

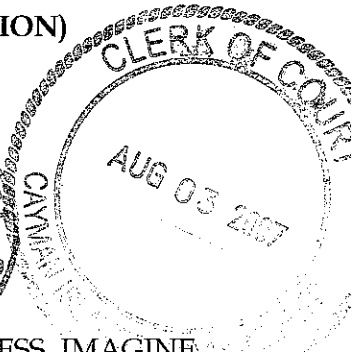
IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO. 335 OF 2007

IN THE MATTER OF SECTION 178 OF THE COMPANIES LAW (2007 REVISION)

AND IN THE MATTER OF ENDLESS IMAGINE TECHNOLOGIES LTD.

ORIGINATING APPLICATION



Application is hereby made to the Clerk of the Court on behalf of ENDLESS IMAGINE TECHNOLOGIES LTD. Registration No. 132991 for an Order that it be restored to the Register of Companies.

This application is made on the grounds set out in the Affidavit of Johann Moxam, for and on behalf of Fairfield Nominees Ltd., the sole shareholder of ENDLESS IMAGINE TECHNOLOGIES LTD. sworn on the 1st day of August 2007.

Dated this 3rd day of August 2007

Quin & Hampson
QUIN & HAMPSON
Attorneys- at-Law for the Applicant

To: The Clerk of the Court

107. The Partnership has had to expend business time and opportunity dealing with the matters pleaded herein.

108. The Partnership has had to instruct lawyers in the Cayman Islands and the United Kingdom to deal with issues arising from the matters pleaded herein and is entitled to repayment of all expenses incurred and costs related to these matters.

Wrongful removal and destruction of Partnership Records

109. Clause 11.2(a) of the Employment Terms provides:

“11.2 Upon the termination of your employment (for whatever reason and howsoever arising) you:

shall not take away, conceal or destroy but shall immediately deliver up to the Company all documents (which expression shall include but without limitation notes, memoranda, correspondence, drawings, sketches, plans, designs and any other materials upon which data or information is recorded or stored) relating to the business or affairs of the Company and its Associated Companies or any of their clients/customers, partners, shareholders, employees, officers, suppliers and agents (and you shall not be entitled to retain any copies or reproductions of any such documents) together with any other property belonging to the Company which may then be in your possession or under your control”

110. Further and in any event the removal and/or destruction of property belonging to the Partnership or conspiring with others to do the same constituted a breach of Mr. Kry's and Mr. Strides fiduciary and contractual duties to the Partnership.

111. In breach of Clause 11.2(a) of the Employment Terms and in breach of fiduciary and contractual duties to the Partnership, between 1 July 2007 and 16 July 2007 Mr. Kry's and Mr. Stride orchestrated the removal and/or destruction of

Partnership records and documents, including

- a. the removal of the Partnership working papers in respect of work related to the Appointments;
- b. the removal and/or destruction of the Fixed Asset Register;
- c. the removal and/or destruction of supporting evidence including but not limited to supporting invoices and purchase orders relating to the Improper Establishment Funds
- d. the removal of employee work permits
- e. the removal of detailed supporting evidence contained within the time and expense reporting system that might be necessary to substantiate claims for reimbursement submitted to creditors committees and Court for approval
- f. the removal and /or interference with, so as to reduce the possibility of their successful use, of the back up tapes for the IT system.

(Together the "Improper Removal or Destruction of Property")

112. Further the matters pleaded in respect of the Improper Removal Of Property constitute a conversion of the property of the Partnership for the use of NewCo, Mr. Krys and/or Mr. Stride.

113. By reason of the Improper Removal of Property has suffered loss and damage, including but not limited to the cost of replacing property, the costs, including management, staff and legal costs of investigating, and identifying the removed or destroyed property and the reputational harm caused to the Partnership by reason of the Defendants' misconduct.

