

IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO. 303 OF 1998

BETWEEN:-

BANCO DO ESTADO DO PARANA S.A.

Plaintiff



- and -

(1) JACIR CORDEIRO BERGMANN
(2) JACIR CORDEIRO BERGMANN II



Defendants

WRIT OF SUMMONS

TO: Jacir Cordeiro Bergmann
Rua Jeronimo Durski, 1418
Bigorriho
Curitiba, Parana, Brazil

TO: Jacir Cordeiro Bergmann II
Rua Francisco Juglair, 110
Mossungue CEP 81200-230
Curitiba, Parana, Brazil

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 28 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, Cayman Islands 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 14th day of May 1998.

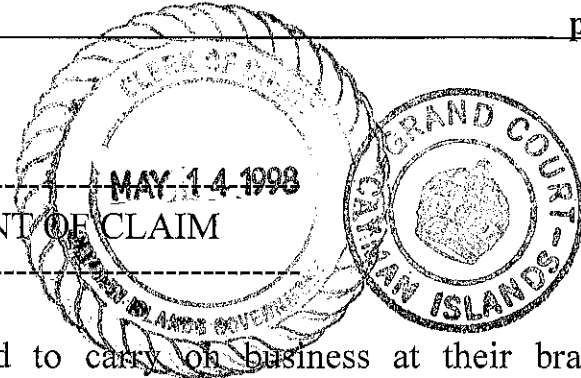
NOTE: THIS WRIT may not be served later than 4 calendar months (*or, if leave is required to effect service out of the jurisdiction, 6 months*) beginning with the date of issue unless renewed by order of the Court.

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.

MAY 14 1998
STATEMENT OF CLAIM



1. The Plaintiffs are bankers licensed to carry on business at their branch at Elizabethan Square, 2nd Floor, P.O. Box 713, George Town, Grand Cayman, Cayman Islands, British West Indies and elsewhere.
2. By a written Credit Agreement and Promissory Note both dated 28th July 1995 it was agreed between the parties as follows:
 - (a) The Plaintiff agreed to loan to the Second Defendant US\$120,000.00.
 - (b) Interest was payable on the loan at the rate of 17% based on a year of 360 days.
 - (c) The loan was repayable together with the said interest on 22 July 1996.
 - (d) The Plaintiff entered into the agreement to make the loan to the Second Defendant in consideration of and in reliance upon the First Defendant's agreement to join in the agreements as Guarantor for the obligations of the Second Defendant, his son, under the agreements aforesaid.
 - (e) Interest would be payable on any overdue amounts at the rate of 17% based on a year of 360 days.
 - (f) That the agreements shall be deemed to have been made under and shall be governed by the laws of the Cayman Islands.
 - (g) That the Defendants would pay all expenses of the Plaintiff in connection with the collection of sums due to it from the Defendants including reasonable attorneys' fees.

The Plaintiff will refer to the said Credit Agreement and Promissory Note at the trial of this action for their full terms and effect.

3. Pursuant to the agreements aforesaid, and in reliance upon the representations made therein, the Plaintiff advanced the sum of US\$120,000.00 to the Second Defendant on 28th July 1995. The Second Defendant the same day instructed the Plaintiff to transfer the said sum to the account of Baneast International Finance Corp at the Plaintiff's branch in New York, NY.
4. By letter dated 15th July 1996 to the Second Defendant the Plaintiff required payment as per the agreements from the Second Defendant on 22nd July 1996 of US\$140,400.00 being the principal sum of US\$120,000.00 loaned as aforesaid together with the contractual interest amounting to US\$20,400.00 thereon.
5. The Second Defendant by letter of 18th July 1996 asked the Plaintiff to consider extending the term of the said loan, such extension to be supported by further security over real property in Brazil. The Plaintiff authorized an extension, subject to the further security being obtained, for 180 days from 22nd July 1996 but such extension was not granted when it became clear that it was not possible for the Plaintiff to obtain a mortgage over the property offered by the Second Defendant as further security.
6. The Plaintiff accordingly demanded payment from the Second Defendant as principal debtor and the First Defendant as Guarantor but despite numerous such demands the Defendants have failed to pay any sums to the Plaintiff under the agreements aforesaid.
7. A demand in writing dated 17th October 1997 was personally served upon the Second Defendant on 29th October 1997 seeking payment within 7 days of the principal sum of US\$120,000 and interest thereon to that date of US\$50,368.00 (total demanded US\$170,368.00). No payment has been made by the Second Defendant.
8. A demand in writing dated 10th December 1997 was sent by registered post to the First Defendant at his known residence at Rua Jeronimo Durski 1418, Bigorriho,

Curitiba, Parana, Brazil pursuant to Regulation 07/96 of the Standards Code of the Parana State Justice Department for service of documents by post, giving notice to


the First Defendant that the Second Defendant had defaulted on his obligations under the agreements aforesaid and that the Plaintiff looked to the First Defendant in his capacity of Guarantor of his son's liabilities to the Plaintiff. No payment has been made by the First Defendant.

9. The total liability of the Defendants to the Plaintiff at the date hereof is US\$120,000.00 plus contractual interest thereon of US\$64,158.00, being US\$184,158.00 total and interest is continuing to accrue at the rate of US\$63.30 per day until payment be made.
10. Further or in the alternative the Plaintiff claims 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 against the Second Defendant as principal debtor and the First Defendant as his surety:-

- (1) US\$120,000;
- (2) Interest thereon to the date hereof of US\$64,158.00 and continuing at the rate of US\$63.30 per day;
- (3) The issue and *ad valorem* fees paid hereon of CI\$984.00 (US\$1,200);
- (4) alternatively damages;
- (5) alternatively statutory interest;
- (6) further or other relief or consequential directions;

- (7) an Order that the Defendants do pay to the Plaintiff the costs the Plaintiff has incurred with its attorneys in connection with collecting the sums claimed hereunder within 28 days of the Plaintiff supplying to the Defendants or their attorneys true copies of all invoices issued to and paid by the Plaintiff in connection with this matter.

Handwritten signature of Ian Boxall in cursive script.

Ian Boxall & Co.
Attorneys for the Plaintiffs

Dated this 14th day of May 1998.