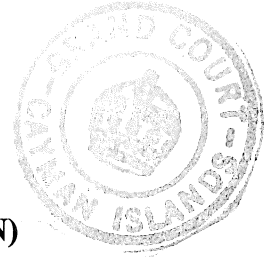
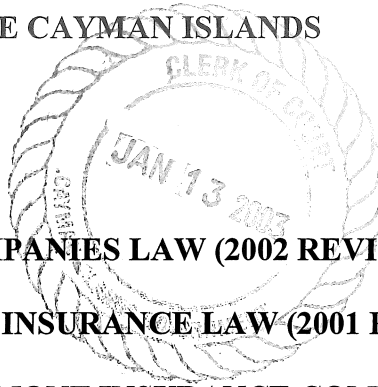


IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO: 20 OF 2003



IN THE MATTER OF THE COMPANIES LAW (2002 REVISION)

AND IN THE MATTER OF THE INSURANCE LAW (2001 REVISION)

AND IN THE MATTER OF ASHMONT INSURANCE COMPANY LIMITED

PETITION

TO: HER MAJESTY'S GRAND COURT OF THE CAYMAN ISLANDS

The Humble Petition of THE GOVERNOR-IN-COUNCIL OF THE CAYMAN ISLANDS (hereinafter called "the Petitioner")

SHOWETH as follows:

1. Ashmont Insurance Company Limited (the "Company") was incorporated in the Cayman Islands on November 25, 1999. The Company was granted an Unrestricted Class "B" Insurer's Licence on December 24, 1999, with effect from December 8, 1999.
2. The registered office of the Company is Marsh Management Services Cayman Ltd. ("Marsh"), P.O. Box 1051 GT, Barclays House, Grand Cayman, Cayman Islands. Marsh is also the insurance manager for the Company.
3. The Authorised Share Capital of the Company is 120,000 ordinary shares of US\$1 each. The issued and fully paid share capital is 120,000 shares. The Register of Members of the Company shows that the shareholders at the date of licensing were:
 - a. Steven C. Kletjian, Chairman and Chief Executive Officer of UNICCO Service Company ("UNICCO") (48.4%).
 - b. Richard J. Kletjian, Vice Chairman of UNICCO (23.2%).
 - c. Robert P. Kletjian, Vice President and Vice Chairman of UNICCO (23.2%).
 - d. John Feitor, Senior Vice President of Operations of UNICCO (2.6%).
 - e. George A. Keches, President and Chief Operating Officer of UNICCO (2.6%).

4. Since inception the Company's directors consisted of:

Name	Appointed	Resigned
Steven C. Kletjian	November 24, 1999	
Robert P. Kletjian	November 24, 1999	
Paul Macey	November 24, 1999	January 19, 2001

5. The Company was formed to accept, by novation, the existing reinsurance obligations of Ashmont Insurance Company Limited ("Ashmont Bermuda"), a Bermuda licenced Class 3 insurer. Ashmont Bermuda was subsequently liquidated on January 19, 2001.
6. The principal activity of the Company was to provide reinsurance to Travelers Bermuda Limited ("Travelers"), for Workers Compensation, Employers Liability and General Liability exposures of UNICCO, a company that engages in cleaning and maintenance of schools, universities and manufacturing sites in the U.S. and Canada. The Company also had a share of Travelers' Automobile Property Damage Liability Programs. In addition, the Company provided reinsurance, by commutation, for the Workers Compensation and Employers Liability exposures of UNICCO and a Liberty Mutual Bermuda Account called "Member Number 7", the Workers Compensation, Employers Liability, General Liability, and Automobile Liability exposures of "Service America Corp" and the run-off Workers Compensation for the Rhode Island and Massachusetts program.
7. The Company's external auditors are KPMG, Cayman ("KPMG"). KPMG have reported that the December 31, 2001 audit is substantially complete. This is the first audit being performed by KPMG, who replaced PricewaterhouseCoopers in March 2002. As at the date of this application, the audited financial statements for the year ended December 31, 2001 remain outstanding. KPMG are awaiting a decision from the Authority as to the status of the Company prior to finalising their report.
8. The Company's licence was originally suspended on December 19, 2000. Unaudited financial statements received by the Authority as at June 30, 2000 revealed that the Company had a significant net worth deficit. Poor underwriting results and unsatisfactory performance of the investment portfolio were contributing factors to the unacceptable position disclosed.
9. The Authority was advised in February 2001 that the shareholders of the Company planned to inject US\$3.75 million of capital via the issuance of Series A Preferred Stock. In a letter dated March 19, 2001, Marsh confirmed to the Authority that the funds for the capital injection had been received. On April 3, 2001 the Governor-in-Council, upon the recommendation of the Authority, removed the suspension and authorised the restoration of the status of the Unrestricted Class "B" Insurer's licence issued to the Company.

