

WITNESS STATEMENT OF [REDACTED]

FINSAC COMMISSION OF ENQUIRY

1. I am [REDACTED]. My address for the purposes of this Enquiry is [REDACTED] [REDACTED] in the parish of St, Andrew. I am or have been a Director of [REDACTED] [REDACTED] and [REDACTED]
2. [REDACTED] & [REDACTED] have or had over time maintained banking relations, including for loans and advances with financial institutions for their normal business activities. These loans or similar facilities were relied to provide working capital and to deal with other operational and expansion expenses of the several businesses.
3. The loan agreements entered included under arrangement with Workers Bank for the provision of a facility to [REDACTED] in or about February 1993. This facility when first entered carried a loan interest rate of about 30%, which over time ballooned to an effective rate of over 70%.
4. On November 3, 1997 as a result of a renegotiation it was agreed that all outstanding debts of [REDACTED] & [REDACTED] To be consolidated into a single consolidated debt Account for \$ [REDACTED] The terms then agreed were reduced to writing and included a document prepared on behalf of Patterson Phillipson & Graham.
5. The terms included that:
 - a. All indebtedness owing by [REDACTED] and [REDACTED] to Workers and Corporate Bank shall be consolidated into a single joint and several debt for principal sum of \$ [REDACTED] as at November 3, 1997
 - b. [REDACTED] will have an option to buy back the real estate in five years time
 - c. Personal guarantee of [REDACTED] to be released when the debt is reduced below \$ [REDACTED]

6. Further to signing this new agreement [REDACTED], made every effort to honour its obligation and paid sums in excess of \$ [REDACTED] to Workers Bank and Finsac. but Workers Bank failed to honour its obligations. This commitment brought a significant drain on the resources of [REDACTED]. As was agreed Workers Bank should have made a capital injection by way of an overdraft facility of \$ [REDACTED] and loan of \$ [REDACTED], which would have enabled [REDACTED] to weather the storm and honour this commitment to Workers Bank.

7. In breach of their agreement, Workers Bank failed to

- a. Consolidate all debt into a single consolidated debt account on November 3, 1997
- b. Honour the Agreement as agreed for sale of the property
- c. Failed to release [REDACTED] personal guarantee even when the debt was reduced below \$ [REDACTED]

As a result, in or about February 1999 we learnt that Workers Bank had been taken over by the Financial Sector adjustment Company (FINSAC) ..

9. In light of this takeover attempts were made to

- a. Seek confirmation/Statement of Debt
- b. Seek up to date Statement of Debt Account

10. Notwithstanding best efforts, the issues were not resolved and ..

11.. Court action was thereafter commenced and unfortunately this was frustrated on a technicality, based on what has been communicated to me as being a failure to act within a stipulated period of time.

12. As a result of this failure to comply, the issues of substance that are involved in this case have never been ventilated in a court of law or before any such other tribunal.

13. A matter of great concern to me and which should be also for all Jamaicans concerns a parcel of land in Trewlany that had been held by [REDACTED], and which it was agreed would have been transferred to Workers Bank. Although this was not specifically included in any written Agreement, it was understood that ... would have a first option given to it to repurchase same if and when conditions permitted.
14. The said parcel of land is prime land and would in my estimation now have a value in excess of USD\$ [REDACTED] having regard to where it is situated and recent development activities in the area as a prime tourist and beachfront.
15. Before saying more, I will recall that as I understand the Jamaican Redevelopment Foundation Inc (JRF) is not a property developer. I must also recall that as I understand only properties that were subject securities for loans that had been transferred to JRF were to have been transferred to them under their Agreement with the relevant agencies of the State. And if, for any reason, other properties which may belong to any State agency were to be transferred to JRF such transfer would have to be subject to the contracting process and should be in the interest of tax-payers and to be sold at market value.
16. I must also now recall, and the records will show, that the said property was not formally transferred to JRF under its Agreement with State agencies but was instead transferred by private treaty, as reflected in the records of the Office of Registrar of Titles on January 9, 2008 the land was sold at a giveaway price of USD\$ [REDACTED].
17. I am also particularly concerned about this transaction for other reasons including that as late as February 28, 2006 National Land Agency informed to me by letter that the Certificate of Titles is registered in the name of [REDACTED]
[REDACTED]

I, [REDACTED], certify that the information included in this witness statement is true to the best of my knowledge, information and belief.

Dated the 21st day of February 2011