

IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION

The Honourable Mr Justice Andrew J. Jones QC
In Chambers, 11 and 18 December 2012



CAUSE NO: FSD 204 OF 2010

IN THE MATTER OF THE COMPANIES LAW (2011 REVISION)

AND IN THE MATTER OF AJW OFFSHORE II, LTD (IN OFFICIAL LIQUIDATION)

ORDER

UPON hearing Counsel for the Joint Official Liquidators (the "Liquidators") of AJW Master Fund Ltd (the "Company") on their Summons dated 28 November 2012

AND UPON reading the Tenth Affidavit of Ian Stokoe and Exhibit IS-10 (the "Tenth Affidavit")

AND UPON reading the First Affidavit of William T. Reid IV (the "Reid Affidavit") and hearing Mr Reid's oral submissions

IT IS ORDERED that:

1. The Liquidators are hereby authorised and directed to commence proceedings against:
 - a. Corey Ribotsky, the NIR Group, LLC, First Street Manager II, LLC, AJW Manager, LLC, and SMS Group, LLC in the State or Federal District Courts of New York; and
 - b. E-Lionheart, LLC, E-Lionheart Associates, LLC, Fairhills One, LLC, Fairhills Two, LLC, Fairhills Three, LLC, and Fairhills Four, LLC and Edward Bronson in such court as the Liquidators think fit.
2. The Liquidators are hereby authorised to commence proceedings against any or all of the PIPE borrowers of the Company as they think fit.

3. The Liquidators hereby are authorised and directed to obtain written legal advice in respect of the causes of action which may exist (under Cayman Islands and/or foreign law) against the following persons/entities and the merits of commencing proceedings against them :-
- a. the various “finders” who solicited investors to invest in the Company;
 - b. the placement agents who brought potential investments to the Company;
 - c. any investors who received full redemptions of their interests in the Company;
 - d. the Company’s former auditor(s);
 - e. the Company’s former lawyers; and
 - f. such other potential defendants as the Liquidators believe there may be causes of action that warrant investigation.

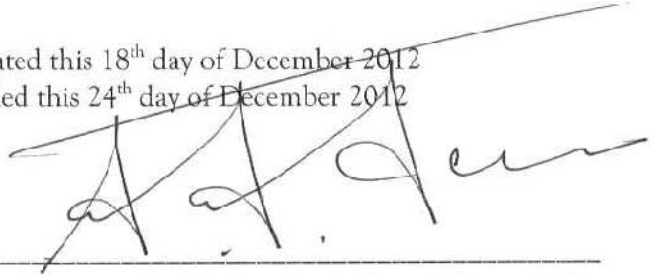
For the avoidance of doubt the Liquidators are not authorised to issue proceedings in respect of any of the above persons/entities without the further sanction of this Court.

4. For the purposes of complying with paragraphs 1, 2 and 3 of this Order, the Liquidators are hereby authorised to engage foreign lawyers, namely Reid Collins & Tsai LLP (“RCT”), on a contingency fee basis, pursuant to the terms the draft Letter of Engagement contained in the Appendix to this Order (the “LoE”), including but not limited to authorisation to enter into tolling agreements and to enter into pre-suit settlement negotiations with the parties identified in paragraphs 1, 2 and 3 of this Order (subject to the ultimate sanction of this Court in respect of any settlement) and to pursue a petition for recognition and other forms of relief under chapter 15 of title 11 of the United States Code on behalf of the Company.
5. RCT shall be treated as a contingent creditor of the Company having the right to make a sanction application or to be heard in any sanction application relating to any matter arising under the LoE or any matter arising in connection with any legal proceedings commenced or intended to be commenced by RCT on the instructions of the Liquidators.
6. To the extent that RCT may need to take advice on matters of Cayman Islands law, it shall instruct Appleby (Cayman) Ltd.
7. The Tenth Affidavit and the Reid Affidavit shall be sealed and kept confidential (pursuant to CWR Order 24, rule 6) until the conclusion of all the proceedings commenced pursuant to paragraphs 1 and 2 of this Order.



