

Serial No. CP 2008/94

IN THE HIGH COURT OF JUSTICE OF THE ISLE OF MAN  
CHANCERY DIVISION

IN THE MATTER of THE COMPANIES  
ACT 1931

and

IN THE MATTER of KAUPTHING  
SINGER & FRIEDLANDER (ISLE OF  
MAN) LIMITED

and

IN THE MATTER of THE JOINT  
PETITION OF KAUPTHING SINGER &  
FRIEDLANDER (ISLE OF MAN) LIMITED  
and THE FINANCIAL SUPERVISION  
COMMISSION dated the 9th day of  
October 2008

SECOND AFFIDAVIT OF AIDAN ANDREW DOHERTY

I AIDAN ANDREW DOHERTY care of Samuel Harris House 5-11 St Georges Street Douglas,  
Isle of Man being sworn make Oath and say as follows:

1. I am a Director of Kaupthing Singer & Friedlander (Isle of Man) Limited (hereinafter called "the Company"), one of the above named Petitioners.
2. I make this Affidavit supplemental to the Affidavit that I swore at Douglas on the 9th October 2008 in support of the above Petition (hereinafter called "my First Affidavit"). I am duly authorised by the board of directors of the Company to swear this Affidavit on behalf of the Company.
3. The statements made in this Affidavit are made from my own knowledge except where otherwise indicated, in which case I have explained the source of my information and belief.

2008 10 14 11 17  
CHANCERY DIVISION

4. I have been concerned in the matters giving rise to the Petition and have the requisite knowledge of the matters referred to in the Petition which knowledge I have acquired as a result of my role as Managing Director of the Company.
5. The statements set out in the Petition are true to the best of my knowledge, information and belief.
6. The Company was incorporated on the 27th April 1971 under the Companies Acts 1931 to 1968. There is now produced and shown to me marked "AAD 1" a true copy of the Company's Certificate of Incorporation.
7. On incorporation the Company was called Singer & Friedlander (Isle of Man) Limited. On 2nd January 2007 the Company changed its name to Kaupthing Singer & Friedlander (Isle of Man) Limited. There is now produced and shown to me marked "AAD 2" a true copy of the Certificate of Name Change in respect of the Company.
8. The registered office of the Company is situated at Samuel Harris House, 5 – 11 St. Georges Street, Douglas, Isle of Man, IM99 1SN.
9. The nominal capital of the Company is £10,000,000 divided into 10,000,000 ordinary shares of £1 each. The amount of capital paid up or credited as paid up is £5,000,000.00.
10. The principal objects pursuant to which the Company carried on in business are set out in the Company's current Memorandum of Association. There is now produced and shown to me marked "AAD 3" a true copy of the Company's current Memorandum of Association together with a true copy of its Articles of Association.
11. At all material times up to the 8th October 2008 the Company carried on business in and from the Isle of Man (but not elsewhere) as a bank. The Company held a banking licence issued under the Banking Act 1998 by the Isle of Man Government's Financial Supervision Commission (hereinafter called "the FSC"). The FSC is the other above named Petitioner. On the 9th October 2008 the FSC notified the Company in writing that the Company's banking licence was suspended. There is now produced and shown to me marked "AAD 4" a true copy of a letter dated 9th October 2008 from the FSC

confirming the suspension of the Company's banking licence. The Company's banking licence continues to be suspended.

12. At a meeting of the Company's Board of Directors held on the 8th October 2008 the following resolution was passed:-

*"The Directors, following the most careful consideration, having determined that the Company is unable to pay its debts as they fall due, resolve that an application be made to the Isle of Man High Court for an order that a liquidator be appointed provisionally pursuant to Section 178 of the Companies Act 1931 with immediate effect and that thereafter the Company be wound up.*

*It was further resolved to notify the Isle of Man Government Financial Supervision Commission ("FSC") forthwith of the terms of the foregoing resolution.*

*It was further resolved that in the event that the FSC require any application to be made to the Isle of Man High Court for the appointment of a liquidator provisionally and/or for the winding up of the Company to be made jointly with the FSC, the Company make such application on such a joint basis.*

*It is further resolved that Mr Aidan Doherty be authorised to swear an affidavit in support of the petition to the Isle of Man High Court".*

There is now produced and shown to me marked "AAD 5" a true copy of the aforesaid resolution.

13. The events giving rise to the aforesaid resolution were described in my First Affidavit. In summary:-

- (i) Kaupthing Singer & Friedlander Limited (hereinafter called "KSF"), a sister company in London of the Company, was made the subject of an administration order (the "KSF Administration Order") made by the High Court of Justice of

England and Wales on the 8th October 2008. There is now produced and shown to me marked "AAD 6" a true copy of the KSF Administration Order;

- (ii) I and my fellow directors of the Company were given no prior notice that steps were being taken in the United Kingdom to place KSF into administration nor were we on prior notice of the steps taken with the assistance of the United Kingdom Government to transfer the retail "Kaupthing Edge" depositors of KSF to ING Direct. I first became aware of such matters on 8th October 2008 when such information was put in the public domain;
  - (iii) the KSF Administration Order had the immediate effect of freezing all assets of the Company held by KSF. This was confirmed to me during a telephone conversation with Mrs Maggie Mills (one of the Joint Administrators of KSF) in the afternoon of 8th October 2008;
  - (iv) the freezing of the Company's assets held by KSF created a serious liquidity problem for the Company. In the normal course of its business the Company maintained liquidity by managing from day to day its deposits held with KSF in London. The arrangements in place with KSF allowed the Company to pay its debts, including its liabilities in respect of depositors, as and when they fell due;
  - (vi) denied access to its funds held with KSF, the Company urgently required cash to pay requests for the withdrawals and/or transfers of customer's funds which either were pending as at close of business on the 8th October 2008 or were anticipated being received in the days thereafter. In this respect I refer the Court to paragraph 20 of the Petition.
14. Unable to have access to its funds held by KSF in London, the Company's only other source of funding was its ultimate parent, Kaupthing Bank Hf in Iceland (hereinafter called "KB Hf"). KB Hf, as the parent company of the Company, had provided the Company with a written undertaking dated 17th September 2007 guaranteeing to discharge the liabilities of the Company.
15. I and my fellow directors spoke at length with Mr Gudni Adalsteinsson, chief treasurer of KB Hf, during the course of the afternoon and evening of the 8th October 2008. In

