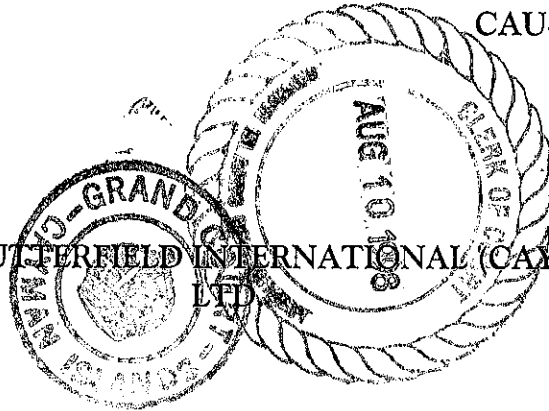


IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO: 481 of 1998

BETWEEN:

BANK OF BUTTERFIELD INTERNATIONAL (CAYMAN)
LTD.



Plaintiff

AND

MICHAEL JAMES PAXTON HYDES

Defendant

WRIT OF SUMMONS

TO: Michael James Paxton Hydes, Willie Farrington Drive, West Bay, Grand Cayman.

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, PO Box 495GT, Grand Cayman, the accompanying Acknowledgement of Service stating therein whether you intend to contest these proceedings.

If you fail to satisfy the claim or to return the Acknowledgement within the time stated, or if you return the Acknowledgement 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 10th day of August, 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 Acknowledgement of Service are given with the accompanying form.

1. The Plaintiff is and was at all material times a Class A bank carrying on the business of retail banking in the Cayman Islands. The Defendant is a former customer of the Plaintiff.
2. In February 1996 the Defendant, using an assumed name, presented a forged cheque drawn on the account of another customer of the Plaintiff to the Airport branch of another local bank. He opened an account with the cheque and withdrew the funds (US\$25,000.00) in cash.
3. The Defendant was arrested in relation to his presentation of the forged cheque and withdrawal of the funds and on 19 September, 1997 he pleaded guilty to the charges against him and was sentenced to imprisonment for two concurrent terms of 15 months with six months suspended.
4. The Defendant has since been released from prison.
5. CI\$5,649.80 recovered by the police from the Defendant at the time of his arrest was returned to the Plaintiff further to an Order of the Court on 19 September 1997.
6. CI\$14,850.20 of the misappropriated funds remains due and owing to the bank.
7. Interest at 7-3/8% pursuant to the Judicature Law on the sums set out above at Paragraphs 5 and 6 remains due and owing to the Bank. As at 31 July 1998 the interest due on these two sums totalled CI\$3,296.27.
8. On 15th July 1996 the Defendant applied for and was duly subscribed to 700 units valued at US\$7,000.00 in the Buttress International balance fund operated by the Plaintiff.
9. Thereafter by letter dated 1st March 1997 to Butterfield Fund Managers (Cayman) Ltd., a company owned by the Plaintiff, the Defendant requested that the mailing name and address for the said units be changed to:

P.O. Box 30937-SMB
Grand Cayman

10. On the 5th day of June 1997 the Plaintiff effected the transfer of the said units to "Mark J. Cohen" whose address was provided upon the funds subscription form as:

P.O. Box 30937-SMB
Grand Cayman

The facsimile number 945 2861 was also provided on the form by Mark J. Cohen.

11. The address and facsimile number of Mark J. Cohen were false.
12. On 9th September 1997 Mark J. Cohen wrote to Butterfield Fund Managers (Cayman) Ltd., that "as of 9/8/97 I may be reached at the following telephone number (305) 829 7990". Mark J. Cohen also stated in the letter that "the fax number as supplied on my original subscription form is no longer valid for correspondence with me and should be disregarded".
13. The said telephone number is a Miami, USA number, and had Mark J. Cohen been a genuine United States resident at the time of the transfer the units would not have been transferred to him.
14. In the premises, the misappropriation by the Defendant of US\$25,000.00 and the subsequent misuse by the Plaintiff of the identity of Mark J. Cohen constituted a system of deceit and/or fraudulent disposition of funds in order to evade repayment.
15. The Defendant's representation to Butterfield Fund Managers (Cayman) Ltd. that his units be transferred to a so called other person, Mark J. Cohen, was an inducement to the Fund Managers to safeguard and conceal for the Defendant the proceeds of the misappropriation, this representation was made with intent that the representation be acted upon. Thereupon the Plaintiff, along with its subsidiary company, Butterfield Fund Managers (Cayman) Ltd., altered its position and lost its power effectively to trace and recover its own misappropriated assets.

PARTICULARS OF FALSITY

- i) The Defendant used an assumed name to present a forged cheque drawn on the account of another person.
- ii) The Defendant certified a transfer of US\$7,000.00 to another purported individual, Mark J. Cohen, using the same post box 30937 Seven Mile Beach.

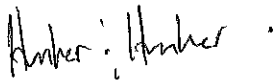
- iii) Using the identity of Mark J. Cohen the Defendant subsequently provided a false facsimile number and telephone number for one Mark J. Cohen to enforce the deception further.
- iv) At several material times the Defendant assumed the identity of Mark J. Cohen.

AND THE PLAINTIFF CLAIMS:

1. CI\$14,850.20 being monies outstanding to the Plaintiff further to a misappropriation of funds by the Defendant.
2. Interest pursuant to the Judicature Law at 7 3/8% from 1st March, 1996 to 19th September 1997 on the amount of CI\$5,649.00 being CI\$647.27.
3. Interest pursuant to the Judicature Law at 7 3/8% from 1st March 1996 to 31st July 1998 on the amount of CI\$14,850.20 being CI\$2,649.00.
4. Interest on CI\$14,850.20 from 1st August 1998 to date of payment at the rate of 7-3/8% being CI\$3.00 per day.
5. A Declaration that the 700 units of the Buttress International Balance Fund registered in the name of Mark J. Cohen are legally and beneficially owned by the Plaintiff having been acquired using funds misappropriated from the Plaintiff by the Defendant or alternatively are legally and beneficially owned by the Defendant.
6. Fixed costs of CI\$750.00.

If, within the time for returning the Acknowledgement of Service, the Defendant pays the total amount claimed of CI\$18,896.47 (including interest and costs) further proceedings will be stayed.

The money must be paid to the Plaintiff or his attorney.



Hunter & Hunter

This Writ was issued by Hunter & Hunter, whose address for service is P.O. Box 190 George Town, Grand Cayman.