

IN THE GRAND COURT OF THE CAYMAN ISLANDS

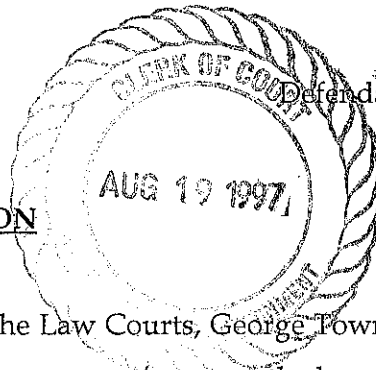
CAUSE NO. 629 OF 1997

- BETWEEN: USA PROPERTY & CASUALTY INSURANCE COMPANY Plaintiff

AND: (1) JOHN R. PASCALE
(2) TAJHANNA ROMANOFF PASCALE
(3) EURO BANK CORPORATION

Defendants

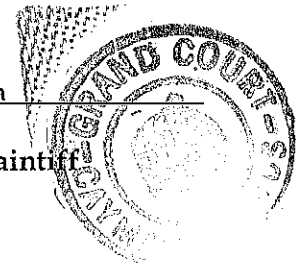
EX PARTE APPLICATION



The Plaintiff will attend before the Judge in Chambers, at the Law Courts, George Town, Grand Cayman on the _____ day of _____ 1997, at _____ a.m./p.m., on the hearing of an application by the Plaintiff for an Order for injunctive and other relief in terms of the draft Order annexed hereto.

DATED the 19th day of August, 1997

Quin & Hampson
QUIN & HAMPSON
Attorneys-at-Law for the Plaintiff



To: The Clerk of the Court

TIME ESTIMATE: The estimated length of the hearing of this application is 1 hour.

This Application was issued by Quin & Hampson, Attorneys-at-Law for and on behalf of the Plaintiff herein, whose address for service is Harbour Centre, Third Floor, P.O. Box 1348, George Town, Grand Cayman, B.W.I.

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If you, the within named First and Second Defendants neglect to obey this Order by the time stated, you may be liable to be held in contempt of Court and liable to imprisonment.

IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO. OF 1997

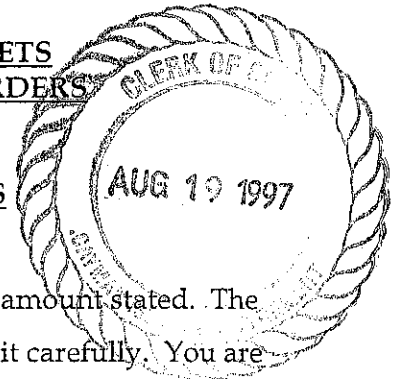
BETWEEN: USA PROPERTY & CASUALTY INSURANCE COMPANY Plaintiff

AND: (1) JOHN R. PASCALE
(2) TAJHANNA ROMANOFF PASCALE
(3) EURO BANK CORPORATION Defendants



INJUNCTION PROHIBITING DISPOSAL OF ASSETS
IN THE CAYMAN ISLANDS AND DISCLOSURE ORDERS

IMPORTANT NOTICE TO THE DEFENDANTS



- (1) This Order prohibits you from dealing with your assets up to the amount stated. The Order is subject to any exceptions in the Order. You should read it carefully. You are advised to consult an attorney as soon as possible. You have a right to ask the Court to vary or discharge this Order.
- (2) If you disobey this Order you will be guilty of contempt of Court (and in the case of the **FIRST AND SECOND DEFENDANTS**) you may be sent to prison and (in the case of **ALL DEFENDANTS**) fined or your assets may be seized.

THE ORDER

An application was made today August 1997 by Counsel for USA Property & Casualty Insurance Company, the Plaintiff, to Mr. Justice . Upon hearing Counsel for the Plaintiff, Mr. Justice heard the application and read the Affidavits listed in Schedule 3 at the end of this Order.

As a result of the application IT IS ORDERED that:

D R A F T

1. DISPOSAL OF ASSETS

- (1) The First and Second Defendants must not, without the written consent of the Plaintiff's Attorneys, remove from the jurisdiction of the Cayman-Islands or in any way dispose of or deal with or diminish the value of any of their assets (of whatsoever nature) which are within or controlled from within the Cayman Islands, whether in their own names or not and whether solely or jointly owned, up to the aggregate value of US\$1 million, nor suffer or permit the disposal of, dealing with, or diminution in value of any of these assets. For the avoidance of doubt, this prohibition includes (although it is not limited to) the following assets in particular:-
 - (i) any money standing to the credit of or for the benefit of the First and Second Defendants (or either of them) in account number 33027 with the Third Defendant, or to the credit of any other account(s) of theirs with any other bank(s) within the jurisdiction of this Court, and
 - (ii) any other assets located within the jurisdiction of this Court and belonging to the First and Second Defendants whether the same be held in their names or on their behalf by any trustee(s), nominee(s) or agent(s) relating in any way to the transactions and money transfers specified in Schedule 1 at the end of this Order.
- (2) If the total unencumbered value of the First and Second Defendants' assets in the Cayman Islands exceeds US\$1 million, such Defendants may remove any of those assets from the jurisdiction or may dispose of or deal with them so long as the total unencumbered value of their assets still in the Cayman Islands remains above US\$1 million, and provided also that, before doing so, they all furnish to the Plaintiff's Attorneys full particulars of all their assets and give at least 72 hours' written notice to the Plaintiff's Attorneys of their intention to do so.

