

09:59:15 1 **THE TRIBUNAL RESUMED AS FOLLOWS ON WEDNESDAY,**

2 **5TH APRIL, 2006, AT 10:30 A.M.:**

3
4 CHAIRMAN: Good morning, Ms. Dillon.

10:34:03 5
6 MS. DILLON: Good morning, Sir.

7
8 Mr. Albert Reynolds, please.

10:34:07 10 MR. CUSH: Mr. Chairman, just before Mr. Reynolds proceeds to the witness box.
11 May I apply for limited representation for the duration.

12
13 CHAIRMAN: Certainly, yes.

14
10:34:19 15 MR. CUSH: Obligated. I should just indicate, Mr. Reynolds has with him a folder
16 of documents provided by the Tribunal. I trust that's appropriate.

17
18 CHAIRMAN: Oh, certainly, yes.

19
10:34:37 20 **MR. ALBERT REYNOLDS HAVING BEEN SWORN, WAS QUESTIONED BY**

21 **MS. DILLON AS FOLLOWS:**

22
23 CHAIRMAN: Good morning, Mr. Reynolds.

10:34:56 25 Q. 1 MS. DILLON: Good morning, Mr. Reynolds.
26 I am going to take you through the events that happened, starting really in
27 1997. But prior to taking you through the documentation that deals with your
28 involvement in relation to the Lissenhall lands. Can I first of all can you
29 about a number of people and where and when you met them and what your
10:35:15 30 relationship with them was? If that's all right?

10:35:18 1 A. Certainly.

2 Q. 2 Can I ask you, first of all, the circumstances in which you came to meet

3 Mr. Patrick Russell?

4 A. I met him before the Lissenhall project was mentioned. Some time before he

10:35:38 5 was brought to me or sent to me by, he had a problem himself with a man called

6 Adams. They had, as they told it to me, they had purchased, as they believed,

7 that they had a place out at north Dublin, where it was an old Harris

8 situation, some kind of an industry in it. And they were saying to me that

9 they believed they had a commitment from Fingal Council to sell it to them.

10:36:18 10

11 They were sent to me to see would I help them get on to Fingal Council, get

12 involved in the whole thing. And I declined it straight away. I said I had

13 no association with Fingal. I didn't know any of the people in it and I

14 wasn't getting involved. So that was it.

10:36:35 15 Q. 3 Did you subsequently become involved with Mr. Russell?

16 A. He came back a few times with proposals, different projects. And eventually,

17 as I say, I became involved in a project up in Derry City. And he got

18 involved in it that with me. And there was a Mr. Noel Gallagher from Derry

19 that introduced me to the O'Neill Brothers in Derry who were a very good name,

10:37:09 20 good builders and we got together. There was very good site available where

21 you could get planning permission for housing. And there was an hotel project

22 introduced for about 100 beds. And he introduced me to the O'Neills for the

23 first time, Mr. Gallagher. And Mr. Russell done a lot of the spade work in

24 between.

10:37:41 25 Q. 4 What exactly was Mr. Russell's function?

26 A. Well, he came to me on the basis that he spent a lot of his time going around

27 looking at possible projects. He talked about a number of projects he had

28 going in the UK. And he even went to America, as I recall, at one time

29 looking for some of the big hotel chains to come in. So he was always looking

10:38:12 30 for some kind of projects for development and what was your function in the

10:38:17 1 relationship, Mr. Reynolds.
2
3 My function was, as I say, I knew about Mr. Gallagher in Derry had told me
4 about O'Neills. And that he felt that this was a very good project. As it
10:38:31 5 turned out in the end, it did turn out to be a very good project. And that,
6 you know, he would do a lot of the day-to-day work on it.
7 Q. 5 Yes. I was asking about -- yes, Mr. Reynolds, I was asking you about what
8 your function in the arrangement was?
9 A. Oh, my function, main function would be to provide the finance, either my own
10:38:52 10 finance, or banking finance for a project.
11 Q. 6 So that in the agreement that you had with Mr. Russell, was it the situation
12 that Mr. Russell would find the land, identify possibly a suitable development
13 partner and try and put a deal together and that you would provide the finance?
14 A. Well I wouldn't provide it all but I'd provide a lot of it.
10:39:14 15 Q. 7 Was that the arrangement that you had with Mr. Russell?
16 A. Well every project would be different. But in general terms, yeah.
17 Q. 8 Insofar as O'Neill Brothers in Derry were concerned. You were introduced to
18 them through the offices of Mr. Noel Gallagher, is that right?
19 A. That's correct.
10:39:29 20 Q. 9 Did you know Mr. Noel Gallagher before this introduction took place?
21 A. I did, yes.
22 Q. 10 What was Mr. Noel Gallagher's job or function?
23 A. In the project?
24 Q. 11 Yes.
10:39:46 25 A. He was another man that I knew -- I knew Derry inside out. He is a long time
26 moving around it and he would know where the potential for development was and
27 he would be a good man to give advice. And he was well known in Derry anyway.
28 Q. 12 And did you ultimately pay Mr. Gallagher a commission or a fee in respect of
29 the services that he provided?
10:40:03 30 A. Yeah, 20,000.

- 10:40:07 1 Q. 13 Was that payment made to Mr. Gallagher out of any of the funds that you
2 received from the O'Neill Brothers or was it paid out of other funds?
3 A. I'm not absolutely certain. It was paid anyway, that I am certain of.
- 4 Q. 14 And did you ever meet a Mr. Tim Collins?
10:40:26 5 A. Yes, I did. Mr. Russell brought him to me.
- 6 Q. 15 Was that in connection with the Lissenhall lands?
7 A. It was, yeah.
- 8 Q. 16 And was this at some stage into the project?
9 A. It was early enough in the project itself. He was introduced to me as a man
10:40:50 10 who had an interest in Lissenhall. Wasn't defined as such. Somebody said to
11 me, but not Mr. Russell, that he could have up to a 10 percent interest. That
12 was only a rumour that was around, it was never established or otherwise. But
13 he brought it to me on the basis that he was close to the owners. And that he
14 would be the man who could hopefully sort out problems along the way and make
10:41:24 15 the purchase of the land at Lissenhall to work-out any of the problems along
16 the way and make it easier to purchase.
- 17 Q. 17 Did you understand that Mr. Collins had an interest in the lands?
18 A. It was never made clear. It was a bit hazy that this man, you know, was
19 involved. Could be very helpful along the way to do it. And that Russell
10:41:55 20 recommended that, I take him on.
- 21 Q. 18 And did you agree to take Mr. Collins on? Was it your understanding that
22 Mr. Collins, if he assisted in the transaction in buying the Lissenhall lands,
23 was going to be paid a fee by your side of the transaction?
24 A. Yes, it was.
- 10:42:11 25 Q. 19 And did you meet in the course of this transaction a Mr. Glen O'Neill?
26 A. I did, again he was brought to me by Mr. Russell, who was a man that had
27 another input and another contribution to make towards sorting out some of the
28 problems with this particular land.
- 29 Q. 20 Was Mr. O'Neill, that's Mr. Glen O'Neill, retained by Mr. Russell and yourself
10:42:37 30 in connection with the lands?

10:42:39 1 A. He was, yes.

2 Q. 21 All right. And was he paid, do you know, money in connection with the
3 assistance he provided?

4 A. He was paid a starting fee of 5,000, as was Mr. Collins.

10:42:52 5 Q. 22 I'll come back to deal with that payment to Mr. Reynolds, in a few moments?

6 A. Okay.

7 Q. 23 Just to identify the parties with whom you had dealings first?

8 A. Uh-huh.

9 Q. 24 Mr. Dessie O'Neill, who represented the building company in Derry. Prior to
10:43:07 10 your introduction by Mr. Gallagher had you met him?

11 A. Mr. Dessie O'Neill?

12 Q. 25 Yes.

13 A. No.

14 Q. 26 And Mr. O'Neills' function and his companies function was to provide
10:43:17 15 development experience and finance also?

16 A. They were builders and developers in Derry. They'd a good name, did very good
17 work and if I remember correctly, there was four brothers in it.

18 Q. 27 A Mr. William or Willie Adams, did you meet him, Mr. Reynolds in, connection
19 with the Lissenhall lands?

10:43:35 20 A. Yes. Willie Adams came with me to, was sent to me with Mr. Pat Russell. As
21 I understood from talking to them, the two of them were involved in this Harris
22 project out in north Dublin. And that was the first conversation I had with
23 Adams and O'Neill -- or Adams and Pat Russell. The two of them came together
24 the very first day.

10:44:07 25 Q. 28 But in connection with the Lissenhall lands. Was Mr. Willie Adams ever paid
26 money in connection with the Lissenhall lands?

