

IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO. 56 OF 2009

IN THE MATTER OF THE COMPANIES LAW (2007 REVISION)

AND IN THE MATTER OF FLO FLO LLC

PETITION



To: The Grand Court of the Cayman Islands

The humble Petition of Security Capital Limited (in voluntary liquidation) of the Harbour Centre, 42 North Church Street, P.O. Box 10387, Grand Cayman, Cayman Islands KY1-1004 (the **Petitioner**) shows that:

1. Flo Flo LLC (the **Company**) was incorporated as an exempt company with registration number 110598 on 1 June 2001 under the Companies Law (2001 Revision).
2. The registered office of the Company is at Queensgate Bank & Trust Company Ltd., 5th Floor, Harbour Place, P.O. Box 30464 SM, 103 South Church Street, George Town, Grand Cayman, Cayman Islands, British West Indies.
3. The Company is indebted to the Petitioner as at the date of this petition in the sum of US\$12,206,301.92, comprising the principal amount of US\$8,323,445.45 and accrued but unpaid interest of US\$3,882,856.47
4. This amount is due in respect of a loan made by the Petitioner to the Company, the terms of which are documented by a promissory note dated 1 June 2001 (the **Promissory Note**) and by a letter from the Company to the Petitioner dated 6 July 2004.

5. The consideration for the debt was the Petitioner lending the Company the principal sum of US\$8,323,445.45 on 1 June 2001.
6. Pursuant to the terms of the Promissory Note, the Company agreed to pay interest on the unpaid principal amount of the loan at an annual rate of 5.5% from 1 June 2001, and to repay the principal amount of the loan and all accrued but unpaid interest in full on 1 June 2006.
7. By letter to the Petitioner dated 6 July 2004, the Company, having failed to make any accrued interest payments to that date, agreed to roll the accrued interest on each anniversary date of the Promissory Note (i.e. 1 June of each year) into the outstanding principal balance.
8. The Company has no made no payments of principal or interest to the Petitioner as at the date of this Petition.
9. The Petitioner was placed into voluntary liquidation on 27 September 2007. Having received no payments from the Company, the voluntary liquidators caused the Petitioner to serve a statutory demand on the Company on 23 July 2008 (the **Statutory Demand**). The Statutory Demand demanded payment of the sum of US\$12,206,301.92, comprising the principal amount of US\$8,323,445.45 and unpaid interest of US\$3,882,856.47 which had accrued up to 23 July 2008. Since the date of the Statutory Demand further interest of US\$358,665.45 has accrued but not been paid up to the date of this Petition.
10. The Company is deemed to be unable to pay its debts as a result of its failure to pay the Petitioner the sum of US\$12,206,301.92 demanded in the Statutory Demand. It should be wound up on that basis and/or on the basis that it is just and equitable that the Company be wound up.

THE PETITIONER THEREFORE PRAYS THAT:

- (1) The Company may be wound up by the Court under the provisions of the Companies Law (2007 Revision).
- (2) Nicholas Matthews and Mark Longbottom of Kinetic Partners (Cayman) Limited be appointed as Joint Official Liquidators of the Company with power to act jointly and severally (the **Official Liquidators**).
- (3) The Official Liquidators shall not be required to give security for their appointment.
- (4) The Official 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 Company.
 - (b) to take possession of, collect and get in all property or assets (of whatever nature) to which the Company is or appears to be entitled;
 - (c) to do all things as may be necessary or expedient for the protection of the Company's assets;
 - (d) to do all things (including the carrying on of the business of the Company) as may be necessary or expedient for the beneficial realisation of the property or assets of the Company (including borrowing money);

- (e) to appoint attorneys, solicitors and other professional qualified persons both in the Cayman Islands and elsewhere to assist them in the performance of their duties;
- (f) to appoint 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, and to employ and dismiss officers and employees of the Company;
- (g) to exercise any power which is necessary or incidental to the performance of their duties;
- (h) to open and maintain bank accounts in the name of the Company or themselves anywhere in the world as may be necessary for the better performance of their duties;
- (i) 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;
- (j) 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 Company and any contributory or alleged contributory or other debtor or person apprehending liability to the Company, 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; and

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

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

- (5) The Official Liquidators be at liberty to and do pay themselves, their agents, employees, attorneys, solicitors and whomsoever else they may employ or instruct, remuneration and costs in priority to all other debts of the Company pursuant to section 123 of the Companies Law (2007 Revision), and:

- (a) the Official Liquidators shall 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 or by reference to a percentage of the assets realized or distributed by them in the winding-up or a combination of the foregoing and the hourly rates and the amount of remuneration shall be determined in accordance with Practice Direction No. 1 of 2006; and

- (b) the Official Liquidators be at liberty to meet all disbursements reasonably incurred in connection with the performance of their duties;

and for the avoidance of doubt all payments made pursuant to paragraphs 5(a)-(b) above shall be made as and when they fall due out of the assets of the Company and shall be expenses in the Liquidation.

- (6) The Official Liquidators be at liberty to apply for further directions relating to the winding up of the affairs of the Company and the distribution of its assets.
- (7) The costs of the Petitioner of and incidental to the Petition be paid forthwith from the assets of the Company.

(8) Such other orders and directions may be made as the Court thinks fit.

Dated this 3rd day of February 2009

Campbells

CAMPBELLS

Attorneys-at-Law for the Petitioner

Note: It is intended to serve this Petition on Flo Flo LLC

INDORSEMENT

Notice of Hearing

This Petition having been presented to the Court on _____ 2009 will be heard at the Law Courts, George Town, Grand Cayman on _____ 2009 at _____ a.m./p.m. or as soon thereafter as the Petition can be heard.

This Petition is filed by Campbells, Attorneys-at-Law for the Petitioner, whose address for service is that of its Attorneys-at-Law at Fourth Floor, Scotia Centre, George Town, Grand Cayman, Cayman Islands B.W.I. (Ref: JRM/GM/14431)