

AMENDED PURSUANT TO ORDER 20 RULE 5 OF THE GRAND COURT RULES THIS 28th JUNE 2012

IN THE GRAND COURT OF THE CAYMAN ISLANDS
CIVIL DIVISION

CAUSE NO: 147 OF 2012

BETWEEN:

DONALD WALTER

PLAINTIFF

AND:

~~VERGELINA~~ VIRGELINA HAWKINS

FIRST DEFENDANT

AND

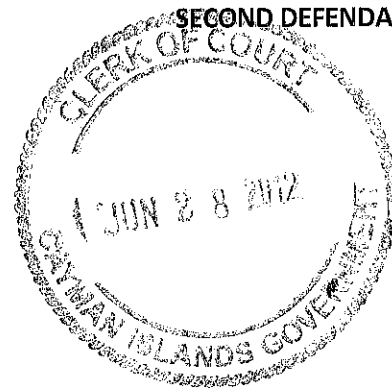
CAYMAN SHOE SHOP COMPANY-LTD.

SECOND DEFENDANT

AMENDED WRIT OF SUMMONS

TO:

~~Virgelina Hawkins~~ Virgelina Hawkins
And
Cayman Shoe Shop Company Ltd.
P.O. Box 1992
#432 Eastern Avenue
George Town
Cayman Islands



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

Within 14 days after the service of this Writ on you, counting the day of service, you must either satisfy the claim or return to the Court Office, P.O. Box 495G, 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 20th day of March 2012.~~

Reissued this 28th day of June 2012

NOTE - This Writ may not be served later than 4 calendar months (or, if leave is required to effect service out of the jurisdiction, 6 months) beginning with the date of issue unless renewed by order of the Court

IMPORTANT

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

STATEMENT OF CLAIM

1. The Plaintiff and the 1st Defendant are legal residents of the Cayman Islands and at all material times were known to each other. The 2nd Defendant is an active Cayman Islands Registered company with file number 218170 at the Cayman Islands General Registry.
2. The 1st Defendant was at all material times the sole shareholder and sole director of the 2nd Defendant. All references to the 2nd defendant that include reference to any dealings with a representative of the 2nd defendant are references to the 1st defendant acting at all times as a servant, agent and director of the 2nd defendant.
3. On or about June 2011 the plaintiff and the 1st defendant entered into discussions for the loan of the sum of \$200,000 to the 2nd defendant for the purposes of overcoming cash flows issues with the 2nd defendant.
4. On or about the end of June 2011 the parties agreed terms of the loan agreement orally for the loan of \$200,000 to the 2nd defendant on the following terms:
 - 4.1 That the 1st Defendant would sign a promissory note for the repayment of CI\$200,000 plus interest at the rate of fifteen percent per annum over the course of the entire loan period to a total interest payment over the course of the loan of \$60,000 to be repaid as follows:
 - a) January 18, 2012, \$65,000
 - b) July 18, 2012, \$65,000
 - c) January 18, 2013, \$65,000
 - d) July 18, 2013 \$65,000
 - 4.2 That the parties would enter into a Deed of Pledge pledging the entire issued shares, being 100 shares, in the 2nd Defendant to the plaintiff as security for the repayments due under the note. A copy of the promissory note and the Deed of Pledge as signed by the parties are annexed as Schedule 1 to the Statement of Claim.
 - 4.3 That the plaintiff would lend to the 2nd defendant the sum of CI\$200,000 to be paid to the 1st and or 2nd defendant or to entities or persons as directed by the defendants in amounts to be agreed and to total the sum of \$200,000.
5. In accordance with the terms of the agreement between the parties the plaintiff paid the sum of CI\$200,145 to the 1st and 2nd defendant or to entities or persons as directed by the defendants between the dates of July 1, 2011 and July 29, 2011. A schedule of all payments made, dates of same and the persons or entities that the payments were made to are annexed to this Statement of Claim as Schedule 2.
6. On the 18th July 2011 the 1st Defendant by her promissory note, promised to pay to the plaintiff \$200,000 in the following manner, namely \$65,000 on January 18, 2012, \$65,000 on July 18, 21012,

\$65,000 on January 18, 2013 and \$65,000 on July 18, 2013 with such repayments including interest at the rate of fifteen percent per annum over the course of the entire loan period of 2 years.

7. The 1st defendant made default in payment of the first of the installments and has not paid the sum \$65,000 or any part thereof.
8. Clause 3 of the Promissory note stated as follows:
“Notwithstanding anything to the contrary herein contained, upon the happening of any of the following events, (hereinafter called “an event of default”) all unpaid amounts due to the Lender under this Note, together with any interest thereon shall become forthwith due and payable without presentation, notice of dishonor or notice of protest of any kind, all of which are hereby expressly waived by the Borrower:-
 - (a) Upon any default by the Borrower in the payment when due of any part of the monthly payments of the Principal Sum and Interest due and owing under this Note:
9. By the defendants default in payment of the first installments all sums due and payable under the Note and under the terms of the loan agreement are due and owing as of the date of issue of this Writ.

10. **Particulars of monies owing**

Principal

- (a) January 18, 2012, principal due of \$50,000
 - (b) July 18, 2012, principal due of \$50,000
 - (c) January 18, 2013 principal due of \$50,000
 - (d) July 18, 2013 principal of \$50,000
- Total \$200,000

Interest

- (a) Interest is claimed and is payable as agreed in the terms of the promissory note at fifteen percent per annum over the course of the entire loan period.
- (b) Interest was to run from the 18 July 2012.
- (c) The amount of interest claimed to the date of issue of these proceedings is \$20,219.18.
- (d) Interest is payable from the date of issue of this writ at \$82.19 per day.

Breach of Deed of Pledge

11. Clause 7 of the Deed of Pledge stated as follows:
“The Pledgor hereby undertakes to deliver to the Pledgee as security in accordance with the terms of this Pledge the following:-
 - a) The original share certificate in respect of the Pledged shares
 - b) Blank signed transfers in respect thereof undated;
 - c) Executed undated resignations of the Pledgor as director and as may be relevant as the secretary of the Company;
 - d) Irrevocable proxies (coupled with the Pledgees interests hereunder) in favour of the Pledgee in the form attached.

12. Contrary to the terms of Deed of Pledge the 1st defendant as pledgor failed to comply with clause 14 (b)-(d) of the Deed of Pledge and these documents were not provided to the plaintiff as Pledgee.
13. Further to the breach by the 1st defendant of the terms of the promissory note signed 18 July 2011 the plaintiff was entitled to register the shares in the 2nd defendant in his name and assume control of the management of the company and the plaintiff wishes to exercise those rights.

AND THE PLAINTIFF claims:

1. The sum of CI\$200,000.
2. Interest continuing to judgment or sooner payment at the daily rate of \$82.19 alternatively interest and such rate and for such period as the court thinks fit assessed pursuant to section 34 of the Judicature Law (2007 Revision) on the amount found to be due to the Plaintiff.
3. An order that the 1st defendant do take all steps necessary to comply with the terms of clause 14 of the Deed of Pledge dated 18 July 2011 within 3 days of the date of this order and in the default of the 1st defendant to comply an order that the Clerk of the Court is empowered to sign in lieu of the 1st defendant.
4. Costs.

Samson & McGrath

Samson & McGrath

Attorneys for the Plaintiff

THIS WRIT and Statement of Claim was issued by Samson & McGrath, Attorneys for the Plaintiff whose address for service is 5th Floor Genesis Building, Genesis Close, P.O. Box 446 GT, George Town, Grand Cayman.

DIRECTIONS FOR ACKNOWLEDGMENT OF SERVICE
OF WRIT OF SUMMONS

1. 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 495G, George Town, Grand Cayman.

2. A Defendant who states in his Acknowledgment of Service that he intends to contest the proceedings must also serve a defence on the Attorney for the Plaintiff (or on the Plaintiff if acting in person).

If a Statement of Claim is indorsed on the Writ (i.e. the words "Statement of Claim" appear on the top of page 2), the Defence must be served within 14 days after the time for acknowledging service of the Writ, unless in the meantime a summons for judgment is served on the Defendant.

