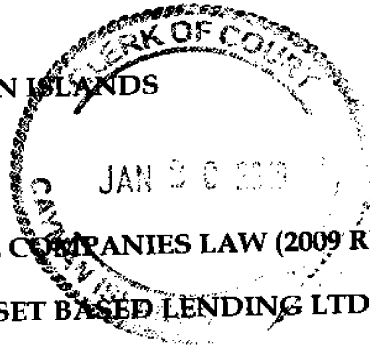


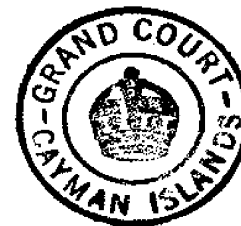
IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION



FSD 15/09 (AJJ)

IN THE MATTER OF SECTION 92 OF THE COMPANIES LAW (2009 REVISION)
AND IN THE MATTER OF BELMONT ASSET BASED LENDING LTD

AMENDED WINDING UP PETITION



TO: The Grand Court of the Cayman Islands

THE HUMBLE PETITION of Bear Stearns Alternative Assets International Ltd of Maples and Calder, PO Box 309, Ugland House, South Church Street, Grand Cayman KY1-1104, (the "Petitioner") shows that:

Preamble

1. The Petitioner presents this petition for the winding up of Belmont Asset Based Lending Ltd (the "Fund"). The Petitioner is an investor and shareholder of Class F Participating Shares. On 27 October 2008 the Fund's Directors resolved (i) to suspend the determination of the Net Asset Value ("NAV") and all redemptions and subscriptions and (ii) to recommend that the Fund be placed into voluntary liquidation. Contrary to these resolutions, the Fund has not been placed into voluntary liquidation, the Fund has continued to determine the NAV and has paid redemption proceeds to shareholders who tendered shares for redemption prior to 30 September 2008. As pleaded below, the Fund has breached its legal bargain with the Petitioner and the redemption payments being made are depleting the Fund's assets to the detriment of the general body of shareholders. Further or in the alternative, the Fund has suffered a loss of substratum such that it is appropriate that the Fund be placed into official liquidation.

Background

2. The Fund was incorporated on 24 October 2003 as an exempted company organized under the laws of the Cayman Islands.

3. The registered office of the Fund is situated at CITCO Fund Services (Cayman Islands) Ltd, PO Box 31106, Regatta Office Park, West Bay Road, Grand Cayman KY1-1205, Cayman Islands.
4. The investment objective of the Fund is to provide long term capital appreciation to shareholders by investing in a diversified portfolio of asset based lending and related strategies. All share classes have exposure to the same portfolio.

The Structure

5. Dr Philipp Cottier; Mr Neil Paragiri and CFS Company Ltd act as Directors of the Fund (the "Directors").
6. The Fund's Investment Manager is Alternative Investment Solutions Ltd (the "Manager") and holder of all 100 voting shares (the "Voting Shares").
7. The Fund's Investment Advisor is Harcourt Investment Consulting AG (the "Advisor"). The Manager is a wholly owned subsidiary of the Advisor.
8. The Administrator is Citco Fund Services (Europe) BV (the "Administrator").

Share Capital

9. The authorised share capital of the Fund is the aggregate of US\$190,000; Euro 95,000; and CHF 115,000 divided into numerous redeemable non voting participating share classes. For the purposes of this Petition, it is averred that the Fund issued:
 - (i) 1,495,000 Class A Redeemable Non Voting Participating Share Class ("Class A Shares");
 - (ii) 2,000,000 Class A+ Redeemable Non Voting Participating Share Class ("Class A+ Shares");
 - (iii) 4,000,000 Class F Redeemable Non Voting Participating Share Class ("Class F Shares"); and
 - (iv) 100 Voting Shares.
10. All Voting Shares are owned by the Manager.

11. All Class A and A+ shares are only available for subscription by investment funds for which the Advisor or an affiliated party is the investment advisor.

The Petitioner

12. The Petitioner was incorporated on 13 July 1988 and since that time has operated as a division of the investment bank Bear Stearns (now part of the JPMorgan Chase Group).
13. The Petitioner is an investor and shareholder in the Fund. The Petitioner holds 1,185,958.4978 Class F Shares. Pursuant to the purported final NAV for 30 September 2008 issued by the Fund, the Petitioner's shareholding was worth US\$104,078,057.43.

