

IN THE GRAND COURT OF THE CAYMAN ISLANDS

776
CAUSE NO. OF 2002

In the Matter of the Insurance (Amendment) Law, 2001

And in the Matter of Ashmont Insurance Company Limited



EX PARTE ORIGINATING SUMMONS



LET ALL PARTIES attend before the Judge in Chambers, at the Law Courts, George Town, Grand Cayman on the 25 day of October 2002, at 11³⁰ o'clock, on the hearing of an application by G. James Cleaver and Gordon MacRae (the "Controllers"), persons appointed by the Governor in Council pursuant to section 11 (1)(vii) of the Insurance (Amendment) Law, 2001 to assume control of the affairs of Ashmont Insurance Company Limited (the "Licensee") for the following orders and directions:

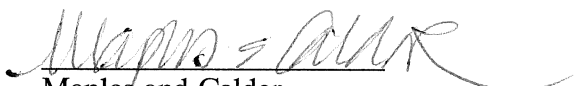
1. That the Controllers may, pursuant to their appointment by the Governor in Council dated 22nd October, 2002, assume control of the affairs of the Licensee and take all actions they consider to be necessary to administer its affairs.
2. That the Controllers may, mutates mutandis and without further sanction of the Court exercise such powers in furtherance of their appointment as might be exercised by a receiver or manager of property or a business appointed by the Court and/or exercised by a trustee in bankruptcy after an absolute order for bankruptcy under the Bankruptcy Law (1997 Revision). The said powers to include but not be limited to:
 - (i) assuming control of, collecting and getting in all property or assets of whatever nature to which the Licensee is or appears to be entitled;

- (ii) safeguarding the interests of policy holders or creditors and providing an inventory of assets and liabilities as necessary;
 - (iii) taking possession of or making copies of the books, records and other documents pertaining to the affairs of the Licensee to enable a proper accounting of the current financial position of the Licensee;
 - (iv) with the approval of the Cayman Islands Monetary Authority appointing an agent to do any business which the Controllers are unable to do themselves which can more conveniently be done by an agent; and
 - (v) entering into discussions and negotiations with any person in the United States or otherwise necessary to arrive at a prompt and orderly resolution of any financial problems of the Licensee.
3. That until further order, the Controllers may, at the expense of the Licensee, engage the services of attorneys at law, Counsel and professional advisors whether in the Cayman Islands or elsewhere in furtherance of their appointment at such rates of remuneration as the Controllers deem appropriate.
 4. That the Controllers may employ, at the expense of the Licensee, such staff of E&Y Restructuring Limited as they shall think fit to be remunerated at the hourly rates set out in a Schedule exhibited to the affidavit intended to be sworn by Mr. G. J. Cleaver or such other rate as the Court shall think fit. Such fees and expenses so paid to be ratified by the Court.
 5. Until further order, the Controllers may remunerate themselves out of the assets of the Licensee for all work reasonably and properly done in performance of their duties at the hourly rate of US\$450.00.
 6. That the Controllers be authorised to pay out of the assets of the Licensee their fees, disbursements and expenses and those of their staff on a monthly basis or as and when invoices rendered in respect of fees and disbursements become payable and, in the

event that such fees and expenses are not ratified by the Court they shall be refunded by the Controllers as directed.

7. That the Controllers provide such reports to the Court as the Court shall think fit and shall provide to the Governor in Council (by the Cayman Islands Monetary Authority) and to the Cayman Islands Monetary Authority itself copies of all reports regarding the affairs of the Licensee filed with the Court and/or sent to creditors or contributories of the Licensee.
8. That the Controllers shall serve upon the Governor in Council (by the Cayman Islands Monetary Authority) and the Cayman Islands Monetary Authority itself copies of all applications made to the Court for other directions and/or relief and the evidence in support thereof.
9. That the Controllers may have liberty to apply.
10. Such further and/or other relief or directions as the Court deems appropriate.
11. That the costs of and incidental to this application be paid out of the assets of the Licensee as an expense of the Controllership.

Dated the 24th day of October, 2002.


Maples and Calder

TIME ESTIMATE: The estimated length of the hearing of this summons is ½ hour.

This Summons was issued by Maples and Calder, Attorneys at Law for the Applicants, whose address for service is Ugland House, PO Box 309GT, George Town, Grand Cayman (Ref: NRT/600460-01).