If the Statement of Claim is not indorsed on the Writ, the Defence need not be served until 14 days after a Statement of Claim has been served on the Defendant.

If the Defendant fails to serve his defence within the appropriate time, the Plaintiff may enter judgment against him without further notice.

3. A Stay of Execution against the Defendant's goods may be applied for where the Defendant is unable to pay the money for which any judgment is entered. If a Defendant to an action for a debt or liquidated demand (i.e. a fixed sum) who does not intend to contest the proceedings states, in answer to Question 3 in the Acknowledgment of Service, that he intends to apply for a stay, execution will be stayed for 14 days after his Acknowledgment, but he must, within that time, issue a Summons for a stay of execution, supported by an affidavit of his means. The affidavit should state any offer which the Defendant desires to make for payment of the money by instalments or otherwise.

See over for notes for guidance

Please complete overleaf

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. 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.
3. 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 Writ of Summons)".
4. 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.
5. 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.
6. 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.
7. Where the Defendant is a MINOR or a MENTAL PATIENT, the form must be completed by an Attorney acting for a guardian ad litem.
8. A Defendant acting in person may obtain help in completing the form at the Courts Office.

Schedule 1

DEED OF PLEDGE

Between

Virgelina Hawkins

and

Donald Watler

and

Cayman Shoe Shop Ltd.

*Prepared by Woodward Terry & Company
July 18, 2011*

THIS DEED OF PLEDGE dated the 18th day of July, 2011

BETWEEN: VIRGELLINA HAWKINS, of PO Box 1992, Grand Cayman KY1-1104, Cayman Islands, British West Indies (hereinafter called "the Pledgor")

AND: DONALD WATLER, of P.O. Box 420, Grand Cayman KY1-1302, Cayman Islands, British West Indies (hereinafter called "the Pledgee").

AND: CAYMAN SHOE SHOP LTD. of PO Box 1992, Grand Cayman KY1-1104, Cayman Islands, British West Indies (hereinafter called "the Company")

THIS DEED IS SUPPLEMENTAL to:

A Promissory Note ("the Promissory Note") dated the 30th day of June, 2011, between the Pledgor, and the Pledgee and affirmed by the Company.

WHEREAS:

- a) The Pledgor is the beneficial owner of 100 issued ordinary shares of CI\$1.00 each being the total number of issued shares ("the Pledged Shares") in the Company.
- b) The Pledgor in order to further secure the payment of all monies due to the Pledgees, pursuant to the Promissory Note of even date herewith in the amount of Cayman Islands Dollars Two Hundred Thousand (CI\$200,000.00), with interest thereon calculated at the rate of 15% due and payable in four (4) equal consecutive installment payments of CI\$65,000.00 on January 18, 2012, July 18, 2012, January 18, 2013 and July 18, 2013, has agreed to enter into this Collateral Deed of Pledge as further security for the Outstanding Indebtedness.

NOW THIS DEED WITNESSETH, and it is hereby agreed as follows:-

1. The Pledgor hereby pledges, mortgages and deposits, set over and confirms to the Pledgee the Pledged Shares as collateral security for the due and punctual payment to the Pledgee of the Outstanding Indebtedness.
2. The Pledgor covenants and agrees subject as hereinafter provided with the Pledgee:-

- a) that the Pledgor will not sell, assign, transfer, pledge, dispose of or encumber in any other manner the Pledged Shares, or suffer to exist any incumbrance on the Pledged Shares except the lien of this Pledge;
- b) to procure that no further shares in the Company will be issued so long as any part of the Outstanding Indebtedness is unpaid.

3. The Pledgor further agrees with the Pledgee as follows:-

- a) Unless and until a breach of any of the terms of the Promissory Note has occurred ("a Default"), the Pledgor shall be entitled to exercise all voting and/or consensual powers pertaining to the Pledged Shares or any part thereof for all purposes not inconsistent with the terms of this Deed, or the Promissory Note.
- b) If a Default shall occur the Pledgor shall have a period of thirty (30) days (hereinafter called the "Grace Period") in which to procure the correction of the Default and in the event the Default is not corrected by the expiry of the Grace Period the Pledged Shares shall at the sole discretion of the Pledgee be transferred to the Pledgee without further notice.
- c) If a Default shall occur and be continuing the Pledgee shall have the sole and exclusive right to exercise all voting and consensual powers pertaining to the Pledged Shares or any part thereof and shall exercise such powers in such manner as the Pledgee may elect.
- d) If a Default occurs and continues up to the expiry of the Grace Period the Pledgee may without any notice and without prejudice to the provisions of clause 3(b) at his option sell the Pledged Shares or transfer them to himself or sell or transfer any part thereof at public or private sale for cash and at such price or prices as the Pledgee in his absolute discretion shall think fit and the holder or holders thereof shall thereafter hold the same absolutely free from any right or claim of whatsoever kind. Upon any such sale or transfer, the Pledgee shall have the right to deliver, assign and transfer to each purchaser thereof the Pledged Shares or part thereof so sold. Each purchaser or transferee at any such sale or transfer shall hold the Pledged Shares absolutely free from any claim or right of whatsoever kind including any equity or right of redemption of the Pledgor who hereby specifically waives all rights of redemption stay or appraisal at such sale or transfer which the Pledgor has or may have under any rule or law or statute now existing or hereinafter adopted. The Pledgee shall not be obliged to make any public or private sale. The Pledgee instead of exercising the transfer to the Pledgee or his power of sale conferred upon him may proceed by a suit or suits at law or in equity to foreclose this Pledge and sell the Pledged Shares or any portion thereof or otherwise howsoever enforce this Pledge under a judgment or decree of a court or

courts of competent jurisdiction the Pledgor having been given due notice of all such action.

- e) The proceeds of any sale of all or any part of the Pledged Shares shall be applied by the Pledgee first in paying the expenses of any such sale and thereafter in reduction of the Outstanding Indebtedness in such order as she may determine.
 - f) In the event of a Default (but not before) the Pledgees shall be entitled to date and implement the documents delivered pursuant to Clause 7 hereof as appropriate and to take all steps to register the Pledged Shares in his name, or that of his nominees, or assigns and to assume control of the Pledged Shares and the management of the Company.
4. The Pledgee is hereby appointed the Attorney-in-Fact of the Pledgor for the purpose of carrying out the provisions of this Pledge and taking any action and executing any instruments which the Pledgee may deem necessary or advisable to accomplish the full benefit of the Pledge.
-
5. No failure on the part of the Pledgee to exercise and no delay in exercising any right or power or remedy hereunder shall operate as a waiver thereof nor shall any single or partial exercise by the Pledgee of any right power or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right power or remedy. The remedies herein provided are cumulative and are not exclusive of any remedies provided by law.
6. When all the Outstanding Indebtedness shall have been paid in full and all obligation and liabilities of the Pledgor hereunder shall have been paid in full this Pledge shall terminate and the Pledgee shall forthwith assign transfer and deliver to the Pledgor the Pledged Shares.
7. The Pledgor hereby undertakes to deliver to the Pledgee as security in accordance with the terms of this Pledge the following:-
- a) original share certificate in respect of the Pledged Shares;
 - b) blank signed transfers in respect thereof undated;
 - c) executed undated resignations of the Pledgor as director and as may be relevant as a secretary of the Company;
 - d) irrevocable proxies (coupled with the Pledgees interests hereunder) in favour of the Pledgee in the form attached.
8. The Pledgor will forthwith inform the Pledgee of any changes in the directors, or secretary of the Company, and will in event of such change procure the delivery

to the Pledgee of further signed undated resignations in respect of such persons similar to those referred to in Clause 7(c) hereof as the Pledgee may require.

