

1           A                           12:05 P.M. (CONT'D)

2                                       In the research I found a spreadsheet

3                                       which basically showed how these amounts

4                                       were paid and all it says was, "From

5                                       multi-national sources" and there was no

6                                       supporting information as to exactly how

7                                       much of which. I am not so sure if that

8                                       information is available readily.

9   CHAIRMAN:                       FINSAC didn't provide you with funds,

10                                      did it? What it did was give Paper?

11           A                           Initially, yes.

12                                      (Chairman confers with

13                                      Commissioner Ross)

14   CHAIRMAN:                       If you look at your spreadsheet it has

15                                      no numbers so I don't know what to refer

16                                      to it as. It says: "Intervention Cost"

17                                      Have you got that document in your hand?

18           A                           Yes, I have.

19           Q                           And there is that column that says,

20                                      "Cash/LRS". Cash was minimal? LRS was

21                                      what was used?

22           A                           (No answer).

23           Q                           FINSAC cash was minimal, was it not?

24           A                           Yes, it was. It was just a small

25                                      portion.



1 had deposits in their respective  
2 institutions, were they repaid the  
3 deposits plus interest as in the case of  
4 other depositors? And if not, why?

5 A I need to do some research, I wasn't  
6 able to find any information that  
7 allowed me to answer this question.

8 Q What was the aggregate indebtedness of  
9 the failed institutions at the time of  
10 take over by FINSAC?

11 A I was not able to find that information.

12 CHAIRMAN: You didn't have enough time?

13 A I don't know if time would have helped,  
14 but I didn't find any information.

15 CHAIRMAN: You are not suggesting that the FINSAC  
16 records don't provide an answer?

17 A I wouldn't want to suggest that,  
18 Mr. Chairman.

19 CHAIRMAN: So then we better go and look again.  
20 Should we not? Take another look, get  
21 your people to scurry around and find  
22 it.

23 A May I just ask a clarification? What  
24 was the aggregate indebtedness of the  
25 failed institutions? Aggregate

1                   indebtedness to whom?

2       CHAIRMAN:           I don't know what was being answered  
3                   then.

4           A                You are asking me to do some research I  
5                   just want to check to ensure that  
6                   whatever information...

7       CHAIRMAN:           I don't know, it seems to me -- the  
8                   question says: What was the aggregate  
9                   indebtedness? What was the debt?

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1           A                            So this could be like the debts to the  
2    depositors?

3   CHAIRMAN:                        Yes.  
4   COMM BOGLE:                       It's to BOJ. All the debts that they had  
5    combined.

6   CHAIRMAN:                        All the liabilities as I understand it.  
7   MR. GRAHAM:                       What was the average rate of interest on  
8    the delinquent loans acquired by FINSAC  
9    and held from 1997 to 2002?

10           A                           The applicable rates charged by the  
11   various institutions from which FINSAC  
12   bought the loans were not provided in  
13   all cases to FINSAC so I wasn't able to  
14   tell you that information. But what i am  
15   aware of is that at the point when the  
16   loans came to FINSAC, FINSAC charged a  
17   rate of 30 percent per annum on the JA  
18   dollar loans and 15 percent per annum on  
19   the US dollar loans except in cases  
20   where there was any contracted  
21   arrangement for any lower rates in which  
22   case that rate would apply.

23   CHAIRMAN:                       Excuse me. FINSAC didn't obtain the  
24   original loan documents? Did it or did  
25   it not?

1 A In cases where they are available, yes.

2 Q What? The hurricane washed them away or  
3 something?

4 (LAUGHTER)

5 What you mean by 'if it is available?'

6 I don't quite follow. What you mean by  
7 'if it's available?'

8 A There are some cases where we weren't  
9 able to get some information on some of  
10 the loans from some of the institutions.  
11 I mean it is a very minute number but I  
12 am saying there are some such cases.

13 Q You are going to collect the debt?  
14 Presumably part of your function, were  
15 you collecting the debt?

16 A You mean me personally or FINSAC  
17 generally?

18 (LAUGHTER)

19 Q Well, if you thought you were, tell us.

20 A I was going to tell you that was not  
21 part of my responsibility.

22 Q We are not concerned whether it's you as  
23 Mr. Campbell, a private citizen. When  
24 you sit there you are Mr. FINSAC and I  
25 am addressing you as Mr. FINSAC. So I am

1 going to understand that Mr. Campbell  
2 may be the person speaking, but he is  
3 speaking wearing a hat but the hat you  
4 are wearing I may suggest to you sir, is  
5 the hat of Mr. FINSAC.

6 A Okay, sir.

7 Q Okay. You are going to enforce the  
8 loans?

9 A There are some loans that we were just  
10 not able to do that with because we  
11 didn't get any of that kind of  
12 information. Its a very small number  
13 but there are some loans like that.

14 Q So how you know what you are doing? So  
15 what you forgave those loans?

16 A They still exist. They have been sold  
17 and I suspect that at some point a  
18 decision will be made to write-off some  
19 of them, yes.

20 CHAIRMAN: I am having some difficulty in  
21 appreciating how an institution of this  
22 character can seem to be so almost  
23 casual about peoples' debts. You are  
24 going to enforce -- you have bought this  
25 debt, what have you bought? How you know





1                   where we have those and there would be  
2                   other security documents like a  
3                   mortgage, a Bill of Sale or a debenture.  
4   CHAIRMAN:       But I get the impression that you had  
5                   some that had nothing all. That seems  
6                   to be the impression.  
7           A         That number is so minute you don't need  
8                   to consider it, sir.  
9           Q         You see, unfortunately they are linked  
10                   to a human being, and they are the  
11                   persons who are...  
12          A         It maybe fortunate that it is linked to  
13                   a human being in the sense that we may  
14                   not able to enforce anything because we  
15                   don't have a document on which we are  
16                   relying.  
17   CHAIRMAN:       But Mr. Campbell, you sold it. Did you  
18                   not?  
19          A         Yes, we did as part of a larger  
20                   portfolio.  
21   CHAIRMAN:       I had observed that it seems almost casual  
22                   to me, maybe that's the wrong word. You have  
23                   no proof in some instances and so is not that  
24                   there are a few of them; everyone matters. I  
                 don't

1 see how we can presume to ignore some  
2 people. We are supposed to treat all  
3 people equally. Give everybody equal  
4 justice. But you say, 'I don't know',  
5 you sell them, hard luck presumably.  
6 That's the impression you are conveying  
7 you know Mister, as I understand what my  
8 colleagues are saying -- they are the  
9 bankers and the experts, they know how  
10 things go; how the runnings go as they  
11 say. But I hope I have enough sense to  
12 understand what you are telling me and I  
13 am less than convinced that anything can  
14 work in that way.

15 A There were over 23 thousand accounts  
16 that we purchased so if there were ten  
17 or hundred that fell into that  
18 category...

19 Q But you don't know?

20 A No, I don't know, admittedly. But I am  
21 suggesting if they are so few -- and the  
22 balances may very well be small as well.  
23 Those could possibly be amounted to the  
24 ones that have been disputed.

25 Q But you don't know.

1           A           No, I don't.

2           Q           You don't know whether they are small or

3                        large.

4           A           I don't know.

5           Q           They could be small or large and you

6                        still don't know so...

7   COMM BOGLE:        So Mr. Campbell, these few that were

8                        sold to JRF they would have had a value

9                        to them?

10          A           I don't know if 'value' would be a right

11                       word.

12   CHAIRMAN:         What is the right word?

13          A           When we sold the loans to JRF we

14                       basically did a spreadsheet of the

15                       principal balances on all the loans so

16                       if you consider that as value then to

17                       that extent it is.

18   COMM BOGLE:       What's the value of a loan? The value of

19                       a loan in this case must be the

20                       principal balance in which you can add

21                       interest to it but that has to be the

22                       value that you used and this...

23          A           I thought the value was more in relation

24                       to the collateral, that's why I wanted

25                       to make...

1       COMM BOGLE:               Collateral is a different thing from the  
2  
3                                    loan but we are talking about loan. The  
4                                    loans that were transferred and you said  
5                                    that some of them you did not have the  
6                                    requisite documentation, am I right? Is  
7                                    that what you are saying?  
8           A                       That's correct.  
9           Q                       And I am saying therefore, how were  
10                                   these sold or valued and sold to JRF or  
11                                   to anybody else for that matter?  
12           A                       You used the word 'value' again. I am  
13                                   submitting that value is a different  
14                                   matter.  
15           Q                       All right, where did you ascertain the  
16                                   face value of the loan, from what?  
17           A                       The loans would have been on a list that  
18                                   was provided to us by the bank and  
19                                   that's a principal balance and that  
20                                   principal balance is the figure that we  
21                                   transferred to Jamaica Redevelopment  
22                                   Foundation.  
23           Q                       And so you were transferring these loans  
24                                   to JRF without ensuring that you have  
25                                   proper documentation to facilitate JRF  
                                 collecting it?



1                   paid for loans that we didn't see how we  
2                   are going to collect because we didn't  
3                   have proper documentations for those  
4                   loans?

5           A           I suppose ultimately that's what it  
6                   would amount to. The bottom line is as I  
7                   said, a list of loans were provided.

8           Q           We understand that but I am dealing with  
9                   whether or not the taxpayers money -- in  
10                   other words, we have paid, FINSAC has  
11                   paid over to a bank 'x' amount for loans  
12                   and included in that list of loans are  
13                   some loans that we did not have proper  
14                   documentations for so we will never be  
15                   able to possible collect these, but we  
16                   paid for them. Why take them over from  
17                   the financial institutions in the  
18                   first instance without proper  
19                   documentation?

20          A           That's not a matter I can respond to  
21                   directly. What I would suggest however  
22                   is that, we have since sold those loans  
23                   so we have in fact recovered some money  
24                   for them.

25   COMM ROSS:       Mr. Campbell, you mentioned that FINSAC

1 was charging a rate of 30 percent per  
2 annum on Jamaica dollars loans and 15  
3 percent per annum on US dollar loans.

4 A That's correct.

5 Q Did this continue after the loans were  
6 sold or did the regime change at that  
7 point?

8 A That really sounds like a question that  
9 I am not privy to answer. I mean, we  
10 sold it and at the time it was sold that  
11 was the rate I am not sure what happened  
12 thereafter.

13 Q Just so that I understand. While the  
14 loans were under FINSAC interest rate  
15 was accruing at the rate of 30%, 15%  
16 respectfully?

17 A Yes.

18 Q Was the interest being compounded or was  
19 it...

20 A Interest was not being compounded and  
21 payments received were applied to  
22 principal first.

23 CHAIRMAN: Mr. Braham, would you consider this a  
24 convenient time?

25 MR. BRAHAM: Yes.

1 CHAIRMAN: So that you can give Mr. Campbell, a  
2 rest so that he can go and refresh  
3 himself and return at 2:00.

4 MR. BRAHAM: Yes, sir.

5 CHAIRMAN: We take the adjournment until  
6 2 **0**' clock. Thank you very much.

7

8 Luncheon Adjournment Taken At 12:30 P.M.

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25



1

2 ON RESUMPTION:

3 CHAIRMAN: Good afternoon ladies and gentlemen, we  
4 now resume. Mr. Campbell, you are still  
5 on oath

6 A Okay. Sir.

7 MRS. WONG-HENRY: Yes, good afternoon Mr. Campbell. Just  
8 going to go through the remaining  
9 questions. Next question is how much  
10 money did FINSAC recovered from  
11 delinquent loans between the period 1997  
12 to 2002? Question 71.

