

**IN THE HIGH COURT OF JUSTICE OF THE ISLE OF MAN
CHANCERY DIVISION**

**IN THE MATTER of THE COMPANIES
ACT 1931**

and

**IN THE MATTER of KAUPTHING
SINGER & FRIEDLANDER (ISLE OF
MAN) LIMITED**

and

**IN THE MATTER of THE JOINT
PETITION OF KAUPTHING SINGER &
FRIEDLANDER (ISLE OF MAN)
LIMITED and THE FINANCIAL
SUPERVISION COMMISSION dated
the 9th day of October 2008**

and

**IN THE MATTER of the Court Orders
dated 9th October 2008 and 20th
November 2008 appointing Michael
Simpson and Peter Norman Spratt as
Joint Liquidators Provisionally of
Kaupthing Singer & Friedlander (Isle of
Man) Limited**

TO HIS HONOUR DEPUTY DEEMSTER ANDREW THOMAS KANEEN CORLETT

**THE HUMBLE PETITION of Michael
Simpson PricewaterhouseCoopers of
Sixty Circular Road, Douglas, Isle of
Man and of Peter Norman Spratt of
PricewaterhouseCoopers LLP of
Plumtree Court, London dated 22nd
May 2009**

SHEWETH:

1. Your Petitioners are currently the Joint Liquidators Provisionally of Kaupthing Singer & Friedlander (Isle of Man) Limited ("KSFIOM") having been appointed pursuant to s.178 of the Companies Act 1931 by Orders of this Honourable Court dated 9th October 2008 (in respect of Michael Simpson) and 20th November 2008 (in respect of Peter Norman Spratt).

2. Your Petitioners were appointed pursuant to the joint Petition of KSFIOM and the Financial Supervision Commission dated 9th October 2008 ("the Winding-Up Petition"), which seeks an Order that KSFIOM be wound-up pursuant to Section 164 Companies Act 1931. The said Petition has been adjourned on a number of occasions, and presently stands adjourned until 10am on 27th May 2009.
3. Your Petitioner Michael Simpson was appointed by Order of this Honourable Court dated 9th April 2009 to be the Chairman of the Scheme Meetings (as defined in the Scheme) to be convened and held on 19th May 2009 in connection with the scheme of arrangement ("the Scheme") proposed to be made between KSFIOM and its Scheme Creditors (as defined in the Scheme). Your Petitioner Michael Simpson has filed a report ("the Report") with the Court confirming the proceedings at and result of the said Scheme Meetings. The Report confirms that the requisite majorities of the Scheme Creditors present either in person or by proxy and voting at two out of three of the Scheme Meetings did not vote in favour of the Scheme, and as a consequence of this, Your Petitioners understand that the Scheme cannot be presented to this Honourable Court for the purposes of being sanctioned by the Court.
4. Your Petitioners believe that at the further hearing of the Winding-Up Petition on the 27th May 2009 both KSFIOM and the Financial Supervision Commission will submit that this Honourable Court should make the Order prayed for within the Winding-Up Petition namely that KSFIOM be wound up immediately and that Your Petitioners Michael Simpson and Peter Norman Spratt be appointed as Joint Provisional Liquidators and deemed Official Receivers of KSFIOM. Your Petitioners confirm that they each consent to act as Joint Provisional Liquidators and Joint deemed Official Receivers of KSFIOM if so appointed on the 27th May 2009.
5. In anticipation of an Order being made on the 27th May 2009 that KSFIOM be wound up and that Your Petitioners Michael Simpson and Peter Norman Spratt be appointed as Joint Provisional Liquidators and Joint deemed Official Receivers of KSFIOM, and conditional upon Orders in those terms actually being made by the Court, Your Petitioners as Joint Provisional Liquidators and deemed Official Receivers of KSFIOM hereby seek the following Orders or directions from the Court, namely:-
 - (1). a direction pursuant to Rules 98 and 194 of the Companies (Winding-Up) Rules 1934 ("the Rules") that the separate meetings of creditors and

contributories of KSFIOM to be held under section 179 of the Companies Act 1931 ("the Act") and Rule 98 of the Rules (hereinafter referred to as the "First Meetings") shall be held within 6 (six) weeks after the date of the winding-up Order rather than within one month as prescribed within the said Rule

- (2) a direction that for the purposes of convening the First Meetings any notice thereof to be given to creditors of KSFIOM under the Rules may be delivered personally or sent by prepaid post or by electronic means of delivery (to include e-mail or facsimile) as may be convenient;
- (3) a direction that if a creditor of KSFIOM forwards to the Joint deemed Official Receivers of KSFIOM electronically (to include by e-mail or facsimile) a copy of his Proof of Debt and/or proxy voting form ("the Electronic Copy") for use at the First Meetings which contains a copy of his original signature upon the original Proof of Debt or proxy voting form, then if the original of the Proof of Debt or proxy voting form has not been received by them before the commencement of the First Meetings, the Joint deemed Official Receivers of KSFIOM may, in their discretion, accept the Electronic Copy of the Proof of Debt and/or proxy voting form for voting purposes at the First Meetings
- (4). an order pursuant to section 184(1) of the Act that Your Petitioners as Joint Provisional Liquidators and Joint deemed Official Receivers of KSFIOM shall have power to:
 - (i) bring or defend any action or other legal proceeding in the name or on behalf of the Company;
 - (ii) to carry on the business of KSFIOM so far as may be necessary for the beneficial winding-up thereof;
 - (iii) to appoint advocates or other law agents (whether in the Isle of Man or elsewhere) to assist them in the performance of their duties;
 - (iv) to pay those creditors of KSFIOM who have a preferential claim as defined by the Preferential Payments Act 1908 as amended;

- (v) to exercise with immediate effect all the powers granted to a liquidator under the Rules (notwithstanding that no Order under section 179(3) of the Act confirming the appointment of Your Petitioners as liquidators of KSFIOM has yet been made) and in particular (without prejudice to the generality of the foregoing) to give notice of their intention to declare an initial dividend and to declare and pay such a dividend pursuant to Rule 96 of the Rules and to undertake such other steps as may be prescribed under the Rules as may be necessary for the purposes of declaring and paying such a dividend to creditors of KSFIOM; and
- (vi) to provide such information concerning depositors of KSFIOM to the Scheme Manager of the Depositors Compensation Scheme as in the opinion of the Joint Provisional Liquidators and Joint deemed Official Receivers may reasonably be required in order to facilitate claims by depositors of KSFIOM under the Depositors Compensation Scheme Regulations
- (5). For the purposes of allowing any inspection of or providing copies of any statement of affairs of KSFIOM to be produced pursuant to section 175 of the Companies Act 1931 the Joint deemed Official Receivers shall cause such statement of affairs to be redacted as may be necessary so as to maintain the anonymity of any creditor named therein who was a banking customer of KSFIOM
- (6). The Court dispenses with the settlement of a list of the contributories of KSFIOM pursuant to section 195(1) of the Companies Act.

WHEREFORE Your Petitioners humbly pray a hearing of this Petition from time to time, and that this Honourable Court may be pleased to make Orders and give directions pursuant to paragraph 5 above.

TOGETHER with such further directions and Orders as this Honourable Court thinks fit.

AND Your Petitioners will ever pray et cetera et cetera.

Dated this 22nd day of May 2009

A handwritten signature in black ink, appearing to read "Seth Line". The signature is fluid and cursive, with a long horizontal stroke at the end.

Advocate for the Petitioners