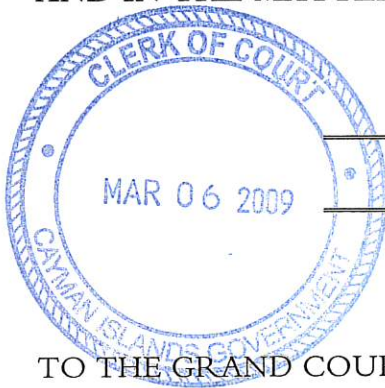


IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION

CAUSE NO. 0107 OF 2009

IN THE MATTER OF THE COMPANIES LAW (2007 REVISION)

AND IN THE MATTER OF FREERIDER LTD.



WINDING-UP PETITION



TO THE GRAND COURT

The humble petition of Adrianus Johannes Heinen of Koningstraat 16, NL-7315 HW Apeldoorn, The Netherlands (the "Petitioner") shows that:

1. Freerider Ltd (the "Company") was incorporated and registered as an exempt company on 11 June 2003 under the Companies Law (Revised)(Cap 22).
2. The registered office of the Company was formerly situated at the offices of Britannia Corporate Management Ltd., PO Box 1968, Plantation House, 196 Raleigh Quay Road, Governors Harbour, Grand Cayman KY1-1104, Cayman Islands, although the Register of Companies does not specify a current registered office for the Company.
3. The Company's Memorandum of Association provides that the objects for which the Company was established are unrestricted and that the Company has full power and authority to carry out any object not prohibited by law.
4. The share capital of the Company is US\$20,100 divided into 20,100 shares, each with a nominal or par value of US\$1.00. The share capital is divided into 100 non-redeemable Class A shares, 10,000 non-redeemable Class B shares and 10,000 non-

redeemable Class C shares. According to the Company's Register of Members, 100 Class A, 6,304 Class B and 5,800 Class C shares have been issued and are fully paid up.

5. The current directors of the Company are Peter le Comte ("le Comte") of 31 Great Hills Farm Road, Bedford, NY10506, USA and the Petitioner.
6. The holders of the Class A shares have the sole and exclusive right to receive notice of, attend, speak and vote at general meetings of the Company, save that any resolution to declare a merger, consolidation, scheme of arrangement, or other reconstruction or transaction in which the Company is not the surviving entity shall be decided by an ordinary resolution of the Class B shares. The holders of Class C shares in the Company have no voting rights. The directors of the Company may be appointed or removed by an ordinary resolution of the Company in general meeting.
7. The Company was incorporated along with a number of related corporate and partnership entities in order to receive royalty payments arising from the commercial exploitation of an energy efficient, self-propelled, electrically-powered wheel designed for use with any type of vehicle ("TheWheel").
8. The Petitioner holds 50 Class A shares, 1,800 Class B shares and 3,250 Class C shares in the Company, representing 38.4% of the Company's issued share capital.
9. The Petitioner relies upon the facts and matters set out below in support of its prayer that it is just and equitable that the Company be wound up.

Background

10. In 1981, the Petitioner invented TheWheel through a partnership business, Spare Parts International (which later changed its name to Special Products for Industry ("SPI")), entered into between the Petitioner and his wife, Karin Heinen-Kruizinga ("Heinen-Kruizinga"). In the following years, the Petitioner developed TheWheel technology with a view to exploiting it commercially given its potential use on heavy goods vehicles, including municipal buses and garbage trucks. During 2000 and 2001, SPI

applied for patents on TheWheel covering The Netherlands, Europe and a large number of other countries worldwide. The patents were granted, and these were registered in the name of SPI with the Petitioner mentioned as the inventor.

11. On or around 2 November 2001, SPI was converted from a partnership into a Dutch private limited liability company, Special Products for Industry BV ("SPI BV"). SPI BV was intended to be the trading company which would further develop and exploit TheWheel on a commercial scale. The entire issued share capital of SPI BV was held by AJ Heinen Apeldoorn Beheer BV ("AHAB"), a Dutch private limited liability company. The share capital in AHAB was owned equally by the Petitioner and Heinen-Kruizinga. The Petitioner is a director of AHAB.
12. During 2002, the Petitioner was reacquainted with le Comte, who was an old friend from The Netherlands who was now residing and working in the State of New York, USA. Le Comte became interested in TheWheel and SPI BV's business. This led to discussions between the Petitioner and le Comte as to the possibility of them forming a working relationship whereby le Comte would assist in developing the potential worldwide market for TheWheel and would assist the Petitioner and SPI BV generally on commercial matters arising in connection with this business. Le Comte also offered to invest in the business, and le Comte loaned sums of EUR300,000 and EUR100,000 to AHAB in or around October 2002 and March 2003 respectively.

Formation of the e-Traction group

13. During 2002 and 2003, the Petitioner and le Comte discussed and reached agreement on the formation of a joint venture between them aimed at achieving the further development and commercial exploitation of TheWheel and related products. The joint venture business was comprised in a number of related corporate and partnership entities, including entities incorporated in The Netherlands, USA, Luxembourg and the Cayman Islands (the "e-Traction group").
14. The Petitioner and le Comte agreed in or around March 2003 that the value of the intellectual property comprised in TheWheel and which was owned by SPI BV would

be fixed at between EUR1.4 million and EUR1.6 million, which value was based on the time and materials expended in developing TheWheel over the previous 6 years. It was, however, agreed that the Petitioner, through AHAB, would contribute to the joint venture the intellectual property rights owned by SPI BV for an agreed lower value of EUR1 million and that le Comte would contribute to the venture the cash sum of US\$1 million. Subsequently, in or around November 2003 the Petitioner, through AHAB, agreed to contribute the remainder of SPI BV's business to the e-Traction group for an additional EUR1 million, which sum was to be paid in cash or through the issue of additional shares in the Company. Further investment was also subsequently obtained from certain passive third-party investors (the "external investors") who were willing to support the venture in return for non-voting shares in certain entities in the e-Traction group.

15. The Petitioner and le Comte agreed that they would participate equally in the management and ownership of each of the corporate and partnership entities comprising the e-Traction group, subject only to management decisions on certain aspects of the e-Traction group's affairs being taken in accordance with the recommendations made by either the Petitioner or le Comte as provided for in Shareholders Agreements entered into between the parties as described further below.

The e-Traction group

16. A diagram illustrating the structure of the e-Traction group is appended to this Petition at Appendix 1. The structure was devised and proposed by le Comte, and had the following elements:

- 16.1 The central element of the structure set up to exploit TheWheel was the incorporation of the Company. The Petitioner and le Comte agreed that the Company would acquire from SPI BV certain intellectual property rights subsisting in TheWheel and would hold others by way of an exclusive, irrevocable and perpetual licence granted by SPI BV.

