

**United States Bankruptcy Court  
Northern District of Illinois**

In re Lancelot Investors Fund, Ltd.

Debtor

Case No. 08-28227Chapter 7

**SUMMARY OF SCHEDULES**

Indicate as to each schedule whether that schedule is attached and state the number of pages in each. Report the totals from Schedules A, B, D, E, F, I, and J in the boxes provided. Add the amounts from Schedules A and B to determine the total amount of the debtor's assets. Add the amounts of all claims from Schedules D, E, and F to determine the total amount of the debtor's liabilities. Individual debtors must also complete the "Statistical Summary of Certain Liabilities and Related Data" if they file a case under chapter 7, 11, or 13.

NAME OF SCHEDULE	ATTACHED (YES/NO)	NO. OF SHEETS	ASSETS	LIABILITIES	OTHER
A - Real Property	Yes	1	0.00		
B - Personal Property	Yes	4	1,100,024,951.00		
C - Property Claimed as Exempt	No	0			
D - Creditors Holding Secured Claims	Yes	1		27,163,821.00	
E - Creditors Holding Unsecured Priority Claims (Total of Claims on Schedule E)	Yes	1		0.00	
F - Creditors Holding Unsecured Nonpriority Claims	Yes	3		143,501,420.00	
G - Executory Contracts and Unexpired Leases	Yes	1			
H - Codebtors	Yes	1			
I - Current Income of Individual Debtor(s)	No	0			N/A
J - Current Expenditures of Individual Debtor(s)	No	0			N/A
Total Number of Sheets of ALL Schedules		12			
		Total Assets	1,100,024,951.00		
		Total Liabilities		170,665,241.00	

In re Lancelot Investors Fund, Ltd.

Case No. 08-28227

Debtor

**SCHEDULE A - REAL PROPERTY**

Except as directed below, list all real property in which the debtor has any legal, equitable, or future interest, including all property owned as a cotenant, community property, or in which the debtor has a life estate. Include any property in which the debtor holds rights and powers exercisable for the debtor's own benefit. If the debtor is married, state whether husband, wife, both, or the marital community own the property by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community." If the debtor holds no interest in real property, write "None" under "Description and Location of Property."

**Do not include interests in executory contracts and unexpired leases on this schedule. List them in Schedule G - Executory Contracts and Unexpired Leases.**

If an entity claims to have a lien or hold a secured interest in any property, state the amount of the secured claim. See Schedule D. If no entity claims to hold a secured interest in the property, write "None" in the column labeled "Amount of Secured Claim." If the debtor is an individual or if a joint petition is filed, state the amount of any exemption claimed in the property only in Schedule C - Property Claimed as Exempt.

Description and Location of Property	Nature of Debtor's Interest in Property	Husband, Wife, Joint, or Community	Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption	Amount of Secured Claim
--------------------------------------	---	------------------------------------	--	-------------------------

None

Sub-Total > **0.00** (Total of this page)

Total > **0.00**

(Report also on Summary of Schedules)

0 continuation sheets attached to the Schedule of Real Property

In re Lancelot Investors Fund, Ltd.Case No. 08-28227Debtor**SCHEDULE B - PERSONAL PROPERTY**

Except as directed below, list all personal property of the debtor of whatever kind. If the debtor has no property in one or more of the categories, place an "x" in the appropriate position in the column labeled "None." If additional space is needed in any category, attach a separate sheet properly identified with the case name, case number, and the number of the category. If the debtor is married, state whether husband, wife, both, or the marital community own the property by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community." If the debtor is an individual or a joint petitioner is filed, state the amount of any exemptions claimed only in Schedule C - Property Claimed as Exempt.

**Do not list interests in executory contracts and unexpired leases on this schedule. List them in Schedule G - Executory Contracts and Unexpired Leases.**

If the property is being held for the debtor by someone else, state that person's name and address under "Description and Location of Property."

If the property is being held for a minor child, simply state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m).

Type of Property	N O N E	Description and Location of Property	Husband, Wife, Joint, or Community	Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption
1. Cash on hand	X			
2. Checking, savings or other financial accounts, certificates of deposit, or shares in banks, savings and loan, thrift, building and loan, and homestead associations, or credit unions, brokerage houses, or cooperatives.		Money Market at Northern Trust as of September 30, 2008	-	4,917.00
3. Security deposits with public utilities, telephone companies, landlords, and others.	X			
4. Household goods and furnishings, including audio, video, and computer equipment.	X			
5. Books, pictures and other art objects, antiques, stamp, coin, record, tape, compact disc, and other collections or collectibles.	X			
6. Wearing apparel.	X			
7. Furs and jewelry.	X			
8. Firearms and sports, photographic, and other hobby equipment.	X			
9. Interests in insurance policies. Name insurance company of each policy and itemize surrender or refund value of each.	X			
10. Annuities. Itemize and name each issuer.	X			

Sub-Total > **4,917.00**  
(Total of this page)

3 continuation sheets attached to the Schedule of Personal Property

In re Lancelot Investors Fund, Ltd.

