

STATEMENT OF CLAIM

1. The Plaintiff is a company incorporated in the Cayman Islands and the franchisee of the system of real estate brokerage which, together with associated marketing materials, other documents and marks, is known as the Century 21 System.
2. The Defendant is a firm of real estate brokers carrying on business in the Island of St. Croix, U.S. Virgin Islands ("St. Croix").
3. By an Agreement dated 26 July 2002 ("the Agreement"), the Plaintiff sub-franchised to the Defendant exclusive rights to the Century 21 System in respect of St. Croix for a period of five years.
4. In so far as is material, the following were terms of the Agreement:
 - (1) By Clause 9, the Defendant agreed to pay to the Plaintiff:
 - (a) a royalty fee equal to 6% of the gross revenue earned by the Defendant from, inter alia, real estate transactions with a minimum monthly payment of US\$1,200.00;
 - (b) in the event that royalty fees were more than 10 days late, interest from the due date until paid at the lower rate of either the highest rate allowed by law or a rate that is five percentage points per annum higher than the prime rate then currently established by the Bank of New York.
 - (2) By Clause 10, the Defendant agreed to pay to the Plaintiff:
 - (a) a Caribbean National Advertising Fund ("CNAF") contribution equal to 2% of such gross revenue with a minimum and maximum monthly payment of US\$200.00 and US\$2,500.00 respectively;
 - (b) in the event that the CNAF contribution was not paid by the end of the appropriate month, interest at the rate referred to in sub-paragraph (1)(b) above

(3) By Clause 23 provided, in so far as is material, that should either party incur attorneys' fees in order to enforce the terms and conditions of the Agreement, the party not in default shall be entitled to reimbursement of such attorneys' fees and costs. Clause 23 further provided that should any legal action be instituted, the prevailing party should be entitled to recover all litigation costs including attorneys' fees.

5. The following sums are due and owing from the Defendant to the Plaintiff which, despite being invoiced for the same, the Defendant has failed to pay, namely:

(1)	Royalty Fees	US\$28,966.77
(2)	CNAF contributions	US\$10,187.41
		US\$39,154.18

6. The Plaintiff claims interest on the said sum of US\$39,154.18 at a rate equal to 5% above Bank of New York's prime rate from time to time from the various dates on which the same should have been paid until judgment. Interest at the said rate up to and including 1 September 2006 amounts to \$6,682.69 and continues thereafter, subject to any change in Bank of New York prime rate, at a daily rate of \$13.98.

7. Alternatively, the Plaintiff claims interest on the said sum of US\$39,154.18 pursuant to section 34 of the Judicature Law (2004 Revision) at the statutory rate from the various dates on which the same should have been paid until judgment.

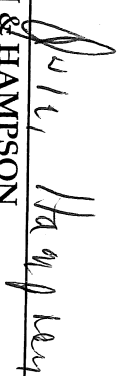
8. The Plaintiff further claims attorneys' fees pursuant to Clause 23 of the Agreement. Attorneys' fees to date amount to US\$7,548.48.

AND the Plaintiff claims:

- a. US\$39,154.18 royalty fees and CNAF contributions;
- b. Contractual interest on the said sum of US\$39,154.18 at a rate equal to 5% above Bank of New York's prime rate from time to time from the various dates on which the same should have been paid until judgment;

- c. Alternatively, statutory interest pursuant to section 34 of the Judicature Law (2004 Revision) on the said sum of US\$39,154.18 at the statutory rate from the various dates on which the same should have been paid until judgment;
- d. US\$7,548.48 attorneys' fees;
- e. Statutory interest pursuant to section 34 of the Judicature Law (2004 Revision) on the said sum of US\$7,548.48 at the statutory rate from the various dates on which the said attorneys' were paid;
- f. Alternatively to (4) and (5), costs.

Dated this 11th day of September 2006



QUIN & HAMPSON
Attorneys-at-Law for the Plaintiff

This Writ was filed by Quin & Hampson, Attorneys-at-Law for and on behalf of the Plaintiff herein, whose address for service is Harbour Centre, Third Floor, P.O. Box 1348, Grand Cayman KY1-1108, Cayman Islands.

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

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 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.
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.

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 or principal office.

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

Quin & Hampson
Attorneys-at-Law
Harbour Centre, Third Floor
P. O. Box 1348
George Town
GRAND CAYMAN

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