

IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION



FSD No: 36 of 2018 ()

IN THE MATTER OF THE COMPANIES LAW (2016 REVISION)
AND IN THE MATTER OF MADISON ASSET LLC



WINDING UP PETITION



TO: The Grand Court of the Cayman Islands

THE HUMBLE PETITION of (1) Westwood Capital Markets S.A. ("**Westwood**") of Calle 50, Edificio Credicorp Bank, Piso 27, Oficina 2701, Apartado 0833-00098, Panama and (2) Seguros Sucre S.A. ("**Seguros Sucre**") of Pedro Carbo 422 y Avda. 9 de Octubre, Edificio San Fransisco 300, Piso 6, Guayaquil, Ecuador (together, the "**Petitioners**") shows that:

- 1 Westwood is a company incorporated in Panama, having RUC (tax) number 1069474-1-551725 DV 63. Westwood is licensed as a securities brokerage by the Superintendent of the Panama Securities Market (Superintendencia de Mercado de Valores de Panamá) with license number CNV 155-07, granted on 15 June 2007.
- 2 Seguros Sucre is a company incorporated in Ecuador, having company registration number 0990064474001. Seguros Sucre is an insurance company owned partly by the state of Ecuador.
- 3 Madison Asset LLC (the "**Company**") is an exempted limited company incorporated under the laws of the Cayman Islands with company number 283928 and with its registered office at Etienne Blake Corporate Services Limited, PO Box 2496, 3rd Floor Bayshore Centre, 31 Warwick Drive, George Town, Cayman Islands. The Company was incorporated on 2 January 2014 and a recent Coris search indicates that it is active.
- 4 The Company is an independent investment advisor, and it is registered as an Excluded Person under Section 5(2) and Schedule 3 of the Securities Investment Business Law (2015 Revision).

This **Petition** is filed by Campbells, Attorneys-at-Law for Westwood Capital Markets S.A. and Seguros Sucre S.A., whose address for service is Floor 4, Willow House, Cricket Square, Grand Cayman, KY1-9010, Cayman Islands – Tel: +1 (345) 949-2648 (Ref: JGM/SMT/16683-28017)

According to the Company's website (www.madisonadvisor.com/about.php), it provides financial advice and solutions. The website describes its "inherent market" as Argentina, Brazil, Peru, Chile and Paraguay and indicates that market opportunities extend to Venezuela, Mexico, Colombia, Ecuador and Peru.

- 5 The Company is acting as Clearing Agent and Custodian for Westwood with respect to Ecuador Global 2024 Bonds with a face value of \$6,375,000, CUSIP Number 5BJVMC9 (the "**2024 Bonds**") and Ecuador Global 2025 Bonds with a face value of \$2,000,000, CUSIP Number 5193121 (the "**2025 Bonds**" and, collectively with the 2024 Bonds, the "**Bonds**"). The 2024 Bonds are owned by Seguros Sucre and the 2025 Bonds are owned by Westwood. With respect to the 2024 Bonds, Westwood has been acting on behalf of and at the direction of Casa de Valores del Pacífico (Valpacífico) S.A. ("**Valpacífico**"), which in turn has been acting as a broker on behalf of Seguros Sucre. The Bonds are due to mature in 2024 and 2025 respectively and, meanwhile, they bear interest at the rate of 7.950% per annum.
- 6 The Company set up account number 153-05098 at Deutsche Bank AG, New York ("**Deutsche Bank**") as custodian and clearing agent for Westwood in respect of the Bonds and took direction from Westwood regarding the account. Until 31 July 2017, the Company had been sending Deutsche Bank account statements for the Bonds to Westwood, and until November 2017 the Company (through Deutsche Bank as its agent/sub-custodian) had been paying from the account the applicable interest payments on the Bonds to Westwood.
- 7 However, the Company has failed to pay (or cause Deutsche Bank on its behalf to pay) Westwood a US\$50,000 interest payment on the 2025 Bonds that was due to be paid on or around 28 November 2017. The Company has also failed to pay (or cause Deutsche Bank on its behalf to pay) Westwood (or Seguros Sucre or Valpacífico) a US\$253,406.25 interest payment on the 2024 Bonds that was due to be paid on or around 20 December 2017.
- 8 There is therefore currently due and owing by the Company an interest payment on the 2024 Bonds in the amount of US\$253,406.25, and an interest payment of US\$50,000 on the 2025 Bonds (together, the "**Debts**").
- 9 On 27 December 2017, Westwood made formal demand for the Debts but did not receive

payment of any amount. On 16 February 2018, a further formal demand was made by Campbells (the Cayman Islands attorneys for Westwood, and also Seguros Sucre and Valpacifico) for payment of the Debts by 23 February 2018. On 1 March 2018, Campbells made a further formal demand for payment of the Debts by 6 March 2018, which deadline was extended by agreement with Etienne Blake (the Company's Cayman Islands attorneys) to 8 March 2018.

