IN THE GRAND COURT OF THE CAYMAN ISLANDS
Financial Services Division

CAUSE NO: FSD no. 53 OF 2019

BETWEEN: **WILLIAM GAYHART AND DEBRA BUCHANAN**
As personal representatives of the estate of Myong-He M. Gayhart (deceased) **PLAINTIFFS**

AND: **JOHN G. SCHANCK** **DEFENDANT**

WRIT OF SUMMONS

TO: John G. Schanck
Of: 2074 McNicoll Avenue
Vancouver
British Columbia
Canada V6J 3R7

THIS WRIT OF SUMMONS has been issued against you by the above-named Plaintiffs of (1) 7853 Cactoid Court, Las Vegas, Nevada 89179 and (2) 1751 Margarets Walk, Fleming Island, Florida 32006, both in the United States of America 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 495, George Town, Grand Cayman KY1-1106, 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: 25 March 2019

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.

THIS WRIT is filed by Campbells, the Plaintiff, whose address for service is Floor 4 Willow House, Cricket Square, George Town, Grand Cayman (Ref: AJW/KAH/aw/15796-24429)

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AND:	**JOHN G. SCHANCK**	**DEFENDANT**

STATEMENT OF CLAIM

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1 The Plaintiffs are the personal representatives of the estate of Myong-He M. Gayhart ("**Mrs. Gayhart**"), pursuant to:

1.1 The last will and testament of Mrs. Gayhart executed on 21 May 2014 and

1.2 Letters of administration granted by the Circuit Court, Fourth Judicial Circuit, In and for Duval County, Florida, Probate Division, in Case no. 16-2016-CP-1845, known as "*In re: Estate of Myong-He Gayhart, deceased*" on 24 August 2016.

2 The Defendant ("**Mr. Schanck**") was:

2.1 Marrried to Mrs. Gayhart in Las Vegas (Clark County), Nevada USA on 21 March 2001

2.2 Divorced from her by a Consent Final Judgment of Dissolution of Marriage (the "**Dissolution**") granted by The Circuit Court, Fourth Judicial Circuit, In for Duval County, Florida Case no. 2012-DR-05580 Division FM-B, known as "*In Re: the marriage of Myong-He Gayhart, Former Wife and John G. Schanck, Former Husband*" (the "**Divorce Proceedings**") on 16 July 2015.

3 By Clause 2(J) of the Dissolution, Mr. Schanck (referred to in the Dissolution as the "**Husband**") agreed to pay an "Equalizing Payment" to Mrs. Gayhart (referred to in the Dissolution as the "**Wife**") as follows:

The Husband shall pay to the Wife the principal sum of Two Million Five Hundred Thousand Dollars ($2,500,000) as an Equalizing Payment associated with the equitable division of the parties' assets and liabilities ("Equalizing Payment"). The Husband shall pay $650,000.00 at the time of a closing to take place on July 27, 2015 at which all deeds and other items the Husband is required to execute pursuant to the terms of the parties' agreement, will be exchanged for all deeds and other items the Wife is required to execute pursuant to the terms of the parties' agreement. An additional Three-Hundred Fifty Thousand Dollars ($350,000.00) shall be paid within sixty (60) days of the above referenced closing.

The remaining balance of One Million Five Hundred Thousand Dollars ($1,500,000) is to be paid in equal monthly installments over forty-two (42) months beginning January 1, 2016 to accrue interest annually at the Wall Street Journal prime rate, resetting every year on January 1. The Husband may elect to prepay without penalty the Equalizing Payments due to the Wife at any time. All payments which comprise the Equalizing Payment shall be non-taxable to the Wife and non-deductible by the Husband.

Should the Husband sells all of his interest in Stellar Recovery, Inc., the Husband shall pay the full balance of the equalizing payment owed to the Wife.

The unpaid balance of this equalizing payment shall be secured by an amount of Husband's life insurance sufficient to secure the unpaid balance as more particularly described in Paragraph K below.

It is presumed that the Husband shall make every payment in a timely manner. However, the Husband shall only be in default if he is more than ten (10) days late on any installment of the Equalizing Payment referenced above.

Other than set forth herein, the parties waive all claims for monies which may be or have been due from one to the other.

