

Capital Fund AC1 (Cayman), Ltd. (collectively, the “Cayman Feeders”; together, with the US Feeder, the “US/Cayman Feeders”), respectfully request that this Court enter an order pursuant to Rules 26, 30, 33 and 34 of the Federal Rules of Civil Procedure and Rules 7026, 7030, 7033 and 7034 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) permitting expedited discovery related to the Movants’ pending motion seeking the appointment of a Chapter 11 Trustee (the “Motion”). In support of the Motion, the Movants respectfully annex as Exhibit A the *Motion of Certain US/Cayman Investors for Entry of an Order pursuant to Rules 26, 30, 33 and 34 of the Federal Rules of Civil Procedure and Rules 7026, 7030, 7033 and 7034 of the Federal Rules of Bankruptcy Procedure Permitting Expedited Discovery Related to the Pending Motion Seeking the Appointment of a Chapter 11 Trustee* (the “Involuntary Discovery Motion”), which was filed in the involuntary chapter 11 cases of New Stream Secured Capital Fund (U.S.), L.L.C., Case No. 11-10690 (MFW); New Stream Secured Capital Fund P1 (Cayman), Ltd., Case No. 11-10694 (MFW); and New Stream Secured Capital Fund K1 (Cayman), Ltd., Case No. 11-10696 (MFW) (collectively, the “Involuntary Cases”) [Docket No. 3].¹ The Involuntary Discovery Motion is incorporated by reference as if fully set forth at length herein.

WHEREFORE, the Movants respectfully request that this Court enter an Order in the form attached hereto: (i) pursuant to Rules 26, 30, 33 and 34 of the Federal Rules of Civil Procedure and Rules 7026, 7030, 7033 and 7034 of the Federal Rules of Bankruptcy Procedure permitting expedited discovery; (ii) requiring all noticed parties to produce all documents listed on Exhibit B within 14 days of entry of an Order approving this Motion; (iii) requiring all

¹ Since the filing of the Involuntary Discovery Motion, the Movants have revised the discovery requests originally attached to the Involuntary Discovery Motion as Exhibit 1. These revised discovery requests are attached hereto and incorporated herein as Exhibit B.

depositions be completed within 24 days after entry of the Order approving this Motion, and that all named deponents make themselves or a representative available within that time frame to ensure depositions are completed pursuant to the Court's Order; and (iv) granting such other and further relief as the Court may deem just and proper.

Respectfully Submitted,

Dated: March 14, 2011

STEVENS & LEE, P.C.

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EXHIBIT A

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:	:	Chapter 11
	:	
NEW STREAM SECURED CAPITAL FUND	:	11-10690 (MFW)
(U.S.), L.L.C.,	:	
	:	
Debtor.	:	Hearing Date: To be determined
	:	Objections Deadline: To be determined
In re:	:	Chapter 11
	:	
NEW STREAM SECURED CAPITAL FUND	:	Case No. 11-10696 (MFW)
K1 (Cayman), LTD.,	:	
	:	
Debtor.	:	Hearing Date: To be determined
	:	Objections Deadline: To be determined
In re:	:	Chapter 11
	:	
NEW STREAM SECURED CAPITAL FUND	:	Case No. 11-10694 (MFW)
P1 (Cayman), LTD.,	:	
	:	
Debtor.	:	Hearing Date: To be determined
	:	Objections Deadline: To be determined

**MOTION OF CERTAIN US/CAYMAN INVESTORS FOR ENTRY OF AN ORDER
PURSUANT TO RULES 26, 30, 33 AND 34 OF THE FEDERAL RULES OF CIVIL
PROCEDURE AND RULES 7026, 7030, 7033 AND 7034 OF THE FEDERAL RULES OF
BANKRUPTCY PROCEDURE PERMITTING EXPEDITED DISCOVERY RELATED TO
THE PENDING MOTION SEEKING THE APPOINTMENT OF A CHAPTER 11 TRUSTEE**

The Latta Family Trust, Christiane L. Latta Trust, Jean Y. Rose Revocable Trust,
Irwin D. Yalom and Marilyn Yalom, Robert Shostak and Nancy Shostak, Consulta Collateral
Fund PCC Ltd., Consulta Alternative Strategy Fund PCC Ltd., Kas Trust Bewaarder Finles
Alternative Bond Fund B.V., Kas Trust Bewaarder Finles European Selector Fund B.V.,
Guernoy Limited, SPL Private Finance (PF2) IC Ltd, The Stillwater Market Neutral II, LP, The
Stillwater Matrix Fund, L.P., The Stillwater Market Neutral Fund III SPL – Stillwater Matrix
PC, Stratos Non-Directional Fund, LP, ZAM Asset Finance Limited (“ZAM AF”), Toledo Fund
LLC, ZCALL, LLC, Mont Blanc Fund – Select, Absolute Return Partners, LLP, and Lillian

Kling Trust (collectively, the “Movants”), investors in New Stream Secured Capital Fund (U.S.), L.L.C. (the “US Feeder”) and New Stream Secured Capital Fund B1 (Cayman), Ltd.; New Stream Secured Capital Fund B2 (Cayman), Ltd.; New Stream Secured Capital Fund D1 (Cayman), Ltd.; New Stream Secured Capital Fund F1 (Cayman), Ltd.; New Stream Secured Capital Fund G1 (Cayman), Ltd.; New Stream Secured Capital Fund K1 (Cayman), Ltd.; New Stream Secured Capital Fund M1 (Cayman), Ltd.; New Stream Secured Capital Fund P1 (Cayman), Ltd.; New Stream Secured Capital Fund T1 (Cayman), Ltd. (collectively, the “Cayman Feeders”; together, with the US Feeder, the “US/Cayman Feeders”) respectfully request that this Court enter an order pursuant to Rules 26, 30, 33 and 34 of the Federal Rules of Civil Procedure and Rules 7026, 7030, 7033 and 7034 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) permitting expedited discovery related to the Movants’ pending motion seeking the appointment of a Chapter 11 Trustee (the “Motion”).¹ In support of this Motion, the Movants respectfully represent as follows:

JURISDICTION AND VENUE

1. The Bankruptcy Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334(b). This matter is a core proceeding pursuant to 28 U.S.C. § 157(b).
2. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

RELIEF SOUGHT

3. By this Motion, Movants seek expedited discovery in support of their contemporaneously-filed motion for the appointment of a Chapter 11 Trustee (the “Trustee Motion”). By their Trustee Motion, the same Movants, several members of a class of so-called “US/Cayman Investors” in the New Stream enterprise, seek to put an end to the incompetence, gross mismanagement, misuse of funds, dishonesty, fraud, self dealing, conflicts of interest and

¹ All capitalized terms not otherwise defined herein shall have the meaning used in the Trustee Motion.

inappropriate relationships of the current management of the Debtors and non-debtor New Stream entities (defined herein), which have led to the Debtors' demise and prompted the filing of involuntary petitions in these cases and, upon information and belief, the upcoming filing of voluntary petitions in at least four affiliated cases for which votes are currently being solicited on a proposed plan of reorganization distributed to creditors and parties in interest on or about January 24, 2011.² The expedited discovery sought herein will enable the Movants to fully develop the record before a hearing is held on the Trustee Motion.

4. Attached hereto as Exhibit 1 is a draft of the Movants' Request for Production of Documents. Within 24 hours of the entry of an Order approving this Motion, the Movants shall serve a finalized version of the Request for Production of Documents, which shall be substantially in the form attached to Exhibit 1.

5. Attached hereto as Exhibit 2 is a list of persons and entities to be deposed (collectively, the "Deponents"), all of whom have received notice of this Motion and the Trustee Motion.

6. Movants respectfully request that the Court enter an order: (a) requiring that each of the Deponents comply with the Request for Production of Documents (substantially in the form attached to Exhibit 1) within 14 days of entry of the Order approving this Motion; and (b) requiring the Deponents make themselves or a representative available within a time frame to ensure that depositions are completed within 24 days after entry of the Order approving this Motion.

² The four entities in question are New Stream Secured Capital, Inc.; New Stream Insurance, LLC; New Stream Capital, LLC; and New Stream Secured Capital, L.P. (the "New Stream Entities"). The US/Cayman Investors indirectly invested in the New Stream Entities through the US/Cayman Feeders; New Stream Secured Capital, L.P. ("NSSC"), is the so-called "Master Fund," through which all investments flowed to the other New Stream Entities.

7. Within 24 hours of the entry of an Order approving this Motion, the Movants shall serve the Request for Production of Documents, which shall be substantially in the form attached to Exhibit 1.

FACTS

8. All relevant facts are set forth in the Trustee Motion and the accompanying affidavits thereto (the “Affidavits”). Movants respectfully refer the Court to the Trustee Motion and the Affidavits for a detailed recitation of the facts, and incorporate those facts as if set forth in full herein.

9. For ease of reference, the Preliminary Statement from the Trustee Motion, paragraphs 3 - 46, is reprinted here verbatim (the footnotes herein do not coincide with the footnotes in the Trustee Motion).

A. INTRODUCTION

3. Movants, investors in the New Stream investment enterprise, are collectively owed over \$90 million, representing roughly 28% of the approximately \$320 million owed to all U.S. and Cayman investors (individually, the “US Investors” and “Cayman Investors”; collectively, the “US/Cayman Investors”).³ They are not a disgruntled group of unsophisticated investors unable to face the painful reality of a difficult investment climate and depressed asset valuations. They are mostly sophisticated investors, including so-called “funds of funds,” whose moneys have been fraudulently funneled to bankruptcy-remote entities in the New Stream enterprise to preserve and even augment the collateral of purported senior lien holders in a Bermuda feeder fund, a fund which U.S. and Cayman investors had been assured would be eliminated in a restructuring of the New Stream group in 2007. The U.S. and Cayman investors were further misled with a costly 2009 “Restructuring Plan” that was a failure from the inception because, despite New Stream’s misrepresentations that over 90% of investors had approved, the largest investor and the most significant assets were excluded from its scope. Now, through a proposed prepackaged plan for which votes are currently being solicited by only four strategically-selected prospective debtor entities of the New Stream group, the New Stream debtors and management, and the principal beneficiaries of purported senior liens, seek to obtain the Bankruptcy

³ The undersigned attorneys are appearing on behalf of the named US/Cayman Investors. The number of Movants and amounts owed them is not fixed as new clients were added as Movants too recently to include in this Motion. Details will be provided in a statement pursuant to Bankruptcy Rule 2019 to be filed promptly.

Court's imprimatur for their scheme and to obtain releases for their improprieties by majority vote obtained through woefully inadequate and misleading disclosure. This plan offers a mere pittance to the US/Cayman Investors, funded primarily with "gifts" from allegedly senior classes traceable to funds supplied by the US/Cayman Investors in the first place; gives the Bermuda feeder fund, the purported senior lien holder, the vast majority of all plan distributions; and grants releases to all wrongdoers; this after admitting to losing almost \$500 million on assets that the Fund Manager (defined below) valued at \$800 million less than three years ago.

B. THE NEW STREAM ENTERPRISE – ITS STRUCTURE AND OPERATIONS

1. Before the 2007 Master/Feeder Restructuring

4. The New Stream enterprise is an interrelated group of companies that collectively constitute an investment fund. The primary operating entity for this enterprise is New Stream Secured Capital, L.P. ("NSSC"), a Delaware limited partnership, the so-called Master Fund.⁴ All management, investment and administrative functions for NSSC (and its subsidiaries and affiliates) are provided by its general partner, New Stream Capital, LLC ("NSC" or the "Fund Manager"), a Delaware limited liability corporation. The New Stream entities have no employees of their own. New Stream Insurance, LLC ("NSI"), a Delaware limited liability company, one of the directly-owned subsidiaries of NSSC, owns a significant portfolio of insurance-related investments, including life insurance policies that the policy holder has sold to a third party investor, in this case, NSI (the "Life Settlement Assets").

5. NSSC, until 2006 known as Porter Secured Capital Partners, LP ("Porter Capital"), began marketing direct limited partnership interests only to U.S. investors in March 2003, as the fund documents prohibited foreign investment. *See* discussion at n.76 below. In October 2005, to circumvent this prohibition, New Stream organized what is now New Stream Capital Fund, Limited. (the "Bermuda Fund") as a Bermuda segregated accounts mutual fund company to enable foreign entities to invest in NSSC and later NSI. Investors in the Bermuda Fund (the "Bermuda Investors") made their investments in the new Bermuda Fund by purchasing shares in any of ten different segregated account classes (individually or collectively, the "Class(es)"). In turn, each Class used the proceeds to enter into a loan transaction with either the Master Fund or NSI. As a result, each Class of the Bermuda Fund owned notes issued by NSSC or NSI which were secured by a first lien on the issuer's assets.

⁴ This collection of investment vehicles is referred to as the "New Stream entities," the "New Stream group," "New Stream," or the "New Stream enterprise." In some self-evident contexts, "Debtors" is used to refer to the four New Stream entities not yet debtors in bankruptcy which are currently soliciting votes for a prepackaged plan of reorganization, and intend to file chapter 11 proceedings no later than March 11, 2011. *See* discussion at ¶¶ 34-45, 236-43 below.

6. In June 2007 NSI became a wholly-owned subsidiary of NSSC, allegedly making the Life Settlement Assets NSSC's indirectly held assets⁵.

2. The 2007 Master/Feeder Restructuring: What Was Promised vs. What Was Delivered

7. On or about November 28, 2007, in response to an avalanche of redemption requests in 2007 prompted by the Bermuda Fund's swelling senior secured debt, New Stream's failures to obtain institutionally-priced leverage (*i.e.*, well below the 10-10.5% paid to the Bermuda Fund) despite easy credit market conditions, and the resulting inability to raise additional investment funds, the Fund Manager announced that it was launching a new fund structure (the "2007 Restructuring") effective as of January 1, 2008, through the establishment of onshore and offshore feeder funds, each of which would invest directly into a master fund. In particular, existing investors in the Master Fund (NSSC) were advised that under the new fund structure, they would have to redeem their existing investment in NSSC and use their existing direct investments to purchase new interests in the new onshore feeder fund, New Stream Secured Capital Fund (U.S.), LLC (the "US Feeder"), or any of several offshore feeder funds, one for each investor, named New Stream Secured Capital Fund (Cayman), Ltd. (collectively, the "Cayman Feeders").⁶ In turn, the US/Cayman Feeders would invest directly into the Master Fund or acquire its equity, directly or indirectly, based on a fixed debt/equity ratio.⁷

8. Under the new master/feeder fund structure, the Fund Manager (or its Cayman counterpart; *see* n.22 below) would serve as the manager of all feeder funds and would continue to serve as the fund manager and general partner of the Master Fund and NSI.

9. To induce all existing U.S. investors to use their direct investments in NSSC to purchase indirect investments through the US Feeder, and to induce foreigners to invest in the Cayman Feeders, the Fund Manager represented in the offering documents and reiterated in correspondence and conversations that all

⁵ Whether NSSC and NSI have already been consolidated into one entity or whether the Court should substantively consolidate these entities is raised throughout this Motion. By referring to the Life Settlement Assets as "indirectly held" by NSSC, by referring to NSSC and NSI as distinct entities (or similar language implying that NSI and NSSC are distinct entities or that the Life Settlement Assets are owned by NSI and only indirectly by NSSC), or by failing to preface all references with "allegedly" or "purportedly" (or similar language questioning the separateness of NSI and NSSC and the ownership of the Life Settlement Assets), Movants do not acknowledge the separateness of NSI and NSSC or NSI's ownership of the Life Settlement Assets and expressly reserve all objections and causes of action related to these issues.

⁶ The consecutively-named Cayman Feeders, each owned by a sole investor, differ by only one letter (A1, B1, C1, and so forth) and investor. For example, New Stream Secured Capital Fund A1 (Cayman), Ltd. was created first, and is owned by the first investor; New Stream Secured Capital Fund B1 (Cayman), Ltd. was next, owned by the next investor.

⁷ The US and Cayman Feeders lent directly to NSSC. The Cayman Feeders acquired NSSC equity indirectly through New Stream Secured Capital, Inc. ("NSCI"), a Delaware corporate intermediary between the Cayman Feeders and NSSC, while the US Feeder acquired NSSC equity directly.

existing investors in the new fund structure, both U.S. and non-U.S., would share the “same risk-reward profile,” the “same portfolio exposures,” and the “same pre-tax return,” and that the US/Cayman Feeders would be the only investors in the Master Fund.

10. Significantly, New Stream represented that the non-US investors who had been invested in the Master Fund through the Bermuda Fund would no longer exist in the new fund structure. This was confirmed with an attached organizational chart from which the Bermuda Fund was wholly missing, a chart whose immediate predecessor issued only months earlier had boldly trumpeted the Bermuda Fund’s integral position among the New Stream entities. Nothing written or spoken disclosed that the Bermuda Fund would continue to exist in the new fund structure.

11. Also significant was that New Stream failed to disclose to existing or new investors that the Bermuda Fund debt had swollen to more than a half billion dollars and had been given a senior secured position against NSSC’s and NSI’s assets.

12. Assured that the senior secured position of the Bermuda Investors would be eliminated under the 2007 Restructuring, that all investments under the 2007 Restructuring in all New Stream feeder funds would be *pari passu*, and that new investments would be used by New Stream only as capital to acquire new investment assets, US Investors agreed to use \$152 million in existing direct investments in the Master Fund to purchase investments in the US/Cayman Feeders and advanced \$200 million in new money. Investors in the Bermuda Fund converted at least \$24.7 million to indirect investments through the Cayman Feeders.

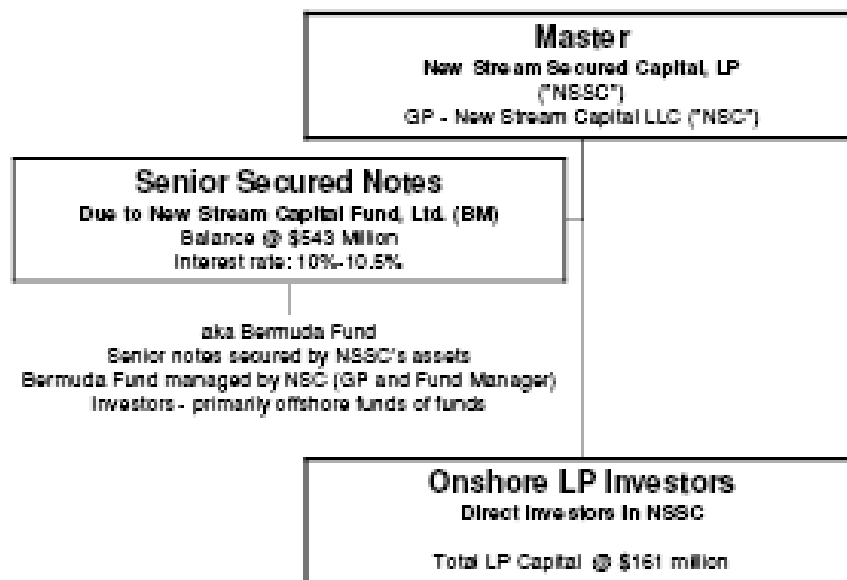
13. In fact, the senior secured positions of the Bermuda Fund in NSSC’s and NSI’s assets were not eliminated by the 2007 Restructuring.⁸ Most Classes of the Bermuda Fund refused to participate in the 2007 Restructuring and retained their senior security interests in NSSC’s and NSI’s assets, giving them a claim to priority in repayment over the US/Cayman Investors, whose indirect security interests in NSSC’s assets held nominally by the US/Cayman Feeders were junior according to certain collateral agency agreements executed by NSC, as agent for both lender and borrower, after the 2007 Restructuring became effective. Exacerbating the original fraudulent misrepresentations was New Stream’s subsequent concealment and failure to disclose that most of the Bermuda Investors had refused to participate in the 2007 Restructuring in investor materials

⁸ The existence, validity, enforceability, and perfection of the security interests held by the Bermuda Fund and its component segregated classes, issues not relevant to this Motion nor ripe for decision, are in doubt. By referring to security interests “held” or “retained” (or similar language implying validity, enforceability and perfection by the Bermuda Fund and its segregated classes in NSI’s and NSSC’s property), or by failing to preface all references with “allegedly” or “purportedly” (or similar language questioning validity, enforceability and perfection), Movants do not acknowledge the existence, validity, enforceability, or perfection of those interests and expressly reserve all objections.

