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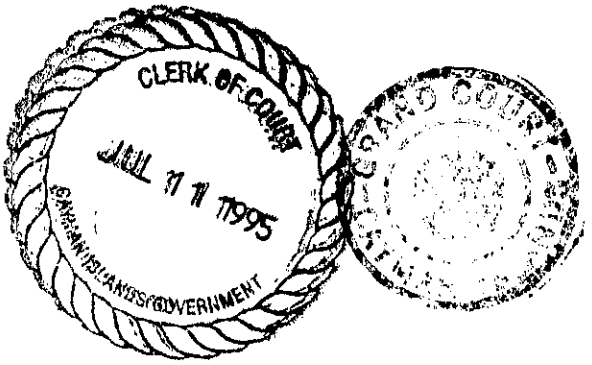
IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO: 295 OF 1995

In the Matter of the Companies Law (Revised)

And in the Matter of BFC Bank (Cayman) Ltd.



PETITION

To the Grand Court

The humble petition of Pilar Corporation S.A. whose registered address is 2 rue Albert-Gos, CH-1206 Geneva in Switzerland shows that:-

1. BFC Bank (Cayman) Ltd. (hereinafter called "the Company") was incorporated as an exempted company on the 1st day of April, 1987 under the Companies Law (Revised).

2. The registered office of the Company is at Trafalgar Place, West Bay Road, P.O. Box 1765 George Town, Grand Cayman.

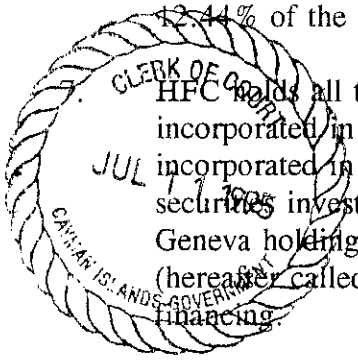
3. The nominal capital of the Company is US$750,000 divided into 15,000 Class A ordinary shares of par value of US$5 each ("the Class A shares"), 13,500 ordinary Class B shares of par value of US$50 each ("the Class B shares") and 500,000 Class C redeemable preference shares of par value of US$0.01 each ("the Class C shares"). No Class C shares have been issued. The amount of the capital paid up or credited as paid up is US$750,000 being US$75,000 in respect of the Class A shares and US$675,000 in respect of the Class B shares. A surplus of US$3.48 million has also been paid in of which US$3.132 million is in respect of the Class B shares.

4. The principal object for which the Company was established is banking business and it was granted a Class "B" Bank and Trust licence on the 14th day of May, 1987.

THE STRUCTURE OF THE CORPORATE GROUP

5. The rights of the Class A and Class B shareholders of the Company are jointly vested with the shares of HFC Holding Financier de la Cite S.A. (hereinafter known as "HFC") which was incorporated in Switzerland on the 18th of February, 1985. Class A and Class B shares may by the Articles of the Company be issued or transferred only to a person who at the date of allotment and issue is the holder of an identical number of Class A or Class B shares respectively in HFC.

6. The Petitioner holds 3,545 Class B shares in the Company and in HFC and accordingly holds 23.63% of the nominal value of the shares in each company and 12.44% of the voting rights.



7. HFC holds all the share capital of four subsidiaries namely BFC Trust Management incorporated in the British Virgin Islands; FPC Financements Promotionels de la Cite incorporated in Geneva and specialising in the financial structuring of real estate and securities investment; Rue de Moulin No. 1 SA which is a company incorporated in Geneva holding real estate assets; and BFC Banque Financier de la Cite, a Swiss bank (hereafter called "BFC Geneva") which conducted business largely in short term financing.

8. The accounts of the HFC and BFC group are prepared on a combined basis. For the year ending 31st of March, 1994 the audited accounts showed a total share capital of SF_R 35,996,025 (approximately US$31 million) and total shareholders equity of SF_R 72,587,203 (approximately US$63 million). Of this BFC Geneva had a share capital of SF_R 30 million (approximately US$26 million) and total shareholders equity of SF_R 56,184,252 (approximately US$49 million).

9. The banking business is essentially run as one business and all significant decisions relating to the Company are taken in Geneva.

DIRECTORS AND SHAREHOLDERS FROM 1990

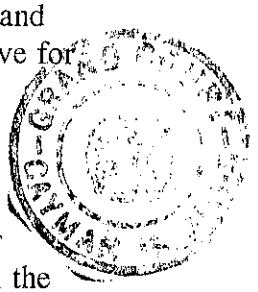
Directors of the Company

10. Between the 8th of October, 1990 and the 18th of November, 1993 the Directors of the Company were Mr. Andre Hintermann, Mr. Christian Ratjen and Mrs. Mima Tavel (formerly Bagnoud) (hereinafter called "Mr. Hintermann", "Mr. Ratjen", "Mrs. Tavel" respectively). Mr. Ratjen and Mrs. Tavel then resigned and were replaced by Mr. Jacques Heyer, Mr. Claude Michel and Mr. Philippe Lette (hereinafter called "Mr. Heyer", "Mr. Michel", "Mr. Lette" respectively).

