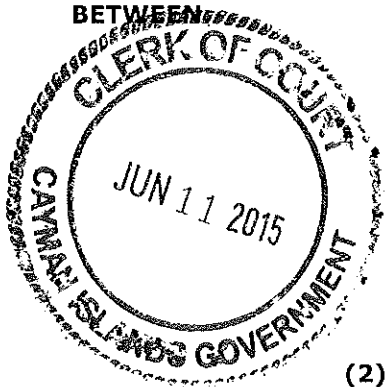


IN THE GRAND COURT OF THE CAYMAN ISLANDS

FINANCIAL SERVICES DIVISION

CAUSE NO: FSD 0095 of 2015



(1) CLIFTON CAPITAL LP

(2) SEMA LP

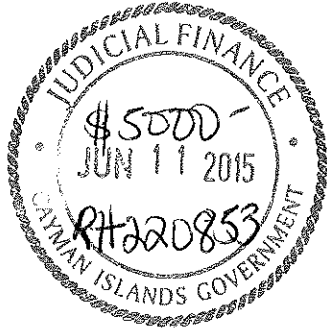
Plaintiffs

v

(1) 10AK PEVC BLUEBIRD GP LIMITED

(2) 10AK PRIVATE EQUITY VENTURE CAPITAL LIMITED

Defendants



WRIT OF SUMMONS



TO: 1Oak PEVC Bluebird GP Limited
c/o Solaris Corporate Services Ltd.
3rd Floor, First Caribbean House
Cardinal Avenue
Grand Cayman
Cayman Islands

AND: 1Oak Private Equity Venture Capital Limited
c/o Solaris Corporate Services Ltd.
3rd Floor, First Caribbean House
Cardinal Avenue
Grand Cayman
Cayman Islands

THIS WRIT OF SUMMONS has been issued against you by the above-named Plaintiffs in respect of the claim set out on the next page.

Within 14 days after the service of this Writ on you, counting the day of service, you must either satisfy the claim or return to the Court Office, P.O. Box 495, George Town, Grand Cayman KY1-1106, the accompanying Acknowledgment of Service stating therein whether you intend to contest these proceedings.

If you fail to satisfy the claim or to return the Acknowledgment within the time stated, or if you return the Acknowledgment without stating therein an intention to contest the proceedings, the Plaintiff may proceed with the action and judgment may be entered against you forthwith without further notice.

Issued this 11th day of June 2015

NOTE - This Writ may not be served later than 4 calendar months (or, if leave is required to effect service out of the jurisdiction, 6 months) beginning with the date of issue unless renewed by order of the Court.

IMPORTANT

Directions for Acknowledgment of Service are given with the accompanying form.

NO. 8

Acknowledgement of Service of Writ of Summons (0.12, R.3)

DIRECTIONS FOR ACKNOWLEDGMENT OF SERVICE

OF WRIT OF SUMMONS

1. The accompanying form of Acknowledgment of Service should be completed by an Attorney acting on behalf of the Defendant or by the Defendant if acting in person.

After completion it must be delivered or sent by post to the Law Courts, P.O. Box 495G, George Town, Grand Cayman.

2. A Defendant who states in his Acknowledgment of Service that he intends to contest the proceedings must also serve a defence on the Attorney for the Plaintiff (or on the Plaintiff if acting in person).

If a Statement of Claim is indorsed on the Writ (i.e. the words "Statement of Claim" appear on the top of page 2), the Defence must be served within 14 days after the time for acknowledging service of the Writ, unless in the meantime a summons for judgment is served on the Defendant.

If the Statement of Claim is not indorsed on the Writ, the Defence need not be served until 14 days after a Statement of Claim has been served on the Defendant.

If the Defendant fails to serve his defence within the appropriate time, the Plaintiff may enter judgment against him without further notice.

3. A Stay of Execution against the Defendant's goods may be applied for where the Defendant is unable to pay the money for which any judgment is entered. If A Defendant to an action for a debt or liquidated demand (i.e. a fixed sum) who does not intend to contest the proceedings states, in answer to Question 3 in the Acknowledgment of Service, that he intends to apply for a stay, execution will be stayed for 14 days after his Acknowledgment, but he must, within that time, issue a Summons for a stay of execution, supported by an affidavit of his means. The affidavit should state any offer which the Defendant desires to make for payment of the money by instalments or otherwise.

See over for Notes for Guidance

Please complete overleaf

Notes for Guidance

1. Each Defendant (if there are more than one) is required to complete an Acknowledgement of Service and return it to the Courts Office.
2. For the purpose of calculating the period of 14 days for acknowledging service, a writ served on the Defendant personally is treated as having been served on the day it was delivered to him.
3. Where the Defendant is sued in a name different from his own, the form must be completed by him with the addition in paragraph 1 of the words "sued as (the name stated on the Writ of Summons)".
4. Where the Defendant is a FIRM and an attorney is not instructed, the form must be completed by a PARTNER by name, with the addition in paragraph 1 of the description "Partner in the firm of (.....)" after his name.
5. Where the Defendant is sued as an individual TRADING IN A NAME OTHER THAN HIS OWN, the form must be completed by him with the addition in paragraph 1 of the description "trading as (.....)" after his name.
6. Where the Defendant is a LIMITED COMPANY the form must be completed by an Attorney or by someone authorised to act on behalf of the Company, but the Company can take no further step in the proceedings without an Attorney acting on its behalf.
7. Where the Defendant is a MINOR or a MENTAL PATIENT, the form must be completed by an Attorney acting for a guardian ad litem.
8. A Defendant acting in person may obtain help in completing the form at the Courts Office.

