



**IN THE GRAND COURT OF THE CAYMAN ISLANDS  
FINANCIAL SERVICES DIVISION**

**CAUSE NO: FSD            OF 2021 (       )**

**IN THE MATTER OF THE COMPANIES ACT (2021 REVISION)  
AND IN THE MATTER OF REDUCTION OF SHARE CAPITAL OF ALEPH GROUP,  
INC.**

**PETITION**

**TO THE GRAND COURT**

**THE HUMBLE PETITION OF** Aleph Group, Inc., of Maples Corporate Services Limited, P.O. Box 309 Ugland House, South Church Street, George Town Grand Cayman, KY1-1104, Cayman Islands (the "**Petitioner**" or the "**Company**") (the "**Petition**") shows that:

**The Company**

1. The Company was registered with registration number 378353 on 13 July 2021 as an exempted company incorporated with limited liability under the Companies Act (as amended) (the "**Companies Act**").
2. The principal activity of the Company is to act as a holding company, and to facilitate the investment by its shareholders in the business of IMS Internet Media Services, Inc. ("**IMS**"), which is a digital communications and marketing company headquartered in Florida, U.S.A.. The Company is a holding company and does not itself conduct any substantial business directly with any third party.
3. Pursuant to the amended and restated memorandum and articles of association of the Company which were adopted by special resolution dated 30 July 2021 (the "**M&A**"), the objects of the Company are unrestricted and the Company has full power and authority to carry out any object not prohibited by any law, as provided by section 7(4) of the Companies Act.

**Share capital**

4. Upon incorporation, on 13 July 2021, the Company had an authorised share capital of US\$50,000 consisting of 5,000,000 ordinary shares of US\$0.01 each. Its issued share capital was US\$0.01.
5. The Company's share capital was subsequently increased pursuant to the 30 July Resolutions (as defined at **paragraph 14** below), such that as at the date of this Petition:
  - (a) the authorised share capital of the Company is US\$5,000,000,000 consisting of 500,000,000,000 ordinary shares with a par value of US\$0.01 each; and
  - (b) the issued and fully paid-up share capital of the Company is US\$2,000,000,000 consisting of 200,000,000,000 ordinary shares with a par value of US\$0.01 each.
6. The Company has no preference or other class of shares in issue.

**Shareholders**

7. The shareholders of the Company are:
  - (a) Aleph Internet Media Services LLC, a limited liability company organized and existing under the Laws of Florida;
  - (b) Akuma Ventures Ltd, a company incorporated and existing under the Laws of the British Virgin Islands;
  - (c) Sony Pictures Television Advertising Sales Company, a corporation organized and existing under the Laws of Delaware; and

(d) Aleph Maradona LP, a limited partnership organized and existing under the Laws of Delaware ("**AML**P"),

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

### **Financial position**

8. Since its formation in July of this year, the Company has not earned any income nor incurred any losses.
9. The Company has no third party creditors other than its professional advisors, who have confirmed that they do not object to the relief sought by the Petition and for which there are no outstanding invoices owed by the Company (as described further at **paragraph 26** below).
10. Since the Company was formed only a matter of months ago, it does not have audited accounts yet, but the balance sheet produced by the management of the Company shows that the Company had a net asset position of US\$49,866,000 as at 30 July 2021.
11. The Company is therefore solvent and able to pay its debts.

### **The proposed capital reduction**

12. As noted at **paragraphs 2** above, the Company is a holding company through which the Shareholders have structured their investment in the business of IMS.
13. On 30 July 2021, and pursuant to a corporate reorganisation exercise by which the Shareholders structured their investments into the Company (hereafter referred to as the "**Reorganisation**"), the Company entered into a contribution and exchange agreement with the Shareholders by which the Shareholders agreed to transfer their equity interests in IMS to the Company, in exchange for their shares in the

Company and the Shareholders also entered into a shareholders agreement (the "**Shareholders Agreement**").

