



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

**CAUSE NO. FSD                      OF 2024**

**BETWEEN:**

**KRYO GROUP LTD**

**PLAINTIFF**

**AND:**

**SECURUS CO. LTD**

**FIRST DEFENDANT**

**SCOTT EDWARD LAMB**

**SECOND DEFENDANT**

**WRIT OF SUMMONS**

**TO:**                      Securus Co. Ltd. c/o of Lainston International Management, Ltd., PO Box 31298, Sussex House, Elgin Avenue, George Town, Grand Cayman KY1-1206, Cayman Islands.

**AND TO:**                Scott Edward Lamb of 66 Cook Quay, West Bay, Grand Cayman, Cayman Islands.

THIS WRIT OF SUMMONS has been issued against you by the above-named Plaintiff in respect of the claim set out below.

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 Court Office, P.O. Box 495, George Town, Grand Cayman KY1-1106, 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

This **WRIT OF SUMMONS AND STATEMENT OF CLAIM** is issued by Campbells LLP, Attorneys-at-Law for and on behalf of the Plaintiff, whose address for service is Floor 4, Willow House, Cricket Square, PO Box 884, George Town, Grand Cayman (Ref: 09961-42602).

may proceed with the action and judgment may be entered against you forthwith without further notice.

Issued this 11<sup>th</sup> day of October 2024.

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

**The Parties**

1. The Plaintiff is and was at all material times an ordinary resident company incorporated under the laws of the Cayman Islands on 2 February 2017 (registration no. 319483) (“**Kryo**”) and holds a license granted by Cantabrian Trust to permit it to use its trade secrets, opinions, template draft documents and protocols (the “**Business Assets**”) relating to a business that assists individual Borrowers (as defined below) to negotiate loans and purchase insurance for estate planning purposes (the “**Business**”).
2. The First Defendant is and was at all material times an exempt company incorporated under the laws of the Cayman Islands on 27 October 2022 (registration no. 395275) and, to the best of the Plaintiff’s knowledge and belief, is wholly owned by the Second Defendant and was incorporated solely to participate in the Business to offer loans to Borrowers and guaranteed payment agreements to insurance companies (collectively, the “**Transactions**” and singularly a “**Transaction**”).
3. The Second Defendant is an individual residing in the Cayman Islands since March 2021, is a chartered accountant having practised in Canada for over 25 years, prior to immigrating to Cayman Islands was a partner in the tax group of two major accounting firms in Canada and is and was at all material times the sole director and shareholder of the First Defendant and was a trusted advisor to the Plaintiff and Director (defined below).
4. Other relevant entities (although not a party to these proceedings) are:
  - 4.1. Aida Van Wees, the sole director of the Plaintiff (the “**Director**”);
  - 4.2. Surefine Ltd. (the “**Old Lender**”), an exempt company incorporated under the laws of the Cayman Islands on 17 March 2006 (registration no. 164850) that was

wholly owned by Mr. Robert Young but is, from September 2023, wholly owned by the First Defendant and under the control of the Second Defendant.

- 4.3. Datascope Information Management Ltd. (“**Lamb DataCo**”), an exempt company incorporated under the laws of the Cayman Islands on 4 June 2021 (registration no. 376906) that assisted with Transactions, is wholly owned by the Second Defendant and which the Plaintiff understands has possession of the Business Assets.
5. Other relevant stakeholders (although not a party to these proceedings) include:
  - 5.1. Individual borrowers and their affiliates (collectively “**Borrowers**” and as the context requires a “**Borrower**”), some of whom have negotiated 50+ year term loans with the Old Lender or with the First Defendant;
  - 5.2. Insurance companies (collectively “**Insurance Companies**” and as the context requires an “**Insurance Company**”) that issue insurance products to Borrowers and which are parties to long term guaranteed payment agreements with the Old Lender and the First Defendant, respectively;
  - 5.3. Global Solutions (Cayman) Ltd. (“**Young DataCo**”), an exempt company incorporated under the laws of the Cayman Islands (registration no. 308653) that is wholly owned by a Mr. Robert Young;
  - 5.4. a ‘Funds Escrow Agent’ that had assisted the Business for approximately 10 years<sup>1</sup>; and

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<sup>1</sup> But that terminated its relationship with the Business in June 2023 due in part to the Second Defendant’s poor running of the Business.