9. The Pledgee may at all times without discharging, or in any way affecting this security, determine, vary or increase any credit to the Company or the Pledgor, grant to the Company or the Pledgor or to any other person any time or indulgence, deal with; exchange, release, modify, or abstain from perfecting or enforcing any security guarantee or other right which the Pledgee may now or hereafter have regarding the Outstanding Indebtedness, compound with the Company, the Pledgor or any guarantor, or agree to any amendment to the Charge or the Promissory Note.
 10. The Pledgor hereby indemnifies the Pledgee against any liabilities, claims, costs and expenses whatsoever arising under the Laws of the Cayman Islands which may be made against the Pledgee or which may be incurred or become payable by the Pledgee in respect of the business of the Company and as a result of this Pledge and shall procure that the Pledgee are named as co-assured on any insurance policies taken out by the Pledgor and the Company.
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11. Notwithstanding any other provision herein, or in the Promissory Note:-
 - a) the Pledgee shall have a right of foreclosure as herein provided; and
 - b) the Pledgee shall in relation to his rights and remedies hereunder, act in good faith.
 - c) it is hereby agreed and declared that obligations of the Pledgor hereunder shall be joint and several and references to the Pledgor shall apply as well to any one as to both of them.
 12. This Deed of Pledge shall be governed by and construed in accordance with the Laws of the Cayman Islands and the parties hereby submit to the non-exclusive jurisdiction of the Cayman Islands.
 13. All notices and other communications required or to be given, made or sent hereunder shall be in writing and may be given, made or sent either personally or by registered post, courier, or facsimile to the other concerned party at the address shown on the first page of this Agreement, or, if a corporation, at its registered office (or at any substitute address subsequently communicated to the sending party prior to sending the relevant communication hereunder). If delivered by courier, or sent by facsimile, it shall be deemed to have been duly delivered by 3.00 p.m. on the first day after it is so sent, and if sent by registered post, it shall be deemed to have been duly delivered on the seventh (7th) day following the date of posting. Where the day for delivery is a bank holiday in the Cayman Islands, delivery shall be deemed to have taken place on the first day thereafter that banks are opened for business in the Cayman Islands.

14. The Company agrees with and confirms this Deed of Pledge in every respect.

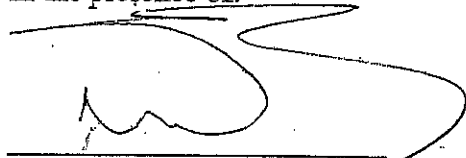
IN WITNESS WHEREOF the parties hereto have executed this document as a Deed the day and year first above written.

**SIGNED as a Deed by
Virgelina Hawkins**



Virgelina Hawkins

in the presence of:



Notary Public
Cayman Islands

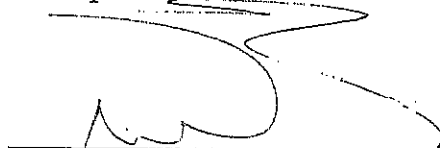
**SIGNED as a Deed by
Cayman Shoe Shop Ltd.
By its sole Director and
sole shareholder
Virgelina Hawkins**

Cayman Shoe Shop Ltd.



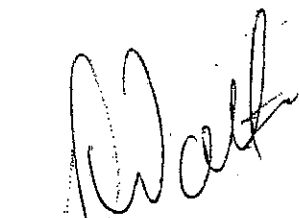
Virgelina Hawkins

in the presence of:-



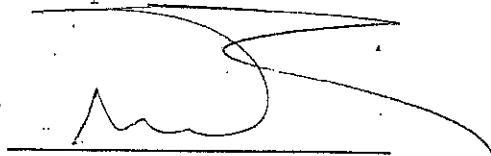
Notary Public
Cayman Islands

**SIGNED as a Deed by
Donald Watler**



Donald Watler

in the presence of:-



Notary Public
Cayman Islands

[CI\$200,000.00]

PROMISSORY NOTE

**(Collateral to a Deed of Pledge Agreement
dated June 30, 2011)**

1. **FOR VALUE RECEIVED**, I, VIRGELINA HAWKINS, of PO Box 1992, Grand Cayman KY1-1104, Cayman Islands, British West Indies (hereinafter called "the Borrower") **PROMISE** to pay to DONALD WATLER, of P.O. Box 420, Grand Cayman KY1-1302, Cayman Islands, British West Indies (hereinafter called "the Lender") or order, the sum of **TWO HUNDRED THOUSAND CAYMAN ISLANDS DOLLARS, (CI\$200,000.00)** (hereinafter called "the Principal Sum") in respect of the working capital in the Company Cayman Shoe Shop Ltd. for the purchase of New Stock in preparation for the new school year in the Cayman Islands with interest calculated thereon at the rate of fifteen percent (15%) ("the Interest") with the Interest and the Principal Sum repayable in four (4) equal and consecutive installments of CI\$65,000.00 on January 18, 2012, July 18, 2012, January 18, 2013 and July 18, 2013.
2. Neither the failure nor any delay on the part of the Lender to exercise any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or privilege preclude any other or further exercise thereof, or the exercise of any other right, power or privilege.
3. Notwithstanding anything to the contrary herein contained, upon the happening of any of the following events, (hereinafter called "an event of default") all unpaid amounts due to the Lender under this Note, together with any interest thereon shall become forthwith due and payable without presentation, notice of dishonour or notice of protest of any kind, all of which are hereby expressly waived by the Borrower:-

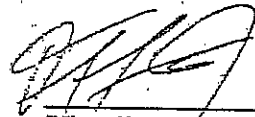
- (a) upon any default by the Borrower in the payment when due of any part of the monthly payments of the Principal Sum and Interest due and owing under this Note;
 - (b) upon the bankruptcy of the Borrower or the making by the Borrower of any assignment or composition for the benefit of the Borrower's creditors;
 - (c) upon the death of the Borrower;
 - (d) upon any default by the Borrower under any of the provisions of the Deed of Pledge, of even date hereto.
4. If any date for payment of the Interest and/or Principal Sum shall fall on a day which is not a business day, then such date shall be deemed to fall on the preceding business day and, for the purpose of this provision, the term "business day" shall mean a day when banks are open for business in the Cayman Islands.
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5. All payments to be made hereunder and in particular payments of interest shall be paid free and clear and net of any taxes, deductions and withholdings of any kind whatsoever.
6. All payments shall be made to the Lender in person, or to the Lender at the Lender's address aforesaid, or to such other address as the Lender may in writing advise the Borrower, and if any payment is made hereunder by the Borrower by cheque, it is EXPRESSLY AGREED that the Borrower shall receive no credit, nor be deemed to have complied with the provisions hereof unless and until such cheque has been cleared in the Cayman Islands and, if any payment hereunder is made by cheque which is not duly honoured on presentation, such dishonour shall be deemed to be an event of default.
7. This Note shall be freely assignable by the Lender and upon receipt of the notice of assignment or endorsement by the Lender the Borrower shall make payment due in accordance with such notice.

8. If all sums payable hereunder shall be duly made the Lender shall cause satisfaction to be entered hereon.
9. This Note may be prepaid in whole or in part at any time without penalty.
10. In the event of any default under this Note, the Borrower will be responsible for any and all costs for collection on this Note, including court costs and attorney's fees.
11. Notwithstanding any of the provisions herein contained, the Lender in his sole discretion may instead of exercising any of his rights under clause 4. above,

charge a further interest on the balance of the Principal Sum and Interest at the rate of 17.5%, for as long as the Principal Sum and Interest remain unpaid.
12. The Borrower shall be responsible for, and shall pay the stamp duty and registration and filing fees due on this Note. The Borrower and the Lender shall each be responsible for their own legal costs in relation to this Note, and everything to be done hereunder relating thereto.
13. This Note shall be governed by and construed in accordance with the Laws of the Cayman Islands and the Borrower hereby submits to the jurisdiction of the Courts of the Cayman Islands.