27 A. He was. Willie was short of money. He -- when we -- when the discussions
28 started on Lissenhall for the first time I learnt that Willie Adams had been
29 around from the very start at the identification of this land. And that it
10:44:34 30 was an understanding between himself and Russell, as I was told it, that both

- 10:44:41 1 of them would have an interest in whatever happened to Lissenhall going
2 forward. In other words, between them they would try and get somebody to
3 develop it and Adams was interested in being part of that development because
4 his own business required some kind of premises for him to carry on his
10:45:02 5 business.
- 6 Q. 29 Sorry. Did you pay Mr. Willie Adams?
7 A. Yes, sorry.
- 8 Q. 30 And how much did you pay him?
9 A. 20,000.
- 10:45:19 10 Q. 31 And --
11 A. 20,000 for him to get, to take his -- or to hand over his interest in the
12 process to me.
- 13 Q. 32 But what interest did you perceive Mr. Adams as having in the process or in the
14 Lissenhall lands?
- 10:45:25 15 A. Well, both himself and Pat Russell started out in the hope that they could get
16 somebody into it that would develop it and either take them out or leave them
17 in as an interest, or whatever. And it was on that kind of basis that Willie
18 Adams was getting out because the money would allow him to go off and move to
19 somewhere else rather than stay with the Lissenhall area. And develop his
10:45:58 20 business. So that, in other words, he was selling his interest.
- 21 Q. 33 Yes. But if you just concentrate now, Mr. Reynolds, on what interest you
22 understood Mr. Adams to have in the Lissenhall lands.
23
24 Are you saying that Mr. Adams had an expectation of being involved in the
10:46:16 25 transaction or are you saying that Mr. Adams had an actual interest in the
26 lands or the company that owned the lands?
- 27 A. I had no evidence to show to me that he hadn't. But, I mean, people that knew
28 all about the situation and how it was hopefully going to develop felt that the
29 less people left in it as far as I was concerned as a developer, better for me.
- 10:46:48 30 Q. 34 So when you were paying Mr. Adams, were you buying off a risk that Mr. Adams

- 10:46:54 1 might claim that he had some interest in the lands after you or one of your
2 companies had agreed to purchase it?
- 3 A. Precisely.
- 4 Q. 35 Right. So that Mr. Adams' interest only became real if you were able to close
10:47:06 5 the deal on the Lissenhall lands?
- 6 A. Sure.
- 7 Q. 36 And that at this stage there is, in your mind, no suggestion in 1997 when this
8 starts, that Mr. Adams is an owner or has any interest in the actual ownership
9 of the lands, is that right?
- 10:47:20 10 A. I was never shown any documentation by anybody or given any real -- had to
11 believe some people. And I was never given any documentation from any, from
12 either Mr. Russell or anybody else, Mr. Collins or Mr. O'Neill. So that was
13 the position and it was no different with him.
- 14 Q. 37 And how were you to effect your interest in the Lissenhall lands, Mr. Reynolds,
10:47:45 15 if the deal had completed? Were you going to own the land yourself?
- 16 A. No.
- 17 Q. 38 How were you going to do it?
- 18 A. Well, first of all, you get control of the ownership and then you know where
19 you're going. If you don't get control of the ownership you can't dictate
10:48:02 20 where the development is going to go.
- 21 Q. 39 Well through what vehicle were you going to own the lands?
- 22 A. In Lissenhall?
- 23 Q. 40 Yes.
- 24 A. It was intended to purchase the, well we can all speculate, but my intention at
10:48:20 25 the time was that we purchased the thing and that the Universal Management
26 Consultancy Company would be used as the vehicle.
- 27 Q. 41 Now, Universal Management Consultants Limited is a Jersey registered company,
28 is that right, Mr. Reynolds?
- 29 A. Correct.
- 10:48:42 30 Q. 42 At 1564, please.

10:48:44 1 There's a number of questions arising from that document. This is a
2 certificate of the change of name of a limited company. And the name is being
3 changed from AR Consulting Limited to Universal Management Consultants Limited.
4 And this happened on the 27th of October 1998.

10:49:08 5 A. Correct.

6 Q. 43 Now, first of all, AR Consulting Limited; what company was that and how long
7 was it in existence?

8 A. I wouldn't be exactly certain but AR consultancy was Albert Reynolds
9 Consultancy.

10:49:24 10 Q. 44 Were you the beneficial owner of AR Consulting Limited?

11 A. Yeah.

12 Q. 45 Was there any shareholder in the company with you other than somebody who may
13 have been holding a single share?

14 A. No.

10:49:35 15 Q. 46 For statutory purposes?

16 A. No.

17 Q. 47 You were the ultimate beneficial owner of that company. Did AR Consulting
18 Limited have a bank account?

19 A. Not in Jersey, no. They had a bank -- we opened a bank account in AIB Baggot
10:49:57 20 Street, I'm almost certain.

21 Q. 48 I'm dealing now with AR Consulting Limited, Mr. Reynolds, and not with
22 Universal Management Consultants Limited?

23 A. Bank account.

24 Q. 49 Bank account?

10:50:09 25 A. In AR?

26 Q. 50 Yes. Did AR Consulting Limited have a bank account?

27 A. Don't think so. Don't recall now. Don't remember, if I have, correct me,
28 please.

29 Q. 51 How did it conduct itself --

10:50:24 30 A. I mean, there was no business being done through AR Consultancy. So ...

10:50:30 1 Q. 52 When was the company incorporated, Mr. Reynolds, can you remember?
2 A. I'm sure it's in the documentation there, somewhere.
3 Q. 53 No it's not.
4 A. Is it not, sorry? I can't help you. Can't help you off the top of me head.
10:50:43 5 But we'll have it answered for you, don't worry.
6 Q. 54 Right. Well the company changed its name AR Consulting Limited in October
7 1998.
8 A. Yeah.
9 Q. 55 So clearly AR Consulting Limited was in existence prior to October 1998?
10:50:57 10 A. I would expect that.
11 Q. 56 Now, you would have directed or organised the setting up of the company AR
12 Consulting Limited?
13 A. No, not personally.
14 Q. 57 Not personally. But it was for your benefit?
10:51:09 15 A. That's fair comment, yeah.
16 Q. 58 Why was the company set up, Mr. Reynolds?
17 A. If, you know, in business I was coming out of politics and going into business.
18 So you know, you make arrangements as to what you think you might do. Not
19 necessarily would it all turn out that way. But, I mean, I wasn't -- I didn't
10:51:31 20 know where, what direction I'd be going in so I made preparations for what I
21 might do.
22 Q. 59 And it's your recollection that AR Consulting Limited did not have a bank
23 account, is that right?
24 A. Not to my knowledge because they could have had one without my knowing.
10:51:49 25 Q. 60 I beg your pardon?
26 A. Possibly could have, you know, a bank account without me knowing.
27 Q. 61 How could your company have had a bank account without your knowing about it,
28 Mr. Reynolds?
29 A. I wasn't the registered shareholders or directors or anything of it at the
10:52:05 30 time.

- 10:52:06 1 Q. 62 Are you aware whether anybody else would have had an interest in putting funds
2 into AR Consulting Limited other than yourself?
- 3 A. I wasn't aware, no.
- 4 Q. 63 Are you the only person who would have had any interest in putting funds into a
10:52:19 5 bank account of AR Consulting Limited?
- 6 A. I would expect so. But I couldn't be -- couldn't dictate to it.
- 7 Q. 64 But you don't believe that AR Consulting had a bank account?
- 8 A. Not to my -- I don't know. But we'll find out for you. That's all I can say
9 to you, I mean.
- 10:52:38 10 Q. 65 If we could have 1565, please.
- 11 These are the particulars of the company search in Jersey.
- 12 A. Uh-huh.
- 13 Q. 66 On Universal Management Consultants Limited. And you will see in the second
14 line, Mr. Reynolds --
- 10:52:51 15 A. What number sorry?
- 16 Q. 67 It's 1565.
- 17 A. 1565. Okay. Go ahead.
- 18 Q. 68 You will see there that the record is AR Consulting Limited changed its name on
19 27th of October 1998 to its present title. And its present title is Universal
10:53:21 20 Management Consultants Limited.
- 21 A. Right.
- 22 Q. 69 And you will see also that the company was originally registered on 11th of
23 July 1995.
- 24 A. Right.
- 10:53:28 25 Q. 70 You see that?
- 26 A. Yep.
- 27 Q. 71 That would mean that AR Consulting Limited was registered in July of 1995?
- 28 A. Correct.
- 29 Q. 72 And changed its name in October of 1998?
- 10:53:39 30 A. Correct.

- 10:53:39 1 Q. 73 Now, for that three year period, Mr. Reynolds, what was AR Consulting doing?
- 2 A. Couldn't say, if anything.
- 3 Q. 74 Nothing?
- 4 A. Nothing. If I remember it correctly. Nothing. Doing nothing for me if
- 10:53:56 5 that's what you're asking me. I presume that's what you're asking.
- 6 Q. 75 But you are the ultimate beneficial owner, isn't that right, Mr. Reynolds?
- 7 A. That's what I say. I don't recall any business being done through it.
- 8 Q. 76 And if any business had been done through it --
- 9 A. Not that I know of anyway.
- 10:54:13 10 Q. 77 Or indeed if any business was subsequently done through Universal Management
- 11 Consultants Limited, it wouldn't have been done without your knowledge?
- 12 A. I think that's fair comment.
- 13 Q. 78 The shareholders in Universal Management Consultants Limited were two Jersey
- 14 registered companies also. You see that on the document, Mr. Reynolds. Isis
- 10:54:32 15 Nominees and Osiris Trustees Limited?
- 16 A. Uh-huh.
- 17 Q. 79 And they held the two shares in Universal Management Consultants Limited, isn't
- 18 that right?
- 19 A. Yeah.
- 10:54:43 20 Q. 80 Were they holding those shares for you, Mr. Reynolds?
- 21 A. The documentation I wouldn't be familiar with now, so, you know. Probably
- 22 were but, I mean, I couldn't be absolutely certain. Could check it out for
- 23 you.
- 24 Q. 81 How would check that out, Mr. Reynolds?
- 10:55:08 25 A. The people's names that are here. Ask them did they do any business for three
- 26 years for me.
- 27 Q. 82 Would you be --
- 28 A. I don't recall any.
- 29 Q. 83 Yes.
- 10:55:17 30 A. Just in case.

