



**IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION**

CAUSE NO: FSD OF 2022 (J)

IN THE MATTER OF THE COMPANIES ACT (2022 REVISION)

AND

**IN THE MATTER OF BLUECREST CAPITAL INTERNATIONAL MASTER FUND LIMITED (IN
VOLUNTARY LIQUIDATION)**

PETITION

TO THE GRAND COURT

The humble petition of Mr. Stuart Sybersma and Mr. Michael Penner in their capacities as joint voluntary liquidators (the "**JVLs**") of BlueCrest Capital International Master Fund Limited (in Voluntary Liquidation) (the "**Master Fund**") c/o of Deloitte & Touche LLP, Citrus Grove, 106 Goring Avenue, PO Box 1787, George Town, Grand Cayman KY1-1109, Cayman Islands shows that:

A. INTRODUCTION

1. This petition is presented pursuant to Order 13, Rule 10(1) of the Companies Winding Up Rules, 2018 (the "**CWR**") for orders under section 129(1) of the Companies Act (2022 Revision) (the "**Companies Act**") that the JVLs be permitted to seek the approval of their fees as JVLs of the Master Fund, as they relate to the Regulatory Matters (as defined below), pursuant to Order 13, Rule 9(3)(b) of the CWR for the duration of the voluntary liquidations (the "**Petition**").

2. The JVLs are also acting as the joint voluntary liquidators of BlueCrest Capital International Limited (in Voluntary Liquidation) (the "**Offshore Feeder**") (together with the Master Fund, the "**Funds**"). The Offshore Feeder holds the liquidation share of the Master Fund, and BlueCrest Capital Management Limited, in its capacity as general partner of BlueCrest Capital Management LP ("**BCM**") holds the founder shares of the Offshore Feeder, which represent the only voting shares of the Funds.
3. Pursuant to Order 13, Rule 9 of the CWR, the basis of the JVLs' remuneration and the amount of the remuneration shall be authorised by resolution of the Funds. Therefore, the JVLs' fees are reported to, and approved by, BCM in its capacity as the sole voting shareholder of the Offshore Feeder.
4. The JVLs are undertaking a review of the matters identified in the US Securities and Exchange Commission order dated 8 December 2020 (the "**SEC Order**"), the decision notice of the Financial Conduct Authority (the "**FCA**") in the UK dated 4 November 2021 (the "**FCA Decision**") and other similar regulatory matters and their impact on the Funds, including any and all potential causes of action (together, the "**Regulatory Matters**").
5. Accordingly, the JVLs consider a conflict of interest arises if the fees incurred in connection with the JVLs' review into the Regulatory Matters, which, *inter alia*, found that BCM¹ had breached various duties owed as investment manager, were reported to, and approved by, BCM in its capacity as the sole voting shareholder of the Offshore Feeder.

B. THE WINDING UP

6. On 11 July 2018, Messrs Sybersma and Penner were appointed as the JVLs of the Funds in accordance with section 116(c) of the Companies Act following the passing of special resolutions at an extraordinary meeting of the Funds to wind them up.
7. Prior to their appointment, the Funds had been undertaking an orderly wind down of their operations since 1 December 2015. The compulsory redemption of all participating

¹ The term BCM will be interpreted to include BlueCrest Capital Management Limited, BlueCrest Capital Management (UK) LLP and its affiliates, as applicable.

interests in the Funds took effect on 4 January 2016. The compulsory withdrawal of all limited partnerships interests in the Onshore Feeder (as defined below) commenced on 4 January 2016. Following the compulsory redemption, the investors of the Funds hold a redeemed unpaid creditor interest (the "**Investors**").

C. PARTICULARS OF THE FUNDS

The Funds

8. The Master Fund and Offshore Feeder were incorporated with limited liability in the Cayman Islands on 26 February 2008 and 23 October 2000 respectively, as exempted companies under the provisions of the Companies Act and were registered with CIMA as regulated mutual funds under the Mutual Funds Act of the Cayman Islands. The Master Fund and Offshore Feeder commenced operations on 2 June 2008 and 1 December 2000, respectively.
9. The Master Fund and Offshore Feeder were ultimately organised as a master-feeder structure along with a United States domiciled feeder fund, that was formed on 12 September 2000 under the laws of the State of Delaware, called BlueCrest Capital L.P (in Liquidation) (the "**Onshore Feeder**", collectively, "**BCI**").
10. Prior to the incorporation of the Master Fund, the JVLs understand the Offshore Feeder and the Onshore Feeder were standalone funds.
11. Following the formation of the Master Fund, the Offshore Feeder and Onshore Feeder historically invested substantially all of their assets in the Master Fund, and the investment objective of the Master Fund was to provide consistent long-term appreciation of assets through active, leveraged trading and investment, on a global basis, principally in a portfolio of debt, equity and foreign exchange instruments and derivative contracts relating to those instruments.

The Investment Manager

12. The investment manager of the Funds was BCM. BCM was a United States Securities and Exchange Commission ("**SEC**") registered investment adviser from November 2008 until

August 2018. During October 2011 through December 2015 (the “**Relevant Period**”), BCM and/or its affiliates also had offices in New York, Boston, London, and Geneva, among other international locations. BCM managed many investment vehicles during the Relevant Period, and received management and performance fees from the Funds in respect of that work.

13. Each of BCM's managed funds were supported by a number of appointed sub-investment managers, providing a varying range of investment management functions on behalf of BCM. The largest sub-investment manager was BlueCrest Capital Management (UK) LLP (“**BCMUK**”), which was the sub-investment manager of the Funds.

D. JVLs' FEES AND CONFLICT OF INTEREST

14. The SEC Order and FCA Decision identified various matters in respect of the affairs of the Funds occurring during the Relevant Period. Specifically, the SEC Order and FCA Decision allege, following the SEC and FCA investigations, multiple violations by BCM and BCMUK. While BCM and BCMUK have not admitted or denied the findings, due to the impact the activities set out in the SEC Order and FCA Decision may have had on the Funds the JVLs are investigating these matters.
15. In circumstances where the Regulatory Matters directly concern the actions of BCM, as the sole voting shareholder of the Offshore Feeder, the JVLs have agreed with BCM that their fees incurred investigating these actions will not be subject to BCM's approval due to the conflict of interest.

Your Petitioner therefore humbly prays that:

1. The JVLs be at liberty, subject to the orders of this Honourable Court, for the duration that the Funds are in voluntary liquidation, to seek the approval of their fees, as related to the Regulatory Matters from the Court directly, pursuant to Order 13, Rule (3)(b) of the CWR.
2. The JVLs be at liberty to apply generally.
3. The JVLs' costs of and incidental to the Petition shall be paid forthwith out of the assets of the Master Fund as an expense of the voluntary liquidation.
4. Such further or other relief as the Court deems appropriate.

DATED the 4th day of August 2022

Walkers (Cayman) LLP

WALKERS (CAYMAN) LLP

Attorneys at Law for the Joint Voluntary Liquidators

NOTE: It is intended to serve this Petition upon the Clerk of the Court, FSD Registrar

NOTICE OF HEARING

TAKE NOTICE THAT the hearing of this Petition will take place at the Law Courts, George Town, Grand Cayman on _____ at _____ am / pm.

Any correspondence or communication with the Court relating to the hearing of this Petition should be addressed to the Registrar of Financial Services Division of the Grand Court at PO Box 495, Grand Cayman, KY1-1106, telephone no. +1 345 949 4296.