Case No. 08-28227

Debtor

**SCHEDULE B - PERSONAL PROPERTY**  
(Continuation Sheet)

Type of Property	N O N E	Description and Location of Property	Husband, Wife, Joint, or Community	Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption
11. Interests in an education IRA as defined in 26 U.S.C. § 530(b)(1) or under a qualified State tuition plan as defined in 26 U.S.C. § 529(b)(1). Give particulars. (File separately the record(s) of any such interest(s). 11 U.S.C. § 521(c).)	<b>X</b>			
12. Interests in IRA, ERISA, Keogh, or other pension or profit sharing plans. Give particulars.	<b>X</b>			
13. Stock and interests in incorporated and unincorporated businesses. Itemize.	<b>X</b>			
14. Interests in partnerships or joint ventures. Itemize.	<b>X</b>			
15. Government and corporate bonds and other negotiable and nonnegotiable instruments.	<b>X</b>			
16. Accounts receivable.		<b>Redemption Receivable in Hedge Fund ABL as of September 5, 2008</b>	<b>-</b>	<b>23,364,794.00</b>
17. Alimony, maintenance, support, and property settlements to which the debtor is or may be entitled. Give particulars.	<b>X</b>			
18. Other liquidated debts owed to debtor including tax refunds. Give particulars.	<b>X</b>			
19. Equitable or future interests, life estates, and rights or powers exercisable for the benefit of the debtor other than those listed in Schedule A - Real Property.	<b>X</b>			
20. Contingent and noncontingent interests in estate of a decedent, death benefit plan, life insurance policy, or trust.	<b>X</b>			
21. Other contingent and unliquidated claims of every nature, including tax refunds, counterclaims of the debtor, and rights to setoff claims. Give estimated value of each.	<b>X</b>			

Sub-Total > **23,364,794.00**  
(Total of this page)

Sheet 1 of 3 continuation sheets attached to the Schedule of Personal Property

In re Lancelot Investors Fund, Ltd.Case No. 08-28227

Debtor

## SCHEDULE B - PERSONAL PROPERTY

(Continuation Sheet)

Type of Property	N O N E	Description and Location of Property	Husband, Wife, Joint, or Community	Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption
22. Patents, copyrights, and other intellectual property. Give particulars.	X			
23. Licenses, franchises, and other general intangibles. Give particulars.	X			
24. Customer lists or other compilations containing personally identifiable information (as defined in 11 U.S.C. § 101(41A)) provided to the debtor by individuals in connection with obtaining a product or service from the debtor primarily for personal, family, or household purposes.	X			
25. Automobiles, trucks, trailers, and other vehicles and accessories.	X			
26. Boats, motors, and accessories.	X			
27. Aircraft and accessories.	X			
28. Office equipment, furnishings, and supplies.	X			
29. Machinery, fixtures, equipment, and supplies used in business.	X			
30. Inventory.	X			
31. Animals.	X			
32. Crops - growing or harvested. Give particulars.	X			
33. Farming equipment and implements.	X			
34. Farm supplies, chemicals, and feed.	X			
35. Other personal property of any kind not already listed. Itemize.		Investment in Stark Global Opportunities Fund, Ltd as of September 5, 2008	-	2,876,969.00
		Investment in Colossus Capital, Ltd as of September 5, 2008	-	20,805,604.00
		Notes Receivable in Petters (1000 Lakes) as of September 5, 2008	-	930,674,551.00
Sub-Total >				<b>954,357,124.00</b>
(Total of this page)				

Sheet 2 of 3 continuation sheets attached to the Schedule of Personal Property

In re Lancelot Investors Fund, Ltd.Case No. 08-28227Debtor

**SCHEDULE B - PERSONAL PROPERTY**  
(Continuation Sheet)

Type of Property	N O N E	Description and Location of Property	Husband, Wife, Joint, or Community	Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption
		Notes Receivable in Real Estate projects from Kennedy as of September 5, 2008	-	40,675,846.00
		Notes Receivable in Real Estate projects from Anglo as of September 5, 2008	-	5,895,000.00
		Direct Capital Loan to Petters Capital LLC (PCL) as of September 5, 2008	-	6,000,000.00
		Note Receivable from Proview Factoring (Polaroid) as of September 5, 2008	-	7,070,354.00
		Outstanding Interest on Petters Notes as of September 5, 2008	-	59,344,170.00
		Outstanding Interest from Kennedy Loans as of September 5, 2008	-	682,702.00
		Outstanding Interest from Anglo Financial Loans as of September 5, 2008	-	595,064.00
		Outstanding Interest on loan to Petters Capital LLC (PCL) as of September 5, 2008	-	263,966.00
		Outstanding Interest on loan to Proview (Polaroid) as of September 5, 2008	-	210,958.00
		Rebate from Colossus Capital Ltd as of September 5, 2008	-	81,743.00
		Prepaid origination fees for purchase of notes from Onshore as of September 5, 2008	-	1,478,313.00

Sub-Total > **122,298,116.00**  
(Total of this page)

Total > **1,100,024,951.00**

(Report also on Summary of Schedules)

Sheet 3 of 3 continuation sheets attached  
to the Schedule of Personal Property

In re Lancelot Investors Fund, Ltd.

Case No. 08-28227

Debtor

**SCHEDULE D - CREDITORS HOLDING SECURED CLAIMS**

State the name, mailing address, including zip code, and last four digits of any account number of all entities holding claims secured by property of the debtor as of the date of filing of the petition. The complete account number of any account the debtor has with the creditor is useful to the trustee and the creditor and may be provided if the debtor chooses to do so. List creditors holding all types of secured interests such as judgment liens, garnishments, statutory liens, mortgages, deeds of trust, and other security interests.

