

August 3, 2009

To The Commission of Enquiry into the Collapse of Financial Institutions in Jamaica

From: [REDACTED]

Subject: Submission to the Commission of Enquiry

- 1) Amounts borrowed from Financial Institution: J\$ [REDACTED]
- 2) Net Consolidated Debt as at [REDACTED] (copy enclosed as Appendix 2)
- 3) Borrowed from: Workers Savings & Loan Bank Ltd
- 4) Interest Levied: @ 42%
- 5) Effective Date of Interest: 01-05-1998
- 6) Amounts repaid to Workers Bank during 28-11-97 to 18-12-98
\$ [REDACTED]
- 7) Amounts repaid to Finsac during 28-12-98 to 31-05-01 [REDACTED]
- 8) Total amount repaid \$ [REDACTED]
- 9) Principal overpaid (Item #2 minus Item #8)
- 10) Detailed List of cheque payments (enclosed as Appendix #10)
- 11) Myers Fletcher & Gordon, Attorneys at Law for Workers Bank confirms the Debt as \$ [REDACTED] as at 5-5-98 on behalf of the Bank when the Bank already confirmed the Debt at 3-11-97 \$ [REDACTED] as per Appendix #2 (MF&G Letter enclosed as Appendix #11).
- 12) Agreement with the holders of the Debt with:
 - a) Workers Bank (a copy enclosed as Appendix #12a)
 - b) Finsac - No Agreement ever signed
 - c) JRF - No Agreement signed

13) The Complaint to be investigated by the Commission

- a) The conduct of the Workers Bank violating Agreement dated 3-11-97 (refer Appendix #12a)
- b) Workers Bank charged unauthorized debt of \$ [REDACTED] on 2-6-98 (refer Appendix #13b)
- c) Workers and Finsac failed to act professionally and honestly and failed to produce correct Statement of the debt and acted on concocted and unrecorded debt.

14) Workers Bank, Finsac & JRF continued to claim **unauthorized**, unreconciled, incorrect and disputed debt as under:

- a) Having **consolidated** this debt on 3-11-97 to \$ [REDACTED] Workers Bank reported incorrect debt of \$ [REDACTED] on 3-11-97 (copy enclosed as Appendix #14a)
- b) Workers Bank reported incorrect debt as at 06-05-98 for \$ [REDACTED] (a copy enclosed as Appendix #14b)
- c) Workers Bank ignores requests for corrected Statements. [REDACTED] letter dated 17-11-98 (enclosed as Appendix #14d)
- d) Finsac confirms debt on 31-12-98 for \$ [REDACTED] when the debt was \$ [REDACTED] on 31-11-97 (a copy enclosed as Appendix #14d)
- e) Refintrust reports incorrect debt of \$ [REDACTED] at 30-6-99 (a copy enclosed as Appendix #14e)
- f) Finsac reported incorrect debt as at 30-6-01 for \$ [REDACTED] (a copy enclosed as Appendix #14f)
- g) Finsac reported fictitious debt of \$ [REDACTED] as at 6-11-01 (a copy enclosed as Appendix #14g)
- h) JRF claimed incorrect disputed debt of \$ [REDACTED] as on 19-9-02 (a copy enclosed as Appendix #14h)
- i) Commission is sought to investigate plundering of Real Estate in spite of [REDACTED] Attorney letter dated 8-11-02 (a copy enclosed as Appendix #14i)

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**STATEMENT OF CONSOLIDATED DEBT ACCOUNT
WITH WORKERS BANK LIMITED AS AT 3-11-97
CII*1 TERMS OF DEED OF AGREEMENT DATED 3-11-97)**

1, Consolidated Debt as at 341-97 (clause 2.2)	S [REDACTED]
Less .60% of Hire Purchase Receivables as at 31-10-97 [REDACTED]	[REDACTED] [REDACTED]
b) Less <i>Agreed</i> Transfer Price for for [REDACTED] (clause 2,2b)	[REDACTED] [REDACTED]
a) Less Agreed Price for 2a x2b [REDACTED] clause 2.2c)	[REDACTED] [REDACTED] [REDACTED]
d) Less Agreed Price for [REDACTED] [REDACTED] (clause 2,2d)	[REDACTED] [REDACTED]

NET CONSOLIDATED DEBT
AS AT 3-11-97

[REDACTED]

REPAYMENTS:

- Less Payment made on 28-11-97 (as per clause 2.5)	[REDACTED] [REDACTED]
- Less Payment made on 31-12-97 (as per clause 2.5)	[REDACTED] [REDACTED]

WORKERS' SAVINGS & LOAN BANK
12 Trafalgar Road, Kingston 5
DEC 041998
BUSINESS MSA & ASSET
MANAGEMENT

Appendix #2)

Bal b/fwd

- Less Payment made on 30-1-98
(as per clause 2.5)

- Less Payment made on 28-2-98
(as per clause 2.5)

- Less Payment made on 31-3-98
(as per clause 2.5)

- Less Payment made on 30-4-98
(as per clause 2.5)

Less Payment made on 29-5-98
(as per clause 2.5)

- Less Payment made on 30-6-98
(as per clause 2.5)

- Less Payment made on 31-7-98
(as per clause 2.5)

- Less Payment made on 31-8-98
(as per clause 2.5)

- Less Payment made on 30-9-98
(as per clause 2.5)

- Less Payment made on 30-10-98
(as per clause 2.5)

