

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re: : Chapter 15
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BEAR STEARNS HIGH-GRADE STRUCTURED : Case No. 07-12383 (BRL)
CREDIT STRATEGIES MASTER FUND, LTD. :
(IN PROVISIONAL LIQUIDATION) :
: :
Debtor in a Foreign Proceeding. :
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PRELIMINARY INJUNCTION ORDER

Upon the application (the “Application”) of Simon Lovell Clayton Whicker and Kristen Beighton (the “Petitioners”), in their capacity as joint provisional liquidators and duly authorized foreign representatives (the “Foreign Representatives” or the “Joint Provisional Liquidators”) of Bear Stearns High-Grade Structured Credit Strategies Master Fund, Ltd. (in Provisional Liquidation) (the “Foreign Debtor”) that is subject to a foreign proceeding, pending under cause number 324 of 2007 in the Grand Court of the Cayman Islands (the “Foreign Proceeding”), pursuant to section 105(a) and 1519 of title 11 of the United States Code (the “Bankruptcy Code”) for a preliminary injunction filed by the Foreign Representatives (the “Preliminary Injunction”), enjoining the commencement or continuation of any and all proceedings against the Foreign Debtor in the United States; and this Court having considered and reviewed (i) the Application, (ii) the petition and verified petition filed by the Foreign Representatives under chapter 15 of the Bankruptcy Code (collectively, the “Petition”), (iii) the Declaration of Kristen Beighton and the Declaration of Sandra Corbett in support of the Application and the Petition (collectively, the “Declarations”), and (iv) all documents attached thereto (collectively with the Application, Petition and Declarations, the “Supporting Papers”); and hearing having been held on August 9, 2007; and based upon the foregoing, this Court finds and concludes that a showing has been made as follows:

- (a) There is a substantial likelihood of success that the Foreign Representatives will be able to demonstrate that the Foreign Debtor is subject to the Foreign Proceeding and that the Petitioners are the Foreign Representatives of the Foreign Debtor;
- (b) The commencement or continuation of any action or proceeding in the United States against the Foreign Representatives, in connection with their representation of the Foreign Debtor, the Foreign Debtor, or any of its assets or proceeds thereof should be enjoined pursuant to sections 105(a) and 1519 of the Bankruptcy Code to permit the expeditious and economical administration of the Foreign Debtor's estate in the Foreign Proceeding, and the relief requested will not cause either an undue hardship or any hardship to parties in interest is outweighed by the benefits;
- (c) Unless a preliminary injunction is issued, there is a material risk that the Foreign Debtor's assets could be subject to attack by creditors in the United States thereby potentially interfering with the jurisdictional mandate of this Court under chapter 15 of the Bankruptcy Code, and interfering with and causing harm to the Foreign Debtor's efforts to administer the Foreign Debtor's estate pursuant to the Foreign Proceeding and undermining the Foreign Representatives' efforts to achieve an equitable result for the benefit of all of the Foreign Debtor's creditors, and as a result, the Foreign Debtor will suffer immediate and irreparable injury for which it will have no adequate remedy at law and therefore it is necessary that the Court enter this Order;
- (d) The interest of the public will be served by this Court's entry of this Order;
- (e) The Foreign Representatives, in connection with their representation of the Foreign Debtor, and the Foreign Debtor are entitled to the full protections and rights afforded pursuant to section 1519(a)(1)-(3) of the Bankruptcy Code; and
- (f) Venue is proper in this District pursuant to 28 U.S.C. § 1410.

NOW THEREFORE, IT IS HEREBY ORDERED, that beginning on the date of this Order and continuing until (a) the date of the entry of an order of recognition of the Foreign Proceeding as a "foreign main proceeding" or (b) ninety (90) days following the date of entry of an

order of recognition of the Foreign Proceeding as a “foreign nonmain proceeding” (each a “Recognition Date”), all persons and entities are:

- (a) enjoined from: (i) commencing or continuing any legal proceeding (including, without limitation, arbitration, or any judicial, quasi-judicial, administrative or regulatory action, proceeding or process whatsoever), including any discovery, or taking any other action (each, an “Action”) against the Foreign Representatives, in connection with their representation of the Foreign Debtor, the Foreign Debtor, or against its United States assets or the proceeds thereof, rights, obligations, or liabilities; (ii) the enforcement of any judicial, quasi-judicial, administrative or regulatory judgment, assessment or order or arbitration award against the Foreign Representatives, in connection with their representation of the Foreign Debtor, the Foreign Debtor, or its United States assets or the proceeds thereof; (iii) the commencement or continuation of any Action to create, perfect or enforce any lien, setoff or other claim against the Foreign Debtor or against any of its assets or the proceeds thereof; provided, however, that no Action described in sections 555, 556, 557, 559, 560, 561, 562 and 1519(d) and (f) of the Bankruptcy Code shall be enjoined by such preliminary injunction (the “Excepted Actions”);
- (b) required, if a plaintiff in an Action in which the Foreign Debtor is or was named as a party, or as a result of which liability against the Foreign Debtor may be established, to place the Joint Provisional Liquidators’ United States Counsel (as defined below) on the master service list of any such action or proceeding and take such other steps as may be necessary to ensure that such counsel receives at the address set forth below in the last paragraph of this Order, (i) copies of any and all documents served by the parties to such action or proceeding or issued by the court, arbitrator, administrator, regulator or similar official having jurisdiction over such action or proceeding, and (ii) any and all correspondence or other documents circulated to parties listed on the master service list;

