IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO 542 of 2005

BETWEEN:

Investidores Institucionais Fundo de Investimento Em Ações
(A corporation organised under the laws of Brazil)

Plaintiff

and

Opportunity Fund
(A corporation organised under the laws of the Cayman Islands)

Defendant

WRIT OF SUMMONS

TO: OPPORTUNITY FUND
c/o UBS Fund Services (Cayman) Ltd
Box 852GT
UBS House
227 Elgin Avenue
George Town, Grand Cayman

THIS WRIT OF SUMMONS has been issued against you by the above-named Plaintiff in respect of the claim set out on the next page.

Within 14 days after the service of this Writ on you, counting the day of service, you must either satisfy the claim or return to the Court Office, P.O. Box 495G, George Town, Grand Cayman, the accompanying Acknowledgement of Service stating therein whether you intend to contest these proceedings.

If you fail to satisfy the claim or to return the Acknowledgement within the time stated, or if you return the Acknowledgement without stating therein an intention to contest the proceedings, the

Plaintiff may proceed with the action and judgment may be entered against you forthwith without further notice.

Issued this day of November 2005

NOTE – This Writ may not be served later than 4 calendar months (*or, if leave is required to effect service out of the jurisdiction, 6 months*) beginning with the date of issue unless renewed by order of the Court.

IMPORTANT

Directions for Acknowledgement of Service are given with the accompanying form.

THE PLAINTIFF'S CLAIM IS FOR:

1. All proper accounts and inquiries to determine the full extent of the commercial benefit received by the Defendant at the direct or indirect expense of the Plaintiff;

2. An account of all sums received by the Defendant representing income or proceeds of the said commercial benefit or any part thereof;

3. An inquiry what assets in the hands of the Defendant represent such commercial benefit;

4. An order for payment by the Defendant to the Plaintiff of all sums found to be due to the Plaintiff from the Defendant on the taking of the said accounts and inquiries;

5. Interest by way of equitable relief at a commercial rate on all sums found due to the Plaintiff;

6. The appointment of a receiver of the Defendant's assets with power to manage and continue the Defendant's business;

7. Further or other relief;

8. Costs.

L. A. Samson & Co

L. A. SAMSON & CO
Attorneys-At-Law for the Plaintiff

THIS WRIT was issued by L. A. Samson & Co. Attorneys-at-Law, Suite 9, Jack & Jill Building, #19 Fort Street, PO Box 446 GT, Grand Cayman

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(A corporation organised under the laws of Brazil) Plaintiff

and

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(A corporation organised under the laws of the Cayman Islands)
Defendant

STATEMENT OF CLAIM

Parties

1. The Plaintiff is a Brazilian private equity fund. It was formed in or about 1997 pursuant to Instruction No. 215 of 8 June 1994 issued by Comissão de Valores Mobiliários (the Brazilian Securities Commission, referred to hereafter as "CVM"). Approximately US$475 million has been invested in the Plaintiff by its Brazilian investors ("Quota -holders").

2. The Quota-holders are almost exclusively Brazilian pension funds responsible for the pensions of the current employees and approximately 330,000 pensioners of entities presently or formerly owned by the Government of Brazil (including the two largest state-owned banks in Brazil, and important public utilities companies) under various pension schemes which are more particularly described hereafter. At the time the investment was made, all of the pension funds were responsible for the funds of the pensioners of state-owned companies. ("the Pension Funds").

3. The Plaintiff is a closed-end fund. Its initial term of duration was 8 years from the date of the first subscription, which was September 1997. The initial term could be extended by 2 periods of one year each. The Onshore Fund's term has been extended by one year, with a view to disposing of the Onshore Fund's assets.

4. The Defendant is a retail mutual fund domiciled in the Cayman Islands. The Defendant is, and has been since 15 June 1994, regulated by the Cayman Islands Monetary Authority.

5. The Defendant is controlled by an investment manager known as Opportunity Asset Management Inc. ("OAM"). OAM is a Cayman Islands company. OAM carries on a securities investment business from a place of business within the Cayman Islands within the meaning of the Securities Investment Business Law (2004 Revision).

6. The Defendant's net assets, to the best of the Plaintiff's knowledge, are approximately US$1 billion.

7. OAM and the Defendant form part of an asset management group known as the Opportunity Group ("Opportunity"). Opportunity is owned and controlled by Daniel Valente Dantas ("Mr Dantas").

