

VERBATIM NOTES
OF
COMMISSION OF ENQUIRY INTO CIRCUMSTANCES
THAT LED TO THE COLLAPSE OF THE FINANCIAL INSTITUTIONS
IN THE 1990s

HELD AT
THE JAMAICA PEGASUS HOTEL
81 KNUTSFORD BOULEVARD, KINGSTON 5

ON
WEDNESDAY, FEBRUARY 2, 2011

PRESENT WERE:

COMMISSIONERS

**Mr. Charles Ross
Mr. Worrick Bogle**

COUNSEL FOR THE COMMISSION

**Hon. Justice Henderson Downer (Retired)
Ms. Judith Clarke**

SECRETARY TO THE COMMISSION

Mr. Fernando DePeralto

REPRESENTING JAMAICAN REDEVELOPMENT FOUNDATION

Mrs. Sandra Minott-Phillips – Attorney-at-Law

GIVING EVIDENCE

Mr. Michael Hendricks

1 Finsac Enquiry 02.02.11

2

3 COMM. BOGLE: Good morning everyone. This Enquiry is
4 now had in session.
5 May we have the names of the attorneys
6 for the record.

7 MRS. PHILLIPS: Sandra Minott Phillips, instructed by
8 Myers Fletcher and Gordon for Jamaican
9 Redevelopment Foundation.

10 COMM. BOGLE: Thank you.

11 MS. CLARKE: I am Judith Clarke, appearing on behalf
12 of the witness before the Commission
13 this morning, Mr. Michael Hendricks.

14 COMM. BOGLE: Thank you very much. Could you call
15 your witness.

16 MS. CLARKE: Mr. Michael Hendricks.
17 (Witness called and sworn)

18 COMM. BOGLE: Thank you very much.

19 MS. CLARKE: Good morning, Mr. Hendricks.

20 MR. HENDRICKS: Good morning.

21 Q: Can you state your full name, address
22 and occupation.

23 A: My name is Michael Anthony Hendricks. I
24 am a businessman.

25 Q: And you reside at Cassandra Mews,

1 Kingston 10?

2 A: Yes number 8 Cassandra Mews.

3 Q: Now did you give a written statement for
4 the purpose of this Enquiry?

5 A: Yes, miss.

6 Q: And you signed to it?

7 A: Yes, miss.

8 MS. CLARKE: Sirs, may the statement of Mr. Michael
9 Hendricks be shown to him.
10 (Statement shown to witness)

11 MR. DePERALTO: Is that the statement?

12 A: Yes this is the statement.

13 MS. CLARKE: You see your signature on it?

14 A: Yes miss.

15 Q: Now, you have said in your statement
16 that sometime in the 1980s, thereabout
17 you became a shareholder in Workers Bank
18 and a customer of the National
19 Commercial Bank, is that a fact?

20 A: Yes, miss.

21 Q: And also that you became a customer of
22 Corporate Merchant Bank, an affiliate of
23 Workers Bank in 1966?

24 A: Yes, miss.

25 Q: You have said in your statement as well,

1 that you have approached this Commission
2 on two bases and in relation to two
3 institutions, mainly. Could you just
4 give an idea as to what these
5 institutions are, or were?

6 A: The National Commercial Bank, Half Way
7 Tree branch and Corporate Merchant Bank
8 which was Knutsford Boulevard.

9 Q: And both of these institutions fell, to
10 be taken over, as it were, by FINSAC at
11 some point.

12 A: Yes, miss.

13 Q: And you are contending that Corporate
14 Merchant Bank, National Commercial Bank
15 and FINSAC have been unfair in their
16 dealings with you and your investment?

17 A: Yes, miss.

18 Q: Have you also in the process of seeking
19 to get redress had to do with Joslin
20 Jamaica limited?

21 A: Yes, miss.

22 Q: And you have also had dealings with
23 International Asset Services Limited?

24 A: Yes, miss.

25 Q: Could you start by telling us about your

1 complaints against Corporate Merchant
2 Bank.

3 A: In about 1996, miss...

4 MS. CLARKE: Excuse me, sir.

5 May I indicate to the witness that he
6 might be at liberty to refer to his
7 witness statement?

8 COMM. ROSS: The witness mentioned being unfairly
9 treated but in the statement he goes a
10 bit further than that.

11 MS. CLARKE: You are also contending, Mr. Hendricks,
12 that they have been fraudulent in their
13 dealings with you?

14 A: Yes, miss.

15 Q: The Corporate Merchant Bank my learned
16 friend is asking -- in your statement
17 have you indicated that Corporate
18 Merchant Bank, National Commercial Bank
19 and FINSAC have been fraudulent in their
20 dealings with you?

21 A: Yes, miss.

22 Q: Could you tell us, firstly give us an
23 account, if you will, of your encounters
24 on your investment with Corporate
25 Merchant Bank?

1 A: Yes, Miss. In around 1996, Miss, I
2 placed \$2-million on Fixed Deposit with
3 the Corporate Merchant Bank. This \$2-
4 million was supposed to be rolled over
5 monthly, like every month.

6 Q: And you were given a Certificate of
7 Deposit?

8 A: Yes, miss.

9 Q: Go ahead?

10 A: Some time later my relationship got sour
11 with my child's mother.

12 Q: Hold on a minute. You said you placed
13 \$2-million at Corporate Merchant Bank on
14 a Certificate of Deposit; you deposited
15 it and you got a Certificate of Deposit?

16 A: Yes, miss.

17 Q: When you initially deposited it, for how
18 long was it placed there?

19 A: One month.

20 Q: Thirty days?

21 A: Yes, 30 days.

22 Q: And you were saying to the Commission
23 that the agreement would be that it
24 would be rolled over at the end of
25 thirty days?

1 A: Yes, Miss.

2 Q: And you went back at the end of the
3 first thirty days and you gave
4 instructions for it to be rolled over?

5 A: Yes, miss.

6 Q: And you have said in your statement that
7 before the first roll-over Workers Bank
8 and Corporate Merchant Bank collapsed?

9 A: Yes, miss.

10 Q: Before it was rolled over the first
11 time?

12 A: Yes, miss.

13 Q: You placed it for thirty days and before
14 the second 30 days came the Bank
15 collapsed.

16 A: Yes, miss.

17 Q: Go on.

18 A: Prior to that my Certificate was removed
19 from my apartment, the Certificate that
20 they gave me and I went in to them and
21 indicated that to them and asked for a
22 replacement but instead of getting a
23 replacement they wrote something and
24 gave it to me.

25 Q: Is that something the document that you

1 refer to in paragraph 5 of your Witness
2 Statement? You said in paragraph 5, the
3 same paragraph 5 of your Witness
4 Statement, Mr. Hendricks; I gave
5 instructions that they should not under
6 any circumstances deal with my deposit
7 without contacting me and that is
8 because the Certificate went missing?

9 A: Yes, miss.

10 Q: **"In keeping with those instructions a**
11 **lady at the bank by the name of Jackie**
12 **Shim gave me a hand written note on the**
13 **CMB's letterhead stating that the bank**
14 **would not encash my facility without**
15 **written instructions from me."**

16 And that is the document which you
17 called 'Michael Hendricks 1'?

18 A: Yes, miss.

19 Q: It is the first attachment, sir, to the
20 witness's affidavit and for the benefit
21 of the Enquiry I'll read or I'll ask
22 Mr. Hendricks to read that document
23 marked MH1 and signed by Jackie Shim.

24 CHAIRMAN: Mr. Hendricks, could you read that note
25 for us.

1 A: "Mr. Michael Hendricks.
2 This is to confirm that we will not
3 encash your facility until we get
4 written instructions from you.
5 Yours sincerely.
6 Jackie Shim

7 Q: Does this copy bear a date?

8 A: No, no date.

9 Q: It is not dated?

10 A: No.

11 Q: But this is the document that you got
12 from Corporate Merchant Bank, Jackie
13 Shim?

14 A: Yes.

15 A: When you indicated that the Certificate
16 was missing and they should not deal
17 with it without any instructions.

18 A: Yes.

19 COMM. BOGLE: The two million that is noted on this,
20 was it written in by you?

21 A: No, it was written by she.

22 Q: By Jackie Shim?

23 A: Yes, sir.

24 MS. CLARKE: Having received this document from
25 Corporate Merchant Bank, did you at any

1 time subsequently return and give any
2 instructions, that is before the
3 collapse, for them to deal with your
4 \$2-million in any way?

5 A: No, miss.

6 Q: Now, you said that before the first roll
7 over Corporate Merchant Bank collapsed
8 and after that, some time after that,
9 you received correspondence from FINSAC
10 acknowledging that your deposit of
11 \$2-million was recognized?

12 A: Yes, miss.

13 Q: Somebody wrote to you telling you that
14 you had \$2-million in Corporate Merchant
15 Bank?

16 A: Yes, miss.

17 Q: And you are saying that you are not able
18 to find this letter because you sent it
19 either to Bank of Jamaica or Union Bank
20 in the course of your trying to find out
21 what became of your money?

22 A: Yes, miss.

23 Q: So having gotten this letter from Jackie
24 Shim, this note, letter, on Corporate
25 Merchant Bank's letterhead, you said you

1 went into Union Bank and spoke to a
2 Miss Mary Powell?

3 A: Yes, miss.

4 Q: Could you elaborate on that some what? I
5 am referring particularly to what you
6 said at paragraph 7 of the Witness
7 Statement.

8 A: Workers Bank went down and Union bank
9 took over Workers Bank and Citizens
10 Bank, etc., I think another bank was
11 also in it. I then went to Union Bank
12 and I spoke to one Miss Mary Powell and
13 she directed me to FINSAC. At the time
14 I went to FINSAC which was on Knutsford
15 Boulevard and I spoke to one Mr. Gooden
16 there and he indicated to me that he
17 would have to speak back to Miss Mary
18 Powell and he took up the phone and he
19 called her and about five minutes after
20 he told me that he would have to set a
21 meeting; Miss Powell, himself and
22 another lady.

23 Q: And after this you went and you got a
24 letter from Mary Powell asking you to
25 bring in a copy of your contract?

1 A: Yes. She did ask me to take in a copy of
2 my contract?

3 A: And that to you would have been
4 referring to the Certificate of Deposit
5 which you couldn't find?
6 Precisely.

7 Q: Having received this letter from Union
8 Bank asking you to bring in a copy of
9 the contract, did you hear from them
10 after that?

11 A: No, I then started to deal with
12 Mr. Gooden at FINSAC because they
13 directed me to Mr. Gooden.

14 Q: So when Mr. Gooden told you that he
15 would have to meet with Miss Mary Powell
16 and another lady and get back to you,
17 did he get back to you?

18 A: No, I had was to get back to him about
19 two weeks later.

20 Q: At the end of that two weeks when you
21 went back to him, two weeks later did he
22 say anything to you, and if so what?

23 A: He told me he would have to investigate
24 the matter further.

25 Q: What did you do after that?

1 A: At first I gave him some time and then I
2 went in back to him and spoke to him and
3 I wasn't reaching anywhere then I wrote
4 the Bank of Jamaica. After I wrote the
5 Bank of Jamaica...

6 Q: Hold on a minute. I am referring to
7 paragraph 11 of your Witness Statement.
8 You did say you kept going back to Mr.
9 Gooden week after week and he kept
10 saying to you that the investigations
11 were incomplete?