and it is further

ORDERED that, with respect to any Action in which the Foreign Debtor may have an interest that may become known to the Foreign Representative after the date of entry of this

Order (each a “Subsequent Claim”):

- (a) when informed of a Subsequent Claim, counsel for the Joint Provisional Liquidators shall serve upon the holder of such claim a copy of the Supporting Papers and this Order or any extension thereof;
- (b) the holder of a Subsequent Claim will have twenty (20) days from service of the Supporting Papers in which to file a response thereto or otherwise be enjoined from commencing or continuing an Action involving the Foreign Debtor, or its assets or the proceeds thereof, except with respect to any Excepted Actions; and
- (c) on not less than two (2) business days notice to United States Counsel for the Joint Provisional Liquidators, the holder of a Subsequent Claim may file a motion seeking an order of the Court vacating or modifying the injunction entered in this proceeding with respect to such Subsequent Claim, and any such request shall be the subject matter of a hearing as scheduled by the Court and otherwise, the holder of a Subsequent Claim may file objections and be heard by the Court in accordance with the terms of any order of the Court providing for a hearing in the future on any subsequent relief sought by the Foreign Representatives in this case;

and it is further

ORDERED that any party in interest may make a motion seeking relief from, or modification of, this Order, on not less than ten (10) business days notice, by electronically filing a motion with this Court in accordance with General Order M-182 by registered users of the Court’s Portable Document Format (PDF), Word Perfect, or any other Windows-based word processing format, with hard copy to the Chambers of the Honorable Burton R. Lifland and serving such motion upon the United States Counsel, Akin Gump Strauss Hauer & Feld LLP, 590 Madison Avenue, New York, New York 10022 (Attention: Fred S. Hodara, Esq. and Lisa G. Beckerman, Esq.), and any such request shall be the subject matter of a hearing scheduled by the Court and any party in interest may file objections and be heard by the Court in accordance with the terms of any

order of the Court providing for a hearing in the future on any subsequent relief sought by the Foreign Representatives in this proceeding; and it is further

ORDERED that the Foreign Representatives, in connection with their representation of the Foreign Debtor, and the Foreign Debtor are entitled to the full protections and rights afforded pursuant to section 1519(a)(1)-(3) of the Bankruptcy Code, including:

- (a) The right and power to administer and/or realize all or part of the Foreign Debtor's assets located in the United States in order to protect and preserve the value of such assets;
- (b) The right and power to transfer encumber, or otherwise dispose of any assets of the Foreign Debtor is prohibited, except by the Foreign Representative as provided in this Preliminary Injunction;
- (c) The right and power to examine witnesses, take evidence or deliver information concerning the Foreign Debtor's assets, affairs, rights, obligations or liabilities; and
- (d) The right and power to seek additional relief that is available to a trustee, except for relief available under sections 522, 544, 545, 547, 548, 550, and 724(a) of the Bankruptcy Code;

and it is further

ORDERED that, pursuant to Rule 7065 of the Federal Rules of Bankruptcy Procedure, the security provisions of Rule 65(c) of the Federal Rules of Civil Procedure be, and the same hereby are, waived; and it is further

ORDERED that the Supporting Papers shall also be made available by the Foreign Representatives upon request of Akin Gump Strauss Hauer & Feld LLP, 590 Madison Avenue, New York, New York 10022 (Attention: Fred S. Hodara, Esq. and Lisa G. Beckerman, Esq.) (the "United States Counsel"); and it is further

ORDERED that this Order shall be served:

- (a) by United States mail, first class postage prepaid, on or before August __, 2007, upon known parties in interest at the time of such service, including the (i) Office of the United States Trustee and (ii) the United States Securities and Exchange Commission; and
- (b) by United States mail, first class postage prepaid, upon additional parties at such time as they are sufficiently identified;

and it is further

ORDERED that service in accordance with this Order shall be deemed good and sufficient service and adequate notice for all purposes.

Dated: New York, New York
August 9, 2007 @ 10:53 a.m.

/s/Burton R. Lifland
UNITED STATES BANKRUPTCY JUDGE