- 16.2 SPI BV continued with its business of developing and marketing TheWheel, but changed its name to e-Traction Europe BV (“EEU”).
- 16.3 The shares of SPI BV/EEU were transferred from AHAB to a limited liability partnership established under Luxembourg law, e-Traction Worldwide SCA (“e-Traction Worldwide”). The limited partnership interests in e-Traction Worldwide are held by Le Comte, AHAB, the Company and the external investors, although as stated below not all of the external investors’ interests were formally recorded by le Comte on e-Traction Worldwide’s shareholder register.
- 16.4 E-Traction Worldwide’s general partner was e-Traction Management Sarl (“e-Traction Management”), a company incorporated under Luxembourg law. Le Comte and AHAB each hold 50% of the shares of e-Traction Management.
- 16.5 E-Traction Worldwide also acquired all of the shares in a Delaware company, e-Traction North America LLC (“e-Traction North America”). The purpose of e-Traction North America was, amongst others, to market and sell TheWheel in North America.
- 16.6 Certain other companies were incorporated in The Netherlands to assist in the development of TheWheel by EEU, namely e-Traction Finance BV and e-Traction Manufacturing BV. The shares in each of these companies are held by EEU.
17. Accordingly, the value that existed in the joint venture business was predominantly held by the Company through the acquisition by it of the licence and certain assets relating to the intellectual property rights subsisting in TheWheel.
18. The Petitioner and le Comte agreed that their respective contributions to the joint venture would be treated as follows:

- 18.1 AHAB and le Comte were each to receive 50 Class A shares, 1,800 Class B shares and 2,250 Class C shares in the Company.
- 18.2 In return for the Petitioner's contribution, through AHAB, of SPI BV's business, AHAB was to receive an additional 1,000 Class C shares in the Company, which shares were valued at EUR1,000 per share with a total value of EUR1 million.
- 18.3 The Petitioner and le Comte agreed that over a 5 year period commencing on 1 April 2004, the Class C shares held by AHAB and le Comte would be converted into Class B shares at a rate of 650 and 450 Class C shares per year respectively.
- 18.4 In return for his shares, le Comte was to contribute US\$1 million to the joint venture through the following payments:
- 18.4.1 Le Comte advised the Petitioner that the work undertaken by him for and on behalf of the joint venture business from October 2002 through to April 2003 should be quantified at approximately US\$100,000 and this sum was treated as a contribution in kind;
- 18.4.2 Le Comte agreed that the sum of US\$408,999, which sum was the equivalent of the total sums of EUR400,000 loaned by le Comte to AHAB, would be treated as a contribution to the working capital of the Company;
- 18.4.3 Le Comte paid the sum of US\$130,000 towards the start-up costs incurred in setting up the joint venture business, including the formation of the e-Traction group; and
- 18.4.4 A cash payment in the sum of approximately US\$361,000 was paid by le Comte to the Company.

19. Although it was intended that AHAB would receive the above shares in the Company, the relevant shareholdings have been incorrectly recorded in the Petitioner's name. The issues arising from and in connection with the Petitioner's shareholding are discussed further below.
20. In addition, as stated above the external investors contributed the total sum of EUR1,294,284.86 to the joint venture business, in return for which they received Class B and Class C shares in the Company. The external investors were also due to receive corresponding equivalent limited partnership interests ("paired shares") in e-Traction Worldwide. However, the external investors' shares and limited partnership interests were never recorded by le Comte in the Company and e-Traction Worldwide's respective shareholder registers. The external investors were intended to be passive shareholders who would have no active participation in the running and management of the Company or the joint venture business as a whole. The issues concerning the shareholdings and limited partnership interests of the external investors are discussed further below.
21. The primary purpose of the structure put in place for the joint venture business was to benefit as much as possible from the fiscal friendly environment of the Cayman Islands. The structure assumed that EEU and e-Traction North America would be able in a relatively short period of time to develop, test and market TheWheel in Europe, the USA and the rest of the world, allowing TheWheel to be exploited commercially through, *inter alia*, the sale of licences to third parties. The intention behind the structure was that all, or at least a substantial part, of the proceeds resulting from the sale of such licences would be received and held in the Cayman Islands without being subject to any form of taxation. The Company was, therefore, incorporated as the entity in the e-Traction group which would receive such royalty payments.
22. Accordingly, the Company was intended and was understood by the Petitioner to be a key part of the joint venture business. The Company was formed and continued on the basis of the personal relationship and mutual confidence that existed between the Petitioner and le Comte. Further, the Petitioner understood and had a fundamental and legitimate expectation that the Company would be run in good faith with equal

participation by both the Petitioner and le Comte in the Company's management, subject only to management decisions on certain aspects of the Company's affairs being taken in accordance with the recommendations made by either the Petitioner or le Comte as provided for in Shareholders Agreements entered into between the parties as described further below. In the premises, the Company is a quasi-partnership between the Petitioner and le Comte.

Inter-company agreements

23. In order to give effect to the purpose underlying the structure of the joint venture as stated above, a number of agreements were entered into between companies in the e-Traction group. The substance of these agreements was devised by le Comte and the agreements were drafted by le Comte's attorneys.

23.1 On 3 July 2003, SPI BV as seller and the Company as purchaser entered into an Asset Purchase Agreement ("APA"), pursuant to which (i) certain assets (including the trade marks, copyrights and other proprietary rights subsisting in TheWheel, defined as the "Transferred Intellectual Property") were to be transferred to the Company, and (ii) a perpetual, irrevocable, exclusive and royalty-free licence was to be granted to the Company in respect of, *inter alia*, the existing United States, international and foreign patents in TheWheel owned and controlled by SPI BV (defined as the "Licensed Intellectual Property"). In return, the Company agreed to pay as consideration (i) a lump sum of EUR200,000, and (ii) all direct and indirect costs and expenses incurred and to be incurred by EEU in prosecuting and maintaining patent applications relating to the Licensed Intellectual Property, plus 10% of the aggregate of such costs and expenses.

23.2 On 17 July 2003, the Company, e-Traction Worldwide, e-Traction North America and SPI BV entered into an Intellectual Property License Agreement (the "IPLA"). Under the IPLA, the Company granted a non-exclusive, revocable and non-transferable sub-licence to SPI BV/EEU, e-Traction Worldwide and e-Traction North America (together, the "Licensees") in

respect of, *inter alia*, the Transferred Intellectual Property and the Licensed Intellectual Property for the purpose of the manufacture, use, sale, lease or other disposal of TheWheel technology. In consideration for this, the Licensees agreed to pay to the Company a periodically reviewed annual royalty payment based on volume expectations, subject to a minimum aggregate royalty payment of US\$500,000 per annum. As stated below, the Petitioner and le Comte subsequently agreed to vary the terms of the IPLA relating to payment of royalties to the Company.

- 23.3 On 17 July 2003, the Company, e-Traction Worldwide, e-Traction North America and SPI BV entered into a Technology Advisory Services Agreement (the "TASA"). Under the TASA, e-Traction Worldwide, e-Traction North America and SPI BV (EEU) agreed to provide the Company with advisory services in respect of the further development of intellectual property rights relating to TheWheel and associated products, in return for which the Company agreed to pay for the services invoiced to it in this regard.

(Taken together, the APA, the IPLA and the TASA are referred to in this Petition as the "Agreements".)

