

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re: : Chapter 15
 :
Basis Yield Alpha Fund (Master), : Case No. 07-12762 (REG)
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Debtor. :
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ORDER RE UPCOMING HEARING ON MOTION FOR
RECOGNITION

Confirming and amplifying upon matters addressed at the conference in this case on September 6, 2007, and for the purpose of developing a factual record that may be necessary or helpful in determining the issues on the JPLs' motion for recognition,

It is ORDERED:

1. The hearing on the JPLs' motion for recognition will be an evidentiary hearing. The procedures set forth in Case Management Order #1, dated Sept. 5, 2007 (ECF #7) (as applicable generally and as to Contested Matters) will apply, except as any may hereafter be modified by any further order of the Court.

2. Without being foreclosed from introducing any other evidence that they might consider relevant or helpful to the Court in making the recognition determination (and without prejudice to the rights of the JPLs or any other parties to submit any evidence relevant to the recognition determination), the JPLs shall use best efforts to introduce evidence sufficient for the Court to make factual findings with respect to at least the following matters:

- (a) in what jurisdiction or jurisdictions Basis Yield Alpha Fund (Master) ("Basis Yield") is organized and/or registered, and as what kind of business entity

(*e.g.*, corporation, limited liability company, general or limited partnership, business trust, etc.);

(b) to what extent Basis Yield is registered or qualified to do business in any jurisdictions other than the jurisdiction in which it was organized (*e.g.*, as a foreign corporation);

(c) where Basis Yield maintains offices, and what functions are performed at each such office;

(d) the number, locations, and functions of any personnel employed by Basis Yield;

(e) the number, locations, and functions of any personnel who are not employed by Basis Yield but who nevertheless perform services on its behalf;

(f) the extent to which other business entities (such as an investment advisor) exercise managerial control over Basis Yield operations, and if so, where any such entities are headquartered and conduct their business;

(g) the place or places at which investment or portfolio management for Basis Yield is conducted, and the number, locations and functions of persons who are responsible for Basis Yield investment or portfolio management;

(h) the place or places at which any Basis Yield administrative or back-office operations are conducted, and the number, locations and functions of persons who are responsible for any such operations;

(i) the place or places at which assets of the Basis Yield estate are located, and the approximate value of the assets at each locale;

(j) the extent, if any, to which real property is leased or owned by Basis Yield, and, if so, its location;

(k) the extent, if any, to which assets were transferred to or from the Cayman Islands before or after the initiation of the liquidation proceedings in the Grand Court of the Cayman Islands (the “Cayman Islands Proceeding”), and, if applicable, the circumstances surrounding any such transfers;

(l) the identity and location of the members of the Basis Yield governing body before the appointment of the JPLs, and the place or places at which the Basis Yield governing body met personally within the last several years—or, to the extent meetings were in whole or in part conducted telephonically, the place or places from which the members of the governing body called in;

(m) the number and location of Basis Yield creditors;

(n) the number and location of equity investors in Basis Yield (or, if more applicable, in the Basis Yield feeder funds) and the relative percentages of the applicable equity that investors in each locale hold;

(o) the extent to which Basis Yield had or now has contractual agreements with entities that are (i) organized under the laws of the Cayman Islands; (ii) have offices in the Cayman Islands; or (iii) employ residents of the Cayman Islands;

(p) the locale or locales at which Basis Yield maintains its financial records and, if applicable, equity investor registries, and, if different, where they were maintained before the commencement of the Cayman Islands Proceeding;

(q) the extent, if any, to which Basis Yield is required to keep books or records in the Cayman Islands; the extent to which Basis Yield does so; and the extent to which books or records not required to be kept in the Cayman Islands are nevertheless maintained there;

(r) the locale or locales of obligors with respect to any Basis Yield receivables;

(s) The extent to which Basis Yield is a party to any contractual agreements that set forth the law to be applied in the event of any disputes thereunder;

(t) the nature and extent of nontransitory economic activity carried out by Basis Yield in the Cayman Islands; and

(u) the extent, if any, to which Basis Yield is subject to the prohibitions of Companies Law (2004 Revision) of the Cayman Islands Section 193, and, if applicable, the extent to which Basis Yield's activities, or the locale thereof, are affected by the provisions of Section 193.

3. The JPLs shall submit evidence with respect to these matters whether or not any party in interest ultimately objects.

4. There is no significance to the order in which matters to be addressed have been listed. Nothing in this Order is or shall be deemed to be an expression of views on the merits of the underlying motion; on the relevance, if any, of any of the above matters; or the weight to be afforded to any facts (responding to the above or otherwise) in connection with the motion.

Dated: New York, New York
September 12, 2007

s/Robert E. Gerber
United States Bankruptcy Judge