

IN THE MATTER of THE COMPANIES LAW (REVISED)

and

IN THE MATTER OF ALLIED LEASING AND FINANCE CORPORATION

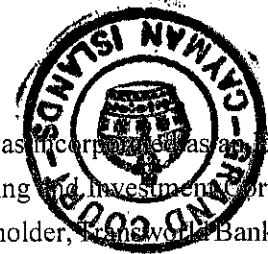
PETITION



TO: HER MAJESTY'S GRAND COURT OF THE CAYMAN ISLANDS

The Humble Petition of BANCO ECONOMICO S.A. of c/o Bank of Nova Scotia Trust Company (Cayman) Ltd., Bank of Nova Scotia Building, George Town, Grand Cayman, B.W.I. ("the Petitioner"), a creditor of the above named Company

SHOWETH as follows:



1. Allied Leasing and Finance Corporation (hereinafter called "the Company") was incorporated as an exempted Company on the 14th March, 1989 under the Companies Law as Allied Leasing and Investment Corporation, a company limited by shares. Pursuant to a special resolution of the sole shareholder, Transworld Bank & Trust Company Limited ("Transworld") dated 12th June, 1992 the Company changed its name to Allied Leasing & Finance Corporation.
2. The registered office of the Company is situate at P.O. Box 501 GT, Grand Cayman, B.W.I.
3. To the best of the Petitioner's knowledge the nominal capital of the Company is US\$900,000 divided into 900,000 shares of \$1.00 each of which 100 of such shares have been issued and are outstanding.
4. The objects for which the Company was formed are, to the best of the Petitioner's knowledge, unlimited in the Memorandum of Association of the Company.
5. The Company was, to the best of the Petitioner's knowledge, the wholly owed subsidiary of Transworld, a Cayman Islands company holding a Category "B" Bank & Trusts Licence. From information recently received from the liquidators of Transworld it would appear that at present Transworld merely holds these shares pursuant to the terms of a nominee agreement. The beneficial owners of the Company are believed to be substantially the same as the Petitioner and Transworld. However, Transworld appears in the past to have exercised all the rights attributable to such shares.
6. Under the laws of Brazil, the Petitioner was placed into Intervention on 11th August, 1995 by the Brazilian

Banking Regulator, the Central Bank of Brazil. The Intervention was converted to a full liquidation of the Petitioner on 8th August, 1996 and Flavio Cunha was appointed liquidator with full executive and other statutory powers.

7. Prior to the intervention/liquidation of the Petitioner the Company was involved in a number of transactions which have resulted in it being indebted to the Petitioner in the amount of US\$218,276,794.48.
8. Of the total amount above, US\$200,242,204.27 arose out of liabilities owed to the Petitioner on the Company's checking account number 19-501603-1 and since transferred to its CC5 Loan Account. As purported security for such loans the Company issued "Unitary Participation - Investment Certificates" made with the proceeds of these loans. Each Unitary Participation - Investment Certificate was issued with a maturity date upon which the original loan on the checking account became due. Of the US\$200,242,204.27, US\$180,840,225.81 is represented as the amount presently outstanding on the CC5 Loan Account, the US\$5,801,978.46 which is the present balance of the overdraft on the Checking Account number 19-501603-1 ( which includes a further liability of US\$100,000 accrued and added since the Intervention), and the US\$13,700,000 that is presently outstanding on the Discounted Promissory Note Account.
9. To conclude, as of today's date the following amounts remain due and owing to the Petitioner on the Company's CC5 Loan Account.:

(a)

	<b>Principal Loan Amount</b>	<b>Int. Rate</b>	<b>UP-IC* Issue Date</b>	<b>UP-IC Loan Maturity Date</b>	<b>Interest Up to Maturity</b>	<b>Principal + Interest</b>
Loan	28,638,944.44	15.50%	06/12/95	08/14/95	776,831.37	29,415,775.81
Loan	1,300,000.00	15.50%	07/14/95	08/22/95	21,829.17	1,321,829.17
Loan	1,000,000.00	15.50%	07/14/95	08/22/95	16,791.67	1,016,791.67
Loan	19,700,000.00	15.50%	07/24/95	09/08/95	390,169.44	20,090,169.44
Loan	30,000,000.00	15.50%	08/11/95	09/25/95	581,250.00	30,581,250.00
Loan	10,000,000.00	15.50%	05/08/95	09/06/95	520,972.22	10,520,972.22
Loan	15,000,000.00	15.50%	07/13/95	08/24/95	271,250.00	15,271,250.00
Loan	30,000,000.00	15.50%	06/30/95	11/14/95	1,769,583.33	31,769,583.33
Loan	20,000,000.00	11.00%	05/24/95	11/20/95	1,100,000.00	21,100,000.00
Loan	18,750,000.00	11.00%	06/19/95	12/11/95	1,002,604.17	19,752,604.17
<b>CC5</b>	<b>174,388,944.44</b>				<b>6,451,281.37</b>	<b>180,840,225.81</b>

\*Unitary Participation - Investment Certificate

(b)

