

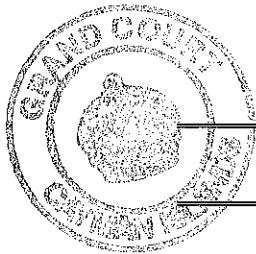
IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO: 171 OF 2004

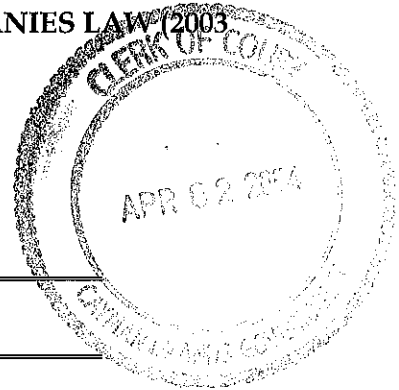
IN THE MATTER OF THE COMPANIES LAW (2003 REVISION)

AND IN THE MATTER OF THE BANKS AND TRUST COMPANIES LAW (2003 REVISION)

AND IN THE MATTER OF BANCREDIT CAYMAN LIMITED



PETITION



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

The Humble Petition of THE CAYMAN ISLANDS MONETARY AUTHORITY (hereinafter called "the Authority" or "the Petitioner")

SHOWETH as follows:

1. Bancredit Cayman Limited (the "Company") is an Exempted Cayman Islands company that was incorporated on 22nd March 1988. The Company was granted a Category 'B' Banking and Trust Licence on 5th July 1988 and is engaged in providing offshore banking and trust services.
2. HSBC Financial Services (Cayman) Limited has advised of their resignation as registered office of the Company, and currently no one is providing this service.
3. The Company is a wholly owned subsidiary of Bancredito (Panama) S.A. ("the Parent Company") and ultimately owned by GFM Group, an affiliate of Group Bancredito in the Dominican Republic. The authorised share capital of the Company is US\$10,000,000

divided into 10,000,000 shares of US\$1.00 each. The issued and fully paid share capital is US\$9,800,000.

4. Records in our possession reflect the directors of the Company to be as follows:

Ben J. Castillo appointed on 5th July 1988

Juan Felipe Mendoza appointed on 22nd January 1993

Manuel Arturo Pellerno appointed on 5th July 1988

Marcos J. Troncosco Tesorero appointed on 5th July 1988

Maximo A. Pellerano appointed on 4th July 1988

5. The Company's external auditors are KPMG, Cayman Islands. The most recent signed audited financial statements on file are for the year ending 31st December, 2002.
6. On 1st September, 2003, the Authority was advised that the Superintendent of Banks of the Republic of Panama ("Panamanian Regulator") ordered the intervention of the Parent Company and appointed an Intervener to represent and manage its affairs. According to the resolution, there was notable deterioration in the asset quality of the Panamanian bank with the level of non-performing and past due loans increasing significantly.
7. As a result of the intervention of the Parent Company, and the reported asset quality problems, on 4th September 2003, the Authority appointed Messrs. Don Ebanks and Gordon McRae, of the firm of Ernst & Young (the "Controllers") to assume control of the affairs of the Bank. Mr. Don Ebanks resigned as Controller effective 5th March 2004 and was replaced by Mr. Richard Fogerty of Ernst & Young.
8. Pursuant to the terms of appointment and conditions of the Controllers, the Authority received an Interim Report on 17th October 2003 ("the Interim Report"). In their Report, the Controllers concluded that:-