2. DISCLOSURE OF INFORMATION

- (1) The Defendants must within 48 hours of service of this Order upon them, or within such other period as the Plaintiff's Attorneys may agree in writing, disclose in writing to the Plaintiff's Attorneys, all such information as is in their possession relating to the nature, location, value and details of all assets of the First and Second Defendants in the Cayman Islands. In particular, without in any way limiting the scope of this obligation, they must disclose to the best of their knowledge, information and belief:
 - (i) the identities and locations of all companies or corporations or partnerships owned or controlled, whether directly or indirectly, by the First and Second Defendants, or in which either of such Defendants is beneficially interested, and of any nominees of such Defendants and of any trusts in which any of such Defendants has any interest; and
 - (ii) details of the bank accounts, including the current balances thereon, the location of the bank, the identity of the account-holder, the account number and the signatories authorised to operate such accounts for those companies or corporations, or partnerships, nominees and trusts, persons and firms identified pursuant to sub-paragraph (i) above.
- (2) The Third Defendant must disclose to the Plaintiff's Attorneys forthwith and permit them to take copies of the following documents and records (whether in hard copy or computerised form):
 - (i) all correspondence passing between the First and Second Defendants and the Third Defendant or any other bank within the jurisdiction relating to any accounts at the Third Defendant or any such other bank in the names of the First and Second Defendants;

- (ii) all cheques drawn on any account at the Third Defendant in the name of or for the benefit of the First or Second Defendants;
 - (iii) all debit vouchers, bank statements, transfer applications and orders, account opening documents and internal memoranda relating to any accounts at the Third Defendant in the name of or for the benefit of the First and Second Defendants; and
 - (iv) all other documents and records of whatsoever nature relating to any accounts or assets in the names of or held for the benefit of the First and Second Defendants wherever the same may be located.
- (3) All Defendants must, unless the Plaintiff's Attorneys agree otherwise in writing, confirm the information provided in pursuance of sub-paragraphs (1) and (2) above by affidavits which each must swear and serve on the Plaintiff's Attorneys within 3 days after service upon them of this Order.
3. Any application by the Third Defendant pursuant to Section 4(1) of The Confidential Relationships (Preservation) Law (1995 Revision) shall be heard as soon as reasonably possible after service upon it of this Order.

4. **PRESERVATION OF DOCUMENTS AND RECORDS**

The Third Defendant must preserve all documents and records which it is required to disclose pursuant to paragraph 2 of this Order until further Order of this Court or unless the Plaintiff's Attorneys agree otherwise in writing.

5. **RESTRICTIONS ON NOTIFICATION OF THIS ORDER**

The Third Defendant must not disclose, directly or indirectly, the making or execution of this Order or the existence of these proceedings to any person (other than to their attorneys for the purpose of obtaining legal advice) without the prior written consent of

the Plaintiff's Attorneys or the leave of the Court, until 10 days after the Third Defendant's disclosure obligations under this Order have been complied with.

6. **EFFECT OF THIS ORDER**

- (1) A Defendant who is an individual who is ordered not to do something must not do it himself or in any other way. He must not do it through others acting on his behalf or on his instructions or with his encouragement.
- (2) A Defendant which is a corporation and which is ordered not to do something must not do it itself or by its directors, officers, employees or agents or in any other way.

7. **THIRD PARTIES**

- (1) Effect of this Order - It is a contempt of Court for any person notified of this Order knowingly to assist in or permit a breach of the Order. Any person doing so may be sent to prison, fined, or have his assets seized.

8. **SERVICE OUT OF THE JURISDICTION [AND SUBSTITUTED SERVICE]**

- (1) The Plaintiff may serve the Writ of Summons, Notice of Ex Parte Application, this Order, and all subsequent process in this action, on the First and Second Defendants personally out of the jurisdiction of the Cayman Islands, as follows:

- (1) JOHN R. PASCALE
17815 S.W. 83rd Court
Miami, Florida 33186, U.S.A.

- (2) TAJHANNA ROMANOFF PASCALE
17815 S.W. 83rd Court
Miami, Florida 33186, U.S.A.

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- (2) If the First and Second Defendants wish to defend the action they must acknowledge service within 21 days of being served with the Writ of Summons.

UNDERTAKINGS

The Plaintiff gives to the Court the undertakings set out in Schedule 2 to this Order.

DURATION OF THIS ORDER

This Order will remain in force until after Judgment in this action, unless before then it is varied or discharged by further Order of the Court.

VARIATION OR DISCHARGE OF THIS ORDER

The Defendants (or anyone notified of and affected by this Order) may apply to the Court at any time to vary or discharge this Order (or so much of it as affects that person), but anyone wishing to do so must first inform the Plaintiff's Attorneys in writing on not less than 72 hours notice.

