

IN THE GRAND COURT OF THE CAYMAN ISLANDS

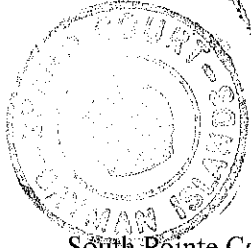
CAUSE NO. 774 OF 1998

BETWEEN: DAVID CONNELLY

PLAINTIFF

AND: SOUTH POINTE CAPITAL CORPORATION

DEFENDANT



WRIT OF SUMMONS

TO: South Pointe Capital Corporation
P.O.Box 30592 2nd Floor
Cayside, 2nd Floor
George Town
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 next page.

Within fourteen 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's Office, P.O. Box 495 GT, 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 judgement may be entered against you forthwith without further notice.

Issued this 9th day of December 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.

STATEMENT OF CLAIM

1. The Defendant is a company incorporated in the Cayman Islands registered number 69597 and with its registered office at P.O.Box 30592 S.M.B, Cayside, 2nd Floor, George Town, Grand Cayman.

2. At all material times, Mr A. Robert Robertson is and was:
 - 2.1 President of the Defendant;
 - 2.2 Chairman and Chief Executive Officer of Skidguard Corporation (“Skidguard”), a company registered in Georgia, Atlanta, U.S.A.;
 - 2.3 President of Sagaar Capital Corporation (“Sagaar”);
 - 2.4 President of Anthony Alexander Capital Corporation (“AAC”).

3. By a written contract of guarantee dated 15th July 1997 (“the Guarantee”) addressed to the Plaintiff and to a Mr Jeff Klein, signed by Mr Robertson on his own behalf and for and on behalf of the Defendant, Sagaar and AAC and each of them, the Defendant, Mr Robertson, Sagaar and AAC jointly and severally agreed to guarantee the following obligations of Skidguard and each of them to the Plaintiff in the total amount of US\$575,000:
 - 3.1 A US\$250,000 loan to Skidguard by the Plaintiff, the subject of an unsecured promissory note made by Skidguard in favour of the Plaintiff on 17 April 1997 as more particularly pleaded in paragraph 5.1 below (“Obligation A”);
 - 3.2 The purchase of 50,000 shares in Skidguard at US\$5.00 per share for another US\$250,000 as more particularly pleaded in paragraph 5.2 below (“Obligation B”),
 - 3.3 An additional loan to Skidguard by the Plaintiff of US\$75,000 as more particularly pleaded in paragraph 5.3 below (“Obligation C”).

4. The Guarantee further provided that if a default occurred in the obligations referred to in paragraph 3 above the Defendant, Mr Robertson, Sagaar and AAC and each of them would become liable to the Plaintiff under the Guarantee to pay the specified amount within 30 days of such default.

5. The obligations referred to in paragraph 3 above became due and payable to the Plaintiff as follows:

5.1 Obligation A

Skidguard, by an unsecured promissory note dated 17 April 1997, promised to pay the Plaintiff on or before 23 May 1997 or upon demand, whichever was the first to occur, the principal sum of US\$250,000. The said promissory note further provided for :

- (a) The payment of interest at an annual rate of 8.5% on the unpaid principal from the date thereof and of 10% on matured unpaid amounts ; and
- (b) The payment of reasonable attorneys' fees and court costs of collection or enforcement of the promissory note or any instrument securing or collateral to it.

The sum of US\$250,000 was advanced to Skidguard by the Plaintiff on or about 20 March 1997. The sum of US\$250,000 together with US\$2,212.32 of accrued interest thereon became immediately due and owing from Skidguard to the Plaintiff on 23 May 1997.

5.2 Obligation B

On or about 21 April 1997, a further sum of US\$250,000 was advanced to Skidguard by the Plaintiff for the purchase of 50,000 US\$5 shares in Skidguard and on the oral understanding reached between the Plaintiff and Mr Robertson acting through Mr Klein that if the shares subsequently became worthless, the Plaintiff would be repaid the sum of US\$250,000. The shares which were subsequently issued to the Plaintiff were and are of no value as Skidguard went into receivership on or about 1st December 1997. The sum of US\$250,000 became due and owing from Skidguard to the Plaintiff on or about 1st December 1997.

5.3 Obligation C

On or about 16 July 1997, the Plaintiff advanced a further sum of US\$75,000 to Skidguard. These funds were a loan to Skidguard which was to be repayable upon demand made by the Plaintiff. Demand was first made by the Plaintiff on or about 1st December 1997. The sum of US\$75,000 became due and owing to the Plaintiff from Skidguard on or about 1st December 1997.