Nature of the Action

8. In 1996-7 Opportunity devised a scheme whereby the Pension Funds together with the world's largest banking group Citibank/Citigroup ("Citibank") would invest in the extensive privatization programme then being undertaken by the Government of Brazil. The concept was the formation of 2 investment funds, one "onshore" in Brazil and the other "offshore" in the Cayman Islands, but both funds would invest in the privatisations and their investments would be managed on a side-by-side basis. These arrangements were reflected in the names of the 2 funds and their managers until Opportunity was removed by both Citibank and the Pension Funds for misconduct as is described below:

   a. Onshore Fund – CVC (meaning "Citibank Venture Capital") /Opportunity Equity Partners Fundo de Investimento em Ações;

b. Onshore Manager – CVC/Opportunity Equity Partners Administradora de Recursos Ltda;

c. Offshore Fund – CVC/Opportunity Equity Partners LP;

d. Offshore Manager – CVC/Opportunity Equity Partners Ltd.

9. The Onshore and Offshore Managers are entities wholly-owned and controlled by Opportunity, but were entitled to hold themselves out as associated with Citibank by the use of the name "CVC" until Citibank terminated that right as set out below.

10. It is the Plaintiff's case that Opportunity Group abused its position as investment manager and made for itself secret profits or otherwise dealt with the Plaintiff's property for its own benefit and of which the Defendant was knowing recipient. The full extent of such profits and dealings cannot be ascertained until after the taking of the accounts and the other relief sought in these proceedings.

11. Citibank has commenced similar proceedings against the Offshore Manager and Mr Dantas personally in the United States District Court, Southern District of New York (Case No. 05 Civ. 2745 (LAK)) under an express jurisdiction clause in agreements between them ("the New York proceedings") claiming, inter alia:

a. Breach of contract;

b. Breach of Fiduciary Duty;

c. Fraud;

d. Negligent Misrepresentation;

e. Professional Malpractice;

f. Conversion;

g. Unjust Enrichment.

Summary of Facts

12. At all material times until 6 October 2003 the Plaintiff's investments were managed by CVC /Opportunity Equity Partners Administradora de Recursos Ltda ("the Onshore Manager") as part of Opportunity.

13. On 6 October 2003 Opportunity was removed from the management of the Plaintiff at the behest of the Pension Funds, who alleged various breaches of fiduciary duty on the part of Opportunity in the management of the Plaintiff's assets.

14. Subsequently the Plaintiff's name was changed to Investidores Institucionais Fundo de Investimento Em Ações

15. Opportunity managed the Plaintiff's assets in parallel with the assets of the "mirror" Offshore Fund based in the Cayman Islands.

16. The Offshore Fund was, as originally formed, called Brazil Equity Partners, L.P.

17. The Offshore Fund was established in December 1997. A subsidiary of Citibank N.A., International Equity Investments, Inc. ("IEII"), was and remains substantially the sole investor in the Offshore Fund. IEII is a Delaware corporation which is 100% owned by Citibank N.A., a bank organised under the laws of the state of New York. Citibank N.A. through its subsidiary IEII, invested $728 million in the Offshore Fund, of which a portion wasin the form of pre-existing investments.

18. Opportunity companies were placed in charge of the Plaintiff and the Offshore Fund respectively.

19. It was intended from the outset that the Plaintiff and the Offshore Fund would invest and divest in the same investments at the same time.

20. Together with other investors, the Plaintiff and the Offshore Fund (together, the "Funds") invested in Brazilian infrastructure and especially Brazilian telecommunications companies ("the Portfolio Companies").

21. Opportunity at all material times had control of the Portfolio Companies. In particular and without prejudice to the generality of the foregoing, Opportunity's nominees at all material times controlled the respective boards of directors of the Portfolio Companies.

22. On 9 March 2005 Citibank N.A.'s subsidiary removed the Opportunity Group from management of the Offshore Fund, and also alleged breaches of fiduciary duty against Opportunity. The new manager of the Offshore Fund is Citigroup Venture Capital International Brazil, LLC., a Delaware company controlled by Citibank N.A.

23. Following their removal the Onshore and Offshore Managers were respectively renamed Opportunity Equity Partners Administradora de Recursos Ltda and Opportunity Equity Partners Ltd ("OEP Ltda" and "OEP Ltd").

24. Opportunity has used its position as investment manager of the Funds and controller of the Portfolio Companies to appropriate to itself massive commercial benefit.

