

IN THE GRAND COURT OF THE CAYMAN ISLANDS



CAUSE NO. 62 OF 2019

BETWEEN:



ALESSANDRO SAX

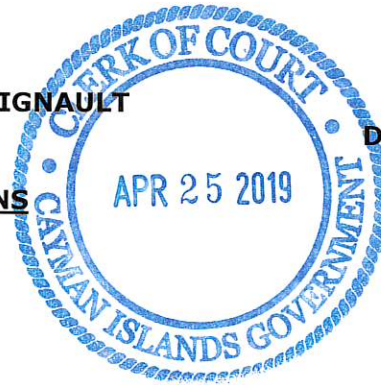
PLAINTIFF

AND:

PATRICK MILOT-DAIGNAULT

DEFENDANT

WRIT OF SUMMONS



TO:

Patrick Milot-Daignault
238 North Church Street
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 495, George Town, Grand Cayman, the accompanying Acknowledgment of Service stating therein whether you intend to contest these proceedings.

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

Issued this day of April 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.

STATEMENT OF CLAIM

1. The plaintiff is a resident of the Cayman Islands and at all material times the parties were known to each other as professionals in the financial services industry.
2. On or about November 2017 the defendant orally offered the plaintiff the opportunity to invest in a private placement of shares in a company called Pharmacielo to be listed on the Canadian TSX Venture Exchange.
3. The minimum private placement investment level was in excess of the amount that the plaintiff was willing or able to invest alone.
4. The parties agreed orally as follows:
 - 4.1 that the plaintiff would place US\$25,000 into a bank account of the defendant's nomination;
 - 4.2 that the defendant would purchase shares in Pharmacielo in the sole name of the defendant to the value of US\$25,000 alongside his own shareholdings.
 - 4.3 that the plaintiff would be entitled to give instructions to the defendant to sell or transfer his shares as nominated by the plaintiff and the defendant would act on those instructions within a reasonable period of time.
5. In accordance with the terms of the agreement made by the parties, the plaintiff paid the sum of US\$25,000 to account number 7372303 at RBC Royal Bank (Cayman) Limited as instructed by the defendant.

Breach of Trust

6. The shares purchased using the US\$25,000 transferred by the plaintiff belonged at all times since the purchase beneficially to the plaintiff.
7. In the circumstances and in light of the agreement set out above there was an implied term, or further and alternatively, there existed a fiduciary relationship between them, whereby the Defendant was under an obligation to act honestly and in good faith in relation to the plaintiff's entitlement to receive its share of dividends and ultimately to direct the sale or transfer of shares representing his financial investment.
8. The Defendant has failed, since November 2018 in breach of the agreement and/or fiduciary duty to return the plaintiff's investment and in consequence:
 - 8.1 the plaintiff has been denied use of his capital investment of US\$25,000;
 - 8.2 the plaintiff has been denied the ability to sell his shares at a time of his determination thus exposing him to potential losses by virtue of negative changes in the share value;
 - 8.3 the defendant has improperly obtained US\$25,000;

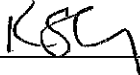
- 8.4 the defendant has improperly obtained the dividends from the shares purchased with the plaintiff's US\$25,000;
- 8.5 the defendant has improperly obtained the value of any increase in the share value of the shares purchased with the plaintiff's US\$25,000.
9. The plaintiff accordingly seeks an order for the taking of an Account in respect of the US\$25,000 paid to the defendant for the purchase of shares in Pharmacielo and an order for payment of all such sums as are found to be due to the plaintiff by the defendant.

Conversion

10. Further, and in the alternative in the circumstances the defendant has received and applied to his own use the sum of US\$25,000 and has wrongfully deprived the plaintiff of the use and possession of the said sum and has converted same to his own use.
11. Further, the plaintiff is entitled to and claims interest on such sums at such a rate and for such a period as the Court shall consider just and fair.

And the Plaintiff claims:

- The taking of an account and payment of sums found due; or
- an order for the delivery of the shares to the plaintiff, or in the alternative damages by reference to the value of the shares, and the payment in either case of consequential damages; or
- damages to be assessed
- Interest
- Costs
- Further or other relief



KSG Attorneys-at-Law
Attorneys for the Plaintiff

**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 installments 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.

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.

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

KSG
Attorneys at Law
4th Floor Harbour Centre
42 North Church Street
PO Box 2255 KY1-1107
George Town
Grand Cayman

Endorsement 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 endorsement]