10:55:19 1 Q. 84 Would you be able to get in a documentation from Jersey, Mr. Reynolds?
2 A. I don't know. I'll ask.
3 Q. 85 Do you know whether Universal Management Consultants Limited opened a bank
4 account in Jersey or had in a bank account in Jersey?
10:55:37 5 A. Not to my knowledge.
6 Q. 86 Can you remember when you first became involved in the Lissenhall transaction?
7 A. I became involved when I was approached by Pat Russell in the first instance.
8 Q. 87 And what did Mr. Russell tell you?
9 A. That there was about, if I remember correctly, something around 20 acres or
10:56:06 10 something that there was for development and that it was zoned for industrial,
11 if I remember correctly. And that at the time we -- the project in Derry was
12 running into trouble. It didn't look as if it was going to go ahead. And
13 there was a replacement required to fill in.
14
10:56:32 15 The reason it failed in Derry, just that will save you a lot of questions
16 maybe, was that it was a very good site, it was a convent site. There was,
17 get a couple of 100 houses on it plus we inquired about an hotel. One of the
18 international hotels from London were coming over and Pat Russell was handling
19 that side of it and he said that the finance was no problem coming from
10:57:09 20 National Westminster. And the planning permission went in and at the same
21 time he was negotiating with the banks for funding. And he got an offer from
22 the Bank of Ireland that they would fund it on certain conditions. And one of
23 the big conditions was a personal guarantee to me for what they were going to
24 put up. I just want to say to you, so that you understand where I'm coming
10:57:43 25 from. I did that once in my lifetime in business. And I paid dearly for it.
26 And it was a principle of mine from there on in, and still is that I do not
27 personally guarantee banks for business transactions.
28
29 I've always regarded that they are in a position to make their own assessments.
10:58:05 30 And if it's good enough to stand up, fine. If they believe it's not good

10:58:09 1 enough to stand up without a personal guarantee, it's not something I would do.
2 And I haven't done.

3 Q. 88 That's --
4 A. Once in my life.

10:58:18 5 Q. 89 That's the Derry site that you're talking about?
6 A. That's the Derry site. So let everybody know that I was not going to fulfil
7 this direction. And if the banks wanted to stand over that, I wouldn't be
8 going forward with the transaction. And, as it turned out in the end, they
9 wouldn't withdraw it. And the pace on Lissenhall increased to try and put it
10:58:50 10 together to see could it be bought.

11 Q. 90 Certainly, Mr. Reynolds, by November of 1997, the ICC Bank had apparently been
12 approached and had agreed to make a funding available to buy the Lissenhall
13 lands, isn't that right?
14 A. Yes, I was informed of that, yes.

10:59:08 15 Q. 91 Right. Did you approach the ICC Bank yourself?
16 A. No.

17 Q. 92 At 1562.
18 A. 15?
19 Q. 93 62.
10:59:20 20 A. 62. Sorry.

21
22 CHAIRMAN: Does it help you, Mr. Reynolds, that's on the screen in front of
23 you?
24

10:59:36 25 JUDGE FAHERTY: To the right.

26 A. Sorry, I hadn't been looking.
27

28 CHAIRMAN: Well you are free to use the hard copy but it may be easier for
29 you. As Ms. Dillon refers to a document it will come up on the screen.

10:59:49 30 A. That's the point, yeah. 1562. 1565. Just in case there's something on the

10:59:57 1 document that may help.
2
3 CHAIRMAN: All right.
4 A. Catherine Sheehan. ICC Bank, yes. I see. Go ahead.
11:00:06 5
6 Q. 94 MS. DILLON: That's a letter to Mr. Russell?
7 A. Yeah.
8 Q. 95 The final paragraph makes the offer effectively contingent on personal
9 assurances by Mr. Russell and yourself?
11:00:16 10 A. Yeah.
11 Q. 96 That's what you were just explaining to the Tribunal. That you would never
12 have agreed to personal assurances, isn't that right?
13 A. That's true.
14 Q. 97 What I also want to draw to your attention was that the initial offer was for
11:00:27 15 2.2 million, which was to purchase the lands, isn't that right?
16 A. Correct.
17 Q. 98 And the company at that stage it was proposed would be taking the lands or
18 buying the lands was a company called Moidoire Holdings Limited?
19 A. Yeah.
11:00:40 20 Q. 99 Is that a company which you ever had an interest directly or indirectly?
21 A. No, never. No.
22 Q. 100 Did you understand that Mr. Willie Adams had an interest in that company?
23 A. I would say yes on balance because I would expect that company's name was
24 brought forward at the time. But I'm not absolutely certain.
11:01:01 25 Q. 101 But you would have known in general terms about the approach to the ICC Bank
26 and the letter of offer?
27 A. I wouldn't know. You see, if you're talking -- I had nothing to do with that.
28 So I wouldn't know about an application going in to ICC on behalf of that
29 company.
11:01:26 30 Q. 102 Did you know Mr. Peter Mullock in Ernst & Young?

- 11:01:30 1 A. Did I, yeah.
- 2 Q. 103 Did you introduce Ernst & Young to the Lissenhall transaction or indeed to
3 Mr. Patrick Russell?
- 4 A. No, I'd say it was the other way around, I'd imagine now. My best
11:01:43 5 recollection would say it was the other way around.
- 6 Q. 104 Mr. Russell's recollection is that you were the person who introduced Peter
7 Mullock and Ernst & Young to him?
- 8 A. There's no big deal. But that's my recollection and we'll leave it at that.
- 9 Q. 105 Did you retain Ernst & Young prior to 1997. Had you worked with them before?
- 11:02:02 10 A. No.
- 11 Q. 106 Were you aware then that advices had been given or that Ernst & Young had been
12 approach in the connection Universal Management Consultants Limited?
- 13 A. I think -- well my best recollection is, is that like the banks and other
14 things, that Russell would have done most of the meetings with Ernst & Young.
11:02:28 15 I know I can remember being there at one. I can't remember a second one now.
16 I'm not absolutely certain of a second one. But that would be the maximum
17 anyway.
- 18 Q. 107 Do you remember going to one meeting with Mr. Russell in Ernst & Young?
- 19 A. One, yeah.
- 11:02:45 20 Q. 108 And at page 1563. There is a document. This is a three page document,
21 Mr. Reynolds. And it's a profile a letter on UMC.
- 22 A. Yeah.
- 23 Q. 109 Now, the first thing I want to draw to your attention is at 1579. Sorry, the
24 next page, the second page in the document.
- 11:03:08 25 A. 15?
- 26 Q. 110 Well I have it at 1579. You may have it as 1564.
- 27 A. 1579 anyway. To whom it may concern is that it?
- 28 Q. 111 Yes.
- 29 A. Okay.
- 11:03:19 30 Q. 112 I just want to draw to your attention there the second paragraph.

11:03:23 1 "That the following profile of the interests of the above company has been
2 compiled based on information supplied by the directors of Universal Management
3 Company Limited."
4 Do you see that?

11:03:33 5 A. I do.
6 Q. 113 And on the previous page --
7 A. Just before you leave it.
8 Q. 114 Yes.
9 A. I wasn't a director.

11:03:39 10 Q. 115 Yes. That would appear to be the position. I just want to draw to your
11 attention at 1563.
12 A. 1563.
13 Q. 116 Which is the first page of the document.
14 A. Yeah.

11:04:00 15 Q. 117 This identifies Mr. Russell and yourself as the directors of the company.
16 A. Yeah. It's not correct. I wasn't a director.
17 Q. 118 If we start with the document, the information in relation to where would the
18 information have come from to Ernst & Young in relation to the preparation of
19 this document, Mr. Reynolds?