List creditors in alphabetical order to the extent practicable. If a minor child is a creditor, the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m). If all secured creditors will not fit on this page, use the continuation sheet provided.

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor", include the entity on the appropriate schedule of creditors, and complete Schedule H - Codebtors. If a joint petition is filed, state whether the husband, wife, both of them, or the marital community may be liable on each claim by placing an "H", "W", "J", or "C" in the column labeled "Husband, Wife, Joint, or Community".

If the claim is contingent, place an "X" in the column labeled "Contingent". If the claim is unliquidated, place an "X" in the column labeled "Unliquidated". If the claim is disputed, place an "X" in the column labeled "Disputed". (You may need to place an "X" in more than one of these three columns.)

Total the columns labeled "Amount of Claim Without Deducting Value of Collateral" and "Unsecured Portion, if Any" in the boxes labeled "Total(s)" on the last sheet of the completed schedule. Report the total from the column labeled "Amount of Claim" also on the Summary of Schedules and, if the debtor is an individual with primarily consumer debts, report the total from the column labeled "Unsecured Portion" on the Statistical Summary of Certain Liabilities and Related Data.

Check this box if debtor has no creditors holding secured claims to report on this Schedule D.

CREDITOR'S NAME AND MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	C O D E B T O R	Husband, Wife, Joint, or Community		C O N T I N G E N T	U N L I Q U I D A T E D	D I S P U T E D	AMOUNT OF CLAIM WITHOUT DEDUCTING VALUE OF COLLATERAL	UNSECURED PORTION, IF ANY
		H	W					
Account No.								
Charter One - Loan 1215 Superior Ave Cleveland, OH 44144-3299		Loan						
			Value \$				27,163,821.00	0.00
Account No.								
			Value \$					
Account No.								
			Value \$					
Account No.								
			Value \$					

0 continuation sheets attached

Subtotal  
(Total of this page)      **27,163,821.00**      **0.00**

Total  
(Report on Summary of Schedules)      **27,163,821.00**      **0.00**

In re Lancelot Investors Fund, Ltd.Case No. 08-28227Debtor**SCHEDULE E - CREDITORS HOLDING UNSECURED PRIORITY CLAIMS**

A complete list of claims entitled to priority, listed separately by type of priority, is to be set forth on the sheets provided. Only holders of unsecured claims entitled to priority should be listed in this schedule. In the boxes provided on the attached sheets, state the name, mailing address, including zip code, and last four digits of the account number, if any, of all entities holding priority claims against the debtor or the property of the debtor, as of the date of the filing of the petition. Use a separate continuation sheet for each type of priority and label each with the type of priority.

The complete account number of any account the debtor has with the creditor is useful to the trustee and the creditor and may be provided if the debtor chooses to do so. If a minor child is a creditor, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m).

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor," include the entity on the appropriate schedule of creditors, and complete Schedule H-Codebtors. If a joint petition is filed, state whether the husband, wife, both of them, or the marital community may be liable on each claim by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community." If the claim is contingent, place an "X" in the column labeled "Contingent." If the claim is unliquidated, place an "X" in the column labeled "Unliquidated." If the claim is disputed, place an "X" in the column labeled "Disputed." (You may need to place an "X" in more than one of these three columns.)

Report the total of claims listed on each sheet in the box labeled "Subtotals" on each sheet. Report the total of all claims listed on this Schedule E in the box labeled "Total" on the last sheet of the completed schedule. Report this total also on the Summary of Schedules.

Report the total of amounts entitled to priority listed on each sheet in the box labeled "Subtotals" on each sheet. Report the total of all amounts entitled to priority listed on this Schedule E in the box labeled "Totals" on the last sheet of the completed schedule. Individual debtors with primarily consumer debts report this total also on the Statistical Summary of Certain Liabilities and Related Data.

Report the total of amounts not entitled to priority listed on each sheet in the box labeled "Subtotals" on each sheet. Report the total of all amounts not entitled to priority listed on this Schedule E in the box labeled "Totals" on the last sheet of the completed schedule. Individual debtors with primarily consumer debts report this total also on the Statistical Summary of Certain Liabilities and Related Data.

Check this box if debtor has no creditors holding unsecured priority claims to report on this Schedule E.

**TYPES OF PRIORITY CLAIMS** (Check the appropriate box(es) below if claims in that category are listed on the attached sheets)

**Domestic support obligations**

Claims for domestic support that are owed to or recoverable by a spouse, former spouse, or child of the debtor, or the parent, legal guardian, or responsible relative of such a child, or a governmental unit to whom such a domestic support claim has been assigned to the extent provided in 11 U.S.C. § 507(a)(1).

**Extensions of credit in an involuntary case**

Claims arising in the ordinary course of the debtor's business or financial affairs after the commencement of the case but before the earlier of the appointment of a trustee or the order for relief. 11 U.S.C. § 507(a)(3).

**Wages, salaries, and commissions**

Wages, salaries, and commissions, including vacation, severance, and sick leave pay owing to employees and commissions owing to qualifying independent sales representatives up to \$10,950\* per person earned within 180 days immediately preceding the filing of the original petition, or the cessation of business, whichever occurred first, to the extent provided in 11 U.S.C. § 507(a)(4).

