

IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO. 0290 OF 2008

BETWEEN:

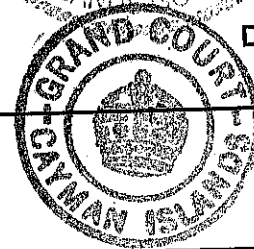
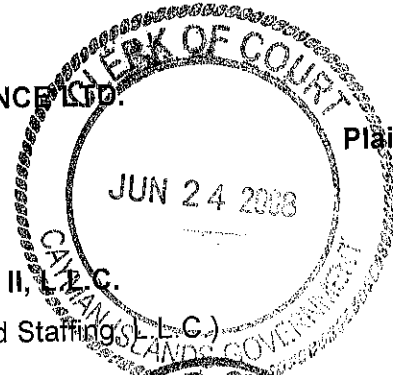
TEMPORARY SERVICES INSURANCE LTD.

Plaintiff

-and-

ADVANTAGE SERVICES GROUP II, L.L.C.
(formerly known as Advantage Leasing and Staffing L.L.C.)

Defendant



WRIT OF SUMMONS

TO: Advantage Services Group II, L.L.C.
220 Lucien Way, Suite 201
Maitland
FL 32751
United States of America

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 28 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, 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 this 24th day of June 2008

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 Cayman Islands exempted limited insurance company which has its registered office at PO Box 10027APO, Grand Cayman, Cayman Islands and carries on business providing reinsurance for an insurance program written by United States licensed insurance companies for participants, or affiliated entities of participants, in the Plaintiff.
- 2 The Defendant is a company incorporated in the United States of America which has its registered office at 220 Lucien Way, Suite 201, Maitland, FL 32751, United States of America, and was formerly known as "Advantage Leasing and Staffing, LLC".
- 3 The Defendant is a shareholder of the Plaintiff, being the registered holder of 1 Common Share and 1 Preferred Share.
- 4 By a written agreement made between the Plaintiff and the Defendant, signed by the Plaintiff on 25 August 2004 and by the Defendant on 12 October 2004 ("**Shareholder Agreement**"), the Defendant agreed, amongst other things, that it would meet its financial obligations to the Plaintiff as determined by operation of the Plaintiff's Experience Rated Premium/Loss Formula ("**Experience Rated Formula**") attached as Exhibit F of the Plaintiff's information memorandum dated 1 October 2003 ("**Information Memorandum**").

4.1 The preamble to the Shareholder Agreement states:

"WHEREAS, the Shareholders and [the Plaintiff] are desirous that certain obligations and responsibilities incumbent upon each Shareholder be formalized to allow [the Plaintiff] to enforce such obligations and responsibilities; ..."

4.2 Clause 1.11 of the Shareholder Agreement states:

"Experience Rated Formula means the experience rated premium/loss formula developed by [the Plaintiff] as set out under the heading "Premium Calculation/Loss Distribution Rules" in Section II of Exhibit F to the Information Memorandum as they may be modified from time to time by the Directors."

4.3 Clause 1.12 of the Shareholder Agreement states:

"Experience Rated Premium Definitions means the words and expressions and their definitions as contained in Section I of Exhibit F, Experience Rated Premium/Loss Formula, to the Information Memorandum as they may be modified from time to time by the Directors and as they may be applied in the interpretation of the Experience Rated Formula."

4.4 Clause 1.13 of the Shareholder Agreement states:

"Federal Excise Tax means the amount of US federal excise tax withheld from [the Plaintiff] on premium ceded and associated with an Active Shareholder during a period."

4.5 Clause 1.25 of the Shareholder Agreement states:

"Shareholder means a person who is the registered holder of a Common Share and/or a Preferred Share ..."

