

IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO: 314 OF 2002

BETWEEN

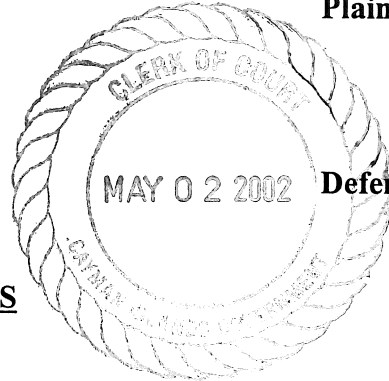
SIMON HEARN

Plaintiff

AND

RHONDA HARRIS

Defendant



WRIT OF SUMMONS

TO: Rhonda Harris, c/o Plantana Condominiums, Seven Mile Beach, Grand Cayman

**THIS WRIT OF SUMMONS** has been issued against you by the above named Plaintiff of PO Box 1369 George Town, 35 Sea Spray Drive, Bodden Town, Grand Cayman in respect of the claims 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, P.O. Box 495, 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 any 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 \_\_\_\_\_ day of May, 2002.

**NOTE** this Writ may not be served later than 4 calendar months beginning with that date unless renewed by order of the Court

**IMPORTANT**

Directions for the Acknowledgement of service are given with the accompanying form.

## STATEMENT OF CLAIM

1. The Plaintiff is a British Citizen who has resided in Grand Cayman since 1986 and is presently employed as a Compliance Officer with International Insurance Management Company.
  
2. The Defendant is a Canadian citizen presently residing at Plantana Condominiums, Seven Mile Beach in Grand Cayman and is employed by Treasure Island Resort as an administrator.
  
3. The Plaintiff first met the Defendant on or about April 2000. The Plaintiff initially met the Defendant on a North Sound sailing trip and subsequently employed her as a personal fitness trainer at World Gym, where she worked part-time. Subsequently the Plaintiff and the Defendant formed an intimate relationship.
  
4. In early July 2000 the Defendant told the Plaintiff that she had sold her business in Canada but that the proceeds of sale were insufficient to pay off all the debts of the business. The Defendant said that she had a credit facility with her bank in Canada, the Royal Bank of Canada, ("RBC Canada") and that since the sale of the business she had maintained that facility by passing her Cayman salary through that account with RBC Canada. The Defendant stated that RBC Canada had recently discovered that she was

living in Cayman and had terminated the facility. The Defendant asked the Plaintiff if he could lend her about CI\$20,000 to pay off her overdraft with RBC Canada.

5. As the Plaintiff had a longstanding relationship with Royal Bank of Canada in Grand Cayman ("RBC Cayman") he agreed to speak with a contact at RBC Cayman, to see whether the loan facility could be reinstated. The Plaintiff made inquiries but was informed that the facility could not be reinstated, but that RBC Cayman would lend the money to the Defendant if the Plaintiff guaranteed the debt. The Plaintiff relayed this information to the Defendant and suggested that she go to see Gill Pamondon at RBC Cayman. The loan facility was then put in place and the Plaintiff signed a guarantee on 30th July 2000. The terms of the loan provided for monthly repayments of a mixture of interest and capital totaling CI\$550.00 representing interest compounded at monthly rests at prime rate plus 5% with the full outstanding amount repayable on demand.

6. In December 2000 the Defendant informed the Plaintiff that the car she was driving was borrowed from a Richard Steingold who now needed the vehicle back. As a consequence the Defendant needed to purchase a car and as one belonging to the said Richard Steingold was for sale the Plaintiff agreed to increase the amount of the guarantee to RBC Cayman to cover the cost of the purchase of the car. Accordingly the loan and the amount of the guarantee were increased to CI\$23,600 on 28<sup>th</sup> December 2000.

7. That in or about August or September 2001 the Plaintiff and the Defendant decided to sail the Plaintiff's yacht to St. Lucia where they would then join a larger yacht and as paying crewmembers sail across the Atlantic. It was intended that this trip would take about five months commencing early November 2001 and the Defendant would take unpaid leave from her employment during this period. As the Defendant would still have ongoing expenses during her leave of absence but did not have the means to support herself, the Plaintiff agreed in addition to paying the fees for the transatlantic voyage, to pay the Defendant CI\$1,000 a month during the period they were away from Cayman, take over the loan from RBC Cayman on the same terms and suspend the requirement for monthly repayments while the Plaintiff and Defendant were away together.
8. On 15<sup>th</sup> December 2001 RBC deducted the sum of CI\$21,963.49 from the Plaintiff's account in full repayment of the Defendant's loan to RBC Cayman and it was agreed that the Defendant became liable to repay the Plaintiff the said sum on the same terms as the loan from RBC Cayman to the Defendant but with the repayments being suspended as specified in paragraph 7.
9. Shortly before the Defendant and Plaintiff were due to set forth on their voyage to St. Lucia the Defendant announced that she was canceling the trip. In the event the Plaintiff and Defendant instead chartered a boat in the Bahamas for two weeks. While the Defendant and Plaintiff's intimate relationship ceased at the end of the Bahamas trip,

they agreed they would both sail across the Atlantic, the Plaintiff having prepaid for the voyage.