12 A: Yes.

13 Q: Is it a fact that on one of your visits
14 to Mr. Gooden he instructed you to write
15 a letter to FINSAC?

16 A: Yes, he did.

17 Q: That is while you were in the office
18 with him?

19 A: Yes.

20 Q: And did you write such a letter?

21 A: Yes, I wrote something in regard to the
22 money to FINSAC.

23 Q: And did you receive a response to that
24 letter?

25 A: No.

1 Q: Paragraph 11 of your Witness Statement I
2 referring to?

3 A: I don't remember.

4 Q: That letter that Mr. Gooden instructed
5 you to write and you wrote, you said you
6 received a response by way of a letter
7 dated 4th December, 2002 inviting me to
8 come in and discuss the matter. Look at
9 paragraph 11 of your Witness Statement,
10 Mr. Hendricks. Could you read paragraph
11 11 of your Witness Statement.

12 A: I kept going back, week after week and
13 month after month. He kept saying that
14 the investigations were incomplete. On
15 one of my visits Mr. Gooden instructed
16 me to write a letter to FINSAC, which I
17 did while at the FINSAC office. Soon
18 after, I received a response from FINSAC
19 by way of a letter dated 4th December,
20 2002 inviting me to come in and discuss
21 the matter.

22 MS. CLARKE: That is a letter that you say is marked
23 'Michael Hendricks 3'?

24 A: Yes.

25 Q: That is in fact the third document

1 attached to the Witness Statement.

2 Could you please read that document

3 Mr. Hendricks.

4 A: It is saying:

5 "Re investment with Corporate Merchant
6 Bank.

7 Reference is made to your letter dated
8 December 3, 2002 concerning your
9 investment with Corporate Merchant Bank.
10 Kindly contact the undersigned in order
11 to make an appointment for a meeting to
12 further discuss the matter.

13 Yours sincerely.

14 Dolsie Allen, Mrs."

15 Q: So this is the letter that you got in
16 response to your letter that you wrote
17 when Mr. Gooden told you to put it in
18 writing, to write a letter?

19 A: Yes, miss.

20 MS. CLARKE: I crave your indulgence, Commissioners.
21 There is the exhibit Michael Hendricks 2
22 which he mentioned at Paragraph 8 of his
23 affidavit. That letter in which he said
24 he was requested to bring in a copy of
25 his contract. That is the letter from

1 Union Bank dated May 24, 2000. I
2 omitted to refer specifically to the
3 exhibit. I would just like to bring it
4 to the attention of the Enquiry and ask
5 the witness to read it as well. The
6 letter you got from Union Bank after you
7 went in and spoke to Miss Mary Powell.
8 It is the Second attachment to the
9 statement, dated May 24, 2000. Could
10 you read it for the purposes of the
11 **Enquiry.**

12 **A:** "Re Claim against Workers Bank.
13 We refer to your letter dated May 20,
14 2010 on the matter at caption and advise
15 that you submit to us the contract that
16 you referred to in your letter in order
17 for us to investigate the matter.
18 We look forward to hearing from you.
19 Yours truly.
20 Mary Powell.
21 General Manager finance."

22 **Q:** Thank you very much.
23 Now having received this letter from
24 FINSAC now -- you might be a little
25 thrown off as you just read the letter

1 from Union Bank but we are now at the
2 letter from FINSAC again, the one dated
3 4th December, 2002 where they asked you
4 to contact them and make an appointment
5 Did you make that appointment. Did you
6 contact FINSAC to make that appointment?

7 A: Yes, miss.

8 Q: And you said that you went back to
9 Mr. Gooden and he told you again that he
10 would have to investigate the matter?

11 A: Yes, miss.

12 Q: And you said that this went on for
13 probably four years?

14 A: Yes, miss.

15 Q: This communication where Mr. Gooden kept
16 telling you he would have to investigate
17 the matter, this went on for about four
18 years?

19 A: Yes, miss.

20 Q: With no development?

21 A: Yes, miss.

22 Q: No advancing of the investigation?

23 A: Yes, miss.

24 Q: And then after that you said Mr. Gooden
25 told you that the matter went to a board

1 meeting:

2 A: Yes, miss.

3 Q: Did he tell you whether there was any

4 decision made at that board meeting?

5 A: Yes, miss, this is last time he told me

6 that he decided I should retrieve my

7 funds with interest at accrual over the

8 years.

9 Q: And he said that he would be getting in

10 touch with you?

11 A: Yes, miss.

12 Q: Did he get in touch with you?

13 A: No, miss.

14 Q: Did you get in touch with him again?

15 A: Yes. I saw him some time later.

16 Q: So you went back to FINSAC and saw him?

17 A: No, I saw him round by a restaurant in

18 New Kingston.

19 Q: Before you saw him at the restaurant in

20 new Kingston he didn't get in touch with

21 you after he told you that you would be

22 getting your money back?

23 A: No, miss.

24 Q: Did you get in touch with him?

25 A: I always went to FINSAC.

1 him resigned his job.

2 Q: And who did you speak to, if anyone,
3 when you went and you found that
4 Mr. Gooden had left?

5 A: The secretary told me that.

6 Q: So did you have an opportunity to speak
7 with any other person about your
8 investments?

9 A: Yes, some time after.

10 Q: Was there somebody who took over from
11 Mr. Gooden.

12 A: Yes, Mr. Errol Campbell.

13 Q: And you indicated to him, you said you
14 told him what Mr. Gooden had told you,
15 that you were entitled to have your
16 money back.

17 A: Yes, miss, and he told me that -- Bank
18 of Jamaica told me that I was the only
19 one who did not retrieve my funds.

20 Q: I am not at Bank of Jamaica yet, I am
21 still talking about Mr. Errol Campbell.
22 Now when you went back -- Oh! You told
23 him that, that Bank of Jamaica told you
24 that?

25 A: Yes, and I also told him Mr. Gooden told

1 me that is a lady and myself did not
2 retrieve our funds, is not me alone.

3 Q: You had a conversation with Mr. Errol
4 Campbell?

5 A: Yes.

6 Q: Who took over from Mr. Martin Gooden?

7 A: Yes, miss.

8 Q: And Mr. Errol Campbell also told you
9 that the matter would have to go to a
10 board meeting?

11 A: Yes, miss.

12 Q: And you responded by saying to him that
13 the matter had already gone to more than
14 one board meeting?

15 A: Yes, miss.

16 Q: At which point he said that there was no
17 such record of the matter having gone to
18 board meeting? Mr. Errol Campbell told
19 you that?

20 A: Yes, miss.

21 Q: That there was nothing on the record at
22 FINSAC to indicate that the matter had
23 gone to board meeting?

24 A: Yes, miss.

25 Q: Could you look at paragraph 15 of your

1 Witness Statement now, Mr. Hendricks.

2 You say that having had this meeting and

3 communication with Mr. Errol Campbell he

4 did not give you a time to return to him

5 even though he told you the matter would

6 have to go to board meeting?

7 A: No.

8 Q: You went back later and he told you the

9 board meeting had not yet been convened?

10 A: Yes, miss.

11 Q: And you would have to give him some

12 time?

13 A: Yes, miss.

14 Q: Did you hear from him any time after you

15 left at that point, did he contact you?

16 A: Yes, miss.

17 Q: Did Mr. Errol Campbell himself contact

18 you after what you said happened at

19 paragraph 15?

20 A: No, I always have to contact him.

21 Q: You kept going back?

22 A: Yes.

23 Q: And he kept telling you that the meeting

24 had not yet been held?

25 A: Yes, miss.

1 Q: And after your several visits, you say
2 Mr. Errol Campbell told you, you would
3 have to call in the police?
4 A: That is what he told me.
5 Q: What was your response to him?
6 A: I told him that is not my concern, he is
7 the one who is supposed to call in the
8 Police if there is a problem at his
9 company.
10 Q: And you would honestly say that at that
11 point you were quite upset?
12 A: Yes, miss.
13 Q: That was years after?
14 A: Years after.
15 Q: You were starting to investigate your
16 investment with FINSAC?
17 A: Yes, miss.
18 Q: But in the mean time, you said while
19 you were hearing nothing meaningful from
20 FINSAC, nothing meaningful from Union
21 Bank, you wrote a letter to the Bank of
22 Jamaica seeking their assistance in
23 recovering your money?
24 A: Yes, miss.
25 Q: And this was about in 2002?

1 A: Yes, miss.

2 Q: Paragraph 17 now in the Witness
3 Statement you said Bank of Jamaica also
4 requested me to send in documents in
5 proof of my investment and they wrote to
6 you making this request by letter dated
7 2nd October 2002; Exhibit Michael
8 Hendricks 4. Let's find it
9 Mr. Hendricks.

10 May I with your leave read this letter,
11 Commission? This is letter addressed to
12 Mr. Michael Hendricks from the Bank of
13 Jamaica dated 2nd October, 2002.

14 **"Re: Letter of complaint against**
15 **Corporate Merchant Bank (CMB)**

16 We refer to your letter of complaint
17 against the captioned institution, which
18 was received on August 23, 2002.

19 It appears from your letter that the
20 issue is you inability to obtain a
21 return of investment funds totaling J\$2
22 million that you state were invested on
23 Promissory Note with Corporate Merchant
24 Bank in 1966. You are no doubt aware
25 that the Government of Jamaica made

1 payment to all depositors in intervened
2 licensees including members of the
3 Corporate Group of which CMB was a
4 member. However such obligation does
5 not extend to investors in which
6 category it appears you would fall.
7 In order to look further into this
8 matter it would be necessary for you to
9 forward copies of the documents in your
10 possession evidencing the investment of
11 the funds with CMB. Once these
12 documents are in our possession, we will
13 be in a better position to write to the
14 institutions that may be able to assist
15 the Bank of Jamaica with ascertaining
16 the location of your funds. From your
17 letter the relevant institutions appear
18 to be:

19 (i) RBTT (which is the acquirer of Union
20 Bank which took over some members
21 of the Corporate Group) .
22 (ii; Jamaica Refin Trust Limited; and.
23 (iii) Joslin Jamaica Limited.

24 It will be necessary to communicate with
25 the institutions cited at (ii) and (iii)

1 above in relation to the funds in
2 question since the copy letter you
3 submitted from Jamaica Refin Trust
4 Limited spoke only to your indebtedness
5 being taken over by Joslin Jamaica
6 Limited and your letter did not speak to
7 your borrowing funds from CMB.
8 We look forward to your sending us the
9 requested information to facilitate the
10 resolution of this matter."

11 Now may we, Mr. Hendricks, return to
12 your Witness Statement. We are now at
13 paragraph 18. Still at paragraph 17,
14 because you said you did something in
15 response to that letter from the Bank of
16 Jamaica. You said you gave them a copy
17 of that letter on the letterhead from
18 Jackie Shim?

19 A: Yes, miss.

20 Q: And would that be all you had in your
21 possession relative your investment at
22 that time?

23 A: Yes, miss.

24 Q: And you kept in touch with Maurine Simms
25 of BOJ, the writer of that letter I just

1 read?

2 A: Yes, Miss.

3 COMM. BOGLE: Just a minute. At paragraph 17: "I gave
4 them a copy of that same note and
5 mentioned in paragraph 5 and the letter
6 from FINSAC acknowledging the fact of my
7 investment."

8 MS. CLARKE: Yes.

9 COMM. BOGLE: Was there a letter from FINSAC
10 acknowledging the fact of this
11 investment?

12 MS. CLARKE: He did in fact refer to that letter at
13 paragraph 6 of his Witness Statement.
14 And that he has indicated would be one
15 of the documents that might have been
16 left with either BOJ or Union Bank; he
17 was not able to recall.