Directors of HFC

11. Between September 1990 and February 1992 Mr. Hintermann, Mr. Ratjen, Mrs. Tavel and Mr. Jean-Pierre Magnin (hereinafter known as "Mr. Magnin") were

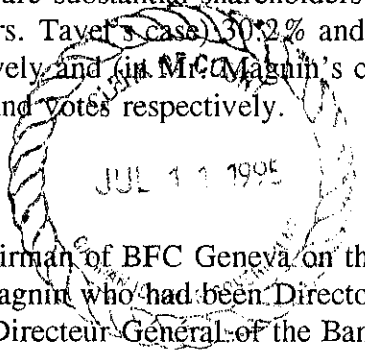
Directors of HFC. Mrs. Tavel and Mr. Magnin were then replaced by Messrs. Espinosa, Cramer, Haissly and Ms. Carugati. Mr. Espinosa and Ms. Carugati joined the Board briefly between February and November 1992 at a time when there were negotiations for the sale of the banking business to interests they represented. The Directors of HFC are currently Mr. Hintermann, Mr. Heyer and Mr. Haissly. Mr. Hintermann has been a director since 1985 and President (save for the brief period in 1992) since 1989.



Shareholders of the Company and HFC

12. Mr. Hintermann holds approximately 10% of the nominal value of the shares in the Company but 52.63% of the votes. He owns an identical percentage in HFC. He exercises effective control over the HFC and BFC Group.

13. Mrs. Tavel and Mr. Magnin are substantial shareholders of the Company and of HFC holding approximately (in Mrs. Tavel's case) 30.2% and 16% of the nominal value of the shares and votes respectively and (in Mr. Magnin's case) 25% and 13% of the nominal value of the shares and votes respectively.



Directors of BFC Geneva

14. Mr. Hintermann became Chairman of BFC Geneva on the 17th of January, 1992 when Mrs. Tavel and Mr. Magnin who had been Directors since 1990 resigned. From 1984 he had been the Directeur General of the Bank i.e. its general manager or chief executive officer. As a matter of Swiss law, the manager of a bank may not sit on its board of directors. Mr. Hintermann was, however, on the Board of Directors of the holding company HFC. Mr. Haissly, Mr. Ratjen and Mr. Heyer were Directors of BFC Geneva in 1990. In March 1992 Mr. Ratjen continued in his position as Vice-Chairman but by 1994 had resigned. Mr. Haissly who became Director in March 1992 replaced him as Vice-Chairman. In 1994 Mr. Lette became a Director of BFC Geneva.

SOLVENCY OF THE COMPANY

15. The audited financial statements for the year ending 31st of March, 1994 shows the shareholders equity of the Company at US$9,878,625. At a general meeting of the Company on the 27th of June, 1995 Mr. Hintermann represented that the net assets of the Company excluding goodwill were approximately SF_R 11 to 12 million (approximately US$9.6 million to 10.5 million). In a winding up there would be a substantial surplus for the shareholders.

BACKGROUND TO THE INVESTMENT OF THE PETITIONER

16. The Petitioner is a member of an international group of companies (hereinafter called "the Pilar Group"). The Chairman of the Petitioner is Dr. Gritti, a Italian national resident since 1976 in Geneva. Dr. Gritti is Chairman of the Petitioner.

17. In the 1980s the Pilar Group was engaged in business with extensive foreign exchange and share trading transactions involving US$200 to 400 million annually. It was therefore looking for an investment in which commission relating to that trading could be placed. The Pilar Group's original investment in the HFC and BFC group predated the incorporation of the Company and followed a recommendation to it from Mr. Jean Jacques Michel (not to be confused with Mr. Michel referred to in paragraph 10 above). Mr. Jean Jacques Michel was President of HFC and BFC Geneva in 1985. The investment was made as the Bank was of suitable size for the Pilar Group's purposes and because of the close relationship of trust with Mr. Jean Jacques Michel.

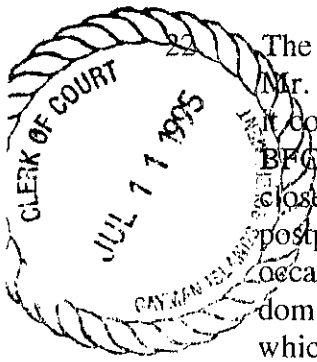
18. Mr. Jean Jacques Michel resigned from the Boards of HFC and BFC Geneva in July 1986. There were discussions between Dr. Gritti and Mr. Hintermann about the Pilar Group's investment. Mr. Hintermann needed investment in the Bank and there were obvious advantages to it if the Pilar Group provided commission business in the HFC and BFC Group. It was also agreed that the Bank would benefit from the introduction of a shareholder with different interests from the major shareholders (which at that time were Mr. Magnin who was involved in real estate and Mrs. Tavel's late husband who had various trading interests). The joint objective was to create a group of shareholders, including the Petitioner, which would be closely involved in the progress of the Bank. It was also agreed that the Bank should create a separate division for merchant banking activity to be utilised by the Pilar Group. On this basis the Pilar Group invested and increased its investment in the HFC and BFC group. In 1986 a Mr. Capella who held a senior position in First Boston Bank was introduced to Mr. Hintermann for that purpose. Discussions took place for the appointment of Mr. Capella to head the department but were unsuccessful.

19. Following the purchase of shares the Pilar Group placed deposits of US$150 million with BFC Geneva and the Pilar Group annually put sums through the Bank of approximately US$300 million to US$400 million. In February 1987 the Pilar Group had placed fiduciary deposits which (netted against loans) amount to over US$215 million.A significant proportion of customer deposits of the Company was represented by fiduciary deposits placed by BFC Geneva.

