

IN CHAMBERS

IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO. 29 OF 1995



BETWEEN: IN THE MATTER OF GUARDIAN BANK AND TRUST (CAYMAN)
LIMITED

AND: IN THE MATTER OF THE BANKS AND TRUST COMPANIES LAW
1989

AND: IN THE MATTER OF THE COMPANIES LAW (REVISED)

AND: IN THE MATTER OF A PETITION BY THE GOVERNOR COUNCIL
OF THE CAYMAN ISLANDS FOR THE COMPULSORY WINDING
UP ON THE ABOVE NAMED COMPANY

Mr. Clutterbuck for the Liquidators.

Smellie J.

RULING


I accept the merits of the advise given to the official liquidators by W.S. Walker and Company in their letter of the 4 February 1997. In particular, as it relates to the potential personal claims by Mr & Mrs. McGuigan and as to the likelihood of the Court being sympathetic to their being granted locus standi to bring such a claim by way of leave to appeal out of time against the rejection of their proof of debt submitted in the liquidation.

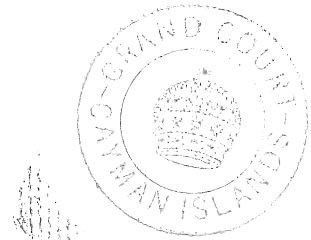
In the context of such a claim, I accept the force of the advice given that Mr. Mathewson's evidence would be unlikely to assist the liquidators in resisting it. Its primary basis, that of Mr. Rozsel's ostensible authority to

act on behalf of the bank and CCS would be, in the context of such a claim, raised primarily on the basis of discussions and representations allegedly held out as between Rozsel and the McGuigans. *Mr Mathewson would not have been included in these discussions.*

In my view the settlement arrived at is prudent and fair and is likely to inure to the ultimate benefit of the liquidation as a whole.

I approve the settlement. The costs of this application are to be costs in the winding-up.


Anthony Smellie Q.C.
Judge of the Grand Court



Dated this 18th day of February 1997