24. Pursuant to the terms of the APA, during the period from July 2003 to January 2008 EEU has invoiced the Company sums totalling approximately EUR273,284 in respect of sums relating to the prosecution and maintenance of patent applications relating to the Licensed Intellectual Property. In addition, pursuant to the terms of the TASA, during the period from July 2003 to January 2008 EEU has invoiced the Company sums totalling approximately EUR3.5 million relating to work undertaken pursuant to the terms of the TASA in the development of intellectual property rights. Such sums remain unpaid by the Company.
25. The Company has invoiced EEU in the sum of approximately EUR2.9 million in respect of royalty payments purportedly due to it pursuant to the terms of the IPLA. It is the Petitioner's position that these sums are not due and owing from EEU given the subsequent agreement that royalty payments would only be made by EEU to the

Company under the IPLA once EEU entered into a commercial relationship with a third party for the use of TheWheel and related products, and therefore had sufficient funds to make such royalty payments. The Petitioner and le Comte also agreed that the Company would regard the royalty payments due under the IPLA as a contingent liability of EEU only, and that any such payments once due would in any event be used to set-off sums owed by the Company to EEU in respect of work undertaken in the development of intellectual property rights under the TASA. Since no cash flow has been generated by EEU to date out of sales associated with the use of TheWheel and related products, no royalty payments are presently due and payable by EEU to the Company.

The management of the Company

26. As stated, the Petitioner and le Comte are the Company's directors, and are the Company's Chief Technology and Chief Executive Officers respectively. The intention at the outset of the joint venture was that the management of the Company (and e-Traction Management) would be conducted in accordance with the terms of the Shareholders Agreement dated 19 July 2003 entered into between the Company, e-Traction Management, the Petitioner and le Comte (the "Shareholders Agreement"). The substance of the Shareholders Agreement was devised by le Comte and the Shareholders Agreement itself was drafted by le Comte's attorneys.
27. The Shareholders Agreement provided for a division in the management decision-making relating to the affairs of the Company (and e-Traction Management) between the Petitioner and le Comte (defined in the Shareholders Agreement as "Managers"). Section 1 of the Shareholders Agreement provides as follows:

"Section 1: Voting; Management. (a) At any annual, special or other meeting called for such purpose, and whenever the Managers act by written consent, each Manager agrees (i) to vote or otherwise give such Manager's consent in respect of all shares of voting capital stock of [the Company] or [e-Traction Management], as applicable (whether now or hereafter acquired), owned by such Manager or as to which such Manager is entitled to vote, (ii) to cause [the Company], in such Manager's capacity as an officer or director or otherwise of the Company], to take all necessary and desirable actions within its control and (iii) to cause [e-Traction Management], in such Manager's capacity as an officer or director or otherwise of [e-Traction Management], to cause [e-Traction Worldwide], in its capacity as general partner of [e-

Traction Worldwide], to take all necessary and desirable actions within its control, in each case in order to cause:

- (1) *with regard to any technical issue pertaining to the intellectual property of either of [the Company] or [e-Traction Management] (not including, however, legal issues with regard thereto, whether relating to the filing and prosecution of patents, the licensing of intellectual property and the granting of rights under any intellectual property to third parties or otherwise), all votes to be carried in favor of, and/or all actions to be taken and documents and instruments to be executed in accordance with, the recommendation with regard thereto made by [the Petitioner] in his sole discretion; and*
- (2) *with regard to all other business or legal issues of [the Company] and [e-Traction Management] (including, without limitation, issues pertaining to entity structure (including the composition of the Board of Directors or other similar body), management structure, strategic or other business partnerships, marketing or other business plans and strategies, filing and prosecution of patents, the licensing of intellectual property and the granting of rights under any intellectual property to third parties), all votes to be carried in favor of, and/or all actions to be taken and documents and instruments to be executed in accordance with, the recommendation with regard thereto made by Le Comte in his sole discretion.*

...”

28. Accordingly, the Shareholders Agreement provided that management decisions of the Company’s directors with regard to technical issues relating to the Company’s intellectual property would be made in accordance with the recommendation of the Petitioner, and that all other management decisions of the Company’s directors relating to the business or legal issues of the Company would be taken in accordance with the recommendation of le Comte. In each case, the relevant recommendations were to be made in the sole discretion of the Petitioner and le Comte respectively.
29. The Company, the Petitioner and le Comte also entered into a second Shareholders Agreement on 19 July 2003 together with the other Class B and Class C shareholders in the Company (the “Second Shareholders Agreement”). The Second Shareholders Agreement contained various provisions restricting the transfer of Class B and Class C shares in the Company, and provided for certain pre-emption and co-sale rights in respect thereto in favour of the Petitioner and le Comte. The Second Shareholders Agreement also provided that on the conversion of 20% of the Petitioner’s Class C shares each year into Class B shares, the Petitioner could elect to sell such shares in certain circumstances for an annual cash payment of EUR200,000. Again, the

substance of the Second Shareholders Agreement was devised by le Comte and the Second Shareholders Agreement itself was drafted by le Comte's attorneys.

Deterioration in relationship between the Petitioner and le Comte

30. At the outset, the Company and the other e-Traction group entities were run with a reasonable mode of co-operation between the Petitioner and le Comte, and the Company was run in accordance with the Shareholders Agreement. However, during the summer of 2006 the relationship between the Petitioner and le Comte started to deteriorate. At or around this time, all co-operation between the Petitioner and le Comte in the management of the Company and the other e-Traction group entities ended. The Enterprise Chamber of the Amsterdam Court of Appeal in The Netherlands would later put the blame for this squarely on the shoulders of le Comte.
31. In or around mid-2006, it became clear that there was a fundamental difference between the Petitioner and le Comte in terms of their views as to the appropriate strategy to be adopted in moving the joint venture business forward. Le Comte's position was that EEU should focus on the development of TheWheel, rather than also working on projects focusing on the application of TheWheel technology. Le Comte's position was that EEU should aim to complete the development of TheWheel with a view to selling the patent rights to a third party, and that EEU should not enter into any business arrangements relating to TheWheel until the full development of the technology was completed. However, le Comte has never explained where the funds would come from to allow the business to follow this strategy.
32. In contrast, the Petitioner's position was that EEU should not focus solely on the development of TheWheel but should also work on associated projects applying TheWheel technology, which projects would involve EEU preparing and supplying prototypes of TheWheel to third parties for use on specific projects. The Petitioner's view was that this strategy was in the best interests of the joint venture business, given that TheWheel technology was still yet to be developed sufficiently at that stage to achieve a sale of the patents for the maximum potential purchase price. In the

Petitioner's view, further research and development work on TheWheel technology was necessary, which required additional funds that were not otherwise available. The Petitioner's view was that working on associated projects applying TheWheel technology would (i) contribute further knowledge about the technology which in turn would assist EEU in the further development of TheWheel, (ii) generate much needed revenue which was necessary to enable EEU to further the development of TheWheel, and (iii) generate publicity about TheWheel technology which would ultimately assist in achieving the longer term aim of selling the patents to a third party.

