

IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO: ⁴⁴ OF 2005

IN THE MATTER OF SECTION 94 OF THE COMPANIES LAW (2004 REVISION)
AND IN THE MATTER OF THE CYBERVEST FUND



PETITION

TO THE GRAND COURT



The petition of The Public Institution for Social Security of the State of Kuwait ("Petitioner") of P.O Box 24324, 13104 Safat, Kuwait, shows that:

1. The CyberVest Fund (the "Fund") was incorporated as an exempt company on 13 October 1999 under the Companies Law (1998 Revision) and commenced business operations on 1 November 1999.
2. The registered office of the Fund is at UBS House, 227 Elgin Avenue, PO Box 852GT George Town, Grand Cayman, Cayman Islands.
3. The object of the Fund, as set out in the Information Memorandum provided to shareholders, was to make direct equity investments in internet related companies within the United States or internationally.
4. The authorised share capital of the Fund is US\$50,000 divided into 100 management shares of US\$0.01 each, each fully paid up and 4,999,000 participating shares of US\$0.01 each, of which 886,690 fully paid up shares have been issued.

5. The sole director of the Fund is Mr Bader F Al-Rezaihan ("Mr Al-Rezaihan"), who is also the President and CEO of the promoter of the Fund, CIC Group Inc. Mr Al-Rezaihan is also the President of the manager of the Fund, CIC Advisors Ltd ("CIC Advisors").

6. The 100 management shares were issued at par value to the manager of the Fund, CIC Advisors, a company incorporated in the British Virgin Islands. The Petitioner is aware of one other shareholder, Kuwait Fund for Arab Economic Development. The particulars of the known participating shareholdings are as follows:

Name of Shareholder	Number of Fully Paid Up Shares	Percentage Shareholding of Participating shares	Price Paid Per Participating Share	Total Investment in the Fund
1. The Petitioner	247,500	27.91%	US\$100.00	US\$24,750,000
2. Kuwait Fund for Arab Economic Development	247,500	27.91%	US\$100.00	US\$24,750,000
		(based on US Complaint)		
3. Unknown	391,690	44.18%	Unknown	Unknown

7. The Petitioner is a public agency of the State of Kuwait and is responsible for administering a national social security system of retirement, disability, illness and death benefits to employees and self-employed persons within Kuwait's public, private and oil sectors. As part of carrying out its function, the Petitioner invests funds under its control with various financial institutions.

8. The Fund is a closed end investment company the sole objective of which was to make direct equity investments in internet related companies within the USA or internationally. In accordance with the Information Memorandum, the Fund is to be wound up during the year 2006 or at such time as may otherwise be determined by the directors.

9. The Fund is solvent and upon liquidation there will be a surplus for shareholders. According to the latest audited Consolidated Financial Statement (year ended 31st December 2003), the Fund has net assets of US\$68,726,239 which equates to US\$77.51 per participating share.
10. The Petitioner relies upon the facts and particulars set out in the paragraphs below in support of its petition to wind up the Fund on just and equitable grounds.
11. In or about October 1999 the Petitioner was solicited by CIC Group Inc ("CICG"), a company incorporated under the laws of the State of Delaware, to invest in its early stage internet start up company fund. The Petitioner was sent an eighteen page slide presentation by CICG which described the Fund's investment strategy as focussing exclusively on investing in privately held early stage internet start up companies.
12. After receiving the slide presentation the Petitioner was sent a formal Information Memorandum (the "Memorandum") for the purpose of evaluating an investment in the shares of the Fund. The Memorandum stated that the investment strategy of the Fund was to make a series of direct equity investments into privately held internet related technology companies.
13. The Memorandum stated that CIC Advisors Ltd ("CIC Advisors") would act as the manager of the Fund and it would be entitled to charge the following fees for its management services:
 - A placement fee of up to 2% of each subscription;
 - A management fee equal to 0.50% per annum of the un-invested capital of the Fund plus 2% of the invested capital of the Fund; and
 - A performance fee equal to 20% of any amounts distributed to investors in the Fund in excess of the return of their invested capital.