8. The costs of this application shall be an expense of the liquidation.

Dated this 18th day of December 2012
Filed this 24th day of December 2012


The Honourable Mr. Justice Andrew J. Jones Q.C.
Judge of the Grand Court



This Order was filed by Appleby (Cayman) Ltd, Attorneys-at-Law for the Applicants, whose address for service is that of their said Attorneys-at-Law, Clifton House, 75 Fort Street, PO Box 190, George Town, Grand Cayman. KY1-1104, Cayman Islands (Ref: CR/JS/ 411424.0001)

Appendix 1
The Draft Engagement Letter



REID | COLLINS | TSAI LLP

**PRIVILEGED AND CONFIDENTIAL
ATTORNEY-CLIENT COMMUNICATION**

December 17, 2012

Mr. Ian Stokoe and Mr. David Walker,
solely in their capacity as,
Joint Liquidators of AJW Offshore, Ltd, AJW Master Fund, Ltd,
AJW Offshore II, Ltd, AJW Master Fund II, Ltd,
AJW Qualified Partners, LLC, AJW Qualified Partners II, LLC,
AJW Partners, LLC, AJW Partners II, LLC, New Millennium Capital
Partners II, LLC, and New Millennium Capital Partners III, LLC (All In Liquidation)
c/o PricewaterhouseCoopers
90 North Church Street
George Town, Grand Cayman, BWI
Cayman Islands



Re: *AJW Offshore, Ltd, AJW Master Fund, Ltd, AJW Offshore II, Ltd, AJW Master Fund II, Ltd, AJW Qualified Partners, LLC, AJW Qualified Partners II, LLC, AJW Partners, LLC, AJW Partners II, LLC, New Millennium Capital Partners II, LLC, and New Millennium Capital Partners III, LLC (All In Liquidation)*
>LETTER OF ENGAGEMENT

Dear Mr. Stokoe and Mr. Walker:

We write to you (the "**Liquidators**") solely in your capacity as Joint Liquidators of the above companies.

Thank you for engaging **Reid Collins & Tsai LLP** ("**RCT**," the "**Firm**," or "**we**") to serve as special counsel for AJW Offshore, Ltd, AJW Master Fund, Ltd, AJW Offshore II, Ltd, AJW Master Fund II, Ltd (All in Official Liquidation) (together the "**Cayman Funds**"), AJW Qualified Partners, LLC, AJW Qualified Partners II, LLC, AJW Partners, LLC, AJW Partners II, LLC, New Millennium Capital Partners II, LLC, and New Millennium Capital Partners III, LLC (All In Liquidation) (the "**US Funds**" and, together with the Cayman Funds, the "**Funds**"), referred to collectively as "**AJW**") for the pursuit of claims in the United States. We appreciate the opportunity to assist you. Part 1215 of the Joint Rules of the Appellate Divisions of the State of New York and Order 25, rule 1(2) of the Companies Winding Up Rules as well as our Firm

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policy, requires us to document our engagement in writing and specify the terms and conditions of our fee engagement arrangement. That is the purpose of this letter (the "**Letter of Engagement**"). If you have any questions about the Letter of Engagement, or any aspect of the engagement or our relationship, please contact me immediately.

Subject to the terms of this Letter of Engagement, we have agreed that RCT will represent AJW in relation to the Claims (as defined below). I will be the principal RCT attorney responsible for the representation. Other RCT attorneys, paralegals, and legal assistants will participate in the representation from time to time to contribute particular expertise or efficiencies. We look forward to an active, collaborative working relationship with you, and we will, of course, keep you informed of significant events in the matter and respond to your questions.

