



IN THE GRAND COURT OF THE CAYMAN ISLANDS
CIVIL DIVISION

CAUSE NO: 118 OF 2019 ()

BETWEEN:

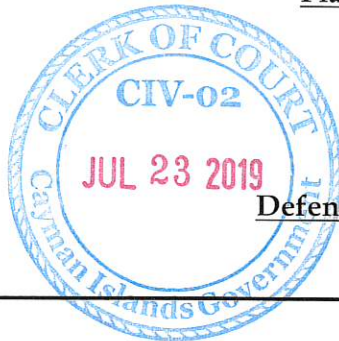
MOURANT OZANNES

Plaintiff

AND:



- (1) STEVE NICANDROS
- (2) ZAZA MAMULAISHVILI



Defendants

WRIT OF SUMMONS

TO: (1) Mr Steve Nicandros, of 3040 Post Oak Boulevard, Suite 1100, Houston, Texas, 77056, USA; and (2) Mr Zaza Mamulaishvili, of 12 Paliashvili Street, 0179 Tbilisi, Georgia.

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 28th day of July 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.

PARTICULARS OF CLAIM

1. The Plaintiff is a law firm and partnership constituted under Cayman Islands law, with offices at 94 Solaris Avenue, Camana Bay, Grand Cayman, KY1-1108, Cayman Islands.
2. Mr Steve Nicandros, the First Defendant, is a director and shareholder of Frontera Resources Corporation (**FRC**) with a mailing address of 3040 Post Oak Boulevard, Suite 1100, Houston, Texas, 77056, USA. The First Defendant is currently the non-executive Chairman of FRC.
3. Mr Zaza Mamulaishvili, the Second Defendant is a director and shareholder of FRC with a mailing address of 12 Paliashvili Street, 0179 Tbilisi, Georgia. The Second Defendant is currently the CEO and President of FRC.
4. The Plaintiff was engaged by FRC and its subsidiary Frontera International Corporation (**FIC**) on terms set out in an engagement letter with the Plaintiff dated 11 October 2018 (the **LOE**). The Plaintiff acted as Cayman attorneys for FRC and FIC in the Cayman Islands proceedings brought against (i) Mr Stephen Hope, (ii) Outrider Master Fund LP, and (iii) Maples FS Limited (Cause Number FSD 193 of 2018) (the **Proceedings**).
5. The Plaintiff issued its first invoice for the services rendered in relation to the Proceedings on 23 October 2018, which was paid in full on 9 November 2018. However, the Plaintiff thereafter issued five subsequent invoices (the **Unpaid Invoices**) payable by FRC and/or FIC in respect of professional services rendered to the companies, none of which have been paid (either in part or in full).
6. Multiple assurances have been given by the Defendants, orally and in writing, that the Unpaid Invoices will be met. On several occasions in December 2018, they promised to follow-up with their accounts department and that payment would be made. In early

January 2019, the Defendants suggested that there was a delay with their Georgian oil sales (apparently the principal source of revenue for FRC and FIC) and that full payment of the Unpaid Invoices would be made within a week. Discussions continued throughout January 2019. The Defendants made further promises of payment in the near term.

7. By February 2019, the Plaintiff was not prepared to continue to act for FRC and FIC in the Proceedings without payment (or some other comfort being provided). Following offers of security pending payment, which were unacceptable to the Plaintiff, the Defendants agreed to provide personal guarantees to the Plaintiff (the **Personal Guarantees**). By a deed of guarantee and indemnity dated 19 February 2019 (**the Deed**), the First and Second Defendants (together **the Guarantors**) gave the Plaintiff joint and several guarantees in relation to, *inter alia*, all monies, debts and liabilities of any nature from time-to-time due, owing or incurred by FRC to the Plaintiff. A copy of the executed Deed is produced.
8. Accordingly, the Plaintiff continued to work on the agreed basis that full payment would be made by the end of February 2019. When payment did not materialise, despite the same assurances that payment would be made, the Plaintiff came off the record for the Defendants on 25 March 2019 in the Proceedings and exercised a lien over its client file.
9. By way of an email exchange on 5 May 2019, the Plaintiff agreed to hold off on commencing proceedings to recover the sums sought in this Writ as long as the following repayment plan was followed:
 - Payment of US\$150,000 within 7 days of 5 May;
 - Payment of US\$100,000 on or before 30 May 2019;
 - Payment of US\$100,000 on or before 14 June 2019;
 - Payment of US\$100,000 on or before 28 June 2019;

