

IN THE GRAND COURT OF THE CAYMAN ISLANDS

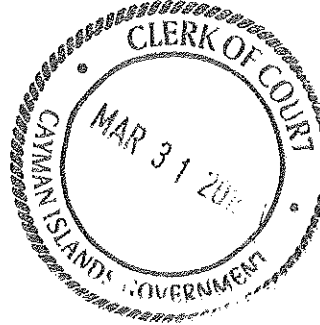
CIVIL DIVISION

GOODS

CAUSE NO OF 2015

BETWEEN

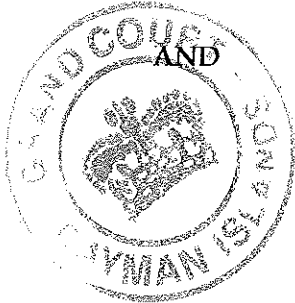
- (1) DMS Bank & Trust Ltd
- (2) DMS Organization Ltd



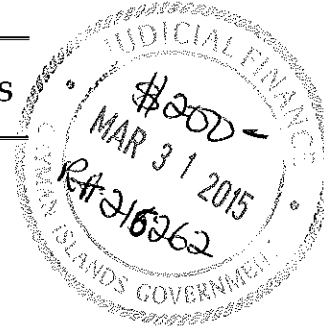
PLAINTIFFS

Jazeb Jones

DEFENDANT



WRIT OF SUMMONS



To: Jazeb Jones
 #7 Caribbean Paradise
 South Sound Road
 George Town
 Grand Cayman

THIS WRIT OF SUMMONS has been issued against you by the above-named Plaintiffs in respect of the claim set out on the next page.

Within 14 days after the service of this Writ on you, counting the day of service, you must either satisfy the claim or return to the Court Office, P.O. Box 495G, George Town, Grand Cayman, the accompanying Acknowledgment of Service stating therein whether you intend to contest these proceedings.

If you fail to satisfy the claim or to return the Acknowledgment within the time stated, or if you return the Acknowledgment without stating therein an intention to contest the proceedings, the Plaintiff may proceed with the action and judgment may be entered against you forthwith without further notice.

Issued this 31st day of March 2015

NOTE -- This Writ may not be served later than 4 calendar months (or, if leave is required to effect service out of the jurisdiction, 6 months) beginning with the date of issue unless renewed by order of the Court.

IMPORTANT

Directions for Acknowledgment of Service are given with the accompanying form.

STATEMENT OF CLAIM

Introduction

1. The Plaintiffs are affiliated companies within a group (the DMS Group), comprising a number of separate, but related, entities operating, principally under the DMS brand, in the Cayman Islands, Luxembourg, London, Dublin, Sao Paolo, Hong Kong and New York.
2. The First Plaintiff (DB&T) is a company incorporated in the Cayman Islands with its principal office of business in Grand Cayman. DB&T carries on the business of banking and trust services under a Class B licence issued by the Cayman Islands Monetary Authority (CIMA) and is regulated by CIMA.
3. The Second Plaintiff (the Employer) is a company incorporated in the Cayman Islands with its principal office of business in Grand Cayman. The Second Plaintiff provides, among other services, human resources services to entities within the DMS Group, including DB&T.
4. The entities operating under the DMS Group brand have developed a strong international reputation as providers of services to entities within the financial services industry.
5. Commencing 20 August 2012, the Defendant was employed as the Managing Director of DB&T under an employment agreement between DB&T, the Employer and the Defendant.
6. The Defendant was appointed to the Board of Directors of DB&T effective 7 August 2013. At all material times there were three other members of the Board of Directors: Don Seymour, Roger Hanson and Ray Whittaker.

7. The Defendant's appointment as a member of the Board of Directors of DB&T was terminated effective 9 March 2015. The Defendant's employment as Managing Director of DB&T was terminated for cause on 9 March 2015.