20. In 1986 HFC and BFC Geneva wished to increase their authorised capital. The Pilar Group agreed to increase its investment in the HFC and BFC Group to facilitate the latter's involvement in a financing for the Pilar Group. A Pilar Group company accordingly granted two loans to HFC for SF_R 1,908,500 and SF_R 4,372,500 and the Pilar Group agreed to subscribe for shares. To assist the Bank the Pilar Group was prepared to allow the issue of shares to be deferred. To reflect the increased

participation and to cement the involvement of the Pilar Group, in July of 1987 a Zürich lawyer called Dr. Klainguti was appointed to the Board of BFC Geneva as a representative of the Pilar Group. It had been anticipated that Dr. Klainguti would be appointed to the Board of the Company but Mr. Hintermann objected that he did not want a Swiss national to be appointed. In fact no representative of the Pilar Group was appointed to the Board of the Company. On the 14th of October, 1988 the Petitioner became the shareholder of record of the shares in both the Company and HFC.

21. The agreed purpose of the Pilar Group nominating a board member was that it should be provided with access to information as part of its active partnership in the HFC and BFC Group. In the event, however, Dr. Klainguti was restricted in the scope of the information that he was permitted to give to the Pilar Group as BFC Geneva insisted on strict banking confidentiality.



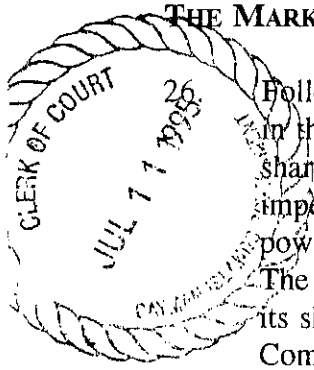
22. The introduction of a merchant banking division was continually deferred by Mr. Hintermann on a variety of grounds, including that the time was not right or that it could only be given effect by the incorporation of a separate company controlled by BFC Geneva. In the event no such division was set up. Similarly the objective of a close group of shareholders actively participating in the HFC and BFC Group was postponed. Dr. Gritti never in fact met Mr. Magnin and only met Mrs. Tavel on one occasion. Information was not made freely available and the Bank was effectively dominated by Mr. Hintermann exercising his majority voting power. The terms upon which the Pilar Group had invested in the HFC and BFC Group were never met and the relationship completely broke down in 1991 following the failure of a prospective sale of HFC and BFC Group to Spanish interests.

23. The Petitioner then learned for the first time that there was problem lending related to a particular credit facility, the details and circumstances of which the Pilar Group could not discover from management. The Spanish interests were prepared to buy only on the basis that certain assets, including the doubtful credit, was excluded. The negotiations finally broke down inter alia over the requirement of Mr. Hintermann for a SF_R 10 million premium to be paid to him in respect of his shares which the prospective purchasers were not willing to pay on the purchase of the shares.

24. As it became apparent that the agreement by which the Pilar Group had invested would not be fulfilled and the presence of a representative on the Board of BFC Geneva was ineffective to obtain information or active participation in management, Dr. Klainguti in June 1993 resigned. The Petitioner has had no further representation either in management or on any of the Boards of Directors.

25. Article 106 of the Articles of Association of the Company provide that the Directors shall have a discretion as to disclosure of the accounts and books of the Company to members who are not Directors except any right conferred by statute or by the

Company in general meeting. Nonetheless, in the circumstances, the Petitioner had a legitimate expectation that it would be provided in a timely manner with information material to its investment in the Company, its administration and financial position. It has been excluded from any share in management and the information to which it was entitled. In particular there has been a complete failure adequately to explain the circumstances surrounding lending of DEM 30 million (approximately US$21.5 million) in 1990 by the Company to refinance a real estate development in England. Mr. Hintermann has consistently refused frankly to discuss the matter or to disclose details of it. The Petitioner first learned that there were proceedings relating to this refinancing in Switzerland and in England following a letter from HFC to its shareholders dated the 14th of December, 1994. The Petitioner has, however, had to obtain information from other sources, details of which are given in paragraph 29 et seq. below.



THE MARKETABILITY OF THE SHARES

26. Following the collapse of the partnership relationship, the Petitioner offered its shares in the Company and in HFC, to Mr. Hintermann but they were not accepted. The shares are not publicly traded and not marketable. There are also three legal impediments to sale. Article 11 of the Articles of Association gives the directors power to veto a transfer of shares if they disapprove of the identity of the purchaser. The effect of Article 5 of the Articles of Association is that the Petitioner cannot sell its shares in the company without at the same time selling its shares in HFC. As the Company holds a Class B Banking and Trust Licence, the Petitioner can only sell its shares to a purchaser approved by the Inspector of Financial Services.

27. As hereinafter appears, the Petitioner has been informed by Mr. Hintermann that there is a prospective purchaser of the banking business of the HFC and BFC Group. However, because at the general meeting of the Company on the 27th June, 1995, the Petitioner abstained from approving the restructuring of the Group pending the provision of adequate information, Mr. Hintermann stated that he will tell the prospective purchaser that the offer for sale of the shares does not include the shares owned by the Petitioner.

28. By its conduct the management of the BFC and HFC Group has forfeited the confidence of the Petitioner. The agreement by which it would actively participate in the HFC and BFC Group has not been fulfilled. The Petitioner is, however, unable readily to sell its shares at a fair market rate.

THE OMNI GROUP

29. The origins of the Omni Group go back to the late 1970's and the principal behind it was Mr. Werner Rey a Swiss national based in Zürich. By the end of the 1980's it had investments in six publicly quoted Swiss or German companies, in the United

Kingdom and the United States. These investments included real estate investments. Its structure was complex. The principal holding company was Omni Holding AG (hereinafter called "Holding") which was incorporated in Switzerland. These were a number of subsidiaries including a Dutch company OmniCorp. International BV (hereinafter called "International") and Omni Corp. Overseas Limited a British Virgin Islands company incorporated in September 1988 (hereinafter called "OOL"). Mr. Rey had originally been the sole shareholder of Holding but in June 1988 it was admitted to quotation on four Stock Exchanges in Switzerland. After the last issue of bearer shares in 1990 Mr. Rey retained 76% of the voting rights in Holding.

