

Issued by GraceKennedy Limited to media houses in Jamaica

The Editor Sir,

We understand that the former Vice President Treasury of First Global Bank ("FGB), Mr. Rohan Rose, who was dismissed in 2009 has gone to the media with a story that he was not a rogue trader and blaming everyone else for his transgressions.

We have attached, for your information, a summary of the claim in the civil suit brought by FGB against Mr. Rose which is now before the courts together with the following:

- (1) Affidavit of Joseph Taffe filed on behalf of the Bank
- (2) The Freezing Order by the Court
- (3) Mr. Justice Anderson's Order.

FGB is suing Rose for the sum of US\$7,643,131.43 as damages for breach of fiduciary duty, negligence, breach of contract, fraud, and restitution for and by reason of unjust enrichment.

Mr. Rose was dismissed in 2009 following internal investigations which led to the discovery of unauthorized trading in US treasuries resulting in losses of \$19.9 million. However, extensive investigations uncovered other irregularities that preceded those unauthorized trades, indicating that Mr. Rose used his authority within the organization to defraud the company of substantial sums. As a result the police was called in.

Based on the investigations of the Organized Crime Investigative Division (OCID), Mr. Rose was arrested and charged with conspiracy to defraud, forgery, uttering a forged document, causing money to be paid by false pretences and causing money to be paid by forged documents.

Mr. Rose therefore has a criminal case to answer, in addition to the civil case.

The Chairman & CEO, Mr. Douglas Orane, is available for an interview, should you be interested in pursuing this story

May 13, 2010

SUMMARY OF FIRST GLOBAL BANK CLAIM AGAINST ROHAN ROSE

Background

1. Rohan Rose ("Rose") was employed to First Global Bank Limited ("the Bank") as an Investment Trading Manager from March 2001 and then held the position of Vice President, Treasury from April 1, 2004 to August 28, 2009 when the Bank terminated his employment with immediate effect.
2. In his capacity as Vice President, Treasury, Rose was the administrative head of the Bank's Treasury Department and he was authorized to trade in securities on the Bank's behalf and to purchase and sell foreign exchange on the Bank's behalf.
3. As a result of the discovery of some highly questionable transactions, the Bank carried out a detailed forensic investigation of Rose's activities and uncovered several seriously irregular, unauthorized and fraudulent transactions which led it to commence legal proceedings against Rose and several other persons in the Supreme Court on December 28, 2009. The amount claimed against Rose is approximately US\$7.6M.
4. Rose was also arrested and charged in March 2010 (as detailed in paragraph 12) and this case is pending before the Half-Way Tree Resident Magistrate's Court.

5. The Bank's claim against Rose is based on several transactions which involved the misappropriation of the Bank's funds, unauthorized trading and fraudulent documents.

6. The Bank discovered, for example, that from as far back as April, 2008 Rose made profits while carrying out trades on the Bank's behalf, and devised ways to misappropriate the money. The court documents filed in court include evidence that on at least three occasions, Rose fabricated transactions that gave the impression that the Bank's funds were being used to purchase US dollars, when in fact the US dollars that came in were the profits from trades. The Jamaican dollar equivalent paid out was then misappropriated.

7. In 2008 Rose repeatedly exceeded his authority by breaching the Bank's trading limits. As a result of these breaches, the Bank suffered losses amounting to millions of US\$. In order to conceal the fact that he had exceeded his authority and that the Bank had suffered these losses, Rose carried out various devices which included fictitious transactions and the creation of false documents including the creation and sending of a forged email to authorize the breaking of a term deposit of US\$4 million.

The Court's Rulings

8. The Court has made a number of rulings in favour of the Bank and none in favour of Rose.
9. On December 28 the Court issued a Search Order authorizing the immediate search of Rose's residence. A search was carried out the same day under the supervision of an independent court-appointed attorney. His laptops were cloned and later searched, while various hard copy documents were seized and removed from the premises.
10. The Court also granted a Freezing Order preventing Rose from disposing or dealing with his assets up to the amount claimed.
11. In January 2010 Rose applied to set aside these Orders. After a contested hearing over 2 days, the Court refused his applications on April 8, 2010 and ordered him to pay costs to the Bank. Mr. Justice Anderson issued a 41-page judgment after hearing legal arguments from both sides, reviewing the evidence and considering the relevant law. Rose has not appealed against the judge's ruling.

The Criminal Proceedings

12. A report was also made to the police. On March 26, Rose was arrested and charged with:
 - i. Conspiracy
 - ii. Forgery

- iii. Uttering
- iv. Causing Money to be paid under false pretences;
- v. Causing Money to be paid by a forged document

13. Rose was granted bail, and is required as a condition of the bail to report to the police. The matter was last mentioned on May 5 and the police continue gathering statements. It will again be before the courts on June 22.

ATTACHED ARE COPIES OF:

- A. Affidavit by Joseph Taffe which sets out the evidence and explains the transactions;
- B. The Freezing Order issued by the Court; and
- C. Justice Anderson's Order.