

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
FRIDAY, JULY 22, 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

REPRESENTING JAMAICAN REDEVELOPMENT FOUNDATION

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

REPRESENTING MR PATRICK HYLTON

Mr. Dave Garcia - Attorney-at-Law

REPRESENTING FINSAC LIMITED

Mr. Brian Moodie - Attorney-at-Law
Ms Danielle Chai - Attorney-at-Law

REPRESENTING SEVERAL DEBTORS,

Mr. Anthony Levy - Attorney-at-Law

REPRESENTING FINSAC'D ENTREPRENEURS

Mr. David Wong-Ken -- Attorney-at-Law

GIVING EVIDENCE

Mr. Errol Campbell

1

FRIDAY JULY 22, 2011

2

COMMENCEMENT : 10:00 A. M.

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COMM BOGLE: Good morning ladies and gentlemen. This Enquiry is now in session and for the record, may we have the names of the attorneys present.

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MR. GARCIA: Dave Garcia, representing Patrick Hylton.

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MRS. PHILLIPS: Sandra Minott-Phillips, instructed by Myers, Fletcher and Gordon representing Jamaican Redevelopment Inc.

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MS. CHAI: Bryan Moodie and Danielle Chai, instructed by Samuda and Johnson appearing on behalf of FINSAC.

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MR. LEVY: Anthony Levy instructed by G. Anthony Levy and Company, representing SEVERAL DEBTORS including myself.

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MISS CLARKE: Judith Clarke, appearing on behalf of the Commission.

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22

MR. WONG-KEN: Commissioners, David Wong--Ken, instructed by Wong-Ken and Company appearing for the FINSAC'd. entrepreneurs.

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1 COMM BOGLE: Thank you.

2 This morning we have Mr. Campbell
3 returning to continue to provide
4 information and answers to certain
5 questions and therefore I'll as that
6 Mr. Campbell be sworn in now.

7 (Witness sworn)

8 Thank you very much. Mr. Moodie?

9 MR. MOODIE: Thank you Chairman. Just for guidance we
10 will start this morning by tendering
11 some documents in evidence in relation
12 to the evidence given yesterday on
13 cross-examination and the
14 evidence-in-chief of DEBTOR #1. DEBTOR #1
15 attorney is not here today but
16 he has been provided with copies of all
17 of these documents which we intend to
18 put in today. We wouldn't seek to
19 expand on them, just have them entered
20 into the records and certainly when
21 Campbell returns he will be able to
22 answer any questions which might arise.
23 So with your permission, Chairman.

24 COMM BOGLE: Yes.

25 MR. MOODIE: Thank you.

1 Mr. Campbell, good morning.

2 MR. CAMPBELL: Good morning, Mr. Moodie.

3 Q: Were you able to ascertain from FINSAC's
4 records any information relative to the
5 complaints made before this Commission
6 by DEBTOR #1?

7 A: Yes, I was.

8 Q: I am going to bring your attention to
9 certain documents and I would ask you to
10 indicate whether those documents, as we
11 go through them, whether those documents
12 were amongst FINSAC's records and
13 whether they were documents which you
14 have seen before and recognize. Might
15 we start Mr. Campbell, with a document
16 which is headed meeting of 7th February,
17 1997. Could you start by indicating who
18 was in attendance at the meeting, the
19 purpose of the meeting and then proceed
20 to read the document.

21 A: Sure. This is a memo that I copied from
22 the file. It speaks to a meeting and in
23 attendance were Mr. Norman Reid, Branch
24 Manager, Acting at the time; DEBTOR #1,
25 Miss Andrea Henry, and Mr. Allan

1 Lobban. Messrs. Reid and Lobban are
2 representatives of NCB.

3 The purpose of the meeting was:

4 To provide an update on the DEBTOR #1
5 COMPANY Account and also to discuss DEBTOR
6 #1 proposal dated 30th December, 1996.

7 The first matter in relation to the
8 DEBTOR #1 COMPANY:

9 A) Certificate of Title should be ready by
10 the end of February.

11 B) Ministry of Housing should provide the
12 COMPANY with the listing of the names of the
13 40 allottees by 97/02/10

14 C) The purchaser for the commercial lot was
15 off the island, however, this should be
16 finalized soon.

17 D) Repossessed lots -- resale --
18 awaiting the Commissioner's
19 permission -- the deposits were
20 refunded.

21 E) If necessary the Ministry will make a
22 Cabinet Submission for government to pay out
23 the funds before the end of the fiscal year
24 as it is not appropriate to

1 carry forward into the next year.

2 And the second matter is in relation to
3 DEBTOR #1 proposal.

4 Mr. Reid advised that consideration will be
5 given to amalgamate the family's debt of
6 approximately \$xx M (rebated) plus finance
7 one tractor (Bulldozer) to cut the marl.

8 In regard to security -- the lot at Negril
9 is registered in the name of XXX Ltd,
10 commercial justification is necessary and we
11 are not prepared to use this item,

12 DEBTOR #1 offered PROPERTY #1 & 2 as
13 security. He was advised that to date they
14 have not provided the seal for DEBTOR #1 &
15 Company Ltd. in order that the security can
16 be perfected for his debts using PROPERTY #1
17 & 2. He instructed Miss Henry to order a new
18 seal if necessary.

19 The Certificate of Title for PROPERTY #2
20 is in (father) DEBTOR #1 name.

21 Mr. Reid requested a "formal" take over
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1 of the Marl pit property and in response
2 customer advised that it would be
3 "formal" as ownership of the property
4 would be transferred to him.

5 However, the property was purchased from
6 1972 and has not yet been transferred to
7 his father.

8 Miss Henry is to provide the attachments
9 for the proposals as they were not
10 received.

11 Signed: Allan Lobban.

12 Q: Would I be correct Mr. Campbell, in
13 describing this memorandum as evidencing
14 a meeting in February 7, 1997 attending
15 by DEBTOR #1 wherein a proposal was
16 made by him to amalgamate his family's
17 debt, among other things?

18 A: Yes.
19 MR. MOODIE: Chairman, with your permission might we

20 enter this document into evidence?

21 MR. LEVY: Mr. Chairman, this is the Minutes of a
22 meeting. What significance is it and
23 why is it being put in? None of the
24 people are here. Mr. Lobban who
25 supposedly prepared it is not here. It

1 is just a piece of paper on a file.

2 COMM BOGLE: Mr. Levy we will accept it and Mr. Green
3 on re-examination will deal with it.

4 MR. MOODIE: Thank you, Chairman.

5 COMM BOGLE: And it will be EC58/11.

6 MR. MOODIE: We have already have, Chairman, in
7 evidence marked as KB60 a letter dated
8 September 16, 1991. That letter was
9 already read into evidence By DEBTOR #1
10 and so I'll not seek to tender it at
11 this time through Mr. Campbell.

12 There was another letter which was put
13 into the evidence but perhaps just
14 marked for identification while DEBTOR #1
15 was giving evidence. That is
16 exhibit KB49.

17 KB49, is letter dated July 4, 1997.

18 MRS. PHILLIPS: I think 49 actually went in as evidence
19 although it is marked for identity as
20 51.

21 COMM BOGLE: You are quite right.

22 MR. MOODIE: Grateful.

23 I then turn to exhibit KB51, which was
24 marked as such for identification but it
25 not read into the record and I would ask

1 Mr. Campbell if he could start by
2 identifying the document that was
3 entered as KB51 and thereafter to
4 indicate the contents of that document.

5 A: This is an internal memorandum from
6 NCB's head office to the NCB
7 Savanna-la-mar branch at Great George
8 Street in relation to DEBTOR #1
9 proposal.

10 Q: What proposal, is that proposal given an
11 identification number?

12 A: Not on the face of the document. It is
13 a separate document, I am not sure if it
14 is part of the KB51. Sorry, Proposal
15 Number 27/1997 and it is dated 30th May,
16 1997. This does not have a separate
17 reference number.

18 MR. MOODIE: Do the Commissioners have a copy of that
19 document?

20 COMM BOGLE: Yes. That was marked yesterday, exhibit
21 KB51.

22 MR. MOODIE: Grateful.

23 Could you kindly indicate the contents
24 of that document.

25 MR. LEVY: That document or those documents?

1 MR. MOODIE: It was entered as one, Mr. Levy.

2 MR. LEVY: But it is still more than one document.

3 MR. MOODIE: Several pages which are parts of one
4 document.

5 Mr. Campbell, was this document, as it
6 is before you, found on the files of
7 FINSAC?

8 A: Yes it was.

9 Q: In the manner in which it appears now as
10 exhibit KB51?

11 A: Yes, it was.

12 Q: Could you proceed to read that document
13 into the record, please?

14 A: I just want to be clear do I need to
15 mention mountains proposal itself,
16 because if I do, I would prefer to refer
17 to that first.

18 Q: Sure. I would ask you to do so.

19 A: Commissioners, this, Proposal #27/97.
20 That is the legal document they have.

21 Q: Page two.

22 A: There is quite a lot of information
23 there but primarily it speaks to -- if I
24 just look at the liabilities, it speaks
25 to liability in the name of DEBTOR #1 and

1 DEBTOR #2 which were overdrafts of
2 \$xxx K, and an NBL of \$x M along
3 with an overdraft facility for DEBTOR #1
4 RELATED COMPANY. Liabilities
5 together totaling a little over
6 x million dollars.
7 Those were existing facilities and
8 towards the bottom of the page it speaks
9 to the new facilities that were being
10 requested which was a Guarantee to NCB
11 Investments Limited commercial paper
12 facility of \$xx million.
13 Importantly below that it speaks to the
14 purpose of the guarantee - NCB
15 Investments Ltd., to consolidate family
16 liabilities. Just to sort of put it in
17 perspective and just above that the new
18 securities that would be taken by the
19 facility.

20 Q: And is it your understanding from the
21 document, Mr. Campbell, that this
22 proposal was made by DEBTOR #1?

23 A: Yes, and it seems to have emanated from
24 the meeting that was held in February,
25 the memo that was just read.

1 Q:

2 Thank you. Please proceed.

3

4 It was submitted to head office and this memo
5 dated 7th July 1997, is a response to the
6 branch in relation to the proposal. And it
7 reads:

8

9 DEBTOR #1 proposal 27/97 dated May 30,
10 1997.

11

12 We appreciate your efforts to rescue this
13 group of accounts and have decided to agree
14 your request because the liabilities are
15 already on the books. We are, however
16 agreeing the restructuring on an excess
17 basis initially as we would like to keep
18 the accounts well before us.

19

20 The following conditions apply:

21

22 1. The increased mortgage over PROPERTY #1
23 & 2 must be in registrable form prior to
24 availment of the Commercial Paper facility
25 (i.e. the documents must be signed and
dispatched to Legal Department.) Both
mortgages are to be increased to the full
market values of the holdings and an
up-to-date appraisal should be obtained on

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1 PROPERTY #1.

2 2. on drawdown, the existing debts must be
3 clear as outlined and thereafter absolutely
4 no encroachment must be allowed on either
5 of the current accounts. In other words,
6 they are to operate strictly in credit.

7 3. Interest charges must be met as and
8 when due.

9 4. As repayment of the debt we believe
10 hinges heavily on the sales of XX Ltd Hotel
11 in Negril, customer must make concerted
12 effort to hasten its disposal. The holding
13 should be listed with a number of realtors and
14 you should advise us by July 31 on progress
15 in this regard.

16 Please let us have your further
17 comments/submissions as follows:

18 A) You have not clearly demonstrated DEBTOR
19 #1 ability to meet the monthly payment or
20 least interest charges. Further, payment
21 from the DEBTOR #1 COMPANY (the main source
22 identified) could be protracted

1 or may not be assured. How much can be
2 expected from other sources? Please request
3 Profit and Loss Accounts for DEBTOR #1
4 RELATED COMPANIES OPERATIONS as well as
5 personal Income/ Expenditure Statement of
6 Affairs.

7 B) What is status of the B.N.S
8 relationship? Is DEBTOR #1 borrowing from
9 that institution? If so, how will this
10 affect the servicing of the facility?
11 Details are required.

12 C) Who owns PROPERTY #1? This information
13 varies on ADV1, ADV8 and with previous
14 correspondence. Please clarify. Have you
15 seen evidence that application has been made
16 for the George's Plain Title? Please diarize
17 to submit a further review in three months,
18 i.e., by 97.09.30. In the meantime your first
19 ADV 15 is to be submitted by 97.07.31. The
20 account is styled as indicated as there are
21 no facilities for DEBTOR #1 RELATED COMPANY
22 This signed by Assistant General
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1 Manager, Credit Department.

2 Q: Just for good order, Mr. Campbell, the
3 proposal form 27/97, pages two, or four
4 five and six, at the back of page 6,
5 there is a description of the security
6 held and the security proposed. Could
7 you kindly indicate what those were.

8 A: Sure. Security held:

9 1. Unlimited guarantee by DEBTOR #1 &
10 Company Ltd. supported by a) mortgage
11 over commercial property #1,

12 Current Market Value

13 \$5.39M, Forced Sale Value- \$4.6M;

14 Registered Stamp to Cover - \$2.45M.

15 2. Assignment of Life of Jamaica Policy
16 face value -- \$1M 5 yr. renewable term

17 Registered Stamp to Cover -- \$1M.

18 3. Unlimited Guarantee signed by DEBTOR #1
19 in favour of DEBTOR #1

20 RELATED COMPANY. Stamped to

21 Cover \$1M.

22 4. U.I.D.L.

