

IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO: 324 OF 1999

BETWEEN: COMPAGNIE D'ESCOMPTE FINANCIERS CEF SA

PLAINTIFF

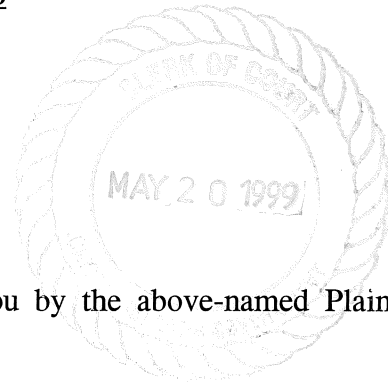
AND: GEORGIAN BAY HOLDINGS CORPORATION

DEFENDANT



WRIT OF SUMMONS

TO: Georgian Bay Holdings Corporation
c/o Maricorp Services Ltd.,
P.O. Box 2075 G.T.,
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, P.O. Box 495 G, 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 20th day of May, 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, Compagnie D'Escomptes Financiers CEF S.A. ("CEF"), is a company incorporated in Switzerland whose principal place of business is at Grellingerstrasse 75, CH-4020, Basel.
2. The Defendant, Georgian Bay Holdings Corporation ("Georgian Bay"), is a company incorporated under the Companies Law (Revised) having its registered office at Maricorp Services Ltd, P.O. Box 2075 GT, Grand Cayman. Georgian Bay is wholly owned by Gilbert Chartrand ("Chartrand").
3. At all material times Georgian Bay was the registered owner of the voting shares of eleven mutual funds (the "Funds") all of which were companies incorporated under the Companies Law (Revised) and duly registered under the Mutual Funds Law. The Funds were in turn managed by fund managers (now dissolved) (The "Fund Managers") which were themselves companies incorporated under the Companies Law (Revised). The Fund Managers were at all material times wholly owned by Georgian Bay and controlled by Chartrand. Thus, Chartrand was responsible for and did in fact manage the Funds at all material times until they were put into liquidation.
4. At all material times the non-voting participating shares of the Funds were owned by CEF.

5. By special resolutions passed on 6th June, 1996, each of the Funds was put into voluntary liquidation and Christopher D. Johnson and Alun G. Davies were appointed joint liquidators (the "liquidators"). By orders of the Court made on 10th June, 1996 (Cause Nos. 287 and 296 of 1996), it was ordered that the liquidation of the Funds continue under the supervision of the Court.
6. Between 8th February, 1995 and 11th August, 1996 Chartrand and/or the Fund Managers caused certain of the Funds to pay a total of US\$830,000.00 to Georgian Bay.

Particulars

<u>Date</u>	<u>Amount in US\$</u>	<u>Payor</u>
8 th February, 1995	75,000	Strategic Investment Fund Limited
9 th February, 1995	75,000	American Real Estate Growth Fund Limited
11 th August, 1995	75,000	Guardian Credit Fund Limited
12 th October, 1995	95,000	Brazilian Growth Fund Limited
12 th October, 1995	20,000	Argentina Income and Growth Fund Limited
12 th October, 1995	20,000	Venezuela and Latin American Fund Limited
12 th October, 1995	95,000	Pacific Rim Fund Limited
19 th December, 1995	75,000	Metropolitan Real Estate Fund
20 th December, 1995	100,000	Dome Investment Fund Limited
23 rd January, 1996	50,000	Pacific Rim Fund Limited
11 th August, 1996	150,000	Brazilian Growth Fund Limited

Total: US\$830,000.00

7. The said payments were made for no consideration or no adequate consideration without any or any proper authority and in breach of the fiduciary duty owed by Chartrand and the Fund Managers.

8. By reason of the matters aforesaid:
 - a) Georgian Bay was liable as constructive trustee to account to the said Funds for all the monies transferred;

 - b) The Funds were entitled to trace the monies transferred and Georgian Bay is liable to make restitution thereof; and/or

 - c) Georgian Bay has had and received the sum of US\$830,000 to the use of the Funds and is liable to repay it.

11. By a Deed of Settlement and Assignment made on 7th May, 1998 between, *inter alia*, CEF of the one part and the Funds (acting by their joint liquidators) of the other part, all the assets of the Funds, including their rights of action against Georgian Bay in regards this debt were assigned to CEF absolutely. By letters dated 8th July, 1998, written notice of the assignment was given on behalf of the Funds to Georgian Bay.

AND THE PLAINTIFF claims:

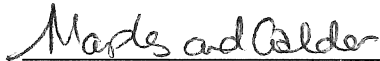
- a) A declaration that the Plaintiff is entitled to trace and the Defendant is liable to make restitution of the said sum of US\$830,000.00;

- b) Further and alternatively, judgement for the sum of US\$830,000.00 being money had and received by the Defendant;

c) Interest pursuant to statute; and

d) Costs.

Dated this 20th day of May, 1999.



Maples and Calder

This Writ of Summons was issued by Maples and Calder, attorneys for the Plaintiff, whose address for service is Uglan House, PO Box 309GT, Grand Cayman, Cayman Islands.