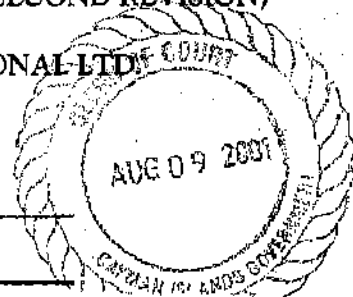


IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO: 482 OF 2001

IN THE MATTER OF THE COMPANIES LAW (2001 SECOND REVISION)

AND IN THE MATTER OF INGELTON INTERNATIONAL LTD.



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PETITION

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TO THE GRAND COURT OF THE CAYMAN ISLANDS

The Humble Petition of Zephyr International Ltd. (In Liquidation), of Zephyr House, Mary Street, PO Box 1561GT, George Town, Grand Cayman (the "Petitioner" or "Zephyr") shows that:

1. Ingelton International Ltd. ("Ingelton") is a company incorporated on 19 November 1990 under the Companies Law, bearing registration number 378554.
2. Its registered office is situated at Zephyr House, Mary Street, George Town, Grand Cayman. Ingelton is indebted to the Petitioner in the sum of US\$13,023.33 in respect of management fees due to the Petitioner.
3. On 31 May 2001 the Petitioner served on Ingelton a demand in accordance with Section 95 (a) of the Companies Law, requiring Ingelton to pay to the Petitioner the sum referred to in paragraph 2 hereof.

4. A substantial period of time has now elapsed since the Petitioner served the said demand, but Ingelton has neglected to pay or satisfy the said sum or any part thereof or to make any offer to the Petitioner to secure or compound the same.
5. Ingelton is unable to pay its debts and is accordingly insolvent.
6. Ingelton represented itself to be the financial company that serviced Zephyr's client base. Without further investigation, it is difficult to say exactly what this role encompassed. However, it appears that Ingelton assisted in the placing of various investments and received commissions of up to 10% for doing so. These investments included the Cash4Titles scheme, Comtec International Inc. ("Comtec"), Lanstar Semiconductors Inc. and Inorganic Recycling Corp, each of which either failed or caused significant loss to investors.
7. Lewis Rowe at one stage regarded Ingelton as being one of his personal companies and was recorded in the records of the Petitioner as the sole beneficial owner. As its controlling mind and will at all material times, Lewis Rowe made the decisions on behalf of Ingelton, and utilised its profits. It would appear that Lewis Rowe beneficially held the first two bearer shares issued by Ingelton on its incorporation. However, as amplified in paragraphs 8.1.1 and 8.1.2 below, a further 4,826,375 shares were issued to Mr. Edwin Toporek on 8 September 1999, making him the majority shareholder and owner of Ingelton.
8. Two examples will serve to highlight the irregularities involving Ingelton:
  - 8.1.1 In August 1999, two months before the Cash4Titles scheme was exposed as a fraud, Mr. Edwin Toporek learned of the investment opportunity in Cash4Titles offered by Lewis Rowe. In common with many investors,

Zephyr incorporated Pinnacle Limited for Mr. Toporek to act as the vehicle to hold and manage the investment.

- 8.1.2 Mr. Toporek advanced US\$4,826,375.00 to April Gold Inc, a Nevis company controlled by Lewis Rowe for investment in Cash4Titles. April Gold Inc. thereafter transferred these funds to Zephyr Financial Services Ltd., another company controlled by Lewis Rowe which acted as his banker. Pinnacle Limited, however, is recorded by Zephyr as having invested this US\$4.8m in the Cash 4 Titles scheme less a commission of 2.5%.
- 8.1.3 It would appear that April Gold Inc had issued shares to certain investors as an acknowledgment of their investment. April Gold Inc. was approaching the limit of its authorised share capital and Lewis Rowe suggested to Mr. Toporek, who agreed, that Ingelton rather than April Gold Inc. would issue shares in his favour. On 8 September 1999, a share certificate for 4,826,375 shares was issued by Ingelton in the name of Mr. Edwin Toporek, accounting for all but two shares held in Ingelton.
- 8.1.4 When the Cash4Titles scheme was exposed as a fraud, many of Lewis Rowe's companies, including Ingelton, were unable to repay investors. Further investigation is required to ascertain Ingelton's other investments and whether some recourse is available.
- 8.2.1 On July 7, 1998, Mr. Bernard Beaumont, a US national, advanced the sum of US\$183,017.16 to Beaumont Global Trust Ltd, a company beneficially owned by him. Of this, US\$4,922.00 was paid to the Petitioner in respect of fees for the incorporation of his company and the 1998 annual

management fees. The sum of US\$17,810.00 was paid to Ingelton as a commission of 10% for the investment services provided namely, the introduction to investments. US\$160,000 was placed with Zephyr Financial Services Limited for onward investment.