Outstanding Balance as at
31-10-98



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28/11/97			
28/11/97			
15/12/97		#	
31/12/97			
31/12/97		#	
15/01/98		#	
26/01/98		#	
29/01/98		#	
03/02/98		#	
13/02/98		#	
27/02/98			
16/03/98		-#	
31/03/98		#	
10/04/98		#	
30/04/98			
30/0/8			
15/05/98		#	
29/05/98		#	
29/05/98			
15/06/98		#	
01/07/98		#	
01/07/98		#	
31/07/98		#	
31/07/98		#	
15/07/98		#	
17/08/98		#	
31/08/98			
31/08/98.		#	
1/09/98			
01/10/98		#	
Z7LI/98			

01/0 /99		411 lft . Itt	
20/0			
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03/0 5/99			
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jOI/O 3/99			

agrees paid
187,224,657

scouting #6)

disagrees from - to - from
from 31-12-98 to 1-9-

appendix 27
continued
PT1

appendix #1 (6)



Agosto 1910

total paid \$49,000.00 Dec 24-25-26

MYERS, FLETCHER & GORDON

ATTORNEYS-AT-LAW
PATENT & TRADE MARK AGENTS
•NOTARIES PUBLIC

Vi. Fax Y967-23-63 c Bearer

May 22, 1998

Attorney-at-Law

KINGSTON

Dear Mrs Levere

E: UOMILEC TRIX

We write in response to your letter dated May 14, last.

Our instructions are as follows:-

1. The settled debt has been agreed (at approximately [REDACTED] as at [REDACTED]) and we have indicated to you that interest started to run on that date on Wednesday, May 13 last.
2. Our discussions have related only to how the transfer of the properties will reduce the settled debt. Once the transfers for the [REDACTED] and [REDACTED] properties have been stamped (which we hope will be within the next few days), the settled debt will be reduced by \$ [REDACTED] (\$ [REDACTED]). Once we have agreed the treatment of the [REDACTED] property, we expect that the settled debt will be reduced further by \$ [REDACTED]. Your assumptions are correct, the agreed settled debt will end up at approximately \$ [REDACTED]. The figure may be a reality if we move speedily to conclude the stamping and completion of the Transfers,
3. Without waiver of or prejudice to its rights under the Deed or otherwise, the Bank is prepared to advance to your clients the funds sufficient to discharge the BNS mortgages on [REDACTED]

tvifG

On assignment in the British Virgin Islands
On assignment in the United Kingdom

[Signature]



MYERS, FLETCHER at GORDON

Attorney-at-Law

May 22, 1998

Page:2

property on the same terms as are presently granted by [REDACTED]. This concession is subject to the Bank having an opportunity to review the confirmation from [REDACTED] of the details of the mortgages (namely, balances to close, rate of interest, remaining term, etc.). This loan would be treated as a separate and distinct loan account evidenced by a Promissory Note (1) (a form of which is enclosed for your urgent review).

Without waiver of or prejudice to its rights under the Deed or otherwise, the Bank is prepared to advance as a separate and distinct loan to your clients, the costs relating to the transfers of the 3 properties (namely transfer tax, stamp duty, registration fee, Transferor's Attorney's fees, etc.) and all fees related to the discharge of the Bank's existing mortgages on the [REDACTED] property. The terms of this loan will include that it will be *for* a term of 3 years and is subject to a rate of interest of 42% per annum which fluctuates in accordance with present market conditions. So, for example, if the Bank's prime lending rate (presently 45% pia.) were to increase to 47% per annum, the rate governing the loan may increase to, say, 44% per annum. If the Bank's prime lending rate were to fall to, say, 40% per annum, the rate governing the loan might fall to, say, 37% per annum.

5. Details of these costs have previously been communicated to you and are as set out in the enclosed Statement of Account.
6. The form of Promissory Note (2) evidencing this "costs of transfer" loan is also enclosed for your urgent review.
7. The Bank is unable to give your clients a moratorium as requested by you.
8. The Bank will not treat the overdraft facility as part of the consolidated debt.

We eagerly look forward to receipt of confirmation by BNS *as to the details of* the outstanding BNS mortgages.

Please remember that the sooner your clients have executed and forwarded to us the [REDACTED] transfer, procured the relevant details, Certificates and Discharges *from BNS in relation to the mortgages*, and executed the Promissory Notes, the sooner it will be able to enjoy the benefits of a substantially reduced settled debt.

We look forward to your urgent response.

Yours faithfully

PER: MYERS, FLETCITER & GORDON

Ends



DATED the day of November, 1997

DEED

between

WORKERS SAVINGS AND LOAN BANK

CORPORATE MERCHANT BANK LIMITED

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

and

[REDACTED]

PATTERSON, PHILLIPSON & GRAHAM
ATTORNEYS-AT-LAW

[REDACTED]

DEED

THIS DEED is made the 3rd

day of November, 1997

BETWEEN: (1) **WORKERS SAVINGS AND LOAN BANK**, a bank incorporated under the Workers Savings and Loan Bank Act and having its registered office at 134 Tower Street, in the City and Parish of Kingston (hereinafter called "the Bank");

(2) **CORPORATE MERCHANT BANK LIMITED**, a company incorporated under the laws of Jamaica and having its principal place of business at "Corporate Group Centre", 12 Trafalgar Road, Kingston 5 in the Parish of Saint Andrew (hereinafter called "CMB");

(3) [REDACTED], a company incorporated under the laws of Jamaica and having its registered office at [REDACTED] in the Parish of Saint Andrew (hereinafter called "[REDACTED]");

(4) [REDACTED], a company incorporated under the laws of Jamaica and having its registered office at [REDACTED] in the Parish of Saint Andrew (hereinafter called "[REDACTED]");

(5) [REDACTED], a company incorporated under the laws of Jamaica and having its registered office at [REDACTED] in the Parish of Saint Andrew (hereinafter called "[REDACTED]");

(6) [REDACTED], a company incorporated under the laws of Jamaica and having its registered office at [REDACTED] in the Parish of Saint Andrew (hereinafter called "[REDACTED]");

[REDACTED], a company incorporated under the laws of Jamaica and having its registered office at [REDACTED] in the Parish of Saint Andrew (hereinafter called "[REDACTED]");

(7) [REDACTED] in the Parish of Saint Andrew (hereinafter called "[REDACTED]");

AND: (9) [REDACTED] in the Parish of Saint Andrew (hereinafter called "[REDACTED]").