- Payment of US\$100,000 on or before 15 July 2019;
 - Payment of US\$100,000 on or before 30 July 2019;
 - Payment of US\$100,000 on or before 14 August 2019;
 - Payment of remaining amount (plus interest) on or before 28 August 2019.
10. It was agreed that interest shall accrue at 20% per annum on all sums outstanding from the date of invoice until the debt is paid in full.
 11. Save for a payment of US\$20,000 made on 7 June 2019, the Defendants have failed to discharge their obligations under the Personal Guarantees.
 12. The Defendants also failed to disclose to the Plaintiff that Frontera Resources Caucasus Corporation (FRCC), a subsidiary of FRC and FIC, had been placed in voluntary liquidation on 1 May 2019. The Plaintiff had been informed previously that FRCC held the Georgian mining licence, which is apparently the group's most valuable asset. The Plaintiff only learned of the voluntary liquidation of FRCC by its receipt of a standard request for information from its voluntary liquidators. As a result, further discussions took place in early June 2019, during which it was reiterated that the Defendants had promised payment since December 2018, and that the Defendants had assured the Plaintiff on weekly calls - since early April 2019 - that fortnightly payments of US\$50,000 would start "*imminently*", and that refinancing which would enable the Plaintiff to be paid in full was progressing well.
 13. Notwithstanding the demand for payment pursuant to the terms of the Personal Guarantees, including by way of a formal letter before action on 4 April 2019 (the LBA), and the email repayment plan set out at paragraphs 9 and 10 above, the Defendants, as the Guarantors, have failed to discharge their obligations under the Personal Guarantees. The LBA made clear that, if payment was not received, proceedings would be commenced to recover the sums due from the Guarantors, and that the costs thereto would be sought.

14. The total unpaid debt currently stands at US\$766,186.68 (excluding interest and costs). A statement of account is produced, detailing invoice dates and amounts outstanding.

AND THE PLAINTIFF CLAIMS:

- (i) US\$766,186.68, being the principal sums due at the date of these proceedings, excluding interest;
- (ii) Interest at the rate of 20% per annum;
- (iii) Alternatively, pre and post judgment interest pursuant to section 34 of the Judicature Law (2017) Revision and the Judgments Debts (Rates of Interest) Rules 2012 as amended from time to time;
- (iv) Costs; and
- (v) Such further and other relief as this Honourable Court may deem just.

Mourant Ozannes

MOURANT OZANNES
Attorneys-at-law for the Plaintiff
23 July 2019

This Writ and Statement of Claim is filed by Mourant Ozannes, Attorneys-at-Law for the Plaintiff whose address for service is PO Box 1348, 4th Floor, 94 Solaris Avenue, Camana Bay, Grand Cayman KY1-1108 (Ref: 8041835/75604860/3)

**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 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.

IN THE GRAND COURT OF THE CAYMAN ISLANDS
CIVIL DIVISION

CAUSE NO: OF 2019 ()

BETWEEN:

MOURANT OZANNES

Plaintiff

AND:

(1) STEVE NICANDROS
(2) ZAZA MAMULAISHVILI

Defendants

ACKNOWLEDGEMENT 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.

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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.

Mourant Ozannes
Attorneys at Law
94 Solaris Avenue
Camana Bay
PO Box 1348
Grand Cayman KY1-1108
Ref: 8039107/75963437/1

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