4.6 Clause 1.26 of the Shareholder Agreement states:

"Shareholder Obligations means the financial obligations due from each holder of a Common Share (or its Insured affiliate) to [the Plaintiff], including, but not limited to, premium payments, additional premium assessment obligations (including IBNR reserve assessments), collateral for deductibles if required by a policy-issuing Program Insurer, losses, loss reserves, allocated loss adjustment expense, fixed costs (as estimated initially and as subsequently adjusted to reflect actual operating expenses), funding requirements arising from negative investment returns, legal and administrative costs and charges generally recognized in insurance accounting, all as the same as may be determined by

the Directors from time to time and whose determination of such obligations shall, absent manifest error, be final and binding on all parties. Shareholder obligations continue throughout an applicable policy year, even if coverage is terminated prior to year-end. Premium assessments made by the Directors for any policy year (in addition to the initial premium charged) are currently limited generally to an amount equal to 100% of the A Fund (as defined in the Experience Rated Formula as it may be modified by the Directors from time to time) portion of the premium paid by each Shareholder (or its Insured affiliates) to the policy-issuing Program Insurer for such policy year; C Fund calls may also be made if the security fund balance in the C Fund falls below specified levels (see Section 3.2 below). "

4.7 Clause 3.1 of the Shareholder Agreement states:

"Experience Rated Formula. The Shareholders and each of them hereby agree to be bound by the Experience Rated Formula with respect to the calculation of premiums and the distribution of losses and costs among the Class Fund, the obligations of Shareholders for assessments, and all related and dependent matters".

4.8 Clause 3.3 of the Shareholder Agreement states:

"Compliance. Each Shareholder hereby undertakes to satisfy and discharge the Shareholder Obligations in full when the same are due. Each Shareholder hereby undertakes to comply with the provisions of the Memorandum, Articles and all policies and procedures duly adopted by the Directors or the Shareholders. In addition, each Shareholder acknowledges and agrees with [the Plaintiff] that its shareholding is not an entitlement to have its risks (or its affiliates' risks) underwritten by [the Plaintiff] and that [the Plaintiff] will only underwrite risks where the Directors have determined that the claims experience, loss control procedures and results of the proposed insured are satisfactory."

5 Section I of the Experience Rated Formula, by which the Defendant is bound, contains definitions used in the calculation of contributions as follows:

1. **Experience Rated Premium:** *An individual shareholder insured's premium giving consideration to its past loss history as a determining factor in calculating its renewal premium.*
2. **A Fund Contribution:** *A portion of the individual shareholder insured's premium that is applied to the combined A Fund that is used to pay all "expected" losses (incurred losses, including those paid or for which reserves have been established and including allocated loss adjustment expenses) up to, currently, US\$75,000 per occurrence. ...*
3. **B Fund Contribution:** *A portion of the individual shareholder insured's premium that is applied to the combined B Fund that is used to pay all losses (incurred losses, including those paid or for which reserves have been established) individually above, currently, US\$75,000 up to a maximum of [the Plaintiff's] retention (currently US\$300,000), plus allocated loss adjustment expense. ...*
4. **C Fund Contribution:** *The current year portion of the individual shareholder insured's premium equal, generally, to 60% of the A Fund contribution (.6A) that is applied to pay all "expected" losses (incurred losses, including those paid or for which reserves have been established and including allocated loss adjustment expenses) in the A Fund layer which losses exceed the shareholder insured's A Fund contribution plus the 100% A Fund assessment. See Rule 7 (in Section II hereof) for a discussion of the A Fund premium assessment. ...*
6. **Fixed costs contribution ("FC"):** *The individual shareholder insured's portion of the fixed costs for the Company for the year's program. ... Fixed costs are estimated at the beginning of each policy year. If actual costs exceed the initial FC contributions, shareholder insureds may be assessed additional premium to fund such actual fixed costs as determined on audit. Additionally, if Company investment returns are negative for a policy year, additional premium may be assessed (subject to the item Section II, Rule 7 assessment limit of 100% of the A Fund amount.)"*

6 Section II of the Experience Rated Formula provides for the calculation of A Fund assessments, as follows:

6. *An insured's initial premium is equal to its contributions to each Fund and to fixed costs shown as:*

$$A + B + C + FC = \text{Initial Premium}$$

7. *The maximum additional cost that can be assessed to a shareholder insured, as additional premium, due to unsatisfactory individual or group loss experience and shortfalls resulting from negative investment returns, is an amount equal to 100% of its original A Fund contribution for that policy year. ... Therefore, the expected maximum cost that a shareholder insured would pay for any policy year (assuming there is no C Fund call) is:*

$$2A + B + C + \text{actual FC} = \text{Expected Maximum Cost}$$

10. *If there is an assessment for an additional contribution to the A Fund, it will typically not be assessed until completion of the policy year and will be payable quarterly 50% in Year 2, 30% in Year 3 and 20% in Year 4. ..."*

- 7 The Plaintiff will rely on the said Shareholder Agreement and all documents incorporated thereby for their full meanings, terms and effect.