33. Pursuant to this strategy, by mid-2006 the Petitioner had established strong relationships with automobile manufacturers, transportation companies, forklift manufacturers, and other third parties in the automotive industry who had shown an interest not only in TheWheel technology but also in spin-off projects using TheWheel and related products, such as radar installations in airports and zero emission touring boats for use on the canals in Amsterdam. In addition, the Petitioner had established strong relationships with local and state authorities in The Netherlands who were willing to grant subsidies in connection with the development of projects utilising prototypes of TheWheel.
34. Le Comte's strategy started to negatively affect EEU's business and the dealings between EEU and its potential customers, which in turn adversely impacted the viability and continued existence of the e-Traction group of companies as a whole, including the Company.
35. On or around 16 August 2006, le Comte stated to the Petitioner that as he was the only person entitled to make administrative decisions in respect of EEU and its business, his view of the appropriate strategy should prevail. Le Comte also stated to the Petitioner that he would not invest any additional funds in EEU to allow work on projects focussing on the application of TheWheel technology.
36. Subsequently, le Comte refused to allow the Company to transfer sums due to EEU pursuant to the terms of the Agreements as stated above. As a consequence, EEU was unable to pay sums owed to its creditors and was only able to fend off bankruptcy by

entering into negotiations with its creditors and generating new business pursuant to the Petitioner's strategy.

37. Le Comte also started to take steps to ensure that EEU and the rest of the e-Traction group followed his view of the appropriate strategy for the joint venture business. Abusing his position and powers as Chief Executive Officer of the various entities in the e-Traction group, Le Comte took steps in an attempt to ensure that, aside from work on the development of TheWheel, no other activities were conducted by EEU. Le Comte interfered in EEU's relationship with a number of its potential customers, and as a consequence a number of promising projects with government entities and local municipalities in The Netherlands and companies in the automotive industry were obstructed and ultimately lost due to Le Comte's direct interference.
38. The Petitioner will rely on the interference of le Comte in the following projects which either failed or were harmed as a consequence of actions taken by le Comte:
 - 38.1 Project Whisper (October 2006 to August 2007): development of 5 Volvo city buses using TheWheel technology with the municipality of Apeldoorn.
 - 38.2 Project Hy-Truck (November 2006 to date): development of zero-emission vehicles using TheWheel technology with Nedstack, a company involved in developing fuel-cell technology.
 - 38.3 Project NedCar (late November 2006 to March 2007): development of five Mitsubishi Colt cars using TheWheel technology with NedCar, a wholly-owned subsidiary of Mitsubishi.
 - 38.4 Hummer H1 project (June to September 2007): conversion of a Hummer H1 to use TheWheel technology in conjunction with Tendris BV, a co-investor in Project NedCar.
 - 38.5 The NEMS project (June 2006 to end of 2007): conversion of two hybrid buses for the community of Rotterdam.

39. Le Comte also sought to exclude the Petitioner entirely from the management of the Company's affairs, refusing to involve the Petitioner in any decisions concerning the Company and refusing to allow the Petitioner access to the Company's books and records.
40. Since January 2008 (when potential customers learnt that le Comte had been dismissed as a director of EEU, as discussed further below), customers have slowly increased their willingness to do business with EEU again. On or around 28 September 2008, EEU was granted permission by the Dutch government to continue with two projects, namely The Whisper project in Apeldoorn and the NEMS project in Rotterdam. The revenues generated from these projects are being used to further develop and test The Wheel.

Dispute over sums invoiced under Agreements

41. A symptom of the deteriorating relationship between le Comte and the Petitioner is the disputes which have arisen concerning the sums invoiced between EEU and the Company pursuant to the Agreements as stated above.
42. Funds received by the Company, including the sum of EUR1,294,284.86 paid by the external investors for their shares in the Company, have in part been used for the purpose of making payments to EEU to allow the development of TheWheel technology to continue. Payments totalling US\$1,531,002.55 and EUR809,814.36 were made by the Company to EEU during the period July 2003 to August 2006. However, le Comte has subsequently asserted that these payments were not made in satisfaction of the invoices submitted by EEU to the Company under the Agreements. Le Comte has refused to authorise the payment by the Company of the sums owed by it to EEU in respect of these invoices, and has refused to even book these invoices in the Company's accounts. Le Comte has asserted that the payments made by the Company to EEU should be treated by EEU as loans but le Comte later unilaterally qualified these payments as "progress payments".

43. If le Comte is correct in his assertions, the invoices submitted by EEU to the Company under the Agreements remain unpaid. As a consequence, le Comte has exposed the Company to the risk of a winding up petition being presented against the Company by EEU in respect of the unpaid debts due and owing under the Agreements.

Litigation initiated by Le Comte

44. Aside from obstructing the pursuit of the above projects and refusing to permit the Company to pay the sums due to EEU in accordance with the provision of the Agreements, le Comte has also taken steps to initiate litigation in the name of the Company against EEU, other e-Traction group entities, the Petitioner and other shareholders in the Company. Such litigation has been instigated by le Comte with the sole and improper aim of gaining control over the joint venture business and the underlying assets.

A) Litigation initiated by le Comte before the District Court in Zutphen

45. Le Comte has asserted that he is the largest creditor of the Company and that the Company is the largest creditor of EEU. This is disputed by the Petitioner. Le Comte has initiated litigation in Zutphen, The Netherlands with the sole aim of having EEU declared bankrupt, which in turn would enable the Company to acquire EEU's assets, including the intellectual property rights subsisting in TheWheel technology.
46. On 26 July 2007, le Comte had the Company levy pre-judgment attachment orders over EEU's assets in the sum of EUR5 million. The attachment orders were purportedly made to secure the sums allegedly owed to the Company by EEU in respect of royalty payments under the IPLA as stated above. The decision to bring such proceedings against EEU in the name of the Company was taken by le Comte acting of his own volition and was taken without consulting the Petitioner or seeking the approval of the Company's Board of Directors. At the time, le Comte was well aware as a director and Chief Executive Officer of EEU that EEU did not owe such

amounts and, in any event, was not in a position to make any such payments to the Company.

47. At the same time, le Comte instructed a forensic IT company ("Hofmann") to remove information from EEU's IT system, including all necessary information on the technical layout and software of TheWheel and information relating to the unpaid development fees due from the Company to EEU under the TASA up to and including 26 July 2007.
48. Le Comte as director and Chief Executive Officer of EEU expressly prohibited EEU from taking any actions to defend itself against the claim brought by the Company. However, following the intervention of the District Court, EEU was permitted to retain counsel to enable it to defend itself in the proceedings. The litigation that followed the making of attachment orders is currently pending before the District Court.
49. Le Comte's actions in this regard were taken entirely in bad faith for his own personal and improper purposes and in breach of his fiduciary duties to both EEU and the Company.

B) Litigation initiated by le Comte in Luxembourg

50. On or around 13 June 2008, le Comte issued further legal proceedings in Luxembourg in the name of e-Traction Management as general partner for e-Traction Worldwide. In these proceedings, le Comte sought Court orders removing the Petitioner from the management of e-Traction Management and e-Traction Worldwide, and placing the Petitioner's shares and partnership interests in e-Traction Management and e-Traction Worldwide respectively under his control or under the control of an independent person. Again, these proceedings were brought by le Comte acting of his own volition without consulting the Petitioner with the aim of gaining control over EEU and its assets.