18 At paragraph 17 you say that you in fact
19 gave them that copy letter that FINSAC
20 had written to you saying that you had
21 \$2 million?

22 A: Yes, miss.

23 Q: That is your recollection?

24 A: Yes, Miss.

25 COMM. BOGLE: Therefore at 6 when he said he sent the

1 letter either to the Bank of Jamaica or
2 the Union Bank he would therefore be
3 saying that in actual fact he sent it to
4 Bank of Jamaica and not Union bank?

5 MS. CLARKE: Could you clear that up, Mr. Hendricks.

6 MR. HENDRICKS: Apparently when I sent the document to
7 the Bank of Jamaica it was copied so
8 apparently Bank of Jamaica would get a
9 copy and I don't know if it is Union
10 Bank would get the original or Bank of
11 Jamaica would have the original and
12 Union Bank would get a copy.

13 COMM. BOGLE: Are you saying you sent copies of the
14 communication to both Bank of Jamaica
15 and the Union Bank?

16 A: Yes, sir.

17 MS. CLARKE: One got a photocopy and one got the
18 original.

19 A: Yes.

20 Q: And you never kept a copy?

21 A: No.

22 COMM. BOGLE: In which case are we amending the
23 statement at 6?

24 MS. CLARKE: Having regard to the evidence, sir, I
25 believe perhaps we would amend it simply

1 to indicate that there was a reference
2 to both original and a photocopy.

3 COMM. BOGLE: He said he sent the letter to either.

4 MS. CLARKE: And 'letter' would mean the original
5 letter, so it would not conflict in
6 substance.

7 COMM. BOGLE: Expand a bit more then.

8 MS. CLARKE: So you are saying that in your encounter
9 with Union Bank you gave them the
10 correspondence from FINSAC saying that
11 you have \$2- million but you are not
12 able to say whether you gave them a
13 photocopy or the original?

14 MR. HENDRICKS: Precisely.

15 Q: But you are sure you gave them the
16 correspondence, either the original or a
17 copy?

18 A: I had was to carry some documents over
19 there along with my Passport and they
20 would photocopy those documents and my
21 Passport also and kept it at Union Bank
22 and then it was sold to RBTT.

23 Q: And you are also saying that in your
24 correspondence with BOJ that letter that
25 you got from FINSAC saying that you had

1 \$2- million you gave them it, but you
2 are not sure whether it was the
3 original or a copy?
4 A: Or a copy, right.
5 Q: So either institution might have got the
6 original or a copy?
7 A: Or a copy.
8 MS. CLARKE: May I proceed, sir?
9 COMM. BOGLE: Yes you may.
10 MS. CLARKE: You said in your quest to retrieve your
11 investment you kept in touch with BOJ,
12 the lady at BOJ, the Miss Simms -- we
13 are now at paragraph 18 -- and you also
14 wrote directly to the Minister of
15 Finance, the Honourable Mr. Audley Shaw?
16 MR. HENDRICKS: Yes.
17 Q: Did he ever respond to you directly?
18 A: No.
19 Q: And you said having had no response from
20 the Minister you called Miss Simms at
21 BOJ?
22 A: Yes, miss.
23 Q: And she gave you certain instructions?
24 A: Yes, miss.
25 Q: And could you indicate from your

1 evidence what directions Miss Simms at
2 BOJ gave you.

3 A: She told me I should go to the Ministry
4 of Finance and I should try and talk to
5 one Mrs. Robertson there.

6 Q: So did you go?

7 A: Yes, miss.

8 Q: Having gone Mrs. Robertson you said she
9 gave you a number to another person in
10 the same Ministry?

11 A: Yes, miss.

12 Q: Who was this person?

13 A: One Mr. Boothe.

14 Q: And you called Mr. Boothe on the phone?

15 A: Yes, miss.

16 Q: And you left a message?

17 A: Yes, miss.

18 Q: And he returned the call?

19 A: Yes, miss.

20 Q: What did Mr. Boothe say to you during
21 the course of that call? You may refer
22 to your statement?

23 A: During that conversation we had, he
24 indicated to me that I should go to Mr.
25 Campbell, Errol Campbell and

1 Mr. Campbell should tell me where I must
2 go and pick up my money. He is going to
3 pay it at FINSAC or the bank.

4 Q: That's what Mr. Boothe told you?

5 A: Yes, because he told me that the matter
6 was investigated already.

7 Q: Mr. Boothe told you the matter has been
8 investigated already?

9 A: Yes, miss.

10 Q: And gave you directions to go back to
11 Mr. Errol Campbell and ask where you to
12 pick up your money?

13 A: Yes, him say Mr. Campbell should tell me
14 if FINSAC is going to pay the money or
15 the bank is going to pay the money so I
16 must go back up there to them.

17

18

19 CONTINUED.....

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1

2 MS CLARKE: And did you go?

3 MR. HENDRICKS: Yes, miss.

4 Q: And you told him what Mr. Boothe had

5 said?

6 A: Yes, miss.

7 Q: And Mr. Campbell again told you that a

8 board meeting had to be held?

9 A: Yes, miss.

10 Q: At which point -- would I be correct if

11 I were to say that you would have been

12 totally frustrated at this point?

13 A: Yes miss, I was.

14 Q: So after all of this, you have had no

15 indication as to the whereabouts of your

16 two million dollars?

17 A: Precisely, miss.

18 Q: You have had no indication from FINSAC

19 as to whether a board meeting was held

20 finally or eventually held about your

21 complaint?

22 A: Yes, miss.

23 Q: Now has anybody said anything to you

24 since all of these meetings and meetings

25 with -- since the last time Mr. Errol

1 Campbell told you that a board meeting
2 was to be held, what have you heard from
3 FINSAC about your two million dollars?

4 A: All Mr. Campbell told me that I must
5 call in the police, that is the last
6 thing he said to me, I would have to
7 call in the police.

8 Q: And you would really -- your quest
9 relative to your complaint against
10 Corporate Merchant Bank before this
11 Commission is for some investigation to
12 be completed as to the whereabouts of
13 your money, your investment, the two
14 million dollars?

15 A: Yes, miss.

16 Q: And you would also like for some
17 enquiries to be made as to whether a
18 board meeting was held and with what
19 result as it relates to your investment?

20 A: Yes, because up until now I don't
21 believe that a board meeting was kept in
22 regard to Mr. Errol Campbell, Miss.

23 Q: You believe a board meeting was kept at
24 all about your money?

25 A: No, miss.

1 Q: You indicated in your statement,
2 Mr. Hendricks, that you also have a
3 complaint against the National
4 Commercial Bank?

5 A: That is so, miss.

6 COMM. BOGLE: Just a minute.

7 COMM. ROSS: Has Mr. Hendricks had any further
8 correspondence from the Bank of Jamaica?

9 A: No, sir, the last time I spoke with
10 someone at the Bank of Jamaica was Miss
11 Maureen Simms and she told me that I
12 should go to the Ministry of Finance and
13 deal with the matter and from that I
14 have not communicated back with her
15 until recently I tried to see if I could
16 ascertain the documents that I indicated
17 to the lawyer, a copy of that document.

18 Q: So did you you have -- with what result?

19 A: She suppose to give me back a call but I
20 have not heard from her.

21 Q: Those would be the documents that you
22 said you took in when she asked you to
23 bring in proof of your investment?

24 A: Right.

25 Q: You have since gone and asked whether

1 you could retrieve copies from the file
2 and she indicated to you that she will
3 get back in touch with you?

4 A: Right.

5 COMM. ROSS: My question relates to the point raised
6 in the Bank of Jamaica letter suggesting
7 that the category of investment he had
8 with Corporate Merchant Bank was not
9 eligible for refund, was that point
10 explored.

11 MS CLARKE: If I may answer for the witness, I
12 believe, based on this witness' layman's
13 limitation, he would not have delved
14 into that in terms of legality, the
15 rightness of it, the substance of it; I
16 believe his concern before this
17 Commission is as to one, the fact that
18 he had deposited this money with
19 Corporate Merchant Bank and two, there
20 came a take time when FINSAC took over
21 when it was acknowledged that that
22 deposit was in place and that he would
23 retrieve it and three, that since such a
24 representation has been made to him he
25 has basically been strung out on a limb

1 so in terms of the substance of the
2 BOJ's letter and the correctness of it,
3 I don't believe that it is something
4 that the witness has ever canvassed or
5 even sought to establish because in his
6 evidence, and in his mind he has
7 deposited this money, it was represented
8 to him, it was acknowledged, it was
9 represented to him by the institution
10 taking over from Corporate Merchant Bank
11 that he should have retrieved it and
12 that board meetings were held to that
13 end. I believe I am correct in saying
14 that that is the basis upon which this
15 witness has approached the Commission,
16 so in terms of the substance of the
17 BOJ's letter and as to whether it is
18 correct, and whether he fell into a
19 certain category, this is not something
20 he has explored, having regard to the
21 fact, based on his evidence, that he has
22 been told by these officials that you
23 are entitled to retrieve your money with
24 interest.
25 You have indicated in your witness

1 statement that you also have a complaint
2 against the National Commercial Bank?

3 A: Yes, Miss.

4 Q: Now, you said that prior -- I am at
5 paragraph 21, the subhead seems to have
6 fallen off on to a page earlier.

7 Paragraph 21, you had been banking with
8 NCB, Half Way Tree for several years
9 prior to 1995?

10 A: Yes, Miss.

11 Q: And you said before 1995 you had two
12 loans with them that you had taken out
13 to buy two buses?

14 A: Yes, miss, that is so.

15 Q: And these loans were paid up before 1995
16 which was when you approached them for
17 another loan, you paid off the loan you
18 borrowed to buy the two buses?

19 A: Yes, miss.

20 Q: Now you say in July 1995, you borrowed
21 \$361,000.00 from NCB to purchase a 1992
22 Isuzu bus?

23 A: Truck.

24 Q: Isuzu truck, I am sorry, because you
25 were going to use it in your business as

1 a haulage contractor?

2 A: Yes, miss, that is so.

3 Q: And this loan, a Nation Bank Loan it was
4 called?

5 A: Yes, miss.

6 Q: And it was for a period of five years?

7 A: Yes, miss.

8 Q: And you said that these details, all the
9 details which are mentioned in paragraph
10 23 are set out in a letter from National
11 Commercial Bank, a letter to you dated
12 July 7, 1995?

13 A: Yes, miss.

14 Q: The monthly interest rate was to be
15 \$13,236.67?

16 A: Yes, miss.

17 COMM. BOGLE: Monthly payments?

18 MS CLARKE: Monthly payments, I am so sorry.

19 The money that you were to be paying
20 back monthly was \$13,236.67?

21 A: Yes, miss.

22 Q: And the loan plus interest at the end of
23 the five years would total \$794,200.00?

24 A: Yes, miss.

25 Q: And this letter dated July 7, 1995 is

1 referred to in your witness statement as
2 Michael Hendricks 5. Could you turn to
3 it for me please.

4 Sirs, this is a rather lengthy letter,
5 but I would for the purposes of this
6 Enquiry wish to point out certain
7 salient aspects of it. Page 1 of the
8 letter, it is addressed to Mr. Michael
9 Hendricks, 8 Cassandra Mews, Kingston 8.

