



IN THE GRAND COURT OF THE CAYMAN ISLANDS

FINANCIAL SERVICES DIVISION

CAUSE NO: FSD      OF 2021 (NSJ)

IN THE MATTER OF THE COMPANIES ACT (2021 REVISION)

AND IN THE MATTER OF ADAMAS HERACLES MULTI STRATEGY FUND

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**WINDING-UP PETITION**

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**To the Grand Court, Financial Services Division**

The humble petition of Andrew Charles Main, of Middle Meadow, Ottery, Tavistock, Devon, England, United Kingdom, PL 19 8NS (the "**Petitioner**") shows that:

**Introduction**

- 1      Adamas Heracles Multi Strategy Fund (the "**Company**") was registered in the Cayman Islands on 10 January 2014 as an exempted company with registration number 284258. The Company was incorporated and is registered pursuant to the Cayman Islands Companies Act (as revised) (the "**Companies Act**").

THIS **PETITION** was presented by Campbells, Attorneys for the Petitioner, whose address for services is Floor 4, Willow House, Cricket Square, George Town, KY1-9010 (Ref: MG/IJD/19618-34994).

- 2 The registered office of the Company was at Intertrust Corporate Services (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman, Cayman Islands, KY1-9005 (the “**RO**”). On 21 April 2021 the RO resigned and as of the date of this Petition the Company has not been in a position to engage the services of another registered office service provider.
- 3 As at the date of this Petition the investment manager of the Company is Adamas Asset Management (HK) Limited of 19/F CMA Building, 64-66 Connaught Road, Central, Hong Kong (the “**IM**”).
- 4 As at the date of this Petition the investment advisor of the Company is Adamas Strategic Management Limited of Intertrust Corporate Services (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman, Cayman Islands, KY1-9007 (the “**IA**”).
- 5 The administrator of the Company was Mainstream Fund Services (HK) Limited of 17/F Winsome House, 73 Wyndham Street, Central, Hong Kong (the “**Former Administrator**”). On 6 January 2021 the Former Administrator resigned. As at the date of this Petition the Company has no administrator and cannot therefore access its funds.
- 6 Mr Paul Lincoln Heffner, the founder/CEO/Managing Partner of the IM and the IA, passed away on 1 January 2021. Following the death of Mr Heffner, the IM and the IA have been unable to perform its function as IM and IA respectively. Furthermore, it is understood that: i) all the employees of the IM have resigned; ii) the directors of the IA have also resigned; iii) as set out in paragraph 5 above, the Former Administrator has resigned; and,

iv) the IM is currently the subject of winding up proceedings in Hong Kong. Therefore, in the circumstances, and in addition to the Company being unable to pay its debts (as set out in paragraphs 18 to 20 below), it is apparent that an orderly wind down of the Company is necessary to protect the interests of stakeholders.

- 7 The share capital of the Company is US\$50,000, divided into 100 management shares (the "**Management Shares**") and 499,900 participating shares (the "**Participating Shares**") each with a nominal par value of US\$0.10. Each of the Management Shares and the Participating Shares have certain rights, as provided for in the Company's Articles of Association (the "**Articles**").
- 8 By a Private Placement Memorandum dated June 2020 the Directors of the Company designated seven classes of Participating Shares namely, Class A (the "**Class A Participating Shares**"), Class B (the "**Class B Participating Shares**"), Class C (the "**Class C Participating Shares**"), Class D (the "**Class D Participating Shares**"), Class E (the "**Class E Participating Shares**"), Class X (the "**Class X Participating Shares**"), and Class Y (the "**Class Y Participating Shares**") (all together the "**Class Participating Shares**"). The Class C Participating Shares were only available to directors, shareholders and employees of the IM or the IA and/or such other persons who may be approved by the IM in its sole discretion from time to time.
- 9 The Class A Participating Shares, Class C Participating Shares, and Class D Participating Shares were to be offered at a fixed price of US\$1,000 per share, the Class B Participating Shares were to be offered at JPY100,000 per share, the Class E Participating Shares were

to be offered at €1,000 per share, and the Class X Participating Shares and Class Y Participating shares were to be offered at HKD1,000 per share. Certain other rights and obligations were attached to each of the Class Participating Shares.