25. The Defendant, an important company within the Opportunity Group, has been the principal beneficiary of Opportunity's wrongdoing.

The Plaintiff's Investors

26. The original investors in the Plaintiff were Previ, Sistel, Telos, Funcef, Valia, Centrus, Celos, Forluz, Fundação CEEE, Fachesf, Fundação Copel, BNDES Participações S.A. ("BNDESPAR"), Delta Participações and Opportunity Consultoria.

27. All of the original Quota-holders were Brazilian pension funds with the exception of BNDESPAR, Delta Participações and Opportunity Consultoria.

28. BNDESPAR is a subsidiary of Brazil's National Bank for Economic and Social Development (BNDES) and is in charge of long term investments in Brazilian companies and mutual funds.

29. Delta Participações' participation in the Plaintiff was 0.54%. Opportunity Consultoria was a vehicle of Daniel and Veronica Dantas (his sister) and its participation in the Plaintiff was 0.36%.

Previ

30. Previ is the largest Quota-holder in the Plaintiff, having invested a total of US$140 million.

31. Previ is the pension fund for the employees of Banco do Brasil. Banco do Brasil is the largest bank in Brazil measured by total assets. It has a market capitalisation of US$14 billion. Banco do Brasil is a publicly listed company. 72.1% of Banco do Brasil's shares are owned by the Government of Brazil.

32. Previ is the largest pension fund in Latin America and is among the 100 biggest pension funds in the world.

33. Previ manages two pension plans totalling 146,617 affiliates. Plan 1 is the more important with 90% of Previ's total affiliates. It is a defined benefit plan where employees are entitled to receive a pre-defined level of benefits upon retirement, to complement their social security pensions.

34. The value of Previ's total assets under management is over US$30 billion.

Sistel

35. Prior to 1998 Sistel was the pension fund for all of the employees of Telecomunicações Brasileiras SA ("Telebrás"), the Brazilian state telecommunication company. It was formerly the third largest pension fund in Brazil, measured by assets. On 29 July 1998 Telebrás was privatised into 12 separate companies. The assets and liabilities of the original Sistel where divided into different pension funds, each of which related to one of the newly created companies. Sistel's investment in the Plaintiff was allocated to the pension fund for the employees of Brasil Telecom, which is now known as Fundação 14.

Funcef

36. Funcef is the third largest pension fund in Brazil, with total assets of approximately US$8 billion. It is the pension fund for the employees of Caixa Economica Federal (CEF), the largest Brazilian savings deposits bank. CEF is a state-owned bank and has the largest real estate financing portfolio in Brazil. Funcef has over 70,000 participants. Approximately 48,000 of them are still working at CEF and 22,000 are retired.

Telos

37. Telos is the pension fund for the employees of Embratel. Embratel is another of the private telecommunication companies created by the privatisation of Telebrás. Today Telos has 6,803 pensioners and total assets of approximately US$1.25 billion. Embratel is a publicly listed company, and is controlled by TELMEX, a Mexican telecom company.

Valia

38. Valia is the pension fund for the employees of Companhia Vale do Rio Doce (CVRD), the largest iron ore mining company in the world. CVRD was privatized in 1997, and is now a publicly listed company with a market capitalization in excess of US$47 billion. In July 2005, Moody's Investors Service upgraded CVRD's foreign currency rating to investment grade. Valia has total assets of US$2.5 billion and is responsible for the present or future retirement of 45,000 participants.

Centrus

39. Centrus is the pension fund for the employees of Banco Central do Brasil. The Banco Central has a similar status and duties, in Brazil, to the Bank of England in the UK. Centrus is the sixth largest pension fund in Brazil, with total assets of US$2.8 billion and 3,800 participants.

Celos

40. Celos is the pension fund for the employees of CELESC, the electricity company of the State of Santa Catarina. CELESC is a publicly listed company and the controlling shareholder is the State of Santa Catarina. Celos has total assets of US$570 million and 7,600 participants, approximately 50% of whom have already retired.

Forluz

41. Forluz is the pension fund for the employees of CEMIG, the electricity company of the State of Minas Gerais. CEMIG's shares are listed in the form of American Depository Receipts on the New York Stock Exchange, and the controlling shareholder is the State of Minas Gerais. Forluz has total assets of US$2.5 billion and 20,600 participants, approximately 45% of whom have already retired.