11:04:24 20 A. Well I see at the thing. For the attention of Pat Russell and Bob Stafford.
21 Bob Stafford was a man working for Pat Russell.
22 Q. 119 Did you provide any information to Ernst & Young that would have led them to
23 assist them in the preparation of this document, Mr. Reynolds?
24 A. I wouldn't be absolutely certain. I doubt if I did because one of the
11:04:48 25 meetings -- or the one meetings that I remember going in was on general terms.
26 I would say that they got that -- those details out of Pat Russell. That's my
27 honest opinion.
28 Q. 120 Mr. Russell didn't have any interest in Universal Management Consultants
29 Limited, Mr. Reynolds, is that correct?
11:05:07 30 A. He didn't at the start. He wasn't a director. I wasn't a director. We

- 11:05:12 1 were -- things hadn't developed, you know. My idea about him was this. He
2 was in to do a job. If he did a good job it would influence my thinking as to
3 what shares he should get. If he did a bad job, fair enough.
- 4 Q. 121 If we just concentrate now on where the information came from to prepare this
11:05:33 5 document, Mr. Reynolds?
- 6 A. I said. Well I thought I made it clear. I thought I was would be surprised
7 if it didn't all come from Patrick Russell.
- 8 Q. 122 If I could just draw your attention there --
- 9 A. I remain to be corrected.
- 11:05:44 10 Q. 123 No. We saw earlier that the company number was 62440. And that company
11 number is correctly recorded, isn't that right?
- 12 A. Yeah, I see it here in front of me.
- 13 Q. 124 And the place of incorporation is correctly recorded as Jersey, isn't that
14 right?
- 11:05:59 15 A. That's correct.
- 16 Q. 125 And the registered office of the company is given as P. O. Box 437, 23 Pier
17 Road, St. Helier, Jersey, isn't that right, on the document?
- 18 A. That's what's on the document.
- 19 Q. 126 And the directors --
- 11:06:18 20 A. You must bear in mind now as you go along. I am not a director at this stage.
- 21 Q. 127 Were you ever a director, Mr. Reynolds?
- 22 A. No.
- 23 Q. 128 No but you are described here together with Mr. Russell as a director of, isn't
24 that right?
- 11:06:30 25 A. I didn't describe myself as that.
- 26 Q. 129 The company secretary is described as Mr. Russell. That's not correct, is
27 that right?
- 28 A. I don't know, to be honest with you.
- 29 Q. 130 You don't know who the secretary of the company is?
- 11:06:43 30 A. Pardon?

- 11:06:44 1 Q. 131 You don't know who the secretary of the company?
- 2 A. Is I'm not a director. I'm not a thing. I'm saying that, you know, that
- 3 information I would expect came from Russell.
- 4 Q. 132 And the shareholders are described as Patrick Russell 50 percent and Albert
- 11:06:59 5 Reynolds 50 percent. Was that correct?
- 6 A. No.
- 7 Q. 133 And the bankers are described as Kleinwood Benson, St. Helier, Jersey, is that
- 8 correct?
- 9 A. I can't be absolutely certain. We can find out for you. Because I had no
- 11:07:16 10 dealings with that bank.
- 11 Q. 134 Did you subsequently have dealings with that bank, Mr. Reynolds?
- 12 A. No.
- 13 Q. 135 Did you organise for money to be transferred to that bank in 2001?
- 14 A. At the time of the settlement?
- 11:07:28 15 Q. 136 Yes.
- 16 A. At the time of the settlement I got a request from my legal people for a
- 17 certain figure. I supplied that figure. I don't know -- I supplied it from,
- 18 to the legal people in Dublin. Now, I recall them saying to me that in the
- 19 court actions that were issued they, Universal Management was included as a
- 11:08:02 20 defendant. And I think they could explain it better than I could. They
- 21 wanted to keep me right on all fronts. And they wanted to include UMC on the
- 22 legal papers for settlement. So that's it.
- 23 Q. 137 Could I have page 2384, please?
- 24 A. Sorry?
- 11:08:21 25 Q. 138 Page 2384, please?
- 26 A. 2384.
- 27 Q. 139 This is a letter to you Mr. Reynolds, from your solicitor, Mr. O'Connor in May
- 28 of 2001.
- 29 A. Yep. Transfer of, yes.
- 11:08:42 30 Q. 140 255,000 into the account Osiris Trustees Limited client account?

11:08:45 1 A. Yeah.

2 Q. 141 The account is held with Kleinwood Benson, Jersey, Limited, PO Box 66

3 Westcentre St. Helier, Jersey. And a swift code is given.

4 A. Yeah.

11:08:56 5 Q. 142 And you are also by your solicitor to ensure that the funds arrived today and

6 also asked to ask your bank to contact him when they are in a position to

7 confirm that the funds have actually arrived?

8 A. Yeah.

9 Q. 143 Now, this was one portion is that right, of a sum that was going to make-up a

11:09:11 10 sum of 300,000 pounds that was to effect the settlement?

11 A. Yeah.

12 Q. 144 Is that right?

13 A. Correct.

14 Q. 145 Now, so the money is being put into an account in the name of Osiris Trustees

11:09:21 15 Limited client account, isn't that right?

16 A. Well, that's what it reads here.

17 Q. 146 And Osiris Trustees Limited were one of the shareholders in UMC, isn't that

18 right, Mr. Reynolds?

19 A. I think you're going on the wrong find, if I may say so at this stage. I was

11:09:38 20 asked for the money. I supplied the money to the legal people. And whatever

21 they did with it after that, they did in the best interest of proper legal

22 settlement. So, you know, I don't pretend to be the expert in all of this.

23 Q. 147 Yes. If we just stay --

24 A. I supplied the money and gave it to them and let them do the rest.

11:10:01 25 Q. 148 Right. The Osiris Trustees Limited to whom you are going to send 255,000

26 pounds is a shareholder in UMC, Universal Management Limited. Isn't that the

27 position?

28 A. The position is this. That I think -- I thought I explained myself and maybe

29 I didn't. Is that I wasn't a director. I wasn't a shareholder. When the

11:10:22 30 letter from my solicitors Mr. O'Connor, came to ask for the money, I provided

11:10:27 1 the money. And what he did with it in reaching the settlement, his business.
2 I couldn't hand up, put up my hand and say for a fact I know where it went A,
3 B, C. I gave him the money to do the job, end of story, as far as I was
4 concerned.

11:10:48 5 Q. 149 So you didn't have anything else to do with the money?
6 A. No. That's what I'm saying.

7 Q. 150 Did that money subsequently come back into the country?
8 A. I don't know.

9 Q. 151 Do you know what happened to the money after it went out to Jersey?
11:10:59 10 A. No, no.

11 Q. 152 Well, if we just try and see can we work that out, Mr. Reynolds.
12 A. You won't work that out too easily without the legal people. I gave them the
13 money. They did the job.

14 Q. 153 This letter that's on screen is dated 2nd of May 2001. And in it,
11:11:23 15 Mr. O'Connor is asking you to make available 255,000 pounds to be transferred
16 to one of the shareholders in Universal Management Limited, isn't that right?
17 A. Uh-huh. Yep.

18 Q. 154 Now, did you yourself give any instructions around this time in relation to
19 that transaction?
11:11:33 20 A. No.

21 Q. 155 Can I have page 1786, please.
22 A. Not that I remember anyway. 17?
23 Q. 156 '86.
24 A. '86. Yep.

11:12:07 25 Q. 157 This is a letter dated 2nd May 2001, which is not signed by you.
26 A. Uh-huh.

27 Q. 158 It appears to be a copy of a letter. It's been provided by you in the course
28 of your discovery to the Tribunal.
29 Can I ask first of all, is it likely that the original of this letter was sent
11:12:21 30 to Mr. David Hopkins, at Osiris Trustees Limited?

11:12:27 1 A. I just don't know, to be honest.

2 Q. 159 Well, isn't it likely, Mr. Reynolds, that the letter was sent?

3 A. Well, I'm not in a position to say yea or nay, you know. I'm not going to say

4 yes to that. You know, personally I didn't send it. So I'm not saying it

11:12:46 5 wasn't sent and I'm not saying it was sent.

6

7 CHAIRMAN: But did you write the letter, Mr. Reynolds or dictate it?

8 A. My honest opinion is that I haven't read that letter. I don't recall. I'm

9 not saying I didn't but it's more likely that it was prepared for me.

11:13:04 10

11 CHAIRMAN: And would it have been typed up in your home or?

12 A. No, no typewriter at home.

13

14 CHAIRMAN: I think that's your home address is it?

11:13:15 15 A. It is, it is.

16

17 CHAIRMAN: But do you believe that someone else on your behalf drew up that

18 letter?

19 A. I'm -- I haven't asked the question and I don't feel I can honestly answer it

11:13:32 20 number one. Can I say this about it? That I left all of that work for the

21 settlement to my legal people. And, you know I'd like to have been able

22 to ask them, you know, and let them say yea or nay to me and produce the thing.

23 And off the top of my head I can't be honest with you.

24

11:13:54 25 MR. CUSH: Mr. Chairman, I can assist with the answer to the Chairman's

26 question, if that's of any assistance. Because Mr. O'Connor instructs me that

27 he prepared the letter.

28

29 CHAIRMAN: All right. I'm assuming it was prepared by. It's not somebody

11:14:08 30 with some legal training.