WHEREAS :

- (1) [REDACTED] and [REDACTED] are currently indebted to the Bank in respect of various banking and credit facilities for an aggregate amount which the Bank claims to be in excess of J\$ [REDACTED].
- (2) [REDACTED] and [REDACTED] have asserted that their aggregate indebtedness is no more than J\$ [REDACTED].
- (3) The indebtedness of [REDACTED] and [REDACTED] to the Bank and to CMB is secured by the Securities including, *inter alia*, certain guarantees and indemnities issued by the Guarantors.
- (4) [REDACTED] and [REDACTED] have defaulted in making payment to the Bank and CMB.
- (5) On October 3, 1997, the Bank made formal demand upon [REDACTED] and [REDACTED] for payment of the amounts owing and, the demand not having been met, on October 7, 1997, the Bank appointed [REDACTED] to be receivers and managers under a Composite Guarantee and Joint and Several Debenture granted by [REDACTED] and [REDACTED] on December 18, 1996.
- (6) On October 14, 1997 [REDACTED], [REDACTED] and the Guarantors filed a Writ of Summons against the Bank and CMB claiming, *inter alia*, damages, rescission of certain securities, an order for accounting and an injunction to restrain [REDACTED] and [REDACTED] from enforcing the aforesaid securities.

NOW THEREFORE, in consideration of the premises and covenants herein contained and other good and valuable consideration flowing from each party to the others, the receipt whereof each party by its/his execution of this Deed, do hereby irrevocably acknowledge, the parties do hereby AGREE, AS FOLLOWS:

1. **Definitions**

1.1 In this Deed, in addition to the above definitions:

- (a) "Agreed Price" shall mean the price agreed in accordance with clause sub-clause 2.9 hereof;
- (b) "Banking Day" means any day (including a Saturday) on which the Bank is open for business;
- (c) "Co-ordinator" means a Co-ordinator appointed by the Bank to perform the duties and to have the powers set out in Schedule 3 hereto;

- (d) "Corporate Guarantors" means [REDACTED] and [REDACTED];
- (e) "Guarantors" means [REDACTED];
- (f) "Hire Purchase Receivables" means all hire purchase receivables arising from hirepurchase agreements between [REDACTED] and/or [REDACTED] and their respective customers including the right of repossession and all rights under such hire purchase agreements;
- (g) "Rayton Group" means [REDACTED] and all other companies or corporate bodies directly or indirectly controlled by [REDACTED] and/or [REDACTED] and every other company or corporate body which controls, is controlled by, or is under common control with, any of the foregoing companies;
- (h) "Receivers" means [REDACTED] and [REDACTED];
- (i) "Securities" means the securities granted by [REDACTED], [REDACTED] and all or any of the Guarantors as "security for the indebtedness of [REDACTED] and [REDACTED] to the Bank and CMB, some or all of the existing securities being listed in Schedule 2 hereto;
- (j) "Suit" means Suit No. C.L. H-153 of 1997 filed by [REDACTED], [REDACTED] and the Guarantors against the Bank, CMB and their Receivers;
- (k) references to "control" of any person include the right or power, whether directly or indirectly:
 - (i) to receive more than one-half of all distributions, whether of capital or revenue, at any time made by such person; or
 - (ii) to cast more than one-half of all the votes capable of being cast in any general meeting of such person (but excluding any votes which are only exercisable upon the occurrence of any contingency); or
 - (iii) to control the composition of more than one-half of the Board of Directors, of such person;
- (l) reference to a "person" shall be construed as a reference to any individual, firm, company, body corporate, government or state, state entity or any association or partnership (whether or not having separate legal personality) of any two or more of the foregoing;

- (m) reference to any document or instrument is a reference to that document or instrument as same may have been, or may from time to time be, amended or supplemented;
- (n) reference to fees, costs and expenses shall be exclusive of any General Consumption Tax chargeable on them, which shall accordingly be payable in addition thereto; and
- (o) reference to the singular shall include the plural and vice versa and reference to any gender shall include all other genders.

1.2 Clause headings are for ease of reference only and shall not affect the interpretation hereof.

2. Compromise

2.1 Upon fulfillment of the conditions set out in sub-clause 2.2, the indebtedness owing by [REDACTED] and [REDACTED] to the Bank and CMB shall be reduced to a single

point and several debt for a principal sum of Seven Hundred Million Jamaican dollars (J\$ [REDACTED]) hereinafter called "the Agreed Debt". The Agreed Debt shall be due and payable to the Bank and CMB, accordingly, subject to sub-clauses 2.2 and 2.4, the Bank and CMB shall release [REDACTED] and [REDACTED] from their obligations in respect of indebtedness exceeding a principal sum of [REDACTED] dollars (J\$ [REDACTED]).

