

**IN THE EASTERN CARIBBEAN SUPREME COURT
IN THE HIGH COURT OF JUSTICE
ANGUILLA CIRCUIT
(Civil)
A. D. 2001**

CLERK'S
OFFICE
MAY 25 2001
ANGUILLA

Claim No. 2001/0039

IN THE MATTER OF AN INTENDED ACTION

BETWEEN: -

DIGIGOLD.NET LIMITED

**Intended
Claimant**

-AND-

**SYSTEMICS INC.
IAN GRIGG**

**Intended
Defendants**

**MINUTE OF ORDER FOR EX-PARTE INJUNCTION BEFORE ISSUE OF
WRIT**

**BEFORE THE HONOURABLE MRS. JUSTICE HARIPRASHAD CHARLES (IN
CHAMBERS)**

DATED THE 25th DAY OF MAY 2001

ENTERED THE 25th DAY OF MAY 2001

UPON the matter coming before this Honourable Court on the 25th of May 2001
on an application by the Claimant for an ex parte application for an Injunction.

AND UPON hearing Ms. Yvette Wallace, Counsel instructed by Keithley Lake
& Associates, Solicitors for the Claimant.

AND UPON reading the affidavit sworn to by Barry Downey dated and filed on
the 25th day of May 2001 herein and the Claim Form in the abovementioned action and
the draft minute of the order sought.

AND UPON the said Intended Claimant by its Counsel undertaking:

1. To abide by any order that the Court may make as to damages in case the Court shall hereafter be of the opinion that the intended Defendants shall have sustained any by reason of this order, which the Claimant ought to pay;
2. To issue a Claim Form forthwith;
3. To inform the Defendants forthwith of the terms of this order by such means as may be convenient and to serve upon them as soon as is practicable a copy of the affidavit as sworn, a filed copy of the Claim Form herein, and a copy of this Order;

IT IS HEREBY ORDERED:

1. That the Defendants be restrained and an injunction is hereby granted restraining them, whether by themselves, servants or agents or any of them or howsoever from terminating support for the DigiGold project or from taking the server off-line or from removing the software or hardware from this jurisdiction until further order of the Court
2. That this Summons be returnable on Tuesday the 29th day of May 2001 at 2:00 p.m.
3. That there be liberty to apply to discharge or vary this order on two day's notice in the meantime.
4. That there be no Order as to costs.

Dated the 25th day of May 2001

BY THE COURT



REGISTRAR

**IN THE EASTERN CARIBBEAN SUPREME COURT
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Claim No. of 2001

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Claimant**

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IAN GRIGG**

**Intended
Defendants**

**MINUTE OF ORDER FOR EXPARTE INJUNCTION
BEFORE ISSUE OF WRIT**

**Served by:
Date:
Received by:
Time:**

**Filed by Keithley Lake & Associates
Solicitors for the Intended Claimant**

IN THE EASTERN CARIBBEAN SUPREME COURT
IN THE HIGH COURT OF JUSTICE
ANGUILLA CIRCUIT
(CIVIL)
A.D. 2001

REGISTRAR'S
OFFICE
9:55 am
MAY 25 2001
ANGUILLA

0039
Claim No. 2001/34

BETWEEN:

DIGIGOLD.NET LIMITED

Claimant

AND

**SYSTEMICS INC.
IAN GRIGG**

Defendants

CLAIM FORM

The Claimant, **DIGIGOLD.NET LTD.**, a Nevis Corporation, with registered office at Global Corporate and Trust Management, Ltd, Charlestown, Nevis, claims against the Defendants, **SYSTEMICS INC** corporation registered in Nevis with registered office at Charlestown, Nevis and **IAN GRIGG** of Old Ta, in the island of Anguilla, injunctive relief and Orders in respect of an Software Licence Agreement dated the 1st day of June 1999.

In or about 1999 the Plaintiff and the Defendants entered into a software license Agreement for the development and operation of certain the DigiGold software and hardware systems for the trading of digital cash.

