

IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO. ³⁰⁴ OF 2006

BETWEEN:

IAN DAWSON JAMES

Plaintiff

-AND-

CAYMAN YACHT CLUB LIMITED

Defendant



WRIT OF SUMMONS

TO:

Cayman Yacht Club Limited
P.O. Box 1994GT
Queensgate House
113 South Church Street
George Town, Grand Cayman
Cayman Islands, B.W.I.



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 (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, Grand Cayman, Cayman Islands, 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 Acknowledgement within the time stated, or if you return the Acknowledgement 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 ^{14th} day of July, 2006

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 issued unless renewed by order of the Court.

IMPORTANT

Directions for Acknowledgement of Services are given with the accompanying form.

STATEMENT OF CLAIM

1. The Plaintiff of PO Box 30332SMB is a resident of the Cayman Islands who resides at 762 Yacht Drive, West Bay.
2. The Defendant is a company incorporated in the Cayman Islands whose registered offices is P.O. Box 1994GT, Queensgate House, 113 South Church Street, George Town, Grand Cayman, B.W.I.
3. On or about the month of July 2002 the Plaintiff entered into a contract of employment with the Defendant; the terms and conditions of the contract were set out in a written agreement dated the 4th of September 2002, which was duly executed by the Plaintiff and Defendant (the "Employment Contract").
4. The Plaintiff will rely upon the express terms and conditions of the Employment Contract at the trial of this matter.
5. The Employment Contract set out the terms and conditions of the engagement of the Plaintiff as the Development Manager of the Defendant. The Employment Contract had certain remuneration obligations which the Defendant agreed to honour. Among these were:
 - i) the Plaintiff was guaranteed continuous paid employment with the Defendant for a fixed period of 3 years;
 - ii) the Plaintiff was to receive an annual salary of CI\$72,000 per annum utilizing an exchange of CI\$1 being equal to US\$1.25 to be reviewed upwardly annually at a rate not less than the Cayman Islands published C.P.I./inflation rate;
 - iii) the Plaintiff was to receive a bonus equivalent to 3% of the gross sales value of all property sales, leases, rentals or joint ventures made with the Defendant;
 - iv) the Plaintiff was to be reimbursed for all the costs incurred with the use of a motor vehicle;
 - v) the Plaintiff was entitled to be provided with group health coverage for himself to be paid by the Defendant as to 100%, and for his immediate family as to 50%;

- vi) the Plaintiff was entitled to be reimbursed for all expenses incurred in the performance of his duties, such expenses to incur an interest charge of 1.5% per month if not paid within 60 days;
 - vii) the Plaintiff was to be reimbursed for the cost of telephone line rental and call usage and the use of a mobile digital telephone;
 - viii) the Plaintiff was entitled to 4 weeks paid vacation per year;
 - ix) the Plaintiff was entitled to receive the maximum allowable annual contributions made by the Defendant to a pension scheme.
6. The Employment Contract was automatically renewable for an additional period of 3 years unless terminated by the Plaintiff upon six month's written notice to the Defendant. No such notice was served by the Plaintiff.
7. The Employment Contract also stated that if the Defendant required the Plaintiff to resign for reasons other than theft or fraud then the Plaintiff would be entitled to receive a severance payment equivalent to the balance of the fixed employment term or one year's full salary whichever was greater together with the 3% bonus entitlement referred to in para 5 iii) above.
8. The Defendant became insolvent on or about the month of December 2005 and became unable to meet the commitments and promises made to the Plaintiff in the Employment Contract.
9. In breach of the terms of the Employment Contract the Defendant failed to make the monthly salary payment required for the month of January 2006.
10. Despite the demands of the Plaintiff to remedy the breach the Defendant refused or otherwise failed to do so.
11. In further breach of the Employment Contract the Defendant refused or otherwise failed to repay the Plaintiff with respect to expenses incurred.
12. As a result of the Defendant's refusal or failure to pay the Plaintiff, the Plaintiff considers himself to have been dismissed by the Defendant thereby entitling him to the severance payment as called for in the Employment Contract.
13. The Plaintiff is entitled to and claims payment of the sum of CI\$270,876.10 from the Defendant particulars of which are as follows:

PARTICULARS

(All amounts in Cayman Islands Dollars)