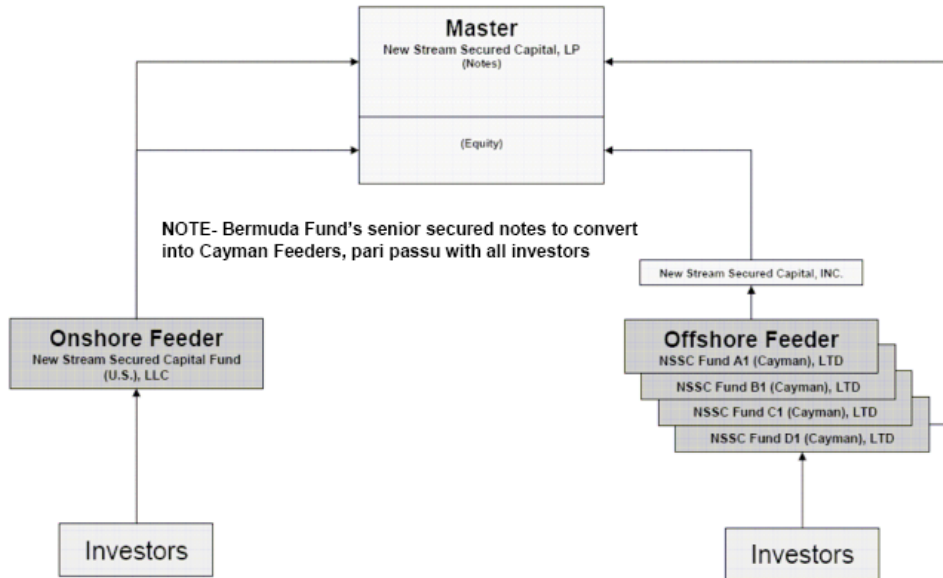
dated as late as July 2008. The Bermuda Fund and its investors were no more forthcoming, disclosing nothing to the US/Cayman Investors while reaping the ongoing improvement of their collateral enabled by their silence.

14. The following three charts show the basic structure of the New Stream enterprise (i) immediately preceding the 2007 Restructuring; (ii) immediately following the 2007 Restructuring (January 1, 2008) *as represented*, with the Bermuda Fund eliminated and its senior secured debt converted to Cayman Feeders, and all investors *pari passu*; and (iii) immediately following the 2007 Restructuring (January 1, 2008), in *actual* form despite New Stream's misrepresentations concerning the elimination of the Bermuda Fund and its senior secured debt, with the Bermuda Fund and its seniors secured debt still in existence and the US/Cayman Feeders' debt subordinated.

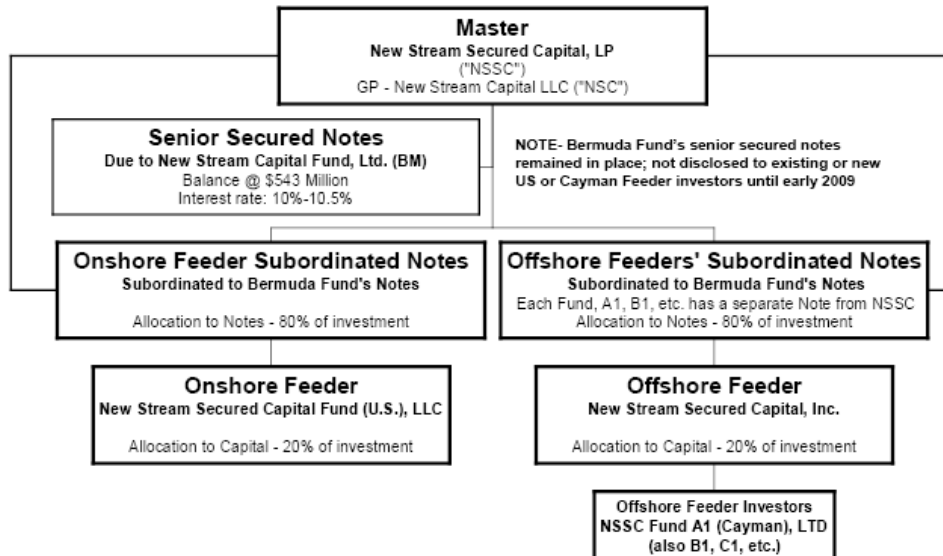
New Stream Secured Capital, LP Immediately Prior to 2007 Restructuring



**New Stream Secured Capital, LP
Structure Under 2007 Restructuring (as Represented)
As of January 1, 2008 (*without* Bermuda Fund)**



**New Stream Secured Capital, LP
Actual Structure Under 2007 Restructuring
As of January 1, 2008 (*with* Bermuda Fund)**



3. New Stream's Subsequent Misrepresentations, Dishonesty, and Other Wrongful Acts

15. Holding a position junior to the Bermuda Fund despite New Stream's representations of *pari passu* treatment and the elimination of the Bermuda Fund under the 2007 Restructuring was bad enough. Even more outrageous was that the Life Settlement Assets owned by NSSC and NSI which served as collateral securing the senior secured debt to the Bermuda Fund were preserved by the ongoing payment of millions of dollars of premiums every month and augmented by the acquisition of *new* Life Settlement Assets, largely with cash *from the US/Cayman Investors*, cash which upon transfer from the US/Cayman Feeders to NSSC was used to support the obligations of NSSC's woefully insolvent subsidiary NSI, which owned many of the Life Settlement Assets.

16. New Stream's misrepresentations and failure to disclose the Bermuda Fund's senior security interest was not atypical, for dishonesty and fraud permeated many New Stream transactions. A Ponzi-like element of New Stream's scheme was the misuse of new investments induced by the 2007 Restructuring. Despite New Stream's assurances that new investments would be used solely for the acquisition of new investment assets, by the end of September 2008, new investment proceeds of over \$200 million had been used substantially to satisfy what were 2008 redemption payments totaling over \$170 million. Those getting out just in time were paid with the funds of those defrauded into getting in too late.

17. Another fraudulent component of New Stream's operations was the inflated values New Stream attributed to its Life Settlement Assets, NSI's principal asset and collateral for the debt owed to Gottex Funds AB ("Gottex"), a Swiss-based fund of funds and owner of the Bermuda Fund's Classes C and I. On March 13, 2008, long-anticipated revisions to actuarial life expectancy tables were released, reflecting extended longevity and thus a material diminution in the value of Life Settlement Assets. Other US life settlement funds, long anticipating the revisions, had accounted for them well before their formal issuance, enabling the fund sector as a whole to show a positive return in 2008 of 3.99% despite the formal issuance of the tables that year. Yet NSC failed to take the bulk of the write-down of the value of New Stream's Life Settlement Assets until December 31, 2008, nine months after the revised tables were released, when it belatedly recognized a diminution in value of over 40%.

18. New Stream's motive for failing to write down its insurance assets timely could have been grounded in one or more of (i) *fraud*, since delaying the write-down delayed the redemptions which would have inexorably followed, (ii) *greed*, since NSC's compensation was a direct function of assets under management, or (iii) *incompetence and gross mismanagement*. Nowhere on the spectrum between gross mismanagement and fraud will New Stream find a defense to the appointment of a Chapter 11 trustee.

19. New Stream's principal goal always was to maintain its asset base, and it deployed every available means, honest or not, to do so. In late 2007 and 2008 NSC received hundreds of millions of dollars of redemption requests which could not be satisfied in the ordinary course of business. To induce investors to withdraw their redemption requests and to maintain the façade of financial health, NSC insisted that overall redemption levels remained normal, that sufficient liquidity existed to satisfy redemption requests in the normal course of business, that much new money was being raised, and that New Stream's overall investment performance was very good despite a very difficult investment climate. Each of these representations was false.

20. The falsehoods not only caused investors to withdraw their redemption requests (or not to redeem in the first place) but enabled the Fund Manager to receive an outlandish management fee based both on the dollar amount of assets under management and inflated valuations. Had the redemption requests simply been honored, assets under NSC's management would have dropped precipitously, causing a corresponding drop in NSC's management fee. But NSC ensured that its management fee remained robust at the expense of the truth and its fiduciary obligations to the US/Cayman Investors.

21. Some of New Stream's activities set forth at length herein could have been the result of mere incompetence or gross mismanagement. Not everything need be grounded in fraud or dishonesty to provide the requisite "cause" for the appointment of a Chapter 11 trustee. The over-market terms New Stream paid on the Bermuda Fund debt since October 2005 demonstrate, at a minimum, gross mismanagement. The Bermuda Investors received a fixed rate of return of 10.0% to 10.5% on their secured notes, rates comparable to the historical return reported to the junior and unsecured investors of New Stream. NSC had allowed these senior secured investments, which had not been fully disclosed to existing US Investors and which new investors knew nothing about, to grow dramatically between 2005 and 2008; in 2005, the Bermuda Fund investments made up less than 10% of the investments in the New Stream enterprise; by 2008, that proportion had grown to 75%. Thus, unbeknownst to the US/Cayman Investors, who were not informed that the Bermuda Fund's security interest had survived the 2007 Restructuring, NSC's practice of paying over-market returns to swelling senior secured debt guaranteed that any "profits" from New Stream's operations would be consumed by the Bermuda Investors in the form of interest payments of approximately \$54 million every year.

22. Other manifestations of gross mismanagement were prompted by New Stream's constant attempts to shore up its finances. NSC substantively consolidated the finances of the various New Stream entities, using NSSC to pay more than \$300 million of NSI's debts and expenses without requiring consideration or even documentation. NSC also provided internal information to Gottex, the largest secured investor among the segregated classes of the Bermuda Fund which enabled Gottex to improve its position while maintaining its priority over the US/Cayman Investors.

4. The 2009 Restructuring and The Gottex Judgment Voiding It

23. In response to the avalanche of redemptions placed by its investors beginning in 2007 (which precipitated the 2007 Restructuring) and continuing throughout 2008, in mid-December 2008, New Stream gave notice that it was retroactively suspending redemptions that were not effective on or before September 30, 2008.

24. According to New Stream itself, by April 2009, hundreds of millions of dollars in redemption demands were outstanding and could not be paid.⁹ To remedy the financial and structural chaos that had resulted from the US/Cayman Investors' reliance on New Stream's misrepresentations about the new fund structure, New Stream proposed a new restructuring (the "2009 Restructuring") intended primarily to enable the Fund Manager to pay the premiums for the Life Settlement Assets – then more than \$60 million a year – until they could be sold in a better market. But New Stream failed to communicate that the Life Settlement Assets, which were the source of 70% of the proceeds to be liquidated, were NSI's assets, not NSSC's, and were claimed by Gottex as its collateral. Without Gottex's consent, the 2009 Restructuring was a waste of time and money.

25. Under the 2009 Restructuring, in consideration for investors agreeing to forbear from exercising rights and remedies in connection with their redemption requests, New Stream agreed to implement a liquidation plan that provided for, among other things, (i) intermittent payments to both Bermuda and US/Cayman Investors from so called "unrestricted cash" according to a certain ratio, and (ii) payment by the Bermuda Fund of an allocable portion of the Fund Manager's operating expenses and management fee.

26. Gottex, the largest investor in the Bermuda Funds and sole owner of shares relating to Classes C and I, did not consent to the 2009 Restructuring. In response to New Stream's expressed intent to impose the 2009 Restructuring on Gottex despite its lack of consent, Gottex brought litigation in the Supreme Court of Bermuda seeking (i) a determination that the 2009 Restructuring was void as to the Class C, F and I Classes of the Bermuda Fund, and (ii) the appointment of a receiver for the Class C, F and I Classes (the "Gottex Proceeding").

27. Gottex prevailed. Rejecting outright NSC's suggestion that it could retain management control over its investors' assets in furtherance of a restructuring where real conflicts of interests had been brought into play and objections interposed, the Bermudan Court voided the 2009 Restructuring as to the Class C, F, and I Classes of the Bermuda Fund and wrested control of those Classes from NSC, appointing joint receivers (the "Receivers") on the spot, [See] Judgment entered in [*BNY AIS Nominees Ltd., et al. v. New Stream Fund Ltd.*]

⁹ See Webinar (defined herein) (Ex. 15), p. 6, which provides that pre-October 1, 2008 pending redemptions were \$192 million and post-October 1, 2008 pending redemptions were \$695 million. It is unclear whether the \$695 million total refers to redemptions that were actually submitted by investors or to all investors who did not have effective redemptions pre-October 1, 2008.

Supreme Court of Bermuda (2009: No. 178), entered May 27, 2010 (the “Gottex Judgment”) (Ex. 50).

28. Thereafter, receivers were appointed for the non-C, F, and I Classes of the Bermuda Fund from the Bermuda Supreme Court. And in September 2010, in response to the Receivers’ joint motion, they were appointed joint liquidators (the “Liquidators”). The Fund Manager thereafter volunteered to pay the counsel fees for the Liquidators, whose fiduciary responsibility includes the obligation to maximize returns exclusively for the Bermuda Investors.

29. As a result of the Gottex Judgment, no consideration ever passed under the 2009 Restructuring. New Stream never made the redemption payments it agreed to make – although in 2009 it did pay almost twice the projected fees and expenses (\$27 million vs. \$15 million), largely to the Fund Manager – and the Bermuda Fund never paid its allocable portion of the Fund Manager’s operating expenses and management fee. In numerous communications in 2010 and 2011, New Stream consistently referred to the 2009 Restructuring as “fatally flawed” and incapable of performance.

C. THE URGENT NEED TO APPOINT A CHAPTER 11 TRUSTEE

1. Conflicts Preclude Pursuit of Claims

30. New Stream’s malfeasance gives rise to many causes of action that can be brought for these and affiliated estates’ benefit. Described in detail below are actions sounding in substantive consolidation among these debtors and other non-debtor (so far) affiliates, including NSSC and NSI; constructive fraudulent conveyance against NSI, the initial transferee of NSSC’s largesse, or against Gottex, the largest beneficiary thereof; avoidance of Gottex’s lien and equitable subordination of Gottex’s claim; and constructive trust in favor of the US/Cayman Feeders imposed against the purported collateral of the Bermuda Fund owned by NSI or NSSC, collateral that was augmented and preserved primarily with cash transferred from the US/Cayman Feeders to NSSC. Moreover, the circumstances surrounding the security allegedly held by the Bermuda Fund and its Classes in NSI’s and NSSC’s Life Settlement Assets must be investigated, as any such security interest does not appear to be perfected.

31. But the conflicting relationships between and among the Debtors, NSC, NSSC, NSI and Gottex, and these parties’ deep and often undisclosed involvement in the transactions underlying these claims, disables any of *these* parties from protecting the estates’ interests by prosecuting these claims. That New Stream hired a Chief Restructuring Officer prepetition in anticipation of filing voluntary Chapter 11 petitions does not supply the requisite new blood, since the CRO takes his instructions from New Stream’s board of directors and thus is neither disinterested nor uninvolved.

32. Probative of these disabling conflicts are the observations of the Bermuda Supreme Court that New Stream's actions were contrary to Bermuda law and the Bermuda Fund's bye-laws. The Court granted the relief sought by Gottex, appointing the Receivers based on its observations that NSC, the investment manager for all New Stream entities, had proven itself incapable of representing the different and conflicting creditor interests which had arisen as a result of the then-acknowledged insolvency of the New Stream enterprise. And those Receivers, appointed liquidators in September 2010, having become all too familiar with New Stream's operations, immediately terminated the Bermuda Fund's management agreement with NSC and notified New Stream that they would retain their own choice of management to manage the property they deemed to be the Bermuda Fund's collateral.

33. In addition, there are ongoing investigations by the SEC and the FBI into actions of either NSC or the entire New Stream enterprise. Pursuant to the Plan a \$2 million "GP Administrative Reserve" will be established from proceeds of the sale of the Life Settlement Assets to fund NSC's defense of these investigations. These facts on their own constitute a crippling conflict of interest for NSC.

2. New Stream's Prepackaged Plan and Disclosure Statement

34. The appointment of a Chapter 11 trustee is made all the more urgent because New Stream's management and the Liquidators have distributed a prepackaged joint plan of liquidation (the "Plan") along with a disclosure statement (the "Disclosure Statement") for which they are currently soliciting support, which they propose to confirm immediately following the filing of voluntary Chapter 11 petitions by NSSC, NSI, NSCI and NSC no later than March 11, 2011.¹⁰

35. The Plan continues the disenfranchisement of the US/Cayman Investors, recognizing only the US/Cayman Feeders, all controlled by New Stream, as creditors of the four proposed debtors, while ignoring the US/Cayman Investors themselves, those with the ultimate economic interests.¹¹

36. The Movants filed these involuntary petitions and this Motion to put a stop to the fraud being perpetrated by New Stream. Yet by soliciting votes on the Plan, the New Stream debtors are committing another fraud on the US/Cayman

¹⁰ See Disclosure Statement in Connection With the Prepetition Solicitation of Votes in Respect of the Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code, dated January 24, 2011 (the "Disclosure Statement"), attached as Exhibit 13 to the Green Decl.; Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code, dated January 24, 2011 (the "Plan"), attached as Exhibit 14 to the Green Decl.

¹¹ Because the New Stream group was structured to be bankruptcy-remote – *i.e.*, the principal operating and asset-holding entities owe direct debt only to entities under the group's control – involuntary petitions have been filed only against the US/Cayman Feeders out of an abundance of caution. The US/Cayman Investors, several of whom are the involuntary petitioners herein, indirectly invested in the New Stream group through the US/Cayman Feeders, all of which are creditors of the Master Fund through which investments flowed to the other New Stream entities, including NSI, NSSC's wholly-owned subsidiary.

Investors in an effort to secure releases for insiders and other malefactors and give a windfall to the Bermuda Investors at the expense of US/Cayman Investors. And New Stream intends to file its prepackaged bankruptcy in this district and ask this Court to bless the latest fraud.

37. There are three blatant problems with the Plan. First, the Bermuda investors are getting far too much value on account of their allegedly senior secured position, because (a) the US/Cayman Investors relied on New Stream representations that all investors would be treated *pari passu*, (b) money invested by the US/Cayman Investors was used to purchase and maintain the collateral subject to the lien of the Bermuda Fund, (c) causes of action to rectify these injustices are being released under the Plan without adequate consideration, and (d) the Bermuda Fund does not appear to have a perfected security interest in the Life Settlement Assets that are being sold for approximately \$127.5 million, and thus should not receive all of the net proceeds of such sale. Second, the assets being distributed to the US/Cayman Investors are grossly overstated in value. Third, insiders are receiving an unwarranted bonanza: (a) they are being released without any consideration, (b) \$2 million is being set aside for management to respond to an ongoing SEC investigation, as well as any future administrative, regulatory or criminal investigation against the Debtors or their former or current managers, officers, directors and employees, and to pay defense costs if not paid by insurance carriers, (c) the Debtors will assume their obligations to indemnify their managers, officers, directors and employees, thus elevating an otherwise unsecured claim that is out of the money, and (d) the attorney-client privilege is being preserved, which will likely benefit insiders and hinder investigations into insider malfeasance.

38. Significantly, the Disclosure Statement utterly fails to disclose that assets were regularly commingled and that since 2007 more than \$300 million has been transferred from NSSC to NSI to buy and maintain life insurance assets that serve as the Bermuda Funds' collateral. The Disclosure Statement is equally silent concerning NSSC's payment of over \$25 million of NSI's expenses and New Stream's concession that NSI had no ability to pay its own expenses or function as an independent entity. In 2010, NSC's President, J. Perry Gillies, submitted an affidavit in the Gottex Proceeding in Bermuda defending against Gottex's claims by asserting that in a Chapter 11 case, creditors would be able to successfully assert substantive consolidation and equitable subordination claims to equalize the distribution of assets. Yet the Disclosure Statement is silent on these critical issues that were so strenuously advocated by New Stream just months ago.

39. The transactions described by Gillies bolstered the position of the Bermuda Investors with money supplied to NSSC by the US/Cayman Investors, at a time when New Stream was representing that all investors would be treated *pari passu*. These and other facts the Movants have developed militate in favor of substantive consolidation, equitable subordination and other equitable remedies such as the imposition of a constructive trust. In the absence of substantive

consolidation, Movants would insist that the funds transferred from NSSC to NSI be recovered as fraudulent conveyances or that intercompany claims (which receive no distribution under the Plan) be honored for the benefit of the US/Cayman Investors. The Disclosure Statement fails even to *disclose* the existence of these causes of action and how prosecution thereof would significantly enhance the recovery of US/Cayman Investors.