13 A The gross amount collected from  
14 delinquent loans between 1997 and 2002  
15 was roughly \$5.9 billion.

16 Q And what were the total administrative  
17 and operational expenses of FINSAC and  
18 its subsidiaries from 1997 to 2002?

19 A The total administrative and operational  
20 expenses incurred for the period 1997 to  
21 March 2002 by FINSAC and its related  
22 entities were roughly \$3.8 billion.

23 Q What was the aggregate of the debts sold  
24 by FINSAC to Jamaica Redevelopment  
25 Foundation in 2002?

1 CHAIRMAN: One moment please. This looks like bad  
2 business, you spend \$3.8 billion to  
3 collect \$5.9 billion, that's good  
4 business?

5 A It would appear so to me, Mr. Chairman.

6 CHAIRMAN: Good business for whom? You are  
7 collecting a debt and you spend so much  
8 to collect the debt, you could almost  
9 forgive the debt?

10 A I am not in a position to comment on  
11 that Mr. Chairman.

12 CHAIRMAN: I didn't do a MBA, did you?

13 A No, Mr. Chairman.

14 CHAIRMAN: But you are a banker, so you understand  
15 business?

16 A Yes.

17 CHAIRMAN: So I repeat my question, is that good  
18 business, you spend all this money to  
19 collect what you collect and that's good  
20 business? I mean, if you are -- you see  
21 we were told by the Minister, you were a  
22 healing institution, I wonder if you  
23 couldn't forgive the debt, you could  
24 almost forgive the debt, could you not?

25 A I am really not in a position to comment

1 on that, Mr. Chairman.

2 CHAIRMAN: I don't know, pardon me for asking but  
3 why not, it would be interesting to hear  
4 your view as a banker.

5 A I don't know all the circumstances that  
6 operated during this time.

7 CHAIRMAN: But conceptually.

8 A I would prefer not to give any personal  
9 views on this matter, sir.

10 CHAIRMAN: I mean books deal with this, I mean, can  
11 I refer to some book, Business Works  
12 that deals with something like this.

13 A I really don't know.

14 CHAIRMAN: Yes, very well.

15 Q Okay, Mr. Campbell what was the  
16 aggregate of the debt sold by FINSAC to  
17 the Jamaica Redevelopment Foundation in  
18 2002? Maybe you could look at your  
19 answer.

20 A Yes maybe I should. Okay....

21 MRS. MINOTT-PHILLIPS: Sorry Mr. Chairman, aggregate implies  
22 more than one debt, I am not sure --  
23 since I don't have a copy of the  
24 answers, could I get an explanation  
25 where aggregate comes from, I only heard

1 about one sale.

2 CHAIRMAN: You see, the witness is the person who  
3 has to answer the questions and until  
4 and unless he is expressing some  
5 difficulty, let us get his answer, if  
6 you have a problem you can solve it by  
7 re-examining him.

8 MRS. MINOTT-PHILLIPS: I will cross-examine him I believe  
9 Mr. Chairman .

10 CHAIRMAN: Yes, cross-examine.

11 MRS. MINOTT-PHILLIPS: But I believe, Mr. Chairman, my  
12 friend is referring him to a specific  
13 answer and saying perhaps you could look  
14 at answer so and so, I don't have that.

15 CHAIRMAN: That's all right, you will get it in due  
16 course, when it goes into evidence you  
17 will get it.

18 MRS. MINOTT-PHILLIPS: Due course would be now. Well then  
19 maybe that is the time the question  
20 should be based on it then.

21 CHAIRMAN: Very well, since we conduct it, we will  
22 conduct it this way. Yes.

23 A I took the question to mean what was the  
24 aggregate of the debt...

25 CHAIRMAN: Could you repeat the question.

1 Q What was the aggregate of the debt sold  
2 by FINSAC to Jamaica Redevelopment  
3 Foundation in 2002?

4 A Yes, I am saying I took the question to  
5 mean what was the aggregate of the debt  
6 sold to Jamaica Redevelopment Foundation  
7 by FINSAC and the figure I have is the  
8 total of the principal balance.

9 CHAIRMAN: I thought aggregate means total, it  
10 isn't a big word, aggregate means total,  
11 it has another meaning.

12 MRS. MINOTT-PHILLIPS: The question was aggregate of the  
13 debt, there was no 's', that was the  
14 question.

15 CHAIRMAN: Yes, Mr. Campbell. You are having a  
16 problem? Aggregate means total of a  
17 mass of some number, so let's get on,  
18 don't make it more difficult than it is,  
19 don't complicate the question, what was  
20 the aggregate of the debt.

21 A I was about to give you the figure.

22 CHAIRMAN: Yes please.

23 A \$17.8 billion Jamaican dollars. I  
24 mentioned earlier that there was a J  
25 dollar component and US Dollar component

1 so the convergence US plus J Dollar  
2 figure total \$17.8 billion.

3 Q Thank you Mr. Campbell. Do you know  
4 what was the average interest rate on  
5 those debts at that time?

6 A No, I do not, but as I mentioned  
7 earlier, for the J dollar loans, FINSAC  
8 charged 30% and for the US dollar loans,  
9 FINSAC charged fifteen unless there was  
10 a contracted agreement for a lower rate.

11 Q What is the amount received by FINSAC  
12 from Jamaica Redevelopment Foundation  
13 from 2002 to 2008 as proceeds from  
14 delinquent debtors?

15 A The total amount received is, from  
16 January '02 to December 2008 is US\$57  
17 million, that includes the initial  
18 deposit of \$23 million.

19 Q You said \$57 million US, Mr. Campbell?

20 A Yes, that includes the initial payment  
21 of 23 so if we exclude that it's  
22 \$34 million.

23 Q Okay thank you. What administrative  
24 operational and legal expenses have been  
25 incurred by the Jamaica Redevelopment

1 Foundation from 2002 to 2008?

2 A FINSAC is not in a position to advise on  
3 the administrative operational and legal  
4 charges incurred by JRF, however, FINSAC  
5 is aware of a cost which the agreement  
6 speaks to which is direct cost which  
7 includes costs incurred in preserving,  
8 realizing and protecting the loans which  
9 would include valuations, real estate  
10 costs and legal fees and during that  
11 period a total of \$8.2 million US  
12 dollars were incurred of which FINSAC  
13 has paid, has covered roughly \$2.6  
14 million out of it.

15 COMM. BOGLE: The \$2.6 million that FINSAC has covered  
16 out of it, is that to be as expenses  
17 deducted from the \$34 million.

18 A No it is not. The \$34 million is net of  
19 that cost.

20 COMM. BOGLE: Okay.

21 Q Mr. Campbell, what was the average  
22 interest rate that -- sorry, what is the  
23 total amount of indebtedness still  
24 outstanding by delinquent borrowers as  
25 at June 2009?

1           A           I am not aware of that figure, FINSAC  
2                        doesn't routinely get information on  
3                        these balances from Jamaica  
4                        Redevelopment Foundation.

5           Q           In cases where....

6   CHAIRMAN:         Just one moment please. Very well  
7                        proceed.

8           Q           Mr. Campbell, in cases where FINSAC  
9                        released securities by way of sale, was  
10                      there a valuation prior to the sale?

11          A           My understanding is that valuations were  
12                      always done prior to the sale of  
13                      collaterals.

14          Q           Were sales of delinquent borrowers'  
15                      properties by way of public auction and  
16                      if so, how many by public auction and  
17                      how many by private treaty?

18          A           From the information I was able to  
19                      obtain from the files, the sale of  
20                      debtors' properties were always first  
21                      attempted by public auction but you will  
22                      recognize at an auction there is a reserved  
23                      price and sometimes you don't obtain the  
24                      reserved price and in those cases the matter  
                      is referred to sale by



1 private treaty, and I am not aware of  
2 how many auctions would have been held  
3 to seek to sell properties in this way.

4 Q Okay, are you able to say how many  
5 delinquent borrowers there were with  
6 secured debts?

7 A No.

8 CHAIRMAN: Sorry, before you move on, your records  
9 would show, would they not, how many  
10 properties were sold by public auction  
11 and how many by private treaty, would  
12 that not be so?

13 A Really not sure about that,  
14 Mr. Chairman.

15 CHAIRMAN: If you are exercising powers of sale as  
16 a mortgagee, shouldn't you have those  
17 records, you are exercising the powers  
18 of the mortgagee, how could you not?  
19 Are you saying as a fact there is not or  
20 it is something you have to check?

21 A Its something I need to check on.

22 CHAIRMAN: Very well, could you please check. You  
23 mean you appreciate that as a mortgagee  
24 you have to conduct yourself in a  
25 particular way?



1 recovered consequent on litigation?

2 A My understanding is that some law suits  
3 were brought by FINSAC in an attempt to  
4 recover debts, but I am not aware that a  
5 list exist as to the amount that was  
6 collected in this way and one should  
7 also recall that some suits that  
8 commenced while the loans were with  
9 FINSAC and the loans were sold  
10 thereafter, the matters went on to  
11 Jamaica Redevelopment Foundation.

12 CHAIRMAN: It maybe that you have not kept any  
13 list, but someone in your department can  
14 add, just go and add it up, look through  
15 the records and see how many there are,  
16 it's something which can be prepared.  
17 Mr. Campbell, when we ask questions you  
18 know, we expect to get responsible  
19 answers if I may say so. We have  
20 commented already on the difficulties we  
21 are having in this Commission of  
22 Enquiry, because we send out the terms  
23 of reference to persons who are players,  
24 major players and we say speak to this.  
25 You have information, you know, what you

1 have, speak to it and people don't want to,  
2 so we must ask them questions, and then when  
3 we ask questions we are told, I am not aware,  
4 I can't recall, and these answers which are  
5 evasive answers. We are not playing a game,  
6 we are trying to get information, so we  
7 seriously require it and if i may say so, a  
8 serious attempt must be made to obtain the  
9 information so we may be provided with this  
10 information, that is the purpose of this  
11 enquiry, so that the public at large knows  
12 what was going on, since it is taxpayer's  
13 money that is being used to bail things out.

14 So if

15 16 you be good enough

to get your people to

17 find out this information please. What  
18 is the next question.

19 Q Next question, Mr. Campbell, did FINSAC  
20 render accounts to delinquent debtors  
21 when requested, and if not, why?

22 A FINSAC provided accounts upon request  
23 and in a number of cases they also had  
24 to do some recalculation of balances to  
25 arrive at these outstanding positions.

1 Q Mr. Campbell, you recall being provided  
2 with some questions from the Commission  
3 by letter dated November 6, 2009,  
4 correct?

5 A Yes, I do.

6 Q And you responded by letter dated  
7 November 18, 2009 as well as letter  
8 dated 26, 2009?

9 A That is correct.

10 Q And letter dated November 19, 2009 which  
11 enclosed a debenture, Exhibit 1?

12 A That letter was in response to one of  
13 the 19th of November....

14 Q Correct, but you remember sending it?

15 A Yes, I do.

16 Q Along with the attachments which are in  
17 response to questions one and two,  
18 question three, question twelve, a  
19 document entitled FINSAC Standard  
20 Policies for NPL Workouts, question  
21 number 23, question number 24, question  
22 30, you recall these documents?

23 A Yes, I do.

24 Q And you can attest to the accuracy of  
25 them?

1           A           From the information available in my  
2                           files, yes.

3           Q           And affirm the contents?

4           A           Yes.

5           Q           Mr. Chairman I ask that these be entered  
6                           into evidence and those are the  
7                           questions at this time?