NAME AND ADDRESS OF PLAINTIFF'S ATTORNEYS

The Plaintiff's Attorneys are:

Quin & Hampson, Harbour Chambers, Third Floor, Harbour Centre, P.O. Box 1348, George Town, Cayman Islands, B.W.I.

Telephone 345 949 4123

Facsimile 345 949 4647

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INTERPRETATION OF THIS ORDER

- (1) In this Order "he", "him" or "his" include "she", "her" or "hers" and "it" or "its".
- (2) Where there are two or more Defendants then (unless the context indicates differently):-
 - (a) References to "the Defendants" mean some or all of them.
 - (b) An Order requiring "the Defendants" to do or not to do anything requires each Defendant to do or not to do it.
 - (c) A requirement relating to service of this Order, or of any legal proceedings, on "the Defendants" means on each of them.

COSTS

The costs of the application for this Order are reserved. The question of who should pay them has not yet been decided.

DATED this day of August, 1997

FILED this day of August, 1997

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The Honourable Mr. Justice

This Order is filed by Quin & Hampson, Attorneys-at-Law, for and on behalf of the Plaintiff herein, whose address for service is that of its said Attorneys-at-Law, Harbour Centre, Third Floor, P.O. Box 1348, George Town, Grand Cayman, B.W.I.

SCHEDULE 1

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1. Transfer of US\$600,000.00

Transfer on or about 23 April 1997 of US\$600,000.00 from the First and Second Defendants' personal account no. 754-35347 at Merrill Lynch, Pierce, Fenner & Smith ("Merrill Lynch"), to Chase Manhattan Bank for the account of Royal Bank of Canada, Grand Cayman, special account no. 001-1153-103 for further credit to the account of Eurobank Corporation (attention Dorothy Lucas) account no. 203-333-0, for further credit to account 330 27.

2. Transfer of US\$92,000.00

Transfer on or about 24 April 1997 of US\$92,000.00 from the First and Second Defendants' personal account no. 754-35347 at Merrill Lynch to Chase Manhattan Bank for the account of Royal Bank of Canada, Grand Cayman, special account no. 001-1153-103 for further credit to account of Eurobank Corporation (attention Dorothy Lucas) account no. 203-333-0 for further credit to account 330 27.

3. Transfers of US\$160,000.00 and US\$100,000.00: total US\$260,000.00

(a) Transfer on or about 24 April 1997 of US\$160,000.00 from First Defendant's personal account no. 1090007484450 at First Union National Bank of Florida to Chase Manhattan Bank for the account of Royal Bank of Canada, Grand Cayman, special account no. 001-1153-103 for further credit to the account of Eurobank Corporation (attention Dorothy Lucas), for further credit to account 330 27.

(b) Transfer on or about 25 April 1997 of US\$100,000.00 from First Defendant's personal account no. 1090007484450 at First Union National Bank of Florida to Chase Manhattan Bank for the account of Royal Bank of Canada, Grand

Cayman, special account no. 001-1153-103 for further credit to the account of Eurobank Corporation (attention Dorothy Lucas), for further credit to account 330 27.

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SCHEDULE 2
UNDERTAKINGS GIVEN TO THE COURT
BY THE PLAINTIFF

1. If the Court later finds that this Order has caused loss to the Defendants, and decides that the Defendants should be compensated for that loss, the Plaintiff will comply with any Order the Court may make.

2. As soon as practicable after the Third Defendant has complied with its disclosure obligations under this Order, the Plaintiff will issue a Writ of Summons substantially in the form of that produced to the Court on August 1997 and, as soon thereafter as is practicable, serve it on the First and Second Defendants together with this Order and copies of the Affidavits and exhibits containing the evidence relied upon by the Plaintiff.

3. Anyone notified of this Order will be given a copy of it by the Plaintiff's Attorneys.

4. The Plaintiff will pay the reasonable costs of anyone other than the First and Second Defendants which have been incurred as a result of this Order, including the costs of ascertaining whether that person holds any of such Defendant's assets, and if the Court later finds that this Order has caused such a person loss, and decides that the person should be compensated for that loss, the Plaintiff will comply with any Order the Court may make.

5. Not without the leave of the Court to use any information obtained pursuant to the execution of this Order except for the purposes of these proceedings or for the purpose of proceedings taken or to be taken abroad in respect of any of the claims identified in the proposed Writ of Summons herein or disclosed in the Affidavits listed in Schedule 3 at the end of this Order, or in respect of assets which may be made available for the purpose of satisfying any judgment which may be obtained by the Plaintiff against the First and Second Defendants in any jurisdiction or in connection with any other rights or claims which the Plaintiff may have against the First and Second Defendants.

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SCHEDULE 3

AFFIDAVITS

The Honourable Mr. Justice read the following Affidavits before making this
Order:

1. Gary A. Torticil, dated 15th August 1997
2. Mark D. Tharp, dated 15th August 1997
3. Affidavit of Patrick M. Murphy, dated 18th August 1997