

AND TO: David Edward Dennis
20 Teesdale Place
Apartment 1510
Toronto
Ontario
Canada M1L1L1

No. 64

Mareva Injunction (O. 29, r.1)

IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO: OF 1998

BETWEEN: KATHERINE M. PETERDY PLAINTIFF

AND: DAVID EDWARD DENNIS DEFENDANT

**INJUNCTION PROHIBITING
DISPOSAL OF ASSETS IN THE CAYMAN ISLANDS**

IMPORTANT:

NOTICE TO THE DEFENDANT

- (1) This Order prohibits you from dealing with your assets up to the amount stated. The Order is subject to exceptions at the end of the Order. You should read it all carefully. You are advised to consult an attorney as soon as possible. You have a right to ask the Court to vary or discharge this Order.
- (2) If you disobey this Order you will be guilty of contempt of Court and may be [sent to prison] or fined or your assets may be seized.

*Delete the words "sent to prison" in the case of a corporate Defendant. This notice is not a substitute for the indorsement of a penal notice.

THE ORDER

An application was made today 27 October 1998 by counsel for the Plaintiff to the Hon. Mr Justice . Upon hearing Counsel for the Plaintiff Mr Justice heard the application and read the affidavits listed in Schedule 2 at the end of this Order.

As a result of the application IT IS ORDERED that:

1. DISPOSAL OF ASSETS

- (1) The Defendant must not remove from the Cayman Islands or in any way dispose of or deal with or diminish the value of any of his assets which are in the Cayman Islands whether in his own name or not and whether solely or jointly owned up to the value of US\$428,000. This prohibition includes the following assets in particular:
 - (a) any money in the account held by DAVID EDWARD DENNIS, PO Box 1242 Vineyard Haven Massachusetts, U.S.A. 02568 numbered 600-580-5 at the Royal Bank of Canada Trust Company (Cayman) Limited, George Town, Grand Cayman, Cayman Islands BWI.
- (2) If the total unencumbered value of the Defendant's assets in the Cayman Islands exceeds US\$500,000 the Defendant may remove any of those assets from the Cayman Islands or may dispose of or deal with them so long as the total unencumbered value of his assets still in the Cayman Islands remains above US\$500,000.

2. DISCLOSURE OF INFORMATION

The Defendant must inform the Plaintiff in writing at once of all his assets in the Cayman Islands and whether in his own name or not and whether solely or jointly owned giving the true value, location and detail of all such assets. The information must be confirmed in an affidavit that must be served on the Plaintiff's attorneys within seven days after this Order has been served on the Defendant.

3. EXCEPTIONS TO THIS ORDER

- (1) This Order does not prohibit the Defendant from spending US\$500 per week towards ordinary living expenses and also a reasonable sum on legal advice and representation. However, before spending any money the Defendant must tell the Plaintiff's attorneys where the money is to come from.
- (2) The Defendant may agree with the Plaintiff's attorneys that the above spending limits should be increased or that this Order should be varied in any other respect but any such agreement shall be in writing.

4. EFFECT OF THIS ORDER

- (1) A Defendant who is an individual who is ordered not to do something must not do it himself or in any other way. He must not do it through others acting on his behalf or on his instructions or with his encouragement.

- (2) A Defendant which is a corporation and which is ordered not to do something must not do it itself or by its directors, officers, employees or agents or in any other way.

5. THIRD PARTIES

- (1) Effect of this Order – It is contempt of Court for any person notified of this Order knowingly to assist in or permit a breach of the Order. Any person doing so may be sent to prison, fined or have his assets seized.
- (2) Set off by Banks – This injunction does not prevent any bank from exercising any right of set off it may have in respect of any facility which it gave to the defendant before it was notified of the Order.
- (3) Withdrawals by the Defendant – No bank need enquire as to the application or proposed application of any money withdrawn by the Defendant if the withdrawal appears to be permitted by this Order.

6. SERVICE OUT OF THE JURISDICTION AND SUBSTITUTED SERVICE

- (1) The Plaintiff may issue and serve the Writ of Summons on the Defendant at 20 Teesdale Place, Apartment 1510, Toronto, Ontario, Canada M1L1L1 by registered post.
- (2) If the Defendant wishes to defend the Action he must acknowledge service within 21 days of being served with the Writ of Summons.

7. UNDERTAKINGS

The Plaintiff gives to the Court the undertakings set out in Schedule 1 to this Order.

8. DURATION OF THIS ORDER

This Order will remain in force up to and including _____ (the “Return Date”), unless before then it is varied or discharged by a further Order of the Court. The application in which this Order is made shall come back to the Court for further hearing on the Return Date.

9. VARIATION OR DISCHARGE OF THIS ORDER.

The Plaintiff has leave to apply to vary or discharge this Order on _____ days’ written notice to the Court and the Defendant.

The Defendant (or anyone notified of this Order) may apply to the Court at any time to vary or discharge this Order (or so much of it as affects that person), but anyone wishing

to do so must first inform the Plaintiff's attorneys in writing on not less than seven days notice.

10. NAME AND ADDRESS OF PLAINTIFF'S ATTORNEYS

The Plaintiff's attorneys are: Truman Bodden & Co.
Attorneys-at-Law
PO Box 866
Anderson Square Building
George Town
Grand Cayman
Cayman Islands, BWI
Tel: 1-345-949-7555
Fax: 1-345-949-4952

11. INTERPRETATION OF THIS ORDER

- (1) In this Order "he, "him" or "his" includes "she", "her" or "hers" and "it" or "its".
- (2) Where there are two or more Defendants then (unless the context indicates differently) (a) references to the "Defendant" means both or all of them; (b) an Order requiring "the Defendant" to do or not to do anything requires each Defendant to do or not to do it; and (c) a requirement relating to the service of this Order, or of any legal proceedings, on the "Defendant" means on each of them.

DATED:

FILED: 27 October 1998

JUDGE OF THE GRAND COURT

This Order was filed by Truman Bodden & Co., Attorneys for the Plaintiff, whose address for service is PO Box 866, Anderson Square Building, George Town, Grand Cayman, Cayman Islands, BWI.

SCHEDULE 1

Undertakings given to the Court by the Plaintiff

- (1) If the Court later finds that this Order has caused loss to the Defendant, and decides that the Defendant should be compensated for that loss, the Plaintiff will comply with any Order the Court may make (but so that this undertaking is limited to the property and assets in the beneficial ownership of the Plaintiff in the hands of the liquidator).
- (2) As soon as practicable the Plaintiff will issue and serve on the Defendants the Writ of Summons together with this Order.
- (3) As soon as practicable the Plaintiff will serve on the Defendant a Notice of Motion for the Return Date together with a copy of the affidavits and exhibits containing the evidence relied upon by the Plaintiff.
- (4) Anyone notified of this Order will be given a copy of it by the Plaintiff's attorneys.
- (5) The Plaintiff will pay the reasonable costs of anyone other than the Defendant which have been incurred as a result of this Order including the costs of ascertaining whether that person holds any of the defendant's assets and that if the Court later finds that this Order has caused such a person loss, and decides that the person should be compensated for that loss, the Plaintiff will comply with any Order the Court may make (but limited in like manner as Undertaking 1).

SCHEDULE 2
Affidavit(s)

The Judge read the following affidavit before making this Order:

1. First Affidavit of Rosemarie Haigazian, Attorney in the Commonwealth of Massachusetts, USA.