

IN THE GRAND COURT OF THE CAYMAN ISLANDS  
FINANCIAL SERVICES DIVISION



CAUSE NO. FSD 112 OF 2019

IN THE MATTER OF THE COMPANIES LAW (2018 REVISION)

AND IN THE MATTER OF MARATHON STRUCTURED FINANCE FEEDER FUND, LTD  
(DISSOLVED)



PETITION

To: The Grand Court of the Cayman Islands (the "Court")

The humble petition of Delta FS Limited, of P.O. Box 11820, Governors Square, Suite 3-211, 23 Lime Tree Bay Avenue, Grand Cayman KY1-1009, Cayman Islands (the "**Petitioner**"), shows that:

**Particulars of Incorporation**

1. Marathon Structured Finance Feeder Fund, Ltd (the "**Company**") was incorporated in the Cayman Islands as an exempted limited company on 5 February 2004 with registration number 132613.
2. The registered office of the Company was P.O. Box 11820, Governors Square, Suite 3-211, 23 Lime Tree Bay Avenue, Grand Cayman KY1-1009, Cayman Islands.
3. The authorised share capital of the Company was US\$50,000 divided into 5,000,000 shares of one cent (US\$0.01) par value each.
4. At all material times, the Company was a master fund within a "master-feeder" fund structure, whereby its investment objective was to maximize total returns primarily through investment in a portfolio of structured finance transactions (including transactions involving collateralized loan obligations, collateralized debt obligations, commercial and residential mortgage-backed securities), distressed securities and special situation investments.

**The voluntary liquidation of the Company**

5. Section 116(c) of the Companies Law (2018 Revision) (the "**Companies Law**") provides as follows:

*"A company incorporated and registered under this Law [...] may be wound up voluntarily-*

*[...]*

*(c) if the company resolves by special resolution that it be wound up voluntarily;"*

6. By way of a special written resolution passed by the sole voting shareholder of the Company on 30 November 2017, the Company was voluntarily wound up and the Petitioner was appointed as the voluntary liquidator of the Company.
7. The Company had two participating shareholders as at the date of its winding up.
8. The Petitioner conducted the voluntary liquidation of the Company. The final meeting of the Company took place on 11 January 2018 following which the voluntary liquidator's final return was filed with the Registrar of Companies pursuant to section 127(3) of the Companies Law and the Company was deemed dissolved on 22 May 2018 pursuant to section 151(2) of the Companies Law.

#### **Undistributed Assets**

9. On 23 January 2019, following the dissolution of the Company, the Petitioner became aware of three assets of the Company:
  - (a) Rights to payment pursuant to a trust agreement between the Sponsor and U.S. Bank Trust National Association, dated 1 January 2001, being Class B asset backed notes of Greenpoint Home Equity Loan Trust;
  - (b) Rights to payment pursuant to a secured floating rate note described as the "Class E-2 Junior Subordinated Secured Floating Rate Note" issued by TCW Leveraged Income Trust IV, L.P.; and
  - (c) Cash in the amount of US\$704,561.58 representing the income stream paid from the assets as set out in paragraphs (a) and (b) above. This cash amount was held by the former prime broker, Citi Prime Brokers.

(together, the "**Assets**").

10. The Petitioner determined that the Assets should be treated as undistributed assets of the liquidation of the Company in accordance with Order 23 of the Companies Winding Up Rules 2018 (the "**CWR**").
11. The Petitioner arranged for the opening of a trust account in the name of "Trustee of the members of Marathon Structured Finance Feeder Fund, Ltd, dissolved" (the "**Trust Account**") in accordance with Order 23, rule 2 of the CWR.
12. The Petitioner arranged for the sale of the asset as set out in 9(a) above and the proceeds of that sale, being US\$375,000, were paid into the Trust Account.
13. The Petitioner determined that the asset as set out in 9(b) above was of no realisable value.
14. The Petitioner arranged for the transfer of the cash as set out in 9(c) to the Trust Account.
15. The proceeds of the asset realization and cash, net of costs, were then paid by 22 May 2019 to the two participating shareholders of the Company as at the date of the winding up of the Company, on a pro rata basis, in accordance with their shareholding, as required by Order 23, rule 4 of the CWR. The only matter remaining is payment of the Petitioner's fees and expenses.
16. Order 23, rule 5 of the CWR provides that:

*"(1) The former liquidator shall be entitled to be paid a reasonable fee for acting as trustee pursuant to section 153, the basis and amount of which shall be fixed by order of the Court.*

*(2) The trustee fee may comprise -*

*(a) a fixed fee or scaled or fixed fees; and/or*

*(b) a percentage fee, calculated upon the value of the assets under administration and/or the amount distributed by him.*

*(3) The former liquidator shall be entitled to be reimbursed out of the assets under administration in respect of the costs and expenses reasonably and properly incurred by him for the purpose of advertising, administering claims and preparing his accounts."*

**Your Petitioner therefore humbly prays that:**

1. The Petitioner shall be remunerated on a time cost basis up to a maximum of a fixed sum (as set out in the First Affidavit of Lawrence Edwards sworn herein) for administering and distributing the Assets as trustee pursuant to section 153 of the Companies Law, such remuneration to be paid out of the assets under administration by the Petitioner.
2. Such further or other orders or directions as the Court thinks fit.

AND your Petitioner will ever pray etc.

DATED the 21<sup>st</sup> day of June 2019

*Walkers*

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**WALKERS**  
Attorneys-at-Law for the Petitioner

**NOTE:** This Petition will be served in accordance with any order of the Court requiring the Petitioner to do so.

This Petition was presented by Walkers, Attorneys-at-Law for the Petitioner whose address for service is care of its said Attorneys 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands.

**NOTICE OF HEARING**

**TAKE NOTICE THAT** the hearing of this petition will take place at the Law Courts, George Town, Grand Cayman, Cayman Islands on the        day of        2019 at

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, telephone 345 949 4296.