

IN THE GRAND COURT OF THE CAYMAN ISLANDS



CAUSE NO 711 OF 1999

BETWEEN: CLARENCE L. FLOWERS

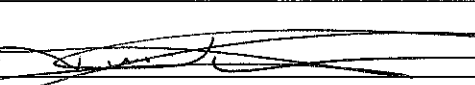
NOV 18 1999

Plaintiff

AND: THE TRADE AND BUSINESS LICENSING BOARD

Defendant

APPLICATION FOR LEAVE TO APPLY FOR JUDICIAL REVIEW

To the Clerk of the Court, Law Courts, George Town, Grand Cayman	
Name, address and description of applicant	Clarence L. Flowers PO Box 1402 GT George Town Grand Cayman, BWI  Businessman
Judgment, order, decision or other proceeding in respect of which relief is sought	A formal notice given by the defendant to the plaintiff to forward information to the defendant purportedly pursuant to sec 14(1) and (2) of The Local Companies (Control) Law
<u>Relief sought</u>	
Certiorari, declaration, stay of proceedings or, in the alternative, interlocutory injunction	
Name and address of applicant's attorneys	O. L. Panton & Co Panton Building PO Box 875 George Town Grand Cayman, BWI
Signed 	Dated this 18 <sup>th</sup> day of November, 1999

GROUNDS ON WHICH RELIEF IS SOUGHT

The grounds on which the relief is sought are the following:

1. The defendant, through its secretary, has addressed to the plaintiff, a director of Quarry Products Ltd ("the company"), a notice (exhibit "CBLF-1") to forward to the defendant the information set out therein ("the notice"). It is dated 9th November, 1999.
2. The defendant purports to have given the notice, as appears therefrom, under the provisions of sec 14(1) and (2) of The Local Companies (Control) Law.
3. The plaintiff avers that:
  - (a) The defendant did not have jurisdiction to give the notice to the plaintiff individually as a director of a local company under the provisions of sec 14(1) and (2) of The Local Companies (Control) Law ("the Law") or at all.
  - (b) A notice under sec 14(1) and (2) of the Law can only be given to "the directors of a local company", not to an individual director thereof.
  - (c) The defendant can only obtain information from an individual director of a local company in that capacity under the provisions of sec 14(3) of the Law.

- (d) The notice is not a notice under sec 14(3) of the Law.
- (e) This Honourable Court should direct that the grant of leave to apply for judicial review, if such leave is granted, shall operate as a stay of the notice until the determination of the plaintiff's application for judicial review herein or until this Honourable Court otherwise orders or, in the alternative, should grant an order of interlocutory injunction to prevent the defendant from giving any effect to the notice and, in particular, from pursuing its request to the plaintiff, in his individual capacity as a director of Quarry Products Ltd, for the information set out in the notice or for any information at all under the provisions of sec 14(1) and (2) of the Law until the determination of the plaintiff's application for judicial review herein or until this Honourable Court otherwise orders because:
- (i) Of the state of the plaintiff's health.
  - (ii) Of the strength of the plaintiff's case.
  - (iii) Failure to grant a stay of the notice or, in the alternative, to make an order of interlocutory injunction would render the proceedings herein nugatory.

Dated this <sup>17<sup>th</sup></sup> ~~17<sup>th</sup>~~ day of November, 1999

~~\_\_\_\_\_~~  
O. L. Panton & Co  
Attorneys-at-law for the plaintiff

TO: The Clerk of the Court

REQUEST FOR A HEARING

The plaintiff respectfully requests a hearing of his above application.

TIME ESTIMATE: The estimated time of the hearing of this application is one-half (1/2) hour.

THIS APPLICATION was filed by O. L. Panton & Co, the attorneys-at-law for the plaintiff, whose address for service is Panton Building, Crewe Road, P.O. Box 875-876 GT, George Town, Grand Cayman, Cayman Islands, B.W.I.

Filed on behalf of the plaintiff  
Clarence B.L. Flowers  
First affidavit  
Filed on November, 1999

IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO OF 1999

BETWEEN: CLARENCE L. FLOWERS Plaintiff

AND: THE TRADE AND BUSINESS LICENSING BOARD Defendant

**AFFIDAVIT**

I, CLARENCE BRADLEY LEVI FLOWERS, of P.O. Box 1206 GT, George Town, Grand Cayman, MAKE OATH and SAY as follows:-

1. THAT I am the plaintiff's son and I make this affidavit in support of his application for leave to apply for judicial review.
2. THAT my father is eighty-two years old and in visibly bad health. He resides with my mother, who is approximately ten years younger than him and who is his primary care-giver. They have three helpers.

