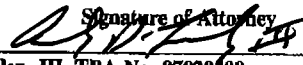
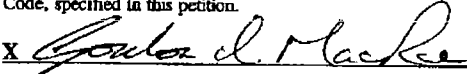


| | | | |
|---|---------------|---|--|
| Voluntary Petition <i>(This page must be completed and filed in every case)</i> | | Name of Debtor(s): Bayou Offshore Master Fund, Ltd. | |
| Prior Bankruptcy Case Filed Within Last 6 Years (if more than one, attach additional sheet) | | | |
| Location Where Filed: | Case Number: | Date Filed: | |
| Pending Bankruptcy Case Filed by any Spouse, Partner or Affiliate of this Debtor (if more than one, attach additional sheet) | | | |
| Name of Debtor: See Schedule I (attached) | Case Number: | Date Filed: | |
| District: | Relationship: | Judge: | |
| Signatures | | | |
| Signature(s) of Debtor(s) (Individual/Joint) I declare under penalty of perjury that the information provided in this petition is true and correct. [If petitioner is an individual whose debts are primarily consumer debts and has chosen to file under chapter 7] I am aware that I may proceed under chapter 7, 11, 12 or 13 of title 11, United States Code, understand the relief available under each such chapter, and choose to proceed under chapter 7. I request relief in accordance with the chapter of title 11, United States Code, specific in this petition. <input checked="" type="checkbox"/> | | Exhibit A (To be completed if debtor is required to file periodic reports (e.g., forms 10K and 10Q) with the Securities and Exchange Commission pursuant to Section 13 or 15(d) or the Securities Exchange Act of 1934 and is requesting relief under chapter 11) <input type="checkbox"/> Exhibit A is attached and made a part of this petition. | |
| Signature of Debtor <input checked="" type="checkbox"/> | | Exhibit B (To be completed if debtor is an individual whose debts are primarily consumer debts) I, the attorney for the petitioner named in the foregoing petition, declare that I have informed the petitioner that [he or she] may proceed under chapter 7, 11, 12 or 13 of title 11, United States Code, and have explained the relief available under such chapter. <input checked="" type="checkbox"/> | |
| Signature of Joint Debtor | | Signature of Attorney for Debtor(s) _____ Date _____ | |
| Telephone Number (If not represented by attorney) | | Exhibit C Does the debtor own or have possession of any property that poses or is alleged to pose a threat of imminent and identifiable harm to public health or safety? <input type="checkbox"/> Yes, and Exhibit C is attached and made a part of this petition <input checked="" type="checkbox"/> No | |
| Date | | Signature of Non-Attorney Petition Preparer | |
| <input checked="" type="checkbox"/>  Arley D. Finley, III TBA No. 07020400 Kyung S. Lee TBA No. 12128400 Printed Name of Attorney for Debtor(s) Diamond, McCarthy, Taylor Finley Bryant & Lee, LLP Firm Name 6504 Bridgepoint Pkwy., Suite 400 Address Austin, Texas 78730 Telephone Number 512-617-5200 Date September 9, 2005 | | I certify that I am a bankruptcy petition preparer as defined in 11 U.S.C. § 110, that I prepared this document for compensation, and that I have provided the debtor with a copy of this document. | |
| Signature of Debtor (Corporate/Partnership) I declare under penalty of perjury that the information provided in this petition is true and correct and that I have been authorized to file this petition on behalf of the debtor. The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition. <input checked="" type="checkbox"/>  Gordon I. MacRae Print or Type Name of Authorized Individual Provisional Liquidator Title of Authorized Individual September 9, 2005 Date | | Printed Name of Bankruptcy Preparer _____ Social Security Number _____ Address _____ Names and Social Security numbers of all other individuals who prepared or assisted in preparing this document: If more than one person prepared this document, attach additional signed sheets conforming to the appropriate official form for each person. <input checked="" type="checkbox"/> | |
| Signature of Bankruptcy Petition Preparer _____ Date _____ | | A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both. 11 U.S.C. § 110; 18 U.S.C. § 156. | |