8.2.2 A "Situation Report" was provided to Mr. Beaumont outlining the business and investment potential in Comtec which stated that *"we have been offered a further 8 million shares in a private placement of US\$0.58 a share"*. Relying upon this representation, in July 1998 Bernard Beaumont instructed that US\$96,000.00 should be placed into Comtec at a share price of US\$0.58 per share, accordingly Beaumont Global Trust should have received 165,517 shares. In fact, no shares whatsoever were issued to Beaumont Global Trust Limited until May 30, 2000, when it received 33,104 shares.

8.2.3 The true market share price per share of Comtec shares in July 1998 was not US\$0.58 but rather US\$0.08. Thus Beaumont Global Trust paid US\$96,000.00 for shares which it could have obtained for US\$2,648.32 if it had purchased shares on the Stock Market. The Official Liquidator of the Petitioner can find no explanation for the difference of 132,413 shares that ought to have been issued to Beaumont Global Trust, even at the inflated price of US\$0.58 per share. By reason of holding itself out as the financial company that serviced Zephyr's client base and by virtue of having received a commission of US\$17,810.00 for its services, Ingelton was centrally involved and had a duty to Beaumont Global Trust to account accurately and honestly for its funds.

9. In the circumstances it is just and equitable that Ingelton should be wound up.

10. The debt of US\$13,023.33 for which a Statutory Demand has been duly made and in respect of which this Petition is presented, is good in law and is evidenced by the records of the Petitioner management company. In addition, Lewis Rowe's legal counsel has confirmed that he does not oppose the payment of the management fees set out in the Statutory Demand.
11. In the circumstances, there are also good grounds for winding Ingelton up on the basis that it is unable to pay its debts.

**YOUR PETITIONER THEREFORE HUMBLY PRAYS** as follows:

1. That Ingelton International Ltd. be wound up by the Court in accordance with the provisions of the Companies Law (2001 Second Revision)
2. That G. James Cleaver of Ernst & Young PO Box 510GT, 4<sup>th</sup> Floor, One Capital Place, George Town, Grand Cayman be appointed Official Liquidator of the Company.
3. That the Official Liquidator be at liberty to exercise any of the powers contained within Section 109 of the Companies Law (2001 Second Revision) without the further sanction of this Honourable Court.
4. That the Official Liquidator 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 twelve calendar months or as the Court may from time to time direct.

5. That the Official Liquidator 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.

6. That the Official Liquidator and his staff be remunerated at the expense of the Company at the following hourly rates:

(i)	Director (Partner)	US\$425.00
(ii)	Assistant Director (Senior Manager)	US\$330.00
(iii)	Senior Executive (Manager)	US\$280.00
(iv)	Executive (Senior Accountant)	US\$160.00
(v)	Administrative Assistant	US\$92.00

7. That the Official Liquidator be authorised to pay out of the assets of the company, invoices rendered in the Liquidation by the Official Liquidator or his attorneys, counsel and professional advisors as and when these invoices become payable; provided that this Honourable Court's approval of the fees and expenses will be required on a bi-annual basis, and in the event that any such invoice or part of an invoice is not ratified by the Court, the Official Liquidator will refund the full amount relating to that invoice or part of an invoice within 7 days of the Court's determination.

8. That the costs of the Petitioner and of the Petition be paid out of the assets of the Company.

9. Such further and/or other relief as this Honourable Court deems appropriate.

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

Hunter & Hunter  
Hunter & Hunter  
Attorneys for the Petitioners

#### Notice of Hearing

This Petition having been presented to the Court to the 8<sup>th</sup> day of August 2001 will be heard at the Court House, George Town, Grand Cayman on the 12 day of OCT 2001 at 10:00 o'clock in the forenoon or as soon thereafter as the Petition can be heard.

THIS PETITION is filed by Hunter & Hunter, Attorneys-at-Law for the Petitioners, whose address for service is that of its said Attorneys-at-Law, 75 Fort Street, P.O. Box 190GT, Grand Cayman (Ref: JST/08227.002)