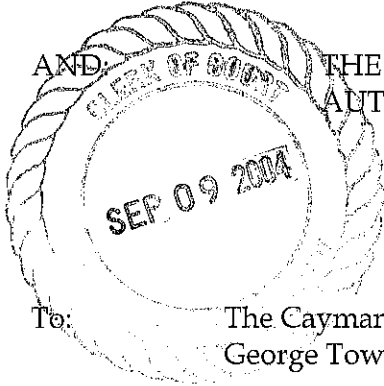


IN THE GRAND COURT OF THE CAYMAN ISLANDS

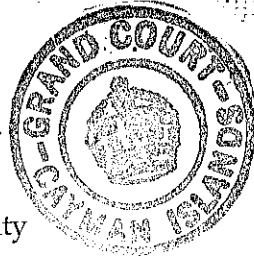
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CAUSE NO. OF 2004

BETWEEN: MICHAEL S. ELLIOTT Plaintiff

AND: THE CAYMAN ISLANDS HEALTH SERVICES AUTHORITY Defendant



WRIT OF SUMMONS



To: The Cayman Islands Health Services Authority
George Town, Grand Cayman

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 Fourteen days [14] 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 9th day of September 2004

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

The Parties

1. The Plaintiff was, prior to 1 April 2004, the Chief Executive Officer ("CEO") of the Defendant Authority ("the Authority"). Immediately prior to his appointment as CEO on 19 June 2003, the Plaintiff was the Associate Vice President of Medical Affairs, University of Miami School of Medicine, the Executive Director, University of Miami Hospitals Division and the Chief Information Officer, University of Miami School of Medicine/Jackson Health System. Prior to his appointment as CEO of the Authority, the Plaintiff had in excess of 30 years experience in hospital and health services administration.
2. The Authority was established by the Health Services Authority Law, Law 7 of 2002, as amended by Law 2 of 2003 ("the Law").

The Agreement

3. By an Agreement ("the Agreement") dated 19 June 2003 and made between the Plaintiff and the Authority, the Authority employed the Plaintiff to act in the capacity of its CEO for a term of three years to commence on 19 June 2003 "during which time the CEO shall provide to [the Authority] experienced clinical management leadership services to establish, with the approval of [the Authority] and [the Minister], a system to ensure the continuing financial viability of the Cayman Islands health services through the reengineering of the existing clinical service delivery systems, the implementation of computerized systems, the development of new programs and the establishment of marketing and public relations department with the ultimate goal of substantially improving the existing delivery system of health care services within the Cayman Islands by performing the duties and services more specifically set forth in" section III of the Agreement.

4. The Agreement further provided as follows:

- (1) Section II provided that the Plaintiff should receive from the Authority an annual salary of CI\$425,360.00;
- (2) Section III imposed on the Plaintiff a number of specific duties including the following:
 - (1) To provide an in depth analysis of the present needs versus the present services being provided by the hospitals, clinics, and Health Systems and where necessary to re-design (subject to approval by the Minister and the Authority) all or a portion thereof to meet present needs;
 - (2) To implement a strategy to attract and retain high quality clinical professionals for the Authority and to establish a credible professional credentialing process to ensure appropriate practice delivery by all health professionals;
 - (3) To manage the finalised CERNER Information System implementation which will support the disease management and evidence based medicine program in addition to the new patient billing account receivable systems;
 - (4) To provide a board orientation and training program for the Authority's Board to keep the appointees informed and have a better understanding of health and operational issues on the health services under their charge;
 - (5) To provide on the continued training and medical education to all staff in order to enable the delivery of first class medical care to the Cayman Islands;
 - (6) To advise on such matters as the Board and the Minister may from time to time determine are in the best interest of providing first class medical services to the Cayman Islands.
- (3) Section VIII, sub-section 3 provides that, after six months of the start of the Agreement, each party might give the other six months' notice to terminate the

same without cause and, in the event of such termination on the part of the Authority, it would pay the Plaintiff 75% of the total salary which would have been paid to him had he served the entire term of three years;

- (4) Section XIII provides that the Plaintiff should be entitled to 30 days paid vacation in each year of the contract term.
5. The Plaintiff will refer to the Agreement at the trial of this action for its full terms and effect.

