

IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO. 327 OF 1995

BETWEEN: PRATIBHA DEVI Plaintiff

AND: MORVAL BANK & TRUST CAYMAN LTD. Defendant



WRIT OF SUMMONS

TO: Morval Bank & Trust Cayman Ltd.
P.O. Box 30622 SMB
Piccadilly Centre, 3rd Floor
Elgin Avenue
Grand Cayman, B.W.I.



THIS WRIT OF SUMMONS has been issued against you by the above-named Plaintiff in respect of the claims set out on the next page.

Within fourteen (14) after the service of this Writ on you, counting the day of service, you must either satisfy the claim or return to the Court Office, P.O. Box 495, George Town, Grand Cayman, the accompanying Acknowledgement of Service stating therein whether you intend to contest these proceedings.

If you fail to satisfy the claim or to return the Acknowledgement within the time stated, or if you return the Acknowledgement without stating therein an intention to contest the proceedings, the Plaintiff may proceed with the action and judgement may be entered against you forthwith without further notice.

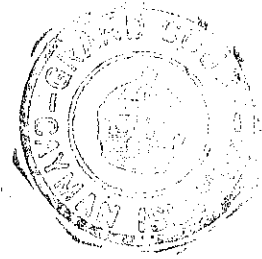
Issued this 25 day of July, 1995.

NOTE - This Writ may not be served later than four (4) calendar months beginning with the date of issue unless renewed by order of the Court.

IMPORTANT

Directions for Acknowledgement of Service are given with the accompanying form.

INDORSEMENT

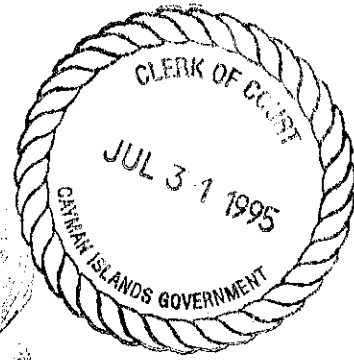
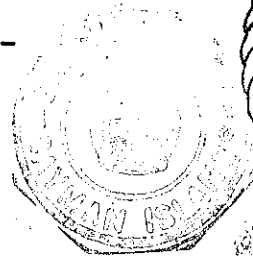


The Plaintiff's claim against the Defendant is for breach of fiduciary duty and of duty to account as to SFR20,913.00 and for breach of its duty, as a banker, to the Plaintiff as its customer to act upon her instructions and only upon such instructions as to SFR5,520.75 and US\$8,217.36.

AND THE PLAINTIFF CLAIMS FROM THE DEFENDANT:-

- (a) AN ORDER for the payment by the Defendant to the Plaintiff of the sums of SFR26,433.75 and of US\$8,217.36.
- (b) PRE-JUDGMENT interest in accordance with sec. 34 of The Judicature Law (1995 Revision).
- (c) POST-JUDGMENT interest in accordance with sec. 34 of The Judicature Law (1995 Revision).
- (d) FURTHER and/or other relief.
- (e) COSTS.





STATEMENT REGARDING INTEREST:

(i) The rates of the interest claimed are 5 7/8% on the claim in Swiss francs and 8 3/8% on the claim in United States dollars.

(ii) The dates from which interest is calculated are:

31st March, 1992	as to	SFR11,520.00
30th June, 1992	as to	27.40
8th July, 1992	as to	4,350.00
30th September, 1992	as to	12.20
10th November, 1992	as to	5,420.00
7th December, 1992	as to	61.15
29th June, 1993	as to	5,043.00
30th June, 1992	as to	US\$ 320.00
30th June, 1992	as to	3.66
24th September, 1992	as to	540.00
30th September, 1992	as to	8.20
27th October, 1992	as to	2,000.00
22nd December, 1992	as to	520.00
29th December, 1992	as to	7.50
24th March, 1993	as to	532.00
8th April, 1993	as to	750.00
22nd June, 1993	as to	536.00

20th September, 1993 as to 5,000.00

28th April, 1993 as to credit of 2,000.00

(iii) The total amounts of interest claimed as at 1st June, 1995, are SFR4,319.15 and US\$1,427.01.

