

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
TUESDAY, JULY 12, 2011

PRESENT WERE:

COMMISSIONERS

Mr. Charles Ross
Mr. Worrick Bogle

COUNSEL FOR THE COMMISSION

Hon. Justice Henderson Downer (Retired)

SECRETARY TO THE COMMISSION

Mr. Fernando DePeralto

MARSHALLING EVIDENCE FOR THE COMMISSION

Ms. Judith Clarke - Attorney -at-Law

REPRESENTING JAMAICAN REDEVELOPMENT FOUNDATION

Mrs. Sandra Minott Phillips - Attorney-at-Law

Mr. Gavin Golfe- Attorney-at-Law

REPRESENTING MR PATRICK HYLTON

Mr. Dave Garcia - Attorney-at-Law

REPRESENTING FINSAC LIMITED

Mr. Brian Moodie - Attorney-at-Law

REPRESENTING MR. DEBTOR 18 DIRECTOR,
DEBTOR 18 DONOVAN CRAWFORD, DEBTOR 6, DEBTOR
11

Mr. Anthony Levy - Attorney-at-Law

REPRESENTING FINSAC Mr. -

Attorney -at-Law

GIVING EVIDENCE

Mr. Errol Campbell

1 **Tuesday 12th July 2011**

2 **COMMENCEMENT : 2:05**

3 COMM. BOGLE: Good afternoon ladies and gentlemen.
4 This Enquiry is now in session. I would
5 like to apologize for the accommodation
6 this afternoon, however this is the only
7 place we could have gotten at this time.
8 We know that usually persons present in
9 this room would be having other types of
10 meetings, but this afternoon we will be
11 having the Enquiry.

12 As per usual for the record, may we have
13 the names of the attorneys present.

14 DEBTOR 12: My name is Anthony Levy, instructed by G
15 Anthony Levy and Company, representing
16 Don Crawford, DEBTOR 18 DIRECTOR,
17 DEBTOR 18, JANE DOE 1, JANE DOE 2
18 Mr. DEBTOR 6, myself,
19 justice and truth.

20 COMM. BOGLE: Next attorney.

21 MR. MOODIE: Brian Moodie and Danielle Chai,
22 instructed by the firm of Samuda and
23 Johnson, representing FINSAC.

24 MRS. PHILLIPS: Sandra Minott-Phillips, instructed by
25 Myers Fletcher & Gordon, representing

1 Jamaican Redevelopment Foundation Inc.

2 COMM. BOGLE: Thank you very much. This afternoon we
3 are supposed to be having the
4 continuation of testimony from Mr. Errol
5 Campbell and therefore, I would ask that
6 he be sworn in at this time.

7

8 **MR. ERROL CAMPBELL CALLED AND SWORN.**

9

10 Thank you very much.

11 Mr. Moodie?

12 MR. MOODIE: Thank you, Chairman. I think the record
13 will show that when we adjourned on the
14 last occasion we were in the midst of
15 going through FINSAC's response in
16 relation to the allegations and
17 complaints made by DEBTOR 11.

18 Before we proceed with DEBTOR 11, with
19 your permission Chairman, I would ask
20 that we be given permission to go back
21 to Mr. Keith Foote. I think when
22 Mr. Campbell was giving evidence, a
23 valuation report was requested by the
24 Commission and we have that valuation
report which we would now like to put

1 into evidence and that is the valuation
2 report in respect of PROPERTY
3 St. Ann.
4 Do you have a copy of that valuation
5 now, Commissioners?
6 COMM. BOGLE: Yes, we do.
7 MR. MOODIE: Could we just give it an exhibit number?
8 I don't propose to go through it, it is
9 in support of the evidence FINSAC gave
10 in respect of DEBTOR 14.
11 COMM. BOGLE: We could give it EC 40/11.
12 MR. MOODIE: Grateful, Chairman.
13 You had also requested, well, the
14 Commission had also requested some
15 information in respect of COMPANY
16 which on
17 Mr. Campbell's evidence was the company
18 that did the valuation of DEBTOR 13 COMPANY
19 that information
20 and we will provide copies to the Commission.
21 I am not sure you would want to enter it in
22 evidence, it is a matter for you, but we have
23 copies which we can give out. This is just a
24 brief indication of who COMPANY. They are

experienced in

1 terms of business valuations, et cetera
2 for your guidance.

3 COMM. BOGLE: I recognize you, Mr. Garcia, your name
4 for the record.

5 MR. GARCIA: Sorry for the late arrival, sir. Dave
6 Garcia, representing Patrick Hylton.

7 COMM. BOGLE: Thank you.

8 MR. MOODIE: So if we could pick up now Chairman,
9 with the evidence of FINSAC in relation
10 to DEBTOR 11.

11 COMM. BOGLE: Yes.

12 MR. MOODIE: On the last occasion just before we
13 adjourned we had gone through several
14 letters and those letters were entered
15 into evidence. These are letters written
16 by DEBTOR 11's attorneys to FINSAC and
17 letters to DEBTOR 11 and to his
18 attorneys from FINSAC.

19 So Mr. Campbell, I would ask you to
20 please proceed to indicate what FINSAC's
21 records have shown in relation to
22 Mr. DEBTOR 11's complaint and I would
23 ask you to start with the FINSAC Credit
24 Committee Report, dated May 6, 1999.

25 MR. CAMPBELL: Thank you, sir. This is a submission to

1 the Credit Committee in relation to
2 DEBTOR 11 COMPANY. And I
3 will just read what is here on the
4 minutes of the meeting. **This case was**
5 **previously presented in November 1998.** 6

7 8 COMM. BOGLE: Excuse me, have we got copies of that?

9 MR. MOODIE: Copies were previously handed out, so
10 you should have that with you,
11 Commissioners, the Credit Committee
12 dated May 6, 1999.

13 COMM. BOGLE: Yes. Mr. Campbell, it is May 6, 1999 you
14 are reading from?

15 A: start again. This case was previously
16 presented in November 1998 and MER of

17 \$XXXXM was accepted by the Committee.

18 The debtors were granted loan facilities
19 of \$XXXXK in 1993 and additional loans
20 totaling \$XXXXM in 1997, from MSB/NCB.

21 The case is being resubmitted for
22 recommendation and acceptance of a new
23 MER of \$XXXXM. The new MER is as a
24 result of applying the unit's standard
25 discount factors for security.

The Workout Officer stated he has been

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(b) 1st and 2nd mortgages over townhouse at 2 Sunrise Strip, Barbican. Market Value \$XXXXM, Forced Sale Value \$XXXX discounted by 30% to Realizable Collateral Value \$XXXXM.

(c) 2nd - 7th mortgages over residential property at ADDRESS, Market Value \$XXXXM, forced sale value \$XXXXM discounted by 30% to Realizable Collateral Value \$XXXXM.

So the total Realizable Collateral Value is \$XXXXM.

Contract Rating: 100%.

Character Rating 70%.

Minimum Expected Recovery.

(Conservative): \$XXXXM.

Minimum Expected Recovery (Aggressive) \$XXXX.

Resolution:

1. Workout Officer's proposal to dispose of the assets and sue for balance was accepted by the committee.

2. The Aggressive Valuation of \$XXXXM was accepted as the Minimum Expected Recovery.

1 Q: And if I may summarize them for you,
2 this Credit Committee Report dated May
3 6, 1999 indicates in respect of
4 DEBTOR 11 that the loan Workout Officer
5 was unable to get a suitable proposal
6 from DEBTOR 11 in respect of the
7 outstanding balance of his loan and it
8 was determined by the Credit Committee
9 of FINSAC to make a 30-day demand and if
10 that demand was not met they would then
11 dispose of the assets and sue for the
12 balance.

13 A: Yes.

14 MR. MOODIE: Might I ask Chairman....

15 A: One very important thing that I have
16 omitted. At the top right hand corner
17 we have a Purchase Price and the
18 Outstanding Balance. I should have
19 mentioned those, the Purchase Price
20 \$XXXXMillion and Outstanding Balance
21 at the time was \$XXXX, and of course,
22 we mentioned the MER already.

23 COMM ROSS: Sorry. Mr. Campbell, can you just
24 explain what is meant by 'sue debtor for
25 balance'. What balance they would be

1 suing for?

2 A: It says dispose of the assets and having
3 disposed of the assets if that does not
4 liquidate the entire debt then whatever
5 balance is left they would be sued for.
6 So the total debt is \$XXXX Million based
7 on Realizable Collateral Value of
8 \$XXXX. So if we were to get that it
9 is the difference of almost \$XXXX Million
10 that would be what they would be sued
11 for.

12 COMM ROSS: So there was no proposal here for any
13 sort of debt forgiveness or debt
14 reduction, essentially the option is
15 seeking to recover the full value of the
16 debt?

17 A: That's correct.

18 MR. MOODIE: May we give this one Mr. Chairman, an
19 exhibit number EC 41/11 I presume.

20 COMM. BOGLE: EC 41/11, yes.

21 MR. MOODIE: Mr. Campbell, could you kindly go on to
22 the Credit Committee Report dated
23 June, 2000.

24 A: Minutes of the Credit Committee held on
25 June 27, 2000 and case =6 was DEBTOR 11

1 COMPANY. Purchase Price: \$23.44M,
2 Outstanding Balance \$51.14M.
3 Directors DEBTOR 11 and DEBTOR 11 SPOUSE
4 received a loan of \$XXXXK in 1993 to
5 provide working capital for the
6 business. Further loans totaling \$XXXX were
7 disbursed in 1997 from MSB and NCB. Debtors
8 had frequent cash flow problems and were
9 unable to service the debt. The company is
10 still in operation but operates on a small
11 scale.

12 The case was presented six (6) months ago
13 and the committee accepted the officer's
14 proposal to liquidate the security and
15 sue debtors for the
16 balance.