2.2 The agreement of the Bank and CMB to reduce the indebtedness of [REDACTED] and [REDACTED] to the Agreed Debt (i.e. [REDACTED] dollars (J\$ [REDACTED])) is conditional upon fulfillment of the conditions set out at sub-paragraphs (a) to (d) (inclusive) and to compliance with sub-clause 2.4. The conditions are as follows:

- (a) [REDACTED] and [REDACTED] shall irrevocably and unconditionally assign to the Bank all their Hire Purchase Receivables as at October 31, 1927 for a sum of [REDACTED] which is 16% of the aggregate face value of such Hire Purchase Receivables;
- (b) [REDACTED] (being the registered proprietor of the [REDACTED] of [REDACTED] registered on the Register Book of Titles at the Volume and Folio set out in Part A of Schedule 1) (herein "[REDACTED]") (shall transfer the said lands to the Bank or the Bank's nominee for the Agreed Transfer Price;
- (c) [REDACTED] (being the registered proprietor of approximately 26 acres of land in [REDACTED] registered on the Register Book of Titles at the Volume and Folio set out in Part B of Schedule 1) (herein called "[REDACTED]");

██████████) shall transfer the said lands to the Bank or the Bank's nominee at the Agreed Transfer Price;

- (d) [REDACTED] (being the registered proprietor of a warehouse in the [REDACTED] area registered on the Register Book of Titles at the Volume and Folio set out in Part C of Schedule 1) (herein called "the Warehouse") shall transfer the said lands to the Bank or the Bank's nominee for the Agreed Transfer Price;
- (e) The aforesaid transfers referred to at (b) (c) and (d) hereof shall be executed pursuant to the powers of sale exercisable under the Securities.
- (f) [REDACTED] and the Guarantors shall file forthwith a Notice of Discontinuance in the Suit.

The purchase price in respect of the Hire Purchase Receivables and the Agreed Price in respect of [REDACTED], the [REDACTED] and the Warehouse shall, upon assignment or transfer, 'V As set out above, be credited against the Agreed Debt.

2.3 Subject to the transfer of the Hire Purchase Receivables, the transfer of the lands referred to in paragraphs (b), (c) and (d) of sub-clause 2.2 above and the discontinuance of the Suit pursuant to paragraph (e) of sub-clause 2.2 above, the Bank and CMB shall terminate the receivership and withdraw the Receivers.

2.4 Notwithstanding termination of the receivership:

- (a) [REDACTED] and [REDACTED] hereby consent to the Bank appointing the Coordinator who shall perform the duties and shall have the powers set out in Schedule 3, hereto;
- (b) [REDACTED] and [REDACTED] shall co-operate fully with the Co-ordinator in formulating a debt reduction programme and the timely disposal of various properties and assets identified by the Co-ordinator, to the intent that the Agreed Debt shall be reduced on a timely basis;
- (c) [REDACTED], [REDACTED] and all the Guarantors shall co-operate with the Bank and the Co-ordinator by providing all information and documentary materials which may be required by the Bank or the Co-ordinator in connection with the collection of the Hire Purchase Receivables and the disposal of properties and assets;
- (d) [REDACTED] and [REDACTED] shall keep accurate records of all sales and transactions effected through [REDACTED] and [REDACTED] outlets (including [REDACTED]) and depositing all receipts and revenues from the business wAtIthe .Bank;
- (e) [REDACTED] and all the Guarantors hereby confirm that the Securities are valid, binding and enforceable in accordance with their

respective terms; and, in particular, the Guarantors hereby confirm that their guarantees and indemnities are valid and subsisting and shall in no way be affected by the compromise and arrangements contemplated by this Deed.

2.5 [REDACTED] and [REDACTED] hereby covenant to repay the Agreed Debt together with interest thereon in full within a period of three years expiring on the third anniversary of this Deed. To that end, both parties shall agree a debt reduction programme which shall entail regular monthly principal repayments of not less than J\$ [REDACTED] per month, provided that: (i) the total payment for each year of this Agreement shall not be less than J\$ [REDACTED] and (ii) full repayment shall be effected by the end of the said three-year period. Principal instalments shall payable on the last Banking Day of each month. For the purposes hereof a year shall be a twelve (12) month period ending on the anniversary of the date of this Deed.

2.6 The Bank and CMB hereby agree that when the amount owing in respect of the Agreed Debt is reduced to J\$ [REDACTED] or less, they shall release [REDACTED] from the guarantees and indemnities which he has granted to the Bank and/or CMB. [REDACTED] and the Guarantors (with the exception of [REDACTED]) hereby agree that the release by the Bank and CMB of [REDACTED] from his guarantees and indemnities shall not prejudice or otherwise affect the remaining Securities which, in spite of such release, shall remain valid and enforceable in accordance with their respective terms.

2.7 Upon the transfer of [REDACTED] and the [REDACTED] to the Bank, the Bank shall lease back to [REDACTED] the said [REDACTED] and the [REDACTED] for a term of not less than five years (with an option to purchase) Aka rent to be agreed between [REDACTED] and the Bank based on market rates and taking into account the Agreed Price in respect of the property (subject, however, to a six-month rent-free period on commencement). Failing agreement within thirty (30) days, the rent shall be determined by D. C. Tavares Finson & Co. Ltd. upon the application of either party. In the determination of the rent, D. C. Tavares Finson & Co. Ltd. shall act as experts and not as arbitrators and its decision shall be final and binding upon the parties. The fees payable to D. C. Tavares Finson & Co. Ltd. shall be borne by the party whose contention with respect to the rent differs more from the rent determined by D. C. Tavares Finson & Co. Ltd. The term of the lease shall not preclude termination if, in pursuance of the debt reduction programme, it is determined that the operation of the [REDACTED] and/or [REDACTED] is uneconomic and ought to be closed.

