

**IN THE SUPREME COURT
TURKS AND CAICOS ISLANDS**

Action No. CL57 /09

BETWEEN:

**KLAUS HOFMANN, DAVID R. ROCHEFORD, NORMAN SORENSON and
STEVE THOMPSON,**

Suing on their own behalf and on behalf of
all other persons being purchasers of time shares interests
in real property in the Dominican Republic from the Defendants

Plaintiffs

**FILED IN THE SUPREME COURT
TURKS & CAICOS ISLANDS**

-and-

TIME: 2:0 pm

DATE: 6-3

BY: *W*

- (1) EMI SUN VILLAGE INC.
- (2) EMI COFRESI DEVELOPMENTS INC.
- (3) SUN VILLAGE JUAN DOLIO INC.
- (4) ELLIOTT MICHES HOLDINGS INC.
- (5) ELLIOTT REGENT HOLDINGS INC.
- (6) ESGV TOSCANA HOLDINGS LTD.
- (7) LANDMARK LENDING CORPORATION
- (8) BERTUS MANAGEMENT INC.
- (9) COFRESCO HOLDINGS INC.

Defendants

PENAL NOTICE:

**IF YOU THE WITHIN NAMED DEFENDANTS DISOBEY THIS ORDER YOU MAY BE HELD TO BE IN CONTEMPT OF COURT AND TO HAVE AN ORDER FOR SEQUESTRATION MADE IN RESPECT OF YOUR PROPERTY
ANY DIRECTOR OR OFFICER RESPONSIBLE FOR SUCH DISOBEDIENCE MAY BE LIABLE TO BE IMPRISONED, FINED OR TO HAVE AN ORDER FOR SEQUESTRATION MADE IN RESPECT OF YOUR PROPERTY
ANY OTHER PERSON WHO KNOWS OF THIS ORDER AND DOES ANYTHING WHICH HELPS OR PERMITS THE DEFENDANTS TO BREACH THE TERMS OF THIS ORDER MAY ALSO BE HELD TO BE IN CONTEMPT OF COURT AND MAY BE LIABLE TO BE IMPRISONED, FINED OR TO HAVE AN ORDER FOR SEQUESTRATION MADE IN RESPECT OF HIS PROPERTY**

ORDER

BEFORE His Lordship, The Chief Justice Gordon Ward
DATED: 6th March 2009
ENTERED:

UPON the *ex parte* Summons seeking interim injunctive relief and the appointment of interim receivers filed on the 5th day of March 2009 coming on for hearing

AND UPON READING the affidavits of Carlos F. Gonzalez and Hilda Piloto each sworn on March 3, 2009 and filed on 5th March 2009

AND UPON HEARING John Carrington, Counsel for the Plaintiffs *ex parte* by telephone conference call.

AND UPON the Plaintiffs by their Counsel giving the following undertakings:-

- (a) To serve the Writ of Summons, this Order, the Application, the affidavits of Carlos F. Gonzalez and Hilda Piloto each respectively dated March 3, 2009 together with note of this *ex parte* hearing on the Defendants forthwith.
- (b) To abide by any Order the Court may make as to damages in case the Court shall be of the opinion that any of the Defendants shall have sustained any by reason of this Order which the Plaintiffs ought to pay.
- (c) To keep all information obtained as a result of this Order confidential and not to use such information otherwise than for the purpose of these proceedings and proceedings between the parties hereto before the United States courts in Florida, St. Vincent and the Grenadines or in the Dominican Republic save with the leave of this Court.
- (d) If for any reason this Order ceases to have effect, to forthwith take all reasonable steps to inform in writing any person to whom notice of this Order has been given or who they have reasonable grounds to suppose may act upon this Order that the Order has ceased to have effect.