The Statements

6. Prior to the Plaintiff's appointment as CEO, the Board had issued 32 policy statements ("the Statements") covering such topics as the relationship of the Board, and its individual members, to the CEO and the Authority's staff members and the delegation of functions to the CEO. The Plaintiff will rely on the Statements as indicating, subject to the terms of the Law and of the Agreement, the authority vested in him as CEO. The Statements provided, inter alia, as follows:
 - (1) Statement #1, entitled "Code of Conduct", provides, inter alia, as follows:
 - (i) Individual Board members shall not exercise authority over staff of the organisation;
 - (ii) Board members will make no judgments of the Chief Executive or staff performance except as that performance is assessed against explicit Board policies by the official process;
 - (iii) Board members shall not encourage direct communication with employees who attempt to bypass administration but shall encourage employees to utilise reporting lines within administration to bring their concerns to the Board;
 - (2) Statement #4, entitled "Treatment of Staff", provides, inter alia, that the CEO would not operate without human resource policy and procedures which dealt with the matters more specifically there provided;

- (3) Statement #7, entitled "Asset protection", provided, inter alia, limits in the CEO's authority to make capital purchases;
- (4) Statement #11, entitled "Communication and Support to Board", provides, inter alia, that the CEO should advise the Board, if, in the CEO's opinion, the Board is not in compliance with its own policies on Governance Process and Board-CEO Relationship, particularly in the case of board member contact that is detrimental to the work relationship between the Board and the CEO;
- (5) Statement #14, entitled "Information Management", provides that the CEO should, inter alia:
 - (i) Maintain an up-to-date prioritised plan for necessary information systems enhancements or acquisitions;
 - (ii) Develop and apply implementation plans which ensure smooth transition to new information systems;
 - (iii) Evaluate the effectiveness and efficiency of the [Authority's] information system;
 - (iv) Ensure that technical support for the system will be available when needed.
- (6) Statement #20, entitled "Delegation to the Chief Executive Officer", provides, inter alia, as follows:
 - (i) The Board's role is generally confined to establishing the broadest policies. Implementation and subsidiary policy development is delegated to the CEO;
 - (ii) The CEO is authorised and required to establish all further policies, make all decisions, take all actions and develop all activities as long as they are consistent with any reasonable interpretation of the Board's policies.
- (7) Statement #21, entitled "Chief Executive Officer Job Description", provides that, as the Board's single official link to the operating organisation, the CEO's performance is considered to be synonymous with organisational performance as a whole;
- (8) Statement #23, entitled "The Health Service Organisation", provides, inter alia, as follows:

- (i) Administrative matters should be the responsibility of the CEO chosen by the Board for the purposes of handling day-to-day operation of the Health Services Organization;
 - (ii) The Board should not involve itself in day-to-day administrative matters;
 - (iii) The Board has the responsibility to set policies for the health service, employ a well-qualified chief executive, and then allow the Chief Executive Officer to implement Board policies and directives. The role of the Board is to supervise the organisation - not the operation - of the service. Operational responsibility is the province of the Chief Executive Officer. The Board's responsibility is to determine where the actions of the Chief Executive are appropriate and effective.
- (9) Statement #31, entitled "Board Committee Principles", provides, inter alia, that Board committees cannot exercise authority over staff. Because the CEO works for the full Board, he or she will not be required to obtain approval of a Board Committee before an executive action. In keeping with the Board's broader focus, Board committees will not normally have direct dealings with current staff operations.

The Duty of Trust and Confidence

7. It was an implied term of the Agreement that the Authority would not, without reasonable and proper cause, conduct itself in a manner calculated or likely to destroy or seriously damage the relationship of trust and confidence between the Authority and the Plaintiff.

Breach of Duty: General

8. It is the Plaintiff's case that, more particularly since in or about October 2003, in breach of the implied term pleaded in paragraph 7 above, the Board of the Authority, and/or individual members of the Board, made it increasingly impossible for the Plaintiff to carry out the functions for which he had been employed by:

- (i) making decisions which were properly within the remit of the Plaintiff or the Authority's staff;
- (ii) interfering in the management of the affairs of the Authority;
- (iii) undermining or failing to support the Plaintiff's authority as CEO;
- (iv) acting in an inappropriate manner towards the Plaintiff and the staff of the Authority.

Given that the CEO is answerable to the Board for the performance of the Authority's staff, the conduct complained of, as pleaded below, relates not just to the position of the Plaintiff as CEO but also to the position of the Authority's senior management and clinical staff, whether reporting directly to the Plaintiff or not. The consequence of such conduct was that, by March 2004, the Plaintiff had no confidence that he would receive the support of the Board which was necessary to achieve the general and specific duties imposed upon him by the Agreement.

