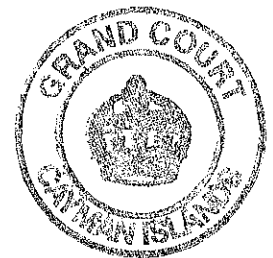


IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO. 786 OF 1999

BETWEEN: ROYAL BANK OF CANADA PLAINTIFF
AND: G. BRYCE MERREN DEFENDANT

TO: G. Bryce Merren
PO Box 10503
Airport Post Office
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 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 15th day of December 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

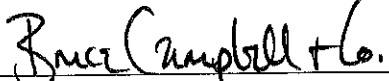
1. The Plaintiff is a Cayman Islands Class "A" Licensed bank ("the Bank"), duly authorised under the laws of the Cayman Islands to, *inter alia*, offer retail facilities to its customers. The Defendant is, and was, at all material times a resident of the Cayman Islands and a retail customer of the Plaintiff.
2. In and about August 1996, the Bank extended to the Defendant at his request an overdraft facility ("the facility") to a C.I. dollar account no. 100-136-1 ("the account") held to the Defendant's order in the name of Bayside Boutique.
3. By a guarantee in writing dated 4th November 1996 and in consideration of the Bank giving credit in the form of the facility and/or other accommodation to the account, the Defendant guaranteed to the Bank the payment of all sums of money at any time due on the account to the Bank provided that the total amount recoverable should not exceed CI\$30,000.00 together with interest thereon under the guarantee at the rate of the Bank's prime interest rate prevailing from time to time plus 3% per annum.
4. By letter dated 12th October 1999, the Bank demanded payment from the Defendant pursuant to the said guarantee of the sum of CI\$30,685.21.
5. Despite demand, the Defendant has failed, refused and/or neglected to pay the amount referred to in paragraph 4 above and as at the date hereof the amount due to the Plaintiff by the Defendant as guarantor of the facility pursuant to the said guarantee is CI\$31,283.91.
6. The Plaintiff is therefore entitled to and claims interest pursuant to the said guarantee at the rate of CI\$9.52 per day, or alternatively pursuant to section 34(1) of the Judicature Law (1995 Revision).

WHEREFORE THE PLAINTIFF CLAIMS:-

1. Judgement in the sum of CI\$31,283.91.
2. Pre and post-judgement interest at the daily rate of CI\$9.52 per day until payment under the said guarantee.
3. Alternatively, pre and post-judgement interest pursuant to Section 34(1) of the Judicature Law (1995 Revision).
4. Costs.
5. Such further and/or other relief.

If, within the time for returning the Acknowledgment of Service, the Defendant pays the total sum claimed of CI\$31,283.91 plus interest calculated at CI\$9.52 per day from 14th December 1999 until payment, the further sum of CI\$500.00 in respect of costs and fees further proceedings will be stayed. The funds must be paid to the Plaintiff or its Attorney.

DATED this 15th day of December 1999.


BRUCE CAMPBELL & CO.
Attorneys at law for the Plaintiff

IN THE GRAND COURT OF THE CAYMAN ISLANDS

786
CAUSE NO. OF 1999

BETWEEN: ROYAL BANK OF CANADA PLAINTIFF
AND: G. BRYCE MERREN DEFENDANT

ACKNOWLEDGMENT 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.

2. State the full name of the Defendant by whom or on whose behalf the service of the Writ is being acknowledged - **G. BRYCE MERREN**

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

4. 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

(Signed) _____
[Attorney] For the Defendant

Address for service:

Please complete overleaf

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, PO 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 judgement 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 judgement 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 judgement 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 installments 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 is 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 action for a guardian *ad litem*.
8. A Defendant acting in person may obtain help in completing the form at the Courts Office