(1) The Claims

This Letter of Engagement covers the following claims and potential claims, each of which RCT acknowledges may not be filed without sanction of the Grand Court of the Cayman Islands (in Cause Nos. FSD 204 of 2010 and FSD 60, 200 and 202 of 2011)

- (A) Corey Ribotsky ("Ribotsky"), the NIR Group, LLC ("NIR"), First Street Manager II, LLC ("First Street"), AJW Manager, LLC ("AJW Manager"), and SMS Group, LLC ("SMS Group") for, *inter alia*, fraud, breach of fiduciary duty, and aiding-and-abetting fraud.
- (B) E-Lionheart, LLC, E-Lionheart Associates, LLC, Fairhills One, LLC, Fairhills Two, LLC, Fairhills Three, LLC, and Fairhills Four, LLC (collectively "Fairhills") and Edward Bronson ("Bronson") for breach of contract to recover on various promissory notes and guarantees.
- (C) The PIPE borrowers for breach of contract.
- (D) The various "finders" who solicited investors to invest in the AJW Funds to recover fraudulent transfers they received from the AJW Funds.
- (E) The placement agents who brought potential investments to the AJW Funds to recover fraudulent transfers they received from the AJW Funds.
- (F) Any investors who received full redemptions of their interests in the AJW Funds to recover the fraudulent transfers.
- (G) The Funds' former auditor, Marcum LLP ("Marcum") for malpractice.



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- (H) The Funds' former law firms, including for legal malpractice and breach of fiduciary duty.
- (I) Other claims as may be nominated by the Liquidators in writing as a result of additional material or information that comes to light.

Each of the above is referred to as a "Claim" and collectively as "Claims" but this Letter of Engagement shall relate to each Claim on a standalone basis. RCT shall provide written advice which identifies potential causes of action in relation to Claims A to H, together with an initial assessment of the merits. Such assessment is subject to ongoing assessment in light of additional materials that may be obtained. RCT makes no guarantee as to the merit or value of any of the Claims as further provided by clause [16] below.

RCT acknowledges that the Funds are subject to requirements to obtain sanction by the Grand Court of the Cayman Islands (in respect of the Cayman Funds) and/or the liquidation committee for certain actions, including (but not limited to) issuing and settling Claims. Where an obligation is imposed on the Funds in this Letter of Engagement, it shall only be binding upon them in the event that any requisite sanction is obtained. AJW will use its best endeavours to obtain such sanction but shall not be liable for any payment to RCT in the event that sanction is refused. RCT acknowledge that the Liquidators have a duty to act in the best interests of the Funds, their creditors and shareholders.

(2) Nature and Scope of the Representation. The sole purpose of this representation is to investigate and pursue the Claims. The scope of this representation shall not include any other matter unless AJW and RCT agree to expand the representation to include additional matters pursuant to a written amendment to this Letter of Engagement subject to any requisite sanction. RCT and AJW agree that there will be two phases to the representation for any given Claim — the initial pre-suit work in relation to the Claims and the pursuit of pre-suit settlement discussions (the "**Pre-Suit Representation**"); and, in the event pre-suit settlement negotiations are unsuccessful and the filing and prosecution of a Claim is deemed viable by RCT, then subject to the Funds having or obtaining any requisite sanction, RCT will file and subsequently prosecute such Claim through trial unless settled or otherwise resolved (the "**Post-Suit Representation**"). AJW and RCT further recognize that at least in the case of AJW's claims summarized in Clause 1(A), 1(B), and 1(C) that pre-suit discussions would be fruitless and agree that RCT will initiate litigation in the US as to those claims as soon as practicable, subject to any requisite sanction having been obtained.