- 9. The classification in paragraphs 10 to 14 below is for convenience only. The Plaintiff relies on each of the matters therein pleaded in support of the general allegation pleaded in paragraph 8 above.

Breach of Duty: Hiring and Firing

- 10. Prior to a Board Meeting held on 29 October 2003, the CEO had authority to hire staff, administrative and medical, save in respect of positions which did not appear in the approved organization chart or were not budgeted for or on terms other than the Authority's standard terms and conditions, in which latter cases Board approval was required. The Plaintiff also had the authority, in appropriate circumstances, to terminate employment contracts or to decide not to renew them. At the Board Meeting of 29 October 2003, it was resolved that all employment contracts with staff reporting directly to the CEO should also require Board approval and that all staff employed in such category since 1 June 2003 should have their contracts approved or ratified by the Board. Such resolution was subsequently incorporated in a Ministerial Directive, HSA/03/03-Amended, dated 15 December 2003, which also provided that any termination of senior management or clinical staff should be approved in advance by the Board.

11. Without prejudice to the contention that the resolution of the Board and/or the Ministerial Directive represented a significant reduction of the Plaintiff's authority, the same are consistent, and consistent only, with the Plaintiff having the authority to select suitable candidates which, in those categories specified in the Ministerial Directive, the Board were free to approve or not. The Board had no power to appoint a person whom the Plaintiff had not selected for approval. Notwithstanding the foregoing:

- (1) On 17 February 2004, in the temporary absence of the Human Resources Advisor ("HRA"), the chairman of the Board ("the Chairman"), without consulting the Plaintiff, appointed a junior clerk in the Human Resources Department as acting Human Resources Manager. The Chairman further informed the appointee that he had been asked by the Board to oversee the Human Resources Department until 31 March 2004 when the HRA's contract expired. The Plaintiff, who is an ex-officio member of the Board, is not aware of any such request by the Board and, in any event, both the appointment and the implication that the appointee should report directly to the Chairman and not to the Plaintiff was a further erosion of the latter's authority. It was essential for the performance of his duties under the Agreement that the Plaintiff should have confidence in senior management and clinical staff, whether permanent or acting.
- (2) At all material times, the Board was aware that the Plaintiff's choice for the senior position in the Human Resources Department, namely, the Human Resources Director ("HRD"), was the HRA. The Board was reluctant to renew his contract apparently on the ground that he was not a Caymanian. Accordingly, the position was advertised for Caymanians only and the Plaintiff and the HRA interviewed a number of candidates none of whom were, in their view, suitable. The Chairman then asked them to interview a further candidate, a non-Caymanian, which they did. This candidate had no experience of the management of human resources other than in respect of training. The Plaintiff recommended that this candidate be considered for the vacant post of Training Director but not as the HRD. Notwithstanding the above, shortly before 1 March 2004, and without consulting the Plaintiff, the Chairman appointed this

candidate as HRD. At about the same time, again without consulting the Plaintiff, the Chairman appointed an outside candidate with no practical experience of the management of human resources as Human Resources Manager.

- (3) Shortly prior to 1 March 2004, the Chairman of the Board, without consulting or obtaining the approval of the Plaintiff, appointed as Public Relations Director a previous employee of the Authority who had earlier resigned.
- (4) In or about January/February 2004, following the resignation of the Authority's Medical Director, the Chairman and the Minister, without the knowledge of the Plaintiff, had discussions with a locum employee of the Authority concerning the possibility of his being offered the position of Medical Director. When the Plaintiff became aware of such discussions, which the Chairman subsequently denied having taken place, he made it clear that he could not support the appointment. On or about 9 March 2004, the Chairman informed the employee in question that the Plaintiff had no authority to offer the position of Medical Director to him or, by implication, to anyone else.
- (5) In or about November/December 2003, an employee of the Authority, a driver with the A & E Department, requested a transfer to the IT Department although he had no experience of IT and would require to be trained. His application, and similar applications of others, had the support of the Chairman and certain other members of the Board. In January 2004, the Chairman complained to the HRA that the transfer had not yet been effected. The HRA replied, as was the case, that there was no position within the IT Department for the employee to fill and no funds within the existing budget to train him. The HRA further stated, as was also the case, that he had been advised by the Chairman of the Board's HR Committee that, if such a position was established, it should be advertised internally. The Chairman responded to the effect that he would handle the situation from there. The Plaintiff was not a party to the above exchange and did not become aware of it until subsequently. The Chairman's attempt to browbeat the HRA to effect the transfer without reference to either the Plaintiff or

established procedures for the creation and filling of new posts was yet a further example of the Authority's undermining of the Plaintiff's position and authority.

