

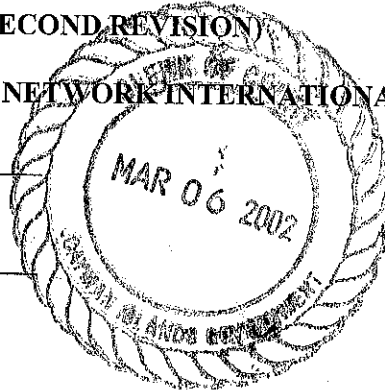
IN THE GRAND COURT OF THE CAYMAN ISLANDS



CAUSE NO. 165 OF 2002

IN THE MATTER OF THE COMPANIES LAW (2001 SECOND REVISION)
AND IN THE MATTER OF PAN AMERICAN SPORTS NETWORK INTERNATIONAL

PETITION



TO THE GRAND COURT OF THE CAYMAN ISLANDS

The Humble Petition of PAN AMERICAN SPORTS NETWORK INTERNATIONAL of c/o
Huntlaw Corporate Services Limited, PO Box 1350GT, Huntlaw Building, 75 Fort Street, George
Town, Grand Cayman shows that:-

1. PAN AMERICAN SPORTS NETWORK INTERNATIONAL (hereinafter called "the Company") was incorporated under the name PSN Network Cayman Co. on 16th August 1999 as an Exempted Company limited by shares under the Companies Law (as Revised) ("the Companies Law") of the Cayman Islands. By Special Resolution dated 8th September 1999 PSN Network Cayman Co. changed its name to Pan American Sports Network International.
2. The registered office of the Company is situated at c/o Huntlaw Corporate Services Limited, PO Box 1350GT, Huntlaw Building, 75 Fort Street, George Town, Grand Cayman.
3. The authorised share capital of the Company at the date of its incorporation was US\$500,000,000.00 consisting of 500,000,000 ordinary shares of US\$1.00 each. The objects for which the Company was formed are unrestricted.
4. The Company is a wholly owned subsidiary of Pan American Sports Holdings Ltd. whose ultimate parent company is Pan American Sports Partners Company ("PSN Partners"). Both companies are incorporated in the Cayman Islands. PSN Partners is the

parent company of numerous direct and indirect subsidiary companies, collectively the “PSN Group”.

5. The Company’s business is the providing of a cable and satellite television sports channel covering major sporting events for their transmission in Latin America.
6. The Company acquires television rights for major sporting events such as South American soccer, and international tennis tournaments for broadcast in South America, Mexico, Central America and the Caribbean (“Latin America”). The Company is a non-operating Cayman Islands entity which itself has no employees. Where the cable and satellite system operators are located in Mexico and Brazil, distribution rights to the completed PSN Channel are assigned to PSN USA Inc. (“PSN USA”), a company incorporated in Delaware and a wholly owned direct subsidiary of the Company. This corporate structure is used for tax efficiency. PSN USA also provides all administrative, financial, corporate, marketing and technical support services to the Company in support of the PSN Channel.
7. The “feed” of such events is sent back to the Company and PSN USA’s facilities in Miami, Florida, and combined with other programming elements such as commentary, advertising, graphics, infomercials and news programs to make a fully produced television channel (“the PSN Channel”). The PSN Channel is then sold to cable and satellite system operators in Latin America who then offer the PSN Channel as part of a cable package to consumers principally in Latin America (the “PSN Business”).
8. The Company also has wholly owned subsidiaries in Argentina and Brazil which perform sale and receivable collection functions on behalf of both the Company and PSN USA.
9. As of 1st January 2002, the Company had assets and liabilities in the amounts of approximately \$32million and \$120million respectively. On 1st January 2002 PSN USA had approximately 162 employees and assets and liabilities in the amounts of approximately \$25million and \$42million respectively. For the fiscal year ending 31st December 2001, the Company and PSN USA operated a net loss of over \$260million on revenues of approximately \$69½million on a consolidated basis.

