

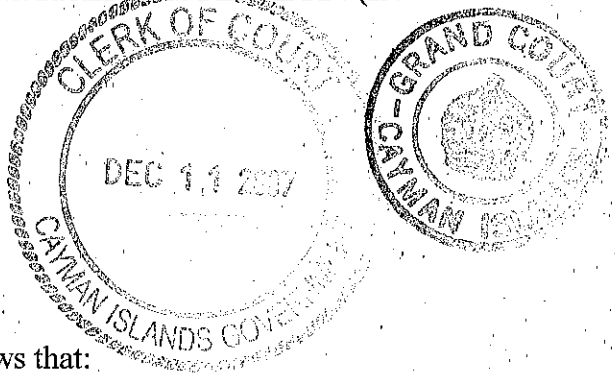
IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO. 0609 OF 2007

IN THE MATTER OF THE COMPANIES LAW (2007 REVISION)

AND IN THE MATTER OF GOTTBETTER CAPITAL MASTER, LTD. (IN
VOLUNTARY LIQUIDATION)

PETITION



To: **The Grand Court**

The Petition of Gottbetter Capital Master, Ltd. shows that:

1. Gottbetter Capital Master, Ltd. (the **Master Fund**) was incorporated as an exempted company no. 163984 on 8 March 2006 under the Companies Law.
2. The registered office of the Master Fund is at Citi Hedge Fund Services (Cayman) Limited, 27 Hospital Road, George Town, Grand Cayman, Cayman Islands.
3. The Master Fund is the master fund in a “master-feeder” fund structure. There are three feeder funds (the **Feeder Funds**). Two of the Feeder Funds, Gottbetter Capital Global, Ltd. (**Gottbetter Global**) and ElitePerformance SIPS Ltd. (**Elite**), are Cayman Islands exempted companies. The third Feeder Fund, Gottbetter Capital USA, LP (**Gottbetter USA**), is a Delaware Limited Partnership.
4. The three directors of the Master Fund are Adam Gottbetter (of Gottbetter Capital Management LP, the investment manager of the Master Fund), David Bree (of dms Management Ltd.) and Orlando Figueroa (of Lord Securities Corporation) (the **Directors**). The Directors are also the three directors of Gottbetter Global and Elite. Gottbetter USA’s general partner is Gottbetter Capital Finance, LLC,

of which Mr Gottbetter is described as the "managing member". The Master Fund and the Feeder Funds therefore all have common directors / principals.

5. The Master Fund was subject to significant redemption requests from Elite during December 2006. The Elite Offering Memorandum provided investors with a right to redeem all or a portion of their shares on the last business day of a calendar quarter (a three month period ending on the last day of March, June, September and December) on ninety days' prior notice. The Master Fund's Articles of Association in turn provided that 90% of the redemption proceeds payable to such investors would normally be remitted within a reasonable time not expected to exceed 30 calendar days, with the 10% balance payable within 30 days after the Master Fund's year end audit.
6. Some of the December 2006 redemption requests by Elite were paid in early May 2007, subject to the 10% holdback. Other redemption requests filed in December 2006 are understood to have been withdrawn and re-filed to fall due in the June and September 2007 quarter ends. The redemption requests falling due on the June quarter end were paid in early August, subject to the 10% holdback.
7. The remaining Elite redemption requests which were re-filed to fall due on the September 2007 quarter end were only partially paid. The Master Fund did not have sufficient cash or other liquid assets in its portfolio (consisting primarily of convertible bond holdings and other illiquid investments in US companies) to pay 90% of those redemption requests. Instead, the Master Fund paid Elite a percentage of the cash which it held equal to the percentage of shares held by Elite in the Master Fund, which was less than 90% of the amount due in respect of the redemption requests based on the Net Asset Value calculated at the September quarter end. No other assets in the portfolio were realised and no further payments have been made to Elite, such that none of its redemption requests from December 2006 onwards have been fully met.

8. In October 2007, a number of investors in Gottbetter Global submitted redemption requests which were to be effective as at 31 December 2007.
9. On 27 November 2007, however, the Feeder Funds unanimously passed a written resolution that the Master Fund be wound up voluntarily and that Ian Wight and Stuart Sybersma of Deloitte, One Capital Place, P.O. Box 1787 GT, George Town, Grand Cayman be appointed as its joint voluntary liquidators (the **Liquidators**).
10. At the time of filing of this petition, the Liquidators are not aware of any petition having been presented, or of any resolution having been passed, to wind up either Gottbetter Global or Elite (both of which are exempted Cayman companies). The Liquidators are also not aware of any form of insolvency proceedings having been commenced against Gottbetter USA (the Delaware Limited Partnership).
11. An order is now sought pursuant to Section 150 of the Companies Law (2007 Revision) directing that the voluntary winding up of the Master Fund should continue subject to the supervision of the Court on the following grounds:
 - (a) It is possible that investors in the Feeder Funds, any one or more of the Feeder Funds or creditors of the Master Fund might seek to bring proceedings against the Master Fund and/or seek to obtain attachments against its assets. It would assist the orderly winding up of the Master Fund's affairs if the voluntary liquidation was brought under the Court's supervision, so that such parties were prevented from doing so (without the leave of the Grand Court) by the automatic stay of such actions which would apply pursuant to Section 154 of the Companies Law (2007 Revision).
 - (b) Concerns have been raised by certain investors in Gottbetter Global and Gottbetter USA over how they have been, and how they will be, treated in