Unpaid Salary:		
Jan/Feb/Mar/Apr/May/June 2006(\$5,750 net/pension)		\$ 34,500.00
Expenses / Loans / Payments: Due as of June 2006		\$ 20,688.79
CPI Deficiencies (CI CPI)		
Salary Deficiencies:	2003 @ 0.6%	\$ 432.00
	2004 @ 4.4%	\$ 3,187.01
	2005 @ 7.0%	\$ 5,293.33
	2006 @ 7.0% Estimated	\$ 5,663.86
	2007 @ 6.0% Estimated	\$ 5,194.57
	2008 @ 5.0% Estimated	\$ 4,588.54
Severance Pay:		
July 2006 – October 2008 (as per contract)		
(28 months @ \$5,750 net/pension)		\$ 161,000.00
Car Allowance:	\$.50 cents per mile / 5280 miles	\$ 2,640.00
Telephone: To June 2006		
Cell phone: Monthly Fee	\$ 45 /45 months	\$ 2,025.00
Home: Line Rental	\$ 13 /	\$ 585.00
Home Fax: Line Rental	\$ 13 /	\$ 585.00
ADSL: Monthly Fee	\$ 99 /	\$ 4,455.00
(Rental fees ONLY. This does account for any calls made on behalf of the Company)		
Health Insurance:		
Monthly \$54.00		\$ 2,538.00
(This is 20% of the monthly insurance premium of \$270)		
Pension Contributions: at \$250/\$250 per month		
2005 Dec		\$ 500.00
2006 Jan – Dec		\$ 6,000.00
2007 Jan – Dec		\$ 6,000.00
2008 Jan – Oct		\$ 5,000.00
TOTAL		\$ 270,876.10

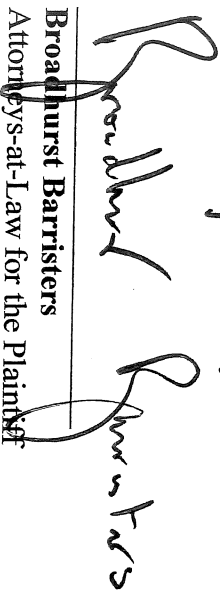
14. Further the Plaintiff is entitled to interest pursuant to the Judicature Law (2002 Revision) of 3% which as of the 19th July 2006 presently amounts to CI\$422.94 which is increasing at a daily rate of CI\$ 22.26 per day .

15. By reason of the matters aforesaid the Plaintiff has incurred loss and expense.

AND THE PLAINTIFF CLAIMS:

- (1) The sum of CI\$ 271,299.04
- (2) Interest
- (3) Costs.

Dated this 19th day of July 2006


Broadhurst Barristers
Attorneys-at-Law for the Plaintiff

INDORSEMENT

The amount claimed in respect of the debt or demand is CI\$ 270,876.10 as principal and CI\$ 422.94 as interest as of July 19th 2006 and continuing to accrue at a per diem rate of CI\$ 22.26 for a total amount of CI\$ 271,299.04. The amount of the fixed costs is CI\$ 500.00 and the costs of issuing the Writ of Summons is CI\$ 150.00 plus the ad valorem fee of CI\$ 1754.38. 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 and interest, the fixed 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.

STATEMENT REGARDING INTEREST

The prescribed rates of interest is as set out in Schedule 2 and the total interest claim is CI\$ 422.94 and the amount of interest accruing each day following the issue of the writ is CI\$ 22.26.

This Writ and Statement of Claim was issued by Broadhurst Barristers Attorneys-at-Law for the Plaintiffs whose address for service is 40 Linwood Street P.O.Box 2503 GT George Town Grand Cayman, Cayman Islands British West Indies

**DIRECTIONS FOR ACKNOWLEDGEMENT OF SERVICE
OF WRIT OF SUMMONS**

1. The accompanying form of *Acknowledgement 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, PO Box 495, George Town, Grand Cayman.
 2. A Defendant who states in his Acknowledgement 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 endorsed on the Writ (i.e. the words "Statement of Claim" appear on the top of page 2). The defence must be served within fourteen (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 endorsed on the Writ, the defence need not be served until fourteen (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 fourteen (14) days after his Acknowledgement, 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 installments or otherwise.
- 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 fourteen (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 "*(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.

Where the Defendant is a LIMITED COMPANY the form must be completed by an Attorney or by someone authorized to act on behalf of the Company, but the Company can take no further steps in the proceedings without an Attorney acting on its behalf.
 7. Where the Defendant is a MINOR or a MENTAL HEALTH 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.

IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO. OF 2006

BETWEEN:

IAN DAWSON JAMES

Plaintiff

-AND-

CAYMAN YACHT CLUB LIMITED

Defendant

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.

- State the full name of the Defendant by whom or on whose behalf the service of the Writ is being acknowledged.

- State whether the Defendant intends to contest the proceedings (*tick appropriate box*)
Yes No

- 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 see 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 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.

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

BROADHURST BARRISTERS
ATTORNEYS-AT-LAW
40 LINWOOD STREET
PO BOX 2503 GT
GEORGE TOWN, GRAND CAYMAN
CAYMAN ISLANDS, BRITISH WEST
INDIES

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