The Duties owed by the Defendant

8. The Defendant's employment agreement in effect on the date of his termination, dated 7 April 2014, (the **Employment Agreement**), contains the following express terms:

"5.1 During the course of the employment [the Defendant] agrees to assist the [Employer] in the smooth and efficient daily operations of [DB&T] and at all times shall:

- (a) diligently, faithfully, industriously and to the best of the [Defendant's] ability, experience and talents, unless prevented by ill health, devote his working time, attention, endeavours and abilities to the business of [DB&T];
- (b) diligently and to the best of the [Defendant's] ability faithfully carry out such duties and exercise such powers and duties relating to [DB&T] as from time to time may be assigned to the [Defendant], and not knowingly or willingly do or permit to be done anything to the prejudice, detriment or injury of the Employer, [DB&T] or any Group Company;
- (c) not without the prior written consent of the Employer, be directly or indirectly interested in, engaged in, or be concerned with, or provide services to any business competing with any Group Company;
- (d) abide all lawful requests, instructions, regulations and policies of the Employer and of [DB&T] as the case may be and supply such information (in writing if so requested) as may be reasonably required by the Employer or by [DB&T].

...

- 5.6 The [Defendant] shall devote all his time, attention, knowledge, and skills solely to the business and interest of [DB&T] , and [DB&T] shall be entitled to all benefits, profits, or other issues arising from or incident to all work, services, and advice of the

[Defendant], including but not limited to work performed as director or trustee, and the [Defendant] shall not, during the term of this agreement, be interested directly or indirectly, in any manner, as partner, officer, director, shareholder, advisor, employee, or in any other capacity in any other business similar to the Employer's business or any allied trade...."

9. Further, as a director of DB&T, the Defendant owed to DB&T, among others, the following fiduciary duties:
- (a) the duty to act in good faith in the best interests of DB&T;
 - (b) the duty to avoid placing himself in a position where there was a conflict between the duties which he owed to DB&T and, either his personal interests, or other duties which he owed to a third party;
 - (c) the duty not to make unauthorised or secret profits from the use or misuse of the Defendant's position as a director of DB&T, or from the property or opportunities of DB&T which have come into the possession of the Defendant, or to which the Defendant was exposed whilst a director of DB&T.

The Defendant's breaches of duties

10. In breach of his express duties under the Employment Agreement, and in breach of his fiduciary duties as a director of DB&T, the Defendant, whilst still an employee under the Employment Agreement with the Plaintiffs, and a director of DB&T -
- (a) entered into an unauthorised and improper relationship with persons affiliated with an entity which was at the time a client of DB&T (Client A)¹ whereby, among other things, the Defendant received for his personal benefit, and for the benefit of his close personal family, unauthorised and excessive gifts from Client A, which the Defendant failed to disclose to DB&T or to his fellow directors until confronted;

¹ The Plaintiffs do not have the consent of the client, nor, as yet, leave of the Court under section 4 of the Confidential Relationships (Preservation) Law to disclose the name of this client.

- (b) entered into an unauthorised and improper relationship with another client of DB&T (Client B)², whereby the Defendant received for his personal benefit, and for the benefit of his close personal family, unauthorised and excessive gifts from Client B, which the Defendant failed to disclose to DB&T or to his fellow directors;
- (c) despite repeated instructions from another director of DB&T, failed to close Client A's account with DB&T, even after it was made clear to the Defendant that the continuation of the client relationship with Client A posed a risk to the reputation of DB&T, and was otherwise detrimental to the interests of DB&T;
- (d) without the knowledge or approval of his fellow directors, received, took legal advice upon and negotiated an employment offer from Client A to set up and operate a private banking institution for Client A in the Cayman Islands, which institution was intended compete directly with DB&T;
- (e) misused the MasterCard debit card issued to him by DB&T for legitimate business expenses by incurring excessive charges for personal expenses and for expenses unrelated to DB&T's business and failing to repay those charges in full.

11. Further, after the Defendant's authorization to enter the Plaintiffs' offices had been terminated, the Defendant entered the building and the Plaintiffs' offices by using an unauthorised visitor's pass, and removed from the office a box containing several items the identity and ownership of which are as yet unverified by the Plaintiffs.

The Defendant's improper relationship with Client A

12. In early May 2014, the Defendant met with representatives of Client A (including the founder/managing director of Client A) in London. Following this meeting, the Defendant negotiated a "*white label agreement*" between Client A and DB&T. The white label agreement was a branding arrangement under which Client A would

² The name of this client is not disclosed for the same reason as stated in footnote 1.

market certain of DB&T's products to certain clients of Client A. DB&T and Client A signed the white labelling agreement on or about 5 May 2014.