Schedule I to Voluntary Petition

| <u>Name of Debtor</u> | <u>Date of Case Filing</u> | <u>District</u> |
|-----------------------------|----------------------------|-----------------|
| Bayou Offshore Fund A, Ltd. | September 9, 2005 | Connecticut |
| Bayou Offshore Fund B, Ltd. | September 9, 2005 | Connecticut |
| Bayou Offshore Fund C, Ltd. | September 9, 2005 | Connecticut |
| Bayou Offshore Fund D, Ltd. | September 9, 2005 | Connecticut |
| Bayou Offshore Fund E, Ltd. | September 9, 2005 | Connecticut |
| Bayou Offshore Fund F, Ltd. | September 9, 2005 | Connecticut |

The relief sought in the petition filed by Gordon I. MacRae and G. James Cleaver, as Joint Provisional Liquidators of Bayou Offshore Master Fund, Ltd. (“Master Fund”) is related to the relief sought in the petitions filed by Gordon I. MacRae and G. James Cleaver, as the Joint Provisional Liquidators of Bayou Offshore Fund A, Ltd., Bayou Offshore Fund B, Ltd., and Bayou Offshore Fund C, Ltd., and as Joint Official Liquidators of Bayou Offshore Fund D, Ltd., Bayou Offshore Fund E, Ltd., and Bayou Offshore Fund F, Ltd. Although these entities do not appear to be “affiliates” as defined within the Bankruptcy Code, these entities are related and all have foreign proceedings pending before the Grand Court of the Cayman Islands. As a result, the Petitioners request that the Court treat the related companies as affiliates solely for the purpose of entering an order to jointly administer these ancillary cases. Petitioners respectfully request that the seven petitions filed be assigned to the same Bankruptcy Judge.

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF CONNECTICUT
BRIDGEPORT DIVISION**

In re:
Petition of GORDON I. MACRAE and G. JAMES
CLEAVER, as Joint Provisional Liquidators for
Bayou Offshore Master Fund, Ltd.,
Debtor in a Foreign Proceeding.

In an Ancillary Proceeding Under
§ 304 of the Bankruptcy Code
Case No. 05-_____

**VERIFIED PETITION IN SUPPORT OF THE
COMMENCEMENT OF A CASE ANCILLARY TO A
FOREIGN PROCEEDING PURSUANT TO SECTION 304
OF THE BANKRUPTCY CODE AND FOR A PRELIMINARY
INJUNCTION UNDER SECTION 304(b) OF THE BANKRUPTCY CODE**

GORDON I. MACRAE and G. JAMES CLEAVER (the “Petitioners” or “JPLs”), duly appointed by the Grand Court of the Cayman Islands (the “Grand Court”) as Joint Provisional Liquidators of Bayou Offshore Master Fund, Ltd., an exempted limited company (“ELC”) organized and incorporated under laws of the Cayman Islands (the “Company” or “Master Fund”), through their undersigned counsel, file this verified petition (the “Petition”) under section 304 of title 11 of the U.S. Code (the “Bankruptcy Code”). In support of their Petition, the Petitioners allege as follows:

JURISDICTION AND VENUE

1. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 1334 and 157 and the Standing Order of Referral of Cases to Bankruptcy Judges of the U.S. Bankruptcy Court for the District of Connecticut. This is a core proceeding under 28 U.S.C. § 157(b)(2)(A). Venue is properly located in this District pursuant to 28 U.S.C. § 1410.

BACKGROUND

2. The Company was incorporated as a Cayman Islands’ ELC on October 3, 2003. Walkers SPV Limited (“WSPV”) is the holder of management shares of the Company in its

capacity as trustee under the Bayou Offshore Master Feeder Fund Star Trust dated December 31, 2003. The Company's directors are Samuel Israel III ("Israel") and Daniel Marino ("Marino").

