

IN THE GRAND COURT OF THE CAYMAN ISLANDS

193  
CAUSE NO. OF 2009

IN THE MATTER OF FRANK SOUND ESTATE LIMITED  
(IN VOLUNTARY LIQUIDATION) (THE "COMPANY")

AND IN THE MATTER OF THE COMPANIES LAW (2007 REVISION)



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**PETITION FOR COURT SUPERVISION  
OF A VOLUNTARY LIQUIDATION**

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**TO THE GRAND COURT**

The humble petition of G James Cleaver (the "Petitioner") of Zolfo Cooper (Cayman) Ltd ("Zolfo Cooper"), PO Box 1102 GT, 4<sup>th</sup> Floor, Building 3, Cayman Financial Centre, George Town, Grand Cayman, as the voluntary liquidator of Frank Sound Estate Ltd (the "Company"), shows that:

1. The Company was incorporated under the Companies Law as a resident company, number 6488, on 10 April 1967.
2. The current registered office of the Company is P.O. Box 1102 GT, Bermuda House, 4<sup>th</sup> Floor, British American Centre, Grand Cayman.
3. The Company has one shareholder, Walter Holdings Ltd (in liquidation), which was the parent company, owning all of the shares issued by the Company. At the time of the Petitioner's appointment, the directors of the Company were Selkirk Watler Jr., Lynette Watler and Shannon Panton.
4. In compliance with an Order of the Grand Court of the Cayman Islands (the "Grand Court") in Cause Number 59 of 2007, the directors of the Company have resigned and the Petitioner was appointed as the Company's sole director.

5. By written resolution of the shareholder of the Company, dated 18 March 2009, the Company was placed into Voluntary Liquidation and the Petitioner was appointed voluntary liquidator of the Company.

### **The Company's Business**

6. The Company's only business was to hold property. At the commencement of its voluntary liquidation, the Company was the registered proprietor of:
  - (i) Registration Section Midland East, Block 54D, Parcels 49, 53, 54, 57, 58, 64, 78 and 44REM1;
  - (ii) Registration Section Midland East, Block 59B, Parcel 41
  - (iii) Registration Section Breakers, Block 56C, Parcels 45, 66, 74, 75, 77 and 86.

### **The Company's Liabilities**

7. Watler Holdings Ltd forms part of the estate of the late Robert Selkirk Watler (the "Estate"), which is being administered by its Joint Executors, Mr. Martin Bould and Mr. Dwight Panton, and is a party to an existing proceeding in the Grand Court in Cause Number 59 of 2007
8. The ultimate beneficiaries of the Estate include Shannon Panton, Lynette Walter, Robert Selkirk Watler III and Watler Holdings Ltd. None of these parties have been able to reach an agreement on the distribution of the Estate's assets for the last 20 years.
9. The Petitioner has advertised for claims in respect of the liabilities of the Company and, to date, has been informed of an asserted claim by Mrs. Heather Benttrinder over property registered in the name of the Company, being Registration Section Midland East, Block 54D, Parcel 57.
10. The claims bar date is 30 April 2009 and therefore additional claimants may make themselves known to the Petitioner

## **The Winding up of the Company**

11. The Company has been in voluntary liquidation for approximately one month.
12. No declaration of solvency has been signed by a director of the Company. This is not because the Company will not be able to pay its debts in full together with interest, within 12 months from the commencement of the winding up, but rather due to the nature of the Petitioner's appointment as the Company's director, accompanied with the illiquid nature of the Company's assets.
13. The Petitioner is concerned that although the Company holds substantial assets they comprise of relatively illiquid real estate. Consequently, given this illiquidity, the Company may be unable to pay its debts in full (with or without interest) within 12 months from the date of entering the Company into voluntary liquidation.
14. In view of the:
  - a. extent of land required to be transferred to the beneficiaries of the Estate;
  - b. history of the relationship of the respective parties involved in the Estate and the liquidation;
  - c. time that is has taken the parties to reach a potential solution; and
  - d. delay in obtaining property partition maps and reports.

the Petitioner believes that bringing the liquidation of the Company under the supervision of the Court, pursuant to Section 131 of the Companies Law (2007 Revision), would be beneficial to all parties, facilitating a more effective, economic and expeditious liquidation in the interests of creditors and contributories by facilitating cooperation with the liquidator within the Cayman Islands.

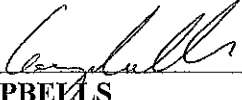
15. The Petitioner believes that it is appropriate in all the circumstances set out above that the liquidation of the Company should continue under the supervision of the Grand Court.

**YOUR PETITIONER THEREFORE HUMBLY PRAYS THAT:**

16. The liquidation of the Company be continued under the supervision of the Court.
17. G James Cleaver of Zolfo Cooper, PO Box 1102 GT, 4<sup>th</sup> Floor, Building 3, Cayman Financial Centre, George Town, Grand Cayman be appointed as official liquidator of the Company.
18. In addition to their powers prescribed in Part II of the Third Schedule to the Companies (Amendment) Law, 2007 which are exercisable without sanction of the Grand Court, the official liquidators are hereby sanctioned:
  - a. To exercise the powers set out in Part I of the Third Schedule to the Companies (Amendment) Law, 2007. ; and
  - b. to take any such action as may be necessary or desirable to obtain the recognition of their appointment in any other relevant jurisdiction and to make applications to the courts of such jurisdictions for that purpose,and for the avoidance of doubt the powers bestowed on the official liquidator may be exercised by them within and outside the Cayman Islands.
19. The voluntary liquidator's costs of this petition shall be paid out of the assets of the Company as an expense of the liquidation, such costs to be taxed if not agreed with the official liquidator.

AND your Petitioners will ever pray, etc.

Dated the 22 day of April 2009.

  
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**CAMPBELLS**  
**Attorneys-at-law for the Petitioners**

**Note:** It is intended to serve this Petition on Red Bay Estates Limited (in Voluntary Liquidation) and Frank Sound Estate Limited (in Voluntary Liquidation) at their registered offices.

**INDORSEMENT**

This Petition having been presented to the Court on April 2009 will be heard at the Law  
Courts, George Town, Grand Cayman on *22<sup>nd</sup> May 2009* at a.m./p.m. or as soon *@ 10:00 am*  
thereafter as the Petition can be heard.