addition, I kept the FSC informed of developments. On behalf of the Company I asked KB Hf to transfer urgently sufficient funds to meet the Company's immediate liquidity requirements to enable the Company in the first instance to meet its potential liabilities to banking customers for the 9th and 10th October 2008, and thereafter, to enable the Company to continue trading the following week. It is my understanding that Mr Adalsteinsson was discussing the Company's requests for urgent funding with senior members of the board of directors of KB Hf. Notwithstanding initial statements indicating that KB Hf would fully support the Company, Mr Adalsteinsson subsequently informed me and my fellow directors of the Company after close of business on the 8th October 2008 that KB Hf was not able to provide the Company with any funding either as requested or at all. Mr Adalsteinsson explained that KB Hf was in default and taking its own urgent advice and as a consequence it could not offer any immediate funds to the Company. Mr Adalsteinsson stated that KB Hf remained committed to trying to assist the Company but events had overtaken our earlier discussions and KB Hf could not meet the Company's request for funds in the short term. I am informed and believe that on the 9th October 2008 the Financial Supervisory Authority of Iceland (hereinafter called "the FME") assumed the powers of the shareholders of KB Hf and dismissed the board of directors of KB Hf in its entirety. Furthermore, the FME appointed a winding up committee, which took over all authority of the board of directors of KB Hf. The Company's Advocates have made enquiries in Iceland and, based on those enquiries, I am informed that whilst the winding up committee is in place, no creditor may request that KB Hf be wound up nor can enforcement action be taken against KB Hf's assets in Iceland.

16. There is now produced and shown to me marked "AAD 7" a summary of the Company's assets and liabilities as at the 30th September 2008.

Taken and sworn at Douglas :

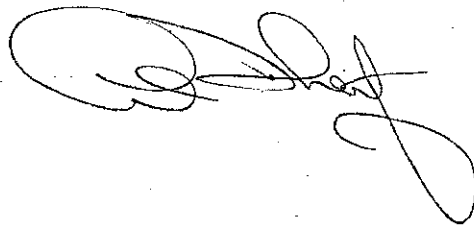
This 24th day of October 2008 :

Before me:- *KM Mansell* :

A Commissioner for Oaths :

SWORN at Douglas :

KAREN MARGARET MANSELL :  
COMMISSIONER FOR OATHS :



IN THE HIGH COURT OF JUSTICE OF THE ISLE OF MAN  
CHANCERY DIVISION

IN THE MATTER of THE COMPANIES  
ACT 1931

and

IN THE MATTER of KAUPTHING  
SINGER & FRIEDLANDER (ISLE OF  
MAN) LIMITED

and

IN THE MATTER of THE JOINT  
PETITION OF KAUPTHING SINGER &  
FRIEDLANDER (ISLE OF MAN)  
LIMITED and THE FINANCIAL  
SUPERVISION COMMISSION dated  
the 9th day of October 2008

SECOND AFFIDAVIT OF AIDAN ANDREW DOHERTY

EXHIBIT

THIS IS THE PAPER WRITING REFERRED TO AS "AAD 1" IN THE ANNEXED  
AFFIDAVIT OF AIDAN ANDREW DOHERTY  
SWORN BEFORE ME



THIS 24TH DAY OF OCTOBER 2008

KAREN MARGARET MANSELL  
COMMISSIONER FOR OATHS

24/10/2008 09:14:31 1197  
E:\1111\00175

No. 3519



GENERAL REGISTRY  
ISLE OF MAN

# Certificate of Incorporation

I hereby Certify that

SINGER & FRIEDLANDER (ISLE OF MAN) LIMITED

is this day incorporated under the COMPANIES ACTS, 1931 to 1968, and that the Company is LIMITED.

Given under my hand at Douglas, Isle of Man, this 27th day of  
April 19 71.

Registration Fee £ 46-25

Duty £ 754.00

Assistant Chief Registrar  
General Registry

IN THE HIGH COURT OF JUSTICE OF THE ISLE OF MAN  
CHANCERY DIVISION

IN THE MATTER of THE COMPANIES  
ACT 1931

and

IN THE MATTER of KAUPTHING  
SINGER & FRIEDLANDER (ISLE OF  
MAN) LIMITED

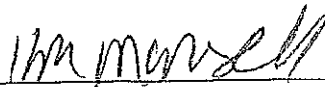
and

IN THE MATTER of THE JOINT  
PETITION OF KAUPTHING SINGER &  
FRIEDLANDER (ISLE OF MAN)  
LIMITED and THE FINANCIAL  
SUPERVISION COMMISSION dated  
the 9th day of October 2008

SECOND AFFIDAVIT OF AIDAN ANDREW DOHERTY

EXHIBIT

THIS IS THE PAPER WRITING REFERRED TO AS "AAD 2" IN THE ANNEXED  
AFFIDAVIT OF AIDAN ANDREW DOHERTY  
SWORN BEFORE ME



THIS 24TH DAY OF OCTOBER 2008

KAREN MARGARET MANSELL  
COMMISSIONER FOR OATHS

24/10/2008 09:14:25 1937  
EXHIBIT 78



No: 0003519C



**FINANCIAL SUPERVISION COMMISSION  
ISLE OF MAN**

**Certificate of Change of Name**

THE FINANCIAL SUPERVISION COMMISSION hereby certify that pursuant to the Companies Acts 1931 to 2004

**SINGER & FRIEDLANDER (ISLE OF MAN) LIMITED**

has, by SPECIAL RESOLUTION, and with the approval of the FINANCIAL SUPERVISION COMMISSION, changed its name and is now called

**KAUPTHING SINGER & FRIEDLANDER (ISLE OF MAN) LIMITED**

This 2<sup>nd</sup> day of January 2007

Manager  
Companies Registry



IN THE HIGH COURT OF JUSTICE OF THE ISLE OF MAN  
CHANCERY DIVISION

IN THE MATTER of THE COMPANIES  
ACT 1931

and

IN THE MATTER of KAUPTHING  
SINGER & FRIEDLANDER (ISLE OF  
MAN) LIMITED

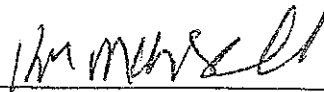
and

IN THE MATTER of THE JOINT  
PETITION OF KAUPTHING SINGER &  
FRIEDLANDER (ISLE OF MAN)  
LIMITED and THE FINANCIAL  
SUPERVISION COMMISSION dated  
the 9th day of October 2008