6. Skidguard has failed to pay to the Plaintiff the sums due under the obligations referred to in paragraph 3 above, namely

6.1 US\$250,000 and accrued interest of US\$2,212.32 thereon;

6.2 US\$250,000; or

6.3 US\$75,000;

or any part thereof on the due dates or at all and the said sums remain due and owing from Skidguard to the Plaintiff. Skidguard has ceased trading, and, so far as the Plaintiff is aware, is insolvent.

7. In the premises, the Defendant, Mr Robertson, Sagaar and AAC and each of them became liable to pay to the Plaintiff the following sums on the dates set out below:

7.1 US\$250,000 and accrued interest of US\$2,212.32 and of US\$1,986.30 on 22 June 1997;

7.2 US\$250,000 on or about 31 December 1997;

7.3 US\$75,000 on or about 31 December 1997.

8. The Defendant, Mr Robertson, Sagaar and AAC and each of them have failed to pay the sums set out in paragraph 7 above or any part thereof and the said sums remain due and owing to the Plaintiff by inter alia the Defendant at the date of issue hereof.

9. Further or alternatively:

9.1 Repayment of the obligations A, B and C and/or satisfaction of the Guarantee was demanded on a number of occasions in late 1997 and early 1998 by the Plaintiff (who left a number of phone messages with Mr Robertson to such effect) and by Jeff Klein who spoke to Mr Robertson on the Plaintiff's behalf. Further, in May 1998 Mr Robertson on his own behalf and on behalf of the other guarantors orally admitted to the Plaintiff and, subsequently, to the Plaintiff's lawyer Jeffrey Melcher then of Cofer Beauchamp, Stradley & Hicks LLP in Atlanta that the Guarantee had to be satisfied. A letter dated 23 June 1998 and demanding repayment under the Guarantee was also forwarded by the Plaintiff's said lawyer to Mr Robertson's last two known addresses.

9.2 In the premises Mr Robertson acting on his own behalf and on behalf of inter alia the Defendant, orally agreed with the Plaintiff and the Plaintiff's agent that the sum of US\$575,000 would be paid to the Plaintiff by the Defendant.

9.3 The Defendant has failed to pay the said or any sum to the Plaintiff which remains due and owing on the said account stated.

10. Further the Plaintiff claims and is entitled to interest pursuant to the Judicature Law at 7 $\frac{3}{8}$ per cent per annum as follows:

- 10.1 On the sums of US\$250,000 and accrued interest thereon of US\$ from 22 June 1997 to the date of issue hereof in the sum of US\$27,478.70 and continuing at the daily rate of US\$51.36 until judgment or sooner payment;
- 10.2 On the sum of US\$250,000 from 31 December 1997 to the date of issue hereof in the sum of US\$17,326.20 and continuing at the daily rate of US\$50.51 until judgment or sooner payment
- 10.3 On the sum of US\$75,000 from 31 December 1997 to the date of issue hereof in the sum of US\$5,197.86 and continuing at the daily rate of US\$15.15 until judgment or sooner payment;
- 10.4 Alternatively, on the sum of US\$575,000 from 30 May 1998 to the date of issue hereof in the sum of US\$ and continuing at the daily rate of US\$116.18 until judgment or sooner payment;


alternatively, on such sums at such rate and for such period as the Court thinks fit.

AND THE PLAINTIFF CLAIMS:

1. The sum of US\$575,000;
2. The sum of US\$4,198.62 being accrued interest pursuant to the promissory note dated 17 April 1997;
3. Alternatively, the total sum of US\$575,000 due on the oral account stated;
4. Interest upon the said sums pursuant to the Judicature Law as set out in paragraph 10 above;
5. Costs.

If, within the time for returning the Acknowledgment of Service, the Defendant pays the total amount claimed (including interest and costs) further proceedings will be stayed. The money must be paid to the Plaintiff or his Attorney.

DATED THIS 9th day of December 1998.


W.S. WALKER & COMPANY
Attorneys-at-Law for the Plaintiff

THIS WRIT AND STATEMENT OF CLAIM is issued by W.S. Walker & Company, Attorneys-at-Law for the Plaintiff herein, whose address for service is that of its said Attorneys-at-Law, P.O. Box 265, George Town, Grand Cayman, Cayman Islands.