

IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO. ⁶⁶⁰ OF 2003

BETWEEN:

MERCHANDISE INCORPORATED

Plaintiff

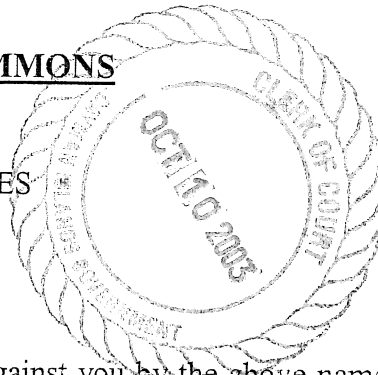
- and -

ISLAND PHARMACY LTD.

Defendant

WRIT OF SUMMONS

TO: ISLAND PHARMACY LTD.
C/o A. STEVE McFIELD & ASSOCIATES
P.O. Box 680 G.T.
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 495 GT, 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 9th day of October, 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 is indebted to the Plaintiff in the total sum of US\$15,978.61 under the Plaintiff's invoices set out below which the Plaintiff has rendered to the Defendant but which remain unpaid despite repeated demands for payment:

<u>Invoice No.</u>	<u>Capital Debt</u>
317705	31.57
317718	14,596.89
317719	<u>1,350.15</u>
US\$ Total	15,978.61

2. Further the Plaintiff is entitled to and claims interest on the said sums to 9th October 2003 at the contract rate of 1.5% per month (18% per annum) and continuing, until payment under section 34 of the Judicature Law (1995 Revision) as set out below or at such rate and for such periods as the Court may determine.

Particulars of Interest

- (a) Pre-Judgment Interest to 9th October 2003 and continuing at the daily rate of C/\$0.80 until judgment or sooner payment:

Date of Invoice	Plus 30 days (Invoice due date)	Invoice Number	Amount of Invoice/ Debt	Contract Interest @ 1.50% per month (18% per annum) to 9/10/03	Continuing Daily Interest 4.5%	Total Debt With Interest to 09/10/03
27/05/2003	26/06/2003	317705	31.57	1.58	0.004	33.15
29/05/2003	29/06/2003	317718	14,596.89	734.24	1.80	15,331.13
29/05/2003	29/06/2003	317719	1,350.15	67.91	0.17	1,418.06
		TOTALS:	5,978.61	803.73	1.974	16,782.34

Total: US\$16,782.34

Daily Interest: C/\$1.974

- (b) Post-Judgment Interest: at the then-prevailing Court rate, on the principal sum of the judgment until payment in full.

AND THE PLAINTIFF CLAIMS:

- (1) US\$15,978.61;
- (2) Interest as aforesaid;
- (3) Court fees paid to issue this Writ of C\$150.00; and
- (4) Costs.

GCR Order 6 rule 2(b) Indorsement:

If within the time for returning the Acknowledgment of Service, the Defendant pays the amount set out below, further proceedings will be stayed. The money must be paid to Boxalls. The total amount required to be paid for the proceedings to be stayed is **US\$17,575.34** (plus any interest to be added if payment is made after 9th October 2003) and is made up as follows:

- | | |
|---------------------------|---|
| 1. Capital Debt: | US\$15,978.61 |
| 2. Interest to 09/10/2003 | US\$803.73 (and continuing at the rate of US\$1.974
every day from 10/10/2003) |
| 3. Issue fees: | C\$ 150.00 (US\$183); |
| 4. Fixed Costs: | C\$ 500.00 (US\$610). |



Boxalls

Attorneys-at-Law for the Plaintiff

IN THE GRAND COURT OF THE CAYMAN ISLANDS

660
CAUSE NO. OF 2003

BETWEEN:

MERCHANDISE INCORPORATED

Plaintiff

- and -

ISLAND PHARMACY LTD.

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 of Summons is being acknowledged.

2. State whether the Defendant intends to contest or otherwise participate in 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 of Summons is acknowledged accordingly.

(Signed) _____

[Attorney] for _____

[Defendant in person]

Address for service:

Please complete overleaf

Notes on address for service:

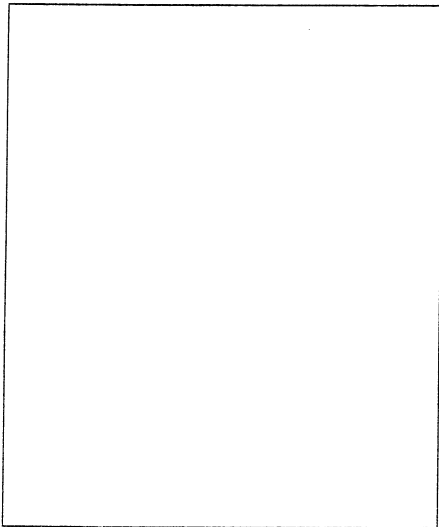
Attorney: where the Defendant is represented by an attorney, state the attorney's place of business in the Cayman Islands. A Defendant may not act by a foreign attorney.

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 principal office.

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

Boxalls
Attorneys-at-Law
PO Box 1234GT
George Town
Grand Cayman, Cayman
Islands
British West Indies
(Ref.: LAF/2487-0001)

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



**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.

Notes for Guidance

1. Each Defendant (if there are more than one) is required to complete an Acknowledgment 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 of 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 his 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.