23 Proposed Security.

24 1. Unlimited Guarantee by DEBTOR #1 &
25 Company Limited supported by.

1 A) Mortgage over Commercial Property #1.
2 Commercial Value is 5.93M; Forced Sale Value
3 \$4.6M; Registered Stamp to Cover, \$2.45M --
4 land only.

5 2. Assignment of Life of Jamaica Policy; Face
6 Value \$1M 5 yr. renewable term; Registered
7 Stamped to Cover \$1M.

8 3) Guarantee signed by DEBTOR #2 - Stamped
9 to Cover \$13M; supported by. (a) PROPERTY
10 #2, Current Market Value \$7.1M; Forced Sale
11 Value \$6.4M; Registered Stamped to Cover
12 \$7.1M. FEH OMS BIN.

13 4. Assignment of Life policy face value
14 \$5M; stamped to cover \$5m.

15 5. Legal Mortgage signed and held in blank;
16 Letter of Undertaking to come for 40 acres
17 land at Westmoreland.

18 Is that proper practice, blank forms signed.
19 Who is this document addressed to Mr.
20 Chairman? It does not say who it is addressed
21 to.

22 MR. LEVY:

23

24

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1 point they would register the mortgage.

2 MR. LEVY: Mr. Campbell, the document in the front
3 is not addressed to anybody. Tell me
4 who it addressed to since it is
5 addressed to somebody.

6 MR. MOODIE: That has already been indicated.
7 Perhaps, Mr. Levy was not paying
8 attention at the time, but Mr. Campbell
9 started by describing the document as an
10 internal document sent from head office
11 branch to the branch of NCB at 68 Great
12 George Street; it indicates that at the
13 very top.

14 MR. LEVY: I will deal with it at the appropriate
15 time. It sounds like fanciful banking.

16 COMM BOGLE: Let's move on, Mr. Moodie.
17 MR. MOODIE: Thank you, Mr. Chairman.

18 Mr. Campbell, would I be correct in
19 indicating that these two documents, the
20 first pages you have read indicate that
21 the bank NCB had accepted DEBTOR #1
22 proposal to consolidate his family's
23 debt in the sum of, and requesting
24 commercial paper in the sum \$xx M and
25 that the bank required an indication

1 that DEBTOR #1 would be able to meet the
2 monthly payments.

3 A: That is correct and that is what is set
4 the out in this KB49. There is a
5 commitment letter to follow now.

6 Q: Could I ask you to read into the record
7 the remarks which have been attached to
8 the internal document signed by the
9 Manager?

10 A: Sure.

11 DEBTOR #1 is a member of
12 Parliament for Westmoreland. He
13 along with his wife also own and operate
14 XXX Ltd, 20 room hotel in
15 Negril. He also operates
16 Quarry in Westmoreland.
17 The operation of the account has not
18 been to our satisfaction and we are of
19 the view that he has channeling most of
20 his income through his account at Bank
21 of Nova Scotia Jamaica Limited,
22 Savanna-la-mar. (We have requested a
23 credit report to clearly establish
24 this). We are however not averse to
25 providing the funds to meet the monthly

commitment for the facility being
proposed, are deposited to a special
account in our books.

DEBTOR #1 is proposing to take over the 40
acre limestone quarry IN WESTMORELAND, which
he is *now* operating from his father and in
exchange he will assume the family
liabilities,

Total Debt \$xx M

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1 Q: Does that indicate Mr. Campbell, that
2 DEBTOR #1 received a write off of a portion
3 of the sums that were due to him by NCB?

4 A: No, it doesn't.

5 MR. LEVY: I did not hear the question.

6 MR. MOODIE: Could you indicate your understanding of
7 the calculations there arriving at the
8 total figure of \$xx M?
9 A: The NBL, Nation Bank Loans are fixed
10 interest loans and as is the case with
11 fixed interest loans, at the point when
12 the loan is granted, the interest for
13 the full period is added to the balance
14 from day one. So at any point in time,
15 the total balance outstanding reflects
16 an amount of interest that is not yet
17 due.
18 MR. LEVY: Commonly called an add-on loan?

19 A: That is correct.

20 MR. LEVY: Fools the public and rapes them.

21 MR. MOODIE: Perhaps you need to take the mike from
22 him, Chairman.
23 Please continue with the document
24 Mr. Campbell.

25 A: **Plus an additional \$xxx K Interest for**

1 June '97 and \$xxx K Stamping charges (\$x
2 M mortgage) interest to be taken. The
3 Certificate of Title for the Georges Plain
4 property is not available and will not be
5 available in the near future as the
6 property is still unregistered land. Debtor
7 #2 (father DEBTOR #1) will now have to apply
8 for a duplicate
9 Certificate of Title.
10 Requirement.

11 DEBTOR #1 is requesting a Commercial
12 Paper of \$xx M to consolidate the family
13 liabilities repayable at a minimum of
14 \$2xx,000 per month plus interest over five
15 years. Lump sum payments will also be made
16 from the quarry income.

17 The customer is also trying to sell the XXX
18 Ltd in Negril for US\$XM and as soon as sale
19 is consummated the facility will be repaid.
20 DEBTOR #1 also advised that DEBTOR #1
21 COMPANY owes him in excess of \$10M and with
22 income now on stream he will be paid
23 minimum \$5XX,000 monthly. It is from this
24 source that monthly reductions will

1 be achieved pending take out bullet
2 payments from the other named sources.

3 Security.

4 The properties held as security are prime
5 commercial holdings which are readily
6 saleable. The values extended are in line
7 with the new credit, i.e. 50% for commercial
8 properties, however, the mortgage is being
9 registered to cover the current market value
10 bearing in mind the property is readily
11 saleable and customer is unable to provide
12 additional security. We enclose a copy of the
13 valuation report on PROPERTY #2 for your
14 files. We intend to obtain a letter of
15 undertaking from the attorney who is
16 applying for the Certificate of Title and
17 will do the transfer to customer for the 40
18 acre quarry
19 property. The legal mortgage documents
20 will be signed and held in the bank.

21 Conclusion.

22 This proposal is merely to place the accounts
23 on a proper footing as they are presently not
24 being repaid as arranged

1 **and in fact, in the past were being**
2 **repaid at the expense of the overdraft.**
3 **consequently the account should have**
4 **been classified and this** is a last
5 attempt to correct the situation. We
6 **are cognizant** of the fact that the
7 facilities being requested vis-a-vis the
8 **security proposed will in no way**
9 **exacerbate an already unsatisfactory**
10 situation, but is an attempt to remedy.
11 **We are also aware that DEBTOR #1 has**
12 not **provided evidence of his ability** to
13 **meet the monthly repayment program**
14 **however even in** light of this
15 shortcoming we strongly recommend that
16 this proposal be granted your favourable
17 consideration.
18 On our part we will monitor the position
19 **closely as we do recognize that the next**
20 **six** months (election time) present the
21 best opportunity to get the facility
22 repaid/reduced.
23 We recommend.
24 Signed Branch Manager.
25 Q: Let me ask you Mr. Campbell, and I am

1 going to read again that penultimate
2 line in the conclusion. We are also
3 aware that DEBTOR #1 has not provided
4 evidence of his ability to meet the
5 monthly repayment program, however, in
6 light of this shortcoming we strongly
7 recommend that this proposal be granted
8 your favourable consideration".

9 Am I correct, I think the records
10 reflect, you used to be a Manager of
11 NCB?

12 A: Yes, sir.

13 Q: In your experience, is it usual for a
14 loan of this amount to be granted in
15 circumstances where the person taking
16 out the loan is not able to provide
17 evidence of ability to make the relevant
18 payments?

19 A: There would be cases, depending on the
20 connection of the person that it is
21 possible that could be done. As is
22 mentioned in here they are really trying
23 to, in essence, tidy up the situation
24 because the facilities are there; the
25 account is not being serviced and

1 but we would not have extended
2 discussions on them.

3 MR. MOODIE: Chairman, I don't intend to ask
4 Mr. Campbell to get into an extended
5 discussion but I just wish to bring to
6 your attention the fact that FINSAC has
7 had to respond to the debtors, for
8 whatever reason, based only on reviews
9 of the transcripts. That is a situation
10 which we have faced and I don't think
11 any disservice will be done if
12 DEBTOR #1 and his attorney are given an
13 opportunity to respond. There is
14 nothing that will happen here that won't
15 be in the transcript.

16 COMM BOGLE: Mr. Moodie, please do not go down that
17 road about the non-representation of
18 FINSAC in this Hearing. FINSAC was well
19 aware of all of the Hearings; FINSAC
20 had a attorney; FINSAC was kept advised
21 of the schedules but FINSAC chose not to
22 have representation. So please do not go
23 down that Toad.

24 MR. MOODIE: I am just concerned that for my
25 involvement and my firm's involvement,

1 we are treated fairly in respect of
2 appearing in front of this Commission.
3 COMM BOGLE: FINSAC is being treated very fairly. As
4 to whether or not FINSAC is treating you
5 fairly is another matter but we know
6 that we are treating FINSAC fairly and
7 therefore as we said at the outset when
8 the documents were being discussed, we
9 said we would accept them into evidence
10 but we would not have discussions on
11 them because of the fact that neither
12 Mr. Green nor DEBTOR #1 is represented.
13 MR. LEVY: Mr. Chairman, since we have already gone
14 down this road, for the assistance of
15 the Commission what I am saying is that
16 the bank is trying to tidy up its own
17 situation. Maybe Mr. Campbell will
18 explain the second sentence in the last
19 conclusion paragraph, '**Consequently the**
20 **account should have been classified by**
21 **the bank**', and this is a last attempt to
22 correct the situation'.
23 It seems to me, Mr. Chairman, the bank
24 already has the situation where people
25 of the DEBTOR #1 family are in court trying

1 to get the matter rectified, secured so
2 they...

3 MR. MOODIE: Who does Mr. Levy represent?

4 COMM. BOGLE: Mr. Levy, do you represent DEBTOR #1?
5

6 MR. LEVY: Mr. Chairman, I represent myself and I
7 represent truth.

8 COMM. BOGLE: Mr. Levy, you do not represent
9 DEBTOR #1 and this has directly to deal
10 with DEBTOR #1. DEBTOR #1 has an
11 attorney and DEBTOR #1's attorney will
12 be afforded the time to deal with the
13 documents.

14 MR. LEVY: I thought the Commission was trying to
15 get the truth.

16 WONG KEN: With respect though, Chairman, I think
17 Mr. Levy's observation and comments are
18 relevant; it goes to the conduct of
19 FINSAC. I myself sitting here
20 representing my clients, am concerned
21 with whether or not, the way that
22 DEBTOR #1 is apparently treated will be
23 the way that FINSAC would have treated
24 other debtors.

25 COMM. BOGLE: Well, that is a matter that may come out

1 in the Enquiry or it may not come out.
2 Continue, Mr. Green.

3 MR. GREEN: Chairman, might we mark this document as
4 EC59/11. We had just marked it for
5 identification yesterday.

6 COMM. BOGLE: We will have KB51/EC59/11.

7 MR. MOODIE: Grateful Chairman. I will move on now,
8 Chairman.

9 Mr. Campbell, do you have with you
10 FINSAC's Case Summary Form, dated 7th
11 December, 1998?

12 A: Yes, I do.

13 Q: Could you kindly indicate what that
14 document is and whether it comes from
15 the files of FINSAC relative to DEBTOR #1
16 and thereafter if it does, could
17 you indicate the contents of that
18 document.

19 A: This is a Case Summary Form and the
20 account is in the name DEBTOR #1.

21

22 COMM. BOGLE: Which one is that?

23 A: Dated 7th December, 1998. It is one of
24 the legal documents.

25 MR. MOODIE: The documents you have, Commissioners,

1 were put together in reversed chronological
2 order, so we will be going virtually
3 from the back to the front.

4 COMM. BOGLE: The 7th of December?

5 MR. MOODIE: Yes, the 7th December, 1998. Workout
6 Officer, Veronica Bailey.

7 Please proceed, Mr. Campbell.

8 A: This document is so long. Anything in
9 particular you want me to just
10 highlight?

11 Q: I would like you to indicate what the
12 document is, the outstanding balance at
13 the time, the Basic Loan Data, the
14 Debtor's Attitude, Quality of Contract,
15 Cash Flow, Loan Background and History.

16 A: This is a case summary on the account of
17 DEBTOR #1 as of December 1998
18 and the officer who dealt with his
19 account was Veronica Bailey. The
20 liabilities at the time were J\$xx M,
21 an account which originated from NCB and
22 it was sold to FINSAC at a balance of
23 J\$xx M and the Realizable Collateral
24 Value is J\$X MILLION.
25 The Workout Unit's recommendation for

1 the minimum expected recovery, and we
2 have the Conservative figure of J\$XM
3 and the Aggressive figure of J\$XM.
4 Now, we mentioned already the whole
5 matter of contract rating, and it points
6 out here that the contract rating is one
7 hundred percent and that means that all
8 the documents are properly executed and
9 registered where they need to be on that
10 and the Customer's Character Ratings,
11 500.
12 Below that we see the Recommendation of
13 the Officer, it says, 'Debtor's
14 frequently broken promises inspires
15 little confidence in voluntary
16 settlement of the debt, thus, the
17 security should be realized and
18 DEBTOR #1 sued for any residual amount.
19 NPV \$XM.
20 Further down it gives you a breakdown of
21 the loan account. It shows that the
22 principal balance is J\$xx M and
23 interest rate is 30% and the interest balance
24 is J\$x M.
25 Q: The loan background and history, Mr.

