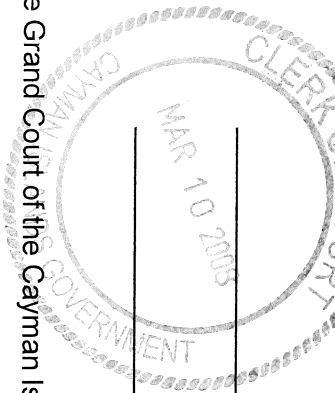


IN THE GRAND COURT OF THE CAYMAN ISLANDS

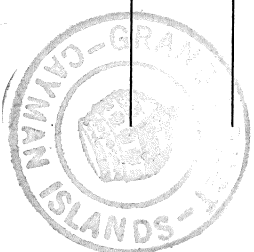
CAUSE NO: *30142* OF 2008

IN THE MATTER OF PELOTON ABS MASTER FUND (IN VOLUNTARY LIQUIDATION)  
AND IN THE MATTER OF SECTION 150 OF THE COMPANIES LAW (2007 REVISION)



PETITION

TO: The Grand Court of the Cayman Islands



**THE HUMBLE PETITION** of Peloton ABS Master Fund (in voluntary liquidation) of PO Box 309GT, George Town, Grand Cayman (the "Company") acting by its joint liquidators G James Cleaver and Gordon I MacRae (the "Petitioner") shows that:

- 1 On 18 October 2006 the Company was incorporated in the Cayman Islands as an exempted limited company.
- 2 The purpose of the Company was to operate as an investment fund. The Company primarily sought to achieve its investment objectives through trading a diverse portfolio of asset backed securities and related assets and investments, primarily in the United States and especially in U.S. mortgage backed securities.
- 3 On 5 March 2008 the shareholders of the Company passed a special resolution to wind up the Company and appointed G James Cleaver and Gordon I MacRae of Kroll (Cayman) Limited to be the liquidators of the Company.
- 4 For the reasons set out in the affidavit of Gordon I MacRae sworn in support of this Petition, the Liquidators consider that it is appropriate and desirable for the liquidations of the Company to be brought under the supervision of the Court. Amongst other matters this will bring about a moratorium on unsecured creditor action with the effect of ensuring that no unsecured creditor is able to take unilateral action in the Cayman Islands to improve its position at the expense of other unsecured creditors. Court supervision will also make recognition of the

Liquidators' appointment and powers easier and more effective in other jurisdictions, notably England.


**YOUR PETITIONER THEREFORE HUMBL Y PRAYS AS FOLLOWS:**

- (1) That pursuant to Section 150 of the Companies Law (2007 Revision) (the "Law") the voluntary liquidation of the Company, commenced by special resolution dated 5 March 2008, be continued but subject to the supervision of the Court.
- (2) That G James Cleaver and Gordon I MacRae be confirmed as Liquidators of the Company and that the Liquidators do have power to act jointly and severally.
- (3) That the Liquidators not be required to give security for their appointment.
- (4) That in addition to all their other powers, the Liquidators do have all the powers set out in section 109 of the Law as though they were official liquidators, and may exercise such powers without the sanction of the Court, and for the avoidance of doubt:
  - (i) The Liquidators be at liberty to appoint agents and attorneys, solicitors, barristers, and other professionally qualified persons, in the Cayman Islands and/or in England and/or elsewhere, to assist them in the performance of their duties on such terms as they think fit, in particular but not limited to the engagement of English solicitors and/or barristers to take such steps and make such applications to an English court as may be considered necessary or desirable to protect the assets of the Company, and to remunerate them out of the assets of the Company as an expense of the liquidation;
  - (ii) All the powers bestowed upon the Liquidators may be exercised by them within and outside the Cayman Islands and all such powers may be exercised by all or any of the Liquidators.
- (5) That this Court do issue a letter to the High Court of Justice in England (the "High Court") requesting that the High Court exercise its discretion under section 426 of the Insolvency Act 1986 in the terms of the draft Letter of Request annexed hereto.

- (6) That the Liquidators 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 that the hourly rates and the amount of such remuneration be determined in accordance with the Law and Practice Direction number 1 of 2006.
- (7) That the Liquidators do report to this Court within six months of the hearing of this Petition, or such other period as this Court may think fit, and thereafter at such intervals as they do think fit or as the Court shall direct.
- (8) That publication of notice of the hearing of this Petition be dispensed with.
- (9) That the costs of presenting this Petition be paid out of the assets of the Company as an expense of the liquidation.
- (10) Such further or alternative orders and/or directions that the Court should think fit.