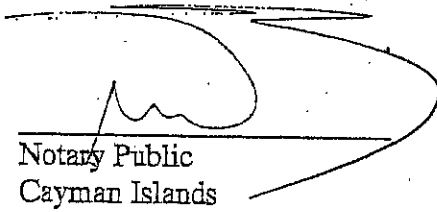
Dated this 18th day of July, 2011

Signed as a Deed by the Borrower:
Virgelina Hawkins



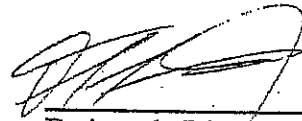
Virgelina Hawkins

in the presence of:


Notary Public
Cayman Islands

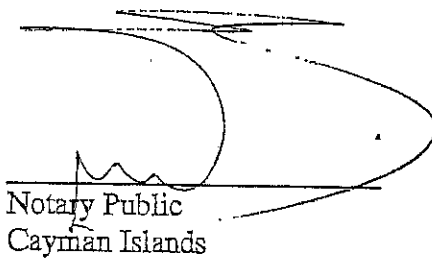
SIGNED as a Deed by the Borrower
Cayman Shoe Shop Ltd.
By its sole Director and
sole shareholder
Virgelina Hawkins

Cayman Shoe Shop Ltd.

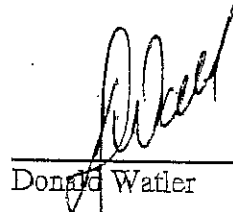


By its sole Director and
sole shareholder
Virgelina Hawkins

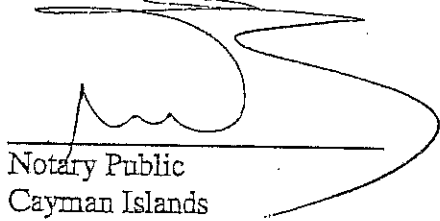
in the presence of:-


Notary Public
Cayman Islands

SIGNED as a Deed by the Lender:
Donald Watler


Donald Watler

in the presence of:-


Notary Public
Cayman Islands

| Acc. No. | Account Holder | Date dd/mm/yy | Amount/ CI | Transaction |
|-------------|----------------|---------------|------------|--|
| 02201123578 | D Watler | 1/7/2011 | 2,528.40 | Bank Draft Payable to Insolite Latin America drawn on D Watler Butterfield account 02201123578 on behalf of Cayman Shoe Shop |
| 02201123578 | D Watler | 1/7/2011 | 7,568.40 | Bank Draft Payable to Hang Ten drawn on D Watler Butterfield account 02201123578 on behalf of Cayman Shoe Shop |
| 02201123578 | D Watler | 1/7/2011 | 3,368.40 | Bank Draft Payable to Rebound Panama Inc. drawn on D Watler Butterfield account 02201123578 on behalf of Cayman Shoe Shop |
| 02201123578 | D Watler | 1/7/2011 | 987.55 | Bank Draft Payable to Balance Management Corp. drawn on D Watler Butterfield account 02201123578 on behalf of Cayman Shoe Shop |
| 02201123578 | D Watler | 1/7/2011 | 2528.4 | Bank Draft Payable to Kenedy Center Corp. drawn on D Watler Butterfield account 02201123578 on behalf of Cayman Shoe Shop |
| 02201123578 | D Watler | 1/7/2011 | 1482.6 | Bank Draft Payable to Industries Everfit drawn on D Watler Butterfield account 02201123578 on behalf of Cayman Shoe Shop |
| 02201123578 | D Watler | 1/7/2011 | 1279.43 | Bank Draft Payable to London Group drawn on D Watler Butterfield account 02201123578 on behalf of Cayman Shoe Shop |
| 02201123578 | D Watler | 1/7/2011 | 48,740 | Bank Draft Payable to May's Zona Libre S.A. drawn on D Watler Butterfield account 02201123578 on behalf of Cayman Shoe Shop |
| 01201123578 | D Watler | 1/7/2011 | 428.4 | Bank Draft Payable to California Manufacturing drawn on D Watler Butterfield account 02201123578 on behalf of Cayman Shoe Shop |
| 01201123578 | D Watler | 1/7/2011 | 1,869.04 | Bank Draft Payable to Lassiter Panama drawn on D Watler Butterfield account 02201123578 on behalf of Cayman Shoe Shop |

| | | | | |
|--------------|------------------|--------------|------------------|--|
| 01201123578 | D Watler | 1/7/2011 | 1,016.40 | Bank Draft Payable to El Canon Int. drawn on D Watler Butterfield account 02201123578 on behalf of Cayman Shoe Shop |
| 01201123578 | D Watler | 1/7/2011 | 1,688.40 | Bank Draft Payable to American Sports Wear drawn on D Watler Butterfield account 02201123578 on behalf of |
| 01201123578 | D Watler | 1/7/2011 | 1,688.40 | Bank Draft Payable to Pizza International S.A. drawn on D Watler Butterfield account 02201123578 on behalf of Cayman Shoe Shop |
| 01201123578 | D Watler | 1/7/2011 | 1,688.40 | Bank Draft Payable to Pacific Latin American drawn on D Watler Butterfield account 02201123578 on behalf of Cayman Shoe Shop |
| 01201123578 | D Watler | 1/7/2011 | 2,682.73 | Bank Draft Payable to RaFKas drawn on D Watler Butterfield account 02201123578 on behalf of Cayman Shoe Shop |
| 02201025557 | Virgelina Chaves | 1/7/2011 | \$15,000 | Cash deposit to account of 1st defendant |
| 02201032987 | Cayman Shoe Shop | 1/7/2011 | \$15,000 | Cash deposit to account of 2nd defendant |
| unknown | Cayman Shoe Shop | 5/7/2011 | \$20,000 | Cash at Scotiabank account of 1st and/or 2nd defendant |
| 02201032987 | Cayman Shoe Shop | 7/7/2011 | 15,000 | cash deposit to account of 2nd defendant |
| 02201032987 | Cayman Shoe Shop | 18/7/11 | \$10,000 | Cash deposit to account of 2nd defendant |
| 02201027858 | Fermin Vera | 18/7/11 | \$5,000 | cash deposit to Fermin Vera, son of 1st defendant on instruction of 1st defendant |
| 02201032987 | Cayman Shoe Shop | 22/7/11 | \$10,000 | D Watler Butterfield account 02201123578 transfer to 2nd Defendant account |
| unknown | Cayman Shoe Shop | 29/7/11 | \$10,600 | Cash paid by plaintiff to Scotiabank account of 1st and/or 2nd defendant |
| none | Verlina Hawkins | 29/7/11 | \$20,000 | cash in hand paid to 1st defendant |
| Total | | Total | \$200,145 | |

DIRECTIONS FOR ACKNOWLEDGMENT OF SERVICE
OF WRIT OF SUMMONS

1. 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 495G, George Town, Grand Cayman.

2. A Defendant who states in his Acknowledgment of Service that he intends to contest the proceedings must also serve a defence on the Attorney for the Plaintiff (or on the Plaintiff if acting in person).

If a Statement of Claim is indorsed on the Writ (i.e. the words "Statement of Claim" appear on the top of page 2), the Defence must be served within 14 days after the time for acknowledging service of the Writ, unless in the meantime a summons for judgment is served on the Defendant.

If the Statement of Claim is not indorsed on the Writ, the Defence need not be served until 14 days after a Statement of Claim has been served on the Defendant.

If the Defendant fails to serve his defence within the appropriate time, the Plaintiff may enter judgment against him without further notice.

3. A Stay of Execution against the Defendant's goods may be applied for where the Defendant is unable to pay the money for which any judgment is entered. If a Defendant to an action for a debt or liquidated demand (i.e. a fixed sum) who does not intend to contest the proceedings states, in answer to Question 3 in the Acknowledgment of Service, that he intends to apply for a stay, execution will be stayed for 14 days after his Acknowledgment, but he must, within that time, issue a Summons for a stay of execution, supported by an affidavit of his means. The affidavit should state any offer which the Defendant desires to make for payment of the money by instalments or otherwise.

See over for notes for guidance

Please complete overleaf

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. 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.
3. 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 Writ of Summons)".
4. 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.
5. 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.
6. 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.
7. Where the Defendant is a MINOR or a MENTAL PATIENT, the form must be completed by an Attorney acting for a guardian ad litem.
8. A Defendant acting in person may obtain help in completing the form at the Courts Office.