- 5.5. Introducers (the “**Introducers**”) who introduced the respective Borrower(s) to the parties and who are entitled to be paid the sums set out in the addendums to the “Written Royalty Contract” as defined below in paragraph 11 below.

### **Background**

6. Because of the Second Defendant’s previous experiences as a tax partner at two major Canadian accounting firms and his professional standing as a licenced chartered accountant, the Plaintiff and the Director considered the Second Defendant to be a trusted business advisor. The Second Defendant started working with the Director in the Business in March 2021.
7. As a result, up to and including mid-February 2024, the Second Defendant was given unfettered access to all proprietary documents and information relating to the Business and the Old Lender.
8. In December 2022, on the Second Defendant’s recommendation, the First Defendant commenced working in the Business and replaced the Old Lender in the Transactions. The First Defendant became the party that, along with the Second Defendant and with the assistance of Lamb DataCo, entered into Transaction(s) and was permitted by the Plaintiff to use the Business Assets on a non-exclusive basis (as to which see below). It was and is critically important to the Insurance Companies that the First Defendant remain solvent and able to meet its obligations to them for the entire term of the guaranteed payment agreements which could exceed 50 years.<sup>2</sup>
9. From December 2022 to May 2023, in six Transactions, the First Defendant took the place of the Old Lender and, amongst other things, collected funds from escrow and was obliged to pay the Plaintiff, Introducers and expenses when Transaction(s) came out of

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<sup>2</sup> For that and other reasons, it was key that the First Defendant retain adequate funds after Transactions closed.

escrow.<sup>3</sup> As was the practice with the Old Lender, however, the First Defendant and/or the Second Defendant in his capacity as director of the First Defendant expressly agreed with the Plaintiff that the First Defendant must “retain” funds identified as being allocated to the First Defendant until it was agreed that the First Defendant could release funds.

10. In or around June 2021, Lamb DataCo had taken the place of Young DataCo in all Transactions<sup>4</sup> and it was the intention of the parties that the latter no longer had any role to play in new Transactions.

### **The Royalty Agreement**

11. In or around early October 2023, the Second Defendant drafted an agreement which was signed on or about 28 or 29 October 2023 (but to be effective 1 December 2022) by the Plaintiff on the one hand and the Defendants on the other (the “**Written Royalty Agreement**”). The Written Royalty Agreement was supplemented by various verbal agreements between the parties (together with the Written Royalty Agreement, the “**Royalty Agreement**”). The 6 addendums relating to the Transactions involving the First Defendant (which were to be substantially in a form provided for in Schedule 1 to the Written Royalty Agreement) (collectively the “**Addendums**” and each an “**Addendum**”) were all drafted and signed contemporaneously with the Written Royalty Agreement (the purpose of the Addendums and the method of calculating the Royalty Payment (as defined below) is set out in paragraphs 15 to 17 herein.
12. The Written Royalty Agreement and Addendums together set out in writing some of the terms that had been agreed and acted upon by the Parties prior to their execution in October 2023, including that: i) the Plaintiff was entitled to be paid a royalty and other payments in exchange for permitting the Defendants to use the Business Assets; ii) those

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<sup>3</sup> Which, between December 2022 to May 2023, the funds entrusted to the Defendants exceeded CA\$22,000,000.

<sup>4</sup> All responsibilities of Young DataCo, other than the payment of expenses, which was delegated to the First Defendant in Transactions 2 to 6.

payments to the Plaintiff were to be made promptly on closing a Transaction, shortly after receipt of monies by the First Defendant; iii) the First Defendant was required to “retain” agreed upon amounts from Transaction funds as set out in the Addendums, net of CA\$50,000 pcm plus CI\$5,000 pcm (equivalent to approximately CA\$8,153) for a total of approximately CA\$58,153 monthly (the “**Second Defendant’s Draw**”) and pursuant to the Royalty Agreement, any additional sums were only to be paid by the First Defendant to the Second Defendant with the express consent of the Plaintiff<sup>5</sup> and so long as the Defendants were both still involved in Transactions<sup>6</sup>; iv) the Second Defendant would be the director and ultimate beneficial owner of the First Defendant; and, v) the Defendants are jointly and severally responsible to fulfil all obligations.