Breach of Duty: Other Interferences in Management

12. Since the Plaintiff's appointment as CEO, individual members of the Board and, in particular, the Chairman of the Finance Committee ("CFC") constantly interfered in the management and affairs of the Authority. The Plaintiff will rely on, amongst others, the following instances:

- (1) In or about October/November 2003, the Plaintiff approved the holding of a two day seminar and workshop for laparoscopic/endoscopic surgery. Such seminar had a budget of CI\$10,000 which was to be met out of government funds directly available to the Training Committee of the HSA. When the CFC learnt of this, he attempted to disrupt the holding of the seminar as follows:
 - (i) He maintained, contrary to the fact, that Board approval of the budget was required and that, in the meantime, the seminar should be cancelled, a suggestion which infuriated the HSA's physicians;
 - (ii) He instructed the Acting Chief Financial Officer ("ACFO") to cancel air tickets for proposed attendees;
 - (iii) He demanded that all who attended the seminar should be charged a tuition fee.

Despite such attempted disruption, the seminar, the first medical education event in the history of the Cayman Islands, was held in December 2003 and attended by 80 people. The CFC's interference reinforced the physicians' knowledge that the Board had no concern for their education or proficiency.

- (2) In or about December 2003, the Plaintiff approved an additional subsistence allowance for a junior pharmacy technician who was on a temporary contract in support of the Cerner project. Delays in the implementation of the project necessitated the extension of the technician's contract which she was not prepared to agree to unless her husband and daughter were allowed to join her and an additional subsistence allowance paid. The HRA approved the allowance

but the Accounts Payable ("AP") clerk in the Finance Department refused to process the payment. The HRA brought the matter to the attention of the ACFO and the Plaintiff. The Plaintiff approved the allowance on the basis that it would be more costly to appoint another technician. The AP clerk brought it to the attention of the CFC who reversed the Plaintiff's decision.

- (3) On 11 December 2003, the CFC, without having been invited or instructed to do so by the Board, sent an eight page Memorandum to the Chairman of the Board entitled "Increase in Faith Hospital and Purchase & Output Agreements". Such Memorandum was said to have been based on "brief discussions" with the ACFO and a member of her staff. The Plaintiff was unaware of such discussions and the CFC's intention to prepare the Memorandum until after it was sent. If the Board had wished to have such a Memorandum, it should have instructed the CEO to prepare it which he would have done through the ACFO and members of the Finance Department.
- (4) In or about December 2003, the Chairman announced to the senior management staff of the HSA that any member of staff could schedule an appointment to see him on any Tuesday to discuss their issues or concerns.
- (5) In February 2004, the CFC attempted to interfere in the constitution of a team required to implement a Report prepared by Ernst & Young concerning the operation of the Authority's Finance Department.
- (6) On the renewal of their contracts, HSA physicians were entitled to a trip to their original home/location. One physician came from Montserrat, travel to which was difficult on account of local volcanic activity, and approval was given to meet his family elsewhere. The AP clerk refused to process the payment. The physician concerned discussed the matter with the HRA as a result of which alternative arrangements were made. Again, the AP clerk refused to pay. The Plaintiff approved the alternative arrangements after discussing the matter with the physician concerned. The AP clerk arranged for the CFC to support her in a further refusal.

Breach of Duty: Undermining, etc., of the Plaintiff's authority as CEO

13. Since the Plaintiff's appointment as CEO, the Board, or members of the Board, have undermined, or failed to support, his authority as CEO either directly or by undermining or failing to support the authority of his senior managers. The Plaintiff will rely on, amongst others, the following instances:

- (1) In or about August 2003, the Plaintiff recruited and appointed a Chief Information Officer ("CIO") which appointment was approved by the Board. On or about 9 September 2003, the Chairman, who had recently been appointed, informed the Plaintiff that he was to "diplomatically unweave" the appointment and that the person in question would continue as Consultant Chief Information Officer ("CCIO"), the position of CIO being advertised requiring reduced qualifications. This down-grading, which had no effect on the functions to be performed by the CCIO, undermined his authority and that of the Plaintiff as CEO.
- (2) On 13 November 2003, the Deputy Chief Financial Officer ("DCFO") was appointed as ACFO on the basis that, after a period of three months, that is, by 1 February 2004, "given satisfactory performance", she would be appointed Chief Financial Officer ("CFO"). In October 2003, the post had been advertised both internally and in the Cayman Compass. The DCFO, who was a Caymanian, was the only qualified accountant in the Cayman Islands with experience of health administration. She had the full support of the Plaintiff and had previously been advised by the CFC, on or about 27 August 2003, that her appointment as CFO was "a mere formality by the Board". Notwithstanding the above, and a commendation in an E & Y report evaluating the Authority's financial operations, the Board, for reasons which are unclear, decided to re-advertise the position of CFO. The Plaintiff accepts that the Board was not bound to approve the appointment. Nonetheless, the above matters created a reasonable expectation in the mind of the ACFO, and in the mind of the Plaintiff, that she would be so appointed. The failure to appoint her, which would have been

known to the Authority's staff generally, undermined her position as ACFO and, through her, the position of the Plaintiff as CEO.

- (3) In early November 2003 the CFC suggested to the ACFO that a named member of her staff, a wholly inappropriate and unqualified candidate, should be appointed as DCFO.
- (4) On 15 December 2003, the Collection Consultant ("CC") recruited and appointed by the Plaintiff, resigned on the ground that she had not been allowed to perform her contractual duties. In particular:
 - (i) Members of the Finance Committee allowed employees subordinate to the CC to deal directly with them thus undermining the CC's authority;
 - (ii) The Finance Committee reversed the CC's decision not to extend an employee's employment beyond the probationary period;
 - (iii) Advertisements for approved positions were delayed;
 - (iv) Applicants for positions recommended by the CC for interview were not interviewed whereas patently unqualified applicants were;
 - (v) The CC's training budget was frozen in consequence of the Finance Committee's wish to micro-manage the training process.
- (5) The Medical Director ("MD") of the HSA resigned in late January/early February 2004. The Plaintiff appointed as Acting Medical Director ("AMD") a person who had been appointed to that post on many previous occasions by former MD's. The Chairman told the Plaintiff that such appointments required Board and Ministry approval. Shortly thereafter, the then AMD had to go to Miami in connection with her husband's medical treatment and there was a need to appoint a replacement AMD. The Plaintiff recommended to the Chairman the person he first appointed on the resignation of the MD. The Chairman did not respond to this recommendation. He avoided contact with the Plaintiff and the Plaintiff's deputy, whom the Plaintiff had asked to deal with the matter. In those circumstances, the Plaintiff appointed the person recommended by him and was then chastised by the Chairman for not getting the Board's approval. From incidents such as these, the physicians of the HSA got the clear message that the

Plaintiff was incapable of any executive action without the approval of the Board.

- (6) The principal functions of the CCIO were as follows:
- (i) To hire and train a Caymanian to become the CIO;
 - (ii) To superintend the transfer of the Authority's databases from the existing Encom system to the newly-acquired Cerner system and to manage the Encom system in the meantime.

The Board prevented the CCIO from fulfilling these functions by:

- (i) Failing to provide, and budget for, the post of a future CIO;
- (ii)
 - (a) Failing to provide, and budget for, the appointment of a competent person to receive and act upon information concerning the day to day operation of the Encom system or to extend the consultancy contract of the former IT Manager;
The Board was aware, in March 2003, that the then IT Manager, the only person with knowledge of such operation, was leaving in September 2003 yet it did nothing to appoint such a person in the meantime. The IT Manager entered into a 5 month consultancy contract with the HSA which the Chairman/the Chairman of the IT Committee refused to extend despite being advised of the critical nature of the applications at risk.
 - (b) Failing generally to provide, and approve, the appointment of the necessary trained personnel to support the Authority's IT systems; At all material times, the Authority's network staff consisted of no more than one administrator and two PC technicians.
 - (c) Failed to approve the purchase of replacement hardware, etc., necessary to support such systems.
 - (d) Failed to approve the upgrade of the Cable & Wireless lines connecting to the Faith Hospital in Cayman Brac and the remote clinics which failure disrupted staff operations and the staff's use of IT services.

In or about February 2004, as a result of the matters pleaded above, the CCIO resigned.