2.8 The conditions set out in sub-clauses 2.2 and 2.4 above are for the benefit of the Bank and may be temporarily waived by the Bank. Any such waiver shall be in writing signed by an authorised officer of the Bank.

2.9 The Agreed Price shall be the arithmetic mean of the market value and the forced sale value of the relevant property, as determined by a firm of valuers acceptable to the Bank (less the usual and accustomed transfer costs borne by vendors).

3. Interest

3.1 The Agreed Debt (or the balance thereof outstanding from time to time), shall bear interest at 42% per annum from time to time (both before and after any judgment), The Banc shall grant to [REDACTED] and [REDACTED] a moratorium on interest for a period of six (6) months from November, 1997 . During that period no interest shall accrue on the Agreed Debt.

3.2 After expiration of the moratorium, interest shall accrue on the Agreed Debt (or the balance thereof outstanding from time to time* at 42% per annum and shall be calculated on the basis of the actual number of days elapsed and a 365-day year (and will be payable both before and after any judgment).

3.3 Interest on the Agreed Debt (or the balance thereof outstanding from time to time), shall be payable monthly in arrears and shall be kept current by payment on or before the last . Ranking Day of each calendar month. If interest is not paid on such date, then, without prejudice to any other remedy available to the Bank and CMB, such unpaid interest shall be posted to the account and shall be compounded on a monthly basis by adding same to principal.

4. Representations and Warranties

4.1 [REDACTED] and the Corporate Guarantors each hereby represents and warrants as follows, that:

- (a) it is a company duly established and existing under the laws of Jamaica and has the power and corporate capacity to own its assets and to conduct the business which it currently conducts and/or proposes to conduct;

the execution of this Deed on its behalf and the performance of its obligations under this Deed have been duly authorised by all necessary corporate actions and the obligations expressed as being assumed by it under this Deed constitute its valid, legal and binding obligations enforceable against it in accordance with its terms;

- (b) neither execution and delivery of this Deed nor the performance or observance of any of its terms will cause any limitation on any of its powers, whatsoever or howsoever imposed or on the right or ability of its directors to exercise such powers, to be exceeded.

4.2 [REDACTED] and [REDACTED] hereby each represents and warrants as follows:

- (a) that he has entered into this Deed of his own free will after receiving independent legal advice;
- (b) that he is fully cognisant of his legal obligations and the legal implications arising under, or in connection with, this Deed and the guarantees and

indemnities previously issued by him in respect of the obligations of [REDACTED] and [REDACTED] to the Bank and CMB; and

- (c) that this Deed is valid, binding and legally enforceable against him in accordance with its terms.

5. **Covenants**

5.1 [REDACTED] and each of the Corporate Guarantors hereby covenant and agree with the Bank as follows:

- (a) to render all reasonable assistance to the Co-ordinator in connection with the collection of the Hire Purchase Receivables purchased by the Bank and the enforcement of recovery rights under the relevant hire purchase agreements and to the extent permitted by the Co-ordinator, to continue to collect the aforesaid Hire Purchase Receivables and to account to the Co-ordinator;
- (b) to establish and maintain in conjunction with the Co-ordinator a system whereby Hire Purchase Receivables Purchased by the Bank can be collected and not be co-mingled with hire purchase receivables owned by [REDACTED];
- (c) to co-operate fully with the Bank and the Co-ordinator in connection with the timely disposal of property and assets in order to reduce the Agreed Debt;
- (d) to observe and perform all the terms and conditions contained in this Deed and, in particular, to procure that all receipts and revenues from the [REDACTED] businesses (including [REDACTED] are deposited in bank accounts in the name of [REDACTED] and/or [REDACTED];

to provide the Bank and CMB on a timely basis with monthly financial reports, including cash flow statements, statement of income and expenditure, profit and loss account and statement of deposits made to their bank accounts;

- (e) to provide to the Bank or the Co-ordinator other accounting information (both historic and current) and documents which the Bank or the Co-ordinator may reasonably require,

5.2 [REDACTED] and [REDACTED] each hereby covenants:

- (a) to exercise his powers as shareholder and director of [REDACTED], [REDACTED] and each of the Corporate Guarantors to ensure that [REDACTED], [REDACTED] and each of the Corporate Guarantors shall fully co-operate with the Bank and the Co-ordinator and shall perform its obligations under this Deed;

- (b) in his personal capacity, to observe and perform the terms and conditions of this Deed;
- (c) not to obstruct the Bank or the Co-ordinator in undertaking the timely disposal of property and assets.

6. Miscellaneous

6.1 The Co-ordinator shall be entitled to all the protections and immunities granted to receivers by the Composite Guarantee and Joint and Several Debenture dated December 18, 1996. The Co-ordinator may be removed at any time by the Bank.

6.2 No delay or omission on the part of the Bank in exercising any right or remedy under this Deed shall impair that right or remedy or operate as, or be taken to be, a waiver of it nor shall any single, partial or defective exercise of any such right or remedy preclude any other or further exercise under this Deed of that or any other right or remedy.

6.3 The Bank's rights under this Deed are cumulative and not exclusive of any rights provided by law and may be exercised from time to time and as often as the Bank deems expedient.

6.4 Any waiver by the Bank of any terms of this Deed or any consent or approval given by the Bank under it shall only be effective if given in writing and then only for the purpose and upon the terms and conditions, if any, upon which it was given.