10. The Authority however continued to monitor the Company closely, reviewing quarterly management accounts of the Company. While reviewing the September 30, 2001 management accounts, the Authority learned that the net worth position of the Company had deteriorated from US\$1.2 million as at June 30, 2001, to US\$277,000 at September 30, 2001. The Authority's review of the December 31, 2001 management accounts revealed a further deterioration to a net deficit position of US\$644,120.
11. Given the significant deterioration in the Company's net worth position, the Authority awaited sight of an actuarial report to confirm the liability position of the Company as at December 31, 2001. On June 20, 2002, Marsh requested a one-month extension (to July 31, 2002) for filing the Company's December 31, 2001 audited financial statements, noting that the reason for the request was that the actuary's report was pending. On June 26, 2002 the Authority responded by advising Marsh that it was not able to grant the extension based on the Company's compliance history over the past two years.
12. At the end of September 2002, the audited financial statements for the Company and related actuarial report had still not been filed with the Authority. On October 22, 2002 the Governor-in-Council, upon the recommendation of the Authority, appointed Messrs. G. James Cleaver and Gordon I. MacRae of E & Y Restructuring Ltd. (the "Controllers") under Section 11(1)(vii) of the Insurance (Amendment) Law 2001 (the "Law") to assume control of the Company.
13. The Controllers submitted an interim report dated November 4, 2002 (the "Interim Report"). It addressed the current financial position of the Company, revealing that, based on available information, the Company had a net worth deficit of US\$21.3 million as at September 30, 2002.
14. Furthermore, the Company had fallen behind in its loss payments by at least US\$2 million while only having a current available cash balance of US\$ 0.1 million. The Interim Report noted that as a result of additional loss payments due in November 2002, the Company was unable to pay its debts as they fell due without an immediate injection of cash. The funding levels proposed to date by the shareholders were not sufficient for the Company to continue as a going concern.
15. In addition to the above, the Controllers noted that the Company continued to hold investments in certain Limited Liability Partnerships, which had no readily ascertainable market value and by their nature were speculative and subject to market volatility. As a condition to the lifting of the suspension of its licence in April 2001, the Authority had required that the Company liquidate these investments within twenty-four months. There had been no indication that steps had been taken to meet this requirement.
16. In their Interim Report the Controllers also noted that since April 1, 2002, the Company had received US\$4.4 million from UNICCO through Travelers. The Company had recorded these payments as a capital contribution. However, the Controllers were subsequently advised by Mr. Keches that the payments would probably be treated as a "note" due from the Company to UNICCO. The Controllers noted that no documentation was provided to them to support these transactions.

17. The Controllers concluded in their Interim Report that, based on available information, the Company is insolvent and until it can be established beyond any doubt that whether or not sufficient funding is available to remedy this situation, the appropriate course of action would be to place the Company into provisional liquidation. The Controllers were of the view that this course of action would provide the Company with statutory protection for the benefit of its creditors, which is not currently in place, and provide a mechanism for a restructuring should adequate revised proposals be forthcoming from the shareholders. Furthermore, the Company cannot be allowed to make any further payments to third parties unless it can be demonstrated that such payments are for the benefit of all of the Company's creditors. Provisional liquidation would help to ensure this and would provide a remedy in the event that assets are dissipated following the presentation of a winding up petition. However, the Controllers also advised that provisional liquidation may be an event of default that would crystallise certain liabilities of the Company. It may also lead to a loss in value of certain of the Company's investments. The Controllers were unable to quantify those risks.
18. On November 18, 2002 the Controllers advised the Authority that they had received documents from Marsh, which indicated that the funding arrangements discussed in paragraph 16 were actually premiums for a policy written by the Company as Reinsurer for the period April 1, 2002 to April 1, 2003. This was inconsistent with previous reports to the Authority and the Controllers, who had been advised that the Company had ceased writing reinsurance business since March 31, 2002.
19. On December 4, 2002 the Governor-in-Council, upon the recommendation of the Authority, approved the revocation of the Company's Unrestricted Class "B" Insurer's Licence and the appointment of Messrs. G. James Cleaver and Gordon I. MacRae of E & Y Restructuring Ltd. as Joint Provisional Liquidators.
20. Pursuant to Section 11(4)(d) of the Law, the Petitioner applies under Section 94 of the Companies Law (2002 Revision) for the Company to be wound up by the Court on the grounds that it is just and equitable for the following reasons:
 - (1) Based on the information currently available, the Controllers believe that the Company is insolvent and is unable to pay its debts as they become due.
 - (2) The funding levels proposed for the Company are not sufficient for the Company to continue as a going concern.
 - (3) There is a public policy concern in that the Company is writing business, contrary to the reports they had previously provided to the Controllers and the Authority.