40. The Disclosure Statement also misleads the US/Cayman Investors about their distribution in two principal ways. First, the Plan offers US/Cayman Investors up to \$15 million in “gifts” from the Bermuda Investors and the nominee of MIO Partners, Inc. (“MIO”), a proposed purchaser of assets under the Plan, to cajole their acquiescence, but fails to disclose that these “gifts” are being paid from assets funded by the US/Cayman Investors which can be reached under the aforementioned legal theories. What appears to be New Stream’s carrot is really its stick, as the Debtors solicit the US/Cayman Investors support by withholding most of the “gifts” to those who do not vote for the Plan. Second, the allegedly most significant asset being distributed to US/Cayman Investors is the equity in a company called Northstar Financial Services Ltd. (“Northstar”), a Bermuda-based life and annuity insurance company. The Disclosure Statement values Northstar at \$40 million, but fails to disclose that in March 2010, Gillies submitted an affidavit in the Gottex Proceeding in which he tried to convince the Bermuda Court that the Bermuda Investors should not be permitted to foreclose on Northstar because it had little or no value. Gillies testified: “Far from generating cash by disposing of the company, effecting a forced sale of Northstar in April 2009 would probably have required NSI to pay the purchaser roughly between US\$40 and US\$75 million.”¹²

41. Besides obtaining recoveries from assets, US/Cayman Investors will benefit from asserting litigation claims against third parties, including insiders and auditors. The Plan, however, provides a broad release for the Debtors, insiders, the Liquidators and Receivers appointed on behalf of the Bermuda Fund, MIO, and each of their respective officers, directors, members, employees, agents, advisors and professionals. This release will be given on behalf of both the Debtors and any creditor entitled to vote, provided such creditor did not vote to reject the Plan. Yet, astonishingly, there is absolutely no disclosure of any facts to enable creditors to make an informed decision, no mention of the claims that would be released under the Plan.

42. Movants are concerned that the only reason that MIO, an affiliate of McKinsey & Co., holder of an approximately \$75 million unsecured claim against the US/Cayman Feeders, is supporting the Plan is because MIO is getting a “sweetheart deal” on the sale of the life insurance settlement and premium finance loan portfolio.

¹² See Second Affidavit of Perry Gillies, submitted in *BNY AIS Nominees Ltd., et al. v. New Stream Capital Fund Limited*, Supreme Court of Bermuda (2009: No. 178) (the “Gottex Proceeding”), sworn to March 17, 2010 (“2nd Gillies Aff.”), ¶ 38 (Ex. 16).

43. In short, the Plan presents a woefully inadequate division of available assets, and the Disclosure Statement attempts to mislead US/Cayman Investors into accepting an inequitable result so that the Bermuda Fund can procure a windfall for the Bermuda Investors and New Stream management and other malefactors can obtain releases.

44. Simply put, the Bermuda Investors, the Liquidators and New Stream management are working together to benefit themselves improperly at the expense of the US/Cayman Investors.

45. NSC has indicated that should a prepackaged plan of liquidation not be agreed upon during this solicitation period, it intends to file a Chapter 11 petition and immediately seek approval to sell the NSI insurance assets pursuant to Code § 363 under the same terms to MIO. The arm's-length nature of that proposed purchase must be investigated before that sale, whether under the Plan or pursuant to § 363, can be allowed to proceed.

46. In summary, neither the Debtors nor their principals should be left in charge of these estates. Fraud, gross incompetence, and rampant conflicts of interest disqualify these Debtors from controlling their own destiny before this Court. A Chapter 11 trustee or an examiner must be appointed immediately so that the improprieties detailed in this Motion are not covered up, so that the claims against the Debtors, their principals, Gottex and the Bermuda Fund are investigated and pursued, so that all creditors are treated fairly, and so that the integrity of this judicial process is maintained.

Trustee Motion, paras. 3 - 46.

BASIS FOR RELIEF REQUESTED

10. The Federal Rules of Civil Procedure authorizing discovery are accorded broad and liberal construction. *Herbert v. Lando*, 441 U.S. 153, 177 (1979); *Hickman v. Taylor*, 329 U.S. 495, 507 (1947). Rule 26 provides that the “[p]arties may obtain discovery regarding any nonprivileged matter that is relevant to any party’s claim or defense.... For good cause, the court may order discovery of any matter relevant to the subject matter involved in the action. Relevant information need not be admissible at the trial if the discovery appears reasonably calculated to lead to the discovery of admissible evidence.” Fed. R. Civ. P. 26(b)(1).¹³

¹³ Federal Rule of Civil Procedure 26 is made applicable to this proceeding pursuant to Federal Rules of Bankruptcy Procedure 7026 and 9014.

Discovery is generally allowed if the information sought is “relevant to the subject matter involved in the pending action.” *Id.* Liberal discovery is particularly important in a bankruptcy proceeding when the purpose of the administration of the debtor’s estate is to discover, recover and to distribute assets to the estate’s creditors. *In re Analytical Systems, Inc.*, 71 B.R. 408 (Bankr. N.D. Ga. 1987).

11. Federal Rule of Civil Procedure 26 “provides for very broad discovery and gives the trial court wide discretion to manage the process.” *Philadelphia Newspapers, Inc. v. Gannett Satellite Information Network, Inc.*, 1998 U.S. Dist. LEXIS 10511 (E.D. Pa. 1998) (McGlynn, J.) (quoting *New York v. U.S. Metals Refining Co.*, 771 F.2d 796, 805 (3d Cir. 1985)); *see also Pacitti v. Macy’s*, 193 F.3d 777-78 (3d Cir. 1999).

12. The Federal Rules of Civil Procedure authorize federal courts to control and expedite the discovery process through a scheduling order, and give the district court broad discretion to preserve the integrity and purpose of such a pretrial order. *Barrett v. Atlantic Richfield Co.*, 95 F.3d 375 (5th Cir. 1996).

13. The Federal Rules of Civil Procedure also allow courts to expedite the taking of depositions (*see* Fed. R. Civ. P. 30(b)(2) and Fed. R. Bankr. P. 7030), expedite the time within which a party must respond to a request to produce documents (*see* Fed. R. Civ. P. 34(b)(2) and Fed. R. Bankr. 7034) and expedite the time within which a party must respond to interrogatories (*see* Fed. R. Civ. P. 33(b)(2) and Fed. R. Bankr. P. 7033).¹⁴

¹⁴ Bankruptcy Rule 9014 provides that certain of the Rules in part VII apply to contested matters. Rule 9014(c) provides that Rule 26(f) of the Federal Rules of Civil Procedure (mandatory meeting before scheduling conference/discovery plan) shall not apply unless the Court orders otherwise. Thus, the moratorium on seeking discovery before parties have conferred as required by Rule 26(f) (provided for in Rule 26(d) of the Federal Rules of Civil Procedure) also does not apply to contested matters unless ordered by the Court. Fed. R. Civ. P. 26, Fed. R. Bankr. P. 9014.

Even if the Court orders that Rule 26(f) applies, the Court has authority to issue the proposed Order under Rule 26(d), which empowers the Court to dispense with the discovery moratorium otherwise imposed pursuant to

14. Expedited discovery is particularly appropriate when a plaintiff will suffer prejudice by a delay in the proceedings. *Ellsworth Associates, Inc. v. United States*, 917 F. Supp. 841, 844 (D.D.C. 1996). Expedited discovery has become a necessary tool for insuring the timely and just determination of factual issues in cases such as this, where the normal pace of pretrial procedures will prejudice one of the parties. Indeed, the exigent circumstances present in this case clearly justify shortening the usual time period for discovery.

15. Courts apply one of two standards to determine whether an expedited discovery request should be granted, the “*Notaro* standard” and the “reasonableness standard.” *See, e.g. Better Packages, Inc. v. Zheng*, 2006 U.S. Dist. LEXIS 30119 (D.N.J. May 17, 2006); *Entertainment Technology Corp. v. Walt Disney Imagineering*, 2003 U.S. Dist. LEXIS 19832 (E.D. Pa. Oct. 3, 2003). Under either standard, expedited discovery is warranted here.

16. The “*Notaro* standard,” the more stringent of the two, requires that the movant demonstrate:

(1) irreparable injury, (2) some probability of success on the merits, (3) some connection between the expedited discovery and the avoidance of irreparable injury, and (4) some evidence that the injury that will result without expedited discovery looms greater than the injury that the defendant will suffer if the expedited relief is granted.

Entertainment Tech. Corp., 2003 U.S. Dist. LEXIS 19832 at *6 (citing *Notaro v. Koch*, 95 F.R.D. 403, 405 (S.D.N.Y. 1982)).

17. The “reasonableness standard” requires only that the party seeking the expedited relief prove that its requests are reasonable under the circumstances. Application of this standard “depends on the actual circumstances of each case, as well as consideration of certain facts such

Rule 26(f). The Advisory Committee Notes to the 1993 amendments of Rule 26 clarify the Court’s power to expedite discovery in appropriate cases: “Discovery can begin earlier if authorized . . . by . . . order. This will be appropriate in some cases”

as a pending preliminary injunction hearing, the need for the discovery and the breadth of the requests.” *Entertainment Technology Corp.*, 2003 U.S. Dist. LEXIS 19832.

18. More recent cases have adopted the flexible “reasonableness standard” test. *Stern v. Cosby*, 246 F.R.D. 453, 457 (S.D.N.Y. 2007) (granting motion for expedited discovery); *Ayyash v. Bank Al-Madina*, 233 F.R.D. 325, 326-27 (S.D.N.Y. 2005) (same). These courts recognize that the Federal Rules of Civil Procedure give the Court discretion to fashion an appropriate remedy rather than applying a stringent test. *Id.* These courts examine the discovery request “on the entirety of the record to date and the *reasonableness* of the request in light of all the surrounding circumstances.” *Merrill Lynch, Pierce, Fenner & Smith, Inc. v. O’Connor*, 194 F.R.D. 618, 623-24 (N.D. Ill. 2000) (*italics in original*); *Ayyash*, 233 F.R.D. at 327.

A. APPLYING THE *NOTARO* TEST TO THESE FACTS

i. Likelihood of Irreparable Injury

19. As detailed in the Trustee Motion, the Debtors’ principals committed a bevy of improper acts which inevitably led to the demise of the Debtors and their sister New Stream entities, forcing certain of the US/Cayman Investors to file involuntary petitions against these Debtors.

20. Although the Movants have access to many documents which they intend to use at the hearing on the Trustee Motion, they do not have everything relevant. Only the Debtors, their principals, and other parties listed in Exhibit 2 have access to all relevant documents, and the Request for Documents annexed hereto as Exhibit 1 seeks their production. The Document Request, to be served on all proposed witnesses, is tailored to obtain documents relating to the Trustee Motion: it is not a Rule 2004 “fishing expedition” seeking all documents in a scattershot request. This tailoring should allow all parties to produce the requested documents in the expedited time frame requested by this Motion.

21. That the Document Request is as broad as it reflects only the breadth of the alleged improprieties prompting these bankruptcy filings, and the scope of the potential causes of action between and among these Debtors and other entities, third parties and future debtors alike, which only a Chapter 11 Trustee will have standing and motivation to investigate and pursue. Claims for substantive consolidation, equitable subordination, constructive trust, fraudulent conveyance and unjust enrichment are just the obvious claims arising from the New Stream Debtors' fraudulent pre-petition activity, pursuant to which more than \$300 million provided by the US/Cayman Investors was used only to improve and augment collateral held by the Debtors' largest secured creditor, after the Debtors' had represented that senior security interests had been eliminated and rights of distribution among all parties would be *pari passu*. These are the same US/Cayman Investors to whom only "gifts" are offered under the New Stream Debtors' proposed plan, "gifts" funded by a *de minimis* portion of the funds provided by these US/Cayman Investors in the first place.

22. The requested documents are vital to the Movants' ability to present a comprehensive case in support of the Trustee Motion. If the Debtors and other parties are allowed to take the normal extended amount of time to produce the documents, this will delay a hearing on the Trustee Motion and, by extension, allow the malefactors to remain in possession and in control at the creditors' risk.

23. Only after documents are produced will the Movants be able to depose the Debtors and the other parties listed in Exhibit 2. Thus, any delay in obtaining documents will delay depositions as well, and will further delay the Court's determination of the Trustee Motion while the Debtors remain in possession.

24. Delay works to the advantage of the Debtors' principals, who dragged the Debtors to this low place. They should not be rewarded with continued stewardship simply because the normal course of discovery will keep them in place. The longer the malefactors are in control of the Debtors' operations, the more chance the Movants will be irreparably damaged due to Debtors principals' continued mismanagement, fraud and other bad acts.

ii. Likelihood of Success

25. The Trustee Motion filed contemporaneously herewith details the wrongdoing, the cover-up, and the other acts of malfeasance committed by the Debtors' principals that led to the Debtors' demise. The evidence set forth in the Trustee Motion is compelling "cause" within the meaning of the statutory language. Ironically, much of the evidence on which the Trustee Motion is based – documents and communications received by the US/Cayman Investors over the past six years – was disseminated by the Debtors primarily to advise the US/Cayman Investors that the Debtors were financially sound and their investments were secure. The preponderance of the known evidence supporting the case for substantive consolidation of the Debtors and equitable subordination of their largest secured creditor comes from the sworn testimony of J. Perry Gillies, President of New Stream Capital LLC, who asserted substantive consolidation and equitable subordination as defenses in litigation brought in Bermuda in 2010 by the legal representative of the Debtors' largest purported secured creditor. In the judgment issued in that Bermuda proceeding, that Court expressly found a lack of probity on the Debtors' part, a judicial finding which is, without more, sufficient "cause" for the appointment of a Trustee herein. In any case, the Debtors no longer control all of the New Stream entities: Upon the grant of relief sought in the Bermuda proceeding – the appointment of receivers, thereafter liquidators, for various classes of the Bermuda Fund – the Debtor NSC was immediately removed as management of that Bermuda Fund. And the Debtors themselves, having finally

conceded that conflicts permeate NSC's management of the differing interests among their creditors and affiliated entities, disclose in their Disclosure Statement their intention to designate new management for the US Feeder after confirmation of the proposed Plan.

26. Although much of the evidence in support of the Trustee Motion comes from undisputed documents, the Debtors' principal's own testimony, and other court's findings, there likely are documents the Movants have *not* seen which will disclose additional bad acts by the Debtors' principals, and provide additional support for the Trustee Motion. The depositions which follow may also unearth even more damning information against the Debtors and their principals.

27. The evidence already submitted in support of the Trustee Motion is compelling evidence of the Debtors' and their principals' malfeasance. There is a substantial likelihood that additional important evidence of misfeasance – the evidence which the Debtors did not initially choose to share with the US/Cayman Investors – will be disclosed by the expedited discovery sought herein. Thus, the likelihood of success on the Trustee Motion is high.

iii. Connection Between Expedited Discovery and Avoidance of Irreparable Injury

28. As already demonstrated herein, delaying the hearing on the Trustee Motion so that discovery can proceed on its normal timetable will accomplish only one thing – keeping the Debtors' principals in charge of the Debtors' operations at the US/Cayman Investors' and other creditors' risk. The Trustee Motion clearly demonstrates that the Debtors' principals are not fit to operate the Debtors in chapter 11, so the quicker they can be removed from control, the better for the US/Cayman Investors and other estate creditors.

29. Expedited discovery will enable the Movants to obtain documents and depose all necessary parties in a shortened time frame so that the Court can hear and decide the Trustee Motion promptly. Allowing discovery to proceed on a more relaxed time frame will give

Debtors' principals what they want, continued control over the Debtors, despite the evidence of their mismanagement and fraud. This manipulation of the rules to delay and deny justice should not be countenanced.

**iv. Lack of Expedited Discovery Results in a Greater Injury to the Movants
Than the Injury Inflicted on the Debtors and Witnesses**

30. In weighing the harms, the scale tips in favor of allowing expedited discovery.

The Debtors, their principals and other parties listed in Exhibit 2 should have control of and access to the documents requested in Exhibit 1, so no hardship should befall them from producing the documents on an expedited basis. The time frame is compressed, but this is necessary given the circumstances surrounding the Debtors' financial downfall and the malfeasance set forth in the Trustee Motion. While discovery proceeds, the *status quo* will be maintained. Thus, discovery must be expedited, a hearing on the Trustee Motion held, and a ruling issued.

31. As for the deposition notices, the Movants propose a 10-day period to complete all depositions. Certainly the parties from whom depositions are sought can make themselves available just one day out of a 10-day span.

32. The depositions of the Debtors, the various New Stream non-debtor entities, and the Debtors' principals should not be a major hardship. Upon information and belief, most prospective witnesses for the Debtors and affiliated entities reside in Connecticut, as do most of counsel who would be representing them, so travel and scheduling should not be an issue.

33. As for the depositions of Gottex Fund Management, Ltd., Gottex AB Funds, Gottex MN Funds, and MIO Partners, upon information and belief, most or all prospective witnesses are located in New York City, so travel and scheduling should not be an issue. These parties have received notice of the motion, and will have 14 days after entry of the proposed

Order to make themselves available for one or two days during that short span to be deposed. They will have had ample time to arrange their schedule to accommodate the expedited time frame set forth herein. This should not be a major hardship.

34. As for the depositions of John McKenna as the Receiver of certain Bermuda Fund classes, and Michael Morrison and Charles Thresh as Joint Receivers to represent the remaining Bermuda Fund classes, they too have received the same notice. If need be, the Movants' counsel will depose Messrs. McKenna, Morrison and Thresh in Bermuda to eliminate any difficulties they may have in traveling to the United States.

35. Clearly, the balance of hardships weigh in favor of granting expedited discovery.

B. APPLYING THE “GOOD CAUSE AND REASONABLENESS” TEST TO THESE FACTS

36. Based on the arguments set forth above in discussing the *Notaro* factors, the Movants submit they easily meet the “reasonableness standard” for expedited discovery.

37. The Movants have met both the *Notaro* and “reasonableness standard” test, and they respectfully request that the Court order the expedited discovery sought herein.

NO PREVIOUS REQUEST

38. No previous request for the relief sought in this Motion has been made to this or any other Court.

WHEREFORE, the Movants respectfully request that this Court enter an Order in the form attached hereto: (i) pursuant to Rules 26, 30, 33 and 34 of the Federal Rules of Civil Procedure and Rules 7026, 7030, 7033 and 7034 of the Federal Rules of Bankruptcy Procedure permitting expedited discovery; (ii) requiring all noticed parties to produce all documents within 14 days of entry of an Order approving this Motion; (iii) requiring all depositions be completed within 24 days after entry of the Order approving this Motion, and that all named deponents make themselves or a representative available within that time frame to ensure depositions are completed pursuant to the Court's Order; and (iv) granting such other and further relief as the Court may deem just and proper.

Dated: March 7, 2011

STEVENS & LEE, P.C.

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EXHIBIT 1

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:	:	
	:	Chapter 11
NEW STREAM SECURED CAPITAL FUND	:	
(U.S.), L.L.C.,	:	Case No. 11-10690 (MFW)
	:	
Debtor.	:	
In re:	:	
	:	Chapter 11
NEW STREAM SECURED CAPITAL FUND	:	
K1 (Cayman), LTD.,	:	Case No. 11-10696 (MFW)
	:	
Debtor.	:	
In re:	:	
	:	Chapter 11
NEW STREAM SECURED CAPITAL FUND	:	
P1 (Cayman), LTD.,	:	Case No. 11-10694 (MFW)
	:	
Debtor.	:	

FIRST SET OF DOCUMENT REQUESTS

Pursuant to Federal Rule of Civil Procedure 34, applicable to this proceeding by Federal Rules of Bankruptcy Procedure 7034 and 9014, The Latta Family Trust, Christiane L. Latta Trust, Jean Y. Rose Revocable Trust, Irwin D. Yalom and Marilyn Yalom, Robert Shostak and Nancy Shostak, Consulta Collateral Fund PCC Ltd., Consulta Alternative Strategy Fund PCC Ltd., Kas Trust Bewaarder Finles Alternative Bond Fund B.V., Kas Trust Bewaarder Finles European Selector Fund B.V., Guernoy Limited, SPL Private Finance (PF2) IC Ltd, The Stillwater Market Neutral II, LP, The Stillwater Matrix Fund, L.P., The Stillwater Market Neutral Fund III SPL – Stillwater Matrix PC, Stratos Non-Directional Fund, LP, ZAM Asset Finance Limited (“ZAM AF”), Toledo Fund LLC, ZCALL, LLC, Mont Blanc Fund – Select, Absolute Return Partners, LLP, and Lillian Kling Trust (collectively the “US/Cayman

Investors”), through their undersigned counsel, hereby request that you respond to the Document Requests set forth below (the “Requests”) within the expedited time set forth in the Order Pursuant to Rules 26, 30, 33 and 34 of the Federal Rules of Civil Procedure and Rules 7026, 7030, 7033 and 7034 of the Federal Rules of Bankruptcy Procedure Permitting Expedited Discovery, dated March __, 2011 (the “Discovery Order”).