6.5 [REDACTED], [REDACTED] and each of the Guarantors, hereby covenants and undertakes that it/he shall not, except:

- (a) in the case of fraud or recklessness which shall first be proven to the satisfaction of a court of competent jurisdiction by the party making the allegation; and
- (b) upon first paying into the Supreme Court of Jamaica the sum claimed by the Bank;

restrain the Bank or any receiver (whether by injunction or other judicial process) from exercising any of the powers granted to it by law or under any of the Securities).

6.6 This Deed may be executed in any number of counterparts, in which case this Deed will be as effective as if all signatures on the counterparts were on a single copy of this Deed.

6.7 Nothing in this Deed shall prejudice the rights of the Bank under the Securities or shall constitute a waiver by the Bank of any of its rights under any of the Securities and, for the avoidance of doubt, it is hereby declared that all or any of such rights may be exercised:

- (a) in any of the circumstances set out in the relevant Security;

- (b) if [REDACTED] or [REDACTED] shall commit a breach of this Deed and shall fail to remedy such breach within twenty-one (21) days after receiving notice from the Bank or CMB to do so;
- (c) if a petition is presented to any court or analogous steps are taken requesting the liquidation, administration, dissolution or winding up of [REDACTED], [REDACTED], any of the Guarantors or any other member of the [REDACTED];
- (d) if a receiver shall be appointed over the whole or any part of the assets of [REDACTED] or [REDACTED] or the whole or any part of the assets any of the Corporate Guarantors or any other member of the [REDACTED] or, if an encumbrancer shall take possession of any property or asset of *any* of them or, of the property or assets of [REDACTED] or [REDACTED];
- (e) if [REDACTED] or [REDACTED] shall fail to pay interest or any instalment of principal in accordance with the terms set out in this Deed.

7. Costs and Expenses

The following costs and expenses shall be borne by [REDACTED] and [REDACTED]

- (a) all legal costs and expenses incurred by the Bank in connection with the preparation and conclusion of this Deed;
- (b) all fees and expenses payable to the Co-ordinator;
- (c) all expenses reasonably incurred in connection with the disposal of properties and assets including transfer tax, stamp duties, registration fees, legal fees and the like.

8. Governing Law

This Deed shall be governed by Jamaican law.

IN WITNESS WHEREOF this Deed was duly executed by the parties as of the day and year first hereinbefore written.

EXECUTED under the common) seal of WORKERS SAVINGS) AND
LOAN BANK by [REDACTED]
[REDACTED] of:)

)
Secretary

WITNESS Attorney-at-Law

[REDACTED]
Kingston 5 }

EXECUTED under the common) seal of WORKERS SAVINGS) AND

BANK LIMITED by ,)
Director, and ,)

Director/Secretary, in the presence of:

[REDACTED] Director /

WITNESS

Attorney-at-Law

[REDACTED]
[REDACTED] Kingston 5

EXECUTED under the common) seal of _____
[REDACTED]) -Director/Secretary

by ,)

Director, and ,)

Director/Secretary, in the presence)

of:)

Director Ac

EXECUTED under the common
 seal of [REDACTED]
 [REDACTED] by
 Director, and
 Director/Secretary, in the presence
 of:

WITNESS

e- tf,-yed)

EXECUTED under the. common)
 seal of [REDACTED]
 [REDACTED])
 [REDACTED])
 Director, and)
 Director/Secretary, in the presence)
 of:)

WITNES

EXECUTED under the common
 seal of [REDACTED]
 [REDACTED] by
 , Director,)
 and)
 Director/Secretary, in the presence)
 of:)

WITNESS

EXECUTED under the common
 seal of [REDACTED]
 [REDACTED] by)
 , Director, and)
 Director/)
 Secretary, in the presence of:

I

WITNESS

_____(4,1)____

WITNESS

(4, 1

SIGNED, SEALED and
DELIVERED by [REDACTED]
in the presence of:

SIGNED, SEALED and)
DELIVERED by [REDACTED])
in the presence of:)

WORKERS BANK

IN ACCOUNT WITH [REDACTED]

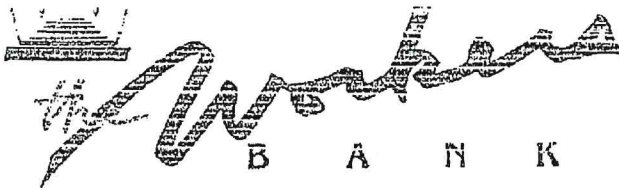
PARTICULARS	PRINCIPAL BALANCE	INTEREST
Revised Loan Balance as per agreement at 7-Nov-97	[REDACTED]	
Purchase Price of Hire Purchase Receivables (60% of \$ [REDACTED])	[REDACTED]	