Attorney for

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 or principal office.

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

Samson & McGrath
Attorneys at Law
5th Floor Genesis Building
Genesis Close
PO Box 446
George Town
Grand Cayman

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

[Empty box for defendant's attorney indorsement]

Schedule 1

IN THE GRAND COURT OF THE CAYMAN ISLANDS
CIVIL DIVISION

CAUSE NO: 1217 OF 2012

BETWEEN:

DONALD WALTER

PLAINTIFF

AND:

~~VERGELINA~~ VIRGELINA HAWKINS

FIRST DEFENDANT

AND

~~CAYMAN SHOE SHOP COMPANY~~-LTD.

SECOND DEFENDANT

ACKNOWLEDGMENT OF SERVICE
OF WRIT OF 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.

Delay may result in judgment being entered against a Defendant whereby he may have to pay the costs of applying to set it aside.

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

2. State whether the Defendant intends to contest the proceedings (tick appropriate box)

yes no

3. If the claim against the Defendant is for a debt or liquidated demand, AND he does not intend to contest the proceedings, state if the Defendant intends to apply for a stay of execution against any judgment entered by the Plaintiff (tick box)

yes no

Service of the Writ is acknowledged accordingly

(Signed).....

Attorney for

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 or principal office.

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

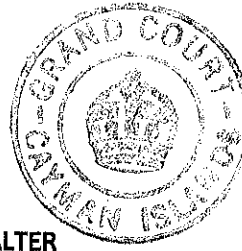
Samson & McGrath
Attorneys at Law
5th Floor Genesis Building
Genesis Close
PO Box 446
George Town
Grand Cayman

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

[Empty box for defendant's Attorney indorsement]

Schedule 1

IN THE GRAND COURT OF THE CAYMAN ISLANDS
CIVIL DIVISION



CAUSE NO: 147 OF 2012

BETWEEN:

DONALD WALTER

PLAINTIFF

AND:

VERGELINA HAWKINS

FIRST DEFENDANT

AND

CAYMAN SHOE COMPANY LTD.

SECOND DEFENDANT

WRIT OF SUMMONS



TO:

Vergelina Hawkins
And
Cayman Shoe Company Ltd.
P.O. Box 1992
#432 Eastern Avenue
George Town
Cayman Islands

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

Within 14 days after the service of this Writ on you, counting the day of service, you must either satisfy the claim or return to the Court Office, P.O. Box 495G, 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 day of March 2012.

NOTE - This Writ may not be served later than 4 calendar months (or, if leave is required to effect service out of the jurisdiction, 6 months) beginning with the date of issue unless renewed by order of the Court.

IMPORTANT

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

STATEMENT OF CLAIM

1. The Plaintiff and the 1st Defendant are legal residents of the Cayman Islands and at all material times were known to each other. The 2nd Defendant is an active Cayman Islands Registered company with file number 218170 at the Cayman Islands General Registry.
2. The 1st Defendant was at all material times the sole shareholder and sole director of the 2nd Defendant. All references to the 2nd defendant that include reference to any dealings with a representative of the 2nd defendant are references to the 1st defendant acting at all times as a servant, agent and director of the 2nd defendant.
3. On or about June 2011 the plaintiff and the 1st defendant entered into discussions for the loan of the sum of \$200,000 to the 2nd defendant for the purposes of overcoming cash flows issues with the 2nd defendant.
4. On or about the end of June 2011 the parties agreed terms of the loan agreement orally for the loan of \$200,000 to the 2nd defendant on the following terms:
 - 4.1 That the 1st Defendant would sign a promissory note for the repayment of CI\$200,000 plus interest at the rate of fifteen percent per annum over the course of the entire loan period to a total interest payment over the course of the loan of \$60,000 to be repaid as follows:
 - a) January 18, 2012, \$65,000
 - b) July 18, 2012, \$65,000
 - c) January 18, 2013, \$65,000
 - d) July 18, 2013 \$65,000
 - 4.2 That the parties would enter into a Deed of Pledge pledging the entire issued shares, being 100 shares, in the 2nd Defendant to the plaintiff as security for the repayments due under the note. A copy of the promissory note and the Deed of Pledge as signed by the parties are annexed as Schedule 1 to the Statement of Claim.
 - 4.3 That the plaintiff would lend to the 2nd defendant the sum of CI\$200,000 to be paid to the 1st and or 2nd defendant or to entities or persons as directed by the defendants in amounts to be agreed and to total the sum of \$200,000.
5. In accordance with the terms of the agreement between the parties the plaintiff paid the sum of CI\$200,145 to the 1st and 2nd defendant or to entities or persons as directed by the defendants between the dates of July 1, 2011 and July 29, 2011. A schedule of all payments made, dates of same and the persons or entities that the payments were made to are annexed to this Statement of Claim as Schedule 2.
6. On the 18th July 2011 the 1st Defendant by her promissory note, promised to pay to the plaintiff \$200,000 in the following manner, namely \$65,000 on January 18, 2012, \$65,000 on July 18, 21012, \$65,000 on January 18, 2013 and \$65,000 on July 18, 2013 with such repayments including interest at the rate of fifteen percent per annum over the course of the entire loan period of 2 years.

7. The 1st defendant made default in payment of the first of the installments and has not paid the sum \$65,000 or any part thereof.
8. Clause 3 of the Promissory note stated as follows:
"Notwithstanding anything to the contrary herein contained, upon the happening of any of the following events, (hereinafter called "an event of default") all unpaid amounts due to the Lender under this Note, together with any interest thereon shall become forthwith due and payable without presentation, notice of dishonor or notice of protest of any kind, all of which are hereby expressly waived by the Borrower:-
 - (a) Upon any default by the Borrower in the payment when due of any part of the monthly payments of the Principal Sum and Interest due and owing under this Note:
9. By the defendants default in payment of the first installments all sums due and payable under the Note and under the terms of the loan agreement are due and owing as of the date of issue of this Writ.

10. **Particulars of monies owing**

Principal

- (a) January 18, 2012, principal due of \$50,000
 - (b) July 18, 2012, principal due of \$50,000
 - (c) January 18, 2013 principal due of \$50,000
 - (d) July 18, 2013 principal of \$50,000
- Total \$200,000

Interest

- (a) Interest is claimed and is payable as agreed in the terms of the promissory note at fifteen percent per annum over the course of the entire loan period.
- (b) Interest was to run from the 18 July 2012.
- (c) The amount of interest claimed to the date of issue of these proceedings is \$20,219.18.
- (d) Interest is payable from the date of issue of this writ at \$82.19 per day.

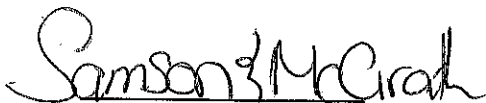
Breach of Deed of Pledge

11. Clause 7 of the Deed of Pledge stated as follows:
"The Pledgor hereby undertakes to deliver to the Pledgee as security in accordance with the terms of this Pledge the following:-
 - a) The original share certificate in respect of the Pledged shares
 - b) Blank signed transfers in respect thereof undated;
 - c) Executed undated resignations of the Pledgor as director and as may be relevant as the secretary of the Company;
 - d) Irrevocable proxies (coupled with the Pledgees interests hereunder) in favour of the Pledgee in the form attached.
12. Contrary to the terms of Deed of Pledge the 1st defendant as pledgor failed to comply with clause 14 (b)-(d) of the Deed of Pledge and these documents were not provided to the plaintiff as Pledgee.

13. Further to the breach by the 1st defendant of the terms of the promissory note signed 18 July 2011 the plaintiff was entitled to register the shares in the 2nd defendant in his name and assume control of the management of the company and the plaintiff wishes to exercise those rights.

AND THE PLAINTIFF claims:

1. The sum of CI\$200,000.
2. Interest continuing to judgment or sooner payment at the daily rate of \$82.19 alternatively interest and such rate and for such period as the court thinks fit assessed pursuant to section 34 of the Judicature Law (2007 Revision) on the amount found to be due to the Plaintiff.
3. An order that the 1st defendant do take all steps necessary to comply with the terms of clause 14 of the Deed of Pledge dated 18 July 2011 within 3 days of the date of this order and in the default of the 1st defendant to comply an order that the Clerk of the Court is empowered to sign in lieu of the 1st defendant.
4. Costs.