30. The Omni Group collapsed at the end of March 1991 and a provisional insolvency order was made in Switzerland on the 2nd April, 1991. Insolvency proceedings followed in Holland in respect of International and elsewhere. It has become apparent as a result of the insolvency proceedings that the Omni Group was heavily dependant on the share value of various Omni Group companies to secure substantial private loans. Mr. Rey was a substantial purchaser of the shares of the Omni Group in order to sustain their market price. In December 1987 BFC Geneva provided a credit facility which enabled Mr. Rey to make forward purchases of Omni Group shares.

31. Mr. Rey fled to the Bahamas. He was identified there in late 1991 and efforts to have him extradited to Switzerland has so far been unsuccessful. There have been successful criminal prosecutions of an attorney associated with Mr. Rey and the manager of a Swiss bank in relation to financing arranged for his benefit. Criminal investigations continue in relation to a company within the Group called Harpener, of which Mr. Rey was chairman of the supervisory board and his principal lieutenant, Mr. Herzig, was a member of the management board. Mr. Herzig is subject to a Swiss Court judgment of SF_R 1.5 million relating to a loan provided to Mr. Rey without proper credit review. Coopers & Lybrand in a liquidators report on Holding suggests that as early as 1988 it was insolvent and that the Group's collapse was only avoided by inter alia manipulation of the share price and false accounting.

THE FINANCING OF THE BATTERSEA WHARF REAL ESTATE PROJECT

32. On 31st March, 1988 the Board of British Rail accepted the tender offer of Parc Securities Limited (hereinafter called "PSL") which had been incorporated six months before. At that time its shares where 93.74% owned by a Netherlands Antilles company named Berhold NV (hereinafter called "Berhold") which was a corporate vehicle for Mr. Rey. Between September and December 1989 OOL acquired 49% of the shares in PSL by means of a Declaration of Trust operating behind the curtain of Berhold's legal ownership.

33. Completion of the purchase at a price of £46 million plus 7.5% share in the development profit was on the 30th December, 1988. For tax reasons the site was divided into two parts. The first was purchased for £35 million by an English

company which became named Parc Battersea Limited (hereafter called "Parc"). It was in effect the sole asset of that company. The adjacent site was purchased for £11 million by a Guernsey affiliate called Mountwood Holding Limited (hereafter called "Mountwood") 40% of the shares of which were held by OOL. It was intended to develop the site for mixed offices, shops and flats although obtaining planning consent was problematic. Because it was decided that Parc's financial position distorted the balance sheet of PSL which had other property investments in the United Kingdom there was a restructuring by which Parc and PSL both became wholly owned subsidiaries of a new English company called Ohrid Limited, shares of which were beneficially owned 44.74% by Berhold and 49% by OOL.

34. No source of long term finance was ever found and so far as Parc was concerned the site was acquired entirely with short term borrowing partly by bridging finance provided by Royal Trust Bank (Switzerland) (hereafter called "RTB") and partly from group resources.

35. On the 3rd September, 1988 RTB provided to Parc a loan of £30 million payable within nine months and secured by a first charge on its site, 26,000 holding bearer shares and a personal guarantee by Mr. Rey. Parc also issued to OOL a Loan Note secured by a second charge over the site for a principle sum of £23.45 million payable in nine months. Parc and Mountwood entered into cross guarantees for each others liabilities.

36. By 27th April, 1989 problems in the British real estate market had become apparent and it had proved impossible to find joint venture partners for the development project as intended. Parc and the Omni Group were unable to find financing for it alone to develop the site. It was therefore resolved by Parc to sell the site if possible and to seek extension of the credit facilities which Parc had obtained. By June of 1989 negotiations for the sale of the site had proved fruitless.

37. On the 30th June, 1989 RTB extended its £30 million loan for a further three months subject to small variations in its terms but thereafter was reluctant to grant further extensions for the full amount. About a week before the term date of the loan RTB offered a twelve month extension for £20 million the further £15 million to be syndicated. Syndication proved impossible however and RTB refused to extend the £30 million facility. It threatened to issue a formal letter of default unless £10 million was repaid immediately. Mr. Rey arranged from group resources for payment in September and October of 1989 of £10 million to reduce the loan from RTB. The balance was rolled over at fortnightly intervals.

38. On the 29th December, 1989 Parc issued a second replacement loan note to OOL for £26.25 million redeemable at the end of January, February or March 1990. Again this was secured by a second charge on the site. On the 18th January, 1990 RTB issued a further extension of the £20 million loan facility until 20th September, 1990

secured on the pledge of 17,000 shares in a company called Adia SA in substitution for the Holding shares. A new term of the facility was that Parc would be in default if planning permission in acceptable form was not obtained by the 31st March, 1990. This was later extended until the 28th April, 1990.

REFINANCING THE PROJECT

39. From August 1990 and as a result of the pressure from RTB, Parc and Mr. Rey's principal associate Mr. Herzig, who was general manager of Holding contacted a number of banks to arrange refinancing. These included Credit Suisse, various Cantonal Banks in Switzerland, Credit Agricole in France, Samuel Montagu & Co. and the Midland Bank, BST Bank and Sumitomo Bank Limited.

