

IN THE GRAND COURT OF THE CAYMAN ISLANDS

Fees Paid.....
Receipt No.
Date
CAUSE NO: .. of 1999

67

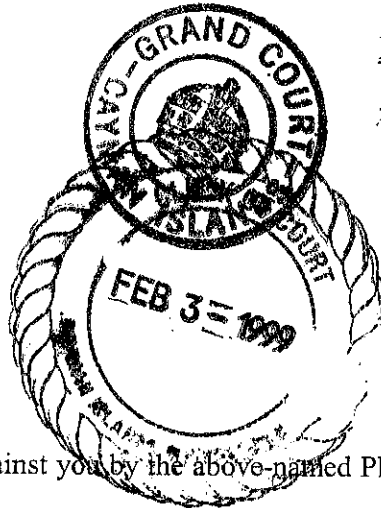
BETWEEN: **AMERICAN BUSINESS OWNERS
ASSURANCE LTD**

PLAINTIFF

AND: **IMBI LTD**

DEFENDANT

**TO: IMBI Ltd
 c/o Maples and Calder
 Ugland House
 South Church Street
 George Town
 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 495G, 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 2nd day of February, 1999.

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 Plaintiff is an insurance company which has provided general liability and property insurance to coin laundries under policies of insurance in the territory of the United States ('the original policies').
2. By a written contract of reinsurance executed on 13 April 1990 between the Plaintiff and the Defendant ('the contract') inter alia:

2.1 The Defendant, as reinsurer, agreed to indemnify the Plaintiff in respect of any liability accruing to the Plaintiff as a consequence of losses occurring under the original policies during the term of the Agreement.

2.2 The said indemnity is subject to a retention of a portion of the risk by the Plaintiff, as specified in Article VI of the contract and modified by addenda executed on 6 January 1995 and 10 January 1997 ('the retention').

2.3 Each party is entitled to set-off sums it was owed by the other party (whether in the form of claims or premiums) against sums it owed to that other party, pursuant to Article XIV of the contract.

Reference will be made to the contract at trial for its full terms and effect.

3. Article V of the contract ('Article V') provided that the contract:

'may be terminated by either party giving at least one hundred twenty (120) days prior written notice by certified mail to the other party, starting the date of termination, or by mutual agreement to other unspecified terms. The Reinsurer shall continue to be liable for losses under policies in force until the natural expiration or termination of such policies in force.'

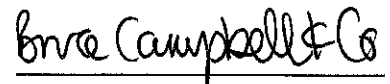
4. By a letter dated 30 September 1997 from the Plaintiff to the Defendant ('the termination notice'), the Plaintiff terminated the contract pursuant to Article V, such termination to be effective on 30 June 1997.
5. On a true construction of the contract, the effects of the termination notice were that:

5.1 the contract terminated on 30 June 1997.

5.2 the Defendant remains liable for all losses accrued and accruing to the Plaintiff under original policies entered into by the Plaintiff up to and including 30 June 1997.

AND THE PLAINTIFF CLAIMS:

- (1) A Declaration that the Defendant remains liable pursuant to the contract in respect of losses incurred by the Plaintiff under original policies entered into by the Plaintiff on or before 30 June 1997.
- (2) Costs
- (3) Further or other relief



BRUCE CAMPBELL & CO
Attorneys at Law for the Plaintiff herein

BETWEEN: AMERICAN BUSINESS OWNERS
ASSURANCE LTD

PLAINTIFF

AND: IMBI LTD

DEFENDANT

**ACKNOWLEDGEMENT OF SERVICE
OF WRIT OF SUMMONS**

If you intend to instruct an Attorney to act for you, give him this form IMMEDIATELY.

Important. Read the accompanying directions and notes for guidance carefully before completing this form. If any information required is omitted or given wrongly, THIS FORM MAY HAVE TO BE RETURNED.

Delay may result in judgment being entered against a Defendant whereby he may have to pay the costs of applying to set it aside.

1. State the full name of the Defendant by whom or on whose behalf the service of the Writ is being acknowledged -

2. State whether the Defendant intends to contest the proceedings (*tick appropriate box*)
 yes no

3. If the claim against the Defendant is for a debt or liquidated demand, AND he does not intend to contest the proceedings, state if the Defendant intends to apply for a stay of execution against any judgment entered by the Plaintiff (*tick box*)
 yes no

Service of the Writ is acknowledged accordingly

Address for service:

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

Bruce Campbell & Co. (Ref:JRM)
P.O. Box 884
4th Floor, Bank of Nova Scotia Building
George Town
Grand Cayman.
Tel: 949 2648
Fax: 949 8613

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

DIRECTIONS FOR ACKNOWLEDGMENT OF SERVICE
OF WRIT OF SUMMONS

1. The accompanying form of *Acknowledgment of Service* should be completed by an Attorney acting on behalf of the Defendant or by the Defendant if acting in person.

After completion it must be delivered or sent by post to the Law Courts, P.O. Box 495G, George Town, Grand Cayman.

2. A Defendant who states in his Acknowledgment of Service that he intends to contest the proceedings *must also serve a defence* on the Attorney for the Plaintiff (or on the Plaintiff if acting in person).

If a Statement of Claim is indorsed on the Writ (i.e. the words "Statement of Claim" appear on the top of page 2), the Defence must be served within 14 days after the time for acknowledging service of the Writ, unless in the meantime a summons for judgment is served on the Defendant.

If the Statement of Claim is not indorsed on the Writ, the Defence need not be served until 14 days after a Statement of Claim has been served on the Defendant.

If the Defendant fails to serve his defence within the appropriate time, the Plaintiff may enter judgment against him without further notice.

3. A *Stay of Execution* against the Defendant's goods may be applied for where the Defendant is unable to pay the money for which any judgment is entered. If a Defendant to an action for a debt or liquidated demand (i.e. a fixed sum) who does not intend to contest the proceedings states, in answer to Question 3 in the Acknowledgment of Service, that he intends to apply for a stay, execution will be stayed for 14 days after his Acknowledgment, but he must, within that time, *issue a Summons* for a stay of execution, supported by an affidavit of his means. The affidavit should state any offer which the Defendant desires to make for payment of the money by instalments or otherwise.

See over for notes for guidance

Please complete overleaf

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.