14. The Memorandum stated that the holders of management shares were entitled to receive notice of general meetings of the Fund and to attend and vote thereat. The holders of participating shares were entitled to receive notice of general meetings of the Fund and to attend but were not entitled to speak or vote at such general meetings. The Memorandum also stated that there are no rights of redemption exercisable by the shareholders attaching to the participating shares.
15. The Memorandum required the directors of the Fund to furnish to each shareholder a quarterly unaudited status report and an annual report which included audited financial statements as of the end of each financial year. The first audit was to occur as at 31 December 2000.
16. The Memorandum stated that the directors anticipated dissolving the Fund in the year 2006 and that at such time CIC Advisors or a duly appointed liquidator would be charged with winding up the affairs of the Fund and liquidating its assets.
17. In or about November 1999 the Petitioner was sent an Addendum to the Memorandum (the "Addendum") by CICG. The Addendum stated that CIC Advisors, as the manager of the Fund and holder of all management shares in the Fund would be responsible for the appointment of the Board of Directors of the Fund from time to time. Furthermore, the Addendum states that no further investments would be made by the Fund following the second anniversary of the second closing date (29 February 2002).
18. On 16 November 1999 the Petitioner entered into a Subscription Agreement to purchase US\$25 million of shares in the Fund and wired US\$25 million to the Fund's bank account located at UBS New York. Pursuant to the Subscription Agreement the Petitioner acknowledged having received the current Memorandum (including the Addendum) and that it was subscribing for shares on the basis of the terms of the Memorandum, Addendum and Articles of Association of the Fund.

19. In accordance with the terms of the Memorandum, a 1% placement fee was deducted from the US\$25 million and the net proceeds of US\$24,750,000 were invested in the Fund. The Petitioner was issued 247,500 shares at the price of US\$100.00 per share with an issue valuation date of 31 January 2000 and an effective issue date of 1 February 2000.
20. The notes to the Financial Statements for the financial year ending 31 December 2001 disclose that an entity called eColony was incorporated on 13 April 2000 as a joint venture enterprise between the Fund and the Internet Capital Group Inc ("ICG"), a company involved in e-commerce activities. The notes to the Financial Statements disclose that the Fund transferred a total of US\$90,000,000 into eColony on the basis that it would purchase stakes in selected emerging companies. This was in breach of the representations made in the Memorandum that the Fund would make direct equity investments into privately held internet related technology companies.
21. In breach of the fee structure set out at paragraph 12, the manager of the Fund, CIC Advisors charged the Fund a management fee of US\$1,800,000 (2% of US\$90,000,000) on the basis that the US\$90,000,000 transferred to eColony represented invested capital of the Fund. The purpose of the management fee increasing from 0.5% to 2% was to reward CIC Advisors for identifying promising internet-related investment opportunities and carrying out the appropriate due diligence rather than rewarding it for simply transferring the Fund's assets to another entity controlled by it.
22. The notes to the Financial Statements for the financial year ending 31 December 2001 disclose that on or about 31 October 2000, in breach of the Memorandum and without the knowledge and consent of shareholders, the fundamental investment strategy of the Fund was significantly changed. The notes to the Financial Statements for the financial year ending 31 December 2001 disclose that instead of the Fund making direct equity investments in privately held internet related technology companies eColony commenced operating as a venture capital vehicle investing in biotechnology, wireless communications, media and energy industries.

