

IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO: 41 OF 2003

BETWEEN:

VALLEY MARKETING LIMITED

Plaintiff

AND

DISCOUNT BANK (CI) LIMITED

Defendant

WRIT OF SUMMONS

TO: Discount Bank (CI) Limited
Safe Haven Corporate Centre
Windward 1
Ground Floor
West Bay Road
P.O. Box 7041GT
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, PO Box 495GT, 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 January, 2003.

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

1. The Defendant, a holder of a Class "B" Licence, is a banker carrying on business in the Cayman Islands at its address at Safe Haven Corporate Centre, West Bay Road, Grand Cayman, Cayman Islands.
2. At all material times the Plaintiff is and was a customer of the Defendant and held an account with the Defendant numbered 312007. As at 31st December 2002 the account was in credit to a total amount of \$57,220, 956 in securities and cash.
3. By a letter dated January 7th 2003, the Plaintiff through its duly appointed attorney / agent / officer demanded that the Defendant transfer the assets of the account to its nominee(s).
4. In breach of contract the Defendant has wrongfully refused to transfer and or deliver up the securities, or their monetary equivalent, deposited into the Defendant's custody and control by the Plaintiff to the Plaintiff's nominees.
5. Further or alternatively, by reason of its failure to deliver up the securities and cash as lawfully demanded by the Plaintiff, the Defendant has thereby converted the same to its own use and wrongfully deprived the Plaintiff thereof by reason of which the Plaintiff has suffered loss and damage.
6. In the premises and by reason of the matters aforesaid the Plaintiff has suffered loss and damage.

PARTICULARS OF LOSS

The following securities and cash to the value of US\$57,220,956:

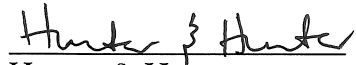
- (i) 148,232.19 units in Absolute Alpha Diversified Fund
- (ii) 25,493 units in La Fayette Holdings USD
- (iii) 8,606 units in La Fayette Europe
- (iv) 2,257 units in Sofite Fund Ltd
- (v) 20,066.86 units in Altairis Fund
- (vi) 500,000 units in Colter International Partners III (Lib 90%)
- (vii) 5 units in Europ. Sec. Dev Fd (Lib 90%)
- (viii) 1,510,000 units in Finadvance Ventures I (Lib 64%)
- (ix) 3,950,000 units in Endeavour Fund (Lib 44%)
- (x) Promissory Notes to the value of \$700,00 in Dermo
Promissory Notes 8% 31.07.04
- (xi) 43,598 Shares in Dermo Corp.
- (xii) 6,104,000 Shares in BBJ Environment
- (xiii) 325,600 Shares in BBJ Environment
- (xiv) 162,500 Shares in LightWave Systems
- (xv) 775 Shares in Stella S.A.
- (xvi) 800,000 Shares in Montason Group Ltd
- (xvii) 23,264 Shares in Irvine Sensors Corp
- (xviii) 1,092 Shares in Irvine Sensors Corp (restricted)
- (xix) \$4,492,441 in Cash/Short term deposit/Sundries.

AND the Plaintiff claims:

1. A Declaration that the proceeds of account 312007 are the property of the Plaintiff; and
2. An Order compelling the Defendant to transfer the proceeds of account 312007 to the Plaintiff's nominees; or
3. The sum of US\$57,220,956;
4. Further or alternatively Damages; and
5. Interest pursuant to Section 34 of the Judicature Law on the sum of US\$57,220,956 from 7th January, 2003 at the rate of 4.5% amounting to US\$126,983.42 as at 24th January, 2003 and continuing until the date of Judgment or sooner payment at the rate of US\$7,054.63 per day.
6. All other necessary accounts, inquiries and orders as the Court in its absolute discretion shall think fit; and

7. Costs.

Dated this 24th day of January, 2003


Hunter & Hunter
Attorneys for the Plaintiff

To: The Clerk of the Court

And to: Discount Bank (CI) Limited
Safe Haven Corporate Centre
Windward 1, Ground Floor
West Bay Road
P.O. Box 7041GT
Grand Cayman, Cayman Islands.

This Writ was issued by Hunter & Hunter, Attorneys-at-Law for and on behalf of the Plaintiff herein whose address for service is 75 Fort Street, PO Box 190 George Town, Grand Cayman. (Ref: AA/09207.001)

INDORSEMENT

The principal amount claimed is US\$57,220,956 and costs of enforcement and US\$25,000 for a total amount of US\$57,245,956. The amount of the filing fees to commence the proceeding is US\$12,195.12 (CI\$10,000). If, within the time for returning the acknowledgement of service, the defendant pays the plaintiff or its attorneys-at-law the total amount claimed in principal, interest, contractual 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.

This Writ of Summons was issued by Hunter & Hunter, the attorneys-at-law for the Plaintiff, whose address for service is PO Box 190GT, George Town, Grand Cayman, Cayman Islands, British West Indies. (AA/09207.001)

Acknowledgment of service of writ of summons (O.12, r.3)

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 each Defendant or by each 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 indorsed on the Writ (i.e. the words "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 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 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.

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BETWEEN:

VALLEY MARKETING LIMITED

Plaintiff

AND

DISCOUNT BANK (CI) LIMITED

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 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 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

(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 communication 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 75 Fort Street P.O. Box 190 George Town Grand Cayman Ref: AA/09509.001

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

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