

RENWICK & PAYNE
ATTORNEYS-AT-LAW

&
INTELLECTUAL PROPERTY AGENTS
in Grenada and the Caribbean

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5th April, 2021

The General Manager
Republic Bank (Grenada) Ltd
Centralised Credit Unit
Melville Street
St. George's

Attn: Mr. O'Neal Dominique

Dear Mr. Dominique,

Re: Republic Bank (Grenada) Limited- Litigation Matters

We refer to your request for information of any litigation matters involving the Bank and report as follows:

1. Claim No: GDAHCV 2005/0209- Republic Bank (Grenada) Limited v Ian Francis and Juliana Francis.

The Bank financed the purchase of a sub-divided lot of land from Simeon Francis and subsequently the construction of a house on the said sub-division for customers Ian and Juliana Francis. During the construction, customers received a court order to cease construction as there was covenant in a prior deed which prevented the sub-division of the lot. Customers have claimed \$257,900 from the Bank as the value of their equity in the property plus legal fees and rents paid.

The above-captioned action was instituted by Renwick & Payne on the Bank's behalf to obtain clarification of the Orders in the two previous actions and to obtain declarations to the effect mainly that:

- a) Mr. Ian Francis and his wife would not be in contempt of court if they were to move into the house they built; and
- b) Mr. Ian Francis remains liable to pay under the mortgage.

The Bank's customers responded by way of a Defence and Counterclaim against the Bank and joined Renwick & Payne as a party for negligence as the customer alleges we did not advise him as to the covenant restricting more than one building. We responded by way of Reply and Defence to Counterclaim. On 2nd May, 2008 Judgment was entered in favour of our application to strike the Counterclaim filed in this matter. Subsequently, the Lawyers for Francis appealed the Judgment. The Court of Appeal ruled against Renwick & Payne but we did not think it in the firm's interest to resort to the Privy Council as the issue will nevertheless be thrashed out at the main trial of the action, together with the Bank's action.

Present Position

A Case Management Conference was held on which occasion directions for the preparation of trial were issued by the Judge. We are in the process of complying with these directions.

In the interim period, we can still continue attempts to reach an amicable settlement.

Prospect of Success

We believe that the Bank has good chance of succeeding in obtaining the declarations sought. These declarations are important to establish the legal position of the parties and the mortgaged property vis-à-vis a sale by the Bank under its Power of Sale. It is difficult to ascertain the final amount of the Claim because the Francis' are claiming all costs expended subsequent to their purchase of the land. However, the Bank must be mindful that there is no guarantee as to what the Judge will ultimately determine.

As a reminder, the building on the mortgaged property remains standing and we advise that insurance be maintained.

2. Claim No. GDAHCV 2011/0096 – Time Bourke (Holdings) Grenada Limited v Issa Nicholas (Grenada) Limited and Republic Bank (Grenada) Limited

This matter is essentially a Landlord and Tenant matter. Time Bourke (Holdings) Grenada Limited as Landlord instituted proceedings against Issa Nicholas (Grenada) Limited as Tenant for breach of covenants under an Indenture of Lease so that the lease had become liable to forfeiture and also for possession of the leasehold property.

Issa Nicholas (Grenada) Limited, filed a Defence denying that it was in breach of the lease; that the Claimant was not entitled to forfeit the lease; and, contending that the Claim against it should be struck out. Issa Nicholas (Grenada) Limited also counterclaimed for damages, relief from forfeiture, and costs.

The Bank is affected by this matter as Issa Nicholas (Grenada) Limited has a mortgage with the Bank under which the leasehold property is being held as security. Forfeiture of the lease would result in the Bank losing its security under the said Mortgage.

On 11th September, 2015 the Bank filed an application to be joined as an Interested Party or as a Defendant to these proceedings in order to make the Court aware of the existence of the mortgage and to protect its interests.

At the last hearing, the Court ordered that the Bank be joined as a Defendant to these proceedings and we have since been served with all the relevant documents. Also at this hearing, the Court dealt with an Application by Issa Nicholas (Grenada) Limited to permit the late filing of an additional witness statement. This application was denied by the High Court and Issa Nicholas (Grenada) Limited's appeal of this decision was dismissed.

Present Position

The position of this matter remains as per our last report dated 6th January, 2021.

We are informed by Afi Ventour, Counsel for Issa Nicholas, that the parties are still negotiating further terms of settlement. If the parties are unable to reach an amicable position on all issues, then any outstanding issues will proceed to trial.

We are still waiting for a date to be set by the Court for the further Case Management of this matter.

Prospect of Success

Having researched the matter, we find it very unlikely that the Court will forfeit the lease. Forfeiture of the lease as a remedy for Time Bourke (Holdings) Grenada Limited is highly disproportionate to the effect it would have on Issa Nicholas (Grenada) Limited and Republic Bank (Grenada) Limited.

Should the Court be of the decision that the lease should be forfeited, it will more than likely grant relief from forfeiture to Issa Nicholas (Grenada) Limited. It is at that time that our application to enforce the Bank's statutory remedy of relief from forfeiture will be taken into consideration to protect the Bank's financial interest.

Nonetheless, the Bank must be mindful that there is no guarantee as to what the Judge will ultimately determine.

3. Claim No.GDAHCV2014/0274 – Jessamy Environmental Consulting & Research Caribbean Incorporated, a firm and Valma Jessamy v Republic Bank (Grenada) Limited

These proceedings commenced with the filing of a Claim Form and Statement of Claim by Valma Jessamy and her registered Company claiming relief for breach of contract, negligence on the Bank's part, breach of confidentiality and general damages. We filed a Defence in these proceedings on the Bank's behalf. Pleadings are now at a close, and the Claimants opted not to file a Reply to our Defence.