BETWEEN

(1) CLIFTON CAPITAL LP

(2) SEMA LP

v.

Plaintiffs

(1) 10AK PEVC BLUEBIRD GP LIMITED

(2) 10AK PRIVATE EQUITY VENTURE CAPITAL LIMITED

Defendants

ACKNOWLEDGMENT OF SERVICE OF WRIT OF SUMMONS

If you intend to instruct an Attorney to act for you, give him this form IMMEDIATELY.

Important.

Read the accompanying directions and notes for guidance carefully before completing this form. If any information required is omitted or given wrongly, THIS FORM MAY HAVE TO BE RETURNED.

Delay may result in judgment being entered against a Defendant whereby he may have to pay the costs of applying to set it aside.

1. State the full name of the Defendant by whom or on whose behalf the service of the Writ is being acknowledged.

2. State whether the Defendant intends to contest the proceedings (tick appropriate box)

YES

NO

3. If the claim against the Defendant is for a debt or liquidated demand, AND he does not intend to contest the proceedings, state if the Defendant intends to apply for a stay of execution against any judgment entered by the Plaintiff (tick box).

YES

NO

Service of the Writ is acknowledged accordingly

(Signed) _____

Attorney for

Please complete overleaf

IN THE GRAND COURT OF THE CAYMAN ISLANDS

FINANCIAL SERVICES DIVISION

CAUSE NO: FSD of 2015

BETWEEN:

(1) CLIFTON CAPITAL LP

(2) SEMA LP

Plaintiffs

v

(1) 1OAK PEVC BLUEBIRD GP LIMITED

(2) 1OAK PRIVATE EQUITY VENTURE CAPITAL LIMITED

Defendants

STATEMENT OF CLAIM

Introduction

1. The First Plaintiff, Clifton Capital LP (**Clifton**), is a [limited partnership] registered in Bermuda. The Second Plaintiff, Sema LP (**Sema**), is a [limited partnership] registered in Bermuda. Both are investment vehicles.
2. Clifton and Sema were, from 18 September 2013 and at all material times thereafter, limited partners in a fund known as Bluebird Access 1 LP (**Bluebird 1**), an exempted limited partnership registered in the Cayman Islands and established pursuant to the Cayman Islands Exempted Limited Partnership Law (as amended) (**the ELP Law**). Bluebird 1 is governed by and operates pursuant to the terms and provisions of a Second Amended and Restated Exempted Limited Partnership Agreement, executed on 18 September 2013 (**the Bluebird 1 LPA**).
3. Clifton was, by at least 11 November 2013 and at all material times thereafter, a limited partner in a fund known as Bluebird Access 2 LP (**Bluebird 2**), an exempted limited partnership registered in the Cayman Islands and established pursuant to the ELP Law. So far as the Plaintiffs are aware, there is no executed Limited Partnership Agreement in respect of Bluebird 2.
4. The First Defendant, 1OAK PEVC Bluebird GP Limited (**1Oak GP**) is the general partner of Bluebird 1 and Bluebird 2 (**the Partnerships**). 1Oak GP is a Cayman Islands company.
5. The Second Defendant, 1OAK Private Equity Venture Capital Limited (**1Oak PEVC**) is the investment manager of Bluebird 1 and Bluebird 2. 1Oak PEVC is similarly a Cayman

Islands company. 1Oak PEVC is not a party to the Bluebird 1 LPA or (as far as the Plaintiffs are aware) any Bluebird 2 LPA.

Clifton and Sema's investment

6. On 30 October 2012 Clifton and Sema invested US\$ 15 million and US\$ 4 million respectively in NDA Top Fund SP (the **NDA Top Fund**), a segregated portfolio of JP SPC 5, a Cayman Islands company. The NDA Top Fund was marketed to investors by Mario Bonaccorso and Giovanni Bonaccorso as an opportunity to invest in shares of Twitter, Inc. (**Twitter**) prior to its IPO, which took place on 7 November 2013. The key investment proposition that the NDA Top Fund offered to prospective investors was that all funds deposited in the NDA Top Fund would be used to purchase Twitter shares (the "**Investment Objective**").
7. In July 2013 Clifton and Sema were advised by JP SPC 5 by letter, for and on behalf of the NDA Top Fund, that, in order to facilitate the purchase of Twitter Shares, the investors in the NDA Top Fund should take a direct stake in Bluebird 1. Accordingly, the Bluebird 1 LPA was executed on 18 September 2013.
8. In order to arrange for further investments in Twitter shares by Clifton, the Defendants set up Bluebird 2 as a further and separate investment vehicle. It was intended by all parties that Bluebird 2 would have the same structure as Bluebird 1 with the same general partner and investment manager and that the duties and obligations owed by 1Oak GP to Bluebird 1 would also be owed to Bluebird 2.
9. Clifton signed the Subscription Agreement for Bluebird 2 on 21 November 2013 and attempted to make an investment of US\$15 million for the purpose of purchasing Twitter shares, as further described below.