Relevant Provisions of Constitutional Documents

Calculation of Net Asset Value

14. Pursuant to paragraph 12 of the Articles of Association (the "Articles"), the NAV shall be determined by the Directors on each valuation date.
15. The valuation date is the last business day of each month ("Valuation Date"). The Valuation Date is not as a rule the date upon which the NAV is calculated. The Valuation Date is the reference date for the valuation of the Fund's portfolio.
16. Pursuant to paragraph 16(d) of the Articles, where a final NAV cannot be calculated as at a Valuation Date, the Fund will provide to investors an estimated NAV.
17. Paragraph 16(d) further states that where an estimated NAV is provided, the Fund will obtain confirmation of the underlying NAVs from the managers and administrators of the investment vehicles in which the Fund invests, prior to the determining the final NAV per share of the Fund.
18. Paragraph 16(d) of the Articles is mirrored at page 28 of the Confidential Information Memorandum ("CIM").

Suspension of the NAV

19. Pursuant to paragraph 13 of the Articles and page 22 of the CIM, the Fund may suspend the calculation of the NAV:

- (i) Upon a closure or suspension of trading on any market on which any of the assets of that class of participating shares of the Fund are traded;
- (ii) If a breakdown occurs in any of the means normally employed by the Directors to ascertain the value of the assets of that class of participating shares of the Fund or when, for any other reason the value of the assets of that class of participating shares of the Fund cannot reasonably be ascertained; and
- (iii) Where circumstances exist as a result of which, in the opinion of the Directors, it is not reasonably practicable for the Fund to realize any assets, which together constitute a material proportion of the overall assets of that class of participating shares of the Fund.

Pursuant to page 29 of the CIM the Directors may also suspend the calculation of the NAV "for any reason that the Directors in their discretion deem is in the best interest of the Fund."

20. Pursuant to paragraph 13 of the Articles in the event of a suspension "there shall be no determination of the NAV of the participating shares of the relevant class until the Directors shall declare the suspension at an end."
21. Pursuant to the CIM at page 23, in the event of a suspension "no participating shares of the relevant class may be redeemed." Where a redemption or switch request is not withdrawn by a shareholder following notification of a suspension, "the redemption or switch request will be completed on the NAV per participating share of the relevant class on the Valuation Date immediately following the end of the suspension."
22. Pursuant to the CIM at page 23, the Directors may withhold payment "to any person whose participating shares have been tendered for redemption until the suspension has been lifted."

Redemption of Shares

23. Pursuant to paragraph 5(e) of the Articles, a holder of the participating shares shall be entitled to redeem all or any of such participating shares on the redemption day for the relevant class as provided in the CIM and otherwise in such form, given in such manner, as the Directors shall from time to time determine.

24. Pursuant to the CIM at page 21, redemptions can be made in respect of the Class A shares and Class A+ shares by way of two days' notice before the Valuation Date on a monthly basis.
25. In respect of all other share classes, 50 days' notice is required prior to the Valuation Date of the last month of the calendar quarter.
26. Pursuant to the CIM at page 22, participating shares will be redeemed on the Valuation Date and payment of the proceeds will normally be made within 30 calendar days.
27. The Petitioner shall refer to the CIM and Articles for details of their terms and effects.

Factual Background

28. The Petitioner entered into subscription agreements with the Fund dated, inter alia, 1 May 2007 and 27 June 2007.
29. In respect of the 1 May 2007 agreement, the Fund offered to the Petitioner shares subject to the terms and conditions set out in the subscription agreement, CIM and Articles. The Petitioner subscribed for shares on this basis.
30. In respect of the 27 June 2007 agreement, the Fund offered to the Petitioner shares subject to the terms and conditions set out in the subscription agreement, CIM and Articles. The Petitioner subscribed for shares on this basis.
31. The Petitioner submitted a valid redemption request for US\$8,800,000 of Class F Shares for the 30 September 2008 Valuation Date.
32. The Fund received total redemption requests of US\$35,500,000 for the 30 September 2008 Valuation Date.
33. It is averred that Class A and A+ Shares were tendered for redemption as at 30 September 2008.

