

## **MR LLOYD'S POSITION PAPER**

### **Mayfair Property**

Any action by Benaud in respect of this property will be defended on the following basis:-

- (a) Kallicharran Ltd was not party to any agreement or understanding with Benaud.
  
- (b) At the time when Kallicharran Ltd bid for the property, its directors had not entered into (nor were aware of) any understanding with Benaud.
  
- (c) Lloyd similarly was unaware of any arrangement at that time. His subsequent knowledge cannot affect the position.

### **Lara Corp**

1. Neither as a director of Lara Corp nor as enforcer of the trust is Lloyd answerable to the beneficiary for his decision not to pursue Chappell. As a director of Lara he is answerable to his shareholders, i.e. the trustee; as enforcer he is not open to enforcement action from the beneficiary.
  
2. Furthermore, it is a question of judgment whether any action against Chappell would succeed. In deciding not to compel the trustee to take action, Lloyd is not showing himself unwilling to act as enforcer in any sense that would give the Court jurisdiction to replace him.
  
3. It is a matter for the Caymans court, and that court alone, to determine what the enforcer, the trustees, and Lara Corp should do in respect of any claim v Chappell. One anticipates that that court will heartily endorse the decision not to throw good money after bad in a fruitless pursuit of Chappell.

4. Any attempt to get round this position by taking steps in other jurisdictions will be resisted as an impermissible intrusion into the proper jurisdiction of the system of law by which the trust relationship is governed.

Andrew Cosedge

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