



COURT OF THE CAYMAN ISLANDS

FINANCIAL SERVICES DIVISION

CAUSE NO: FSD 0038 OF 2024 (JAJ)

IN THE MATTER OF THE COMPANIES ACT (2023 REVISION)

AND IN THE MATTER OF SCF BRAZIL, CAYMAN FEEDER SPC

PETITION

The humble petition of Jeffrey Stower and Jason Robinson, of Teneo (Cayman) Limited, Ground Floor, Harbour Place, 103 South Church Street, P.O. Box 10245, George Town, Grand Cayman, KY1-1003, Cayman Islands, (the "**Petitioners**"), as Joint Voluntary Liquidators of SCF Brazil, Cayman Feeder SPC (In Voluntary Liquidation) (the "**Company**"), shows that:

Particulars of Incorporation

1. The Company is a segregated portfolio company incorporated in the Cayman Islands as an exempted company on 30 November 2018 and organised pursuant to the Companies Act (as revised). The registration number of the Company issued by the Registrar of Companies (the "**ROC**") is 345742.
2. The registered office of the Company is at Teneo (Cayman) Limited, Ground Floor, Harbour Place, 103 South Church Street, P.O. Box 10245, George Town, Grand Cayman, KY1-1003, Cayman Islands.
3. The most recent version of the Memorandum and Articles of Association (the "**Articles**") were adopted by the Company on 30 November 2018. The Company's objects are unrestricted. As provided by section 7(4) of the Companies Act (Revised), the Company has full power and authority to carry out any object not prohibited by any law of the Cayman Islands.

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4. The authorised share capital of the Company is the aggregate of USD 25,000 and EUR 15,000, with the (i) USD 25,000 divided into 249,000,000 segregated portfolio redeemable participating shares of par value USD 0.0001 per share and 100 voting shares of par value USD 1.00 per share, and (ii) EUR 15,000 divided into 150,000,000 segregated portfolio redeemable participating shares of par value EUR 0.0001 per share.
5. The Company may create one or more segregated portfolios in order to segregate the assets and liabilities of the Company and its respective portfolios. The Company created the following four portfolios (collectively, the “**Segregated Portfolios**”):
 - a. SCF Brazil USD Non-Dividend Paying Segregated Portfolio (“**USD Non-Dividend**”);
 - b. SCF Brazil USD Dividend Paying Segregated Portfolio (“**USD Dividend**”);
 - c. SCF Brazil EUR Non-Dividend Paying Segregated Portfolio (“**EUR Non-Dividend**”); and
 - d. SCF Brazil EUR Dividend Paying Segregated Portfolio (“**EUR Dividend**”).

The Business of the Company

6. The Company acted as an investment vehicle whose investment objective was to take advantage of investment opportunities in the Brazilian short-and medium-term fixed income market.
7. The most recent versions of the Segregated Portfolios’ Supplemental Offering Memoranda are dated December 2022 (the “**Supplemental Offering Memoranda**”) and each set out the following investment objective:

“The [Segregated Portfolio] is a balanced carefully managed investment vehicle specifically organised to take advantage of investment opportunities in the Brazilian short-and medium term fixed income market. The [Segregated Portfolio] will thus acquire shares (Portuguese “Cotas”) in [Fundo de Investimento em Direitos Creditórios, “FIDCs”] for which the Investment Manager is the

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Credit Consultant in Brazilian parlance as well as jumbo-loans, receivables or receivable-like instruments.

The Investment Manager [(SCF Brazil, Cayman Ltd)] has as a proven track record of taking advantage of the opportunities in the short- and medium term receivables market in Brazil. These receivables investments are expected to generate low volatility returns, which if achieved, generally exceed the returns on other investments of similar duration. The [Segregated Portfolio] will invest in fixed income investments generated by the Investment Manager which have existing, and will originate new relationships with business owners, manufacturers, individuals and other entities that require short and medium term financing. Trade finance in Brazil has historically been dominated by a small number of oligopolistic banks which have generally demanded very high interest rates, creating a gap in the market for entities willing to finance business owners, manufacturers and others who seek finance on more favourable terms. The Directors believe that this represents a unique opportunity for international investors to gain access to the Brazilian fixed income market.