The failed transactions and the short contracts

10. On or about 12 September 2013, Twitter announced that it had filed to undergo an IPO.
11. As of this date, Bluebird 1 had purchased approximately 690,000 Twitter shares on the private market. Of these shares, Clifton was entitled to approximately 302,000 and Sema to 80,400 (less fees) in proportion with their investments in Bluebird 1 (the "**Previous Transactions**"). Bluebird 1 still held substantial unallocated funds. In order to further the Investment Objective, Bluebird 1 accordingly had to acquire a significant number of Twitter shares prior to the IPO as the funds in Bluebird 1 were transferred solely for that purpose.
12. At that time, the Defendants, represented by Mario Bonaccorso, who was at all material times a director of both of the Defendants, and Giovanni Bonaccorso, were in negotiations with a Mr Omar Amanat (and corporate vehicles associated with him) for the acquisition of Twitter shares by Bluebird 1 and further corporate entities controlled by them should Mr Amanat have more shares to sell than Bluebird 1 could purchase. The sale and purchase (the "**Cornucopia Transaction**") was to be effected through a special purpose Cayman Islands limited partnership, Cornucopia LP. The General Partners in Cornucopia LP were to

be Mobile Disruptors Partners GP and Cornucopia Ltd. Mobile Disruptors Partners GP, a vehicle controlled by Mario Bonaccorso and Giovanni Bonaccorso, was the vehicle through which Bluebird 1, and later Bluebird 2, were intended to invest into Cornucopia LP. Cornucopia Ltd was intended to be the owner of shares in Twitter which it would transfer to Mobile Disruptors Partners GP via Cornucopia LP in return for the funds invested by Bluebird 1 and later Bluebird 2.

13. The funds and the shares were to be held in accounts at FHF Securities Ltd ("**FHF**"), which accounts FHF held with SVS Securities plc ("**SVS**"), in the name of Cornucopia LP as regards the funds and Cornucopia Ltd as regards the shares.
14. On 5 November 2013, two days before the Twitter IPO, the Defendants transferred, or caused to be transferred, US\$15.2 million from Bluebird 1 to a commingled account in the name of and controlled by FHF at NatWest bank:
 - a) without having undertaken proper due diligence of the Cornucopia Transaction;
 - b) without taking any security from FHF or any other person;
 - c) without having seen any evidence, to the best of Clifton and Sema's knowledge, that Mr Amanat or any vehicle associated with him owned any Twitter shares; and
 - d) without having agreed and executed a final LPA for Cornucopia LP.
15. On 6 November 2013, the Defendants instructed, or caused instructions to be given to, FHF to transfer that US\$15.2 million to an account in the name of Cornucopia LP at SVS. However, no such account existed at SVS. Instead, FHF transferred US\$15 million to a commingled account in its name at SVS.
16. By 11 November 2013, Clifton had agreed with the Defendants to make a further investment in the Cornucopia Transaction via Bluebird 2. The further investment was to be US\$15 million.
17. On 11 November 2013, Giovanni Bonaccorso met with Mr Amanat in New York to progress the Cornucopia Transaction, a meeting of which David Tahan (**Mr Tahan**), who acted for the Plaintiffs in respect of their dealings with the Defendants, was aware.
18. By email dated 11 November 2013, Mario Bonaccorso told Mr Tahan, that "*BB1 100% filled*". Mr Tahan understood this to mean and Mr Bonaccorso would have known that Mr Tahan understood this to mean that, further to the meeting between Giovanni Bonaccorso and Mr Amanat on 11 November 2013, Mr Amanat had agreed to sell sufficient Twitter shares to the value of the funds held in Bluebird 1. This was likely to result in around a further 540,000 Twitter shares being held by Bluebird 1.
19. On 11 November 2013, by WhatsApp messaging (an electronic form of communication similar to a text message), Mario Bonaccorso requested that Mr Tahan share his short selling strategy with him. That strategy is set out in paragraph 20.