- A. **Pre-Suit Representation.** RCT shall investigate and if viable "work up" any and all Claims by taking the following steps under this Letter of Engagement:



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- i. Prepare and deliver document preservation letters for all people/entities with potentially useful information.
- ii. Attempt to obtain tolling agreements with all people/entities against whom AJW may have a claim.
- iii. Obtain AJW client files from all pre-liquidation legal counsel.
- iv. Formally notify Ribotsky's spouse of AJW's claim and seek other manner and means to prevent her from acquiring clear title to any of Ribotsky's assets.
- v. Pursue a petition for recognition and other forms of relief under chapter 15 of title 11 of the United States Code on behalf of the Cayman Funds .
- vi. Review all of the evidence and the law related to the Claims.
- vii. Prepare detailed draft complaints for all Claims deemed to be viable by RCT.
- viii. Issue protective complaints or writs or other proceedings as may be necessary or desirable in the light of any potentially applicable limitation periods.
- ix. Pursue a pre-suit settlement in connection with any Claims deemed to be viable by RCT, which shall include the following steps:
 - a. Engage in a settlement dialogue that may include the exchange of certain information and evidence;
 - b. Meet and negotiate a settlement and release with the assistance of a mediator, if appropriate; and
 - c. Negotiate and draft any resulting settlement and release agreements.



B. Post-Suit Representation. In the event that it is determined that viable claims exist in categories 1(D)-1(I), and pre-suit settlement discussions are unsuccessful, then in relation to the claims of the Cayman Funds RCT shall

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take all practical steps to assist in any application necessary to obtain the sanction of the Grand Court of the Cayman Islands to the bringing of proceedings and, in the case of the US Funds, such sanctions as may be required, if such sanction is obtained, RCT shall proceed with the Post-Suit Representation of AJW, which shall include filing the Claims and litigating such Claims through and including a trial and subject to clause 4 below all appeals on the merits unless the Claims are earlier settled or otherwise resolved. Provided however that RCT shall not be obligated to initiate litigation against any party other than those specified in Clauses 1(A) and 1(B). In the event that RCT declines to pursue a particular Claim, it will notify AJW in writing of its decision and the reasons therefore. In these circumstances AJW will be free to seek funding and engage alternative legal counsel to pursue Claims that RCT declines to pursue and RCT will be entitled to no Contingent Fees or expenses in relation to these Claims, and will cooperate with any replacement counsel. If sanction cannot be obtained to issue proceedings in respect of any Claim then representation by RCT in relation to that Claim in relation to that Fund shall terminate and no fees or disbursements will be payable to RCT in respect of that Claim.

(3) **AJW's Informed Consent to RCT's Joint Representation.** Because the Liquidators are liquidators to ten liquidation estates and RCT will be representing each of them as part of a group it is necessary for AJW to consent to RCT's joint representation of all ten entities as a group. Although RCT does not presently believe there is any conflict between and among the ten entities, it is nonetheless possible that a conflict could ripen. Joint representations may result in economic or tactical advantages. AJW should be aware, however, that joint representations also involve significant risks. RCT will immediately advise AJW if any such risk materializes and if RCT or AJW feel that RCT can not continue to represent any Fund, the matter will be referred to the Grand Court of the Cayman Islands for directions as to the appropriate course to be taken, including but not limited to the termination of representation in respect of any Claim or Fund with or without payment of fees or expenses. First, joint representations may result in divided or at least shared attorney-client loyalties. It is possible that issues may arise as to which RCT's representation of AJW could be limited by its representation of all the Funds as a group. Because RCT's task for all of the Funds is to maximize recoveries, it appears as though the only potential conflict would be in deciding upon an allocation in the event of a settlement, but there may be other unforeseen potential areas of conflict. This is often a significant risk of joint representation. RCT cannot participate in any allocation related discussions or take any other action on behalf of an individual client versus others in the group. RCT believes that because its job is to maximize recoveries for all of the clients that the potential for a conflict is limited. We ask that AJW consent to RCT's joint representation and encourage AJW to seek independent counsel regarding the import of this consent, and we emphasize that AJW remains completely free to seek independent



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counsel at any time even if you decide to sign this Letter of Engagement and consent to these arrangements. If AJW has any questions concerning this consent, please discuss them with me or independent counsel before signing and returning this Letter of Engagement.