Present Position

The position of this matter remains as per our last report dated 6th January, 2021.

This matter has outstanding Applications filed by the Claimant, still to be dealt with. At the last hearing Jerry Edwin was not prepared to assist the Court with his applications and the Judge consequently adjourned the matter. We are awaiting a new date from the Court to resume the hearing of Mr Edwin's applications.

Prospect of Success

As indicated above, we filed a Defence on behalf of the Bank, which in summary emphasizes that the Bank acted in accordance with the provisions of the Bill of Sale Act as well as the Banking Act. We feel the Bank has a strong position to defend this matter at trial. However, the Bank must be mindful that there is no guarantee as to what the Judge will ultimately determine.

4. Re: Claim No. GDAHCV 2015/0036- Rickie Morain and Robbie Morain v Beverly Whint

Robbie Morain and Rickie Morain (“the Morains”) brought an action against their sister Beverly Whint for specific performance of an agreement between the Morains and Ms. Whint made on or about 27th January 2011 for the sale by Ms. Whint to the Morains of all that lot of land situate at Woburn, St. George comprising 8791 square feet with residential building thereon.

Prior to the agreement, Ms. Whint mortgaged the said property to the Bank. The Morains claim that there was an agreement partly in writing and partly oral whereby Ms. Whint agreed to sell and the Morains agreed to purchase the said lot of land for the purchase price of \$170,000.00. It was also agreed that the said purchase price was to be applied to Ms. Whint’s mortgage account with the Bank.

Present Position

The Trial of this matter was held on 16th February, 2021. We are awaiting the judgment of the Trial Judge.

The Bank remains prohibited from selling the property until further order of the Court.

Prospect of Success

In our opinion, judging from previous Court hearings, we are convinced that it is unlikely that the Court will allow the Bank’s mortgage to continue un-serviced. However, the Bank must be mindful that there is no guarantee as to what the Judge will ultimately determine.

5. Re: Claim No. GDAHCV2018/0110 - Lauralee Cross v Republic Bank (Grenada) Limited) v Garvin McQuilkin

This Claim is brought by Lauralee Cross against the Bank for monies held in what was a joint account held with Lionel Akins. The subject account belonged to Lionel Akins and he later purported to join his daughter Lauralee Cross as a holder to the account.

In or about 2017, one Garvin McQuilkin, the nephew of Lionel Akins, presented a letter to the Bank requesting a transfer from the joint account to Garvin

McQuilkin's own account of a sum which was almost all of all the monies held in the account at the time (almost two million dollars). The letter stated that the monies were needed in order to, inter alia, pay for the maintenance and health care of Lionel Akins.

The Bank was concerned that the letter was not legitimate and made a home visit to Mr Akins where they were satisfied that he was mentally competent and he confirmed the instructions in the said letter. The Bank was also given a doctor's report of good mental health. However, following the home visit, the Bank was presented with another letter adjusting the transfer amount to half of the previous request. Unfortunately, before the instructions could be carried out Mr. Akins died, triggering the survivorship principle.

Lauralee Cross attempted to remove all of the monies in the account and the Bank subsequently placed a hold on the monies in the account in consideration of the two conflicting claims to the monies in the account. The Bank suggested that Lauralee Cross and Garvin McQuilkin reach a settlement or agreement as to whom the monies in the account belonged, but they did not.

Lauralee Cross filed a claim against the Bank for the monies in the account and also damages for unlawful retention. The Bank filed a Defence stating that it was within its rights to place a hold on the account as it had sufficient evidence to show that the survivorship principle may not apply in this situation. The Bank also filed a Counterclaim asking the Court for declarations as to the true entitlement of the monies in the account and for the monies to be held by the Court pending the resolution of this matter.

Garvin McQuilkin was joined as an Ancillary Claimant to the proceedings. He has brought his own claim against the Bank for what he claims to be his share of the money. We filed Defence for the Bank in similar terms to that of the Defence against Lauralee Cross, so that pleadings are now closed.

Present Position

We attended the Pre-Trial Review in this matter on behalf of the Bank on 8th March, 2021. The Judge indicated that there were some preliminary issues, with respect to the written instructions given by Lionel Akins before his death, on which he wished to be formally addressed with a view to narrowing the issues to be dealt with at trial. A new hearing date was set for the hearing of submissions on those preliminary issues, following which the Judge will give directions as to the procedure of the trial.

Prospect of Success

We have previously written to the Bank indicating our opinion that the Bank was correct to place a hold on the account following the death of Lionel Akins. We

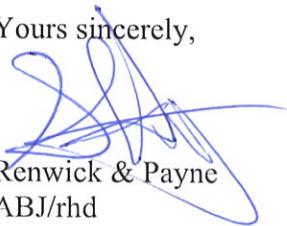
believe there is sufficient evidence to show contrary intention to rebut the presumption of the survivorship rule, that is to say, there is sufficient evidence to show that Lionel Akins did not intend for all of the monies in the account to go to Lauralee Cross upon his death.

We believe that the Bank has a strong Defence, and in any event the Bank is asking the Court to make declarations as to the true entitlement of the monies held in the account. The monies in the account continue to accrue interest so that the Bank is mitigating any potential losses for the customers.

Nonetheless, the Bank must be mindful that there is no guarantee as to what the Judge will ultimately determine.

We hope the above is of assistance to you.

Yours sincerely,


Renwick & Payne
ABJ/rhd