

IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO: 310 OF 2007



IN THE MATTER OF THE COMPANIES LAW (2004 REVISION)

AND IN THE MATTER OF THE MUTUAL FUNDS LAW (2003 REVISION)

AND IN THE MATTER OF GIAMO FUND LTD.



PETITION

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

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

SHOWETH as follows:

1. GIAMO Fund ("the Fund") was incorporated on 6th January 2004 and is a Cayman Islands limited liability exempted company.
2. The Fund was registered with the Authority on 23rd February 2004 and commenced trading in May 2004.
3. The directors of the Fund at the date of registration were Altemir C. Farinhas, Fernando P. Ferreira, Sergio V.O. Damiani, and Eduardo M. L. Longo. Sergio V.O. Damiani resigned as a director of the Fund on 23rd April

2004, and on the same day, Rodrigo A.F. Albuquerque was appointed as a director of the Fund.

4. At the time of registration the administrator, registrar and transfer agent (“RTA”) and registered office of the Fund was UBS Fund Services (Cayman) Ltd. (“UBS”). UBS resigned as RTA effective 4th October 2006.

5. The Funds custodian, accountant and valuation agent was Banco Itaú S.A. (“Banco Itaú”). Based on the Controllers’ report, Banco Itaú ceased to provide services to the Fund in October 2006.

6. The investment manager of the Fund was GIAMO Asset Management, Ltd and the investment advisor is Global Invest Asset Management Ltd.

7. The auditors of the Fund are PricewaterhouseCoopers Cayman, with assistance from PricewaterhouseCoopers Brazil who was to perform the detailed audit procedures relating to the fund.

8. At the date of registration, the Funds local legal counsel was Hunter & Hunter (now Appleby’s) and legal counsel in Brazil was Freitas e Leite Advogados. Appleby’s ceased to represent the Fund in February 2007.

9. The Fund’s stated investment objective was to achieve strong and consistent capital appreciation over the medium/long-term at reduced risks. To achieve its objective, the Fund invests its assets either directly or in other investment funds of recognized standing with a compatible investment objective and strategy to that of the Fund.

10. On 5th March 2007, the Authority exercised its powers under section 30(3)(e) of the Mutual Funds Law (2003 Revision) (“the Law”) and resolved to appoint a person to assume control of the affairs of the Fund. The regulatory considerations for the appointment included:

- a) The Authority had received inquiries from investors regarding the status of the Fund and their inability to redeem their investments.

b) The Fund was in breach of Section 4(3)(b) of the Law for failing to have filed with the Authority the prescribed details in respect of the Fund's current offering document.

c) The Fund was in breach of Section 8(1) and (2) for failing to have its accounts audited by an auditor approved by the Authority and to submit those audited accounts to the Authority within six months of the Fund's financial year-end. The Fund's audited accounts for the years ended 31st December 2004 and 2005 remain outstanding.

d) The Fund was in breach of Section 9 of the Law for failing to pay its annual registration fees for the year 2007. The fee was due by 15th January 2007 and remains outstanding.

e) The Fund currently has no registrar and transfer agent service provider.

11. On 15th March 2007 Messrs. Kenneth Krys and Christopher Stride ("the Controllers") of RSM Cayman Islands were appointed to assume control of the affairs of the Fund. On 16th May 2007 by order of the Grand Court (Cause No: 125 of 2007), the Controllers obtained the authority to exercise the powers of a receiver or manager appointed by the Grand Court under the Bankruptcy Law (1997 Revision).

12. In their Interim Report dated 5th April 2007, the Controllers reported the following main findings:

a) The known assets of the Fund are held at UBS and Man Financial Inc. (one of the Fund's brokers and are frozen to the order of the Controllers. The Controllers also obtained copies of the books and records of the Fund held at UBS. Appleby advised the Controllers that they would not release the books and records held by them as they are claiming a lien over these in lieu of unpaid fees that total approximately US\$30,000.

b) Based on the documentation provided to the Controllers, the Fund commenced trading in May 2004 and grew to assets under management of US\$4.6 million at June 30, 2005. During July 2006, the value of the Fund fell by US\$3,866,770, due to losses arising from an investment in a bond, which was valued at US\$4.1 million or 99% of the Fund's net asset value.

