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PRESS STATEMENT

The Securities Commission of Papua New Guinea (“SECOM”) issued a statement regarding the court orders on 22nd August 2023, where they welcomed the ruling of the National Court. In fact, the National Court declared that the procedure followed by SECOM was a breach of law and ordered SECOM to follow the procedures, request information from MTSL and allow MTSL to address the inaccurate and malicious accusations of SECOM in its purported decision to revoke the license of MTSL.

MTSL submitted its appeal to the National Court on 14th August 2023 with a detailed response on all the accusations raised by SECOM and as the company always does, will continue providing SECOM transparent and detailed information, and in this matter, within 30 days of the Court ruling as evidence of the incomplete review which apparently led SECOM to its decision.

While MTSL regularly provided information to SECOM voluntarily responses are not received and opportunities for discussion not provided. SECOM never raised any question with MTSL as to the allegations it made in revoking the licence MTSL, behaviour which raises many concerns about the procedures followed by the Regulator. Accordingly, MTSL welcomed the decision of the National Court which orders SECOM to consider the response from MTSL and to arrive at a decision upon a complete and meaningful investigation.

SECOM refers to information received that police have also conducted an independent investigation into an allegation of misappropriation and stealing of K2.9 million of the fund money and Mr Larwrence Stephens was arrested on 18th August, following a warrant of arrest being issued against him and several directors and shareholders of MTSL. We question where this information was obtained as we are not aware of warrants of arrest other than that issued to Mr Stephens.

Mr Stephens was intercepted by several police land cruisers as he left the National Court and very publicly taken into custody and rushed to Boroko Police Station where he was arrested for an offence alleged involving Melanesian Trustee Services Ltd., which was said to have occurred on 21st August 2010, five years prior to his employment by that company.

MTSL wishes to provide the facts and raise concern as to the independence of the police investigation, if in fact one was conducted, and action against Mr. Stephens.

- 1) The charge sheet (referenced above) and the statement of facts prepared by the police state that the “Complainant to this matter is the Chairman for Weathermen (sic) Capital Advisors Limited, Mr. Jordan Paul”.
- 2) The complaint was lodged on 15th August 2023, one day after MTSL had lodged the appeal against the SECOM decision and, in the appeal, addressed all accusation presented as the basis for the SECOM action.
- 3) Police action occurred outside the National Court grounds, immediately following the National Court issuing the court order against SECOM and Weatherman on 18th August 2023 at around 4:00pm.

SECOM refers to an independent police investigation, however, we again note the facts:

- 1) The police charge sheet advises that the complaint was made by the Chairman of Weathermen (sic) Capital Advisors Limited, the interim trustee purportedly appointed by SECOM.
- 2) The accusation reflects the content of the incomplete SECOM investigation report prepared by Mr. James Joshua, the Acting Chairman of the Securities Commission.
- 3) The complaint was lodged on 15th August 2023 and the warrant arrest was executed on 18th August 2023, in an unusually brief investigation period considering the very serious nature of the allegations.
- 4) The statement refers to the officially published audited accounts of MTSL in Trust for Pacific Balanced Fund. Should any aspect of our accounts have caused concern natural justice principles should surely suggest the Company and its auditors should have been asked for clarification.
- 5) Had any very basic investigation taken place, before deciding that an arrest was appropriate, it would have been clear that the allegations concerned matters said to have occurred before Mr Stephens was employed with MTSL.

In our opinion the police actions must be seen as an abuse of process, apparently intended to damage the reputations of MTSL management.

Approved by
Board of Directors
Melanesian Trustee Services Limited

22 August 2023