13. The Plaintiff will rely on the full text of the Written Royalty Agreement, the Addendums and the Royalty Agreement between the parties for their full meaning and effect and, unless noted otherwise, adopts the terms defined in the Written Royalty Agreement and Addendums.
14. Without prejudice to that right, the Plaintiff specifically relies on the following terms of the Written Royalty Agreement for the purposes of this Statement of Claim:
  - 14.1. The Defendants agreed to pay the Plaintiff the Royalty Payment (as that term is defined in the Written Royalty Agreement, as to which see paragraph 16 below) for each Transaction on or shortly after the closing of a Transaction and on payment by a Borrower of any short term loan or other financing arrangements and interest thereon (a “**Short Term Loan**”) as and when received by the Defendants in accordance with the addendum relating to the particular Transaction (clause 2.1);

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<sup>5</sup> As was the past practice with the Old Lender.

<sup>6</sup> The Second Defendant decided the First Defendant would not participate in Transactions after July 2023.

- 14.2. To secure payment of the Royalty Payment and other obligations under the Written Royalty Agreement, the Second Defendant agreed to provide to the Plaintiff a pledge of all of his shares in the First Defendant (then owned or issued to the Second Defendant in the future) and the First Defendant was to provide a collateral assignment of Short Term Loans and investments, all in form and substance satisfactory to the Plaintiff acting reasonably (clause 2.2);
- 14.3. The Defendants covenanted and agreed, inter alia:
- 14.3.1. To forthwith pay to, or as directed by the Plaintiff, the Royalty Payment (clause 3.1(a));
- 14.3.2. To pay to or as directed by the Plaintiff, additional Royalty Payments (including those to be made in due course if there was a Short Term Loan (as included in the definition of Royalty Payments within the Written Royalty Agreement)) that may be payable from time to time and that shall be received for each Transaction (clause 3.1(b));
- 14.3.3. That any change of the Royalty Payment shall be communicated to the Plaintiff in writing by the First Defendant in good faith and acceptable changes would be based only upon establishing the Costs Incurred (as defined in the Written Royalty Agreement) which at the time of the particular addendum being signed the parties acknowledged were estimates (clause 3.1(d));
- 14.3.4. That the Defendants would keep proper books of account prepared by a chartered accountant (paragraph 3 herein is repeated) to be kept at the principal place of business and to make the same available for audit at the request of the Plaintiff (clause 3.3(a)); and

- 14.3.5. That the Defendants would maintain the standards of quality and service prescribed by the Plaintiff from time to time for the marketing and for the use and commercialisation of the Business Assets and, without limitation, implementation of the Transactions (clause 3.4(a));
- 14.4. The Defendants agreed that on written request by the Plaintiff, they would provide copies of all documents and other materials generated in the course of implementing a Transaction (clause 5.2); and
- 14.5. The Defendants agreed that the First Defendant would retain funds specified in each addendum to the Written Royalty Agreement, except (pursuant to the Royalty Agreement) for the Second Defendant's Draw, that the First Defendant was authorised to pay to Young DataCo who paid it to the Second Defendant. Commencing after July 2023, when the Second Defendant decided the First Defendant would no longer participate in Transactions, payments for the Second Defendant's Draw were no longer made to Young DataCo and the Second Defendant was no longer entitled to the Second Defendant's Draw.

Calculation of Royalty Payments and Agreement by Defendants to Retain Funds

15. In the premises, the Written Royalty Agreement and Addendums record, among other things, some of the parties' agreement as regards the: i) method of calculation and payment to the Plaintiff of the Royalty Payment at the closing of a Transaction; ii) other payments (but not all) to be made after a Transaction closed including but not limited to payments of capital and interest on account of Short Term Loans; and, iii) amounts to be retained by the First Defendant from a Transaction.