Samson & McGrath

Attorneys for the Plaintiff

THIS WRIT and Statement of Claim was issued by Samson & McGrath, Attorneys for the Plaintiff whose address for service is 5th Floor Genesis Building, Genesis Close, P.O. Box 446 GT, George Town, Grand Cayman.

DIRECTIONS FOR ACKNOWLEDGMENT OF SERVICE
OF WRIT OF SUMMONS

1. 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 495G, George Town, Grand Cayman.

2. A Defendant who states in his Acknowledgment of Service that he intends to contest the proceedings must also serve a defence on the Attorney for the Plaintiff (or on the Plaintiff if acting in person).

If a Statement of Claim is indorsed on the Writ (i.e. the words "Statement of Claim" appear on the top of page 2), the Defence must be served within 14 days after the time for acknowledging service of the Writ, unless in the meantime a summons for judgment is served on the Defendant.

If the Statement of Claim is not indorsed on the Writ, the Defence need not be served until 14 days after a Statement of Claim has been served on the Defendant.

If the Defendant fails to serve his defence within the appropriate time, the Plaintiff may enter judgment against him without further notice.

3. A Stay of Execution against the Defendant's goods may be applied for where the Defendant is unable to pay the money for which any judgment is entered. If a Defendant to an action for a debt or liquidated demand (i.e. a fixed sum) who does not intend to contest the proceedings states, in answer to Question 3 in the Acknowledgment of Service, that he intends to apply for a stay, execution will be stayed for 14 days after his Acknowledgment, but he must, within that time, issue a Summons for a stay of execution, supported by an affidavit of his means. The affidavit should state any offer which the Defendant desires to make for payment of the money by instalments or otherwise.

See over for notes for guidance

Please complete overleaf

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.
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3. 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 Writ of Summons)".
4. 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.
5. 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.
6. 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.
7. Where the Defendant is a MINOR or a MENTAL PATIENT, the form must be completed by an Attorney acting for a guardian ad litem.
8. A Defendant acting in person may obtain help in completing the form at the Courts Office.

IN THE GRAND COURT OF THE CAYMAN ISLANDS
CIVIL DIVISION

CAUSE NO: OF 2012

BETWEEN:

DONALD WALTER

PLAINTIFF

AND:

VERGELINA HAWKINS

FIRST DEFENDANT

AND

CAYMAN SHOE COMPANY LTD.

SECOND DEFENDANT

ACKNOWLEDGMENT OF SERVICE
OF WRIT OF 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.

Delay may result in judgment being entered against a Defendant whereby he may have to pay the costs of applying to set it aside.

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

2. State whether the Defendant intends to contest the proceedings (tick appropriate box)
 yes no

3. If the claim against the Defendant is for a debt or liquidated demand, AND he does not intend to contest the proceedings, state if the Defendant intends to apply for a stay of execution against any judgment entered by the Plaintiff (tick box)
 yes no

Service of the Writ is acknowledged accordingly

(Signed).....

Attorney for

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 or principal office.

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

Samson & McGrath
Attorneys at Law
5th Floor Genesis Building
Genesis Close
PO Box 446
George Town
Grand Cayman

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

Schedule 1

DEED OF PLEDGE

Between

Virgelina Hawkins

and

Donald Watler

and

Cayman Shoe Shop Ltd.

THIS DEED OF PLEDGE dated the 18th day of July, 2011

BETWEEN: VIRGELLINA HAWKINS, of PO Box 1992, Grand Cayman KY1-1104, Cayman Islands, British West Indies (hereinafter called "the Pledgor")

AND: DONALD WATLER, of P.O. Box 420, Grand Cayman KY1-1302, Cayman Islands, British West Indies (hereinafter called "the Pledgee").

AND: CAYMAN SHOE SHOP LTD. of PO Box 1992, Grand Cayman KY1-1104, Cayman Islands, British West Indies (hereinafter called "the Company")

THIS DEED IS SUPPLEMENTAL to:

A Promissory Note ("the Promissory Note") dated the 30th day of June, 2011, between the Pledgor, and the Pledgee and affirmed by the Company.

WHEREAS:

- a) The Pledgor is the beneficial owner of 100 issued ordinary shares of CI\$1.00 each being the total number of issued shares ("the Pledged Shares") in the Company.
- b) The Pledgor in order to further secure the payment of all monies due to the Pledgees, pursuant to the Promissory Note of even date herewith in the amount of Cayman Islands Dollars Two Hundred Thousand (CI\$200,000.00), with interest thereon calculated at the rate of 15% due and payable in four (4) equal consecutive installment payments of CI\$65,000.00 on January 18, 2012, July 18, 2012, January 18, 2013 and July 18, 2013, has agreed to enter into this Collateral Deed of Pledge as further security for the Outstanding Indebtedness.

NOW THIS DEED WITNESSETH, and it is hereby agreed as follows:-

1. The Pledgor hereby pledges, mortgages and deposits, set over and confirms to the Pledgee the Pledged Shares as collateral security for the due and punctual payment to the Pledgee of the Outstanding Indebtedness.
2. The Pledgor covenants and agrees subject as hereinafter provided with the Pledgee:-

- a) that the Pledgor will not sell, assign, transfer, pledge, dispose of or encumber in any other manner the Pledged Shares, or suffer to exist any incumbrance on the Pledged Shares except the lien of this Pledge;
- b) to procure that no further shares in the Company will be issued so long as any part of the Outstanding Indebtedness is unpaid.

3. The Pledgor further agrees with the Pledgee as follows:-

- a) Unless and until a breach of any of the terms of the Promissory Note has occurred ("a Default"), the Pledgor shall be entitled to exercise all voting and/or consensual powers pertaining to the Pledged Shares or any part thereof for all purposes not inconsistent with the terms of this Deed, or the Promissory Note.
- b) If a Default shall occur the Pledgor shall have a period of thirty (30) days (hereinafter called the "Grace Period") in which to procure the correction of the Default and in the event the Default is not corrected by the expiry of the Grace Period the Pledged Shares shall at the sole discretion of the Pledgee be transferred to the Pledgee without further notice.
- c) If a Default shall occur and be continuing the Pledgee shall have the sole and exclusive right to exercise all voting and consensual powers pertaining to the Pledged Shares or any part thereof and shall exercise such powers in such manner as the Pledgee may elect.
- d) If a Default occurs and continues up to the expiry of the Grace Period the Pledgee may without any notice and without prejudice to the provisions of clause 3(b) at his option sell the Pledged Shares or transfer them to himself or sell or transfer any part thereof at public or private sale for cash and at such price or prices as the Pledgee in his absolute discretion shall think fit and the holder or holders thereof shall thereafter hold the same absolutely free from any right or claim of whatsoever kind. Upon any such sale or transfer, the Pledgee shall have the right to deliver, assign and transfer to each purchaser thereof the Pledged Shares or part thereof so sold. Each purchaser or transferee at any such sale or transfer shall hold the Pledged Shares absolutely free from any claim or right of whatsoever kind including any equity or right of redemption of the Pledgor who hereby specifically waives all rights of redemption stay or appraisal at such sale or transfer which the Pledgor has or may have under any rule or law or statute now existing or hereinafter adopted. The Pledgee shall not be obliged to make any public or private sale. The Pledgee instead of exercising the transfer to the Pledgee or his power of sale conferred upon him may proceed by a suit or suits at law or in equity to foreclose this Pledge and sell the Pledged Shares or any portion thereof or otherwise howsoever enforce this Pledge under a judgment or decree of a court or

courts of competent jurisdiction the Pledgor having been given due notice of all such action.