The Defendants have or have threatened to breach their contractual obligation under the Agreement with the Plaintiff to provide service and use of certain software and hardware equipment.

In the premises the Claimants claim the following reliefs:

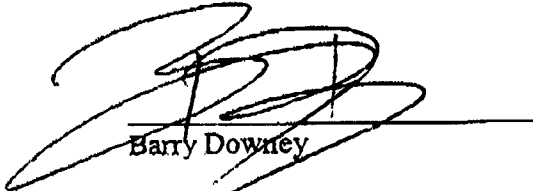
1. An Order for an injunction restraining the Defendants, whether by themselves, or by their employees, servants or agents or any of them or howsoever from terminating support for the DigiGold project or from taking the server off-line or from removing the software or hardware from this jurisdiction until the resolution of the matter by arbitration or until further order of the Court.
2. That the Second-named Defendant be restrained from leaving the jurisdiction of Anguilla until further order of the Court.

3. Damages for breach of Contract
4. Costs and attorneys costs
5. Such further and/or other relief as this Court deems just.

	Amount Claimed	US\$
Court Fees	US\$	
Attorney's costs	US\$	
Total Claim	US\$	

Dated the 25th day of May 2001.

I Barry Downey certify that the facts stated in this Claim Form are true.



Barry Downey

The Claimant's address for service is KEITHLEY LAKE & ASSOCIATES of The Law Building, The Quarter in the Island of Anguilla.

NOTICE TO THE DEFENDANT - See the notes served with this Claim Form

This Claim Form must contain or have served with it either a statement of claim or a copy of a court order entitling the claimant to serve the claim form without a statement of claim.

If you do not complete the form of acknowledgment of service served on you with this Claim Form and deliver or send it to the court office (address below) so that they receive it within EIGHT/TWENTY ONE days of service of this Claim Form on you, the claimant will be entitled to apply to have judgment entered against you. The form of acknowledgment of service may be completed by you or a solicitor acting for you.

You should consider obtaining legal advice with regard to this claim.

This claim form has no validity if it is not served within six months of the date below unless it is accompanied by an order extending that time.

The Court office is at The Court House, The Valley, Anguilla. Telephone number +1(264) 497-2377, Fax +1(264) 497-5420. The office is open between 8:30 am and 4.00 pm Mondays to Fridays except Public Holidays and Court Holidays.

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Intended
Claimant

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SYSTEMICS INC.
IAN GRIGG

Intended
Defendants

CLAIM FORM

Served by:
Date:
Received by:
Time:

1. Minute of Order for Ex parte
2. Ex parte summons
3. Claim form

Filed by Keithley Lake & Associates
Solicitors for the Intended Claimant

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Defendants

**AFFIDAVIT OF BARRY DOWNEY IN SUPPORT OF APPLICATION FOR
INJUNCTION**

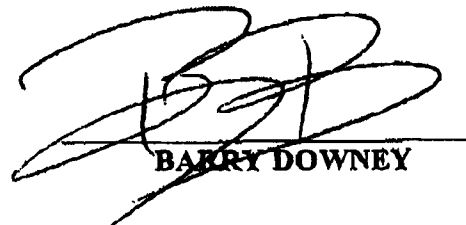
I, **BARRY DOWNEY**, of One W. Pennsylvania Ave., Suite 950, Baltimore, Maryland 21204, being duly sworn **MAKE OATH** and say as follows:

1. That I am attorney at law, admitted to practice in the State of Maryland, and The United States Counsel to DigiGold.net Ltd, the Plaintiff herein. In addition, I also represent some of the shareholders of the First-named Defendant Company. I have full knowledge of certain information relevant to this suit and am duly authorised to make this Affidavit in support of the Plaintiff's application for an injunction against the Defendants.
2. The Defendant Company, Systemics Inc. is a Nevis corporation. The Defendant Ian Grigg is the principal shareholder of the Defendant Corporation, its Software System Manager and one the Programmers of the said Corporation.
3. In or about August 1999 the Plaintiff, a Nevis Corporation, entered into a software licence agreement with the said Defendant Company, Systemics, Inc. whereby the Defendant Company would developed under the software license a product that is a gold backed digital cash called "DigiGold". The DigiGold digital cash can be traded against other financial instruments using the Market Server developed by the Defendants. The Plaintiff pursuant to the Agreement funded this development.