51. The Luxembourg Court declined to issue the order sought by le Comte. Instead, the Luxembourg Court appointed an independent accountant, Mr Scharle ("Scharle"), to act as an independent director in order to allow the preparation of the annual accounts of e-Traction Management from the date of its formation.
52. The process of finalising the accounts of e-Traction Management is currently ongoing in conjunction with Scharle. At the conclusion of this process, Scharle will report to the Luxembourg Court, which will determine what further action is required in respect of e-Traction Management.

C) Litigation initiated by le Comte in the United States

53. On or around 23 July 2008, le Comte brought proceedings in the name of the Company against EEU, the Petitioner and the external investors in the Company in the Supreme Court of the State of New York. The decision to bring such proceedings in the name of the Company was taken by le Comte acting of his own volition and was taken without consulting the Petitioner or seeking the approval of the Company's Board of Directors. Again, these proceedings were brought by le Comte with the aim of gaining control over EEU and its assets. Le Comte's actions in this regard were taken in bad faith for his own personal and improper purposes and in breach of his fiduciary duties to the Company and to EEU.
54. In the proceedings, the Company alleges a variety of breaches of contract by EEU, purportedly under the Petitioner's direction, and which the Company also alleges was a breach of the fiduciary duties owed by the Petitioner to it. The Company also alleges that the third party shareholders are guilty of tortious interference with the Company's contracts and business opportunities by encouraging EEU and the Petitioner in the alleged course of conduct. The Company seeks damages estimated to be at least US\$85 million plus interest. The allegations are denied by the defendants. A motion to dismiss the proceedings for lack of personal jurisdiction has been filed by the external shareholders, and that motion remains pending at the time of filing this Petition.

55. The proceedings initiated by le Comte in New York in the Company's name provide a further illustration of le Comte's attempts to fight his dispute with the Petitioner that exists at shareholder and management level through action purportedly initiated by the Company, using its (rather than le Comte's) resources. In doing so, le Comte has acted in breach of his fiduciary duties to the Company and has caused the limited resources of the Company to be further depleted through the pursuit of baseless legal proceedings brought for improper purposes and for le Comte's own personal benefit.

Findings of mismanagement against le Comte

56. As a consequence of the proceedings initiated by le Comte through the Company against EEU before the District Court of Zutphen, it was clear that the continuity of EEU's business was in grave danger. In light of this, on or around 28 September 2007 employees of EEU commenced inquiry proceedings before the Enterprise Chamber of the Amsterdam Court of Appeal seeking an independent review of EEU's affairs and, as a provisional measure, the appointment of a temporary managing director and the suspension of EEU's existing directors, including both the Petitioner and le Comte.

57. On 16 October 2007, the Court, by way of an interim measure, suspended le Comte and the Petitioner as directors of EEU and appointed Mr Hans van der Ven ("Van der Ven") as an independent and interim managing director. In addition, the Court appointed an independent third party, Mr Tony van Hees ("Van Hees"), to conduct an investigation into EEU's affairs.

58. Van der Ven commenced his duties with EEU on or around 24 October 2007. Van der Ven subsequently found that le Comte had no interest in meeting with him to discuss EEU's grave financial situation and how this could be resolved. Le Comte made it clear in various discussions with Van der Ven that his view was that:

58.1 The Company and the other entities in the e-Traction group did not need EEU or the services of the Petitioner.

58.2 If there was any know-how in EEU, it rested in EEU's employees and not the Petitioner.

58.3 EEU's business should be closed and EEU should be liquidated, after which he as shareholder in the Company and the Company's largest creditor would be entitled to all of the intellectual property rights in TheWheel licensed to the Company.

59. Le Comte also alleged to Van der Ven that the Petitioner had (i) misappropriated funds belonging to EEU, (ii) committed fraud using subsidies received from third parties, and (iii) engaged in false book keeping in respect of EEU's value added tax administration. However, after reviewing the Company's affairs Van der Ven concluded that none of these allegations had any basis in fact. Van der Ven also concluded that le Comte had committed various failings as the commercial manager of EEU (and the other e-Traction group entities), including (i) failing to put in place any management information systems and a business plan for the business, (ii) failing to prepare proper cash flow systems, and (iii) failing generally to maintain a proper system of administration and book-keeping in respect of various companies, including EEU. Van der Ven concluded that le Comte was only concerned with his own interests represented by his shareholding in EEU and not with the financial state of affairs of EEU generally and its future business.

60. Although Van der Ven sought a resolution of the dispute between the Petitioner and le Comte and the resulting deadlock that existed at shareholder and management level of EEU, his efforts were unsuccessful. Indeed, le Comte threatened to hold Van der Ven liable for damages resulting from any actions taken by him in connection with EEU's affairs. In light of this, Van der Ven indicated in December 2007 that he was only prepared to continue as an interim managing director of EEU if he was provided with an indemnity in respect of his actions in this role by both the Petitioner and le Comte. Although the Petitioner was prepared to provide this indemnity, le Comte was not and, as a consequence, Van der Ven resigned his position as interim managing director on 13 December 2007.

61. On 13 December 2007, the Court issued an interim decision, in which it enjoined EEU from passing any resolutions at a shareholders meeting in respect of proposals made by le Comte to, inter alia, (i) dismiss the Petitioner and Heinen-Kruizinga as directors of the Company, and (ii) make a proposal to the Company purportedly to settle royalty payments alleged to be due from EEU.
62. On 14 December 2007, the Court confirmed Van der Ven's resignation but requested that he remain as an external advisor to EEU. The Court also lifted the Petitioner's suspension as managing director of EEU. Given Van der Ven's findings as to le Comte's conduct as director of EEU, the Court ordered that the suspension of le Comte as director of EEU be maintained. The Court also ordered that, for the duration of the proceedings, EEU's shares (held by e-Traction Worldwide) be transferred to a trustee in order to prevent any decisions being made at shareholder level that were not in the best interests of the company. On 21 December 2007, Mr RHM Cornelissen ("Cornelissen") was appointed as trustee over EEU's shares.
63. As a consequence of these orders, the Court prevented le Comte further interfering with EEU's affairs whether through his management position on EEU's Board of Directors or by exercising (through e-Traction Worldwide) his (indirect) rights as shareholder. Accordingly, from December 2007 onwards EEU's business has developed without the negative interference of le Comte. In addition, although Van der Ven resigned his appointment as interim director of EEU, at the request of the Court he was retained by EEU as an external advisor as stated above and has continued to provide management support and assistance to EEU in this role.
64. On 4 March 2008, Van Hees filed his report with the Court detailing his findings following his investigation into EEU's affairs. Van Hees' report painted a damning picture of le Comte's conduct, finding that le Comte had acted improperly in commencing the attachment proceedings in the Netherlands against EEU in the name of the Company. Van Hees stated that le Comte had taken this action in order to break the deadlock between the Petitioner and himself and in order to force EEU to follow his vision of the appropriate strategy for the business going forward. In doing so, Van Hees found that le Comte had subordinated EEU's interests and those of the

other interests involved to his own personal interests. Van Hees also commented on the circumstances that had contributed to the disruption in the relationship between the Petitioner and le Comte, and what he described as “*the continued mounting of the conflicts*” between them. Van Hees concluded that the situation had “*escalated to such an extent that cooperation between the two men has become completely impossible*”.