The [Segregated Portfolio] will not adopt and does not propose to adopt, investment diversification guidelines. Accordingly, the [Segregated Portfolio] is not limited in the amount of its capital which may be committed to any one investment.”

8. During 2023 the USD Non-Dividend and EUR Non-Dividend portfolios were faced with being unable to meet a number of redemption requests from its investors. Dividend payments relating to the USD Dividend and EUR Dividend portfolios stopped after 30 June 2023. Statutory Demands had also been served on the Company which the Company was not going to be able to pay. Accordingly, on 11 January 2024, the Directors resolved that the Company, for and on behalf of the relevant segregated portfolios, suspend subscriptions, redemptions, dividend payments, redemption payments and the calculation of the net asset value of the relevant Segregated Portfolios of the Company until such time as the assets of the Company, for and on behalf of the relevant segregated portfolios, have been realised and Investors in the Company, for and on behalf of the relevant segregated portfolios, can be treated fairly.

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Commencement of the Voluntary Liquidation of the Company

9. Section 116(c) of the Companies Act (2023 Revision) (the "**Companies Act**") provides as follows:

A company incorporated and registered under this Act or an existing company may be wound up voluntarily —

(c) if the company resolves by special resolution that it be wound up voluntarily;

10. On 11 January 2024, the Company's sole voting shareholder, SCF Brazil, Cayman Ltd, passed a special resolution for the voluntary winding up of the Company to commence immediately, appointing Jeffrey Stower and Jason Robinson as Joint Voluntary Liquidators ("**JVLs**") of the Company for the purposes of distributing in cash or in specie all or any part of the assets of the Company.
11. In the premises, the Company was duly resolved by special resolution that it be wound up voluntarily pursuant to sections 90(b)(i) and 116(c) of the Companies Act.
12. The Petitioners filed a notice of winding up and consents to act as the voluntary liquidators of the Company with the Registrar of Companies ("**ROC**") on 15 January 2024 in accordance with sections 123(1)(a) and 123(1)(b) of the Companies Act and Order 13, rules 2(a) and 2(b) of the Companies Winding Up Rules (as amended) (the "**CWR**"). Accordingly, the Petitioner's appointment took effect on 15 January 2024 pursuant to section 119(3) of the Companies Act and Order 13, rule 3(2) of the CWR.

Declaration of Solvency

13. The Directors of the Company have not made or delivered any declaration of solvency pursuant to section 124(2) of the Companies Act and Order 14, rule 1 of the CWR ("**Declaration of Solvency**"), nor, to the best of the knowledge of the Petitioners, have any of the Directors filed an executed

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Declaration of Solvency with the ROC in accordance with section 123(1)(c) of the Companies Act and Order 13, rule 2(2) of the CWR.

14. On the contrary, the Directors signed declarations on 10 January 2024 wherein they confirmed that having made a full inquiry into the affairs of the Company, they believe that the Company will be unable to pay its debts in full within a period of 12 months from the commencement of the winding up and that the JVLs will need to seek the Grand Court of the Cayman Islands' (the "Court") supervision of the liquidation.

Requirement for Court Supervision

15. Under section 124(1) of the Companies Act the Petitioner is required to present a petition seeking that the winding up of the Company continue under the supervision of the Court if a Declaration of Solvency executed by all of the Directors is not provided within 28 days of the commencement of voluntary liquidation.
16. Whilst 28 days have not yet elapsed since the commencement of the voluntary liquidation of the Company, the declaration from the Directors and the JVLs' initial investigations into the Company and its Segregated Portfolios have meant that the Petitioners consider it appropriate to present a petition seeking that the winding up of the Company continue under the supervision of this Honourable Court.