- e) The proceeds of any sale of all or any part of the Pledged Shares shall be applied by the Pledgee first in paying the expenses of any such sale and thereafter in reduction of the Outstanding Indebtedness in such order as she may determine.
 - f) In the event of a Default (but not before) the Pledgees shall be entitled to date and implement the documents delivered pursuant to Clause 7 hereof as appropriate and to take all steps to register the Pledged Shares in his name, or that of his nominees, or assigns and to assume control of the Pledged Shares and the management of the Company.
4. The Pledgee is hereby appointed the Attorney-in-Fact of the Pledgor for the purpose of carrying out the provisions of this Pledge and taking any action and executing any instruments which the Pledgee may deem necessary or advisable to accomplish the full benefit of the Pledge.
-
5. No failure on the part of the Pledgee to exercise and no delay in exercising any right or power or remedy hereunder shall operate as a waiver thereof nor shall any single or partial exercise by the Pledgee of any right power or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right power or remedy. The remedies herein provided are cumulative and are not exclusive of any remedies provided by law.
6. When all the Outstanding Indebtedness shall have been paid in full and all obligation and liabilities of the Pledgor hereunder shall have been paid in full this Pledge shall terminate and the Pledgee shall forthwith assign transfer and deliver to the Pledgor the Pledged Shares.
7. The Pledgor hereby undertakes to deliver to the Pledgee as security in accordance with the terms of this Pledge the following:-
- a) original share certificate in respect of the Pledged Shares;
 - b) blank signed transfers in respect thereof undated;
 - c) executed undated resignations of the Pledgor as director and as may be relevant as a secretary of the Company;
 - d) irrevocable proxies (coupled with the Pledgees interests hereunder) in favour of the Pledgee in the form attached.
8. The Pledgor will forthwith inform the Pledgee of any changes in the directors, or secretary of the Company, and will in event of such change procure the delivery

to the Pledgee of further signed undated resignations in respect of such persons similar to those referred to in Clause 7(c) hereof as the Pledgee may require.

9. The Pledgee may at all times without discharging, or in any way affecting this security, determine, vary or increase any credit to the Company or the Pledgor, grant to the Company or the Pledgor or to any other person any time or indulgence, deal with; exchange, release, modify, or abstain from perfecting or enforcing any security guarantee or other right which the Pledgee may now or hereafter have regarding the Outstanding Indebtedness, compound with the Company, the Pledgor or any guarantor, or agree to any amendment to the Charge or the Promissory Note.
 10. The Pledgor hereby indemnifies the Pledgee against any liabilities, claims, costs and expenses whatsoever arising under the Laws of the Cayman Islands which may be made against the Pledgee or which may be incurred or become payable by the Pledgee in respect of the business of the Company and as a result of this Pledge and shall procure that the Pledgee are named as co-assured on any insurance policies taken out by the Pledgor and the Company.
-
11. Notwithstanding any other provision herein, or in the Promissory Note:-
 - a) the Pledgee shall have a right of foreclosure as herein provided; and
 - b) the Pledgee shall in relation to his rights and remedies hereunder, act in good faith.
 - c) it is hereby agreed and declared that obligations of the Pledgor hereunder shall be joint and several and references to the Pledgor shall apply as well to any one as to both of them.
 12. This Deed of Pledge shall be governed by and construed in accordance with the Laws of the Cayman Islands and the parties hereby submit to the non-exclusive jurisdiction of the Cayman Islands.
 13. All notices and other communications required or to be given, made or sent hereunder shall be in writing and may be given, made or sent either personally or by registered post, courier, or facsimile to the other concerned party at the address shown on the first page of this Agreement, or, if a corporation, at its registered office (or at any substitute address subsequently communicated to the sending party prior to sending the relevant communication hereunder). If delivered by courier, or sent by facsimile, it shall be deemed to have been duly delivered by 3.00 p.m. on the first day after it is so sent, and if sent by registered post, it shall be deemed to have been duly delivered on the seventh (7th) day following the date of posting. Where the day for delivery is a bank holiday in the Cayman Islands, delivery shall be deemed to have taken place on the first day thereafter that banks are opened for business in the Cayman Islands.

14. The Company agrees with and confirms this Deed of Pledge in every respect.

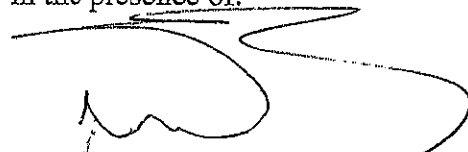
IN WITNESS WHEREOF the parties hereto have executed this document as a Deed the day and year first above written.

**SIGNED as a Deed by
Virgelina Hawkins**



Virgelina Hawkins

in the presence of:



**Notary Public
Cayman Islands**


**SIGNED as a Deed by
Cayman Shoe Shop Ltd.
By its sole Director and
sole shareholder
Virgelina Hawkins**

Cayman Shoe Shop Ltd.



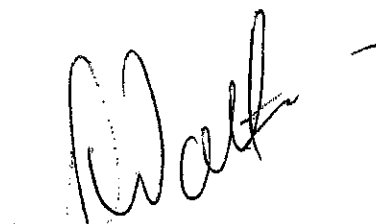
Virgelina Hawkins

in the presence of:-



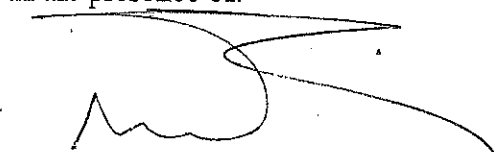
**Notary Public
Cayman Islands**

**SIGNED as a Deed by
Donald Watler**



Donald Watler

in the presence of:-



**Notary Public
Cayman Islands**

[CI\$200,000.00]

PROMISSORY NOTE

(Collateral to a Deed of Pledge Agreement
dated June 30, 2011)

1. **FOR VALUE RECEIVED**, I, VIRGELINA HAWKINS, of PO Box 1992, Grand Cayman KY1-1104, Cayman Islands, British West Indies (hereinafter called "the Borrower") **PROMISE** to pay to DONALD WATLER, of P.O. Box 420, Grand Cayman KY1-1302, Cayman Islands, British West Indies (hereinafter called "the Lender") or order, the sum of **TWO HUNDRED THOUSAND CAYMAN ISLANDS DOLLARS**, (CI\$200,000.00) (hereinafter called "the Principal Sum") in respect of the working capital in the Company Cayman Shoe Shop Ltd. for the purchase of New Stock in preparation for the new school year in the Cayman Islands with interest calculated thereon at the rate of fifteen percent (15%) ("the Interest") with the Interest and the Principal Sum repayable in four (4) equal and consecutive installments of CI\$65,000.00 on January 18, 2012, July 18, 2012, January 18, 2013 and July 18, 2013.
2. Neither the failure nor any delay on the part of the Lender to exercise any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or privilege preclude any other or further exercise thereof, or the exercise of any other right, power or privilege.
3. Notwithstanding anything to the contrary herein contained, upon the happening of any of the following events, (hereinafter called "an event of default") all unpaid amounts due to the Lender under this Note, together with any interest thereon shall become forthwith due and payable without presentation, notice of dishonour or notice of protest of any kind, all of which are hereby expressly waived by the Borrower:-

- (a) upon any default by the Borrower in the payment when due of any part of the monthly payments of the Principal Sum and Interest due and owing under this Note;
 - (b) upon the bankruptcy of the Borrower or the making by the Borrower of any assignment or composition for the benefit of the Borrower's creditors;
 - (c) upon the death of the Borrower;
 - (d) upon any default by the Borrower under any of the provisions of the Deed of Pledge, of even date hereto.
4. If any date for payment of the Interest and/or Principal Sum shall fall on a day which is not a business day, then such date shall be deemed to fall on the preceding business day and, for the purpose of this provision, the term "business day" shall mean a day when banks are open for business in the Cayman Islands.
-
5. All payments to be made hereunder and in particular payments of interest shall be paid free and clear and net of any taxes, deductions and withholdings of any kind whatsoever.
6. All payments shall be made to the Lender in person, or to the Lender at the Lender's address aforesaid, or to such other address as the Lender may in writing advise the Borrower, and if any payment is made hereunder by the Borrower by cheque, it is EXPRESSLY AGREED that the Borrower shall receive no credit, nor be deemed to have complied with the provisions hereof unless and until such cheque has been cleared in the Cayman Islands and, if any payment hereunder is made by cheque which is not duly honoured on presentation, such dishonour shall be deemed to be an event of default.
7. This Note shall be freely assignable by the Lender and upon receipt of the notice of assignment or endorsement by the Lender the Borrower shall make payment due in accordance with such notice.