**Contributions to employee benefit plans**

Money owed to employee benefit plans for services rendered within 180 days immediately preceding the filing of the original petition, or the cessation of business, whichever occurred first, to the extent provided in 11 U.S.C. § 507(a)(5).

**Certain farmers and fishermen**

Claims of certain farmers and fishermen, up to \$5,400\* per farmer or fisherman, against the debtor, as provided in 11 U.S.C. § 507(a)(6).

**Deposits by individuals**

Claims of individuals up to \$2,425\* for deposits for the purchase, lease, or rental of property or services for personal, family, or household use, that were not delivered or provided. 11 U.S.C. § 507(a)(7).

**Taxes and certain other debts owed to governmental units**

Taxes, customs duties, and penalties owing to federal, state, and local governmental units as set forth in 11 U.S.C. § 507(a)(8).

**Commitments to maintain the capital of an insured depository institution**

Claims based on commitments to the FDIC, RTC, Director of the Office of Thrift Supervision, Comptroller of the Currency, or Board of Governors of the Federal Reserve System, or their predecessors or successors, to maintain the capital of an insured depository institution. 11 U.S.C. § 507(a)(9).

**Claims for death or personal injury while debtor was intoxicated**

Claims for death or personal injury resulting from the operation of a motor vehicle or vessel while the debtor was intoxicated from using alcohol, a drug, or another substance. 11 U.S.C. § 507(a)(10).

\* Amounts are subject to adjustment on April 1, 2010, and every three years thereafter with respect to cases commenced on or after the date of adjustment.

0 continuation sheets attached



In re **Lancelot Investors Fund, Ltd.**

Case No. **08-28227**

Debtor

### SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS

State the name, mailing address, including zip code, and last four digits of any account number, of all entities holding unsecured claims without priority against the debtor or the property of the debtor, as of the date of filing of the petition. The complete account number of any account the debtor has with the creditor is useful to the trustee and the creditor and may be provided if the debtor chooses to do so. If a minor child is a creditor, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m). Do not include claims listed in Schedules D and E. If all creditors will not fit on this page, use the continuation sheet provided.

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor," include the entity on the appropriate schedule of creditors, and complete Schedule H - Codebtors. If a joint petition is filed, state whether the husband, wife, both of them, or the marital community may be liable on each claim by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community."

If the claim is contingent, place an "X" in the column labeled "Contingent." If the claim is unliquidated, place an "X" in the column labeled "Unliquidated." If the claim is disputed, place an "X" in the column labeled "Disputed." (You may need to place an "X" in more than one of these three columns.)

Report the total of all claims listed on this schedule in the box labeled "Total" on the last sheet of the completed schedule. Report this total also on the Summary of Schedules and, if the debtor is an individual with primarily consumer debts, report this total also on the Statistical Summary of Certain Liabilities and Related Data.

Check this box if debtor has no creditors holding unsecured claims to report on this Schedule F.

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	C O D E B T O R	Husband, Wife, Joint, or Community			C O N T I N G E N T	U N L I Q U I D A T E D	D I S P U T E D	AMOUNT OF CLAIM
		H	W	J				
Account No.  <b>Citco Global Custody (NA) NV</b> <b>Ref:SON</b> <b>Schottegatweg, Oost 44, PO Box 707</b> <b>Curacao, Netherlands Antilles</b>		-						<b>980,270.00</b>
Account No.  <b>Citco Global Custody (NA) NV</b> <b>Selectinves</b> <b>Kaya Flamboyan 9</b> <b>Curacao, Netherlands Antilles</b>		-						<b>271,575.00</b>
Account No.  <b>Enhanced Investing Corporation</b> <b>c/o RBC Cayman, P.O. Box 1586, 24</b> <b>Sheddu</b> <b>George Town, Grand Cayman,</b> <b>Cayman Island</b>		-						<b>2,402,996.00</b>
Account No.  <b>Fortis Prime Fund Solutions CS</b> <b>(Ireland)</b> <b>18/20 North Quay, Doulgas</b> <b>Isle of Man, Great Britian IM99 1NR</b>		-						<b>128,080.00</b>
Subtotal (Total of this page)								<b>3,782,921.00</b>

2 continuation sheets attached

In re Lancelot Investors Fund, Ltd.

Case No. 08-28227

Debtor

**SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS**  
(Continuation Sheet)

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	C O D E B O R	Husband, Wife, Joint, or Community		D I S P U T E D	A M O U N T O F C L A I M
		H W	J C		
Account No.					
<b>Lancelot Investment Management, LP 1033 Skokie Boulevard, Suite 620 Northbrook, IL 60062</b>	-				<b>4,950,881.00</b>
Account No.					
<b>Lancelot Investment Management, LP 1033 Skokie Boulevard, Suite 620 Northbrook, IL 60062</b>	-				<b>6,952,592.00</b>
Account No.					
<b>Lancelot Investment Management, LP 1033 Skokie Boulevard, Suite 620 Northbrook, IL 60062</b>	-				<b>125,935,055.00</b>
Account No.					
<b>Republic Nominees Ltd a/c 1751 HSBC Private Bank (Guernsey) Limited, Ru Guernsey, Channel Islands GY1 1LU</b>	-				<b>645,756.00</b>
Account No.					
<b>Swiss Financial Services One Montague Place, 4th Floor East Bay Street, Nassau, Bahamas</b>	-				<b>48,763.00</b>
Subtotal (Total of this page)					<b>138,533,047.00</b>

Sheet no. 1 of 2 sheets attached to Schedule of  
Creditors Holding Unsecured Nonpriority Claims

In re Lancelot Investors Fund, Ltd.