10. In April 2001, the Company and PSN USA undertook a detailed study of their business operations. Consequently almost all of senior management were replaced or the positions were eliminated including, but not limited to, the president, chief operating officer, chief financial officer and the executive vice president of programming. At that time about 25% of PSN USA's workforce were laid off, substantial reductions in overhead were implemented and many contracts relating to broadcasting and distribution were renegotiated. These efforts resulted in savings and efficiencies of approximately \$40million per annum. Efforts were also undertaken to explore alternative sources of revenue, including the resale of sports rights, acquisition of sport rights through bartering/revenue sharing agreements and the development of a plan to introduce to and distribute the PSN Channel or similar service in previously undeveloped markets.
11. As part of this restructuring, pursuant to loan agreements dated as of 1st August 2001 and 12th October 2001 (the "Loan Agreements"), PSN Partners, loaned the Company in excess of US\$30 million secured upon a fixed and floating charge over substantially all of the assets of the Company. The amounts outstanding on the loans as of 28th February 2002 were \$23,114,705.19 in respect of the August loan and \$9,159,699.50 in respect of the October loan. PSN USA, as a substantial beneficiary of the funding, guaranteed the Company's obligation to PSN Partners and secured the guarantee with a blanket lien upon its assets.
12. The proceeds of the financing were used to fund overhead and other outstanding obligations necessary to preserve the viability of the PSN Business. Prior to this funding, PSN Partners, either directly or indirectly, had contributed a substantial amount in equity and debt to the Company, PSN USA and related entities.
13. As a result of the foregoing, the 2001 operating loss of the PSN Group of approximately \$250million was reduced to a projected loss of approximately \$58½million for 2002. However, notwithstanding the above improvements in the financial health of the Company and PSN USA, a significant portion of the accumulated debt arising from several rights contracts could not be restructured. Additionally the economic crisis in Argentina, which had accounted for approximately 49% of the Company and PSN USA's revenues, eliminated or significantly impaired the ability to collect certain significant account receivables. This, coupled with an inability to secure additional funding,

precluded the Company and PSN USA from being able to make payments under several key sports rights agreements which were critical to the PSN Business.

14. Additionally, although PSN Partners was instrumental behind the restructuring efforts undertaken by the Company and PSN USA in 2001, PSN Partners was neither directly nor indirectly willing to provide any additional funding or equity contributions. Senior management received a directive from the sole director of the Company that both it and PSN USA should begin an orderly wind-down and immediately reduce the number of staff employed. Accordingly, and bearing in mind the financial position of the PSN Business, the Company and PSN USA were compelled to consider insolvency proceedings under both the Companies Law and under Chapter 11 of the U.S. Bankruptcy Code respectively.
15. After consulting with bankruptcy counsel in the United States and Walkers in the Cayman Islands, the Company believes that it is unable to pay its debts as they fall due and that it is insolvent, and that it is in the best interest of the creditors of the Company for it to be placed into compulsory liquidation, thereby retaining the option of making an application pursuant to §304 of the U.S. Bankruptcy Code for the recognition of foreign bankruptcy proceedings within the United States.
16. On 1st March 2002, PSN USA filed a voluntary petition under Chapter 11 of the U.S. Bankruptcy Code. PSN USA will continue to operate its business as a debtor-in-possession pursuant to the authority of 11 U.S.C. §§ 1107 and 1108 (the “Chapter 11 proceeding”). It is proposed that the Chapter 11 proceeding will be a “liquidating 11” whereby the assets of PSN USA will be realised in an orderly fashion to maximise recoveries for the benefit of its creditors.
17. Given that the Company is ultimately in the business of providing a television channel, a planned wind-down of PSN USA will be more effective than the instant cessation of business that would be required under a Chapter 7 proceeding under the US Bankruptcy Code. It is proposed to sell the “PSN” brand name and the associated trade marks which reside in both the Company and PSN USA. It is not anticipated that the business will be sold as a going concern. Rather, the compulsory liquidation of the Company, together with the Chapter 11 proceeding, will be used to sell the Company and PSN USA’s

television broadcasting and other equipment. It will also be used to try to collect accounts receivable that have a book value of approximately \$30million.

