



IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION

CAUSE NO: FSD _____ OF 2025 (_____)

IN THE MATTER OF SECTION 131 OF THE COMPANIES ACT (2025 REVISION)
AND IN THE MATTER OF JBAM GLOBAL INCOME FUND (IN VOLUNTARY LIQUIDATION)

PETITION FOR SUPERVISION

TO THE GRAND COURT OF THE CAYMAN ISLANDS

The humble petition of Mr. Michael Pearson and Ms. Nicola Cowan of FFP Limited, the joint voluntary liquidators (**JVLs** or the **Petitioners**) of JBAM Global Income Fund (In Voluntary Liquidation) (**Fund**), both of 2nd Floor Harbour Centre, 159 Mary Street, George Town, Cayman Islands, shows that:

Outline of relief sought

1. The Petitioners present this petition pursuant to section 131 of the Companies Act (2025 Revision) (**Act**) for an order that the voluntary liquidation of the Fund be continued subject to the supervision of the Grand Court.
2. Both of the grounds in sections 131(a) and 131(b) of the Act are made out,¹ namely:
 - (a) the Fund is or is likely to become insolvent; and

¹ Only one ground is required.

- (b) the supervision of the Court will facilitate a more effective, economic or expeditious liquidation of the company in the interests of the contributories and creditors.
3. In accordance with O. 15, r.3 of the Companies Winding Up Rules (2023 Consolidation) (**CWR**), the Petitioners issued a summons for directions at the same time as filing this Petition. At the hearing of the summons, the JVLs respectfully request that the supervision order be granted on the ground that the Fund's members do not object to the order being made (CWR O.15, r.3(4)(a)).
 4. The Petitioners also seek an order that the winding up of the Fund is deemed to have commenced on 24 August 2023, being the date upon which a petition for the winding up of the Fund (**WU Petition**), was presented to the Court by Bank Julius Baer & Co. Ltd. (**Bank**). The Bank's WU Petition is filed in Cause No. FSD 250 of 2023 (IKJ) (**WU Proceedings**) and has not yet been heard, nor has leave to withdraw the WU Petition been sought by the Bank, for the reasons provided herein.
 5. The WU Petition was assigned to Justice Kawaley and set down for hearing on 20 October 2023. On 10 October 2023, the Bank and the Fund jointly requested vacation of the hearing to a mutually convenient date. On 11 October 2023, the Court approved the delisting of the matter. Given the developments set out herein, the Bank has not sought a relisting.

The Fund

6. The Fund is a Cayman Islands exempted limited company incorporated on 25 November 2014, with company number 294089. On 21 January 2019, the name of the Fund was changed from RAUS Capital Fund Ltd to JBAM Global Income Fund.
7. The Fund ostensibly carried on business as a mutual fund. It is registered as a Cayman Islands mutual fund with licence number 1792280.
8. The share capital of the Fund is US\$50,000 divided into 100 Management Shares of a par value of US\$0.01 each and 4,999,900 Participating Shares of a par value of US\$0.01 each.
9. The Management Shares enjoy the right to vote, but carry no economic right or interest in the Fund. The Participating Shares enjoy the economic interest in the Fund, but carry no right to vote.
10. The Management Shares were held by RAUS Capital Management Ltd (**RAUS CM**). RAUS CM was a Cayman Islands exempted limited company incorporated on 25 November 2014 with company number 294089. On 30 April 2025, RAUS CM was struck off by the Registrar.

11. The entirety of the Participating Shares are beneficially owned by the Bank. The Register of Members records Clearstream Banking SA (**Nominee**) as the registered member. As is commonly the case in the Cayman Islands, the Nominee is simply the nominee share-custodian of the Bank.
12. As at 24 August 2023 (the date of presentation of the WU Petition), Oleksandr Levchenko (a national of Ukraine) (**Mr. Levchenko**) and Patrick Hunt (a national of Australia) (**Mr. Hunt**), were the Fund's two directors. Mr. Hunt controlled the Management Shares as the sole director of RAUS CM.