Case No. 08-28227

Debtor

**SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS**  
(Continuation Sheet)

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	C O D E B T O R	Husband, Wife, Joint, or Community	D A T E C L A I M W A S I N C U R R E D A N D C O N S I D E R A T I O N F O R C L A I M. I F C L A I M I S S U B J E C T T O S E T O F F, S O S T A T E.	C O N T I N G E N T	U N L I Q U I D A T E D	D I S P U T E D	A M O U N T O F C L A I M
		H W J C					
Account No.  <b>UBS Fund Services (Cayman) Ltd. a/c Alii 27 Elgin Avenue, UBS House, PO Box 852, George Town, Grand Cayman, Cayman Island</b>		-					<b>1,167,037.00</b>
Account No.  <b>Walkers Walkers House, 87 Mary Street George Town, Grand Cayman, Cayman Island</b>		-					<b>18,415.00</b>
Account No.  							
Account No.  							
Account No.  							

Sheet no. 2 of 2 sheets attached to Schedule of Creditors Holding Unsecured Nonpriority Claims

Subtotal  
(Total of this page) **1,185,452.00**

Total  
(Report on Summary of Schedules) **143,501,420.00**

In re Lancelot Investors Fund, Ltd.Case No. 08-28227

Debtor

**SCHEDULE G - EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

Describe all executory contracts of any nature and all unexpired leases of real or personal property. Include any timeshare interests. State nature of debtor's interest in contract, i.e., "Purchaser", "Agent", etc. State whether debtor is the lessor or lessee of a lease. Provide the names and complete mailing addresses of all other parties to each lease or contract described. If a minor child is a party to one of the leases or contracts, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m).

Check this box if debtor has no executory contracts or unexpired leases.

Name and Mailing Address, Including Zip Code, of Other Parties to Lease or Contract	Description of Contract or Lease and Nature of Debtor's Interest. State whether lease is for nonresidential real property. State contract number of any government contract.
<b>Lancelot Investment Management, LLC</b> 1033 Skokie Boulevard, Suite 620 Northbrook, IL 60062	<b>Lancelot Investors Fund, LTD has an investment management agreement with Lancelot Investment Management, LLC.</b>
<b>Swiss Financial Services, Inc.</b> 280 Shuman Blvd. Suite 190 Naperville, IL 60563	<b>Administrative Services Agreement</b>
<b>Thomas V. Demaio</b> 101 Repulse Bay Road Flat 7, Block B, 3rd Floor Hong Kong, SAR	<b>Loan Acquisition Officer Agreement</b>

In re Lancelot Investors Fund, Ltd.

Case No. 08-28227

Debtor

### SCHEDULE H - CODEBTORS

Provide the information requested concerning any person or entity, other than a spouse in a joint case, that is also liable on any debts listed by debtor in the schedules of creditors. Include all guarantors and co-signers. If the debtor resides or resided in a community property state, commonwealth, or territory (including Alaska, Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington, or Wisconsin) within the eight year period immediately preceding the commencement of the case, identify the name of the debtor's spouse and of any former spouse who resides or resided with the debtor in the community property state, commonwealth, or territory. Include all names used by the nondebtor spouse during the eight years immediately preceding the commencement of this case. If a minor child is a codebtor or a creditor, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m).

Check this box if debtor has no codebtors.

NAME AND ADDRESS OF CODEBTOR

NAME AND ADDRESS OF CREDITOR

0

continuation sheets attached to Schedule of Codebtors

**United States Bankruptcy Court  
Northern District of Illinois**

In re Lancelot Investors Fund, Ltd.  
Debtor(s)

Case No. 08-28227  
Chapter 7

**DECLARATION CONCERNING DEBTOR'S SCHEDULES**

**DECLARATION UNDER PENALTY OF PERJURY ON BEHALF OF CORPORATION OR PARTNERSHIP**

I, the of the corporation named as debtor in this case, declare under penalty of perjury that I have read the foregoing summary and schedules, consisting of 14 sheets, and that they are true and correct to the best of my knowledge, information, and belief.

Date 12/19/08

Signature 

*Penalty for making a false statement or concealing property:* Fine of up to \$500,000 or imprisonment for up to 5 years or both.  
18 U.S.C. §§ 152 and 3571.

**UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF ILLINOIS**

In re:	)	Chapter 7
	)	
Lancelot Investors Fund, L.P., <i>et al.</i> , <sup>1</sup>	)	Case No. 08-28200
	)	
Debtors.	)	Hon. Jacqueline P. Cox Presiding
	)	Jointly Administered

**GLOBAL NOTES REGARDING DEBTORS' (I) SCHEDULES OF ASSETS  
AND LIABILITIES AND (II) STATEMENTS OF FINANCIAL AFFAIRS<sup>2</sup>**

On October 20, 2008 (the "Petition Date"), Lancelot Investors Fund, L.P. ("Lancelot") and its affiliates (collectively, the "Debtors") each filed voluntary petitions (collectively, the "Chapter 7 Cases") for relief under chapter 7 of title 11 of the United States Code (11 U.S.C. §§ 101-1532, as amended, the "Bankruptcy Code") in the United States Bankruptcy Court for the Northern District of Illinois (the "Court"). On October 28, 2008, the Court entered an order jointly administering the Debtors' Chapter 7 Cases pursuant to Bankruptcy Rule 1015(b).

Winston & Strawn LLP ("Winston & Strawn") represents Lancelot Investment Management, LP ("Lancelot Management"), Colossus Capital Management, LP ("Colossus Management") and, together with Lancelot Management, the "Management Companies") and Gregory Bell, individually. Lancelot Management is the general partner of Lancelot and Lancelot Investors Fund II, L.P. ("Lancelot II") and is the investment manager of Lancelot Investors Fund, Ltd. ("Lancelot Ltd."). Colossus Management is the general partner of Colossus Capital Fund, L.P. ("Colossus L.P.") and is the investment manager of Colossus Capital Fund, Ltd. ("Colossus Ltd.").

---

<sup>1</sup> The chapter 7 case of Lancelot Investors Fund, L.P. is being jointly administered with the chapter 7 cases of SWC Services, LLC; Lien Acquisition, LLC; AGM, LLC; AGM II, LLC; KD1, LLC; KD2, LLC; KD3, LLC; KD4, LLC; KD5, LLC; KD6, LLC; KD7, LLC; KD8, LLC; RWB Services LLC; Surge Capital II, LLC; Colossus Capital Fund, L.P.; Colossus Capital Fund, Ltd.; Lancelot Investors Fund, L.P.; Lancelot Investors Fund II, L.P.; and Lancelot Investors Fund, Ltd.

<sup>2</sup> These notes are in addition to the specific notes contained in each Debtor's Schedules or Statements. The fact that the Debtors have prepared a "General Note" with respect to any of the Schedules and Statements and not to others should not be interpreted as a decision by the Debtors to exclude the applicability of such General Note to any of the Debtors' remaining Schedules and Statements, as appropriate.

Winston & Strawn has facilitated the filing of the Debtors' Schedules of Assets and Liabilities (the "Schedules") and Statements of Financial Affairs (the "Statements" and, together with the Schedules, the "Schedules and Statements") at the request of Ronald Peterson, the trustee appointed in these Chapter 7 Cases (the "Trustee") in its capacity as counsel to the Management Companies and Gregory Bell. Winston & Strawn is not counsel to the Debtors. The information contained in the Debtors' Schedules and Statements was provided to Winston & Strawn by the Management Companies and Gregory Bell.

The Debtors' Schedules and Statements have been prepared pursuant to section 521 of the Bankruptcy Code and rule 1007 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") by the Management Companies and Gregory Bell with the assistance of their advisors and are unaudited. These notes (the "Global Notes") pertain to all of the Schedules and Statements.

While the Management Companies and Gregory Bell have made reasonable efforts to ensure that the Schedules and Statements are accurate and complete based on information that was available to them at the time of preparation, subsequent information or discovery may result in material changes to these Schedules and Statements and inadvertent errors or omissions may exist. Moreover, the Schedules and Statements contain unaudited information that is subject to further review and potential adjustment. Nothing contained in the Schedules and Statements shall constitute a waiver of any of the Management Companies' or Gregory Bell's rights or an admission of any type or nature relating to the Management Companies' or Gregory Bell's claims, rights, remedies or defenses with respect to these Chapter 7 Cases including, without limitation, any issues involving substantive consolidation, equitable subordination and/or causes of action arising under the provisions of chapter 5 of the Bankruptcy Code and any other relevant applicable laws to recover assets or avoid transfers.

**Agreements Subject to Confidentiality.** There may be instances within the Schedules and Statements where names, addresses or amounts have been left blank. Due to the nature of an agreement between the Debtors and the third party, concerns of confidentiality or concerns for the privacy of an individual, the Management Companies and Gregory Bell have deemed it appropriate and necessary to avoid listing such names, addresses and amounts.

**Causes of Action.** The Management Companies and Gregory Bell may not have identified or set forth all of the Debtors' causes of action (filed or potential) as assets in the Schedules and Statements. All such liabilities believed to be owed by the Debtors are listed on their respective Schedule F. In addition, in answering question number four on Lancelot's Statement, lawsuits related to the Debtors' loans and investments in Petters Group Worldwide and related entities were not included.

**Consolidation of Certain Information.** Lancelot is the sole member of AGM, LLC, AGM II, LLC, KD1, LLC, KD2, LLC, KD3, LLC, KD4, LLC, KD5, LLC, KD6, LLC, KD7, LLC, KD8, LLC, RWB Services LLC and Surge Capital II, LLC (collectively, the "Lancelot Subsidiaries"). Lancelot utilized a consolidated accounts payable and disbursement system through which substantially all business-related expenses of Lancelot and the Lancelot Subsidiaries were paid by Lancelot on behalf of the appropriate Debtor. Additionally, Lancelot and the Lancelot Subsidiaries did not separately account for the assets and liabilities of the various Debtors.