65. On 8 September 2008, the Court rendered its final decision in the proceedings based on Van Hees' report and the parties' submissions. The Court observed the fact that a *de facto* deadlock had arisen within the corporate bodies in the e-Traction group which the Petitioner and le Comte were unable to break, concluding that the Petitioner and le Comte could not be expected to be able to make any joint decisions. The Court also commented on the importance played by the Company in this through the actions taken by le Comte in its name. The Court found that the findings in Van Hees' report justified the conclusion that there had been mismanagement of EEU and held that le Comte was primarily responsible for that mismanagement. The Court also held that le Comte had failed to comply with his duties as a company director by putting his own personal interests above those of EEU and its businesses, and held that his actions had been so disproportionate and unwarranted that it was impossible to find any justification for his conduct. As a consequence, the Court ordered that le Comte be dismissed as a director of EEU. The Court also ordered that, to prevent deadlock in the general meeting of EEU's shareholders, e-Traction Worldwide's shares in EEU should continue to be held in trust by Cornelissen for an initial period of 2 years, which period may be extended thereafter.

Grounds to wind up the Company

A) Mismanagement and breaches of fiduciary duty by le Comte

66. The Petitioner relies on the above findings of the Enterprise Chamber of the Amsterdam Court of Appeal in support of its contention that le Comte has mismanaged the affairs of the Company and has acted in breach of his fiduciary duties to the Company.

67. The initiation by le Comte of the litigation referred to above in Zutphen, Luxembourg and New York in the name of the Company was in breach of his fiduciary duties. The initiation of the proceedings was not authorised by the Company's Board of Directors and the proceedings were brought for an improper purpose, namely for the sole purpose of achieving le Comte's personal aim of gaining control over the joint venture business and excluding the Petitioner. The proceedings brought were not in the best interests of the Company, having regard to the interests of its shareholders in maximising the value of the Company.
68. Le Comte's refusal to allow the Company to pay the sums due to EEU under the Agreements as stated above is a further example of le Comte's mismanagement of the Company's affairs. Le Comte's decision not to allow the Company to satisfy its obligations under the Agreements was not made in the best interests of the Company and exposed the Company to the risk of a winding up petition being presented against the Company by EEU in respect of the unpaid debts due and owing under the Agreements. Le Comte's decision in this regard was made for the improper purpose of achieving le Comte's personal aim of gaining control over the joint venture business and excluding the Petitioner. Accordingly, le Comte's conduct was in breach of his fiduciary duties to the Company.
69. As stated above, funds received by the Company have in part been used for the purpose of making payments to EEU to allow the development of TheWheel technology to continue. Payments totalling US\$1,531,002.55 and EUR809,814.36 were made by the Company to EEU during the period July 2003 to August 2006. However, the very limited financial information provided by le Comte to the Petitioner in response to the Petitioner's requests for copies of the Company's books and records and information concerning its affairs indicates that a large part of the funds that should be available to the Company cannot be accounted for.
70. The lack of funds currently available to the Company indicates that le Comte has used these sums for purposes other than facilitating EEU in continuing with its daily operations associated with the development of TheWheel. Indeed, le Comte has asserted that he alone should decide how the Company's funds should be used. Given

the status of the Company in the joint venture business, the Petitioner does not believe that the Company has undertaken any genuine commercial activity, such as selling licences for TheWheel, finding external investors in order to generate funds for further development work on TheWheel or selling products that EEU has developed. Accordingly, it is unclear for what genuine purpose the funds invested in the Company could have been used. The Petitioner has grave concerns that le Comte has misappropriated funds belonging to the Company for his own personal purposes, including using such funds to pursue baseless litigation in the name of the Company for le Comte's own benefit.

71. The Petitioner will also rely on the following additional examples of le Comte's mismanagement of the Company's affairs:

71.1 Le Comte has purported to undertake the management of the Company's business without any reference to the Petitioner, and has sought to exclude the Petitioner from the management of the Company affairs.

71.2 Le Comte has failed to account to the Petitioner and to the Company's other shareholders in respect of the activities undertaken and decisions made by him purportedly in the management of the Company.

71.3 Le Comte has failed to call any meetings of the Company's Board of Directors or its shareholders during the period from June 2003 to date, and has resisted the Petitioner's requests that such meetings be held.

71.4 Le Comte has failed to account to the Petitioner for the sums drawn by him from the Company's bank accounts, including sums drawn purportedly in satisfaction of salary and other expenses claimed by le Comte.

71.5 Le Comte has failed to have detailed or any annual accounts or other financial statements prepared for the Company. Alternatively, to the extent that any such accounts or statements have been prepared (which is denied), le Comte

has failed to provide these to the Petitioner in draft or at all for his review and approval.

71.6 Le Comte has failed to maintain and update the Company's Register of Members, which for the reasons stated in this Petition does not reflect the current shareholdings in the Company.

72. As a consequence of le Comte's mismanagement and breaches of fiduciary duty, the Petitioner has lost all confidence in the probity and competence of le Comte in managing the Company's affairs.

B) Exclusion from participation in the Company's management

73. Le Comte has sought to exclude the Petitioner entirely from the management of the Company's affairs in breach of the common understanding between the Petitioner and le Comte and the Petitioner's legitimate expectation that he would participate equally with le Comte in managing the Company's business.

74. During the period from June 2003 to date, the Petitioner has not received notices of any meetings of the Company's Board of Directors, and has not been consulted on any aspect of the Company's affairs. Le Comte has taken over the running of the Company's business and has sought to exclude the Petitioner from any involvement in the management of its affairs.

75. The Petitioner has sought to obtain access to the Company's financial books and records, including its bank statements. However, le Comte changed the access codes for the Company's bank accounts and has repeatedly refused to allow the Petitioner access to this information, contending that he alone is responsible for the administrative affairs of the Company and that, as the Company's Chief Executive Officer, he alone can decide how to spend the Company's funds. Le Comte has also asserted that periodically since 2003 loans in varying amounts were made by him personally to the Company. However, the Petitioner has been unable to verify the nature, amount and veracity of these loans. Le Comte has refused to provide

underlying documents evidencing the same, and accounts documenting the loans have not been prepared.

76. Le Comte's refusal to allow the Petitioner access to the Company's books and records is in breach of his fiduciary duties to the Company and cannot be justified by reference to the provisions of the Shareholders Agreement. As a consequence of le Comte's refusal, the Petitioner has been prevented from exercising his duties as a director of the Company, including his duty to investigate further whether le Comte is guilty of further mismanagement and/or breaches of fiduciary duty.
77. In the context of the litigation initiated by le Comte before the District Court in Zutphen, le Comte finally agreed to furnish the Petitioner with certain limited information relating to the Company in order to allow the Petitioner to verify how funds paid to the Company had been allocated and used by it. However, notwithstanding this agreement le Comte has failed to provide the Petitioner with full and proper details of the Company's affairs, including its finances and bank accounts.
78. Further, on 7 August 2008 le Comte wrote to the Petitioner in order to demand that he resign as a director of the Company. Relying on the terms of the Shareholders Agreement, le Comte stated that he had recommended that the Petitioner be removed immediately from his positions as director and officer of the Company and stated that all authority, rights and privileges held by the Petitioner in these capacities had been terminated. Le Comte also threatened to bring legal proceedings against the Petitioner for alleged breach of the Shareholders Agreement in the event that the Petitioner failed to sign draft documents prepared by le Comte, comprising a draft letter of resignation and a draft written resolution of the Company's shareholders removing the Petitioner from the Company's Board of Directors.
79. Le Comte's conduct in excluding the Petitioner from participation in the management of the Company's affairs is in breach of the Petitioner's fundamental and legitimate expectations that the Company would be run in good faith with equal participation by both the Petitioner and le Comte in the Company's management as stated above.