Fundação CEEE

42. Fundação CEEE is the pension fund for the employees of CEEE, a state-owned electricity company in the State of Rio Grande do Sul. CEEE provides electricity for over 3,500,000 people in the south of Brasil. Fundação CEEE has total assets of US$1 billion and 11,000 participants.

Fachesf

43. Fachesf is the pension fund for the employees of CHESF, a state-owned electricity generation company which provides electricity to more than 50 million people in Brazil. Fachesf has total assets of US$1.1 billion and 12,200 participants, approximately 56% of whom have already retired.

Fundação Copel

44. Fundação Copel is the pension fund for the employees of COPEL, the electricity distribution company for the State of Paraná. COPEL has over 3.2 million customers. Its shares are listed in the form of American Depository Receipts on the New York Stock Exchange. The controlling shareholder is the State of Paraná. Fundação Copel has total assets of US$1.3 billion and 7,300 participants, approximately 63% of whom have already retired.

45. In addition to the original investors Citibank N.A. now has an interest in the Plaintiff through an indirect subsidiary, Rio Bogan Empreendimentos e Participações Ltda.

Opportunity

46. Opportunity is an asset management group.

47. Opportunity has a substantial offshore presence. To the best of the Plaintiff's knowledge Opportunity's principal offshore holding company is Opportunity Invest II Inc. ("Invest II"), a company domiciled in the British Virgin Islands.

48. Invest II's subsidiaries include OEP Ltd and OEP Ltda.

49. OEP Ltd was the sole general partner of the Offshore Fund from December 1997 until 9 March 2005. OEP Ltd is a Cayman Islands exempted limited company. Until its removal on 9 March 2005 it held the assets of the Offshore Fund on trust in accordance with the terms of an Amended and Restated Limited Partnership Agreement dated 31 December 1997 (the "Partnership Agreement") and pursuant to the Cayman Islands Exempted Limited Partnership Law.

50. OEP Ltda was the investment manager of the Plaintiff until 6 October 2003, when it was removed by the investors in the Plaintiff and replaced with a temporary investment manager with no affiliations to Opportunity. Thereafter, on 16 April 2004 Angra Partners was appointed the investment manager of the Plaintiff.

51. Banco Opportunity, a Brazilian company within Opportunity, was the Administrator of the Plaintiff until 6 October 2003.

Portfolio Companies

52. The Plaintiff's investments comprise shareholdings in consortia which in turn hold significant stakes in the Portfolio Companies.

53. The Portfolio Companies are Brazilian infrastructure companies. They comprise three major telecommunications companies, the largest port in Latin America, the Rio de Janeiro subway and the water and sanitation company for the state of Paraná.

54. The consortia and their investments are as follows:

Solpart Consortium

a. In July 1998 the consortium Solpart Participações S.A. ("Solpart") purchased a controlling interest in Brasil Telecom Participações ("BTP"), the parent company of Brasil Telecom S.A. ("Brasil Telecom").

   Brasil Telecom was one of the private telephone companies created by the privatisation of Brazil's state-owned telephone company, Telebrás, which was auctioned on 29 July 1998.

Telpart Consortium

b. In July 1998 the consortium Telpart Participações S.A ("Telpart") purchased a controlling interest in each of two cellular telephone companies arising out of the privatisation of Telebrás:

   i. Tele Norte Celular Participações S.A. ("Tele Norte"), the parent company of Amazónia Celular S.A. (Amazónia); and

   ii. Telemig Celular Participações S.A. ("TCP"), the parent company of Telemig Celular S.A. ("Telemig")

Santos Consortium

c. In September 1997 the consortium Opportunity Leste S.A. (itself controlled and owned as to 56% by the Defendant) purchased approximately 40% of the voting shares in Santos Brasil S.A ("Santos Brasil"), the owner of Container Port No. 1 at the Port of Santos, the largest container port in Latin America. Until its removal as investment manager of the Offshore Fund, Opportunity controlled a further 15% stake in Santos Brazil.

Metrô Consortium

d. In December 1997 the consortium Sorocaba Empreendimentos Participações S.A. purchased a controlling interest in Opportrans Concessão Metroviária S.A ("Metrô"), the operator of the Rio de Janeiro subway system.

Sanepar Consortium

e. In June 1998 the consortium Dominó Holdings S.A ("Dominó") purchased approximately 40% of the voting shares in Sanepar S.A. ("Sanepar"), the state-owned sanitation company of the state of Paraná.

