

IN THE GRAND COURT OF THE CAYMAN ISLANDS

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CAUSE NO. _____ OF 2006

IN THE MATTER OF THE COMPANIES LAW (2004 Revision)

-and-

IN THE MATTER OF EURO FIXED INCOME LIMITED (in Voluntary Liquidation)
(the "Company")



PETITION



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

The Humble Petition of the Company (in Voluntary Liquidation) of P.O.Box 2499GT,
Strathvale House, North Church Street, George Town, Grand Cayman, Cayman Islands

SHOWETH as follows: -

1. The Company was incorporated on October 3, 1997 under the Companies Law as an exempted company. The Company was licensed under the Mutual Funds Law of the Cayman Islands to carry on the business of a mutual fund and at the time of its collapse the Company had carried on that business in Gibraltar.
2. The registered office of the Company is situated at Chris Johnson Associates Ltd, P.O.Box 2499 GT, Strathvale House, North Church Street, George Town, Grand Cayman, Cayman Islands.
3. The Company passed a Special Resolution at an Extraordinary General Meeting of the sole Shareholder held on June 24, 2004 to place the Company into

voluntary liquidation and to appoint on July 1, 2004 Mr. Christopher Dorrien Johnson of Chris Johnson Associates Ltd. as the Voluntary Liquidator.

4. The Company was placed in voluntary liquidation due to its inability to meet the redemption requests of participating shareholders, an inability that arose due to the fraudulent misappropriation of its assets by its small Gibraltar based and regulated sub-custodian broker, Rock Financial Services Limited ("Rock").

5. Rock was a Gibraltar execution-broker licensed by the Gibraltar Financial Services Commission ("FSC"). At the time of the collapse of Rock all the recorded assets of the Company of Euros 1,730,000 were held at Rock. Those assets were fraudulently misappropriated by and through Rock.

6. Rock was ordered by the FSC to cease trading on May 15, 2003 and to transfer all its assets to PricewaterhouseCoopers Gibraltar ("PwC") as an investigation ordered by the FSC had revealed the inadequacy of the capital of Rock and that Rock had not properly safeguarded client assets under its control. The records of Rock were seized by the Royal Gibraltar Police ("RGP") on June 4, 2003. On July 22, 2003 Rock was placed into compulsory liquidation with a deficiency of liabilities over assets estimated to be considerably in excess of US\$15 million. It is unlikely that Joint Liquidators of Rock will be able to pay a dividend out of the liquidation estate of Rock.

7. The financial affairs of Rock, its Managing Director, Mr. Michael Whitting, its Finance Director, Mr. Stephen Putnam, and its beneficial owners, including a founding shareholder, Mr. Simon Eagle, are still the subject of an ongoing

criminal investigation by the RGP. Mr. Eagle is also under investigation by the Serious Fraud Office in London. In 2004 Eagle was declared bankrupt in England.

8. On September 3, 2003 the records of the Company's Gibraltar based and licensed investment manager, Forum Asset Management Limited ("FAM?"), were seized by the RGP. The financial affairs of FAM and its directors are still subject to an ongoing criminal investigation by the RGP. FAM was placed into compulsory liquidation on July 15, 2004. The directors of FAM were Messrs. Graham May and Simon Eagle. The affairs of Mr. May are under investigation by the Serious Fraud Office based in London. Mr. May was a director of the Company and the Gibraltar licensed administrator of the Company, Offshore Administration Services Limited ("OAS?").

9. On September 3, 2003 the records of OAS were seized by the RGP. The financial affairs of OAS and its directors are still the subject of an ongoing criminal investigation by the RGP. OAS was placed into compulsory liquidation on July 15, 2004. The other director of OAS was Mr. Darren Edmonston. The financial affairs of Mr. Edmonston are the subject of an investigation by the Serious Fraud Office in London. In 2005 Mr. Edmonston was declared bankrupt in England.

10. The criminal investigation by the RGP into the affairs of Rock, FAM and OAS was widened to include the affairs of the Company. On May 18, 2004 the banking records of the Company that were held in Gibraltar at the offices of its custodian, ABN AMRO Bank N.V., were seized by the RGP. The following day, May 19, 2004, the audit records of the Company that were held in Gibraltar at the offices of its auditor, KPMG Gibraltar, were seized by the RGP.