16. The Royalty Payment is defined in the Written Royalty Agreement as: “...*the Initial Premium or, as the case may be, the Self-Funded Amount*<sup>7</sup> (as defined in the Written Royalty Agreement) *for a Transaction, less all Costs Incurred* (as defined in the Written Royalty Agreement), *that shall be paid based on the terms of a Transaction being implemented by [the Second Defendant], that may be paid in part on closing of a Transaction and in due course if there is a short term loan*”.
17. It was agreed as part of the Royalty Agreement and/or the Written Royalty Agreement (as supported by clause 3.1(d) which contemplates that changes to a Royalty Payment would be notified (and as such calculated) by the First Defendant) that an addendum would be prepared for each Transaction and the calculation of the Royalty Payment would be prepared by the Second Defendant.
18. In summary, effective October 2023, the Addendums<sup>8</sup> provided:
- 18.1. The total amount that was under the control the Defendants on account of Transactions was CA\$22,633,905 (being the initial premiums) and that sum (net of fees paid for bridge loans) plus USD\$200,000 (approximately CA\$266,720) received on or around 19 December 2023 with respect to addendum 1-1, was entrusted to the Defendants, for a total of approximately CA\$22,900,625;
- 18.2. The estimated Costs Incurred to be held (either contractually or by operation of trust) by the First Defendant to pay actual costs and then, if there was a surplus to pay a portion of it to the Plaintiff and to retain part of said surplus, was the sum of approximately CA\$8,085,296;

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<sup>7</sup> The Self-Funded Amount was when the funds paid by a Borrower exceeded the Initial Premium. Essentially, for the purposes of calculating the Royalty Payment, the Initial Premium and the Self-Funded amount were the same thing.

<sup>8</sup> Note that the last Transaction was released from escrow in May 2023 but the Addendums were not drafted by the Second Defendant until October 2023.

- 18.3. The First Defendant held (either contractually or by operation of trust) and was required to pay the Introducers approximately CA\$9,372,095, not including the sum to be paid under addendum 1-1 in December 2024;
  - 18.4. The First Defendant explicitly held (either contractually or by operation of trust) and was required to pay the Plaintiff approximately CA\$10,181,158 in Royalty Payments; and
  - 18.5. The First Defendant was required to retain CA\$3,726,994 less the Second Defendant's Draw.
19. The Addendums were prepared by the Second Defendant (in his capacity as director of the First Defendant) and the Royalty Payments to be made to the Plaintiff were based on the Second Defendant's estimation of the Costs Incurred. The First Defendant took on the responsibility to manage the payments of actual costs for the last 5 Transactions (i.e. Addendums). In that regard, upon the funds being released from escrow by the Funds Escrow Agent the sums set out in the relevant addendum were then to be reconciled by either or both of the Defendants based on the actual Costs Incurred for the Transaction, following which: i) the Introducer(s) would be paid over time; ii) such sums would be adjusted by the Parties to include other business expenses such as travel and marketing, iii) the Plaintiff would be paid the Royalty Payment forthwith after the First Defendant received funds from the Funds Escrow Agent; and iv) the Defendants were to retain any additional sums. To the best of the Plaintiff's knowledge and belief, the Defendants have failed to or neglected to:
- 19.1. pay all of the Costs Incurred including all of the amounts allocated to be paid to Introducers (which are included in Costs Incurred);
  - 19.2. to recalculate the Royalty Payment due to the Plaintiff; and
  - 19.3. retain additional sums based on recalculation.