The Bank, the Redemption and the WU Petition

13. Prior to the appointment of the Petitioners as JVLs, there was a disagreement between the Bank and the Fund as to whether the Participating Shares had been redeemed. The Bank's position is that the Participating Shares were compulsorily redeemed on or about 9 March 2022 (**Redemption**) and the unpaid Redemption price owed to the Bank is US\$9,335,975.84 (**Debt**).
14. The WU Petition was presented by the Bank on the basis that it has standing as equitable assignee of the Nominee's legal rights in respect of the Participating Shares to exercise all rights as a creditor against the Fund, including without limitation, the right to present a creditor's petition.
15. Whether the Bank is characterised as a creditor or a beneficial shareholder of the Fund, it appears never to have been disputed by the Fund that the Bank has the sole economic interest in the Fund. The JVLs' own investigations confirm this to be the case.

The Fund's response to the WUP Petition and subsequent events

16. On 25 September 2023, Mr. Hunt filed an affidavit in the WU Proceedings (**Hunt 1**), stating that the Fund would oppose the WU Petition on the grounds that the Participating Shares had not been redeemed, the Bank was not the registered member and/or the Bank should be estopped from seeking an order to wind up the Fund on the basis that the Debt is outstanding.
17. The Bank responded to the Fund by way of a comprehensive letter from its attorneys dated 23 February 2024 (**Letter**), noting that the contentions made in Hunt 1 were new to the Bank and that the Bank had investigated them thoroughly. The Letter concluded, in summary, that the Redemption had been effective and there was no genuine dispute on substantial grounds that the Debt was due and payable.
18. The Letter detailed a number of serious allegations relating to the "*mismanagement of the Fund*". These are summarised as follows:

- 18.1 **Failure to provide reports and audited financial accounts:** The Fund failed to provide the Bank with any performance reports or audited financial statements since inception, despite several demands for same, in breach of the Fund's private placement memorandum and the Mutual Funds Act. It has since emerged that the Fund never arranged for any audited accounts to be prepared (in breach of both the Mutual Funds Act and its offering documents).
- 18.2 **Failure to provide NAV Statements:** The Fund was required to provide the Bank with monthly NAV statements. The Fund stopped providing NAV statements to the Bank in August 2023 and never again provided a NAV statement despite the Bank's many demands.
- 18.3 **The "staggering diminution in the NAV of the Fund":** Between June 2021 and June 2023, the NAV of the Fund plummeted from circa US\$22.8m to US\$4.5m. In addition, the Fund's Administrator (who later resigned), raised concerns about "strange", undocumented loan write-offs and unusual requests for fees by the directors and service providers.
- 18.4 **The failure of the Fund to wind down its affairs** and transfer the underlying assets to the Bank as promised in lieu of payment of the Debt.
- 18.5 **The unexplained change in approach** from the promise to distribute assets in kind to the Bank, to stating that assets would be held and liquidated by the Fund.
- 18.6 **The refusal of the Fund to allow the Bank to transfer the Participating Shares into its name.** The Bank stated that the directors cited no reason other than "*the IM and his legal counsel prefer the current structure.*" The inference drawn by the Bank was that the Directors preferred a structure that made it difficult for the Bank to stem the losses, realise its investment and initiate a professional investigation into the management of the Fund.
- 18.7 **Amendment of the Articles to entrench the Directors:** The Fund amended its Articles (2nd M&A), stripping the Participating Shareholders of their right to remove and appoint directors. Given that the Fund did not have more than 15 participating shareholders, the amendment was unnecessary and it meant significant additional costs for the Fund. The Bank alleged that the only reason for this change was to entrench the directors and prevent the Bank from, for example, nominating an independent director.
19. The Letter includes a demand that the Fund appoint independent directors to investigate its affairs.
20. Subsequent to the delivery of the Letter:

- 20.1 The Fund failed to provide any accounts, NAV statements or other relevant information to the Bank.
- 20.2 The Bank made a formal complaint to the Cayman Islands Monetary Authority (**CIMA**) and CIMA commenced an investigation.