18. A significant proportion of the accounts receivable are due from cable providers based in Argentina. Given the current economic conditions in Argentina, it is extremely difficult to estimate how much of these receivables will ultimately be collected. There is currently a prohibition in Argentina preventing the withdrawal of funds from the country. Further, the government has introduced a regulation, the effect of which is to commute all foreign currency contracts into Argentine Pesos. Due to the shift in exchange rates between the Peso and the U.S. dollar (in which all the Company's contracts are denominated), the maximum recoverable amount of the account receivables is approximately \$18 million. Actual recoveries could be substantially less than this figure.
19. At present, PSN Partners has security in the sum of at least \$30million in respect of the sums advanced pursuant to the Loan Agreement. Accordingly the unsecured creditors will not receive any dividend whilst this security is in place. Negotiations are currently in progress between the Company and PSN Partners for an agreement under which PSN Partners would surrender a part of their security if the Company and PSN USA were to proceed with the aforementioned wind down plan, thereby possibly permitting a dividend for the unsecured creditors. These negotiations also include the possible sale of the registered and pending trade marks, and therefore the brand name of "PSN", to PSN Partners or its designee, although these assets will be sold to the highest bidder in a sale of assets pursuant §.363 of the U.S. Bankruptcy Code and with the approval of this Court.
20. The Company has resolved by a special resolution dated 4th March 2002 that it should be placed into voluntary liquidation and that a petition should be presented as soon as practicable thereafter for its compulsory winding up and accordingly in the circumstances the Company should be wound up pursuant to section 94(a) of the Companies Law.
21. Further or alternatively, in the aforementioned circumstances, the Company is unable to pay its debts as they fall due and is insolvent, and accordingly should be wound up pursuant to section 94(c) of the Companies Law. Further or alternatively, it is just and equitable that the Company should be wound up pursuant to section 94(d) of the Companies Law.

YOUR PETITIONERS THEREFORE HUMBLY PRAY as follows:-

1. That Pan American Sports Network be wound up by the Court subject to the provisions of the Companies Law (2001 Second Revision);
2. That G. James Cleaver and Jonathan Kahlberg of E&Y Restructuring, Cayman Islands, (to hold their offices jointly and severally) be appointed Joint Official Liquidators of the Company and that the Joint Official Liquidators be authorised to do any acts of things considered by them to be necessary or desirable in connection with the liquidation of the Company and the winding up of its affairs;
3. That the Joint Official Liquidators be at liberty to exercise any of the powers contained within Section 109 of the Companies Law (2001 Second Revision) without the further sanction or intervention of this Honourable Court.
4. That the Joint Official Liquidators provide this Honourable Court on an annual basis or at such other times as the Joint Official Liquidators consider it appropriate reports on the progress of the liquidation.
5. That the Joint Official Liquidators be at liberty to employ Walkers as Cayman Islands' Attorneys-at Law to assist them with the duties as Joint Official Liquidators of the Petitioner at such hourly rates as agreed from time to time by the Joint Voluntary Liquidators and Walkers.
6. That the Joint Official Liquidators be at liberty to employ such other counsel, Attorneys-at-Law or other agents in the Cayman Islands or elsewhere to assist them with their duties as will require to be carried out by them at such hourly rates as agreed from time to time by the Joint Official Liquidators and these other Attorneys-at-Law or agents.
7. That this Court dispense with the advertising of this Petition.
8. That the Joint Official Liquidators and their staff be remunerated out of the assets of the Company at their standard hourly rates, such fees to be approved by the Court;

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

DATED this 5th day of March 2002.



WALKERS, Attorneys-at-Law for the Petitioner

NOTE: This Petition is not intended to be served

TIME ESTIMATE: The estimated length of the hearing of this Petition is 30 minutes.

This Petition was presented by Walkers on behalf of the Petitioner, Pan American Sports Network International, whose address for service is that of their said Attorneys-at-Law, P.O Box 265GT, Walker House, Mary Street, George Town, Grand Cayman.