(iv) The amounts of interest accruing each day thereafter are SFR4.26 and US\$1.89.

If, within the time for returning the Acknowledgment of Service, the Defendant pays the total amount claimed of SFR30,752.90 and US\$9,644.37 and CI\$778.12 (including interest and costs), further proceedings will be stayed. The money must be paid to the Plaintiff or his Attorney.

Dated this 31st day of July, 1995

Nelson & Company

Nelson & Company
Attorneys-at-law for the Plaintiff



THIS WRIT OF SUMMONS was issued by Nelson & Company, the attorneys-at-law for the Plaintiff, whose address is West Wind Building, P.O. Box 2075, George Town, Grand Cayman, Cayman Islands, B.W.I.

IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO. OF 1995

BETWEEN:

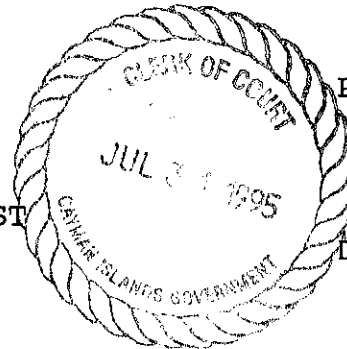
PRATIBHA DEVI

Plaintiff

AND:

MORVAL BANK & TRUST
CAYMAN LTD.

Defendant



STATEMENT OF CLAIM

1. The Plaintiff is an Indian national who resides in Calcutta, India.
2. The Defendant is a company formed under, and governed by, the laws of the Cayman Islands which holds a licence to carry on banking business from within these Islands.
3. One Michael R. Hobson ("Hobson"), a friend of the Plaintiff's daughter, Shruti Kumari Singh, and son-in-law, Ajeya Singh ("Singh"), and the said son-in-law agreed, in or about December, 1991, that the former would arrange for the auction sale, by Sotheby's, of a diamond, a necklace and a watch which were owned by the Plaintiff. Singh was acting, at that time and at all other relevant times, as agent for the Plaintiff, a fact which Hobson knew very well. Hobson was acting, at



that time and at all relevant times, as the Defendant's agent, a fact which Singh knew very well.

4. Two auction contracts were entered into on 18th December, 1991 between Sotheby's and Morval & Cie, a company which is associated with the Defendant, acting as agent for an undisclosed principal, for the auction sale of the diamond, necklace and watch referred to in paragraph 3 hereof. Hobson signed the said contracts on behalf of Morval & Cie as "London representative" thereof. The said undisclosed principal was the Plaintiff.

5. Hobson was, at the time, an officer of Buckingham Place Limited ("Buckingham"), a company which had a place of business in London, England and which was also, at all relevant times, the Defendant's agent.

6. The proceeds from the auction sale of the diamond referred to in paragraph 3 hereof were SFR441,600.00, net of Sotheby's commission. The Defendant kept a sum of SFR11,520.00 out of the said proceeds and deposited the balance, i.e. the sum of SFR430,080.00, on 31st March, 1992, in an account which it kept, denominated in Swiss currency and called "account no. 10002 - cricket". The Plaintiff was, at all relevant times,



and is the beneficial owner of the proceeds of the auction sale of the said diamond in their entirety.

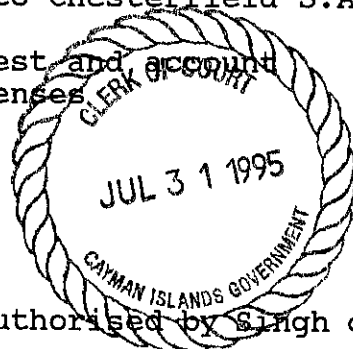
7. The proceeds from the auction sale of the necklace and watch referred to in paragraph 3 hereof were SFR192,970.00, net of Sotheby's commission. The Defendant deposited them, on 8th July, 1992, in the account described in paragraph 6 hereof. The Plaintiff was, at all relevant times, and is the beneficial owner of the proceeds of the auction sale of the said necklace and watch in their entirety.
8. The Defendant was fully aware, at all relevant times, of the circumstances set out in paragraphs 3, 4, 5, 6 and 7 hereof.
9. The Defendant invested the funds standing to the credit of the account described in paragraph 6 hereof in certificates of deposit from 14th April, 1992 until 6th October, 1992, when it used SFR562,000.00 therefrom to purchase US\$427,701.67, which it deposited in an account denominated in United States currency which it kept under the same appellation as that described in the said paragraph.