13. Between 5 May 2014 and 29 May 2014, employees of DB&T entered into discussions with representatives of Client A regarding the anti-money laundering (AML) and *know your customer* (KYC) enquiries that both DB&T and Client A would undertake in relation to the clients of Client A to whom DB&T's products would be marketed.
14. Investigations subsequently carried out by DB&T revealed that, on or about 15 May 2014, the Defendant received by e-mail from the founder of Client A, a draft of one of Client A's proposed individual account agreements which the Defendant failed to disclose to any other director or employee of DB&T. If this draft account agreement had been disclosed to the other directors of DB&T, they would have identified a number of very evident red flags regarding Client A and its intentions, and would have caused the other directors to consider the relationship with Client A. It would also have caused the directors to consider the Defendant's intentions. The proposed agreement provided for a number of activities with the potential to violate banking regulations, something that the Defendant, as a senior banking employee and director of a bank, knew and understood, or ought to have known and understood.
15. DB&T's subsequent investigations also revealed that during the period between 5 May and 29 May 2014, the Defendant engaged in unsanctioned communication with Client A via WhatsApp and Hotmail accounts, which was an unorthodox manner of communicating with DB&T's clients and a method discouraged by DB&T, a fact which would have been evident to the Defendant since DB&T arranged and paid for the Defendant's monthly bring your own device plan, which provided the Defendant with access to DB&T email on his own phone, allowing him to communicate with clients on DB&T's network. The Defendant's practice in this regard gives rise to the inference that the Defendant did not wish all his communications with Client A to be available to DB&T.
16. Whilst the discussions between DB&T and Client A regarding the white labeling agreement were in progress, the Defendant travelled to and was entertained extensively in various places such as London, Guernsey, Istanbul and Dubai, all at the expense of Client B, who had earlier introduced the Defendant to Client A.

17. On or about 18 May 2014, without the knowledge or consent of his fellow directors, the Defendant accepted an invitation from the founder of Client A for the Defendant, and his wife and two children to fly from the Cayman Islands to London, and then to be transported by private jet to Greece, where accommodation was also to be provided, for the purpose of attending the wedding of Client A's founder, all at Client A's expense. The Defendant and his family took advantage of this gratuitous hospitality in September 2014. This travel was completely unconnected to DB&T's business and conferred no benefit to DB&T. The Defendant failed to disclose the receipt of this benefit to his fellow directors or any other representatives of the Plaintiffs.
18. Towards the end of May 2014, the other directors of DB&T received information that Client A was misrepresenting the nature of its relationship with DB&T, by stating that Client A had "*purchased a Cayman Islands Bank*" and "*owned DB&T*" and otherwise purporting to represent DB&T. As a consequence of this misrepresentation by Client A, on 29 May 2014, DB&T, further investigated the nature of the arrangements between DB&T and Client A and terminated the white labeling agreement before it was ever brought into effect.
19. During the discussions regarding the termination of the white label agreement in May 2014, the Defendant admitted that he was scheduled to travel to London to meet with Client A. DB&T required this trip to be canceled. It transpired, upon the Plaintiffs' further investigation in March 2015, that Client A had arranged for the Defendant and his family of four to travel on first class tickets from the Cayman Islands to London and stay for four nights in a two bedroom suite at the Ritz at a combined cost of US\$46,189.03. Although the Defendant disclosed his intention to travel with his family to London in May 2014, he never disclosed to DB&T the gratuitous nature and expense of his plans. A director of DB&T advised the Defendant in May 2014 that such hospitality was against DMS Group policy and that it placed DB&T and the DMS Group at serious risk of reputational harm.
20. On the same date, having terminated the white label agreement, DB&T advised Client A that DB&T would do no further business with Client A and the Defendant was instructed to close the account.