C) Deadlock

80. Given the irretrievable breakdown in the relationship between the Petitioner and le Comte, there is deadlock at both the management and shareholder level of the Company. The directors of the Company are the Petitioner and Le Comte, and each of the Petitioner and Le Comte hold 50% of the voting share capital of the Company. As a consequence, the Board of Directors and the general meeting of the Company are unable to function properly in accordance with Cayman Islands law.
81. The matters pleaded above are illustrations of the manner in which the relationship between the Petitioner and le Comte has deteriorated and the consequences of this. The Petitioner and le Comte have fundamentally different views of the strategy for the joint venture business, including the Company, going forward. As a consequence of this and the actions taken by le Comte as pleaded above, all mutual trust and confidence between the Petitioner and le Comte has disappeared. The Petitioner relies on the above findings of the Enterprise Chamber of the Amsterdam Court of Appeal as to the existence of a *de facto* deadlock between the Petitioner and le Comte in respect of the affairs of the e-Traction group generally, including the Company.
82. The deadlock in the management of the Company has resulted in the failure in the basic administrative functioning of the Company. As stated above, le Comte has refused to provide the Petitioner with copies of the Company's books and records, including details of its finances, and as a consequence the Petitioner is unable to undertake his role as director and assume responsibilities of the Company and fulfil his duties to it.
83. In addition, the Petitioner and le Comte are unable even to agree on relatively straightforward matters relating to the Company's affairs, such as amendments to the Company's Register of Members. While le Comte has asserted that he alone is responsible for undertaking all administrative matters relating to the Company, le Comte has failed to update the Company's Register of Members to reflect the correct shareholdings of the external investors. As stated above, the external investors subscribed to Class B and Class C shares in the Company. However, the allocation of

these shares to the external investors has not been reflected in the Company's Register of Members held by the Company's corporate administrator at the Company's registered offices. Le Comte has refused to consent to the necessary and several amendments proposed by the Petitioner in this regard and has refused to instruct the Company's corporate administrator to make the necessary amendments to the Register of Members.

84. Another aspect of the deadlock between the Petitioner and le Comte relates to the dispute between them concerning the shares in the Company held by the Petitioner and le Comte themselves:

84.1 As stated above, it was agreed upon the incorporation of the Company and the formation of the e-Traction group that the Petitioner's contribution to the joint venture, through AHAB, of SPI BV's business would be reflected in the issue of shares in the Company to AHAB. The shares in the Company held by le Comte and AHAB were intended to mirror the share interests of le Comte and AHAB in e-Traction Worldwide and e-Traction Management. However, the relevant shares in the Company have incorrectly been registered in the name of the Petitioner rather than AHAB, and le Comte has refused to agree to the rectification of the share register to correct this.

84.2 Upon the incorporation of the Company in June 2003, le Comte and the Petitioner agreed that the Class C shares held by le Comte and AHAB would be converted into Class B shares over a 5 year period commencing on 1 April 2004. A number of disputes have arisen between le Comte and the Petitioner concerning the conversion of the Class C shares, and in particular the conversion of the additional 1,000 Class C shares received by AHAB as stated above, which le Comte and the Petitioner agreed would be converted into Class B shares at a rate of 200 Class B shares per year.

84.2.1 A dispute has arisen in respect of the conversion of the Class C shares that took place in 2004 and 2005. In each of these years, 200 of AHAB's Class C shares were converted into Class B shares at a nominal

value of EUR1,000 per share. Le Comte disputes the number of Class B shares that AHAB should have acquired upon the conversion of these Class C shares. Contrary to the Company's Articles of Association and the position agreed by le Comte at the time of the conversion, le Comte has now asserted that the conversion ratio should be adjusted to reflect the fact that the Company has allegedly increased in value, such that only 89 Class B shares should be received in each of 2004 and 2005. The Petitioner on behalf of AHAB disputes this and maintains that the conversion ratio should be 1:1.

84.2.2 Further, of the 400 Class B shares issued upon the conversion of the relevant Class C shares in 2004 and 2005, le Comte agreed to purchase 200 of these Class B shares for a total consideration of EUR200,000. Le Comte paid this sum to AHAB, although the Company's Register of Members was never amended to reflect the change in the registered holder of these shares. Subsequently, le Comte sought unilaterally to undo this agreement, and has stated to the Petitioner that the sum of EUR200,000 paid to AHAB in consideration of the shares should be regarded as a loan. The Petitioner on behalf of AHAB disputes le Comte's unilateral decision in this regard.

84.2.3 A similar dispute has arisen in respect of the conversion of the Class C shares that took place in 2006, 2007 and 2008. Le Comte has again incorrectly asserted that the conversion ratio should be adjusted to reflect the fact that the Company has increased in value, such that only 67 Class B shares should be received in each of these years. Again, the Petitioner on behalf of AHAB disputes this.

84.2.4 Le Comte has refused to agree to the rectification of the Company's Register of Members to reflect any of the above changes in the Company's shareholdings.

85. The Petitioner has proposed to Le Comte that an independent director be appointed to the Company's Board of Directors in order to resolve the deadlock that presently exists in the Company's management. However, Le Comte has refused to agree to this.

86. In a letter to le Comte and the Petitioner dated 22 December 2008, the Company's former corporate administrator stated that it was resigning as the Company's registered office service provider and that an alternative registered office service provider would be required with effect from 1 February 2009. The Petitioner will contend in these proceedings that the resignation of the Company's former corporate administrator was a direct result of the breakdown in the relationship between the Petitioner and le Comte and the deadlock that exists within the Company.

D) Loss of substratum

87. The Company was incorporated as a vehicle which would receive royalty payments once the joint venture business progressed into the next phase and TheWheel could be commercially exploited through, *inter alia*, the sale of licences to third parties. The sole reason for the formation of the e-Traction group structure and the Agreements put in place in connection with the joint venture business was the perceived tax benefits arising from utilising a company located in the Cayman Islands to receive royalty payments arising from the commercial exploitation of TheWheel. The Company was, therefore, a key element of the e-Traction group structure, and its sole purpose was to provide a vehicle through which the parties could achieve such tax benefits. However, the structure is flawed and will not in fact achieve the tax benefits anticipated by the Petitioner and le Comte.

88. The e-Traction group structure, and in particular the treatment for tax purposes of the royalty payments to be received by the Company in connection with the joint venture business, was considered by the Dutch tax authorities in 2007. In or around June 2007, the Dutch tax authorities ruled that royalty payments received by the Company could not validly avoid being subject to taxation in The Netherlands by virtue of the structure put in place. As a consequence, the Dutch tax authorities demanded that

EEU's accounts for 2004 and 2005 be corrected and that the accounts for 2006 and 2007 be prepared in a manner which reflects this ruling. Accordingly, the structure will not achieve the tax benefits anticipated by the Petitioner and le Comte.