Suspension of Calculation of NAV Subscriptions and Redemptions

34. On 24 September 2008, allegations of fraud in respect of Petters Company Inc were made public. The Fund had underlying investments which were substantially affected by the fraud.

35. As a result of the fraud on 8 October 2008, the Advisor indicated to the Petitioner the Fund's intention to mark down its investment in:

- (i) Lancelot Investors Fund Ltd to US\$0. Lancelot made up 7.59% of the portfolio;
- (ii) Palm Beach Offshore II to US\$0. Palm Beach made up 6.98% of the portfolio; and
- (iii) Stewardship Credit Arbitrage Fund by 61%. Stewardship made up 4.79% of the portfolio.

In addition, Cheyne Specialty Finance Fund suspended redemptions until June 2009 (Cheyne made up 5.5% of the portfolio) and CAM Opportunity Fund I suspended redemptions until September 2009 (CAM made up 2.4% of the portfolio).

36. On 27 October 2008, pursuant to a resolution of the Board of Directors (the "Board Resolution"), the Directors of the Fund declared a suspension of the calculation of the NAV of all participating share classes in the Fund with immediate effect and, accordingly, all subscriptions and redemptions.

37. Further, the Directors recommended to the sole voting shareholder of the Fund that the Fund be placed into voluntary liquidation and that the Manager be appointed as voluntary liquidator.

38. By letter to the shareholders dated 31 October 2008, the Administrator advised that the Directors had concluded that the Fund was no longer viable, that it should be placed into voluntary liquidation and that the Fund's portfolio should be realized.

39. The letter indicated that, upon final calculation and dissolution, the remaining cash in the Fund would be distributed in proportion to holdings and that all requests submitted to the Fund had been suspended.

Communications with the Fund

40. Between the Administrator's letter of 31 October 2008 and 22 September 2009, the Petitioner reasonably assumed the Fund was in voluntary liquidation.
41. Between 7 November 2008 and 17 November 2009 the Petitioner has received payments from the Fund in the amount of US\$5,156,867.73.
42. On 9 September 2009, the Petitioner wrote to the Manager seeking an explanation as to the continued payments.
43. The Petitioner was concerned, inter alia, that the Manager, acting as voluntary liquidator, might be treating redemptions tendered prior to 30 September 2008 as creditor claims which ranked ahead of other members' claims.
44. On 22 September 2009 the Manager's legal counsel responded stating, inter alia, that:
 - (i) The Fund was not in voluntary liquidation, contrary to the representations of the Administrator on 31 October 2008; and
 - (ii) Part payments were being made to shareholders who had tendered redemptions for 30 September 2008 and that the balance of such payments were delayed until such time as the Fund became sufficiently liquid to make further payments.

Breach of Legal Bargain

(i) Determination of NAV after suspension

- ~~45. As described above, pursuant to the powers afforded to the Directors under paragraph 13 of the Articles and the provisions of the CIM, the Board of Directors resolved on 27 October 2008 to suspend the calculation of the NAV of all classes of participating shares with immediate effect.~~
- ~~46. In contravention of the immediate suspension of the calculation of the NAV and in breach of the legal bargain between the Fund and the Petitioner, the Fund calculated and on 30 October 2008 issued a purported final NAV for 30 September 2008, some three days after the suspension had taken effect.~~

~~47. Further or in the alternative, as pleaded at paragraph 21 above, upon a suspension of NAV, redemptions are to be completed on the basis of the NAV on the Valuation Date immediately following the end of the suspension. The Fund should not therefore be using the purported final NAV for 30 September 2008 for the purposes of calculating the amount of redemption payments due.~~

~~(ii) Payment of redemptions after suspension~~

~~48. Further or alternatively, as described above, pursuant to the powers afforded to the Directors under paragraph 13 of the Articles and the provisions of the CIM, the Board of Directors resolved on 27 October 2008 to suspend all subscriptions and redemptions of all classes of participating shares with immediate effect.~~

~~49. In contravention of the immediate suspension of all subscriptions and redemptions and in breach of the legal bargain between the Fund and the Petitioner, the Fund has continued to pay redemption proceeds which were not due and payable as at the date of suspension and have not become due and payable since that date.~~