20. On 11 November 2013, Clifton (acting on its own behalf and on behalf of Sema) entered into a contract (via a nominee, South Ocean Capital Limited), partly for the benefit of Sema, the economic effect of which was that it would sell 500,000 Twitter shares to a purchaser at a future date at an agreed price (the "**First Short Contract**"). It did so in reliance on the email dated 11 November 2013 from Mario Bonaccorso to Mr Tahan in which Mario Bonaccorso stated that "*BB1 100% filled*".
21. By WhatsApp messages between 13 November 2013 and 22 November 2013, Mr Tahan repeatedly requested that Mario Bonaccorso provide formal confirmation that Cornucopia Ltd held sufficient Twitter shares for the contemplated purchases by Bluebird 1 and Bluebird 2. He repeatedly and expressly informed Mario Bonaccorso that the Plaintiffs needed formal confirmation so that they could hedge against the Twitter shares. In response to Mr Tahan's inquiries, Mario Bonaccorso acknowledged Mr Tahan's request for formal confirmation that Cornucopia Ltd held the Twitter shares and recognised that the Plaintiffs would enter into the short contracts as described below.
22. On 13 November 2013 at 15:18 Mr Tahan told Mario Bonaccorso by Whatsapp message "*Need to decide whether to borrow 700k shares. Really need those shares to settle into SVS ASAP*" and at 16:06, Mr Tahan reiterated his earlier request for a trade confirmation, saying, "*Pls do its v v important. There must be a trade confirm allocating 1.2mm shares to cornucopia? We can't hedge without the confirm.*" At 18:56, Mr Bonaccorso replied that he was chasing the broker.
23. On 14 November 2013, Clifton attempted to transfer US\$15 million directly to an account in the name of Cornucopia LP at SVS as its investment in Bluebird 2, such direct transfer being in accordance with the Bluebird 2 Subscription Agreement. Clifton were told that they were not able to make such a direct transfer into the Cornucopia LP account for KYC reasons. Instead, Clifton set up an account in its name at SVS into which it transferred the funds for later onwards transfer to Cornucopia LP. In the event, these funds were never transferred from the Clifton account to a Cornucopia LP account and were recovered in full by Clifton.
24. On 14 November 2013, Mario Bonaccorso emailed Mr Tahan a spreadsheet showing that Clifton was to receive 518,649 Twitter shares through its investment in Bluebird 2.
25. On 14 November 2013 at 19:25 Mario Bonaccorso told Mr Tahan by Whatsapp message that he had "*Met with broker. Delivery confirmed. Waiting for formal proof*" and that he had told the broker that Mr Tahan might "*give him [the broker] short selling business ;)*". At 19:45 Mr Tahan replied that he wanted to "*hedge tomorrow with the stock at 44 its a no brainer. But I need proof of delivery*".
26. Mr Tahan repeated his requests on 15, 16 and 17 November 2013. At 8:52 on 17 November 2013, Mario Bonaccorso replied that he had not seen proof that Cornucopia Ltd held Twitter shares, "*but definitely got verbal confirmation from [Mr Amanat] and FHF*". Mr Tahan repeated his requests on 18, 19, 20 and 21 November 2013.

27. By email dated 18 November 2013, Mario Bonaccorso sent an email to Mr Tahan from his personal email address which stated that "*BB1 gross shares for your short sale would be around 650k*" and which attached a spreadsheet.
28. The spreadsheet showed that Clifton and Sema were to receive a total of 649,182 Twitter shares between them, inclusive of a rebate of 21,885 shares from 1Oak PEVC (i.e. Clifton would receive 512,512 and Sema 136,670). These figures represented Clifton and Sema's proportional allocation of the approximately 1.2 million Twitter shares acquired in the Previous Transactions and represented as being acquired in the Cornucopia Transaction and would have been consistent with the Investment Objective.
29. The spreadsheet made assumptions for a short sale strategy to be entered into by Clifton and Sema and estimated their profit following such short sales as US\$7,651,211.
30. Accordingly, as of 18 November 2013, Clifton and Sema believed that they would be allocated 1,167,831 Twitter shares in total through Bluebird 1 and Bluebird 2.
31. On 22 November 2013, Mario Bonaccorso sent Mr Tahan a picture message on Whatsapp messenger which purported to confirm that Cornucopia Ltd held 1,346,153 Twitter shares in an account in its name at FHF as of 21 November 2013.
32. By reason of the facts and matters set out in paragraph 21, 22 and 25 above, the Defendants knew and intended that Clifton and Sema would rely on the picture message, including to demonstrate that Bluebird 1 and Bluebird 2 would fill their allocations, and accordingly for the purpose of entering into further short positions.
33. Clifton (on its own behalf and on behalf of Sema) entered into two further short contracts on 22 November 2013 (the "**Second Short Contract**") and 25 November 2013 (the "**Third Short Contract**"), again via South Ocean Capital Limited and again partly for the benefit of Sema, for 368,000 and 300,000 Twitter shares respectively. The Second and Third Short Contracts were entered into in reliance on the picture message sent on 22 November 2013, by which Clifton and Sema believed that Cornucopia Ltd held sufficient Twitter shares to complete both the Cornucopia Transaction.
34. Later on 22 November 2013, during a telephone conversation between Mario Bonaccorso and Charles Cryer of FHF, the Defendants were informed that there was no account in the name of Cornucopia LP at FHF or SVS, and that therefore (a) the US\$15.2 million which the Defendants thought had been transferred in respect of Bluebird 1 to an account in the name of Cornucopia LP on or around 6 November 2013 could not so have been transferred and (b) that Clifton would be unable to transfer the US\$15 million in respect of Bluebird 2 to the Cornucopia LP account, irrespective of any KYC requirements, until such an account was set up. The Defendants did not inform the Plaintiffs that they had discovered that there was no account in the name of Cornucopia LP as at 22 November 2013.
35. On 25 November 2013, Mr Evans of FHF requested of Mario Bonaccorso, for and on behalf of the Defendants, that the authorised signatories for the Bluebird 1 and Bluebird 2 funds give FHF instructions to transfer their funds to the account in the name of Cornucopia LP held by FHF at SVS.

