

IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE No. 120 of 2001

BETWEEN: HSSM # 7 LIMITED PARTNERSHIP **PLAINTIFF**
AND: PAUL BILZERIAN **FIRST DEFENDANT**
AND: BANK OF BUTTERFIELD **SECOND DEFENDANT**
INTERNATIONAL (CAYMAN) LTD.
AND: BICOASTAL HOLDING COMPANY **THIRD DEFENDANT**
AND: OVERSEAS HOLDING COMPANY **FOURTH DEFENDANT**

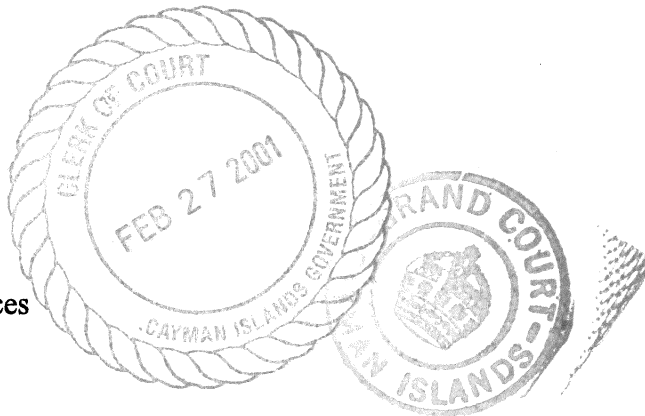
WRIT OF SUMMONS

TO: Mr. Paul Bilzerian
16229 Villareal de Avila
Tampa, Florida, U.S.A.
33613

TO: Bank of Butterfield International (Cayman) Ltd.
Butterfield House, P.O. Box 705 GT,
Grand Cayman, Cayman Islands

TO: Bicoastal Holding Company
Myers & Alberg
P.O. Box 472 GT
Grand Cayman, Cayman Islands

TO: Overseas Holding Company
International Corporation Services
P.O. Box 472 GT
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 28 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 495G, George Town, Grand Cayman, the accompanying Acknowledgment of Service stating therein whether you intend to contest these proceedings.

If you fail to satisfy the claim or to return the Acknowledgment within the time stated, or if you return the Acknowledgment 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 27th day of February 2001.

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 Acknowledgment of Service are given with the accompanying form.

STATEMENT OF CLAIM

A. PARTIES

1. The plaintiff (hereinafter "HSSM") is a limited partnership established under the laws of the State of Texas, one of the United States of America.
2. The first defendant (hereinafter "Bilzerian") is an individual who resides in Tampa, in the State of Florida, one of the United States of America at 16229 Villareal de Avila, Tampa, Florida, 33613. Bilzerian was, until recently, President of Cimetricx Incorporated, (hereinafter "Cimetricx") a corporation having its headquarters at 6979 South High Tech Drive, Salt Lake City, in the State of Utah, one of the United States of America. Currently, Bilzerian is in jail and his address is Lake County Jail, 551 W. Main Street, Taveres, Florida, U.S.A. 32778.
3. The second defendant, Bank of Butterfield International (Cayman) Ltd. (hereinafter "Bank of Butterfield") is a bank organized and carrying on business under the laws of

the Cayman Islands as an ordinary resident company with a registered office at Butterfield House, P.O. Box 705, Grand Cayman, Cayman Islands.

4. The third defendant, Bicoastal Holding Company, (hereinafter "Bicoastal Holding") is an exempt company organized and registered under the laws of the Cayman Islands and has its registered office at Myers & Alberga, P.O. Box 472 GT, George Town, Grand Cayman, Cayman Islands.
5. The fourth defendant, Overseas Holding Company (hereinafter "Oversea Holding") is an exempt company continued and registered under the laws of the Cayman Islands and has its registered office at International Corporation Services. P.O. Box 472 GT, Grand Cayman, Cayman Islands.

