

IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO. 119 of 2001

BETWEEN

CIBC BANK & TRUST COMPANY (CAYMAN) LTD.

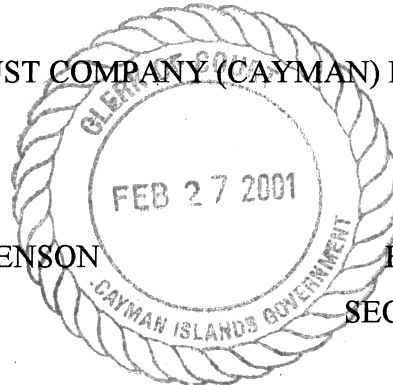
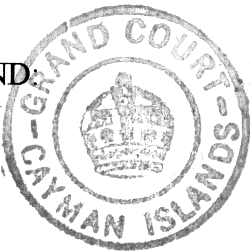
PLAINTIFF

AND: MALCOLM STEPHENSON

FIRST DEFENDANT

COLIN PANTON

SECOND DEFENDANT



**WRIT OF SUMMONS**

TO: The First Defendant, Malcolm Stephenson, of PO Box 911GT, Grand Cayman, BWI

AND TO: The Second Defendant, Colin Panton of P.O. Box 911GT, 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 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 495 GT, 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 Plaintiffs may proceed with the action and judgement may be entered against you forthwith without further notice.

ISSUED this                      day of February 2001.

**NOTE:** This Writ may not be served later than 4 calendar 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.

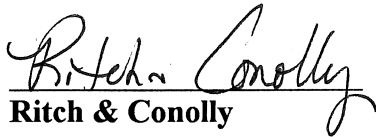
**STATEMENT OF CLAIM**

1. By a Credit Agreement dated the 19<sup>th</sup> day of June 1998 (renewed on 27<sup>th</sup> August 1999) (“the Agreement”) and made between the Plaintiff and one Obelisk Ltd. (“Obelisk”), the said Obelisk in consideration of the sum of CI\$950,000.00 being made available by way of facilities for loans and/or overdrafts (“the facility”), covenanted to repay the full sum of the facility in accordance with the terms of the Agreement together with interest thereon at the rate of 2% per annum over the prime lending rate for Cayman Island dollar loans.
2. Further, in consideration of the Plaintiff granting the facility, Obelisk as beneficial owner of the property registered as Prospect, Block 23C, Parcel 66 charged its freehold interest in the land and buildings comprised in the said title to secure the payment to the Plaintiff of the principal sum up to a maximum of CI\$950,000.00, together with interest at the rate of 2% per annum over the prime lending rate for Cayman Island dollar loans. The Chargor, Obelisk, further covenanted to repay the principal sum on demand together with any interest then due.
3. On 5<sup>th</sup> February 2001, demand was made of Obelisk to pay to the Plaintiff the sums outstanding under the facility together with accrued interest. To date, Obelisk has failed to pay the said sum or any part thereof.
4. Still further, for valuable consideration, the First and Second Defendants herein respectively entered into separate Guarantees, both dated 20<sup>th</sup> January 1999, whereby they guaranteed payment to the Plaintiff of the liabilities incurred by Obelisk up to a maximum sum of CI\$950,000.00 and interest.
5. The Guarantees, inter alia, provided by Clause 10, that the Defendants “*Shall make payment to the bank of the amount of the liability of the Guarantor forthwith after demand therefor is made in writing and such demand shall be deemed to have been effectively made when an envelope containing it addressed to the Guarantor at the last address of the Guarantor known to the bank is deposited, postage prepaid and registered, in the Post Office and the liability of the Guarantor shall bear interest at the rate of 16% per annum from the date of such demand.*”
6. In accordance with the said provision, demands were made of the First and Second Defendants respectively by way of letters from the firm of Ritch & Conolly dated 5<sup>th</sup> February 2001, in accordance with the said Clause 10.
7. Despite such demands, the Defendants have failed to pay the said sum of CI\$950,000.00 or any part thereof, including interest.
8. Clause 1 of the said Guarantees further provides that “If more than one Guarantor executes this instrument the provisions hereof shall be read with all grammatical changes thereby rendered necessary and each reference to the Guarantor shall include the undersigned and each and every one of them severally *and this Guarantee and all covenants and agreements herein contained shall be deemed to be joint and several.*”

**AND THE PLAINTIFF CLAIMS** as against the First and/or Second Defendants:

1. The said sum of CI\$950,000.00;
2. Interest at the aforesaid rate of 16% per annum from the 5<sup>th</sup> day of February 2001 until Judgment or payment, whichever is the earlier;
3. Costs;
4. Further or other relief;

Dated this 26<sup>th</sup> day of February 2001.

  
**Ritch & Conolly**

This Writ of Summons was issued by Ritch & Conolly, Attorneys-at-Law for an on behalf of the Plaintiff herein whose address for service is that of their said Attorneys at Law of PO Box 1994 GT, Fourth Floor, Queensgate House, 113 South Church Street, George Town, Grand Cayman, B.W.I.

BETWEEN:

CIBC BANK AND TRUST COMPANY  
(CAYMAN) LTD

PLAINTIFF

AND:

MALCOLM STEPHENSON  
COLIN PANTON

FIRST DEFENDANT  
SECOND 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 Judgement being entered against a Defendant whereby he may have to pay the costs of applying to set it aside.

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

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2. State whether the Defendant intends to contest the proceedings (*tick appropriate box*)

Yes

No

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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 judgement entered by the Plaintiff (*tick box*)

Yes

Service of the Writ is acknowledged accordingly

(Signed) .....

[Attorney] for

[Defendant in person]

Address for service:

**Please complete overleaf**

*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*

Messrs. Ritch & Conolly  
PO Box 1994 GT  
Grand Cayman  
Ref: DAM/CIBC/Obelisk

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