

IN THE GRAND COURT OF THE CAYMAN ISLANDS

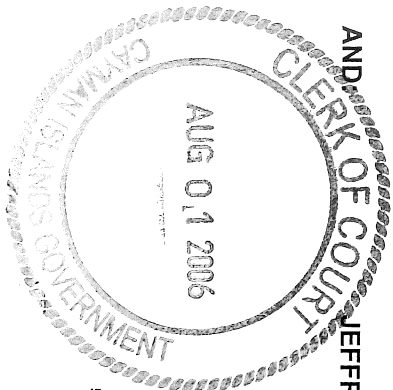
CAUSE NO. 321 OF 2006

BETWEEN: HSBC FINANCIAL SERVICES (CAYMAN) LIMITED

Plaintiff

AND CLERK OF COURT JEFFREY DANTER

Defendant



WRIT OF SUMMONS



TO:

Jeffrey Danter
PO Box 1109 GT
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, 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: 1 August 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 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 a banker carrying on business in George Town, Grand Cayman, Cayman Islands and elsewhere.
2. The Defendant is a former employee of the Plaintiff who obtained a mortgage with the Plaintiff pursuant to the Plaintiff's Staff Mortgage Assistance Scheme for employees.
3. A mortgage (legal charge) was agreed between the Plaintiff and the Defendant on 10 February 2004 (the "**Charge**") in respect of a property in Grand Cayman registered as Block 2C, Parcel No. 131H28, West Bay South (the "**Property**") in the amount of US\$171,000.00 (the "**Principal Sum**") together with interest.
4. Pursuant to the terms of the Charge, interest was initially set at a rate of 1% below New York Rate with a maximum rate of 5.5%.
5. Pursuant to the terms and conditions of the above-mentioned Staff Mortgage Assistance Scheme, the loan secured by the Charge was granted on the agreed basis that the Charge was to be re-paid in full within six months of the Defendant leaving the Plaintiff's employment.
6. Further, it was also agreed pursuant to the terms and conditions of the Plaintiff's Staff Mortgage Assistance Scheme that commercial lending rates would apply to the Charge from the date of the Defendant's leaving date, should the Defendant's employment with the Plaintiff come to an end.
7. In the premises, the terms and conditions of the Charge were varied and/or amended in accordance with the provisions of the Staff Mortgage Assistance Scheme pleaded at paragraphs 5 and 6 above. References hereinafter to the Charge are to the Charge as so varied and/or amended.
8. In or about September 2004, the Defendant left the Plaintiff's employment.
9. The Property comprises of a dwelling house in the Dolphin Point Condominiums located on the ocean side of Northwest Point Road in West Bay, Grand Cayman, Cayman Islands and was substantially destroyed as a result of Hurricane Ivan on or about 9 September 2004 to 11 September 2004.
10. As the dwelling house located at the Property was destroyed as a result of Hurricane Ivan, the security provided in respect of Charge has been rendered insufficient.
11. Further, the Plaintiff understands that the dwelling house located at the Property is no longer occupied either by the Defendant or at all.
12. Pursuant to the provisions of the Staff Mortgage Assistance Scheme referred to at paragraph 5 above, as at 31 March 2005, the Charge was to be re-paid in full.
13. The Plaintiff is seeking, *inter alia*, an Order for possession of the Property and/or an Order that payment of the full amount secured by the Charge, together with interest, be made to the Plaintiff because the Defendant has not complied with the terms and conditions which apply to the Charge in that, *inter alia*, the agreed repayments of the loan and interest have not been made nor has the Charge been re-paid in full by 31 March 2005 as required by the Staff Mortgage Assistance Scheme.

14. The Defendant has failed, save for a single payment of US\$1,278.00 made in March 2005, to pay the monies due under the Charge since Hurricane Ivan in September 2004.
15. On 3 October 2005, the Plaintiff effected personal service of a Default Notice dated 30 September 2005 pursuant to Section 64 (2) of the Registered Land Law (1995 Revision) on the Defendant demanding payment of the Principal Sum together with interest.
16. The Plaintiff received no response whatsoever to the Default Notice referred to in paragraph 15 above and as a result three months after service of the Section 64 (2) Notice the monies due under the Charge, together with interest, were due in full.
17. On 3 February 2006, the Plaintiff effected personal service on the Defendant of a further Default Notice dated 2 February 2006 formally requesting that additional security be provided to the Plaintiff in respect of the Property pursuant to Section 72 (3) (b) of the Registered Land Law (1995 Revision).
18. The Plaintiff received no response whatsoever to the Default Notice referred to in paragraph 17 above and no additional or alternative security has been provided to the Plaintiff.
19. On 29 March 2006, the Plaintiff effected personal service on the Defendant of a further Default Notice dated 29 March 2006 pursuant to Section 72 of the Registered Land Law (1995 Revision) providing that should the Plaintiff not make payment of the monies due under the Charge within one month of service of the Notice, the Defendant would commence proceedings for all outstanding monies due under the Charge.
20. As at 29 March 2006, the Defendant was indebted to the Plaintiff in the amount of US\$208,794.70 under the Charge with interest accruing at the rate of US\$55.10 per diem.
21. The Defendant has paid to the Plaintiff no further payments at all in respect of either the arrears and/or the monies due under the Charge as at the date of this Writ.

And the Plaintiff Claims:-

- i. possession of the Property;
- ii. an Order that the Defendant pay the outstanding arrears including interest due under the Charge or alternatively under the Judicature Law (2004 Revision);
- iii. an Order that the Defendant pay the Plaintiff's costs to be taxed if not agreed;
- iv. that Judgment is entered against the Defendant for US\$208,794.70 being the amount due as at 29 March 2006 under the Charge, together with the interest due thereafter under the Charge or alternatively under the Judicature Law (2004 Revision); and
- v. such injunctive and further and other relief as this Honourable Court deems just and equitable.

Dated: 1 August 2006

Stuart Walker Hersant
STUARTS WALKER HERSANT
Attorneys at Law for the Plaintiff

This WRIT OF SUMMONS was filed by Stuart, Attorney-at-Law for the Plaintiff whose address for service is Cayman Financial Centre, 36A, Dr. Roy's Drive, P.O. Box 2510 GT, Grand Cayman, Cayman Islands. Ref: RTVA/1406/248