4. A further Agreement between the parties provided that the Plaintiff and its shareholders are entitled to 25% of the shares in the Defendant Corporation. A copy of the said Software Licence Agreement is exhibited herewith and labelled "BD 1" for identification.
5. The Market Server and the server hosting the software and related products are housed and operated in Anguilla.
6. Pursuant to the agreement the Plaintiff has provided funding on "as needed" and "as requested basis" under this Agreement.
7. The total funds that have been sent by the Plaintiff Company and its shareholders over the two-year period are approximately US\$370,000.00. As far as the Plaintiff is aware, this is the total funding that the Defendants have received from all sources.
8. The Second named Defendant, made his last request for funds in May 2000. Thereafter, the Plaintiff made several attempts to get him to ask for additional funds, but in October 2000, the Second Defendant, as agent of the First-Named Defendant, indicated for the first time that the relationship between the parties had changed and he did not think he could continue working with Plaintiff.
9. The Plaintiff has made several attempts to get the Defendants to accept additional funding, but the Second-named Defendant either did not respond to these requests or indicated that he had made other commitments and did not know if he could continue to support the projects and would let the Plaintiff know. The plaintiff has made attempt after attempt to enter into discussions to resolve the dispute without results. A copy of the e-mailed correspondence is exhibited herewith as a bundle and labelled "BD 2" for identification.
10. On May 21, 2001, The Second named-Defendant sent a notice to the Plaintiff that precipitously terminates the support for DigiGold and indicates that the DigiGold server will be taken offline as of Friday, May 25, 2001.
11. This termination will cause immediate and irreparable damage to the Plaintiff and to all persons who hold any balance of the digital cash DigiGold. The Defendants intend and will exclude DigiGold from the Market Server.
12. "DigiGold" has been operational in beta form for over one year. This digital cash has been sold over this period and a substantial amount of the digital cash is outstanding in the market that will be rendered useless if the DigiGold server is pulled offline and the software support is discontinued.

13. The Plaintiff has repeatedly confirmed its willingness to continue funding the project under the software license but to no avail. The Plaintiff will escrow the funding if necessary to confirm its commitment to fulfil its obligations under the said license.
14. The intervention of the Court is unfortunately necessitated to prevent the termination of the support for the DigiGold digital cash and the exclusion of DigiGold from the Market Server. This will allow the parties to immediately begin arbitration or other appropriate legal proceedings to resolve this dispute and to either continue the Plaintiff's relationship with the Defendants or obtain the DigiGold and Market Server software and hardware necessary for it to take over the support and development of these projects.
15. We ask the Court to issue an immediate injunction that Because the Defendants repeatedly have asserted how easy it is to remove themselves from legal process by "jumping a plane to the next Island", and because the software and hardware cannot function without the Second-named Defendant's involvement or without his first providing sufficient training to Plaintiff, Plaintiff also asks the Court to exercise its jurisdiction over the Defendant and prevent his flight from Anguilla.
16. Accordingly I respectfully ask that this Honourable Court grant the Plaintiff's application for an injunction restraining the Second named Defendant whether by himself or by any of his servants or agents or any of them or otherwise from terminating support for the DigiGold project or from taking the server off-line or from removing the software or hardware from this jurisdiction and further, that the Second-named Defendant be restrained from leaving the jurisdiction of Anguilla.
17. Insofar as the content of this Affidavit is within my personal knowledge, it is true and insofar as it is not within my personal knowledge, it is true to the best of my knowledge, it is true to the best of my knowledge, information and belief.

SWORN to by the within-named
BARRY DOWNEY
This 25th day of May, 2001



BARRY DOWNEY

Before me:



Notary Public

TRACIE MARIE NYE
NOTARY PUBLIC STATE OF MARYLAND
My Commission Expires August 2, 2004