17 DEBTOR 11 has obtained the services of
18 Attorney-at-Law Jennifer Messado and has
19 submitted the following proposal for
20 repayment of the debt:

- 21 1. Accept immediate lump-sum payment of
22 \$XXXXM, in exchange for the titles to the
23 ADDRESS and ADDRESS properties.
- 24 2. Assignment of proceeds of the

1 arbitration (less arbitration fee).

2 3. Release his elderly mother from her
3 personal guarantee.

4 COMM. BOGLE: Just a minute, Mr. Campbell, that means
5 you are going on to page 16?

6 A: Yes.

7 COMM. BOGLE: I stop at page 15.

8 MR. MOODIE: I will ask Mr. Campbell to make his copy
9 available to the Commission and we enter
10 that into evidence because it seems the
11 additional copies are also deficient.

12 COMM. BOGLE: All right, go ahead.

13 A: **3. Release his elderly mother from her**
14 **personal guarantee.**
15 **4. Release the ADDRESS property since**
16 **it will be impossible to sell.**
17 **5. Debtor will stand by his personal**
18 **guarantee and requests three (3) years**
19 **to pay the principal balance of the**
20 **remaining debt after application of the**
21 **arbitration proceeds.**
22 **The officer said the debtor's proposal**
23 **is rubbish and proposed that we reject**
24 **his request to pay principal debt over a**
25 **three (3) year period. The officer is**

1 **recommending that we proceed immediately**
2 **to liquidate the securities and file**
3 **suit to recover the residual balance.**

4 MR. MOODIE: Please continue.

5 A: And there is a list of the securities
6 that I was mentioning in the previous
7 paper; I need not repeat that.

8 The Resolution:

9 **1. Debtor's proposal was rejected by**
10 **the Committee.**

11 **2. The Committee accepted the Officer's**
12 **recommendation to liquidate the**
13 **securities and file suit to recover the**
14 **shortfall.**

15 MR. MOODIE: Thank you. Could we, for the purpose of
16 the record, give that one an exhibit
17 number and then enter it?

18 COMM. BOGIE: EC 42/11. And that is the Credit
19 Committee Meeting Minutes June 27, 2000,
20 entered.

21 MR. MOODIE: Thank you. Mr. Campbell, might I ask
22 you now to go on to the Credit Committee
23 Minutes, dated July 11, subject to
24 questions from the Commissioners.

25 COMM ROSS: Just one quick question, Mr. Campbell.

1 Can you shed any light on why in the
2 preceding six months no action was taken
3 on the previous position?

4 A: I am really not sure. It may have been
5 correspondence between the parties
6 during the time and as it says in this
7 submission that DEBTOR 11 has obtained
8 the services of an Attorney. So it
9 could be over that period of time that
10 they were corresponding which culminated
11 in the submission of a new proposal.

12 MR. MOODIE: I think Mr. Campbell's explanation must
13 be borne out by the letters which we
14 already went through and exhibited
15 between FINSAC and DEBTOR 11's
16 attorneys.

17 If you could now, Mr. Campbell, move on
18 to July 2000 Credit Committee Meeting
19 Minutes.

20 A: Credit Committee Meeting Minutes of July
21 11, 2000 - I don't have the complete
22 thing.

23 Q: Page 31, do you have page 31?

24 A: Yes, but I noticed it says continued.

25 Q: Mr. DePeralto, may I ask you to copy

1 this. Mr. Campbell is going to read it
2 through and then copies can be
3 facilitated.

4 A: Minutes of the Credit Committee meeting
5 on July 11, 2000 and this particular
6 matter relates to **DEBTOR 11 COMNPANY**
7 **Purchase Price:**
8 **\$XXXXM, Outstanding Balance \$XXXXM.**
9 **DEBTOR 11 AND DEBTOR 11 SPOUSE, directors of**
10 **DEBTOR 11 COMPANY were granted loan of**
11 **\$XXX in 1993 through MSB/NCB to provide**
12 **working capital for the business;**
13 **additional loans totaling \$XXXXM were**
14 **disbursed up to 1997.**
15 **Debtors experienced frequent cash flow**
16 **problems, which resulted in regular debt**
17 **servicing. The company continues to**
18 **operate but on a smaller scale with the**
19 **main source of income being the leasing**
20 **of equipment.**
21 **The case was recently submitted to the**
22 **Committee for approval of the following**
23 **proposal.**
24 **1. Accept \$XXXXM in exchange for the**
25 **Titles to townhouse in ADDRESS and**

1 property at ADDRESS.

2 2. Assignment of proceeds of an

3 Arbitration.

4 COMM. BOGLE: 3. Release his mother from her personal
5 guarantee and release property at Marl
6 Road.

7 **4. Allow three (3) years to repay the**
8 **principal balance of the remaining debt**
9 **after application of the Arbitration**
10 **proceeds.**

11 The Committee had rejected debtor's
12 **proposal and instructed the officer**
13 based on his recommendation to dispose
14 of the properties and file suit to
15 **recover the shortfall. Subsequently, the**
16 debtor met with us **and proposed that we**
17 **accept payment of \$XXXX in exchange for**
18 the release of both properties. Debtor
19 **also requested that we accept**
20 Arbitration proceeds.

21 The officer told debtor there **was no way**
22 we could accept the proposal, as we
23 could not determine how much the amount
24 would be. Since then debtors **have**
25 volunteered to place the ADDRESS

1 property on the market and asked that we give
2 more time in which to sell.

3 The case is therefore being presented as the
4 officer is seeking the authorization of the
5 Committee to allow debtor to sell the
6 two-bedroom townhouse in ADDRESS,
7 for \$XXXXM. A valuation of the townhouse was
8 done in June 1999 and a Market Value of \$XXXX
9 and forced sale of \$XXXXM were assigned.
10 Debtor is being represented by the Attorneys
11 Jennifer Messado & Company.

12 The officer is also asking that we hold the
13 sale of the Grosvenor property in abeyance
14 for three (3) months to allow time to settle
15 the residual balance. Mrs. Robinson said
16 she would grant debtors the additional time
17 of three months to dispose of the property.
18 However, if debtor is not able to sell we
19 will undertake the sale of the property as
20 she does not want another proposal.

21 We have a **list** of the securities with the
22 same amount as was previously
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24
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1 mentioned and the Resolution:

2 1. The Committee agreed to accept the
3 offer for \$XXXXfor sale of the
4 property and.

5 2 It was also agreed to hold sale of the
6 Grosvenor property in abeyance for three
7 (3) months ending October 15, 2000
8 whether or not we get the arbitration
9 funds.

10 Q: Might I ask Chairman, that this document
11 be tendered in evidence as well.

12 Just for the record Mr. Campbell, these
13 documents were among the records at
14 FINSAC in DEBTOR 11's file as well, they
15 were seen previously by you?

16 A: Yes, they were. And copies have already
17 been submitted to the Commission.

18 Q: Thank you. I have asked Mr. DePeralto to
19 provide a full complete copy of the
20 minutes dated July 11, 2000 in relation
21 to DEBTOR 11 and DEBTOR 11 SPOUSE.

22 COMM. BOGLE: Exhibits EC 43/11.

23 MR. MOODIE: Unless there are any questions from you
24 Commissioners, in relation to the
25 evidence just given by Mr. Campbell, we

1 would wish to move on to the complaints
2 made by DEBTOR 6.

3 COMM. BOGLE: Mr. Campbell, in the case of DEBTOR 11
4 and DEBTOR 11 COMPANY the properties were
5 disposed of?

6 A: I really could not answer that question
7 at this time.

8 COMM. BOGLE: Was it one of those that sold to JRF?

9 A: The debt was sold to JRF, but I am not
10 sure if the property was sold prior to
11 that.

12 COMM. BOGLE: As far as you are concerned FINSAC sold
13 the debt and whatever went with it to
14 JRF?

15 A: That's correct.

16 MR. MOODIE: Mr. Chairman, we move on now to the
17 complaints of DEBTOR 6.

18 COMM ROSS: I have one last question. So
19 Mr. Campbell, this last Minute that you
20 read to us, is that the last reference
21 to this debt on the FINSAC file, am I to
22 understand?

23 A: I really did not check to determine that
24 Mr. Commissioner. However, this is
25 July 2000 and we didn't sell the debt

1 sold his ADDRESS property for an undervalue
2 and said that at the time FINSAC took over
3 Horizon Merchant Bank, who was his bankers,
4 he was not in default of his loan
5 obligations. He said generally he was
6 treated unfairly by FINSAC and alleges that
7 he didn't get the write-off like other
8 persons he alleges got.

9 Mr. Campbell, could you please indicate
10 FINSAC's response to these allegations based
11 on your review of the records. Before you do
12 so, might I just indicate Commissioners,
13 that in Mr. DEBTOR 6's cross-examination he
14 admitted that FINSAC sent statements to him
15 but he did not know how they arrived at their
16 figures. And the references to where those
17 can be found in the transcripts have already
18 been provided to you. He also admitted on
19 cross-examination to receiving letters from
20 FINSAC dated August 30, 1999 and November
21 23rd 1999, and the references are also quoted
22 for you and that FINSAC sent him receipts of
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24
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1 payment received.

2 Could you, Mr. Campbell, go on to
3 indicate FINSAC's response to the other
4 allegations which were not addressed
5 directly.

6 A: The approvals which were previously
7 granted to DEBTOR 6 from Horizon,
8 FINSAC continued to extend a facility to
9 him so that he could clear some vehicles
10 and that had to be done in the name of
11 DEBTOR 6 COMPANY. In addition to
12 that...