SECOND AFFIDAVIT OF AIDAN ANDREW DOHERTY

EXHIBIT

THIS IS THE PAPER WRITING REFERRED TO AS "AAD 3" IN THE ANNEXED  
AFFIDAVIT OF AIDAN ANDREW DOHERTY  
SWORN BEFORE ME



THIS 24TH DAY OF OCTOBER 2008  
KAREN MARGARET MANSELL  
COMMISSIONER FOR OATHS

24/10/2008 08:14:31 1197  
EXHIBIT 041 75

Company No: 0003519C

MEMORANDUM

AND ARTICLES OF ASSOCIATION

OF

KAUPTHING SINGER & FRIEDLANDER (ISLE OF MAN) LIMITED

A Private Company limited by shares

Incorporated in the Isle of Man  
under the Companies Acts 1931-1968

On the 27<sup>th</sup> day of April 1971

DOUGHERTY & ASSOCIATES  
ADVOCATES AND NOTARIES PUBLIC

THE COMPANIES ACTS, 1931 - 1968

ISLE OF MAN

PRIVATE COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

KAUPTHING SINGER & FRIEDLANDER (ISLE OF MAN) LIMITED

---

1. The name of the Company is KAUPTHING SINGER & FRIEDLANDER (ISLE OF MAN) LIMITED
2. The Registered Office of the Company will be situate in the Isle of Man.
3. The objects for which the Company is established are:-
  - (1) To carry on the business of banking, of bill broking and discounting, of a trust and investment agency, of lending money on securities, negotiable or other, and on property or without security, of dealing with bills of exchange, promissory notes, coupons, drafts, bills of lading, warrants, debentures and any other securities transferable or negotiable or not, of issuing letters of credit or circular notes, of dealing in foreign currencies, bullion, specie, precious stones and any metals, of issuing, underwriting and dealing with stocks, funds, shares, debentures, debenture stock, bonds, loans, obligations and securities, of negotiating loans and advances, of receiving money, securities and valuables on deposit or for safe custody or otherwise, of collecting and transmitting money and securities, of managing property and transacting all kinds of trust and of agency and other business commonly transacted by bankers, financial houses, commission agents, merchants and dealers with stocks and shares.
  - (2) To act as trustee or manager of or depository for any shares, stocks, debentures, debenture stocks, bonds, obligations and securities, investments, unit or other trusts, (whether fixed or flexible or a

combination thereof) or issue of certificates or instruments evidencing the right or title of any person, partnership, body of persons or corporation, or the bearer of any such certificates or instruments or a proportionate share or interest in any such shares, stocks, debentures, debenture stocks, bonds, loans, obligations, securities or any rights or interest therein and to acquire, deal in and hold on deposit or otherwise on behalf of any person partnership society body of persons or corporation any shares, stocks, debentures, debenture stocks, bonds, obligations and securities and to issue and deal in certificates or instruments evidencing the title of any person, partnership society, body of person or corporation or the bearers of any such certificates to a share or interest in any shares, stocks, debentures, debenture stocks, bonds, loans, obligations or securities or in the proceeds of sale or the income of any such shares, stocks, debentures, debenture stocks, bonds, loans, obligations or securities or in any other moneys.

- (3) To acquire any interest or participation in any loan or other financial operation of any government or authority (supreme, municipal, local or other) or of any corporation or firm, and to hold or dispose of any such interest or participation and to act as an issuing house.
- (4) To promote, form and finance any corporations or companies and to hold any interest therein and to act as financiers, underwriters, brokers, shippers, manufacturers and merchants.
- (5) To carry on business as carriers by land, sea or air and as wharfingers, lightermen, warehousemen, builders and owners of air, sea and land transport of all kinds, and as transport agents and forwarders of goods; to purchase, lease or otherwise acquire, construct, equip, maintain, improve, work, manage, or control, or aid in or subscriber towards the promotions, construction, equipment, maintenance, improvement, working, management or control of works, undertakings and operations of all kinds, both public and private.
- (6) To carry on in any part of the world any other business, whether financial, commercial, industrial or otherwise, which may seem to the Company capable of being conveniently carried on in connection with any of the businesses which the Company is authorised to carry on or calculated directly or indirectly to further or facilitate the objects of the Company or to enhance the value of or render more profitable any of the Company's property.
- (7) To build, construct, maintain, alter, enlarge, pull down, remove and replace any buildings or other property or carry out any other works which may be convenient or necessary in connection with any business or objects of the Company.
- (8) To buy, sell, manufacture, refine, manipulate, import, export, prepare for

market and deal, either wholesale or retail, in all substances, raw materials, apparatus and things capable of being used in any business of the Company or required by any customers of or persons having dealings with the Company or which may seem capable of being profitably dealt with in connection with any such business.

- (9) To acquire, hold, manage, develop, dispose of and deal with any real or personal property, rights or interests by any means whatsoever.
- (10) To acquire and undertake the whole or any part of the business, goodwill and assets of any person, firm or company carrying on or proposing to carry on any of the businesses which the Company is authorised to carry on or which can be carried on in conjunction therewith, or which are capable of being conducted directly or indirectly to the benefit of the Company, and as part of the consideration for such acquisition to undertake all or any of the liabilities of such person, firm or company, or to acquire an interest in, amalgamate or enter into any arrangement for sharing profits, or for co-operation, or for limiting competition, or for mutual assistance, with any such person, firm or company, and to give or accept, by way of consideration for any of the acts or things aforesaid or property acquired, any shares, whether fully or partly paid up, debentures or other securities or rights that may be agreed upon, and to hold and retain or sell, mortgage and deal with any shares, debentures, or other securities or rights so received.
- (11) To subscribe for, take, purchase or otherwise acquire and hold shares or other interests in or securities of any other company having objects altogether or in part similar to those of the Company, or carrying on or proposing to carry on any business capable of being conducted so as directly or indirectly to benefit the Company.
- (12) To make experiments in connection with any business or proposed business of the Company, and to apply for or otherwise acquire and protect, prolong, renew, experiment upon, test improve and seek to improve in any part of the world any inventions, patents, patent rights, brevets d'invention, trade marks, trade or brand names, designs, copyrights, licences, protections and concessions which may appear likely to be advantageous or useful to the Company, and to use and manufacture under or grant licences or privileges in respect of the same, and to expend money thereon.
- (13) To improve, manage, cultivate, develop, grant rights and privileges in respect of, or otherwise deal with all or any part of the property, rights and interests of the Company.
- (14) To invest and deal with the moneys of the Company in such manner as may from time to time be determined.