- 11:14:10 1
2 MR. CUSH: And indeed Price Waterhouse had some involvement in the preparation
3 as well. So as a matter of fact that's what transpired and it was sent to
4 Mr. Reynolds.
- 11:14:16 5
6 CHAIRMAN: All right.
7
- 8 Q. 160 MS. DILLON: At 178 5, Mr. Reynolds.
9 A. Yep.
- 11:14:20 10 Q. 161 Is there is a draft of this letter. Which appears to emanate from Price
11 Waterhouse Cooper. And its headed draft letter to be sent by Albert Reynolds
12 to the Trustees of the Uniman Trust?
13 A. Uh-huh.
- 14 Q. 162 And a copy of that letter in what appears to be its final format, is at 1786,
11:14:42 15 which is the document you've just been looking at.
16 A. Sure.
- 17 Q. 163 Assuming for the moment, and subject to correction from your solicitors, that
18 you signed a copy of that and you sent a direction to Mr. Hopkins on the 2nd of
19 May 2001.
- 11:14:55 20
21 The letter records that you were transferring funds of 255,000 pounds as a
22 further contribution by you to the settlement known as the Uniman Trust.
23 Isn't that right?
24 A. Before we go any further, to be clear to everybody. I would like to think
11:15:12 25 that if the solicitor has any information here that he might have. I didn't
26 handle anything in relation to this except to do what the legal people asked me
27 to do. If you want the detail, you know, I'd be wrong to say I know the
28 detail when I don't. That's exactly what happened. And I'll leave it to
29 you.
- 11:15:38 30 Q. 164 The Tribunal has no reason, Mr. Reynolds, to assume that the documentation

- 11:15:42 1 that's been provided to it from your solicitors files, records anything other
2 than an accurate record of events that transpired in May 2001. And if I'm
3 incorrect in that --
- 4 A. I wouldn't assume for one minute that they did anything inaccurate.
- 11:15:57 5 Q. 165 Absolutely. Assuming therefore, for the moment, subject to correction from
6 Mr. O'Connor, that the document accurately records what happened on the 2nd of
7 May 2001. This means on the 2nd of May 2001, you gave an instruction to
8 Mr. Hopkins of Osiris Trustees Limited for the receipt of 255,000 pounds into
9 the settlement known as the Uniman Trust. Is that right?
- 11:16:26 10 A. If you're -- I don't know you're going to. But if you're going to that
11 situation and if anybody here thinks that the money was there and to provide
12 it. It wasn't there. That money was provided by me to the legal people's
13 bank account as far as I was concerned. What happened it after that. Why it
14 was done the way it was done or otherwise, is not for me to give an opinion.
- 11:17:01 15 Q. 166 Well why it was done --
- 16 A. And you're asking me to say what happened after I placed it in the legal
17 people's account.
- 18 Q. 167 I'm asking you, Mr. Reynolds, because it is in your name that this letter is
19 sent. And it's your name that appears at the bottom of the letter?
- 11:17:18 20 A. Yeah.
- 21 Q. 168 And the reason why the money was sent is apparently, subject to correction from
22 yourself, set out in the next paragraph in the letter.
- 23 A. Okay.
- 24 Q. 169 It says. If we could just have Mr. Reynolds signature from the bottom of the
11:17:31 25 document. Thank you. The second paragraph states.
26 "I am desirous that these funds would be applied by the trustees." Would that
27 be the trustees of the Uniman Trust?
- 28 A. I presume, yeah.
- 29 Q. 170 "Towards providing further capital to Universal Management Consultants." Is
11:17:49 30 that the company in Jersey of which you were the ultimate beneficial owner?

- 11:17:54 1 A. I wasn't a shareholder and I wasn't a director.
- 2 Q. 171 Yes, Mr. Reynolds, but the question I asked you. Was that the company of
3 which you were the ultimate beneficial owner?
- 4 A. Well one follows on from the other doesn't it.
- 11:18:05 5 Q. 172 Not necessarily. I had understood you to tell the Tribunal earlier that you
6 were the ultimate beneficial owner of Universal Management Consultants?
- 7 A. That's the purpose it was set up. If it was used at the end, unless I sold my
8 shares I would be a beneficial owner, yeah.
- 9 Q. 173 So that the only person was going to benefit from Universal Management
11:18:22 10 Consultants, Mr. Reynolds, was yourself? The only person who would have a
11 benefit from, if Universal Management Consultants Limited. Unless you took on
12 a shareholder or a partner, was yourself, is that right?
- 13 A. In relation to the 255?
- 14 Q. 174 In relation to any business of Universal Management Consultants Limited?
- 11:18:45 15 A. You see this is part of a settlement. This is end of story business.
- 16 Q. 175 Well, if we just get clear first of all, the ownership of Universal management
17 Consultants Limited, Mr. Reynolds. This company was incorporated in Jersey,
18 formerly known as AR Consulting Limited?
- 19 A. Yeah.
- 11:19:00 20 Q. 176 AR I presume stands for Albert Reynolds?
- 21 A. Correct.
- 22 Q. 177 Is that right. Did you have any partner in that business Mr. Reynolds?
- 23 A. No.
- 24 Q. 178 When you got involved in the Lissenhall lands and leaving aside for the moment,
11:19:19 25 what you might have done had the project come to fruition. At that stage when
26 you commenced your involvement in the Lissenhall lands you were going to do so
27 through a vehicle known as Universal Management, isn't that right? That was
28 your company in Jersey, isn't that right?
- 29 A. Correct.
- 11:19:35 30 Q. 179 You weren't a director of it and you weren't a shareholder of it. But you

11:19:39 1 were the true owner, if I can call it that. You are the ultimate beneficial
2 owner?
3 A. Yeah, if there was anything to be beneficial from.
4 Q. 180 Yes. If there was going to be any benefit from Universal Management
11:19:54 5 Consultants Limited, it was Mr. Albert Reynolds who was going to get the
6 benefit, is that right?
7 A. Yeah but up to that stage there was no beneficial benefit for anybody.
8 Q. 181 Leaving aside that point for the moment, Mr. Reynolds?
9 A. Could I just continue on that one?
11:20:06 10 Q. 182 Yes.
11 A. You see, there was no beneficial owner up to that. This was the close down of
12 the deal. This was a settlement. This was a dispute that had gone on for a
13 couple of years. And this was the end of it. And so it was, it finished up
14 there. And this was the end of it. And so it was, it finished up there. So
11:20:22 15 taking a line about establishing what a future beneficial owner might get or
16 mightn't get, doesn't exist.
17
18 CHAIRMAN: Sorry. Ms. Dillon.
19 A. Sorry.
11:20:32 20
21 CHAIRMAN: It seems to me. And Mr. Reynolds can correct me if I'm wrong.
22 That this was, Mr. Reynolds was being told by his solicitor to make available
23 255,000 pounds. The money then works its way into the capital of Universal
24 Management Consultants, which if we understand his evidence correctly, that
11:20:59 25 money is then used to discharge the settlement agreement that had been reached.
26
27 Now, the journey that the money took from the moment it leaves Mr. Reynolds'
28 possession in Dublin. I think, as I understand it, was designed by those
29 advising him in relation to the settlement. In order that the case would be
11:21:35 30 settled and that monies would be paid over as between UMC and another entity.

11:21:37 1 That's my understanding of it. Now, Mr. Reynolds might not have been fully
2 conversant with the actual detail of the journey that the money took.

3 In general, I assume he is. And certainly he can be asked about it. But as
4 to the actual route it took, as I understand Mr. Reynolds' evidence. He was
11:22:01 5 being advised by his legal advisors. And this correspondence was in fact, he
6 says, drafted, and as I understand from Mr. Cush, was drafted and provided to
7 Mr. Reynolds for his signature by his legal advisors.

8
9 MS. DILLON: Yes, yes, sir, but Mr. Reynolds has told the Tribunal after the
11:22:22 10 255,000 pounds was paid and for the settlement, that he had nothing further to
11 do with the money. And in fact, I want to put some documents, including bank
12 drafts, to Mr. Reynolds. To see if that in fact is the correct position.

13
14 CHAIRMAN: That's fine. But as I understand this. The content of this
11:22:37 15 letter. It's money being provided to UMC, according to Mr. Reynolds now.
16 Which would then be used by UMC to -- and then being provided in discharge of a
17 settlement. Anyway, we'll go on. I'm just ...

18
19 Q. 183 MS. DILLON: I can finish off and simply take Mr. Reynolds through the actual
11:23:06 20 physicalities of the transaction to see whether in fact, Mr. Reynolds had
21 anything further to do with the funds after the letter in question.

22 Do you accept, Mr. Reynolds, that the sum of 255,000 pounds was provided for
23 you to be placed in the Uniman Trust?

24 A. It was provided for me to my legal people.

11:23:28 25 Q. 184 Provided by you?

26 A. Provided by me to my legal people. As the Chairman just went through the
27 different steps, that's correct.

28 Q. 185 And according to the letter of the 2nd of May which is signed apparently by
29 you. On your direction, that was to be set is sent to a settlement known as
11:23:45 30 the Uniman Trust. Isn't is that right?