10 **Dear Mr. Hendricks**

11 **We are pleased to advise that your**
12 **application for banking facility --**

13 **I should also indicate that the date of**
14 **that letter is particularly instructive.**

15 **We are pleased to advise that the**
16 **application for banking facility**
17 **totaling \$361,000.00 has been approved**
18 **as detailed below.**

19 **And this is as of July 1995.**

20 **Facility and Terms of Repayment.**

21 **Nation Bank Loan \$361,000.00.**

22 **Interest \$433,200.00, repayable at the**
23 **figure we are saying is \$13,236.67 and**
24 **the loan would be for a period of five**
25 **years.**

1 There is a column subheaded 'Limit'
2 where the figure \$794,200.00 is
3 indicated.

4 The purpose of the loan as per the
5 letter is for consolidation of debt,
6 that will assume some significance I
7 believe having regard to the witness'
8 evidence and the purpose of the loan
9 would have been twofold, one
10 consolidation of debt and two to effect
11 a 1988 Encava bus.

12 The security, if I may say
13 interestingly, Commissioners, was one, a
14 guarantee by Venice Miller stamped to
15 cover \$370,000.00 supported by a Bill of
16 Sale over a 1988 Encava bus, so we are
17 reading this in tandem with number two,
18 the purpose indicated at number two, so,
19 the loan was also secured over a 1988
20 Encava bus in the names of Michael
21 Hendricks and Venice Miller,
22 comprehensively insured with the Bank's
23 interest noted, and the value of that
24 security was \$370,000.

25 The loan, Commissioners, was \$361,000,

1 the value of the security is \$370,000. I
2 believe there is a section on it where
3 the interest rate is indicated, I am
4 looking for it.

5 COMM. BOGLE: Page two.

6 MS CLARKE: Interest rate Nation Bank Loan - 24% per
7 annum add on, fixed for the term of the
8 loan and payable monthly. And then
9 there is a commitment fee and all of
10 that. I would want to indicate on behalf
11 of the witness for all my limited
12 mathematical skills, sir, that if we
13 were to refer back to page 1 of that
14 letter, it should be noted that that
15 sum, \$794,200 is in fact the sum of the
16 principal and the interest which would
17 have been the total amount payable at
18 the end of the five-year period.
19 If the witness may refer back to the
20 document at some later point but I would
21 like to go back to the witness statement
22 at paragraph 23 I believe.
23 Paragraph 24 Mr. Hendricks, you are
24 saying that having looked at that
25 document that we just read you noticed

1 recently that it states that the purpose
2 of the loan was for consolidation of
3 debt, that was one of the purposes
4 stated on it?

5 A: Yes, miss.

6 Q: And you said you didn't pay any
7 attention to this when you received this
8 letter?

9 A: Yes, miss.

10 Q: In fact, at the time when you took out
11 this loan in 1995 you did not have any
12 debt with NCB?

13 A: No, miss, no debt at all.

14 Q: There would be no debts to consolidate
15 at that point?

16 A: Precisely, miss.

17 Q: The Isuzu truck which you borrowed this
18 money to buy, you bought it for
19 \$500,000?

20 A: Yes, miss.

21 Q: So it was not one hundred percent loan?

22 A: No, miss, because the bank, in those
23 days the bank did not lend you one
24 hundred percent on secondhand vehicle,
25 you would have to come up with some

1 funds.

2 Q: And you said the loan was secured using
3 your clear title to your 1988 Encava bus
4 which you already had?

5 A: Yes, miss and a motorcar.

6 Q: And you had purchased this bus using a
7 loan from NCB as well?

8 A: Yes, miss.

9 Q: And you had paid off this loan?

10 A: Yes, miss.

11 Q: So you are saying at paragraph 25 that
12 the document we just read will show that
13 the bus which was then valued at
14 \$370,000 was used as collateral for the
15 loan of \$361,000?

16 A: Yes, miss.

17 Q: And that loan, having been repaid,
18 cleared that title so that the bus could
19 be used as security for the \$361,000?

20 A: Yes, miss, that is so.

21 Q: So the \$361,000 was not taken to
22 consolidate any pre-existing debt?

23 A: No, miss.

24 Q: 26, you say you serviced the loan
25 regularly and consistently every month

1 and after about five or six months,
2 within five or six months of purchasing
3 you sold it for \$850,000?

4 A: Yes, miss, that is so.

5 Q: And you say you were able to sell it for
6 \$850,000; why?

7 A: Because I sold it with two contracts,
8 one at HD Hopwood and another one at
9 Consumer Goods.

10 Q: When you passed it on you passed it on
11 with the benefit of two haulage
12 contracts?

13 A: Yes, miss.

14 Q: So having sold this truck for \$850,000,
15 you said you took that entire cheque for
16 \$850,000 to NCB and you enquired as to
17 how much money you owed on the loan?

18 A: Yes, miss, that was so.

19 Q: I grave you indulgence, I believe there
20 is a typographical error there, I
21 believe the words, 'and instructed them
22 and' ought to be deleted, it should be
23 'and enquired as to how much money I
24 owed on the loan', is that correct
25 Mr. Hendricks?

1 A: Yes, miss.

2 Q: You say you don't recall - we are now at
3 paragraph 27 - you don't recall what
4 figure they told you was owing but you
5 know the figure was less than the
6 principal of \$361,000, because you had
7 been paying, they told you a figure
8 which was less than \$361,000?

9 A: Yes, miss.

10 Q: So you gave them this cheque for
11 \$850,000 with what instruction, what did
12 you instruct them to do?

13 A: They were supposed to take out the
14 remainder of the loan and they should
15 credit my account with the balance.

16 Q: Okay. And you said at that time the
17 account that you would have been asking
18 them to credit was a savings account
19 that you held at the bank?

20 A: Yes, miss.

21 Q: And you wrote up two deposit slips and
22 left them at the bank with a manager by
23 the name of Miss Green?

24 A: Yes, miss.

25 Q: And when you left the bank you never

1 intended to touch those funds in your
2 savings account for awhile?

3 A: No, miss.

4 Q: So you left and went along on your merry
5 way?

6 A: Yes, miss.

7 Q: You said that after this, sometime after
8 going to the bank and leaving this
9 \$850,000 you became ill?

10 A: Yes, miss.

11 Q: And this was a result of a assault that
12 was committed against you and your were
13 physically disabled and psychologically
14 dislocated for a couple of years?

15 A: Yes, miss.

16 Q: You never went back to the bank during
17 that time?

18 A: No, miss.

19 Q: You said now in about 1998 you went to
20 withdraw money from your savings account
21 and you realized that no fund had been
22 lodged in keeping with your
23 instructions?

24 A: Yes, miss.

25 Q: And when you raised an alarm you said

1 they told you that you would have to
2 speak to the Manager, Miss Green?
3 A: Yes, miss.
4 Q: But were you able to speak with her?
5 A: No, miss.
6 Q: You were not able to speak with her that
7 day?
8 A: No, miss.
9 Q: Were you able to speak with her after
10 that.
11 A: No, miss, she left the bank.
12 Q: When you went back they told you she had
13 left?
14 A: Yes.
15 Q: You said you kept making enquiries about
16 your money and the cheque for \$850,000
17 dollars but you were not getting any
18 meaningful response?
19 A: Yes, miss.
20 Q: Were you or were you not?
21 A: I wasn't getting any response miss, they
22 send me to Atrium, I have to go to the
23 head office.
24 Q: So in 1999 you said you went back to NCB
25 Half Way Tree Branch to enquire about

1 your money and they told you that you
2 would have to go to head office at the
3 Atrium.
4 A: Yes, miss.
5 Q: Sorry, sir those question marks ought to
6 be deleted as well?
7 A: Yes miss.
8 Q: And you were told to speak with a
9 Mr. Aubyn Hill at that branch?
10 A: Yes, miss.
11 Q: And when you went to speak with
12 Mr. Aubyn Hill at the Atrium, did you
13 speak with him?
14 A: Him decline to see me, miss.
15 Q: And this is what somebody told you that
16 he would not see you?
17 A: Yes, the secretary told me that.
18 Q: And you were sent back to NCB, Half Way
19 Tree?
20 A: Yes, miss.
21 Q: And there you saw Mr. Campbell?
22 A: Yes.
23 Q: Is not the same Mr. Campbell we talked
24 about earlier in FINSAC?
25 A: No, miss.

1 Q: A different Mr. Campbell?

2 A: Yes, miss.

3 Q: And this Mr. Campbell was in charge of

4 Customer Service.

5 A: Yes, miss.

6 Q: And Mr. Campbell told you what?

7 A: He told me that he looked at the

8 documents and I have never paid any

9 money on the loan, and the loan was

10 never serviced.

11 Q: Okay. And he also told you that he saw

12 no evidence that you brought in a cheque

13 for \$850,000?

14 A: Yes, miss.

15 Q: And he told you that you would have to

16 bring in receipts and documentary data

17 to show you had made the payment?

18 A: Yes, miss.

19 Q: And you admitted before this Commission

20 that at this point you became very

21 boisterous, and you had to be removed

22 from the bank?

23 A: Yes, miss, I was removed from the bank.

24 Q: Because you were upset and frustrated,

25 correct?

1 A: Yes, miss.

2 Q: Now after this you said you heard that

3 Mr. Lee Chin had taken over the bank,

4 that is NCB?

5 A: Yes, miss.

6 Q: And you renewed your efforts to get your

7 money back?

8 A: Yes, miss.

9 Q: You went there now to speak with a

10 Mr. Patrick Hylton?

11 A: Yes, miss.

12 Q: And you were told by his Secretary also

13 that he would not speak with you either?

14 A: Yes, miss.

15 Q: But the Secretary told you that she

16 looked at your file and she saw that

17 Mr. Hill from The Atrium had dealt with

18 your matter already?

19 A: Yes, miss.

20 Q: Was this in fact true?

21 A: No miss, I have never spoken to him.

22 Q: You never got a chance to speak with

23 Mr. Hill?

24 A: No miss, never.

25 Q: So you say you kept going to NCB and you

1 were getting nowhere after that?

2 A: Yes miss, exactly.

3 Q: Paragraph 34 now, you said in 2001,
4 about 2001 you got a letter from Joslin
5 Jamaica Limited, paragraph 34 is where
6 we are at now and that letter indicated
7 that you owed NCB \$1.7 million?

8 A: Yes miss.

9 Q: And you are not able to find a copy of
10 that letter either, Mr. Hendricks?

11 A: No miss.

12 Q: Now let me ask you this. From the time
13 you were going to NCB, the 1998 time
14 when you got over your illness and went
15 to withdraw money and found there was
16 none, between that time in 1998 and
17 2001, did any person from NCB ever write
18 a letter to you indicating that you owed
19 the bank money?

20 A: No miss, never got a letter from NCB to
21 indicate that.

22 Q: Did you ever receive a demand notice
23 before this 2001 letter saying you owed
24 money on account of a loan?

25 A: No, miss.

1 Q: Or on account of anything?

2 A: No, miss because miss, at one stage
3 Mr. Bucknor from the bank, he indicated
4 to me that I am an 'A' customer in the
5 bank.

6 Q: Okay?

7 COMM. BOGLE: On that note, can we have our usual
8 break, we will break for ten minutes.

9

10 COFFEE BREAK

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1 ON RESUMPTION:

2 COMM. BOGLE: This Enquiry is now back in session.

3 Mr. Hendricks, please remember that you

4 are still under oath.

5 MR. HENDRICKS: Yes, sir.

6 COMM. BOGLE: Miss Clarke?

7 MISS CLARKE: Mr. Hendricks, just before we broke you

8 were giving evidence before this Enquiry

9 that at no time had you ever received

10 any correspondence from NCB indicating

11 that you were indebted to them or you

12 were in arrears of any loan?