- a) the Bank was highly dependent on its related entity business;
  - b) the solvency of the Bank was entirely dependent on the recoverability of amounts due from related parties; and
  - c) successful implementation of a restructuring plan with the Central Bank of Dominican Republic was the best available option for all of the Bank's stakeholders.
9. The Panamanian Regulator notified the Authority that by Resolution SB No. 161-2003 of 12th November, 2003 the Parent Company was ordered into compulsory administrative liquidation. On 14th November, 2003 Article 2 of Resolution SB No. 161-2003 was amended to read "intervener" to "liquidator", by virtue of Resolution SB No. 186-2003.
10. The Controllers submitted a further Progress Report on 19th January 2004, and concluded:
- a) that the attempts to agree on a restructuring plan with the Central Bank of Dominican Republic have not been successful and no further plan was being proposed;
  - b) that due to the insolvency of related debtors, they are of the opinion that the Bank is insolvent and should be liquidated;
  - c) the liquidation would enable the operations of the Bank to be wound up in an effective manner under the supervision of the Grand Court of the Cayman Islands.
11. Based on the Controllers' recommendation, the Authority authorised the Controllers to discuss with the liquidator of the Parent Company, the possibility of placing the Bank

into voluntary liquidation. The Controllars subsequently advised that the liquidator indicated that he did not have the authority to place the Bank into liquidation.

12. The Controllars concluded that based on the information available to them, the Company is insolvent and should proceed to liquidation. As this constitutes grounds for the winding up of a company under Sections 94 and 95 of the Companies Law (2003 Revision), the Controllars recommended that the Company be wound up in accordance with Section 14(4)(d) of the Law.
13. Pursuant to Section 14(4)(d) of the Law, the Petitioner applies under Section 94 of the Companies Law (2003 Revision) for the Company to be wound up by the Court on the following grounds:
  - (i) Based on the information available, the Controllars believe that the Company is insolvent and unable to pay its debts as and when they fall due; and
  - (ii) In the circumstances it is submitted that it is just and equitable that the Company should be wound up.
  - (iii) It is expedient in the public interest that the Company be wound up.


YOUR PETITIONER THEREFORE HUMBLLY PRAYS as follows: -

1. That Bancredit Cayman Limited be wound up by the Court subject to the provisions of the Companies Law (2003 Revision);
2. That Messrs. James Cleaver and Richard Fogerty of Ernst & Young, 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;

3. That the Joint Official Liquidators shall not be required to give security for their appointment;
4. That the Petitioner be at liberty to apply, in the public interest, to the Court at any time, *inter alia*, for the removal of the Joint Official Liquidators on good cause shown;
5. That the Joint Official Liquidators be authorised to exercise jointly and severally all the powers set out in Section 109 of the Companies Law (2003 Revision) without further sanction or intervention of this Honourable Court;
6. 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;
7. That the Joint Official Liquidators 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;
8. 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 (2003 Revision), and:
  - (i) the Joint Official Liquidators be entitled to remuneration at their usual and customary rates;

- (ii) the Joint Official Liquidators be at liberty to pay themselves, 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 as and when they fall due;
  - (iv) Provided however that all payments of the Joint Provisional Liquidators' fees under paragraph 8(i)-(iii) above shall be approved pursuant to the provisions of Rules 4.127 to 4.131 of the Insolvency Rules 1986 and provided further that if any payment is not so approved the Joint Official Liquidators will repay the amount not approved within 7 days of the Court's determination to that effect.
9. The Joint Official Liquidators shall provide to the Petitioner copies of all reports filed with this Court and/or sent to creditors or contributories of the Company;
  10. The Joint Official Liquidators shall serve on the Petitioner 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;
  11. That the costs of this petition be paid out of the assets of the Company as an expense of the liquidation;
  12. That the costs of the Petitioner be costs of winding up;
  13. Such other orders and directions may be made as the Court thinks fit.

DATED this 30<sup>th</sup> day of March 2004

  
SIMONE TOMKINS  
LEGAL COUNSEL FOR THE  
CAYMAN ISLANDS MONETARY AUTHORITY

**INDORSEMENT**

This Petition having been presented to the Grand Court of the Cayman Islands on the 2nd day of April 2004 will be heard by the Grand Court of the Cayman Islands:

DATE: 31.5.04

TIME: 10:30 am

(or as soon thereafter as the Petition can be heard).

This Petition is filed by the Legal Division of the Cayman Islands Monetary Authority, whose address for service is 80e Shedden Road, Elizabethan Square, PO Box 10052 APO, Grand Cayman, Cayman Islands.