- 11:23:47 1 A. I wasn't involved. As I tried to explain before to everybody. I provided
2 the money. I wasn't involved in any of the movements thereafter. All I did
3 was provide the money to my legal people to get the settlement through and get
4 finished with the whole lot.
- 11:24:03 5 Q. 186 Do you know what the Uniman Trust is, Mr. Reynolds?
6 A. Do I know what it is?
7 Q. 187 Yes.
8 A. It's a trust.
9 Q. 188 Is it a trust for your benefit? Are you a settlor of the trust?
11:24:16 10 A. Sorry?
11 Q. 189 Do you know what the Uniman Trust is, Mr. Reynolds?
12 A. Do I know? I know it's a trust. That's all.
13 Q. 190 For whose benefit is it?
14 A. Ultimately if there were benefit in it, it would come to me or whoever were the
11:24:33 15 shareholders on the day.
16 Q. 191 Where is the Uniman Trust incorporated? Is it a Jersey trust?
17 A. I'm sure it's in the documents.
18 Q. 192 No, it's not?
19 A. It's not, is it not?
11:24:46 20 Q. 193 No.
21 A. Sorry. I presume it's in Jersey.
22 Q. 194 That would seem to follow. Because you are directing that Mr. Hopkins of
23 Osiris Trustees Limited would settle the 255,000 into the Uniman Trust and then
24 from there it would go to Universal Management Consultants Limited.
11:25:08 25 A. I didn't direct any of the movements at all. I left that to the legal people.
26 Q. 195 I see.
27 On the 2nd of May 2001. And again Mr. Reynolds, this may be a matter that you
28 are not happy to deal with as it's dealt with by your solicitors. But at 1791.
29 A. 1791. Yes.
11:25:43 30 Q. 196 Is a letter to Frances at Allied Irish Bank from Mr. O'Connor, confirming a

11:25:48 1 telephone conversation that she can expect to receive sterling 300,000 pound
2 from Kleinwood Benson, Jersey, Limited. It gives the swift code account and
3 says that "The money will arrive in sterling and I would be obliged in you
4 would kindly retain them in sterling as I need to take up a draft in the sum of
11:26:05 5 sterling 300,000 pounds to complete a transaction on Friday."
6
7 Would that be the 300,000 pounds, Mr. Reynolds, that was needed to make the
8 settlement with the O'Neills?
9 A. I presume it would.
11:26:20 10 Q. 197 And was that money being fund in the part by the 255,000 pounds that you were
11 sending out the same day?
12 A. I would expect.
13 Q. 198 That it was the same?
14 A. Yeah.
11:26:29 15 Q. 199 And that a further sum of?
16 A. Are you saying it's a second one?
17 Q. 200 I'm not saying --
18 A. Oh no, no but just I'm trying to help you. If there's any doubt in your mind
19 as to whether there was a 300 on top of the 255, there wasn't.
11:26:54 20 Q. 201 So that the 255 was being sent to Jersey. It was going into the Uniman Trust.
21 From the Uniman Trust it was going into Universal Management Limited. And
22 Universal Management Limited were sending the money back to Dublin in order to
23 effect a settlement with the O'Neills. Is that as you understand what
24 happened?
11:27:06 25 A. Whatever all of the movements took place as I said earlier, I wasn't familiar
26 with them at the time. I provided the money and the legal people did the
27 rest.
28 Q. 202 You provided the 255,000 pounds Mr. Reynolds?
29 A. Yes.
11:27:20 30 Q. 203 From your own funds in --

11:27:22 1 A. My own funds.

2 Q. 204 Were they funds in this jurisdiction?

3 A. My best guess at this stage is that I was involved in a number of things over

4 in the UK and I'm sure -- that's what I would expect it came from rather than

11:27:43 5 change Euro into sterling and, you know, pay for the process and. But I'm

6 sure that money was available in a bank account I had in the UK, which I had

7 for quite some time. You may, some of ye may recall, I was over there for

8 quite a long time.

9 Q. 205 At 1793, Mr. Reynolds. There is a remittance advice from the International

11:28:08 10 Banking service of Allied Irish Bank?

11 A. What number is that, sorry.

12 Q. 206 1793.

13 A. Yeah. Go ahead.

14 Q. 207 This records a credit of 300,000 pounds to JB O'Connor client account. And

11:28:21 15 the instructing party, you will see at the bottom of the document is Universal

16 Management Consultants.

17 A. Uh-huh.

18 Q. 208 So this would be the sum of 255,000 pounds that had gone out and together with

19 some other funds it's now coming back, isn't that right?

11:28:36 20 A. Yeah. Back for the settlement.

21 Q. 209 And there's a debit on that account at 1794. On the 8th of May. Sorry.

22 The debit in fact is the 4th of May. The debit is the 4th of May, of 300,000

23 pounds.

24 A. Yeah, okay.

11:28:58 25 Q. 210 And that at 1792. You will see, Mr. Reynolds, is a bank draft.

26 A. Yep.

27 Q. 211 And the draft No. is 884932. Do you see that?

28 A. Yep.

29 Q. 212 And you will see at the bottom it contains a note "given to A Reynolds on the

11:29:17 30 5th 6th 2001."

- 11:29:22 1 A. Yep.
- 2 Q. 213 Now, did you get that bank draft on the 5th of the 6th 2001?
- 3 A. Wait until I see. Made out to O'Neill Brothers?
- 4 Q. 214 Yes.
- 11:29:36 5 A. Well either I got it or the legal people got it, I don't know which of us got
6 it. Is there a problem with it?
- 7 Q. 215 No. I'm just asking whether it was given to you in light of the fact that you
8 have already told the Tribunal that after the money went to Jersey you had
9 nothing further to do with the money?
- 11:29:58 10 A. I don't recall getting it to be quite honest with you and I doubt if I did
11 because --
- 12 Q. 216 You don't recall?
- 13 A. What would be the point in me getting it. I mean, if the bank were dealing
14 with the lawyers they'd send them whatever the requirement was. They would
11:30:09 15 have been aware of the settlement pending. So I don't see any point that I
16 would have got it. But there is no reason why I would get it.
- 17 Q. 217 The document recorded by the bank in relation to this transaction, at 1800,
18 would suggest, Mr. Reynolds, that the bank draft was in fact handed to you.
- 19 A. Handed to me?
- 11:30:28 20 Q. 218 So it would appear.
- 21 A. I don't recall it being handed to me, now, to be honest.
- 22 Q. 219 You are recorded as the person to whom the bank draft was given.
- 23 A. Well whatever way it was given. I mean, that's what the 300 came from. And
24 that's what it was going to do. And the little details in between
- 11:30:46 25 Q. 220 Yes.
- 26 A. I don't know.
- 27 Q. 221 Can I ask you first of all about this document. Which is a document directed
28 to Finbarr Daly at AIB City Office, is that a London branch of the Allied Irish
29 Bank?
- 11:30:59 30 A. That's right.

11:31:00 1 Q. 222 Did you have accounts there?
2 A. Yes, I have a accounts there for a long time.
3 Q. 223 And the note with it records.
4
11:31:04 5 "Dear Mr. Daly. Further to our telephone conversation. Just a short note to
6 confirm that we purchased the bank draft for 300,000 pounds sterling from AIB
7 Ranelagh" and it gives the address "On behalf of Mr. Albert Reynolds. We
8 returned the bank draft to Mr. Reynolds yesterday the 5th inst."
9
11:31:23 10 And this is Mr. O'Connor's office apparently recording that the bank draft was
11 returned to you on the 5th. Do you see that?
12 A. I do.
13 Q. 224 Do you dispute that, Mr. Reynolds?
14 A. There's not a question of disputing. I don't have the details in me mind, you
11:31:50 15 know. The main purpose of the whole exercise was, I gave the 300,000 pounds.
16 Right? To the bank. To get or I gave the 255 first. I must say I've given
17 the balance somewhere or maybe it was in my other or in my account in London.
18 Whatever had to be done, as I have said. And I hate repeating it and I don't
19 want to be repeating everything that has to be. They handled it. Now,
11:32:13 20 whether 300, the bank draft was handed to me personally, whether it was sent or
21 whether it was the bank would know that it should it would go to the other
22 solicitors. I'm not going to dispute it because I just don't remember the
23 detail.
24 Q. 225 If we just continue with the letter then, Mr. Reynolds. It says.
11:32:32 25 "Accordingly, you might lodge these monies to the credit of Mr. Albert
26 Reynolds' account." So what's being requested there is that the bank draft be
27 lodged to the credit of Mr. Reynolds account, isn't that right?
28 A. Yeah.
29 Q. 226 And that would be your account with Old Jury branch of Allied Irish Bank, is
11:32:48 30 that right?

