOLs")

12. In this regard, David A.K. Walker:

- (a) is a "qualified insolvency practitioner" as that term is defined in section 89 of the Law and as prescribed by Regulation 4 of the Insolvency Practitioners' Regulations 2008 (as amended) (the "**Regulations**");
- (b) meets the residency requirements contained in Regulation 5 of the Regulations;
- (c) meets the independence requirements prescribed by Regulation 6 of the Regulations;
- (d) meets the insurance requirement prescribed by Regulation 7 of the Regulations;
and
- (e) consents to his appointment as one of the JOLs of the Company together with Ian D. Stokoe, if so appointed by the Court.

13. Similarly, Ian D. Stokoe:

- (a) is a "qualified insolvency practitioner" as that term is defined in section 89 of the Law and as prescribed by Regulation 4 of the Regulations;
- (b) meets the residency requirements contained in Regulation 5 of the Regulations;
- (c) meets the independence requirements prescribed by Regulation 6 of the Regulations;
- (d) meets the insurance requirement prescribed by Regulation 7 of the Regulations;
and
- (e) consents to his appointment as one of the JOLS of the Company together with David A.K. Walker, if so appointed by the Court.

Your petitioners therefore humbly pray that:

1. The Court order pursuant to section 124(1) of the Law that the liquidation of the Company continue under the supervision of the Court.
2. David A.K. Walker and Ian D. Stokoe of PwC Corporate Finance & Recovery (Cayman) Limited, PO Box 258, Strathvale House, George Town, Grand Cayman KY1-1104, Cayman Islands be appointed as JOLs of the Company.
3. David A.K. Walker and Ian D. Stokoe, in their capacity as JOLs of the Company, have the power to act jointly and severally.
4. The JOLs shall not be required to give security for their appointment.
5. The JOLs' remuneration and expenses be paid out of the assets of the Company in accordance with section 109 of the Law, Part III of the Regulations and CWR O.20.
6. The JOLs are authorised pursuant to section 110(2)(a) of the Law to jointly and severally exercise the following powers specified in Part I of the Third Schedule to the Law, (together with the powers set out at Part II of the Third Schedule to the Law) without the further sanction or intervention of the Court:
 - (a) If so advised, the power to bring or defend any action or other legal proceeding in the name and on behalf of the Company in any jurisdiction and against any party (including, without limitation, the power to take any step considered necessary within any existing action or proceeding) in any way relating to, consequential upon or in connection with:
 - (i) the dispute amongst *Pavel Sukhoruchkin and others -v- Marc Giebels van Bekestein and others*: Claim Number 2013 Folio 686 (the "**English Proceedings**");
 - (ii) the issues raised by the Defendants to the English Proceedings in a lengthy letter of claim dated 19 April 2013 from the Defendants' English solicitors, Mishcon de Reya to the Company's former Cayman Islands attorneys, Ogier (the "**Letter of Claim**");

- (iii) the Company's investment of \$22 million in Telnic Limited ("**Telnic**") in May 2010, including the payment by Telnic of a \$4.4 million "finders' fee" to Blue Pearl Advisors Limited ("**BPA**");
 - (iv) payments apparently made:
 - (1) by the Company to BPA pursuant to a Distribution Agreement to which it, BPA and its Investment Manager (HIA) were party; and
 - (2) by Rio Capital Consultoria e Gestao de Recursos Financeiros Ltda ("**Rio Consultants**") to BPA in connection with investments made by the Company in Rio Capital Fund and/or with Rio Consultants' role as Administrative Consultant to the Company.
 - (b) If so advised, the power to compromise, on such terms as may be agreed, any of the claims referred to in sub-paragraph (a) above;
 - (c) The 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/or to give a complete discharge in respect of any such security (whether granted prior to liquidation or otherwise);
 - (d) The power to carry on the business of the Company so far as may be necessary for its beneficial winding up;
 - (e) The power to engage staff (whether or not as employees of the Company) to assist the JOLs in the performance of their functions; and
 - (f) The power to engage attorneys and other professionally qualified persons to assist the JOLs in the performance of their functions.
7. The costs of this Petition shall be paid out of the assets of the Company on the indemnity basis, as an expense of the liquidation.
8. Such further or other orders or directions as the Court may think fit.

AND your Petitioner will ever pray etc.

DATED the 5th day of July 2013

FILED the day of July 2013



WALKERS

Attorneys at Law for the Petitioners

Notice of this petition is intended to be provided to all of the Company's known and suspected stakeholders.