1 Campbell?

2 A: The loan background and history: Debtor
3 initially borrowed - I cannot see if it
4 is X or Y.

5 Q: \$X million.

6 A: Thank you. The debtor initially borrowed
7 J\$XM, with the balance being as a result
8 of consolidation of debts owed by father
9 and sister. Debt should have primarily
10 been serviced from limestone quarry and
11 sale of hotel. Income from the quarry is
12 inadequate, and sale of the hotel has
13 not materialized.

14 Debtor has proposed a repayment of \$xx M
15 to settle the debt in full.

16 On page 2 the usual 4C's Framework. Cash
17 Flow: No payment currently being
18 received from debtor and no financials
19 available on debtor or guarantors.

20 Q: I think that we have already read into
21 the records the other exhibits and
22 collateral and you have given your
23 comments on the contract. Could I ask
24 you to read that section marked
25 'Character' subject to you, Mr.

1 Chairman.

2 A: Character: DEBTOR #1 is a member
3 of Parliament, and is a
4 current Minister. Debtor
5 appears willing to settle the debts, and
6 has proposed a payment of \$xx M in final
7 settlement of the debt. Subsequent and
8 frequent attempts to communicate with
9 DEBTOR #1 reveal a near nonchalance in
10 respect of the payment of the debt -
11 though he was initially co-operative.

12 Q: I won't ask you to read the third page
13 which is the realizable value of
14 collateral unless so indicated by you,
15 Chairman, but I will ask you to go
16 through the recommendation, of the case
17 pausing appropriately for you to put on
18 your glasses.

19 A: Recommendation for Case, Option #1.
20 Description: sell securities and sue
21 for balance.

22 Pro's: Customer frequently breaks
23 promises.

24 Con's:

25 Value of securities does not adequately

1 cover outstanding balance, legal and
2 administrative costs will reduce
3 proceeds applied to loan.
4 Assumptions: NPV 25%.
5 Selling period 2 years.
6 Legal and administrative costs 13% of
7 selling price.
8 Q: The next document or the next page, two
9 pages, several pages contain the Case
10 Progress Status.
11 COM. BOGLE:
12 MR. MOODIE: Are we entering this?
13 A: You documents attached to that one? No,
14 MR. MOODIE: I don't.
15 COMM. BOGLE: Sir, we are entering that.
16 MR. MOODIE: EC60/11.
17 Thank you.
18 Do you have with you, Mr. Campbell, Case
19 Progress Reports by Workout Officer,
20 COMM. BOGLE: Veronica Bailey on DEBTOR #1? The date of
21 MR. MOODIE: that one?
22 A: It is...
23 Q: Yes, I do.
24 Could you indicate the contents of that
25 document and I will ask you in going through
the Case Progress Reports to

1 start from the latest one.

2 COE. BOGLE: What is the date of that document?

3 MR. MOODIE: It was the second to last document
4 provided in your bundle.

5 COMM. BOGLE: Dated?

6 MR. MOODIE: I have it actually as - the last date on
7 the document is 15th of December, 1998.

8 A: It is a four-page document which sort of
9 lists chronologically some activities.

10 Q: It is in reverse chronological order,
11 the last date would have been the 5th of
12 January.

13 COMM. BOGLE: It would appear Mr. Moodie that what we
14 had as EC60/11 forms part of this.

15 MR. MOODIE: It was clearly attached to this. I had
16 it as one. My apology, sir.

17 COMM. BOGLE: We got it in separately. For these we
18 should disrespect this one that we went
19 through and use this has a complete
20 document.

21 MR. MOODIE: Except I would want the completed
22 document to be everything?

23 COMM. BOGLE: Yes, that is what I am saying. The
24 complete document would be 2.5, 2.6, 2.7,
25 2.8, 6.22, 6.23, and the other one simply

1 says, zero.
2 MR. MOODIE: Yes, that is so?

3 COMM. BOGLE: So that would be the complete document.
4 That is the document that we will mark
5 EC60/11.
6 MR. MOODIE: I am grateful. EC60\11.

7 COMM. BOGLE: And then 2.5, 2.6, 2.7, 2.8, we would
8 have gone through those already.
9 MR. MOODIE: Yes.

10 Mr. Campbell, I will ask you to
11 highlight in reversed chronological
12 order the Case Progress Report by
13 Veronica Bailey, Workout Officer.

14 A: The Case Progress Report - there are two
15 really, one for DEBTOR #1's personal
16 account and one for DEBTOR #1
17 COMPANY of which he is listed as a
18 Director. I will go through the personal
19 one first and I will read in date order,
20 so I will start with the first item,
21 the 15th December, 1998, the one that
22 has five entries.

23 Q: I think that is the page with zero at
24 the bottom right hand corner.

25 A: So, this is DEBTOR #1's account.

1 As we mentioned before the officer is
2 Veronica Bailey. Outstanding balance: J\$xx
3 M, an account which originated with NCB. The
4 debt was sold to FINSAC at Jxx M and the
5 realizable
6 collateral value is J\$XM.
7 Case Progress, date, and I start with 15th
8 December, 1998: Spoke with
9 DEBTOR #1 who indicated that settlement of
10 this is tied into the amount to be received
11 by DEBTOR #1COMPANY from the Canadian
12 investors. DEBTOR #1 COMPANY has funds due
13 to DEBTOR #1 in excess of \$xx M (to be
14 confirmed) which will be used to clear this
15 debt.
16 **5th January, 1999: Met with DEBTOR #1**
17 **today. (Sharon Evans also present), who**
18 **requested 30 days within which to finalize**
19 **plans to pay the proposed \$xx M. He intends**
20 **to approach the Westmoreland Parish**
21 **Council to purchase property he currently**
22 **owns in Westmoreland, for the**
23
24
25

purpose of developing a shopping
centre/area for street vendors.

DEBTOR #1 is to submit a Letter of
Undertaking from the Westmoreland
Parish Council in respect of its
interest in the property within one
week.

17th May, 1999: After numerous
consultations - largely verbal -- it is
understood that a decision has been taken
by the Credit Committee to have
ministerial consultation on accounts
held by politicians. A position on the
general treatment of such accounts is to be
communicated to Credit Officer. 8th June
1999: There still has not been any feedback
on the treatment of the account. This
account is related to DEBTOR #1 COMPANY
(DEBTOR #1 is a principal) and is being
treated as such.

13th October, 1999: Telephoned DEBTOR #1
who was in a meeting. He
returned the call and indicated that it is
his understanding that the matter was

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1 being handled at a higher level. He
2 mentioned that he had requested Mr.
3 Patrick Hylton to arrange to have his
4 account transferred back to the Bank, as
5 he is certain that FINSAC will
6 eventually be forced to reveal the names
7 of all its debtors.

8 In respect of the sale of property IN
9 WESTMORELAND to the Westmoreland
10 Parish Council, DEBTOR #1 professed
11 that the Council had in fact relocated
12 vendors onto the property, and is now
13 saying it is only willing to pay \$9M for
14 the property whereas he had indicated
15 \$14M to be the sale price. He has yet
16 to be paid for the property, and cannot
17 say when he will be paid.
18 That is in relation to his personal
19 account.

20 COMM. ROSS: Mr. Campbell, can you tell us anything
21 about the third note regarding the
22 special treatment that should be applied
23 to politicians, for accounts held by the
24 politicians?

25 A: I know absolutely nothing about it.

1 MR. MOODIE: I thought we weren't inviting
2 discussions at this time.
3 COMM. ROSS: I am just asking, it is a very important
4 note.
5 MR. MOODIE: I am just clarifying.
6 A: As I read it to myself, this is the
7 first time that I am hearing about it.
8 COMM. ROSS: This is a FINSAC document so I would
9 imagine there should be something, some
10 other information on it in the files and
11 records of FINSAC.
12 MR. GARCIA: It does seem it is a decision taken by
13 the Credit Committee, so if that in fact
14 took place then the Credit Committee's
15 Minutes would presumably give some
16 clarity.
17 MR. MOODIE: Those Minutes have been provided in full
18 to the Commission already.
19 COMM. ROSS: If you could go through them and find
20 the relevant notes, that would be very
21 useful.
22 MR. MOODIE: Certainly.
23 A: We will check, Mr. Commissioner.
24 Q: Mr. Campbell, can you go to the Case
25 Progress Report for DEBTOR #1

1 COMPANY.

2 A: DEBTOR #1 COMPANY.

3 Directors: DEBTOR #1 & BROTHER.

4

5 Business Officer: Bailey, Veronica D.

6 Outstanding balance: **\$xx M**

7 Original Bank: NCB

8 Debt sold to FINSAC at \$xx M

9 Realizable Collateral Value:\$0.00.

10 25th November, 1988: spoke with DEBTOR #1

11 who indicated that he is awaiting

12 funds from an overseas investor, in

13 order to make good on his proposed offer

14 of \$xx M for full settlement of the loan.

15 10th December, **1998**: Spoke with one of

16 DEBTOR #1 secretaries

17 who indicated that he will be

18 out of office until Monday, 14th

19 December.

20 15th December, 1998: Spoke with DEBTOR #1

21 who indicated that he was not in

22 receipt of the funds from the Canadian

23 firm with which he has entered into a

24 joint venture agreement to develop lands

25 owned by DEBTOR #1 COMPANY. He

1 hopes to receive these funds prior to
2 25th December, 1998. If not, we will
3 make arrangements to meet to discuss
4 other options.

5 5th January, 1999: Met with DEBTOR #1
6 today (Sharon Evans also present)
7 who requested 30 days within which to
8 confirm the inflow expected from DEBTOR #1
9 COMPANY joint venture partners with whom
10 he has signed an agreement. Failing
11 this, he will again approach the Prime
12 Minister in a bid to have the National
13 Housing Trust purchase some of the
14 DEBTOR #1 COMPANY property for housing
15 development. We will exchange letters
16 outlining what transpired in the
17 meeting, and DEBTOR #1 is to submit
18 copy of the Joint Venture Agreement.

19 MR. MOODIE: Thank you.

20 That Chairman would be the complete
21 exhibit, EC60/11.

22 Do you have with you Mr. Campbell, a
23 Case Summary Form dated the 13th
24 October, 1999?

25 A: Yes, I do.

1 the 'Character'.

2 A: Case Summary Form for DEBTOR #1
3 dated the 13th of October, 1999,
4 at this point the outstanding balance
5 was \$xx M. and on page 2.2,
6 'Character'. I will just read the last
7 3 bullets as the first two were
8 previously mentioned.

9 Q: Could you just read it?

10 A: DEBTOR #1 **is a Member of**
11 **Parliament, as well**
12 **as the current Minister.**
13 **Debtor initially appeared willing to**
14 **settle the debt, and had proposed a**
15 **payment of \$xx M in final settlement of**
16 **the debt when first transferred to**
17 **FINSAC.**
18 **Subsequent and frequent attempts to**
19 **communicate with DEBTOR #1 reveal a**
20 **near nonchalance in respect of**
21 **repayment of the debt. No attempt has**
22 **been made to make good on the proposed**
23 **\$XXM which was under consideration.**
24 **In addition, DEBTOR #1 has stated that**
25 **he had entered into negotiations with**

1 the Westmoreland Parish Council to
2 purchase the property in Westmoreland
3 for vendor placement. He **claims**
4 that although the land is now occupied
5 by vendors, he has not been paid **by** the
6 Council, which has now indicated that
7 the land is worth \$9M (which is their
8 offer price), whereas DEBTOR #1 is
9 asking \$14M. DEBTOR #1 has also
10 strongly indicated an interest in having
11 the debt transferred to a bank.

12 Q: Might I ask you to move to the
13 recommendation on page 2.4.

14 A: Recommendation: Realize security and sue
15 for any residual amount.

16 Pro's: Partial debt recovery from sale
17 of assets.

18 Con's:

19 I. Tenure and costs involved in asset
20 realization and subsequent litigation'
21 proceeding; legal fees, real estate
22 agency fees, transfer costs, et cetera.

23 2. Opposition to recommendation given
24 the political nature of the debtor.

25 Assumptions:

1 1. Sale of security can be concluded
2 within one year.

3 2. Costs associated with sale of asset
4 does not exceed 21% of sale proceeds
5 (legal fees - 15%; Brokerage fees -
6 5%).

7 MR. MOODIE: Thank you.

8 Chairman with your permission EC61/11.

9 COMM. BOGLE: Yes.

10 Q: Then I will ask you Mr. Mr. Campbell, to
11 move on to the Case Summary Form
12 relating to DEBTOR #1 COMPANY
13 of the same date, 13th of October, 1999.