8   CHAIRMAN:         Can we get a list of the documents so  
9                           that they are carefully identified,  
10                          because we have to mark them, we have to  
11                          mark them singularly, I think we should  
12                          identify them and give them a number.  
13                          Mr. Secretary, would you mind making a  
14                          note of the list of exhibits so you know  
15                          where we are, start with EC 1 and go on.  
16                          EC 1 would be what?

17          Q           EC 1 would be FINSAC Limited/Financial  
18                          Institutions Services Limited but the  
19                          document is entitled Questions Number 1  
20                          and 2?

21          A           It's in relation to the assistance of  
22                          FINSAC granted to the institution.

23          Q           EC 2....

24   CHAIRMAN:         Yes, intervention Cost, is that the  
25                          document?



1 FINSAC/ FIS Limited Approved List of  
2 Brokers and it's nine pages.  
3 CHAIRMAN: Brokers/ valuator, he said that is what  
4 they were.  
5 A Yes, Mr. Chairman.  
6 CHAIRMAN: And that is?  
7 Q Next document is EC 8 FINSAC Limited/  
8 Financial Services Institutions List of  
9 Financial-Owned/Controlled Properties  
10 Sold and it's twenty pages. EC9 is  
11 FINSAC Limited/Financial Institutions  
12 Services Limited, List of Entities to  
13 whom Loans were Sold and the Amounts.  
14 CHAIRMAN: Solitary page.  
15 Q Yes, one page.  
16 CHAIRMAN: Those documents are admitted into  
17 evidence, could we have copies for  
18 counsel please.  
19 SECRETARY: Sure.  
20 Continued....  
21  
22  
23  
24  
25



1

2 MRS WONG-HENRY: Actually there was a debenture that

3 Mr. Campbell had submitted to us on

4 the...

5 CHAIRMAN: Who are the parties in the debenture so

6 we know what you are talking about?

7 MRS WONG-HENRY: It's between Jamaica Re-development

8 Foundation Inc. and FINSAC Limited.

9 CHAIRMAN: It has a date?

10 A: It is dated the 30th of January, 2002.

11 CHAIRMAN: That is exhibit?

12 A: This would be Exhibit EC10.

13 CHAIRMAN: Admitted as such.

14 A: There are two more attachments to the

15 letter of the 26th of November.

16 MRS WONG-HENRY: Mr. Chairman, we would also like to

17 admit into evidence the attachments to

18 the letter dated November 26th, 2009,

19 one is entitled the Role of FINSAC, it

20 is three pages, this would be EC11.

21 CHAIRMAN: We have lost our papers.

22 MRS WONG-HENRY: Yes, Mr. Campbell. Attachments to the

23 letter of November 26, 2009, the first

24 document is entiled the Role of FINSAC

25 and it's three pages?

1 A: Yes.

2 Q: May that be marked EC11.

3 CHAIRMAN: Three or two pages?

4 MRS WONG-HENRY: It's three pages.

5 CHAIRMAN: Three pages, yes. Yes, Mr. Campbell,  
6 three page?

7 A: That's correct.

8 Q: That would be ECU. And the final  
9 document right behind that, entitled  
10 FINSAC Limited/Financial Institutions  
11 Services Limited Intervention cost as at  
12 March 31, 2002, it's one page and it  
13 will be marked EC12.

14 CHAIRMAN: It bears the same date, 31st of March.

15 MRS WONG-HENRY: And that's EC12.

16 CHAIRMAN: Very well.

17 MRS WONG-HENRY: Thank you.

18 MR. MALCOLM: Good afternoon Chairman. Christopher  
19 Malcolm appearing for Paul Hurlock, one  
20 of the FINSAC'd individuals.

21 CHAIRMAN: Mr. Malcolm, I know we did say we will  
22 be flexible but being flexible has a  
23 limit. Do you not think perhaps we  
24 should await Mr. Campbell's return  
25 because he is required to produce other

1 information. That information doesn't  
2 concern you or is not of moment to you?

3 MR. MALCOLM: As it turns out, Chair, I am quite  
4 prepared to proceed. In any event I  
5 know he returns tomorrow. I have a  
6 particular difficulty in that I have to  
7 be in Montego Bay tomorrow, and I am  
8 quite prepared based on the questions I  
9 have to ask to proceed and if necessary  
10 if he were to return after tomorrow and  
11 I can, then I would reserve the right to  
12 ask further questions.

13 CHAIRMAN: Well, since you don't require any  
14 information that he might obtain and in  
15 the interest of this Commission  
16 proceeding with all deliberate speed,  
17 yes, sir, we will hear you.

18 4: Much obliged sir. Mr. Campbell, you  
19 indicated earlier that you had been a  
20 member of Chartered Institute of  
21 Bankers, how long have you been a member  
22 of this institution?

23 A: Since 1986 or '87.

24 Q: And you are still a member?

25 A: Yes, I am.

1 Q: Are you aware of the nature of the  
2 banker/customer relationship?  
3 A: Yes, I am.  
4 Q: And can you speak to whether or not under  
5 that relationship a bank is required  
6 ordinarily to provide information to  
7 customers if they ask for it?  
8  
9 A: Yes, I believe so.  
10 CHAIRMAN: No, it can't be believe any more, it's not  
11 faith, hope and charity, you either know  
12 it. Yes.  
13 A: The banker is expected to provide  
14 information.  
15 Q: The banker is required, not expected,  
16 required to provide information? Yes, he  
17 A: is.  
18 Q: When FINSAC, for the moment I am using  
19 FINSAC to include Refin Trust and Recon,  
20 yes.  
21 A: All right.  
22 Q: When FINSAC effectively stepped in the shoes  
23 of the bankers, would it then have been under  
24 a continuing obligation to customers?  
25

1 A: That sounds like a legal matter I cannot  
2 speak to.

3 CHAIRMAN: You are a banker.

4 Q: You are speaking as a banker not...

5 A: You asked about FINSAC I really cannot  
6 answer that question.

7 CHAIRMAN: FINSAC was not a banker?

8 A: FINSAC was not a bank, no.

9 Q: Let me ask another question before that.  
10 Did FINSAC effectively stepped in the  
11 shoes of the failed institutions?

12 A: I really do not know the legalities of  
13 that, Mr. Malcolm.

14 CHAIRMAN: How then did you answer the question  
15 that you are charging interest of 30%  
16 and 15%, et cetera, et cetera, that was  
17 a guess or...

18 A: No, I am aware that that was happening.

19 Q: As to the...

20 CHAIRMAN: Significance of it.

21 A: And I wasn't going to use significance.  
22 As to the legality of it I cannot speak  
23 to.

24 Q: Mr. Campbell, did you...

25 CHAIRMAN: One moment please.

1 A: Not that I am suggesting that it was  
2 illegal, Mr. Chairman.

3 Q: My apologies, sir.

4 CHAIRMAN: You are not suggesting it was illegal,  
5 it was illegal. What are you conveying?

6 A: The question that has been put to me was  
7 that...

8 CHAIRMAN: What were you conveying when you  
9 answered?

10 A: The question that I was being asked is  
11 whether FINSAC stepped into the shoes of  
12 the commercial banks, I say I really do  
13 not understand that, I am not aware that  
14 was something that was done, I don't  
15 know, I really don't and I am suggesting  
16 that that is a legal matter. Perhaps, I  
17 need to confer with my attorney before I  
18 answer that question.

19 CHAIRMAN: You are being asked questions as a  
20 member of the the Chartered...

21 Q: Institute of Bankers, I may add  
22 Chairman. He confirms that ..

23 CHAIRMAN: You are knowledgeable in banking matters  
24 so you are competent to deal with that,  
25 so you will you demonstrate your

1 competence by responding please.

2 Questions relating to banking but not

3 legal ones, sir.

4 CHAIRMAN: I tell you what, I made the ruling and you  
5 hearken to my ruling.

6 A: Okay sir.

7 Q: Yes, I will repeat the question. All right,  
8 let me ask you another way, much simpler.

9 After FINSAC got involved, did FINSAC enter  
10 in negotiations with, deal with or otherwise  
11 speak to customers as though they were still  
12 customers? Customers of what?

13 A: The failed institutions, Mr. Campbell,  
14 Q: that is what we are talking about.

15 I really don't know the answer to that  
16 A: question, Mr. Malcolm.

17 That's his answer.

18 CHAIRMAN: Very well, Mr. Chairman, we will proceed.

19 Q: Now after FINSAC got involved, yes, there  
20 were customers that you dealt with. There  
21 was a subsequent transfer, loan transfer,  
22 and I use the word deliberately, to JRF?  
23 One second. So that we appreciate that

24  
25 CHAIRMAN:

1                   this is a serious enquiry, this is not any  
2                   joke. Mr. Campbell, you stated that you are  
3                   a banker.

4    A:                I am Mr. Chairman.

5    CHAIRMAN:        You are a banker and if you are asked  
6                    questions on banking the Commission will  
7                    expect you to respond unless you want to  
8                    demonstrate that you are not a banker. Yes,  
9                    would you repeat your question. Very well.

10   Q:                Thanks sir. After FINSAC got involved, yes,  
11                    having taken over the failed institutions or  
12                    portions of their portfolio, did FINSAC deal  
13                    with customers in the same way or as though  
14                    they were customers of a banking  
15                    institution?

16                    I am really not so sure what you are  
17    A:                asking me there, Mr. Malcolm.

18                    What you are not sure about?

19    CHAIRMAN:        I don't understand the import of the  
20    A:                question.  
21                    Well, think about it for a moment.

22    CHAIRMAN:        These loans that FINSAC would have  
23    A:                purchased...  
24                    I wouldn't worry about the import, just  
25    CHAIRMAN:



1 answer the question.

2 A: I don't know how to answer.

3 CHAIRMAN: We will worry about the import. The question  
4 is asked: Were they treated as customers?  
5 What is difficult about that?

6  
7 A: I will need to do some research to answer  
8 that question, I really don't know what the  
9 answer is at this time. My understanding is  
10 those loans having been bought by FINSAC,  
11 these are now FINSAC's debtors that FINSAC  
12 negotiated with but I am being asked  
13 whether they continued to be treated as if  
14 they were a customer of a commercial bank,  
15 and I really do not know that.

16 You see, how can you say that when you are  
17 a banker, you are a...

18 CHAIRMAN: This is a legal matter.

19 A: Sorry, anything asked about legal. You are  
20 in a position to assess the

21 CHAIRMAN: situation because you are in FINSAC and you  
22 are a banker so you are being asked if they  
23 were treated as though they were in a  
24 relationship of banker and

25

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

A:

customer, what is there difficult about that.

I *never* dealt personally with any of these so I am not aware of that, so it's not something within my personal knowledge, I really don't know.

CHAIRMAN:

That's not the answer you gave before but that is the answer you are giving now. Yes. That's his answer. He never dealt with anybody and although he is there he doesn't know what -- one second. We have gone past the days of the rack and pinion, I think the questions being asked are well within your competence because FINSAC is not dead, FINSAC is selling property up to now, so FINSAC is in business. So the response must be disingenuous. Would you please repeat the question for the benefit of the witness please.

Q:

Mr. Campbell, after FINSAC got involved - and note the words I use -- did you treat persons as though, as though, as though they were customers of a commercial or other banking institution?

1 A: I really do not know that Mr. Malcolm.

2 CHAIRMAN: Let's get on.

3 Q: Mr. Campbell, how long have you been  
4 Managing Director of FINSAC again?

5 A: I am not the Managing Director.

6 Q: Or General Manager, rather, sorry.

7 A: Since January, 2008.

8 Q: And I take it that you are a  
9 conscientious General Manager who would  
10 have taken time to understand the nature  
11 of business?