YOUR PETITIONER THEREFORE HUMBLY PRAYS as follows: -

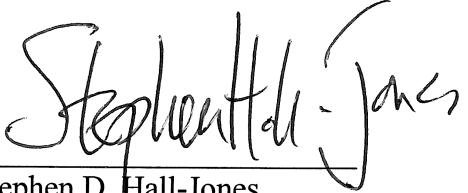
- (a) That Ashmont Insurance Company Limited be wound up by the Court subject to the provisions of the Companies Law (2002 Revision);

- (b) That Messrs. G. James Cleaver and Gordon I. MacRae of E & Y Restructuring Ltd., be appointed as Joint Official Liquidators of the Company, and that the Joint Official Liquidators be authorised to do any acts or things jointly and severally 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 shall not be required to give security for their appointment;
- (d) That the Authority and the Petitioner be at liberty to apply to the Court at any time, *inter alia*, for the removal of the Joint Official Liquidators;
- (e) That the Joint Official Liquidators be authorised to exercise jointly and severally all the powers set out in Section 109 of the Companies Law (2002 Revision) without further sanction or intervention of this Honourable Court;
- (f) 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 calendar months or as the Court may from time to time direct;
- (g) That the Joint Official Liquidators be at liberty to and do pay themselves, their agents, employees, attorneys, solicitors and whomsoever else they may employ or instruct, remuneration and costs in priority to all other debts of the Company pursuant to Section 123 of the Companies Law (2002 Revision), and:
 - (i) the Joint Official Liquidators be entitled to remuneration of their reasonable fees;
 - (ii) the Joint Official Liquidators be at liberty to pay their agents, employees, attorneys, solicitors and whomsoever else they employ or instruct either weekly or monthly or at such intervals as they consider appropriate;
 - (iii) the Joint Official Liquidators be at liberty to meet all disbursements reasonably incurred in connection with the performance of their duties;

- (iv) Provided however that all payments made pursuant to paragraph g(i)-(iii) above shall be subject to Court Approval on a quarterly basis and if any payment is not approved by the Court the Joint Official Liquidators will repay the amount not approved within 7 days of the Court's determination.
- (h) The Joint Official Liquidators shall provide to the Governor-in-Council (by way of the Cayman Islands Monetary Authority) copies of all reports filed with this Court and/or sent to creditors or contributories of the Company.
- (i) The Joint Official Liquidators shall serve on the Governor-in-Council (by way of the Cayman Islands Monetary Authority) copies of all applications made to this Court for directions or other relief and any evidence in support thereof, such service to be within a reasonable time of date of the hearing of any such applications.
- (j) Such other orders and directions may be made as the Court thinks fit.

AND YOUR PETITIONER will ever pray etc.

DATED this day of 2003.



Stephen D. Hall-Jones
Senior Crown Counsel (Civil)
for the Petitioner

INDORSEMENT

This Petition having been presented to the Grand Court of the Cayman Islands on the
day of 2003 will be heard by the Grand Court of the Cayman Islands:

DATE:

TIME:

(or as soon thereafter as the amended petition can be heard).

This petition is filed by the Attorney General and on behalf of the Governor-in-Council
whose address for service is Government Legal Department, 4th Floor, Tower Building,
George Town, Grand Cayman