13 A: Yes, ma'am.

14 Q: And you said that in fact a Mr. Bucknor

15 -- who was what, a Manager at the bank?

16 A: Yes, ma'am, he was a Manager at the

17 bank.

18 Q: He told you that you were an 'A'

19 customer?

20 A: Yes, miss.

21 Q: And you took that to mean that you were

22 an exemplary and very good customer?

23 A: Yes, miss.

24 Q: Now, having received this letter from

25 Dennis Joslin or Joslin Jamaica Limited

1 saying that you owed \$1.7 Million you
2 said you went there immediately, you
3 went to Joslin Jamaica Limited
4 immediately and spoke to a Mr. Paul
5 Chin?

6 A: Yes, miss.

7 Q: And during the course of that
8 conversation with Mr. Paul Chin you also
9 had occasions to meet with a lady who
10 identified herself as Mr. Joslin's wife?

11 A: Yes, miss.

12 Q: You explained to them that you had no
13 loan with NCB?

14 A: No, she asked me to write a letter. I
15 indicated to her that I did not owe the
16 bank any money and then she asked me to
17 put it in writing.

18 Q: And you also told them about the cheque
19 that you had taken to NCB earlier?

20 A: Yes. I told them that I gave NCB a
21 cheque for 'X' amount of money and the
22 loan was lower than the amount that I
23 gave them the cheque for.

24 Q: So you indicated to them that NCB in
25 fact owed you money?

1 A: Yes, miss.

2 Q: And she told you to put it in writing.
3 Did you do that?

4 A: Yes, miss. I wrote something and gave
5 it to her.

6 Q: While you were there?

7 A: Yes, miss.

8 Q: And you said Mr. Paul Chin went through
9 your file and told you to come back in
10 two days?

11 A: Yes, miss.

12 Q: And when you went back two days later,
13 what did he say to you?

14 A: He told me that I was right, I did not
15 owe the bank any money. He said Joslin
16 Jamaica do not pay back money, they buy
17 bad debts and I must go back to NCB at
18 Half-Way-Tree and tell them that him
19 Mr. Chin say they must put mi money into
20 my account.

21 Q: With this information, did you go back
22 to NCB, Half-Way-Tree?

23 A: Yes, I went there and I saw and spoke to
24 one Mr. Hyman who was a Manager at the
25 bank at the time.

1 gate to purchase something when one of
2 the workers from NCB, her husband walked
3 up to me and pulled a 9 Millimeter gun
4 and put in my face. He punched me into
5 my face and mashed up the whole of my
6 face and told me that I went to the bank
7 and in argument with his woman. I told
8 him that I did not see and speak to any
9 woman at the bank, I saw the Assistant
10 Manager, and I was sent to him. After
11 that I called the police and the police
12 came and took me to the Half-Way-Tree
13 Police Station and recorded a statement
14 there and they also brought him down
15 there. The Superintendent at the time
16 called me one side and told me that I
17 must not get tied up with these guys, I
18 must not tie up myself with them because
19 that is what they want and I must not go
20 any further with the matter, you know,
21 and I did that.

22 Q: And you didn't go any further with it?

23 A: No, miss.

24 Q: That was the result of your visit back
25 to the bank to tell them what Mr. Paul

1 Chin said what you were to say?

2 A: Yes, miss. I was knocked out for quite a
3 while because this guy is very big, you
4 know.

5 Q: Nothing further from NCB?

6 A: No, miss.

7 Q: But you say in 2003 now - you had said
8 earlier that in 2001 Joslin Jamaica
9 Limited wrote to you to tell you that
10 you owed \$1.7 Million?

11 A: Yes, miss.

12 Q: In 2003 you said you received a letter
13 from International Asset Services
14 Limited, IAS, dated April 30, 2006
15 stating that you owed \$1,176,368.57?

16 A: Yes, miss.

17 Q: And that letter is attached to your
18 evidence and marked Michael Hendricks 6.
19 Let's find it Mr. Hendricks. I will read
20 this letter for the benefit of the
21 Enquiry. It is a letter dated April 30,
22 2003 addressed to Mr. Michael Hendricks,
23 the caption reads:

24 **NCB LOAN FACILITY - MICHAEL HENDRICKS.**

25 **As you are aware, your loan account had**

1 been sold last year by FINSAC to the
2 Jamaica Redevelopment Foundation and it
3 was being serviced by Joslin Jamaica.
4 Recently the account was sold to our
5 firm International Asset Services
6 Limited.

7 A review of your files indicate that
8 your account has been dormant and no
9 effort being made to settle matters. We
10 wish you to immediately contact the
11 writer hereof with a view to discussing
12 the repayment of your obligation. In
13 this regard and as a sign of good faith,
14 be advised that we have frozen your
15 account at the point of purchase for the
16 time being which in and of itself is a
17 substantial write off of interest.

18 Your obligations are as follows:

19 Principal Balance - \$435,914.34.

20 Interest - 740,454.23.

21 Total - \$1,176,368.57.

22 It is our desire to arrive at an early
23 amicable settlement and to that end we
24 have worked out payment plans which
25 offer substantial discounts, however,

1 how the matter is handled hereafter is
2 entirely dependent on your co-operation
3 and response.

4 We look forward to an early reply.

5 Yours truly.

6 David L Edwards.

7 Exhibit, Michael Hendricks 6,
8 Commissioners.

9 Paragraph 39, now, Mr. Hendricks. You
10 say in response to that letter you went
11 to IAS and you spoke to a man by the
12 name of Mr. Bryan?

13 A: Yes, miss.

14 Q: And he said to you that the records
15 showed that you owed the money?

16 A: Yes, miss.

17 Q: He didn't show you any records himself
18 though?

19 A: No, miss.

20 Q: But before you left you said somebody
21 gave you something, a female employee
22 took a memo off the file and gave to
23 you?

24 A: Yes, miss.

25 Q: A document marked Memo to File.

1 A: Yes, miss.

2 Q: And she said this was on your file?

3 A: Yes, miss.

4 Q: It had no date?

5 A: Yes, miss.

6 Q: And you don't know who wrote that
7 document?

8 A: No, miss, I don't know who wrote that
9 document?

10 Q: And that document is exhibited as
11 Exhibit 7, Commissioners. I would like
12 with your permission to read through
13 this document in some aspect and make
14 some comments, just for emphasis for the
15 records. I would just like to bring some
16 matters to the attention of the enquiry.
17 This Memo to File. The heading of it
18 says **Michael Hendricks - NCB**. I think I
19 would be correct if I were to say that
20 it seems to be the nature of an internal
21 memo and it states:
22 On October 21, 1994 the following loans
23 were granted to Mr. Hendricks, the terms
24 of which were advised to him in a letter
25 dated November 1, 1994.

1 Nation Bank Loan \$500,000.00. That's one
2 loan. There was another loan as alleged
3 by this memo a Demand Loan that is for
4 \$390,000.00, Total Loan facility
5 \$890,000.00. The loans were secured by a
6 Bill of Sale over a 1993 Suzuki Swift, a
7 1992 Isuzu Truck and a 1988 Encava bus.
8 I pause here to ask the Commissioners to
9 bear in mind that that 1992 Isuzu truck
10 was bought using a loan which was
11 secured in 1995 and this memo speaks to
12 a loan taken out in 1994 which the truck
13 was used to secure the loan, the truck
14 was bought in 1995.
15 Repayment of the loans were to be by
16 monthly installments of \$28,056.00 over
17 three years. Interest monthly and
18 principal by 27/1/95 from sale of Encava
19 bus. This was how the repayment was to
20 be secured. On March 30, 1995
21 Mr. Hendricks tendered a Mutual Security
22 manager's cheque number 032354 in the
23 amount of \$850,000.00 being proceeds of
24 the sale of the Isuzu Truck. The loan
25 balances were then -- this is less than

1 a year after this 1994 facility would
2 have been taken out, the loan balances
3 were then: (a) Nation Bank Loan Less
4 Rebated Interest, the Nation Bank Loan
5 would be \$981,944.44, that loan, which,
6 based on this document, would have been
7 as of October 1994 it would have been
8 \$500,000.00. In March 1995 within five
9 months, that loan would have gone to
10 \$981,944.44, and there would have been,
11 based on this document, a rebate of the
12 interest in the amount of \$356,081.86
13 which would bring the loan balance to
14 \$625,862.58. That is as it relates to
15 the Nation Bank Loan.

16 There is an indication of the document
17 that there was also a Demand Loan which
18 as at March 30, 1995 was \$442,042.86.
19 Total indebtedness as at March 30, 1995
20 was \$1,067,905.44 and balance on the
21 Demand Loan after the sale funds, I
22 presume of \$850,000 were applied, would
23 have been \$217,905.44 as at March 30,
24 1995. The Memo continues:
25 On July 10, 1995 Mr. Hendricks applied

1 for a loan of \$120,000.00 to repair two
2 of his buses. The loan was approved and
3 a consolidation of the outstanding
4 amount plus cost was carried out as
5 follows:
6 Demand Loan - \$217 905.44.
7 Interest to 10/7/95 \$14,873.64.
8 New Funds \$120,000.00.
9 Stamp Duty 5,460.92.
10 Commitment Fee - \$2,760.00. Total
11 \$361,000. I am not sure about that
12 figure, but I don't know why I feel safe
13 in my calculation, but if the
14 Commissioners can assist me, the figure
15 just read should amount to \$361,000.00.
16 Now, they continued with this. This is
17 the loan for \$120,000.00 that they are
18 speaking about was to repair the two
19 buses and repaid by monthly installments
20 of \$13,236.67 with effect from 10/8/95.
21 I pause here again Commissioners, to
22 indicate that uncannily this monthly
23 repayment sum is identical to the
24 figure, to the monthly payment for the
25 loan secured in 1995, the loan that

1 Mr. Hendricks, the witness acknowledges
2 for \$361,000.00. The monthly repayment
3 sum indicated on this memo which was to
4 be a loan for \$120,000.00 is not an
5 identical figure. The buses were never
6 repaired, as a result the loan was never
7 secured. So that loan, the memo
8 indicates that loan for \$120,000.00 was
9 never secured, therefore it was never
10 disbursed.

11 COMM ROSS: I don't agree with that at all.

12 COMM. BOGLE: No, no, the buses were never repaired,
13 as a result the loan was never secured.

14 MISS CLARKE: Okay.

15 COMM. BOGLE: It doesn't say it wasn't disbursed.

16 MISS CLARKE: Okay, yes the loan was never secured.

17 COMM. BOGLE: Right.

18 MISS CLARKE: So that loan for \$120,000.00
19 interestingly bears the same monthly
20 payment sum, based on this memo.

21 COMM. BOGLE: Well, it would be the \$120,000.00 plus
22 the balance.

23 MISS CLARKE: All of it, the \$361,000.00.

24 COMM. BOGLE: Right.

25 MISS CLARKE: I crave your indulgence you know,

1 Mr. Bogle, because I don't know whether
2 we are at liberty to read this loan as a
3 consolidated sum for \$120,000.00.

4 COMM. BOGLE: What we are going by at this moment is
5 the exhibit here and the exhibit is
6 saying the \$361,000.00 is made up of....

7 A: And it is a consolidated loan.

8 COMM. BOGLE: Right of the Two Hundred and seventeen,
9 and the fourteen one twenty-five, and
10 the....

11 MISS CLARKE: Very well, sir.

12 COMM. BOGLE: This is what the document is saying?

13 MISS CLARKE: I am guided by you, sir.

14 The customer now claimed that he owed no
15 monies and in fact he is owed by the
16 bank. So this is a memo that
17 Mr. Hendricks got from a, if you will,
18 from a generous employee of IAS when
19 he went there.