Therefore, the Statements and Schedules of Lancelot and the Lancelot Subsidiaries have been consolidated.

Lancelot II is the sole member of Lien Acquisition, LLC (“Lien Acquisition”). Lancelot II utilized a consolidated accounts payable and disbursement system through which substantially all business-related expenses of Lancelot II and Lien Acquisition were paid by Lancelot II on behalf of the appropriate Debtor. Additionally, Lancelot II and Lien Acquisition did not separately account for the assets and liabilities of the various Debtors. Therefore, the Statements and Schedules of Lancelot II and Lien Acquisition have been consolidated.

Colossus L.P. is the sole member of SWC Services LLC (“SWC”). Colossus L.P. utilized a consolidated accounts payable and disbursement system through which substantially all business-related expenses of Colossus L.P. and SWC were paid by Colossus L.P. on behalf of the appropriate Debtor. Additionally, Colossus L.P. and SWC did not separately account for the assets and liabilities of the various Debtors. Therefore, the Statements and Schedules of Colossus L.P. and SWC have been consolidated.

While these Schedules and Statements, at times, incorporate information prepared in accordance with generally accepted accounting principles (“GAAP”), the Statements and Schedules do not represent financial information prepared in accordance with GAAP. The listing of information on a consolidated basis is not, and should not be construed as, an admission or view as to the appropriateness of substantive consolidation.

Given the uncertainty surrounding the collection and ownership of certain assets and the valuation and nature of certain liabilities, to the extent that a Debtor shows more assets than liabilities, this is not an admission that the Debtor was solvent as of the Petition Date, or at any time prior to the Petition Date. Likewise, to the extent that a Debtor shows more liabilities than assets, this is not an admission that the Debtor was insolvent on the Petition Date or any time prior to the Petition Date.

**Claims Description.** Any failure to designate an amount on the Debtors’ Schedules and Statements as “disputed,” “contingent” or “unliquidated” does not constitute an admission that such amount is not “disputed,” “contingent” or “unliquidated.”

**Current Market Value – Net Book Value.** The Management Companies and Gregory Bell are not in possession of the Debtors’ property and cannot therefore obtain current market valuations of their assets. Accordingly, unless otherwise indicated, net book values are reflected on the Schedules and Statements. For this reason, amounts ultimately realized will vary from net book value and such variance may be material. In addition, the amounts shown for liabilities exclude items identified as “unknown” or “undetermined” and, thus, the Debtors’ ultimate liabilities may differ materially from those stated in the Schedules and Statements.

**Dates.** Notwithstanding efforts to include all information as of the Petition Date, certain information was not available at the time of the filing of these Statements and Schedules. Therefore, unless otherwise indicated, the Statements and Schedules of Lancelot, Lancelot II and Lancelot Ltd. reflect assets as of September 5, 2008 and the Statements and Schedules of

Colossus L.P. and Colossus Ltd. reflect assets as of August 31, 2008. To the best of the Management Companies' and Gregory Bell's knowledge and belief, all liabilities are as of the Petition Date.

**Estimates.** To prepare these Schedules and Statements, the Management Companies and Gregory Bell were required to make certain estimates and assumptions that affect the reported amounts of the Debtors' assets, liabilities, revenue and expenses. Actual results could differ from those estimates.

**Excluded Assets and Liabilities.** Certain categories of assets and liabilities have been excluded from the Schedules and Statements, such as goodwill, de minimis deposits, and accrued liabilities including, without limitation, accrued salaries and employee benefits, tax accruals, and accrued accounts payable. Other immaterial assets and liabilities may also have been excluded.

**Insiders.** Persons listed as "insiders" have been included for informational purposes only. The Management Companies and Gregory Bell do not take any position with respect to (a) such individual's influence over the control of the Debtors, (b) the management responsibilities or functions of such individual, (c) the decision-making or corporate authority of such individual or (d) whether such individual could successfully argue that he or she is not an "insider" under applicable law.

**Inter-company Transactions.** The Debtors did not maintain separate transactions for inter-company payables, receivables and investments. Accordingly, this information is omitted from the Schedules and Statements.

**Liabilities Generally.** Some of the Debtors' scheduled liabilities are unknown and/or may unliquidated at this time. In such cases, the amounts are listed as "unknown" or "undetermined." As a result, the Debtors' Schedules do not accurately reflect the aggregate amount of the Debtors' liabilities, which may differ materially from those stated in the Schedules.

**Schedule D – Creditors Holding Secured Claims.** Except as specifically stated in the Schedules, utility companies and other parties that may hold security deposits have not been listed on Schedule D. Entities that may believe their claims are secured through setoff rights, deposit posted by or on behalf of the Debtors, or inchoate statutory lien rights are not included on Schedule D. Except as otherwise agreed pursuant to a stipulation or agreed order or general order entered by the Court, the Management Companies and Gregory Bell reserve their rights to dispute or challenge, among other things, the validity, perfection or immunity from avoidance of any lien purported to be granted or perfected in any specific asset to a creditor listed on Schedule D of any Debtor. Moreover, although claims of various creditors may be scheduled as secured claims, the Management Companies and Gregory Bell reserve all rights to dispute or challenge the secured nature of any such creditor's claim or the characterization of the structure of any such transaction or any document or instrument (including, without limitation, any intercompany agreement) related to such creditor's claim. In certain instances, a Debtor may be a co-obligor, co-mortgagor or guarantor with respect to scheduled claims of other Debtors, and no claim set forth on Schedule D of any Debtor is intended to acknowledge claims of creditors that are otherwise satisfied or discharged by other entities. The descriptions provided in Schedule D are intended only to be a summary. Reference to the applicable loan agreements and related

documents is necessary for a complete description of the collateral and the nature, extent and priority of any liens. Nothing in the Global Notes or the Schedules and Statements shall be deemed a modification or interpretation of the terms of such agreements. Schedule D lists only the trustee or administrative agent, rather than individuals or beneficial holders, of any secured bank facility or debt instrument.

