

IN THE GRAND COURT OF THE CAYMAN ISLANDS

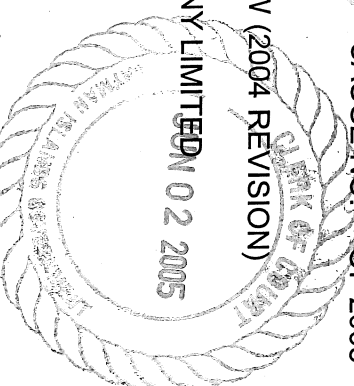


CAUSE NO: OF 2005

252

IN THE MATTER OF SECTION 13(1)(vii) OF THE INSURANCE LAW (2004 REVISION)
AND IN THE MATTER OF WATER STREET INSURANCE COMPANY LIMITED 02 2005

EX PARTE ORIGINATING SUMMONS



LET ALL PARTIES CONCERNED attend before the Judge in Chambers, at the Law Courts, George Town, Grand Cayman on the 8th day of June 2005, at 9³⁰ o'clock on the hearing of an application by Ian Wight and Stuart Sybersma ("the Controllers") for an Order that:

1. Ian Wight and Stuart Sybersma of Deloitte & Touche in the Cayman Islands ("the Controllers") appointed to assume control jointly and severally over the affairs of Water Street Insurance Company Limited ("the Company") pursuant to a directive from the Chairman of the Board of Directors of the Cayman Islands Monetary Authority ("CIMA") dated 31 May 2005 ("the Appointment") shall have all the powers of a person appointed as a receiver or manager of a business appointed under section 18 of the Bankruptcy Law (1997 Revision) to be exercised as necessary without further sanction of the Court including but not limited to:
 - (a) the power to take possession of all property real and personal, and all books, papers, and documents of the Company, and to exercise such of the powers conferred by this Order as may be necessary for the purpose of acquiring and retaining possession thereof and for the purpose of protecting the rights of the Company's creditors and, if the Controllers consider it appropriate, to invest or reinvest those assets in interest bearing deposit accounts at financial institutions chosen by the Controllers;
 - (b) taking possession of or making copies of the books, records and other documents pertaining to the affairs of the Licensee to enable a proper accounting of the current financial position of the Company;

- (c) safeguarding the interests of creditors and providing an inventory of assets and liabilities as necessary;
- (d) the power to discover and recover all debts due to the Company including the power to bring or defend any action, suit, prosecution, or other legal or quasi-judicial proceedings whether civil or criminal in the name and on behalf of the Company whether within the Cayman Islands or elsewhere;
- (e) investigating the financial condition of the Company and interviewing such persons whether within the Cayman Islands or elsewhere having knowledge or suspected of having knowledge of the Company's affairs to the extent that such interviews are considered necessary or appropriate by the Controllers to assist them in the execution of their powers and duties;
- (f) enter into discussions and negotiations with any person in the Cayman Islands or elsewhere as necessary to arrive at a prompt and orderly resolution of the Company's financial problems;
- (g) the power to sell the real and personal property, effects and things in action of the Company by public auction or private contract, with power to transfer the whole thereof to any person or company or to sell the same in parcels insofar as the exercise of this power shall be necessary to preserve or protect the value of the Company's assets or business;
- (h) the power to carry on the business of the Company, so far as may be necessary for the assumption of control of the affairs of the Company and/or as shall be necessary to preserve or protect the value of Company's assets or business;
- (i) the power to prove, rank, claim and draw a dividend in respect of any debt due to the Company;
- (j) the power to refer any dispute to arbitration, compromise all debts, claims and liabilities, whether present or future, certain or contingent, liquidated or unliquidated, subsisting or supposed to subsist between the Company and any person who may have incurred any liability to the Company, upon the receipt of such sums payable at such times and generally upon such terms as may be agreed upon;

- (k) the power to make such compromise or other arrangement as may be thought expedient with creditors of the Company or persons claiming to be creditors of the Company, in respect of any debts against the Company;
- (l) the power to make such compromise or other arrangement as may be thought expedient with respect to any claim arising out of or incidental to the property of the Company, made or capable of being made by any person;
- (m) the power to draw, accept, make and endorse any bill of exchange or promissory note in the name and on behalf of the Company, and from time to time to raise upon the security of the assets of the Company any requisite sum or sums of money; and the drawings, accepting, making or endorsing of every such bill of exchange or promissory note as aforesaid on behalf of the Company shall have the same effect with the respect of the liability of such company as if such bill or note had been drawn, accepted, made or endorsed by or on behalf of such company in the course of the carrying of the business thereof save insofar as the exercise of this power shall be necessary for the control of the affairs of the Company in order to protect and preserve the assets and/or the business of the Company;
- (n) the power to do and execute all such things as may be necessary for the conduct and control of the affairs and the business of the Company including but not limited to the power to revoke on behalf of the Company any subsisting Power of Attorney or other deed or instrument;
- (o) the power to execute on behalf of the Company any Power of Attorney or other deed or instrument that may, in the opinion of the Controllers be necessary for the conduct of any of the affairs or business of the Company or for the exercise of any of the powers set out in this Order and to take any and all necessary steps to register or howsoever effect or have recognised the Power of Attorney whether in the Cayman Islands or elsewhere;
- (p) that the Controllers may, at any time, apply to the Court for directions concerning the above powers or with regard to any matters arising out of the management or conduct of the affairs of the Company;

(g) promptly refer all matters of a legal and insurance supervisory nature to CIMMA.

2. The Controllers may, without further sanction of this Court, appoint attorneys-at-law whether in the Cayman Islands or elsewhere to assist them in the performance of their duties and with the approval of CIMMA to appoint any agent or other entity to engage in any business on behalf of the Company which they are unable to do themselves or which can more conveniently be done by an agent whether in the Cayman Islands or elsewhere at such rate of remuneration as the Controllers shall deem appropriate.

3. The Controllers be authorised to pay out of the assets of the Company their fees, disbursements and expenses and those of their staff on a monthly basis or as and when invoices rendered in respect of fees and disbursements become payable and, in the event that such fees and expenses are not ratified by the Court they shall be refunded by the Controllers as directed. The Controllers and their staff be remunerated at the expense of the Company at the following hourly rates:

	US\$
(i) Partner	450.00
(ii) Director	400.00
(iii) Senior Manager	350.00
(iv) Manager	275.00
(v) Senior Accountant	200.00
(vi) Insolvency Administrator	100.00

4. The Controllers shall provide to CIMMA an interim report within 15 days of their appointment and a full report in accordance with section 13(3) of the Insurance Law (2004 Revision) as soon as possible but no later than three (3) months of their appointment. The reports are to specifically address the solvency of the Company and the state of its books and records.

5. The Controllers shall provide to the Court a report regarding the affairs of the Company within three (3) months of the date hereof and they shall provide to CIMMA copies of all

reports regarding the affairs of the Company filed with the Court and/or sent to creditors or contributors of the Company.

6. The Controllers shall serve upon CIMA copies of all applications made to the Court for other directions and/or relief and the evidence in support thereof.
7. No security shall be required from the Controllers.
8. The Controllers shall have liberty to apply.
9. The costs of and incidental to this application be paid out of the assets of the Licensee as expenses of the Controllership.

DATED the day of June, 2005.



WALKERS

Attorneys-at-Law for the Controllers

TIME ESTIMATE: the estimated length of the hearing is 30 minutes

This Summons was issued by Walkers, Attorneys-at-Law, P.O. Box 265 GT, Walker House, Mary Street, George Town, Grand Cayman, for the Controllers whose address for service is care of their said Attorneys-at-Law.