Appointment of FFP

- 21. On 30 May 2024, the Fund's attorneys advised the Bank that:
 - 21.1 its administrator, Apex Fund Services (Cayman) Ltd (**Apex**) had resigned;
 - 21.2 it was in the final stages of engaging Michael Pearson of FFP (Directors) Limited (**FFPD**) to act as an independent director of the Fund and FFP (Fund Administration) Limited (**FFPA**) to provide administrative services following Apex's resignation; and
 - 21.3 it would provide an update as to when the Bank could expect to receive a cash offer and timeline for payment, once Michael Pearson and FFPA were appointed and had been afforded an opportunity to assess the value of the securities held by the Fund.
- 22. FFPA was appointed as the Fund's administrator with effect from 17 May 2024.
- 23. Mr. Pearson was appointed as an independent director of the Fund on 26 July 2024. On the same date, Mr. Levchenko was removed as a director, leaving Mr. Hunt as the single executive director alongside Mr. Pearson. Cayman Counsel to Mr. Levchenko (Harney Westwood & Riegels (Cayman) LLP), advised Mr. Pearson that Mr. Levchenko had been conscripted to the Ukrainian army and as a consequence, he was no longer contactable. On 12 August 2024, FFPD notified CIMA of Mr. Pearson's appointment and representatives of FFPD held an initial call with CIMA on 26 August 2024.
- 24. In light of these developments, the Bank elected not to seek the relisting of the WU Petition for hearing, pending the results of Mr. Pearson's review.
- 25. On 21 November 2024, Mr. Pearson, in his capacity as an independent director of the Fund, provided a detailed, preliminary report to the Bank, identifying a range of irregularities and concerns regarding the management and operations of the Fund.

Voluntary liquidation

- 26. On 7 November 2024, the sole voting shareholder of the Fund passed a special resolution to voluntarily wind up the Fund, pursuant to section 116(c) of the Act (and in accordance with the Fund's M&A). On 21 November 2024, Mr. Pearson and Ms. Nicola Cowan of FFP Limited, signed

and filed consents to act with the Registrar, with their appointment as JVLs taking effect on that date, pursuant to section 119(3) of the Act.

27. In accordance with section 124(1) of the Act, on 5 December 2024, Mr. Hunt signed a declaration of solvency. Following discussions with the Bank, on 5 December 2024, Mr. Pearson also signed a declaration of solvency.
28. Mr. Pearson made the declaration of solvency in part on the basis that, at this time, the Bank needed more time to consider (subject to legal advice received), whether to simply receive such cash and assets as were then available (as a contributory), rather than pursuing the Debt as a creditor. Mr. Hunt as executive director had made a declaration of solvency. On the basis of the information contained in Hunt 1, the initial indications from the Bank and the enquiries into the Fund that Mr. Pearson had at that stage been able to make, it was appropriate to make the declaration of solvency at this time.
29. Following additional post appointment investigations by the JVLs, the results of which were provided to the Bank, and further deliberations by the Bank, the Bank subsequently communicated to the JVLs that:
 - 29.1 it would press its claim as a creditor in the liquidation estate;
 - 29.2 it would support the JVLs making an application to bring the voluntary liquidation under the supervision of the Court; and
 - 29.3 it would support the official liquidators (once appointed) employing the available funds and assets in the liquidation estate to further investigate the apparent misconduct with a view to recovering assets and/or bringing legal claims against those who had seemingly breached their obligations to the Fund.