- 10 The IA is the sole legal holder of all of the 100 Management Shares issued by the Company.
- 11 According to the Former Administrator, as at 30 November 2019:
  - 11.1 2,000 Class A Participating Shares issued by the Company were held by HSBC Nominees (Hong Kong) Limited valued, as of that dates' net asset value, at JPY1,030,003,788; and,
  - 11.2 9,600 Class B Participating Shares issued by the Company were held by HSBC Nominees (Hong Kong) Limited valued, as of that dates' net asset value, at US\$2,221,099.52.
- 12 According to the Former Administrator, as at 30 September 2020:
  - 12.1 5,999.98 and 3,999.98 Class X Participating Shares issued by the Company were held by Gou, Ningning and Li, Yuen valued, as of that date's net asset value, HK\$6,242,125.38; and HK\$4,161,411.71 respectively; and,
  - 12.2 10,000 Class Y Participating Shares issued by the Company were held by Wang, Yu valued, as of that date's net asset value, at HK\$8,822,657.29.

- 13 It is unclear to the Petitioner whether other Class Participating Shares were issued and if so in what quantum.
- 14 The Petitioner is a former non-executive director of the Company appointed as such on 22 January 2021. The current non- executive (and only remaining) director of the Company is Mr Kevin Andre Phillip.
- 15 Mr Heffner was a former director of the Company who, as stated in paragraph 6 above, passed away on 1 January 2021 and was therefore, in accordance with the Articles, removed as a director on 22 January 2021 with effect from 1 January 2021.
- 16 The Petitioner resigned as a non-executive director by letter dated 16 May 2021. The Company's board of directors (the "**Board**") currently consists of Mr Kevin Andre Phillip.
- 17 The objects of the Company are unrestricted. To the best of the Petitioner's knowledge, the Company has, since at least April 2014, carried on business as regulated mutual fund in the Cayman Islands.

#### THE DEBT

- 18 As mentioned in paragraph 14 above, the Petitioner was appointed to the Board on 22 January 2021. On 23 March 2021 the Petitioner issued an invoice in the sum of US\$2,608.33 to the Company in respect of the provision of his professional services for the period 22 January 2021 to 31 March 2021. On 11 May the Petitioner issued an invoice

in the sum of US\$1,666.66 to the Company in respect of the provision of his professional services for the period 1 April 2021 to 10 May 2021. As at 16 May 2021 there are further fees owing to the Petitioner in the sum of US\$208.34. The total sum of the Company's debt due to the Petitioner is therefore US\$4,483.33 (the "**Debt**").

- 19 On 11 and 19 May 2021 the Petitioner wrote to the Company demanding payment of his invoices failing which a petition would be filed to place the Company into liquidation. As at the date of this Petition the Debt remains outstanding. Furthermore: i) the IM and IA are unable to perform their functions; ii) the IM is subject to winding up proceedings in Hong Kong; iii) the Former Administrator has resigned; iv) the RO has resigned; and, v) the Company cannot access its funds to pay any service providers.
- 20 In the premises, the Company's failure to pay the above sum demonstrates that the Company is unable to pay its debts as they fall due and that it should be wound up pursuant to section 92(d) of the Companies Act. Further and/or alternatively, it is just and equitable that the Company be wound up pursuant to section 92(e) of the Companies Act in all of the circumstances.
- 21 Although the sum owed to the Petitioner is relatively small, the Petitioner has agreed to present this petition as a "friendly" creditor in order to allow a liquidation of the Company to be effected for the benefit of all creditors.

**THE PETITIONER THEREFORE HUMBLY PRAYS THAT:**

- 1 The Company be wound up by the Court under the provisions of the Companies Act.
- 2 Michael Penner and Michael Green both of Deloitte Cayman Islands be appointed as Joint Official Liquidators of the Company.
- 3 The Joint Official Liquidators shall not be required to give security for their appointment.
- 4 In addition to their powers prescribed in Part II of the Third Schedule to the Companies Act which are exercisable without sanction of this Court, the Joint Official Liquidators may also without further sanction or intervention from this Court:
  - (a) exercise all of the powers set out in Part I of the Third Schedule to the Companies Act (2021 Revision); and
  - (b) take any such action as may be necessary or desirable to obtain the recognition of their appointment in any other relevant jurisdictions and to make applications to the courts of such jurisdictions for that purpose, and for the avoidance of doubt the powers bestowed on the Joint Official Liquidators may be exercised by them within and outside the Cayman Islands.
- 5 The costs of the Petitioner of and incidental to the Petition be paid forthwith from the assets of the Company as an expense of the liquidation, to be taxed if not agreed with the Joint Official Liquidators.

6 Such other others and/or directions as the Court deems fit.

Dated this 3<sup>rd</sup> day of June 2021

*Campbells*

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**CAMPBELLS LLP**

Attorneys for the Petitioner

**It is intended that this Petition be served on the Company.**

**INDORSEMENT**

**Notice of Hearing**

This Petition having been presented to the Court on 3 June 2021 will be heard at the Law Courts, George Town, Grand Cayman on *23<sup>rd</sup> July* 2021 at *3:30* am/pm or as soon thereafter as the Petition can be heard.