13 Q: Could you indicate, if possible, the
14 amount of that facility?

15 A: The total facility approved was XXXX
16 Million Dollars.

17 Q: Yes, please go ahead.

18 A: Other than from the sale of properties
19 no other payments were made to the
20 account by DEBTOR 6 and this loan
21 which was paid was from a property sale
22 and the moneys were sent to us by
23 National Commercial Bank.

24 Q: In respect of the allegations that
25 DEBTOR 6 failed to get an accounting

1 in relation to certain of his
2 properties, are you able to provide a
3 response to that?

4 A: In researching the file we saw where
5 DEBTOR 6 had written to FINSAC for
6 copies of the Sale Agreements to be sent
7 to him and by letter dated September 15,
8 1999 copies of those letters were sent.

9 Q: And I think that letter, Commissioners,
10 was already tendered as an Exhibit
11 during DEBTOR 6's evidence. I think
12 the exhibit number would be DEBTOR 6-9. Might
13 I refer you now, Mr. Campbell to FINSAC
14 Credit Committee Minutes dated September
15 17, 1999. Have you seen those Minutes
16 before?

17 A: Yes, I have.

18 Q: You have a copy with you now?

19 A: Yes.

20 Q: And those minutes were among
21 DEBTOR 6's file at FINSAC?

22 A: That's correct.

23 Q: Mr. Deperalto, your assistance.

24 A: This is an extract from the Minutes of
25 the Credit Committee held September 17,

1 1999 in relation to the case for DEBTOR 6
2 and DEBTOR 6 SPOUSE.

3 **Purchase Price \$XXXX Million.**

4 **Outstanding Balance \$XXXX Million. Debt**

5 **originated at Horizon Merchant Bank. An**

6 **arrangement was in place at Horizon**

7 **Merchant Bank where**

8 **authorization of \$XXXX million was granted**

9 **to debtors to purchase equipment for DEBTOR**

10 **6 COMPANY and to complete start-up**

11 **operations. The account was later**

12 **transferred to FINSAC who disbursed**

13 **approximately \$XXXX million of the approved**

14 **facility and the balance was used to cover**

15 **stamp duty and other related costs**

16 **associated with the Bill of Sale over the**

17 **equipment.**

18 **Over the past ten months, Mrs. Robinson, Miss**

19 **Davis and the Workout Officer have met with**

20 **debtors and their consultants. Life of**

21 **Jamaica was commissioned to do the**

22 **valuations on the properties and equipment**

23 **which were valued for \$XXXX Million. There**

24 **was disparity with the**

1 present valuations and that was done
2 previously by Easton Douglas for \$XXXX
3 Million.

4 A proposal was made by debtors to accept all
5 securing properties as full and final
6 settlement of the debt. The Workout Officer
7 stated that should we accept the DEBTOR 6'S
8 proposal for \$XXXX Million net proceeds from
9 sale of all their assets (properties) held
10 as security, except the Debenture over Fixed
11 and Floating Assets of DEBTOR 6 COMPANY, we
12 would have to write-off approximately \$XXXX
13 Million. The Officer is therefore proposing
14 that we sell the properties as well as other
15 assets.

16 No payments are being made towards the debt.
17 The only payment received to date, is sale
18 proceeds totalling \$XXXX Million from a
19 property sold by NCB. It was suggested that
20 where the specialized equipment are stored
21 due consideration should be taken to remove
22 them as soon as possible before they are
23 removed
24
25

1 is paying yes or no, the Collateral, you
2 list the collateral; contract tells you
3 whether all the related collaterals are
4 properly signed and that sort of thing,
5 and the Character will tell you that
6 these are persons who are co-operating,
7 they are making an effort or they don't
8 care less. Those are the 4C's.

9 The next page gives you the Realizable
10 Value of Collateral. So it lists the
11 collateral and it tells you...

12 COMM. BOGLE: Can you enlighten us on the headings of
13 the columns on the third page?

14 A: The first one would be the current
15 market value, the second one is forced
16 sale value, the third one would be the
17 Stamp to cover the amount, normally you
18 abbreviate that as STC, stamp to cover,
19 and the fourth one is the net realizable
20 value. And the net realizable value is
21 usually a function of - the amount the
22 security is stamped for and the
23 officer's assessment as to whether how
24 saleable they view the asset to be.

25 Q: Would you describe what is found on the

1 third page?

2 A: Which one?

3 COMM ROSS: Sorry. Mr. Campbell, can you just
4 explain a little bit for us about the
5 stamp to cover, would that stamp to
6 cover figure seem way in excess of the
7 market value of the properties; you have
8 any explanation for that?

9 A: There might be a typo here, but it could
10 be sir, that the \$XXXX Million is the
11 three properties combined.

12 COMM ROSS: Oh, I see.

13 A: The first three combined, so probably it
14 should only have the \$XXXX once.

15 MR. MOODIE: Are there any other questions from the
16 Commissioners arising from this
17 document?

18 A: And if you look back at the previous
19 page under the 4C's under DEBTOR 6 COMPANY
20 , it says 1st Debenture
21 over assets STC \$XXXXM supported by 2nd
22 mortgage 1 acre lot at ADDRESS.
23 So it is the debenture and those
24 mortgages that are collaterals.

25 COMM. BOGLE: Mr. Campbell, the fifth page I just want

1 you to take us through the fifth page,
2 the Outstanding Loans.

3 A: Outstanding Loans, as you see there are
4 under five bold headings: DEBTOR 6 COMPANY,
5 DEBTOR 6 COMPANY, COMPANY
6 , DEBTOR 6 SPOUSE, DEBTOR 6
7 . So these are the five debts
8 that I connected to the group and
9 separately you have Principal balances,
10 Interest balances and the Total for
11 each. So for each loan you have a
12 principal balance and an interest
13 balance and then the total balance. And
14 then for each company you have the total
15 that they own as well.

16 Q: You have under DEBTOR 6 COMPANY
17 Re: New Project J\$XXXX and
18 Interest \$XXXX making it
19 approximately \$XXXX and then you
20 have Horizon Add Loan \$XXXX no
21 interest.

22 A: I believe that is the \$XXXX that
23 FINSAC advanced as we mentioned earlier
24 in the evidence. So we didn't charge
25 any interest. And Horizon is just

1 any particular reason for that?

2 A: If they mean they were not specifically
3 written to, to be told about it, perhaps
4 that was the case, but the window of
5 opportunity was in the public's domain.
6 I would not agree that they were not
7 offered.

8 COMM ROSS: There is certainly no evidence here that
9 you made such an offer.

10 A: I did not research the entire files on
11 all of those matters. I researched
12 primarily in relation to the claims that
13 were being made. And I am saying I
14 would not agree that they were not
15 offered the window of opportunity.

16 MR. MOODIE: Mr. Chairman, it would appear though in
17 respect to Mr. Ross' query that these
18 properties were residential properties.

19 COMM ROSS: The window of opportunity then referred
20 to was not the one that had to do with
21 residential properties. Okay.

22 MR. MOODIE: You are speaking about the first window
23 of opportunity?

24 COMM. BOGLE: Correct.

25 MR. MOODIE: And I think that there is more evidence

1 coming.

2 Might I ask you, Mr. Campbell, to move
3 on to the Credit Committee Minutes
4 dated April 1, 1999.

5 A: Credit Committee Minutes, April 1, 1999
6 and the extract relates to DEBTOR 6
7 Group.

8 **Purchase price, \$XXXX Million;**
9 **outstanding balance, \$XXXX Million. Debt**
10 **is on H&B facility with a Realizable**
11 **Collateral Value of \$XXXX which was**
12 **based on unit and equipment being held**
13 **in storage on the wharf. At the time the**
14 **loan was granted, it was not clear**
15 **whether or not the Bill of Sale or**
16 **Debenture documents were registered;**
17 **hence the MER was approved.**
18 **The company DEBTOR 6 COMPANY is not up**
19 **and running and there is some**
20 **uncertainty when it will be operational.**
21 **However, the Workout Officer is to**
22 **ensure that the documents are**
23 **registered. Debtor had approached NIBJ**
24 **who are unable to assist with funding at**
25 **this time. Neither will their proposal**

1 be granted by NDB.

2 A current draw-down of \$XXXX was approved
3 with an outstanding amount of \$XXXXM.

4 Debtors had convened a meeting on March 30,
5 1999 requesting the \$XXXXM be given to them
6 to import five additional trucks and other
7 related costs. They claim that this would
8 enable the company to commence generating
9 income to service their debts. A verbal
10 commitment has been received from COMPANY
11 Limited, the company presently engaged in a
12 two year housing project in the Portmore area
13 to purchase concrete from DEBTOR who would
14 be sub-contractors in the business.

15 Debtors were recently advised that we have
16 received an assessment of the security
17 documents and the approximate cost for
18 stamping would be over \$XXXXM. In view of the
19 foregoing, the company is unable to find
20 these funds and the undisbursed sum will
21 assist in defraying these costs.

22 Realizable Collateral Value \$XXXXM
23
24
25

1 **Contract Rating 100%.**
2 **Character Rating 50%.**
3 **Minimum Expected Recovery (Conservative)**
4 **\$XXXX) .**

5 **Minimum Expected Recovery (Aggressive) :**
6 **\$XXXXM.**

7 **Resolution:**

- 8 **1. Documents must be registered/stamped**
9 **to ensure that our position is fully**
10 **secured.**
11 **2. The undisbursed amount of \$XXXXM will**
12 **be retained to assist in defraying costs**
13 **associated with the registration of**
14 **security documentation.**

15 Q: Chairman, with your permission might we
16 label this one EC46\11.

17 And finally, Mr. Campbell, might I ask
18 you to go through Minutes dated
19 September 19, 2000.

20 A: The Minutes of the Credit Committee
21 Meeting, September 19, 2000.

22 **Case: DEBTOR 6 COMPANY,**
23 **DEBTOR 6 COMPANY, COMPANY**
24 **DEBTOR 6 & DEBTOR 6**
25 **SPOUSE.**

Purchase price \$XXXXM.