**Schedule F – Creditors Holding Unsecured Nonpriority Claims.** The Debtors' Schedule F does not include certain deferred charges, deferred liabilities or general reserves. Such amounts are, however, reflected on the Debtors' books and records as required in accordance with GAAP. Such accruals are general estimates of liabilities and do not represent specific claims as of the Petition Date.

The claims listed in Schedule F arose or were incurred on various dates. In certain instances, the date on which a claim arose is an open issue of fact. While efforts have been made, determination of each date upon which each claim in Schedule F was incurred or arose would be unduly burdensome and cost prohibitive and, therefore, a date for each claim listed on Schedule F is not listed.

**Schedule G – Executory Contracts and Unexpired Leases.** The businesses of the Debtors are complex. While reasonable efforts have been made to ensure the accuracy of Schedule G regarding executory contracts and unexpired leases, inadvertent errors, omissions or over-inclusion may have occurred. The Management Companies and Gregory Bell hereby reserve all of their rights to dispute the validity, status or enforceability of any contract, agreement or lease set forth on Schedule G that may have expired or may have been modified, amended and supplemented from time to time by various amendments, restatements, waivers, estoppel certificates, letters and other documents, instruments and agreements which may not be listed on Schedule G. Certain of the leases and contracts listed on Schedule G may contain certain renewal options, guarantees of payment, options to purchase, rights of first refusal, and other miscellaneous rights. Such rights, powers, duties and obligations are not set forth on Schedule G. Certain executory agreements may not have been memorialized in writing and could be subject to dispute. In addition, the Debtors may have entered into various other types of agreements in the ordinary course of business, such as easements, right of way, subordination, non-disturbance, and attornment agreements, supplemental agreements, amendment/letter agreements, title agreements and confidentially agreements. Such documents may not be set forth on Schedule G. The Management Companies and Gregory Bell reserve all of their rights to dispute or challenge the characterization of the structure or substances of any transaction, or any document or instrument. Certain of the contracts, agreements, and leases listed on Schedule G may have been entered into by more than one of the Debtors or by a Debtor on behalf of other Debtors. In the ordinary course of business, the Debtors may have entered into agreements, written or oral, for the provision of certain services on a month-to-month or at-will basis. Such contracts may not be included on Schedule G.

Listing a contract, agreement or lease on Schedule G does not constitute an admission that such contract, agreement or lease is an executory contract or unexpired lease or that such contract or agreement was in effect on the Petition Date or is valid or enforceable. The Management Companies and Gregory Bell reserve all rights to challenge whether any of the listed contracts,

agreements, leases or other documents constitute an executory contract or unexpired lease, including if any are unexpired real property leases. Any and all rights, claims and causes of action with respect to the contracts and agreements listed on Schedule G are hereby reserved and preserved.

Omission of a contract, agreement or lease from Schedule G does not constitute an admission that such omitted contract or agreement is not an executory contract or unexpired lease. The Debtors' rights under the Bankruptcy Code with respect to any such omitted contracts, agreements or leases are not impaired by the omission. Schedule G may be amended at any time to add any omitted contract, agreement or lease.

**Schedule H – Co-Debtors.** Certain of the Debtors' lenders, with respect to borrowings, have asserted liens extending to each of the Debtors. For purposes of Schedule H, only the administrative agent is listed for such borrowings. Additionally, it is possible that the legal and/or administrative proceedings that are listed on Schedule F have been asserted against multiple Debtors. Information regarding the co-debtors to such proceedings may be obtained from the pleadings and/or other documents filed in those cases and, as such, such co-debtor information is not listed on Schedule H.

**Closed Financial Accounts.** The Debtors routinely opened and closed financial accounts maintained at various financial institutions during the ordinary course of their businesses for which the Debtors' did not keep detailed records. Therefore, such information is not included in the Debtors' Statements and Schedules.

**Setoffs.** The Debtors routinely incurred setoffs during the ordinary course of their businesses. Setoffs in the ordinary course can result from various items including, without limitation, inter-company transactions. These setoffs are consistent with the ordinary course of business in the Debtors' industries and can be particularly voluminous, making it unduly burdensome and costly to list all such ordinary course setoffs. Therefore, such setoffs are excluded from the Debtors' Statements and Schedules.

**Statement of Financial Affairs – Question 18.** The Debtors invested in various entities in the ordinary course of their businesses. Based on information that was available to the Management Companies and Gregory Bell at the time of preparation of the Debtors' Schedules and Statements, the Management Companies and Gregory Bell cannot determine the Debtors' percentage interests in the various entities in which they invested.