14. Immediately prior to the Reorganisation, AMLP (which was, at the time, the Company's sole shareholder) passed resolutions in order to increase the Company's authorised share capital to its current level, and to replace the Company's incorporation memorandum and articles of association with the M&A that is now in place (the "**30 July Resolutions**").
15. As is common in transactions such as the Reorganisation, the Shareholders intended that their shares in the Company would be subscribed for at a price per share that exceeded the par value of the shares by some margin, such that the excess (being the difference between the subscription price and the par value (the "**Excess**")) would be credited to the Company's share premium account as premium paid on the issuance of the shares, as permitted by Article 120 of the M&A and section 34 of the Companies Act.
16. Since the Company had no operations prior to the Reorganisation, the Reorganisation constituted a 'change of control' under the accounting policies adopted by the Company. Consequently, upon completion of the Reorganisation the Company was required to treat the Excess as an accumulated deficit on its balance sheet for accounting purposes. This was not what is intended by the Shareholders when they agreed to invest in the Company and does not suit the present or ongoing needs of the Company. Accordingly, the Shareholders now wish to alter the capital structure of the Company, in order that it better suits the needs of the Company and the Shareholders.
17. The Company therefore proposes to undertake a capital reduction by:

- (a) *reducing* the par value of the Company's *issued and outstanding* ordinary shares from US\$0.01 per share to US\$0.0001 per share, such that the *issued* share capital of the Company will be reduced from:
    - (i) US\$2,000,000,000 consisting of 200,000,000,000 ordinary shares of par value US\$0.01 each; to
    - (ii) US\$20,000,000 consisting of 200,000,000,000 ordinary shares of par value US\$0.0001 each; and
  - (b) contingent upon this being effective:
    - (i) *cancelling* 300,000,000,000 *authorised but unissued* shares of par value US\$0.01 each; and
    - (ii) *creating* 300,000,000,000 shares of par value US\$0.0001 each,  
  
(the "**Proposed Capital Reduction**").
18. The result of this will be that:
- (a) the Company's *issued* share capital will reduce by US\$1,980,000,000 (the "**Resulting Amount**"); and
  - (b) the Company's *authorised* share capital will become US\$50,000,000 consisting of 500,000,000,000 shares of par value US\$0.0001 each.
19. A reserve equal to the Resulting Amount will be allocated to the Company's share premium account, pursuant to Article 120 of the M&A, and section 34 of the Companies Act.
20. The Shareholders' respective shareholdings will remain the same, as shown in the table below:

<b>Shareholder</b>	<b>Shares Before the Proposed Capital Reduction</b>	<b>Shares Following the Proposed Capital Reduction</b>
Aleph Internet Media Services, LLC	97,813,412,064	97,813,412,064
Akuma Ventures Limited	44,318,389,292	44,318,389,292
Sony Pictures Television Advertising Sales Company	10,868,198,644	10,868,198,644
Aleph Maradona LP	47,000,000,000	47,000,000,000
<b>Total</b>	<b>200,000,000,000</b>	<b>200,000,000,000</b>

21. The Petitioner confirms that:

- (a) the Proposed Capital Reduction will not involve:
  - (i) an alteration or variation to the rights attached to the Company's shares; or
  - (ii) a diminution of the liability of any Shareholder in respect of the amounts unpaid on share capital; and
- (b) there is only one class of shares that will be affected by the Proposed Capital Reduction and there are only four Shareholders, all of whom will be treated equally and on the same terms under the Proposed Capital Reduction, and all of whom have indicated their informed approval of the Proposed Capital Reduction.

**Purpose of the Proposed Capital Reduction**

22. The directors of the Company (the "**Directors**") are of the considered view that the Proposed Capital Reduction would put the Company's capital structure into the state that was intended when the Shareholders invested in the Company. The discernible purpose of the Proposed Capital Reduction is therefore to ensure that the capital structure of the Company meets the needs of the Company.

**Director / Shareholder approval**

23. The Directors have considered and, following written resolutions of the Directors dated 29 September 2021 (the "**Directors' Resolutions**"), recommended to the Shareholders that the Proposed Capital Reduction be approved, subject to the sanction of the Court.
24. The Shareholders having had the opportunity to consider and query the terms and effect of the Proposed Capital Reduction have determined that the Proposed Capital Reduction best serves the interests of the Company and have, by written resolutions dated 29 September 2021 (the "**Shareholders' Resolutions**") unanimously approved of the Proposed Capital Reduction, subject to the sanction of the Court.
25. The Proposed Capital Reduction has therefore been developed, considered and approved by both the Directors and Shareholders of the Company.

**Creditors of the Company**

26. The Company has no third party creditors other than the Company's professional advisors who do not object to the relief sought and, in any event, there are no invoices rendered to the Company that are outstanding. The Company therefore has no current creditors who could be prejudiced by the Proposed Capital Reduction.

27. The Company is solvent and has sufficient assets to meet its current liabilities.
28. In view of this, the Directors consider that the Proposed Capital Reduction will not affect or prejudice any creditor of the Company.

