

IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO. 13 OF 2007⁷

IN THE MATTER OF THE REGISTERED LAND LAW (2004 REVISION)

AND IN THE MATTER OF SOUTH SOUND, BLOCK 7D, PARCEL 4

BETWEEN:

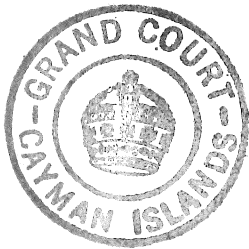
INT'L E-TRADE EQUITIES (04) LTD.

PLAINTIFF

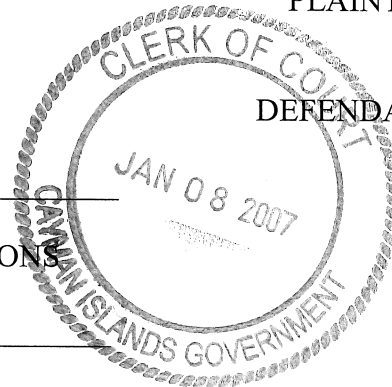
AND:

BRISTOL (CAYMAN) LTD.

DEFENDANT



ORIGINATING SUMMONS



TO: BRISTOL (CAYMAN) LTD. whose address for service is Cayman National Trust Co., Ltd., 4th Floor, Cayman National Bank Building, 200 Elgin Avenue, P.O. Box 10340, Grand Cayman KY1-1003, CAYMAN ISLANDS.

LET THE DEFENDANT, within 14 days after service of this Summons on it counting the day of service, return the accompanying acknowledgment of service to the Court office, P.O. Box 495, Grand Cayman KY1-1106, CAYMAN ISLANDS.

BY THIS SUMMONS which is issued on application of the Plaintiff, Int'l E-Trade Equities (04) Ltd. of PO Box 1366, Grand Cayman KY1-1108, CAYMAN ISLANDS, the Plaintiff claims against the Defendant relief pursuant to the Registered Land Law (2004 Revision) as follows:-

1. The Defendant applied to the Plaintiff for a loan in the sum of US\$2,600,000.00 (CAN\$3,490,000.00) and this loan was secured by a First Demand Legal Charge on the land registered at the Lands and Survey Department as South Sound, Block 7D, Parcel 4 ("Parcel 4").
2. Parcel 4 was at all material times registered in the name of the Defendant and on or about 17 August 2004, the Plaintiff as Chargee and the Defendant as Chargor executed a First Demand Legal Charge in respect of Parcel 4.
3. The Charge provides, inter alia, that:

- 3.1 The Plaintiff would lend and the Defendant would borrow the principal sum of Two Million Six Hundred Thousand United States Dollars (US\$2,600,000.00) (“the principal sum”), which was to be secured by way of a First Legal Demand Charge registered over it as a charge on Parcel 4 and repaid by the Defendant to the Plaintiff in Canadian dollars as CAN\$ 3,490,000.00 (“the Principal Sum”).
 - 3.2 Interest on the Principal Sum will accrue at the rate of 9% per annum and increase to 12% per annum compounded monthly in the event the Defendant was in arrears with any payment under the Charge.
 - 3.3 The Defendant will repay to the Plaintiff on demand the Principal Sum together with any interest then due. Pending such demand, for payment the Defendant shall repay the Principal Sum by way of half yearly payments of interest only of CAN\$291,964.13 commencing 16 February, 2005 or such other sums, as the Plaintiff shall from time to time specify.
4. The Legal Charge also provided that:

“Section 72 of the ... [Registered Land] Law shall be varied in respect of this Charge and of any instrument of variation executed pursuant to this Charge so as to entitle the Chargee immediately upon default by the Chargor in payment of the principal sum or of any interest payable hereunder or in the performance or observance of any agreement expressed or implied herein to serve on the Chargor notice in writing to pay the money owing or to perform and observe the agreement as the case may be and further so as to provide that if the Chargor does not comply within one month of the date of service of such notice then the Chargee may thereupon either appoint a receiver of the income of the property the subject of the security or sell the property the subject of the security by private treaty as well as by public auction.”
5. Since on or before 16 February 2006 the payments due the Chargee in respect of the sums loaned and in respect of interest have been in default.
6. The Registered Land Law (2004 Revision) provides:

“Section 64(2) A date for the repayment of the money secured by a charge may be specified in the charge instrument and where no such date is specified or repayment is not demanded by the chargee on the date specified, the money shall be deemed to be repayable three months after the service of a demand in writing by the chargee.”
7. The Registered Land Law (2004 Revision) also provides:

“Section 153 A notice under this Law shall be deemed to have been served on or given to any person if –

- (a) served on him personally;*
- (b) served on an attorney holding a power of attorney whereunder such attorney is authorized to accept such service;*
- (c) sent by registered post to him at his last known postal address in the Islands or elsewhere and a receipt purported to have been signed by him as being received in return; or*
- (d) service cannot be effected in one of the above-mentioned ways, by displaying it in a prominent place on the land affected and by publishing it in three consecutive issues of the Gazette.”*

8. By a letter dated 23 February, 2006 sent by registered post and by local courier to the Defendant, the Plaintiff duly served Notice on the Defendant pursuant to Section 64 of the Registered Land Law (2004 Revision) demanding payment of the Principal Sum and accrued interest which, as at that date, amounted to CAN\$3,490,000.00 (principal) and CAN\$292,000.00 (interest and other charges).
9. The Plaintiff avers that the letter dated 24 February, 2006 constituted a demand in writing pursuant to Section 64(2) of the Registered Land Law (2004 Revision) and that the amount outstanding became due on 24 February, 2006.
10. The Defendant did not make payment of the Principal Sum outstanding and/or accrued interest or any payments.
11. The Registered Land Law (2004 Revision) also provides that:

“Section 72(1) If default is made in payment of the principal sum of any interest or any other periodical payment or of any part thereof, or in the performance or observance of any agreement expressed or implied in any charge, and continues for one month, the chargee may serve on the chargor notice in writing to pay the money owing or to perform and observe the agreement as the case may be.”
12. The Plaintiff avers that a Notice in writing to pay the money owing pursuant to Section 72(1) of the Registered Land Law (2004 Revision) could be served on the Defendant on or after 23 February 2006.
13. By a letter also dated 24 February 2006, and a second letter dated 21 April, 2006 and sent by registered post and by local courier to the Defendant, Messrs. Woodward Terry & Company as attorneys for the Plaintiff, served a notice on the Defendant pursuant to the provisions of Section 72(1) of the Registered Land Law

(2004 Revision) demanding payment of the balance of the Principal Sum and accrued interest.

14. The Registered Land Law (2004 Revision) by virtue of Section 72(2) provides that:

“Section 72(2) If the charger does not comply within three months of the date of service, with a notice served on him under subsection (1) the chargee may

... (b) sell the charged property”

15. Therefore, on and since 21 May, 2006 there has accrued a right in favour of the Plaintiff to sell the charged property and the Plaintiff seeks an Order that it may do so.

16. In the premises, the Plaintiff seeks an Order pursuant to the provisions of the Registered Land Law (2004 Revision):

16.1 An Order for Possession be made.

16.2 To sell the Property by way of Private Treaty.

17. The Plaintiff also seeks an Order that if after any sale of Parcel 4 there should be any shortfall in the amount due and owing to the Plaintiff that the Plaintiff be at liberty to enter judgment for such shortfall, together with interest and costs, likewise if there shall be any excess after the sale of Parcel 4, that the Plaintiff be at liberty to use such excess to discharge firstly the sums due to the Chargee under the Second Charge registered over the Property and secondly to the entities holding Cautions registered over Parcel 4 in the order of registration of such Cautions on the Land Register.

Dated this 8 day of January 2007



Clyde H. Allen
Attorney for the Plaintiff

If the Defendant do not acknowledge service, judgment may be given, or made against, or in relation to it as the Court may think just and expedient.

NOTE: This Summons may not be served later than 4 calendar months (*or if leave is required to effect Notice out of the jurisdiction, 6 months*) beginning with that date, unless renewed by Order of the Court.

IMPORTANT: Directions for acknowledgement of services are given with the accompanying forms.

This Originating Summons was issued by Clyde H. Allen, Chambers Attorney for the Plaintiff, whose address for service is P.O. Box 822, Grand Cayman KY1-1103, Cayman Islands.

IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO. OF 2006

IN THE MATTER OF THE REGISTERED LAND LAW (2005 REVISION)

AND IN THE MATTER OF SOUTH SOUND, BLOCK 7D, PARCEL 4

BETWEEN:

INT'L E-TRADE EQUITIES

PLAINTIFF

AND:

BRISTOL (CAYMAN) LTD.

DEFENDANT

ACKNOWLEDGMENT OF SERVICE
OF ORIGINATING SUMMONS

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**.

1. State the full name of the Defendant by whom or on whose behalf the service of the Originating Summons is being acknowledged.

2. State whether the Defendant intends to contest or otherwise participate in the proceedings (tick appropriate box)

yes no

Service of the Originating Summons is acknowledged accordingly

(Signed)

[Attorney] for

[Defendant in person]

Address for Service:

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.

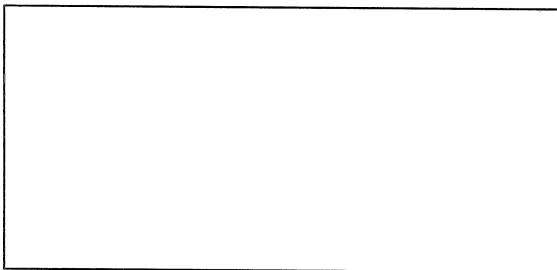
Defendant in person: where the Defendant is acting in person, he must give his post office box number and the physical address of his residence or, if he does not reside in the Cayman Islands, he must give an address in Grand Cayman where communications for him should be sent. In the case of a limited company, "residence" means its registered 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.

Messrs. Woodward Terry & Company
P.O. Box 822
Grand Cayman KY1-1103
Cayman Islands

Ref:

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



**DIRECTIONS FOR ACKNOWLEDGMENT OF SERVICE
OF ORIGINATING SUMMONS**

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 495, Grand Cayman KY1-1106, Cayman Islands.

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. If you wish to defend claims made in the originating summons, or intend to attend the proceedings and to participate in them so far as necessary (although not necessarily in an adversarial manner) you should tick the "Yes" box in paragraph 2 of the acknowledgment of service.
3. 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.
4. 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 Originating Summons)".
5. 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.
6. 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.
7. 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 step in the proceedings without an Attorney acting on his behalf.
8. Where the Defendant is a MINOR or a MENTAL PATIENT, the form must be completed by an Attorney acting for a guardian ad litem.
9. A Defendant acting in person may obtain help in completing the form at the Courts Office.