Examples of red flags and suspicious transactions

30. Based on the JVLs' initial review of the records in their possession, which included Mr. Pearson's pre-liquidation review and the JVLs' investigations upon appointment, they identified the following red flags and suspicious transactions:

Illiquid Bonds

- 30.1 The Fund initially funded a newly established custodial account with East Gate Custody (**East Gate**), a Kyrgyzstani company with \$600,000 transferred on 5 October 2023, from its Barclays Bank account, following the decision to wind-down the structure several years earlier, and subsequent to the presentation of the WU Petition.

- 30.2 The Fund then proceeded to transfer liquid shares in an Australian listed company from its account at Bell Potter to East Gate (**Shares**). The written instruction for this transfer was provided by Mr. Levchenko and signed by Mr. Hunt. For reasons yet to be determined, it was also signed by the former director, Anna Coen.
- 30.3 The Shares were then sold for approximately AU\$1.8 million to finance the purchase of two bonds totalling approximately US\$1.67 million from a private company incorporated in Hong Kong, who unusually also had a Kyrgyzatani director. The stock sale agreement and instructions to East Gate were signed by Mr. Levchenko.
- 30.4 There are no written records setting out the rationale for this transaction. The larger of the two bonds purchased for US\$1.65m was underwritten by a UK company with apparent connections to the construction industry, which has been listed for strike off. A notice of default was received on 6 February 2025 in respect of one of the bonds.

Unexplained material write-offs

- 30.5 APEX was instructed to write-off loans and other investments to the Fund without any proper explanation or corresponding board resolution's being provided to APEX totalling approximately US\$11.8 million.

Private Equity

- 30.6 The Fund wrote-off two private equity investments, the first being a US\$1.2 million write-off in October 2017 just three months after the transaction with the Singapore entity closed. The second was during Q4 2021 in the sum of \$3.5 million, however the JVLs have been unable to trace an online profile or corporate data in relation to this entity.

Related parties

- 30.7 The Fund advanced a US\$1.8 million loan to a private company understood to be connected with Mr. Hunt's family. US\$250,000 of this loan was subsequently written-off by the Fund. Further transactions have also been identified which appear to have a nexus to Mr. Hunt and an entity associated with his family. Consequently, the JVLs are conducting an analysis as to whether such investment opportunities were of an arms-length nature.
- 30.8 Mr. Hunt also initially used an email address associated with a related business when first communicating with FFP, before changing communication to his current known place of employment.

Other loans

- 30.9 An additional loan also requires further investigation, following an instructed write off in full of US\$450,000, with no apparent documentation or explanation provided. The JVLs have again been unable to trace the entity involved.

Quantum of losses and fees

- 30.10 From 31 December 2020, the Fund's NAV dropped precipitously from US\$26 million to US\$1 million. In contrast, the Fund paid fees to its manager, investment advisor and directors of approximately US\$4.97 million since inception.

Grounds for making the supervision order – insolvency

31. On the premise that the Bank is a creditor of the Fund in the sum of circa US\$9,335,975.84, the Fund is clearly insolvent. The Fund has available cash of \$405,064.01. The Fund may have ownership or control of other illiquid assets of c. \$1.098 million, but the JVLs cannot attribute any real or immediate value to those assets at this stage. The Fund's main 'asset' is likely to comprise legal claims against Fund-insiders, third-party service providers and transferees of assets from the Fund.

Grounds for making the supervision order – a more effective, economic or expeditious liquidation

32. The continuation of the voluntary liquidation under the supervision of the Court will result in a more effective, economic or expeditious liquidation in the interest of the contributories and creditors, for a number of important reasons:
- 32.1 The statutory powers of an official liquidator will greatly assist the Petitioners in their investigations into the affairs of the Fund, including in relation to the 'red flags' and suspicious transactions already identified. For example, the Fund's assets were depleted by approximately 96% (US\$25 million) since 31 December 2020.
- 32.2 As joint official liquidators (**JOLs**), the Petitioners anticipate bringing legal proceedings to recover assets and damages, which will likely include a range of statutory claims available to official liquidators, including the power to seek clawback of antecedent transactions.
- 32.3 The JOLs (if so appointed), will also likely need to apply for recognition in jurisdictions including Australia and potentially the Kyrgyz Republic.