10. The Defendant unlawfully debited the following amounts from the account described in paragraph 6 hereof:

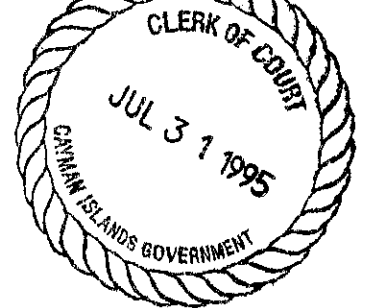
30th June, 1992	interest and account expenses	SFR 27.40
8th July, 1992	purchase of £1,650.00 paid to Buckingham	4,350.00
30th Sept., 1992	interest and account expenses	12.20
10th Nov., 1992	paid to Chesterfield S.A.	5,420.00
7th Dec., 1992	interest and account expenses	61.15
Total		<u>SFR9,870.75</u> =====



The said debits were not authorised by Singh or by anyone else acting under the Plaintiff's authority.

11. The amount standing to the credit of the account described in paragraph 6 hereof on 29th June, 1993 was SFR5,043.00.

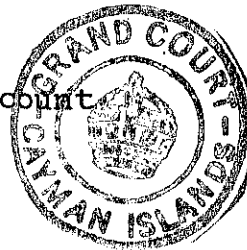
12. The Defendant invested the sums standing to the credit of the account described in paragraph 9 hereof in certificates of deposit from 6th November, 1992. It appears that, from 10th November, 1992, the said account was kept by the Defendant under the name of Valdivia Holdings Ltd. ("Valdivia"), a British Virgin Islands company which the Defendant unlawfully caused to be formed for the purpose of acting as a nominee for

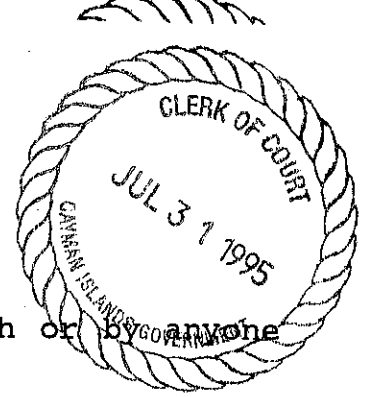


the Plaintiff. The incorporation of the said company was not authorised by Singh or by anyone else acting under the Plaintiff's authority.

13. The Defendant unlawfully debited the following amounts from the account described in paragraph 9 hereof:

30th June, 1992	management fee	US\$ 320.00
30th June, 1992	interest and account expenses	3.66
24th Sept., 1992	management fee	540.00
30th Sept., 1992	interest and account expenses	8.20
27th Oct., 1992	commission on loan	2,000.00
22nd Dec., 1992	management fee	520.00
29th Dec., 1992	interest and account expenses	7.50
24th March, 1993	management fee	532.00
8th April, 1993	paid to Chesmom Limited	750.00
22nd June, 1993	management fee	536.00
		<u>US\$5,217.36</u>
Less:		
28th April, 1993	reimbursement for administration fee charged	US\$2,000.00
Total to 23rd June, 1993		<u>US\$3,217.36</u>

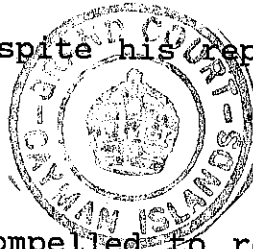




The above debits were not authorised by Singh or by anyone else acting under the Plaintiff's authority.