Wrongful removal of Partnership Property

114. On or around the weekend of 14/15 July 2007, the Defendants, and in particular Mr. Kryz, sought, without authority, to remove files, office equipment and computer equipment belonging to the Partnership (the "Wrongfully Taken Property"). No notice was given to the Partnership that such improper conduct was being arranged.
115. By a letter dated 16 July 2007 the Defendants, by their attorneys, stated that the Defendants "had obviously not taken accounting and other records that belong to [the Partnership]". This was not true. In fact the Defendants had wrongfully taken almost all records belonging to the Partnership, had removed computer hard drives and back up tapes and had deleted or destroyed over 200,000 electronic files the contents of which were the property of the Partnership.
116. By a letter dated 18 July 2007, the Defendants, by their attorneys, stated that the Defendants "do not believe they are using RSM Cayman Islands' IT equipment or software". During the transition period, our clients are using IT equipment recently purchased or leased by themselves or that staff personally brought in". This was not true.
117. Unhelpfully the Defendants have sought that the Partnership identify specific property which was wrongfully taken before returning it, in piece meal fashion. This has proved very difficult and time consuming as the Defendants arranged the destruction or removal of the Partnership records and removed or failed to keep a proper asset register for the Partnership.
118. Following a series of chasing letters the Defendants have to date admitted wrongfully taking a number Blackberry devices, six laptop computers, IT back up tapes and other miscellaneous office equipment.
119. Further computer and office equipment is still believed to be wrongfully retained by the Defendants. On 8 August 2007 the Defendants, by their attorneys,

promised a “complete audit” of equipment used by the Defendants. Despite several requests details of this audit has not been provided to the Partnership or its attorneys.

120. In the premises the actions of the Defendants in relation to the Wrongfully Taken Property constitute a conspiracy, a breach of fiduciary duties, a breach of contract, a breach of copyright and a conversion of the property.

121. The Partnership is entitled to damages for the same, the return of all property and a full account of the property held by the Defendants.

Mr. Krys’ Obligation To Resign From Appointments

122. Clause 11.2(b) of the Employment Terms provides:

“11.2 Upon the termination of your employment (for whatever reason and howsoever arising) you:

....

(b) shall at the request of the Board or anyone authorised by the Board immediately resign without claim for compensation from any office as a director or other officer of the Company or of any company or other organisation which appointment arose out of or in connection with your employment with the Company and you shall your best endeavours to ensure the appointment of a Director or other nominee of the Board in your place;”

123. In respect of each and every appointment held by Mr. Krys in respect of the Appointments (the “Krys Appointments”), the Krys Appointments constitute an “office” within the meaning of Clause 11.2(b).

124. Following the Mr. Krys resignation as an employee of the Partnership, the Partnership sought that Mr. Krys resign from the Krys Appointments.

125. In breach of Clause 11.2(b), Mr. Krys refused to resign from the Krys

Appointments and continues to hold and benefit from the Krys Appointments.

126. In the premises Mr. Krys is liable to pay by way of disgorgement damages all monies earned by Mr. Krys in respect of the Krys Appointments, since Mr. Krys earned said monies doing the very thing he had contracted not to do.

Mr. Stride's Obligation Not To Compete With The Partnership

127. Article 8 of the Partnership Agreement provides:

"8.1 Non-Solicitation and Noncompetition of Managing Partner. Except as otherwise agreed by the Partners, while the Managing Partner is a Partner in the Partnership and for a period of two (2) years following the Managing Partner's withdrawal or expulsion from the Partnership, for whatever reason, whether voluntary or involuntary, the Managing Partner shall not Compete with the Partnership in the Cayman Islands. The Managing Partner acknowledges that if the Manager Partner Competes with the Partnership, the Partnership would be materially and detrimentally harmed, the monetary loss from which would be difficult, if not impossible, to measure. This section 8.1 shall survive the termination of this Agreement."

128. In respect of:

- a. Each appointment of Mr, Stride listed in the Appointments in respect of a Cayman Islands company; or
- b. Each appointment for which Mr. Stride solicits work for NewCO. and
- c. Mr. Stride appointment as a Director of NewCo.