20 Mr. Hendricks can we return to the
21 witness statement. We are at paragraph
22 40. I should also indicate relative to
23 that exhibit that there is no mention of
24 the loan evidence by the exhibit, I
25 think it was Michael Hendricks 4, the

1 loan that was disbursed for \$361,000.00.
2 There was no reference to that loan as
3 at that date in that memo. There is an
4 uncanny resemblance in the figures, but
5 there is no reference in terms of the
6 date.

7 MH5. As of July 7 a loan for
8 \$361,000.00 was approved to him, and
9 there is no reference to that loan and
10 in particular to its particular terms.

11 COMM. BOGLE: When I look at Exhibit 7, MH7, it is
12 saying that the total liability as at
13 July 10, 1995 was \$361,000.00 which now
14 accords with July 7.

15 MISS CLARKE: In terms of the figure, it does.

16 COMM. BOGLE: \$361,000.00 and the repayment, and also
17 it accords with the purpose, which is
18 consolidation of debt, and it would
19 appear, and this is just an assumption,
20 that two is to effect repairs to Encava
21 bus which would accord with the notes
22 following.

23 MISS CLARKE: It does make sense, sir, but if you look
24 at the terms embodied in this letter,
25 apart from the figure, the monthly

1 payment, the period of the loan, the
2 interest rate and the date, there is not
3 any reference to it in any specific
4 terms in the memo itself. I made these
5 comments, sir, I may be correct, I may
6 not be, but these are for the attention
7 and the assessment and the analysis of
8 the Commission, because if you look back
9 at that memo there is an indication in
10 that memo that a 1994 loan was secured
11 to purchase a 1992 bus. So the memo...

12 COMM. BOGLE: Can we ask Mr. Hendricks. Mr.
13 Hendricks, did you at any time during
14 this period own a 1993 Suzuki Swift?

15 A: Yes, sir.

16 COMM. BOGLE: In 1995, do you at any time remember
17 having a Nation Bank Loan for
18 \$500,000.00 and a Demand Loan for
19 \$390,000.00, do you remember having
20 those loans?

21 A: No, sir, it is only one loan I got from
22 the bank to purchase a truck, sir.

23 COMM. BOGLE: And that was for how much?

24 A: \$361,000.00, and they could have put on
25 stamp duties.

[illegible]

4 A: I got a loan prior to that, but that
5 loan was paid off, to purchase two
6 Encava buses.

7 COMM. BOGLE: And none of those loans is represented
8 here in this Memo to File, that's the
9 \$500,000.00 and the \$390,000.00, those
10 loans are not represented here?

11 A: No, sir. Because if I did owe the bank
12 at that time the bank would not purchase
13 a truck for me because I would be a bad
14 debtor, sir.

15 COMM. BOGLE: In 1994 - let us see if we can
16 concentrate a little bit on that.

17 MISS CLARKE: Yes.

18 COMM. BOGLE: The Nation Bank Loan of \$500,000.00, do
19 you remember getting that loan?

20 A: No, sir.

21 COMM. BOGLE: You did not get any loan for that?

22 A: No, sir.

23 COMM. BOGLE: Also the memo refers to a Demand Loan
24 for \$390,000.00, you don't remember
25 getting that loan, you are sure you

1 didn't get that?

2 A: I got a loan from them to purchase a
3 truck for Three Hundred and odd
4 Thousand, but when they say \$390,000.00
5 I think they add the tax.

6 COMM. BOGLE: So you are saying from recollection you
7 might have gotten the loan for the truck
8 which could very well accord to the
9 \$390,000.00?

10 A: Yes, sir.

11 COMM. BOGLE: But you do not remember getting any
12 \$500,000.00?

13 A: A second loan, sir, because I even asked
14 them what for the \$500,000.00 purchase
15 at Atrium and they cannot say. If I
16 come in the bank and ask for a loan to
17 purchase a house or a truck I would have
18 to have some record of it and they can't
19 show me no document where that money
20 went to purchase.

21 COMM. BOGLE: So when you gave the - further down now
22 and here we see by memo where some
23 corroboration of what you say regarding
24 the \$850,000.00, when you gave the bank
25 the \$850,000.00, as far as you know and

1 as far as you are concerned you had only
2 one loan dealing with?

3 A: Yes, sir.

4 COMM. BOGLE: And that was the loan which your Exhibit
5 5 relates to, which is the loan for
6 \$361,000.00?

7 A: Yes, sir.

8 COMM. BOGLE: Because you are now saying that the loan
9 of the \$390,000.00 that was paid off
10 already?

11 A: (No answer).

12 COMM. BOGLE: You are saying that the moneys that you
13 used to, the \$390,000.00 - follow me
14 now, the memo mentions two loans, one
15 for \$500,000.00?

16 A: Yes, sir.

17 COMM. BOGLE: And one for \$390,000.00?

18 A: Yes, sir.

19 COMM. BOGLE: The \$500,000.00, you are saying
20 definitely you don't recollect in any
21 way getting a \$500,000.00 loan?

22 A: No, sir.

23 COMM. BOGLE: You are however saying that you could
24 have gotten a loan in 1994 for
25 \$390,000.00?

1 Q: That is 1995, sir, I did not take out a
2 loan in 1994.

3 COMM. BOGLE: So before the \$361,000.00 loan, did you
4 have any loan with the bank?

5 A: Yes, sir, but that was about 1991/1992.

6 COMM. BOGLE: So you did not get any - those loans
7 were paid off about when, do you
8 remember?

9 A: About in 1994/1995, early 1995 before
10 Mr. Bucknor left the bank.

11 COMM. BOGLE: Well, we don't know exactly when he left
12 the bank. I am trying to see if I can
13 follow the sequence here. And that is,
14 if you got a loan in 1991/1992?

15 A: 1989 and 1992 -- 1991.

16 Q: So you got two loans?

17 A: Yes, sir.

18 COMM. BOGLE: The first loan - let's go back then
19 since you brought it up. In 1989 you
20 got a loan?

21 A: Yes, sir.

22 COMM. BOGLE: That was repaid before you got the other
23 loan?

24 A: Yes, sir.

25 COMM. BOGLE: That was paid off?

1 A: Yes, sir.

2 COMM. BOGLE: And then you got another loan?

3 A: Another loan to purchase another bus.

4 COMM. BOGLE: Right, and that was paid off before you

5 got the loan of \$361,000.00?

6 A: Yes, sir, because why I am sure the Bank

7 Manager, she left from Montego Bay and

8 came to Half-Way-Tree and she went

9 through my file and Mr. Bucknor, he left

10 Half-Way-Tree and went to the Atrium and

11 he was the one who told her that she

12 could loan me the money because I was an

13 'A' customer.

14 COMM. BOGLE: So at no time at all did you have two

15 loans running at the same time?

16 A: No, sir.

17 COMM. BOGLE: No time at all?

18 A: No, sir.

19 MISS CLARKE: Mr. Bogle, if you were to look at that

20 Memo to File, though you know it would

21 seem that that memo in itself could not

22 support any determination that that

23 \$361,000.00, any portion of it, is

24 represented in that \$390,000.00 because

25 this facility for \$390,000.00, this

1 Demand Loan, by this memo, was taken out
2 in 1994. The \$361,000.00 is arrived at
3 by a process of consolidation in 1995.
4 So it looks like an entirely different
5 thing, it is a different thing all
6 together based on the memo.

7 COMM. BOGLE: That is why I am trying to trace and to
8 confirm whether or not in 1995 he had
9 any liability outstanding. This is what
10 I am trying to get at. Because he said
11 he got the loan of \$361,000.00 which
12 this states consolidation of debt. Now,
13 this is why I am exploring to satisfy
14 ourselves as to whether or not, based on
15 what we see before us and what he is
16 saying, whether or not he in fact had no
17 liability prior to this loan of
18 \$361,000.00.

19 MISS CLARKE: I appreciate that, sir, but the document
20 itself would hardly assist because the
21 dates are particularly self
22 contradictory. If you look at the letter
23 dated July 7 when they were approving
24 this loan for \$361,000.00 as a Nation
25 Bank Loan, there is no indication, there

1 is no reference to any Nation Bank Loan
2 on this internal memo, whether the
3 consolidated amount -- I don't know what
4 they would call it then...

5 COMM. BOGLE: But there is because you have on the
6 memo, you know, at the top you have a
7 Nation Bank Loan.

8 MISS CLARKE: For \$500,000.00.

9 COMM. BOGLE: For \$500,000.00.

10 MISS CLARKE: There is an approval of a Nation Bank
11 Loan in 1995 for \$361,000.00.

12 COMM. BOGLE: Right.

13 MISS CLARKE: So there is no direct relationship
14 between a Nation Bank Loan as per July 7
15 1995 and the Nation Bank Loan taken out
16 in November 1994. The figures certainly
17 would not....

18 COMM. BOGLE: You see, the Nation Bank Loan as stated
19 here and Mr. Hendricks has denied any
20 knowledge of it, but on the face of what
21 we are looking here at, they are
22 saying that, this memo surely is
23 representing a Nation Bank Loan of
24 \$500,000.00 on October 1994, also a
25 Demand Loan of \$390,000.00.

1 MISS CLARKE: In October 1994.

2 COMM. BOGLE: In October of 1994 making a total of
3 \$890,000.00.

4 MISS CLARKE: Yes.

5 COMM. BOGLE: The Nation Bank Loan, they are saying in
6 March 1995 the Nation Bank Loan was now
7 \$981,944 which would include interest,
8 which is why they are rebating interest
9 against the \$981,944 and therefore they
10 are saying after the rebated interest
11 there is a balance of \$625,862, we are
12 dealing with March 1995; they are saying
13 that the Demand Loan was at this point
14 \$442,000, which makes a total of
15 \$1,067,905.44. They are now applying the
16 \$850,000.00 against this \$1,067,905,
17 which is now - this memo is now saying
18 after the application of that that there
19 is a balance of \$217,905.44.

20 MISS CLARKE: Which they have now called a Demand
21 Loan.

22 COMM. BOGLE: Right, which they are now bringing that
23 into Demand Loan.

24 MISS CLARKE: Yes.

25 COMM. BOGLE: Okay.

1 MISS CLARKE: So where would the total, the
2 \$361,000.00, how would it become Nation
3 Bank Loan as per the letter dated July
4 7, 1995 which recognizes or acknowledges
5 the sum of \$361,000.00 as a Nation Bank
6 Loan. So what I am saying to the
7 Commissioners is that any correlation
8 between the letter dated July....

9 COMM. BOGLE: But the thing is if you look at it, what
10 they have done, what this memo - again,
11 if we refer to it as the memo, this Memo
12 is using the \$217,905.44 which is the
13 balance of the consolidation of those
14 two loans, it is saying up to the 10th
15 of July interest had accrued of \$14,873.
16 It is now saying that there is an
17 additional new loan of \$120,000.00,
18 stamp Duty, Commitment Fee et cetera,
19 all these make up the \$361,000.00. So
20 that is how they are arriving at the
21 \$361,000.00.

22 MISS CLARKE: They correlated that, but they just have
23 to refer to it as a Nation Bank Loan.

24 COMM. BOGLE: Which they are now referring to as a
25 Nation Bank Loan. They are giving it a

1 name and they are saying...

2 MISS CLARKE: Now, referring at what point?

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4 continued...