DEFINITIONS

The following definitions shall apply solely for purposes of these Requests, including the Definitions and Instructions that precede them:

1. The terms “and” and “or” shall be construed either conjunctively or disjunctively to bring within the scope of this notice any information which might otherwise be construed to be outside its scope. “Each” includes the word “every” and “every” includes the word “each.”
2. The term “any” shall include the term “any and all.”
3. The term “2003 PPM” shall mean the 2003 Private Placement Memorandum issued by NSSC.
4. The term “2007 PPM” shall mean the 2007 Private Placement Memorandum issued by NSSC.
5. The term “2007 Restructuring” shall mean the restructuring announced by NSC on or about November 28, 2007, which became effective as of January 1, 2008, under which a new fund structure was launched through the establishment of an offshore feeder fund and an onshore feeder fund, each of which would invest directly into a master fund.
6. The term “2009 Restructuring Plan” shall mean the March 2009 plan submitted by NSC to its investors.

7. The term “Affiliates” means, with respect to any Person, another Person that directly, or indirectly through one or more intermediaries, controls or is controlled by or is under common control with the Person.

8. The term “Auditor” means Rothstein Kass & Co. and J.H. Cohn, LLP.

9. The term “Bank” means BNP, Citco, Deutsche Bank, HSBC and KBC.

10. The term “Bermuda Feeder” shall mean New Stream Capital Fund, Ltd. and its agents, servants, members, officers, directors, shareholders, employees, subsidiaries, divisions, branches, units, Affiliates, parents, attorneys, successors, predecessors, heirs, personal representatives, and assigns.

11. The term “Bermuda Judgment” shall mean the Judgment of the Supreme Court of Bermuda in the action captioned *BNY AIS Nominees Limited et al. v. New Stream Capital Fund Limited*, 2009:178 and 2009:374, dated May 27, 2010.

12. The term “Bermuda Proceeding” shall mean that lawsuit captioned *BNY AIS Nominees Limited et al. v. New Stream Capital Fund Limited*, 2009:178 and 2009:374, before the Supreme Court of Bermuda.

13. The term “BMSS” means Barfield, Murphy, Shank & Smith, P.C.

14. The term “BNP” means BNP Paribas and its Affiliates, including Ozcar Multi Strategies LLC.

15. The term “Citco” means Citco Global Custody (NS) N.V and its Affiliates.

16. The term “Debtors” shall mean any of the following entities: NSC, NSSC, NSI, U.S. Feeder, Offshore Feeders and/or Bermuda Feeder.

17. The term “Deutsche Bank” means Deutsche Bank AG and its Affiliates, including Deutsche Bank (Cayman) Limited.

18. The term “document(s)” shall mean any writing or record of any type or description known to you, which includes without limitation every tangible thing from which information can be obtained, perceived, or reproduced, and includes any written, recorded, electronic or graphic matter, however produced or reproduced, whether or not now in existence, and also includes the original, all file copies, all other copies no matter how prepared, and all drafts prepared in connection with such document, whether used or not, and further includes but is not limited to papers, books, records, catalogs, price lists, pamphlets, periodicals, letters, correspondence, e-mails or other electronic transmissions, scrapbooks, notebooks, bulletins, circulars, forms, notices, post cards, telegrams, deposition transcripts, contracts, agreements, leases, reports, studies, working papers, charts, proposals, graphs, sketches, diagrams, indexes, maps, analyses, statistical records, reports, results of investigations, reviews, ledgers, journals, balance sheets, accounts, checks, books of accounts, invoices, vouchers, purchase orders, receipts, recordings, photographs, videotapes, computer disks, cd-roms, computer files, electrical recordings, magnetic recordings, memoranda (including any type or form of notes, memoranda, sound recordings of personal thoughts, recollections, or reminders of telephone or other conversations, or of facts, activities, agreements, meetings, or conferences); photostats, microfilms, instruction lists or forms, computer printouts or other computed data, minutes of director or committee meetings, inter-office or intra-office communications, diaries, calendar or desk pads, stenographers’ notes, appointment books, and other papers or materials similar to any of the foregoing, however denominated, whether or not received by you or prepared by you for your own use or transmittal. If a document has been prepared in several copies, or additional copies have been made, and the copies are not identical (or by reason of subsequent modification or notation, are no longer identical), each non-identical copy is a separate “document.”

19. The term “Exhibit A” means the letter from Tara Bryson addressed to Investors, dated November 28, 2007, a copy of which is attached hereto as Exhibit A.

20. The term “Exhibit B” means the letter from the Managing Partner of the U.S. Feeder to Investors, dated December 17, 2008, a copy of which is attached hereto as Exhibit B.

21. The term “Exhibit C” means the letter from New Stream Capital, LLC to Investors, dated April 6, 2009, a copy of which is attached hereto as Exhibit C.

22. The term “Exhibit D” means the Request for Forbearance and Written Consent (including the form of Written Consent attached thereto), dated April 6, 2009, a copy of which is attached hereto as Exhibit D.

23. The term “Exhibit E” means the New Stream Secured Capital, LP Situation Overview, dated April 2009, a copy of which is attached hereto as Exhibit E.

24. The term “Exhibit F” means the September 10, 2009 letter from New Stream Capital to David Frank, a copy of which is attached hereto as Exhibit F.

25. The term “Feeder Funds” means the U.S. Feeder and the Offshore Feeders.

26. The term “Gottex” shall mean any of Gottex Fund Management, Ltd., Gottex AB Funds and Gottex MN Funds, and their respective agents, servants, members, officers, directors, shareholders, employees, subsidiaries, divisions, branches, units, Affiliates, parents, attorneys, successors, predecessors, heirs, personal representatives, and assigns.

27. The term “HSBC” means HSBC National Bank, National Association and its Affiliates, including HSBC Alternative Investments (Guernsey) Limited.

28. The term “identify” and its cognates, when referring to a person, shall mean to state the person’s full name, current home address and telephone number, current business address and telephone number, occupation and position/job title. If you are unable, after earnest effort, to secure

the home and/or business address and telephone number of the identified person, you shall supply the person's last known home and/or business address and telephone number, and the name and location of the person's last known employer.

29. The term "identify" and its cognates, when referring to a communication, whether oral or written, shall mean to state the date of the communication, the nature and substance of the communication, identify the person(s) participating in the communication and identify each document that refers to, reflects, or relates to the communication.

30. The term "identify" and its cognates, when referring to a situation or fact, or an occurrence or object, shall mean to state each and every fact known relating to the information requested by the Request, including (a) the identity of each person having knowledge of each fact or opinion relating to the information request, (b) the identity of each document showing or relating to the answer given or any part of the answer given, and (c) all relevant dates and time periods.

31. The term "including" means including, but not limited to.

32. The term "KBC" means KBC Bank NV and its Affiliates, including, KBC Financial Products (Cayman Islands).

33. The term "MIO" shall mean MIO Partners, Inc. and its agents, servants, members, officers, directors, shareholders, employees, subsidiaries, divisions, branches, units, Affiliates, parents, attorneys, successors, predecessors, heirs, personal representatives, and assigns.

34. The term "NSC" shall mean New Stream Capital LLC and its agents, servants, members, officers, directors, shareholders, employees, subsidiaries, divisions, branches, units, Affiliates, parents, attorneys, successors, predecessors, heirs, personal representatives, and assigns.

35. The term “NSSC” shall mean New Stream Secured Capital, L.P. and its agents, servants, members, officers, directors, shareholders, employees, subsidiaries, divisions, branches, units, Affiliates, parents, attorneys, successors, predecessors, heirs, personal representatives, and assigns.

36. The term “NSI” shall mean New Stream Insurance, LLC and its agents, servants, members, officers, directors, shareholders, employees, subsidiaries, divisions, branches, units, Affiliates, parents, attorneys, successors, predecessors, heirs, personal representatives, and assigns.

37. The term “New Stream Funds” means the U.S. Feeder, the Offshore Feeders and the Bermuda Feeder.

38. The term “Offshore Feeders” shall have the same meaning that such term has in numbered paragraph 1 of Exhibit D attached hereto.

39. The terms “person” or “persons” shall mean all entities including, but not limited to, all individuals, associations, companies, partnerships, proprietorships, joint ventures, corporations, trusts, estates, public agencies, departments, bureaus and boards.

40. The term “Plan” shall mean the prepackaged joint plan of liquidation distributed by New Stream Secured Capital, Inc., NSI, NSC and NSSC on or about January 24, 2011.

41. The term “Redemption Requests” shall mean the various requests for redemption in 2007 and 2008 by US/Cayman Investors and other entities against any all of Debtors, NSC, NSSC, NSI, the New Stream Funds, Offshore Feeders and U.S. Feeder.

42. The term “relate to,” or variations thereof, means directly or indirectly mentions, describes, pertains to, refers to, reflects upon, supports, contradicts, concerns, contains, constitutes, discusses, embodies, memorializes, entails, evidences, comments on, or is in any way pertinent to, directly or indirectly, in whole or in part.

43. The term “U.S. Feeder” means New Stream Capital Fund (U.S.), LLC.

INSTRUCTIONS

1. When documents or information are requested from you, respond with any knowledge or information that you possess or that is in possession of your officers, directors, employees, agents, representatives, attorneys, or other persons or entities acting on your behalf

2. If more than one person has responsive documents or information, then each person shall separately produce the documents or information that is responsive to the Requests herein. It shall not be a basis for refusal to answer that the requesting party or any other party also possesses non-identical or identical information.

3. If you claim any privilege with respect to any documents or information called for by a Request, identify the communication, document, or other item for which the privilege is claimed, the subject matter thereof, the type of privilege claimed, and the factual and legal basis for the claim of privilege.

4. If a date ascribed by this discovery to a communication, meeting, or other event is inaccurate but the actual date is known to you or is otherwise apparent from the context of the Request, answer as if the date were corrected.

5. For each communication, identify the means of communication (e.g., oral, letter, telephonic, etc.), the substance of the communication, the date of the communication, and the participants and recipients of the communication.

6. The documents produced in response to these Requests shall include all attachments and enclosures.

7. The documents requested include every document known to you and every document that can be located or discovered by reasonably diligent efforts on your part.

8. Whenever a Request is framed in the conjunctive, it shall also be taken in the disjunctive and vice versa.

9. Whenever a Request is framed in the singular, it shall also be taken in the plural and vice versa.

10. The use of any tense of any verb shall be considered to also include within its meaning all other tenses of the verb so used.

11. All documents produced in response to these Requests shall be produced in their entirety notwithstanding the fact that portions thereof may contain information not requested, shall contain all drafts as well as final iterations of a document, and shall include all versions or copies of a document which are not identical to (whether due to handwritten notations, revisions or otherwise) the original or other produced copy of a document.

12. If it is otherwise not possible to produce any documents called for by these Requests, or if any part of these Requests is objected to, the reasons for such non-production or for the objection should be stated with specificity as to all grounds.

13. With respect to each Request, produce all documents which are known to you, or which can be located or discovered by a reasonably diligent effort, and which are in your possession, custody or control, including all such documents requested to be produced which are in your files (whether personal, business or any other files), possession, custody or control or your attorneys', accountants' subsidiaries', divisions', agents', representatives' or employees' files, possession, custody or control.

14. Each Request shall be deemed continuing in nature and requiring supplementation to the extent required by Rule 26(e) of the Federal Rules of Civil Procedure and Rule 7026 of the Federal Rules of Bankruptcy Procedure.

DOCUMENT REQUESTS

Produce:

1. All books and records of the Debtors, including ledgers, bank statements, brokerage account statements, audited and unaudited financial statements and check registers, from January 1, 2007 to the present.
2. All documents relating to the Debtors' assets and financial condition, including interests in any directly and indirectly owned subsidiaries.
3. All stand alone (unconsolidated) balance sheets and income statements for each Debtor from January 1, 2007 to the present.
4. All Documents relating to the investment by any Debtor in any life insurance policies or life settlement assets.
5. All documents relating to any valuations or appraisals of the Debtors' assets, including interests in any directly and indirectly owned subsidiaries.
6. All minutes, corporate records, resolutions and unanimous written consents relating to the Debtors from January 1, 2007 to the present.
7. All Documents relating to the 2007 Restructuring, including correspondence with investors and potential investors.
8. All Documents relating to the 2009 Restructuring Plan, including correspondence with investors and potential investors.
9. All Directors and Officers insurance policies issued on behalf of the Debtors.
10. All Documents relating to the transfer of any of the Debtors' assets from January 1, 2007 to the present.
11. All Documents sent by NSC to its investors from January 1, 2007 to the present.
12. All Documents relating to Gottex's interests in the Debtors.

13. All Documents relating to Gottex's Redemption Request for \$270 million and the subsequent cancellation thereof.
14. All Documents relating to any communications between Gottex and any Debtor.
15. All Documents relating to the formation, ownership, operation, assets and liabilities of the Bermuda Feeder.
16. All Documents relating to the Bermuda Proceeding and the Bermuda Judgment.
17. All Documents relating to the 2003 PPM.
18. All Documents relating to the 2007 PPM.
19. All Documents relating to the Redemption Requests.
20. All Documents relating to the proposed asset sale to MIO, including all efforts to market or otherwise monetize the assets being sold to MIO.
21. All Documents relating to the funding of NSI's expenses, including premium payments.
22. All Documents relating to the purchase of life insurance assets, including the source of the funds used to purchase such assets.
23. All Documents relating to the disposition of funds invested in the Debtors by US/Cayman Investors.
24. All documents relating to any management letter prepared by any Auditor in connection with an audit of the Debtors.
25. All documents relating to the write-down of any assets of the Debtors.
26. All documents that were sent by any Debtor to any Bank with respect to any potential financing of the Debtors.
27. All documents relating to the termination or resignation of any employee of the Debtors or New Stream Capital Services LLC, from January 1, 2007 to the present.

28. All documents relating to any complaints or inquiries from any Person which relates to the manner in which the Debtors were managed.

29. All documents relating to any complaints or inquiries from any Person as to the failure to disclose the existence of any material facts relating to the Debtors.

30. All documents relating to any complaints or inquiries from any Person as to the manner in which the assets of the Debtors were valued.

31. All correspondence with the staff of the Securities and Exchange Commission or other government authority or regulatory agency, including all documents provided to any such agency.

32. Any versions of the operating agreement or limited partnership agreement, including all amendments thereto, for the Debtors.

33. Any versions of the subscription agreement for each of the Debtors.

34. All documents relating to or constituting communications between Milliman, Inc. and any Person with respect to the valuation of the life settlement portfolio assets in the Debtors..

35. All documents relating to the collapse of the life settlement market as more fully discussed on page 4 of Exhibit E.

36. All documents relating to attempts to switch investors in the Bermuda Feeder to one or all of the Offshore Feeders.

37. All documents relating to any communications between any investor in the Bermuda Feeder and any other Person relating to the launch of the new fund structure referred to in Exhibit A.

38. All documents relating to the confirmation by the general partner that there are no present compliance issues that would cause the general partner to not pay the redemption proceeds in the order described in Exhibit B, as more fully discussed to in paragraph 7 of Exhibit B.

39. All documents relating to the Secured Capital Notes (as defined in paragraph 4 of Exhibit C), including all amendments, defaults notices and/or waivers related thereto.

40. All documents relating to the ongoing premium payments that are required to ensure that the life policies underlying each life settlement loan does not lapse, as more fully discussed in paragraph 6 of Exhibit C.

41. All documents relating to the ownership structure of Northstar Financial Services Ltd.

42. Copies of Bermuda Notes, as referred to on page 5 of Exhibit E.

43. All documents relating to communications concerning disclosures referred to in Exhibit F.

44. All documents relating to the disclosure to investors in the U.S. Feeder and/or the Offshore Feeders of the existence of the Bermuda Notes.

45. All documents relating to the security interests asserted by the Bermuda Feeder, including perfection of all such security interests.

46. All versions of any and all collateral agency agreements relating to any of the Debtors.

47. All documents relating to the disclosure to investors in the U.S. Feeder and/or the Offshore Feeders that the investments in the Bermuda Feeder were senior in priority to investments made by US/Cayman Investors.

48. All documents relating to negotiation of the Plan.

49. All Documents and/or exhibits that you intend to introduce at the hearing to appoint a Chapter 11 Trustee.

Dated: March __, 2011

STEVENS & LEE, P.C.

/s/

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Maria Aprile Sawczuk (No. 3320)
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Counsel for Movants

NEW STREAM

Ex. A

C A P I T A L

28 November, 2007

Dear Investors,

1 New Stream Capital, LLC (NSC) is writing to announce the launch of a new fund structure. This letter is intended to outline the procedures that U.S. and non-U.S. investors need to follow to remain invested in New Stream Secured Capital, LP (NSSC).

2 On December 1, 2007, New Stream Capital will open new onshore and offshore feeder funds – New Stream Secured Capital Fund (U.S.), LLC (the "U.S. Feeder Fund") and New Stream Secured Capital Fund (Cayman), Ltd. fund series (the "Offshore Feeder Fund Series") – through which investors can continue to participate in NSSC (the "Master Fund"). The new fund structure substantially limits the tax consequences usually associated with the direct investments of non-U.S. entities in U.S. lending companies.

3 This new fund structure not only provides tax advantages, but it also ensures that all investors (U.S. and non-U.S.) will have the same risk-reward profile, the same portfolio exposures and the same pre-tax return. By contrast, other strategies – "season and sell," for example – can expose investors to dissimilar risks and return profiles. These strategies have also drawn negative media coverage and regulatory scrutiny lately, as discussed in the *Wall Street Journal* article – "U.S. Takes Look At Hedge Funds And a Tax Perk" – dated August 14, 2007.

4 The new fund structure is detailed in the attached organizational chart, and we would be happy to share with you the written opinion of New Stream's tax counsel, Reed Smith, LLP, a top-15 international law firm.

5 As of December 1, 2007, New Stream Capital Fund, Ltd (NSC's existing Bermuda fund) and NSSC (NSC's existing onshore fund, now called the "Master Fund") will be closed to new direct investments. We request that, going forward, you make all new allocations either to the U.S. Feeder Fund or to the Offshore Feeder Fund Series. Further, we ask all investors to transfer their existing positions to the Feeder Funds. Transfers may begin on December 1, 2007 and they should be completed by January 1, 2008.

6 We are also taking this opportunity to update the Master Fund Private Placement Memorandum and supporting documents. Please find attached for your review all documents related to this announcement.