12 A: Yes.

13 Q: Now the nature of that business included  
14 an understanding of relationships...

15 CHAIRMAN: One second. I didn't make the comment  
16 idly about FINSAC not being dead, there  
17 is no question that FINSAC is operating,  
18 nobody said that FINSAC is dead, FINSAC  
19 is selling peoples' property. You are  
20 not aware that FINSAC is in business and  
21 are you saying that nobody comes to talk  
22 to you?

23 A: I never said FINSAC was not in business,  
24 that particular question was not asked  
25 of me.

1 CHAIRMAN: You understand the import of my question  
2 so you answered.

3 A: FINSAC is still doing some residual  
4 activities.

5 CHAIRMAN: Indeed, that is why I asked the  
6 question. And in the course of doing  
7 that residual business you don't come in  
8 contact with anybody who is making  
9 complaint, any of the former customers  
10 of the failed institutions, banks?

11 A: There are a few occasions when some of  
12 those persons might visit or write to or  
13 call FINSAC but recall that FINSAC sold  
14 these loans as at January 2002.

15 CHAIRMAN: You can't help us, is that it?

16 A: I am prepared to answer some questions  
17 if they are ones within my competence or  
18 my personal knowledge.

19 CHAIRMAN: Anyone you don't answer is not within  
20 your competence?

21 A: Or personal knowledge.

22 CHAIRMAN: What is this one, within which one?

23 A: I didn't hear the question. You meant  
24 this particular one from Mr. Malcolm?

25 CHAIRMAN: Yes, sir.

1 A: That one is not within my personal.  
2 knowledge as I mentioned.  
3 CHAIRMAN: Once more to the breach. March on.

4 Mr. Campbell, you are a banker.  
5 A: Yes.

6 Q: Could you describe to us the nature of a  
7 loan agreement and the relationship  
8 between a bank and a customer under a  
9 loan agreement, as a banker, please?

10 CHAIRMAN: You stand up, if you sit down he doesn't  
11 have to answer you.

12 A: An agreement between a banker and a  
13 customer as it relates to a loan,  
14 basically the agreement sets out the  
15 term under which the loan is being  
16 granted and collateral and repayment  
17 terms. Do I need to go into more  
18 details?

19 Q: Yes, please, because I would be asking you  
20 a follow-up to that.

21 A: So the agreement will tell you the amount  
22 that is being granted, the purpose for  
23 which it is being granted, the interest  
24 rate at which it is being granted and  
25 whether there are any

1 arrangements for those rates or those  
2 terms to be amended and what are the  
3 repayment terms and whether any  
4 collateral is to be provided by the  
5 customer and the bank will sign  
6 committing to do that and the customer  
7 will sign accepting it, assuming he  
8 accepts it, and those are the primary  
9 things.

10 Q: Very well. In the relationships that  
11 FINSAC had with persons, did you  
12 encounter any such arrangements or did  
13 you treat with people at all on any such  
14 arrangements?

15 A: My understanding is that there have been  
16 some agreements in some of the files  
17 that we got from some of the  
18 institutions, yes.

19 Q: Did you recover monies from persons?

20 CHAIRMAN: One moment. Your question is FINSAC.

21 Q: Indeed.

22 CHAIRMAN: He hasn't answered that question, maybe  
23 you ought to repeat it.

24 A: Maybe he should.

25 Q: Mr. Campbell, in the relationships that

1 FINSAC had with persons, did you have to  
2 examine loan agreements, did you have to  
3 understand interest rates that were  
4 applicable, did you collect money from  
5 people under these arrangements, did you  
6 have to examine security documents and  
7 did you have to in fact sell properties  
8 pursuant to security documents?

9 A: Yes, we did.

10 Q: Would you consider that to have been in  
11 the nature of a banking relationship  
12 between customer and bank where a loan  
13 is concerned?

14 A: It is similar to a banking relation,  
15 yes.

16 Q: So when I had indicated to you earlier  
17 that you treated with persons as though  
18 they were in a banking relationship, are  
19 you now agreeing that what you did was  
20 in fact on that basis?

21 A: I am really not sure about that.  
22 CHAIRMAN: Well, you got your answer you know.

23 Q: Very well, Mr. Campbell, we will move  
24 on. Now you said earlier that there  
25 you were conscientious General Manager,

1                   you are, and that you have taken time to  
2                   understand the nature of the business.

3    A:             Yes?

4    A:             For the most part.

5    Q:             For the most part?

6    A:             FINSAC is in the process of doing  
7                   residual activities, I don't consider it  
8                   particularly absolutely necessary to  
9                   research all the files from ten years  
10                  ago when FINSAC commenced it's  
11                  operations.

12   Q:             Do you still recover monies under those  
13                  arrangement with JRF?

14   A:             Yes, we do.

15   Q:             Would it have been important for you to  
16                  understand the arrangement that was  
17                  entered into, the residual relationship  
18                  that exists there, what else you have to  
19                  collect and a number of other things I  
20                  could mentioned?

21   A:             I understand clearly the import of that  
22                  particular agreement with the Jamaica  
23                  Re-development Foundation, yes.

24   Q:             Now, besides having taken over bad  
25                  debts and assigning or otherwise



1  
2  
3     A:           transferring bad debts, what is the  
4                   nature of the FINSAC business?  
5                   As of right now it's just residual activites  
6                   as I said earlier that we are undertaking,  
7                   it primarily involves -- we still have some  
8                   properties that we are managing until we can  
9                   get them sold and there are some litigation  
10                   issues that we need to follow through with  
11                   and we also monitor the collections by  
12                   Jamaica Re-development Foundation, so we  
13                   monitor the account to see that funds are  
14                   forwarded to us in line with the agreement  
15                   that exist between us and Jamaica  
16     Q:           Re-development Foundation. Let me ask you  
17                   something. Would you consider that  
18                   consequential to the debts having been taken  
19                   over, is that a consequence of it or are they  
20                   so  
21                   separate and apart that you don't  
22     A:           consider them as part of it?  
23     Q:           It is as a result.  
24                   So you do agree with me then that the  
25                   primary business of FINSAC has been  
                 initially, to take over some debts and

12 subsequently to transfer them, that is the  
3 subtotal of the business in essence, is that  
4 A: true?  
5 No, that is not true. I mentioned earlier  
67 this morning the three-pronged approach to  
89 FINSAC's operations: intervention into the  
10 financial sector; rehabilitation and  
11 Q: divestment. Now, the loan aspect is just one  
12 part of the intervention, there were other  
13 A: things. And you intervened in relation to  
14 Q: failed institutions concerning debts, yes?  
15  
16 CHAIRMAN: Yes.  
17 Q: And you rehabilitated in respect of  
18 debts, yes?  
He only rehabilitated one.  
19  
20 A: Whatever rehabilitation you did it  
21 Q: involved institutions where debts were  
involved, yes?  
22 Yes.  
23 A:  
24 Q: And you he effectively sold debts,  
25 right?  
Yes.  
  
So whatever three-pronged or four-pronged  
or multi-pronged approach

1                   you speak about, the focus or the central  
2                   point of all of that has to do with debt,  
3                   right?

4       A:           I still don't agree with you. The debt was  
5                   not the significant, the debt was not the  
6                   main part of the portfolio, there were all  
7                   of those institutions that we had to deal  
8                   with as well, some of them didn't have  
9                   anything to deal with debt per se it was  
10                  just a case where there were lots of  
11                  non-core properties in their portfolio and  
12                  as part of the intervention those non-core  
13                  assets were taken over by FINSAC.

14                 So if there were debt involved and these  
15       Q:           institutions were, in my view, solvent, what  
16                   would then have been the reason for  
17                   intervention?

18                 Some of them were ill-liquid and they  
19       A:           needed cash to operate.

20                 As a non-banker and perhaps a lot of us here  
21       Q:           are non-bankers, what would have caused  
22                   the ill-liquid nature of a financial  
23                   institution?

24                 I really don't know how I define that  
25       A:

1 detail, Mr. Malcolm. My understanding is  
2 that the whole matter of ill-liquidity is  
3 a situation where a business cannot pay its  
4 recurrent debts as ammend or occur, so for  
5 a lot of the financial institutions that we  
6 intervened in that was the situation, some  
7 of them were also insolvent so FINSAC  
8 intervened.  
9

10 CHAIRMAN: What is the different between insolvency and  
11 ill--liquidity?

12 A: Ill-liquidity is the situation where you  
13 cannot meet your debts as and when they  
14 occur. Insolvency is when your total  
15 liabilities exceed your total assets. So in  
16 the case where you are ill-liquid you could  
17 still be solvent because you have more  
18 assets than liabilities. Very well. Now, you

19 Q: say you understand and you have taken time  
20 out to understand the nature, I hope, of the  
21 relationship between JRF and FINSAC, yes?  
22 As it relates to the agreement we have, yes.  
23

24 A:

25

1 Q: How was the debt transferred from FINSAC  
2 to JRF, by what method?

3 A: I am not so sure I understand the  
4 question.

5 Q: You can do a loan transfer, you are a  
6 banker, you can do a loan transfer by a  
7 number of methods. You can do it by  
8 novation, you can do it by an assignment  
9 and there are other ways you can do it.  
10 How was the debt transferred from FINSAC  
11 to JRF?

12 MRS. PHILLIPS: There is a written agreement that speaks  
13 to this.

14 CHAIRMAN: Why don't you let the witness answer the  
15 question.

16 MRS. PHILLIPS: Becasue it's an improper question.

17 A: I am toying with it, I am not so sure  
18 how to answer it because I really don't  
19 know.

20 Q: Was there an assignment of debt?

21

22

23 Continued...

24

25

1

2 MR. CAMPBELL: I am really not sure. I know an  
3 agreement was signed that spoke to the  
4 purchase and sale of the debts. As to  
5 whether an assignment exists I really  
6 not sure.

7 CHAIRMAN: Mister, Mister...

8 A: I really don't know, Mr. Chairman. I...

9 CHAIRMAN: Hold on a moment. Everybody, everybody  
10 knows it was sold and these were the  
11 words they used. So, how come you don't  
12 know that? Everybody -- how you think  
13 it got there, got to JRF.

14 A: Mr. Chairman, I didn't say I am not  
15 aware that it was sold.

16 CHAIRMAN: But he is asking you how it got there?

17 A: The specific question that I was being  
18 asked is whether it was done by the way  
19 of an assignment.

20 CHAIRMAN: Because he asked you first how and you  
21 didn't answer so he was giving you  
22 examples.

23 A: No, I am saying I really don't know.  
24 There is an agreement that speaks to and  
25 governs the term of the sale, so I know

1 the loans were sold but as to exactly  
2 how it was done I need to check. I  
3 really don't know.

4 Q: Mr. Campbell might there have been an  
5 assignment of or about April, 2002?

6 A: I will need to check and advise myself  
7 Mr. Malcolm, sorry, Dr. Malcolm.

8 Q: Now, Mr. Campbell, you have just told us  
9 that you are a conscientious General  
10 Manager?

11 A: Yes.

12 Q: That you have taken time out to learn...  
13 CHAIRMAN: Sorry. Mr. Campbell, do justice to

14 yourself. Pleading the 5th is not a  
15 great idea here. What was your original  
16 question?

17 MR. MALCOLM: My original question was, what is the

18 method by which the loans were  
19 transferred from FINSAC to JRF in or  
20 about 2002 is the date we have heard  
21 about?

