

IN THE GRAND COURT OF THE CAYMAN ISLANDS

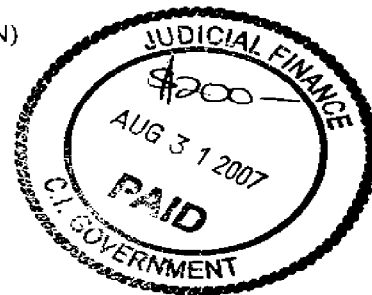
60383/07
CAUSE NO: OF 2007

IN THE MATTER OF THE COMPANIES LAW (2007 REVISION)

AND IN THE MATTER OF AVENDIS GLOBAL FUND LTD

PETITION

TO THE GRAND COURT OF THE CAYMAN ISLANDS



THE HUMBLE PETITION of Banca del Gottardo S.A. Luxembourg Branch, of 6 avenue Marie Thérèse, L-2132 Luxembourg ("the Petitioner") shows that:

1. Avendis Global Fund Ltd ("the Fund") is an open ended exempted company organised and incorporated under the Companies Law (as Revised) of the Cayman Islands ("the Law").
2. The registered office of the Fund is situated at Q&H Corporate Services Ltd, 3rd Floor Harbour Centre, North Church Street, George Town, Grand Cayman, Cayman Islands.
3. The Fund has an authorised share capital of the aggregate of US\$35,100, CHF 5,000 and EUR 5,000 consisting of:
 - (a) 10,000 Class A ordinary voting shares of US\$0.01 par value;
 - (b) 1,000,000 Class B shares of US\$0.01 par value;
 - (c) 1,000,000 Class C shares of US\$0.01 par value;
 - (d) 1,000,000 Class D ordinary non-voting shares of US\$0.01 par value;
 - (e) 500,000 undesignated ordinary non-voting shares of US\$0.01 par value;
 - (f) CHF5,000 consisting of 500,000 Class E ordinary non-voting shares of CHF0.01 par value; and

- (g) EUR5,000 consisting of 500,000 Class F shares of €0.01 par value.
4. The objects for which the Fund is established are unrestricted.

The Petitioner

5. The Petitioner is a company organised under the laws of Luxembourg and regulated as a bank by the Commission de surveillance du secteur financier.
6. The registered office of the Petitioner is 76/78 Grand-rue L 1660 Luxembourg.
7. The objects for which the Petitioner is established are to provide banking services.

Background Information

8. On 1 July 2005 the Petitioner purchased 1653.014 Class C non-voting shares of the Fund for a total investment of US\$2.5 million. While the Petitioner is the registered shareholder the Class C shares in the Fund, the Petitioner holds the shares as custodian for Palomar Structured Credit Strategies Ltd., an exempted limited liability company organised and incorporated under the laws of the Cayman Islands.
9. In accordance with article 5(d) of the Memorandum and Articles of Association of the Fund subscription proceeds were then invested principally in such investments and with such investment objectives relevant to the Class C shares as specified in the Offering Memorandum or other offering document of the Fund pursuant to which and upon the terms and conditions of which the Class C shares were offered for purchase. Pursuant to the Offering Memorandum dated October 2006 the Class C ordinary non-voting shares of the Fund represent interests in the Avendis Enhanced Fixed Income Fund ("the EFI Fund"), a sub-fund of the Fund.
10. The investment manager of the Fund and the EFI Fund is Avendis Investment Management (Guernsey) Limited, ("the Investment Manager"). The chairman of the Investment Manager is Yannis Bilquez. The Investment Manager holds the Class A voting shares of the Fund.

11. Pursuant to article 5(e) of the Memorandum and Articles of Association of the Fund a holder of the participating shares of each Class shall be entitled to redeem all or any of such shares on the relevant Dealing Date, as defined therein. Further, article 5(h) provides that up to 90% of the net redemption proceeds due will normally be paid within 10 days after the relevant Dealing Day, with the remaining 10% paid after final calculation of the net asset value per share as at the relevant Dealing Day.
12. Pursuant to a redemption notice dated 9 February 2007 ("the Redemption Notice") the Petitioner requested a complete redemption of its shareholding in the Fund. Receipt of the Redemption Notice was acknowledged by Custom House Administration & Corporate Services Limited, the Administrator of the Fund, by email dated 20 February 2007. The Administrator confirmed that redemption proceeds would be paid on 1 May 2007.
13. Despite numerous requests in writing and orally for immediate payment, the Petitioner has to date not received any funds due to it pursuant to the Redemption Notice. Since submission of the Redemption Notice the Petitioner has however assigned the claim which it would have to redemption proceeds in respect of 275.50 Class C shares in the Fund to Avendis Global Strategies Ltd, in consideration for which it received US\$500,000.
14. No funds have been paid by the Fund to the Petitioner despite Yannis Bilquez of the Investment Manager agreeing at a meeting on 16 July 2007, which meeting was attended by the chairman of Palomar Capital Advisors Ltd, the advisor to Palomar Structured Credit Strategies Ltd., that outstanding redemption proceeds due to the Petitioner would be paid during that week and, in any event, by no later than Thursday, 19 July 2007. It was further agreed by Yannis Bilquez that the Petitioner would be paid any residual redemption amounts within three weeks from 16 July 2007.
15. In the circumstances, the Fund is unable to meet its debts as they fall due.
16. Further and despite having failed to settle outstanding redemption obligations to the Petitioner, the Investment Manager, on behalf of the Fund, entered into loan arrangements with companies controlled by Yannis Bilquez, the chairman of the

Investment Manager. Preliminary investigations have confirmed that no or no adequate security was obtained by the Investment Manager for such loans. In breach of the Conflict of Interest provisions of the Investment Management Agreement dated 1 July 2006 documentation in support of such loans was executed by Yannis Bilquez on behalf of Avendis Enhanced Fixed Income Trading Ltd, the limited liability trading company into which the assets of the EFI Fund are invested, and by Yannis Bilquez on behalf of the borrower, Charles Jourdan Holding AG.

17. Further and in breach of the Memorandum and Articles of Association of the Fund, the Fund has failed to make audited accounts for the year 2006 available for the inspection of members.
18. In light of the foregoing it is just and equitable that the Fund be wound up.

YOUR PETITIONER THEREFORE HUMBLY PRAYS THAT:

- (1) The Fund be wound up by the Court under the provisions of the Companies Law (2007 Revision);
- (2) Such other order may be made as the Court thinks fit.

DATED the 31st day of August 2007



WALKERS

Attorneys-at-Law for the Petitioner

INDORSEMENT

This Petition having been presented to the Court on 30 August 2007 will be heard at the Grand Court of the Cayman Islands on:

Date:

Time:

(or as soon thereafter as the Petition can be heard)