Outstanding A Fund assessments

- 8 The Defendant's original A Fund contributions for the policy years 2004/05 and 2005/06 were as follows:

8.1 US\$1,114,973.00 for 2004/05; and

8.2 US\$1,728,550.00 for 2005/06.

- 9 Pursuant to the provisions of the Experience Rated Formula, the Defendant's additional contributions to the A Fund for the underwriting years 2004/05 and 2005/06 have been assessed and as at 1 May 2008 are as follows:

9.1 US\$1,114,973 for 2004/05; and

9.2 US\$2,012,876.00 for 2005/06

(together, the "**Assessed A Fund Contributions**")

10 In February 2006 the Plaintiff received a payment of US\$219.00 from the Defendant's broker, which was applied to the outstanding balance in respect of the policy year 2004/05.

11 At a meeting on dated 24 October 1995 the Board of Directors of the Plaintiff resolved as follows:

"The assessment due will be the greater of the amount due under the normal billing method (50%, 30%, 20%) and the amount by which actual losses paid in any given period exceeds the 'A' Fund premium, to a maximum of one times the 'A' fund"

12 The actual losses paid in respect of claims made by the Defendant for the policy years 2004/2005 and 2005/2006 exceed the Defendant's Assessed A Fund Contributions for those policy years. As such, subject to paragraphs 16 and 17 below, the Assessed A Fund Contributions are due and payable by the Defendant to the Plaintiff.

13 The Plaintiff is entitled to contractual interest of 1% per calendar month on the Assessed A Fund Contributions, being a Shareholder Obligation as defined in the Shareholder Agreement, in an amount of US\$500,868 as at 1 May 2008, and as may further accrue. Alternatively, the Plaintiff claims interest pursuant to section 34 of the Judicature Law at such rates, for such periods and on such amounts as the Court thinks fit.

14 The Defendant is further liable to pay to the Plaintiff an amount equal to United States' federal excise tax ("FET") as defined in clause 1.13 of the Shareholder Agreement, at the rate of 4% on the total of the Outstanding Contributions plus interest, as explained in the Information Memorandum, which states at page 26:

"If a United States shareholder insured experiencing greater A Fund Losses than expected becomes subject to assessment in any amount up to 100 percent of its A Fund Contribution, the payment of the additional assessment by the United States shareholder insured to [the Plaintiff] would be subject to the FET [i.e. federal excise tax] at the 4% rate imposed on direct insurance premiums."

- 15 As at 1 May 2008, the FET for which the Defendant was liable was US\$125,105.
- 16 On 12 October 2006 the Plaintiff issued a writ against the Defendant in this Honourable Court in cause 425 of 2006, seeking to recover the portion of the Assessed A Fund Contributions which at that time were due and payable at the time the writ was issued (together with interest and FET). On 29 January 2008, this Honourable Court ordered, inter alia:
- 16.1 that the Plaintiff have summary judgment on that claim, in the amount of:
- (a) US\$930,170 in respect of Assessed A Fund Contributions (that is, to the extent they were due and payable at the writ was issued) (the "**Principal Payment Order**");
 - (b) US\$188,283.45 in respect of pre-judgment interest (the "**Interest Payment Order**"); and
 - (c) US\$44,738.14 in respect of federal excise tax (the "**FET Payment Order**").
- (together, the "**Judgment**").
- 16.2 Execution of the Judgment be stayed until the Defendant's counterclaim in Grand Cause 425 of 2006 is disposed of.
- 17 In premise of the above, the amount due and payable by the Plaintiff to the Defendant as at 1 May 2008 is:
- 17.1 The Assessed A Fund Contributions (US\$3,127,849), *less* the US\$219 paid by the Defendant, *less* the Principal Payment Order – being a total of US\$2,197,460;
 - 17.2 Interest as set out in paragraph 13 (US\$500,868), *less* the amount of the Interest Payment Order – being a total of \$312,585;
 - 17.3 FET as set out in paragraph 15 (US\$125,105), *less* the amount of the FET Payment Order – being a total of \$80,367;

