

**IN THE GRAND COURT OF THE CAYMAN ISLANDS**

Cause Number 372 of 2003

In the matter of the Companies Law (2003 Revision)

And in the matter of National Warranty Insurance Risk Retention Group

Before the Honourable Mrs. Justice Levers

---

**ORDER**

---



UPON the ordinary application by the Joint Provisional Liquidators ("JPLs") of National Warranty Insurance Risk Retention Group (the "Company") to be filed herein

AND UPON reading the confidential report of the JPLs dated 12<sup>th</sup> June, 2003

AND UPON hearing Counsel for the JPLs

**IT IS ORDERED** as follows:

1. The powers of the JPLs shall be varied and re-stated as set out in this Order, in place of paragraphs 2 to 5 of the Order of Mrs Justice Levers dated 6<sup>th</sup> June, 2003 (the "Appointment Order"). For the avoidance of doubt, paragraphs 1, 6, 7, 8 and 10 of the Appointment Order shall remain in full force and effect.
2. The functions and powers of the JPLs (which are exercised as agents of the Company) are as follows:
  - (a) To take control of and protect the assets of the Company including any third party or trust monies in the possession of or under the control of the Company.

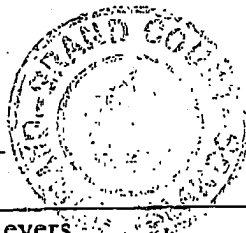
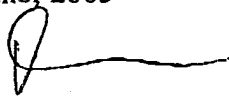
- (b) To arbitrate, litigate, negotiate, settle or otherwise deal with any and all disputes arising out of or connected with the Bordereaux Agreement between the Company and Pacific Fiduciary Investment Corporation dated January 10<sup>th</sup> 2003 (the "Dispute").
- (c) If deemed appropriate by the JPLs to draft and propose a Scheme of Arrangement between the Company and its creditors and to seek whatever directions are required in respect thereof from this Court consistent with any settlement of the Dispute.
- (d) To exercise such powers set out in Section 109(a) to (g) of the Companies Law (2003 Revision) without further sanction or intervention of the Court.
- (e) To employ and pay barristers, attorneys or solicitors and/or such other agents or professional persons whether in the Cayman Islands or elsewhere as they may consider necessary to advise and assist them in the performance of their duties and upon such terms as they may think fit, in particular but not limited to the engagement of US lawyers to take such steps and make such applications to a US Court as may be considered necessary to protect the assets of the Company.
- (f) To remunerate and reimburse themselves and their staff at their usual customary rates out of the assets of the Company such fees and expenses as may be approved by the Court in accordance with Rule 4.30 of the Insolvency Rules 1986.
- (g) To require from the Company and its directors and officers such information as the JPLs reasonably consider necessary in order that the JPLs are able, properly to discharge their functions under this Order and as officers of the Court.



- (h) To delegate to the directors and officers of the Company (or any of them) any of the powers of the JPLs to act on behalf of the Company, such delegation to be on such terms as the JPLs in their sole discretion think fit.
  - (i) To apply to the Court for such further Orders or directions as the JPLs think fit.
3. The confidential report of the JPLs dated 12<sup>th</sup> June, 2003 shall be sealed up and kept sealed until further order.
  4. The costs of this application be paid out of the assets of the Company.

Dated: 13<sup>th</sup> June, 2003

Filed: 13<sup>th</sup> June, 2003



---

The Honourable Mrs Justice Levers

This Order was filed by Maples and Calder, attorneys for the Joint Provisional Liquidators whose address for service is, P.O. Box 309GT, Uglan House, South Church Street, George Town, Grand Cayman, Cayman Islands. Ref AAG/602475