55. Each consortium originally comprised the Plaintiff, the Offshore Fund, a strategic investor with a minority holding, and a number of co-investors.

56. The total amount invested by the Plaintiff into each consortium is set out in the following table:

Consortium	Amount Invested by Onshore Fund US$
Solpart	330 million
Telpart	78 million
Santos	19 million
Metrô	21 million
Sanepar	26 million
Total:	**475 million**

Control Premium

57. In the case of each Portfolio Company (other than Sanepar) the consortium purchased a controlling block of over 50% of the voting shares in the Portfolio Company or its immediate parent company.

58. The Plaintiff and the other consortium members paid a very substantial premium to be part of the control block for each Portfolio Company in which a controlling position was purchased ("Control Premium"). The Plaintiff expected to be able to benefit from the Control Premium upon divestment of the Portfolio Companies by each consortium.

59. By way of example:

a. The price paid for entry into the Solpart consortium, which invested in the voting shares of Brasil Telecom Participacões S.A. ("BTP"), represented a price per voting share acquired of R$32.14 in 29 July 1998. On 1 October

1998 voting shares in BTP could be purchased on the Brazilian stock exchange (BOVESPA) for R$5.51;

b. Voting shares in Telemig Celular Participacões S.A. ("TCP"), purchased by the consortium *Telpart* for R$11.74 each, could be purchased for R$0.82 on the open market in September 1998;

c. Voting shares in Tele Norte Celular Participacões S.A., purchased by the consortium *Telpart* for R$2.92 each, could be purchased for R$0.29 on the open market in September 1998.

Fiduciary Relationship

60. At all material times Opportunity owed, and continues to owe, fiduciary duties of loyalty and good faith to the Plaintiff.

61. Without prejudice to the generality of the foregoing the Plaintiff will rely upon the following:

a. Banco Opportunity was at all material times until 6 October 2003 the administrator of the Plaintiff;

b. OEP Ltda was at all material times until 6 October 2003 the investment manager of the Plaintiff;

c. OEP Ltd was at all material times until 9 March 2004 the general partner and investment manager of the Offshore Fund, which was at all material times supposed to invest and divest in assets together with the Plaintiff;

d. OEP Ltd, OEP Ltda and Banco Opportunity were at all material times and remain under common ownership and control.

62. Opportunity's fiduciary duties included the following:

a. to act in good faith;

b. to make full disclosure of all material circumstances and of everything known to it that would be likely to influence the conduct of the Plaintiff;

c. not to place itself, or to allow itself to be placed, in a position where its duties to the Plaintiff and its own interests conflicted;

d. not to place itself, or allow itself to be placed, in a position where its duties to the Plaintiff and the interests of others with whom it had relationships (whether it shared those interests or not) conflicted;

e. to disclose any such conflicts of interest to the Plaintiff as soon as possible after becoming aware of the same;

f. not to act for its own benefit otherwise than in the proper execution of its duties towards the Plaintiff;

g. not to profit from its relationship with the Plaintiff otherwise than in the proper execution of its duties towards the Plaintiff;

h. not to act for the benefit of any third person without the Plaintiff's informed consent;

i. to preserve and be constantly ready with correct accounts of all of its dealings and transactions on behalf of the Plaintiff;

j. to account to the Plaintiff for any benefit obtained by it in breach of their fiduciary duties.

63. Further or in the alternative the Plaintiff will rely upon the fiduciary duties owed to the Plaintiff by OEP Ltda and Banco Opportunity as manager and administrator respectively of the Plaintiff.

Wrongful Transfers to Defendant

64. Opportunity has on divers occasions caused, procured and/or allowed the Defendant wrongfully to gain commercial advantage at the expense of the Plaintiff ("the Wrongful Transfers").

65. Pending a full account by the Defendant of all benefits wrongfully received by the Defendant at the expense of the Plaintiff the best particulars that the Plaintiff can give are as follows.