### **Corporate approvals of the Company and the Shareholders**

29. Article 24 of the M&A states that:

*"The Company may by Special Resolution reduce its share capital and any capital redemption reserve in any manner authorised by law."*

30. In respect of the Shareholders' Resolutions:

- (a) Article 1 of the M&A defines 'Special Resolution' as follows:

*"Special Resolution means a special resolution of the Company passed in accordance with the Companies Act, being a resolution:*

- (a) ...
- (b) *approved in writing by all of the Shareholders entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of the Shareholders and the effective date of the special resolution so adopted shall be the date on which the instrument or the last of such instruments, if more than one, is executed; and*
- (b) Section 6.4 of the Shareholders' Agreement provides as follows:

*"Provided that the resolution is circulated to all Shareholders prior to passing and subject to any Shareholder approval or consent requirements expressly specified herein, a resolution in writing*

*signed by all Shareholders shall be as effective as a resolution passed at a meeting of the Shareholders duly convened and held and may consist of several documents in the like form each signed by one or more of the Shareholders. The expressions "in writing" and "signed" include approval by any such Shareholder by facsimile or electronic transmission."*

31. By the Directors' Resolutions the Directors resolved, *inter alia*, that the Proposed Capital Reduction be recommended to the Shareholders for approval. In particular, it was recommended that the Shareholders approve:
- (a) the Proposed Capital Reduction; and
  - (b) the taking of such steps by the Company as are necessary or desirable to give effect to the Proposed Capital Reduction.
32. By the Shareholders' Resolutions, the Shareholders unanimously resolved by special resolution that conditional upon (i) approval of the Proposed Capital Reduction by the Court, (ii) registration by the Registrar of Companies of the Cayman Islands (the "**RoC**") of the order of the Court confirming the Proposed Capital Reduction and the minute approved by the Court containing the particulars required under the Companies Act in respect of the Proposed Capital Reduction, and (iii) compliance with any condition as may be imposed by the Court in relation to the Proposed Capital Reduction:
- (a) the Proposed Capital Reduction be effected; and
  - (b) upon completion of the Proposed Capital Reduction, the Resulting Amount be allocated to the Company's share premium account in accordance with article 120 of the M&A and section 34 of the Companies Act.

33. Subject to the sanction of the Court, the registered office of the Company will be instructed to file the Shareholders' Resolutions and minute of order made on the Petition ("**Minute**") with the RoC.
34. The form of the Minute proposed to be registered is as follows:

*"As a Special Resolution, that the authorised share capital of Aleph Group, Inc (the "**Company**") be amended as follows:*

- (i) *by virtue of a special resolution passed unanimously by all its shareholders, and with the sanction of an order of the Grand Court of the Cayman Islands dated [\*], the issued and outstanding share capital is reduced from US\$2,000,000,000 consisting of 200,000,000,000 shares of par value US\$0.01 each to US\$20,000,000 consisting of 200,000,000,000 shares of par value US\$0.0001 each;*
- (ii) *by virtue of a special resolution passed unanimously by all its shareholders, the authorised but unissued share capital is amended by the cancellation of 300,000,000,000 authorised by unissued shares of par value US\$0.01 each the creation of 300,000,000,000 shares of par value US\$0.0001 each.*

*As a consequence, the authorised share capital of the Company is reduced from US\$5,000,000,000 consisting of 500,000,000,000 shares of oar value US\$0.01 each to US\$50,000,000 consisting of 500,000,000,000 shares of par value US\$0.0001 each."*

**YOUR PETITIONER THEREFORE HUMBLY PRAYS THAT:**

1. The Proposed Capital Reduction that is proposed to be effected by the special resolution described at **paragraph 32** of this Petition, and the Minute described at **paragraph 34** of this Petition, be approved by the Court;
2. To this end, all necessary inquiries and directions may be made and given; and/or
3. Such other order may be made in the premises as the Court shall deem fit.

**AND** your Petitioner will ever pray etc

**DATED** this 3 day of October 2021

**FILED** this 5 day of October 2021

*Walkers*

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**WALKERS**

Attorneys at Law for the Petitioner

**NOTE:** It is not intended to serve this Petition on any person

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

**NOTICE OF HEARING**

TAKE NOTICE THAT the hearing of this Petition will take place at the Law Courts, George Town, Grand Cayman on \_\_\_\_\_ at \_\_\_\_\_ 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 Cayman at PO Box 495, Grand Cayman, KY1-1106, telephone no. 349 949 4296.