B. FACTS

(i) The Investment

6. In September of 1987, HSSM invested US\$20.4 million in the Suncoast Partners Limited Partnership (hereinafter "Suncoast"), established on 22nd May 1987 as a Florida Limited partnership.
7. HSSM, at all material times, was the sole limited partner of Suncoast. The general partner of Suncoast was Bicoastal Financial Corporation (hereinafter "BFC"), a Florida corporation with a registered agent in the State of Florida, Michael Ingram, 109 North Bush Street, Suite 400, Tampa, Florida, 33602.
8. Bilzerian, at all material times, was the President and a director of BFC and controlled not only BFC but also Suncoast.

9. As will become clear later, HSSM's investment in Suncoast was induced by Bilzerian's fraud. Although HSSM recovered a final and conclusive judgment for return of the investment (and other relief), none of the judgment amount has ever been paid or recovered.

(ii) The Texas Judgment

10. On 2nd April 1991 (subsequently varied on 11th April 1991, nunc pro tunc) HSSM recovered a judgment against Bilzerian and BFC (hereinafter the "Judgment") in the United States District Court for the Northern District of Texas, Dallas Division (hereinafter the "U.S. Court/Texas").

11. The Judgment held that the agreement which led to HSSM's investment of US\$20.4 million in Suncoast was based on fraud by Bilzerian. As a result, the agreement was rescinded for fraud and:

(1) Bilzerian and BFC were ordered, jointly and severally, to pay to HSSM US\$26,861,312.78; and

(2) Bilzerian and BFC each were ordered to pay:

(a) Punitive damages of US\$1,224,000.00; and

(b) Post-judgment interest on US\$1,224,000.00 at 6.46% per annum;
and

(c) Post-judgment interest on all amounts due from them jointly and severally at 6.46% per annum.

12. Subsequently, HSSM's costs were fixed at US\$20,006.75 on 24th February 1992 by the U.S. Court/Texas.
13. Also on 24th February 1992, the U.S. Court/Texas ordered registration of its Judgment (including the award of costs) and denied all other motions.
14. The trial before the U.S. Court/Texas lasted from 23rd July 1990 to 30th July 1990, with the jury rendering its verdict on 31st July 1990. Both Bilzerian and BFC appeared and were represented by counsel. The U.S. Court/Texas was duly constituted and held in accordance with the laws of the State of Texas, U.S.A. and had jurisdiction in that behalf.

(iii) Appeal From the U.S. Court/Texas

15. Bilzerian and BFC appealed the Judgment to the United States Court of Appeals for the Fifth Circuit. That latter court, on 9th March 1993, affirmed the Judgment.
16. The decision affirming the Judgment was not appealed and the Judgment constitutes a final and conclusive Judgment of a foreign court of competent jurisdiction, in an action in personam, creating a judgment debt enforceable in the Cayman Islands.

(iv) Bankruptcy Proceedings

17. On 5th August 1991, both Bilzerian and BFC filed voluntary bankruptcy proceedings.

18. On 24th July 1992, HSSM filed a complaint in the bankruptcy court for the Middle District of Florida (hereinafter the "Bankruptcy Court") against Bilzerian that the Judgment was not a debt dischargeable by the bankruptcy.
19. On 1st November 1993, the Bankruptcy Court held that the debt created by the Judgment was a dischargeable debt. HSSM appealed the Order to the United States District Court Middle District of Florida, Tampa Division (hereinafter "U.S. Court/Florida").
20. The U.S. Court/Florida, sitting as the appellate court from the Bankruptcy Court, on 28th July 1995, reversed the Bankruptcy Court and ordered the latter to enter a summary judgment that the debt was not discharged by Bilzerian's bankruptcy.
21. Bilzerian appealed the decision of the U.S. Court/Florida to the United States Court of Appeals for the Eleventh Circuit. The latter court, on 3rd December 1996, denied all of Bilzerian's motions and affirmed the decision of the U.S. Court/Florida reversing the order of the Bankruptcy Court.
22. In January 2001, Bilzerian again filed voluntary bankruptcy proceedings in the Bankruptcy Court. On 8th February 2001, the Bankruptcy Court dismissed Bilzerian's case. In the course of that ruling, the Bankruptcy Court noted that the debt to HSSM had already been determined, in the first bankruptcy, as not being dischargeable by bankruptcy.