10. About a week before the Plaintiff and Defendant were due to set sail the Defendant informed the Plaintiff that her employer would not give her the time off work.
11. At or about the beginning of February 2002 the Plaintiff spoke with the Defendant and informed her that he would make arrangements to have prepared a written loan agreement and a form of guarantee. The Plaintiff asked the Defendant to submit the name of a suitable party who would guarantee the loan. The Defendant while acknowledging her indebtedness to the Plaintiff insisted that she could or would not provide anyone who could act as a guarantor on her behalf.
12. On 7 February 2002 the Plaintiff sent the Defendant an email regarding the repayment of the loan. The Plaintiff's email stated **"As you know I am leaving this Friday for five weeks and I am afraid I have not had enough time to prepare the promissory note evidencing the loan that I paid off at RBC. I will do it as soon as I return. In the meantime please let me know on what date each month you wish to make the payments. From your statement it looks like you were making them round about the middle of the month which is fine. According to your last statement the outstanding amount as at 15<sup>th</sup> November was C\$21,963.49. As promised I stayed the accrual of interest until 1<sup>st</sup> February. I will maintain the same terms as the**

bank. Would you please deliver the February payment of CI\$550.00 to Bob Oosterwyk at my office in the Bank of America building: Tel 949 6090. I will bring your clothes back with me in March”

13. The Defendant replied to the Plaintiff on the same date, namely 7 February 2002 stating as follows: **“I am afraid that the reduction in hours at work and the fact that I can no longer do any training the \$550.00 per month is not a realistic payment for me. As I will have no monies left for rent etc. Upon your return we can work out some sort of payment structure I am sure. As far as the promissory note I am afraid I have no one qualified to sign it “sorry”. Have a great trip.”**
  
14. When the Plaintiff returned to the Cayman Islands from his transatlantic voyage in late March 2002 he discovered the Defendant had not made any payments. Accordingly, the Plaintiff sent the Defendant an email reminder. In the absence of any reply the Plaintiff tried to send the Defendant another email on 27<sup>th</sup> March 2002, but it was returned undelivered. The Plaintiff then telephoned the Defendant at her place of work but she offered no reason as to why she had not responded or made any payments. The Defendant informed the Plaintiff that she had cancelled her email service and alleged she did not have another address. The Plaintiff insisted that the matter needed to be resolved as soon as possible and the Defendant indicated she agreed and promised to revert to the Plaintiff very shortly.

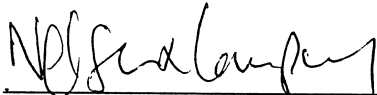
15. As the Plaintiff had not heard from the Defendant by Tuesday 9<sup>th</sup> April 2002 he then called the Defendant at her place of work. The Defendant stated that she had not contacted him because she had lost his telephone number. The Plaintiff provided his telephone number to the Defendant again and stated that if an agreement on repayment could not be reached by the coming Friday (12<sup>th</sup> April 2002) he would have no choice but to refer the matter to an attorney.
16. That by letter dated 17<sup>th</sup> April 2002 the Plaintiff wrote to the Defendant, delivering the letter by hand to her place of work, demanding full repayment of the outstanding principal in the sum of CI\$21,963.49 together with accrued interest from the period 1<sup>st</sup> February 2002 in the sum of CI\$288.96 within seven days of the date of the letter.
17. The Defendant has failed to repay any sums due whatsoever, has made no proposals for repayment, has failed to respond in any way and has tried to avoid communication with the Plaintiff.

**AND THE PLAINTIFF CLAIMS FROM THE DEFENDANT:-**

- (a) Judgement for the principal sum of CI\$21,963.49.
- (b) Payment of interest on the principal sum from 1<sup>st</sup> February 2002 until repayment in full at prime rate plus 5% per annum compounded monthly.

- (c) Alternatively pre-judgement and past judgment interest in accordance with Section 34 of the Judicial Law.
- (d) Further and or other relief.
- (e) Costs.

Dated the 2<sup>nd</sup> day of May, 2002.

  
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**NELSON & COMPANY**  
**Attorneys-at-law for the Plaintiff**

**TO:** The Clerk of the Courts  
**AND TO:** The Defendant, Rhonda Harris

**STATEMENT REGARDING INTEREST**

- (i) The applicable rate of interest on the Plaintiff's claim is CI\$ prime rate plus 5% from 1<sup>st</sup> February 2002.
- (ii) The total amount of interest claimed as at May 1<sup>st</sup> 2002 is CI\$553.67.
- (iii) The amount of interest accruing each day on the Plaintiff's claim is CI\$6.17.