22 A: Mr. Chairman, I will need to do some  
23 research to find the exact method by  
24 which that transfer was done. I know  
25 an agreement dated sometime in January

1 2002 by which the loans were sold by FINSAC,  
2 purchased by JRF. So I am being asked by what  
3 method and I really do not know. I will need  
4 to check.

5 CHAIRMAN: You know that \$23,000 was paid?

6 A: \$23M.

7 MRS. PHILLIPS: Initial payment.

8 Q: We'll get to that in time. In fact I  
9 had mentioned sometime...

10 CHAIRMAN: One moment please. You are aware there was  
11 an agreement?

12 A: Yes, Mr. Chairman.

13 CHAIRMAN: Which involved the transfer of these  
14 shares of the debt?

15 A: No. The agreement I speak of is  
16 slightly different.

17 CHAIRMAN: From what -- good. Since you know that then  
18 tell us what is the slightly... No, no. He  
19 A: said I am aware that there is an agreement  
20 that deals with the transfer. Sir, I am  
21 saying that the agreement that I am aware  
22 of is the one that deals with the sale.

23 I imagine  
24 that is two separate things.

25 CHAIRMAN: Ah, so he knows it's a sale?





1 assignment of debt? Did that agreement  
2 for example -- let me put it another  
3 way. Did an agreement in any way at all  
4 require the debtors to sign anything?

5 A: Dr. Malcolm the document is a 30 page  
6 document, I really have not reviewed it  
7 in in recent times.

8 CHAIRMAN: Sorry, have you got a copy of it there  
9 Mister?

10 A: No, I do not, Mr. Chairman.

11 CHAIRMAN: Mr. Braham do you have a copy?

12 MRS. PHILLIPS: I can find a copy. Mr. Chairman, if I  
13 can be of some assistance.

14 CHAIRMAN: Oh, thank you very much.

15 MRS. PHILLIPS: First of all T provided a copy of this  
16 agreement to the Commission by a letter  
17 dated July 2009.

18 CHAIRMAN: Mrs. Phillips, we have copies the  
19 secretary tells us we have copies. We  
20 haven't got them here in this room...

21 MRS. PHILLIPS: Okay, here is one that you can use for  
22 the time being.

23 CHAIRMAN: And we are transferred all over this  
24 hotel.

25 MRS. PHILLIPS: Here is one that you can use for the

1 time being and there was no evidence Mr.  
2 Chairman that the debtors were a party  
3 to it, to the agreement. So I don't  
4 know why there would be a need for them  
5 to sign it.

6 CHAIRMAN: If you want to have a passage at arms  
7 you can go out into the foyer. Mr.  
8 Malcolm...

9 MR. MALCOLM: Thank you very much.

10 MRS. PHILLIPS: Mr. Malcolm is not entitled to that  
11 document, Mr. Chairman with respect...

12 CHAIRMAN: Then if you are going to offer it.

13 MRS. PHILLIPS: His client is not a party to that  
14 agreement. It was sent to the  
15 Commission pursuant to the Commission's  
16 remit.

17 CHAIRMAN: So what is your objection?

18 MRS. PHILLIPS: Because his client is not a party to  
19 that agreement, it's a confidential  
20 agreement, it's not a public document.

21 CHAIRMAN: Please, please, don't intervene.

22 MRS. PHILLIPS: And it's my document, so if Mr. Malcolm  
23 is going to get it I would like it back.

24 CHAIRMAN: So are you giving it to Mr. Campbell  
25 then? If he gets it why can't Counsel

1 look at it.

2 MRS. PHILLIPS: Mr. Campbell is a party to the document.

3 CHAIRMAN: What does it matter, Mrs. Phillips?

4 Please, please, we don't need any

5 running commentary, advise prompting,

6 background music, please.

7 MRS. PHILLIPS: Mr. Chairman in fairness, at the very

8 outset I had indicated that there are

9 sensitive material which is being

10 submitted to the Commission. The

11 Commission had indicated to me that it

12 would be taking a certain approach in

13 relation to the custody of that

14 material. The debtors are not party to

15 the assignment.

16 CHAIRMAN: This is an agreement between FINSAC and

17 JRF.

18 MRS. PHILLIPS: To which his client is not a party.

19 CHAIRMAN: Not party, victims.

20 MRS. PHILLIPS: Victim is a word which has been much

21 loose even by the Commission.

22 CHAIRMAN: Mrs. Phillips if you are offering the

23 document offer it. In my view counsel

24 is entitled to look at it because it

25 affects his client and he can ask

1                   questions about it. If you don't want  
2                   to offer it you can withdraw it and we  
3                   will send and get it ourselves.

4    MRS. PHILLIPS:        In that case perhaps that would be the  
5                   best way.

6            Q:            Well, Chair, may I reserve the right to  
7                   refer to this document when it is  
8                   properly tendered and brought in?

9    CHAIRMAN:            Yes, yes.

10   MR. MALCOLM:         Now, Mr. Campbell...

11   CHAIRMAN:            One second. Pending the arrival of the  
12                   documents in our possession, will you  
13                   continue please.

14   MR. MALCOLM:         Very well, M'Lord, Chair. Mr. Campbell,  
15                   when I asked you about debtors you  
16                   understood that I meant customers,  
17                   right?

18            A:            FINSAC's customers?

19            Q:            Yes, that's what I meant. Customers who  
20                   had come over to FINSAC from other  
21                   banks.

22            A:            And use other again as if to say FINSAC  
23                   is a bank.

24            Q:            They initially had arrangements with  
25                   NCB, Eagle, Century, a number of other

1 institutions. They were then brought  
2 into a FINSAC fold, is that understood?

3 A: That's understood.

4 Q: Very well and you understand that when I  
5 say debtors those are the persons I am  
6 referring to?

7 A: Yes, I do.

8 Q: Very well. Now again you said that you  
9 are a banker. Are you familiar with  
10 what an assignment is?

11 A: Yes, I am.

12 Q: Could you tell us what you understand to  
13 to be an assignment and what the nature  
14 of an assignment is?

15 A: An assignment is primarily a situation  
16 where one party agrees to transfer, I  
17 suppose in this case a debt to another  
18 party and it sets out the terms and  
19 conditions under which that transfer is  
20 to be done?

21 Q: And again you reminded us that you are a  
22 a conscientious General Manager and that  
23 you took time to understand the nature  
24 of the business. Have you also learnt  
25 by now that an assignment is an

1                   arrangement under which you can transfer  
2                   a benefit but never a liability, do you  
3                   know that by now?

4           A:           Yes.

5           Q:           You do, very well. So you understand  
6                   then that as FINSAC even if you were to  
7                   transfer the benefit of receivables you  
8                   would still have had a residual  
9                   obligation. For example, to provide  
10                  information to customers if they came to  
11                  you?

12          A:           Perhaps under normal circumstances. My  
13                  understanding is that from the agreement  
14                  we have with Jamaica Redevelopment  
15                  Foundation it precludes us from doing  
16                  that.

17   CHAIRMAN:        Is that the question?

18   MR. MALCOLM:     I don't think that's the question, yes.

19   CHAIRMAN:        That is not the question. Repeat the  
20                      question so he can answer.

21   MR. MALCOLM:     The question is, you say you understand  
22                      the nature of an assignment? Mrs.  
23                      Minott-Phillips just gratuitously told  
24                      us that there was an assignment, so that  
25                      issue is settled.

1 MRS. PHILLIPS: I said there was an agreement in  
2 writing.

3 MR. MALCOLM: Which contemplated an assignment, Mrs.  
4 Phillips.

5 CHAIRMAN: Let us not engage in these kerfuffles.

6 MRS. PHILLIPS: I did not use that word. I said there  
7 was agreement in writing which speaks  
8 for itself.

9 CHAIRMAN: The records will speak. Thank you very  
10 much, Mrs. Phillips.

11 MR. MALCOLM: Very well. Mr. Campbell the agreement  
12 will come into record and we will be  
13 able to examine it at the appropriate  
14 time, but for the moment, assuming that  
15 there was an assignment, yes? Do you  
16 understand that under that assignment,  
17 whilst by way of assignment whilst you  
18 could have transferred or passed down  
19 benefits -- for example, the right to  
20 receive monies you could not have rid  
21 yourself of particular liabilities for  
22 example, including the obligation to  
23 provide information to customers?

24 A: You are treating information as a  
25 liability, Dr. Malcolm?



1 Q: Mr. Campbell?

2 A: Unless that is a legal phrase or  
3 terminology, I am not sure that I would  
4 classify providing information as a  
5 liability and you are making the  
6 distinction that FINSAC having  
7 transferred the receivable or sold the  
8 receivables to Jamaica Redevelopment  
9 Foundation, whatever liabilities existed  
10 would not have been a part of what was  
11 sold or transferred.

12 Q: Let me ask it another way. Were the  
13 customers party to that agreement signed  
14 between JRF and FINSAC?

15 A: No, they were not.

16 Q: What then would or should prevent  
17 customers coming to you for information  
18 after that assignment was done or that  
19 agreement was done?

20 A: A letter was done by FINSAC to all the  
21 debtors advising that their debts had  
22 been sold to Jamaica Redevelopment  
23 Foundation.

24 Q: And you said you understand the nature  
25 of a banker, customer relationship which

1 is contractual, yes, establishes a  
2 mandate and a number of other things?

3 A: Yes.

4 Q: And under that banker, customer  
5 relationship, a customer who has not  
6 agreed to rid himself of a relationship  
7 with you, what is there under that  
8 relationship to prevent him -- privity  
9 of contract, you know that expression as  
10 well.

11 A: Yeah.

12 Q: Yes, so there would have been a  
13 remaining privity of contract between  
14 you and the customers, right?

15 A: I suppose that existed with the  
16 commercial banks and them as well.

17 Q: Did you effectively take over the  
18 relationships that existed between the  
19 failed banks and the customers?

20 A: I am not so sure what that means, Dr.  
21 Malcolm.

22 Q: Okay, tell us what you understand to  
23 have been -- again perhaps a number of  
24 us myself included are a little slow,  
25 tell us what you understand to have been

1 the relationship between FINSAC and the  
2 failed institutions which culminated in  
3 this transfer of bank relationships from  
4 the institutions to FINSAC? Tell us  
5 very slowly so we can understand?

6 A: And use the word relationships? I just  
7 want to make sure that I understand you.

8 Q: Yes, exactly. No, I am using that  
9 expression. I am asking you to tell us  
10 what you understand as having happened  
11 when persons who had banking  
12 relationships, debt relationships for  
13 example, with Eagle or Century or  
14 Horizon or whoever subsequently woke up  
15 one day and realized having not signed  
16 onto anything at all with Eagle, Century  
17 or anybody else that they were now under  
18 a relationship with FINSAC. What is it  
19 that happened up to and culminating in  
20 that point that that having been  
21 happened.

22 A: My understanding is that some of the  
23 institutions that FINSAC and or FTS  
24 intervened in, some of them were taken  
25 over like Blaise and Century National

1 Bank. These were taken over by Financial  
2 Institution Services (FIS) and the  
3 Supreme Court agreed to all of that, so  
4 those debts then became owned by FIS.  
5 In relation to the other banks FINSAC  
6 acquired loans from them and paid by  
7 using the FINSAC bonds to cover the  
8 payment for them.

9 Q: What is the method by which FINSAC  
10 acquired the loans from these banks?

11 A: That's a question I cannot speak to  
12 definitively, now, I don't know. It  
13 may have been an assignment. Again, I  
14 am really not sure.

15 CHAIRMAN: Did FINSAC buy the debt and pay by bonds  
16 in effect, speaking generally?

17 A: Generally, some of them, yes. In the  
18 case of Century National Bank, FIS took  
19 over the company so the loans were in a  
20 sense acquired and not purchased.