IT IS HEREBY ORDERED as follows:-

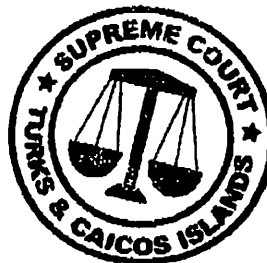
1. The Defendants whether by themselves, their servants and/or agents are hereby restrained from dealing with or disposing of the funds comprising the income from the Sun Village resort in Puerto Plata, Dominican Republic or causing, suffering or permitting any state of affairs that has such effect pending further Order.
2. The Defendants whether by themselves, their servants and/or agents are hereby restrained from dealing with or disposing of the funds comprising the income from the Maxim Bungalows (formerly EMI Residence) in Puerto Plata, Dominican Republic or causing, suffering or permitting any state of affairs that has such effect pending further Order.
3. The Defendants whether by themselves, their servants and/or agents are hereby restrained from dealing with or disposing of the funds comprising the income from the property at Juan Dolio, Dominican Republic or causing, suffering or permitting any state of affairs that has such effect pending further Order.
4. The Defendants whether by themselves, their servants and/or agents are hereby restrained from disposing of or dealing with or in any way encumbering or diminishing the value of the property at Sun Village in Puerto Plata or causing, suffering or permitting any state of affairs that has such effect pending further Order.
5. The Defendants whether by themselves, their servants and/or agents are hereby restrained from disposing of or dealing with or in any way encumbering or diminishing the value of the property known as Maxim Bungalows (formerly EMI Residence) in Puerto Plata or causing, suffering or permitting any state of affairs that has such effect pending further Order.
6. The Defendants whether by themselves, their servants and/or agents are hereby restrained from disposing of or dealing with or in any way encumbering or diminishing the value of the property at Juan Dolio, Dominican Republic or causing, suffering or permitting any state of affairs that has such effect pending further Order.
7. The Defendants whether by themselves, their servants and/or agents are hereby restrained from disposing of or dealing with or in any way encumbering or diminishing the value of the property known as Treasure Bluff at Cofresi Beach, Puerto Plata or Miches in the Dominican Republic or causing, suffering or permitting any state of affairs that has such effect pending further Order.
8. Each of the Defendants must not:

1. remove from the Turks and Caicos Islands any of its assets which are in the Turks and Caicos Islands whether in its name or not and are whether jointly owned beneficially legally or otherwise
 2. in any way dispose of or deal with or diminish the value of assets beneficially owned by it whether they are in or outside the Turks and Caicos Islands whether in its name or not and whether jointly owned beneficially legally or otherwise
9. Mr. Michael Melamud of 1120 Ponce de Leon Boulevard, Coral Gables Florida 33134 be and is hereby appointed as receiver ("Receiver") over the assets and undertakings of the Defendants (wheresoever situated and in whatever form) and, without prejudice to the generality of this appointment, his appointment as Receiver shall extend to the particular assets mentioned in Schedule 1 to this Order (the "Specified Assets") in accordance with the terms therein.
10. The Defendants shall each, within 4 days of the service of the Order upon them, provide to the Applicants' attorneys in writing full details of income received from the operation of the Sun Village Resort and Juan Dolio properties and the sale of time shares and/or fractional interests therein; how such income was spent including the names and addresses of the financial institutions to which payments made by the Plaintiffs were sent; to which all income arising from the Sun Village Resort and Juan Dolio properties were deposited, payments made to Frederick Elliott and Derek Elliott; or any company controlled by either of them and the names and addresses of any financial institutions to which such payments were made.
11. Exceptions to this Order:
- (a) This Order does not prohibit each of the Defendants from each spending up to US\$5,000 or its equivalent per month towards its ordinary operational expenses provided that such Defendant must inform the Receiver in writing of the origin of the money.
 - (b) This Order does not prohibit any of the Defendants from paying a reasonable sum towards legal advice and representation provided that before spending any money on legal representation such Defendant must inform the Receiver in writing of the origin of the money.
 - (c) Any Defendant may agree with the Applicant's Solicitors in writing that the above spending limits should be increased or that this Order should be otherwise varied.

- 12. The Plaintiffs shall be at liberty to use the information received from the Defendants as a consequence of this Order in proceedings concerning causes of action arising on the same facts pleaded herein in the Dominican Republic, St Vincent and the Grenadines and the United States. Save as provided herein the Plaintiffs shall not use the information so received in any other proceedings save with the leave of this Court.
- 13. It is a contempt of court for any person notified of this Order knowingly to assist in or permit a breach of this Order.
- 14. Except as provided below the terms of this Order do not affect or concern anyone outside the jurisdiction of this Court until it is declared enforceable or is enforced by a Court in the relevant country and then they are to affect him only to the extent that they have been declared enforceable or have been enforced unless such person is:
 - i. The Defendants, their directors, officers, servants or agents whether by power of attorney or otherwise; or
 - ii. Any person who:
 - 1. is subject to the jurisdiction of this Court
 - 2. has been given written notice of this Order at his residence or place of business within the jurisdiction of this Court
 - 3. is able to prevent acts or omissions outside the jurisdiction of this Court which constitute or assist in a breach of the terms of this Order; or
 - iii. person only to the extent that this Order is declared enforceable by or enforced by a Court in that country or state.
- 15. There shall be a further hearing of this application with notice to the Respondents on the 13th of March at 9.00am at Providenciales Court House.
- 16. The costs of this application shall be reserved until further hearing.
- 17. The Respondents shall be at liberty to apply to vary or discharge these Orders upon giving no less than 7 days' notice to the Applicants.