32.4 As JVLs, the Petitioners have not been provided with the complete books and records of the Fund or with the sufficient cooperation from the Fund's officers and service providers. As JOLs, the Petitioners may:

- (a) apply for orders under section 103(3) of the Act requiring officers and relevant persons to answer interrogatories and/or attend for oral examination; and
- (b) apply for orders under section 138(1) of the Act requiring persons to deliver up property or documents to which the Fund appears to be entitled.

32.5 As JOLs, the Petitioners will be equipped to adjudicate on whether the Bank is a creditor or contributory (should that become necessary), on which they may require guidance from the Court, before making distributions from the liquidation estate.

Support for Court supervision

33. The Bank supports the winding-up of the Fund being continued under the supervision of this Honourable Court and for an order appointing the JVLs as JOLs. The Bank agrees that this will result in a more effective, economic or expeditious liquidation in the interest of the contributories and creditors.

Commencement Date

34. The date of the commencement of the winding up is important, given the particular fact pattern in this case. There was a period of some 18 months between presentation of the WU Petition and the commencement of the voluntary liquidation of the Fund. It appears to the Petitioners that deliberate steps were taken to strip the Fund of assets during this period (and of course, prior to this period).

35. The Fund disposed of cash and assets totalling approximately US\$1,902,652, following the presentation of the WU Petition. Pursuant to section 99 of the Act, these dispositions will be void unless otherwise ordered by the Court. In addition, there is the prospect that the JOLs will pursue 'voidable transactions' made within six months immediately preceding the commencement of the liquidation, pursuant to section 145 of the Act.

36. Accordingly, the Petitioner seeks an order that the liquidation of the Fund is deemed to have commenced on 24 August 2023, that is, the date upon which the Bank presented its WU Petition in the WU Proceedings.

37. The following provisions of the Act govern the commencement of a winding up:

37.1 Section 100(1) which provides in relevant part that if before presentation of a petition for the winding up of a company by the Court, a resolution has been passed for voluntary

winding up, then the winding up of the company by the Court is deemed to have commenced at the time of the passing of the relevant resolution.

- 37.2 Section 100(2) which provides in relevant part that in any other circumstance not specified in section 100(1), the winding up of a company by the Court is deemed to commence at the time of the presentation of the petition for winding up.
 - 37.3 Section 117 which provides in relevant part that a voluntary winding up is deemed to commence at the time of the passing of the resolution for winding up, notwithstanding that a supervision order is subsequently made by the Court.
 - 37.4 Section 133 which provides in relevant part that a supervision order shall take effect for all purposes as if it was an order that the company be wound up by the Court except that the liquidation commenced in accordance with section 117.
38. The Petitioner contends:
- 38.1 A supervision order is equivalent to an order that a company be wound up by the Court (section 133 of the Act). The only exception is the commencement date, which is governed by section 117 of the Act.
 - 38.2 Section 117 of the Act in effect deems a 'court ordered winding up' to have commenced when the winding up first commenced, that is, when the resolution for voluntary winding up was passed.
 - 38.3 When a winding up petition is presented and subsequently, a resolution for voluntary winding up is passed, section 117 of the Act must be read in conjunction with section 100 of the Act. Section 100(2) deems any winding up by the Court (which, pursuant to section 133 of the Act, includes a supervision order) as commencing when the winding up petition was presented against the subject company.

Recognition in Australia

39. In the event that this Honourable Court accedes to this Petition, the JVLs also apply for sanction, upon the JVLs' appointment as JOLs, to exercise their power to file an application in the Federal Court of Australia and/or the Supreme Court of any State or Territory of Australia, pursuant to the Cross-Border Insolvency Act 2008 (Cth) and Articles 15, 17 and 19 of the UNCITRAL Model Law on Cross-Border Insolvency (as incorporated into Australian law), seeking recognition of the Cayman Islands official liquidation of the Fund as a foreign main proceeding.