~~50. It is averred that, on the proper construction of the Petitioner's subscription agreements and the CIM and Articles, the process of redemption involves the service of a notice to redeem; the calculation of NAV and amount of the redemption payments due; the payment of the redemption proceeds and the removal of the members from the Register.~~

~~51. It is averred that at the time of suspension of the calculation of the NAV on 27 October 2008, the redemption process was ongoing in that the relevant NAV and the amount of the relevant redemption payments due had not been calculated; payment of the redemption proceeds were not due; payment had not been made; and the members had not been removed from the Register.~~

~~52. Further or in the alternative, as pleaded at paragraph 21 above, upon a suspension of NAV, redemptions are to be completed on the NAV on the Valuation Date immediately following the end of the suspension. The Fund should not therefore be using the purported final NAV for 30 September 2008 for the purposes of calculating the amount of redemption payments due. It follows that in purporting to pay redemptions calculated on this NAV, the Fund has wrongly depleted its assets and~~

~~will wrongly continue to deplete its assets in breach of the legal bargain between the Fund and the Petitioner.~~

~~(iii) Wrongful failure to withhold payment of redemptions~~

~~53. Further or in the alternative, as pleaded at paragraph 22 above, the Directors have an express power to withhold payment on shares which have been tendered for redemption until the suspension has been lifted.~~

~~54. It is averred that:~~

~~(i) The express power was exercised pursuant to the Board Resolution which resolved to suspend all redemptions of participating shares; and~~

~~(ii) Notice of the exercise of the power was given to all shareholders by the Administrator on 31 October 2008.~~

~~55. Having exercised the aforementioned power, the Fund has wrongfully failed to withhold payment to those persons whose participating shares were tendered for redemption on 30 September 2008, in breach of the legal bargain between the Fund and the Petitioner.~~

~~(iv) Wrongful failure to exercise the power to withhold payment of redemption proceeds~~

~~56. Further or in the alternative if, which is denied, the Directors have not exercised their express power to suspend payment of the redemption proceeds, it is averred that in failing to do so, the Directors are in breach of their duty to act fairly having regard to the interests of the general body of shareholders.~~

~~57. It is averred that:~~

~~(i) The failure to exercise the express power cannot be in the interest of the general body of shareholders;~~

~~(ii) The failure to exercise the express power is not in the interests of the Petitioner as a Class F shareholder; and~~

~~(iii) The Petitioner was and is entitled to expect the Directors to comply with their duties and their failure to do so is a breach of the legal bargain between the Fund and the Petitioner.~~

~~58. By failing to exercise the aforementioned power, the assets of the Fund are being depleted to the detriment of all shareholders other than those who tendered redemption requests prior to 30 September 2008.~~

Management of the Fund

~~59. The failure to suspend the payment of redemption proceeds is benefiting the Advisor who, either itself or through its affiliates, owns all Class A Shares and A+ Shares, some of which were tendered for redemption prior to 30 September 2008.~~

~~60. The Fund is controlled by the Advisor through its wholly owned subsidiary, the Manager, which holds all Voting Shares.~~

~~61. Pursuant to paragraph 90 of the Articles, the Manager may, by ordinary resolution, remove a director.~~

~~62. It is averred that for the reasons contained herein, the Advisor is not acting in the best interests of the Fund, but may be acting in its own best interest.~~

~~63. The Board Resolution confirms that the Directors believed it was in the best interests of the Fund for it to be placed in voluntary liquidation. It is inferred that the Advisor and/or the Manager have ensured that the Fund is not placed into voluntary liquidation in accordance with the wishes of the Directors.~~

~~64. Further or alternatively, the Advisor and/or the Manager have allowed the Fund to continue making payment of redemption proceeds in circumstances where such payments should have been suspended.~~

~~65. In such circumstances, the Petitioner has lost all confidence in the management of the Fund.~~