Mr. Stride's decision to provide these services and to continue to provide these services constitutes a breach Article 8 of the Partnership Agreement.

129. In the premises the Partnership is entitled to an order that:

- a. Mr. Stride resign as a Director of NewCo;
- b. Mr. Stride is enjoined from competing with the Partnership in the Cayman Islands;
- c. Mr. Stride is liable to pay by way of disgorgement damages all monies earned by Mr. Stride arising of the Appointment or in respect of providing services to NewCo, since Mr. Stride earned said monies doing the very thing he had contracted not to do.

130. Further NewCo, by its directors, was and is aware of the terms of Article 8 of the Partnership Agreement and Clause 11.2(b) of the Employment Terms and is aware that by providing services in respect of the Appointments to Mr. Krys or to employ or obtain any services from Mr. Stride it is procuring the breach of the said contractual obligations..

131. In the premises NewCo is liable to pay by way of disgorgement damages all monies earned by NewCo derived from the Appointments and/or derived from the services provided by Mr. Stride.

Interest and allocation of monies paid

132. Further in respect of all monies claimed herein, whether by way of debt, damages, disgorgement damages, equitable compensation or repayment of monies payable as a trustee, the Partnership claims interest pursuant to the Judicature Law (2004 Revision) and/or pursuant to equity and/or pursuant to the inherent jurisdiction of the Court at such rate and for such period as the Court determines appropriate.

133. On 7 August 2007 Mr. Krys paid \$150,000 to the Partnership.

134. The Partnership shall apply these monies in diminution of:

- a. The interest claimed herein;
- b. To the extent the interest assessed by the Court is less than \$150,000, the costs claimed herein;
- c. To the extent the monies payable assessed in respect of in (i) and (ii) above are less than \$150,000, the damages claimed herein.

AND the Plaintiff claims:

As against Mr. Krys:

- i) An account;
- ii) A declaration that monies and/or assets held by Mr. Krys are held on trust for the benefit of the Partnership;
- iii) An order for the transfer to the Partnership of monies and/or assets held by Mr. Krys on trust for the benefit of the Partnership;
- iv) A declaration that Mr. Krys' shareholding in Krys & Associates Cayman Ltd is held on trust for the benefit of the Partnership;
- v) All necessary orders to effect the transfer of Mr. Krys' shareholding in Krys & Associates Cayman Ltd to the Partnership and to amend Krys & Associates Cayman Ltd's share register to reflect the same;
- vi) Damages;
- vii) Disgorgement damages;
- viii) Equitable compensation;
- ix) Interest pursuant to statute or equity at such rate and for such period as the Court thinks fit;
- x) All further accounts, orders and enquiries to effect the relief sought herein;
- xi) Costs

As against Mr. Stride

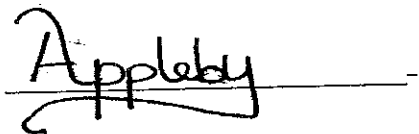
- i) An account;
- ii) A declaration that monies and/or assets held by Mr. Stride are held on trust for the benefit of the Partnership;
- iii) An order for the transfer to the Partnership of monies and/or assets held by Mr. Stride on trust for the benefit of the Partnership;
- iv) Damages;
- v) Disgorgement damages;
- vi) Equitable compensation;
- vii) An order that Mr. Stride resigns forthwith as a Director of Krys & Associates Cayman Ltd;
- viii) An order that Mr. Stride cease provide any services or advice to Krys & Associate Cayman Limited;
- ix) Interest pursuant to statute or equity at such rate and for such period as the Court thinks fit;
- x) All further accounts, orders and enquiries to effect the relief sought herein;
- xi) Costs