Highlake

66. The Defendant wrongfully obtained a 95% interest in Highlake International Business Company Ltd. ("Highlake"), which owns 49% of Telpart, for a fraction of its true value.

a. As stated above, each consortium was to consist of the Onshore Fund, the Offshore Fund and a strategic investor. In the case of the Telpart consortium, the strategic investor was Telesystems International Wireless plc ("TIW"), a Canadian telecommunications company.

b. In 2000 a dispute arose between TIW and Opportunity. The dispute related to control of the Telpart consortium.

c. As a result of the dispute TIW decided to withdraw from its Brazilian investment altogether. Opportunity negotiated with TIW for the purchase of TIW's 49% stake in Telpart and ultimately agreed upon a purchase price of US$65 million. This represented a tremendously advantageous price for the purchaser, as TIW had paid US$390 million for its 49% stake in Telpart in July 1998.

d. Although Opportunity was at all material times acting as a fiduciary for the Plaintiff in its dealings with TIW, Opportunity did not offer the investment to the Plaintiff. Instead, in or about March 2003 the Defendant purchased 95% of Highlake, purportedly for its own account.

e. The said purchase was made in breach of Opportunity's fiduciary duties to the Plaintiff, in order to further the interests of Opportunity to the detriment of the Plaintiff's interests.

f. The purchase price for Highlake was US$65 million, which represented a substantial discount to its true value.

g. Telpart owns controlling interests in two cellular telephone companies, of which one is Telemig. In or about May 2004 Vivo, a joint venture owned by Telefónica and Portugal Telecom, approached Opportunity with an offer to purchase Telemig for R$5.2 billion, or approximately US$1.65 billion at the then exchange rate. Since Telpart also owns a controlling interest in another cellular telephone company, Amazonia, this would

suggest a value for Opportunity's stake in Highlake of hundreds of millions of US dollars.

h. The Plaintiff will rely upon the admission contained at paragraph 137 of the Preliminary Statement in Opportunity's Amended Answer in the New York Proceedings that in or about May 2004 Vivo offered to purchase Telemig for R$5.2 billion.

Alcatel

67. The Defendant wrongfully obtained the benefit of an indirect investment in Brasil Telecom.

a. Alcatel, a supplier of telecommunications equipment to Brasil Telecom, is also a substantial investor in the Defendant.

b. Alcatel's interest in the Defendant is arranged in such a way as to provide the Defendant with an economic interest in Brasil Telecom.

c. It is admitted by Opportunity that Alcatel is a supplier of telecommunications equipment to Brasil Telecom, that Alcatel is an investor in Opportunity Fund, and that Alcatel's investment is segregated from other investments in the Opportunity Fund. The Plaintiff will rely upon the admissions to this effect contained at paragraph 85 of the Preliminary Statement in Opportunity's Amended Answer in the New York Proceedings.

d. The Plaintiff will allege that the Defendant is receiving its interest as a *quid pro quo* to the supply contract granted by Brasil Telecom, whilst under the control of Opportunity, to Alcatel.

e. The Defendant has received substantial benefit from this transaction. The investment of Alcatel in Opportunity Fund is believed to be US$50 million. Pending a full accounting by the Defendant it is not known exactly how much benefit has accrued to the Defendant from the transaction.

Brasil Telecom Tag-Along "Agreement"

68. Opportunity purported to transfer to the Defendant a portion of the Control Premium expected to accrue to the Plaintiff and to the Offshore Fund upon the sale of Brasil Telecom.

a. The largest single investment made on behalf of, *inter alios,* the Plaintiff by Opportunity was the purchase of a controlling interest in Brasil Telecom.

b. This investment was made through the Solpart consortium, in conjunction with the Offshore Fund and Telecom Italia.

c. The Solpart consortium purchased a majority of the voting shares of Brasil Telecom's holding company BTP. Non-majority voting shares of BTP, and non-voting shares in BTP, can be purchased in the public equity markets.

d. Notwithstanding its position as a fiduciary, in late 2000 and early 2001 Opportunity purchased in the open market, for its own account, 9,856,795,737 voting shares in BTP.

e. The shares were purchased by different Opportunity vehicles, including the Defendant.

f. By a purported agreement on or about 1 December 2000, Opportunity then sought to consolidate its interest in the said shares by granting to itself "tag-along" rights as against the Offshore Fund.

g. The tag-along rights are activated by any sale by the Offshore Fund of 5% or more of its interest in Opportunity Zain, an indirect parent company of Solpart. Any such sale would require the purchaser also to buy, at the same price-per-share, the relevant Opportunity shares in BTP.

h. The Defendant, as one of the purchasers of shares in BTP in the open market, was a beneficiary of this transaction to a degree currently unknown to the Plaintiff, but which will become apparent after a full accounting by the Defendant.

