

IN THE GRAND COURT OF THE CAYMAN ISLANDS

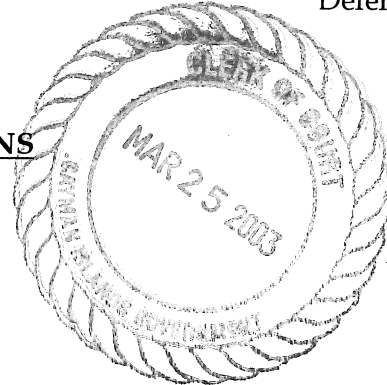
CAUSE NO. 202 OF 2003

BETWEEN: MALCOLM M. STEPHENSON Plaintiff

AND: TROY STALLINGS Defendant



WRIT OF SUMMONS



TO: TROY STALLINGS
c/o Creative Building Corporation
1300 W 57th SE, Suite 203
Sioux Falls, SD 57109
U.S.A.

THIS WRIT OF SUMMONS has been issued against you by the above-named Plaintiff, Malcolm Stephenson of P.O. Box 872 GT, Grand Cayman, Cayman Islands in respect of the claim set out on the next page.

Within twenty eight (28) 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 Acknowledgment 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 25th day of March, 2003

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 Acknowledgment of Service are given with the accompanying form.

STATEMENT OF CLAIM

1. The Plaintiff is an Architect and Town Planner who carries on business within the Cayman Islands.
2. The Defendant is a resident of the United States.
3. In or about June 1998, the Defendant retained the services of the Plaintiff in relation to the design and construction of a proposed apartment building at Lower Valley, Block 32D, Parcel 122.
4. In so far as the Plaintiff's fees were concerned, the terms of such retainer were set out in a letter from the Plaintiff to the Defendant dated 22 June 1998. So far as is material, such letter provided as follows:
 - (1) The Plaintiff's fees would be 6% of the actual construction costs;
 - (2) 1% of the estimated construction costs for preliminary design work would be payable as a retainer on the appointment of the Plaintiff;
 - (3) 1% of the estimated construction costs for the preparation of the Final Design would be payable prior to the application to the Central Planning Authority for planning permission;
 - (4) In addition to the above, the Defendant would pay the Plaintiff's out of pocket expenses in respect of Government fees, etc.

The Plaintiff will refer to the said letter at the trial of this action for its full terms and effect.

5. Subsequent to the said letter, the Plaintiff, at the request of the Defendant, carried out the work referred to at paragraph 4 (2) (3) above and incurred various out of pocket expenses. Planning permission was granted on or about 22 April 1999 but the Defendant did not proceed further with the project.

6. In or about May/June 1999, the Plaintiff invoiced the Defendant for outstanding professional fees but the Defendant failed to pay the sum claimed.

7. By a further invoice dated 8 February 2000, the Plaintiff sought payment from the Defendant of the sum of US\$46,587.97 arrived at as follows:

	US\$
2% of estimated construction costs of CI\$3 million (US\$3,658,536.60)	73,170.73
Less retainers paid	- 26,500.00
Less over-payment for out of pocket expenses	- <u>82.76</u>
	46,587.97

8. By a letter from the Defendant to the Plaintiff dated 31 May 2000, the Defendant stated that he was attempting to sell the proposed development to another investor. "In the meantime, please be assured that we have not overlooked you and the obligation to pay for your services rendered. Whatever happens with a sale, I plan to pay you first and promptly."

9. The Defendant has failed to pay the said sum of US\$46,587.97 or any part thereof.

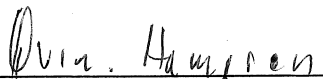
10. The Plaintiff further claims interest on the said sum pursuant to section 34 of the Judicature Law from 1 July 1999 until judgment at the following rates and in the following amounts:

	US\$
(1) 1 July 1999 to 31 March 2000 @ 7.375%	2,579.25
(2) 1 April 2000 to 31 May 2001 @ 8%	4,348.21
(3) 1 June 2001 to 30 November 2001 @ 6.25%	1,455.87
(4) 1 December 2001 to 25 March 2003 @ 4.5%	2,751.23

and continuing at the daily rate of US\$5.74

AND the Plaintiff claims:

1. US\$46,587.97
2. Interest on the said sum pursuant to section 34 of the Judicature Law for the period and at the rates pleaded amounting to US\$11,134.56 and continuing at the daily rate of US\$5.74.
3. Costs.



QUIN & HAMPSON
Attorneys-at-Law for the Plaintiff

This Writ was issued by Quin & Hampson, Attorneys-at-Law for and on behalf of the Plaintiff whose address is Harbour Centre, Third Floor, P.O. Box 1348 George Town, Grand Cayman, Cayman Islands.

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 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 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

BETWEEN: MALCOLM M. STEPHENSON Plaintiff

AND: TROY STALLINGS 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 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.

Quin & Hampson
Attorneys-at-Law
Harbour Centre, Third Floor
P.O. Box 1348
George Town
GRAND CAYMAN

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]