1 2

Outstanding Balance \$XXXXM.

3 4

5 6

The facility originated at Horizon Merchant Bank. DEBTOR 6 AND DEBTOR 6 SPOUSE developed

7 8

several housing projects. In October 1997

9

loans were restructured to DEBTOR 6 COMPANY

10

Manufacturing totaling \$XXXXM. Mortgage

11

loans were granted to group companies to

12

purchase apartments in the ADDRESS

13

development. Based upon agreement with NDB

14

a loan of \$XXXXM was granted to start DEBTOR

15

6 COMPANY, a ready concrete mixing

16

operation. Additional funds of \$XXXXM were

17

approved in July 1998 to complete the

18

project.

19

In March 2000 the Credit Committee agreed

20

that all the properties held as security

21

were to be sold and the companies'

22

Directors sued for the balance.

23

Part of the security package held ought to

24

have included a Bill of Sale over machinery,

25

equipment and trucks for DEBTOR 6 COMPANY

Limited. However, although stamped, the

Bill of Sale has

1 not yet been recorded at the Registrar
2 of Companies office - the documents were
3 returned for amendments to be made.

4 Mrs. DEBTOR 6 SPOUSE has since written to
5 advise that **she** has procured a purchaser
6 for three trucks for \$XXXX each. She noted
7 that quite a bit of the equipment has been
8 stolen.

9 Of significant note is the fact that when
10 the equipment, machinery and trucks were
11 imported, the company was granted a waiver
12 of Customs Duty and General Consumption
13 Tax. This was granted, provided that the
14 goods would not be sold or transferred or
15 commercially exchanged or otherwise
16 disposed of locally within a period of
17 three years without the prior approval of
18 the Commissioner of Customs and the GCT
19 Department; the applicable Customs Duty
20 per truck was \$XXXX.

21 Security held:

22 Total realization security \$XXXX. Mrs.
23 Robinson mentioned that when the loan was
24 transferred Finsac was still

1 facilitating a draw-down.

2 Mr. Hylton felt that maybe Finsac should try

3 to sell the equipment. Ms.

4 Alexander wondered if the transfer

5 caveat could be waived and suggested

6 that the act be checked. In response Mrs.

7 Robinson suggested that a meeting be

8 convened with the Commissioner of

9 Customs to see what concession Finsac

10 could get.

11 Mr. Hylton suggested that the trucks be

12 valued as is and that with this the

13 Commissioner would be approached. The

14 situation with the location of the trucks

15 was discussed and Ms. Campbell suggested

16 that the Police be asked to assist when the

17 valuation is being done. She further stated

18 that the perfecting of the **Bill** of Sale

19 will have to be completed before the

20 trucks are valued and then the

21 Commissioner of Customs is approached. She

22 suggested that maybe all the equipment

23 should be valued at the same time.

24 The Committee agreed that all the

1 equipment and machinery be valued. Miss
2 Davis questioned the possibility of
3 relocating the equipment, for example,
4 to the Ministry of Works.

5 **RESOLUTION:**

6 I. See the perfecting of the Bill of
7 Sale.

8 2. Commission valuation on the equipment
9 and machinery.

10 3. Approach the Commission of Custom
11 regarding the waiving of related duties
12 on the sale of the agreement.

13 Q: With your permission, Mr. Chairman,
14 might we enter this document in evidence
15 as EC47/11.

16 COMM. BOGLE: EC47/11.

17 Q: And that would be Credit Committee
18 Meeting Minutes, dated April 1, 1999.

19 Are there any questions arising for
20 Mr. Campbell from any of the documents
21 submitted? If there are none...

22 COMM ROSS: Mr. Campbell, could you just tell us in
23 what interest rate or what interest rate
24 was being applied to these loans? We
25 notice that the outstanding balance

1 keeps climbing.

2 A: The normal rates are 30%. It may have
3 been that the mortgages were a little
4 less than that. I just need to double
5 check and tell you. Thirty was the
6 maximum rate.

7 COMM. BOGLE: Look at the presentation summary work-
8 out sheet and it states basic loan
9 balance, interest rate 30%.

10 A: I see that. I am sure that was not the
11 rate but I will check. I will check and
12 when next I come back I will present the
13 information. I will copy some of the
14 information to show you.

15 MR. MOODIE: With your permission, Mr. Chairman, we

16 now wish to move on to the complaint of
17 Mr. Bentley Rose. This company is Benros

18 Limited and Macro Finance Corporation.

19 The transcript reference would be

20 January 18 and February 18, 2011.

21 in essence, in reviewing most of the

22 transcripts for Mr. Rose, most of his

23 complaints were in relation to the

24 matter that he eventually brought in

25 court against a former Director who he

1 alleged withdrew funds exceeding \$12M
2 from the account of Benros for his
3 personal use. I think the record shows
4 that this matter is still awaiting
5 Judgment.

6 Mr. Campbell, might I ask you to
7 indicate - awaiting trial - might I ask
8 you, Mr. Campbell, to indicate whether
9 there were any Board minutes in relation
10 to Bentley Rose which may assist the
11 Commission in relation to Mr. Rose's
12 complaint?

13 A: Yes, there are.

14 Q: Could you give the date of those minutes
15 and read them into the record before we
16 ask for them to be admitted please.

17 A: Board Meeting of FINSAC and FIS held on
18 June 5, 2009. And I have an extract of
19 the Minutes here.

20 Q: Please proceed, Mr. Campbell.

21 A: **Minutes of the meeting of Board of**
22 **Directors of FINSAC Limited Financial**
23 **Institutions Services Limited held on**
24 **June 5, 2009 at 10:00 a.m. at the**
25 **Ministry of Finance & Public Service 30**

1 National Heroes Circle, Kingston 4.

2 And it lists the members who were in
3 attendance. I have an extract of the
4 Minutes here and the Extract as it
5 relates to Benros Company et al versus
6 **Workers Savings and Loan Bank et al**
7 reads.

8 The Board considered the update provided by
9 the Solicitor General (SG) on the matter.
10 The possibility of an out-of-court
11 settlement was posited by the SG
12 particularly as approximately J\$XXXXM was
13 said by the claimant's attorney to have
14 been deposited by the Workers' Bank at the
15 Bank of Jamaica pending the outcome of
16 this suit.

17 Mr. Campbell was asked to verify whether in
18 fact the sum of J\$XXXXM was deposited and if
19 so, its current status. The Board decided
20 that the Solicitor General should be
21 instructed to await the decision of the
22 Court of Appeal on the matter of the
23 striking out of a significant portion of
24 the Claimant's evidence.

1 Q: Do you have with you Mr. Campbell,
2 Matter for Approval for Board Update,
3 June 5, 2009?

4 A: Yes, I do.

5 Q: Could I ask you to read it now into the
6 record.

7 Chairman, might I ask before Mr Campbell
8 is asked to read that one that we give
9 this extract from the Minutes an exhibit
10 number?

11 COMM BOGLE: EC 48/11.

12 MR. MOODIE: Grateful Chairman. I think this
13 document that Mr. Campbell is going to
14 go on to will certainly explain the
15 extract in detail. Perhaps we should
16 have asked him to read it first but I
17 apologise if there is any mix up.
18 Mr. Campbell please go ahead with the
19 Board presentation, the Matter for
20 Approval.

21 A: FINSAC/FIS Limited.

22 **Matter for Board Update, June 5, 2009.**

23 **Issue: Benros Company Limited, Macro**

24 **Finance Corporation Limited & Bentley**

25 **Rose versus Workers Savings & Loan Bank**

1 & Winston McKenzie.

2 There are four suits involving these
3 parties, which relate to accounts
4 formerly operated at the Workers Savings &
5 Loan Bank (Workers Bank) by Bentley Rose
6 in the name of his companies, Benros
7 Company Limited and Macro Finance
8 Corporation Limited.

9 Mr. Winston McKenzie is a former branch
10 manager of the Workers Bank and he was
11 authorised by Mr. Rose to sign on the
12 companies' accounts, with cheques above
13 \$XXXX requiring two signatures. The
14 records reflect that Mr. McKenzie signed
15 cheques alone for amounts above \$XXXX and
16 was able to negotiate them at the Bank.
17 Mr. Rose through his companies sued the
18 Bank and Mr. McKenzie for these wrongful
19 debits to the accounts, since the funds
20 were paid from the accounts without the
21 proper authority, seeking to recover the
22 funds.

23 The matter has not yet gone to trial but the
24 former attorneys for Workers' Bank

1 (Myers Fletcher & Gordon) have applied to
2 strike out some of the evidence put forward
3 by Mr. Rose or on his behalf and this decision
4 was made in favour of the Bank, to which Mr.
5 Rose has appealed. This appeal was heard but
6 the decision has been pending for over two
7 years. (Mr. McKenzie and co-accused Melanie
8 Tapper have been convicted for fraud in a
9 similar matter brought against them and CIBC
10 Jamaica Limited).

11 Armed with this decision in his favour, Mr.
12 Rose through his attorney while waiting on
13 the Court of Appeal, has commenced
14 settlement negotiations with the Attorney
15 General's Chambers (AGC), which now has
16 conduct of the matter on behalf of Workers'
17 Bank.

18 Please see attached copy letter from the
19 Solicitor General seeking some directive from
20 us how to proceed with the present
21 negotiations, for which we now seek
22 directive.

23 There is a letter from the Attorney
24 General's Chambers dated May 28, 2009,
25

1 addressed to FINSAC Limited. Two suits.