21. In September 2014, whilst the Defendant was attending the wedding of Client A's founder in Greece, DB&T's other directors found out about the trip taken by the Defendant and his family to Greece at Client A's expense. The other directors met with the Defendant to discuss his behavior with a view to terminating his contract of employment or giving him a written warning. During the meeting the Defendant reassured the other directors that his relationship with Client A's founder was simply a "*friendship with a former client*", suggesting, falsely, that the Defendant had closed Client A's account as he was instructed, and that there was no existing client relationship, and therefore, no need for the Defendant to have disclosed the trip, or any actual or potential conflict of interest to the other directors. On this basis, DB&T did not terminate the Defendant and choose instead to issue a first and final written warning.
22. Between December 2014 and March 2015, after discovering that the Defendant had not in fact closed Client A's account, another director of DB&T verbally instructed the Defendant on no fewer than three occasions to close the account. The Defendant advised a director of DB&T, again falsely, that he had taken steps to close the account. When this transpired to be false, the matter was escalated to DMS Group's CEO, who requested that DMS Group's internal audit team review the account files for Client A.
23. During this time, unbeknownst to his fellow directors, the Defendant had received an employment offer from Client A, for the Defendant to set up and operate a private banking institution for Client A in the Cayman Islands. In all likelihood, this opportunity would have been severely prejudiced if the Defendant had closed Client A's account with DB&T, and it is to be inferred that the Defendant refused to close the account wholly, or in part, because he did not wish to prejudice his relationship with Client A, and the personal benefits he was deriving from that relationship. As such, the Defendant placed his personal interests in the relationship with Client A over the interests of DB&T, whilst placing DB&T at risk of serious reputational harm by refusing to close the Client A's account.

The Defendant's termination

24. On or about 5 March 2015 the other directors of DB&T became aware of a criminal fraud investigation underway in the UK in which Client A, and several entities

related to it, are implicated. Those directors immediately took the appropriate compliance steps and commenced a full investigation into the Defendant's conduct.

25. On 6 March 2015 the Defendant failed to attend the DB&T office. DB&T was aware that the Defendant knew about the UK investigation at this time, because an employee of DMS' UK operation had forwarded an article regarding the investigation to various employees, including the Defendant. He failed to request this time off and did not contact his team. The Plaintiffs therefore terminated the Defendant's access to DB&T's premises and all electronic access to files. On 9 March 2015 the Plaintiffs removed the Defendant as a director of DB&T and advised the Defendant that he was no longer an employee of DB&T. On 16 March 2015, the Plaintiffs wrote to the Defendant confirming formally the Defendant's termination for cause.

The Defendant's improper relationship with Client B

26. During the investigations into the Defendant's conduct carried out in March 2015, the Plaintiffs also discovered evidence of an improper relationship between the Defendant and Client B, who had caused the introduction of the Defendant to Client A. In particular, during a trip that the Defendant made to Brazil at the expense of Client B, the Defendant spent the vast majority of his time with Client B, keeping "office hours" with Client B, was introduced as a "partner" of Client B, and generally conducted himself in a manner that gave the public impression that he was a direct employee of Client B.
27. During that period the Defendant, without the knowledge or approval of his fellow directors, accepted an excessive and improper degree of corporate hospitality from Client B. The Defendant was offered gifts by Client B, including an expensive handmade suit. Although DB&T has not ascertained whether the suit was accepted by the Defendant, the Defendant failed to report the offer to his fellow directors.
28. DB&T also uncovered various communications indicating that Client B arranged for transportation and accommodation for the Defendant's father to travel to Jamaica in

September 2014. The Defendant failed to report this gift to his fellow directors, or the fact that his father had taken this trip.

29. In light of DB&T's discoveries during its investigations regarding the relationship between the Defendant and Client B, DB&T has since closed the account of Client B.

Misuse of expense account

30. In 2014 DB&T introduced a MasterCard debit card system. The operational process for the use of the debit card was that a senior employee with a debit card would request an upload onto the debit card and then submit supporting evidence of all expenses paid from the card. During the course of DB&T's investigations, DB&T discovered that the Defendant had seriously misused his debit card, including –
- (a) use of the debit card for expenses which were unsupported by receipts;
 - (b) use of the debit card for expenditure unrelated to DB&T's business;
 - (c) use of the debit card for unauthorised personal purchases and expenditure for which the Defendant has not fully reimbursed DB&T.

Unauthorised entry into DB&T's premises

31. On 8 March 2015, after the Defendant's authorisation to enter the Plaintiffs' offices had been terminated and his electronic access pass to the building was deactivated, the Defendant entered the Plaintiffs' offices using a visitor's pass which he had no reason to have on his person and, following the deactivation of his own pass, was clearly not authorised to use, and removed a box containing items the identity and ownership of which are unknown. DB&T only became aware of this unauthorised access via its video surveillance system.