Secured						
Advance Loans	17,617,646.00	12.50%	12/22/94	06/30/97	-	17,617,646.00
Invest. Security.					-	
Discounted	13,700,000.00	-	03/16/95	11/27/95	-	13,700,000.00

Demand Clean Advance	315,321.06		08/11/95	08/11/96	1,623.15	316,944.21
Overdraft	5,801,978.46	16.75%	07/31/95	08/11/96		5,801,978.46
<b>Sub-total Other Obligat.</b>	<b>37,434,945.52</b>				<b>1,623.15</b>	<b>37,336,568.67</b>
<b>TOTAL LIABILITIES</b>	<b>211,823,889.96</b>				<b>6,452,904.52</b>	<b>218,276,794.48</b>

Further, interest continues to accrue on these outstanding amounts.

10. On the 2nd December, 1994 the Company issued a series of Promissory Notes of a value of US\$13,700,000.00 such Notes being issued at a discount as security for loans on the Checking Account in respect of advances of the same amount made to it by the Petitioner. The maturity date of the Promissory Notes was 27th November, 1995. Under the terms and conditions of the Promissory Notes they are due and payable on the final maturity date by presentation of the Promissory note to the paying agent, being Transworld. Should payment under the terms of the Promissory Notes not be honoured within 30 days after presentation to the paying agent an "Event of Default" has occurred under the terms of the note entitling the holder to interest. On 2nd January, 1998 the notes were presented to the paying agent for payment. To date, the company has failed to make payment in the amount of US\$13,700,000.00. Further, an "Event of Default" is also set out in the terms of the Discounted Promissory Notes as when the Company is insolvent. It is the Petitioner's belief that the Company is unable to pay its debts when they fall due and accordingly is insolvent.
11. The Company is further indebted to the Petitioner in the amounts of US\$316,944.21 and as set out above, US\$5,801,978.46 in respect of an unsecured demand clean advance and an overdraft facility respectively. Formal demand for immediate repayment of the overdraft, the loans secured under the Promissory Notes and the demand clean advance was made to the Company on 6th January, 1998. Such amounts are as of the date of this Petition due and owing from the Company to the Petitioner.
12. In the context of the amount presently due and owing to the Petitioner and the events of default committed by the Company, the Petitioner is of the belief that the Company is unable to pay its debts as and when they fall due. The Company is in default of substantial liabilities incurred in respect of its CC5 and other accounts as well as liabilities under the Promissory Notes and does not have sufficient assets to meet these obligations. The Company is unable to pay its debts as and when they fall due and is insolvent.
13. The Petitioner is unaware of any facts that may provide the Company with a defence or set off to these debts.

YOUR PETITIONER THEREFORE HUMBL Y PRAYS as follows:-

- (a) Allied Leasing and Finance Corporation be wound up by the Court subject to the provisions of the Companies Law

(1995 Revision);


- (b) That George Theodore Lanyon Bullmore and Simon Whicker of KPMG, Chartered Accountants (to hold their offices jointly and severally) be appointed jointly with Getulio Pessoa Official Liquidators of the Company and that the Official Liquidators be authorised to do any acts or things considered by them to be necessary or desirable in connection with the liquidation of the Company and the winding up of its affairs;
- (c) That the Official Liquidators be authorised to exercise all the power set out in Section 108 of the Companies Law (Revised) without further sanction or intervention of this Honourable Court;
- (d) That the Official Liquidators do file with the Clerk of the Court a report in writing of the position of and the progress made with the winding up of the Company and with the realisation of the assets thereof and as to any other matters connected to the winding up of the Company, every six calendar months or as the Court may from time to time direct;
- (e) That the Official Liquidators be at liberty to employ attorneys, counsel and professional advisors whether in the Cayman Islands or elsewhere as they may consider necessary to advise and assist them in performance of their duties and on such terms as they may think fit;
- (f) That the Official Liquidators and their staff be remunerated out of the assets of the Company at the following hourly rates:-

	CIS
(i) Partners	300.00
(ii) Senior Manager	200.00
(iii) Manager	180.00
(iv) Senior Accountant	125.00
(v) Staff Accountant	100.00
(vi) Assistant Accountant	80.00
(vii) Student	65.00

- (g) Such further and/or other relief as the Honourable Court deems appropriate.

AND YOUR PETITIONER will ever pray etc.

DATED this 8<sup>th</sup> day of JANUARY, 1998.

  
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W.S. WALKER & COMPANY  
Attorneys-at-law for the Petitioner

NOTE: This petition is intended to be served on the Company, the Registrar of Companies and on the Financial Secretary.

INDORSEMENT

This petition, having been presented to the Grand Court of the Cayman Islands on the \_\_\_\_\_ day of \_\_\_\_\_, 1998 will be heard at the Grand Court of the Cayman Islands on:

DATE:

TIME:

(or as soon thereafter as the petition can be heard).

This Petition is filed by W.S. Walker & Co., Attorneys-at-Law, P.O. Box 265GT, Caledonian House, Mary Street, George Town, Grand Cayman, Attorneys-at-Law.