The daily valuation summaries provided to the Controllers by Banco Itaú for July 11 and 12 2006 indicate that on July 11, 2006 this bond was valued at US\$4,128,888 and that it was sold on July 12, 2006 for US\$252,008. The Controllers are continuing to investigate the basis for the valuation and the circumstances of the sale of this investment. The Controllers have been unable to locate the existence of the bond on any brokerage account held by the Fund's brokers.

c) The Fund's records indicate that the decline in value of the Fund during 2006 is due mainly to the losses described in the previous paragraph. However, the Controllers' preliminary view is that sustained losses were incurred throughout 2005 totalling US\$3.2 million. However, these losses do not appear to have been reflected in the monthly NAV valuation prepared by Banco Itaú.

d) Based on the information available to them, the Controllers believe the financial position of the Fund to be comprised of assets of US\$141,282 and liabilities of US\$1,730,000, resulting in net liabilities of US\$1,588,718. Based on this, it appears that the Fund cannot meet its obligations as they fall due and may therefore be insolvent.

e) Despite repeated attempts to contact the Directors in writing, via telephone and attending their offices in person, the Controllers were unsuccessful in establishing contact with them. The Directors' non-cooperation with the Controllers raises concerns with respect to the Directors intentions to fulfil their obligations to the Fund and accordingly the ability of the Fund to continue as a going concern;

13. The Controllers concluded by recommending that the Fund be placed into liquidation.

14. The Fund remains in breach of:

a) Section 4(3)(b) of the Law for failure to file with the Authority the prescribed details in respect of its current offering document.

b) Sections 8(1) and (2) of the Law for failing to have its accounts audited by an auditor approved by the Authority and to submit those audited

accounts to the Authority within six months of the Fund's financial year-end. The Fund's audited accounts for the years ended 31st December 2004 and 2005 remain outstanding.

c) Section 9 of the Law for failing to pay its annual registration fees for the year 2007. The fee was due by 15th January 2007 and remains outstanding.

15. The Fund currently has no Registrar and Transfer Agent, Custodian or Valuation Agent.

16. Pursuant to section 30(11) of the Law, *“On receipt of any information or a report under subsection (9) in respect of a mutual fund, the Authority may inter alia- if the mutual fund is a company, apply to the Grand Court under section 96 of the Companies Law (2003 Revision) for the company to be wound up by the Court in accordance with that Law.”*

17. On June 14, 2007 the Authority resolved pursuant to section 30(11)(b) of the Law to apply to the Grand Court for an order that the Fund be forthwith wound up by the Court. In addition it was agreed that the Fund's registration be cancelled simultaneously with the winding up order being granted by the Court.

18. Pursuant to section 30(11)(b) of the Law the Petitioner applies under section 94 of the Companies Law (2004 Revision) for the company to be wound up by the court on the grounds that it is just and equitable for the following reasons:

(i) The Fund has not filed the prescribed details in respect of its current offering document with the Authority and is therefore in contravention of section 4(3)(b) of the Law.

(ii) The Fund has not filed its audited accounts for the periods ended 31st

December, 2004 and 2005 and is therefore in contravention of section 8(1) and (2) of the Law.

(iii)The Fund has not paid its annual registration fees for the year 2007 and is therefore in contravention of Section 9 of the Law.

(iv)The Joint Official Liquidators would be able to take steps to be recognised under the United States bankruptcy laws and therefore be able to repatriate the assets of the Fund to the Cayman Islands.

(v) It is in the public interest that the Fund be wound up expediently.

YOUR PETITIONER THEREFORE HUMBLY PRAYS as follows: -

(a) That GIAMO Fund be wound up by the Court subject to the provisions of the Companies Law (2004 Revision);

(b) That Messrs. Kenneth Kryz and Christopher Stride of RSM Cayman Islands, be appointed as Joint Official Liquidators of the Fund, and that the Joint Official Liquidators be authorised to do any acts or things jointly and severally considered by them to be necessary or desirable in connection with the liquidation of the Fund and the winding up of its affairs;

(c) That the Joint Official Liquidators shall not be required to give security for their appointment;

(d) That the Petitioner be at liberty to apply to the Court at any time, *inter alia*, for the removal of the Joint Official Liquidators;

(e) That the Joint Official Liquidators be authorised:

(i) to bring or defend any action, suit, prosecution or other legal proceedings, whether criminal or civil, by way of court process or arbitration, in the name and on behalf of the Fund.