Damage to DB&T's reputation

32. The Defendant's actions, specifically in relation to his relationship to Client A, have placed DB&T, and other entities within the DMS Group, at risk of serious harm to their highly valued international reputation. The Defendant, placing his personal

interests above those of DB&T, wilfully refused to terminate Client A's account, despite having been repeatedly instructed to do so from 29 May 2014. Had the Defendant terminated the account when instructed, that account would not have existed in March 2015 when it became public that Client A was the subject of criminal fraud investigations, and any risk to DB&T's reputation would have been significantly reduced or eliminated.

33. As a direct consequence of the Defendant's conduct in this regard DB&T has suffered damage.

Dishonesty

34. The Defendant knew of his duties to the Plaintiffs under the Employment Contract, and of his fiduciary duties as a director of DB&T. Notwithstanding this knowledge, the Defendant continued to engage in his course of misconduct in his relationships with Client A and Client B, and in so doing, improperly appropriated to himself benefits and opportunities which became available to him only by virtue of his position as an employee of the Plaintiffs and a director of DB&T.
35. The Defendant knew that this conduct was wrongful and engaged in conscious and deliberate efforts to conceal and mislead others about his actions. If he did not know before then, the Defendant became aware that his conduct was wrongful and was not approved by DB&T when, in May 2014, a director of DB&T advised the Defendant that accepting gifts of hospitality was against DMS Group policy and placed DB&T and the DMS Group at serious risk of reputational harm, and in the September 2014, the Plaintiffs gave the Defendant a formal written warning with respect to his acceptance of excessive and unauthorised gifts of hospitality, without informing his fellow directors, or any other person in authority at DB&T.
36. Notwithstanding this written warning, the Defendant, without disclosing the facts to his fellow directors of DB&T -
 - (a) continued to maintain Client A's account with DB&T, despite being instructed on several occasions to close it;

- (b) continued to accept unauthorised and excessive gifts and benefits without informing his fellow directors;
 - (c) negotiated with Client A to set up and operate banking operations in Cayman in direct competition with DB&T;
37. The Defendant's actions and deliberate failures, in light of his knowledge, give rise to an inescapable inference of dishonesty on the part of the Defendant.

The Defendant's liability as trustee

38. The Defendant is liable to account as constructive trustee to the Plaintiffs for all unauthorised and secret profits and benefits he has derived from his breaches of duties under the Employment Contract and of his fiduciary duties to DB&T.
39. The Defendant is also liable to account to the Plaintiffs as trustee for all or any of the Plaintiffs' property removed by him from the Plaintiffs' offices during his unauthorised entry to those offices.
40. The Defendant is also liable to account to the Plaintiffs for all unpaid personal and other expenses incurred by him through the misuse of the MasterCard debit card issued to him by the Plaintiffs.

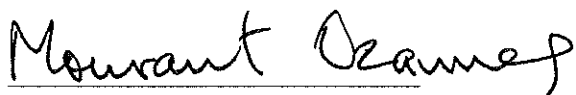
Interest

41. The Defendant is entitled to and claims interest on any sums found due to the Plaintiffs pursuant to section 34 of the Judicature Law at such rate and for such period as to this honourable Court seems just.

AND the Plaintiffs claim against the Defendant:

- (1) An account of all secret profits and benefits derived by the Defendant by virtue of his relationship with Client A whilst an employee of the Plaintiffs and a director of DB&T;
- (2) An account of all secret profits and benefits derived by the Defendant by virtue of his relationship with Client B whilst an employee of the Plaintiffs and a director of DB&T;
- (3) An account to the Plaintiffs of all unpaid personal and other expenses incurred by the Defendant through the misuse of the MasterCard debit card issued to him by the Plaintiffs.
- (4) An order for payment by the Defendant to the Plaintiffs of all sums found to be due from the Defendant to the Plaintiffs on taking the accounts under (1), (2) and (3) above.
- (5) Damages.
- (6) Interest on any sums found due to the Plaintiffs pursuant to section 34 of the Judicature Law at such rate and for such period as to this honourable Court seems just.
- (7) Such further or other relief, including all further necessary or appropriate accounts, inquiries and directions.