14 A: **Case Summary Form, Company name: DEBTOR #1**
15 **COMPANY.**
16 **Director(s) DEBTOR #1and BROTHER**
17 .
18 **Outstanding Balance: \$xx M.**
19 **Originating Bank: NCB.**
20 **Debt sold to FINSAC at: \$xx M**
21 **Realizable collateral value: \$0.00.**

22 MR. MOODIE: Chairman, unless there is anything else
23 I would ask that that one be entered as
24 EC62/11.

25 A: I should just probably read what is

1 stated under 'Character'.

2 Q: I would be grateful.

3 A: Page 2.6, 'Character':

4 DEBTOR #1 **is a member of**

5 **Parliament, as well**

6 **as a Minister.**

7 **The Credit Officer has been in dialogue**

8 **with the bank in a bid to having the**

9 **debt repaid. All previous proposals**
10 **have fallen through.**

11 **The latest proposal was for the company**

12 **to pay \$xx M in full settlement of the**

13 **loan, the difference being written off.**

14 **Funding to be facilitated by overseas**

15 **investors through a Joint Venture**

16 **Agreement.**

17 DEBTOR #1 **recently confirmed that the**

18 **Joint Venture has fallen through, and he**

19 **is looking towards the NHT to acquire**

20 **some of the lots. Hence the proposal**

21 **for \$xx M as full settlement is now void.**

22 MR. MOODIE: Thank you.

23 That would be EC62/11, Chairman.

24 Do you have with you Mr. Campbell,

25 FINSAC Internal Memorandum dated 16th

1 February, 2000?

2 A: Yes, I do.

3 Q: Could you kindly indicate whether this
4 document was seen before by you amongst
5 DEBTOR #1's files at FINSAC?

6 A: Yes, it was.

7 Q: Could I ask you to read that document
8 into the records please.

9 A: Internal Memo to Miss Dianna Davis.
10 From: Veronica D. Bailey and Suzette
11 Campbell.

12 Dated: February 16, 2000.

13 **Subject: DEBTOR #1 - Century**

14 **National Bank debt.**

15 DEBTOR #1 - **National Commercial**

16 **Bank debt.**

17 DEBTOR #1 COMPANY -- **National**

18 **Commercial Bank debt.**

19 **We are in receipt of a copy of a letter**

20 **sent to the attention of Mr. Patrick**

21 **Hylton, from DEBTOR #1**

22 **and provide the**

23 **following information for your**

24 **edification.**

25 **CURRENT BALANCE.**

1 His personal debt with National Commercial
2 Bank ought to have been serviced through
3 income from his quarry and sale of his hotel;
4 However, the quarry income was deemed
5 inadequate, and the hotel was not sold,
6 details on the proposed sale have been
7 sketchy at best. DEBTOR #1 is Chairman of the
8 DEBTOR #1 COMPANY, whilst his brother,
9 operates in the capacity of Managing
10 Director. The organization is purported to be
11 a non-profit one, set-up to provide
12 low-income houses for residents in
13 Westmoreland; the government would provide
14 land and the Trust be responsible for
15 developing. The development was largely
16 unsuccessful due to price escalations,
17 resulting in sluggish sales.

18 DEBTOR #1 COMPANY debt is essentially
19 unsecured, as a contentious Letter of
20 Undertaking (dated 16 July 1996) from the
21 Ministry of Environment and Housing to pay
22 \$20 Million to the Bank, was deemed void.
23 This, as the

1 then Permanent Secretary who signed the
2 letter was said to be acting *ultra vires*,
3 that is, outside the purview of his office.

4 In addition, there is the unsupported
5 guarantee of DEBTOR #1 BROTHER for \$5
6 million - signed but held in blank.

7 Prior to, and in meeting held 5 January, 1999
8 DEBTOR #1 intimated that he had entered into
9 a very lucrative joint venture with several
10 Canadian investors, and proposed to repay
11 \$xx million and \$xx million in full and final
12 settlement of his and his COMPANY's debts,
13 respectively. Of note is the fact that he had
14 previously made similar proposals to the
15 National Commercial Bank.

16 After numerous attempts to contact DEBTOR
17 #1, he eventually stated that the 'Canadian
18 joint venture' had fallen through, and his
19 only other option would be to petition the
20 Prime Minister to request the National
21 Housing Trust to purchase the lots being
22 developed by the
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1 Trust. In the interim, he would pursue
2 arrangements with the Westmoreland
3 Parish Council sale, and would pay \$xx M
4 to Finsac Limited. He expected to
5 realize \$14M from sale, and would pay
6 \$xx M to FINSAC Limited.

7 After a protracted period wherein
8 DEBTOR #1 did not give any further
9 details on this option, this case was
10 presented to the Credit Committee in
11 October 1999, and was further referred
12 to the Board. The Board subsequently
13 referred the matter to the Ministry of
14 Finance.

15 MR. MOODIE: Could you speak up a little Mr. Campbell
16 or pull the mike a little closer to you.
17 Thank you.

18 A In his letter of 21 January, 2000
19 DEBTOR #1 proposed that:
20 1. In full settlement of his
21 indebtedness, Finsac Limited accepts the
22 Parish Council's offer of \$x M.
23 2. In full settlement of DEBTOR #1
24 COMPANY's debt, Finsac
25 Limited accepts sixty lots;

1 His estimated minimum value of each lot is
2 \$500,000.

3 **Recommendation**

4 As recommended when the case was presented
5 in October 1999, a sell and sue option ought
6 to be vigorously pursued in order to recover.
7 It is our understanding the quarry is quite
8 successful in its operations, yet there has
9 been no overt effort to pay any part of the
10 debt. The numerous promises made have had no
11 positive yield and the Minister's only
12 vocalized concern has been that information
13 on the debts with FINSAC Limited might
14 eventually be made public, which may ruin his
15 ambitions to continue in the public service.
16 This fear, may be to FINSAC Limited's
17 advantage if any negotiation is to be
18 considered.

19 And this **is** signed by Veronica Bailey and
20 Suzette Campbell.

21 With your permission Chairman we would
22 mark this one EC63/11.
23

24 Q

25

1 Purchase price for the NCB debt
2 \$xx M. Principal balance is
3 **\$xx M; interest accrued by**
4 **FINSAC \$xx M.** Interest
5 suspended \$x M; fees
6 \$xx K. Total, \$xx M.
7 Workers Bank debt: Principal balance is
8 x, interest accrued by FINSAC
9 \$x; interest suspended \$xx K.
10 Total \$xx K.
11 For Century Bank, purchase price is
12 \$x M and the same principal
13 figure, there is no interest, the total
14 debt is \$x M.
15 Central Westmoreland Trust, NCB account,
16 purchase price **\$xx M**; principal
17 balance **\$xx M; Interest**
18 accrued by FINSAC \$xx M.
19 Interest suspended \$x M; total
20 Westmoreland **\$xx M** making a
21 grand total of **\$xx M**
22 MR. MOODIE: I think we have already
23 included the security so might I ask you
24 to proceed to debtor's repayment proposal
25 and thereafter the counter proposal.

1

2

estimated market value xx million.

3

Transfer properties #1 and #2,

4

estimated market

5

value \$xx million.

6

Write-off balance of \$xx million.

7

MR. MOODIE:

Thank you. That would be Exhibit 64/11

8

Chairman.

9

COMM. BOGLE:

Yes, so entered.

10

MR. MOODIE:

Do you have with you Mr. Campbell a

11

document entitled **Matter for Board**

12

Decision dated 11 April 2000?

13

A

Yes, I do.

14

Q

Could I ask you to read through that

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document, I won't ask you to go through

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the case summary forms which are

17

attached, but I ask you to read through

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that document, a **Matter for Board**

19

Decision.

20

A

FINSAC Limited, Matter for Board

21

Decision, 11 April, 2000.

22

Issue: The Board's guidance is being

23

sought on how to proceed in the

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liquidation of the liabilities for

DEBTOR #1, Minister

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Current Liabilities

Purchase price, DEBTOR #1 NCB

\$xx M; principal balance

\$xx M; Interest \$x M;

total \$xx M.

Workers; purchase price \$xx K;

principal zero; interest \$xx K; total

\$xx K.

For Century National Bank debt, purchase

price \$xxx K; principal

\$xxx K, no interest; total

\$xxx K.

DEBTOR #1 COMPANY -- NCB

account; purchase price \$xx M,

principal, \$xx M; interest

\$xx M; total \$xx M.

MR. MOODIE:

Might I ask you to move on to **Background**

since we have already dealt with

securities.

A

Sure.

Background -- DEBTOR #1.

DEBTOR #1 initially borrowed \$x million

with the balance being as a result of

the consolidation of debts owed by his

2 father and sister - apparently per debtor's
3 request. The debt ought to have been
4 primarily serviced from revenue from his
5 limestone quarry and the sale of his hotel,
6 XXX Hotel. However, income from the quarry
7 was deemed inadequate, and sale of the hotel
8 did not materialise.

9 Prior to the debt being transferred from NCB,
10 DEBTOR #1 proposed a repayment of \$xx million
11 as full and final
12 settlement. Since the debt's transfer to
13 Finsac Limited, DEBTOR #1 has made the same
14 proposal and was told that due
15 consideration would be given should payment
16 be made within a certain timeframe. No funds
17 have been received to date, with no overt
18 effort on the debtor's part to make good on
19 the proposed \$xx million payment.

20 DEBTOR #1 has subsequently advised that he
21 has entered into negotiations with the
22 Westmoreland Parish Council to purchase the
23 property in Westmoreland for the
24 vendor-relocation
25

1 programme. However, he claims that although
2 vendors now occupy the land, the Council -
3 which revised its initial consideration for
4 the property from \$9 million to \$8 million,
5 has not paid him. In respect of the Century
6 National Bank liability, DEBTOR #1 has
7 flatly refused to acknowledge the debt on the
8 basis that it was incurred by the then Manager
9 of his hotel (XXX Ltd), and he, DEBTOR #1 has
10 already paid
11 approximately \$x million towards
12 settlement of same.

13 DEBTOR #1 COMPANY The company has been
14 described as a non-profit organisation set
15 up "to provide for the general welfare of
16 persons residing/working in Central
17 Westmoreland". The directors are DEBTOR #1
18 & HIS BROTHER.

19 A commercial paper facility was granted to
20 assist with the infrastructural development
21 of a Sub-division in Westmoreland (a
22 residential development). However, cost
23
24
25

escalations and sluggish sales of the units
were cited as reasons for the company's
failure to realise the projected income,
which resulted in poor debt servicing.

Repayment Proposal

In October 1999, this case was referred to
the Board and was further referred to the
Ministry of Finance. Subsequently,
DEBTOR #1 has re-submitted repayment
proposal for both the personal debt and THE
COMPANY DEBT.

In respect of his personal debt, DEBTOR #1
is now proposing that Finsac Limited accept
the proffered \$x million from the
Westmoreland Parish Council as full and
final settlement of the debt. There has been
no indication of the mode of payment for this
\$x million.

Further to DEBTOR #1's initial proposal that
DEBTOR #1 COMPANY pay \$xx million in full
settlement of the loan - the difference to
be written off - he has now made an offer of
100 completed lots

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1 **in full and final**
2 **settlement of the debt. This offer is a**
3 **revision of a recent offer of 60 lots,**
4 **each of which he estimates to value**
5 **\$500,000.**

6 MR. MOODIE: Thank you Mr. Campbell. Unless there is
7 anything more on this document from you
8 Mr. Chairman, this would be EC 65/11.
9 And do you have with you Mr. Campbell
10 **Matter for Decision Number 128, Matter**
11 **for Board Decision dated 18th April**
12 **2001.**

13 A Yes, I do.

14 Q So this is a submission to the Board, a
15 year later than the memorandum you just
16 read. into evidence. Could you for the
17 purposes of the records go through the
18 total liabilities which are there
19 reflected. I won't ask you to go through
20 the securities and the background again
21 because I think word for word it repeats
22 everything which was in the submission a
23 year before, but I would ask you to
24 indicate the repayment proposal.

25 A Sure.

1 **Matter for Board Decision, 18th April**

2 **2001**

3 **Case: DEBTOR #1 and DEBTOR #1**

4 **COMPANY**

5 **Issue: The Board's guidance on how to**

6 **proceed in the liquidation for DEBTOR #1,**

7 **Minister.**

8 **Current liabilities for DEBTOR #1.**

9 Can I skip that?

10 Q Yes, please.

11 A **The total for his NCB debt is \$xx M.**

12 **For the Workers Bank debt \$xx K.**

13 **Century National Bank debt \$xxx K**

14 **And for DEBTOR #1 COMPANY**

15 **The total debt is \$xx M.**

16 MR. MOODIE: Go to the repayment proposal on Page 3.

17 A The proposal that was being put forward
18 to the Board at this time was, in this
19 the third submission to the Board, and a
20 reiteration of his previous proposal,
21 DEBTOR #1 has proposed settlement as
22 under:

23 **In respect of his personal debt,**

24 **DEBTOR #1 proposing that FINSAC Limited**

25 **accept the proffered \$x million from the**

1 Westmoreland Parish Council as full and
2 final settlement of the debt. There is
3 no current valuation which would
4 indicate a current market value on the
5 property.
6 For the DEBTOR #1 COMPANY,
7 DEBTOR #1 has offered one hundred
8 completed lots
9 in full and final settlement
10 of the debt. Each lot is estimated to
11 value five hundred thousand dollars and
12 the demand is purported to be high. The
13 National Housing Trust has apparently
14 evinced interest in acquiring same
15 Note: That DEBTOR #1 has consistently
16 maintained that the Century National
17 Bank debt has been repaid to the tune of
18 \$x million, and has refused to
19 acknowledge this portion of the
20 indebtedness. No repayment was
21 submitted, nor is anticipated for this
22 liability.