December 01, 1997	[REDACTED]	
December 31, 1997	[REDACTED]	
Balance - December 31, 1997	[REDACTED]	
February 02, 1998	[REDACTED]	
Balance - February 28, 1998	[REDACTED]	
March 04, 1998	[REDACTED]	
Balance - March 31, 1998	[REDACTED]	
April 02, 1998	[REDACTED]	
Balance - April 30, 1998	[REDACTED]	
May 04, 1998	[REDACTED]	
Interest Charges to May 31, 1998	[REDACTED]	[REDACTED]
Balance - May 31, 1998	[REDACTED]	[REDACTED]
June 02, 1998	[REDACTED]	
Agreed Transfer Price for "The Trelawny Property"	[REDACTED]	
Agreed Transfer Price for "The Warehouse"	[REDACTED]	
Loan granted for costs to transfer properties	[REDACTED]	
Interest Charges to June 30, 1998	[REDACTED]	[REDACTED]
Balance - June 30, 1998	[REDACTED]	[REDACTED]
July 02, 1998	[REDACTED]	
Agreed Transfer Price for "The Trelawny Property"	[REDACTED]	
Interest Charges to July 30, 1998	[REDACTED]	[REDACTED]
Balance - July 31, 1998	[REDACTED]	[REDACTED]
December 01, 1997	(4,000,000.00)	
December 31, 1997	(4,000,000.00)	
Balance - December 31, 1997	555,663,171.00	
February 02, 1998	(4,000,000.00)	
Balance - February 28, 1998	551,663,171.00	
March 04, 1998	(4,000,000.00)	
Balance - March 31, 1998	547,663,171.00	
April 02, 1998	(4,000,000.00)	
Balance - April 30, 1998	543,663,171.00	
May 04, 1998	(4,000,000.00)	
Interest Charges to May 31, 1998		[REDACTED]
Balance - May 31, 1998	539,663,171.00	[REDACTED]
June 02, 1998		
Agreed Transfer Price for "The Trelawny Property"	(159,000,000.00)	
Agreed Transfer Price for "The Warehouse"	(133,000,000.00)	
Loan granted for costs to transfer properties	76,639,151.85	
Interest Charges to June 30, 1998		[REDACTED]

29-Jars 2041

[illegible]

tr, r, R X9 *E10'15'ff19 111E'd.C14,ju' %PAALL .../JLJ



Corporate Group t:etatre
12 Trafalgar Road
Kingston 5
Tel: (8761 927-3540-2
Faa(R76)927-7227
Cable; WOMB A.NF, JA.
Telex. 222

Dr. the Hon. Omar Davies appointed Temporary Manager on Feb. 23, 1998
1998 March 25



Kingston 10
Dear Sir:

At the close of business 1997 November 30, our records showed the following balance(s) on your account(s).

Account	Balance
Demand Loan	
Receivables (Hire Purchase)	

Please confirm the above balance(s) with our Auditors, Deloitte & Touche, 7 West Avenue, Kingston 4, who are performing an audit of our financial statements.

If there are any discrepancies, please furnish details in your reply.

Your prompt attention to this request will be appreciated. An addressed reply-paid envelope is enclosed for your response.

Workers Bank - Workers Bank Head Office
12 Trafalgar Road, Kingston 5

The account balance(s) as of 1997 November 30, are incorrect for the reason noted below.

Date: _____ - Company/Name _____

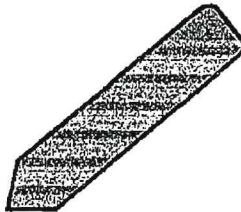
Signature: _____

Appendix 11(4-a)

;
[REDACTED]
[REDACTED]

STATEMENT OF DEBT AS AT 1998 MAY 06

Opening Balance as per Deed dated 1997 Nov 03	\$ [REDACTED]
less	
Purchase of H.P Receivables Opening	< [REDACTED]
Balance 1997 Nov 04 Payment recvd	[REDACTED]
on 1997 Nov 28 Opening Balance	[REDACTED]
1997 Nov 29	[REDACTED]
Payment recvd on 1997 Dec 31	[REDACTED]
Opening Balance 1998 Jan 01	[REDACTED]
Payment recvd on 1998 Jan 30	[REDACTED]
Opening Balance 1998 Feb 01	[REDACTED]
Payment recvd on 1998 Feb 28	[REDACTED]
Opening Balance 1998 Mar 01	[REDACTED]
Payment recvd on 1.998 Apr 01	[REDACTED]
Opening Balance 1998 Apr 02	[REDACTED]
Payment recvd on 1998 May 04	[REDACTED]
Opening Balance 1998 May 05	[REDACTED]



FINSAC LIMITED

"Financial Sector Adjustment Co. Ltd."
2-- 6 OXFORD ROAD
MUTUAL LIE BUILDING, 4th FLOOR (NORTH TOWERS)
P.O. BOX 54, KINGSTON 5
JAMAICA, WI.

FEB i f : . q

PHONE; (876) 754-7053-67

FAX: (876) 754-7079

gr. Qe ?7 MIL

February 11, 1999

[REDACTED]
Chartered Accountants [REDACTED]
[REDACTED]
Kingston 20

Dear Mr. Chambers,

Re: [REDACTED]

Further to your letter dated 2611199 and subsequent telephone conversation with the undersigned, we advise as follows.

1) OUTSTANDING LOAN; [REDACTED]

TOTAL PRINCIPAL DEBT
INTEREST OUTSTANDING
TOTAL

\$ [REDACTED]

NB: The following payments have subsequently been made:

January 1199

\$ [REDACTED]

February 1199

\$ [REDACTED]

We attached for your perusal a copy statement dated 5111198 previously sent to the company.

2) HIRE PURCHASE RECEIVABLES

Our research of the WSLB files revealed that the last payment of Hire Purchase Receivables was made in September 1998. We would therefore appreciate receiving a status report on these receivables.

With regards the reduction or waiving of interest charged or to be charged on

the debt, a decision will have to be taken by the Credit Committee of FINSAC. Please therefore advise us of your proposal in this regard.

