

IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO: 239 OF 1997

BETWEEN:

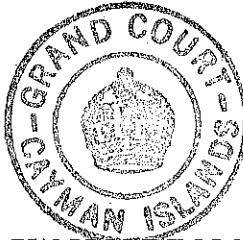
- (1) DANIEL RATTAN
- (2) LOUISE MALCOLM
- (3) YVONNE LAWE

PLAINTIFFS

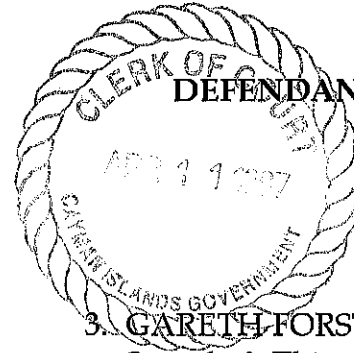
AND:

- (1) GW HOLDINGS LTD
- (2) WILLIAM PEGUERO
- (3) GARETH FORSTER

DEFENDANTS



WRIT OF SUMMONS



TO: 1. GW HOLDINGS LTD
Sounds & Things
PO Box 509
Eastern Avenue
George Town
Grand Cayman

2. WILLIAM PEGUERO
Sounds & Things
PO Box 509
Eastern Avenue
George Town
Grand Cayman

3. GARETH FORSTER
Sounds & Things
PO Box 509
Eastern Avenue
George Town
Grand Cayman

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

Within 14 days after the services of this Writ on you, counting the day of service, you must either satisfy the claim or return to the Courts Office, PO Box 495, George Town, Grand Cayman, the accompanying Acknowledgment of Service stating therein whether you intend to contest these proceedings.

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

Issued this 11th day of April 1997

IMPORTANT

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

STATEMENT OF CLAIM

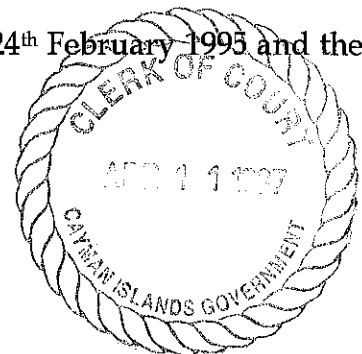
1. The First Defendant is a company incorporated under the laws of the Cayman Islands and was at all material times carrying on the business of developing real estate, which business includes the purchase of land and the construction and sale of dwelling houses and residential strata lots thereon.

2. The Second and/or Third Defendants are, or were, at all material times directors and/or, either directly or indirectly, controllers of the First Defendant.

3. By verbal agreements and by contracts in writing, made between the First Defendant and the respective Plaintiffs (hereinafter collectively and respectively called "the Contracts"), the First Defendant agreed to construct and sell to each of the Plaintiffs and the Plaintiffs each respectively agreed to buy a "dwelling house" from the First Defendant at respective prices of CI\$68,000.00 each.
 - (1) the above verbal agreements were made by and between the First Defendant and the respective Plaintiffs in or about February 1995; March 1995; and November 1994.

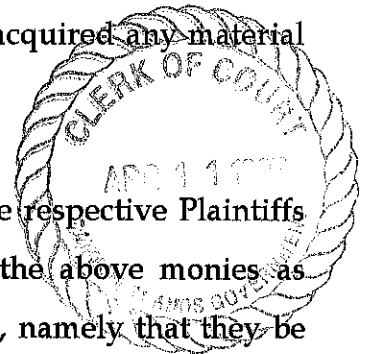
 - (2) the above contracts in writing are respectively dated 29th June 1995; 5th and/or 24th July 1995; and 5th July 1995.

4. The Plaintiffs paid monies to the First Defendant in accordance with the terms of the Contracts, namely:
 - (1) the First Plaintiff paid the sum of CI\$1,000.00 on or about 24th February 1995 and the further sum of CI\$5,800.00 on or about 7th June 1995.

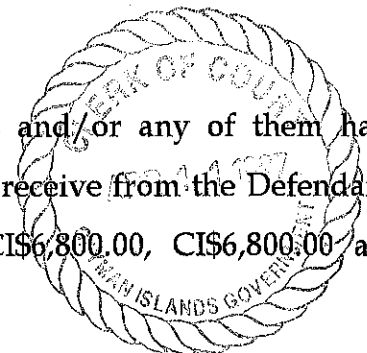


- (2) the Second Plaintiff paid the sum of CI\$1,000.00 on or about 22nd March 1995 and the further sum of CI\$5,800.00 on or about 5th June 1995.
- (3) the Third Plaintiff paid the sum of CI\$1,000.00 on or about 4th November 1994 and the further sum of CI\$5,300.00 on or about 3rd January 1995.
5. The above contracts in writing expressly provide for the above construction works to be carried out on Parcel 155 of Block 22D in the Prospect Registration Section of the Land Register of the Cayman Islands ("Parcel 155").
6. A parcel of land which is described in the Land Register of the Cayman Islands as Parcel 175 of Block 22D in the Prospect Registration Section ("Parcel 175") was identified to the Plaintiffs or any of them as the land upon which the said "dwelling houses" would be built, during personal visits by them to its physical location in the presence of, and by, servants(s) and/or agent(s) of the First Defendant in or about June and September 1995.
7. It was an express and/or implied term and condition of the Contracts that the First Defendant would purchase Parcel 175 or, alternatively that the First Defendant would purchase Parcel 155, and build the above "dwelling house(s)" thereon.
8. It was an express term and condition of the Contracts that the respective purchase monies would be paid by the Plaintiffs to the First Defendant in instalments, which instalments would become respectively due and payable upon the First Defendant's completion of certain specified construction works.
9. It was an express and/or implied term and condition of the Contracts that the monies referred to in paragraph 4 above would be returned to the respective Plaintiffs or any of them if the First Defendant failed to perform the Contracts.

