

IN THE GRAND COURT OF THE CAYMAN ISLANDS


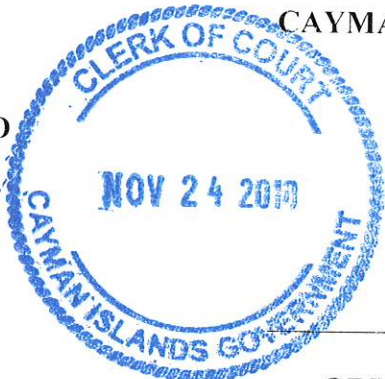
CAUSE NO. 428 OF 2010

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

AND IN THE MATTER OF GEORGE TOWN SOUTH, BLOCK 14E, PARCEL 277

BETWEEN:

CAYMAN NATIONAL BANK LTD  
PLAINTIFF  
AND  
IS MAY JOHNSON  
DEFENDANTS



**ORIGINATING SUMMONS**

**TO: ISMAY JOHNSON**

of PO Box 377, Grand Cayman KY1-1106

**LET THE DEFENDANT, ISMAY JOHNSON**, within 14 days after service of this Summons on her, counting the day of service, return the accompanying acknowledgement of service to the Court Office, P. O. Box 495, George Town, Grand Cayman KY1-1106.

**BY THIS SUMMONS** which is issued on the application of the Plaintiff, Cayman National Bank Ltd., Elgin Avenue, George Town, Grand Cayman KY1-1102, the Plaintiff seeks relief pursuant to the provisions of the Registered Land Law (2004 Revision) as follows:-

1. On 18<sup>th</sup> July 2008 the Defendant as Chargor and the Plaintiff as the Chargee executed a Variation of First Legal Charge (the "Charge") in respect of the property registered at the Lands and Survey Department as George Town South, Block 14E, Parcel 277 ("Parcel 277").
2. The Charge provided, inter alia, that:
  - 2.1 The Chargee would lend and the Chargor would borrow the principal sum of One Hundred and Ninety Thousand CI Dollars (CI\$190,000.00) which was to be secured as a Charge on Parcel 277.

2.2 Interest on the principal sum would accrue at the rate of 1.25% per annum above the Chargee's Prime Lending Rate for CI Dollars.

3. The Charge also provided that:-

*"In the event that the Chargor shall fail to discharge all monies and liabilities in full in accordance with the terms hereof or in the event that the Chargor shall be in breach of any of the Chargor's covenants or obligations herein contained whether express or implied or in the event that the Chargor commits any act of bankruptcy or makes any assignment or composition for the benefit of the Chargor's creditors or, being a company, goes into liquidation (other than a voluntary liquidation for the purposes of a reconstruction only the terms of which have been previously approved in writing by the Chargee) or suffers the appointment of a receiver over any part of the Chargor's assets then in any such event the whole of the Principal Sum and interest thereon and any other sums owing hereunder to the Chargee shall become immediately due and payable and the provisions of Sections 72 to 75 of the said Law shall apply subject to the modifications hereinafter set forth:-*

*(1) the power of sale and of appointing a receiver and any other remedies available to the Chargee shall become immediately exercisable without further notice;*

*(2) in the event that the Chargee does appoint a receiver the Chargee shall be entitled to exercise its powers of sale at any time thereafter without further notice;*

*(3) upon the exercise of the Chargee's power of sale the Chargee shall have the right and power to sell the charged property by private treaty or by public auction or part in one way and part the other.*

4. Since from or about February 2010 the Defendant has failed to pay the full amount of the monthly instalments due in respect of the principal sum loaned and in respect of interest.

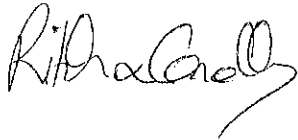
5. By letters dated 24<sup>th</sup> March 2010, and signed for as received by the Defendant on 30<sup>th</sup> March 2010, the Plaintiff duly served notice on the Defendant pursuant to Section 64(2) and Section 72(1) of the Registered Land Law (2004 Revision) indicating that the sum secured by the Charge was repayable three months after the service of the Section 64(2) notice and indicating that pursuant to Section 72(1) unless the balance of the sum secured by the Charge was repaid proceedings would be taken.

6. The notice demanded payment of the balance of the principal sum outstanding and accrued interest.

7. The Defendant has failed to make the required payments in respect of the principal sum outstanding and/or accrued interest as demanded.
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. Therefore the Plaintiff avers that the letters dated 24<sup>th</sup> March 2010 and served on the Defendant on 30<sup>th</sup> March 2010 constituted such a notice pursuant to Section 64(2) and that the total amount outstanding became due on 30<sup>th</sup> June 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 the 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 or since 30<sup>th</sup> June 2010 there has accrued a right to the Plaintiff to sell the Property and the Plaintiff now 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 The variations in the Legal Charge referring to the provisions of Section 72 of the Registered Land Law (2004 Revision) be allowed.
  - 11.2 That an order for possession be made.
  - 11.3 The Plaintiff be entitled to sell the property either by private treaty or public auction in good faith and having regard to the interests of the Defendant.
  - 11.4 The Plaintiff do have leave pursuant to Grand Court Rules Order 45 Rule 3(1) and (2) to issue a Writ of Possession in this matter in respect of the property.

12. The Plaintiff also seeks an Order that if after any sale of Parcel 277 there should be any shortfall in the amount due and owing to the Plaintiff that the Plaintiff be at liberty to enter judgment for such shortfall, together with interest and costs.

Dated the 23<sup>rd</sup> day of November 2010



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**RITCH & CONOLLY**  
**Attorneys for the Plaintiff**

If the Defendant does not acknowledge service, judgement may be given, or made against, or in relation to her, as the Court may think just and expedient.

**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.

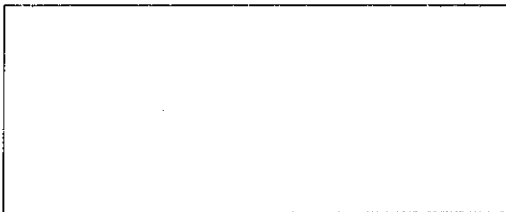
**IMPORTANT:** Directions for acknowledgement of service are given with the accompanying forms.



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

Ritch & Conolly  
PO Box 1994  
Queensgate House  
113 South Church Street  
George Town  
Grand Cayman KY1-1104  
  
Ref: MSB/CNB/12258\_Johnson

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

An empty rectangular box with a thin black border, intended for the defendant's attorney or the defendant to provide their name, address, and reference.

**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 are 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.