

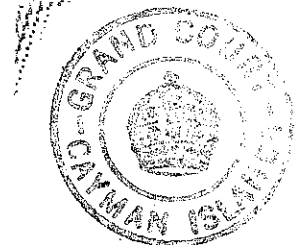
IN THE GRAND COURT OF THE CAYMAN ISLANDS

IN THE MATTER OF THE COMPANIES LAW (2007 REVISION)

AND IN THE MATTER OF THE SPHINX GROUP OF COMPANIES (IN OFFICIAL LIQUIDATION) AS CONSOLIDATED BY THE ORDER OF THE GRAND COURT DATED 6TH JUNE 2007

B E T W E E N:

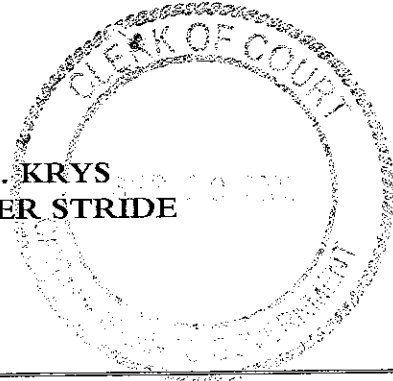
1. BRIAN OWENS
2. MARK KAVANAGH



Applicants

AND:

1. KENNETH M. KRYS
2. CHRISTOPHER STRIDE



Respondents

ORIGINATING APPLICATION

Let Kenneth M. Kryz and Christopher Stride attend before the Judge in Chambers on the day of 2008 at o'clock at the Law Courts, George Town, Grand Cayman on the hearing of an application by Brian Owens and Mark Kavanagh, the Applicants, for an Order in the following terms:-

1. That the decision of the Respondents, the Joint Official Liquidators of the SPHinx Group of Companies as consolidated by the Order of the Grand Court dated 6th June 2007, communicated by letter dated 10 September 2008 rejecting the proof of debt of the Applicants in these matters, be set aside, and that the said proof of debt be ordered to be admitted in full.
2. Such further and other relief as this Court may deem just in the circumstances.
3. That the Respondents pay the costs of and incidental to this application.

The grounds on which the Applicants claim to be entitled to the order are that:

1. The Respondents' decision in refusing to admit the Applicants' claim to proof was grounded on the Respondents' conclusion that the liabilities, expenses and costs to which the Applicants' claims for indemnification relate arise as a consequence of misconduct on the part of the Applicants amounting to wilful default and/or wilful neglect and/or gross negligence and/or recklessness. Upon such basis the Respondents contend that no right of indemnity arises in respect of such costs or liabilities. The Applicants deny the misconduct which is alleged against them.
2. The Respondents have not referred in their letter of rejection to the additional right of the Applicant Brian Owens to be indemnified in respect of the amounts claimed pursuant to the provisions of the Directors Services Agreement dated 20 December 2005. The said Applicant maintains his right to be so indemnified pursuant to the said Agreement.
3. The Respondents were wrong in concluding that the claims of the Applicants under the Investment Management Agreement have been extinguished by the terms of the 5th Amended Plan of Liquidation of Plus Funds Group Inc dated 28 June 2007. The said Plan does not have the effect of extinguishing the personal rights of the Applicants under the said Agreement either under the law of the State of New York or under the law of the Cayman Islands. Furthermore none of the express provisions of the said Plan referred to in the letter of rejection is to the particular effect relied upon by the Respondents.
4. On 10 September 2008 the Respondents' attorneys sent a voluminous letter to the Applicants' attorneys rejecting the joint proof of debt filed by the Applicants and setting out the Respondents' statement under Rule 4.82(2) the Insolvency Rules of their reasons for rejecting the proof of debt. Those reasons are the same allegations raised in a US proceeding filed by the Respondents against the Applicants and other parties in New York.
5. The allegations made in that US proceeding centre on a fraud which the Respondents allege was perpetrated by and through various companies with the participation of the Applicants and other parties.
6. The Applicants vigorously and categorically deny each and all the allegations made in the US proceeding and in the said letter dated 10 September 2008.
7. The time has not yet come for the Applicants to respond to the allegations in the US proceedings. The allegations are untested and unproven and will remain so pending a final determination of those proceedings.

8. In the circumstances there can be no satisfactory resolution of the allegations made pending a proper determination of the same and the Respondents were wrong to reach their own summary conclusion on the allegations without any, or any proper, due process.
9. Accordingly Applicants will seek a stay of this appeal pending the resolution of the issues raised in the US proceeding which are the same issues raised in the said letter dated 10 September 2008 rejecting the proof of debt.
10. The aforesaid conclusion of the Respondents is wrong in law and in fact.
11. Further, in the aforesaid circumstances the summary determination of the allegations by the Respondents themselves is manifestly unsafe and unsatisfactory.

The Applicants reserve the right to file a further and revised proof of debt and to file such pleadings, and/or affidavits and/or particulars in support of this Application as the Court may direct.

The names and addresses of the persons upon whom it is intended to serve this application are:

1. The Clerk of the Court.
2. Kenneth M. Kryz
Joint Official Liquidator
c/o Ritch & Conolly
PO Box 1994
Queensgate House
113 South Church Street
Grand Cayman KY1-1104
CAYMAN ISLANDS
3. Christopher Stride
Joint Official Liquidator
c/o Ritch & Conolly
PO Box 1994
Queensgate House
113 South Church Street
Grand Cayman KY1-1104
CAYMAN ISLANDS

The Applicants' address for service is:

Appleby
Attorneys-at-Law for the Applicants
Clifton House

75 Fort Street
PO Box 190
Grand Cayman KY1-1104
CAYMAN ISLANDS
(Ref: AB/CJJ/11474.001)

Dated this 30th day of September, 2008

APPLEBY 