23 MR. MOODIE: Thank you. Chairman, that would be
24 EC66/11. Unless there **is** anything more
25 these are the documents which we wish to

1 put into evidence in relation to the
2 evidence given by DEBTOR #1 at this
3 time.

4 COMM. BOGLE: Okay, thank you very much. At this time
5 we will have our usual short coffee
6 break and then we move on.

7 MR. WONG-KEN: Just before we break, will counsel have
8 an opportunity to ask questions arising
9 from the documents presented in evidence
10 by Mr. Campbell?

11 COMM. BOGLE: No, what we said regarding DEBTOR #1,
12 that we would prefer to discuss the
13 documents when DEBTOR #1 or his
14 attorney is here.

15 MR. WONG-KEN: Is it then the case that when
16 DEBTOR #1's attorney is here counsel
17 will have an opportunity to ask
18 questions?

19 COMM. BOGLE: DEBTOR #1's attorney will be allowed to
20 ask questions on these matters.

21 MR. WONG-KEN: With regard to the documents, Mr.
22 Chairman, it is my contention that these
23 documents impact on all debtors; the
24 treatment that DEBTOR #1 may have
25 received either by NCB or by Finsac

1 impact on debtors, on all debtors. This
2 Commission is mandated to seek the truth
3 and fair treatment, fair treatment, so
4 that all the debtors can be treated
5 fairly. In that context Chairman, I
6 would request an opportunity when
7 DEBTOR #1's attorney is here to ask
8 questions arising from these documents.
9 HER LADYSHIP: Mr. Wong-Ken, I am sure that you -- you

10 have been at this Commission before, you
11 represent a number of persons who have
12 been here as witnesses and as such you
13 will be able to examine Mr. Campbell
14 regarding those witnesses and the
15 Commission will then decide about the
16 commonality of any matter regarding the
17 debtors. Therefore I would suggest that
18 on Mr. Campbell's return or after our
19 break, whatever questions you have for

20 him regarding your clients, you may so
21 do and as I said the common thread that
22 you are implying, that common thread,
23 the Commission will decide on based on
24 what you are able to get from
25 Mr. Campbell/FINSAC and what Mr. Green

1 will be doing if he continues to be
2 DEBTOR #1's lawyer on this matter.

3 MR. WONG-KEN: I appreciate that Chairman. Just for my
4 own clarity, is it that we will be
5 allowed to ask those questions when we
6 return from the break or when Mr. Green
7 comes back here?

8 COMM. BOGLE: No, no, regarding DEBTOR #1, when
9 Mr. Green returns with DEBTOR #1. Now
10 what I am saying after the break,
11 Mr. Moodie is finished, then you may ask
12 Mr. Campbell questions regarding your
13 clients that you made representation on
14 before or who came before this
15 Commission and those clients,
16 Mr. Campbell did make some replies to,
17 which I would assume you have gotten
18 copies of those and, therefore, would be
19 in a position to examine Mr. Campbell
20 regarding those.

21 MR. WONG-KEN: Thank you Mr. Chairman. One other
22 matter. When Mr. Campbell was here some
23 months ago, he had given some
24 undertaking to the Commission to provide
25 information and I am making an enquiry

1 now as to whether those undertakings
2 have now been satisfied? The Commission
3 has the information that was promised?

4 COMM. BOGLE: To my certain knowledge, the documents
5 that were requested from Mr. Campbell/
6 FINSAC, those documents have been
7 received by the Commission.

8 MR. WONG-KEN: Specifically Chairman, he had made some
9 representation, some undertakings, let
10 me rephrase that, in respect to the
11 window of opportunity and the list that
12 was provided, that was entitled "Window
13 of Opportunity", I have seen nothing in
14 the correspondence, e-mailed
15 correspondence from the Secretariat that
16 indicate that he has satisfied the
17 undertakings in regard to that. Is it
18 that I am mistaken? Is it that I have
19 not received the information or has he
20 provided the information?

21 HER LADYSHIP: Well, as I said, as far as I know the
22 information was provided and therefore I
23 would ask that to the extent that you
24 feel it has not been provided, could you
25 speak to the Secretary of the Commission

1 so that any gaps that you might have in
2 the documents which you now have in your
3 possession maybe satisfied and if you
4 have any further requests you can surely
5 pass those requests to the secretariat
6 and they will endeavour to obtain the
7 documents for your benefit.

8 MR. WONG-KEN: Thank you Chairman.

9 COMM. BOGLE: We will now take our usual coffee break.

10 B R E A K

11 ON RESUMPTION:

12 Ladies and gentlemen, this enquiry is
13 now back in session.

14 Mr. Campbell, please remember that you
15 are still under oath. Mr. Moodie?

16 MR. MOODIE: Thank you, Chairman. We intend to move
17 on now to address questions which were
18 submitted to us by the Commission based
19 on evidence Mr. Campbell gave before
20 when he did his response to the concerns
21 of the debtors as appeared in the
22 transcripts and other evidence that they
23 gave. We will be addressing today the
24 questions which were posed to us in
25 respect of

1 questions that had been handed over in
2 relation to each of these debtors?

3 A: Yes.

4 Q: Perhaps though, Mr. Campbell, additional
5 questions may come forward having regard
6 to the answers you give. So I am just
7 saying that to say neither of us may
8 find that we are restricted by our
9 questions and answers.

10 A: I expect that and I will try my best to
11 see how I can respond.

12 Q: Thank you sir. I want to begin with
13 DEBTOR #3. What was the extent of
14 the principal debt, this debtor, at the
15 time when the debt was transferred to
16 FINSAC?

17 A: The principal balance in May 1999 was
18 \$xx M.

19 Q: And what portion of this debt would have
20 represented interest?

21 A: Interest element was \$xx M and
22 in addition to that there were some fees
23 of almost \$x M.

24 Q: Thank you. Now, would you agree
25 Mr. Campbell, that a substantial portion

1 of DEBTOR #3 debt would have
2 represented interest accrued on the
3 principal debt?

4 A: Yes, I would agree with that.

5 Q: Almost \$xx Million based on your
6 assertions of a principal of xx M?

7

8 A: That's correct.

9 Q: Would there, Mr. Campbell, be in place
10 any records detailing how this amount of
11 \$xx Million has been arrived at?

12 A: We were not able to find any statements
13 on the file to assist us with that.

14 Q: So is your answer to that no, that there
15 are no records in place detailing how
16 this amount has been arrived at?

17 A: I would not say there are no records,
18 the files that we have searched didn't
19 show any. I don't know whether other
20 files exist that have in information.
21 I would not want to say there are no
22 records.

23 Q: So Mr. Campbell, what is the basis, what
24 is the source from which this breakdown
25 that you just gave has been taken?

1 A: There was a memo on the file that speaks
2 to this information.

3 Q: A memo?

4 A: Yes.

5 Q: And that is all?

6 A: Yes.

7 Q: So if DEBTOR #3 were to assert that his
8 principal debt was \$x Million, FINSAC as
9 of now would have no records based upon
10 which it could refute it save and except
11 for the memo?

12 A: I don't know if I want to put it that
13 way necessarily. We would undertake
14 further search to see if there are any
15 correspondence on file to assist in
16 determining how this \$x Million is \$xx
17 Million, \$xx Million. As it is now, the
18 information we have says the principal
19 in relation to \$xx Million. I don't
20 know, while we were negotiating with him
21 he had a problem with that figure.

22 COMM. BOGLE: Just a minute, Mr. Campbell. Would this
23 debt have been acquired from one of the
24 financial institutions?

25 A: Mutual Life.

1 seeking some solid data as to how the
2 amount was computed so that any variance
3 between a principal of \$x Million as
4 asserted and \$xx Million as is now being
5 put could be addressed, that letter
6 would be of limited assistance to the
7 Commission, because what we are seeking
8 to clear up now is how, not what the
9 loan was and what was admitted but how
10 the sums were computed and arrived at.

11 MR. MOODIE: With respect Chairman, in response I was
12 merely saying DEBTOR #3 raised no issue
13 as to the amount. I take Counsel's point
14 in relation to the computing but no
15 issue having been raised as to that, it
16 would seem to me that the accounting,
17 whatever it was, would have been
18 accepted by DEBTOR #3. So I would ask
19 that consideration be had to Exhibit
20 EC18/11.

21 COMM. BOGLE: I think we have two matters here. One,
22 the fact that DEBTOR #3 through his
23 attorney accepted and the other thing is
24 there seems to be no record; FINSAC
25 seems to have been able to find no

1 record as to how that is arrived at, and
2 that is a statement of fact from
3 Mr. Campbell.

4 MISS CLARKE: That is so sir. Mr. Chairman, the
5 witness has indicated that he would be
6 prepared to revisit the records to see
7 if there could be any assistance
8 relative to this discrepancy. I wonder
9 whether that could be noted and the
10 undertaking...

11 MR. MOODIE: Chairman, if there is discrepancy as to
12 the amount that would require
13 Mr. Campbell to go and look to
14 substantiate this amount as opposed to
15 looking to answer further questions
16 which have been posed by this
17 Commission. We will be guided by you,
18 Chairman, as to whether you require us
19 to do any further search.

20 MISS CLARKE: The discrepancy is that the witness in
21 his statement indicated that in 1998 he
22 borrowed the sum of \$x Million. It may
23 very well be that any assertion of a
24 principal of \$xx Million in 1999 can
25 be explained, but based on the witness's

1 evidence as to what his principal was, I
2 think that the discrepancy is quite
3 palpable.

4 COMM. BOGLE: What we will do, since Mr. Campbell will
5 be doing other things as well, we will
6 ask him to have another look to see if
7 he finds anything to indicate because
8 what you might have to do is to look
9 back if *they* have files from Mutual Life
10 persons.

11 MR. MOODIE: That is a part of what we are trying to
12 avoid because if there is no discrepancy
13 - if there is a discrepancy, then I
14 think we are sending Mr. Campbell down
15 to the warehouse.

16 COMM. BOGLE: I think if I can remember, although
17 there was acceptance in order to move
18 the matter forward, there was an
19 acceptance by the attorney but if I
20 remember correctly, without looking back
21 at the transcripts, where DEBTOR #3 was
22 a bit concerned about the move from the
23 original amount to \$xx Million.

24 MR. MOODIE: Mr. Campbell has indicated that he will
25 look.

1 COMM. BOGLE: Right.

2 MISS CLARKE: If I may correct you, Mr. Chairman, he
3 wasn't concerned about the original
4 amount to the \$xx Million because there
5 is no mention anywhere prior or any
6 correspondence, based on his evidence,
7 relative to any \$xx Million. He moved
8 from a position of a principal of \$x
9 Million to \$xx Million when he was
10 finally informed as to what he owed.
11 This is his evidence-in-chief, but what
12 his further evidence was, by the time he
13 was being told that he owed \$xx Million
14 he had already paid in excess of \$xx
15 Million on account of the debt.
16 Moving on now Mr. Campbell, did FINSAC
17 send any correspondence to DEBTOR #3
18 showing him how his indebtedness had
19 been arrived at?

20 A: From the files we reviewed we didn't see
21 any such correspondence.

22 Q: Is there in place any data showing the
23 account history at the time when this
24 loan was taken over by FINSAC?

25 A: It seems to be the same question you

1 4, particularly as it relates to Loan
2 Forgiveness, would a lump sum payment of
3 \$xx Million as was made by DEBTOR #3 be
4 considered a significant lump-sum
5 payment?

6 A: Yes, in the circumstances.

7 MISS CLARKE: If I may, Mr. Chairman, I would have
8 wanted to revisit that document in terms
9 of how it purported to deal with debtors
10 who have made a significant lump sum
11 payment.

12 COMM. BOGLE: That document is already in evidence.

13 MISS CLARKE: It is in evidence PH4.

14 COMM. BOGLE: Yes.

15 MISS CLARKE: I crave your indulgence. PH4 is that

16 document which was put through

17 Mr. Patrick Hylton, FINSAC Standard

18 Policies for NPL Workouts and I am

19 reading in particular from the segment

20 entitled **Loan Forgiveness**.

21 **No loan forgiveness will be approved**

22 **prior to debtor making a significant**

23 **lump sum payment or consistent payments**

24 **for a 12 month period, as approved by**

25 **the Credit Committee or the Board. (See**

1 **limits established under Decision**
2 **authority on pages 2 and 3),**
3 **Amount of loan forgiveness must be**
4 **approved by the Committee, and the**
5 **debtor must provide written evidence**
6 **that debtor cannot pay the amount to be**
7 **forgiven.**

8 Next question Mr. Campbell, in light of
9 the fact that some debtors were afforded
10 write-offs up to 98 percent, are you
11 able to assert that as regards DEBTOR #3
12 there was adherence to FINSAC's guiding
13 principle that FINSAC must ensure
14 consistent treatment of all debtors in
15 the portfolio?