(4) **RCT's Obligations.** RCT shall undertake the tasks that in its judgment are necessary to analyze and pursue the Claims throughout each of the phases described above. Beyond that, RCT shall not perform any legal services not specified in this Letter of Engagement without consultation and authorization from AJW. RCT also agrees to keep AJW informed of all significant events and give periodic updates including assisting the Liquidators in complying with their obligations to report to the creditors, shareholders, Liquidation Committee, the Grand Court of the Cayman Islands and pursuant to any other reporting requirements that they may have. If the Post-Suit Representation begins with respect to any Claim, then RCT's obligations hereunder shall cease upon the earlier of: (i) a settlement or dismissal as to such Claim; or (ii) a final judgment as rendered by the trial court. RCT shall not be obligated to continue its representation to or including any post-judgment appeal unless and on terms mutually agreed upon by RCT and AJW.

(5) **AJW's General Obligations.** AJW agrees to comply with all obligations set out herein, including, but not limited to, cooperating fully with RCT, keeping RCT informed of all matters necessary for RCT to fully represent you, and promptly responding to RCT's reasonable requests. AJW agrees to cooperate with RCT in the prosecution of the Claims; to appear on reasonable notice at any and all depositions and court appearances; to produce relevant documents in your possession, custody, or control; and to comply with all of RCT's reasonable requests in connection with the preparation and presentation of evidence related to the Claims. AJW further agrees that AJW shall not insist upon presenting any Claim or defense that, in the opinion of RCT, is not warranted under existing law and cannot be supported by a good-faith argument for extension, modification, or reversal of existing law. In addition, AJW agree not to insist that RCT pursue a course of conduct that is, in the opinion of RCT, illegal or unreasonable, or that is prohibited under applicable rules of professional conduct.

(6) **AJW's Obligation To Preserve and Maintain Information Relevant to Claims.** In order to comply with discovery obligations during the prosecution of any Claim, it is necessary for AJW to preserve and maintain all information, whether in electronic or hard-copy form. To the extent AJW have regular practices whereby information is discarded, those practices must cease immediately with respect to information that is relevant to any Claim. You are obligated to maintain all data relevant to the Claims in any and every form and must not discard anything without first discussing the matter with RCT.

(7) **RCT's Pre-Suit Compensation.** We have agreed that RCT will represent AJW on a fully contingent basis during the Pre-Suit Representation. In consideration for the risk RCT is undertaking by working on a fully contingent basis, AJW shall pay RCT a 22% contingency fee



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(the “**Pre-Suit Contingent Fee**”) on any Gross Recoveries that are received in relation to the Claims prior to the Post-Suit Representation; that is, before RCT files a complaint in connection with a given Claim, save when a protective writ or complaint is filed in order that the Claim does not fail as a result of any relevant limitation period, as provided in (8) below.

(8) **RCT’s Post-Suit Compensation.** If RCT files a complaint in relation to any Claim, then AJW shall pay RCT a contingent fee (the “**Post-Suit Contingent Fee**”) equal to **33%** of the amount of the Gross Recoveries received from any adverse party in relation to its Post-Suit Representation. In the event that it is necessary or prudent to issue protective proceedings having regard to relevant limitation periods the compensation shall only be payable as Pre-Suit Compensation until RCT either has to engage in Discovery or take any other material step in the proceedings.

The Pre-Suit Contingent Fee and Post-Suit Contingent Fee are collectively referred to throughout this Letter of Engagement as the “**Contingent Fee.**” If RCT is unsuccessful in obtaining any Recoveries (as defined below) on AJW’s behalf, then AJW will owe RCT nothing. If, following the best endeavours of the Funds and RCT to obtain sanction, sanction cannot be obtained in respect of any Claim of one or more of the Funds, then the respective Fund will owe RCT nothing.