-2-

i /

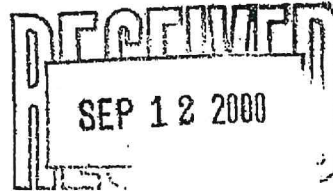
REFIN TRUST LIMITED

76 KNUTSFORD BOULEVARD
P.O. BOX 54, KINGSTON 5
JAMAICA, W.I.

D 76 KNUTSFORD BOULEVARD
P.O. BOX 54, KINGSTON 5, JAMAICA, W.I.
PHONE: (876) 906-1809-12; FAX: (876) 906-1822

□ 2-6 OXFORD ROAD KINGSTON
5, JAMAICA, W.I.
PHONE: (876) 754-7053-67; FAX: (876) 754-7079

August 31, 2000



[REDACTED]
Chartered Accountants
[REDACTED]

Attention: _____ Mr. [REDACTED]

Dear Sirs,

Re: [REDACTED] - Workers Bank Loan

Further to Facsimile request from [REDACTED], received August 30, 2000, we confirm that as at the close of business on June 30, 1999, the company was indebted to Finsac as follows: -

Principal	-	[REDACTED]
Interest		[REDACTED]
Total		[REDACTED]

Please do not hesitate to contact us for any further information you may require.

Yours truly,

[REDACTED]
Credit Manager

Cc: [REDACTED]

Approved (11-2)

Financial Sector Adjustment Co. Ltd.
2 - 6 OXFORD ROAD
MUTUAL LIFE BUILDING, 4th FLOOR (NORTH TOWERS)
P.O. BOX 54, KINGSTON 5
JAMAICA, W.I.

FAX: (876) 754-7079

PHONE: (876) 754-7053-67

November 8, 2001

[REDACTED]
[REDACTED] Kingston
20

111

Attenligni Mr. mi g.

Dear Sirs,

Re: [REDACTED]

At the company's request we hereby provide the following information.

1, Original amount(s) of loan(s)

[REDACTED]

November 3, 1997 to consolidate
existing debt of [REDACTED]

2, Date & purpose of Loan

[REDACTED]

3. Terms of repayment

Not less than [REDACTED] per
month provided that payments
for each year shall not be less
than [REDACTED]

4. Rate of interest

30%

5. Balance @ June 30, 2001

Principal - [REDACTED] 1irte,
Interest - \$ [REDACTED]

6. Principal repaid [REDACTED]

\$ [REDACTED]

7. Principal scheduled for repayment
1.7.01 - 30,6,02

\$ [REDACTED] as per
Agreement dated November 3/97

8. Interest paid 1.7.00 - 30.6,01

NIL

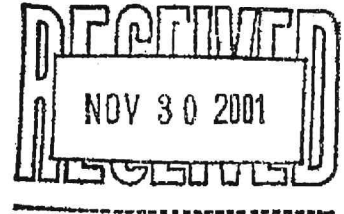
9. Interest due but unpaid

\$ [REDACTED]

Di gram Dr. 'Ma Hon. >tennnth Rartray, O.I., QC: (:h,yinnan), Han. Shirley Iymilali, U.J., (vier Chairman). Mr. Patrick Hyrum (Managing Dirrciur). Dr. (Ilalikhurra Ilannick. Han. David CriMa, O I., QC., M. Hope Markin, Mrs. Kamarine Millar, Mr Lan Perry, Mr. Wilborne Percsaud. Amri. Wrack Pringle

p1e/L -):

FINSAC LIMITED
"Financial Sector Adjustment Co. Ltd."
2 - 6 OXFORD ROAD
MUTUAL LIFE BUILDING, 4th FLOOR (NORTH TOWERS)
P.O. BOX 54, KINGSTON 5
JAMAICA, W.I.



PHONE: (876) 754-7053-67

FAX: (876) 754-7079

November 26, 2001



Dear Sirs:

**Re: Your indebtedness to Workers Savings and Loan Bank and
Corporate Merchant Bank Limited**

I act on behalf of FINSAC Limited, Managers of your debt at Workers Savings and Loan Bank and Corporate Merchant Bank Limited and I am instructed that as at 6th November, 2001 you were indebted to my clients in the amount of

as set out hereunder with further interest accruing on the principal debt at a rate of 30% per annum for the time being.

Principal

Interest as at 6/11/01

I hereby make Formal Demand upon you for the payment of all sums owing together with the sum of representing Attorney's fees, within FOURTEEN (14) days of the date hereof.

In the event of your failure to comply, my clients shall have no alternative but to dispose of the securities held and sue for any shortfall without further reference to you.

Directors: Dr. The Hon. Kenneth Rattray, O.B., QC (Chairman), Hon. Shirley Tyndall, O.J., (Vice Chairman) flRr Pnrrirk r rulfnn ru «ti :

/r 11

2001/11/26 14-8

January 14, 2002

Finsac Limited
2-6 Oxford Road
KINGSTON 5

Attention: [REDACTED]

Dear Sirs

**Re: Deed dated November 3, 1997 With
Workers *Savibigs* and Loan Bank and
Corflorad Merchant Bank Limited**

I have your faxed letter dated January 9, 2002.

My clients did not enter into any arrangement with Finsac Limited on whose behalf you wrote to them on November 16, 2001. In those letters, you did not mention that you were also retained by the clients you now embrace.

Accordingly, please send me documentary proof of Finsac's locus in this matter. Who appointed Finsac its "Managers" as you have in your previous correspondence? What is the basis of the retained retainer by the two defunct companies, who, if they have not been totally liquidated, have had the business for years? If I am wrong about this, please provide me with the address of the companies' current principal place of business and their registered offices as well as a list of the current members of the Executive Boards of the companies.

Please address these queries promptly and with care. [REDACTED]
[REDACTED]. What I will tell you is that my clients are relying on your representations to the contrary to have had in the letters you are writing to us and will take it as granted that you have exercised due diligence through the relevant entities to do so and are

Yours faithfully

[REDACTED] ATTORNEY AT LAW

Appendix #14