[Handwritten signature]

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BY THE COURT



SCHEDULE 1

THIS ORDER

1. This is an order for the appointment of Mr. Michael Melamud of 1120 Ponce de Leon Boulevard Coral Gables Florida 33134 as receiver over the entire assets and undertakings of the Defendants (wherever situated and in whatever form) and, without prejudice to the generality of this appointment, his appointment as Receiver shall extend in order to secure the title to the properties at Sun Village resort, Puerto Plata, Maxim Bungalows (formerly EMI Residence) Puerto Plata, and Juan Dolio, all in the Dominican Republic and the funds comprising the incomes from such properties and the properties at Treasure Bluff and Miches, both also in the Dominican Republic (the "Specified Assets") held by the Defendants, for the purposes more fully set out in this Order.
2. This Order will remain in force until such order as is made at the trial of the claim, or sooner order of this Court.
3. The purposes for which the Receiver is hereby appointed are to:
 - (a) preserve and secure the Specified Assets, pending determination of the claim herein;
 - (b) investigate the affairs of the Defendants for the purpose of ensuring that the Specified Assets are preserved and secured; and
 - (c) as soon as reasonably practicable to collect, get in and receive for the purpose of securing and preserving the same any sums or debts which the Receiver has reasonable grounds to believe are or may be owed or payable to the Plaintiffs in respect of the Defendants' dealings with him.

STEPS TO BE TAKEN BY THE RECEIVER

5. The Receiver shall take all steps which he considers necessary or desirable to achieve the purposes for which he is appointed.

POWER AND AUTHORITY OF THE RECEIVER

6. The Receiver shall have the power to do all acts and things necessary for the purpose of complying with this order and carrying out his functions, including (without limitation) each of the following powers, namely to:

- (a) require any past or present director, officer, beneficial owners, servants, agents and any other relevant parties of the Defendants to supply all and any information and documents to him (in both a physical and electronic format) concerning the affairs of the Defendants including the shareholder, director, pledge holders and other registers of the Defendants, their respective seals, as well as its financial statements and books of account;
- (b) identify past and present beneficial owner, agents and directors of the Defendants;
- (c) investigate and obtain full details of all dealings by the Defendants with the Specified Assets, including any dealings in relation to any third parties;

7. The Receiver shall be authorized to:

- (a) take such steps as he considers necessary for the purpose of getting in, obtaining control and/or custody of and recovering and preserving the Specified Assets, including as far as may be necessary taking such steps (including, if appropriate commencement of foreign proceedings) to be recognized for such purposes in any other jurisdiction;
- (b) retain independent advisors, including without limitation, legal advisors, in such disciplines as he shall consider appropriate, to assist him in the conduct of his duties. The Receiver is authorized to instruct the Plaintiffs' legal advisers, save where there exists a conflict of interest, to advise and act for them in relation to the exercise of any of their powers or duties;
- (c) retain the services of such overseas professionals as he considers reasonably necessary, for the like purpose;
- (d) exercise all of the corporate powers of the Defendants which is vested in its Board of Directors, only insofar as he considers necessary or expedient for the achievement of the purposes set out above. For the avoidance of doubt, the powers of the Board of Directors to conduct the defence to this claim shall not vest in the Receiver, but shall remain with the Board, providing that such powers are exercised bona fide.
- (e) to the extent that he considers it necessary for the purposes of the receivership to share any information obtained or discovered in the course of the exercise of his powers with any party and/or its advisers for the purpose of tracing and/or preserving the Specified Assets and/or any proceeds derived by the Defendants as a result of their dealings therewith;
- (f) bring proceedings in the name of the Defendants for the purpose of achieving the objectives set out in paragraph 5 above.

- (g) The Receiver shall have liberty to apply to the Court for directions concerning the conduct of the receivership.
- 8. The Receiver shall, provide a report to this Honourable Court and to the parties detailing the steps taken in the Receivership, and any other matters he considers relevant to the purposes for which he was appointed at the return hearing date and thereafter, at such time as he shall consider appropriate.

SECURITY

- 9. Security for appointment of the Receiver is fixed in the sum of \$US25,000.00 (Twenty Five Thousand United States Dollars), such sum to be provided by way of bond within 7 days of the date hereof.

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