

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.

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STATEMENT OF CLAIM

Parties

1. The Plaintiffs were at all material times experienced Client Relationship Officers.
2. The Defendant was at all material times a company incorporated in the Cayman Islands under registration number 1602403 and whose registered office is at 67 Fort Street, Second Floor - PO Box 2775 Grand Cayman, KY1-1111.

The contracts

3. By contracts in materially identical form dated 1 April and 1 July 2020 (the "Contracts") the Defendant engaged the First and Second Plaintiffs respectively as Client Relationship Officers. Amongst other things they were required to maintain and develop strong relationships with the Defendant's investor clients, connect with key business executives and stakeholders, and prepare sales reports.

Terms of the Contracts

4. The Plaintiffs will refer to the Contracts for their full terms and effect, but will rely in particular on the following express terms.

"2. TERM.

(a) The term of this Agreement shall commence as of the date set forth above and will continue, for a full 12 months from commencement date, until either party shall give proper notice of termination of this consulting agreement, in accordance with the Term. Any changes of the Term will be subject to mutual written agreement between the Parties.

3. FEES AND EXPENSES.

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This **STATEMENT OF CLAIM** is filed by Travers Thorp Alberga, attorneys for the Plaintiffs, whose address for service is Harbour Place, 103 South Church St., Grand Cayman, Cayman Islands (Ref: IEH - H1135-004)

(a) As compensation for the Services, the Company shall pay Consultant fees for services performed as stated in Schedule 2.

Schedule 2...

During the term of this contract the contractor will be entitled to a commission equal to the sum of 50% of net commissions earned, paid at the end of the month in which the commission was earned. This rate of 50% will increase to 60% upon contractor generating net commissions of \$500,000 USD or more in a given 12-month period, and to 70% upon contractor generating net commissions of \$1,000,000 USD or more in a given 12-month period.

7. INDEMNIFICATION.

Company hereby agrees to and shall indemnify, defend, and hold harmless Consultant and its agents, heirs, successors, and assigns, from and against, and in respect of, all losses, costs, liabilities, claims, awards, judgments, damages, and expenses (including court costs and attorneys' fees) whether incurred directly or indirectly by Consultant resulting from or arising out of: i. any inaccurate representation or warranty made by Company in this Agreement and/or in any agreement, certificate, document, or instrument delivered or to be delivered pursuant to this Agreement; ii. a failure by Company to perform any covenant required hereunder to be performed by Company; iii. any claim in the nature of breach of trust by Company; iv. any claim brought as a result of Consultant's performance of any of the services contemplated herein; and/or v. any other claims brought by any person or entity including, but not limited to, any federal, state or local governmental entity and self-regulatory organization.

10. GOVERNING LAW, JURISDICTION, AND VENUE.

This Agreement and all related documents, whether sounding in contract, tort, or statute, for all purposes shall be governed by and construed in accordance with the laws of the Cayman Islands without giving effect to any conflict of laws principles that would cause the laws of any other jurisdiction to apply. Any action or proceeding by either of the Parties to enforce this Agreement shall be brought only in any state or federal court located in the Cayman Islands. The Parties hereby irrevocably submit to the exclusive jurisdiction of

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these courts and waive the defense of inconvenient forum to the maintenance of any action or proceeding in such venue.”

Commission

5. The Plaintiffs’ remuneration was calculated as a percentage of the commission earned by the Defendant in respect of each and every transaction undertaken by clients for which the Plaintiffs were responsible. At the end of every month the Plaintiffs submitted details of their transactions which were reconciled by the Defendant. The Plaintiffs would receive payment of their commission shortly afterwards.

6. On a true construction of the Contracts and in particular Schedule 2, the Defendant was at all material times obliged to pay each of the Plaintiffs commission on the following basis:
 - a. 50% of net¹ commissions earned by the Defendant for as long as each of the Plaintiff’s net commissions did not exceed US\$ 500,000.

 - b. 60% of net commissions earned by the Defendant once each of the Plaintiffs had generated net commissions of US\$500,000 in the preceding 12-month period.

 - c. 70% of net commissions earned once each of the Plaintiffs had generated net commissions of US\$1,000,000 in the preceding 12-month period.

Plaintiffs’ performance of the Contracts

7. Pursuant to the Contracts, the Plaintiffs have performed all of their duties as Client Relationship Officers, amongst other things generating substantial income for the Defendant in the form of commission on clients’ investment activities. In particular, the First Plaintiff reached his commission targets of US\$500,000 and US\$1m on 29 January 2021 and 26 February 2021 respectively. The Second Plaintiff reached his commission targets of US\$500,000 and US\$1m on 19 February 2021 and 5 March 2021 respectively.

¹ Costs such as bank charges would typically be netted off the gross commissions

Both Plaintiffs notified the Defendants of their intention to terminate the Contracts in late March 2022.