14. The Defendant unlawfully debited a further sum of US\$5,000.00 from the account described in paragraph 9 hereof on or about 20th September, 1993, purportedly to cover the costs of the liquidation of Valdivia. Such debit was not authorised by Singh or by anyone else acting under the Plaintiff's authority.

15. The Defendant failed to send Singh statements of the accounts referred to in paragraphs 6 and 9 hereof for approximately one and one half year, despite his repeated requests for such statements.



16. Singh was therefore compelled to retain, on behalf of the Plaintiff, attorneys-at-law in these Islands, who first demanded payment of her funds from the Defendant in August, 1993.

17. After lengthy negotiations between the attorneys-at-law for the Plaintiff and the attorneys-at-law for the Defendant, the latter paid the Plaintiff, on 20th and 22nd September, 1993, the amount standing to her credit in the account described in paragraph 9 hereof less the amounts set out in paragraphs 10

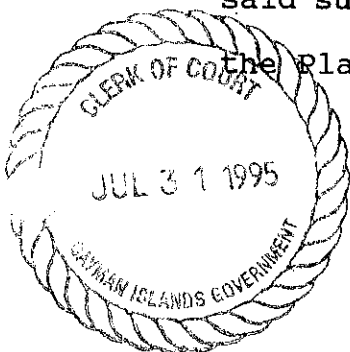
and 13 hereof. It did not, however, pay the Plaintiff the sum referred to in paragraph 11 hereof.

18. The Defendant was, for the purpose of arranging for the sale by Sotheby's of the diamond, necklace and watch referred to in paragraph 3 hereof and of receiving and depositing the proceeds therefrom in the account described in paragraph 6 hereof, the Plaintiff's agent and owed her, as such, a fiduciary duty and a duty to account.



19. Once the said proceeds were so deposited, the legal relationship between the Defendant and the Plaintiff was that of banker and customer and the Defendant was under a duty to act upon the Plaintiff's instructions, communicated to it by Singh, and only upon such instructions.

20. The Defendant was in breach of the duties set out in paragraph 18 hereof when it retained the sum of SFR11,520.00 as alleged in paragraph 6 hereof, when it used the sum of SFR4,350.00, as alleged in paragraph 10 hereof, to purchase £1,650.00 and paid the said amount of Buckingham and when it failed to pay the said sums and the amount referred to in paragraph 11 hereof to the Plaintiff on 20th and/or 22nd September, 1993 or at all.



21. The Defendant was in breach of the duties set out in paragraph 19 hereof when it debited from the account described in paragraph 6 hereof the other amounts referred to in paragraph 10 hereof, when it debited from the account described in paragraph 9 hereof the sums set out in paragraphs 13 and 14 hereof and when it failed to pay the said amounts to the Plaintiff on 20th and/or 22nd September, 1993 or at all.

AND THE PLAINTIFF CLAIMS FROM THE DEFENDANT:-

- (a) AN ORDER for the payment by the Defendant to the Plaintiff of the sums of SFR26,433.75 and of US\$8,217.36.
- (b) PRE-JUDGMENT interest in accordance with sec. 34 of The Judicature Law (1995 Revision).
- (c) POST-JUDGMENT interest in accordance with sec. 34 of The Judicature Law (1995 Revision).
- (d) FURTHER and/or other relief.



(e) COSTS.

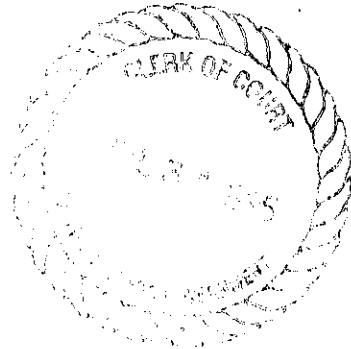
Dated this 31st day of July, 1995

Nelson & Company

Nelson & Company
Attorneys-at-law for the Plaintiff

To: The Clerk of the Court

And to: The Defendant



THIS STATEMENT OF CLAIM is filed by Nelson & Company, the attorneys-at-law for the Plaintiff, whose address is West Wind Building, P.O. Box 2075, George Town, Grand Cayman, Cayman Islands, B.W.I.