

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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In re: : Chapter 15  
: :  
BEAR STEARNS HIGH-GRADE STRUCTURED : Case No. 07-12383 (BRL)  
CREDIT STRATEGIES MASTER FUND, LTD. :  
(IN PROVISIONAL LIQUIDATION)<sup>1</sup> :  
: :  
Debtor in a Foreign Proceeding. :  
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In re: : Chapter 15  
: :  
BEAR STEARNS HIGH-GRADE STRUCTURED : Case No. 07-12384 (BRL)  
CREDIT STRATEGIES ENHANCED LEVERAGE :  
MASTER FUND, LTD. :  
(IN PROVISIONAL LIQUIDATION) :  
: :  
Debtor in a Foreign Proceeding. :  
----- X

**ORDER GRANTING THE MOTION OF THE  
FOREIGN REPRESENTATIVES FOR A STAY PENDING  
APPEAL PURSUANT TO BANKRUPTCY RULE 8005**

Upon consideration of the Motion of the Foreign Representatives for a Stay Pending Appeal Pursuant to Bankruptcy Rule 8005 (the “Stay Motion”)<sup>2</sup> of this Court’s Decision and Order Denying Recognition of Foreign Proceeding, dated August 30, 2007, as amended by the Amended Decision and Order Denying Recognition of Foreign Proceeding, dated September 5, 2007 (the “Decision”) and the Memorandum of Law in Support of Foreign Representatives Motion for a Stay Pending Appeal Pursuant to Bankruptcy Rule 8005 (the “Supporting Memorandum”); and the Court having jurisdiction pursuant to sections 157 and 1334 of title 28 of the United States Code to consider the Stay Motion and the relief requested therein; and venue

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<sup>1</sup> On September 14, 2007, the Grand Court of the Cayman Islands, the court presiding over the Foreign Proceedings entered orders (the “Official Liquidation Orders”) with respect to both Foreign Debtors converting the Foreign Proceedings from the provisional liquidation stage to the official liquidation stage.  
<sup>2</sup> All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Stay Motion.

being proper in this Court pursuant to sections 1408 and 1409 of title 28 of the United States Code; and upon consideration of the Stay Motion and the Supporting Memorandum; and based upon the record at the hearing held before the Court on September 24, 2007 (the “Hearing”); and for the reasons set forth on the record, in authorizing a stay conditioned upon the movant’s accounting for funds or property removed or directed to the Cayman Islands, subsequent to this Court’s Injunction Order of August 1, 2007, (the “Injunction Protected Assets”) which Injunction served to protect Debtor’s assets in the United States from attachment or alienation by others, and counsel, having submitted an informal accounting which is filed under seal attached as exhibit A; and counsel, having requested and attended a conference with the Court to explain the accounting and to seek to clarify this Court’s ruling with respect to the deposit of funds and property; and to ascertain this Court’s views on the form and amount of a depository; and sufficient cause appearing therefore; it is hereby

**ORDERED** that the Stay Motion is hereby granted, subject to the terms of this Order; and it is further

**ORDERED** that the Decision is hereby stayed pending appeal so that the Preliminary Injunction Orders entered on August 9, 2007 with respect to each Foreign Debtor (as defined in the Stay Motion) (the “Injunction”) shall remain in full force and effect until such time as the appeal of the Decision has been finally determined; and it is further

**ORDERED** that except as provided below, the Foreign Representatives shall, for each debtor, deposit with the Court’s registry *OR* in separate bank accounts for each Foreign Debtor maintained jointly by the Foreign Representatives and Foreign Representative’s counsel (the “Depositories”) subject to further order of the Court, all sums and property of the Foreign Debtors (the “Protected Assets”) received by them and originating in the United States

subsequent to August 1, 2007 and prior to the date hereof (the “Post Petition Transfer Funds”), provided, however, that in lieu of the Post Petition Transfer Funds deposited into the bank accounts in the Cayman Islands between August 1, 2007 and the date hereof, the Foreign Representatives shall deposit four million (U.S. \$4,000,000) into each respective Foreign Debtor Depository, within ten business days hereof; and it is further

**ORDERED** that, from and after the date of this Order, upon collection of any proceeds of currently-uncollected receivables and the liquidation of other assets (collectively, “Proceeds”) located in the United States (the “U.S. Proceeds”), such U.S. Proceeds shall be deposited into the Depositories of the respective Foreign Debtor located in the United States; *provided, however,* that any Proceeds (i) from receivables or other assets located outside the United States or (ii) by operation of the cash management system of any creditor or financial institution that have only transitory contact with accounts located in the United States as an administrative matter or through a clearing process, shall not be required to be deposited in the Depositories pursuant to this Order; and it is further

**ORDERED** that subject to the above deposit requirements that nothing contained in this Order shall be construed to prevent the Foreign Representatives from acting in their official capacity by seeking to pursue and liquidate assets located in the United States or elsewhere; and it is further

**ORDERED** that the Foreign Representatives may at any time make a motion seeking relief from, or modification of, this Order, including any request to remove or otherwise withdraw or encumber the U.S. Proceeds deposited, or required to be deposited, in the Depositories pursuant to this Order, on not less than ten business days notice, by filing a motion with this Court and serving such motion upon all known parties in interest, 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; and in the event that the Decision is affirmed on appeal, following ten business days' notice to all known parties in interest, if no such party files an objection, the Foreign Representatives may remove or withdraw any funds held in the Depositories and the provisions of this order shall automatically terminate and be of no further force or effect; and it is further

**ORDERED** that, in the event of any conflict between the terms of this Order and any order or directive issued by the Grand Court of the Cayman Islands (the "Grand Cayman Court"), the Foreign Representatives shall notify this Court of any such conflict and thereafter submit a proposal for the coordination of this Court and the Grand Cayman Court in resolving any such conflict; and it is further

**ORDERED** that, for the avoidance of any doubt, the Injunction applies in all respects to any funds deposited in the Depositories; and it is further

**ORDERED** that this Court shall retain jurisdiction with respect to any matters related to or arising from the implementation of this Order and the relief granted herein.

Dated: September 26, 2007  
New York, New York

/s/Burton R. Lifland  
HONORABLE BURTON R. LIFLAND  
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT A

(Filed Under Seal)