The Equalizing Payment referenced in this paragraph shall be a charge against the Husband's estate in the event of his untimely death with insufficient life insurance to pay the outstanding amount owed on the Equalizing Payment.

These payments shall survive death of Wife, and may be enforced by her estate in the event of her untimely death prior to all payments being made.

4 Mrs. Gayhart died on 31 July 2016.

5 Mr. Schanck ceased to make the Equalizing Payments pursuant to the Dissolution immediately after Mrs. Gayhart's death and has been pursued by the Plaintiffs in Florida for enforcement of those payments since 1 August 2016.

6 As at 30 October 2018, Mr. Schanck was in default of his obligations to pay Equalizing Payments, and court ordered costs, and has outstanding judgments against him in the Divorce Proceedings in respect thereof as follows::

Relevant payment	Date of Judgment	Amount of judgment US$
July 2017	11 July 2017	37,124.28
November 2017	20 February 2018	37,124.28
December 2017	20 February 2018	37,124.28
January 2018	20 February 2018	37,124.28
February 2018	19 April 2018	38,790.18
March 2018	19 April 2018	38,790.18
April 2018	10 May 2018	38,840.75
May-July 2018	17 July 2018	117,526.17
August –September 2018	24 September 2018	79,958.42
Appellate attorney's fees	4 October 2018	93,426.00
	Total	**555,828.82**

7 Judgment was obtained by the Plaintiffs in relation to the sums set out in Paragraph 6 above, together with interest and costs, in Cause no. FSD 206 of 2018 (IKJ)(the "**First Cayman Action**") against Mr. Schanck on [ ] February 2019.

8 Since the issue of the writ in the First Cayman Action, Mr. Schanck has defaulted, and has outstanding judgments against him in the Divorce Proceedings in relation to further Equalizing Payments as follows:

Relevant payment	Date of Judgment	Amount of judgment
October and November 2018	21 November 2018	78,958.42
December 2018	28 December 2018	39,897.50
January and February 2019	12 February 2019	80,273.48
March 2019	12 March 2019	40,287.43
	Total	**239,416.83**

THIS STATEMENT OF CLAIM is filed by Campbells, the Plaintiff, whose address for service is Floor 4 Willow House, Cricket Square, George Town, Grand Cayman (Ref: AJW/KAH/aw/16110-26427)

9 In the circumstances, Mr. Schanck is justly and truly indebted to the Plaintiffs in the sum of US$239,416.83, which sum he has wrongfully failed to pay.

10 Further, the Plaintiffs seek and are entitled to interest pursuant to section 34 of the Judicature Law (2017 Revision) at the rate of 2.375% per annum, calculated as follows, and continuing at the daily rate of US$15.58 per day until judgment or sooner payment alternatively at such rate from such date and on such amount as this honourable court shall think fit:

Date of Judgment	**Amount of judgment US$**	**Interest at 2.375% From date of judgment to 25 March 2019 US$**
21 November 2018	78,958.42	637.08
28 December 2018	39,897.50	225.86
12 February 2019	80,273.48	214.15
12 March 2019	40,287.43	34.08
	Total	**1,111.17**

AND the Plaintiffs claim:

(1) US$239,416.83 together with interest in the sum of US$1,111.17 to 25 March 2019

(2) Further Interest from 26 March 2019 pursuant to the Judicature Law (2017 Revision) to be assessed.

(3) Costs

(4) Such further or other relief as this honourable Court shall think just.

Dated: 25 March 2019

Filed: 25 March 2019

CAMPBELLS
Attorneys for the Plaintiffs

THIS STATEMENT OF CLAIM is filed by Campbells, the Plaintiff, whose address for service is Floor 4 Willow House, Cricket Square, George Town, Grand Cayman (Ref: AJW/KAH/aw/16110-26427)

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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.

   JOHN G SCHANCK

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] the Defendant

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.

Campbells Floor 4 Willow House, Cricket Square George Town Grand Cayman KY1-9010 Cayman Islands (Ref: AJW/KAH/aw/15796-24429)

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

DIRECTIONS FOR ACKNOWLEDGMENT OF SERVICE OF 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.