Loss of Substratum

66. The investment strategy of the Fund, as set out at page 8 of the CIM, is to provide long term capital appreciation to shareholders by investing in a diversified portfolio of asset based lending and related strategies.
67. The Fund is no longer in a position to provide to the shareholder any long term capital appreciation and is effectively paralyzed in that:
- (i) The Directors have admitted that the continued operation of the Fund is no longer viable and that steps should be taken to realize the Fund's portfolio;
 - (ii) The Directors have recommended to the sole voting shareholder, the Manager, that the Fund be placed in voluntary liquidation;
 - (iii) By the Directors actions and admissions it is clear that there is no reasonable or practical prospect of the Fund resuming investment or trading at a profit in accordance with its objectives; and
 - (iv) The Directors have resolved that all redemptions and subscriptions be suspended indefinitely. It follows, therefore, that no new capital is being generated for onward investment and appreciation.
68. The value of the investment continues to deteriorate. On 31 October 2008 the Fund advised investors that the Fund had "*conducted a detailed review of the [Fund's] portfolio and held discussions with the Fund's Investment Manager. Concluding this, the Directors have deemed that the continued operation of the [Fund] is no longer viable and that steps should be taken to realize the [Fund's] portfolio and to place the [Fund] into voluntary liquidation.*" Since this assessment, the estimated NAV of the Class F shares has, as at 30 September 2009, slumped by a further 24.33%.
69. Further, on current projections, the Fund will not be in a position to realize the assets in its portfolio until August 2012.
70. By virtue of the foregoing, the Fund is incapable of executing any investment strategy and its prescribed investment objective cannot be implemented and the Fund's substratum has therefore wholly failed.

Just and Equitable winding up

71. In the premises it is just and equitable for the Fund to be wound up.

YOUR PETITIONER THEREFORE HUMBLY PRAYS THAT

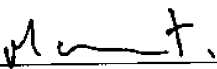
1. The Fund shall be wound up in accordance with the Companies Law (2009 Revision).
2. Stuart Sybersma and Ian Wight of Deloitte, PO Box 1787, 4th Floor, Citrus Grove, Goring Avenue, Grand Cayman KY1-1109, Cayman Islands be appointed as Official Liquidators of the Fund (the "Official Liquidators").
3. The Official Liquidators shall not be required to give security for their appointment.
4. The Official Liquidators are hereby authorised to take such steps as may be necessary or expedient for the protection of the Fund's assets, and for that purpose may exercise any of the powers specified in Part I and II of the Third Schedule to the Companies Law (2009 Revision) without further sanction of the Court; and for the avoidance of doubt such powers may be exercised within and outside the Cayman Islands. Specifically, but without prejudice to the generality of the foregoing, the Official Liquidators shall have power:
 - a) to bring or defend any action or other legal proceeding in the name of and on behalf of the Fund;
 - b) to take possession of, collect and get in the property of the Fund and for that purpose to take all such proceedings as they consider necessary;
 - c) to carry on the business of the Fund so far as may be necessary for its beneficial winding up;
 - d) to engage Attorneys and other professionally qualified persons to assist them in the performance of their functions; and
 - e) to engage staff (whether or not as employees of the Fund) to assist them in the performance of their functions.

5. That the Official Liquidators be authorised to act jointly and severally.
6. The Official Liquidators shall be at liberty to apply for further directions concerning their functions and the exercise or proposed exercise of their powers.
7. The Official Liquidators shall within 14 days notify all known creditors and shareholders of their appointment and there shall be no other requirement to advertise.
8. No suit, action or other proceeding shall be proceeded with or commenced against the Fund except with the leave of the Court and subject to such terms as the Court may impose.
9. No disposition of the Fund's property by or with the authority of the Official Liquidators in carrying out of their duties and functions and exercise of their powers under this Order shall be voided by virtue of section 99 of the Companies Law (2009 Revision).
10. The remuneration and expenses of the Official Liquidators shall be paid out of the assets of the Fund.
11. The costs of and incidental to these applications shall be paid from the assets of the Fund as expenses within the liquidation.

YOUR PETITIONER WILL EVER PRAY ETC:

Dated the 26th day of November 2009

Re-dated this 20th day of January 2010



Mourant du Feu & Jeune

NOTE: This Petition is intended to be served on the Company

This Petition was presented by Mourant du Feu & Jeune, Attorneys-at-Law for the Petitioner, whose address for service is 2nd Floor, Harbour Centre, 42 North Church Street, PO Box 1348, Grand Cayman KY1-1108 (Ref: 2045960/DICKI/MdFJ/2361136/1)

Any correspondence or communication with the Court relating to the hearing of this petition should be addressed to the Registrar of the Financial Services Division of the Grand Court at PO Box 495, Grand Cayman KY1-1106, telephone 345 949 4296