Company Financial Position

17. The JVLs' initial investigations have determined that debts, subject to adjudication, are owed to stakeholders of the Company and its Segregated Portfolios as follows:

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Stakeholder	The Company (USD)	USD Non-Dividend (USD)	USD Dividend (USD)	EUR Non-Dividend (EUR)	EUR Dividend (EUR)
Legal Fees	57,028	-	-	-	-
Registered Office Fees	6,282	-	-	-	-
Investment Advisor Fees	10,000	16,371	7,717	678	1,122
Investors – declared but unpaid dividends	-	-	219,278	-	14,055
Redemption creditors	-	2,759,424	-	866,681	-
Total debts owed	73,310	2,775,795	226,995	867,359	15,177

18. The JVLs have also obtained records of the Company and its Segregated Portfolios that show that, as at 11 January 2024, its respective assets comprise cash and loans to Faria Lima Consultoria e Participações Ltda. (formerly Faria Lima Holdings Participações LTDA.) ("**Faria Lima**") – summarised in the table below.

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	The Company (USD)	USD Non-Dividend (USD)	USD Dividend (USD)	EUR Non-Dividend (EUR)	EUR Dividend (EUR)
Loans to Faria Lima:					
Issued (principal)	-	2,306,670	2,792,565	58,922	535,332
Accrued interest to 31 October 2023	-	6,132,994	1,209,170	297,415	70,209
Accrued interest 1 November 2023 to 11 January 2024	-	TBC	TBC	TBC	TBC
Settlement receivable	-	2,800,117	-	836,360	-
Cash	-	774	650	8,626	230
Total assets	-	11,240,555	4,002,385	1,201,323	605,771

19. As shown above, the primary assets of each of the Segregated Portfolios are loans (including accrued interest) made to Faria Lima (the “**Faria Lima Loans**”), a Brazilian entity and a related party to the Company by way of common ownership.
20. Whilst each of the portfolios are not insolvent on a balance sheet basis, they are cash flow insolvent and, for the reasons set out below, the JVLs’ findings indicate that the Faria Lima Loans should be impaired. The Company is insolvent on both a cash flow and balance sheet basis.

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21. With respect to the Faria Lima Loans, on 30 June 2023 a repayment request was agreed with Faria Lima on behalf of the USD Non-Dividend portfolio in the amount of USD 2,392,424, following redemption requests made by two of its investors (the “**June 2023 Repayment Request**”). Faria Lima has not made any payments relating to the June 2023 Repayment Request.
22. Each of the Segregated Portfolios entered into Master Loan Agreements with Faria Lima. Including accrued interest, the total amount owed by Faria Lima to the Segregated Portfolios is approximately USD 17.2 million (USD 15.2 million and EUR 1.8 million) as at 31 October 2023. Interest continues to accrue on these loans.
23. The JVLs have not received sufficient support to conclude on the timing and recoverability of the loans due from Faria Lima. Therefore, there is significant doubt as to Faria Lima’s ability to repay amounts owed to the Segregated Portfolios. This has caused great uncertainty as to the Segregated Portfolios being able to repay their debts as they fall due, particularly if the current suspension of redemptions is lifted.

Interaction with stakeholders and proposed liquidators

24. The JVLs have set up an ad-hoc creditor’s committee that is made up of 3 members as an interim measure given the volume of queries that were being received by the JVLs. In the event that the present application is granted, a formal liquidation committee will be constituted pursuant to the CWR.
25. The JVLs have informed the creditors and investors of the Company and its Segregated Portfolios’ of their appointment and their intention to seek the Court’s supervision in light of the financial position described above. No stakeholders have raised any objections to the JVLs acting as Joint Official Liquidators.
26. The JVLs have signed consents to act as Joint Official Liquidators of the Company. Both of the JVLs are of Teneo (Cayman) Limited, Ground Floor, Harbour Place, 103 South Church Street, P.O. Box

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10245, George Town, Grand Cayman, KY1-1003, Cayman Islands. Both are qualified insolvency practitioners in the Cayman Islands and meet the criteria prescribed by the Cayman Islands Insolvency Practitioners' Regulations, 2023 and consent to their appointment as Joint Official Liquidators of the Company.

