

Online document leak spurs inquiry

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Market regulators in Dubai have launched an investigation into the Millennium Finance Corporation after confidential documents were leaked on the internet.

Keba Keinde, the chief executive of Dubai-based Millennium, disclosed details of the inquiry by the Dubai Financial Services Authority, which coincides with the company's planned €20 million (Dh105.2m) investment into letsbuyit.com, a price-comparison website based in Paris.

Mr Keinde, who previously worked as the managing director of the Middle East for BNP Paribas, is conducting his own internal investigation to determine who was responsible for the leak.

"I don't understand how someone can do this," he said. "Stealing information, not disclosing who you are and painting a picture that is disastrous for the people that you are dealing with."

Mr Keinde said Millennium Private Equity (MPE), the firm's buyout arm, agreed last year to provide the dotcom start-up with the cash by the end of December but did not raise the funds. Because the firm did not raise the money, letsbuyit.com filed a lawsuit seeking damages, he said.

Representatives from letsbuyit.com declined to comment.

To avoid the possibility of a €120m legal judgment and give the company time to raise the €20m, Mr Keinde said he used "resources from [Millennium Finance Corporation] to salvage MPE, which was in a situation where it couldn't meet its obligations".

The money came from two investment funds operated by Millennium Finance Corporation and from the parent company itself, he said, adding that the transfers were made to save the company money.

"This is a solution where we used our own resources as the parent company of MPE, being at risk of a lawsuit of more than €120m, we found a temporary solution to avoid the lawsuit, to give the time to limited partners to be able to fund the capital cost, close that and carry on with life," Mr Keinde said.

But before the transaction could be completed with the new funding, Millennium's shareholders, which include Dubai Islamic Bank, launched an internal audit in April, he added.

Dubai Islamic Bank declined to comment.

Mr Keinde said he allowed shareholder representatives to take over the management of the company as the audit progressed to ensure

there were no conflicts. He stepped aside as senior executive officer in May, but was reinstated this month.

"As a regulated entity, we shared [the audit] with the DFSA, discussed it with the DFSA and explained the whole process," Mr Keinde said.

"Everything was done according to corporate governance and everything was done with respect to external counsel. We've always maintained that with the DFSA.

"The [DFSA] investigation is ongoing because we have informed the DFSA we are investigating this matter [internally]. Secondly, the resolution that we have taken [with letsbuyit.com] is being implemented so that the matter can be completely closed."

Angharad Irving-Jones, a DFSA spokeswoman, declined to comment on the case as the investigation has not finished.

Details of the problems with the deal emerged after confidential documents, including financial statements and correspondence between the company's management and the DFSA, were leaked online this month.

The e-mails were uploaded by a disgruntled employee to a popular website used for posting confidential information, Mr Keinde said.

Since its inception in September 2005, Millennium Finance has conducted more than US\$450m (Dh1.65 billion) worth of transactions in the energy, technology and telecommunications sectors.

It recently provided financial advisory services to Zain, the Kuwaiti telecoms operator, on acquiring a mobile licence from the Iranian government.

Mr Keinde said he was now working on increasing the investment bank's financial advisory service offerings and completing a \$100m transaction to invest with Bharti Infratel, a subsidiary of Bharti Airtel, in its telecoms tower infrastructure business.

Emmanuel Noirhomme, the managing director and co-founder of letsbuyit.com, declined to comment on the investment with Millennium Finance Corporation, as the deal remains confidential.

By David George-Cosh

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