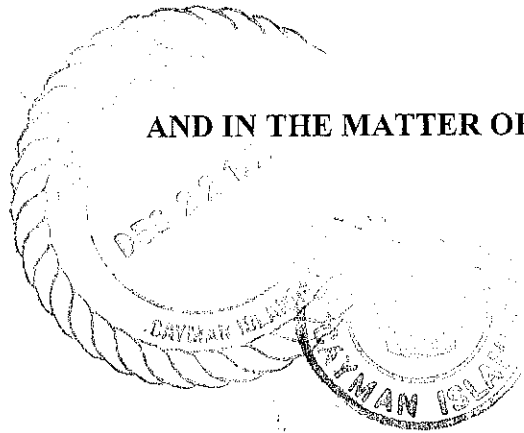


IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO. 807 OF 1999

AND IN THE MATTER OF THE COMPANIES LAW (1998 REVISION)

AND IN THE MATTER OF CRESVALE INTERNATIONAL LIMITED



PETITION

Fees Paid	20 150
Receipt No	15605
Date	22.12.99

TO: Her Majesty's Grand Court of the Cayman Islands

The humble Petition of CRESVALE INTERNATIONAL LIMITED of P O Box 309 Georgetown, Grand Cayman, British West Indies, showeth as follows:

1. Cresvale International Limited (hereinafter called "the Company") was incorporated on 29th of May, 1987 under the Companies Law as an exempted company limited by shares. The registered office of the Company is situate at P O Box 309 Georgetown, Grand Cayman, British West Indies.
2. The Company is part of a substantial, cross-jurisdictional group (the "PEI Group"). The parent company of the group is Princeton Economics International Ltd ("PEI"), a company incorporated in the Turks & Caicos Islands. Cresvale Far East Limited ("CFEL"), a company incorporated in Hong Kong is the 100% holder of the issued share capital of the Company. CFEL is in turn a wholly owned subsidiary of PEI.
3. PEI conducted its business as an investment advisory firm. Princeton Global Management ("PGM"), a wholly owned subsidiary of PEI, undertook currency brokering on its own account. The Company was a licensed brokerage house with the Ministry of Finance in Japan and conducted its business there in selling particular financial products of the PEI Group. The Company sold on behalf of PEI two particular financial products, being:

- (i) Fixed rate promissory notes with a return of (typically) 4% per annum, repayment of the notes being guaranteed by PEI; and
 - (ii) Variable rate notes that were not guaranteed by PEI and sold at a discount to face value.
4. These particular notes were issued by special purpose vehicles set up by PEI, each having their own account with Republic New York Securities Corporation ("RNYSC"), a subsidiary company of Republic Bank of New York ("Republic Bank"). The monies were to be invested in U.S. Government bonds.
5. The monies passing through the various accounts at RNYSC have been substantial being in excess of US\$2.3 billion. It has been alleged by the United States Securities and Exchange Commission ("SEC") that something between US\$500 million and US\$1 billion should have remained within the accounts as at 13 September 1999. However, as at the date of this petition, the Company has been informed that the amount remaining in the accounts is less than US\$50 million. At present there is no conclusive explanation for the losses although bad investments and/or fraud are suspected.
6. As a result of these losses, on 1st September 1999 FBI agents together with representatives of the SEC and the United States Commodities and Futures Trading Commission ("CFTC") obtained search warrants and removed substantial quantities of business papers belonging to the PEI Group. On 13th September Martin Armstrong, the founder and Chairman of PEI Group was arrested on suspicion of fraud by the FBI in the United States.
7. Also, on 13th September 1999, the SEC and CFTC commenced civil action against various entities in the PEI Group and those related to it preventing them from disposing of any assets or engaging in any further securities frauds. Further, Orders were made by the U.S. Court appointing a Receiver over the assets of PEI and PGM.
8. On 17 September 1999 the Supreme Court of the Turks & Caicos Islands appointed Andrew Mark Homan, Dipankar Mohan Ghosh and Joseph Connolly as joint provisional liquidators of PEI. On 28 October 1999 Jan De Blaauw and Joanne Oswin were appointed as liquidators of CFEL. Thereafter CFEL as the sole shareholder of the company passed a written resolution specifically requiring the company to present a petition to the Grand Court seeking its winding-up, inter alia, under the grounds set out in Sections 94(A) and 94(D) of the Companies Law (1998 Revision) and to apply for the appointment of provisional liquidators.

9. The Japanese Financial Supervisory Agency (the "FSA") issued an order on or about 4 October 1999 suspending the Company from undertaking new business for three weeks from 4 October 1999. The FSA has since issued a further order suspending the Company from undertaking new business for a further ten weeks
10. On or about 5 October 1999 the Tokyo prosecutor's office seized records of the Company as part of a criminal investigation and, subsequently, have arrested one of the directors of the Company.
11. Within Japan, the affairs of the Company and the ongoing criminal and regulatory investigations have received very considerable adverse publicity so that the Company's management consider it unrealistic to resume trading even if the FSA were prepared to countenance a resumption.
12. Further, in the context of the facts and matters set out above it is just and equitable that the Company be wound up.

YOUR PETITIONER THEREFORE HUMBLY PRAYS AS FOLLOWS:

- (a) That Cresvale International Limited be wound up by the Court subject to the provisions of the Companies Law (1998 Revision);
- (b) That Andrew Mark Homan, Dipankar Mohan Ghosh and Christopher D. Johnson of PricewaterhouseCoopers, chartered accountants, be appointed jointly and severally Official Liquidators of the Company and 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 Joint Official Liquidators be authorised to exercise all the powers set out in section 109 of the Companies Law (1998 Revision) without further sanction or intervention of the Court;
- (d) That the Joint 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 months or as the Court may from time to time direct;

- (e) That the Joint Official Liquidators be at liberty to engage and retain and/or employ (whether within or outside the jurisdiction) on such terms the Joint Official Liquidators may think fit, any attorneys, solicitors, counsel, lawyers, accountants, investment advisors, investigation agents and/or other qualified persons to assist them in the performance of their duties and functions on such terms as the Joint Official Liquidators may think fit;
- (f) That the Joint Official Liquidators and their staff be remunerated out of the assets of the Company at the following hourly rates (in respect of the countries shown and elsewhere at such rates as the Joint Official Liquidators think fit):


		CAYMAN	LONDON	NEW YORK
		US\$	GBP	US\$
(i)	Partners	425	345	540
(ii)	Senior manager	300	325	500
(iii)	Manager	250	250	N/A
(iv)	Assistant Manager	220	190	400
(v)	Senior Accountant	165	150	300
(vi)	Staff Accountant	135	70	200

such rates to be reviewed from time to time as the Court may deem fit.

- (g) That the Joint Official Liquidators shall submit a breakdown of their liquidation fees and expenses to the Court for approval at such times as they deem appropriate;
- (h) That such other Orders be made in the premise as the Court shall think fit.

AND YOUR PETITIONER will ever pray etc

DATED this 16th day of December 1999



WALKERS
Attorneys-at-Law for the Petitioner

Note: This Petition is intended to be served on the Company and the Registrar of Companies.

INDORSEMENT

This Petition, having been presented to the Grand Court of the Cayman Islands at _____ on the
day of _____, 199 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 Walkers, Attorneys-at-Law, P.O. Box 265GT, Walker House, Mary Street, George Town, Grand Cayman, Attorneys-at-Law for the Petitioner.