10. It was an express and/or implied term and condition of the Contracts that the First Defendant would be able to sell interests in Parcel 175, or alternatively that the First Defendant would be able to sell interest in Parcel 155, to the Plaintiffs at or about the times when the above monies were paid by the Plaintiffs and/or that the First Defendant would thereafter be able to transfer the said interests to the Plaintiffs.
11. It was an express and/or implied term and condition of the Contracts that the First Defendant would "...forthwith begin and ambitiously erect and build..." the above dwelling houses upon execution of the above respective contracts in writing.
12. The First Defendant was at all material times incapable of performing the Contracts by reason that it was insolvent or unable to invest capital or proper capital in the performance of its obligations thereunder and/or that it had not acquired any material interest in respect of either Parcel 175 or Parcel 155.
13. In the premises, there is to be inferred a common intention of the respective Plaintiffs and the First Defendant, that the First Defendant would hold the above monies as trustee upon constructive or resulting trusts for a special purpose, namely that they be applied or solely applied by the First Defendant in its performance of the Contracts, and for the Plaintiffs.
14. In breach of the Contracts the First Defendant failed to purchase Parcel 175 or, alternatively, Parcel 155 nor was it at any material time the owner of either said parcel nor had it at any material time the right to sell or to transfer any interest in the same to the Plaintiffs.
15. In breach of the Contracts the First Defendant failed to perform its obligations or any of them under the Contracts and the First Defendant thereby repudiated the Contracts.



16. The Plaintiffs or any of them expressly and/or impliedly rescinded the Contracts and/or demanded that the First Defendant return the above monies by letters respectively dated 12th August 1996, 12th August 1996 and 8th November 1996.
17. In breach of the Contracts the First Defendant has failed to repay to the Plaintiffs or any of them the monies paid by the Plaintiffs under the Contracts or any sum.
18. The Plaintiffs have suffered loss and damage by reason of the First Defendant's breach of the Contracts.
19. The above monies were, upon receipt thereof and in breach of the above trusts, deposited by the First Defendant into the First Defendant's bank account or accounts which were from time-to-time overdrawn or indebted to the First Defendant's bankers and/or otherwise applied in breach of the above trusts.
20. The Second and/or Third Defendants, acting or purporting to act on behalf of or as agents and/or as directors or controllers of the First Defendant, ordered or procured or allowed the above monies to be deposited or applied in the above manner.
21. Further or in the alternative, in the premises the Second and/or Third Defendants were at the material times, and have ever since remained, in a fiduciary relationship with the Plaintiffs or any of them and the above monies were applied in breach of the Second and/or Third Defendant's fiduciary duties to the Plaintiffs.
22. By reason of the matters described above, the Plaintiffs and/or any of them have suffered loss and damage and each of them are entitled to receive from the Defendants or any of them payment of the respective sums of C\$6,800.00, C\$6,800.00 and C\$6,300.00.



23. Further, the Plaintiffs or any of them are entitled to claim and do claim interest on the above sums pursuant to section 34 of the Judicature Law (1995 Revision).

AND THE PLAINTIFFS (AND EACH OF THEM) CLAIM:

Against the First Defendant:

(1) Liquidated damages of CI\$6,800.00, CI\$6,800.00 and/or CI\$6,300.00, respectively;

And against each Defendant:

(2) Restitutionary compensation of the respective sums of CI\$6,800.00, CI\$6,800.00 and/or CI\$6,300.00;

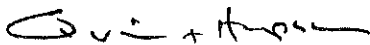
(3) Interest on the monies paid by the First and Second Plaintiffs in the sum of CI\$665.02 (or the respective sums of CI\$332.51) and continuing in the sum of CI\$2.75 per day (or the respective sums of CI\$1.374 per day);

(4) Interest on the monies paid by the Third Plaintiff in the sum of CI\$195.36 and continuing in the amount of CI\$1.27 per day;

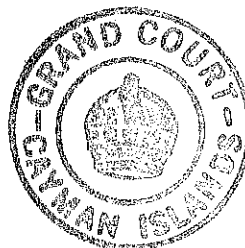
(5) Costs;

(6) Such further and/or other relief as may be just.

DATED the 11th day of April 1997.



Quin & Hampson
Attorneys-at-Law for the Plaintiffs

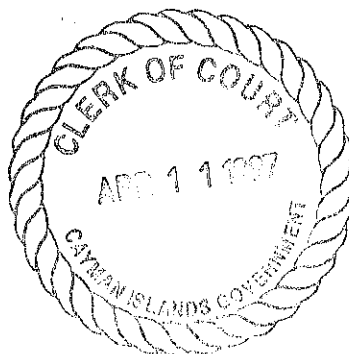


TO: The Clerk of the Court
Courts Office
George Town
Grand Cayman

AND TO: GW Holdings Ltd.
Sounds & Things
PO Box 509
Eastern Avenue
George Town
Grand Cayman

AND TO: William Peguero
Sounds & Things
PO Box 509
Eastern Avenue
George Town
Grand Cayman

AND TO: Gareth Forster
Sounds & Things
PO Box 509
Eastern Avenue
George Town
Grand Cayman



FILED by Quin & Hampson, Attorneys-at-Law for and on behalf of the Plaintiffs herein, whose address for service is that of their said Attorneys-at-Law, Third Floor, PO Box 1348, George Town, Grand Cayman, BWI.