21 CHAIRMAN: I mean the word we heard you used is  
22 acquired. So how you acquire? Not by a  
23 a gift, did you as a banker -- it wasn't  
24 acquired? FINSAC didn't, what did  
25 FINSAC do? Acquire, when you say

1 acquire what do you contemplate?

2 A: Some of the loans were acquired, some  
3 were purchased, acquired as I mentioned  
4 earlier in the case where the  
5 institution was taken over as in the  
6 case of Century National Bank, yes. The  
7 operations failed and FIS was used as  
8 the vehicle by the Government to acquire  
9 that operation. In relation to the  
10 loans that FINSAC dealt with from the  
11 other commercial banks those were  
12 purchased. You paid for them using  
13 bonds, yes.

14 CHAIRMAN: Yes.

15 MR. MALCOLM: Mr. Campbell you mention awhile ago that  
16 there was a FIS situation. What is the  
17 relationship between FINSAC and FIS?

18 A: FIS which is an acronym for Financial  
19 Institution Services Limited is a system  
20 company in a sense to FINSAC. FIS was  
21 formed initially to take over the  
22 operation of Blaise and sometime later  
23 it took over the operation of Century  
24 National Bank. So that's the extent of  
25 FIS's involvement in the financial

1 sector melt down.

2 Q: Wonderful. So FIS?

3 CHAIRMAN: Sorry, one moment.

4 A: FINSAC is the entity that was used by

5 the government to intervene in the wider

6 financial sector.

7 CHAIRMAN: You have Recon and Refin. So Recon was

8 used to do what?

9 A: Recon Trust Limited and Refin Trust

10 Limited are two 100% subsidiaries that

11 were formed by FINSAC. Recon acquired

12 the loans from National Commercial bank

13 and Refin acquired the loans from the

14 other institutions.

15 Q: So let me ask, whatever happened to

16 those institutions that were acquired by

17 FIS?

18 A: FIS, Century and Blaise?

19 Q: Yes, whatever happened to them? You

20 tried to make a distinction when I asked

21 about FINSAC by pointing to FIS. So T

22 am asking you now did those institutions

23 simply go into thin air or was there

24 relationship where they then came under

25 the FINSAC umbrella?

1 MRS. PHILLIPS: Objection. May I be of some assistance  
2 to the Commission on this particularly.  
3 With your leave Commissioners I am just  
4 trying to be of some assistance if I  
5 may. The court ordered by way of an  
6 action vesting of the assets of Blaise  
7 and Century in Financial Institution  
8 Services Limited. That was done by way  
9 of a vesting order done through the  
10 Courts. The institutions themselves  
11 were not acquired. In the case of  
12 Blaise, it was the assets and  
13 liabilities that were vested. In the  
14 case of Century it was the assets only  
15 that were vested in Financial  
16 Institution Services Limited. In  
17 relation to the other institutions those  
18 debt portfolios were acquired by Refin Trust  
19 Limited being a wholly owned subsidiary of  
20 FINSAC and so Refin Trust Limited was an  
21 assignee of the debt portfolio that  
22 originated from these banks.  
23 Well we are grateful for the explanation but  
24 CHAIRMAN: that's not evidence, no. Yes, where  
25

1                   are we.

2   MR. MALCOLM:       Very well, let me rephrase it in light  
3                   of the clarification from Mrs.  
4                   Minott-Phillips. There were assets we  
5                   were told that were acquired by FIS  
6                   under vesting order or were vested in  
7                   FIS, same difference, don't worry.  
8                   Substantively we are talking about the  
9                   same thing. But Mr. Campbell, more  
10                  importantly though, whatever happened to  
11                  those assets that were vested in FIS --  
12                  did they ever come under the FINSAC  
13                  umbrella?

14           A:        I am not so sure I understand the  
15                   distinction you are trying to make but  
16                   they would have been treated similarly  
17                   to other assets that FINSAC has, yes. So  
18                   if there were properties to be sold they  
19                   would have been sold. The loans that  
20                   were in Century which came to FIS were  
21                   included in the portfolio of loans sold  
22                   to Jamaica Redevelopment Foundation. So  
23                   FINSAC and FIS as I have said are two  
24                   similar entities that did primarily the  
25                   same thing just that because of the



1 ownership initially document are  
2 probably signed by different persons.

3 Q: You spoke earlier of loan sales  
4 transfers, whatever you call it?

5 CHAIRMAN: Just one moment. JRF, Jamaica  
6 Redevelopment Foundation got assets?

7 A: You mean other than the loans?

8 CHAIRMAN: Yes.

9 A: There was just one property that was  
10 transferred to them. One property other  
11 than the loans and whatever collateral  
12 that went to the loans. It was just one  
13 property that was transferred to them.

14 CHAIRMAN: JRF got the loans with the collateral?

15 A: That's correct.

16 CHAIRMAN: And there was another property?

17 MR. MALCOLM: Now, Mr. Campbell importantly, you speak  
18 earlier about debts and you set the  
19 amount of things that went to NIBJ and  
20 finally debts that went to JRF. As I  
21 understood it then you spoke about Refin  
22 Trust agreement with JRF. Was there a  
23 separate FIS agreement with JRF?

24 A: The same agreement that we spoke about  
25 earlier, dated sometime in January 2002,

1 FIS, Refin and Workers bank are party to  
2 that, so the loans that would have come  
3 from Century are the ones that in a  
4 sense FIS is selling to JRF but is the  
5 one agreement that covers all of them.

6 Q: So there is one agreement with three  
7 different vendors?

8 A: Yes and FINSAC is also a party to that  
9 agreement. But is not a seller. FINSAC  
10 didn't own any loans, but FINSAC is a  
11 party to the agreement.

12 Q: Okay, you just mentioned Workers Bank,  
13 what is the current status of Workers  
14 Bank?

15 A: Workers Bank is an entity that still  
16 exists. There are some litigation  
17 issues that are still outstanding in the  
18 name of Workers Bank. Whatever licence  
19 that it had to operate as a commercial  
20 bank has been rescinded.

21 Q: Wasn't Workers Bank established as an  
22 Act of Parliament?

23 A: Something like that.

24 CHAIRMAN: What's something like that?

25 A: I am not aware of the finer details,

1 Mr. Chairman.

2 Q: Mr. Campbell I believe in your integrity  
3 and I believe that you said you are  
4 conscientious at what you do?  
5 CHAIRMAN: He doesn't know.

6MR. MALCOLM: You have looked at and have been  
7 involved in agreements involving Workers  
8 Bank and you cannot tell us whether or  
9 not it was established under an Act and  
10 my further question whether or not that  
11 Act has been repealed? You can't speak  
12 to it?

13 A: I cannot speak to it, Dr. Malcolm.

14 Q: Very well, Mr. Campbell, we will move  
15 on. Now, there was a document under  
16 which particular debts were sold under  
17 JRF, did that document include a  
18 schedule an appendix or anything else  
19 that set out who the debtors were, what  
20 the particular debt is that was  
21 transferred and the conditions relating  
22 to individual customers that were  
23 transferred?

24 A: That document you are speaking of is the  
25 sale agreement, am I understanding you

1                   correctly in saying that?

2           Q:           Indeed. The sale agreement did it  
3                   include any appendix so I can say John  
4                   Brown your name is one of the persons.  
5                   Are person name amended, appended in  
6                   any way at all, attached to that  
7                   document?

8           A:           There is in 500 page document that  
9                   provides a list of all the debtors and  
10                  the amounts and the currency of their  
11                  debts, yes.

12          Q:           And I take it that you have custody of  
13                  that document?

14          A:           I have a copy of the document in my  
15                  custody, yes.

16          Q:           And it is a situation where individual  
17                  debtors are entitled to come to you and  
18                  receive that information?

19          A:           When you say information, you mean the  
20                  amount of their particular debt that was  
21                  sold or you mean giving them a copy of  
22                  the 500 page document?

23          Q:           Their particulars, Mr. Campbell, that's  
24                  the only thing.

25          A:           I just want to make sure that I

1 understand you sir, sure.

2 Q: Do you now have copies -- you mentioned  
3 earlier that debts were sold and you in  
4 fact give an undertaking or something  
5 similar to that, to the commission that  
6 you would research and provide  
7 particular information. Do you now have  
8 the information relating to each debt,  
9 meaning the customer file, meaning  
10 particular things that were done on  
11 their files under your custody and  
12 control? At this moment do you have  
13 this under your custody and control?

14 A: No, Dr. Malcolm.

15 Q: You don't have that under your control  
16 having given an undertaking or something  
17 close to it to the commissions that you  
18 were going to retrieve that information,  
19 how then would you have been able to do  
20 that?

21 A: I am not sure that was what I was asked  
22 to do earlier, but maybe the records can  
23 speak to that. The loans having been  
24 sold to Jamaica Redevelopment Foundation  
25 the related files were transferred with

1 the debts.

2 CHAIRMAN: Transferred to?

3 A: Jamaica Redevelopment Foundation.

4 Q: And you have not kept in your own  
5 custody and control, information to  
6 verify, what in fact passed and the  
7 details of what was passed, have you?

8 A: I am not aware that a copy of the files  
9 were kept, no.

10 Q: So, if in fact you were to do?

11 CHAIRMAN: Hold on a moment. He is not aware. He  
12 is not aware. He can find out, he is  
13 FINSAC.

14 MR. MALCOLM: Indeed, M'Lord, indeed, Mr. Chair.

15 CHAIRMAN: Perhaps you can ask him.

16 MR. MALCOLM: Let me ask. Before that Chair, there  
17 is something else I need to follow  
18 through with because having given that  
19 undertaking or something close to it.  
20 Where would you now get that information  
21 to provide to the Commission?

22 A: I would love to be reminded of that  
23 untaking that you speak of because I do  
24 not recall undertaking to provide copies  
25 of files. I know I would not be in a

1 position to do that because the files  
2 are with Jamaica Redevelopment  
3 Foundation.

4 Q: Okay, let me remind you of what you have  
5 offered, Mr. Campbell. As I recall  
6 there were several questions where you  
7 could not recall or were not aware of a  
8 number of things on several occasions  
9 and you indicated that you would do the  
10 research. In fact, you were directed  
11 to go and get either yourself or get  
12 somebody to do the research on many  
13 occasions. Where will you now be able  
14 to get that information which you are  
15 required to provide?

16 A: FINSAC has files that we can research,  
17 so I will look to see if there is  
18 anything in there. As it relates to the  
19 particular loans however, I am saying the  
20 loan files and collateral files were  
21 transferred to Jamaica Redevelopment  
22 Foundation at the time the loans were sold  
23 and transferred.

24 Q: So in fact when you spoke about, for  
25 example, the individual valuations that

1  
2  
3  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

may have been done and other information to  
determine value and all sorts of  
thing relating to individual customers and  
there were those questions asked.

Continue...



1

2 Q You do not have the capacity within your  
3 own office...

4 A I am not sure about that.

5 Q ...to provide that information?

6 A I am not sure about that, Dr. Malcolm.  
7 It could be that there are files there,  
8 I don't know, I will check. I am not  
9 committed to check.

10 Q You just told us that information when  
11 you sold the loans the files were passed  
12 on to JRF. Did you say so?

13 A Yes, I did.

14 Q You are admitting, can you say for the  
15 record and not go back to that ---- I  
16 appreciate your integrity, I love it.  
17 But let us just for the moment accept as  
18 I think I heard, you have already passed  
19 on all information relative to  
20 individual files to JRF? Have you not?