- (7) During a meeting in February 2004 between the Plaintiff and physicians' representatives concerning their salary scale review, one of a number of such meetings which had taken place since August 2003, the Chairman attended the meeting unannounced to discuss another issue. After that issue was addressed, one of the physicians present asked the Chairman for the Board's support for their salary scale review. The Chairman, visibly angered, stated that the Board would consider the matter: "everyone won't be happy, some may choose to leave, but I can reach down into a hole and pick up physicians to take their place". In less than 10 minutes, the Chairman undid the relationship of trust and confidence which the Plaintiff had built up with the physicians over the previous six months.
- (8) During his time as CEO, to the knowledge of senior management, the Plaintiff's spending authority was reduced from CI\$10,000 to CI\$5,000 and finally to CI\$500.

Breach of Duty: Inappropriate Behaviour

14. During the Plaintiff's tenure as CEO, certain members of the Board conducted themselves inappropriately towards the Plaintiff and the staff of the Authority. The Plaintiff will rely on, amongst others, the following instances:
 - (1) In or about November 2003, the CFC accused the ACFO of conspiring with the Plaintiff to claim expenses which they had not incurred and which the CFC did not wish to support. The accusation was expressed in obscene language.
 - (2) In or about January 2004, the HRA was asked to prepare a report for the Board describing the new positions for which he sought approval. He was specifically told by the Chairman to submit the job descriptions only for mailing to Board members and not the justifications which should be brought to the meeting and reviewed if necessary. Notwithstanding that, as they were told, the justifications were available at the meeting, the HRA's report was rejected by the Board as

inadequate on the ground that it did not justify the positions described. The positions went unfilled causing embarrassment to the HRA and operational problems for the Plaintiff.

- (3) On or about 26 February 2004, as part of his duty to provide an orientation and training program for the Board, the Plaintiff produced a paper entitled "Succession Planning". The Chairman's only response was to the effect that "the Board tells management what to do, management doesn't tell the Board".
- (4) The annual Output Budget was due for submission by the HSA to the Ministry during the ACFO's annual leave in March 2004. Prior to her departure, she had distributed a detailed work list with specific assignments and due dates to her staff and the CFC. The Plaintiff had also reviewed the draft Budget with the ACFO. The draft was required to be reviewed by the CFC prior to submission to the Ministry. After the ACFO left, the CFC and the member of the ACFO's staff assigned the task of completing the Budget denied all knowledge of any responsibility for the same. Subsequently, the CFC admitted that he was aware of his responsibility in the matter and of the draft Budget. Throughout the relevant period, the CFC failed to respond to enquiries from the Plaintiff leading to, as the CFC intended it to lead to, friction between the Plaintiff and the ACFO on the one hand and the Ministry on the other.

Expenses

15. It was also an implied term of the Agreement that the Plaintiff would be reimbursed by the Authority all expenses reasonably and properly incurred by him in acting as CEO. Despite a number of requests, the Authority has failed to reimburse expenses amounting to US\$5,300.

Repudiation


16. In consequence of the matters pleaded above, by March 2004, the Authority, for the management of which the Plaintiff was responsible, was in a state of disarray. Senior management, including the Plaintiff, did not know whether decisions properly taken by them would be implemented or, alternatively, overruled without reference to them. As

was the case, management decisions appeared to them to be taken by persons who had no management responsibility. Consequently, the management of the Authority was, by March 2004, in a state of inertia. On or about 10 November 2003, the Plaintiff drew the attention of the Chairman to the risks which were inherent in watering down the authority of the CEO. No steps were taken by the Chairman or the Board to correct the situation with the result that, by March 2004 at the latest, those risks had become manifest. As previously pleaded, by reason of such matters, the CCIO and the CC resigned. The Director, Patient Care Services, also resigned on 30 March 2004 although she subsequently accepted appointment as Acting CEO and then CEO.

17. The matters pleaded in paragraphs 10 to 15, inclusive, constitute repudiatory breaches by the Authority of the Agreement. The Plaintiff accepted such repudiation by a letter from his Cayman Islands Attorneys, Quin & Hampson, dated 31 March 2004.
18. By reason of such repudiation, the Plaintiff has suffered loss and damage.
19. The Plaintiff claims interest on damages, and also on the expenses pleaded in paragraph 15 above, pursuant to section 34 of the Judicature Law (2002 Revision) from such date and at such rate as the Court thinks fit.

AND the Plaintiff claims:

- (1) Damages for breach of contract;
- (2) US\$5,300 pursuant to paragraph 16 above;
- (3) Statutory interest on such damages and the sum of US\$5,300 from such time and at such rate as the Court thinks fit;
- (4) Costs.



QUIN & HAMPSON
Attorneys-at-Law for the Plaintiff