3. THAT I have two brothers, Frank and Richard.
  
4. THAT my father and all other members of our family are Caymanian.
  
5. THAT I see, and speak to, my father almost every day.
  
6. THAT our family owns several well-known businesses in Cayman. We also own real property here. For instance, C.L. Flowers & Sons owns a block factory, an expanded polystyrene constructions forms business, a bulk water supply business and a bottled water business, all of which are important parts of the economic life of these Islands. Flowers Air Despatch Services performs certain support services for, *inter alia*, Cayman Airways at the Owen Roberts International Airport. Our family also owns such well-known real estate developments as Cricket Square.
  
7. THAT I and the other members of our family have been advised by my father's physicians, over a period of years, that he suffers from Parkinson's disease, which had its onset approximately ten years ago, and that he has heart, blood pressure and stomach problems of a serious nature. In addition, he is visibly depressed at least half of the time. It is obvious to me and to other members of our family that he has very little energy. He speaks in a very low voice and there are quite a few

days each month when he cannot get out of his bed at all. On good days, he walks with the assistance of a cane. He often uses a walker and sometimes cannot get around the house except in a wheelchair. He goes out of his house approximately once a week, when my mother takes him in her car to go to the supermarket or to other similar places. He normally remains in my mother's automobile while they are on an outing. My father goes to his office for short visits approximately once per month. My mother, my brothers and I try to encourage him to go out as much as we can, since we believe that it is not good for him to remain a shut-in.

8. THAT my father is never left by himself. There is always someone with him, be it my mother, one of the helpers, one of my brothers or myself. No one can see or speak to my father without the permission of a member of our family.
  
9. THAT my father can still read documents or other reading material such as newspapers. He watches television.
  
10. THAT my father takes, to my personal knowledge, a cocktail of medication each day, including two kinds of tablets to control his Parkinson's disease and tablets for his heart, blood pressure and stomach conditions.


11. THAT my father no longer participates actively in the management of our family's various businesses. Frank, Richard and I take all major decisions with respect thereto. We often mention those decisions to him in order to obtain his input: we do so, however, in a light, non-stressing manner. We do not go to him with problems.
12. THAT my brother Frank has general responsibility for the block factory, the expanded polystyrene construction forms business and for Flowers Air Despatch Services. My brother Richard is generally responsible for the bottled water business. I have general responsibility for Cricket Square. I stress, however, that my brothers and I and, to some extent, my mother are involved in all of our family's businesses.
13. THAT my mother generally deals with my father's personal financial affairs, such as household bills and wages. It is very obvious to me that my father is primarily dependant on my mother for his daily needs, whether they be personal or financial.
14. THAT my mother usually receives my father's personal mail and other written material for him. I was given, last week, a letter from Kerry Nixon, the defendant's secretary, which is addressed to my father and dated 9th November,

1999. A copy of the said letter is now shown to me and marked "CBLF-1". I have read that letter carefully and so have my mother and my brothers.

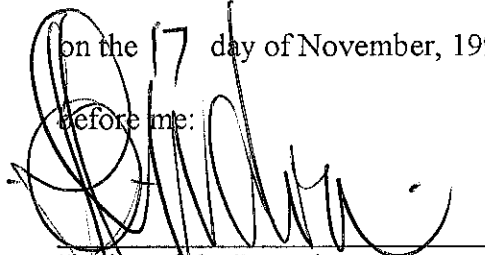
15. THAT as stated above, my mother, my brothers and I shield my father from problems. We deal with them ourselves. I was informed by my brother Frank and verily believe that he mentioned the letter exhibit "CBLF-1" to my father in an easy, non-stressing, non-threatening manner. I was further informed by my brother Frank and verily believe that my father did not visibly react to that mention. On the basis of the past practice of members of our family, neither my mother nor my brothers nor I will take the matter further with my father, at least so long as the request for information set out in that letter is still outstanding.
  
16. THAT my father's main physician practices in South Florida. I have asked him for a full report on my father's medical condition. I have not received such report as yet: I do, however, expect it by the end of this week.
  
17. THAT I have read my father's application for leave to apply for judicial review in this matter and I verify that the facts set out therein are true to my personal knowledge.

18. THAT save where otherwise stated or apparent, I make this affidavit from facts which are within my own knowledge.

Sworn to at George Town )  
on the 17 day of November, 1999 )  
before me: )  
Justice of the Peace/ )  
~~Notary Public~~ )  
Cecil H. Gordon )  
**JUSTICE OF THE PEACE** )  
Cayman Islands )



Clarence B.L. Flowers



THIS AFFIDAVIT was filed by O. L. Panton & Co, the attorneys-at-law for the plaintiff, whose address for service is Panton Building, Crewe Road, P.O. Box 875-876 GT, George Town, Grand Cayman, Cayman Islands, B.W.I.