36. Clifton gave that instruction on 26 November 2013 in respect of the US\$15 million it held at SVS for its investment in Bluebird 2.
37. On 28 November 2013, the Defendants informed Mr Amanat and Mr Evans that they were working towards an internal deadline of 29 November 2013 to complete the Cornucopia Transaction.
38. By Friday 29 November 2013, the Defendants still did not have a final signed copy of the Cornucopia LPA or an account statement for the account in the name of Cornucopia LP.
39. On Saturday 30 November 2013, Mario Bonaccorso, for and on behalf of the Defendants, wrote to Mr Evans (copying in Mr Amanat) demanding that FHF provide by 12.30pm GMT on Monday 1 December 2013 "(i) *proof of the trade/share transfer confirmation on SVS letterhead; (ii) account statement for the Cornucopia LP account (jointly held by the 2 GPs), showing ownership of the Shares*".
40. On Monday 2 December 2013, the Defendants bypassed FHF and requested directly from SVS an account statement for the account said to be in the name of Cornucopia LP. On receipt of that account statement, on 2 December 2013, the Defendants became aware that the account was in the name of FHF, not Cornucopia LP, and that US\$ 7.85 million had been transferred out of the FHF account without authorisation. The Defendants therefore became aware on 2 December 2013 that there was, at the least, a material risk that the Investment Objective would or might not be successful in whole or in part because the bank account to be used by the purchaser did not exist and about half the money had gone missing. The Defendants did not pass this information on to the Plaintiffs until 5 December 2013.
41. On the same date on 2 December 2013, and due to Mr Tahan not receiving confirmation that the Cornucopia Transaction had completed by the deadline of 29 November 2013, Mr Tahan told Mario Bonaccorso in a WhatsApp message at 10:00 that "*Today I have massive exposure to a stock and I don't know if I own it. I don't know how I ended up in this position but if I have no clarity by the end of today I will have to disclose ... and we will probably buy back and take a hit*". At 11:41 Mr Tahan reiterated that "*I can't believe they have our money and we sold short shares*".
42. Also on 2 December 2013, Mario Bonaccorso, for an on behalf of the Defendants, emailed Mr Evans, copying in Giovanni Bonaccorso, demanding information about the Cornucopia LP account.
43. On 3 December 2013, Mr Tahan repeated his concern as to Clifton and Sema's short position, telling Mario Bonaccorso that "*Mario I feel like we need to decide quickly whether to completely pull out. Close out our position and cut losses. I can't keep waiting for SVS and lawyers and compliance. It's becoming so problematic. [...] I can't wait much longer*".
44. Also on 3 December 2013, King & Wood Mallesons LLP ("**KWM**"), lawyers for 1Oak GP, Bluebird 1, and Bluebird 2, and through them 1Oak PEVC, Mario Bonaccorso, and Giovanni Bonaccorso, were informed by SVS that it did not have any accounts in the name of Cornucopia Limited or Cornucopia LP. As of 3 December, the Defendants therefore knew

that the picture message sent to Mr Tahan on 21 November 2013 was false and that there was no proof that Cornucopia Ltd held any Twitter shares and that the Cornucopia Transaction could not be completed. The Defendants did not pass this information on to the Plaintiffs until 5 December 2013.

45. Mr Tahan repeated his concern again on 4 December 2013, telling Mario Bonaccorso that *"You have \$34mm of our money in addition we shorted 1.168mm shares. This has tied up \$80mm of our capital. Our financial exposure to the shares is colossal. Do you understand this?"*
46. On 4 December 2013, both Mario Bonaccorso and Giovanni Bonaccorso, for and on behalf of the Defendants, met with SVS to discuss the situation and SVS confirmed to them what they had told KWM on 3 December 2013 as set out in paragraph 44.
47. In the event, the Cornucopia Transaction did not proceed. No Twitter shares were ever transferred to Cornucopia LP and approximately USD\$15.2 million had been transferred to entities outside the control of Bluebird 1 or the Defendants without adequate security. Clifton and Sema were not informed of this until 5 December 2013.
48. On 5 December 2013, Clifton and Sema were informed by Mario Bonaccorso that it was highly unlikely that the Cornucopia Transaction would be proceeding, and that the Defendants would be seeking a freezing injunction against FHF and its principal in respect of the funds transferred by the Defendants from Bluebird 1.
49. On receiving this information, the Plaintiffs sought to mitigate their losses by unwinding the Short Contracts, the result of which was that:
 - a) Clifton obtained a profit of US\$ 412,492 in respect of the First Short Contract;
 - b) Clifton lost US\$ 2,155,314 in respect of the Second Short Contract; and
 - c) Clifton lost US\$ 4,538,855 in respect of the Third Short Contract.
50. The result of unwinding the Short Contracts, therefore, resulted in an overall loss to Clifton (and Sema) of US\$ 6,281,677.
51. On 9 December 2013 proceedings were issued in England on behalf of several entities, including Bluebird 1, against FHF and its principal (the "**Proceedings**"). A freezing order was obtained on 6 December 2013. The Proceedings were settled on 6 May 2014 and resulted in Bluebird 1 and Bluebird 2 recovering the majority of the funds transferred for the Cornucopia Transaction.
52. However, significant costs were incurred in bringing the Proceedings and the Defendants suggested to the Plaintiffs (and other limited partners in BB1 and BB2) that these costs and other losses, such as the shortfall in the recovery as pleaded in paragraph 51 above, which were suffered by BB1 and BB2 and in turn their limited partners, might be covered by an insurance policy which was taken out for the benefit of, inter alia, BB1 and BB2 (the

"**Insurance Policy**"). The Defendants therefore stated that they would seek to make a claim under the Insurance Policy.

