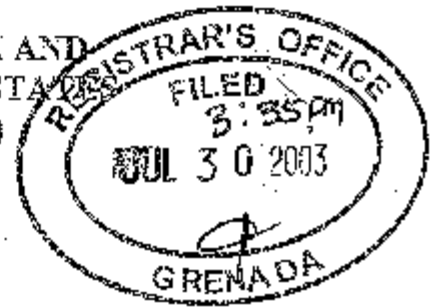


SUPREME COURT OF GRENADA AND
THE WEST INDIES ASSOCIATED STATES
(HIGH COURT OF JUSTICE)



GRENADA

CLAIM NO. GDAHCV2003/0255

BETWEEN

IN THE MATTER OF BANK CROZIER LIMITED (In Liquidation)

AND

IN THE MATTER OF THE OFFSHORE BANKING ACT, 1996, NO. 39

AND

IN THE MATTER OF THE COMPANIES ACT, 1994, NO. 35

AND

IN THE MATTER OF THE INTERNATIONAL COMPANIES ACT, CAP. 152

BETWEEN

**DARYL SANDS
CONTROLLER OF BANK CROZIER LIMITED
APPLICANT**

AND

**GARVEY LOUISON
LIQUIDATOR OF BANK CROZIER LIMITED
RESPONDENT**

NOTICE OF APPLICATION

The Applicant, Daryl Sands, Controller, of Bank Crozier Limited (In Liquidation) hereby applies to the Court pursuant to section 398(3) of the Companies Act No.35 of 1994 for an Order for directions and such orders as this Honourable Court may deem fit in the within proceedings on the following issues:

- i. The obligations of the Controller in view of the terms of the injunction granted in Claim No.2003/0228;
- ii. The obligations of the Controller with respect to the status of the sum of US\$324,204.92 (Depositors Claims) pending a determination of this Court as to the entitlement thereto;
- iii. That the Controller be at liberty to retain such sums from the Bank to cover just expenses to be incurred in the defence of the matters raised in (iv) and (v) hereunder;
- iv. That the Controller be at liberty in conjunction with the Liquidator or otherwise to continue to defend Claim No.2003/0220 brought by Carla Bella Ltd. against Bank Crozier Ltd, the Minister of Finance and the Controller;
- v. That the Controller be at liberty in conjunction with the Liquidator or otherwise to continue to defend Claim No. 2003/0228 brought by Grenville Phillips Controller of Bank Crozier International Limited against the Controller of Bank Crozier Ltd;
- vi. The Controller's entitlement to indemnification by the estate of the Bank and the Controller's security interest in the Bank's assets in support of such indemnity.

The grounds of the application are:-

- (1) That the Controller has incurred expenses in defending Claims No. 2003/0220 and 2003/0228, the effect of which makes him creditor of Bank Crozier Ltd.
- (2) The appointment of the Controller is subject to section 20(1)(v) of the Offshore Banking Act which provides that his costs as Controller are expenses of the Bank and as such the Controller is entitled to indemnity for all his costs and expenses out of the assets of the Bank in priority to the general body of creditors subject to prior secured interests.
- (3) That the depositors claims were inadvertently accepted by correspondent banks notwithstanding the insolvency determination and anticipated notice of revocation and ought to be returned to the third party creditors.

A draft of the order that I seek is attached.

An affidavit in support accompanies this application

Dated 30th July, 2003

Sean's Associates
Sean & Associates for the Applicant

NOTICE:

This application will be heard by the Judge J. Pemberton in Chambers
Master NO. 2 on Thursday day the 31st July day of,
at 9:00 ~~am~~ ^{pm} at

If you do not attend this hearing an order may be made in your absence.

OR

The Judge in Chambers _____ Master _____ will deal with this
application by -

NB This notice of application must be served as quickly as possible on the Respondent to
the application.

The court office is at Church Street, St. George's telephone number 440-2030, FAX 440-
6695. The office is open between 8:00 a.m. and 4:00 p.m. Monday to Friday except
public holidays.