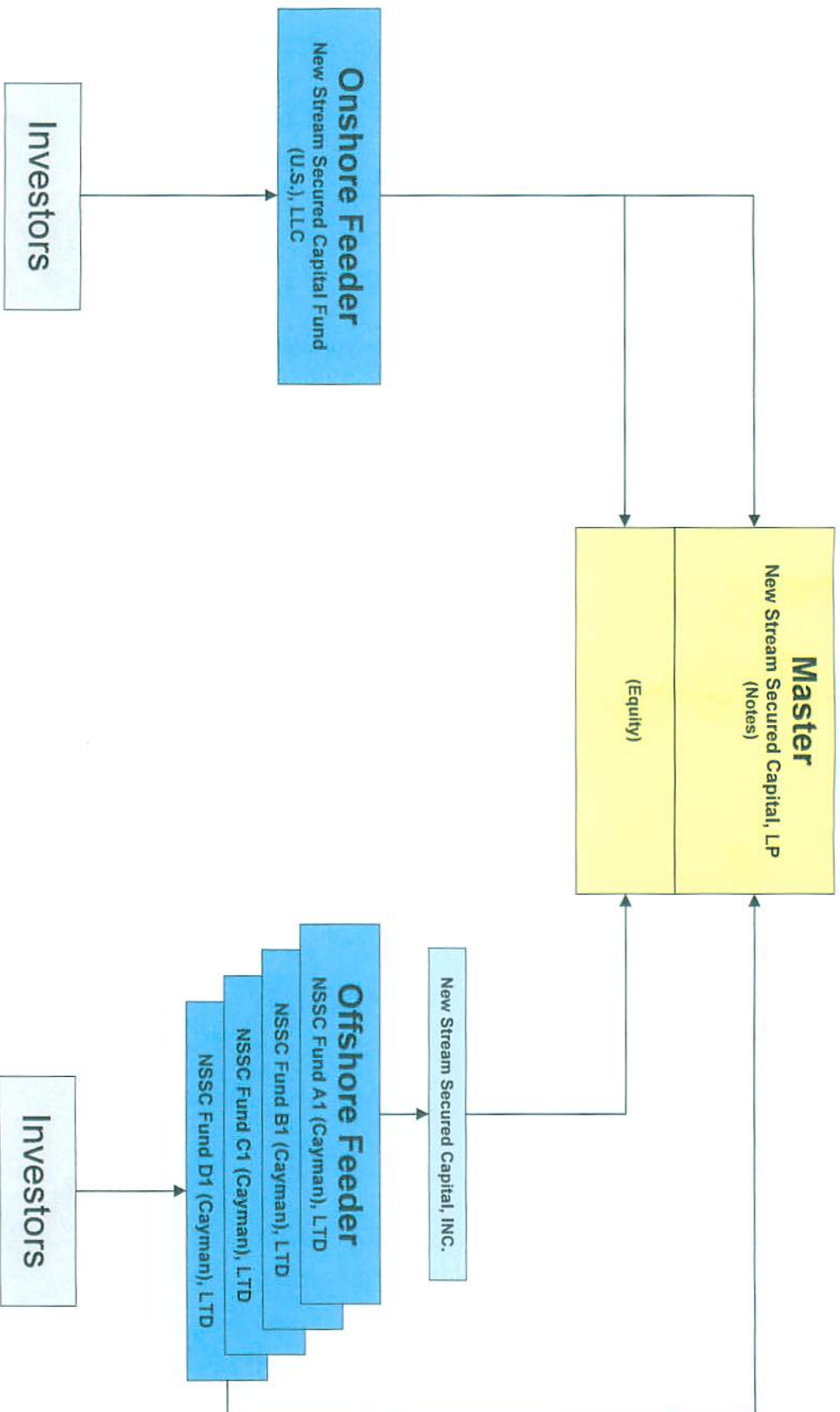
Of course, we are prepared to assist you in any way to ensure a smooth transition to the new fund structure. Please feel free to call me with any questions at 203.431.0330 x814.

As always, we thank you for your support, and we look forward to a prosperous 2008.

Sincerely,



Tara A. Bryson
Director of Marketing & Client Relations



Confidential

NEW STREAM
CAPITAL

Ex. B.

17 December, 2008

Dear Investors,

1 This communication is provided as an update on the developments affecting your investment in New Stream Secured Capital Fund (U.S.), LLC. (the "U.S. Feeder")

2 Certain investors have indicated their intention to redeem part or the whole of their investments in the U.S. Feeder as of October 1, 2008 or later. As a result of the redemption requests, the U.S. Feeder has sought a redemption from New Stream Secured Capital, L.P. (the "Master Fund"), the company in which the U.S. Feeder invests.

3 The general partner of the Master Fund has confirmed that it intends to meet over time, all redemption requests received from the U.S. Feeder from available cash, which shall mean the amount of cash that is available for distribution to the U.S. Feeder and other redeeming investors in the Master Fund at the end of each calendar month, as determined by the general partner of the Master Fund ("Available Cash").

4 Consequently, the manager of the U.S. Feeder is confirming to the relevant investors that as of October 1, 2008, it will be able to meet a portion of the redemption requests it has received only to the extent that it receives a distribution from the Master Fund as described above.

5 In light of the foregoing, the manager of the U.S. Feeder has decided to bring forward all redemption requests effective on October 1, 2008 or later to a redemption day of October 1, 2008 (collectively, the "October Redemption Requests"). Additionally any unsatisfied portion of any redemption requests shall remain invested in the U.S. Feeder and therefore continue to be subject to market risks and varying net asset values until the unsatisfied portion of any redemption requests is met.

NEW STREAM
CAPITAL

6 To the extent that distributions are made with respect to the October Redemption Requests, the manager of the U.S. Feeder has decided that any investors who have not placed a redemption request at that time will have the option to receive a pro rata portion of any such distributions. If investors wish to receive such a distribution, the investor must notify the manager of the U.S. Feeder, in writing, at least 5 days prior to the date any such distribution shall occur.

7 Notwithstanding the foregoing, with respect to redemption requests made by investors which have a redemption date prior to October 1, 2008, the Master Fund has advised that it intends to meet such requests in priority to the October 1, 2008 and later redemption requests, on a pari passu basis out of Available Cash, however, the order of payment of the redemption proceeds may be modified in order to comply with operating and debt covenants which the general partner may be subject to in accordance with the organizational and operational documents of the Master Fund. The general partner has confirmed that there are at present no compliance issues that would cause the general partner to not pay the redemption proceeds in the order described herein.

8 Should you have any questions please contact Tara A. Bryson at (203) 431-0330 ext 814.

Regards,

The Managing Partners of
New Stream Secured Capital Fund (U.S.), LLC

By: New Stream Capital, LLC
its Managing Member

NEW STREAM CAPITAL, LLC

April 6, 2009

Dear Investors,

1 This communication is further to our recent letter updating you on the developments affecting your investment in New Stream Secured Capital Fund (U.S.), LLC (the "U.S. Feeder").

2 As you know, we strive to generate consistent positive performance results for our investors. For a substantial period following the inception of the U.S. Feeder, we successfully achieved that goal. As a result of the recent financial turmoil, certain portions of our portfolio have been adversely affected while others have continued to perform favorably. These financial uncertainties have presented new market dynamics. Additionally, we have received substantial redemption requests by many of our investors. It is against this backdrop that we write to you now with a proposed plan to address this situation.

3 The discussion below is intended to present a plan (the "Plan"), which has been endorsed by the Managing Member, New Stream Capital, LLC ("NSC"), for addressing these new market dynamics. The Plan is intended to maximize value of the investment portfolio available to redeem the interests of all the investors in the New Stream Funds (as that term is defined below). We are attempting to achieve maximum value in an expeditious manner so that all our investors are treated in a fair and equitable manner. We hope that you will agree that by working together, we can achieve our objectives.

4 As indicated in our letter of December 17, 2008, certain investors have indicated their intention to redeem part or whole of their investments in the U.S. Feeder. As a result of the redemption requests, the U.S. Feeder sought a redemption from New Stream Secured Capital, L.P. (the "Secured Capital Fund"), the limited partnership in which it invests. The U.S. Feeder also sought repayment of its notes from the Secured Capital Fund (along with all other similar Notes issued by the Secured Capital Fund, the "Secured Capital Notes").

5 In our December 17 letter, we notified you that NSC, the general partner of the Secured Capital Fund, indicated its intention to meet over time all redemptions from available cash. NSC has since indicated that due to: (i) the redemption requests from all the New Stream investing entities (including the offshore feeders (the "Offshore Feeders", and together with the U.S. Feeder, the "Feeder Funds") and New Stream Capital Fund Limited (the "Bermuda Fund," and together with the Feeder Funds, the "New Stream Funds") constituting a substantial portion of the Secured Capital Fund's assets; and (ii) the continued volatility and dislocation in the global financial markets, it will not be able to liquidate its investments in the near term in a manner which would best serve all the investors in the New Stream Funds (collectively, the "New Stream Investors"). Consequently, NSC elected to scale back pro rata the redemption requests of each of the investors in the U.S. Feeder in line with the scale back on redemptions that had been imposed by the Secured Capital Fund and thereby reject and cancel the unsatisfied portion of each such redemption request and further set October 1, 2008 as the redemption date for all redemptions from the U.S. Feeder that had not become effective prior to that date.

6 As you know, the Secured Capital Fund's investment portfolio consists of investments generally in the form of loans to private companies (i.e., non-traded debt) in the following asset classes: life insurance, real estate, commercial finance and energy. These asset classes, by their very nature, are long-lived and

illiquid. The on-going credit crisis has caused significant dislocation in the global capital markets which has severely impacted the asset values of the investment portfolio of the Secured Capital Fund and the ability to sell such assets in an illiquid market. While all of the assets in the investment portfolio have been impacted, the real estate and life insurance assets have been impacted the most. In particular, with respect to the life insurance sector, this dislocation, along with an adverse shift in industry valuation standards, has brought the secondary market for life settlements to a near standstill. Life insurance related assets comprise the majority of the Secured Capital Fund's insurance portfolio. As a result, the Secured Capital Fund's investment strategy has shifted, by necessity, from expecting pay-offs on premium finance loans to foreclosing on such loans and holding life settlements until the markets normalize. This, in turn, requires substantial capital for ongoing premium payments to ensure that the life policies underlying each life settlement do not lapse. With respect to the real estate portfolio, the illiquidity of underlying investments has caused the Secured Capital Fund to adopt a strategy to hold such assets until the markets recover. Notwithstanding the Secured Capital Fund's inability to liquidate its investment portfolio, other than the insurance portfolio, the other portfolios have continued to perform favorably relative to the markets.

7 NSC is committed to meeting the redemption requests of all New Stream Investors in a fair and equitable manner. But in light of the above, NSC believes that the forced liquidation of the Secured Capital Fund's investments at this time to satisfy redemption requests of all New Stream Investors would likely cause the Secured Capital Fund to incur significant losses and prejudice New Stream Investors by liquidating assets at inopportune times and thereby destroying investor value. NSC has proposed the following plan to restructure the New Stream Funds and provide for an orderly and equitable liquidation and distribution of the assets of the Secured Capital Fund.

PROPOSED RESTRUCTURING PLAN

8 It is proposed that with respect to all New Stream Funds, New Stream Investors agree to a two-year forbearance period (the "Forbearance Period"). As discussed below, such Forbearance Period will provide NSC sufficient time to address the Secured Capital Fund's liquidity issues with respect to its investment portfolio. With regard to investors in the Feeder Funds, a forbearance would require the Feeder Fund investors to agree to a stay on prosecuting their claims in connection with their redemption requests during the Forbearance Period.

9 In order to help provide more immediate liquidity to New Stream Investors who seek to exit their investment positions during the Forbearance Period, NSC will endeavor to establish a matching service which would pair New Stream Investors who desire to sell their interests in the New Stream Funds with other New Stream Investors or third-party investors who may wish to purchase those interests during the Forbearance Period (the "Matching Service"). New Stream Investors who wish to participate in the Matching Service will be able to indicate to an independent broker contracted by NSC to provide the Matching Service (the "Matching Broker") a discount amount at which they would be willing to consider a sale and the Matching Broker will communicate such offers to other New Stream Investors and third-party investors who have indicated an interest to purchase additional interests in the New Stream Funds. The Matching Broker will notify the interested buyer and seller of the match and the parties will then independently negotiate a final sale price.

10 During the Forbearance Period, NSC will endeavor to make available a payment-in-kind option to New Stream Investors whereby NSC would make available selected life settlement assets of a wholly-owned subsidiary of the Secured Capital Fund, New Stream Insurance, LLC ("NSI") to New Stream Investors as settlement-in-full of any outstanding redemption requests of such investors in order of the sequence

established by the original timing of each such investor's redemption requests in each of the New Stream Funds.

| | During and subsequent to the Forbearance Period:

1. The Secured Capital Fund would accrue interest on all Secured Capital Notes held by the Feeder Funds at 15% per annum or such other market rate as may be reasonably determined by the Managing Member from time to time, provided however, that to that extent a Secured Capital Note relates to an investor's account in the U.S. Feeder on which the net asset value of the respective investor's account has been fixed as of a certain date, then such Secured Capital Note would accrue interest at an adjustable rate equal to the 90-day LIBOR; provided, however, that such rate shall not exceed 3% per annum.

2. NSC will continue to manage and will seek to orderly liquidate the investment portfolio of the Secured Capital Fund and pay the normal day-to-day operating expenses of the Secured Capital Fund out of the proceeds of such liquidations including, without limitation, the payment of life premiums on the life settlement and premium finance portfolios which continue to meet the investment criteria of the Secured Capital Fund and expenditures to which it is legally obligated to make under the remainder of its portfolio. Periodically, NSC, on behalf of the Secured Capital Fund, shall determine the amount of unrestricted cash (e.g., cash which is not needed to pay present and near future obligations of the Secured Capital Fund) which is available for distribution to the New Stream Investors ("Available Cash"), provided however, that with respect to cash reserves being held for the express purpose of paying life premiums, any such cash reserve shall not exceed \$60 million at the end of any calendar quarter. Such Available Cash shall be distributed to all New Stream Funds in repayment of their respective outstanding Secured Capital Notes as follows: (i) firstly, to the New Stream Funds where the redemption requests made by the underlying investors had become effective prior to October 1, 2008 in accordance with the sequence established by the date upon which such redemption requests had become effective; and (ii) secondly, to the New Stream Funds (distributed based on the applicable Distribution Percentage (as that term is defined below) among the investors in the Bermuda Fund and the Feeder Funds, each an "Investor Group"), where the underlying investor's redemption requests had become effective on or after October 1, 2008, on a pari passu basis to each Investor Group in respect of the balance of the Secured Capital Notes held by each New Stream Fund in an Investor Group against the total outstanding amount of the Secured Capital Notes held by all the New Stream Funds in such Investor Group. The "Distribution Percentage" shall be determined as of the date of any distribution of Available Cash (each, a "Distribution Date") as follows: (i) if the Bermuda LTV Ratio (as that term is defined below) is more than 85%, then the Distribution Percentage shall be 100% to the Bermuda Fund and 0% to the Feeder Funds; (ii) if the Bermuda LTV Ratio is less than or equal to 85%, but more than or equal to 70%, then the Distribution Percentage shall be 85% to the Bermuda Fund and 15% to the Feeder Funds; and (iii) if the Bermuda LTV Ratio is less than 70%, then the Distribution Percentage shall be 70% to the Bermuda Fund and 30% to the Feeder Funds. The Bermuda LTV Ratio shall be equal to the ratio, expressed as a percentage, of the outstanding amount of Secured Capital Notes held by the Bermuda Fund as of the end of the calendar quarter prior to any Distribution Date to the total asset value of the Secured Capital Fund and its subsidiaries as of the end of such calendar quarter calculated in accordance with the Secured Capital Fund's private placement memorandum and limited partnership agreement. Notwithstanding the foregoing, to the extent that, on any Distribution Date, distributions of Available Cash shall change the Bermuda LTV Ratio such that it triggers a change in the Distribution Percentage, the Distribution Percentage used on such Distribution Date shall be based on the initial Bermuda LTV Ratio for the amount of Available Cash distributed to the point that the

Bermuda LTV Ratio changes the Distribution Percentage, and the remainder of such distribution of Available Cash shall be distributed based on the changed Distribution Percentage.

3. Subsequent to satisfaction of the obligations of the Secured Capital Fund as described in Paragraph 2 above, all Available Cash will be allocated to satisfy the respective investment account balances of the Feeder Funds in the Secured Capital Fund: (i) firstly, to the Feeder Funds, where the redemption requests made by the underlying investors had become effective prior to October 1, 2008, in accordance with the sequence established by the date upon which such redemption requests had become effective; and (ii) secondly, to the Feeder Funds, where the underlying investors' redemption requests had become effective on October 1, 2008, on a pari passu basis in respect of each such investor's outstanding investment balance in the respective Feeder Fund against the total investments outstanding in all such Feeder Funds.

4. The Secured Capital Fund currently has a direct debt obligation to Northstar Financial Services Ltd. ("Northstar") in the principal amount of US \$35 million. Northstar is a Bermuda insurance company and a wholly-owned indirect subsidiary of the Secured Capital Fund. In order to assure the continued capital base of Northstar, NSC will be authorized to renegotiate and make payment with respect to this intercompany loan in a manner so as to maintain the value of the Secured Capital Fund's investment in Northstar.

5. NSC will endeavor to liquidate a sufficient amount of the Secured Capital Fund's investments to meet all redemption requests and will seek to liquidate or restructure the insurance portfolio in a manner to optimize its value to all New Stream Investors. It should be noted that because of the uncertainty in the capital markets, NSC cannot guaranty that it will be able to successfully meet the aforementioned objective. In particular, NSC will address the insurance portfolio and consider all possible transactions to secure the best value for the insurance assets. During the Forbearance Period, the Secured Capital Fund and its affiliates can continue to raise capital in a manner not adverse to current investors.

6. The operating expenses of the Secured Capital Fund and the management fee will be shared among all the New Stream Funds in a manner intended to be in proportion to their aggregate interest in the Secured Capital Fund. The Secured Capital Fund intends on continuing to manage down the operating expenses being charged to the New Stream Funds commensurate with the liquidation of its investment portfolio.

NECESSARY ACTION

12 Execution of the attached consent authorizing (and directing the Managing Member to effect as required):

- 12-1 • the Lock-up Period with regard to the U.S. Feeder;
- 12-2 • the suspension of the redemption requests to the U.S. Feeder, and the suspension of the demand payment request on the Secured Capital Notes; and
- 12-3 • the amendment of the Secured Capital Notes held by the U.S. Feeder to, among other things, provide that demand thereon will be tolled for a two-year period, indicate that subsequent payments will be subject to the ability of the Secured Capital Fund to liquidate its investments in the orderly course of business, and provide for the payment allocation among the noteholders.

13
14
The Managing Member firmly believes that this Plan will maximize the value of the U.S. Feeder's shares over time and create sufficient amounts available for redemption distributions. While it is difficult to craft a plan that will fully address all the views of the various investors, we have attempted in good faith to craft this Plan in a manner that addresses many of these concerns.

We remain committed to maximizing the value of the interests for the benefit of all New Stream Investors and we hope that most investors are committed to finding a fair, equitable and economically viable solution. We believe that the proposed Plan accomplishes this goal and that by working together, we can weather this unforeseen economic storm. We note that this situation is not unique and would ask that you consider the Secured Capital Fund's current financial condition and the Plan proposed above to address it in context.

Yours sincerely,

New Stream Capital, LLC

By: 

Managing Partner

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EX. D

REQUEST FOR FORBEARANCE AND WRITTEN CONSENT

For Immediate Distribution

April 6, 2009

NEW STREAM SECURED CAPITAL FUND (U.S.) LLC (THE "FUND")

Re: Proposed Restructuring Plan

New Stream Capital, LLC ("NSC"), the Managing Member of the Fund, hereby requests that the investors forbear from exercising certain rights and remedies in connection with their redemption requests and hereby seeks the written consent of investors in order to implement the proposed restructuring plan set forth in the investor letter dated April 6, 2009 (the "Plan").