- (15) To lend and advance money or give credit to such person, firms or companies on such terms as may seem expedient and whether with or without security.
- (16) To borrow or raise money in such manner as the Company shall think fit, and in particular by the issue of debentures (perpetual or otherwise) or other securities or rights, and to secure the repayment of any money borrowed, raised or owing by mortgage, charge or lien upon the whole or any part of the Company's property or assets (whether present or future), including its uncalled capital, and also (whether or not for any consideration) by a similar mortgage, charge or lien to secure and guarantee the performance by the Company of any obligation or liability it may undertake.
- (17) To guarantee (whether or not for any consideration) the performance of any contract or obligation and the payment of money of or by any person or body whatsoever, whether corporate or not, and in particular to guarantee the capital, premium and principal of and dividends and interest on any shares, debentures or other securities of any company, and generally to give guarantees and indemnities.
- (18) To vest any real or personal property, rights or interests acquired by or belonging to the Company in any person or company on behalf or for the benefit of the Company and with or without any declared trust in favour of the Company.
- (19) To draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments.
- (20) To apply for, promote and obtain any Act of Tynwald or Act of Parliament, charters, privileges, concessions, licences or authorisations of any government, state or municipality, Provisional Order or Licence of the Lieutenant Governor or the Board of Trade or other authority for enabling the Company to carry any of its objects into effect or for extending any of the Company's powers or for effecting any modification of the Company's constitution, or for any other purpose which may seem expedient, and to oppose any actions, steps, proceedings or applications which may seem calculated directly or indirectly to prejudice the interests of the Company or of its Members.
- (21) To enter into any arrangements with any governments or authorities (supreme, municipal, local or otherwise), or any corporations, companies or persons that may seem conducive to the Company's objects or any of them, and to obtain from any such government, authority, corporation, company or person any charters, contracts, decrees, rights, privileges and concessions which the Company may think desirable, and to carry out, exercise and comply with any such charters, contracts, decrees, rights,

privileges and concessions.

- (22) To remunerate any person, firm or company rendering services to the Company, whether by cash payment or by the allotment to him or them of or grant of options over shares, debentures or other securities of the Company credited as paid up in full or in part or otherwise.
- (23) To pay out of the funds of the Company all expenses which the Company may lawfully pay of or incident to the formation and registration of or raising of money for the Company for the issue of its Capital, or the application to any Stock Exchange for permission to deal in and for quotation for any or all of its share or loan capital, including brokerage and commissions for obtaining applications for or taking, placing or underwriting or procuring the underwriting of shares, debentures or other securities of the Company.
- (24) To establish, maintain, participate in and contribute to or procure the establishment, maintenance of participation in and contribution to any pension, superannuation or life assurance fund, scheme or arrangement (whether contributory or otherwise) for the benefit of, and to give or procure the giving of donations, gratuities, pensions, allowances, benefits and emoluments to any persons who are or were at any time in the employment or service of the Company, or any of its predecessors in business, or of any company which is a subsidiary of the Company or is allied to or associated with the Company or with any such subsidiary, or who may be or have been Directors or officers of the Company or of any such other company as aforesaid, and the wives, widows, families and dependants of any such persons, and to establish, subsidise and subscribe to any institutions, associations, societies, clubs or funds calculated to be for the benefit of, or to advance the interests and well-being of the Company or of any other company as aforesaid, or of any such persons as aforesaid, and to make payments for or towards the insurance of any such persons as aforesaid, and to subscribe or guarantee money for charitable or benevolent objects, or for any exhibition or for any public general or useful object, and to do any of the matters aforesaid either alone or in conjunction with others.
- (25) To procure the Company to be registered or recognised in any dominion, colony or dependency and in any foreign country or place.
- (26) To promote any other company for the purpose of acquiring all or any of the property and/or undertaking any of the liabilities of the Company or of undertaking any business or operations which may appear likely, directly or indirectly, to assist or benefit the Company, and to place or guarantee the placing of, underwrite, subscribe for, or otherwise acquire all or any part of the shares, debentures or other securities of any such company as aforesaid.



- (27) To sell, lease, mortgage, grant options over, dispose of or otherwise deal with the whole or any part of the property, assets or undertakings of the Company or any interest therein for such consideration as the Company may think fit, and in particular for shares, whether fully or partly paid up, debentures or other securities of any other company, government or authority (whether supreme, municipal, local or otherwise).
- (28) To distribute among the Members of the Company in kind any property of the Company (whether by way of dividend or otherwise) and in particular any shares, debentures or other securities of other companies, governments or authorities (whether supreme, municipal, local or otherwise) belonging to the Company or of which the Company may have the power of disposing.
- (29) To do all or any of the above things and such other things as may be deemed incidental or conducive to the attainment of the above objects or any of them in any part of the world, or otherwise likely in any respect to be advantageous to the Company whether as principals, agents, trustees, contractors or otherwise, or whether by or through agents, sub-contractors, trustees or otherwise and either alone or in conjunction with others.

AND it is hereby declared that the word "company" in this clause, except where used in reference to the Company, shall be deemed to include any partnership or other body of persons, whether corporate or unincorporate and whether domiciled in the Isle of Man, the United Kingdom or elsewhere, and the objects specified in each of the paragraphs of this Clause shall be regarded as independent objects, and accordingly shall in nowise be limited or restricted (except where otherwise expressed in such paragraphs) by reference to or inference from the terms of any other paragraph or the name of the Company, but may be carried out in as full and ample a manner and construed in as wide a sense as if each of the said paragraphs defined the objects of a separate and distinct company.

4. The liability of the members is limited
5. The share capital of the Company is £10,000,000 divided into 10,000,000 shares of £1.00 each.

We, the several persons whose names and addresses are subscribed, are desirous of being formed into a Company in pursuance of this Memorandum of Association, and we respectively agreed to take the number of shares in the capital of the Company set opposite our respective names.

No.	Names, Addresses and Description of Subscribers	Number of Shares taken by each Subscriber
1.	Walter Leslie Christian 16/18 Athol Street Douglas Isle of Man  Advocates Clerk	ONE
2.	John James Clague 16/18 Athol Street Douglas Isle of Man  Advocates Clerk	ONE
TOTAL NUMBER OF SHARES TAKEN		TWO

Dated this 27th day of April 1971

Witness to the above Signatures;-

J.D. Kennaugh  
16/18 Athol Street  
Douglas  
Isle of Man

THE COMPANIES ACTS, 1931 - 1968

ISLE OF MAN

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

KAUPTHING SINGER & FRIEDLANDER (ISLE OF MAN) LIMITED

---

**PRELIMINARY**

1. Subject as hereinafter provided, the regulations contained in Table A in the first Schedule to the Companies Act 1931 (hereinafter referred to as "Table A") shall apply to the Company.
2. Clauses 19, 45, 47, 48, 50, 64, 65, 66, 69, 72, 73, 74, 82, 101 and 107 of Table A shall not apply to the Company but the clauses hereinafter contained and the remaining clauses of Table A, subject to the modifications hereinafter expressed, shall constitute the regulations of the Company.

**PRIVATE COMPANY**

3. The Company is a "Private Company" within the meaning of the Companies Act, 1931, and accordingly (1) no invitation shall be issued to the public to subscribe for any shares, debentures or debenture stock of the Company; (2) the number of the members of the Company (exclusive of persons who are in the employment of the Company, and of persons who, having been formerly in the employment of the Company, were while in such employment and have continued after the determination of such employment to be members of the Company) shall be limited to fifty, provided that, for the purposes of this provision, where two or more persons hold one or more shares in the Company jointly, they shall be treated as a single member; and (3) the right to transfer the shares of the Company is restricted in manner and to the extent hereinafter appearing.

