

IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO 143 OF 2010

IN THE MATTER OF THE REGISTERED LAND LAW (2004 REVISION)

AND IN THE MATTER OF BREAKERS BLOCK 55A PARCEL 61

BETWEEN:

THE CAYMAN ISLANDS CIVIL SERVICE ASSOCIATION  
CO-OPERATIVE CREDIT UNION



AND

STEPHEN MCDERMOTT

FIRST DEFENDANT

AND

MARCIA MCDERMOTT

SECOND DEFENDANT

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ORIGINATING SUMMONS

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**TO:** Stephen McDermott and Marcia McDermott of P.O. Box 383, Grand Cayman, KY1-1502

**LET THE DEFENDANTS**, Stephen McDermott and Marcia McDermott, within 14 days after service of this Summons on them, counting the day of service, return the accompanying Acknowledgement of Service to the Court office, PO Box 495 GT, George Town, Grand Cayman.

**BY THIS SUMMONS**, which is issued on the application of the Plaintiff, The Cayman Islands Civil Service Association Co-operative Credit Union Limited, the Plaintiff seeks relief pursuant to the Registered Land Law (2004 Revision) as follows:-

- 1 In or about January 2008 the First Defendant, Stephen McDermott, a member of the Plaintiff Credit Union, applied to the Plaintiff for a loan in the sum of CI\$113,000.00. This loan was to be repaid by monthly instalments of CI\$1,540.35 and was to be secured by a charge against the property registered in the name of the First Defendant and the

Second Defendant, Marcia McDermott, at the Lands Survey Department as Breakers, Block 55A, Parcel 61 ("Parcel 61").

- 2 Parcel 61 was at all material times registered in the names of the First Defendant and the Second Defendant and on 9<sup>th</sup> January 2008, the Plaintiff as Chargee and the Defendants as Chargors, executed a Legal Charge in respect of Parcel 61.
- 3 The Legal Charge dated 9<sup>th</sup> January 2008 provided that:-
  - 3.1 The Plaintiff would lend and the First Defendant and the Second Defendant would borrow the principal sum of CI\$113,000.00 ("the Principal Sum").
  - 3.2 Interest on the Principal Sum would accrue at the rate of 9.75% per annum on the reducing balance.
- 4 The Legal Charge dated 9<sup>th</sup> January 2008 also provided that:-

*"Section 72 of the Registered Land Law (1995 Revision) shall be varied in respect of this Charge and of any instrument or variation executed pursuant to this Charge, so as to entitle the Chargee immediately upon default by the Chargor in payment of the principal sum or any interest payable hereunder (as defined by Section 64(2) of the Registered Land Law (1995 Revision) or in the performance or observance of any agreement, expressed or implied herein to*

  - a) appoint a receiver of the income of the Charged Property; or*
  - b) sell the Charged Property to private treaty as well as by public auction; or*
  - c) foreclose or enter into possession of the Charged Property; or*
  - d) in the event that the Chargee does appoint a receiver or enters into possession of the Charged Property, exercise its powers of sale or foreclosure or appointment of a receiver at any time thereafter without further notice."*
- 5 Since or before October 2009, the Defendants have failed to pay the monthly instalments due in respect of the principle sum loaned and in respect of interest.
- 6 By letters dated 7<sup>th</sup> December 2009 and served on the Defendants on 9<sup>th</sup> December 2009, Messrs Ritch & Conolly, as attorneys for the Plaintiff, served notices on the Defendants pursuant to the provisions of Section 64(2) and Section 72(1) of the Registered Land Law (2004 Revision) indicating that the sum secured by the Legal Charge was repayable three months after the service of the Section 64(2) notice and indicating that unless the balance of the sum secured by the Legal Charge was repaid, or the loan repayments were brought up to date and thereafter the monthly sums due under the Loan Agreement were maintained, proceedings would be taken.

- 7 Since service of the section 64(2) and section 72 (1) notices the Defendants have not made any payments in respect of the Principal Sum outstanding and/or interest.
- 8 The Registered Land Law (2004 Revision) provides that once a notice of demand has been served pursuant to Section 64(2) the total amount of outstanding principal and interest becomes due and payable three months after service of that notice. The Plaintiff avers that the letters to the Defendants dated 7<sup>th</sup> December 2009 and served on the Defendants on 9<sup>th</sup> December 2009 constitute such a notice pursuant to Section 64(2) and that the total amount outstanding became due on or after 9<sup>th</sup> March 2010.
- 9 The Registered Land Law (2004 Revision) by virtue of Section 72(1) provides that once there is a default in the payment of principal, or any other periodical payments and if such default continues for three months, the Chargee may serve on the Chargor notice in writing to pay the money owing, or to perform and observe the terms of the Legal Charge, as the case may be.
- 10 The Registered Land Law (2004 Revision) by virtue of Section 72(2) provides that if a Chargor has not complied, within three months after the date of service of the notice served on him under Section 72(1), the Chargee may sell the Charged Property. Therefore, on and since 9<sup>th</sup> March 2010, there has accrued a right to the Plaintiff to sell Parcel 61 and the Plaintiff seeks an order that it may do so.
- 11 In the premises, the Plaintiff seeks an order pursuant to the provisions of the Registered Land Law (2004 Revision) that:-
- 11.1 an order for possession be made in terms that the Plaintiff be at liberty to sell Parcel 61 either by public auction or private treaty;
- 11.2 the Plaintiff have leave pursuant to Grand Court Rules Order 45 Rule 3(1) and (2) to issue a Writ of Possession in respect of Parcel 61.
- 12 The Plaintiff also seeks an order that if after any sale of Parcel 61 there should be any shortfall in the amount due and owing to the Plaintiff, the Plaintiff be at liberty to enter Judgment for the said shortfall, together with interest and costs.