Specifically, the Managing Member seeks consent to the following actions:

1. Institution of a two-year Forbearance period (the "Forbearance Period") during which no requests for redemption by any of the investors in (a) the Fund, (b) various Cayman Island Feeder Funds (collectively, the "Offshore Feeders") and (c) the New Stream Capital Fund Limited (the "Bermuda Fund") may be made, no redemption requests will be accepted and no existing or new redemption requests will be effective or will be paid. The Fund and the Offshore Feeders shall hereinafter be collectively referred to as the "Feeder Funds" and together with the Bermuda Fund shall collectively be referred to as the "New Stream Funds". The investors in the New Stream Funds shall hereinafter be collectively referred to as the "New Stream Investors".
2. A two-year stay on prosecuting any claims in connection with requests for redemption by any of the investors in the Fund.
3. A two-year suspension of the demand payment request on the notes issued by New Stream Secured Capital, L.P. (the "Secured Capital Fund") and New Stream Insurance, LLC ("NSI"), a wholly-owned subsidiary of the Secured Capital Fund, and held by the New Stream Funds (collectively, the "Secured Capital Notes").
4. During the Forbearance Period, NSC will endeavor to make available a payment-in-kind option to New Stream Investors whereby NSC would make available selected life settlement assets of NSI to New Stream Investors as settlement-in-full of any outstanding redemption requests of such investors in order of the sequence established by the original timing of each such investor's redemption requests in each of the New Stream Funds.
5. During the Forbearance Period, NSC will endeavor to establish a matching service which would pair New Stream Investors who desire to sell their interests in the New Stream Funds with other New Stream Investors or third-party investors who may wish to purchase those interests during the Forbearance Period (the "Matching Service"). New Stream Investors who wish to participate in the Matching Service will be able to indicate to an independent broker contracted by NSC to provide the Matching Service (the "Matching Broker") a discount amount at which they would be willing to consider a sale and the

Matching Broker will communicate such offers to other New Stream Investors and third-party investors who have indicated an interest to purchase additional interests in the New Stream Funds. The Matching Broker will notify the interested buyer and seller of the match and the parties will then independently negotiate a final sale price.

6. During and subsequent to the Forbearance Period:

A. The Secured Capital Fund would accrue interest on all Secured Capital Notes held by the Feeder Funds at 15% per annum or such other market rate as may be reasonably determined by the Managing Member from time to time, provided however, that to that extent a Secured Capital Note is held by a Fund in which the net asset value of the respective investor's account has been fixed as of a certain date, then such Secured Capital Note would accrue interest at an adjustable rate equal to the 90-day LIBOR; provided, however, that such rate shall not exceed 3% per annum.

B. NSC will continue to manage and will seek to orderly liquidate the investment portfolio of the Secured Capital Fund and pay the normal day-to-day operating expenses of the Secured Capital Fund out of the proceeds of such liquidations including, without limitation, the payment of life premiums on the life settlement and premium finance portfolios which continue to meet the investment criteria of the Secured Capital Fund and expenditures to which it is legally obligated to make under the remainder of its portfolio.

C. NSC shall periodically determine the amount of unrestricted cash (e.g., cash which is not needed to pay present and near future obligations of the Secured Capital Fund) which is available for distribution to the New Stream Investors ("Available Cash"), provided however, that with respect to cash reserves being held for the express purpose of paying life premiums, any such cash reserve shall not exceed \$60 million at the end of any calendar quarter. Such Available Cash shall be distributed to all New Stream Funds in repayment of their respective outstanding Secured Capital Notes as follows: (i) firstly, to the New Stream Funds, where the redemption requests made by the underlying investors had become effective prior to October 1, 2008, in accordance with the sequence established by the date upon which such redemption requests had become effective; and (ii) secondly, to the New Stream Funds (distributed based on the applicable Distribution Percentage (as that term is defined below) among the investors in the Bermuda Fund and the Feeder Funds, each an "Investor Group"), where the underlying investor's redemption requests had become effective on or after October 1, 2008, on a pari passu basis to each Investor Group in respect of the balance of the Secured Capital Notes held by each New Stream Fund in an Investor Group against the total outstanding amount of the Secured Capital Notes held by all the New Stream Funds in such Investor Group. The "Distribution Percentage" shall be determined as of the date of any distribution of Available Cash (each, a "Distribution Date") as follows: (i) if the Bermuda LTV Ratio (as that term is defined below) is more than 85%, then the Distribution Percentage shall be 100% to the Bermuda Fund and 0% to the Feeder Funds; (ii) if the Bermuda LTV Ratio is less than or equal to 85%, but more than or equal to 70%, then the Distribution Percentage shall be 85% to the Bermuda Fund and 15% to the Feeder Funds; and (iii) if the Bermuda LTV Ratio is less than 70%, then the Distribution Percentage shall be 70% to the Bermuda Fund and 30% to the Feeder Funds. The Bermuda LTV Ratio shall be equal to the ratio, expressed as a percentage, of the outstanding amount of Secured Capital Notes held by the Bermuda Fund as of the end of the calendar quarter prior to any Distribution Date to the total asset value of the Secured Capital Fund and its subsidiaries as of the end of such calendar quarter in accordance with the Secured

Capital Fund's private placement memorandum and limited partnership agreement. Notwithstanding the foregoing, to the extent that, on any Distribution Date, distributions of Available Cash shall change the Bermuda LTV Ratio such that it triggers a change in the Distribution Percentage, the Distribution Percentage used on such Distribution Date shall be based on the initial Bermuda LTV Ratio for the amount of Available Cash distributed to the point that the Bermuda LTV Ratio changes the Distribution Percentage, and the remainder of such distribution of Available Cash shall be distributed based on the changed Distribution Percentage.

D. Subsequent to satisfaction of the obligations of the Secured Capital Fund as described in Paragraph C above, all Available Cash will be allocated to satisfy the respective investment account balances of the Feeder Funds in the Secured Capital Fund: (i) firstly, to the Feeder Funds, where the redemption requests made by the underlying investors had become effective prior to October 1, 2008, in accordance with the date upon which such redemption requests had become effective; and (ii) secondly, to the Feeder Funds, where the underlying investors' redemption requests had become effective on October 1, 2008, on a pari passu basis in respect of each such investor's outstanding investment balance in the respective Feeder Fund against the total investments outstanding in all such Feeder Funds.

E. NSC will be authorized to renegotiate and pay (as required by contract) the debt obligations of: the Secured Capital Fund currently held by Northstar Financial Services Ltd. ("Northstar"), a Bermuda insurance company and a wholly-owned indirect subsidiary of the Secured Capital Fund, in a manner so as to maintain the value of the Secured Capital Fund's investment in Northstar.

F. The Secured Capital Fund and its affiliates can continue to raise capital in a manner not adverse to the current New Stream Investors.

7. In order to implement the foregoing, the Secured Capital Notes shall be amended to provide, among other things, that demand thereon will be tolled for the duration of the Forbearance Period, and, at the conclusion thereof, subsequent payments of the Secured Capital Notes will be subject to the ability of the Secured Capital Fund to liquidate its investments in the orderly course of business, and provides for the payment allocation set forth above among the New Stream Investors.

8. During and subsequent to the Forbearance Period, the operating expenses of the Secured Capital Fund and the management fee will be shared among all the New Stream Funds in a manner intended to be in proportion to their aggregate interest in the Secured Capital Fund.

In order to implement this proposed change in respect of the Fund's existing members and investors as of the date hereof, we request your written consent. For this purpose, we would request that you sign the attached consent form and return the same to the Fund's administrator, Barfield, Murphy, Shank and Smith, P.C., at facsimile number (205) 982-5500 (with the original to follow by mail), within 14 days from the date of this Circular and Request for Written Consent.

Enquiries:

Barfield, Murphy, Shank and Smith, P.C.,
Administrator

Contact:
Phone: (205) 982-5500

WRITTEN CONSENT

The Managing Member
New Stream Secured Capital Fund (U.S.), LLC
c/o New Stream Capital, LLC
38C Grove Street
Ridgefield, CT 06877

Dear Sirs,

Consent

I/We, the undersigned investor of New Stream Secured Capital Fund (U.S.), LLC (the "Fund") hereby consent in full to the Plan as set forth in the Fund's Request for this Consent and in the letter dated April 6, 2009 and agree to forebear as described in such Request and letter and agree to a 2-year stay on prosecuting any claims in connection with any requests for redemption.

Yours faithfully.

Dated April __, 2009

(Signature)

Name and Title (if signing
in representative capacity)

Name of Subscriber

(Signature of Joint Subscriber)

Name of Joint Subscriber

Ex.E

STRICTLY CONFIDENTIAL

NEW STREAM

C A P I T A L

New Stream Secured Capital, LP

April 2009

This presentation is for informational purposes only. All information contained herein is preliminary, limited and subject to completion, correction or amendment. This does not represent an actual transaction nor does it represent an offer or sale of any securities. The recipient of this presentation is to treat this information as proprietary and confidential and agrees not to reproduce or distribute it, in whole or in part. The recipient should make its own decision after consultation with its own experts as to whether to participate in any transaction and the consequences thereof.

NEW STREAM



C A P I T A L

Situation Overview

Four Key Items Driving our Need to Restructure

Redemptions

- The size of redemption requests has forced us to shift the balance from value maximization to value realization

Balance Sheet Construction

- To accommodate foreign investors, the feeder funds hold notes, whose impending maturities are causing liquidity constraints on the fund

Current Market Environment

- The unprecedented lack of liquidity in the market, compounded by the specific illiquid nature of our assets, makes it difficult to obtain reasonable valuations in the current environment

Portfolio Construction

- The cash consuming nature of our life settlement assets absorbs some of the liquidity available from the remainder of our portfolio

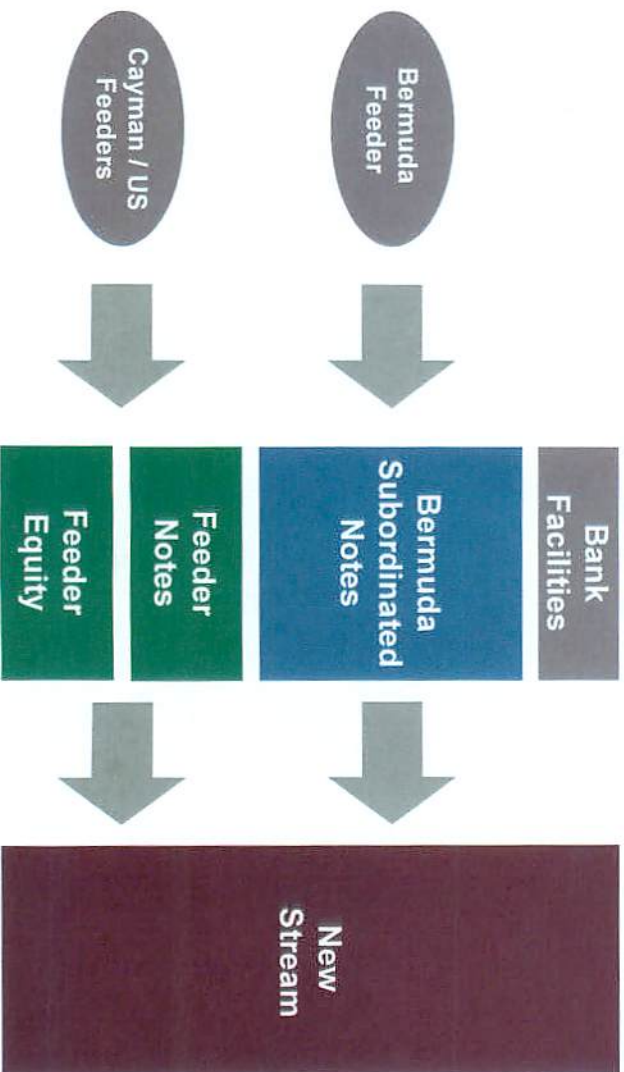
The mismatch between investor liquidity desires and the illiquidity in the market and of the assets in our portfolio, coupled with the cash demand of life settlement assets has resulted in a need to restructure the fund

The Fund is Fully Redeemed

	<u>Market Event</u>	<u>New Stream Action</u>
Phase 1	Credit crisis	<ul style="list-style-type: none"> 1 <input type="checkbox"/> New Stream received heightened levels of redemption requests as a result of the credit crisis in the spring of 2008 2 <input type="checkbox"/> New Stream was working to meet redemption requests in the ordinary course
Phase 2	Petters fraud	<ul style="list-style-type: none"> 3 <input type="checkbox"/> Despite no direct exposure to Petters, New Stream's redemptions totaled ~\$545 million as of September 30, 2008, as investors with exposure to Petters were forced to seek liquidity 4 <input type="checkbox"/> In an effort to protect all investors, New Stream took immediate action on October 1, 2008 to equitably treat all remaining investors 5 <input type="checkbox"/> New Stream intended to meet redemption requests in the ordinary course and via asset monetization
Phase 3	Life settlement market collapse	<ul style="list-style-type: none"> 6 <input type="checkbox"/> The collapse of the life settlement market resulted in New Stream's inability to monetize assets at reasonable valuations and forced New Stream to review restructuring alternatives

Feeder Fund Notes Causing Liquidity Constraints

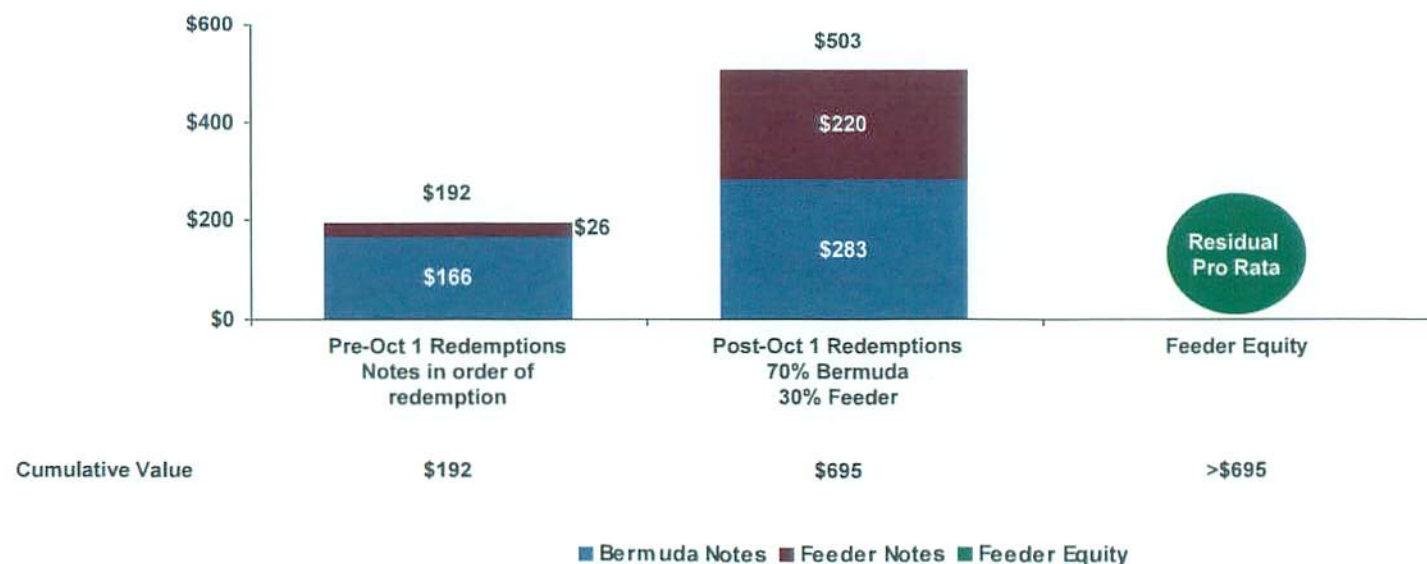
- 1 ☐ All feeders created with secured notes
 - Bermuda Notes are senior to Cayman / US Feeder Notes
- 2 ☐ Notes have an underlying term of 12 months from when a redemption becomes effective
 - First group of notes come due in May, 2009
- 3 ☐ Default on the notes could result in adverse consequences



Investor Distribution Priority Schedule

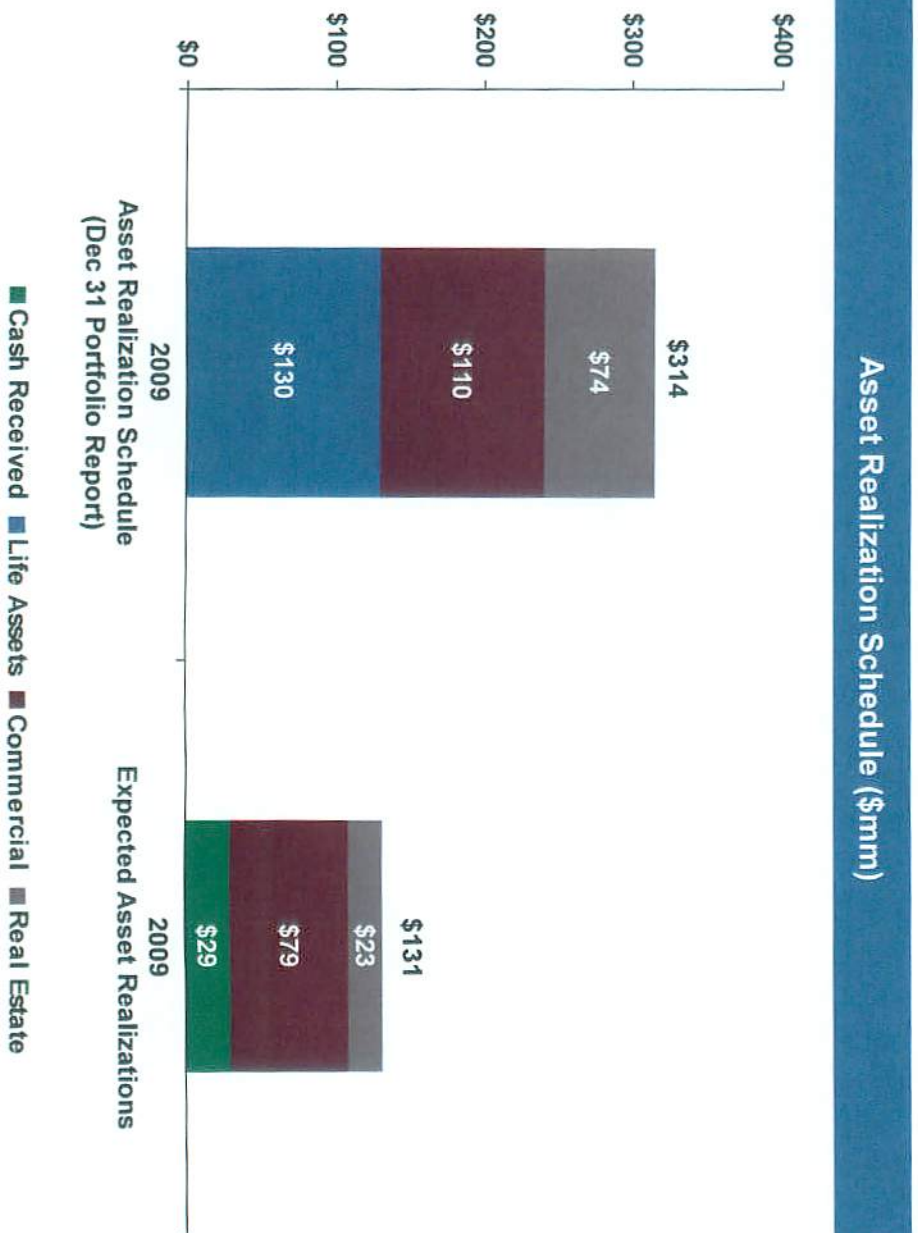
Investor cash to be distributed in the following order:

- First, for both Bermuda and Feeder Funds, cash will be distributed in the order in which redemptions were received against all Notes for redemptions effective through September 2008
- Second, cash will be distributed 70% to Bermuda Fund investors and 30% to Feeder Fund investors until all Notes are repaid
 - » Sliding scale based on Bermuda Notes to assets ratio
 - >85% LTV: 100/0; 85%-70% LTV: 85/15; <70% LTV: 70/30
- Third, solely with respect to the Feeder Funds, cash will then be distributed pro rata against all equity holdings until fully repaid



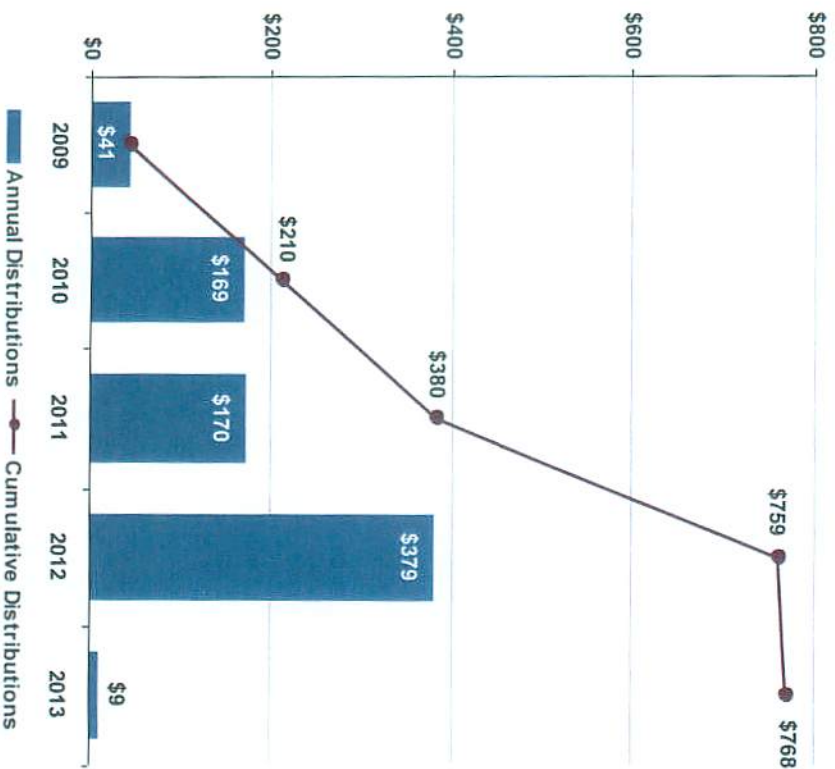
Severe Illiquidity in the Capital Markets

- Severe market illiquidity has resulted in the expected timing for asset realizations to be extended



Investor Cash Distribution Schedule

Investor Cash Distributions (\$mm)



Commentary

- ☐ Normal maturation of commercial assets and in some cases acceleration of repayment
- ☐ Selectively monetize real estate assets as market conditions dictate
- ☐ Sale of Northstar assets in 2012
- ☐ Sale of one third of life assets in 2010, 2011 and 2012
- ☐ Stabilization of markets coupled with a prudent monetization strategy should result in materially better values for investors

NEW STREAM



C A P I T A L

Consolidated Cash Flows & Investor Return of Cash

Disclaimer

The following projections are for illustration purposes only. They are based on the assumption that 100% of the premium finance loans are converted to life settlements and are held on balance sheet. It is highly likely that some of the premium finance loans will be repaid by the borrower, improving the cash flows over what is forecast. Further, all premium financed policies may not meet New Stream investment criteria for life settlements, in which case we would not invest in the policy going forward.