Dated this 31st day of March 2015
Filed this day of 2015



Mourant Ozannes
Attorneys-at-law for the Plaintiffs

This Writ was issued by Mourant Ozannes, Attorneys at Law for the Plaintiff, whose address for service 94 Solaris Avenue, Camana Bay, PO Box 1348, Grand Cayman KY1-1108 (ref:8018644/62912495/1)

DIRECTIONS FOR ACKNOWLEDGMENT OF SERVICE
OF WRIT OF SUMMONS

1. The accompanying form of *Acknowledgment of Service* should be completed by an Attorney acting on behalf of the Defendant or by the Defendant if acting in person.

After completion it must be delivered or sent by post to the Law Courts, P.O. Box 495G, George Town, Grand Cayman.

2. A Defendant who states in his Acknowledgment of Service that he intends to contest the proceedings *must also serve a defence* on the Attorney for the Plaintiff (or on the Plaintiff if acting in person).

If a Statement of Claim is indorsed on the Writ (i.e. the words "Statement of Claim" appear on the top of page 2), the Defence must be served within 14 days after the time for acknowledging service of the Writ, unless in the meantime a summons for judgment is served on the Defendant.

If the Statement of Claim is not indorsed on the Writ, the Defence need not be served until 14 days after a Statement of Claim has been served on the Defendant.

If the Defendant fails to serve his defence within the appropriate time, the Plaintiff may enter judgment against him without further notice.

3. A *Stay of Execution* against the Defendant's goods may be applied for where the Defendant is unable to pay the money for which any judgment is entered. If a Defendant to an action for a debt or liquidated demand (i.e. a fixed sum) who does not intend to contest the proceedings states, in answer to Question 3 in the Acknowledgment of Service, that he intends to apply for a stay, execution will be stayed for 14 days after his Acknowledgment, but he must, within that time, *issue a Summons* for a stay of execution, supported by an affidavit of his means. The affidavit should state any offer which the Defendant desires to make for payment of the money by instalments or otherwise.

See over for notes for guidance

NOTES FOR GUIDANCE

1. Each Defendant (if there are more than one) is required to complete an Acknowledgment of Service and return it to the Courts Office.
2. For the purpose of calculating the period of days for acknowledging service, a writ served on the Defendant personally is treated as having been served on the day it was delivered to him.
3. Where the Defendant is sued in a name different from his own, the form must be completed by him with the addition in paragraph 1 of the words "sued as (the name stated on the Writ of Summons)".
4. Where the Defendant is a FIRM and an attorney is not instructed, the form must be completed by a PARTNER by name, with the addition in paragraph 1 of the description "Partner in the firm of (.....)" after his name.
5. Where the Defendant is sued as an individual TRADING IN A NAME OTHER THAN HIS OWN, the form must be completed by him with the addition in paragraph 1 of the description "trading as (.....)" after his name.
6. Where the Defendant is a LIMITED COMPANY the form must be completed by an Attorney or by someone authorised to act on behalf of the Company, but the Company can take no further step in the proceedings without an Attorney acting on its behalf.
7. Where the Defendant is a MINOR or a MENTAL PATIENT, the form must be completed by an Attorney acting for a guardian ad litem.
8. A Defendant acting in person may obtain help in completing the form at the Courts Office.

NOTES ON ADDRESS FOR SERVICE

Attorney: where the Defendant is represented by an attorney, state the attorney's place of business in the Cayman Islands. A Defendant may not act by a foreign attorney.

Defendant in person: where the Defendant is acting in person, he must give his post office box number and the physical address of his residence or, if he does not reside in the Cayman Islands, he must give an address in Grand Cayman where communications for him should be sent. In the case of a limited company, "residence" means its registered or principal office.

Indorsement by plaintiff's Attorney (or by plaintiff if suing in person) of his name, address and reference, if any, in the box below.

Mourant Ozannes
Attorneys at Law
94 Solaris Avenue
Camana Bay
PO Box 1348
Grand Cayman KY1-1108

ref: 8018644/62912495/1

Indorsement by defendant's Attorney (or by defendant if suing in person) of his name, address and reference, if any, in the box below.

[Empty box for defendant's attorney indorsement]