16 MR. MOODIE: In relation to this question, Chairman,
17 if I may, I have a difficulty with this
18 question. I don't recall oral evidence
19 being given by any debtor who was
20 afforded up to 98 percent write-off. So
21 the basis of this question is a little
22 bit unclear to me. Has there been any
23 evidence given before this Commission as
24 to debtors who received 98 percent
25 write-offs?

1 MRS. PHILLIPS: I do not recall any debtor giving any
2 such evidence.

3 MISS CLARKE: Mr. Chairman, I believe the data might
4 not have preceded Mrs. Phillips being
5 here but it actually preceded certainly
6 my appearance here and Mr. Moodie's
7 appearance here, and there is a document
8 which I believe has been before the
9 Commission detailing the debtors and the
10 extent of the debt and the extent of the
11 write-offs. I am not going to assert
12 with any particular confidence that it
13 was put in evidence, but it is a
14 document that has come to my attention.

15 COMM. BOGLE: May I suggest that documents were
16 produced by FINSAC which indicated that,
17 documents put in evidence by FINSAC.

18 MR. MOODIE: Which indicated debtors were afforded
19 write-offs at 98 percent?

20 COMM. BOGLE: Yes.

21 MR. MOODIE: Would the Commission be able to say
22 which debtors those were, because it
23 would certainly be relevant to the
24 question.

25 COMM. BOGLE: FINSAC provided us with those documents

1 and we went through those documents.

2 MRS. PHILLIPS: In evidence?

3 COMM. BOGLE: In evidence, yes. The document was
4 provided and it was marked as evidence.

5 MR. MOODIE: Chairman, what I recall is that the
6 documents which were submitted by Finsac
7 were done under a cover letter and the
8 cover letters were read in terms of what
9 the documents contained but there was no
10 specific evidence given as far as I
11 recall in relation to percentage
12 write-offs in evidence.

13 COMM. BOGLE: I can assure you that the list was put
14 in evidence, the list was dealt with, it
15 was accorded an exhibit number and
16 extracts of it were even published in
17 the newspaper. So it was an exhibit
18 which came from FINSAC and it was dealt
19 with and it was afforded an exhibit
20 number.

21 MRS. PHILLIPS: Well, I am not taking issue with your
22 recollection, Chairman, your
23 recollection is also one of those
24 write-offs was 98 percent?

25 COMM. BOGLE: I cannot say for certain who. If I

1 remember correctly there was at least
2 one that would be approximately that,
3 but I cannot tell you the name of the
4 person or anything like that.

5 MR. MOODIE: The question though, Chairman, is on the
6 premise that 'some' debtors, your
7 recollection as to at least one, that's
8 why I am asking for some clarity in the
9 question as a background to Mr. Campbell
10 so that he can answer it accurately
11 whether or not there is in fact evidence
12 that 'some' debtors...

13 MISS CLARKE: 'up to'. My friend chose not to use the
14 words 'up to'. I am correcting you,
15 Counsel.

16 MR. MOODIE: Yes, so if Counsel could indicate her
17 recollection in terms of the background
18 to the question in forming the question
19 which you are asking Mr. Campbell to
20 answer.

21 MISS CLARKE: Mr. Chairman, I am sure I have seen the
22 data and would produce it. I am not
23 able to say at what point it was
24 introduced into evidence; I was not here
25 but I believe - one would not have

1 anticipated that this would be a matter
2 that is even in contention, given the
3 existence of the data, but there is data
4 certainly to show that write-offs of up
5 to 98 percent were given.
6 MR. MOODIE: Chairman, I would ask Mr. Campbell to
7 answer. I just want it noted however,
8 that I do not recall the evidence, which
9 is why I asked Counsel to clarify.
10 COMM. BOGLE: That might be part of the fact that you
11 had not been here from the beginning.
12 MR. MOODIE: But the evidence was presented through
13 me.
14 COMM. BOGLE: No, it was presented before. It was
15 presented long before you came on the
16 scene, if I may put it that way. It was
17 there before.
18 MR. MOODIE: And the Commission requested an updated
19 list because that list was not
20 comprehensive and it is through me that
21 that updated list was presented under
22 cover of a letter which was read to the
23 Commission.
24 COMM. BOGLE: Whether it is so or not, I am saying
25 that the list which is referred to here

1 was entered in evidence from long ago.
2 Mr. Campbell is supposed to be well
3 aware of that and so we will allow the
4 question to continue.

5 MR. MOODIE: Guided Chairman.

6 MISS CLARKE: Thank you. Perhaps Mr. Campbell, you
7 would like for me to ask the question
8 again?

9 A: No, you do not need to repeat the
10 question in the interest of time. The
11 file indicates that negotiations were
12 accommodated to allow the debtor to
13 indicate his business place which formed
14 a part of the collateral, however his
15 case is dealt with on his own merit.

16 Q: I think I need to ask the question
17 again, Mr. Campbell, because I don't
18 think it has been answered.

19 A: Well, I left out 'yes' in answer to the
20 original question.

21 Q: But in the light of the fact that there
22 were write-offs of up to 98 percent in
23 circumstances where DEBTOR #3 had paid
24 \$xx Million of let's say \$xx Million
25 which was owed, the question is, having

1 regard to the assertion or the principle
2 enunciated in PH4 that FINSAC must
3 ensure consistent treatment of all
4 debtors, do you think in relation to
5 DEBTOR #3 there was adherence to this
6 principle vis-a-vis a debtor who got a
7 98 percent write-off say, and DEBTOR #3?
8 Would you regard this as consistent
9 treatment of all debtors?

10 A: Yes.

11 Q: Yes?

12 A: And I am saying in looking at the amount
13 that is written off for a particular
14 debtor a number of circumstances had
15 been taken into account.

16 Q: I am sure I will come to that.

17 MR. MOODIE: Mr. Campbell is answering the question.

18 MISS CLARKE: Mr. Moodie, I am directing the question
19 and I can indicate when I think that
20 question is addressed. If you have an
21 objection you can raise it.

22 MR. MOODIE: Chairman, might I put it to you?

23 Mr. Campbell was in the middle of
24 explaining his answer, an answer which
25 Counsel has asked for three or four

1 times, I think it is only fair that he
2 be given an opportunity to explain.

3 MISS CLARKE: And I had indicated that we will come to
4 that because I intend to explore that
5 another time. I believe Mr. Moodie...

6 COMM. BOGLE: Let Mr. Campbell explain.

7 MISS CLARKE: Very well, sir.

8 COMM. BOGLE: Mr. Campbell, explain your 'yes'. You
9 have said yes and some of us would
10 really like to get the explanation as to
11 the 'yes'.

12 A: If you wish, Mr. Chairman, the point I
13 was making is, in making a decision as
14 to - well, I am seeing that is probably
15 a part of the explanation to the next
16 question. I will come to it.

17 (Laughter)

18 MISS CLARKE: Yes, yes, thank you Mr. Campbell.

19 COMM. BOGLE: Okay, proceed, Miss Clarke.

20 MISS CLARKE: Now, the next question is, Mr. Campbell,
21 what were the criteria informing the
22 write-offs such as would avail
23 DEBTOR #3? I am asking you this question
24 bearing in mind the evidence you gave on
25 an occasion when I was not here on the

1 12th, I had a chance to look at it this
2 morning, when you say that each case was
3 dealt with on a case by case basis and
4 based on an anticipation however, that
5 there would be still some guiding
6 principles and some criteria. So what
7 were the criteria which would have
8 informed, not only whether a debtor got
9 a write-off at all, but the extent and
10 the level of the write-off?

11 A: From the information I have, the normal
12 banking practice would apply where you
13 look at the collateral that is
14 available, you look at the payment
15 history on the account and you look at
16 timeframe for payment and later on - you
17 actually asked us and we mentioned in
18 answer to another question - we also
19 consider the debtor's ability to pay as
20 well, I mean, which is an important
21 element. So all of those are factors and
22 in fairness after you have done all of
23 that there really cannot be a
24 straightforward situation where you look
25 at each debtor and say settle the debt

1 at 50 percent. It just could not work.

2 MISS CLARKE: So having regard to these criteria

3 Mr. Campbell, from where you sit now,

4 are you able to assist this Commission

5 relative to DEBTOR #3 to a finding that

6 relative to his payment history or the

7 timeframe for payment or his ability to

8 pay a write-off was not afforded him?

9 What data can you produce for example,

10 to show that having regard to his

11 payment history a certain level of

12 write-off...

13 MR. MOODIE: Might I respond...

14 MISS CLARKE: I am on my feet Counsel.

15 MR. MOODIE: Sure. I thought you had finished.

16 MISS CLARKE: What data can you produce?

17 A: EC17 which is a Memo sent from, I think

18 it was Curtis Bray to Mr. Hylton to show

19 that there was a history of, I think

20 'non-payment' is the phrase used in

21 here.

22 MR. MOODIE: I have a copy of that memorandum, if

23 counsel would like me to read it,

24 EC17/11.

25 MISS CLARKE: No, Counsel. May I have a look at

1 EC17/11. I would like to put a portion to
2 the witness. EC17/11, because the question
3 I asked is whether or not you are able to
4 refer to data to assert before this
5 Commission that having regard to any of
6 these criteria,
7 DEBTOR #3 would not have made himself
8 eligible for a certain level of write-off.
9 And your attorney, not you, referred us to
10 EC17/11 so I am going to read it. Perhaps
11 you can assist us further in elaborating as
12 to why he put this forward. EC17/11, this
13 is an Inter-Office Memo, dated June 15, 1999
14 from Mr. Curtis Bray, CEO to Patrick Hylton,
15 Managing Director.

16 Subject: DEBTOR #3 COMPANY.

17 It begins as follows:

18 **I don't have much to tell you regarding this**
19 **loan. The borrower has not paid back any of**
20 **the principal amount.** That is an assertion.

21 From where you sit, having regard to the fact
22 that you have not found any data referable
23 to the account history, is this the document
24 on

1 which you rely, the only document on
2 which you rely, Mr. Campbell, for
3 information relative to this debtor's
4 payment history?

5 A: Are you speaking of a current situation
6 or at a point?

7 Q: Current situation based on your
8 appreciation of the records. I am asking
9 for the evidence coming from you now
10 from where you sit.

11 A: In fairness I don't see much relevance
12 to that, you know.

13 Q: Well, that is not for you to establish
14 though, Mr. Campbell. Please answer the
15 question.

16 A: Let me make the point. You are asking me
17 if this is the only evidence of a
18 payment history on this account?

19 Q: No, no, that's not what I asked you. You
20 set out certain criteria based upon
21 which the level of write-offs would be
22 determined, one of them was the debtor's
23 payment history. I am asking you from
24 where you sit now and giving evidence
25 from what you know, based on records,

1 whether or not you have any data
2 referable to DEBTOR #3's payment history
3 such as would have rendered him
4 ineligible for a write-off, or a certain
5 level of write-off, and your attorney
6 pointed us to this.

7 A: Yes. The point I wanted to make is, in
8 2000 or 2001 when the submission would
9 have been put forward to the Board...

10 Q: This is 1999.

11 A: Yes, and I am saying in 2000, 2001 when
12 the submission would have been put
13 forward to the Board I would have
14 expected that there would be more
15 information that would have been
16 submitted to guide the decision. I am
17 saying from the files that I have seen
18 this is the only document I have seen,
19 now, but it can't be that this was the
20 only thing submitted to the Board. That
21 is what I am saying.

22 Q: And you are saying it can't be because
23 it would be untenable.

24 A: I would not use that word, no.

25 MR. MOODIE: Don't put words in my client's mouth.

1 MISS CLARKE: Mr. Chairman, I would ask that if Counsel
2 has an objection that he says so.

3 MR. MOODIE: I made it. The objection was, kindly
4 don't put words in my client's mouth.

5 MISS CLARKE: That is not how an objection is to be
6 framed, Counsel. Perhaps I need to
7 remind Counsel, as my junior, that when
8 an objection is put it's put to the
9 Chairman and the Chairman will rule.

10 COMM. BOGLE: Can we move on. And Mr. Moodie will be
11 guided.

12 MISS CLARKE: So I just want to get a clear answer
13 from you, based on EC17/11 and the
14 portion I just read: **The borrower has**
15 **not paid back any of the principal**
16 **amount.** This - Mr. Campbell, I am
17 speaking to you now - is the basis upon
18 which you would assert before this
19 Commission that DEBTOR #3's
20 ineligibility for a certain level of
21 write-off was on account of his payment
22 history, is this in reliance on this?

23 A: I cannot speak totally to that because I
24 do not know all the circumstances that
25 were considered at the time when his

1 proposals were submitted and deliberated
2 on.

3 Q: Thank you.

4 Mr. Campbell, you are therefore saying
5 that in the files that you have been
6 able to access so far that there is
7 nothing there, no notes, no minutes that
8 informed that decision apart from this?
9 In other words, you are saying that
10 there should be but you have not met on
11 anything?