The cases shown herein reflect various actuarial assumptions which may or may not reflect actual results. The cash flows shown are subject to multiple market and mortality factors that are beyond New Stream's control. These include, but are not limited to, the repayment of loans by borrowers (commercial, real estate and premium finance), the availability of refinancing to borrowers and the foreclosure on and liquidation of assets underlying nonperforming, secured loans.

These projections are intended to help the reader have a better understanding of the various components of portfolio cash flows, and are not a representation by New Stream of what actual cash flows will be.

Investor Value Realization Schedule

- The ability to monetize assets over time provides investors with reasonable value relative to valuations in the market today
- All cases assume one-third of the life settlement portfolio is monetized in 2010, 2011 and 2012



New Stream Consolidated Net Cash Flow

Case 1: Impaired / 50% CTE

Consolidated Net Cash Flow (\$mm)						
2009	2010	2011	2012	2013	2014	2015
Cash Flow						
Cash Interest Income	\$6	\$4	\$2	\$1	\$1	\$0
Expenses	(15)	(13)	(9)	(6)	(2)	(0)
Net Operating Cash Flow	(\$9)	(\$9)	(\$7)	(\$5)	(\$1)	(\$0)
Commercial Realizations	\$79	\$19	\$23	\$66	\$10	\$0
Real Estate Realizations	23	56	14	50	-	-
Northstar Realizations	-	-	-	46	-	-
Life Settlement Net Cash Flows	(22)	(19)	3	5	-	-
Life Settlement Sale Proceeds	-	134	150	162	-	-
Northstar Loan (Principal & Interest)	(14)	(13)	(12)	(6)	-	-
Net Cash Flow	\$57	\$169	\$170	\$319	\$9	\$0
Beginning Cash	\$44	\$60	\$60	\$60	\$0	\$0
+ Net Cash Flow	57	169	170	319	9	-
- Required Cash Reserve	(60)	(60)	(60)	-	-	-
- Cash Available for Distribution	(41)	(169)	(170)	(379)	(9)	-
Ending Cash	\$60	\$60	\$60	\$0	\$0	\$0
Balances						
Cash	\$60	\$60	\$60	\$0	\$0	\$0
Commercial Assets	119	100	78	12	2	-
Real Estate Assets	120	64	50	-	-	-
Life Settlement Assets (1)	336	268	150	-	-	-
Northstar Assets	46	46	46	-	-	-
Total Portfolio Assets	\$681	\$538	\$384	\$12	\$2	\$0

NEW STREAM CAPITAL
(1) Assumes 13.5% discount rate and adjusted for deaths

New Stream Consolidated Net Cash Flow

Case 2: Somewhat Impaired / 75% CTE

	Consolidated Net Cash Flow (\$mm)						
	2009	2010	2011	2012	2013	2014	2015
<u>Cash Flow</u>							
Cash Interest Income	\$6	\$4	\$2	\$1	\$1	\$0	\$0
Expenses	(15)	(13)	(9)	(6)	(2)	(2)	(0)
Net Operating Cash Flow	(\$9)	(\$9)	(\$7)	(\$5)	(\$1)	(\$2)	(\$0)
Commercial Realizations	\$79	\$19	\$23	\$66	\$10	\$2	\$0
Real Estate Realizations	23	56	14	50	-	-	-
Northstar Realizations	-	-	-	46	-	-	-
Life Settlement Net Cash Flows	(37)	(41)	(15)	(3)	-	-	-
Life Settlement Sale Proceeds	-	136	154	168	-	-	-
Northstar Loan (Principal & Interest)	(14)	(13)	(12)	(6)	-	-	-
Net Cash Flow	\$43	\$149	\$157	\$317	\$9	\$0	\$0
Beginning Cash	\$44	\$60	\$60	\$60	\$0	\$0	\$0
+ Net Cash Flow	43	149	157	317	9	-	-
- Required Cash Reserve	(60)	(60)	(60)	-	-	-	-
- Cash Available for Distribution	(27)	(149)	(157)	(377)	(9)	-	-
Ending Cash	\$60	\$60	\$60	\$0	\$0	\$0	\$0
<u>Balances</u>							
Cash	\$60	\$60	\$60	\$0	\$0	\$0	\$0
Commercial Assets	119	100	78	12	2	-	-
Real Estate Assets	120	64	50	-	-	-	-
Life Settlement Assets (1)	338	272	154	-	-	-	-
Northstar Assets	46	46	46	-	-	-	-
Total Portfolio Assets	\$683	\$542	\$387	\$12	\$2	\$0	\$0

New Stream Consolidated Net Cash Flow

Case 3: Standard Health / 96% CTE

Consolidated Net Cash Flow (\$mm)						
2009	2010	2011	2012	2013	2014	2015
Cash Flow						
Cash Interest Income	\$6	\$4	\$2	\$1	\$1	\$0
Expenses	(15)	(13)	(9)	(6)	(2)	(0)
Net Operating Cash Flow	(\$9)	(\$9)	(\$7)	(\$5)	(\$1)	(\$0)
Commercial Realizations	\$79	\$19	\$23	\$66	\$10	\$2
Real Estate Realizations	23	56	14	50	-	-
Northstar Realizations	-	-	-	46	-	-
Life Settlement Net Cash Flows	(44)	(54)	(24)	(11)	-	-
Life Settlement Sale Proceeds	-	137	156	172	-	-
Northstar Loan (Principal & Interest)	(14)	(13)	(12)	(6)	-	-
Net Cash Flow	\$36	\$137	\$149	\$312	\$9	\$0
Beginning Cash	\$44	\$60	\$60	\$60	\$0	\$0
+ Net Cash Flow	36	137	149	312	9	-
- Required Cash Reserve	(60)	(60)	(60)	-	-	-
- Cash Available for Distribution	(20)	(137)	(149)	(372)	(9)	-
Ending Cash	\$60	\$60	\$60	\$0	\$0	\$0
Balances						
Cash	\$60	\$60	\$60	\$0	\$0	\$0
Commercial Assets	119	100	78	12	2	-
Real Estate Assets	120	64	50	-	-	-
Life Settlement Assets (1)	339	274	156	-	-	-
Northstar Assets	46	46	46	-	-	-
Total Portfolio Assets	\$684	\$544	\$389	\$12	\$2	\$0

NEW STREAM CAPITAL
(1) Assumes 13.5% discount rate and adjusted for deaths

NEW STREAM
CAPITAL

September 10, 2009

VIA E-MAIL

Mr. David Frank
Stonehaven Opportunities Fund, L.P.
275 Madison Avenue, Suite 2002
New York, New York 10016

Dear David,

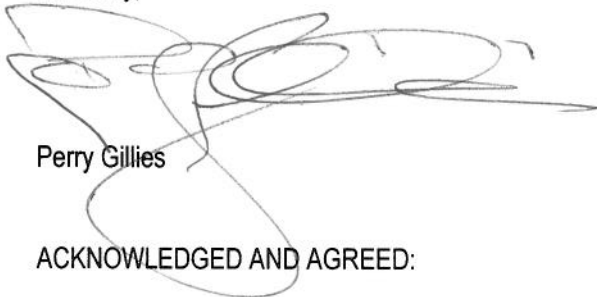
Thank you for meeting with us last week. While we have agreed to disagree about the charges of non-disclosure and the like contained in your letters and emails stretching back to March, 2009, it was probably a healthy thing to air those disagreements and to resolve to put them, and the attendant threats of legal proceedings against each other (or our affiliates, managers, or other related parties), behind us, so that we can all proceed with our respective lives and businesses.

To that end, I wanted to confirm that we have each agreed not to sue, arbitrate or make regulatory complaints, etc. against each other, or to instigate others to do so, in respect of anything relating to those charges, and further to that end, that we will withdraw the arbitration pending before JAMS, captioned New Stream Secured Capital Fund (US), LLC v. Stonehaven Opportunities Fund, L.P., Reference No. 1425004781 with no further costs to you, and with the agreement that neither of us will pursue against the other any of the claims that were, or could have been, made there.

If this letter accurately reflects our agreement, kindly execute and date this letter below and return it to me at your earliest convenience.

I am delighted that we could resolve our dispute in this sensible fashion. Thank you for your patience and cooperation in doing so, and I hope that we will have a long and harmonious relationship hereafter.

Sincerely,



Perry Gillies

ACKNOWLEDGED AND AGREED:

STONEHAVEN OPPORTUNITIES FUND, L.P.

By: _____
David Frank

Dated: _____

EXHIBIT 2
(List of Deponents)

NAME/TITLE:	ADDRESS:
Tara Bryson Director of Marketing and Client Relations New Stream Capital, LLC	38 Grove Street, Building C Ridgefield, CT 06877 And 26 Butterfield Road Newtown, CT 06470
David Bryson, Principal New Stream Capital, LLC	38 Grove Street, Building C Ridgefield, CT 06877
Richard Pereira Chief Financial and Operating Officer New Stream Capital, LLC	38 Grove Street, Building C Ridgefield, CT 06877
Joseph Tremblay Former Head of UK Sales, Senior Associate of New Stream Capital, LLC	<i>Upon information and belief:</i> Alternative Access Capital, LLC 2 William Street, Suite 402 White Plains, NY 10601
Michael Morrison, Receiver New Stream Capital, LLC	KPMG Advisory Limited Crown House 4 Par-la-Vile Road Hamilton HM 08, Bermuda Mailing Address: P.O. Box HM 906 Hamilton HM OX. Bermuda
David Frank Stonehaven Opportunities Fund, L.P.	275 Madison Avenue, Suite 2002 New York, NY 10016
Richard Kearns Former Managing Director of New Stream Capital, LLC	<i>Upon information and belief:</i> Global Life Holdings, LLC 1 Byram Brook Place # 202 Armonk, NY 10504-2323
Michael Buenzow consultant from FTI Consulting and Chief Restructuring Officer for NSSC	227 W. Monroe Street, Suite 900 Chicago, IL 60606
Perry Gillies, President	38 Grove Street, Building C

NAME/TITLE:**ADDRESS:**

New Stream Capital, LLC

Ridgefield, CT 06877

Gottex Fund Management, Ltd.

780 Third Avenue, 32nd Floor
New York, NY 10017

Guggenheim Partners, LLC

135 E. 57th Street
New York, NY 10022

Bart Gutekunst
a principal of NSC

38 Grove Street, Building C
Ridgefield, CT 06877

Robert Hebert
Former Managing Director of
New Stream Capital, LLC

Upon information and belief:
Southridge, LLC
850 Third Avenue, 16th Floor
New York NY 10022

John McKenna, Receiver
New Stream Capital, LLC

Suite 502
26 Bermudiana Road
Hamilton, HM 11 Bermuda

Milliman, Inc.

One Pennsylvania Plaza, 38th Floor
New York, NY 10119

MIO Partners, Inc.

c/o McKinsey & Company
55 E. 52nd Street, 21st Floor
New York, NY 10022

Pentagon Investments Ltd

12 Chequers Road
West Meadow Indust. Est.
Derby
DE216EN
United Kingdom

Donald Porter
New Stream Capital, LLC

38 Grove Street, Building C
Ridgefield, CT 06877

Silver Spring Securities, LLC

38 Grove Street
Ridgefield, CT 06877

Wilmington Trust

Rodney Square North
1100 N. Market Street
Wilmington, DE 19890
Attn: Corporate Trust Administration

J.H. Cohn, LLP

1212 Avenue of the Americas
Seventh Floor

NAME/TITLE:

Reynolds & Rowella, LLP

ADDRESS:

New York, NY 10036

90 Grove Street, Suite 101
Ridgefield, CT 06877

EXHIBIT B

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:	:	
NEW STREAM SECURED CAPITAL FUND	:	Chapter 11
(U.S.), L.L.C.,	:	11-10690 (MFW)
Debtor.	:	
In re:	:	
NEW STREAM SECURED CAPITAL FUND K1	:	Chapter 11
(Cayman), LTD.,	:	Case No. 11-10696 (MFW)
Debtor.	:	
In re:	:	
NEW STREAM SECURED CAPITAL FUND P1	:	Chapter 11
(Cayman), LTD.,	:	Case No. 11-10694 (MFW)
Debtor.	:	

FIRST SET OF DOCUMENT REQUESTS

Pursuant to Federal Rule of Civil Procedure 34, applicable to this proceeding by Federal Rules of Bankruptcy Procedure 7034 and 9014, Latta Family Trust; Christiane L. Latta Trust; Consulta Collateral Fund PCC Ltd.; Consulta Alternative Strategy Fund PCC Ltd.; Kas Trust Bewaarder Finles Alternative Bond Fond B.V., Kas Trust Bewaarder Finles European Elector Funds B.V., and Kas Trust Bewaarder Finles Collectief Beheer Funds B.V.; Montrose Asset Management Ltd.; Robert Shostak and Nancy Shostak; Spearpoint Limited as Investment Manager for SPL Private Finance (PF2) IC Ltd; The Stillwater Matrix Fund LP; The Stillwater Market Neutral II, LP; The Stillwater Market Neutral Fund III SPL- Stillwater Matrix PC; The Stillwater New Finance Limited; Stratos Non-Directional Fund, LP; Daiwa Securities Trust & Banking (Europe) plc A/c KBCZAF; Toledo Fund LLC; Irwin Yalon and Marilyn Yalon; and

ZCALL, LLC (collectively, the “US/Cayman Investors”), through their undersigned counsel, hereby request that you respond to the Document Requests set forth below (the “Requests”) within the expedited time set forth in the Order Pursuant to Rules 26, 30, 33 and 34 of the Federal Rules of Civil Procedure and Rules 7026, 7030, 7033 and 7034 of the Federal Rules of Bankruptcy Procedure Permitting Expedited Discovery, dated March __, 2011 (the “Discovery Order”).

DEFINITIONS

The following definitions shall apply solely for purposes of these Requests, including the Definitions and Instructions that precede them:

1. The terms “and” and “or” shall be construed either conjunctively or disjunctively to bring within the scope of this notice any information which might otherwise be construed to be outside its scope. “Each” includes the word “every” and “every” includes the word “each.”
2. The term “any” shall include the term “any and all.”
3. The term “2003 PPM” shall mean the 2003 Private Placement Memorandum issued by NSSC.
4. The term “2007 PPM” shall mean the 2007 Private Placement Memorandum issued by NSSC.
5. The term “2007 Restructuring” shall mean the restructuring announced by NSC on or about November 28, 2007, under which a new fund structure was launched through the establishment of an offshore feeder fund and an onshore feeder fund, each of which would invest directly into a master fund.
6. The term “2009 Restructuring Plan” shall have the same meaning as in the disclosure statement distributed in connection with the Plan.

7. The term “Affiliates” means, with respect to any Person, another Person that directly, or indirectly through one or more intermediaries, controls or is controlled by or is under common control with the Person.

8. “Assurance” shall mean Assurance Investments, LLC and its agents, servants, members, officers, directors, shareholders, employees, subsidiaries, divisions, branches, units, Affiliates, parents, attorneys, successors, predecessors, heirs, personal representatives and assigns.

9. The term “Assurance PPM” shall mean the 2004 Private Placement Memorandum issued by Assurance Investments, LLC

10. The term “Auditor” means J.H. Cohn, LLP, Reynolds & Rowella, LLP, and any other auditor who has rendered services to any of the New Stream Companies.

11. The term “Bermuda Feeder” shall mean New Stream Capital Fund, Ltd. and its agents, servants, members, officers, directors, shareholders, employees, subsidiaries, divisions, branches, units, Affiliates, parents, attorneys, successors, predecessors, heirs, personal representatives, and assigns.

12. The term “Bermuda Investors” shall mean any Person who has or had an interest in any segregated share class of the Bermuda Feeder.

13. The term “Bermuda Receivers” shall have the same definition as the term “Receivers” in the Plan, and shall also include their agents, servants, members, officers, directors, shareholders, employees, subsidiaries, divisions, branches, units, Affiliates, parents, attorneys, successors, predecessors, heirs, personal representatives and assigns.

14. The term “Bermuda Proceedings” shall mean the Gottex Bermuda Proceeding, the Tensor Bermuda Proceeding I, the Tensor Bermuda Proceeding II and the Bermuda Receivers Joint Provisional Proceeding,

15. The term “Bermuda Judgments” shall mean the Gottex Bermuda Judgment, the Tensor Bermuda Judgment I, the Tensor Bermuda Judgment II and the Order Appointing Joint Provisional Liquidators,

16. The term “Bermuda Judgment II” shall mean the Judgment of the Supreme Court of Bermuda in the action captioned *Tensor Endowment Fund Limited and UBS Fund Services (Cayman) Ltd. v. New Stream Capital Fund Limited*, 2009:165, dated 2010.

17. The term “Bermuda Receivers Joint Provisional Proceeding” shall mean the proceeding in the Bermuda Supreme Court initiated by the Bermuda Receivers seeking the appointment of the Bermuda Receivers as the Joint Provisional Liquidators of the Bermuda Feeder.

18. The term “BMSS” means Barfield, Murphy, Shank & Smith, P.C.

19. The term “Cayman Feeder” shall mean, collectively, each of the exempted companies formed with limited liability under the laws of the Cayman Islands for which New Stream Capital (Cayman), Ltd. acts as the investment manager and their agents, servants, members, officers, directors, shareholders, employees, subsidiaries, divisions, branches, units, Affiliates, parents, attorneys, successors, predecessors, heirs, personal representatives, and assigns.

20. The term “document(s)” shall mean any writing or record of any type or description known to you, which includes every tangible thing from which information can be obtained, perceived, or reproduced, and includes any written, recorded, electronic or graphic matter, however produced or reproduced, whether or not now in existence, and also includes the

original, all file copies, all other copies no matter how prepared, and all drafts prepared in connection with such document, whether used or not, and further includes but is not limited to papers, books, records, catalogs, price lists, pamphlets, periodicals, letters, correspondence, e-mails or other electronic transmissions, scrapbooks, notebooks, bulletins, circulars, forms, notices, post cards, telegrams, deposition transcripts, contracts, agreements, leases, reports, studies, working papers, charts, proposals, graphs, sketches, diagrams, indexes, maps, analyses, statistical records, reports, results of investigations, reviews, ledgers, journals, balance sheets, accounts, checks, books of accounts, invoices, vouchers, purchase orders, receipts, recordings, photographs, videotapes, computer disks, cd-roms, computer files, electrical recordings, magnetic recordings, memoranda (including any type or form of notes, memoranda, sound recordings of personal thoughts, recollections, or reminders of telephone or other conversations, or of facts, activities, agreements, meetings, or conferences); photostats, microfilms, instruction lists or forms, computer printouts or other computed data, minutes of director or committee meetings, inter-office or intra-office communications, diaries, calendar or desk pads, stenographers' notes, appointment books, and other papers or materials similar to any of the foregoing, however denominated, whether or not received by you or prepared by you for your own use or transmittal. If a document has been prepared in several copies or versions, or additional copies or versions have been made, and the copies or versions are not identical (or by reason of subsequent modification or notation, are no longer identical), each non-identical copy or version is a separate "document."