i. The purported Brasil Telecom tag-along agreement has never been disclosed to the Plaintiff by Opportunity.

j. The purpose and effect of the Brasil Telecom tag-along agreement was to enrich the Defendant (and other Opportunity funds) at the expense of, *inter alia*, the Plaintiff, which stands to lose a portion of the Control Premium otherwise due to it upon a disposal of Solpart's controlling interest in Brasil Telecom.

k. On 28 April 2005 Telecom Italia's Brazilian subsidiary agreed to pay the equivalent of US$250 million for the BTP shares purchased by Opportunity in the open market. These shares amounted to approximately 10% of the total outstanding ordinary shares in Brasil Telecom S.A. The market value of these shares on or about 28 April 2005 was approximately US$100 million.

Alteration of structures of Solpart Consortium to Benefit Opportunity Fund

69. Opportunity has reorganised the corporate ownership structure of the Solpart consortium with the intention and effect of enhancing the value of the Defendant's indirect interest in Brasil Telecom.

a. Notwithstanding Opportunity's role as a fiduciary, the Defendant has built up a 9.75% stake in Opportunity Zain, the holding company for the Solpart consortium, and a direct shareholding of billions of non-voting BTP shares purchased on the open market.

b. The intention and purported effect of the restructuring was to create a market for the purchase of the Defendant's shareholding in Opportunity Zain at an enhanced price. This is because a purchaser wishing to acquire control of Brasil Telecom only needs to buy out two of the three major shareholders in Opportunity Zain.

c. The Defendant's stake, which would have had no significant value under the original structure, now assumes a similar importance to the stakes of each of the Plaintiff (45.45%) and the Offshore Fund (42.10%), because any combination of two of the three stakes will produce a controlling stake for a purchaser of Brasil Telecom S.A.

d. On or about 28 April 2005, Opportunity purported to close a deal with Telecom Italia, a minority shareholder in the Solpart consortium, whereby,

inter alia, the Defendant's shares in Opportunity Zain would be sold to Telecom Italia. Telecom Italia have agreed to pay €341 million, of which €50 million was expressed to be by way of settlement of alleged legal claims by Opportunity against Telecom Italia for defamation. The remainder, €291 million, is the purchase price for Opportunity's equity interest in Brasil Telecom.

e. The Plaintiff will rely, *inter alia*, upon:

i. Paragraph 159 of the Preliminary Statement in Opportunity's pleading entitled "*Defendant's Opportunity Equity Partners Ltd.'s and Daniel Valente Dantas's Answer to the Amended Complaint and Defendant Opportunity Equity Partners Ltd.'s Counterclaims*" ("Answer") filed in the New York Proceedings on 1 July 2005, in which Opportunity stated:

"*By acquiring Opportunity's 10.03 per cent interest in Opportunity Zain, Telecom Italia could acquire control of Brasil Telecom by acquiring either the stake of the CVC Fund or the Onshore Fund. Telecom Italia has no incentive to pay a control premium for stock which is not necessary to achieve 51% control.*"

ii. Paragraph 12 of the Sur-Reply Declaration of Arthur Carvalho in the New York Proceedings, dated 11 May 2005:

"*It is important to emphasise that, in purchasing Opportunity's 9.75% interest in Zain and purchasing certain direct shares in Brasil Telecom Participaçôes, S.A. ("BTP"), Telecom Italia is acquiring much more than the market value of those shares. In order to acquire majority control of Zain, all Telecom Italia needs to do is acquire the interests of two of the three funds. Once it acquires Opportunity's interest, it may acquire a majority interest by only purchasing either the Onshore Fund's interest or the CVC Fund's interest. Obviously, on a per share basis, Telecom Italia is willing to pay a much higher price for a 9.75% interest, as opposed to purchasing either the Onshore Fund's 45.45% interest or the CVC Fund's 42.10% interest. By acquiring Opportunity's interest first, it is no longer obligated to negotiate with both Citibank and the Onshore Fund*"

"Umbrella Agreement" Provides Defendant with Voting Rights

70. Unbeknownst to the Plaintiff, in 2002 Opportunity purported to cause a shareholders' agreement to be executed between, *inter alia*, the Plaintiff and the Offshore Fund ("the Umbrella Agreement").

71. The alleged agreement in its original form was dated 3 July 2002. It was designed to fortify Opportunity's control of the Portfolio Companies in the event that it was removed as the investment manager of either the Plaintiff or the Offshore Fund. The agreement was subject to amendments dated 8 August 2002 and 24 October 2003 respectively.