23. The notes to the Financial Statements for the financial year ending 31 December 2001 disclose that Mr William Woodward ("Mr Woodward") was engaged by eColony to act as its CEO and to oversee its transformation into a venture capital business. The decision was made to place eColony into liquidation with the objective of distributing its investments and other assets relating to its ongoing venture capital business to another Cayman Islands exempted company Anthem/CIC Partners the shares of which were owned by the Fund (91.19%) and Thornbury Insurance Co (8.81%). The notes to the Financial Statements for the financial year ending 31 December 2001 disclose that the assets of eColony were not distributed to its shareholders upon its liquidation but rather they were transferred to Anthem/CIC Partners during the year ended 31 December 2002.
24. The manager of the Fund alleges that the Fund suffered losses of US\$14,000,000 through expenses and the breaking of leases when the decision was made to change its fundamental investment strategy. According to the Financial Statements the manager of the Fund charged the Fund management fees of US\$4,714,554 during the period in which the Fund suffered losses of US\$14,000,000.
25. The notes to the Consolidated Financial Statements for the financial year ending 31 December 2003 disclose that Anthem/CIC Partners committed all of its assets to a Delaware limited partnership, Anthem/CIC Ventures Fund Limited Partnership (the "Limited Partnership") the investment strategy of which was to make venture capital investments focussing on biotechnology, wireless communications, media and energy industries.
26. The notes to the Consolidated Financial Statements for the financial year ending 31 December 2003 disclose that the General Partner of the Limited Partnership is Anthem/CIC Investors LLC ("General Partner"), a private venture capital firm owned by CIC Ventures Ltd, Mr Woodward, Anthem/CIC Holdings and ICG. The Limited Partners are Anthem/CIC Partners and Mr Woodward. Anthem/CIC Partners committed all of the assets formerly owned by eColony and thus the Fund in exchange for its share of the Limited Partnership.

27. The notes to the Consolidated Financial Statements for the financial year ending 31 December 2003 disclose that Mr Woodward was permitted to issue a "non-recourse" promissory note to the Limited Partnership in the sum of US\$1,308,846 to satisfy his capital commitment in respect of his interest. The terms of the promissory note was that it does not bear interest and the note does not become due and payable until the earlier of the termination of the Fund or Mr Woodward's employment. Furthermore, payment of the promissory note may only be satisfied through the transfer of Mr Woodward's collateral to the Limited Partnership or through distributions from the Limited Partnership.
28. The notes to the Consolidated Financial Statements for the financial year ending 31 December 2003 disclose that Anthem/CIC Partners has committed to contribute US\$87,118,516 to the Limited Partnership of which it has already contributed US\$42,174,099. The remaining US\$44,944,417 is payable when capital calls are made by the general partner.
29. The notes to the Consolidated Financial Statements for the financial year ending 31 December 2003 disclose that the manager of the Limited Partnership is Anthem/CIC Venture Management LLC which is another entity partly owned by Mr Woodward. As a result of the decision to commit the assets of Anthem/CIC Partners to the Limited Partnership, a second layer of management fees was added in addition to those in the Memorandum which consisted of an additional 3% per annum on the aggregate capital base. This equates to a total management fee of 5% as CIC Advisors continued to charge a 2% management fee notwithstanding that it no longer had any funds under its management. The notes to the Consolidated Financial Statements for the financial year ending 31 December 2003 disclose that the Fund directly and indirectly through its share of the Limited Partnership has been charged the following management fees up to 31 December 2003:

Financial Year	Management Fees To CIC Advisors	Management Fees To Anthem/CIC Venture Management LLC	Total Management Fees
2000 / 2001	US\$2,941,173	N/A	US\$2,941,173
2002	US\$1,773,381	US\$2,721,928	US\$4,495,309
2003	US\$1,773,380	US\$2,721,928	US\$4,495,308
	TOTAL	US\$11,931,790	

30. The yearly management fees charged by the General Partner of US\$2,721,928 are based not on the amount of the funds under its control but on the total amount of assets that the limited partners have committed to contribute to the Limited Partnership. Therefore, the General Partner is charging management fees in relation to funds that have not yet been contributed by the limited partners.

31. The notes to the Financial Statements of the Limited Partnership for the period ending 31 December 2003 disclose that notwithstanding that the General Partner has only contributed capital of US\$82,139 it is entitled to 25% of the net profits of the Limited Partnership. This additional performance fee significantly decreases the potential profits due to the shareholders of the Fund as any amounts distributed to shareholders of the Fund in excess of the return of their invested capital is also subject to 20% performance fee charged by CIC Advisors.