2 Q: Sorry what's the date of that letter?

3 A: May 27, 2009.

4 Suit C.L. 1996/B-057.

5 Benros Company Limited v Workers'

6 Savings and Loan Bank and.

7 Suit No. C.L.1995/B-285.

8 Benros Company Limited & Bentley Rose v

9 Winston Mckenzie.

10 I refer to above captioned matter and

11 our telephone conversation on Tuesday

12 May 12, 2009 on the same.

13 This is to formally advise you that I

14 have been having discussions with

15 Mr. Gayle Nelson, Attorney-at-Law for

16 and on behalf of the claimants in the

17 above mentioned suits, with a view to

18 ascertaining how we could arrive at an

19 amicable settlement of the outstanding

20 issues in both suits.

21 As you are no know doubt aware, there is

22 before the Court of Appeal, an appeal in

23 respect of both suits from an

24 interlocutory order of Mr. Justice

25 Campbell. The parties are still

1 awaiting the outcome of the
2 pronouncements and agreements presented
3 before the Court of Appeal, which has
4 reserved judgment in the matter.

5 This letter is seeking your instructions on
6 two fronts. First, as regards the outcome of
7 the appeal against Mr. Justice Campbell's
8 order aforesaid, Mr. Gayle Nelson had
9 suggested that we should continue our
10 settlement negotiations without regard to
11 the judgment, regardless of the outcome in
12 the Court of Appeal. This is an option for
13 FINSAC, but in my view, it would be better
14 to await the outcome of the Court of Appeal's
15 judgment, as it is very likely that the Court
16 of Appeal will uphold Mr. Campbell's order.
17 If that eventuality should arise, then in my
18 view, it would give the defendant (Workers'
19 Bank) considerable leverage in
20 negotiating a settlement, and in any
21 settlement to be negotiated in such
22 circumstances would be one in which
23 Workers' Bank (now FINSAC) would have a
24
25

clear advantage.

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On the contrary, if the appeal were to go in favour of the claimant, then it would give him considerable advantage in the negotiations. The matter is therefore one for FINSAC and if the Board of FINSAC is of the view that considerable time and effort could be saved now, if negotiations were to commence and conclude before the judgment, then I would ask that we be formally instructed to continue the pursuit of these negotiations. If however the Board is of the view that it would be better to await the outcome of this appeal before concluding any negotiations, then in the circumstances, it would be better to await the ruling of the Court of Appeal.

Mr. Nelson has also suggested that on an interim basis, the parties could be accommodative of each other, and he would be willing to seriously entertain settlement in the sums belonging to the defendant, and which are now deposited

1 in the Bank of Jamaica pending the outcome
2 of this litigation? I am made to understand
3 from Mr. Nelson that these are substantial
4 sums in excess of \$JXXXXM, which was
5 deposited by the former Workers Bank pending
6 the outcome of this suit. If put to him now,
7 the claimant would seriously consider this,
8 in his words, an interim settlement. It is
9 my view that if such a sum exists and were
10 actually put aside by the company, pending
11 the outcome of the litigation, then on our
12 part, we could seriously persuade the
13 claimant to accept this sum and abandon this
14 litigation all together. I therefore write
15 for confirmation as to whether this sum
16 exists, as if it does, the existence of the
17 same would have a very positive impact on the
18 outcome of these negotiations. I therefore
19 await your instructions on the matter.

20 If there are any further queries, please do
21 not hesitate to contact me.

22 Yours faithfully.
23
24
25

1 **Douglas Leys.**

2 **Solicitor General.**

3 MR. MOODIE: Chairman, could we enter this document
4 into evidence please?

5 COMM BOGLE: 49/11.

6 MR. MOODIE: EC 49/11. Grateful, Chairman.

7 There is one more document we would wish
8 to enter, there are two more. The first
9 I would ask would be Credit Committee
10 Minutes dated October 17, 2000. The
11 purpose of these minutes would be to
12 indicate the security held. We
13 certainly think that the documents which
14 were just read to you, give a synopsis
15 closer to today's date than these
16 minutes dated October 17, 2000, just to
17 illustrate the securities held by
18 FINSAC.

19 Mr. Campbell, could I ask you to refer
20 to those Minutes and to just go through
21 the securities held in respect of this
22 account?

23 A: Sure. The securities held are recited
24 on page 20 of this document.

25 **1. ADDRESS Market Value**

1 Mr. Campbell just went through that I
2 would ask you to enter into evidence as
3 well. Unless there is anything you
4 would wish to highlight and ask
5 questions from this, I just ask that the
6 document be admitted.

7 COMM BOGLE: Mr. Moodie, we will take this into
8 exhibit, EC 51/11.

9 MR. MOODIE: May I just indicate, Chairman, as you
10 have indicated yourself before, if there
11 are any questions arising, Mr. Campbell
12 will be returning and so we would ask
13 that those questions be submitted to us
14 that Mr. Campbell could do the relevant
15 research necessary.

16 COMM ROSS: Mr. Campbell, the MER at the top of the
17 page on the right-hand side, is that
18 correct?

19 A: On the Case Summary Form, Mr. Ross?

20 COMM ROSS: Yes, on the last document that you
21 presented?

22 A: It seems a little low. I would need to
23 check Mr. Commissioner. As you saw me
24 leafing through, I was looking to the
25 page that had the total realizable for

1 the collateral which is almost 44
2 million. So it would seem a little
3 unusual for the MER to be only two
4 million. I'll Check.

5 COMM BOGLE: Yes, Mr. Moodie?

6 MR. MOODIE: Thank you, Chairman. We move on to the
7 complaint of DEBTOR 7.

8 The transcript reference
9 is February 24,2011 and also his Witness
10 Statement. I make specific reference to
11 Paragraphs 16,22 and paragraphs 23 to 77
12 of his Witness Statement.

13 DEBTOR 7 alleges that he was not in
14 arrears at the time his debt was taken
15 over by FINSAC. He said after FINSAC got
16 involved his business spiraled downwards
17 and interest rose and compounded on him.
18 He alleges he had an arrangement with
19 his bankers that he would only make
20 payments on his loans as he sold units.
21 He also alleges that between 2001 and
22 2003, he made tireless efforts to
23 negotiate with FINSAC but FINSAC's
24 posture was either failure to reply or
25 outright rejection without an

1 2 explanation. His difficulties
3 4 thereafter, are mostly, to be fair, with the
5 6 Jamaican Redevelopment Foundation but we
7 8 have sought to address those issues he has
9 raised regarding FINSAC. The first thing we
10 wish to note is having gone through the
11 cross-examination, he was thoroughly
12 cross-examined by Counsel for the Jamaican
13 Redevelopment Foundation. in that
14 cross-examination DEBTOR 7 admitted to
15 borrowing money for COMPANY from as far back
16 as July, 1994 at 70 percent interest. He
17 admitted that he had agreed in that
18 borrowing relationship to make interest
19 payments monthly.
20 He admitted further that he got another loan
21 sometime in 1995 at 45 percent and in 1997
22 a further loan from Horizon Merchant Bank
23 with interest at 60 percent. That loan from
24 Horizon Merchant, payment was to commence
25 ninety days from disbursement but he
admitted in cross-examination that he made

1 absolutely no payments.

2 In his evidence, I think he had
3 exhibited a letter from FINSAC which
4 evidenced a lowering of his interest
5 rate to 38 percent in 1986. That would
6 be Exhibit DEBTOR 7 - 56.

7 Mr. Campbell, are you able to say in
8 relation to interest rate charged by
9 FINSAC whether there was any further
10 movement in DEBTOR 7's interest rate?

11 A: Yes, I am. When I researched the
12 accounting records we have, the rate
13 that was being charged on his loan was
14 actually thirty percent (30%) by FINSAC.

15 Q: Thank you. Do you have the Case Summary
16 dated May 17, 1999, Mr. Campbell?

17 A: Yes, I do.

18 Q: That Case Summary would have been with
19 DEBTOR 7's files at FINSAC and you
20 would have seen it before?

21 A: Yes.

22 Q: Could I ask you to go through the Case
23 Summary with particular reference to
24 Cash flow, Collateral, Contract and
25 Character, the analysis done on

1 DEBTOR 7 by FINSAC?

2 A: Will do. Cash flow for

3 DEBTOR 7.

4 Since December '98 there has been no

5 payment to the account.

6 And this Case Summary form is dated May

7 17, 1999. So it is like roughly six

8 months later, no payment to the account.

9 DEBTOR 7 explains that there had been

10 no sale of any of the properties.

11 Since July 1998 there has been no

12 payment to the account. DEBTOR 7

13 explains that there has been no new sale

14 of any of the properties.

15 If you look on page 1, under Basic Loan

16 Data, you will see that the last payment

17 was 17 December 1998 and it is \$ **XXXX** M. In

18 fact interest rate is thirty percent.

19 Under Collateral, the first legal

20 mortgage over property part of Pleasant

21 Valley, St. Andrew, Vol. 1206 Fol. 801.

22 subdivided into lots, and there are 17

23 unsold with an estimated value of

24 \$XXXX.

25 Personal Guarantee of: DEBTOR 7

1 And there is a guarantee of
2 JANE DOE supported by first legal
3 mortgage on real estate at ADDRESS,
4 St. Ann, registered at Volume XXX
5 Folio XX and it is stamped to cover
6 \$ XXXX.

7 Under Contract. Promissory Note dated
8 27 October, 1995 for XXXX. There is a
9 Loan agreement dated 19th January 1996
10 for \$ XXXX, and a Personal unlimited
11 guarantee of DEBTOR 7 dated 12th August,
12 1994.

13 There is a mortgage document dated 6th
14 October, 1993, and it's stamped to cover
15 \$XXXX.

16 There is also a mortgage document dated
17 26 January, 1996 stamped to cover \$XXXX.

18 MR. MOODIE: Are there any questions from the
19 Commission arising from this document,
20 Case Summary Form dated May 17, 1999?