40. None of these banks were willing to offer finance on terms which Mr. Rey or the Omni Group could meet. Parc was in a desperate situation as it could not find refinancing and its default was likely to have a knock-on effect for the Omni Group. The United Kingdom property market was very depressed and the future of the site was uncertain. In mid-September Mr. Rey telephoned Mr. Hintermann whom he had known for very many years. Whilst Mr. Hintermann had been with Banque Paribas he had been involved in a number of financings of projects of Mr. Rey. They arranged a meeting within a few days. On the 18th of September, 1990 a letter was sent by an Omni Group company to RTB confirming repayment of £10 million on the 28th September, 1990 and the balance of £10 million on or before the 30th November, 1990. This followed a telephone conversation in which Mr. Herzig confirmed that the RTB loan would be repaid. At the end of September 1990, the RTB extended loan was due for repayment. International had used up all its lines of credit and Parc had insufficient security to offer for refinancing in the market. Whether or not Mr. Hintermann had already committed the HFC and BFC Group to refinance the project, it was clear by the 21st September, 1990 that Parc had been unable to obtain refinancing from any other source.

41. It was in those circumstances that Mr. Rey and Mr. Herzig went to Geneva to meet Mr. Hintermann (who was the Senior Manager and in effect the Chief Executive Officer of BFC Geneva) and Mr. Abgottspon (who was its Vice-President) on the 21st September, 1990.

42. BFC Geneva had, since 1985, granted five short term loans to Mr. Rey or the Omni Group. In 1987 it had provided a credit facility for him to make forward purchases of securities. On the 24th April, 1990, it had granted the last of the five loans which was a three-month overdraft facility to an Omni company for SF_R 15 million. This facility had not been met and was extended in July 1990 and October 1990 and further extended in December 1990 (as to SF_R 12 million for 12 months).

43. Mr. Hintermann and Mr. Abgottspon were asked for a loan of DEM 30 million for

two months to make partial repayment of an existing bank loan of £20 million. They also informed Mr. Hintermann and Mr. Abgottspon that there was intra-group indebtedness and there was discussion of a postponing letter. Security in the form of a pledge of 35,000 holding bearer shares was offered. A loan of this size had been granted by the HFC and BFC Group only once or twice previously and it was an extremely large loan in proportion to the balance sheet. Yet it appears that an agreement in principle was made notwithstanding that it had no adequate information about Parc or Mr. Herzig nor about the property itself and how it was charged. Its sole source of information about the property was a report which had become outdated because of the fall in the property market.

44. Mr. Hintermann and Mr. Abgottspon intended at the outset that the loan should be carried by the Company to keep it off BFC Geneva's balance sheet to avoid the necessity for approval by its management credit committee or its Board of Directors. Mr. Hintermann claims however the decision to pass on the loan to the Company was made in early October 1990. Following discussion an arrangement to avoid Swiss regulatory reporting requirements was agreed by which Mr. Herzig became the borrower of record as he had no account in his name with BFC Geneva. He would then "lend" the funds to Parc. The true borrower, however, was to be Parc.

45. At this meeting it was agreed that the Company would provide the loan although nominally BFC Geneva would be the lender. The Company did not have the capital to provide the loan, however, and therefore it was agreed that Deutsch-Schweizerische Bank (hereinafter known as "DSB") should provided funds "in parallel" with the loan. Mr. Hintermann claimed that the DSB loan was solely to limit the interest spread for the borrower. DSB was in part controlled by Harpener but was in fact under the control of Mr. Rey. It has since had its banking licence revoked. The general manager of DSB was an assistant to Mr. Herzig and Mr. Rey controlled DSB. It was apparently approached not by them but by Mr. Abgottspon apparently because there might be an infringement of German law.

46. The terms of the loan were agreed in principle without reference to the Board of Directors as required by BFC Geneva's regulations or to the credit committee if the loan was that of BFC Geneva. No records of the meeting of the 21st September, 1990 were kept. Mr. Hintermann claims that Board approval of BFC Geneva and of the Company was obtained over the telephone following that meeting and before the 27th September, 1990. No records of such telephone discussions were made.

47. On the 26th September, 1990 DSB was instructed by Mr. Herzig to remit to RTB £10 million on behalf of Parc in repayment of the loan by RTB and Mr. Herzig confirmed to DSB by letter that it would receive DEM 30 million on the 28th September, 1990.

48. On the 27th September, 1990 Mr. Abgottspon sent a draft facility letter to Mr. Herzig

(ostensibly to enable him to increase his participation in the Omni Group). In the facility letter a second rank mortgage was required on the Battersea Wharf site, together the land register extract and an independent appraisal of the property. It was, however, agreed that a deep-discount, unsecured promissory note should be issued by Parc in lieu of the second rank mortgage. This was to be assigned by Mr. Herzig to BFC Geneva. There was already a second registered charge against the site in place in favour of OOL which BFC Geneva's management failed to identify. The facility letter also failed to refer to the inter-group indebtedness of which Mr. Hintermann and Mr. Abgottspon knew. The only explanation for this omission is that they wished to accommodate Mr. Rey. A letter from Parc was sent to BFC Geneva agreeing to issue a twelve month promissory note to Mr. Herzig. Mr. Herzig purportedly assigned the promissory note issued by Parc to BFC Geneva by an assignment dated 28th September, 1990.