“**Recoveries,**” include cash payments and the market value of any property or the net proceeds of sale of such property, received by AJW from any settlement, judgment, award, or other recovery in connection with the Claims. “**Gross Recoveries**” shall be the amount of the Recoveries prior to the deduction of any expenses incurred in obtaining the Recoveries (including costs and expenses referred to in Clause 9 below) and where relevant, the cost of sale of property comprising a Recovery.

(9) **Costs and Expenses for Pre-Suit Representation and Post-Suit Representation.** RCT will advance fees and expenses associated with both Pre-suit Representation and Post-Suit Representation (apart from any costs associated with the need to retain local counsel in jurisdictions outside of the United States for the purpose of initiating any formal litigation proceedings in those jurisdictions, which shall be paid directly by AJW if RCT and AJW agree to move forward with the filing of any Claim in a jurisdiction outside of the United States). RCT shall be entitled to reimbursement of any such expenses incurred in relation to any Claim from the Net Recoveries received in relation to that Claim. Further, to the extent that any of the Claims are successfully resolved in connection with the Pre-Suit Representation or the Post-Suit Representation, AJW agrees to set aside, maintain, and use at least \$150,000 from its portion of any Net Recoveries (as defined below), as long as AJW’s portion of Net Recoveries is greater than \$150,000, to cover reasonable and customary out-of-pocket costs and expenses that RCT advances or incurs as part of the Pre-Suit Representation or Post-Suit Representation and that we



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mutually agree to be necessary for the prosecution of any Claims of the Funds that contributed part of the \$150,000, as agreed by the Liquidators in writing. RCT acknowledges that Recoveries relating to one Fund may not be used to subsidize the costs and expenses of Claims of another Fund and may only be used to such an extent that the further Claims are beneficial to that Fund. AJW further agrees to replenish the \$150,000 as additional Net Recoveries are received. We anticipate that these costs and expenses, if any, would relate primarily to expert fees, travel costs, and deposition transcript costs. Notwithstanding the forgoing, AJW shall have no obligation to fund any out-of-pocket expenses incurred in respect of any specific Claims if it fails to receive any Recoveries in relation to that Claim.

(10) **Court Award of Attorneys' Fees or Costs.** RCT is authorized to apply to any court or tribunal for the maximum amount of compensation, attorneys' fees, costs, pre- and post-judgment interest, and litigation expenses available by law in relation to any Claim. Any such fees and costs recovered shall be treated as Recoveries.

(11) **Client's Exclusive Settlement Authority.** RCT acknowledges that AJW has (subject to any requisite sanction) the final and exclusive right to make any settlement decision. AJW agrees to weigh carefully the advice of Counsel in determining to accept or reject any settlement.

(12) **Receipt and Distribution by Reid Collins & Tsai, LLP.** You agree that (unless RCT has withdrawn or been discharged) RCT shall be entitled to receive, on your behalf, all cash Recoveries and shall deposit them into a firm client trust account pending distribution. Non-cash Recoveries shall be held by you pending allocation and distribution. RCT shall promptly calculate, account to you in writing and disburse all of your Net Recoveries within three business days of receiving them.

(13) **RCT's Submission to Cayman Jurisdiction.** In the event that any of the Cayman Funds become liable to pay RCT fees on any basis other than the Pre-Suit Contingent Fee or the Post-Suit Contingent Fee, or in the event of any disagreement arising under or in relation to this Letter of Engagement, RCT agrees to submit to the jurisdiction of the Grand Court of the Cayman Islands including but not limited to in relation to the taxation of their legal fees and expenses and agrees to comply with the requirements of Liquidator's Legal Counsel as set out in Cayman Islands Law or by the Grand Court of the Cayman Islands from time to time, including, but not limited to, Order 25 of the Companies Winding Up Rules 2008 and any revision thereof.

