

IN THE GRAND COURT OF THE CAYMAN ISLANDS

864
CAUSE NO. 864 OF 2002

BETWEEN:

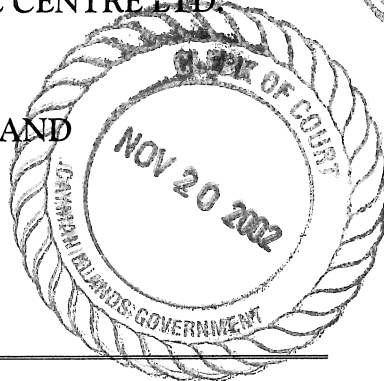
CAYMAN INSURANCE CENTRE LTD



PLAINTIFF

AND

GARY CALLAN



DEFENDANT

WRIT OF SUMMONS

TO: Gary Callan
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, P.O. 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 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 day of November 2002.

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 company incorporated pursuant to the laws of the Cayman Islands and at all material times provided health insurance coverage to the employees of the Defendant. The Plaintiff's registered office is PO Box 10056 APO George Town, Grand Cayman.
2. The Defendant, Gary Callan, was at all material times the operator of a hair, massage, and beauty salon operating under the trade name of The Gary Callan Group Ltd.
3. In or about August 1997 the Plaintiff and the Defendant on the behalf of "The Gary Callan Group Ltd." entered into an agreement whereby the Plaintiff would provide health insurance coverage for the Defendant and the employees of The Gary Callan Group and Gary Callan International Ltd. "The Gary Callan Group Ltd." was not nor is a limited liability corporation as was determined by inquires made to Companies Branch. Accordingly, the Defendant was trading as a proprietor using "The Gary Callan Group Ltd." as a business style.
4. The Defendant agreed to pay all premiums for such coverage.
5. The Plaintiff did provide such health insurance coverage in accordance with the agreement.
6. The Defendant failed to pay all premiums as due and as of 11 June 2002 the Defendant owed the sum of US\$17,608.00 inclusive of interest.
7. In June of 2002 in consideration of the Plaintiff entering into an agreement to withhold commencing legal proceedings the Plaintiff agreed to accept payments due for the insurance coverage over a period of 18 months.

8. The Defendant delivered to the Plaintiff 18 personal cheques in the sum totaling US\$17,607.50.
9. The terms of the agreement were as follows:
 - a. The debt, inclusive of principal, interest, and legal fees stood at US\$17,608.00 as of 11 June 2002;
 - b. Interest would accrue at the rate of 10 percent per annum from 11 June 2002 on the unpaid balance;
 - c. Payments would be made monthly in the sum of US\$1,057.49 commencing 15 June 2002 and thereafter on the 15th of each following consecutive month until the debt was paid;
 - d. Payments would be made by post-dated cheques;
 - e. In default of any one payment the Plaintiff would be entitled to pursue the entire debt.
10. Alternatively, the Defendant guaranteed the payments due for health insurance in the sum of US\$17,607.50 by issuing 18 personal cheques to pay the said debt.
11. The Defendant did provide to the Plaintiff the 18 personal post-dated cheques.
12. The Defendant did fail to make payments due 15 September and 15 October 2002 in that the personal cheques delivered failed to clear and were returned to the Plaintiff.
13. The Defendant made principal and interest payments to 15 August 2002. Interest accruing after 15 August 2002 is unpaid. As of the date of the commencement of this proceeding, the principal amount of the debt is US\$14,852.92 after applying payments made in June, July and August of 2002

to principal and interest accrued.

14. Interest accrued pursuant to the said agreement as of the date of commencement of this proceeding (20 November 2002) is US\$390.72 and accrues daily thereafter at US\$4.07 per day.
15. As a result of the default of the payments the entire sums set out in paragraphs 13 and 14, above are now due and owing

AND THE PLAINTIFF CLAIMS against each of the Defendants:

- A. Principal debt of US\$14,852.92;
- B. Interest of US\$390.72 to the commencement of this proceeding, 20 November 2002, calculated at the rate of 10 percent per year as pleaded at paragraph 9 b. and 14 of the Statement of Claim and thereafter until payment;
- C. Alternatively, interest at the rate as set pursuant to the Judicature Law (1995 Revision) and Judgment Debt (Rates of Interest) Rules as amended from time to time;
- D. Costs on a standard or indemnity basis pursuant to the Court Cost Rules 2001;
- E. Such further relief as this Honourable Court deems just.

INDORSEMENT

The amount claimed in respect of the debt is US\$14,852.92 as principal and US\$390.72 as interest until the date of the issuance of the Writ of Summons for a total of US\$15,243.64. Court filing fees of US\$209.51 are in addition to this (CI\$150.00 [US\$182.93] plus ad valorem calculation of US\$26.58). If, within the time for returning the acknowledgement of service, the defendants or one of them pays the plaintiff or its attorneys-at-law the total amount claimed in principal and interest, the fixed costs and the costs of issuing the Writ of Summons, further proceedings will be stayed. The money must be paid to the plaintiff or to its attorneys-at-law.

INTEREST INDORSEMENT

Pursuant to Order 6(2)(e)

1. Prescribed rate of interest during the entire period of the claim is 10 percent per year.
2. The date from which interest accrues is from 15 August 2002.
3. The total interest claimed as of the date of the issuance of the date of Writ of Summons is US\$390.72.
4. The amount of interest accruing each day following the issuance of the Writ is US\$4.07.



HUNTER & HUNTER

THIS WRIT was issued by Hunter & Hunter, Attorneys-at Law for the Plaintiff whose address for service is that of its said Attorneys, namely 75 Fort Street, The Huntlaw Building, P.O. Box 190 GT, Grand Cayman, Cayman Islands (Ref.WAS/02744.049).

**DIRECTIONS FOR ACKNOWLEDGEMENT OF SERVICE
OF WRIT OF SUMMONS**

1. The accompanying form of Acknowledgement 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 495 GT, George Town, Grand Cayman.

2. A Defendant who states in his Acknowledgement 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 of "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 judgment 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 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 Acknowledgement of Service, that he intends to apply for a stay, execution will be stayed for 14 days after his Acknowledgement, 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 Acknowledgement 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 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.

B E T W E E N :

CAYMAN INSURANCE CENTRE LTD.

PLAINTIFF

AND

GARY CALLAN

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 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.

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

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

Yes

No

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 judgment entered by the Plaintiff (tick box)

Yes

Service of the Writ is acknowledged accordingly

(signature)

[Attorney] for Defendant

Address for service:

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.

Hunter & Hunter
Attorneys-at-Law
The Huntlaw Building
75 Fort Street
P.O. Box 190 GT
Grand Cayman
Tel: 949-4900
Fax: 949-4901
(WAS/02744.049)

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

[Empty box for Defendant's Attorney indorsement]