10 No payment has been made and therefore the Debts remain due and payable.

11 Further, despite being requested to do so, the Company has also failed to:

11.1 transfer custody of the Bonds from Deutsche Bank to another custodian (Oppenheimer) *per* the requests by Westwood to the Company by email 6 June 2017 and by further instructions on 6 July 2017 (in respect of the 2024 Bonds) and 7 July 2017 (in respect of the 2025 Bonds) and as repeated subsequently to Etienne Blake, including by a letter from Westwood's former US attorneys, Shapiro Arato LLP on 12 October 2017, and by Campbells' letters of 16 February 2018 and 1 March 2018; or

11.2 confirm that the Company still holds the Bonds, including in particular by the provision of account statements from Deutsche Bank for the period subsequent to July 2017, *per* the request made by Westwood's and Seguros Sucre's current US lawyers, Sadis Goldberg LLP, to Etienne Blake by email on 23 January 2018. Most recently, on 5 March 2018, Deutsche Bank stated in correspondence to Sadis Goldberg LLP that it could not verify the authenticity of the Deutsche Bank account statement dated 31 July 2017 in respect of the 2024 Bonds that had been provided by the Company to Westwood.

12 In the premises:

12.1 the Petitioners are creditors of the Company and have standing to present this petition under section 94(b) of the Companies Law (2016 Revision) (the "Law");

12.2 the Company is unable to pay its debts, within the meaning of section 92(d) of the Law; and

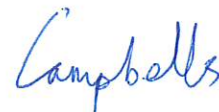
12.3 therefore the Company should be wound up pursuant to Part V of the Law.

AND THE PETITIONERS HUMBLY PRAY THAT:

- (1) The Company be wound up by the Court pursuant to Part V of the Law;
- (2) Martin Nicholas John Trott of RHSW (Cayman) Limited, Windward 1, Regatta Office Park, Grand Cayman, PO Box 897, KY1-1103, Cayman Islands, be appointed as official liquidator ("OL") of the Company;
- (3) The OL shall not be required to give security for his appointment;
- (4) The OL's remuneration and expenses be paid out of the assets of the Company in accordance with Part III of the Insolvency Practitioners' Regulations 2018 and Order 20 of the Companies Winding Up Rules 2018 ;
- (5) The OL be at liberty to meet all disbursements reasonably incurred in connection with the performance of his duties and such payments shall be made as and when they fall due out of the assets of the Company and shall be expenses in the liquidation;
- (6) The OL be authorised to engage staff (whether or not as employees of the Company) to assist him in the performance of his functions;
- (7) The OL be at liberty to engage attorneys and other professionally qualified persons to assist him in the performance of his duties;
- (8) The costs of and incidental to this Petition be paid out of the assets of the Company as an expense of the liquidation, to be taxed on the indemnity basis if not agreed with the OL; and
- (9) Such further or other relief as the Court sees fit.

AND your Petitioners will ever pray, etc.

Dated: 12 March 2018



CAMPBELLS
Attorneys for the Petitioners

This **Petition** is filed by Campbells, Attorneys-at-Law for Westwood Capital Markets S.A. and Seguros Sucre S.A., whose address for service is Floor 4, Willow House, Cricket Square, Grand Cayman, KY1-9010, Cayman Islands – Tel: +1 (345) 949-2648 (Ref: JGM/SMT/16683-28017)

NOTE: This Petition is intended to be served on the Company.

This Petition was presented by Campbells as attorneys for the Petitioners, whose address for service is Floor 4, Willow House, Cricket Square, George Town, Grand Cayman, KY1-9010, Cayman Islands.

Notice of Hearing

TAKE NOTICE THAT the hearing of this petition will take place at the Law Courts, George Town, Grand Cayman on *9th May* 2018 at *10:00* am/pm.

Any correspondence or communication with the Court relating to the hearing of this petition should be addressed to the Registrar of the Financial Services Division of the Grand Court at PO Box 495, Grand Cayman KY1-1106, Cayman Islands - Telephone +1 (345) 949-4296.