## SHARES

4. In Clause 2 of Table A the words "Extraordinary Resolution" shall be substituted for the words "Special Resolution".
5. The shares shall be at the disposal of the Directors, and they may allot or otherwise dispose of them to such persons at such times and generally on such terms and conditions as they think proper, subject always to Clause 3 hereof and provided no shares shall be issued at a discount except as provided by the Companies Act 1931, Section 47.
6. The Company may pay a commission to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in the Company or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in the Company provided that the commission does not exceed 10 per cent of the price at which such shares are issued, or an amount equivalent thereto, and such Commission may be paid in whole or in part, in cash or fully or partly paid shares of the Company, as may be arranged. The statement required by Section 43 of the Companies Act 1931 to be filed shall be duly filed and Section 42 of the said Act shall where necessary be duly complied with and the amount of any such commission shall be stated in the annual returns and balance sheets of the Company as required by Sections 44 and 107 of the same Act.
7. No person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or recognise any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share, or (except only as by these presents otherwise expressly provided) any other right in respect of any share except an absolute right to the entirety thereof in the registered holder.

## TRANSFER OF SHARES

8. No transfer of any share in the capital of the Company to any person not already a member shall be made or registered without the previous sanction of the Directors, who may, without assigning any reason, decline to give such sanction and shall so decline in the case of any transfer the registration of which would involve a contravention of Clause 3 hereof.

## PROCEEDINGS AT GENERAL MEETINGS

9. No General Meeting of the Company shall take place except in the Isle of Man. No business shall be transacted at any General Meeting unless a quorum of members is present at the time when the meeting proceeds to business. Two members personally present shall be a quorum.
10. The Chairman of the Board of Directors shall preside at every General Meeting, but if at any meeting he shall not be present within fifteen minutes after the time

appointed for holding the same, or shall be unwilling to act as Chairman, the members present shall choose some Director, or if no Director be present, or if all the Directors present decline to take the chair, they shall choose some member present to be Chairman of the meeting.

11. At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by at least two members or by the holder or holders present in person or by proxy of at least one twentieth part of the issued ordinary share capital of the Company. Unless a poll is so demanded, a declaration by the Chairman that a resolution has on a show of hands been carried, or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the minute book of the Company shall be conclusive evidence thereof without proof of the number or proportion of the votes recorded in favour of or against such resolution.
12. A resolution in writing, signed in the Isle of Man by every shareholder of the Company, shall have the same effect and validity as a unanimous resolution of shareholders at a meeting of the Company duly convened and constituted.

#### DIRECTORS

13. (a) Unless and until otherwise determined by the Company in General Meeting, the number of Directors shall not be less than two nor more than ten. The first Directors shall be determined in writing by the subscribers to the Memorandum of Association.  
  
(b) The control and management of the business of the Company shall be in and from the Isle of Man and shall be exercised by the Directors; and no Meeting of the Directors of the Company shall take place except in the Isle of Man; and neither a Director nor an alternate Director shall be entitled to exercise the powers of a Director of the Company except when and whilst in the Isle of Man; and Clauses 67 and 81 of Table A shall be modified accordingly.
14. (A) The Directors may from time to time by resolution appoint any one or more managers or other officers or persons in the employment of the Company to be a Local Director or Local Directors of the Company on such terms as the Directors think fit Provided that a Local Director shall have no power to incur liabilities or enter into contracts or commitments on behalf of the Company except as an authorised signatory (if so appointed) with the sole or joint authorities referred to in the list of authorised signatories issued by the Company from time to time.  
  
(B) The Directors shall have the right to enter into any contracts on behalf of the Company or transact any business of any description without the knowledge or approval of the Local Directors, except that no act shall be done that would impose any personal liability on any or all of the Local

Directors, except with his or their knowledge and consent.

- (C) The appointment of a person to be a Local Director shall not affect the terms and conditions of his employment by the Company, either as regards duties, remuneration, pension or otherwise and his office as a Local Director shall be vacated:-
- (i) if he resigns his office as a Local Director; or
  - (ii) in the event of his ceasing to be employed by the Company for any reason; or
  - (iii) in the event of his being removed from office by a resolution of the Directors.
- (D) A Local Director shall not be entitled to receive notice of Meetings of Directors or to attend or vote at such Meetings.
- (E) References to Directors in these Articles shall be deemed not to include Local Directors nor shall the office of Local Director constitute a holder thereof a Director of the Company for the purposes of the Companies Act 1948 or otherwise.
15. The remuneration of the Directors shall from time to time be determined by the Company in General Meeting. Directors (and alternate Directors) shall also be entitled to be repaid all travelling and hotel expenses incurred by them respectively, in or about the performance of their duties as Directors.
16. It shall not be necessary for a person appointed to act as a Director to hold any shares of the Company to qualify him to act.

#### ROTATION AND APPOINTMENT OF DIRECTORS

17. (a) At the Ordinary General Meeting of the Company in every year, one of the Directors shall retire from office. The Director to retire in every year shall be the Director who has been longest in office since his last election, but as between persons who became Directors on the same day, the Director to retire shall (unless they otherwise agree among themselves) be determined by lot.
- (b) No person, not being a retiring Director or a Director appointed by the Board of Directors to fill a casual vacancy occurring in the Board, shall, unless recommended by the Directors for election, be eligible for election to the office of Director at any General Meeting unless he, or some other member intending to propose him, has, at least seven clear days and not more than twenty-eight days before the meeting, left at the registered office of the Company a notice in writing duly signed, signifying his candidature for the office or the intention of such member to propose him.

## POWERS AND DUTIES OF DIRECTORS

18. Clause 68 of Table A shall be modified by omitting therefrom all the words therein after the words "from any cause to be a director" and Clause 70 of Table A shall be modified by omitting therefrom all the words after "at all Meetings of the Company and of the Directors and of Committees of Directors".
19. If and whenever the number of Directors shall be reduced below the minimum number prescribed by Article 14 it will be the duty of the remaining Director further to appoint one or more Directors as may be necessary to comply with the said Article, and pending such appointment, any other powers vested in the Directors by Statute or otherwise shall be suspended.
20. The Directors from time to time and at any time; may provide through Local Boards, Attorneys or Agencies for the management of the affairs of the Company abroad and may appoint any persons to be members of such Local Boards or as Attorneys or Agents and may remove any persons so appointed and appoint others in their place and may fix their remuneration. The Company may exercise the powers conferred by Sections 32 and 104 of the Companies Act 1931 and those powers shall accordingly be exercisable by the Directors.
21. The Directors from time to time and at any time, may delegate to any such Local Board, Attorney or Agent any of the powers, authorities and discretions for the time being vested in the Directors, and any such delegation may be made on such terms and subject to such conditions as the Directors may think fit, and may include a power to sub-delegate and the Directors may at any time annul or vary any such delegation, but no person dealing in good faith and without notice of such annulment or variation shall be affected thereby.
22. The Directors may from time to time at their discretion raise or borrow any sum or sums of money without the consent of the members in General Meeting for the purposes of the Company and may raise or secure the repayment of such money in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of debentures or debenture stock or any mortgage, charge or other security on the undertaking of the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being.