72. The intended effect of the alleged agreement is to endow the Defendant (and other Opportunity funds) with the right to vote the shares of the Portfolio Companies owned by the Plaintiff and the Offshore Fund in the event of the removal of Opportunity as investment manager of either of the Funds.

73. Opportunity later waived its right to enforce these voting provisions as against the Offshore Fund, but expressly reserved its right to do so against the Plaintiff.

74. Thus, Opportunity Fund now claims to have the right to vote the Plaintiff's shares in each Portfolio Company.

75. The said voting rights are a valuable asset. The Plaintiff will rely, *inter alia,* upon paragraph 14 c of the Sur-Reply Declaration of Arthur de Carvalho dated 11 May 2005 in the New York Proceedings, in which he states that the existence of voting rights is a reason for Telecom Italia to pay a higher price for the Defendant's direct and indirect interests in Brasil Telecom that it otherwise would.

76. The Umbrella Agreement is currently suspended by order of the Brazilian Courts.

Commercial Benefits

77. As a result of the Wrongful Transfers the Defendant has received the following commercial benefits ("the Commercial Benefits"):

a. 95% of the shares in Highlake;

b. An indirect investment in Brasil Telecom;

c. Enhancement of the value of BTP shares purchased by the Defendant in the open market;

d. Enhancement of the value of the Defendant's stake in Opportunity Zain;

e. Valuable rights to vote shares beneficially owned by the Plaintiff.

78. The precise value of the Commercial Benefits appropriated to the Defendant by means of the Wrongful Transfers is not known to the Plaintiff. The Plaintiff estimates their aggregate value to be in excess of US$1 billion. The Plaintiff will rely, *inter alia* and pending a full account, on the fact that Vivo made a bid for Telemig in the amount of $R5.2 billion, being approximately US$2.3billion at the current exchange rate.

Defendant's Knowledge

79. In each case described above:

a. Opportunity was in breach of fiduciary duty;

b. The Defendant was aware of the same.

80. Without prejudice to the generality of the foregoing the Plaintiff will rely upon the fact that OAM, the Defendant's investment manager and controlling entity, is owned and controlled by Opportunity.

Causes of Action

(A) Constructive Trust

81. In the premises it was and remains unconscionable for the Defendant to retain the Commercial Benefits or any of them. The Plaintiff will say that the Commercial Benefits are held by the Defendant on constructive trust for the benefit of, *inter alios*, the Plaintiff.

(B) *Knowing Receipt*

82. In the case of each of the Wrongful Transfers:

a. There was a disposal of a Commercial Benefit in breach of fiduciary duty by Opportunity;

b. The Defendant beneficially received the Commercial Benefit, which is traceable as representing, *inter alia*, the Plaintiff's assets;

c. The Defendant knew that the Commercial Benefit was traceable to Opportunity's breach of fiduciary duty and therefore behaved dishonestly in receiving and retaining the Commercial Benefit.

83. In the premises the Defendant is in each case liable to the Plaintiff for knowing receipt of the Commercial Benefits.

(C) *Dishonest Assistance*

84. Further or in the alternative, in the case of each Wrongful Transfer:

a. the Defendant procured and/or assisted other companies in the Opportunity Group to make the Wrongful Transfer;

b. In so doing the Defendant acted dishonestly;

c. As a result the Plaintiff has been deprived of its beneficial share of the corresponding Commercial Benefit.

85. In the premises the Defendant is liable to the Plaintiff for dishonestly assisting Opportunity's breach of fiduciary duty.

Relief

86. The Plaintiff claims the following relief against the Defendant:

a. All proper accounts and inquiries to determine the full extent of the commercial benefit received by the Defendant at the direct or indirect expense of the Plaintiff;

b. An account of all sums received by the Defendant representing income or proceeds of the said commercial benefit or any part thereof;

c. An inquiry what assets in the hands of the Defendant represent such commercial benefit;

d. An order for payment by the Defendant to the Plaintiff of all sums found to be due to the Plaintiff from the Defendant on the taking of the said accounts and inquiries;

e. Interest by way of equitable relief at a commercial rate on all sums found due to the Plaintiff;

f. The appointment of a receiver of the Defendant's assets with power to manage and continue the Defendant's business;

g. Further or other relief;

h. Costs.

DATED 24th November 2005