49. On the 28th of September there was a completion meeting of which no notes were made. BFC Geneva received a postponing letter i.e. a letter drafted by Mr. Herzig ostensibly agreeing to postpone any of Parc's intra-company obligation to the loan received from BFC Geneva. The postponing letter was not, however, signed by directors of any relevant creditors and as a matter of law did not operate to postpone such debts. A loan of DEM 30 million was granted to Mr. Herzig for two months secured on the pledge of 35,000 holding shares and the promissory note from Parc. No promissory note was issued and provided to BFC Geneva until the 8th of November. It is dated the 1st October, 1990.

50. On the 28th September, 1990 the Company received a deposit from DSB, BFC Geneva paid the same amount on the same date to DSB covering the payment made already to RTB. According to Mr. Abgottspon, DSB provided a credit line to the Company. According to Mr. Hintermann it provided a deposit. The accounts at both BFC Geneva and the Company were not under the name of Mr. Herzig but under an alias.

51. Pre-conditions set out in the facility letter of BFC Geneva were that there should be (i) an independent appraisal of the property and (ii) written confirmation from Parc that the Battersea Wharf site was mortgaged for £20 million, that the amount borrowed under the mortgage was £10 million and they would not borrow additional funds secured by the mortgage without formal approval. These were not provided before the loan was granted.

DOCUMENTS RELATING TO THE COMPANY

52. By a letter dated 8th October, 1990, signed by Mr. Hintermann on behalf of the Company, the Company confirmed the purchase of the DEM 30 million loan pursuant to terms detailed in a contract dated 27th September, 1990 which did not exist. BFC Geneva agreed to act as the fiduciary trustee for the account and all risks were

assumed by the Company. The document falsely asserts that the Company had independently and without reliance on BFC Geneva's opinion made an analysis of the condition and affairs and credit-worthiness of the borrower and made its own decision on the purchase of the loan. No analysis of the credit-worthiness of the borrower had been made by BFC Cayman.

53. Mr. Hintermann, Mrs. Tavel and Mr. Ratjen signed a purported credit proposal dated the 8th October, 1990. At this time BFC Cayman had not received a copy of the loan agreement. The proposal does not indicate a twelve month promissory note is securing a fixed-term advance of two months. (In fact, the promissory note had not been issued.) The document suggests that an up-front fee of DEM 25,000 was paid where as in fact it was paid to BFC Geneva on the basis that BFC Geneva had prepared the loan.

54. Although the advance matured on the 28th November, 1990, the credit proposal sets its duration at the 5th December, 1990. In fact, the loan was said to have been extended to the 5th December, 1990 at the end of November 1990 when it became clear that Parc would be unable to pay the loan and in order to assist Mr. Herzig. There is therefore a question of whether the credit proposal was truly signed on the 8th October, 1990 or this is a backdated document.

55. No check was made on whether or not the site was charged or secured or on the credit-worthiness of Parc or Mr. Herzig. Mr. Hintermann appears to have committed the Company to accommodate Mr. Rey.

56. When in the last week of November 1990 it became apparent that there would be default on the loan, Mr. Hintermann and Mr. Rey discussed plans to syndicate it involving DSB. By this time there were already rumours about financial difficulties of the Omni Group. There were further discussions between BFC Geneva (but not the Company) and Mr. Rey involving lending by a subsidiary of BFC Cayman to Mr. Rey so that he and a company controlled by him could take over the loan to Parc. Documentation was executed although the refinancing did not in fact take place as DSB declined to agree to the syndication of the loan.

57. On the 28th November, 1990 there was default on the loan. In December 1990 the market price of the holding shares pledged in security and purportedly assigned to the Company was sufficient to meet the loan. In fact, however, no attempt was made in December to sell the shares and it was not until the 28 December, 1990 that a threat to sell the shares was made. Only on the 14th January were four small parcels of holding shares sold by BFC Geneva were sold. By the 16th January, 1991, DSB finally announced it was not prepared to participate in any refinancing but no further shares were sold save for 4,150 to an offshore bank controlled by Mr. Rey. Payment seems to have been effected by reducing the deposit of the DSB with the Company. At an extraordinary general meeting of BFC Geneva on 28th February, 1995,

Mr. Hintermann stated that the default on the loan occurred at the same time as the default of the Omni Group. This is false. In fact, the failure to execute the security lent assistance to the Omni Group in its attempts at survival.

SUBSEQUENT AGREEMENTS BY THE COMPANY RELATING TO THE CREDIT FACILITY

58. The Petitioner has obtained two documents, both dated the 15th January, 1992, and inconsistent between themselves and the 1990 documents. In a letter from BFC Geneva to the Company it confirmed the repurchase of the same credit facility given to Mr. Herzig ostensibly on the 8th October, 1990. The facility stood at just under DEM 22 million. No consideration is stated on the letter. By this time the Omni Group had collapsed and the collectability of the loan was seriously in doubt. Even if BFC Geneva succeeds in the English proceedings in maintaining the first charge on the site on the current liquidator's valuations it will be insufficient to meet the debt. Yet the Company purportedly in January 1992 assumes "all risks" in respect of the lending without recourse. Mr. Hintermann and another signed on behalf of the Company and Mr. Abgottspon and another on behalf of BFC Geneva.

59. The other document is from the Company to BFC Geneva and is signed on behalf of the Company by Mr. Abgottspon and another and confirms that BFC Geneva agrees to a subparticipation of the same loan for any amount of the indebtedness exceeding DEM 3 million.