20. In order to verify and audit the calculation of the Royalty Payments (including in particular the Costs Incurred to be deducted from the Royalty Payments) the Defendants were required to keep proper books of account prepared by a chartered accountant (paragraphs 3 and 14.3.4 herein are repeated).
21. On or about 22 June 2023, the Second Defendant reported to the Plaintiff that the First Defendant had approximately CA\$7,092,510<sup>9</sup> in its accounts and had estimated Costs Incurred to the end of June 2024 to be the sum of CA\$3,669,900. Based on the Second Defendant's representations the funds in the Canadian bank account alone should have been more than enough to cover the costs to and including June 2024. In June 2023, the Second Defendant sought from the Director permission for the First Defendant to invest CA\$7,092,510. In October 2023, when the Written Royalty Agreement and the Addendums were signed, the Director was led to believe by the Second Defendant that the First Defendant had no less than CA\$4,858,710<sup>10</sup> in cash or equivalents, plus investment returns.
22. Based on spreadsheets delivered to the Plaintiff in or about June 2023, in May 2023 the Second Defendant took an additional CA\$1,500,000 over and above the Second Defendant's Draw from the First Defendant without the Plaintiff's consent or providing any reason therefor.
23. The Plaintiff has no knowledge of the basis upon which (legal or otherwise) the Second Plaintiff had any right to take CA\$1,500,000 from the First Plaintiff in circumstances where the Unpaid Royalties (as defined in paragraph 24 below) nor the Costs Incurred including Introducers had been paid. The Plaintiff also has no knowledge of the basis upon which the Defendants refused to or neglected to pay the Costs Incurred starting on or around 28 December 2023 in circumstances where the Second Defendant reported to the Plaintiff on or about 22 June 2023 that of the CA\$7,092,510 in cash or cash equivalents,

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<sup>9</sup> CA\$4,892,510 plus USD\$1,615,468.

<sup>10</sup> CA\$7,092,510 less estimated Costs Incurred in the sum of CA\$2,233,800 to and including October 2023.

CA\$3,669,600 was expressly being held to pay estimated Costs Incurred due to be paid each month through to June 2024.

24. Due to, amongst other things, the Defendants' failure to provide an accounting and/or failure to provide complete, or any, sufficient books and/or records (as required by clause 3.3(a) of the Written Royalty Agreement) and/or failure to provide even basic information to the Plaintiff with respect to, amongst other things, the actual costs (versus Costs Incurred which were estimated by the Second Defendant), payments to Introducers and/or the First Defendant's financial position generally, the Plaintiff is not able to say with accuracy how much of the Royalty Payments have been made to it (by reference to an addendum). The only payment made by the First Defendant to the Plaintiff was in December 2022 in the sum of US\$8,756,645 of which, based on addendum 1-1, only CA\$4,231,202 might have been paid on account of an estimated Royalty Payment.<sup>11</sup> In addition, during the relevant times, no amounts were deposited by the First Defendant to the Canadian dollar account for the Plaintiff. Based on the Addendums, that leaves an outstanding balance pursuant to all Addendums of approximately CA\$5,949,956<sup>12</sup> (the "Unpaid Royalties") plus USD\$98,000 (approximately CA\$130,692<sup>13</sup>) for an approximate total of CA\$6,080,648 neither of which have been paid to the Plaintiff or accounted for by the First Defendant and/or the Second Defendant.

#### Breaches

25. In breach of the Written Royalty Agreement, Addendums and/or the Royalty Agreement:
- 25.1. Despite demand by letter dated 30 May 2024, the First Defendant and/or the Second Defendant have failed to or refused to provide the Plaintiff with the records required under, inter alia, clause 3.3(a) of the Written Royalty

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<sup>11</sup> Which, for the avoidance of doubt, does not include the sum of CA\$98,000 claimed in paragraph 25.3 below.

<sup>12</sup> i.e. CA\$10,181,158 (pleaded in paragraph 18.4 above) less CA\$4,231,202.

<sup>13</sup> Using the exchange rate as to 19 December 2023 of US\$1 to CA\$1.3336.