**AND YOUR PETITIONER WILL EVER PRAY ETC.**

Dated the 10th day of March 2008

  
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Maples and Calder

**NOTE:** It is not intended that this Petition be served.

**Endorsement**

The Petition will be heard at the Grand Court, George Town, Cayman Islands at \_\_\_\_\_ am/pm on the \_\_\_\_\_ day of \_\_\_\_\_, 2008

FILED by Maples and Calder, attorneys for the Petitioner whose address for service is PO Box 309, Uglund House, Grand Cayman, KY1-1104, Cayman Islands. (Ref: AAG/ BDM/624440/13859758v1)

IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO: OF 2008

IN THE MATTER OF PELOTON ABS MASTER FUND (IN OFFICIAL LIQUIDATION)  
AND IN THE MATTER OF SECTION 150 OF THE COMPANIES LAW (2007 REVISION)

TO THE HIGH COURT OF JUSTICE in England, Chancery Division, Companies Court

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LETTER OF REQUEST

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**WHEREAS**

- 1 This Court is a court exercising jurisdiction in relation to company and insolvency law in the Cayman Islands.
- 2 Peloton ABS Master Fund (in official liquidation) (the "Company") is a company incorporated under the laws of the Cayman Islands.
- 3 On 10 March 2008 a petition was presented in this Court in respect of the Company for the voluntary liquidation of the Company, commenced by special resolution of the Company's shareholders on 5 March 2008, to be continued subject to the supervision of this Court.
- 4 On 11 March 2008 this Court made an order (the "Order") which is annexed to this Letter of Request granting the relief sought by that petition.
- 5 The joint official liquidators (the "Liquidators") are Messrs Gordon I MacRae and G James Cleaver of Kroll (Cayman) Limited, PO Box 1102GT, 4<sup>th</sup> Floor Bermuda House, Dr Roy's Drive, George Town, Grand Cayman, Cayman Islands.
- 6 Pursuant to the Order and the Companies Law (2007 Revision) (the "Law") of the Cayman Islands, the Liquidators are authorised, inter alia:
  - (a) To locate, protect, secure and take into their possession and control all assets and property wheresoever situate to which the Company is or appears to be entitled;

(b) To take such action as may be necessary or desirable to obtain the recognition of the appointment of the Liquidators in England.

7 Further as a result of the Order no suit, action or other proceeding shall be proceeded with or commenced against the Company except with the leave of the Court and subject to such terms as the Court may impose.

8 The evidence filed by the Liquidators has demonstrated to the satisfaction of this Court that in order for the Liquidators to discharge their obligations and in order to get in, preserve and realise the assets of the Company for the benefit of creditors it is just and convenient that this request should issue.

9 This Court hereby requests the High Court of Justice in England ("the High Court") pursuant to the provisions of 426 of the Insolvency Act 1986 to act in aid of the liquidation of the Company ordered to be continued under the supervision of this Court by ordering and directing that:

(a) The appointment and recognition by this Court of Messrs Gordon I MacRae and G James Cleaver of Kroll (Cayman) Limited, PO Box 1102GT, 4<sup>th</sup> Floor Bermuda House, Dr Roy's Drive, George Town, Grand Cayman, Cayman Islands as joint official liquidators of the Company be recognised by the High Court.

(b) The Liquidators have such powers that would be available to them under the Insolvency Act 1986 if the Company had been wound up by the High Court pursuant to the Insolvency Act 1986 and in particular but without prejudice to the generality of the foregoing:

(i) To locate, protect, secure, and take into their possession and control all assets and property within the jurisdiction of the High Court to which the Company is or appears to be entitled.

(ii) To locate, protect, secure and take into their possession and control the books, papers and records of the Company including the accounting and statutory records within the jurisdiction of the High Court;

(iii) To carry out such investigations and examinations within the jurisdiction of the High Court as they may consider appropriate into the promotion, formation, business, dealings, affairs or property of the Company;

- (iv) To retain and employ barristers, solicitors or attorneys and/or such other agents or professional persons as the Liquidators consider appropriate for the purpose of advising or assisting in the execution of their powers;
- (c) For so long as the Company shall be deemed to be under the protection of the Law save with leave of this Court or the High Court or with the consent of the Company:
  - (i) No proceedings may be commenced within the jurisdiction of the High Court for the winding up of the Company;
  - (ii) No action or proceeding may be commenced or continued within the jurisdiction of the High Court in relation to the Company or its assets;
  - (iii) No attachment, sequestration, distress or execution shall be put in force against the assets, property or effects of the Company within the jurisdiction of the High Court;
  - (iv) No steps may be taken to repossess goods in the Company's possession within the jurisdiction of the High Court under any hire purchase agreement.
- 10 The High Court grant such further or other relief as it thinks fit in aid of the Liquidators and the official liquidation of the Company.

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**Judge of the Grand Court**

Dated 11 March 2008