## DISQUALIFICATION OF DIRECTORS

23. The office of a Director shall be vacated:-
  - (1) If by notice in writing to the Company he resigns the office of Director.
  - (2) If he ceases to be a Director by virtue of the Companies Act 1931, Section 140.
  - (3) If he becomes bankrupt or insolvent, or enters into any arrangement with his creditors.
  - (4) If he is prohibited from being a Director by an Order made under any of

the provisions of the Companies Act 1931 Section 208 or Section 259.  
(5) If he is found lunatic or becomes of unsound mind.

24. A Director or alternate Director may hold any other office or place of profit under the Company except that of Auditor, upon such terms as to remuneration, tenure of office and otherwise as may be determined by the Board.
25. No Director or alternate Director shall be disqualified by his office from contracting with the Company, either as vendor, purchaser or otherwise, nor shall any such contract or any contract or arrangement entered into or on behalf of the Company in which any Director shall be in any way interested be avoided, nor shall any Director so contracting, or being interested, be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding office or the fiduciary relation thereby established, nor shall any such Director be precluded from voting in respect of any such contract or arrangement. The provisions of this Article shall also apply to alternate Directors.

#### PROCEEDINGS OF DIRECTORS

26. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors and in fixing such quorum the Directors may prescribe that certain named Directors shall form part of such quorum and unless so fixed the number shall be two.
27.
  - a) In accordance with Article 26 of the Articles of the Company, unless compelled to do so by Manx law, any decision to release client confidential data to a third party, other than in the normal course of the Company's business, must be made by at least two resident Isle of Man Directors, one of whom is Managing Director.
  - b) No Isle of Man resident Director of the Company shall have remote access to confidential customer information from outside of the Isle of Man, nor should any non Isle of Man resident Director retain any confidential customer information that may come into their possession by way of, but not limited to, Board Minutes, etc.
  - c) A Director of the Company must notify the Company immediately of any request made to any Director for the provision of confidential customer information to a third party, other than in the normal course of business.
28. A resolution in writing signed in the Isle of Man by all the Directors or their alternate Directors shall have the same effect and validity as a resolution of the Board of Directors duly passed at a meeting of the Board duly convened and constituted.



## ALTERNATE DIRECTORS

29. Any Director may in writing appoint any person, who is approved by the majority of the Directors, to be his alternate to act in his place at any meeting of the Directors to be his alternate to act in his place at any meeting of the Directors at which he is unable to be present. Every such alternate shall be entitled to notice of meetings of the Directors and too attend and vote thereat as a Director when the person appointing him is not personally present, and where he is a Director to have a separate vote on behalf of the Director he is representing in addition to his own vote. A Director may at any time in writing revoke the appointment of an alternate appointed by him. Every such alternate shall be an officer of the Company and shall not be deemed to be the agent of the Director appointing him. The remuneration of such an alternate shall be payable out of the remuneration payable to the Director appointing him, and the proportion thereof shall be agreed between them. An alternate need not hold any share qualification.

## WINDING-UP

30. In a winding-up the Liquidators may, with the sanction of an Extraordinary Resolution, distribute all or any of the assets in specie among the members in such proportions and manner as may be determined by such resolution, provided always that if any such distribution is proposed to be made otherwise than in accordance with the existing rights of the members, every member shall have the same right of dissent and other ancillary rights as if such resolution were a Special Resolution passed and confirmed pursuant to Section 222 of the Companies Act 1931.

## INDEMNITY

31. Every Director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, and no Director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto, but this Article shall only have effect in so far as its provisions are not avoided by Section 151 of the Companies Act 1931.

The Directors may execute in the name and on behalf of the Company, in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company, such debentures or mortgages of the Company's property (present and future) as they think fit, and any such mortgages may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon.

## DISTRIBUTION

32. Any General Meeting declaring a dividend may resolve that such dividend be paid wholly or in part by the distribution of specific assets and in particular of paid-up shares, debentures or debenture stock of the Company or paid-up shares, debentures or debenture stock of any other company or in any one or more of such ways.

Any General Meeting may resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of the Reserve Fund or in the hands of the Company and available for dividend be capitalised and distributed among the shareholders in accordance with their rights on the footing that they become entitled thereto as capital, and that all or any part of such capitalised fund be applied on behalf of the shareholders in paying up in full unissued shares of the Company and that such unissued shares so fully paid be distributed accordingly amongst the shareholders in the proportion in which they are entitled to receive dividends and shall be accepted by them in full satisfaction of their interest in the said capitalised sum.

For the purpose of giving effect to any resolution under this Article the Directors may settle any difficulty which may arise in regard to the distribution as they think expedient and in particular may issue fractional certificates and may fix the value for distribution of any specific assets and may determine that cash payments shall be made to any members upon the footing of the value so fixed, or that fractions of less value than £1.00 may be disregarded in order to adjust the rights of all parties, and may vest any such cash or specific assets in trustees upon such trusts for the persons entitled to the dividend or capitalised fund as may seem expedient to the Directors. Where requisite a proper contract shall be filed in the accordance with Section 42 of the Companies Act 1931 and the Directors may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalised funds and such appointment shall be effective.

## NOTICE OF GENERAL MEETINGS

33. Notice of every General Meeting shall be given in any manner hereinbefore authorised to:-
- (a) every member except those members who (having no registered address within the Isle of Man or the United Kingdom) have not supplied to the Company an address within the Isle of Man or the United Kingdom for the giving of notices to them;
  - (b) every person upon whom the ownership of a share devolves by reason of his being a legal personal representative or a trustee in bankruptcy of a member where the member but for his death or bankruptcy would be entitled to receive notice of the meeting; and
  - (c) the auditor for the time being of the Company.

No other person shall be entitled to receive notices of General Meetings.