(v) Bilzerian Hiding Assets

23. HSSM has never been able to collect or recover any of the Judgment which Judgment is now final and binding on Bilzerian under U.S. law.

24. Bilzerian has taken deliberate measures to hide his assets, using a complex network of his wife, Terri Lee Steffen, his children, other nominees, corporations, partnerships, a Cook Islands Trust and accounts in the Cayman Islands, including accounts at the Bank of Butterfield, whether in his name or not and whether solely or jointly owned. Bilzerian has used the following nominees or entities in the past to frustrate order of various courts.

1. Adam T. Bilzerian Son
2. Dan B. Bilzerian Son
3. Mark Bilzerian Brother
4. Joan Bilzerian Mother
5. Terri Lee Steffen a/k/a/ Terri L. Steffen Wife
6. Harry L. Steffen Father-in-law
7. Lois Lanning Steffen Mother-in-law
8. Bicoastal Financial Corporation
9. Bicoastal Holding Company Third Defendant
10. Overseas Holding Limited Partnership
11. Overseas Holding Company Fourth Defendant
12. Lanning Corporation
13. Loving Spirit Foundation Inc.
14. 3 S Media Corporation
15. Paul A. Bilzerian and Terri L Steffen 1994 Irrevocable Trust
16. Paul A. Bilzerian and Terri L Steffen 1995 Revocable Trust
17. Judy Homan Officer of Loving Spirit Foundation Inc.
18. Brit E. Solberg Officer of Loving Spirit Foundation Inc.

25. Bilzerian is the beneficial owner of the assets hidden in the aforementioned complex network including the assets hidden in the Cayman Islands with and/or through those mentioned in paragraph 24 above.

26. Bicoastal Holding and Overseas Holding unlawfully conspired with Bilzerian and others referred to in paragraph 24 above by unlawful means for the unlawful purposes of hiding/concealing the true beneficial ownership of Bilzerian's assets and their location, through the complex network referred to in paragraph 24 above, so as to deceive HSSM about the availability of funds to satisfy its Judgment and to injure HSSM. The unlawful means was the complex network referred to in paragraph 24 above and financial institutions (including the Bank of Butterfield), companies and entities of which Bicoastal Holding and Overseas Holding are aware but, to date, have been hidden by them from HSSM. Bicoastal Holding and Overseas Holding knowingly participated in and facilitated the tortuous conduct of deceit by Bilzerian and others by acts done in furtherance of the conspiracy.
27. Bilzerian, his wife, Terri Lee Steffen, and other members of his family live a lavish lifestyle in a 37,000 square foot mansion in the Avila subdivision in Tampa, Florida and also have a winter home in Minnesota.
28. On 21st August 2000, the U.S. District Court for the District of Columbia held Bilzerian in contempt of disgorgement and prejudgment interest orders obtained against him by the Securities and Exchange Commission. Currently, Bilzerian owes the Securities and Exchange Commission approximately US\$83,200,000.
29. Bilzerian controls over 3 million shares of Cimetrix (approximately 20% of the stock) through a holding company, family members and other corporations. His salary, until recently, was paid directly to his holding company.

C. AMOUNT OWING TO 20th FEBRUARY 2001

30. The amount owing on the Judgment, as of 26th February 2001, is US\$46,069,487.21, calculated as follows:

(1)	Return of investment	US\$19,839,000.00
(2)	Prejudgment interest to 2 nd April 1991	US\$ 7,022,312.78
(3)	Punitive Damages	US\$ 1,224,000.00
	Total Judgment	<u>US\$28,085,312.78</u>
(4)	Post-judgment interest at 6.46% per annum from 3 April 1991 to 26 th February 2001 (9 years & 329 days)*	US\$17,964,167.68
(5)	Costs	<u>US\$ 20,006.75</u>
	Total Owing	US\$46,069,487.21

* Post-judgment interest continues at US\$4,970.72 per day from 27th February 2001.