If the Defendants do not acknowledge service, Judgment may be given or Order made against or in relation to them as the Court may think just and expedient.

Dated the 30<sup>th</sup> day of March 2010.

  
RITCH & CONOLLY  
Attorneys for Plaintiff

**NOTE:** This Summons may not be served later than 4 calendar months (*or if leave is required to effect Notice out of the jurisdiction, 6 months*) beginning with that date, unless renewed by Order of the Court.

**IMPORTANT:**

Directions for acknowledgement of service are given with the accompanying forms.

IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE N° OF 2010

IN THE MATTER OF THE REGISTERED LAND LAW (1995 REVISION)

AND IN THE MATTER OF EAST END, BLOCK 71A, PARCEL 92 REM1

BETWEEN:

CAYMAN ISLANDS CIVIL SERVICE ASSOCIATION  
CO-OPERATIVE CREDIT UNION LTD

PLAINTIFF

AND

STEPHEN MCDERMOTT

FIRST DEFENDANT

AND

MARCIA MCDERMOTT

SECOND DEFENDANT

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ACKNOWLEDGMENT OF SERVICE  
OF ORIGINATING SUMMONS

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If you intend to instruct an Attorney to act for you, give him this form **IMMEDIATELY**.

**IMPORTANT.** Read the accompanying directions and notes for guidance carefully before completing this form. If any information required is omitted or given wrongly, **THIS FORM MAY HAVE TO BE RETURNED.**

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1. State the full name of the Defendant by whom or on whose behalf the service of the Originating Summons is being acknowledged.

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2. State whether the Defendant intends to contest or otherwise participate in the proceedings (tick appropriate box)

yes

no

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Service of the Originating Summons is acknowledged accordingly

(Signed).....

[Attorney] for

[Defendant in person]

Address for service:

**Please complete overleaf**

## NOTES ON ADDRESS FOR SERVICE

Attorney: where the Defendant is represented by an attorney, state the attorney's place of business in the Cayman Islands. A Defendant may not act by a foreign attorney.

Defendant in person: where the Defendant is acting in person, he must give his post office box number and the physical address of his residence or, if he does not reside in the Cayman Islands, he must give an address in Grand Cayman where communications for him should be sent. In the case of a limited company, "residence" means its registered principal office.

Endorsement by plaintiff's Attorney (or by plaintiff if suing in person) of his name, address and reference, if any, in the box below.

Messrs. Ritch & Conolly PO Box 1994 GT Grand Cayman  Ref: RJH/CICSA-Stephen and Marcia McDermott
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Endorsement by defendant's Attorney (or by defendant if suing in person) of his name, address and reference, if any, in the box below.

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## **DIRECTIONS FOR ACKNOWLEDGMENT OF SERVICE OF ORIGINATING SUMMONS**

The accompanying form of Acknowledgment of Service should be completed by an Attorney acting on behalf of the Defendant or by the Defendant if acting in person. After completion it must be delivered or sent by post to the Law Courts, P.O. Box 495, George Town, Grand Cayman KY1-1106.

### **Notes for Guidance**

1. Each Defendant (if there is more than one) is required to complete an Acknowledgment of Service and return it to the Courts Office.
2. If you wish to defend claims made in the originating summons, or intend to attend the proceedings and to participate in them so far as necessary (although not necessarily in an adversarial manner) you should tick the "Yes" box in paragraph 2 of the acknowledgment of service.
3. For the purpose of calculating the period of 14 days for acknowledging service, a writ served on the Defendant personally is treated as having been served on the day it was delivered to him.
4. Where the Defendant is sued in a name different from his own, the form must be completed by him with the addition in paragraph 1 of the words "sued as (the name stated on the Originating Summons)".
5. Where the Defendant is a FIRM and an attorney is not instructed, the form must be completed by a PARTNER by name, with the addition in paragraph 1 of the description "Partner in the firm of (.....)" after his name.
6. Where the Defendant is sued as an individual TRADING IN A NAME OTHER THAN HIS OWN, the form must be completed by him with the addition in paragraph 1 of the description "trading as (.....)" after his name.
7. Where the Defendant is a LIMITED COMPANY the form must be completed by an Attorney or by someone authorised to act on behalf of the Company, but the Company can take no further step in the proceedings without an Attorney acting on its behalf.
8. Where the Defendant is a MINOR or a MENTAL PATIENT, the form must be completed by an Attorney acting for a guardian ad litem.
9. A Defendant acting in person may obtain help in completing the form at the Courts Office.