60. It appears therefore that the management of BFC Geneva and of the Company granted credit in a sham transaction in which they knew nothing about the financial status of the borrower and without any adequate check of the land registry or without obtaining proper security by way of mortgage. The credit facility was granted without sight of the promissory note promised and on security of the shares of the borrower, which eventually proved worthless. No adequate effort was made to enforce the security at a time when the loan was in default. Documents have been back dated and are suspect. There is no documentation where one would expect there to be documentation and management have been less than candid in giving evidence about the matter. It appears then that the Company entered into renewed obligations relating to a loan in default at a time when there were considerable doubts about recoverability.

61. As set out above it was only on the 14th December, 1994 that HFC formally informed shareholders about proceeding in Geneva and London. Since that time there has been a refusal by management to provide adequate information. It is to be noted, that notwithstanding the documentation Mr. Hintermann at the general meeting of the members of HFC on the 28th February, 1995 stated that risk on this loan is shared ⅔ to BFC Geneva and ⅓ to the Company. The liquidators of Holding estimate the current value of the secured site as £10 million. The combined provision in respect of the loan which currently stands at DEM 29 million (approximately US$20.7

million) is US$7.6 million.

SWISS REGULATORY ACTION

62. Swiss Banking Regulations require a report to the Federal Banking Commission (supported by resolution of the Board in respect of the transaction) of bank lending to a borrower (looked at on a consolidated basis) of more than 20% (if unsecured loans) or 40% (if secured loans) of the equity of the Bank (looked at on a consolidated basis). A loan in excess of limits would not automatically be prohibited but the regulatory authority might require the loan to be reduced.

63. In deciding whether a loan is secured or not the shares of the borrower are disregarded. The lending by the HFC and BFC Group banks in this transaction exceeded the 20% limit and amounted to almost 40% of the consolidated equity. Although management of BFC Geneva deemed this loan to be low risk, its auditing body viewed it as high risk. Mr. Abgottspon recognised that it should have been reported to the Federal Banking Commission. Such a report might have created considerable difficulties for the Omni Group and would almost certainly have meant a delay and a default on the RTB loan. It is likely that the Federal Banking Commission would not have authorised the transaction particularly in view of the fact that together with group loans outstanding, lending to the Omni Group would have amounted to approximately 60% of the consolidated equity of the banking business.

64. On 28th November, 1991 the Swiss Federal Banking Commission ruled that BFC Geneva committed a criminal offence in failing to report this transaction. On the basis that this was a first offence it did not proceed to prosecution but issued a reprimand.

PROCEEDINGS IN SWITZERLAND

65. In January 1991 the loan granted to the Company by DSB was reduced by DEM 5 million by a payment from DSB in respect of the loan to Mr. Herzig. In DSB's books it was treated as a deposit with the company. The 4,150 shares bought by the offshore bank controlled by Mr. Rey were transferred to DSB. Mr. Hintermann denied that the DSB deposit or credit facility to the Company was back-to-back with that of the Company to Mr. Herzig and hence to Parc. He was, however, unable to explain how loan repayments were made to DSB. Although in October 1994 the Company obtained a copy of the judgment against DSB Mr. Hintermann was unable to say the following month when a repayment had been made by the Company to it.

66. Notwithstanding repeated requests from the Petitioner, Mr. Hintermann has declined on grounds of banking confidentiality and irrelevance to disclose any details of this litigation.

THE ENGLISH ACTION

67. On the 9th August, 1991 BFC Geneva issued a writ against Parc and OOL and on the 28th January, 1992 obtained judgment against Parc for over £12 million representing the sum due on the promissory note Parc issued to Herzig and which was assigned to BFC Geneva,

68. On the 9th April, 1992 OOL obtained judgment against Parc in other proceedings for over £30 million in relation to its lending for the Battersea Wharf site.

69. On the 5th June, 1992 charging orders in favour of both creditors ranking pari passu were made and on the 20th April, 1993 BFC Geneva's appeal to the Court of Appeal against that Order was dismissed.

70. In proceedings in November 1994, before Mr. Justice Robert Walker, the issues were tried relating to (i) the effect of the postponement letter and whether it bound the Omni Group companies to postpone their priorities to that of BFC Geneva and (ii) on the basis the postponement letter did not alter priorities, whether BFC Geneva should be subrogated to the rights of RTB as original secured creditors. The issues therefore did not directly relate to the obligations of the Company and its assumption of risk in relation to the transaction. Judgment was given on the 1st December, 1994 to the effect that the postponement letter was intended to be legally binding but did not bind OOL or Parc on base of agency or estoppel but that BFC Geneva was entitled to be subrogated to RTB Security to the extent of its loan to Mr. Herzig. An appeal to the Court of Appeal is being pursued by the Defendant.

71. In the course of the proceeding, Mr. Hintermann and Mr. Abgottspon gave evidence for BFC Geneva. The Court found that the refinancing transaction was a most unusual one. Documents were found to have been back-dated and witnesses (which included Mr. Hintermann) admitted "without much embarrassment, to a thoroughly cavalier attitude to the dating of documents." The Judge also found that witnesses (including Mr. Hintermann) "were rather lacking in candour on some topics - especially the Swiss banking regulations and the involvement of capital of BFC - on which they felt vulnerable". The Court also found "a certain coyness" on the part of witnesses (including Mr. Hintermann) about saying more than they had to on the involvement of the Company and DSB.

72. Notwithstanding repeated requests for information Mr. Hintermann has declined to provide any detail about the English proceeding. The Petitioner has obtained from other sources transcripts and documents which provide the detail herein of the Battersea Wharf financing.