8. If all sums payable hereunder shall be duly made the Lender shall cause satisfaction to be entered hereon.
9. This Note may be prepaid in whole or in part at any time without penalty.
10. In the event of any default under this Note, the Borrower will be responsible for any and all costs for collection on this Note, including court costs and attorney's fees.
11. Notwithstanding any of the provisions herein contained, the Lender in his sole discretion may instead of exercising any of his rights under clause 4. above,

charge a further interest on the balance of the Principal Sum and Interest at the rate of 17.5%, for as long as the Principal Sum and Interest remain unpaid.
12. The Borrower shall be responsible for, and shall pay the stamp duty and registration and filing fees due on this Note. The Borrower and the Lender shall each be responsible for their own legal costs in relation to this Note, and everything to be done hereunder relating thereto.
13. This Note shall be governed by and construed in accordance with the Laws of the Cayman Islands and the Borrower hereby submits to the jurisdiction of the Courts of the Cayman Islands.

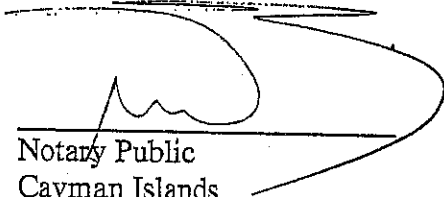
Dated this 18th day of July, 2011

Signed as a Deed by the Borrower:
Virgelina Hawkins



Virgelina Hawkins

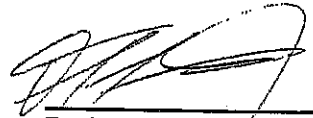
in the presence of:



Notary Public
Cayman Islands

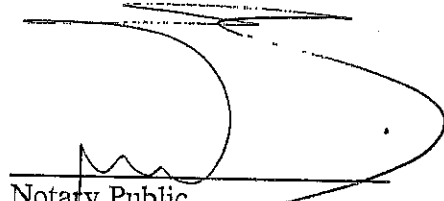
SIGNED as a Deed by the Borrower
Cayman Shoe Shop Ltd.
By its sole Director and
sole shareholder
Virgelina Hawkins

Cayman Shoe Shop Ltd.



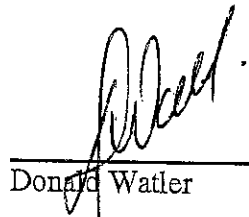
By its sole Director and
sole shareholder
Virgelina Hawkins

in the presence of:-



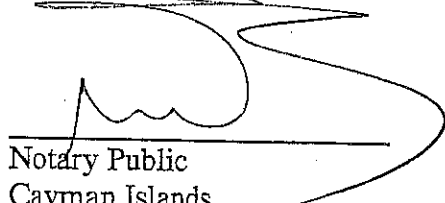
Notary Public
Cayman Islands

SIGNED as a Deed by the Lender:
Donald Watler



Donald Watler

in the presence of:-



Notary Public
Cayman Islands

| Acc. No. | Account Holder | Date dd/mm/yw | Amount/ CI | Transaction |
|-------------|----------------|---------------|------------|--|
| 02201123578 | D Watler | 1/7/2011 | 2,528.40 | Bank Draft Payable to Insolite Latin America drawn on D Watler Butterfield account 02201123578 on behalf of Cayman Shoe Shop |
| 02201123578 | D Watler | 1/7/2011 | 7,568.40 | Bank Draft Payable to Hang Ten drawn on D Watler Butterfield account 02201123578 on behalf of Cayman Shoe Shop |
| 02201123578 | D Watler | 1/7/2011 | 3,368.40 | Bank Draft Payable to Rebound Panama Inc. drawn on D Watler Butterfield account 02201123578 on behalf of Cayman Shoe Shop |
| 02201123578 | D Watler | 1/7/2011 | 987.55 | Bank Draft Payable to Balance Management Corp. drawn on D Watler Butterfield account 02201123578 on behalf of Cayman Shoe Shop |
| 02201123578 | D Watler | 1/7/2011 | 2528.4 | Bank Draft Payable to Kenedy Center Corp. drawn on D Watler Butterfield account 02201123578 on behalf of Cayman Shoe Shop |
| 02201123578 | D Watler | 1/7/2011 | 1482.6 | Bank Draft Payable to Industries Everfit drawn on D Watler Butterfield account 02201123578 on behalf of Cayman Shoe Shop |
| 02201123578 | D Watler | 1/7/2011 | 1279.43 | Bank Draft Payable to London Group drawn on D Watler Butterfield account 02201123578 on behalf of Cayman Shoe Shop |
| 02201123578 | D Watler | 1/7/2011 | 48,740 | Bank Draft Payable to May's Zona Libre S.A. drawn on D Watler Butterfield account 02201123578 on behalf of Cayman Shoe Shop |
| 01201123578 | D Watler | 1/7/2011 | 428.4 | Bank Draft Payable to California Manufacturing drawn on D Watler Butterfield account 02201123578 on behalf of Cayman Shoe Shop |
| 01201123578 | D Watler | 1/7/2011 | 1,869.04 | Bank Draft Payable to Lassiter Panama drawn on D Watler Butterfield account 02201123578 on behalf of Cayman Shoe Shop |

| | | | | |
|--------------|------------------|--------------|------------------|--|
| 01201123578 | D Watler | 1/7/2011 | 1,016.40 | Bank Draft Payable to El Canon Int. drawn on D Watler Butterfield account 02201123578 on behalf of Cayman Shoe Shop |
| 01201123578 | D Watler | 1/7/2011 | 1,688.40 | Bank Draft Payable to American Sports Wear drawn on D Watler Butterfield account 02201123578 on behalf of Cayman Shoe Shop |
| 01201123578 | D Watler | 1/7/2011 | 1,688.40 | Bank Draft Payable to Pizza International S.A. drawn on D Watler Butterfield account 02201123578 on behalf of Cayman Shoe Shop |
| 01201123578 | D Watler | 1/7/2011 | 1,688.40 | Bank Draft Payable to Pacific Latin American drawn on D Watler Butterfield account 02201123578 on behalf of Cayman Shoe Shop |
| 01201123578 | D Watler | 1/7/2011 | 2,682.73 | Bank Draft Payable to RaFKas drawn on D Watler Butterfield account 02201123578 on behalf of Cayman Shoe Shop |
| 02201025557 | Virgelina Chaves | 1/7/2011 | \$15,000 | Cash deposit to account of 1st defendant |
| 02201032987 | Cayman Shoe Shop | 1/7/2011 | \$15,000 | Cash deposit to account of 2nd defendant |
| unknown | Cayman Shoe Shop | 5/7/2011 | \$20,000 | Cash at Scotiabank account of 1st and/or 2nd defendant |
| 02201032987 | Cayman Shoe Shop | 7/7/2011 | 15,000 | cash deposit to account of 2nd defendant |
| 02201032987 | Cayman Shoe Shop | 18/7/11 | \$10,000 | Cash deposit to account of 2nd defendant |
| 02201027858 | Fermin Vera | 18/7/11 | \$5,000 | cash deposit to Fermin Vera, son of 1st defendant on instruction of 1st defendant |
| 02201032987 | Cayman Shoe Shop | 22/7/11 | \$10,000 | D Watler Butterfield account 02201123578 transfer to 2nd Defendant account |
| unknown | Cayman Shoe Shop | 29/7/11 | \$10,600 | Cash paid by plaintiff to Scotiabank account of 1st and/or 2nd defendant |
| none | Verlina Hawkins | 29/7/11 | \$20,000 | cash in hand paid to 1st defendant |
| Total | | Total | \$200,145 | |