3. Israel is also the founding member of Bayou Management, LLC, investment manager (the "Investment Manager") of the Company and several related funds (collectively, the "Funds"), and a shareholder of Bayou Securities, LLC. Marino is, *inter alia*, the COO/CFO and a shareholder of the Investment Manager. During the July-August 2005 timeframe, Israel (at times individually or on the Investment Manager's behalf) informed investors that the Funds were to be closed and distributions to investors in the Funds were to be made forthwith. However, distributions were not forthcoming, and during the latter half of August, news agencies began to report that: (a) U.S. state and federal officials were investigating alleged disappearances of assets under management of the Investment Manager and starting to file related actions; and (b) Arizona state officials had seized approximately \$102 million of funds in which the Investment Manager and/or various of its related entities (including the Master Fund and other offshore Funds subject to the Cayman Island Proceedings (defined below)) may have or assert an interest.

4. On September 1, 2005, WSPV passed resolutions directing the Master Fund to present a petition for winding-up to the Grand Court and seek appointment of the JPLs on the Company's behalf under the Caymans Islands Companies Law, § 99 (2004 Rev.). Subsequently, a petition was presented in the Grand Court for winding up of the Master Fund (the "Cayman Island Proceedings"), and an *ex parte* summons was issued seeking the Petitioners' appointment as JPLs of the Master Fund. By order of the Grand Court entered on September 2, 2005, the Petitioners were appointed as JPLs of the Master Fund. *See* Exhibit "A" attached hereto.

5. The Cayman Island Proceedings were initiated to protect the interests of all the Company's creditors, investors and shareholders. In conjunction therewith, the above circumstances

have necessitated the commencement of this section 304 case in order that Petitioners employ the broadest range of all available rights and powers to protect the interests of stakeholders and to pursue investigations into assets and liabilities of the Funds. The JPLs intend to conduct a detailed review and analysis of all financial information of the Master Fund and independently ascertain the location of its documents and assets, including any that may exist in the U.S.

6. While it is presently unclear whether the Master Fund has any assets in this district, the Master Fund's principal place of business in the U.S. was located in this district at Stamford, Connecticut, and litigation matters involving the Master Fund are pending in this district.

7. The relief requested herein and in the Petitioners' Order to Show Cause with a Temporary Restraining Order and for a Preliminary Injunction filed simultaneously herewith is necessary to preserve the *status quo* for all stakeholders' benefit and enable the Petitioners to carry out their duties in furtherance of the best interests of the Master Fund and its creditors.

RELIEF REQUESTED

8. Petitioners seek an order of this Court, pursuant to sections 105 and 304 of the Bankruptcy Code, recognizing Gordon I. MacRae and G. James Cleaver as "foreign representatives" of the Master Fund in the Cayman Island Proceedings and acknowledging the Cayman Island Proceedings as a "foreign proceeding" (as such terms are defined under 11 U.S.C. § 304 and its related case law), and further:

(a) enjoining all persons and entities from (i) taking any action to obtain possession of or exercise control over property, or the proceeds of such property, of the Company in the United States; (ii) taking any action to create, perfect or enforce any lien against the Master Fund or its property, or the proceeds of such property, in the United States; (iii) transferring, relinquishing or disposing of any property of the Company, or the proceeds of such property, in the United States; (iv) commencing or continuing any action or other legal proceeding (including, without limitation, arbitration, or any judicial, quasi-judicial, administrative or regulatory action, proceeding

or process whatsoever), including by way of counterclaim, against the Company, or any of its property, or any proceeds thereof, in the United States, and seeking discovery of any nature against the Company; and (v) enforcing any judicial, quasi-judicial, administrative or regulatory judgment, assessment or order or arbitration award against the Company, and commencing or continuing any act or action or other legal proceeding (including, without limitation, arbitration, or any judicial, quasi-judicial, administrative or regulatory action, proceeding or process whatsoever) or any counterclaim to create, perfect or enforce any lien, attachment, garnishment, setoff or other claim against the Company, or any of its property, or any proceeds thereof, in the United States;

(b) requiring all persons or entities in possession, custody or control of property of the Company, or the proceeds thereof, in the United States, to turn over and account for such property or its proceeds to the Petitioners;