(14) **AJW's Right to Terminate RCT's Representation.**



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- A. **Termination of RCT.** AJW may terminate RCT's representation with or without cause. In the event that AJW terminates RCT's representation without cause, and to the extent permissible under applicable law, RCT's Contingent Fee interest shall remain intact and unaffected, or RCT may elect in its discretion to receive an immediate payment for all services rendered to AJW under the Letter of Engagement, calculated on the basis of actual work hours performed at RCT's standard schedule of full hourly rates in effect at the time of termination.
- B. **Effect of Termination.** AJW understands and agrees that terminating RCT may result in the necessity to retain new counsel, which could have the effect of increasing the amount of the total fee paid to all attorneys.

(15) **RCT's Right to Withdraw.** RCT reserves the right to withdraw from further representation in relation to any Claim in any of the following circumstances:

- A. If RCT, in its sole discretion, determines that the Claim lacks sufficient merit or value to justify the risk of continued pursuit, prior to the commencement of any Post-Suit Representation (i.e., prior to filing suit).
- B. If AJW insists upon presenting the Claim or a defense that is not warranted under existing law and cannot be supported by a good-faith argument for an extension, modification, or reversal of existing law.
- C. If AJW insists that RCT pursue a course of conduct that is illegal or unreasonable, or that is prohibited under applicable rules of professional conduct in relation to the Claim.
- D. If AJW refuses to cooperate with RCT or follow RCT's advice on a material matter in relation to the Claim, after written notice of RCT's intent to withdraw and an opportunity for AJW to cooperate and follow RCT's advice.
- E. If AJW consents to RCT's withdrawal.

If RCT elects to withdraw from representing AJW, RCT shall notify AJW in writing. In the event RCT decides to withdraw from pursuit of a Claim for a reason other than AJW's breach of this Letter of Engagement, then RCT shall not be entitled to any payment under this Letter of Engagement in relation to the Claim or Claims that are the subject of the withdrawal. In the event RCT elects to withdraw because of AJW's breach of this Letter of Engagement, and to the extent



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permissible under applicable law, RCT's Contingent Fee interest in the Claim at issue shall remain intact. AJW agrees to sign all necessary documents to facilitate the withdrawal of RCT from any pending lawsuit immediately after receiving written notification of RCT's intention to withdraw pursuant to the provisions of this Letter of Engagement in relation to a Claim. AJW understands and acknowledges that if RCT withdraws, AJW may have to retain other counsel in relation to that Claim, and that the total fees paid to all attorneys in respect of that Claim may therefore be greater than the total amount that would have been paid had RCT not withdrawn.

(16) **No Guarantees.** AJW hereby acknowledge that RCT has made no guarantees regarding the successful outcome of the Claims or any other matter arising out of this Letter of Engagement, and that any and all expressions about possible outcomes are only preliminary opinions. Additionally, AJW acknowledge that time has elapsed since the events at issue in connection with the Claims and that it is entirely possible that applicable statutes of limitations have already or may shortly expire with respect to some or all of the Claims prior to RCT's ability to investigate such Claims. RCT agrees to investigate such Claims with all practical expedition, and to issue protective proceedings in order to protect the Claims from becoming statute barred by limitation as provided above at claim (8).

(17) **Severability.** In case any one or more of the provisions contained in this Letter of Engagement shall for any reason be found unenforceable in any respect, the parties agree that such unenforceability shall not affect any other provision, and that all other provisions of this Letter of Engagement shall remain valid and enforceable.

(18) **Governing Law.** This Letter of Engagement shall be construed in accordance with the laws of the State of New York, without regard to its conflict-of-laws rules.

(19) **Integration; Amendment.** This Letter of Engagement constitutes the final, sole, and only agreement of the parties hereto regarding the Firm's fees and the parties' duties and obligations in this matter, and supersedes any prior written or oral understandings or agreements between the parties respecting those subjects. This Letter of Engagement may not be modified, amended, or replaced except by another written agreement signed by the parties hereto, or their successors or assigns.