---

No.	Names, Addresses and Description of Subscribers
-----	---

---

1. Walter Leslie Christian  
16/18 Athol Street  
Douglas  
Isle of Man  
  
Advocates Clerk

2. John James Clague  
16/18 Athol Street  
Douglas  
Isle of Man  
  
Advocates Clerk

---

Dated this 27<sup>th</sup> day of April 1971

Witness to the above signatures:-

J.D. Kennaugh  
16/18 Athol Street  
Douglas  
Isle of Man

Serial No. CP 2008/94

IN THE HIGH COURT OF JUSTICE OF THE ISLE OF MAN  
CHANCERY DIVISION

IN THE MATTER of THE COMPANIES  
ACT 1931

and

IN THE MATTER of KAUPTHING  
SINGER & FRIEDLANDER (ISLE OF  
MAN) LIMITED

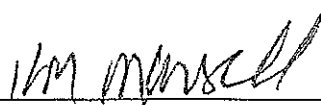
and

IN THE MATTER of THE JOINT  
PETITION OF KAUPTHING SINGER &  
FRIEDLANDER (ISLE OF MAN)  
LIMITED and THE FINANCIAL  
SUPERVISION COMMISSION dated  
the 9th day of October 2008

SECOND AFFIDAVIT OF AIDAN ANDREW DOHERTY

EXHIBIT

THIS IS THE PAPER WRITING REFERRED TO AS "AAD 4" IN THE ANNEXED  
AFFIDAVIT OF AIDAN ANDREW DOHERTY  
SWORN BEFORE ME



THIS 24TH DAY OF OCTOBER 2008

KAREN MARGARET MANSELL  
COMMISSIONER FOR OATHS

24/10/2008 09:14:32 1197  
EXHIBIT 001 75



# Financial Supervision Commission

P.O. Box 58, Finch Hill House, Bucks Road, Douglas, Isle of Man, IM99 IDT

Mr Aidan Doherty  
Managing Director  
Kaupthing Singer & Friedlander (Isle of Man) Limited  
PO Box 197  
Samuel Harris House  
5-11 St George's Street  
Douglas

Contact: Paul de Weerd  
Our Ref: PdW  
Your Ref:  
Date: 9 October 2008

Dear Mr Doherty

Kaupthing Singer & Friedlander (Isle of Man) Limited  
Suspension of Banking licence

Following consultation with the Commission, the Board of Kaupthing Singer & Friedlander (Isle of Man) Limited has today notified the Commission that it has passed a resolution to wind up the company.

In order to protect the interests of depositors a joint petition is to be presented to the Court on Thursday, 9 October 2008, for the appointment of a liquidator provisionally.

Following events, the Commission has decided to exercise its power under Section 9(1) of the Financial Services Act 2008 to suspend the banking licence of Kaupthing Singer & Friedlander (Isle of Man) Limited, with immediate effect.

The reasons for this decision are:

1. in the light of the resolution of the Board, it is apparent that Kaupthing Singer & Friedlander (Isle of Man) Limited is not in a position to continue its regulated activities; and
2. the Commission considers that in these circumstances, suspension of the licence is an appropriate step to protect the interests of customers.

Yours sincerely

JOHN R ASPDEN  
CHIEF EXECUTIVE

## SUPERVISION DIVISION

Telephone: +44 (0) 1624 689300  
Direct Line: +44 (0) 1624 689337

Facsimile: +44 (0) 1624 689398  
E-mail: paul.deweerd@fsc.gov.im

Website: <http://www.fsc.gov.im>



INVESTORS IN PEOPLE

Serial No. CP 2008/94

IN THE HIGH COURT OF JUSTICE OF THE ISLE OF MAN  
CHANCERY DIVISION

IN THE MATTER of THE COMPANIES  
ACT 1931

and

IN THE MATTER of KAUPTHING  
SINGER & FRIEDLANDER (ISLE OF  
MAN) LIMITED

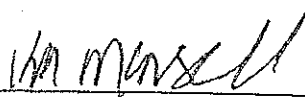
and

IN THE MATTER of THE JOINT  
PETITION OF KAUPTHING SINGER &  
FRIEDLANDER (ISLE OF MAN)  
LIMITED and THE FINANCIAL  
SUPERVISION COMMISSION dated  
the 9th day of October 2008

SECOND AFFIDAVIT OF AIDAN ANDREW DOHERTY

EXHIBIT

THIS IS THE PAPER WRITING REFERRED TO AS "AAD 5" IN THE ANNEXED  
AFFIDAVIT OF AIDAN ANDREW DOHERTY  
SWORN BEFORE ME



THIS 24TH DAY OF OCTOBER 2008

KAREN MARGARET MANSELL  
COMMISSIONER FOR OATHS

24/10/2008 09:14:33 1137  
EXHIBIT 01/75

Kaupthing Singer & Friedlander (Isle of Man) Limited

Minutes of a meeting of the Directors held at Samuel Harris House, 5-11 St George's Street, Douglas, Isle of Man on Wednesday 8<sup>th</sup> October 2008

---

Present: Mr D Gelling (Chairman)  
Mr J Cashen  
Mr A J Davies  
Mr A A Doherty

In attendance: Mr C R T Stanley (SFIM (IOM) Ltd)  
Mr S Caine (Cains)  
Mr A Baker (Cains)  
Mr P Clucas (Cains)  
Mr M Fayle (KPMG)

---

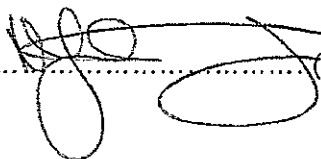
The Directors, following most careful consideration, having determined that the Company is unable to pay its debts as they fall due, resolve that an application be made to the Isle of Man High Court for an order that a liquidator be appointed provisionally pursuant to section 178 of the Companies Act 1931 with immediate effect and that thereafter the Company be wound up.

It was further resolved to notify the Isle of Man Government Financial Supervision Commission ("FSC") forthwith of the terms of the foregoing resolution.

It was further resolved that in the event that the FSC require any application to be made to the Isle of Man High Court for the appointment of a liquidator provisionally and/or for the winding up of the Company to be made jointly with the FSC, the Company makes such application on such a joint basis.

It is further resolved that Mr Aidan Doherty be authorised to swear an affidavit in support of the petition to the Isle of Man High Court.

There being no further business the Chairman declared the meeting closed.