21. The term "Exhibit A" means the letter from Tara Bryson addressed to Investors, dated November 28, 2007, a copy of which is attached hereto.

22. The term “Exhibit B” means the letter from the Managing Partner of the US Feeder to Investors, dated December 17, 2008, a copy of which is attached hereto.

23. The term “Exhibit C” means the letter from New Stream Capital, LLC to Investors, dated April 6, 2009, a copy of which is attached hereto.

24. The term “Exhibit D” means the Request for Forbearance and Written Consent (including the form of Written Consent attached thereto), dated April 6, 2009, a copy of which is attached hereto.

25. The term “Exhibit E” means the New Stream Secured Capital, LP’s presentation of the 2009 Restructuring Plan , dated April 2009, a copy of which is attached hereto.

26. The term “FTI” shall mean FTI Consulting, Inc. and its agents, servants, members, officers, directors, shareholders, employees, subsidiaries, divisions, branches, units, Affiliates, parents, attorneys, successors, predecessors, heirs, personal representatives, and assigns.

27. The term “Gottex” shall mean any of Gottex Fund Management, Ltd., Gottex AB Funds and Gottex MN Funds, and their respective agents, servants, members, officers, directors, shareholders, employees, subsidiaries, divisions, branches, units, Affiliates, parents, attorneys, successors, predecessors, heirs, personal representatives, and assigns.

28. The term “Gottex Bermuda Judgment” shall mean the Judgment of the Supreme Court of Bermuda in the action captioned *BNY AIS Nominees Limited et al. v. New Stream Capital Fund Limited*, 2009:178 and 2009:374, dated May 27, 2010.

29. The term “Gottex Bermuda Proceeding” shall mean that lawsuit captioned *BNY AIS Nominees Limited et al. v. New Stream Capital Fund Limited*, 2009:178 and 2009:374, before the Supreme Court of Bermuda.

30. The term “Guggenheim” shall mean Guggenheim Securities, L.L.C. and its agents, servants, members, officers, directors, shareholders, employees, subsidiaries, divisions, branches, units, Affiliates, parents, attorneys, successors, predecessors, heirs, personal representatives, and assigns.

31. The term “identify” and its cognates, when referring to a person, shall mean to state the person’s full name, current home address and telephone number, current business address and telephone number, occupation and position/job title. If you are unable, after earnest effort, to secure the home and/or business address and telephone number of the identified person, you shall supply the person’s last known home and/or business address and telephone number, and the name and location of the person’s last known employer.

32. The term “identify” and its cognates, when referring to a communication, whether oral or written, shall mean to state the date of the communication, the nature and substance of the communication, identify the person(s) participating in the communication and identify each document that refers to, reflects, or relates to the communication.

33. The term “identify” and its cognates, when referring to a situation or fact, or an occurrence or object, shall mean to state each and every fact known relating to the information requested by the Request, including (a) the identity of each person having knowledge of each fact or opinion relating to the information request, (b) the identity of each document showing or relating to the answer given or any part of the answer given, and (c) all relevant dates and time periods.

34. The term “including” means including, but not limited to.

35. The term “MIO” shall mean MIO Partners, Inc. and its agents, servants, members, officers, directors, shareholders, employees, subsidiaries, divisions, branches, units, Affiliates, parents, attorneys, successors, predecessors, heirs, personal representatives, and assigns.

36. The terms “New Stream Companies” or “New Stream Company: shall mean individually or collectively any of the following entities: NSC, NSSC, NSI, NSSCI, US Feeder, Cayman Feeders and/or Bermuda Feeder.

37. The term “NSC” shall mean New Stream Capital LLC and its agents, servants, members, officers, directors, Principals, shareholders, employees, subsidiaries, divisions, branches, units, Affiliates, parents, attorneys, successors, predecessors, heirs, personal representatives, and assigns.

38. The term “NSI” shall mean New Stream Insurance, LLC and its agents, servants, members, officers, directors, shareholders, employees, subsidiaries, divisions, branches, units, Affiliates, parents, attorneys, successors, predecessors, heirs, personal representatives, and assigns.

39. The term “NSSC” shall mean New Stream Secured Capital, L.P. and its agents, servants, members, officers, directors, shareholders, employees, subsidiaries, divisions, branches, units, Affiliates, parents, attorneys, successors, predecessors, heirs, personal representatives, and assigns.

40. The term “NSSCI” shall mean New Stream Secured Capital, Inc. and its agents, servants, members, officers, directors, shareholders, employees, subsidiaries, divisions, branches, units, Affiliates, parents, attorneys, successors, predecessors, heirs, personal representatives, and assigns.

41. The term “Order Appointing Joint Provisional Liquidator” shall mean the order of the Supreme Court of Bermuda, dated September 13, 2010, appointing the Bermuda Receivers the Joint Provisional Liquidators of the Bermuda Feeder.

42. The terms “person” or “persons” shall mean all individuals and/or all entities including associations, companies, partnerships, proprietorships, joint ventures, corporations, trusts, estates, public agencies, departments, bureaus and boards.

43. The term “Plan” shall mean the prepackaged joint plan of liquidation distributed by NSSCI., NSI, NSC and NSSC on or about January 24, 2011.

44. The term “Principals” shall mean David Bryson, Bart Gutekunst and Donald Porter and each of their Affiliates.

45. The term “Redemption Requests” shall mean any and all requests for redemption submitted in 2006 and thereafter by US/Cayman Investors, Bermuda Investors, the Cayman Feeders, the US Feeder and/or the Bermuda Feeder with respect to any and all New Stream Companies. For purposes of this definition, US/Cayman Investor shall include any and all limited partners who invested in NSSC.

46. The term “relate to,” or variations thereof, means directly or indirectly mentions, describes, pertains to, refers to, reflects upon, supports, contradicts, concerns, contains, constitutes, discusses, embodies, memorializes, entails, evidences, comments on, or is in any way pertinent to, directly or indirectly, in whole or in part.

47. The term “Tensor Bermuda Judgment I” shall mean the Judgment of the Supreme Court of Bermuda in the action captioned *UBS Fund Services (Cayman) Ltd. and Tensor Endowment Fund Limited v. New Stream Capital Fund Limited*, 2009:165, dated December 18, 2009.

48. The term “Tensor Bermuda Judgment II” shall mean the Judgment of the Supreme Court of Bermuda in the action captioned *Tensor Endowment Fund Limited and UBS Fund Services (Cayman) Ltd. v. New Stream Capital Fund Limited*, 2009:165, dated 2010.

49. The term “Tensor Bermuda Proceeding I” shall mean that lawsuit captioned *UBS Fund Services (Cayman) Ltd. and Tensor Endowment Fund Limited v. New Stream Capital Fund Limited*, 2009:165, before the Supreme Court of Bermuda

50. The term “Tensor Bermuda Proceeding II” shall mean that lawsuit captioned *Tensor Endowment Fund Limited and UBS Fund Services (Cayman) Ltd. v. New Stream Capital Fund Limited*, 2010:42, before the Supreme Court of Bermuda

51. The term “US Feeder” means New Stream Capital Fund (U.S.), LLC. and its agents, servants, members, officers, directors, shareholders, employees, subsidiaries, divisions, branches, units, Affiliates, parents, attorneys, successors, predecessors, heirs, personal representatives, and assigns

INSTRUCTIONS

1. When documents or information are requested from you, respond with any knowledge or information that you possess or that is in possession of your officers, directors, employees, agents, representatives, attorneys, or other persons or entities acting on your behalf

2. If more than one person has responsive documents or information, then each person shall separately produce the documents or information that is responsive to the Requests herein. It shall not be a basis for refusal to answer that the requesting party or any other party also possesses non-identical or identical information.

3. If you claim any privilege with respect to any documents or information called for by a Request, identify the communication, document, or other item for which the privilege is

claimed, the subject matter thereof, the type of privilege claimed, and the factual and legal basis for the claim of privilege.

4. If a date ascribed by this discovery to a communication, meeting, or other event is inaccurate but the actual date is known to you or is otherwise apparent from the context of the Request, answer as if the date were corrected.

5. For each communication, identify the means of communication (e.g., oral, letter, telephonic, etc.), the substance of the communication, the date of the communication, and the participants and recipients of the communication.

6. The documents produced in response to these Requests shall include all attachments and enclosures.

7. The documents requested include every document known to you and every document that can be located or discovered by reasonably diligent efforts on your part.

8. Whenever a Request is framed in the conjunctive, it shall also be taken in the disjunctive and vice versa.

9. Whenever a Request is framed in the singular, it shall also be taken in the plural and vice versa.

10. The use of any tense of any verb shall be considered to also include within its meaning all other tenses of the verb so used.

11. All documents produced in response to these Requests shall be produced in their entirety notwithstanding the fact that portions thereof may contain information not requested, shall contain all drafts as well as final iterations of a document, and shall include all versions or copies of a document which are not identical to (whether due to handwritten notations, revisions or otherwise) the original or other produced copy of a document.

12. If it is otherwise not possible to produce any documents called for by these Requests, or if any part of these Requests is objected to, the reasons for such non-production or for the objection should be stated with specificity as to all grounds.

13. With respect to each Request, produce all documents which are known to you, or which can be located or discovered by a reasonably diligent effort, and which are in your possession, custody or control, including all such documents requested to be produced which are in your files (whether personal, business or any other files), possession, custody or control or your attorneys', accountants' subsidiaries', divisions', agents', representatives' or employees' files, possession, custody or control.

14. Each Request shall be deemed continuing in nature and requiring supplementation to the extent required by Rule 26(e) of the Federal Rules of Civil Procedure and Rule 7026 of the Federal Rules of Bankruptcy Procedure.

DOCUMENT REQUESTS

Produce:

1. All books and records of the New Stream Companies, including ledgers, bank statements, brokerage account statements, audited and unaudited financial statements and check registers, from January 1, 2006 to the present.

2. All documents relating to the New Stream Companies' assets and financial condition, including interests in any directly and indirectly owned subsidiaries, from January 1, 2006 to the present.

3. All monthly, quarterly and annual stand alone balance sheets and income statements for each New Stream Company, from January 1, 2006 to the present.

4. All documents relating to the acquisition of, or investment by any New Stream Company in, any life insurance policies, life settlement assets and/or premium finance loans.

5. All documents relating to any valuations or appraisals of any asset of any New Stream Company, including any interest in any directly- or indirectly-owned subsidiary, from January 1, 2006 to the present.
6. All documents relating to expenses of NSC that were charged to or paid by NSSC or any other New Stream Company from January 1, 2006 to the present.
7. All minutes, corporate records, resolutions and written consents relating to the New Stream Companies, from January 1, 2006 to the present.
8. All documents relating to the 2007 Restructuring, including communications with all investors and potential investors.
9. All documents relating to the 2009 Restructuring Plan, including communications with all investors and potential investors.
10. All directors and officers insurance policies issued on behalf of the New Stream Companies.
11. All documents relating to the transfer and/or conveyance of any New Stream Company's assets, including transfers and/or or conveyances between and/or among Affiliates, from January 1, 2006 to the present.
12. All documents transmitted by NSC or New Stream Capital (Cayman), Ltd. to its investors from January 1, 2006 to the present.
13. All documents relating to Gottex's interests or investments in any New Stream Company.
14. All documents relating to any communications between Gottex and any New Stream Company.

15. All documents relating to the formation, ownership, operation, assets or liabilities of the Bermuda Feeder.

16. All documents relating to the Bermuda Proceedings and the Bermuda Judgments.

17. All documents relating to all initial subscriptions and add-on subscriptions in the Bermuda Feeder, the US Feeder and/or the Cayman Feeders.

18. All documents relating to all Redemption Requests, including redemptions paid.

19. All documents relating to any cash transfers from any New Stream Company to any Bermuda Investor.

20. All offering and marketing material distributed by NSC relating to NSSC, Assurance, the Bermuda Feeder, the Cayman Feeders, or the US Feeders, including all versions of private placement memoranda, from January 1, 2006 to the present.

21. All documents relating to the payment of NSI's expenses, including premium payments, from January 1, 2004 to the present.

22. All document relating to BMSS for the period January 1, 2006 to present.

23. All documents relating to the consolidation of NSI into NSSC on June 1, 2007, including the acquisition of existing investors' interests therein.

24. All documents relating to the purchase of life insurance assets, including the source of the funds used to purchase such assets or to pay any related costs or commissions.

25. All documents relating to the use of funds transferred to NSSC or NSSCI as debt or equity from the US Feeder and the Cayman Feeders.

26. All documents relating to any management letter prepared by any Auditor in connection with an audit of the New Stream Companies

27. All documents relating to the write-down of any assets of any New Stream Company from January 1, 2006 to the present.

28. All documents relating to the establishment of, or changes to, loan loss and other asset valuation reserves.

29. All documents that were sent by any Person, including any New Stream Company, to any bank, financial institution or other potential lender with respect to any potential or actual financing of any New Stream Company, from January 2006 to present.

30. All documents relating to the termination or resignation of any employee or officer of any New Stream Company.

31. All documents relating to any complaints or inquiries from any Person relating to the manner in which any New Stream Company was managed, the failure to disclose the existence of any material facts relating to any New Stream Company, the amount of fees or expenses charged, the failure to pay redemptions in a timely manner, or the manner in which the assets of any New Stream Company were valued.

32. All correspondence with the staff of the Securities and Exchange Commission or other government authority or regulatory agency, including all documents provided to any such agency.

33. All documents relating to operating agreements, limited partnership agreements, by-laws or similar governing documents, including all amendments thereto, for each New Stream Company

34. All versions of the subscription agreement, including completed subscription agreements, for each New Stream Company

35. All documents relating to communications between or among any Persons, including Milliman, Inc. and AVS Underwriting, LLC, with respect to the valuation of the life insurance portfolio assets owned by the New Stream Companies

36. All documents relating to the collapse of the life settlement market as discussed on page 4 of Exhibit E.

37. All documents relating to all immediate action taken by NSC on October 1, 2008 to equitably treat all remaining investors, as discussed on page 4 of Exhibit E.

38. All documents relating to the New Stream Companies' failed attempts to switch Bermuda Investors to any Cayman Feeder, including the responses and/or inquiries of the investors thereto, from January 1, 2007 to the present.

39. All documents relating to the confirmation by the general partner that there were no present compliance issues that would have caused the general partner to not pay the redemption proceeds in the order described in Exhibit B, as more fully discussed to in paragraph 7 of Exhibit B.

40. All documents relating to the Secured Capital Notes (as defined in paragraph 4 of Exhibit C), including all amendments, defaults notices and/or waivers related thereto.

41. All documents relating to the premium payments that are required to ensure that the life policies underlying each life settlement loan does not lapse, as more fully discussed in paragraph 6 of Exhibit C.

42. All documents relating to the ownership of, and any payment made by any New Stream Company to, Northstar Financial Services Ltd.

43. Copies of Bermuda Notes, as referred to on page 5 of Exhibit E.

44. All documents relating to the disclosure to investors in the US Feeder and/or the Cayman Feeders of the existence of the Bermuda Notes, as referred to on page 5 of Exhibit E.

45. All documents relating to any security interests or alleged security interests in any of the New Stream Company's assets.

46. All loan and security agreements and related loan documents for any New Stream Company for the period from January 2005 to present, including all versions of any and all collateral agency agreements.

47. All documents relating to the disclosure to US/Cayman Investors of the priority of (i) their claims against the New Stream Companies, (ii) the Bermuda Feeder's claims against the New Stream Companies, or (iii) the relative priorities of the claims of the US/Cayman Investors and the Bermuda Feeder against the New Stream Companies.

48. All documents relating to negotiation of the Plan, including communications with, between or among the Bermuda Receivers, MIO, and any of the New Stream Companies.

49. All documents relating to the payment of legal fees, costs and other expenses for the Bermuda Receivers.

50. All documents relating to the suspension of redemptions discussed in Exhibit B.

51. All documents relating to any communications and/or agreements between Silver Spring Securitas, LLC and any Person, relating to the sale insurance assets owned New Stream Company.

52. All documents relating to the investigation by NSC relating to the arrest of Tara Bryson that resulted in her suspension as Director of Marketing and Investor relations.

53. Any and all records for Bryson Capital LLC relating to its fundraising activities and fees generated therefrom, including placing investments on behalf of any Bermuda Investors for the period 2003 to date.

54. All Documents and/or exhibits that you intend to introduce at the hearing to appoint a Chapter 11 Trustee.

Dated: March __, 2011

STEVENS & LEE, P.C.

/s/ Joseph H. Huston, Jr. _____
Joseph H. Huston, Jr., Esquire
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-and-

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-and-

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Counsel for US/Cayman Investors

In re:	:	Chapter 11
	:	
NEW STREAM SECURED CAPITAL, INC., <i>et</i>	:	Case No. 11-10753 (MFW)
<i>al.</i> ,	:	
	:	Joint Administration Pending
	:	
Debtors.	:	Related to Docket No. ____
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THIS MATTER having come before the Court upon the motion of The Latta Family Trust, Christiane L. Latta Trust, Jean Y. Rose Revocable Trust, Irwin D. Yalom and Marilyn Yalom, Robert Shostak and Nancy Shostak, Consulta Collateral Fund PCC Ltd., Consulta Alternative Strategy Fund PCC Ltd., Kas Trust Bewaarder Finles Alternative Bond Fund B.V., Kas Trust Bewaarder Finles European Selector Fund B.V., Guernoy Limited, SPL Private Finance (PF2) IC Ltd, The Stillwater Market Neutral II, LP, The Stillwater Matrix Fund, L.P., The Stillwater Market Neutral Fund III SPL – Stillwater Matrix PC, Stratos Non-Directional Fund, LP, ZAM Asset Finance Limited, Toledo Fund LLC, ZCALL, LLC, Mont Blanc Fund–Select, Absolute Return Partners, LLP, and Lillian Kling Trust (collectively, the “Movants”) for entry of an order pursuant to Rules 26, 30, 33 and 34 of the Federal Rules of Civil Procedure and Rules 7026, 7030, 7033 and 7034 of the Federal Rules of Bankruptcy Procedure permitting expedited discovery relating to the pending motion seeking the appointment of a Chapter 11 Trustee (the “Motion”); and a hearing having been held before the Court (the “Hearing”) to consider the Motion; and the Court having determined that the relief requested in the Motion is in the best interests of the Debtors, their respective estates, their respective creditors and other parties-in-interest; and it appearing that proper and adequate notice

of the Motion and the Hearing has been given and that no other or further notice is necessary; and after due deliberation thereon, and upon the record of the Hearing and good and sufficient cause appearing therefor, it is hereby

ORDERED, that pursuant to Rules 26, 30, 33 and 34 of the Federal Rules of Civil Procedure and Rules 7026, 7030, 7033 and 7034 of the Federal Rules of Bankruptcy Procedure, the Movants are hereby permitted to take expedited discovery; and it is further

ORDERED, that all noticed parties shall respond to the Movants' Request for Production of Documents annexed to the Motion as Exhibit B within fourteen (14) days of entry of this Order; and it is further

ORDERED, that the Movants are authorized to depose those parties listed on Exhibit 2 to Exhibit A of the Motion, and those parties are directed to make themselves or their respective representatives available for deposition, so that all depositions are completed within twenty-four (24) days of entry of this Order; and it is further

ORDERED, that all deadlines set forth herein may be extended by the Court for good cause shown; and it is further

ORDERED, that the Bankruptcy Court shall retain jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: _____, 2011

MARY F. WALRATH
UNITED STATES BANKRUPTCY JUDGE