RESTRUCTURING

73. On the 27th June, 1995 at extraordinary general meetings of HFC and the Company, the members of the Boards indicated that they intended the restructuring of the HFC and BFC Group. The apparent purpose of the restructuring is to reduce the capital of the Bank and to facilitate the sale to an unknown purchaser. It is proposed that BFC Geneva sells off real estate interest which it has to HFC. Claims against certain debtors will be assigned to HFC. The effect would be that HFC would become a real estate company, BFC Geneva would sell for SF_R 7 million property held on its books at SF_R 28 million allowing HFC hidden reserves of SF_R 11 million. It appears that HFC will then sell off its assets and be liquidated within two to three years.

74. It is proposed that the assets and liabilities of BFC Geneva and the Company would be sold following restructuring.

75. Mr. Hintermann declined to give any details of the proposed purchase of the assets and liabilities of the banking business but indicated that following sale it is proposed the Company should be liquidated.

76. Mr. Hintermann declined to set out the restructuring in writing for the Petitioner to make reasoned assessment of it. He required a vote on the restructuring at the HFC meeting and an authorisation of the sale of the business of the Bank and its consequent winding-up in the Company's meeting. The Petitioner abstained on each resolution on the basis that it had not been provided with adequate information. Mr. Hintermann threatened that if the Petitioner issued proceeding against any member of the Board or management he would ensure that it remained the minority shareholder of HFC as a real estate company, with himself as the majority shareholder "until the third millennium". He also stated in view of the abstention of the Petitioner on these votes he would inform the potential purchaser that only two thirds of the shares of the Company are for sale, i.e. excluding the Petitioner's shares.

AMENDING THE ARTICLES

77. Also at the 27th June, 1995 Company Extraordinary General Meeting, under "Any Other Business", Mr. Hintermann proposed the resolution that the shares of the Company and HFC should be untwinned. No notice was given, either formally or informally, of this proposed resolution which was passed with only the Petitioner voting against. No genuine explanation was given either for the resolution itself or for the fact that it was sprung upon the Petitioner at the Meeting.

CONCLUSION

78. The majority have at the most recent Extraordinary General Meeting of the Company on the 27th of June, 1995 voted for the liquidation of the Company after the sale of its assets and liabilities to an unknown purchaser. In principle, therefore, there can

be no objection to the Company being liquidated. In view of the way in which the prospective purchase has been dealt with and the threats issued by Mr. Hintermann in relation to the Petitioner, the sale of the business of the Company should be in the hands of an independent liquidator.

79. The Petitioner, through it attorneys, orally and in writing, and at shareholders meetings have repeatedly requested information relating to the administration of the Company and in particular the Battersea Wharf financing, the restructuring proposal and sale of the banking business. Notwithstanding its reasonable expectation that it should be provided with all material information pursuant to the original agreement that it should take an active participation in the running of the business, the Board has consistently refused to provide adequate information.

80. Each of the Board members and the other principal shareholders have an interest in the suppression of information to the Petitioner. Other shareholders have also voted against disclosure to the Petitioner which has been unable to discover their identity. Mr. Hintermann was at the very centre of the financing transactions. Mrs. Tavel was on the board of the Company at the material time and signed the credit approval dated the 8th October, 1990 and Mr. Ratjen had a family connection with the Omni Group because a relative was on the Board of Harpener the company currently under criminal investigation. The other principal shareholder, Mr. Magnin, was on the board of HFC and BFC Geneva at the material time. The Petitioner believes that Mrs. Tavel and Mr. Magnin have the benefit of substantial shareholder loans which they would have difficulty in repaying and which affect their support of Mr. Hintermann. The Petitioner has been unable to discover details of shareholder loans. They have combined with Mr. Hintermann to use their majority voting power to prevent proper disclosure to the Petitioner.

81. The Petitioner agreed to purchase shares in the Company on the basis that it would be an active partner and closely involved in the business affairs of it. The actions of the Board of Directors, supported by the majority of the votes of the member has prevented that agreement from being fulfilled and frustrated the agreement by which the Petitioner invested in the Company.

82. In all the circumstances the Petitioner humbly submits that it is just and equitable that this Honourable Court make a winding-up order of the Company.

Your Petitioner therefore humbly prays that:

1. The Company may be wound up by the Court under the provisions of the Companies Law (Revised).

2. That such further or other orders may be made as this Court thinks fit.

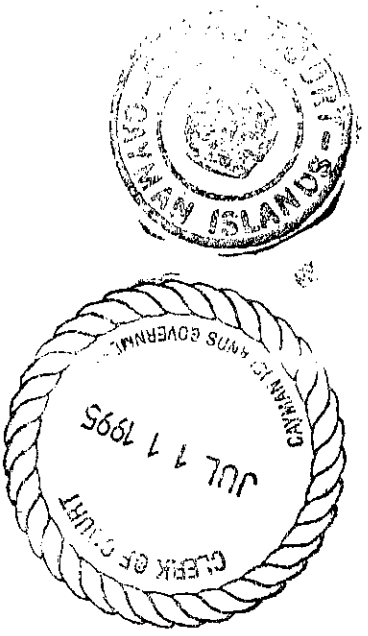
3. That the costs of the Petition be paid out of the assets of the Company.

AND your Petitioner will ever pray etc.

Dated the 11th day of July, 1995.

Maples and Calder

NOTE: This petition is intended to be served on BFC Bank (Cayman) Limited, Trafalgar Place, P.O. Box 1765G, George Town, Grand Cayman



This Petition was presented by Maples and Calder, Attorneys for the Petitioner, whose address for service is Ugland House, P.O. Box 309, George Town, Grand Cayman.