89. In addition, as a consequence of (i) the ruling of the Dutch tax authorities, (ii) the non-payment of sums due under the APA and the TASA as stated above, and (iii) the claim by the Company for sums under the IPLA which are not due, on 31 March 2008 EEU wrote to the Company to confirm that EEU considered that the Agreements had been terminated as from that date. Accordingly, EEU no longer considers itself bound by the Agreements.
90. It is clear that the Company and the e-Traction group structure generally will not achieve their intended purpose, and that the structure has already started to unravel as a consequence of (i) le Comte's mismanagement and breaches of fiduciary duty, and (ii) the deadlock that exists between the Petitioner and le Comte at both management and shareholder level. As a consequence, the Company has had, and continues to have, no commercial purpose other than to serve as a pure holding company through which the Petitioner and le Comte hold their indirect equity stakes in EEU. In the circumstances, the Company has lost its substratum.

Tangible interest in the winding-up

91. On being wound-up, the Petitioner believes that there is likely to be a surplus of assets belonging to the Company available for distribution to its members. Although the Petitioner has been prevented from accessing the Company's books and records by reason of le Comte's breaches of fiduciary duty, and accordingly the Petitioner is unaware of the Company's current financial position, the Company owns shares in e-Traction Worldwide, which in turn owns 100% of EEU's shares. The Petitioner believes that the value of this share interest is likely to result in there being a surplus of assets belonging to the Company available for distribution to its members.
92. The Petitioner has, therefore, a tangible interest in the winding up of the Company.

Conclusion

93. In the premises, the affairs of the Company have been conducted in such a way:

93.1 as to be in breach of the common understanding between the Petitioner and le Comte;

93.2 as to be in breach of the Petitioner's legitimate expectations held in connection with his participation in the Company; and

93.3 as to be prejudicial and oppressive to the Petitioner.

94. The quasi-partnership between the Petitioner and le Comte has as a consequence irretrievably broken down, and the Petitioner has justifiably lost all confidence in the probity and competence of le Comte in his management of the Company's affairs.

95. Further and in the alternative, there is deadlock at both the management and shareholder level of the Company.

96. Further and in the alternative, the Company has in any event lost its substratum.

YOUR PETITIONER THEREFORE HUMBLY PRAYS THAT:-

1. The Company be wound up in accordance with the Companies Law.
2. Fit and proper persons be appointed as official liquidators of the Company.
3. Such other orders be made as the Court shall deem fit.
4. The costs of this Petition be provided for.

AND your Petitioner will ever pray etc.

Dated the 6th day of March 2009.

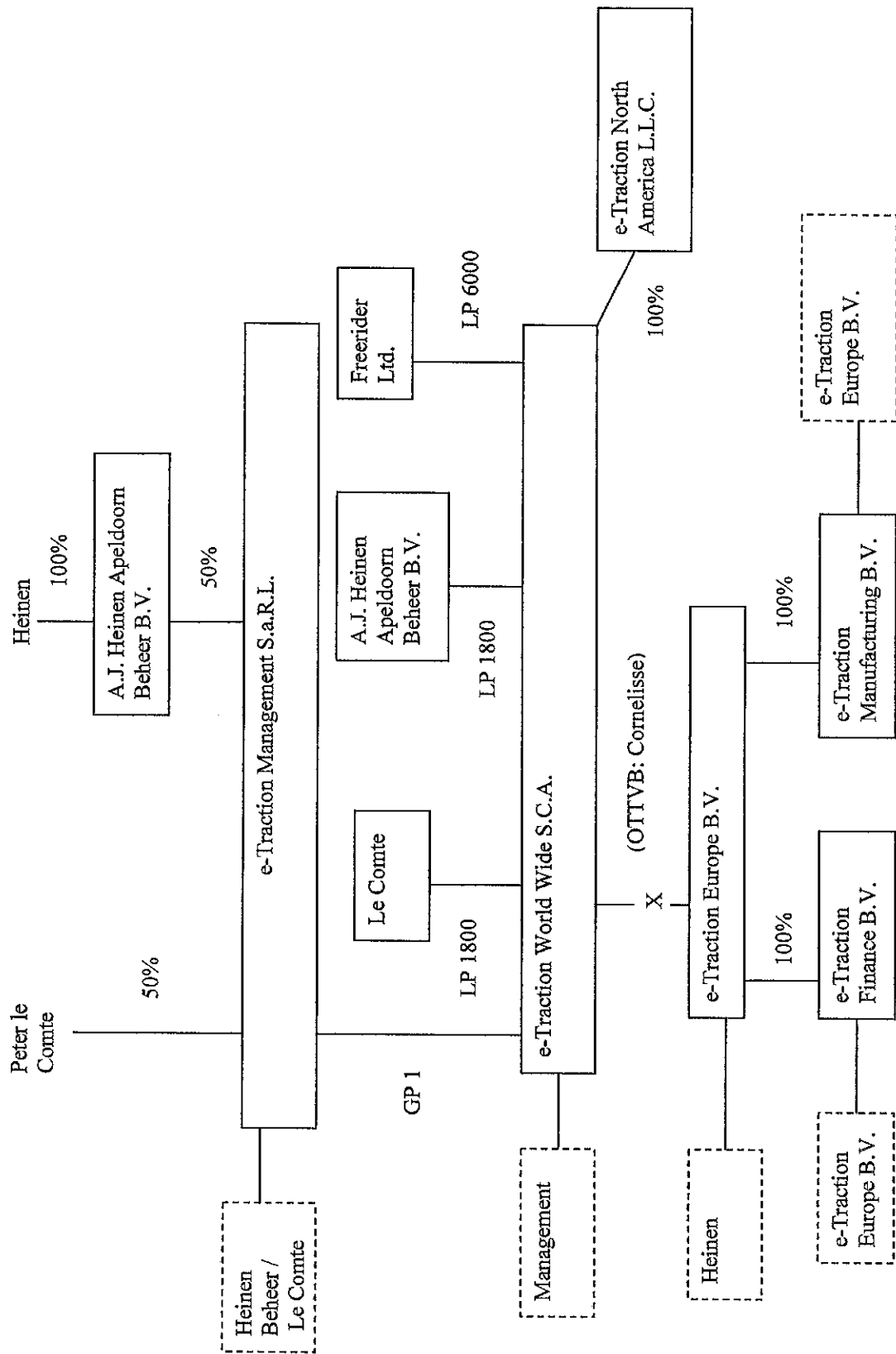


APPLEBY

NOTE: This petition is intended to be served upon the Company at its last known registered office.

THIS PETITION was presented by Appleby, attorneys for the Petitioner, whose address for service is that of their said attorneys, namely Clifton House, 75 Fort Street, P.O. Box 190 GT, Grand Cayman, Cayman Islands (Ref. CJE/18004.001)

Appendix 1



NOTICE OF HEARING

TAKE NOTICE THAT the hearing of this Petition will take place at the Law Courts,
George Town, on 2009 at 10.00am.

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.