(c) requiring the Company's creditors and all other persons or entities that have a claim of any nature or source against the Company and who are a party to any action or other legal proceeding (including, without limitation, arbitration, or any administrative, judicial, quasi-judicial or regulatory action, proceeding or process whatsoever, except for this 304 case) which is pending in the United States in which the Company is or was named as a party, or as a result of which a liability of the Company may be established, to place Petitioners' United States counsel, Diamond McCarthy Taylor Finley Bryant & Lee, L.L.P. (Attn: Arley D. Finley, III and Kyung S. Lee), 6504 Bridgepoint Parkway, Suite 400, Austin, TX 78730 and Petitioners' Cayman Islands counsel, Maples and Calder (Attn: Aristos Galatopoulos, PO Box 309GT, Uglan House, South Church Street, George Town, Grand Cayman, Cayman Islands), on the master service list of any such action or other legal proceeding and to take such other steps as may be necessary to ensure that such counsel receive (i) copies of any and all documents served by the parties to such action or other legal proceeding or issued by the court, arbitrator, administrator, regulator or similar official having jurisdiction over such action or legal proceeding, and (ii) any and all correspondence, or other documents circulated to parties named in the master service list; and

(d) enjoining and restraining all persons and entities (including all creditors of the Company, and anyone acting on their behalf) from taking any action and/or engaging in any efforts to collect any amounts due, in the United States, including, but not limited to, sending a notice of default or notice of acceleration as a result of the commencement of this ancillary proceeding under section 304 of the Bankruptcy Code or the foreign proceeding.

BASIS FOR RELIEF

9. The relief requested by the Petitioners will enable them to perform their statutory obligations and is consistent with the best interest of all parties-in-interest.

10. The Petitioners have concluded that granting the relief sought herein and in the Petitioners' Application for emergency and interim relief filed simultaneously herewith will best assure an economical and expeditious administration of the Master Fund, consistent with:

- (a) just treatment of all holders of claims against or interests in the Company;
- (b) protection of claim holders in the United States against prejudice and inconvenience in the processing of claims in the Cayman Islands Proceeding;
- (c) prevention of preferential or fraudulent dispositions of the Company's property;
- (d) distribution of proceeds of the Company's assets substantially in accordance with the order prescribed by the Bankruptcy Code; and
- (e) comity.

CONCLUSION

WHEREFORE, Petitioners respectfully request that this Court grant the relief requested herein and such other and further relief as may be appropriate.

Dated: Bridgeport, Connecticut
September 9, 2005

**DIAMOND McCARTHY TAYLOR FINLEY
BRYANT & LEE, L.L.P.**

By: /s/ Arley D. Finley, III (by permission)
Arley D. Finley, III (TX 07020400)
Kyung S. Lee (TX 12128400)
Douglas M. Stum (TX 00798532)
6504 Bridgepoint Parkway, Suite 400
Austin, Texas 78730
Telephone: (512) 617-5200; Fax: (512) 617-5299

– AND –

ZEISLER & ZEISLER, P.C.

By: /s/ James Berman
James Berman (CT 06027)
558 Clinton Avenue
P.O. Box 3186
Bridgeport, Connecticut 06605-0186
Telephone: (203) 368-4234; Fax: (203) 367-9678

U.S. COUNSEL FOR PETITIONERS

PETITIONER'S VERIFICATION

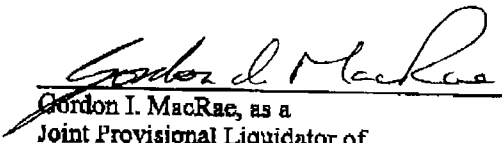
GORDON IAIN MACRAE, pursuant to 28 U.S.C. § 1746, hereby declares under penalty of perjury as follows:

I am a partner in the firm of Kroll (Cayman) Limited, 4th Floor, Bermuda House, Dr. Roy's Drive, George Town, Grand Cayman, and am a Petitioner herein.

I have read the foregoing petition, and I am fully informed and believe that the factual allegations contained therein are true and accurate.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed this 9th day of September, 2005
in Grand Cayman


Gordon I. MacRae, as a
Joint Provisional Liquidator of
Bayou Offshore Master Fund, Ltd.