Agreement. Accordingly, the Plaintiff is unable to confirm with accuracy the quantum of, inter alia, the Costs Incurred and therefore Royalty Payments and/or Unpaid Royalties currently due to it;

- 25.2. The Second Defendant and/or the First Defendant have failed to account for and pay the Unpaid Royalties in breach of, inter alia, clause 2.1 of the Written Royalty Agreement and the Addendums;
- 25.3. Although the Plaintiff has reason to believe the First Defendant has received US\$200,000 under the Short Term Loan from the Borrower with respect to addendum 1-1, payment in the sum of US\$98,000 has not be made to the Plaintiff with respect to that Short Term Loan;
- 25.4. The Second Defendant has failed to provide to the Plaintiff a pledge of the shares held in First Defendant as required under, inter alia, clause 2.2 of the Written Royalty Agreement despite the Plaintiff requiring the same and providing a full suite of documentation in relation to the same to the Second Defendant for execution on 13 August 2024;
- 25.5. The First Defendant has failed or refused and/or the Second Defendant has failed or refused to cause the First Defendant to provide to the Plaintiff a collateral assignment of Short-Term Loans (for the avoidance of doubt, this relates to the Short Term Loan pursuant to addendum 1-1 and the CA\$98,000 referred to in paragraphs 24 and 25.3 above) and investments as required under, inter alia, clause 2.2 despite the Plaintiff requiring the same and providing a full suite of documentation in relation to the same to the Second Defendant for execution on 13 August 2024;

- 25.6. The First Defendant and/or the Second Defendant have failed to retain the sum of approximately CA\$3,726,994, net of the Second Defendant's Draw and Costs Incurred paid over time, in breach of the Addendums;
- 25.7. The First Defendant and/or Second Defendant has overcharged for Costs Incurred and those charges must be accounted for and/or refunded to the Plaintiff;
- 25.8. CAD\$200,000 was paid by the Plaintiff on behalf of First Defendant and/or Second Defendant in respect of certain Costs Incurred relating to a Transaction which sum is owed by the First Defendant and/or the Second Defendant to the Plaintiff; and,
- 25.9. The First Defendant and/or the Second Defendant have failed to or refused to pay all of the Costs Incurred (paragraphs 25.1 and 25.8 herein are repeated with the necessary modifications).
26. Further or alternatively, in the premises of paragraphs 6, 7, 9 and 11 through 21 above, by virtue of the First Defendant taking over the position of the Old Lender, it held (and holds) the Royalty Payments and/or Unpaid Royalties and any and all other sums owing to the Plaintiff pursuant to the Written Royalty Agreement and/or Royalty Agreement on constructive trust for the benefit of the Plaintiff.
27. Such trust arises from the Written Royalty Agreement and/or Royalty Agreement as it was agreed between the parties that the Royalty Payments and any other sums owing to the Plaintiff pursuant to those agreements were merely to be received and held by the First Defendant and paid to the Plaintiff and others in accordance with their terms.
28. The First Defendant therefore owes duties to the Plaintiff as trustee of such of the sums owed to the Plaintiff and held on account of Costs Incurred, including to not retain any benefit acquired or unauthorised profits from its positions as a fiduciary. The Defendants and each one of them would be unjustly enriched and it would be inequitable for them,

or either one of them, to benefit by keeping the funds they collected and agreed to pay to the Plaintiff and on account of Costs Incurred.

**Loss and Damage**

29. The breaches outlined in paragraph 25 above constitute material breaches of the Written Royalty Agreement and/or the Royalty Agreement for which the Defendants are variously liable to the Plaintiff for loss and damage.
30. Further or alternatively, the breaches outlined in paragraphs 25 through 28 above constitute material breaches of trust and/or duties owed to the Plaintiff arising from the circumstances pleaded in paragraph 26 and 27 above.
31. The Plaintiff reserves its right to amend its claims in respect of the ultimate quantum of damages (including but not limited to the Unpaid Royalties, Costs Incurred and other payments still due) pending provision by the First and/or Second Defendant (as the case may be) of all relevant books and records of the First and/or Second Defendant and discovery in this matter.