As against Kryss & Associates Cayman Ltd

- i) The appointment of a receiver over the receivables of Kryss & Associates Cayman Ltd in respect of each of the Appointments with power to distribute to the Partnership all profits earned by the Defendants and each of them in respect of the same and then to distribute any remainder to the Defendants as appropriate;
- ii) An account;
- iii) An order that Kryss & Associates provide a detailed audit of all property retained by them;
- iv) A declaration that monies and/or assets held by Kryss & Associates Cayman Ltd are held on trust for the benefit of the Partnership;
- v) An order for the transfer to the Partnership of monies and/or assets held by Kryss & Associates Cayman Ltd on trust for the benefit of the Partnership;
- vi) Damages;
- vii) Disgorgement damages;
- viii) Equitable compensation;
- ix) Interest pursuant to statute or equity at such rate and for such period as the Court thinks fit;
- x) All further accounts, orders and enquiries to effect the relief sought herein;
- xi) Costs

Writ issued this 14th day of August 2007

Filed this 14th day of August 2007

A handwritten signature in cursive script that reads "Appleby". The signature is written over a horizontal line that extends to the right.

APPLEBY

Filed by Appleby, attorneys for the Plaintiff. whose address for services is PO Box 190GT,
Clifton House, 75 Fort Street, George Town, Grand Cayman, Cayman Islands. (Ref:
GH/11151.006)

SCHEDULE TO STATEMENT OF CLAIM

Appointments held by Ken Krivs and Chris Stride in the Cayman Islands

A. Court supervised appointments

Action No.	Appointment	Company
381 of 2004	JOLs	Citrico International Ltd
169 of 2005	JOLs	Dyoll Insurance Company Limited
125 of 2007	Controllers	Giamo Fund
61 of 2007	JOLs	Oryx Natural Resources Ltd
191 of 2005	Controllers	PFA Assurance Group, Ltd
400 of 2005	JOLs	
361 of 2004	JOLs	Quarry Products Limited
244 of 2005	JOLs	Segoes Holdings Ltd
205 of 2005	JOLs	Segoes Services Ltd
213 of 2006 (Consolidated Cause no. for 22 companies)	JOLs	The SPhinX Group of Companies

B. Other appointments

Type	Company
MVL	Axia Offshore Partners, Ltd
MVL	Spring Point Opportunity Offshore Fund II
MVL	Hammerman Capital Offshore, Ltd
MVL	Al Bait UK Real Estate Fund Limited
MVL	Digilog Suzaku Master Fund Limited

B E T W E E N:

RSM CAYMAN ISLANDS (A Firm)

Plaintiff

AND

(1) KENNETH KRYS

(2) CHRISTOPHER STRIDE

(3) KRYS & ASSOCIATES CAYMAN LTD
(formerly RSM CAYMAN ISLANDS LTD)

Defendants

**ACKNOWLEDGMENT OF SERVICE
OF WRIT OF 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.

Delay may result in judgment being entered against a Defendant whereby he may have to pay the costs of applying to set it aside.

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

2. State whether the Defendant intends to contest the proceedings (tick appropriate box)
 YES NO

3. 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 NO

Appointments held by Ken Krvs and Chris Stride outside the Cayman Islands

Jurisdiction.	Action No.	Appointment	Company
Jamaica	2005 HCV 5223	JOLs	Dyoll Insurance Company Limited
BVI	171 of 2003 274 of 2005	Joint Administrator JOLs	FCS Thailand Fund Limited;
BVI	171 of 2003 275 of 2005	Joint Administrator JOLs	FCS Asian Millenium Fund Limited
BVI	171 of 2003 (Joint Administrator) 276 of 2005 (JOLs)	JOLs	Waidberg Millenium Fund Limited
Belize	7 of 2005	JOLs	Paramount Financial Ltd
Belize	14 of 2005	JOLs	Prima Holdings Limited

Service of the Writ is acknowledged accordingly

Date:

Attorneys for Defendant(s)

Address for service:

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, GRAND CAYMAN KY1-1106.

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 indorsed on the Writ (i.e. the words of "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 Acknowledgement of Service, that he intends to apply for a stay, execution will be stayed for 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 instalments or otherwise.