Filed on behalf of the plaintiff  
Clarence B.L. Flowers  
First affidavit  
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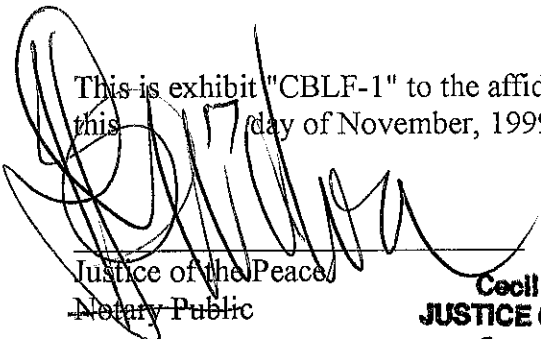
IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO OF 1999

BETWEEN: CLARENCE L. FLOWERS Plaintiff

AND: THE TRADE AND BUSINESS LICENSING BOARD Defendant

This is exhibit "CBLF-1" to the affidavit of Clarence B. L. Flowers sworn to before me  
this 7 day of November, 1999.

  
Justice of the Peace  
Notary Public

**Cecil H. Gordon**  
**JUSTICE OF THE PEACE**  
Cayman Islands



CAYMAN ISLANDS

**TRADE & BUSINESS  
LICENSING BOARD  
P.O. Box 1098G  
Grand Cayman**

**Tele: (345) 949-8344  
Fax: (345) 949-8486**

9 November 1999

Mr. C.L. Flowers  
Director  
Quarry Products Ltd.  
P.O. Box 93 GT  
Grand Cayman, Cayman Islands

Dear Mr. Flowers:

**Re: Quarry Products Ltd. ("Company")**

Based upon information received by the Trade and Business Licensing Board ("Board") concerning the Company, the Board understands that:

- (a) You have been a director of the Company continuously since 29 March 1984.
- (b) The Company's financial statements as of 31 March 1998 show CI\$1,984,120 as "shareholder loan receivable." Note 7 to the financial statements indicate that this receivable "is interest free with no fixed term of repayment."
- (c) As a director of the Company, you attended a meeting of the Directors of the Company held on 2 May 1999 at which transfer of 6,000 shares in the Company from High Rock Technologies Ltd. to Steve McField was approved and also at which Mr. McField was purportedly appointed as a director of the Company.

I am directed by the Board in accordance with the provisions of Sections 14(1) and (2) of the Local Companies (Control) Law ("Law") to require that you forward to the Board the following information related to the Company:

- (1) Please provide full details as to all dividends that have been recommended by the Directors of the Company to be paid to shareholders of the Company since you became a director in 1984.
- (2) Please identify "the shareholder" who owes the Company CI \$1,984,120 as referred to in paragraph (b) above.

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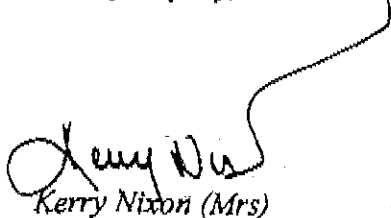
P2/2

Mr. C.L. Flowers  
Director  
Quarry Products Ltd.  
P.O. Box 93 GT  
Grand Cayman, Cayman Islands

- (3) Please indicate full details as to what (if any) authorisation you and/or the other Directors of the Company gave for the Company to pay out a total of CI \$1,984,120 to "the shareholder" as referred to in paragraph (b) above. As relevant, please provide copies of all minutes of meetings of the Directors evidencing such authorisation as well as copies of all documentation, evidencing the Company's security for such loans to "the shareholder."
- (4) As concerns paragraph (c) above, when Mr. McField applied for approval of the transfer of shares, did the Directors enquire of Mr. McField as to his beneficial ownership of the shares for the purposes of Section 9(2) of the Law? If so, what responses did the Directors receive?
- (5) Are you aware that, in support of the Company's application for renewal of its Trade and Business Licence, the Company's lawyer represented to the Board that High Rock Technologies Ltd. (which held 60% of the shares in the Company prior to the transfer of shares to Mr. McField) had been restructured in April 1999 so that Mr. Peter Polack became its sole shareholder? Are you further aware that Mr. Polack subsequently advised the Board that he was unaware of such restructuring, that he had advised Mr. Christiansen in October 1991 that he (Mr. Polack) wished to relinquish his shares and cease involvement with the Company, and that he never paid for such shares?
- (6) As it relates to the operation and control of the Company, please describe your relationship and dealings with Richard L. Christiansen.

Please let us have your written responses to all of the foregoing, including copies of the documents requested, as well as such other supporting documentation as you may wish to supply, delivered to the undersigned Secretary no later than 22 November 1999. Please note the provision of Section 14(6) of the Law in the event you fail to comply with all or any of the requirements specified in this notice.

Yours faithfully,



Kerry Nixon (Mrs)

Secretary, Trade & Business Licensing Board