**AND THE PLAINTIFF claims:**

1. An order for specific performance of the terms Written Royalty Agreement and Addendums and/or the Royalty Agreement against the First Defendant and/or the Second Defendant (as the case may be), including but not limited that:
  - 1.1. In accordance with, inter alia, clause 2.2 of the Written Royalty Agreement, the First Defendant execute the collateral assignment of the Short Term Loan referred to in addendum 1-1 of the Written Royalty Agreement substantially in the form which has been provided by the Plaintiff already;
  - 1.2. In accordance with, inter alia, clause 2.2 of the Written Royalty Agreement, the Second Defendant execute and deliver the pledge of his shares in the First

Defendant along with all relevant ancillary documents substantially in the form which have been provided by the Plaintiff already;

- 1.3. In accordance with, inter alia, clause 3.3 of the Written Royalty Agreement the Defendants and/or the Second Defendant cause the First Defendant and/or the Defendants cause any third party under their control to deliver to the Plaintiff all documents and records including but not limited to books of account, receipts, papers and other documents relating to the Transactions (the “**Books & Records**”).
2. An order that the First Defendant and/or the Second Defendant provide an accounting along with supporting documentation satisfactory to the Plaintiff of any and all payments received by it/him and Costs Incurred paid in relation to all Transactions set out in the Addendums to the Written Royalty Agreement and that should the Plaintiff require it, that both Defendants submit to an audit of their financial affairs pursuant to clause 3.3(a) of the Written Royalty Agreement.
3. An order that upon the provision of the Books & Records and the accounting prayed for in paragraph 2 above the First Defendant and/or Second Defendant make a reserve for and/or pay the Costs Incurred (as finally determined) so that the Royalty Payments can be accurately ascertained and/or paid.
4. An order pursuant to, inter alia, clause 3.1 of the Written Royalty Agreement and/or the Royalty Agreement that the Defendants and each one of them pay the Unpaid Royalties, which subject to the accounting by Defendants, is estimated to be CA\$5,949,956, as follows:

ADDENDUM	PAYABLE TO PLAINTIFF
1-2	191,491.00
1-3	2,174,725.00
1.4	78,888.00
1-5	1,090,972.00
1-6	2,413,880.00

5. An order that the First Defendant and/or the Second Defendant (as the case may be) pay the sum of US\$98,000 to the Plaintiff due under addendum 1-1.
6. An order that the First Defendant and/or that the Second Defendant cause the First Defendant to make provision for and retain and thereafter pay the Plaintiff the future sums due and owing pursuant to the Short Term Loan under addendum 1-1 (i.e. US\$98,000 due annually on 19 December 2024 through 2027).
7. A declaration that the Plaintiff has the right to enforce the pledge agreement and the collateral assignment referred to in paragraphs 1.1 and 1.2 above.
8. An order that the First Defendant and/or Second Defendant pay any and all duties and/or other costs associated with preparing and enforcing the collateral assignment and pledge agreement referred to in paragraphs 1.1 and 1.2 above.
9. An order that the First Defendant and/or the Second Defendant (as the case may be) reimburse the Plaintiff the sum of CAD\$200,000 with respect to matters pleaded at paragraph 25.8 above and/or other additional sums found to be due and payable to the Plaintiff upon the accounting prayed for at paragraph 2 above.
10. An order that the First and/or Second Defendant reimburse the Plaintiff for marketing costs associated with developing the Business, maintaining relationships with all stakeholders and finding or following up on client opportunities in the estimated sum of US\$275,000 pursuant to the Royalty Agreement.
11. If necessary or deemed appropriate by this Honourable Court, a declaration that the First Defendant holds the Unpaid Royalties and any other funds owed to the Plaintiff on constructive trust pursuant to which it is liable to account to the Plaintiff.
12. To the extent not capable of being outlined above damages for breach of contract as this Honourable Court deems fit.

13. Interest in accordance with section 34 of the Judicature Act (2021 Revision).
14. Costs.
15. Such further and/or other relief as this Honourable Court deems appropriate.



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**CAMPBELLS LLP**  
**Attorneys-at-Law for the Plaintiff**

11 October 2024

IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO FSD: OF 2024

BETWEEN:

KRYO GROUP LTD

PLAINTIFF

AND:

SECURUS CO. LTD

FIRST DEFENDANT

SCOTT EDWARD LAMB

SECOND 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.

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

#3078545v1

**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.

**Campbells  
Floor 4 , Willow House  
Cricket Square  
PO Box 884  
George Town  
Grand Cayman KY1-9010  
(Ref: IJD/JFI/09961-42602)**

Indorsement 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 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.