53. The Defendants have never been clear about whether cover has been refused in respect of such claims and if so why. Accordingly, on various dates, including by an email dated 11 June 2014 from their English solicitors, addressed to Mario Bonaccorso, the Plaintiffs have requested that the Defendants provide correspondence between the Defendants and the insurers under the Insurance Policy (the "**Insurers**") setting out the basis of the claims made by the Defendants on behalf of BB1 and BB2 and the response of Insurers. The Defendants have refused to provide such information or documents.

Awareness of Short Contracts

54. The Defendants were aware that the Plaintiffs intended to enter into short contracts. The Plaintiffs will rely on the facts and matters pleaded in paragraphs 21, 22, 25, 26, 27, 29, 41, 43 and 45 above.

Defendants' duties owed to Clifton and Sema

1Oak GP

55. 1Oak GP was the general partner of the Partnerships. Further, pursuant to clause 3.1.1 of the Bluebird 1 LPA, 1Oak GP had the right and discretion to manage the general business of Bluebird 1 to the exclusion of the limited partners. Though 1Oak GP could delegate its powers to manage the assets of the Partnerships if it appointed an investment manager (and it did appoint 1Oak PEVC to that role, pursuant to clause 3.2.1 of the Bluebird 1 LPA) 1Oak GP, retained "*overall responsibility to oversee and supervise the investment process*" (clause 3.1.1). Further or in the alternative, at all material times 1Oak GP acted as agent for the limited partners of Bluebird 1 and Bluebird 2.
56. In the circumstances, 1Oak GP:
- a) owed a fiduciary duty to the limited partners (including Clifton and Sema) to act in good faith in the interests of Bluebird 1 and Bluebird 2 and/or not to prefer their own economic interests over those of the limited partners (including Clifton and Sema);
 - b) pursuant to the ELP Law, was under a statutory duty to act in good faith in the interests of Bluebird 1 and Bluebird 2.
 - c) the duty of good faith includes:
 - (i) keeping the limited partners informed of all facts relevant to the performance and progress of the Investment Objective and in particular to inform them of any material risk that the Investment Objective would or might not be successful in whole or in part (the "**Duty to Inform**"); and
 - (ii) taking reasonable care to ensure that any statements the Defendants made to the Plaintiffs with regard to the Investment Objective were accurate, and to

correct any statements previously made which had, to their knowledge, become unreliable or inaccurate.

57. Further or alternatively, 1Oak GP's Duty to Inform is an implied term of the Bluebird 1 LPA and/or the terms governing Bluebird 2, such a duty being the obvious but unexpressed intention of the parties.
58. In addition to being obliged to provide information pursuant to the Duty to Inform, 1Oak GP was obliged to provide true and full information regarding the state of the business and financial condition of the exempted limited partner to any limited partners of BB1 and BB2 who made a demand for such information pursuant to section 22 of the Exempted Limited Partnership Law, 2014 (the "**Statutory Duty to Inform**").
59. The Duty to Inform and/or the Statutory Duty to Inform required the Defendants to provide clear and accurate information together with documentary evidence regarding the claims under the Insurance Policy.
60. Further or in the alternative, 1Oak GP owed to Bluebird 1 and Bluebird 2, and also to the limited partners, duties to exercise the skill, care and diligence to be expected of an experienced, skilled and competent general partner in relation to the business of Bluebird 1 and Bluebird 2 and in particular with regard to the Investment Objective. These duties include:
 - a) the duty to carry out all reasonable due diligence in respect of the Cornucopia Transaction;
 - b) making all reasonable enquiries to ensure the Investment Objective could be achieved; and
 - c) the duties set out at paragraph 56.c) above.

1Oak PEVC

61. 1Oak PEVC, as investment manager:
 - a) acted as agent for Bluebird 1 and Bluebird 2 in relation to the investment process and the Investment Objective;
 - b) owed fiduciary duties to Bluebird 1 and Bluebird 2 in relation to the investment process, such fiduciary duties arising from the fact that 1Oak PEVC (together with 1Oak GP) was entrusted by 1Oak GP (acting as agent of the limited partners) to carry on and manage the general business of Bluebird 1 and Bluebird 2 to the exclusion of the limited partners. Those would include the duties set out at paragraph 56.c) above; and
 - c) owed Bluebird 1 and Bluebird 2 duties to exercise the skill, care and diligence to be expected of an experienced, skilled and competent investment manager in relation to

the business of Bluebird 1 and Bluebird 2 and in particular with regard to the Investment Objective. These would include the duties set out at paragraph 60 above.