Qualifications of the JVLs and consent to act as JOLs

40. Each of Michael Pearson and Nicola Cowan of FFP Limited is a qualified insolvency practitioner (as that term is defined in section 89 of the Act) and consider that they meet the independence, residency, eligibility and insurance requirements of the Insolvency Practitioners' Regulations (2023 Revision) (**IPRs**). They each consent to their appointment as a joint official liquidator of the Fund and have filed the affidavits required by CWR O.3, r.4.

YOUR PETITIONER THEREFORE HUMBLY PRAYS THAT:

- (1) The voluntary winding up of the Fund be continued subject to the supervision of the Grand Court under the provisions of the Act.
- (2) The winding up of the Fund is deemed to have commenced on 24 August 2023.
- (3) Mr. Michael Pearson and Ms. Nicola Cowan, both of FFP Limited be appointed as joint official liquidators of the Fund (the **JOLs**).
- (4) The JOLs shall not be required to give security for their appointment.
- (5) The JOLs have the power to act jointly and severally in their capacity as official liquidators of the Fund.
- (6) The JOLs be authorised to exercise any of the powers listed in Part II of Schedule 3 to the Companies Act and section 110(2) thereof, without further sanction or intervention of the Court.
- (7) The JOLs be authorised to engage staff (whether in the Cayman Islands or elsewhere and whether or not as employees of the Fund) to assist them in the performance of their functions.
- (8) The JOLs be at liberty to appoint and/or continue to engage such counsel, attorneys, professional advisors, whether in the Cayman Islands or elsewhere, as they may consider necessary to advise and assist them in the performance of their duties in accordance with CWR Order 25 and to continue the engagement of Appleby (Cayman) Ltd. (in respect of Cayman law issues).
- (9) The JOLs are permitted and empowered to file an application in the Federal Court of Australia and/or the Supreme Court of any State or Territory of Australia, pursuant to the Cross-Border Insolvency Act 2008 (Cth) and Articles 15, 17 and 19 of the UNCITRAL Model Law on Cross-Border Insolvency (as incorporated into Australian law), seeking recognition of the Cayman Islands official liquidation of the Fund as a foreign main proceeding. In connection with such application, the JOLs may also seek injunctive or other appropriate relief, including a stay of proceedings, to restrain creditors and other parties from commencing or continuing litigation or enforcement actions against the Fund in Australia, and to take such steps as may be necessary or incidental to such recognition and relief.

- (10) No disposition of the Fund's 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 section 99 of the Act.
- (11) Pursuant to section 97 of the Act, no suit, action or other proceedings, shall be proceeded with or commenced against the Fund, except with leave of the Court and subject to such terms as the Court may impose.
- (12) Subject to section 109(2) of the Act and the IPRs, the JOLs be authorised to render and pay invoices out of the assets of the Fund for their own remuneration.
- (13) 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 and when they fall due out of the assets of the Fund as an expense of the liquidation.
- (14) The JOLs shall report to this Court in accordance with the CWR and at such other times or intervals as the Court may from time to time direct.
- (15) The Petitioner's costs shall be paid out of the assets of the Fund as an expense of the liquidation, such costs to be taxed if not agreed with the JOLs.
- (16) Such further or other relief be granted as the Court deems appropriate.

Dated this 18 day of June 2025



Appleby (Cayman) Ltd.
Attorneys-at-Law for the Petitioner

THIS PETITION is presented by Appleby (Cayman) Ltd, Attorneys-at-Law for the Petitioners, whose address for service is 9th Floor, 60 Nexus Way Camana Bay, Grand Cayman PO Box 190, KY1-1104, Cayman Islands (Ref: 457578.0001/AB/CW)

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 the Financial Services Division of the Grand Court at PO Box 495, Grand Cayman, KY1-1106. Direct Telephone: +1 (345) 244-3808 and Fax: +1 (345) 949-5968.