- 11:32:49 1 A. That would be right.
- 2 Q. 227 "We enclose a copy of the inward payment advice in relation to hereto as
3 received from AIB Banking, International Banking Division, Dublin."
4
- 11:32:57 5 So now what appears to have happened to the 300,000 pounds, Mr. Reynolds, is
6 that a bank draft has issued from AIB in Ranelagh. That bank draft was
7 apparently given to you. It's now going to be lodged to the city office of
8 Old Jury branch of AIB to the credit of an account of yours. Do you
9 understand?
- 11:33:17 10 A. Sure.
- 11 Q. 228 All right. Now, on the 7th of June 2001, on the same day, I think, as the
12 note. On the following day. At 1801, there is a letter from Mr. O'Connor's
13 office to Frances at Allied Irish Bank. And that sets out "Re bank draft
14 884932." And that was the bank draft, Mr. Reynolds, that was originally drawn
15 which had been apparently given to you, isn't that right ?
- 11:33:46 16 A. No. I don't recall getting it. But I'm not disputing it. Of course it'd
17 have to come through some ...
- 18 Q. 229 Yes. The letter records.
19
- 11:33:56 20 "We understand from Mr. Finbarr Daly of AIB Bank, Old Jury in London that he
21 has been in contact with you in relation to the above bank draft which he is
22 returning to you.
23 Accordingly, you might cancel the bank draft and issue a fresh bank draft for
24 the same amount payable to Mr. Albert Reynolds and forward it to Mr. Daly."
- 11:34:14 25
26 So, what's being record requested there is that the first bank draft would be
27 cancelled and a second bank draft would issue to Mr. Daly in London. Do you
28 understand that?
- 29 A. Yeah, sure.
- 11:34:29 30 Q. 230 Right. Now, on the next matter that happens, Mr. Reynolds, is on the 20th of

11:34:35 1 July, 2001, at 1818, please.

2 A. Sorry, 1818?

3 Q. 231 Yes.

4 A. Yep. Go ahead.

11:34:48 5 Q. 232 140,000 pounds, sorry, 140,000 pounds sterling is paid to an account of
6 Mr. John O'Connor, solicitors, by you. Because you were recorded as being the
7 instructing party. Do you see that, Mr. Reynolds?

8 A. 140?

9 Q. 233 Yes.

11:35:05 10 A. Yep. Up at the top here is it?

11 Q. 234 Yes. If you look at the very bottom where it says "instructing party". You
12 will see the instructing party is Mr. Albert Reynolds.

13 A. Yep.

14 Q. 235 And you will see that that what's being paid to Mr. O'Connor there is the sum
11:35:22 15 of 140, 000 pounds. It's happening on the 20th of July 2001.

16 A. Yep.

17 Q. 236 Now, it would appear by this stage, Mr. Reynolds, the 300,000 pounds has not
18 been paid over in relation to the settlement. Isn't that right?

19 A. Could I ask you. I'm being taken around an issue that I wasn't personally
11:35:43 20 involved in every aspect of it and I am being asked questions about it in
21 relation to a settlement, that you know, that I'm at a loss. I'm trying to
22 be helpful and I certainly will answer anything that I can. But,
23 Mr. Chairman, I don't want to appear to not to be up-to-date or not to be
24 wanting to answer questions. But, you know, we're a good while at this --

11:36:09 25 Q. 237 Yes, Mr. Reynolds.

26 A. And I said at the start and I will say again. I put up the money out of me
27 own accounts. I gave it to the solicitors and let the solicitors go off and
28 settle the deed.
29 Now, what little bits and pieces, will cancelling a bank draft and all of that.
11:36:29 30 There was a reason for that but don't ask me what it was, I don't know.

11:36:32 1 Q. 238 If we just concentrate on the document that's on screen, Mr. Reynolds.
2
3 CHAIRMAN: If I can just stop you there.
4 A. I'm putting it --
11:36:48 5
6 CHAIRMAN: If Mr. Reynolds --
7 A. I'm not trying to be dodging issues or anything. But I'm being brought around
8 in an area that I just don't recall.
9
11:36:49 10 CHAIRMAN: Perhaps it would be simpler to proceed on this way, Ms. Dillon.
11 If you put these documents which are authentic documents to Mr. Reynolds, as
12 you are doing. And you are saying to Mr. Reynolds this appears to be the case
13 from this document. Mr. Reynolds is entitled to say well yes or no to that.
14 Now, obviously, his -- he mightn't have the detailed knowledge to.
11:37:23 15 A. No.
16
17 CHAIRMAN: To query what appears to be the case in the documents. But his
18 solicitor or his barrister, sorry, Mr. Cush, can then later clarify issues if
19 he feels that Mr. Reynolds has said something which may not be accurate. And
11:37:41 20 it can be clarified in that way. The problem with these documents is that
21 they appear to show one thing to those of us who have studied them and who
22 understand them.
23
24 Mr. Reynolds is saying that he doesn't understand the detail in the document
11:37:56 25 because he hasn't examined them in detail. And so Mr. Reynolds can certainly
26 accept the documents as they appear or he can say he doesn't accept them and
27 give a reason as to why he doesn't.
28
29 Now, that's one possibility. The other is that we would rise for a while and
11:38:20 30 see if Mr. Reynolds wants to consult with his solicitor, who may be responsible

11:38:30 1 for some of this documentation. I think that appears probably to be the case.
2 Yes, I know but it's addressed to Mr. O'Connor. Perhaps that might be useful.

3

4

MS. DILLON: Yes. Mr. Reynolds has had these documents.

11:38:43 5

6

CHAIRMAN: I understand. Well it would be preferable if it could be done.

7

8

MS. DILLON: As you wish, sir. Absolutely.

9

11:38:51 10 CHAIRMAN: It's perhaps time for a break anyway. And so perhaps if

11 Mr. Reynolds was to consult with his solicitor to see if we can ...

12 A. Thank you, Chairman.

13

14 CHAIRMAN: Okay. We'll rise.

11:39:03 15

16

17 **THE TRIBUNAL THEN ADJOURNED FOR A SHORT BREAK**

18 **AND RESUMED AS FOLLOWS:**

19

11:39:24 20 MS. DILLON: Now, Mr. Reynolds, with the assistance of your solicitor have be
21 been able to clarify matters?

22 A. Yes, I have. What I overlooked was that there was a settlement agreed and it

23 was supposed to be finished in May. And Mr. Russell was not ready or ready to

24 do his part of it. He was doing his part separately to me. And that the

12:02:11 25 money came back, back the route it went because there was no word as to when it

26 was going to finish. It finished in July and the money went back the same

27 route, that was it. I'm very sorry, I should have been able to explain it

28 better than I was when you were at it. Thank you very much.

29 Q. 239 So if we just return then to the question, Mr. Reynolds, in relation to the

12:02:37 30 document that's on screen. And this is a credit of 140,000 pounds on the 20th

12:02:42 1 of July 2001. And that sum of 140,000 pounds is being credited to your
2 solicitor's account, Mr. John O'Connor. Do you see that?

3 A. I do, yeah.

4 Q. 240 Now, you are identified on that as the instructing party. Do you see that?

12:03:00 5 A. Well.

6 Q. 241 If you look at the very last line of the document, Mr. Reynolds.

7 A. Instructing party, I do yeah. I see it on the bottom, yeah.

8 Q. 242 That would suggest that you are the person who has directed or is paying the
9 sum of 140,000 pounds to Mr. O'Connor. Would you agree with that?

12:03:17 10 A. I have already stated here very clearly that I gave the money to my solicitors
11 and they handled it from there on in.

12 Q. 243 And where did that sum of 140,000 pounds come from, Mr. Reynolds?

13 A. Me.

14 Q. 244 What jurisdiction was the money in when you sent it in through foreign
12:03:34 15 exchange?

16 A. It was more than likely my account in London.

17 Q. 245 And at 1819. Which is the second remittance advice, Mr. Reynolds. There is a
18 transaction on the 23rd of July 2001. In which a sum of 75,000 pounds
19 sterling is transferred to the account of Mr. John O'Connor. And you are
12:03:54 20 again described as the instructing party.

21 A. I've already, you know, outlined my handling of what -- I gave to the legal
22 people. Whatever they asked for in relation to settling this business, and
23 that's what I did.

24 Q. 246 Now, in so far as these two documents are concerned, Mr. Reynolds. The only
12:04:17 25 person who could have authorised the transfer of 140,000 pounds from one of
26 your bank accounts is your yourself, isn't that right?

27 A. Sure.

28 Q. 247 Insofar as the transaction of 140,000 pounds on the 20th of July 2001 is
29 concerned, and 75,000 pounds on the 23rd of July is concerned, you are the
12:04:37 30 person who directed the transfer of funds to Mr. O'Connor.

12:04:40 1 A. Yes.

2 Q. 248 Right. And those funds emanated, to the best of your belief, in London. Is
3 that correct?

4 A. I would think so. Because I was a number of years in London, as some people
12:04:53 5 may recall. And I had to have funds over there because I had a very long case
6 with the Sunday Times newspaper, which most people would probably remember.

7 Q. 249 Yes. It's your best recollection --

8 A. So that was the purpose of having the account there.

9 Q. 250 It's your best recollection, Mr. Reynolds, that's where the sums or monies
12:05:13 10 emanated from or came from, is that right?

11 A. It might be. I don't know the he can act figures. It might have been a
12 small bit short of it, it was given by me anyway.

13 Q. 251 At 1795, please. This is the bank statement from Mr. O'Connor's office in
14 relation to these transactions.

12:05:28 15 A. Yeah.

16 Q. 252 And this bank statements records, Mr. Reynolds, the receipt of 140,000 pounds.
17 We've seen the remittance advice for that, isn't that right? A sum of 75,000
18 pounds. And we've seen the remittance advice from that. And a further sum
19 of 86,000 pounds. And there's no remittance advice from that. But so you
12:05:46 20 accept that you were the person who would have paid that sum of 86,000 pounds
21 also?