(ii) to take possession of, collect and get in all property or assets (of whatever nature) to which the Fund is or appears to be entitled;

(iii) to do all things as may be necessary or expedient for the protection of the Fund's assets;

(iv) to do all things (including the carrying on of the business of the Fund) as may be necessary or expedient for the beneficial realisation of the property or assets of the Fund (including power to borrow money);

(v) to appoint attorneys, solicitors and other professional qualified persons both in the Cayman Islands and elsewhere to assist them in the performance of their duties;

(vi) to appoint agents both in the Cayman Islands and elsewhere to do any business which they are unable to do themselves or which can more conveniently be done by an agent and power to employ and dismiss officers and employees of the Fund;

(vii) to exercise any power which is necessary or incidental to the performance of their duties;

(viii) to open and maintain bank accounts in the name of the Fund or themselves anywhere in the world as may be necessary for the better performance of their duties;

(ix) to exercise and execute all the powers set out in section 109 of the Companies Law (2004 Revision) without sanction or

intervention of the Court and unprejudiced by the generality hereof;

(x) to compromise all calls and liabilities to calls, debts and liabilities capable of resulting in debts, and all claims whether present or future, certain or contingent, ascertained or sounding only in damages, subsisting or supposed to subsist between the Fund and any contributory or alleged contributory or alleged contributory or other debtor or person apprehending liability to the Fund, upon receipt of such sums payable at such times and generally on such terms as may be agreed upon, with power to take securities for the discharge of such debts or liabilities and to give complete discharges in respect of all or such calls, debts, or liabilities; and

(xi) to do and execute all such other things as may be necessary for winding-up the affairs of the Fund and distributing its assets;

and for the avoidance of doubt the powers bestowed on the Official Liquidators may be exercised by them within and outside the Cayman Islands.

(f) That the Joint Official Liquidators do file with the Clerk of the Court a report in writing of the position of and the progress made with the winding up of the Fund and with the realisation of the assets thereof and as to any other matters connected to the winding up of the Fund, every six calendar months or as the Court may from time to time direct;

(g) That the Joint Official Liquidators engage attorneys in the Cayman Islands satisfactory to the Petitioner to assist with the winding up of the Fund;

(h) That, save as aforesaid, the Joint Official Liquidators be at liberty to employ attorneys, counsel and professional advisors whether in the Cayman Islands or elsewhere as they may consider necessary to advise and assist them in the performance of their duties and on such terms as they may think fit;

(i) The Joint Official Liquidators shall be entitled to receive remuneration for their services by reference to the time properly given by them and their staff in attending to matters arising in the winding-up and the hourly rates and the amount of remuneration shall be determined in accordance with section 123 of the Companies Law (2007 Revision); and

(i) The Joint Official Liquidators be at liberty to pay their agents, employees, attorneys, solicitors and whomsoever else they employ or instruct either weekly or monthly or at such intervals as they consider appropriate;

(ii) The Joint Official Liquidators shall be entitled to receive remuneration for their services by reference to the time properly given by them and their staff in attending to matters arising in the winding-up and the hourly rates and the amount of remuneration shall be determined in accordance with the Companies Law;

(iii) The Joint Official Liquidators be at liberty to meet all disbursements reasonably incurred in connection with the performance of their duties;

(j) The Joint Official Liquidators shall provide to the Petitioner copies of all reports filed with this Court and/or sent to creditors or contributories of the Fund;

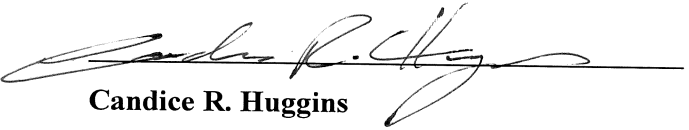
(k) The Joint Official Liquidators shall serve on the Petitioner copies of all applications made to this Court for directions or other relief and any evidence in support thereof, such service to be within a reasonable time of date of the hearing of any such applications;

(l) That the costs of this petition be paid out of the assets of the Fund as an expense of the liquidation;

(m) Such other orders and directions may be made as the Court thinks fit.

AND YOUR PETITIONER will ever pray etc.

DATED this 24th day of July, 2007.



Candice R. Huggins

Legal Counsel for the

Cayman Islands Monetary Authority

INDORSEMENT

This Petition having been presented to the Grand Court of the Cayman Islands on the day of July 2007 will be heard by the Grand Court of the Cayman Islands:

DATE:

TIME:

(or as soon thereafter as the amended petition can be heard).

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