D. ROLE OF THE BANK OF BUTTERFIELD

31. The Bank of Butterfield, having got mixed up (involved, participated) in the fraudulent and tortious activities of Bilzerian, so as to facilitate his wrongdoing, owes a duty to the Plaintiff to assist the plaintiff by giving it full information about any transactions involving Bilzerian, whether directly or indirectly and whether done in his name or done through the complex network referred to in paragraphs 24 and 25 above and by giving the identities of all of the members of the complex network who have facilitated the fraud.

E. PLAINTIFF'S CLAIM

32. HSSM claims from Bilzerian:

(1). Enforcement of the Judgment by a judgment of this Honourable Court in the amount of US\$46,069,487.21;

(2). A Mareva injunction prohibiting Bilzerian from disposing, whether by removal or otherwise, any and all assets in the Cayman Islands beneficially owned by him, whether such assets are held in his name or not and whether solely or jointly owned and whether real or personal property; in particular, the following assets:

(a) any assets which are in the Cayman Islands, whether in an account or not, in the name of Bilzerian or in the name of any of the following, to include any account for which Bilzerian, or any of the following, has signing authority:

- | | | |
|-----|---|------------------|
| 1. | Adam T. Bilzerian | Son |
| 2. | Dan B. Bilzerian | Son |
| 3. | Mark Bilzerian | Brother |
| 4. | Joan Bilzerian | Mother |
| 5. | Terri Lee Steffen a/k/a/ Terri L. Steffen | Wife |
| 6. | Harry L. Steffen | Father-in-law |
| 7. | Lois Lanning Steffen | Mother-in-law |
| 8. | Bicoastal Financial Corporation | |
| 9. | Bicoastal Holding Company | Third Defendant |
| 10. | Overseas Holding Limited Partnership | |
| 11. | Overseas Holding Company | Fourth Defendant |

12. Lanning Corporation
13. Loving Spirit Foundation Inc.
14. 3 S Media Corporation
15. Paul A. Bilzerian and Terri L Steffen 1994 Irrevocable Trust
16. Paul A. Bilzerian and Terri L Steffen 1995 Revocable Trust
17. Judy Homan Officer of Loving Spirit Foundation Inc.
18. Brit E. Solberg Officer of Loving Spirit Foundation Inc.

- (b) any assets which are in the Cayman Islands, whether in an account or not, beneficially owned by or controlled, directly or indirectly, by Bilzerian but held in the name of another person or entity, including any trust or trust company, for any or the persons referred to in (2)(a) above.
- (3). Leave of this Honourable Court to serve the Writ of Summons out of the jurisdiction on Bilzerian pursuant to the provisions of Order 11, r.(1) (b) and (m);
 - (4). Pre-judgment interest at the rate of 6.46% per annum, in accordance with section 34 of the Judicature Law, calculated from 27th February 2001 with US\$4,970.72 claimed as at the date of issue of the writ and US\$4,970.72 per day thereafter until judgment;
 - (5). Post judgment interest at 6.46% per annum.
 - (6). It's attorneys' costs and fees of this action on a full indemnity basis;
 - (7). Tracing orders; and
 - (8). Such further and other relief as to this Honourable Court may seem just.

33. HSSM claims from the Bank of Butterfield:

(1) A discovery order that the Bank of Butterfield:

(a) Disclose to HSSM in writing at once and, in any event, no later than fifteen working days after the date of service of the order upon it, the sums and balances at present standing in the name of Bilzerian, in the name of another person or entity but beneficially owned by or controlled by, directly or indirectly, Bilzerian or in the name of one or more of the following, to include any account for which Bilzerian, or any of the following, has signing authority:

1. Adam T. Bilzerian Son
2. Dan B. Bilzerian Son
3. Mark Bilzerian Brother
4. Joan Bilzerian Mother
5. Terri Lee Steffen a/k/a/ Terri L. Steffen Wife
6. Harry L. Steffen Father-in-law
7. Lois Lanning Steffen Mother-in-law
8. Bicoastal Financial Corporation
9. Bicoastal Holding Company Third Defendant
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17. Judy Homan Officer of Loving Spirit Foundation Inc.

