

IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO. 284 OF 1998

BETWEEN:

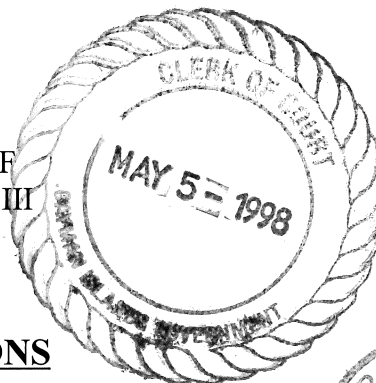
JEFFREY L. FANNING

Plaintiff

- and -

(1) CHERYL WOLFF
(2) JOHN S. WOLFF, III

Defendants



WRIT OF SUMMONS

TO: Cheryl Wolff
P.O. Box 205
North Side
Grand Cayman, Cayman Islands

TO: John S. Wolff, III
P.O. Box 205
North Side
Grand Cayman, 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 following pages.

WITHIN 14 DAYS after service of this Writ on you, counting the day of service, you must either satisfy the claim or return to the Court Office, PO Box 495GT, 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 of Service 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 5th day of May 1998.

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.

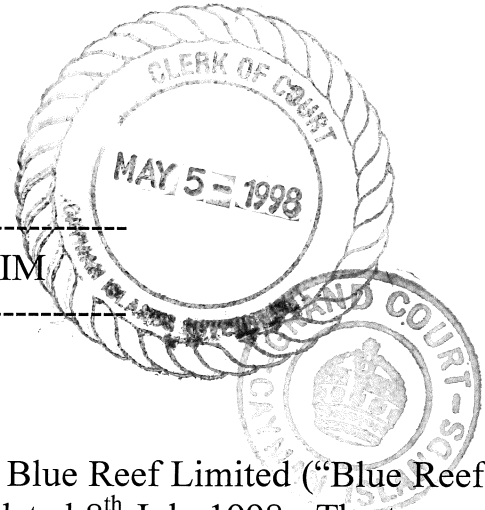
IMPORTANT

Directions for acknowledgment of service are given with the accompanying form.

THIS WRIT was issued by Ian Boxall & Co., Attorneys at Law for the Plaintiff, whose address for service is CIBC Financial Centre, PO Box 1234, George Town, Grand Cayman, Cayman Islands, B.W.I.

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STATEMENT OF CLAIM



1. On or about 8th July 1997 the Plaintiff loaned to Blue Reef Limited ("Blue Reef") US\$75,000 as evidenced by a Promissory Note dated 8th July 1998. The terms of the said loan and Note are as follows:-
 - (a) the rate of interest payable by Blue Reef to the Plaintiff is 10.5% per annum;
 - (b) the principal and any remaining interest due thereon are repayable in full by 30th June 1998;
 - (c) interest at the aforesaid rate was payable quarterly on 30th September 1997, 31st December 1997 and 31st March 1998;
 - (d) upon default in the making of any payment due the whole balance then unpaid with interest shall become immediately due and payable.

The Plaintiff will refer to the said Promissory Note at the trial herein for its full terms and effect.

2. Blue Reef has failed to make any interest payments to the Plaintiff and accordingly the principal sum of US\$75,000 and all interest under the Note is immediately due and payable by Blue Reef to the Plaintiff. Despite demands made Blue Reef has failed to make any payments to the Plaintiff and claims to be unable to make any payment to him.

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3. As security for the aforesaid loan evidenced by the aforesaid Promissory Note each of the Defendants executed a personal Guaranty and Indemnity to the Plaintiff in respect of the loan. The said Guarantees and Indemnities were executed by the Defendants on 8th July 1998. By the terms of paragraph 1 of the Guarantees and Indemnities the Defendants are liable on demand to pay to the Plaintiff the sums due from Blue Reef to the Plaintiff aforesaid together with “all legal and other costs and expenses incurred [by the Plaintiff in relation to the Guarantee] . . . on a full indemnity basis”.
4. Demands in writing dated 20th April 1998 seeking payment by 1st May 1998 at the latest of US\$81,384.72 (being the principal sum of US\$75,000 with contractual interest thereon to 1st May 1998) were served upon the Defendants by registered post pursuant to paragraph 6.1 of the Guarantees and Indemnities at 10:00 am on 23rd April 1998 and the Defendants have failed to make payment of the sums demanded or any sums to the Plaintiff.
5. The Defendants were accordingly at 1st May 1998 jointly and severally liable to the Plaintiff for US\$81,384.72 and daily interest continuing at the rate of US\$21.50 per day.
6. If which is denied the Plaintiff is not entitled to the contractual interest claimed aforesaid he claims in the alternative interest pursuant to section 34 of the Judicature Law (1995 Revision) at such rate and for such period as the Court may determine.

And the Plaintiff claims:

- (1) US\$75,000;
- (2) contractual interest thereon to the date hereof of US\$6,470.72 and continuing at the rate of US\$21.50 per day until payment;
- (3) in the alternative interest under the Judicature Law;

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- (4) the Court fees paid to issue these proceedings of CI\$615.00;
- (5) an Order that the Defendants pay to the Plaintiff his costs hereof on a full indemnity basis;
- (6) further or other relief.

Ian Boxall & Co.

Ian Boxall & Co.

Attorneys for the Plaintiff

Dated this 5th day of May 1998.

This Statement of Claim is filed by Ian Boxall & Co., Attorneys for the Plaintiff, whose address for service is 3rd Floor, CIBC Financial Centre, P.O. Box 1234, George Town, Grand Cayman, Cayman Islands, B.W.I.