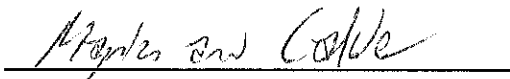
Being a total of US\$2,590,412 (together, the "**Adjusted Debt**")

- 18 On 13 May 2008, the Plaintiff's Cayman Islands attorneys, Maples and Calder, sent the Defendant's Cayman Islands Attorneys, Mourant, a letter (by email) attaching a copy of an invoice dated 1 May 2008, and stating that the Adjusted Debt was due and payable by the Defendant to the Plaintiff ("**Invoice**").
- 19 On 29 May 2008, the Plaintiff sent a copy of the Invoice to the Defendant (by way of its broker, Seitlin Inc.) a copy of the Invoice, requiring payment of the Adjusted Debt. A copy of the Invoice is attached as Appendix A.
- 20 In breach of the Shareholder Agreement, the Defendant has failed and/or refused to pay the Adjusted Debt as demanded.

AND THE PLAINTIFF CLAIMS:

- (1) Judgment against the Defendant in the sum of US\$2,197,460;
- (2) Interest of US\$312,585, and further contractual interest at the rate of 1% per month on the sum of US\$2,197,460 until the date of judgment or earlier payment;
- (3) Alternatively, interest pursuant to the Judicature Law;
- (4) An amount equal to federal excise tax at the rate of 4% on the sum claimed at (1) and the sum claimed at (2) (alternatively (3)) above;
- (5) Costs; and
- (6) Such further or other relief as the Court deems fit.

Dated this 24th day of June 2008



Maples and Calder

Attorneys-at-law for the Plaintiff

This Writ was issued by Maples and Calder, Attorneys for the Plaintiff whose address for service is Uglan House, South Church Street, PO Box 309GT, George Town, Grand Cayman. (Ref. JSE/615325/14595494)

APPENDIX A

Temporary Services Insurance Ltd.
 2nd Floor, Genesis Building, George Town
 P O Box 10027 APO, Grand Cayman, Cayman Islands
 Tel: (345) 946 2100; Fax: (345) 946 2110

Invoice to: Advantage Services - #1012100

Invoice #
 Invoice Date

105-2008002
 May 1, 2008

	2003/04 U/W Year			2004/05 U/W Year			2005/06 U/W Year			TOTAL \$
	Date Due	Qtrs Due	\$	Date Due	Qtrs Due	\$	Date Due	Qtrs Due	\$	
Gross Assessment (Note 1)			18,314			1,114,973			2,012,876	3,146,163
Net Assessment			18,314			1,114,973			2,012,876	3,146,163
Payable										
50%	31-Dec-04	4	9,157	31-Dec-05	4	557,487	31-Dec-06	4	1,006,438	1,573,082
30%	31-Dec-05	4	5,494	31-Dec-06	4	334,492	31-Dec-07	4	603,863	943,849
20%	31-Dec-06	4	3,663	31-Dec-07	4	222,995	31-Dec-08	2	201,288	427,945
Assessments Now Due			18,314			1,114,973			1,811,588	2,944,875
Assessments Due by BOD Resolution			0			0			2,012,876	2,012,876
Cash Received										
Received in prior periods			18,314			219			0	18,533
Received this period			0			0			0	0
Balance Outstanding			18,314			219			0	18,533
Awarded in Judgment (Note 2)			0			1,114,754			2,012,876	3,127,630
Current Balance Outstanding			0			(351,920)			(578,250)	(930,170)
Finance Charges			0			762,834			1,434,626	2,197,460
Charged in prior periods			0			156,650			278,294	434,944
Less: Interest awarded in Judgment (Note 2)			0			(72,811)			(115,472)	(188,283)
Charged this period			0			22,885			43,039	65,924
Now Due			0			869,558			1,640,487	2,510,045

Note 1: This invoice is based upon the financial statements to: December 31, 2007

Note 2: This invoice does not include the amounts awarded by the Grand Court on 28 January 2008 (which judgment is presently stayed), post-judgment interest on that award or the corresponding costs order. TSL reserves all its rights thereon.

F.E.T @ 4%	
Awarded in Judgment (Note 2)	
Total Due:	2,590,412