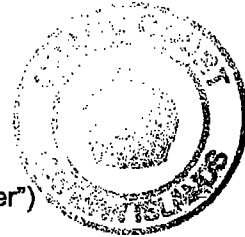
IN THE GRAND COURT OF THE CAYMAN ISLANDS

397
CAUSE NO: OF 2005

AND IN THE MATTER OF THE COMPANIES LAW (2004 REVISION)

IN THE MATTER OF BAYOU OFFSHORE MASTER FUND, LTD

ORDER



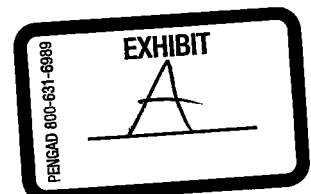
UPON the application of Bayou Offshore Master Fund, Ltd ("the Petitioner")

AND UPON hearing Counsel for the Petitioner

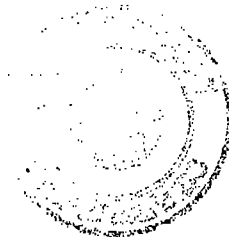
AND UPON reading the Petition, the Ex-Parte Summons herein and the first affidavit of David Egglshaw dated 2 September 2005

IT IS HEREBY ORDERED as follows:

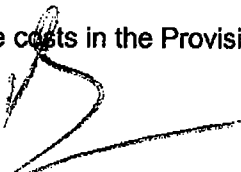
1. That James Cleaver and Gordon MacRae of Kroll (Cayman) Limited be appointed the Joint Provisional Liquidators ("the JPLs") of Bayou Offshore Master Fund, Ltd ("the Fund") with the following powers:
 - i) to locate, protect, secure, and take into their possession and control all assets and property to which the Fund is or appears to be entitled;
 - ii) to locate, protect, secure, and take into their possession and control the books, papers and records of the Fund including the accounting, statutory and any other records that may be located at any former or current service provider of the Fund (including the administrator) or at any other location;
 - iii) to carry out such investigations as they may consider appropriate into the promotion, formation, business, dealings, affairs or property of the Fund;
 - iv) to do any acts or things considered by them to be necessary or desirable for the protection of the assets and property of the Fund including but not limited to causing the Fund to vote as a shareholder in other companies, as the JPLs deem appropriate;



- v) to take any such action as may be necessary or desirable to obtain the recognition of the appointment of the JPLs in any other relevant jurisdiction and to make applications to the courts of such jurisdictions for that purpose;
- vi) to retain and employ independent barristers, solicitors or attorneys and/or such other agents or professional persons, whether in the Cayman Islands or elsewhere, for the purpose of advising or assisting in the execution of their powers;
- vii) to render and pay invoices out of the assets of the Fund for their own remuneration and that of their staff together with all costs, charges and expenses of their attorneys, and all other agents, managers, accountants or other persons that the JPLs may employ in accordance with the Insolvency Rules 1986 (as adopted);
- viii) to exercise such powers without further sanction of the Court as are set out in section 109(a) to (g) of the Companies Law;
- ix) to require from the Fund and its directors and officers such information as the JPLs reasonably consider necessary in order that the JPLs are able properly to discharge their functions under this Order and as officers of the Court;
- x) to bring or defend any action or other legal proceedings in the name and on behalf of the Fund both in the Cayman Islands or elsewhere in the world;
- xi) to do all acts and to execute all documents in the name and on behalf of the Fund;
- xii) to carry on the business of the Fund;
- xiii) to change the Fund's registered office;
- xiv) to apply to the Court for such further Orders on directions as the JPLs think fit.



- 3 No disposition of the Fund's property by or with the authority of the JPLs in either case in the carrying out of their duties and functions and the exercise of their powers under this Order shall be avoided by virtue of section 156 of the Companies Law.
- 4 Pursuant to s.99 of the Companies Law alternatively pursuant to the inherent jurisdiction of the Court, all actions, suits or proceedings of any nature whatsoever against the Fund be and are hereby restrained until further order of this Court, and no future action, suit or proceeding shall be commenced against the Fund without the leave of this Court.
- 5 During the period of their appointment, any act required or authorised to be done by the JPLs may be done by any one of them.
- 6 The JPLs appoint independent counsel to act on their behalf herein.
- 7 The costs of this application be costs in the Provisional Liquidation.



JUDGE OF THE GRAND COURT



Dated this 2nd day of September 2005

Filed this 2nd day of September 2005