comparison to the investors in Elite. Certain investors in Elite have similarly expressed concerns over how their redemption requests were, and will be, treated. Further, the Liquidators' preliminary assessment of the Master Fund's portfolio as at 30 September 2007 has identified potential concerns that the Net Asset Value as at that date may have been overstated. The Liquidators consider that it may facilitate the resolution of issues of this nature if the liquidation is brought under the Court's supervision, and that it would be appropriate to do so within the more formal context of a Court supervised liquidation, rather than within a voluntary liquidation, particularly given the differing interests and concerns of the various parties.

- (c) The majority of the Master Fund's assets are held at financial institutions in the United States. Although the Liquidators do not currently envisage the need to make an application for recognition from a Court in the United States under Chapter 15 of the United States Bankruptcy Code, such an application may nevertheless become necessary in the future, and it will assist any such application if the voluntary liquidation has first been brought under the supervision of the Grand Court.

THE PETITIONER THEREFORE PRAYS THAT:

- (1) The Court direct that the liquidation of the Master Fund continue subject to the supervision of the Court.
- (2) The Liquidators shall have power:
 - (a) 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 Master Fund.

- (b) to locate, protect, secure, take possession of, collect and get in all property or assets (of whatever nature) to which the Master Fund is or appears to be entitled;
- (c) to locate, protect, secure and take into their possession and control the books, papers and records of the Master Fund wherever they are situated, including the accounting and statutory records;
- (d) to do all things as may be necessary or expedient for the protection of the Master Fund's assets;
- (e) to do all things (including the carrying on of the business of the Master Fund) as may be necessary or expedient for the beneficial realisation of the property or assets of the Master Fund (including power to borrow money);
- (f) to carry out such investigations as they may consider appropriate into the promotion, formation, business, dealings, affairs or property of the Master Fund, including without limitation applying for relief under Sections 127 and 128 of the Companies Law (2007 Revision);
- (g) to take any such action as may be necessary or desirable to obtain the recognition of their appointment in any other relevant jurisdiction and to make applications to the courts of such jurisdictions for that purpose, including, without limitation, the filing of a petition under Chapter 15 of the United States Bankruptcy Code (for which purpose the Liquidators be designated as the foreign representative of the Master Fund);
- (h) to appoint attorneys, solicitors, barristers and other professional qualified persons both in the Cayman Islands and elsewhere to assist them in the performance of their duties;

- (i) to appoint and dismiss 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;
- (j) to make any power which is necessary or incidental to the performance of their duties;
- (k) to open and maintain bank accounts in the name of the Master Fund or themselves anywhere in the world as may be necessary for the better performance of their duties;
- (l) to exercise and execute all the powers set out in Section 109 of the Companies Law (2007 Revision) without sanction or intervention of the court and unprejudiced by the generality hereof;
- (m) 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 Master Fund and any contributory or alleged contributory or alleged contributory or other debtor or person apprehending liability to the Master 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;
- (n) subject to the provisions of section 107(2) of the Companies Law (2007 Revision), to render and pay invoices out of the assets of the Master Fund for their own remuneration at such rates as may be agreed with the creditors and/or shareholders, or failing which at such rates as may be set

by the Court, together with all costs, charges and expenses of their attorneys, and all other agents, managers, accountants or other persons that the Liquidators may employ or retain; and

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

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

- (3) The Liquidators be at liberty to apply for further directions relating to the winding-up of the affairs of the Master Fund and the distribution of its assets.
- (4) The reasonable costs of and incidental to this Petition be paid forthwith from the assets of the Master Fund.

DATED this 11th day of December 2007.

Campbells

CAMPBELLS

Note: It is intended to serve this Petition on Gottbetter Capital Master, Ltd. (in Voluntary Liquidation) at its registered office.

INDORSEMENT

This Petition having been presented to the Court on
at the Law Courts, George Town, Grand Cayman on
a.m./p.m. or as soon thereafter as the Petition can be heard.

December 2007 will be heard
at

This Petition is filed by Campbells, Attorneys-at-Law for the Petitioner, whose address for service is that of its Attorneys-at-Law, Fourth Floor, Scotia Centre, P.O. Box 884, George Town, Grand Cayman, Cayman Islands, B.W.I. (Ref: AJW/GM/14979)