21 COMM BOGLE: Mr. Campbell, this covers all of the
22 indebtedness of DEBTOR 7 at that time?

23 A: Yes, and you will probably notice on
24 page 2.19 that there was an additional
25 debt that was just being transferred,

1 the approval was \$ XXXX. That was
2 included in the figure.

3 COMM BOGLE: The only reason I ask is, I see
4 Recommendation: Advertise and sell
5 lots. As at that time the outstanding
6 balance seemed to be approximately 33M
7 while our realizable value was
8 approximately 27.8. Presumably if you
9 were able to sell at that time then the
10 situation would be pretty close.

11 A: I agree with you.

12 MR. MOODIE: I think for completeness might I ask Mr.
13 Campbell to go to page 2.18, in terms of
14 some of the considerations which FINSAC
15 might have taken into consideration.

16 A: Option #1 says: Advertise and sell lots
17 Sue principal for any outstanding
18 balance.

19 Pro's A larger potential market to be
20 reached using other real state
21 companies. Greater control over sale
22 negotiation. Customer may be holding
23 out for higher price. Principal can be
24 sued in personal capacity.

25 Con's Forced sales may not generate

1 sufficient funds to clear debt.

2 Principal may not have sufficient

3 personal resources to cover any

4 shortfall.

5 COMM BOGLE:

You see one of the concerns I have is

6 something that I note in a lot of cases where

7 the decision is made to sell but a year after

8 we still have not sold while the interest is

9 mounting and mounting and mounting. So I was

10 just wondering whether or not we really made

11 enough effort to dispose of the properties

12 when the net realizable value might be closer

13 to the amount outstanding because what we

14 find it seems as if the net realizable value

15 continues to go down as time went on while

16 the outstanding balance continued to grow

17 because the interest continued to roll. So

18 it is more a matter that when I look at most

19 of these I find that there is a long period

20 between realizing the property and the

21 actual decision; from meeting to meeting,

22 Committee Meeting to Committee Meeting,

23 this decision is - and even

24

25

1 between the decision and the actual
2 attempt to sell or the actual sale, the
3 Minutes have borne out that sometimes
4 further proposals come and discussions
5 are held; so far the Minutes that have
6 been put in. I think we may finally
7 understand this as we go forward.

8 A: And of course you need to get valuations
9 and you don't want get too early and the
10 negotiations continuing and a year
11 passes and those valuations are
12 determined to be too old. So there are
13 all those factors and it takes time.

14 Q: Might I refer you, Mr. Campbell, to the
15 Minutes of the Credit Committee Minutes
16 Meeting dated October 19, 1999.

17 COMM BOGLE: We will mark this EC 52/11.

18 MR. MOODIE: Grateful, Chairman.

19 A: **Credit Committee Minutes of October 9,**
20 **1999 COMPANY.**

21 **Purchase Price: XXXX.**

22 **Outstanding Balance: XXXX.**

23 **Cc Approved MER: \$XXXX.**

24 **Originating banks HBL and CBL.**

25 COMM BOGLE: Just a minute. Go ahead?

1 A: This is an extract from the Credit
2 Committee Minutes of October 9, 1999 as
3 it relates to COMPANY.
4 Case #12.
5 **Purchase Price: \$XXXX.**
6 **CC Approved MER: \$ XXXX.**
7 **Originating banks Horizon,** I am not
8 sure, Mr. Chairman but it says HBL and
9 CBL.
10 **Loans facilities were granted to debtor**
11 **for real estate development. Due to the**
12 **softening of the real estate market,**
13 **sales of the properties were protracted**
14 **hence this scenario coupled with**
15 **prolonged non-payment has significantly**
16 **increased the amount owed.**
17 **A new facility was recently received**
18 **from CBL. The new balance now stands at**
19 **\$ XXXX as a result the MER has been**
20 **increased from \$ XXXX to \$ XXXX.**
21 **We are holding as security: (a)**
22 **Guarantee of JANE DOE supported**
23 **by first legal mortgage over property at**
24 **ADDRESS, St. Ann. Market Value**
25 **\$ XXXX. Forced Sale Value \$ XXXX, Stamped**

1 To Cover \$ **XXXX**. The Forced Sale Value
2 was discounted by 30% to a Realizable
3 Collateral Value of \$ XXXX. (b) first
4 legal mortgage over property part of
5 ADDRESS, St. Andrew (with 17 subdivided
6 lots). Market Value **XXXX**, Stamped to Cover
7 \$ **XXXX**. A discount of 30 percent was
8 applied resulting in Realizable
9 Collateral Value of \$XXXX. A discussion
10 ensued regarding the demand made on debtor.
11 A member of the
12 Committee stated that an arrangement was
13 made and a contract was actually in place.
14 It was further stated that from the recent
15 contract made it was
16 uncertain who the debtor was and it does not
17 allude to the fact that debtor does work for
18 us and that 50 percent of the commission
19 made would be put towards his debt. It was
20 revealed that both contracts were dated
21 in October and another member of the
22 Committee is of the opinion that it should
23 not preclude us from selling the
24 properties.
25 The Chairman suggested that before

1 entering into contractual arrangements
 2 with individuals to be careful how
 3 information is communicated to avoid
 4 misconstrued conceptions by our debtors.
 5 It was further suggested that we forget
 6 the drafted contract we have with debtor
 7 since it is not yet signed.

8 **Realizable Collateral Value: \$ XXXX.**
 9 **Character Rating: 100%.**

10 **Minimum Expected Recovery**

11 **(Conservative): \$ XXXX**

12 **Minimum Expected (Aggressive):}**

13 **\$ XXXX.**

14 **Resolution:**

15 **1. The Minimum Expected Recovery of**

16 **\$\$ XXXX was approved.**

17 **2. The Workout Officer is to proceed**

18 **with sale of the properties.**

19 MR. MOODIE: Thank you.

20 Chairman, could we enter this into
 21 evidence with the appropriate exhibit
 22 number?

23 COMM. BOGLE: EC53/11.

24 MR. MOODIE: Thank you Chairman.

25 We looked at the complaint - we are

1 moving on to Mr. DEBTOR 12 now. The
2 transcript reference would be February 16,
3 17 and 22, 2011. We looked at DEBTOR 12's
4 complaint which was that he alleges he
5 borrowed only \$ XXXX Million and after
6 repaying over \$ XXXX million to his borrowing
7 bank his debt ballooned to over \$ XXXX
8 billion. He denies that he took a further
9 loan amounting to \$ XXXX million and says he
10 signed several blank documents in his
11 lawyer's office. His property was placed in
12 receivership in 2007, he says, under the
13 powers of mortgage and he alleges that he was
14 never given the opportunity by FINSAC to
15 redeem his mortgaged property by paying
16 only, what he proposed, as 20% of his loan.
17 In evidence, from DEBTOR 12 was mortgage
18 securing that \$ XXXX million loan which he
19 denied taking, that loan came from Eagle and
20 was purportedly signed by DEBTOR 12, that
21 document has already been submitted in
22 evidence and I think his claims were the
23 subject of a suit which finally went to the
24 Court of Appeal and

1 the ruling was that there was no serious
2 issue to be tried based on his
3 allegations.

4 Could you indicate Mr. Campbell, what
5 happened in respect of DEBTOR 12's debt?

6 A: DEBTOR 12's debt is among the debts that
7 FINSAC sold to the Jamaican
8 Redevelopment Foundation.

9 Q: With your permission, Chairman, we would
10 move on, therefore, to the complaint of
11 DEBTOR 4 and the transcript
12 references would be February 22 and
13 February 24, 2011. I am looking at the
14 complaint of DEBTOR 4 and he
15 alleges that he could not get any
16 accounting from FINSAC and what accounts
17 he did receive he said they were
18 incorrect. He alleges most materially
19 his property was sold at an undervalue
20 for US \$ XXXX million. He said, he
21 alleged he offered to buy back his debt
22 from FINSAC for thirty-five cents in the
23 dollar but this was rejected.
24 Mr. Campbell, could you kindly indicate
25 what the records of FINSAC reveal in

1 relation to DEBTOR 4 proprietor
2 of COMPANY and COMPANY?

3 A: Yes, those entities operated loans with
4 the former Workers Saving and Loans
5 Bank. They were not properly serviced
6 so in or around October 1997 an
7 agreement was reached between Workers
8 Bank and those companies to cap the debt
9 at J\$ XXXX million. Some properties were
10 taken in partial reduction including
11 this property that DEBTOR 4 is alleging
12 that was sold by FINSAC at undervalue.

13 Q: Was a valuation ever commissioned by
14 FINSAC in relation to that property?

15 A: Yes, a valuation was done in March 2003
16 on this particular property, and at the
17 time the property was really belonging
18 to Workers Bank since it was taken by
19 Workers Bank in part settlement of the
20 debts for these two entities.

21 Q: What did the valuation indicate as the
22 current market value at that time?

23 A: The value acknowledged that there were
24 squatters on the land and the value of
25 the property at J\$ XXXX million which at

1 that time was equivalent to US\$ XXXX

2 million US.

3 Q: Yes, could you go on to indicate whether
4 FINSAC's records have revealed any more
5 information in relation to proposals
6 made by DEBTOR 4 in respect to his debt?

7 A: Yes. After the debt was transferred to
8 FINSAC and as I said it would have been
9 substantially reduced by the value of
10 these properties that were taken in
11 partial settlement, a further submission
12 was made to FINSAC seeking to arrive at
13 a compromise at the time when the debt
14 was \$ XXXX million but FINSAC would accept
15 \$ XXXX million in full and final
16 settlement. This of course was rejected
17 by the Credit Committee.