21 A I didn't say that.

22 A

23 CHAIRMAN:

Yes, passed the files.

24 A I did not say that. The files? I don't  
25 know whether -- for instance, a

1 valuation report was kept somewhere else  
2 so it could be that we have that. I  
3 don't know.

4 Q But the files have been passed, what  
5 constitutes the files?

6 CHAIRMAN: Let us s not get into all these internal  
7 arguments. Mr. Campbell is going to go  
8 and check to see what he retains.

9 Q My question is of some moment, M'Lord.

10 CHAIRMAN: His credit is not too great a moment, I  
11 don't think. What you want to get is  
12 information, him don't know, him don't  
13 know. He is going to check and when he  
14 checks he comes back and tell us what he  
15 checked and found.

16 DR. MALCOLM: If I may, Chair...

17 CHAIRMAN: When he comes back now we will see what  
18 he says. "Sufficient is the evil".

19 Q There is the question of veracity of  
20 information and if he is resident to a  
21 third party then he cannot here speak to  
22 the veracity of information and that is  
23 what we need to establish here.

24 CHAIRMAN: Well, he will tell you what he recall  
25 or he don't know. Because what we are

1 getting from him is not his say so, is  
2 documents as I understand what he is  
3 going to go and get his documents, get  
4 documentary evidence. So the documents-  
5 I don't know hear about any fire. So  
6 somebody has the files somewhere, either  
7 he has it or JRF has it. If JRF has it  
8 doubt it they will produce it but we  
9 will ask them to.

10 Q Now Mr. Campbell, do you know the  
11 conditions under which those files are  
12 kept by JRF, if at all?

13 CHAIRMAN: Don't ask him those questions. How is he  
14 going to know unless he is an obeah man.

15 Q I will move on, Chair. Mr. Campbell, you  
16 mentioned earlier that the debt sold to  
17 JRF was JA\$12.9 billion and US107  
18 million. What was the US dollars rate at  
19 that the date and what would 12.9  
20 billion have translated to US dollars  
21 at that date, the date of the sale? You  
22 are an Accountant, you must have  
23 records.

24 CHAIRMAN: You want a calculator?

25 Q He probably should.



1 Exhibits, I can't tell you the number  
2 off hand.

3 A It shows the principal balance current  
4 of the transfer but am being asked to  
5 convert that JA dollar figure to US and  
6 I would need some help right now or some  
7 time.

8 CHAIRMAN: It look like a 9.

9 MR. BRAHAM: 12.9 billion.

10 CHAIRMAN: There is an amount in US dollar, is that  
11 the equivalent?

12 DR. MALCOLM: There were two separate sales Chair, one  
13 was a US dollar component and one was a  
14 JA dollar component.

15 CHAIRMAN: And the combined amount?

16 A The combined amount, the JA dollar  
17 equivalent of the US dollar is almost  
18 five billion.

19 CHAIRMAN: And that was sold for?

20 COMM ROSS: No, no.

21 CHAIRMAN: 26 million?

22 A Sounds about right.

23 DR. MALCOLM: 26 plus 107.

24 A The US dollar equivalent of 12.9 billion  
25 plus the US dollar amount. I think the

1 total would be in the region of 300  
2 million US.

3 CHAIRMAN: 300 million approximately.

4 DR. MALCOLM: Very well. So that is the US dollar  
5 figure. So the initial was 23 million  
6 relative to, at the time figure of US393  
7 million.

8 CHAIRMAN: Yes.

9 DR. MALCOLM: Very well. Now have you retained in  
10 your office by electronic means or  
11 otherwise any information relating to  
12 the debts that were sold relating to  
13 individual customers that is.  
14 Electronically by Spreadsheet, EXCEL or  
15 otherwise in your office, information  
16 relating to individual customers?

17 A Yes, we have spreadsheets for instance,  
18 with the list of the loans. Same Exhibit  
19 'A' that was provided as an attachment  
20 to the Agreement.

21 Q I am asking you, if John Brown an  
22 individual customer, were to come to you  
23 today and ask you for information as to  
24 what was assigned to JRF would you from  
25 your computer or other records be able

1 to tell him that information?

2 A I could tell him what principal balance  
3 was included in the sale to Jamaica  
4 Redevelopment Foundation.

5 Q Now you are talking Principal balances  
6 and whatever else. I am asking you  
7 and the short answer you are saying is  
8 yes, you can say what was transferred as  
9 at the date, is that what you are  
10 saying?

11 A Principal balance.

12 Q But what then other than principal  
13 balance would have been transferred as  
14 at the date?

15 A Interest balances were also transferred  
16 to JRF.

17 Q Do your own records reflect the total  
18 amount of the debt that was transferred  
19 relative to an individual customers as  
20 at the date in January 2002?

21 A No, it doesn't.

22 Q You told us earlier that you understand  
23 the nature of an assignment. Does an  
24 assignment require that when you do an  
25 assignment it must be for a sum-certain

1 and you understand why I saying  
2 sum-certain as a banker?

3 A (No answer).

4 Q instead of a certain sum, sum-certain.  
5 I believe the answer to that is yes.

6 Q The answer to that is yes. You say you  
7 kept records. So your records then as  
8 are reflected on your system should  
9 properly reflect the sum-certain that  
10 was assigned or transferred as at the  
11 date, should it not?

12 A The record should reflect that.

13 Q Could you speak a little louder for us,  
14 please?

15 A I am saying I believe the record should  
16 reflect that. As it relates to the  
17 particular agreement...

18 Q You have answered, Mr. Campbell.

19 A Okay.

20 Q Now you sold to JRF. Do you your records  
21 reflect whether any due diligence was  
22 done concerning JRF before the sale?

23 A I would need to do some further  
24 research. But from my understanding the  
25 answer to that is yes. But to the extent



1 of that I really don't know so I have to  
2 check.

3 Q You also spoke about a valuation having  
4 been done by AMI CORE?

5 A OCWEN.

6 Q OCWEN or whatever. Did you do any due  
7 diligence as to OCWEN?

8 A I would need to check to see the level  
9 of due diligence that was done.

10 Q What do you know about whether or not  
11 JRF had done any previous business  
12 before entering Jamaica?

13 MRS. PHILLIPS: The evidence was that it was formed in  
14 Jamaica for...

15 CHAIRMAN: But he is asking Mister -- why don't you  
16 allow him to answer?

17 MRS. PHILLIPS: Because...

18 CHAIRMAN: Mrs. Phillips, if you want to give  
19 evidence we will give you a chance.  
20 Please do not interrupt on that total  
21 ground.

22 AUDIENCE: In contempt.

23 CHAIRMAN: You are not appearing for him, he has a  
24 lawyer.

25 MRS. PHILLIPS: The evidence does not say that. it was

1 incorporated for the purpose of doing  
2 business in Jamaica.

3 A Will you please repeat the question?

4 Q Could you tell us whether or not your  
5 records reflect whether JRF had done  
6 business prior to entering Jamaica?

7 A JRF, Jamaica Redevelopment Foundation  
8 is a company that was formed by the  
9 Texan company that bought to acquire  
10 these loans that were sold by FINSAC.

11 Q Could you tell us about that Texan  
12 company that was formed by JRF?

13 A The name of the Texan company is Beal  
14 Bank. As to the level of due diligence  
15 that was done I would need to check the  
16 files to determine that.

17 Q Do you know whether or not there is any  
18 connection between Beal...

19 CHAIRMAN: Sorry, Beal Bank could do business in  
20 Jamaica?

21 A Beal Bank in essence is the entity that  
22 bought the loans, the non-performing  
23 loans and then the company, Jamaica  
24 Redevelopment Foundation...

25 CHAIRMAN: Beal Bank bought the loans from who,

1 FINSAC?

2 A FINSAC, the Government of Jamaica.

3 Q So there is an agreement we can look at?

4 A No, I am saying they then established

5 the company, the Jamaica Redevelopment

6 Foundation.

7 Q Are you listening to me? You just said-

8 I am not making up your evidence you

9 know, you just said it and that's why I

10 am asking the question. You said Beal

11 Bank bought the loan, bought it then.

12 Q I am asking if there is an agreement

13 from FINSAC which you should have since

14 it is FINSAC told sold it to them.

15 A There is no agreement between Beal bank

16 and FINSAC, Mr. Chairman.

17 AUDIENCE: What?

18 DR. MALCOLM: Very well. Do you know whether there is

19 any relationship between OCWEN and Beal

20 bank?

21 A I don't know.

22 CHAIRMAN: OCWEN, O-C-W-E-N.

23 A That is correct.

24 DR. MALCOLM: Well, you have already said you don't

25 know whether or not who may have

1 conducted due diligence. You don't have any  
2 detail about the due diligence that may have  
3 conducted, if any?

4 CHAIRMAN:

In regard to?

5 Q

In regard to either OCWEN or Beal Bank which  
6 is what he has now introduced .C. Well, he  
7 introduced it and I don't know if he took it  
8 back.

7 CHAIRMAN:

9 DR. MALCOLM:

Now you mentioned earlier that the  
10 arrangement between JRF and FINSAC is  
11 that there is a particular sum of money  
12 which is to come back to FINSAC when  
13 recoveries are made, yes?

14 A

Yes.

15 Q

Do you have any way of monitoring under  
16 agreement yes, what sums are collected  
17 by FINSAC, JRF rather and what other  
18 sums are remaining to be collected?

19 A

The amounts that are collected are  
20 deposited into what we refer to as a  
21 "collection account" with one of  
22 financial institutions and the financial  
23 institutions is charged with the  
24 responsibility to periodically disburse  
25 the funds from that account, the cleared

1 funds from that account to FINSAC and to  
2 JRF.

3 Q I don't think you understand what I just  
4 said but let me just ask it another way.  
5 Do you have an accounting mechanism  
6 meaning somebody from FINSAC knows when  
7 moneys come into JRF and knows what  
8 comes in and there is a reporting  
9 mechanism where on any given day you as  
10 the General Manager can say JRF has  
11 collected \$20 or \$25. Do you have that  
12 mechanism in place?

13 A You didn't allow me to finish my answer  
14 earlier. As I said, there is a an  
15 account where the funds are deposited  
16 into. In addition to that FINSAC gets a  
17 report from the bank and a report from  
18 JRF on a monthly basis which we monitor  
19 to confirm that the amounts reflected  
20 are the same figures reflected in the  
21 accounts that are presented to us by  
22 JRF. And finally, we have the right  
23 under the Agreement to do an audit  
24 periodically.

25 Q Do you know whether all sums collected

1 are deposited into that account?

2 A We are not in a position to confirm that  
3 now.

4 Q So at the end of the day are you then  
5 agreeing with me that you do have an  
6 effective accounting mechanism in place  
7 to monitor funds flows in and out of  
8 that account?

9 A No. The monies deposited into the  
10 account can only be drawn by the bank  
11 That's agreement that exists. So JRF  
12 cannot draw any money from that account  
13 neither can FINSAC. So as it relates to  
14 the funds in the account that is the  
15 only way that funds are taken out.

16 Q S am not ascribing motive to anybody.  
17 But let's say I pay you twenty dollars  
18 in cash and five in cheque and decided  
19 to deposit the five into an account and  
20 keep the cash in my pocket. What method  
21 do you have to determine whether or not  
22 I have been honest?

23 A We do an audit periodically from one of  
24 the external auditors and we rely on  
25 that.



1 the basis of undertaking information  
2 presented to her to show that a  
3 particular property has been paid for  
4 and then on a monthly basis that report  
5 is sent to us.