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1 MS. CLARKE: The problem is that we don't know the
2 date of this memo, you know.

3 COMM. BOGLE: Well, what we are saying is that in a
4 sense the memo backs up the MH5. However
5 to the extent, and this is to the extent
6 that there was, in fact, a Nation Bank
7 loan of Five Hundred Thousand. If there
8 was a Nation Bank loan of Five Hundred
9 Thousand and there was a Three Hundred
10 and Ninety Thousand and then the
11 Eight-Fifty was alligned against that
12 then it follows that the Three Hundred
13 and Sixty-One Thousand would really be
14 backing up the MH5 which states the
15 Three Hundred and Sixty-One Thousand, it
16 states consolidation of debts and it
17 also states to the effect that the 1992
18 Encava bus which was also stated in the
19 memo. So to me the important point
20 really is whether or not there was a
21 Nation Bank loan of Five Hundred
22 Thousand outstanding at October 21,
23 1994. I think that to my mind...

24 MS. CLARKE: As of October 21, 1994.

25 COMM. BOGLE: That is where my concern would be and

1 that is where we would want to see if we
2 are going to accept the memo here as an
3 exhibit, we would want to see and
4 probably enquire, or we should do
5 further enquiries to see if we can find
6 support for the Five Hundred Thousand or
7 we don't find support for the Five
8 Hundred Thousand or we can't find
9 support for the Five Hundred Thousand
10 and that is the concern when we look at
11 those documents.

12 MS. CLARKE: I think Mr. Bogle when you will have
13 looked at these two documents and assess
14 them, especially in term of this date
15 referred to and some other details, it
16 may become - I would not want to take up
17 the time to really go through the
18 details as I see them but it is going to
19 become more apparent because I have seen
20 them; but it is going to become more
21 apparent that perhaps the memo might
22 have been generated at a time and for a
23 purpose where certain documentary data
24 would not be there to support it. So I
25 will just move on from there.

1 COMM. BOGLE: Yes.

2 So Mr. Hendricks, paragraph 40. You said
3 from your Witness Statement that you
4 never took a loan from NCB in March
5 1994?

6 A: No, miss.

7 Q: And you have never taken out a loan for
8 Five Hundred Thousand Dollars from NCB.

9 A: No, miss.

10 Q: You have never taken a loan in the
11 amount of Three Hundred and Ninety
12 Thousand from NCB?

13 A: No, miss.

14 Q: You have also said to this Enquiry today
15 that there is a possibility that when
16 you took the loan for Three Hundred and
17 Sixty-One Thousand in 1995 the stamp
18 duty and all the fees could have brought
19 the fees up to Three Hundred and Ninety
20 Thousand.

21 A: Yes, miss.

22 Q: And you are saying that the repayment
23 plan reflected in that memo is not
24 correct either, it doesn't accord with
25 the letter that they gave you in

1 July 1995?

2 A: No, miss.

3 Q: Let me ask you this. Did you ever get a
4 loan of One Hundred and Twenty Dollars
5 to repair any bus from NCB?

6 A: No, miss.

7 Q: Tell us about that. Did you make an
8 application for a loan of One Hundred
9 and Twenty Thousand to repair any bus?

10 A: When I gave them the cheque for Eight
11 Hundred and Fifty Thousand at that time
12 I told them that I wanted to repair two
13 buses that I had and I would take a loan
14 but instead I withdrew the money from my
15 savings account and I was doing some
16 repairs on the bus. I did not get that
17 loan.

18 Q: So the buses were never repaired because
19 you did not get the loan?

20 A: Never finish repair, right, because in
21 order for me to get the loan from the
22 the bank I would have to get some paper
23 work done from the bodyman, et cetera
24 and I would have to bring them in and
25 the bodyman would have to come and

1 actually do the work and then the bank
2 would reimburse.

3 Q: So they never gave you a loan for One
4 Hundred and Twenty Thousand Dollars?

5 A: No, miss, I did not get a loan from them
6 for One Hundred and Twenty Dollars.

7 MS. CLARKE: If I may, you know Commissioners, this
8 is probably my difficulty in terms of
9 how the word 'secured' is to be
10 interpreted, you know, in terms of whether
11 there was security or whether it was
12 obtained. He said that the buses were
13 never repaired and therefore the loan
14 was never secured. I believe that it
15 would be almost incongruent for us to
16 believe that the buses were never
17 secured and as a result there was no
18 collateral for the loan. It would seem
19 to me a more reasonable reading that
20 because the condition was never met, the
21 applicant did not secure the loan
22 because if it was a pre-condition that
23 the applicant should repair the buses
24 and this memo indicated that the buses
25 were never repaired, it would probably

1 be observed that the buses were never
2 repaired so we gave him an unsecured
3 loan. I believe I speak for the witness
4 in asking the Commission to read, based
5 on the evidence, that this is indicating
6 that the loan sums were never secured by
7 the applicant. Not that no security was
8 ever given for it because the memo
9 speaks to a pre-condition to that One
10 Hundred and Twenty Thousand Dollars
11 being disbursed and that would have been
12 that it was to be disbursed upon the
13 repair of the buses. The memo itself
14 goes back and says the buses were never
15 repaired, as a result of which the loan
16 was never secured.

17 So I am urging upon the Commission not
18 to see the word 'secured' on the
19 totality of the whole thing on the
20 document, not to use the word 'secured'
21 in its banking forensic sense. It would
22 seem that it reads that the applicant
23 did not secure the loan, he didn't
24 obtain the loan and this is his evidence
25 that he never got a loan for this amount

1 of money, One Hundred and Twenty
2 Thousand Dollars.

3 COMM. ROSS: There are some other aspects of the
4 loan, other aspects of the Three Sixty-
5 One Thousand, the part that deals with
6 the demand loan and the interest and the
7 outstanding balance. That could still be
8 a point issue.

9 Q: It is. Which is why I am saying if we
10 read the document in some detail there
11 are going to be a lot of threads of
12 inconsistencies between the memo and
13 that...

14 And you are still maintaining that, now
15 at this point where this memo is,
16 actually there is a letter here
17 indicating that you did pay a cheque of
18 Eight Hundred and Fifty Thousand, you
19 are maintaining that when you paid that
20 cheque it was in excess of any sum that
21 you owed to NCB?

22 A: Yes, miss.

23 Q: There were no sums outstanding?

24 A: No, miss.

25 Q: You never got any notice to come in, any

1 demand for it?

2 A: No, miss.

3 Q: You have been servicing your loans?

4 A: Yes, miss. If I was not servicing my
5 loans I would not get that loan to
6 purchase the truck.

7 Q: And somebody at NCB never told you that
8 that any interest rebate was given to
9 you, any discount in the interest rate
10 that was charged to you?

11 A: No, miss.

12 Q: You never heard of that before you saw
13 this memo?

14 A: No, miss.

15 Q: And you never had a loan with NCB for
16 Four Hundred and Forty-Two Thousand and
17 Forty-Two Dollars and Eighty-Six Cents?

18 A: No because they only purchased two cars
19 for me. That was in the '80s and they
20 purchased two buses and those buses were
21 less than that.

22 Q: Perhaps as we are on the subject of
23 somewhat of an analysis and assessment
24 of the two documents the Commissioners
25 may, at some point, read those documents

1 having regard to how the interest rate
2 on each one would have been worked out.
3 There is an interest rate of twenty-four
4 percent and then the interest is in
5 arrears, a further amount on the July
6 document. It is not in my expertise but
7 I would certainly urge the Commissioners
8 in their own expertise to perhaps, if
9 they can, work out what interest rate
10 would have informed the interest sum in
11 the memo to 5 which is between October
12 '94 and March '95.

13 COMM. BOGLE: Before we reach to that, the
14 determination regarding the Five Hundred
15 Thousand, the interest would fall and so
16 before concerning ourselves, surely
17 before the interest rate and the
18 accumulation of interest, the first
19 consideration would be the authenticity
20 of the Five Hundred Thousand.

21 MS. CLARKE: Certainly sir.

22 COMM. ROSS: Could I just ask Mr. Hendricks?
23 Mr. Hendricks, did you ever have a
24 current account, a chequing account at
25 NCB?

1 A: No, no, sir.

2 Q: You never operated a chequing account?

3 A: No, sir. I just get my savings account

4 and they withdrew the standing order

5 from my savings account.

6 MS. CLARKE: We are at paragraph 41 now. So you say

7 having received this memo you went back

8 to NCB to try and have audience with

9 Mr. Patrick Hylton to show them that

10 based on this they were mistaken in

11 saying that you have paid no money to

12 service your loan?

13 A: Yes. And also I did a final check

14 because due to the fact that I did not

15 have a copy of the cheque to indicate

16 that I pay over that amount, the memo

17 now assisted me greatly.

18 Q: To prove that you had paid a cheque for

19 Eight Hundred and Sixty Thousand

20 Dollars. They have been saying that you

21 had never serviced the loan, you have

22 never paid any money at all.

23 A: Right.

24 Q: So you say that Mr. Patrick Hylton

25 declined to see you and referred you

1 back to the Half Way Tree branch?

2 A: Yes.

3 Q: You went to him at The Atrium?

4 A: Yes, miss.

5 Q: And you were sent back to Half Way Tree

6 branch.

7 A: Yes, because him said that they don't

8 have a bank at the Atrium, I must go to

9 the branch.

10 Q: And you said also at this point a female

11 employee of the bank spoke to you and

12 told you that if money was owed to you

13 FINSAC should pay you because Mr. Lee

14 Chin would not be paying you because he

15 did not get your loan on his books.

16 A: Right, precisely. They told me that at

17 the loan section at Half Way Tree. I

18 went upstairs where I took out the loan,

19 the lady told me that it is FINSAC

20 supposed to pay me back because Mr. Lee

21 Chin won't pay me because he didn't get

22 this loan on his book.

23 Q: And after that you said that you went to

24 a meeting that NCB was having?

25 A: An AGM because I am a shareholder in

1 NCB, so I went to an AGM downtown.

2 Q: Conference Centre?

3 A: Right, and I indicated to Mr. Lee Chin
4 my concern that I supposed to have about
5 Six Hundred and odd Thousand Dollars in
6 my account and it is not in there and I
7 went to see Mr. Patrick Hylton and he
8 declined to see me, so he asked one
9 Mr. Campbell to look into the matter for
10 me and Mr. Campbell took my name and
11 telephone number, et cetera, and I went
12 to see him at The Atrium and before he
13 looked into the matter because they also
14 had shares for me, I was a major
15 shareholder in Caribbean Steel
16 Company...

17 MS. CLARKE: You were a major shareholder?

18 A: In Caribbean Steel Company. They close
19 down that company with some of my
20 shares.

21 He asked Mr. Campbell to look into the
22 matter but Mr. Campbell resigned before
23 he looked into the matter and went to
24 Grace Kennedy to work, apparently a bank
25 there.

1 Then I went to another AGM again. I
2 indicated to him that I did not get
3 through because Mr. Campbell resigned
4 and he asked one Mr. Christopher
5 Williams to look into the matter.
6 Mr. Williams asked the Secretary to take
7 my name and my number and I was in
8 dialogue with them up there and
9 thereafter, Mr.Christopher Williams,
10 before I got through, Mr. Christopher
11 Williams leave, resigned from the bank
12 and went to another company that Mr.
13 Dehring opened, another investment
14 company. He is in charge of there now.
15 So in light of that I don't reach
16 anywhere.