YOUR PETITIONER THEREFORE HUMBLY PRAYS THAT:

1. The winding up of the Company be continued under the supervision of the Court pursuant to the provisions of the Companies Act.
2. Mr Jeffrey Stower and Mr Jason Robinson of Teneo (Cayman) Limited, Ground Floor, Harbour Place, 103 South Church Street, P.O. Box 10245, George Town, Grand Cayman, KY1-1003, Cayman Islands be appointed as joint official liquidators of the Company (the "JOLs").
3. The JOLs shall not be required to give security for their appointment.
4. The JOLs have the power to act jointly and severally in their capacities as liquidators of the Company.
5. The JOLs be authorised to take any such action as may be necessary or desirable to obtain recognition of the JOLs and/or their appointment and/or their powers in any other relevant jurisdiction and to make applications to the courts of such jurisdictions for that purpose.
6. The JOLs be appointed with the powers granted to them under section 110 of the Companies Act, and in particular be authorised to do the following without further sanction of the Court:
 - a. The power to take possession of, collect and get in the property of the company and for that purpose to take all such proceedings as they consider necessary.
 - b. The power to do all acts and execute, in the name and on behalf of the company, all deeds, receipts and other documents and for that purpose to use, when necessary, the company seal.

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- c. The power to prove, rank and claim in the bankruptcy, insolvency or sequestration of any contributory for any balance against that person's estate, and to receive dividends in the bankruptcy, insolvency or sequestration in respect of that balance, as a separate debt due from the bankrupt or insolvent and rateably with the other separate creditors.
 - d. The power to draw, accept, make and indorse any bill of exchange or promissory note in the name and on behalf of the company, with the same effect with the respect of the company's liability as if the bill or note had been drawn, accepted, made or indorsed by or on behalf of the company in the course of its business.
 - e. The power to promote a scheme of arrangement pursuant to section 86 of the Companies Act.
 - f. The power to convene meetings of creditors and contributories.
 - g. The power to do all other things incidental to the exercise of their powers.
7. The JOLs further be authorised without requiring further sanction of the Court to take all such actions as may be necessary to:
- (a) to deal with all questions in any way relating to or affecting the assets or the winding up of the Company, to take any security for the discharge of any such call, debt, liability or claim and to give a completed discharge in respect of it;
 - (b) engage staff (whether or not as employees of the company) to assist that person in the performance of that person's functions;
 - (c) engage attorneys and other professionally qualified persons to assist that person in the performance of that person's functions;

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- (d) open and operate bank accounts in the name of the Company and its Segregated Portfolios or in their own name on behalf of the Company and its Segregated Portfolios in the Cayman Islands or elsewhere; and
- (e) communicate on the Company's behalf with the regulators as appropriate.
7. No disposition of the Company's and its Segregated Portfolios' property by or with the authority of the JOLs in carrying out their duties and functions and exercise of their powers under this Order shall be voided by virtue of s.99 of the Companies Act.
8. Subject to s.109(2) of the Companies Act and the Insolvency Practitioners Regulations 2023, the JOLs be authorised to render and pay invoices out of the assets of the Company and its Segregated Portfolios for their own remuneration.
9. The JOLs be at liberty to meet all disbursements reasonably incurred in connection with the performance of their duties and, for the avoidance of doubt, all such payments shall be made as an when they fall due out of the assets of the Company and its Segregated Portfolios as an expense of the liquidation.
10. No suit, action or other proceeding shall be proceeded with or commenced against the Company except with the leave of the Court pursuant to section 97 of the Companies Act and subject to such terms as the Court may impose.
11. The Petitioner's costs of and occasioned by the Petition shall be paid from the assets of the Company and its Segregated Portfolios, such costs to be taxed if not agreed with the JOLs.

DATED: 7th February 2024



TRIVERS THORP ALBERGA
Attorneys for the Petitioners

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NOTE: It is intended that this Petition be served on the Company

NOTICE OF HEARING

TAKE NOTICE THAT the hearing of this Petition will take place at the Law Courts, George Town, Grand Cayman on 15th March 2024 at 10:00am.

Any correspondence or communication with the Court relating to the hearing of this Petition should be addressed to the Registrar of the Financial Services Division of the Grand Court at PO Box 495, Grand Cayman, KY1-1106, Cayman Islands (Telephone: +1 345 949 4296).

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