62. Because of the way in which the investment was structured by the Defendants, although Clifton and Sema were making the investment in order to obtain shares in Twitter, they had no direct control over the way in which that investment was effected. Accordingly, and to the knowledge of the Defendants, Clifton and Sema relied upon 1Oak GP and 1Oak PEVC to manage and supervise the investment process to achieve the Investment Objective.

The Defendants' breaches

63. It should have or ought reasonably to have been apparent to the Defendants at all times that the Cornucopia Transaction could not have completed at all using the structure contemplated by the Defendants for at least three independent reasons:
- a) Neither SVS nor FHF were capable of holding shares registered in the United States, and so could never have held any Twitter shares;
 - b) SVS was precluded by its internal money laundering regulations from holding any funds of Cornucopia Ltd, a corporate vehicle associated with Mr Amanat, because that vehicle was registered in Turks & Caicos; and
 - c) Cornucopia LP did not hold any account at SVS.
64. In breach of duty, the Defendants failed to carry out all reasonable due diligence in respect of the Cornucopia Transaction and make all reasonable enquiries to ensure the Investment Objective could be achieved.
65. Further, 1Oak GP and 1Oak PEVC breached their duties by failing to:
- a) ensure that there was no legal or regulatory impediment to the completion of the Cornucopia Transaction;
 - b) conduct proper due diligence on the seller of the Twitter shares and on the third parties involved in the Cornucopia Transaction;
 - c) ensure that binding contractual documentation was in place before any funds were released;
 - d) ensure that moneys would only be paid against immediate delivery of Twitter shares and with adequate security in place;
66. At the very least, it should have been, or ought reasonably to have been, apparent to the Defendants by no later than 2 December 2013 that there was a material risk that the Investment Objective would or might not be successful in whole or in part and/or that the transaction would or could not complete because of the knowledge the Defendants had as at that date as detailed in paragraph 40 above.

67. Had the Defendants complied with their duties of skill, care and diligence and their Duty to Inform they would have:
- a) realised on 2 December 2013 that the Cornucopia Transaction could not have been completed as contemplated; and
 - b) immediately communicated this to the Plaintiffs as set out below.
68. In breach of the Duty to Inform, the Defendants failed to keep the limited partners informed of all facts relevant to the performance and progress of the Investment Objective and in particular to inform them of any material risk that the Investment Objective would or might not be successful in whole or in part. The particulars are set out in paragraph 69 below.
69. The Defendants also breached their duty to take reasonable care to ensure that any statements the Defendants made to the Plaintiffs with regard to the Investment Objective were accurate, and to correct any statements previously made which had, to their knowledge, become unreliable or inaccurate. In particular:
- a) On 2 December 2013 the Defendants should have told Clifton and Sema that the bank account to be used by the purchaser did not exist and about half the money had gone missing.
 - b) That, as a result of this information, the statement "*BB1 100% filled*" as referred to in paragraph 20 was no longer correct.
 - c) That the picture message sent on 22 November 2013 which purported to confirm that Cornucopia Ltd held 1,346,153 Twitter shares as referred to in paragraph 31 cannot have been correct.
 - d) On 3 December 2013 the Defendants should have told Clifton and Sema that SVS advised KWM that it did not have any accounts in the name of Cornucopia Limited or Cornucopia LP.
 - e) On 4 December 2013 the Defendants should have told Clifton and Sema that SVS advised both Mario Bonaccorso and Giovanni Bonaccorso that it did not have any accounts in the name of Cornucopia Limited or Cornucopia LP.
 - f) The Defendants should have informed Clifton and Sema that, in light of all of the information above, there was a material risk that the Investment Objective would or might not be successful in whole or in part.
70. The Defendants' breaches were wilful, and in the case of 1Oak GP amounted to gross negligence and/or wilful default, because:
- a) The Defendants knew that the Cornucopia Transaction was not going to proceed, or was very likely not to proceed;

- b) The Defendants knew that the Plaintiffs had entered into the Short Contracts and, as experienced investment professionals, knew that if the Plaintiffs did not obtain the Twitter shares under the Cornucopia Transaction they would be exposed to any rise in the price of the shares (and the price was rising after the IPO);
 - c) The Defendants knew that the Plaintiffs' losses in respect of the Short Contracts would be minimised if they could unwind the Short Contracts quickly;
 - d) The Defendants have refused to give the Plaintiffs a detailed explanation of the collapse of the Cornucopia Transaction;
 - e) In the premises, it is to be inferred that the Defendants acted deliberately in failing to inform the Plaintiffs until 5 December 2013 with the knowledge that such failure would cause harm to and amount to a breach of duty to the Plaintiffs, alternatively the Defendants were reckless as to whether their conduct would cause harm to and amount to a breach of their duties to the Plaintiffs.
71. Had the Defendants informed the Plaintiffs on 2 December 2013 that the Cornucopia Transaction was not going to proceed, or was very likely not to proceed, the Plaintiffs would have immediately unwound the Short Contracts, the result of which would have been a loss of approximately US\$2,660,306 across all three Short Contracts.
72. As a result of the failures identified at paragraphs 63, 64, 65, 66, 67, 68, 69, 70 and 71 above, 1Oak GP and 1Oak PEVC breached their fiduciary and statutory duty to act in good faith in the interests of Bluebird 1 and/or its limited partners (including Clifton and Sema) and Bluebird 2 and/or its limited partners (including Clifton and Sema).
73. The Defendants have also breached their Duty to Inform and their Statutory Duty to Inform by reason of the matters set out in paragraph 53 above.
74. The Defendants' conduct throughout the relevant period, and in particular their wholesale failure to structure a credible and effective transaction, to ensure that money was not paid out without proper security being in place and to keep the Plaintiffs informed of a material risk that the Investment Objective would or might not be successful in whole or in part, is consistent only with the Defendants preferring their own economic interests over those of the Plaintiffs, in further breach of the Defendants fiduciary and statutory duty of good faith.

