

**IN THE GRAND COURT OF THE CAYMAN ISLANDS
GEORE TOWN**

CIVIL DIVISION

CAUSE NO. 191 of 2017

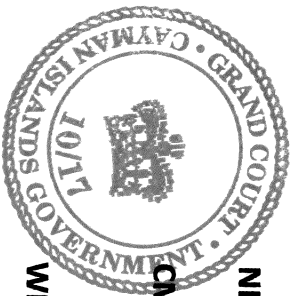
BETWEEN:

NEIL JOHNSON

PLAINTIFF

CMZ GROUP LTD

DEFENDANT



WRIT OF SUMMONS

**To: CMZ Group Ltd
R/O McGrath Tonner Corporate Services Ltd
5th Floor, Genesis Bldg
George Town**



THIS WRIT OF SUMMONS has been issued against you by the above-named Plaintiff in respect of the claim set 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 Courts Office, P O Box 495G, George Town, Grand Cayman, the accompanying Acknowledgement of Service stating therein whether you intend to contest these proceedings.

If you fail to satisfy the claim or to return the Acknowledgement within the time stated, or if you return the Acknowledgement 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 *6th* **day of November, 2017**

NOTE: This Writ may not be served later than 4 calendar months beginning with the date of issue unless renewed by Order of the Court.

IMPORTANT

Directions for Acknowledgement of Service are given with the accompanying form.

STATEMENT OF CLAIM

1. The Plaintiff was at the material time a resident of the Cayman Islands. The Defendant is a limited liability company (ex-SEZC) registered in the Cayman Islands and at the material time was registered in the Cayman Islands as a Special Economic Zone Company (SEZC). The Defendant was engaged in operating several businesses including Lombardy High Yield Fund Ltd, Cashwiz Ltd – operators of a network of pawnshops, and Tolco Ltd, a Turk and Caicos Islands registered company engaged in acquisition and holding of distressed debt.
2. By agreement dated 7 November, 2011, and made between the Plaintiff and the Defendant, the Plaintiff entered into a contract of employment/service agreement with the Defendant whereby the Plaintiff agreed to serve the Defendant as Managing Director of the Lombardy High Yield Fund Ltd and Vice President of Finance for the CMZ Group Ltd.
3. The Defendant agreed to pay the Plaintiff in consideration of such service a base salary and incentive bonus in addition to a Management Fee and a Long-Term Incentive in the form of Lombardy Stock Options.
4. In pursuance of the agreement, the Plaintiff entered into his employment with the Defendant as aforesaid on 15 November, 2011.
5. The Management Fee was an annual management fee of 2% of all capital under management once the fund reached US\$3 million dollars. The employment/service agreement prescribed that the Defendant will pay this fee retroactively to the commencement date of the Plaintiff's employment. Upon the fund reaching US\$ 5 million dollars the management fee paid to the Plaintiff would be raised to 3%.
6. The Fund reached US\$3 million on or about 8 June, 2012 and reached US\$5 million on or about 25 October, 2013. The Management Fee due to the Plaintiff from commencement of his employment with the Defendant to his resignation on 28 February, 2016 is US\$485,862.00.
7. The Long-Term Incentive or Stock Option Plan provided that The Plaintiff would be eligible to participate in a Long Term Incentive Plan which would include Lombardy Stock Options whereby upon the Lombardy Fund reaching US\$5 million under management the Plaintiff would be rewarded with 5% of the outstanding stock in the Lombardy Fund. Further, upon the Lombardy Fund reaching US\$10 million under management the Plaintiff would be rewarded with an additional 5% of outstanding stock in the Lombardy Fund.
8. The Fund reached US\$5 million on or about 25 October, 2013 accordingly the amount due to the Plaintiff under the Long Term Incentive/Lombardy Stock Options is US\$253,750.00.

9. On or about 12 December, 2012, the Defendant presented a revised contract of service/employment and which it was agreed by the Plaintiff and accepted by the Defendant that the Base Salary and the Incentive Bonus were to be changed and were changed effective 16 December, 2012. All other terms of the contract of service/employment dated 7 November, 2011 and made between the Plaintiff and the Defendant remain unchanged.

10. On numerous occasions the Plaintiff requested outstanding payment from the Defendant in respect of the unpaid Management Fee and Long Term Incentive/Lombardy Stock Options which were met with a combination of silence, prevarication and denial of liability.

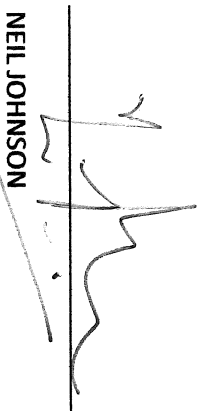
11. The Defendant advised the Plaintiff of settling the matter amicably but then wrongfully repudiated the agreement.

12. By reason of the Defendant's repudiation and/or breach of contract, the Plaintiff has suffered loss and damage.

WHEREFORE THE PLAINTIFF CLAIMS:

- a.) The Management fee owed of US\$485,862.00.
- b.) The Long Term Incentive/Stock Options owed of US\$253,750.00.
- c.) The total due to the Plaintiff by the Defendant as at the date of issue of Writ (6 November, 2017) is US\$739,612.00.
- d.) Interest on the total outstanding amount of US\$739,612.00 at a rate and for such a period as the Court deems fit.
- e.) Legal fees and costs.

Dated this *6th* day of November, 2017


NEIL JOHNSON

This Writ of Summons and Statement of Claim was issued by Neil Johnson whose address for service is Universal Warehouse Park, 69 Barnes Drive, Georgetown, Grand Cayman.

Acknowledgement of service of writ of summons (0.12, r.3)

**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

Please complete overleaf

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 its 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.

IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO: OF 20__

BETWEEN:

PLAINTIFF

AND:

DEFENDANT

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.

HAVE TO BE RETURNED.

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

Service of the Writ is acknowledged accordingly

(Signed).....

Attorney for

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.

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