(20) **Execution in Counterparts.** It is understood and agreed that this Letter of Engagement may be executed in a number of identical counterparts, each of which shall be deemed an original for all purposes, but all of which shall constitute one and the same agreement. This Letter of Engagement may be executed and transmitted by fax or email, and the signatures on such faxed or emailed pages shall have the same force and effect as original signatures.



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(21) **Effective Date.** This Letter of Engagement shall be binding once the Liquidators have obtained sanction for the appointment of RCT upon the terms of this Letter of Engagement from the Grand Court of the Cayman Islands and it has been signed by AJW and RCT (the "Effective Date").

(22) **Your Independent Determination as to Fairness and Reasonableness.** AJW acknowledge that AJW and RCT have conflicting interests in connection with the negotiation and execution of this Letter of Engagement. Consequently, AJW acknowledge that: (a) RCT has not acted as AJW's counsel in preparing or negotiating this Letter of Engagement; (b) AJW have made sufficient investigation and inquiry to determine that this Letter of Engagement is fair and reasonable; (c) this agreement was the product of an arm's-length negotiation between AJW, on the one hand, and RCT, on the other, and the fees set forth herein are not prescribed by law (save as referred to in clause 13 above) but rather arrived at through negotiation; (d) AJW have had ample opportunity to review the Letter of Engagement independently and, to the extent that AJW have chosen to do so, with separate counsel; and (e) AJW are entering into this engagement freely and voluntarily. Please do not sign this Letter of Engagement until you feel you have had sufficient opportunity to review and consider it and until AJW have received any input from other counsel you think would be useful to AJW.

(23) **No personal liability and segregation of the Funds' assets.** RCT understands and agrees that the Liquidators, by entering into this Letter of Engagement on behalf of each of the Funds incur no personal liability to RCT and that any obligation of the Fund to be discharged through the Liquidators will be performed solely from assets of that Fund. RCT understands and agrees that no assets of one Fund will be available to satisfy any liabilities or obligations of another Fund. The Liquidators acknowledge and agree that RCT cannot and shall not participate in any allocation decisions as to the relative rights of each client to any settlement proceeds.

If you have any questions about anything set forth above, please call me. If this Letter of Engagement accurately reflects our agreement, please sign this letter and return it to me.

Thank you again for the opportunity to represent you.

Very truly yours,



William T. Reid IV, Partner
REID COLLINS & TSAI LLP



ACCEPTED:

AJW Offshore, Ltd, AJW Master Fund, Ltd, AJW Offshore II, Ltd, AJW Master Fund II, Ltd, AJW Qualified Partners, LLC, AJW Qualified Partners II, LLC, AJW Partners, LLC, AJW Partners II, LLC, New Millennium Capital Partners II, LLC, and New Millennium Capital Partners III, LLC (All In Liquidation)

By: _____ Date: _____

Ian Stokoe

Solely in his capacity as Joint Liquidator of AJW Offshore, Ltd, AJW Master Fund, Ltd, AJW Offshore II, Ltd, AJW Master Fund II, Ltd, AJW Qualified Partners, LLC, AJW Qualified Partners II, LLC, AJW Partners, LLC, AJW Partners II, LLC, New Millennium Capital Partners II, LLC, and New Millennium Capital Partners III, LLC (All In Liquidation)

By: _____ Date: _____

David Walker

Solely in his capacity as Joint Liquidator of AJW Offshore, Ltd, AJW Master Fund, Ltd, AJW Offshore II, Ltd, AJW Master Fund II, Ltd, AJW Qualified Partners, LLC, AJW Qualified Partners II, LLC, AJW Partners, LLC, AJW Partners II, LLC, New Millennium Capital Partners II, LLC, and New Millennium Capital Partners III, LLC (All In Liquidation)



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