18 Q: Might I refer you to Credit Committee
19 Minutes dated 21st of March 2001?

20 COMM. BOGLE: Before you go on, could we enter the
21 valuation as EC54/11.

22 MR. MOODIE: Grateful Mr. Chairman.

23 Yes, Mr. Campbell?

24 A: We have an extract of the Credit
25 Committee Minutes of March 21, 2001 and

1 we are dealing with COMPANY and COMPANY
2 whose directors are JOHN DOE and JOHN DOE.
3 Purchase price \$ XXXX million and the
4 outstanding balance \$ XXXX. The debtors
5 obtained overdraft facilities guaranteed
6 and other facilities to fund the purchase of
7 COMPANY to provide working capital and
8 inventory financing. The account was not
9 serviced satisfactorily from the outset as
10 income derived from the business was
11 insufficient to meet the monthly payments.
12 The bank met with debtors on numerous
13 occasions, which culminated in the bank
14 appointing a Receiver in October 1997. The
15 receivership was terminated in November
16 1997. An
17 agreement was reached to cap the debt at \$
18 XXXX million to be liquidated in accordance
19 with the Deed of Assignment. Payments of \$
20 XXXX Million per month were being made in
21 accordance with the Deed of Assignment.
22 These payments have since been reduced to \$
23 XXXX million per
24
25

1 month. By letter dated October 28, 1998 the
2 company requested a further compromise of
3 the debt at \$ XXXX million with the inclusion
4 of real estate in full and final settlement
5 of the debt. The company is now proposing to
6 pay \$ XXXX million in full and final
7 settlement of the debt. The Officer
8 recommended that we reject the debtor's
9 proposal.

10 And the security is debenture of fixed and
11 floating assets valued at \$ XXXX million
12 as at Balance Sheet dated
13 June 1990 something, and it is stamped to
14 cover, I am not so sure what that figure is.
15 In the absence of any up-to-date accounts,
16 since the return of the Receiver, the Stamp
17 to Cover Value was extended, which is \$76
18 million. So cash flow is \$ XXXX million;
19 Realizable Collateral Value \$ XXXX Million;
20 Contract Rating 70%, Character Rating 70%,
21 Minimum Expected Recovery (Conservative) \$
22 XXXX million; Minimum Expected Recovery
23 (aggressive) \$ XXXX million.
24
25

1 Resolution -- The Committee accepted
2 Officer's proposal to reject debtor's
3 offer in settlement of the debt

4 MR. MOODIE: Chairman, we wish to enter these minutes
5 into evidence.

6 COMM. BOGLE: EC 55/11.

7 MR. MOODIE: Grateful. We move on, unless there are
8 any questions.

9 COMM. ROSS: Mr. Campbell, was there any policy in
10 place with regards to debt write off, in
11 other words, was there any set amount of
12 either principal or interest that FINSAC
13 was prepared to write off in these
14 negotiations?

15 A: No, there wasn't.

16 COMM. ROSS: So on what basis were some people given
17 write-offs and others not?

18 A: All matters were taken on a case by case
19 basis, but...

20 COMM. ROSS: That doesn't answer the question, why
21 would one person be given a write off
22 and another person not, or another
23 entity not?

24 A: All of that was dependent on the
25 individual circumstances at the time,

1 whatever collateral, whatever cash flow
2 there was and the cooperation of the
3 person, all those factors were taken
4 into account and those are the matters
5 that were looked at when the submission
6 is made.

7 COMM. ROSS: In none of the cases that you have
8 presented so far, responded to, was
9 there excess of assets over obligations,
10 so, certainly all of them had that in
11 common, there is no question that you
12 would be able to recover the full amount
13 from the sale of securities?

14 A: Invariably it would be an assessment of
15 the entire situation, as I am saying, it
16 could be as in a case where the debtor
17 is asking us to accept thirty-five cents
18 in the dollar in settlement of his debt
19 and the Officer and the members of the
20 Committee were of the view that the man
21 was in a position to pay more and as a
22 result they would want him to pay more.

23 COMM. ROSS: But a counter offer wasn't made, FINSAC
24 didn't say pay me seventy cents in the
25 dollar.

1 every day and they can only make the
2 decision on a case by case basis
3 dependent on the realized security of
4 each borrower and other factors.

5 COMM. ROSS: I beg to differ to that position.

6 MR. MOODIE: Guided Chairman, it's a matter for you.

7 COMM. ROSS: The average financial institution has
8 thousands and thousands of debts, loans
9 going bad at the same, if they do, trust
10 me, they could never approach it on a
11 case by case basis.

12 A: You recognize, Chairman, in a number of
13 cases there would have been unsecured
14 facilities, and if it is that we were
15 going to say principal and fifty percent
16 of interest across the board, it would
17 be difficult with our collecting that
18 amount from somebody whose debt is
19 totally unsecured.

20 COMM. ROSS: As I understand it the unsecured debts
21 were disposed of earlier in the game, at
22 minimal return.

23 A: No, those primarily that you speak of
24 are credit cards but there were a lot of
25 other unsecured debts and significant

1 amounts too, either unsecured or
2 woefully under secured and those were
3 retained, some were eventually sold to
4 Jamaican Redevelopment Foundation, and
5 that would be part of the reason too,
6 like some of the debtors are now saying
7 they offered FINSAC to pay twenty
8 percent on the dollar for their debt and
9 FINSAC refused. That is one of the
10 considerations because there are some
11 that are under-secured or unsecured and
12 whereas with the man who is fully
13 secured, if we were to take twenty
14 percent, at the end of the day the
15 overall picture would be that you would
16 end up earning less.

17 COMM. ROSS: I don't know about that, Mr. Campbell, I
18 think when you look at the actual
19 realization of the sale to JRF, probably
20 it won't work out to be much more than
21 that in terms of your actual.

22 MR. MOODIE: Might I direct you Commissioners, to
23 Exhibit PH5 given by Mr. Hylton during
24 the course of his evidence which was a
25 document setting out FINSAC's standard

1 policy for non-performing loan work-outs
2 which I think might assist you in answering
3 some of the questions you are posing to Mr.
4 Campbell.

5 With your permission, Mr. Chairman, we move
6 on to the complaint of Mr. Anthony
7 Hutchinson, the transcript reference being
8 March 16 and 31, 2011 and April 13, 2011.

9 10 DEBTOR 3 alleged that he borrowed \$ XXXX
11 million from NCB in 1995 at an interest rate
12 of 53% secured by property and that his debt
13 rose to some \$ XXXX million in 1998. He
14 alleges that of the amount borrowed he did not
15 receive some \$ XXXX million of that amount and
16 he complained that FINSAC ought to have taken
17 this into consideration and also to have
18 given him further extensions because he
19 alleged that he had sales lined up for his
20 properties.

21 Mr. Campbell, might I ask you to
22 indicate FINSAC's position from the
23 records in relation to these
24 allegations.
25

1 entered into evidence while
2 DEBTOR 3 was giving evidence and
3 being cross-examined.

4 COMM. BOGLE: Mr. Campbell, DEBTOR 3, I think it
5 was one case where there was a lot of
6 land that was being used by a school and
7 he was in negotiation with the Ministry
8 of Education for them to buy the land
9 and this was sort of held up between the
10 ministries, and DEBTOR 3 feels
11 that some consideration should have been
12 given considering that he was not at
13 fault for the delay but it was a matter
14 that the Government, because the
15 Ministry of Finance, I think, at one
16 time approved it, and the discussion was
17 that the Ministry offered to pay the
18 amount directly to FINSAC to reduce the
19 debt of DEBTOR 3 but from what I
20 can remember there seemed to have been
21 very little regard for that.

22 A: I really can't speak to those specifics,
23 Mr. Chairman.

24 COMM. BOGLE: Before you return, can you just see if
25 you can have a look back on this one for

1 me.

2 MR. MOODIE: Certainly. Mr. Campbell has given his
3 undertaking that he will do so but, I
4 think from my review, these issues would
5 have continued with when the debt was
6 sold to Jamaican Redevelopment
7 Foundation. I am just saying that to
8 say that there may be only so much
9 information that Mr. Campbell can give.

10 COMM. BOGLE: You see, I sort of feel that if FINSAC,
11 a government agency, basically owned by
12 Government and there is this debtor, and
13 the debtor is selling a piece of land to
14 a school to reduce his debt and the
15 Ministry of Education says, yes we will
16 buy, the valuation and the amount was
17 agreed and communication was available
18 between the ministries and FINSAC, I
19 find it really unreasonable, surely, for
20 a debt like that to have been sold to
21 JRF because I would have expected more
22 consideration to be given, considering
23 that DEBTOR 3 had been negotiating
24 for quite awhile and the delay of over a
25 year was between the ministries, not

1 DEBTOR 3, and I think as a
2 Government company really, more
3 consideration could have and should have
4 been given to DEBTOR 3.

5 MR. MOODIE: Well, I think the evidence from
6 Mr. Campbell just now, at the very
7 least, indicated that FINSAC
8 accommodated him in terms of giving him
9 a deadline from March 28, 2001 straight
10 to December 31, 2001.

11 COMM. BOGLE: He could do nothing about that. If you
12 look at the exhibits surely, that came
13 to the Commission, ministries and
14 persons in the ministries wrote to
15 FINSAC explaining to them, so it wasn't
16 any fault of DEBTOR 3 and so I
17 think under those circumstances it was
18 unreasonable to have sold a debt like
19 that because as I said it was not
20 DEBTOR 3's fault, he did all he
21 could and many of his promises that he
22 made, if I remember rightly, emanated
23 from the fact that the ministries, it
24 was between Ministry of Education,
25 Ministry of Finance, Commissioner of

1 Land, all of them communicated saying
2 yes, we will buy, the amount of \$ XXXX I
3 think was agreed and I think that a case
4 like this, surely, FINSAC was
5 unreasonable, my opinion, to have sold a
6 debt like this to JRF.