12 A: I don't even want to say should be, I
13 would expect that there would be. We are
14 committed to research the files further
15 as counsel had asked us to try to
16 ascertain whether there are any
17 statements to show how the \$xx M was a
18 arrived at. So in the process of doing
19 that we will see what additional
20 information exists that would have
21 guided the decision to compromise the
22 debt.

23 COMM BOGLE: Okay.

24 MS. CLARKE: Before I move on from this point, I just
25 want to hear his answer for the records,

1 to clarify it. There is an assertion in EC17
2 that this debtor has not paid any of the
3 principal amount.

4 Mr. Campbell, would I be correct were I to
5 say that based on **your** search of the
6 records, there is no data such as would
7 bolster this assertion or support the
8 assertion that no payments were made by
9 DEBTOR #3 on account on the principal
10 amount?

11 MR. MOODIE: Isn't this same question we basically
12 just went through, Mr. Chairman?

13 Mr. Campbell has said he will look for the
14 data.

15 MS. CLARKE: If the witness would answer again.

16 MR. MOODIE: Chairman, perhaps you should guide
17 Counsel.

18 MS. CLARKE: Why is he answering for the witness?
19 Counsel, you ought not to answer.

20 MR. MOODIE: Would you let me finish making my point? You

21 MS. CLARKE: are answering for the witness. Can we have

22 COMM BOGLE: some level of control and order.

23 Thank you. Chairman...

24 MR. MOODIE: Are you objecting?

25 COMM BOGLE:

1 MR. MOODIE: Yes, I am objecting.

2 MS. CLARKE: What is the basis of that?

3 COMM BOGLE: Could you please state the basis of your
4 objecting.

5 MR. MOODIE: I am objecting to the question because it has
6 already been asked in a different form and
7 answered, and the answer from Mr. Campbell
8 was that he will look. He said he is not going
9 to say there are no records, he will look to
10 see whether there is anything else. I think,
11 Chairman, you just addressed the issue.
12 Could we move on from this issue, it is same
13 question.

14 No.

15 MS. CLARKE: Miss Clarke.

16 COMM BOGLE: Chairman is speaking.

17 MR. MOODIE: May I respond?

18 MS. CLARKE: Respond.

19 COMM BOGLE: I think Counsel is probably not
20 MS. CLARKE: appreciating the efficiency of this
21 Commission in terms of guiding and
22 conducting its own self.
23 What is being asked of this witness now it
24 is entirely different. The data was
25

1 being put by his Counsel, EC17, as
2 representing the answer to questions as to
3 what guided a finding as to DEBTOR #3's
4 ineligibility for a write off. Having
5 looked at this EC17, there is a portion, a
6 part of it that asserts, quite differently
7 from what has gone before now, this is
8 arising from it, that assert that no payment
9 has been made on account of principal.
10 The question Mr. Chairman, is being put that
11 having regard to the fact that the witness,
12 the debtor asserted before this Commission
13 that he made payments
14 totaling over fifteen million dollars on
15 account of his debt we must now, I am sure,
16 seek to reconcile that very sharp
17 discrepancy so I am asking this witness,
18 certainly for the assistance of the
19 Commission to tell us whether it is, there
20 would be, based on his search of the records
21 there would be any such documentary data that
22 would guide this Commission to a finding as
23 asserted in EC17 that there was no payment
24 on
25

1 account of principal pal. If the answer is I
2 don't know, then perhaps the
3 witness will undertake, as he has been doing
4 quite admirably, if the answer is no, then I
5 am sure that the Commission in its assessment
6 would be guided in certain important aspects,
7 having regard to what DEBTOR #3 asserts, that
8 he made payments, and \$15M are not long
9 payments that you would forget that you have
10 made payments. And if there is
11 assertion that no full-time must be supported
12 there has been no payments, they must be
13 supported by something. So I am asking
14 accounts witness is this all you relied on or
15 is there anything additional? So the witness
16 should answer to guide us. If he is saying I
17 don't know, he should say so.

20 COMM BOGLE: Miss Clarke, in
fairness I think that

21 the witness has answered to say that the
22 only document he has found relative to
23 this situation is the one that is EC17,
24 I think that is what he saying.

25 MS. CLARKE: Relative to the 'situation'.

1 EC17 saying he has made no payment, then
2 there is as discrepancy and so at this
3 point, what we are saying is, we are
4 asking Mr. Campbell to make a proper
5 search to find out what really informed
6 that decision or that note that he made
7 no payment, and I think that is fair
8 that he does so.

9 MR. MOODIE: The only point I was making, Chairman is
10 that Mr. Campbell said it three times
11 that he would do so, so we should move
12 on. That is the basis.

13 MS. CLARKE: If Counsel will allow us to move on then
14 we will move on.

15 COMM BOGLE: I think so.

16 MS. CLARKE: Thank you, Mr. Chairman.

17 Mr. Campbell, the question is now #10 on
18 your list. In the case of DEBTOR #3,
19 was there any account taken of a policy
20 position that FINSAC would try to be
21 more lenient with owner occupied
22 residences?

23 A: The response I have, this file does not
24 indicate that this loan was secured by
25 owner occupied residence and we should

1 point out that the Fisherman's Point
2 property was not a part of the
3 collateral held for this loan but it was
4 given by debtor in part settlement of
5 the debt. So the matter of any leniency
6 to owner occupied residence did not
7 arise.

8 Q: It begs the question now, Mr. Campbell-
9 let me ask you, are you saying that the
10 policy would only apply if the resident
11 was the actual collateral?

12 A: That was the intent.

13 Q: So that if the person lived in the house
14 and it wasn't the collateral you would
15 go after it, this policy wouldn't apply,
16 only if it was the stated and expressed
17 collateral for the loan?

18 A: The policy I am speaking about relates
19 to the residence being the collateral
20 for the debt.

21 Q: So if a debtor's house was not the
22 collateral for the debt but it was his
23 home in any event, FINSAC would have no
24 difficulty with selling it to realise
25 its...

1 A: We don't have a charge on it so we could
2 not sell it.

3 MR. MOODIE: How could he sell it if it wasn't a
4 collateral?

5 MS. CLARKE: That wasn't the question.

6 COMM BOGLE: But Mr. Campbell, I am sure can answer
7 the question, it is not a difficult
8 question, he can answer it. As a matter
9 of fact I heard him answering the
10 question, so if you allow him sometimes,
11 I am sure Campbell is quite capable.

12 MS. CLARKE: Perhaps Counsel needs to be brought up
13 to speed because in fact he was asking
14 how could they sell it if it wasn't
15 collateral for the loan. In the case of
16 DEBTOR #3, this is exactly what
17 happened.

18 MR. MOODIE: Because he offered the property, that is
19 the evidence just given by Mr. Campbell.
20 He offered the property in a settlement
21 of his debt.

22 COMM ROSS: Mr. Moodie, you are not on the stand.

23 MS. CLARKE: Thank you, Mr. Commissioner.

24 COMM ROSS: Will you allow Mr. Campbell to answer
25 the question.

1 MR. MOODIE: He did, I am repeating his answer. No,
2 COMM ROSS: you just have to keep quiet and raise
3 an objection if you have an objection.
4 That is what I was doing, Commissioner.
5 MR. MOODIE: There is too much cross-talk between you and
6 COMM ROSS: the Counsel asking.
7 I am speaking to the Commission, not to
8 MR. MOODIE: Counsel.
9 Please, unless you have an objection or
10 COMM ROSS: unless you are addressed directly, you are
11 really interrupting too much. You are
12 wasting our time.
13 I made an objection.
14 MR. MOODIE: I didn't hear it.
15 COMM ROSS: Overrule it and move on.
16 MR. MOODIE: Can we move on?
17 COMM BOGLE: Thank you, Chairman.
18 MR. MOODIE: Yes, Mr. Chairman, I cannot in my
19 MS. CLARKE: responsibility to the professional but ask
20 my friend through this Commission to be
21 guided by certain rules relative to conduct
22 and having regard to the fact that the
23 Commission is a tribunal which demands a
24 certain response to it and a
25

1 certain approach to it.
2 Paragraph 11, though, you would have
3 answered. Let me just see if I get you
4 right. This question seeks to ask you
5 whether or not any consideration would
6 have been given to the fact that
7 Fisherman's Point Apartment was
8 DEBTOR #3's home, and Mr. Campbell I am just
9 making sure I got you correctly. You
10 are saying that to the extent that it
11 was not collateral security, then no
12 consideration would have been given to
13 the fact that it was his home. Is that
14 what you are saying?

15 A: Yes, and remember the point I was
16 making, this was his residence or his
17 property, we did not have a charge over
18 it and he offered it in part settlement
19 of the debt.

20 MS. CLARKE: Mr. Chairman, you will recall that the
21 witness' evidence is that he was told to
22 give it up and move out, so the evidence
23 is somewhat at variance which I am sure
24 the Commission will deal with in its
25 turn.

1 As to Question 12, I'll just make an
2 enquiry and move on. Was there an
3 updated valuation apart from the one
4 that was done in 2001, I wasn't here on
5 the last occasion when Mr. Campbell
6 came; was there put in evidence a
7 valuation done after 2001?

8 MR. MOODIE: Chairman, would you like my assistance
9 in that issue?

10 COMM BOGLE: Yes, you may.

11 MR. MOODIE: Might I refer you to EC40/11, a
12 valuation done on the 13th, November,
13 2003,

14 MS. CLARKE: Might I have a pause to have a look at
15 it, Mr. Chairman? I am just trying to
16 ascertain the market value in the 2001
17 valuation was \$3.5 million? Perhaps you
18 could assist me here, Counsel, the 2001
19 valuation.

20 MR. MOODIE: I don't have that record.

21 MR. CAMPBELL: The memo speaks to that, yes.

22 MS. CLARKE: In 2001?

23 A: Yes, it did say that.

24 Q: And the valuation in 2003 was still
25 \$3.5 million, based on this valuation?

1 A: That is correct.

2 Q: Mr. Campbell, between 2001 and 2003, can
3 you testify from record or from your
4 knowledge actual recollection as to who
5 was in possession of this apartment? I
6 mean whether FINSAC or DEBTOR #3?

7 A: DEBTOR #3.

8 Q: DEBTOR #3 was, based on your - so he was
9 not asked to leave?

10 A: I am not aware of that. You mentioned
11 however that it was his residence but
12 from the report I see where it was being
13 suggested that the state of the building
14 is in such disrepair, I find it a little
15 unusual, if I just may use that word,
16 that he would occupy it, but I don't
17 know the circumstances.

18 Q: Which valuation are you referring to,
19 the one in 2003.

20 A: Yes, page 2, under state of repairs.
21 About the middle of the paragraph, "the
22 apartment itself which appears to have
23 been in empty for sometime...."

24 Q: Which one you are reading from?

25 A: The same one you have, State of Repairs.

1 Q: "The apartment itself appears to have
2 been vacant for some time and is
3 generally in a fair to poor condition
4 with the kitchen cupboard and carpeting
5 needing repair."

6 I am looking at this letter which was
7 somewhat of a report from the valuers
8 in 2001.

9 A: 2003, that is a precursor to this.

10 Q: Okay Mr. Campbell.

11 Question 13 now, Mr. Campbell, can you
12 show from record where the apartment was
13 advertised for sale?

14 A: No, I was unable to find that.

15 COMM BOGLE: Mr. Campbell, do you have a copy of the
16 title for that property?

17 A: Yes Mr. Chairman, there is a copy
18 attached to the valuation report.

19 COMM BOGLE: The apartment was sold to whom?

20 A: I don't recall that information. I would
21 need to check Mr. Chairman, but you are
22 asking about the transfer, I know about
23 the transfer. This transfer would have
24 been as a result of the agreement of
25 DEBTOR #3 to give FINSAC this property

1 in part settlement of the debt.

2 COMM BOGLE: And then it was transferred to Sandra
3 Samuels?

4 A: I don't have that title but yes, I
5 suppose she would have been the one who
6 bought it, yes.

7 COMM BOGLE: It was transferred to her on the 23rd
8 day of April, 2004.

9 A: Right.

10 COMM BOGLE: What I find strange is that on the same
11 23rd of April, that Jamaica National is
12 giving a \$3,200,000.00 mortgage. What
13 I find questionable is the fact that
14 with my certain knowledge, Jamaica
15 National or any Building Society would
16 not give almost a hundred per cent
17 mortgage.

18 A: I have seen adds in. the paper where they
19 go up to 95% percent, Mr. Chairman.

20 MS. CLARKE: In recent times, Mr. Campbell.

21 MR. MOODIE: Are we asking Mr. Campbell to comment on
22 Jamaica National's loans?

23 COMM BOGLE: No, I am commenting on the valuation,
24 whether or not the valuation is a
25 reasonable valuation, that is really my

1 concern, not the concern of Jamaica
2 National giving the mortgage.

3 MR. MOODIE: I am guided.

4 COMM BOGLE: That is my concern.
5 MR. CAMPBELL: That would be a matter though, in
6 fairness, Mr. Chairman for Jamaica
7 National, if they ought to lend a
8 hundred percent.

9 COMM BOGLE: Then by 2007 we see that Nova Scotia is
10 now giving a mortgage of ten million
11 dollars. It seems a bit, you know...
12 A: Maybe some improvements were done.

