

**COMMISSION OF ENQUIRY  
INTO THE COLLAPSE OF FINANCIAL INSTITUTIONS IN JAMAICA  
IN THE 1990'S**

**THE JAMAICA PEGASUS HOTEL  
81 KNUTSFORD BOULEVARD  
KINGSTON 5**

Witness: DEBTOR 10  
Statement Number: 1  
Exhibits:  
Date made: 17<sup>th</sup> Nov 2010

**WITNESS STATEMENT OF DEBTOR 10**

DEBTOR 10 states as follows;

1. I reside and have my true place of abode and postal address at [REDACTED] in the parish of Saint Andrew.
2. Due to injuries sustained in a motor vehicle accident in 2001, I am disabled and I am currently unemployed.
3. I am married to [REDACTED].
4. In or about 1992, I was self employed in the fabric business. The business was a good one and I was able to support my wife and children from the earnings of the business. I owned my own home at [REDACTED] where I lived with my family. The title was registered at Volume [REDACTED] of the Register Book of Titles and it was registered in the names [REDACTED] and [REDACTED] as Joint Tenants. There was a mortgage on the home for [REDACTED] with interest to the benefit of National Commercial Mortgage and Trust Limited.
5. I tender as an exhibit a copy of the Certificate of Title registered at [REDACTED] of the Register Book of title, that I will hereafter refer to as 'the title'. (MW1)
6. The title discloses that my home in which myself and my family lived for 25 years was sold pursuant to Power of Sale contained in Mortgage No. [REDACTED].
7. In July 1992 I took a loan of [REDACTED] from Eagle Merchant Bank of Jamaica Limited, and gave a mortgage over the title as security for the said loan with interest. The original rate of interest was 45% per annum on an Add on basis.
8. I tender as an exhibit a copy of Mortgage Instrument numbered 726643 registered on the 5<sup>th</sup> July 1992 against the title. (DEBTOR 10 2)
9. I used the money from that loan to purchase stock for resale in my business. The business continued to do well and I was able to service my obligations to the bank.

10. In April 1993 I took a further loan of [REDACTED] from Eagle Merchant Bank of Jamaica Limited, and gave a further mortgage over the title as security for the said loan with interest. The original rate of interest was 45% per annum on an "Effective basis".
11. I tender as an exhibit a copy of Mortgage Instrument numbered [REDACTED] registered on the 6<sup>th</sup> April 1993 against the title. (DEBTOR 10 3)
12. Part of the money from that loan was used to pay off the mortgage that I had with N.C.B TRUST AND MERCHANT BANK LIMITED.
13. The remainder of the money was used in my business. In 1993 I employed 2 persons in my business.
14. My business continued to do well and I serviced my obligations to the bank.
15. In September 1993 I took a further loan of [REDACTED] from Eagle Commercial Bank of Jamaica Limited, and gave a further mortgage over the title as security for the said loan with interest. The original rate of interest was 55% per annum calculated as Compound interest with monthly rests.
16. I tender as an exhibit a copy of Mortgage Instrument numbered [REDACTED] registered on the 2<sup>nd</sup> September 1993 against the title. (DEBTOR 10 4)
17. In October 1994, I negotiated a loan for [REDACTED] from Island Merchant Bank Limited. By that agreement I had agreed to use the title as security for the loan. Some of the money from that loan was to be used to pay out the loans with Eagle Merchant Bank of Jamaica Limited and with Eagle Commercial Bank of Jamaica Limited. Those loans were not in default as I was able to service them satisfactorily from the income of the business. The remainder of the money was to be used as Cash Flow support for my business. [REDACTED] from Island Merchant Bank Limited advised me that I should only use the money as I needed it and by so doing I would avoid paying high interest. I relied upon the advice given to me by [REDACTED] and did not draw down all of the money available on that loan. To the best of my recollection the following are the amounts that I received in cash on that loan:
- |                   |                  |
|-------------------|------------------|
| a. October 1994   | \$ 20,000        |
| b. November 1994, | \$100,000        |
| c. February 1995  | \$ 80,000        |
| d. December 1995  | <u>\$250,000</u> |
|                   | \$450,000        |
18. I was aware that some of the money would have been used to pay out the Eagle loans but I was not told by [REDACTED] or anyone else at Island Merchant Bank Limited what that amount was. I subsequently learned that the amount due to Eagle Commercial Bank Limited was [REDACTED].
19. I tender as an exhibit a copy of a letter dated 14<sup>th</sup> October 1994 from Island Merchant Bank Limited addressed to Debtor 10 & [REDACTED] [REDACTED]. (DEBTOR 10 5)



