

IN THE GRAND COURT OF THE CAYMAN ISLANDS

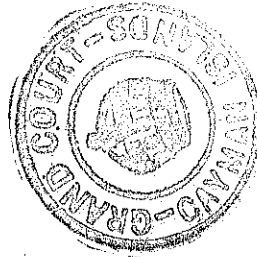
CAUSE NO. 599 OF 1998

BETWEEN: JACQUES SCOTT & COMPANY LIMITED PLAINTIFF
AND: (1) WAY-BAC LTD. DEFENDANT
(2) JIM HINKLE

WRIT OF SUMMONS

TO: WAY-BAC LTD.
c/o P.O. Box 309GT
Grand Cayman

AND TO: Jim Hinkle
North Carolina,
U.S.A.



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 of Summons on you, counting the day of service, you must either satisfy the claim or return to the Courts Office, P.O. Box 495, George Town, 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 day of September , 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.

INDORSEMENT

The Plaintiff's claim against the 1st Defendant is for CI\$15,643.72 for goods supplied to the 1st Defendant trading as 'Jimmy's at Morgan's Harbour' pursuant to an Agreement dated the 7th May, 1997 between the Plaintiff and the 1st Defendant and against the 2nd Defendant as a guarantor under a Guarantee Agreement dated 7th May, 1997, whereby the 2nd Defendant undertook to be jointly and severally liable with Tom Lucas for all moneys due to the Plaintiff in respect of goods supplied to the 1st Defendant.



**CHARLES ADAMS, RITCHIE & DUCKWORTH
ATTORNEYS-AT-LAW FOR THE PLAINTIFF**

This Writ was issued by Charles Adams, Ritchie & Duckworth, Attorneys-at-Law for and on behalf of the Plaintiff herein whose address for service is P.O. Box 709, Zephyr House, Mary Street, George Town, Grand Cayman, British West Indies (Ref: RWM/lcs/003-122)

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 is suing in person) of his name, address and reference, if any, in the box below.

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

Filed by Charles Adams, Ritchie & Duckworth, Attorneys-at-Law for and on behalf of the Plaintiff herein whose address for service is that of its said Attorneys-at-Law, P.O. Box 709, Zephyr House, Mary Street, George Town, Grand Cayman, B.W.I. (Ref: RWM/lcs/003-122)

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.

4. On the 7th May, 1997 in consideration of the Plaintiff agreeing to grant credit facilities to the Company, ("the Agreement"), the 2nd Defendant together with Tom Lucas, who at all material times represented himself to be the Company Secretary, agreed to be jointly and severally liable for all monies due by the Company to the Plaintiff ("the Guarantee") in respect of goods supplied by the Plaintiff to the Company.
5. Pursuant to the Agreement, the Company agreed, *inter alia*:
 - (a) to pay to the Plaintiff the amount of any and all purchases charged to the Company's account not later than 15 days after the Plaintiff's Statement of Account, made up as of the last day of each month; and,
 - (b) that an interest charge at the rate of 1 ½% per month (calculated on a daily basis) may be added on any amount due if not received prior to the next billing date and thereafter on all amounts in arrears until paid.
6. In furtherance of the Agreement the Plaintiff supplied and delivered to the Company at 'Jimmy's at Morgan's Harbour', the goods itemized in the invoices on the dates and at the costs marked thereon. Copies of the said invoices, have been delivered to the Company and to the 2nd Defendant.
7. On the 16th January, 1998, the Company's outstanding account was for the amount of CI\$13,015.59. On the 16th January, 1998, the Company issued 2 cheques to the Plaintiff, 1 to cover payment of goods obtained from the Plaintiff on the 7th January, 1998 in the amount of CI\$4967.27 and the other in the amount of CI\$6830.09 to be applied to the

outstanding balance owed. The Company further obtained goods pursuant to the Agreement for the amounts of CI\$1,210.00, CI\$670.65 and CI\$499.60 on the 16th, 20th and 22nd January, 1998 respectively. The 2 cheques issued on the 16th January, 1998 were deposited to the Plaintiff's bank account and were subsequently returned due to insufficiency of funds. The Company has therefore defaulted in payment under the terms of the Agreement.

8. The Plaintiff, by letters dated the 5th March, 1998 and the 12th March, 1998, demanded that the Company pay the outstanding account which at the 28th February, 1998 stood at CI\$15,643.72 comprising CI\$15,375.92 being the cost of the said goods, CI\$167.80 being interest thereon and CI\$100.00 being bank charges incurred as a result of the returned cheques issued by the Defendants on the 16th January, 1998.
9. The Plaintiff has further demanded payment of the outstanding account from the 2nd Defendant.
10. Notwithstanding the said demands, the full amount of the debt remains due and owing.

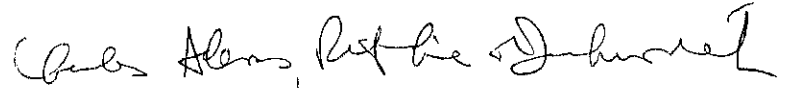
AND THE PLAINTIFF CLAIMS:-

1. The said sum of CI\$15,643.72.
2. Pre-Judgment Interest thereon at the rate of 1 ½% per month calculated on a daily basis from the 1st March, 1998 to the date of issue of the Write being CI\$1,667.07.
3. Post-Judgment Interest thereafter pursuant to Section 34 of the Judicature Law (1995 Revision).

4. Costs.

STATEMENT REGARDING INTEREST:

- (i) The rate of Pre-Judgment Interest claimed is 1 ½% per month calculated on a daily basis.
- (ii) The date from which interest is calculated is the 1st March, 1998.
- (iii) The amount of interest accruing each day hereafter is CI\$ 8.65 per day.



**CHARLES ADAMS, RITCHIE & DUCKWORTH
ATTORNEYS-AT-LAW FOR THE PLAINTIFF**

This Statement of Claim was filed by Charles Adams, Ritchie & Duckworth, Attorneys-at-Law for and on behalf of the Plaintiff herein whose address for service is P.O. Box 709, Zephyr House, Mary Street, George Town, Grand Cayman, British West Indies (Ref: RWM//003-122).