32. In breach of the Fund's Articles of Association the director failed to cause to be prepared audited financial statements for the fiscal year ending 31 December 2000. Instead it caused to be prepared combined audited financial statements for the 2000 and 2001 fiscal years (dated August 2002). In breach of the Fund's Articles of Association it failed to

- furnish or arrange to be furnished to the Shareholders quarterly reports indicating the Fund's performance for each quarter. The first quarterly report received by the Petitioner was the 3rd quarterly report for the 2002 fiscal year. The director of the Fund has also failed to convene any annual general meetings.
33. By a letter dated 2 November 2002 CICG disclosed to the Petitioner for the first time that the Fund had changed its fundamental investment strategy in 2000 and that all of its assets had been fully invested in eColony and subsequently transferred to Anthem/CIC Partners.
34. By a letter dated 5 August 2003 the Petitioner demanded the return of its investment and a reduction in management fees retroactive to 1 January 2000.
35. By a letter dated 3 September 2003 CICG refused to return the Petitioner's investment on the basis that the Fund was fully invested and shareholders had no rights of redemption.
36. By a letter dated 6 October 2003 the Petitioner requested copies of the minutes of the meetings at which the change in investment strategy was discussed and approved, a copy of the CIC Advisors management agreement, a list of all shareholders of the Fund and copies of all documents authorising the investment strategy change.
37. By a letter dated 27 October 2003 CICG stated that the investment in eColony was the type of investment contemplated by the investment strategy of the Fund and that the Fund's investment in eColony did not require a change in its investment strategy. The letter from CICG did not disclose that eColony had acted as nothing more than a holding company and that all its assets had been subsequently committed to the Limited Partnership and invested contrary to the Fund's investment strategy.
38. The Petitioner and Kuwait Fund for Arab Economic Development have both commenced separate proceedings in the United States District Court, Central District of California against the Fund, CICG, CIC Advisors, the Anthem/CIC Fund, Anthem CIC Investors

LLC, Anthem/CIC Venture Management LLC and Mr Woodward for violations of the US Securities Exchange Act, fraud and negligent misrepresentation.

39. The Fund cannot carry out the sole object of its incorporation as all of its assets have now been committed to the Limited Partnership the investment strategy of which is entirely different to that stated in the Memorandum.

40. The Fund has become a device pursuant to which the managers have added an additional layer of management fees by unlawfully transferring the Fund's assets to related entities owned and controlled by CICG and Mr Woodward.

41. The Petitioner has lost all confidence in the directors and CIC Advisors to manage the Fund as it has invested the Fund's assets contrary to the sole object of its incorporation and it has failed to observe basic procedural requirements in convening annual general meetings and providing audited financial statements as well as unaudited quarterly financial reports to shareholders.

42. The Petitioner has lost all confidence in the directors of the Fund and CIC Advisors to act in its best interests as they have sanctioned the transfer of the Fund's assets to the Limited Partnership and approved the additional second layer of management fees.

43. For the reasons stated above:

43.1 There has been a loss of substratum of the Fund.

43.2 The directors and the investment manager have improperly and in breach of their fiduciary duties invested in structures outside the parameters of the Memorandum.

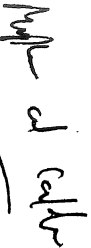
43.3 The directors and the investment manager have improperly and in breach of their fiduciary duties sanctioned and charged management fees outside the parameters of the Memorandum

43.4 The Petitioner has lost all confidence in the ability of the directors and the investment manager to manage the Fund and to observe basic procedural requirements.

The Petitioner humbly prays that:

- (i) the Fund be wound up by the Court pursuant to the Companies Law (2004 Revision);
- (ii) such other order or directions may be made as the Court thinks fit; and
- (iii) costs be provided for.

Dated this 7th day of February 2005



Maples and Calder
Attorneys for the Petitioner

It is intended to serve this Petition upon the Fund at its registered office.