  
..... (Chairman)

Serial No. CP 2008/94

IN THE HIGH COURT OF JUSTICE OF THE ISLE OF MAN  
CHANCERY DIVISION

IN THE MATTER of THE COMPANIES  
ACT 1931

and

IN THE MATTER of KAUPTHING  
SINGER & FRIEDLANDER (ISLE OF  
MAN) LIMITED

and

IN THE MATTER of THE JOINT  
PETITION OF KAUPTHING SINGER &  
FRIEDLANDER (ISLE OF MAN)  
LIMITED and THE FINANCIAL  
SUPERVISION COMMISSION dated  
the 9th day of October 2008

SECOND AFFIDAVIT OF AIDAN ANDREW DOHERTY

EXHIBIT

THIS IS THE PAPER WRITING REFERRED TO AS "AAD 6" IN THE ANNEXED  
AFFIDAVIT OF AIDAN ANDREW DOHERTY  
SWORN BEFORE ME



THIS 24TH DAY OF OCTOBER 2008

KAREN MARGARET MANSELL  
COMMISSIONER FOR OATHS

24/10/2008 09:14:03 1137  
E:\HM\04175



IN THE HIGH COURT OF JUSTICE  
CHANCERY DIVISION  
COMPANIES COURT

The Honourable Mr Justice Floyd  
Wednesday 8<sup>th</sup> October 2008

IN THE MATTER OF KAUPTHING SINGER & FRIEDLANDER LIMITED  
AND  
IN THE MATTER OF THE INSOLVENCY ACT 1986



8805  
No. of 2008



---

ORDER

---

UPON THE APPLICATION of the Financial Services Authority presented to the Court on 8 October 2008 in respect of Kaupthing Singer & Friedlander Limited (company number 00875947) of One Hanover Street, London W1S 1AX, (the *Company*)

AND UPON hearing Counsel for the Applicant, for HM Treasury and for the  
*Insolvency Practitioner*

AND UPON reading the evidence relating to this application

AND UPON the Applicant undertaking by its Counsel to issue an application in the form of the draft shown to the Court forthwith following the hearing

**IT IS ORDERED** that:

1. Margaret Elizabeth Mills, Alan Bloom and Patrick Joseph Brazzill of Ernst & Young LLP, 1 More London Place, London SE1 2AF, and Thomas Merchant Burton of Ernst

LON5029687/4

- & Young LLP, George House, 50 George Square, Glasgow, Strathclyde, G2 1RR be appointed as joint administrators of the Company (the *Joint Administrators*);
2. during the period for which this order is in force the affairs, business and property of the Company be managed by the Joint Administrators;

AND the Court being satisfied on the evidence before it that the EC Regulation on Insolvency Proceedings (the *EC Regulation*) does not apply and that the Company is a UK Credit Institution within the meaning of the Credit Institutions (Reorganisation and Winding Up) Regulations 2004

AND IT IS ORDERED THAT during the period for which the administration order is in force any act required or authorised under any enactment to be done by either or all of the Joint Administrators may be done by any one or more of the persons for the time being holding that office

AND IT IS ORDERED THAT

3. service of the application on the Company and the Joint Administrators be dispensed with;
4. pursuant to rule 7.31(5) of the Insolvency Rules 1986 the court file shall not be available for public inspection without the Court's leave: *(except Form 2.113 and this line)*
5. the costs of and incidental to this application be paid as an expense of the administration.

This appointment shall take effect from 2.24 a.m./p.m. on 8 October 2008

Dated this eighth day of October 2008.

IN THE HIGH COURT OF JUSTICE  
No. 885 of 2008

CHANCERY DIVISION

COMPANIES COURT

**The Honourable Mr Justice Floyd**

**Wednesday 8<sup>th</sup> October 2008**

**IN THE MATTER OF KAUPTHING SINGER  
& FRIEDLANDER LIMITED**

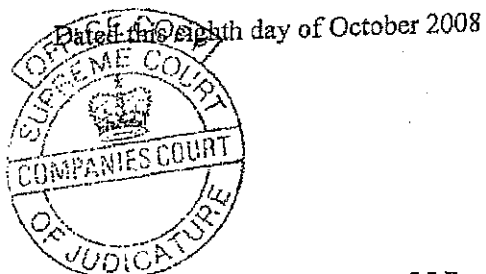
**AND**

**IN THE MATTER OF THE INSOLVENCY  
ACT 1986**

---

**ORDER**

---



**Freshfields Bruckhaus Deringer LLP**  
65 Fleet Street  
London EC4Y 1HS

**Tel: +(44) 207 936 4000**  
**Fax: +(44) 207 832 7001**  
**Ref: NAG/LD**

Serial No. CP 2008/94

IN THE HIGH COURT OF JUSTICE OF THE ISLE OF MAN  
CHANCERY DIVISION

IN THE MATTER of THE COMPANIES  
ACT 1931

and

IN THE MATTER of KAUPTHING  
SINGER & FRIEDLANDER (ISLE OF  
MAN) LIMITED

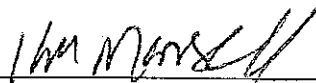
and

IN THE MATTER of THE JOINT  
PETITION OF KAUPTHING SINGER &  
FRIEDLANDER (ISLE OF MAN)  
LIMITED and THE FINANCIAL  
SUPERVISION COMMISSION dated  
the 9th day of October 2008

SECOND AFFIDAVIT OF AIDAN ANDREW DOHERTY

EXHIBIT

THIS IS THE PAPER WRITING REFERRED TO AS "AAD 7" IN THE ANNEXED  
AFFIDAVIT OF AIDAN ANDREW DOHERTY  
SWORN BEFORE ME



THIS 24TH DAY OF OCTOBER 2008

KAREN MARGARET MANSELL  
COMMISSIONER FOR OATHS

24102008 00:14:04 1137  
EXHIBIT 001/09

**SUMMARY BALANCE SHEET AS AT 30 SEPTEMBER 2008**  
**KAUPTHING SINGER & FRIEDLANDER (ISLE OF MAN) LIMITED**

<b><u>ASSETS</u></b>	<b>£'000</b>
Cash with External Banks & Certificates of Deposit	182,300
Cash with Kaupthing Singer & Friedlander Ltd	557,154
Cash with Kaupthing hf	195,086
Advances to Customers	410,264
Other Assets	1,744
	<b><u>1,346,547</u></b>
<b><u>LIABILITIES</u></b>	<b>£'000</b>
Customer Deposits	927,544
Deposits from SFIM (IOM) Ltd	15,336
Deposit from Kaupthing hf	185,156
Sub-participation Deposits from KSF Ltd	164,331
Other Creditors	10,926
Share Capital	5,000
Revenue Reserve	38,254
	<b><u>1,346,547</u></b>

Serial No.CP 2008/94

**IN THE HIGH COURT OF JUSTICE OF  
THE ISLE OF MAN**

**CHANCERY DIVISION**

**IN THE MATTER of THE COMPANIES  
ACT 1931**

and

**IN THE MATTER of KAUPTHING  
SINGER & FRIEDLANDER (ISLE OF  
MAN) LIMITED**

and

**IN THE MATTER of THE JOINT  
PETITION OF KAUPTHING SINGER &  
FRIEDLANDER (ISLE OF MAN)  
LIMITED and THE FINANCIAL  
SUPERVISION COMMISSION dated  
the 9th day of October 2008**

**SECOND AFFIDAVIT of AIDAN  
ANDREW DOHERTY**

**CAINS, Advocates Limited  
Old Bank Chambers  
15/19 Athol Street  
DOUGLAS  
Isle of Man (pbc/meb)**