17 Q: And you went to a lawyer as well?

18 A: I went to a lawyer; her name was Miss...

19 Q: You don't have to call her name.

20 A: And she wrote the bank some letters and
21 the bank wrote her back and then she
22 indicated to me that she is not fighting
23 the bank. She removed from Haining Road
24 and go somewhere around by Trafalgar
25 Apartment and she had the bank

1 documents. She say she not fighting the
2 bank.

3 Q: And you said you have now run out of
4 funds and you cannot afford to pay any
5 more lawyers to represent you?

6 A: Yes.

7 Q: And you said that up to 2009 you were
8 going to NCB trying to get answers?

9 A: Yes, miss, I still trying to go to the
10 Half-Way-Tree branch to see the Manager
11 but she declined to see me also. She
12 don't want to talk to me on the matter.

13 Q: So based on your account you are saying
14 that contrary to what that letter to IAS
15 says you don't owe any money to NCB, you
16 don't owe \$1,176,368.57?

17 A: No Miss.

18 Q: Or any sum at all?

19 A: No, miss. I am always a paying customer
20 in the bank. I don't owe the bank any
21 money because that is one of the reasons
22 why I sold the truck. I used to get
23 some contracts from H. P. Hopwood in the
24 rural areas and they started to give me
25 in urban areas and it was not working

1 out financially to pay the driver, buy
2 petrol and pay back the bank, so I
3 called the Manager, Miss Keen and I
4 indicated that to her and I told her
5 that I wanted her to take the truck
6 because I don't want to run into any
7 problem with the bank. She said she
8 don't want the truck, she want the bank
9 money. You understand me, and that is
10 why I advertised the truck and got it
11 sold.

12 Q: And you took in the bank's money?

13 A: Yes. In the space of no time, in the
14 space of about a week the truck was sold
15 after I advertised it.

16 Q: And you feel that NCB has stolen the
17 excess money that should have been
18 deposited in your account after the loan
19 amounts were applied?

20 A: Yes, miss, they did because Mr. Paul
21 Chin went through the file and sent me
22 back up there. If he did not see that he
23 would have asked me to pay. He sent me
24 back to the bank after he reviewed my
25 file and said he don't pay back money,

1 he buy bad debts and he would send back
2 the file to Half-Way-Tree. So what he
3 did, I assume, that he sent the file go
4 Half-Way-Tree and Half-Way-Tree sent it
5 back to Asset Management because I do
6 understand that Asset Management is an
7 arm of NCB.

8 Q: Okay. So basically in summary, in
9 relation to Corporate Merchant Bank you
10 are before this Commission because they
11 have failed to account for your deposit
12 of Two Million Dollars?

13 A: Yes, Miss.

14 Q: And FINSAC that took over afterwards
15 failed to account for it and/or pay it
16 back to you with interest?

17 A: Yes, miss. And I was sent here by
18 Mr. Boothe immediately...

19 Q: Hold on a minute. So that is your
20 complaint as it relates to Corporate
21 Merchant Bank.

22 A: Yes, Miss.

23 Q: And in relation to NCB you are saying
24 that they have stolen your excess money
25 that should have been lodged to your

1 account?

2 A: Yes, miss.

3 Q: But you are also concerned about the
4 letter from IAS indicating that you owe
5 over \$1.1 million in circumstances where
6 you, in your last dealing with NCB, you
7 owed them no money at all?

8 A: No money at all.

9 Q: If the Commissioners have no further
10 questions I believe that is the evidence
11 of this witness, Michael Hendricks.

12 COMM. ROSS: I really just have one question and that
13 relates to the matter of the Eight
14 Hundred and Fifty Thousand. The memo in
15 on the file indicates that the money was
16 received at the bank on the 30th of
17 March, 1995.

18 MS. CLARKE: Excuse me. May the witness be allowed
19 to turn to the document? Turn to MH7.

20 COMM. ROSS: And they gave you the cheque number that
21 is purported to apply to outstanding
22 principal and interest on existing
23 facilities Mr. Hendricks had taken out
24 at that time. MH5 which is the document
25 dated July 7, 1995 which purports to be

1 a consolidation of debts as well as
2 loans in relation to the 1998 bus, that
3 loan came well after the date of this
4 document.

5 MS. CLARKE: The March 30 letter?

6 COMM. ROSS: Signed by Mr. Hendricks on the 10th of
7 July, some nearly three months after.
8 Now, something don't seem to be quite
9 adding up. The bank is saying that they
10 got the money before.

11 MS. CLARKE: That is what I am contending. We are not
12 seeking to try to...

13 COMM. ROSS: Now, if that is the case then it would
14 seem that there would be some money
15 outstanding to the bank if the bank
16 numbers are correct. This loan document
17 signed by Mr. Hendricks does assume some
18 indebtedness after the fact. It's
19 actually dated, MH5, July 5, 1995.

20 MS. CLARKE: It is an approval of a loan facility
21 rather than an admission of a debt. It
22 is a congratulation that a loan to him
23 has been approved?

24 COMM. ROSS: Now, the question would be, part of this
25 loan would really lay the foundation so

1 it is a new question. The question for
2 me really is, what has been paid against
3 this loan?

4 MS. CLARKE: Against which loan?

5 COMM. ROSS: July 7, 1995. I assume from the
6 documentation that this is the loan...

7 MS. CLARKE: That is the loan of Three Hundred and
8 Sixty-One Thousand and it is the
9 evidence of the witness that he has been
10 servicing this loan let us say...

11 COMM. ROSS: That is what he said but we have not
12 really had any supporting documentation
13 from him because there is this dispute
14 about when the Three Hundred and Sixty
15 Thousand Dollar had been paid.

16 MS. CLARKE: As the Commissioner had indicated I
17 believe the data coming forth from NCB,
18 if not contradictory, somewhat confusing
19 and it begs for further data from the
20 institutions involved from their
21 records, as to how the letter, the
22 letter of July 7, 1995 came about and
23 certainly at what point and from what
24 source, from what data this memo to file
25 was composed. While I am acknowledging

1 that the witness has not come forth with
2 certain documents and he has complained
3 why he has not been able to come forth
4 with them, I believe that the official
5 data from the bank would certainly shed
6 light. Certainly there might be some
7 other document signed by Mr. Hendricks,
8 there might be some data relative to his
9 savings account record. You know even if
10 it had gone to archive it is not such a
11 long time in the banking life between
12 1994 and 2011 for those records to be
13 pulled.

14 A: Miss, if I could intervene. Up to
15 recently, about 2008, 2007, that money
16 was always in that account because I
17 went there and removed Thirty Thousand
18 Dollar from that account and that money
19 was there from 1995, 1996. So that loan
20 was always being serviced. The money was
21 always in that account. About 2007 I
22 removed \$30,000 from that account that
23 was in there from that time.

24 MS. CLARKE: And when you removed the \$30,000 there
25 was still money left there?

1 came into being, that is the cheque,
2 because July 7, 1995 is when
3 Mr. Hendricks -- as a matter of fact, he
4 signed this document on the 10th of
5 July 1995, he is saying that the Eight
6 Hundred and Fifty Thousand was paid
7 against this but this memo is actually
8 saying...

9 MS. CLARKE: The \$850,000 was paid long after that
10 July letter.

11 COMM. ROSS: If I am not mistaken the cheque was
12 received on the 30th of March, 1995.

13 MS. CLARKE: That is what the memo is saying but
14 Mr. Hendricks is saying something
15 different.

16 COMM. BOGLE: Right. This is why I am saying I don't
17 know if he has any contact with the
18 person or persons that he might have
19 gotten the cheque from that they could,
20 for instance, confirm yes that the Eight
21 Hundred and Fifty Thousand was post
22 July 7, 1995 or pre, even if he doesn't
23 have an exact date.

24 MS. CLARKE: Mr. Hendricks, you are in touch with the
25 person who you sold the bus to?

1 A: No.

2 MS. CLARKE: Hold on, they are talking. At the
3 appropriate time perhaps the bank may be
4 asked to provide data as to one, whether
5 there was any record to show that before
6 this cheque for \$850,000 was paid there
7 were any payments made on account of the
8 loan and if not in what circumstances
9 there would not have been any payments
10 on account of the loan between October
11 1994 and July 1995 or March 1995, under
12 what circumstances would there be an
13 extended facility granted to
14 Mr. Hendricks, if they find from their
15 records that he did not service the loan
16 at all before this Eight Hundred and
17 Fifty Thousand Dollars came in. In order
18 for his credibility or not, these
19 questions would certainly be relevant.
20 So to the extent that he has no records
21 he cannot assist any further.

22

23

24

(CONTINUED...)

25

1 COMM. BOGLE: That ends your submission?

2 MS. CLARKE: That is the end of this witness.

3 MRS. PHILLIPS: Commissioner, this witness has not made
4 any allegations against Jamaican
5 Redevelopment Inc., so Jamaican
6 Redevelopment has no cross-examination
7 for him.

8 COMM. BOGLE: Okay, fine. We have no other attorney
9 here and I am sure we do not have any
10 further questions for the witness and so
11 therefore -- just one question to you,
12 Miss Clarke. You know the Terms of
13 Reference of the Commission?

14 MS. CLARKE: Yes.

15 COMM. BOGLE: And do you in your view think that the
16 relationship between Mr. Hendricks and
17 NCB is a very important aspect, or falls
18 under the Terms of Reference of the
19 Commission?

20 MS. CLARKE: I think so, sir. Certainly to the extent
21 that there has been what I loosely call,
22 there was the intervention of FINSAC,
23 and there is some allegation now that
24 the entities associated to FINSAC are
25 now saying that he owes money; he is

1 saying he does not, so there seems to be
2 on the face of it some irregularity
3 based on allegations of this witness in
4 the conduct of affairs between the
5 witness and various institutions which
6 came under, came through FINSAC.
7 I certainly believe that if the
8 Commission can find substance in his
9 complaint it is one that ought to be
10 investigated and assessed.

11 COMM. BOGLE: Not necessarily following on that but
12 what I still would appreciate is if he
13 could - he says that his account was
14 closed, from which payment was made was
15 closed in 2007. Was it a savings
16 account?

17 A: Yes.

18 COMM. BOGLE: Did you have a savings passbook for this
19 account?

20 A: Yes, sir, but that was also removed from
21 my place of abode and I applied to the
22 bank for a book and before they give me
23 that book after I made a withdrawal and
24 went back and made another withdrawal
25 they closed the account.

1 COMM. BOGLE: Why did they close it?

2 A: They were saying insufficient money was

3 in the account and they closed it.

4 What I could do is go back to the branch

5 and see if I could get a copy.

6 COMM. BOGLE: That surely would assist.

7 A: I don't know if I could get a letter

8 from the Commission.

9 COMM. BOGLE: From us? It is not necessary. You

10 being a past customer you have the right

11 to go to the bank and ask them for a

12 print-out.

13 A: From 1994/95.

14 COMM. BOGLE: It is going to cost you I can tell you

15 that, but what we really want and you

16 would know the periods during which the

17 payments were taken from your account;

18 we can't say when that is, you would

19 know, therefore it would be up to you to

20 say from this period to this.

21 A: I'll do that.

22 COMM. BOGLE: Ladies and gentlemen, in view of the

23 fact that there is no cross, no

24 questioning of the witness by any

25 attorneys and we had projected today for

1 this witness, we will then adjourn the
2 sitting until tomorrow morning at 9:30.
3 Tomorrow morning at 9:30 we will resume
4 the sitting.

5 MS. CLARKE: Thank you very much sir.

6

7 ADJOURNMENT

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