7 MR. MOODIE: While we certainly will look for any
8 document to substantiate the
9 communication between ministries,
10 certainly once we put those before the
11 Commission, we then await your
12 conclusion in relation to that aspect
13 Chairman, but I am guided by your
14 comment.
15 Finally, Chairman, we would wish to move
16 on the complaint of DEBTOR 5;
17 the transcript references would be April
18 27 and May 3, 2011. DEBTOR 5 alleged
19 that CNB made up a fictitious debt claim
20 even after his loans were paid and his
21 account was actually in credit. He
22 alleges he actually over paid the debt
23 which was secured by a promissory note
24 by over \$ XXXX due to a lack of proper
25 statements. He says at the time of the

1 take over by FINSAC CNB actually owed
2 him in excess of \$ XXXX million and he
3 alleges of course that FINSAC continues
4 to demand this fictitious debt after the
5 take-over and failed to respond to his
6 attorney's letter on the issue.

7 Mr. Campbell could you kindly indicate
8 what FINSAC's records reveal in relation
9 to these allegations?

10 A: Sure. FINSAC sent DEBTOR 5's concerns
11 to Century's lawyer to be addressed and
12 informed them of this fact and by letter
13 dated July 1, 1992 and this is already
14 in evidence, the Court of Appeal has
15 disposed of DEBTOR 5's claim refuting
16 his application for injunction and these
17 judgments have been tendered into
18 evidence as well.

19 Q: We would therefore ask Commissioners,
20 that you take note of these judgments
21 which have already been put into
22 evidence regarding DEBTOR 5's
23 complaints. Unless there are any
24 questions arising from the evidence
25 Mr. Campbell has given so far, that

1 would complete FINSAC's response.
2 You will note, Commissioners, that we
3 did not do a separate response for
4 FINSAC in relation to DEBTOR 18 DIRECTOR
5 and DEBTOR 18 because it
6 is our view that Mr. Hylton did so
7 comprehensively.

8 COMM. ROSS: Mr. Campbell, one of the allegations of
9 DEBTOR 5 was that he actually had a
10 deposit at Century National Bank, have
11 you been able to investigate that
12 allegation?

13 A: I wasn't able to find any information on
14 that Mr. Commissioner.

15 COMM. ROSS: So you can't say whether or not his
16 allegation has foundation?

17 A: Yes, sir.

18 MR. MOODIE: The records reflect it was referred to
19 CNB's attorney for their attention and
20 he brought a case which eventually went
21 nowhere, I think it was dismissed in
22 relation to that aspect.

23 COMM. ROSS: So we had a court case in relation to
24 that deposit, am I correct?

25 MRS. PHILLIPS: Maybe I could be of some assistance in

1 helping with the recollection hopefully.
2 This was the gentleman, the whole issue
3 about whether a judgment was final and
4 interlocutory and if it was final this
5 Commission would treat it as binding as
6 it were, on the words and accept it and
7 this was a final judgment of the
8 Honourable Mr. Justice Jones dismissing
9 his claim. So, I think that has been
10 put to rest and this Commission has
11 already indicated that it has accepted
12 the final judgment of the court.

13 MR. MOODIE: Finally, Chairman, with your indulgence,
14 I indicated on the last occasion that
15 FINSAC wish to make a statement in
16 relation to evidence which was
17 previously given by Mr. Campbell on
18 Monday July 4 in relation to Donovan
19 Crawford and related interests, Donovan
20 Crawford, JANE DOE and COMPANY
21 Limited. With your permission I ask for
22 Mr. Campbell to read that statement into
23 the record and we have copies we wish to
24 provide for the Commission.
25 Mr. Campbell please proceed.

1 in the matter obtained a Court Order for sale
2 of various properties owned by Mr. Crawford
3 and some connected parties. having regard to
4 enquiries made by the Commission, we have
5 reviewed the files and can confirm that
6 representations were made in early 2006 by
7 Mr. Crawford's attorney to ours that based
8 on the age and health of his mother,
9 consideration be given to granting her a
10 lifetime interest in her residence at
11 Sterling Castle. This was not agreed, but she
12 was allowed to continue occupying the house
13 for a further three months, as this would not
14 unduly affect the timetable for the proposed
15 sale of the properties, bearing in mind the
16 sale process.

17 Mr. Crawford made a number of subsequent
18 representations to FINSAC and to the former
19 Government for leniency or assistance with
20 medical bills on humanitarian grounds for
21 his ailing mother who is over 90 years old.
22 These were not approved in view of the Court
23
24
25

1 2 Orders obtained for sale of the
3 4 properties.
5 6 Similar representations have since been
7 8 made to the present government and the
9 matter has been referred to the Attorney
10 General's Chambers for advice on whether any
11 assistance may be granted.
12 In 2006, valuation reports were obtained on
13 Mrs. Crawford's residence and the five
14 adjoining apartments. These apartments were
15 listed with D C Tavares & Finson for sale and
16 no offers were received but they were never
17 taken off the market.
18 In view of the age of the existing valuation
19 reports, FINSAC will obtain up-to-date
20 valuations and proceed to auction all the
21 remaining properties and if not sold, list
22 them with brokers for sale by private
23 treaty.
24 In relation to the properties at the
25 ADDRESS, these are part of a complex
consisting of 78 units, 31 of which are
controlled by FINSAC/FIS, including the 13
related to

1 Century. The other 47 units have
2 diverse ownership and previous efforts
3 by the liquidator of the company which
4 formerly owned the common area to sell,
5 were futile. The common area has since
6 been sold and contact will now be made
7 with the liquidator requesting that
8 efforts be resumed to obtain agreement
9 from the various owners to again pursue
10 sale.

11 Signed on behalf of FINSAC, Robert
12 Martin.

13 MR. MOODIE: I trust Chairman, that this not only
14 addresses some of the concerns raised by
15 you and the Commission on July 4 but
16 certainly sets the record straight as
17 regards FINSAC's intention as regards
18 the remaining properties for Donovan
19 Crawford.

20 COMM. BOGLE: I think there was a valuation that I
21 requested and that was the PROPERTY,
22 Mr. Campbell, you have that?

23 MR. MOODIE: We have a copy of that valuation to
24 provide to the Commission.

25 COMM. BOGLE: Okay.

1 MR. MOODIE: Chairman, before you move on since we
2 read it into the record...

3 COMM. BOGLE: EC56/11.

4 MR. MOODIE: Grateful. And the Valuation in respect
5 of Holiday Inn perhaps we could just
6 formally enter that too.

7 COMM. BOGLE: There are two others that I would love
8 to see, one is the Mutual Life building
9 and the LOJ Complex, you can find those.

10 A: Which is the other one?

11 COMM. BOGLE: The LOJ Complex. They have one down at
12 Norman Road.

13 A: No, we didn't sell that.

14 MR. MOODIE: Could we assign an exhibit number to the
15 Holiday Inn valuation which you
16 requested and which was provided to you?

17 COMM. BOGLE: EC5 7/11.

18 MR. MOODIE: Grateful, Chairman. And we certainly
19 will endeavour to get any additional
20 documents that you have requested
21 between now and when Mr. Campbell
22 returns. You had indicated that should
23 there be any questions arising from the
24 evidence Mr. Campbell has given in
25 response to the debtors' concerns that

1 FINSAC would be given an opportunity to
2 receive those questions and research the
3 answers in advance.

4 COMM. BOGLE: Yes.

5 MR. MOODIE: So to date we have received nothing
6 else. I am advised that Counsel, I think
7 Miss Clarke, had indicated the
8 Commission said she should send her
9 questions directly to us, whether that
10 is so or not we have not yet received
11 any questions and certainly we would
12 look forward to receiving them in short
13 order so that we could do the required
14 research when Mr. Campbell is next
15 before this commission.

16 DEBTOR 12: Mr. Chairman, cross-examination requires
17 predetermined and written questions,
18 cross-examination will be able to test
19 the veracity of the witness.

20 MR. MOODIE: The only reason I made that request is
21 because I don't think it can be expected
22 that Mr. Campbell would walk with all of
23 the files with him, certainly, we don't
24 even have the manpower to bring them
25 down. So if there are documents which

1 are required, if there is information to
2 be gotten from the files, certainly
3 previous notice could assist us in
4 providing the copies of those documents
5 to the Commission and to Counsel. I am
6 sure Counsel would want to see any
7 document which he requests before he
8 puts them to the witness. And I
9 certainly would like to see them.
10 COMM. BOGLE: I remember that on Friday I did explain
11 to Counsel present it is indeed
12 desirable that the questions be sent
13 either through the office or directly to
14 Mr. Campbell. If it goes directly to
15 Mr. Campbell, Mr. Campbell would wish to
16 see copies of those so that Mr. Campbell
17 can do whatever research there is so
18 that the answers can be properly given.
19 Because as I said on Friday,
20 Mr. Campbell is not on trial, what we
21 are trying to do is to get information
22 about operations at FINSAC and a lot of
23 these requests mean that Mr. Campbell
24 would have to research and provide us
25 with documentary proof. I think it is

1 unreasonable to expect that Mr. Campbell
2 could just have all of this information
3 in his head to real off, and so it is on
4 that ground that I said that questions
5 should be sent to him so that he can do
6 his proper research and inform himself
7 and bring the necessary documents to
8 this enquiry so that - what we want is
9 information.

10 MR. MOODIE: I ask that any communication to
11 Mr. Campbell either be routed through or
12 copied to his attorneys.

13 DEBTOR 12: Mr. Chairman, in terms of
14 cross-examination it is not proper and I
15 have never heard it before.

16 COMM. BOGLE: Noted DEBTOR 12. Okay at this point this
17 Enquiry is now adjourned until Thursday
18 morning at 9:30.

19

20

ADJOURNMENT

21

22

23

24

25