18. Brit E. Solberg Officer of Loving Spirit Foundation Inc.

The information must be confirmed in an affidavit which must be served on HSSM's attorneys-at-law within the said period of fifteen working days after service of the order upon it; and

(b) Disclose to HSSM and permit HSSM to take copies, within fifteen working days of the date of service of the order:

(i) All correspondence passing between the Bank of Butterfield and the account holders referred in clause 33 (1)(a) above from 1st January 2000 on;

(ii) All cheques, or copies of cheques, drawn on the account of any of the account holders referred to in clause 33 (1)(a) above from 1st January 2000; and

(iii) All credit and/or debit vouchers, transfer applications and orders and internal memoranda relating to every account of any of the account holders referred to in clause 33 (1)(a) above from 1st January 2000 on.

(2). A declaration that the Bank of Butterfield holds the sums and balances, referred to in clause 33 (1)(a) above, as a constructive trustee for HSSM;

(3). Tracing orders; and

(4). Such further and other relief as to this Honourable Court may seem just.

34. HSSM claims from Bicoastal Holding and Overseas Holding:

(1). Damages for conspiracy in the amount of US\$46,069,487.21;

(2) A Mareva injunction prohibiting Bicoastal Holding and Overseas Holding, and each of them, from disposing, whether by removal or otherwise, any and all assets in the Cayman Islands beneficially owned by them or each of them, whether such assets are held in its name or not, whether solely or jointly owned and whether real or personal property;

(3) A discovery order that Bicoastal Holding and Overseas Holding, and each of them, disclose to HSSM in writing at once and, in any event, no later than fifteen working days after the date of service of the order upon it, the sums and balances at present standing, in any financial institution or other company or entity, in the name of Bilzerian, in the name of another person or entity but beneficially owned by or controlled by, directly or indirectly, Bilzerian or in the name of one or more of the following, to include any account for which Bilzerian, or any of the following, has signing authority:

- | | |
|--|------------------|
| 1. Adam T. Bilzerian | Son |
| 2. Dan B. Bilzerian | Son |
| 3. Mark Bilzerian | Brother |
| 4. Joan Bilzerian | Mother |
| 5. Terri Lee Steffen a/k/a/ Terri L. Steffen | Wife |
| 6. Harry L. Steffen | Father-in-law |
| 7. Lois Lanning Steffen | Mother-in-law |
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18. Brit E. Solberg Officer of Loving Spirit Foundation Inc.

The information must be confirmed in an affidavit which must be served on HSSM's attorneys-at-law within the said period of fifteen working days after service of the order upon it.

- (4) A declaration that Bicoastal Holding and Overseas Holding, and each of them, hold all assets beneficially owned by them, or either of them, as constructive trustees for HSSM;
- (5) Tracing orders;
- (6) Pre-judgment interest at the rate of 6.46% per annum, in accordance with the Judicature Law, calculated from 27th February 2001;
- (7) Post-judgment interest at 6.46% per annum;
- (8) Its attorneys' costs and fees of this action on a full indemnity basis; and
- (9) Such further and other relief as to this Honourable Court may seem just.


ORREN MERREN & COMPANY
Attorneys-at-Law for the PLAINTIFF

This Writ was issued by Messrs. Orren Merren & Company, the attorneys-at-law for the Plaintiff, whose address for service is Kirk House, Third Floor, Albert Panton Street, P.O. Box 481G, Grand Cayman, Cayman Islands, British West Indies.

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 endorsed on the Writ (i.e. the words "Statement of Claim" appear on the top of page 2), the Defence must be served within 28 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 endorsed 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 28 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.

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.

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

Orren Merren & Company
Attorneys-at-Law
P.O. Box 481G
Kirk House 3rd Floor
Albert Panton Street
Grand Cayman, B.W.I.

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