

IN THE GRAND COURT OF THE CAYMAN ISLANDS CAUSE NO. 160 OF 2012

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

AND IN THE MATTER OF LITTLE CAYMAN EAST, BLOCK 92A, PARCEL 93 AND IN THE MATTER OF WEST BAY NORTH WEST, BLOCK 4C, PARCEL 72

BETWEEN:

CAYMAN NATIONAL BANK LTD

PLAINTIFF

AND

MERLIN EBANKS

DEFENDANT

ORIGINATING SUMMONS

TO: MERLIN EBANKS of PO Box 711, Grand Cayman KY1-1107

LET THE DEFENDANT, MERLIN EBANKS, within 14 days after service of this Summons on him, 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 or about 4th December 2006 the Defendant as Chargor and the Plaintiff as the Chargee executed a Charge in respect of the property registered at the Lands and Survey Department as Little Cayman East, Block 92A, Parcel 93 ("Parcel 93") and on or about 13th July 2010 executed a Variation of First Legal Charge ("the Charges") in respect of West Bay North West, Block 4C, Parcel 72 ("Parcel 72").
2. The Charges provided, inter alia, that:

- 2.1 The Chargee would lend and the Chargor would borrow the principal sum of Seventeen Thousand Nine Hundred CI Dollars (CI\$17,900.00) which was to be secured as a Charge on Parcel 93.
- 2.2 The Chargee would lend and the Chargor would borrow the principal sum of Ninety Five Thousand Nine Hundred and Fifty Seven CI Dollars (CI\$95,957,000.00) which was to be secured as a Charge on Parcel 72.
- 2.3 Interest on the principal sum would accrue at the rate of 1.00% per annum above the Chargee's Prime Lending Rate for CI Dollars.
3. At all material times Parcel 93 and Parcel 72 were registered in the name of the Defendant.
4. The Charges provided that:-

“At any time after the Bank shall have demanded payment of the Indebtedness or any part thereof or if requested by the Chargor the Bank may exercise without further notice all the powers conferred on mortgagees by virtue of the Law as hereby varied or extended and all the powers and discretions hereby conferred either expressly or by reference on a receiver appointed hereunder and the date of such demand shall (without prejudice to the equitable right to redeem) be the redemption date. Nothing that shall be done by or on behalf of the Bank or a receiver appointed by it shall render it or him liable to account as a mortgagee in possession for any sums other than actual receipts.

In addition to the remedies provided by Section 72 of the Law the Bank shall, whether or not a receiver has been appointed, have the right to foreclose or enter into possession of the Charged Property or both in the same circumstances as would allow the Bank to exercise its power of sale or appoint a receiver.

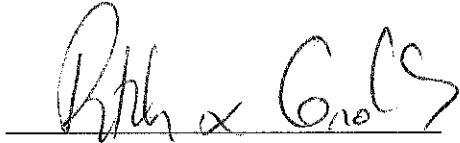
Upon the exercise of the its power of sale the Bank shall have the right to sell the Charged Property by private treaty as well as by public auction.

5. Since from or about July 2011 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.
6. By letters dated 5th August 2011, and served on the Defendant on 10th August 2011, 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 Charges 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 Charges was repaid proceedings would be taken.

7. The notice demanded payment of the balance of the principal sum outstanding and accrued interest.
8. The Defendant has failed to make the required payments in respect of the principal sum outstanding and/or accrued interest as demanded.
9. 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 5th August 2011 and served on the Defendant on 10th August 2011 constituted such a notice pursuant to Section 64(2) and that the total amount outstanding became due on 10th November 2011.
10. 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.
11. 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 10th November 2011 there has accrued a right to the Plaintiff to sell the Properties and the Plaintiff now seeks an order that it may do so.
12. In the premises, the Plaintiff seeks an Order pursuant to the provisions of the Registered Land Law (2004 Revision) that:
 - 12.1 The variations in the Legal Charge referring to the provisions of Section 72 of the Registered Land Law (2004 Revision) be allowed.
 - 12.2 That an order for possession be made.
 - 12.3 The Plaintiff shall be entitled to sell the properties either by private treaty or public auction in good faith and having regard to the interests of the Defendant.
 - 12.4 The Plaintiff shall 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 properties.

13. The Plaintiff also seeks an Order that if after any sale of Parcel 93 and Parcel 72 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 26th day of March 2012

A handwritten signature in black ink, appearing to read "Ritch & Conolly", written over a horizontal line.

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.

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CAUSE NO. OF 2012

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BETWEEN:

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PLAINTIFF

AND:

MERLIN EBANKS

DEFENDANT

**ACKNOWLEDGMENT OF SERVICE
OF ORIGINATING SUMMONS**

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**.

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

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

yes

no

Service of the Originating Summons is acknowledged accordingly

(Signed).....

[Attorney] for

[Defendant in person]

Address for service:

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.

Please complete overleaf

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

Attn. Marcus Baldwin
Ritch & Conolly
PO Box 1994
Queensgate House
113 South Church Street
George Town
Grand Cayman KY1-1104

Ref: MSB/CNB/12817_Ebanks, M

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

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.