20. I tender as an exhibit a copy of Mortgage Instrument numbered [REDACTED] registered in February 1995 against the title, that I will hereafter refer to as 'the 1995 mortgage'. (DEBTPR 10 6)
21. I recognize my own signature and that of my wife [REDACTED] on the 1995 mortgage, but I do not recall that the amount of the mortgage was for \$[REDACTED]. As far as I was aware the agreed amount was \$[REDACTED] as per the agreement of 14<sup>th</sup> October 1994.
22. I recall that [REDACTED] had asked me and my wife to sign documents that were not completed saying that he would fill them out after. Me and my wife did sign some of those blank documents because I trusted [REDACTED] and relied upon his advice.
23. Since 14<sup>th</sup> October 1994, until on or about March 1994 I continued to operate my business and in accordance with my understanding of my obligations I serviced my loan at Island Merchant Bank Limited.
24. In November 1995 I received a letter from Island Victoria Merchant Bank Limited that Demanded Payment of both loans that I had with them in the total amount of \$[REDACTED].
25. I tender as an exhibit a copy of a letter dated November 20, 1995 from Island Merchant Bank Limited to [REDACTED]. (DEBTOR 10 7)
26. After I received that letter I complained to [REDACTED] that I could not owe what the bank said I did because I did not take any more money and was making payments to the bank.
27. I tender as an exhibit a copy of a letter dated March 11 1996 from Island Merchant Bank Limited to the Manager Jamaica National Building Society in which it stated that the balance on my loan was [REDACTED]. I again complained to [REDACTED] and asked him for a detailed account. I did not receive one. (DEBTOR 10 8)
28. I tender as an exhibit a copy of a letter dated May 27 1996 from Island Merchant Bank Limited to [REDACTED], claiming that I owed a total of [REDACTED]. (DEBTOR 10 9)
29. I tender as an exhibit a copy of a letter dated May 28, 1996 from Island Merchant Bank Limited to the Manager Jamaica National Building Society in which it stated that the balance on my loan as at 24 May 1996 was \$[REDACTED]. It is curious that on the balance on my account on the 24 May 1996 was \$[REDACTED] higher than it was on the 27<sup>th</sup> May 1996 when the bank wrote to me. No payments were made in that interim period that would have accounted for the reduction in the balance. I continued to ask [REDACTED] for a detailed accounting but I still did not receive one. (DEBTOR 10 10)
30. I tender as an Exhibit the copy of a letter dated July 2 1996 from Island Life Merchant Bank Limited addressed to the Manager Jamaica National Building Society that confirms payment of \$[REDACTED] over a 6 month period. That letter makes no mention of my account being in default. (DEBTOR 10, 11)

31. I told [REDACTED] of my disagreement with what the bank claimed I owed and I asked for a detailed accounting of my dealings with the bank but I did not get one.
32. On or about July of 1998, I was informed by letter that Citizens Bank Limited had taken over my accounts from Island Life Merchant Bank Limited.
33. On my instructions attorney-at-law [REDACTED] wrote to [REDACTED] on 18<sup>th</sup> August 1998 complaining of irregularities in the issuing and operation of my accounts at Island Life Merchant Bank Limited.
34. I tender as an exhibit a copy of a letter dated August 18<sup>th</sup> 1998 from [REDACTED]. (MW12)
35. I am not aware of a response from Citizen's Bank Limited. On the advice [REDACTED] I made no further payments in respect of the loans.
36. I tender as an exhibit a copy of a letter dated August 10<sup>th</sup> 1998 from Eagle commercial Bank Limited to [REDACTED] setting out that I owed Eagle Commercial Bank Limited \$280,000 as at 19<sup>th</sup> October 1994 when Island Merchant Bank Limited loaned me money to pay out Eagle. (DEBTOR 10 13)
37. I had made several requests of Island Merchant Bank Limited for a detailed account of my loans with that bank but I have not received one.
38. In March 1999 I received a letter from FINSAC Limited claiming that I owed them [REDACTED] in respect of the Island Merchant Bank Limited loans. I telephoned FINSAC and spoke with a lady who told me she was in charge of my account. I told her that I did not owe the money and that I needed to have a full accounting for the loans. I told her that serious irregularities were associated with my loan and in particular I told her that some payments that I made were not accounted for. I have not received an accounting from FINSAC.
39. I tender as an Exhibit the copy of a letter dated March 16<sup>th</sup> 1999 from Finsac Limited addressed to [REDACTED] and [REDACTED]. (DEBTOR 14 14)
40. In January 2001, I was severely injured [REDACTED]
41. [REDACTED]
42. I tender as an exhibit a copy of a letter dated 26 November 2001 from Refin Trust Limited addressed to [REDACTED]; he did not live at my home. (DEBTOR 10 15)
43. I tender as exhibits copies of two letters both dated October 11 2002 from Dennis Joslin Jamaica Limited again addressed to [REDACTED]. (DEBTOR 10 16 (a) (b))