Negligent misstatement

75. In breach of duty, the Defendants failed to take reasonable care to ensure that the statements they made, identified in paragraphs 18, 20, 24, 25, 26 and 27 above, were accurate.
76. Further or alternatively, by 2 December 2013 at the latest, 1Oak GP and/or 1Oak PEVC knew, by Mario Bonaccorso, that the statements they had made, identified in paragraphs 18, 20, 24, 25, 26 and 27 above, had become unreliable or inaccurate. In breach of duty the Defendants failed to correct those statements.

77. Further or alternatively, at all material times until 5 December 2013, each of the Defendants continually represented to Clifton and Sema that the Cornucopia Transaction would, or was very likely to, proceed to a successful conclusion (the "**Continuing Representation**"). The Plaintiffs rely on the following facts and matters:
- a) the statements identified in paragraphs 18, 20, 24, 25, 26 and 27 above;
 - b) the picture message purporting to confirm that Cornucopia Ltd held 1,346,153 Twitter shares identified in paragraph 31 above; and
 - c) The Defendants failed to respond to Mr Tahan's WhatsApp messages between 2 December 2013 and 5 December 2013 to confirm that the Continuing Representation was no longer accurate. This amounted to a representation by silence that the Continuing Representation remained accurate and that the Cornucopia Transaction would, or was very likely to, proceed to a successful conclusion.
78. Insofar as necessary, the Defendants knew that the Plaintiffs would be likely to rely on the Continuing Representation. The Plaintiffs repeat paragraphs 21, 22, 25, 27, 29, 31 and 32 above.
79. The Plaintiffs foreseeably and reasonably relied on the Continuing Representation for two purposes:
- a) for the purpose of entering into the Short Contracts; and
 - b) for the purpose of not unwinding the Short Contracts (at all material times between 2 December 2013 and 5 December 2013).
80. The Continuing Representation was, by 2 December 2013 at the latest, false and was negligently made by the Defendants.
81. In the case of 1Oak GP, its negligence was gross for the reasons set out at paragraph 70 above.

Loss and damage

82. As a result of the Defendants' breaches, the Plaintiffs have suffered loss and damage.
83. Had the Defendants complied with their duties as specified in paragraphs 56, 60, 61, and 62 the Defendants would never have entered into the Cornucopia Transaction and the Plaintiffs would never have entered into the short contracts. In consequence of entering into the short contracts, the Plaintiffs have suffered loss of US\$6,281,677 being the net sum of the profits it obtained as a result of unwinding the First Short Contract and the total losses it suffered as a result of unwinding the Second and Third Short Contracts as set out in paragraph 49 above.
84. In the alternative, the Plaintiffs would have unwound the short contracts on 2 December 2013 had they been informed of material facts on that date as set out in paragraphs 68, 69, 71, 76 and 77. If the Plaintiffs were able to unwind the short contracts on 2 December

2013, they would have only suffered loss and damage in the amount of US\$ 2,660,306. Instead they have suffered additional losses in the amount of US\$3,621,371, which they claim from the Defendants.

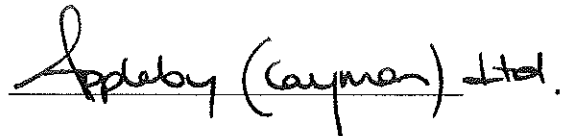
Claims

85. The Plaintiffs are entitled to and claim equitable compensation and/or damages against the Defendants in the sum of US\$6,281,677 on the grounds of their breaches of duty set out above. Alternatively, in the sum of US\$3,621,371 (alternatively a sum to be assessed).
86. Alternatively, the Plaintiffs are entitled to and claim damages in the sum of US\$6,281,677, alternatively US\$3,621,371, alternatively a sum to be assessed, against the Defendants on the basis of the negligent misstatements set out above.
87. In addition the Plaintiffs claim such further damages and in such amounts as the Court deems appropriate.
88. The Plaintiffs seek an Order requiring the Defendants to deliver up the documentation referred to in paragraph 53 above.

AND THE PLAINTIFFS CLAIM:

1. Equitable compensation or damages;
2. Interest pursuant to Section 34 of the Judicature Law (2013 Revision) at such rate and for such period as the Court thinks fit;
3. An Order requiring the Defendants to provide the documentation referred to in paragraph 53 above;
4. Such further or other relief as the Court thinks fit; and
5. Costs

David Wolfson Q.C.



Appleby (Cayman) Ltd.