Defendant's knowledge

8. The Defendant knew at all material times that it was required to pay the Plaintiffs the Commission because it drafted and signed the Contracts. Further, commission was paid in accordance with the Contracts, until commissions levels approached the highest rate of 70% and the Defendant told the Plaintiffs that it did not intend to honor the Contracts and any future commissions would be paid at the rate of 60% instead of the rate of 70% to which the Plaintiffs had or were shortly about to become entitled.

Breach of contract

9. In breach of the express terms of the Contracts set out above and notwithstanding formal demand being made of them by the Plaintiffs the Defendants have failed to pay the Plaintiffs all of the commission they are entitled to. A breakdown of the claim is annexed to this pleading.

Loss and damage

10. As a result of the Defendant's breach of contract set out above, the Plaintiffs have suffered loss and damage in the sums of US\$366,915 and US\$285,313 respectively.
11. Further, the Plaintiffs claim interest under section 34 Judicature Act 2017 and/or the Judgment Debts (Rates of Interest) Rules 2012.
12. Further or in the alternative, the Plaintiffs claim a full indemnity in respect of the sums set out at paragraph 10 above and all court costs and attorneys' fees under paragraph 7 of the Contracts.

AND THE PLAINTIFFS CLAIM:

- (1) Damages for breach of contract.
- (2) An Indemnity.
- (3) Interest

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- (4) Further or other relief.
- (5) Costs.

Dated: 8 July 2022



TRAVERS THORP ALBERGA
Attorneys-at-Law for the Plaintiffs

TO: THE REGISTRAR OF THE FINANCIAL SERVICES DIVISION

AND TO: SEVEN MILE SECURITIES

At its registered office WB Corporate Services (Cayman) Ltd, 67 Fort Street, 1st
Artemis House, Second Floor - PO Box 2775 Grand Cayman, KY1-1111

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ANNEX

	Broker Share of Trade Commissions earned	
	Jonathan Reid	Craig Heron
Total Sole Trade Commissions Earned - 2020	4,110	148,093
Total Shared Client Commissions Earned - 2020	49,713	49,713
Total Sole Trade Commissions Earned - 2021	308,337	128,869
Total Shared Client Commissions Earned - 2021	2,347,872	2,399,598
Total Sole Trade Commissions Earned - 2022	-	14,248
Total Shared Client Commissions Earned - 2022	12,327	12,327
	2,722,360	2,752,849

Trade Commissions Earnings earned per contract	Broker Share	
	Jonathan Reid	Craig Heron
Earnings - 50% Trade Commissions	20,302	149,435
Shared Trade Commissions	263,121	133,989
	283,424	283,424
Earnings - 60% Trade Commissions	8,165	8,602
Shared Trade Commissions	291,835	291,398
	300,000	300,000
Earnings - 70% Commissions	283,981	133,174
Shared Trade Commissions	1,854,956	2,036,252
	2,138,937	2,169,425
Total	2,722,360	2,752,849
Total Payments by SMS	2,479,885	2,423,521

Less Non Trade Commission Items Earned - 2020

Fix Fee + Non reclaimable draw	-	-
	12,000	9,000
Account Opening Fees	-	-
	750	2,900
Bonus for Audit work	-	-
	10,000	10,000
Transfer Fees	-	-
	1,148	1,523
Crypto Fees	-	-
	1,000	250
Less Mexico trip reimbursement		-
		10,000
Less Non Trade Commission Items Earned - 2021		
Less Bonus for affiliate Re: Audit work	-	-
	10,000	
Transfer Fees	-	-
	4,353	3,663
Crypto Fees	-	-
	3,586	250
	-	-
	42,838	37,587
Total Trade Commissions Paid by SMS	2,437,048	2,385,934
Total Commissions Per SMS Calculations	2,428,356	2,452,757
Outstanding balance payable per SMS Calculations	-	-
	8,691.82	66,823
Drift to SMS Calculations	294,004.70	300,091.31
Total Outstanding Trade Commissions Payable	285,313	366,915

**DIRECTIONS FOR ACKNOWLEDGMENT OF SERVICE
OF STATEMENT OF CLAIM**

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 495, Grand Cayman, KY1-1106.

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 installments 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 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
FINANCIAL SERVICES DIVISION

CAUSE NO: OF 2022

BETWEEN:

CRAIG HERON
JONATHAN REID

PLAINTIFFS

AND

SEVEN MILE SECURTIES

DEFENDANT

**ACKNOWLEDGEMENT OF SERVICE OF
STATEMENT OF CLAIM**

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

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This **STATEMENT OF CLAIM** is filed by Travers Thorp Alberga, attorneys for the Plaintiffs, whose address for service is Harbour Place, 103 South Church St., Grand Cayman, Cayman Islands (Ref: IEH - H1135-004)

Service of the Statement of Claim is acknowledged accordingly

(Signed)

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

Travers Thorp Alberga
Attorneys-at-Law
P.O. Box 472
Grand Cayman, KY1-1106
Cayman Islands
Phone: +1 (345) 949-0699
Facsimile: +1 (345) 949-8171
ATTN: IEH

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