44. On or about October 2003, Frater Ennis & Gordon, Attorneys-at-Law wrote to Dennis Joslin Jamaica Inc, denying my indebtedness. I do not have a copy of Mr. Gordon's letter to Dennis Joslin, but my instructions to him included a demand for a full accounting of my loans with Island Merchant Bank Limited.
45. I tender as an exhibit dated October 22, 2003 copy of a letter with enclosures from Dennis Joslin Jamaica, Inc addressed to Frater, Ennis & Gordon. (MW17)
46. I refer to the following Promissory Notes that were provided by Dennis Joslin Jamaica Inc, and say that I did not sign those Promissory Notes nor did my wife, Beverley Williams:-
- a. Dated 19/10/94 for \$20,000
  - b. Dated 27.2.95 for \$80,000
  - c. Dated 19.12.95 for \$598,615
  - d. Dated 19.12.95 for \$762,074.50
  - e. Dated 23.1.96 for \$160,000
  - f. Dated 3.6.96 for \$90,579.12
47. I refer to the signature page of Mortgage Instrument dated 28<sup>th</sup> May 1996, that I believe was registered against the title as instrument number [REDACTED] on the 5<sup>th</sup> June 1996 to secure the amount of \$ [REDACTED] with interest and say that I did not sign that mortgage neither did [REDACTED].
48. I refer to the Letter of Authorisation to debit the borrower's account and say that I did not sign that document nor did [REDACTED].
49. That until Dennis Joslin Jamaica Limited provided the Promissory Notes, Mortgages (extracts) and authorisation I had not seen those documents.
50. I am convinced that if I had received the detailed accounting that I had requested from Island Merchant Bank Limited, or from Citizens Bank, or from Finsac Limited or from Dennis Joslin Jamaica Inc, the fraud that had been committed against me would have been discovered and I would not have ultimately lost my home.
51. After receiving the documents from Dennis Joslin Jamaica Inc, I made it known to that organization that I did not sign those documents nor did I receive the money that they apparently documented and secured. I continued to request an accounting but to date I have not received one.
52. In 2003, [REDACTED] who was a representative of Dennis Joslin Jamaica Inc visited my home at 158 Patrick Drive. I was still recovering from the motor vehicle accident. When he came to the door I asked him if he came to sell my home. Mr. Gibson assured me that it was nothing like that, he only came to see the property and then to see what kind of a deal they could offer me.
53. I did not hear anything further from Mr. Gibson until he responded to an inquiry made on my behalf by [REDACTED] by letter dated February 23 2004.

54. [REDACTED] on the instructions of my church inquired of Dennis Joslin Jamaica Inc, for an amount that Joslin would have accepted in settlement of the indebtedness they claimed.
55. I tender as an exhibit a copy of a letter dated February 23 2004 from Dennis Joslin Jamaica, Inc addressed to [REDACTED]. (DEBTOR 10 18)
56. I tender as an exhibit a copy of a letter dated March 29<sup>th</sup> 2005 from Dennis Joslin Jamaica, Inc, that informed me that Joslin had sold my home. This was more than a year after the same [REDACTED] wrote to [REDACTED] that it was too late to begin settlement discussions on my behalf. (DEBTOR 10 19)
57. When telling me that my home had been sold and that I still owed [REDACTED] offered that if I had any questions concerning my account I could contact him.
58. I have never made any agreement with FINSAC LIMITED, or REFIN TRUST LIMITED, or DENNIS JOSLIN JAMAICA INC or JAMAICA REDEVELOPMENT FOUNDATION LIMITED, whereby they would have loaned me money and I have never that they could charge me interest of any kind on money that I may have owed to Island Merchant Bank Limited.
59. The refusal of ISLAND MERCHANT BANK LIMITED, and FINSAC LIMITED, and DENNIS JOSLIN JAMAICA INC and JAMAICA REDEVELOPMENT FOUNDATION LIMITED, has prevented me from redeeming my family home and me and my family have suffered greatly because of this.
60. At no time since Citizens Bank Limited took over Island Merchant Bank have I been offered an opportunity to settle the claimed indebtedness and to redeem my home.
61. I have heard the evidence of Dr. Omar Davis and of Mr. Campbell who have spoken about a Window of Opportunity for persons to settle debts at negotiated amounts. I had never been aware of any such opportunity.
62. FINSAC had written to me in March 1999 to tell me that I owed them money. They did not write to me to inform me of any window of opportunity. (Refer Ln 39 DEBTOR 10 14)
63. I and my wife have been treated in a callous and dishonest manner by Island Merchant Bank Limited and its successors. When I complained that some thing irregular had taken place with my accounts, I was treated as if I were a criminal, and a no-good debtor. Had I been provided with a detailed account of my loans I would have identified that someone had taken money and signed documents in the names of my wife and I.
64. When I told Dennis Joslin Jamaica Inc, about the fraud they did not care. Instead they sent their representative [REDACTED] to my home, to lie to me and to sell my home. When my church tried to help, [REDACTED] of Dennis Joslin refused dealing with them and instead preferred to put me and my family out of the house by selling it. He and JRF did this even

though they were aware that I denied owing the money and they were also aware of my impaired physical condition.

65. Finsac Limited was aware of my assertions that I did not owe the money claimed, yet they did nothing to audit or otherwise determine whether my assertions were correct.

66. I am of the opinion that FINSAC LIMITED was a public body whose employees were paid by tax payer's money and who owed a duty of care to the persons that they claimed owed money. FINSAC LIMITED in my opinion breached their duty of care to me.

#### STATEMENT OF TRUTH

I Debtor 10 certify that I believe that the facts stated in this Witness Statement are true.

Signed:.....

**Debtor 10**

Dated: .....