13 COMM BOGLE: Not in those four years.

14 MR. MOODIE: I am thinking there are too many
15 imponderables for this witness to be
16 able to answer that question.
17 COMM BOGLE: It does not mean that this Commission
18 can't comment on it.

19 MR. MOODIE: Certainly, I thought you were requiring
20 a response.

21 COMM BOGLE: I am simply commenting on it, he cannot
22 possibly answer that. I am simply
23 commenting and I told you the basis on
24 which I am commenting is my concern
25 about the valuation at that date.

1 MR. MOODIE: I am guided.

2 MS. CLARKE: If I may be permitted to comment, I
3 think there was a mortgage in that year
4 for 14 million; ten million discharge
5 and a 14 million mortgage. Is that so,
6 Mr. Chairman?

7 COMM BOGLE: Yes.

8 COMM ROSS: Mr. Campbell, as an experienced banker
9 would you offer somebody a hundred
10 percent mortgage on a property?

11 A: You mean hundred per cent financing?

12 COMM ROSS: Yes, financing to tune of a hundred per
13 cent of the market value.

14 A: Not normally, it must be some
15 extenuating circumstances.

16 Q: Would you not be a little surprised if
17 three years later that someone was able
18 to get a mortgage for three times that
19 initial mortgage, and later on that year
20 for about four-and-a-half times?

21 A: Well there could be at least two factors
22 that could account for that. There could have
23 been improvements in the property that would
24 improve the value of over the period or...

1 from record whether the Fisherman's
2 Point apartment was advertised for sale
3 by FINSAC?

4 A: No, we are not able to find any evidence
5 to that effect but this and other
6 properties we had were listed with the
7 FINSAC approved brokers and this
8 particular case we had received at least
9 three offers before and the third one we
10 accepted it.

11 Q: I notice on the title the purchaser, the
12 transferee was a real estate broker.
13 Are you able to say whether she was
14 associated with any of the FINSAC
15 approved brokers?

16 A: She may well have been.

17 COMM BOGLE: Mr. Campbell, is it not normal procedure
18 of FINSAC that properties go to auction
19 before private treaty?

20 A: Those relate primarily to the debt
21 related ones. This was a FINSAC owned
22 property, it would not have been. This is a
23 FINSAC owned property so it would not have
24 been absolutely necessary, because remember
this property was

1 transferred to FINSAC in part settlement
2 of the debt so this is now a FINSAC
3 owned property. But certainly the debt
4 related ones are advertised and sent to
5 auction first before we go for private
6 treaty.

7 COMM BOGLE: So once FINSAC owns the property, there
8 is no transparency in terms of auction
9 or anything, they can simply sell it by
10 private treaty and that's it?

11 A: I didn't say that.

12 COMM BOGLE: I am just asking.

13 A: But with the private treaty it is
14 listed - at one time we had over forty
15 brokers so it is listed with all of them
16 and offers come in through them.
17 And perhaps if I could just add one
18 other thing, part of the transparency
19 there was that FINSAC didn't deal
20 directly with the prospective purchasers
21 for them to say submit an offer to
22 FINSAC, so they had to check with the
23 various brokers and submit offers to
24 them.

25 MS. CLARKE: Based on your answer or your explanation

1 a while ago, are you saying that a
2 property transferred to FINSAC in
3 consideration of the settlement of a
4 debt would not be considered a debt
5 related property?

6 A: Not any more after the transfer.
7 Because in fairness Miss Clarke, the
8 debtor would have agreed that they are
9 transferring the property to FINSAC at a
10 value.

11 Q: For what purpose though?

12 A: To repay his debt or to reduce his debt
13 so the debt would have been reduced by
14 the amount and then the property is now
15 FINSAC's. If it is as in this case that
16 FINSAC took the property for \$3.5M, lets
17 say we sell for a million, that would
18 have been FINSAC's loss, not his.

19 Q: The only difficulty, Mr. Campbell, my
20 remit does not permit me to argue with
21 you.

22 A: There is no need to argue at all.

23 Q: There is but I can't do it.

24 Question 14.

25 COMM BOGLE: Go ahead, Miss Clarke.

1 MS. CLARKE: I think at Question 14 Mr. Campbell, if
2 we are to get back on track.
3 Do your records reflect any
4 correspondence to DEBTOR #3 subsequent
5 to the sale of his apartment informing
6 him of the details of the sale and how
7 the proceeds were applied?

8 A: There was no record on the file on that
9 and in fact, my position is that it
10 would not have been deemed necessary
11 since as I have just explained, this is
12 now FINSAC's property, it would not have
13 been one that was sold under the powers
14 of mortgage and as a result there would
15 be no need to advise the debtor or to
16 provide the debtor with a statement of
17 account.

18 Q: Another question coming from that. Are
19 you saying that in circumstances where
20 DEBTOR #3 would have transferred this
21 property to FINSAC if that property were
22 to have been sold for an amount over and
23 above the balance of his indebtedness,
24 FINSAC would not be accountable to Mr.
25 Foote?

1 agreement has been forth coming.

2 A: We will dig and even it means going to
3 Titles Office to get a copy of the
4 transfer, we will do it.

5 MR. MOODIE: Chairman, can the Commission take
6 notice of the transfer which is endorsed
7 on the title?

8 MS. CLARKE: Mr. Chairman, the transfer would only
9 indicate that he transferred it, and he
10 is saying that he was coerced, not that
11 he agreed, so the transfer would not
12 assist us one way or the other.

13 A: We will add it to list of items we will
14 try and find for DEBTOR #3.

15 Q: I am sure that would assist greatly,
16 Mr. Campbell?

17 A: Sure.

18 Q: I now wish to move on to another debtor,
19 DEBTOR7.

20 COMM BOGLE: Ladies and gentlemen, it is pretty close
21 to 1 o'clock and we had originally said
22 that today would be a half day so we are
23 stopping at one clock and therefore
24 rather than Miss Clarke starting another
25 person, DEBTOR7, at this time, that

we would take the adjournment.

1 I have just been informed that arrangements
2 are close to conclusion for Mr. Don Crawford
3 to return next week Wednesday. From last week
4 we indicated that we were working towards
5 Wednesday the 27th and we are getting a bit
6 closer but, you know, it takes a lot of
7 arrangements to have him but we are pretty
8 close to confirming Mr. Crawford on the 27th.
9 Full confirmation of that should reach you
10 by early Monday

11 morning.

12 We are, at the same time, trying to see if
13 we can get back Dr. Blythe for next week
14 Thursday.

15 The office will contact you further. So if we
16 can get Mr. Crawford on Wednesday and we can
17 get back Mr. Blythe on Thursday, this is what
18 we are hoping to achieve in this meeting.
19 Again, confirmation and further discussion
20 will take place in the office and I am just
21 informing you of that. As usual I always send
22 out emails...

23

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1 MR. MOODIE: Might we, Chairman, at the same time
2 perhaps canvass some dates for
3 Mr. Campbell's return so that we can
4 align our court dates with other
5 commitments accordingly?

6 COMM. BOGLE: The Secretary informs me that he will
7 work on that this afternoon, and so
8 again by Monday morning he will
9 communicate with you. Based on your
10 diary you can indicate and we will try
11 to see how best we can work around that.

12 MR. MOODIE: The truth is Chairman, I think that is
13 going to be a little difficult.
14 One of the things that we are guided by
15 is the Court Lists. We have some
16 matters that might have been adjourned
17 which we are trying to get dates for, so
18 that might be a little difficult. I know
19 that next week presents a problem for
20 us. We indicated that we have Wednesday
21 free. There was a possibility for
22 Tuesday afternoon but that is looking
23 unlikely. So Wednesday seems to be the
24 only day next week, so it seems we will
25 be into the following week. But

1 certainly Mr. Deperalto is very good at
2 communicating with me, so I am sure he
3 will continue in that stead.

4 COMM. BOGLE:

I know Mr. Garcia needs to say

5 something. I don't wish for us to be
6 going back and forth, so may I just
7 indicate to Mr. Deperalto and then tie
8 it up there. Since we do not all have
9 our diaries and some of the persons who
10 will be impacted by this schedule are
11 not here either, and so, we can just
12 leave the scheduling for now.

13 Mr. Garcia.

14 MR. GARCIA:

The only reason that I wanted to raise
15 it, sir, is that if it turns out that
16 Dr. Blythe will be giving evidence on
17 next week Thursday, I will not be able
18 to attend next week Thursday and there
19 is a document among those that I
20 received from FINSAC today that I would
21 want to be put in evidence in relation
22 to Dr. Blythe. So I don't know
23 whether -- if it is that, that challenge
24 is going to arise. I am wondering if the
25 document can be put in now through

1 Mr. Campbell.

2 COMM. BOGLE: FINSAC's representative will be here
3 next week Thursday.

4 MR. GARCIA: Yes, but Mr. Campbell won't be here, so
5 in order to get that document in we have
6 to do it through Mr. Campbell.

7 COMM. BOGLE: We can just put in the document at this
8 meeting.

9 MR. MOODIE: Certainly. I have no objection to that.
10 Chairman, there are about three
11 valuations, three or four valuations
12 which the Commission had requested
13 Mr. Campbell to obtain. We also have
14 those, so perhaps we can just put those
15 into the record at the same time before
16 we take the break.

17 COMM. BOGLE: Just before we do that Mr. Moodie, I
18 think that the document that we have not
19 entered as yet, we will put that in as
20 EC67/11.

21 MR. MOODIE: EC67/11 would be the document entitled
22 Issues Raised By Debtors.

23 MISS CLARKE: There are two of them. You mean the one
24 containing the article?

25 COMM. BOGLE: Yes.

1 MR. MOODIE: On the valuation I have one here done by
2 Tavares--Finson Limited, 18 Dominica
3 Drive.
4 COMM. BOGLE: 18 Dominica Drive?
5 MR. MOODIE: Yes.
6 COMM. BOGLE: We will have that as EC68\11.
7 MR. MOODIE: I think we just have one copy for the
8 Commissioner.
9 MR. CAMPBELL: There are a number Dominica Drive, Mr.
10 Chairman, so you need to tell us which
11 one.
12 COMM. BOGLE: 18.
13 MR. CAMPBELL: Okay.
14 MR. MOODIE: The next one would be the valuation by
15 Clinton Cunningham & Associates, 61
16 Half-Way-Tree Road.
17 COMM. BOGLE: That will be EC69/11.
18 MR. MOODIE: The third one will be valuation by
19 Easton Douglas & Company Limited on New
20 Kingston Shopping Centre, 30 Dominica
21 Drive.
22 COMM. BOGLE: EC70/11.
23 MR. MOODIE: Then we also have a report on valuation
24 by Breakenridge & Associate for The
25 Towers, 25 Dominica Drive, EC71/11. And

1 there is a document entitled, 'Property
2 Inspection Form For Commercial Real
3 Estate, Real Estate Owned Mutual Life
4 Office Complex, 2 Oxford Road, prepared
5 by Michael McNaughton'.

6 COMM. BOGLE: What is the name of that document?

7 MR. MOODIE: Property Inspection Form for Commercial
8 Real Estate, Real Estate Owned by Mutual
9 Life Office Complex, 2 Oxford Road,
10 Kingston 5. That would be EC72/11.

11 COMM. BOGLE: And that includes a copy of the Titles.

12 MR. MOODIE: Yes. That is one document.

13 And there are two more documents which
14 on the request of my learned friend I
15 wish to put in. The first is a document
16 dated March 26, 2001 on the letterhead
17 of Central Westmorland Trust Limited,
18 directed to Mr. Patrick Hylton, Managing
19 Director, FINSAC, from Andrea Henry,
20 Chairman, Central Westmorland Trust.
21 EC73/11.

22 And finally, Chairman, there is a letter
23 dated 19th April, 1999, directed to the
24 Central Westmorland Trust, c/o Dr. E.
25 Karl Blythe, Ministry of Water, signed

1 by Veronica Bailey, Suzette Campbell,
2 Credit Officer and Credit Manager
3 respectively. Copied to Sharon Henry,
4 Legal Officer and Dianna Davis, Acting
5 Head, NPL Unit. EC74/11.

6 COMM. BOGLE: And that is a letter dated 19th April,
7 1999.

8 MR. MOODIE: Thank you for your accommodation,
9 Chairman.

10 COMM. BOGLE: There is this one here, this agreement, the
11 70/11, it is part of the 70/11?

12 MR. CAMPBELL: It is really the transfer of those four
13 properties, the Dominica Drive ones. It is
14 a part of the exhibit.

15 MR. CAMPBELL: I gave you five Valuation Reports, Mr.
16 Chairman, so that agreement speaks to the
17 transfer of four of them. So it is four
18 excluding the one from Mutual Life. So, it
19 is the other four.

20 MR. MOODIE: So in respect, sir, of 70/11...

21 MR. CAMPBELL: So, it is 68, 69, 70 and 71.

22 MR. MOODIE: So would you indicate the labeling that you
23 wish to give it, Chairman.

24 COMM. BOGLE: I think that I prefer to give it
25 separate labels starting with 75/11.

1 MR. MOODIE: Grateful.

2 COMM. BOGLE: Ladies and gentlemen, we are adjourned
3 until Wednesday morning 9:30. Any
4 change to that will be passed on to the
5 persons concerned.

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ADJOURNMENT

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9 COMM BOGLE:

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