6 Q What level of staff do you have there?

7 A I am no sure what you mean by 'the level  
8 staff'.

9 Q Clerical staff member, managerial staff  
10 member. What is the level of staff that  
11 you have there?

12 A Clerical, somebody who has worked in the  
13 bank for years and we know clearly the  
14 import and the importance of the  
15 security of documents.

16 Q Do you have the Terms of Reference for  
17 that person s remit?

18 A You mean...

19 Q Job description.

20 A Primarily that is it.

21 Q Do you have any written job description  
22 that you can present to this Commission  
23 that says that is your function and this  
24 is what you are required to do?

25 A Yes, we could present that to the



1 Commission.

2 Q Do you have it available?

3 A Yes.

4 Q And when did that person get into that  
5 office?

6 A From day when one when FINSAC handed  
7 over the loan so that would be from  
8 January/February 2002.

9 Q And when was that job description  
10 designed?

11 A Would have been round about that time.

12 Q Would have been. And on what basis does  
13 that person required to report to  
14 FINSAC?

15 A Like I said, when the title is being  
16 removed out of the department resulting  
17 from a sale of properties a list is sent  
18 to us on a monthly basis of the titles  
19 that have been removed and the reason  
20 for removal.

21 Q Do you have a meeting scheduled with  
22 that person?

23 A From time to time.

24 Q I am talking about you personally?

25 A Yes.

1 Q Time to time meaning what?

2 A Once a month.

3 Q And you have the minutes of that meeting

4 that we can refer to?

5 A No.

6 BY AUDIENCE: What?

7 BY CHAIRMAN: Please, let there be no.

8 Interruption.

9 Q Now again you mentioned earlier...

10 CHAIRMAN: One moment, please. Maybe I didn't

11 understand something earlier. So what

12 you needed JRF for? If you are going to

13 put people into JRF, incorporate them

14 into your business, sort of, what you

15 need them for now?

16 A The distinction Mr. Chairman, would be

17 that if FINSAC continued to manage and

18 collect on the loans it would be

19 financed by the taxpayers. Now if it is

20 sold that responsibility passes to

21 someone else.

22 CHAIRMAN: To the debtors?

23 A To someone else.

24 CHAIRMAN: To the debtors?

25 A If the loans are sold then the

1 responsibility passes to the person who  
2 has bought the loans.

3 CHAIRMAN: I mean, you said paid by somebody else  
4 but the somebody is debtor .A.

5 A No, I didn't say paid, collected.

6 CHAIRMAN: Collected from the?

7 A From the debtor. But collected by  
8 somebody else.

9 CHAIRMAN: Yes, Mister...

10 DR. MALCOLM: Now Mr. Campbell, regardless of what has  
11 been said earlier I still accept that  
12 you are a banker. Now a question was  
13 asked earlier about debt and security;  
14 do you understand that there is a  
15 distinction between a debt and a  
16 security?

17 A Yes, I understand that.

18 Q You do. Now you were asked then to  
19 speak to the debt that was transferred  
20 on the security and you said simply  
21 transferred on a number of securities.  
22 And a question was asked as well -- you  
23 had indicated that there were some  
24 instances in which you did not have  
25 underlying debt agreement, yes. Now

1                   having transferred a security on, what  
2                   level of assurance would you then have  
3                   had that the debt would not already have  
4                   been paid off? Because as I understand  
5                   it, and you will confirm to us as a  
6                   banker. A security is subsidiary to an  
7                   underlying debt obligation, is it not?

8           A           I wouldn't quite use the words  
9                   'subsidiary', but the security is part  
10                   of the agreement. I mean the man has  
11                   borrowed some money and has agreed to  
12                   put up 'x' security.

13          Q           Let me ask you this.

14          A           If you want to refer to that as  
15                   subsidiary then...

16          Q           All right, let me ask you this. When a  
17                   security exists when the underlying debt  
18                   has been obliterated can it still be  
19                   effective?

20          A           No.

21          Q           So when you then went on to transfer  
22                   people's security having not assured  
23                   yourselves that there was an effective  
24                   underlying debt obligation you were  
25                   being reckless?



1 negligence?

2 A I am time still saying, in the cases  
3 where debts transferred and there was  
4 there were no files -- based on the  
5 number of accounts that existed I am not  
6 aware that a comprehensive listing, an  
7 audit was done in that way so that each  
8 and every debt that was being sold we  
9 presented a file to JRF.

10 Q Chair, would this be a convenient time?

11 CHAIRMAN: Yes. He has said that before, you know.  
12 I don't think he is saying anything new.

13 DR. MALCOLM: Would this be a convenient time sir, I  
14 would humbly submit?

15 CHAIRMAN: Very well. I am sure Mr. Campbell, would  
16 like some rest from you.

17 DR. MALCOLM: As I have indicated though Chair, I  
18 cannot be here tomorrow and if Mr.  
19 Campbell has to come back I would  
20 respectfully ask that I would be  
21 permitted if necessary, to question him  
22 further on that occasion.

23 CHAIRMAN: Well, so be it. Mr. Campbell, has a lot  
24 of work to go and do tonight. I say  
25 'tonight'.

1 DR. MALCOLM: Very well, much obliged.

2 CHAIRMAN: Mr. Campbell?

3 A Yes, sir.

4 CHAIRMAN: You have undertaken solemnly to obtain  
5 certain information for the use of this  
6 Commission, we would be obliged if you  
7 would issue instructions, marshall your  
8 troops and go to battle what you have  
9 undertaken to do. Your staff is in  
10 place, they haven't gone home yet.

11 A I don't know have the staff at this time  
12 to undertake that research tonight.

13 CHAIRMAN: Where are they gone? 4 o'clock is not  
14 the hour the officer is closed, it is  
15 not yet Christmas. You see, we are  
16 concerned about the cost to the  
17 taxpayers. There is a tax burden from  
18 this Commission of Enquiry so we don't  
19 want to increase it. And you have to  
20 bear in mind that we set the question  
21 some considerable time ago. So the onus  
22 is on you, when you I say 'you', your  
23 office.

24 A A month is hardly enough time to do all  
25 of that research, Mr. Chairman.

1 CHAIRMAN: How long you want, a year or so?

2 AUDIENCE: We are in the age of technology.

3 CHAIRMAN: I don't think FINSAC is a modern  
4 organization with modern methods so I  
5 hope it is not in the era of quilt pen,  
6 you have computers and all sort of  
7 things, you press button A.  
8 Mr. Campbell, when can you obtain those  
9 information? Every day has 24 hours, you  
10 don't need six hours to sleep.

11 A Mr. Chairman, you probably saw me  
12 leaning over to my right, I was  
13 wondering, I didn't make a note of all  
14 the things that have been asked of me so  
15 I was wondering how soon the a copy of  
16 the transcript could be made available  
17 so that I can be certain of all the  
18 things. I don't want not look to look  
19 for all the things that I have been  
20 asked to search for.

21 CHAIRMAN: You weren't a Boys Scout, were you?

22 A Perhaps I wasn't. I was busy answering  
23 the questions so I didn't get...

24 Q Perhaps? You weren't a Boys Scout or you  
25 were a Boys Scout? You either were or



1                                   were not. Perhaps don't come into it.  
2                                   You made no note? I thought I saw you  
3                                   you busy there writing.  
4                    A                   I made a note of some of the things, Mr.  
5                                   Chairman.  
6   CHAIRMAN:                   I tell you what you do, the ones you  
7                                   made a note of go and look for those and  
8                                   we will supply you those you cannot  
9                                   remember. Very well.  
10                   A                   Yes. But it is not something that I can  
11                                   finish overnight though.  
12   CHAIRMAN:                   You know what is interesting? If you ask  
13                                   somebody a positive question, when? You  
14                                   say, 'give me a positive answer'. Give  
15                                   me a positive answer, Mr. Campbell.  
16                   A                   I would I think I need probably about  
17                                   two weeks to do the research.  
18   AUDIENCE:                   What?  
19   CHAIRMAN:                   I think Christmas Day is an ideal time  
20                                   to come back.  
21                                   (LAUGHTER)  
22                                   Anyway in two weeks you can have  
23                                   the information ready?  
24                   A                   I will endeavour to do that, sir.  
25                   Q                   And you will put it in writing?

1           A           Yes, I will.

2           Q           Those that you have to answer and the  
3 documents you will produce in two weeks.  
4           (Off The Record Discussion)  
5           Dr. Malcolm, it doesn't look like we  
6 will have the pleasure of hearing you  
7 any further this part of Christmas.  
8           Because Mr. Campbell, has to go away and  
9 marshall his troops. So!

10   MR. ROBINSON:       Mr. Chairman?

11   CHAIRMAN:           Yes.

12   MR. LEVY:           Mr. Chairman, I would like a chance to  
13 question Mr. Campbell, tomorrow morning.

14   MR. WONG KEN:       I am going to draw on his experience as  
15 a banker in FINSAC.

16   MR. ROBINSON:       Wouldn't it be more prudent to allow  
17 Mr. Campbell, to do his research and  
18 when he returns all those questions  
19 would have asked around that. Because  
20 although my friend is saying that the  
21 questions he intends to ask will not  
22 necessitate a research but we are not  
23 sure, we can't can sure of that. I  
24 think it is tidier if we allow him to go  
25 and do that and when he comes back all

1 questions can be answered.

2 CHAIRMAN: Our approach is to march on. What we can get  
3 through we get through. What Mr. Campbell  
4 can't answer he answer. And the information  
5 he is required to do he does not have to do  
6 it. He is a centurion. He can give orders to  
7 had other centurions. "Go" and he goeth,  
8 "Come" and he cometh. So all he has to do is  
9 give the appropriate orders. Mr. Robinson,  
10 we are determined to keep this Commission  
11 going. We can't have people coming and  
12 going, coming and going with nothing  
13 happening and when you look into the Gleaner  
14 you see "Auction". So?  
15 Delayed tactics.  
16 AUDIENCE: I don't know what the schedule is. Is  
17  
18 it that we were scheduled for tomorrow  
19 to...  
20 CHAIRMAN: Yes sir, you were scheduled for  
21 tomorrow. So you have all night and come  
22 back tomorrow.  
23 MR. ROBINSON: So we were schedule for two days is that  
24 so?  
25 CHAIRMAN: There is also a caveat. The caveat is

1                   that although we have these schedules  
2                   *they* are not written in concrete because

3                   the witness might go longer or might  
4                   take a shorter time.

5   MR. SYKES:           And persons could be interposed.

6   CHAIRMAN:           All sorts things can take place. As I  
7                   said, we are determined to get this  
8                   Commission going and to prevent delays  
9                   as far as we can.

10   MR. SYKES:           And I am submitting Chair, that there  
11                   maybe someone to be interposed tomorrow.

12   CHAIRMAN:           You see, you weren't here listening to  
13                   me earlier on. I am not blaming you but  
14                   you weren't here listening to *me* earlier

15                   on. And I was pointing out to you our  
16                   difficulty, that when we write people  
17                   and say, 'speak to these things' some  
18                   people say, "So! What I have written, I  
19                   have written" and some say, "I am not  
20                   writing a thing but if you call me I  
21                   will come". I have evidence to say,  
22                   'come on day blank'. They say, Oh! No, I  
23                   can't come, I am going off to America'.  
24                   And we have all our difficulties. But  
25                   this Commission is going to go on

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

whether there is sleet or rain or  
hurricane or anything.

So we will adjourn until tomorrow morning  
at 9:30 when we look forward to hearing again  
from Mr. Campbell. Thank you very much. We  
now stand adjourned.

ADJOURNMENT TAKEN AT 4:20 P. M.