22 A. I pay it all.

23 Q. 253 You paid it all. Now, this money is then used to draw another bank draft
24 isn't that right, Mr. Reynolds?

12:06:01 25 A. Well I don't know what they did. It had to draw another bank. Because the
26 one went back and it obviously was cashed or lodged or whatever.

27 Q. 254 Yes. So at 1825. This is the second bank draft Mr. Reynolds?

28 A. Go back out again.

29 Q. 255 This is a second bank draft, Mr. Reynolds, with a different draft number on it.
12:06:23 30 Unlike the first draft, this one is made payable to your solicitor. If you

12:06:27 1 just look at the screen, first of all, Mr. Reynolds, you'll see the bank draft?

2 A. Yeah, okay. That right.

3 Q. 256 And that's dated the 24th of July 2001?

4 A. Yeah.

12:06:35 5 Q. 257 And that is the withdrawal of 300,000 pounds from the account in Mr. O'Connor's
6 name into which you had lodged three separate sums of money, isn't that right?

7 A. Correct.

8 Q. 258 And this money is then being used to settle the case with O'Neills in Northern
9 Ireland, isn't that right?

12:06:55 10 A. Correct.

11 Q. 259 Now, if I can take you back to the first remittance advice that we looked at.
12 At 1793, please.

13 A. 1793, sorry.

14 Q. 260 It's on screen beside you, Mr. Reynolds.

12:07:09 15 A. Okay.

16 Q. 261 It's the first 300,000 pounds coming in.

17 A. Yeah.

18 Q. 262 And you will recollect from the documents we looked at, that you directed a sum
19 of 255,000 pounds be sent to the Uniman Trust. Do you remember that?

12:07:20 20 A. Right.

21 Q. 263 And from there, that that is to be paid to Universal Management Consultants
22 Limited, isn't that right?

23 A. Correct.

24 Q. 264 And this is Universal Management Consultants Limited paying 300,000 pounds to
12:07:34 25 Mr. O'Connor. Isn't that right?

26 A. This is Universal?

27 Q. 265 If you look at the very bottom of the screen.

28 A. Yeah, I see it, yeah.

29 Q. 266 Universal Management Consultants are the instructing party.

12:07:46 30 A. Yeah.

- 12:07:46 1 Q. 267 And they are paying 300,000 pounds to Mr. John O'Connor's account.
- 2 A. Correct.
- 3 Q. 268 And this is the first bank draft Mr. Reynolds, which you subsequently sent to
- 4 London. Isn't that right?
- 12:07:57 5 A. Correct.
- 6 Q. 269 Now, can you tell the Tribunal from what bank account this sum of 300,000
- 7 pounds was drawn by Universal Management Consultants?
- 8 A. I thought I'd already said that the bank in AIB in London would be the biggest
- 9 contributor. If there was other small figures I would have contributed them
- 12:08:23 10 myself.
- 11 Q. 270 I'm not making myself clear, Mr. Reynolds, and I do apologise. When the money
- 12 was sent out to Jersey the 255,000 pounds?
- 13 A. Sure.
- 14 Q. 271 It was paid to the Uniman Trust. It went from the Uniman Trust to Universal
- 12:08:39 15 Management Consultants Limited. Is that right?
- 16 A. Uh-huh.
- 17 Q. 272 It's now coming back from Universal Management Consultants Limited. Isn't
- 18 that right?
- 19 A. Right.
- 12:08:47 20 Q. 273 In what bank account of Universal Management Consultants Limited was the
- 21 300,000 pounds?
- 22 A. It went back to London, I presume it was still in London.
- 23 Q. 274 No, Mr. Reynolds.
- 24 A. Was it not?
- 12:09:10 25 Q. 275 Universal Management Consultants Limited is a Jersey company. And you sent
- 26 255,000 pounds out to Jersey, isn't that right?
- 27 A. Yeah.
- 28 Q. 276 Okay. The money landed in Jersey.
- 29 A. Right.
- 12:09:15 30 Q. 277 And it went into the Uniman Trust.

12:09:17 1 A. Yeah.

2 Q. 278 It went from the Uniman Trust to Universal Management Consultants. And this
3 is Universal Management Consultants paying the money back to Dublin. The
4 document that's on screen.

12:09:28 5 A. Back to Dublin?

6 Q. 279 Yes.

7 A. Yeah.

8 Q. 280 And I'm asking you from what bank account was that withdrawal of 300,000 pounds
9 made?

12:09:35 10 A. It had to be made from wherever the money was.

11 Q. 281 That's the point, Mr. Reynolds. Where was the money?

12 A. Where was it? Came back, went to London, I presume, from here. Is that where
13 it was drawn on the first day. And it went back out again by the lawyers.
14

12:10:00 15 JUDGE FAHERTY: Ms. Dillon, it might assist Mr. Reynolds. There was a
16 document where I think it was the letter, a draft of a letter where
17 Mr. Reynolds is directing ...
18

19 MS. DILLON: 1786.

12:10:12 20

21 JUDGE FAHERTY: 1786, yes. That puts it in context I think for him.

22 A. This is the one we looked at earlier?
23

24 Q. 282 MS. DILLON: Yes, Mr. Reynolds.

12:10:32 25 A. What's the question?

26 Q. 283 What judge Faherty is pointing out to you. In attempting to answer the
27 question as to what bank account in Jersey the 300,000 pounds was either lodged
28 to or emanated from, that this letter might assist you.
29

12:10:45 30 JUDGE FAHERTY: I think, Mr. Reynolds, there had been a direction I think

12:10:50 1 we've already had evidence about it. That UMC had to be capitalised because
2 it was joined as a defendant in the High Court proceedings. Isn't that what
3 you told us earlier?

4 A. It was.

12:11:00 5
6 JUDGE FAHERTY: So your lawyers had advised you, as I understand your
7 evidence, that obviously they were a party to the proceedings. And they had
8 to take an active part in the settlement with the O'Neill Brothers.

9 A. Party.

12:11:12 10
11 JUDGE FAHERTY: And I think this letter is explained in the context that for
12 them to be privy to the settlement and if they were paying up, they had to have
13 money to pay up.

14 A. Sure.

12:11:22 15
16 JUDGE FAHERTY: And really what Ms. Dillon is asking you. When we saw the
17 later AIB document. There's a direction from Universal Management
18 Consultants.

19 A. Uh-huh.

12:11:32 20
21 JUDGE FAHERTY: To the AIB bank to credit, is to credit Mr. O'Connor's
22 account?

23

24 MS. DILLON: Yes.

12:11:39 25
26 JUDGE FAHERTY: And that instruction is coming from Universal Management
27 Consultants. You understand? And I think what Ms. Dillon is asking you.
28 That at some point after the direction was given to put the Universal
29 Management Consultants in funds ...

12:11:55 30 A. Yeah.

12:11:55 1
2 JUDGE FAHERTY: That obviously must have been done because we see at a later
3 point, I think it's July, or May I think it is, they are directing the bank ...
4 A. Yeah.

12:12:06 5
6 JUDGE FAHERTY: In Dublin to put Mr. O'Connor in funds. They are making --
7 so obviously the funds must come to the AIB in Dublin from Universal Management
8 Consultants' bank account. Do you follow?
9 A. Yes.

12:12:22 10
11 JUDGE FAHERTY: And I think what Ms. Dillon is asking you, is where was the
12 bank account and what bank account did the funds come to the AIB. Is that
13 correct, Ms. Dillon?
14

12:12:32 15 MS. DILLON: Yes.
16

17 CHAIRMAN: It suggests that UMC had to have a bank account. And you have
18 told us earlier that you didn't believe them to have a bank account.
19 A. Yeah, that's true.

12:12:44 20
21 CHAIRMAN: But we know from the previous document that it does have a bank
22 account. Unless the document is ...
23

24 JUDGE FAHERTY: 1793.

12:12:56 25
26 CHAIRMAN: And the question is ...
27

28 JUDGE FAHERTY: 1793.
29

12:13:04 30 MS. DILLON: '93.

12:13:05 1
2 CHAIRMAN: Where did UMC hold its funds? Do you see there at the bottom of
3 the document there?
4 A. I do, yeah.

12:13:15 5
6 CHAIRMAN: "Payment information instructing party Universal Management
7 Consultants." So that suggests that UMC had a bank account that was able to
8 generate the payment of 300,000. Now, it may have been originally funded by
9 you from either Ireland or London. But at some stage it goes into a UMC bank
10 account and then it starts its journey back, as it were.
11
12 So the question is where is the bank account of UMC. In which bank or
13 financial institution did it have an account or a facility for holding money?
14 A. Maybe, Chairman, that we're talking about -- we got the first 300 in and we got
12:14:09 15 it ready for paying over and it didn't pay over in May because the other side
16 weren't ready to thing. And it came back then to solicitors. And it went
17 around about into London I think they told me there at the break.
18
19 JUDGE FAHERTY: Mr. Reynolds, we are actually at the first stage.

12:14:30 20 A. Oh, sorry.
21
22 JUDGE FAHERTY: That's the focus of Ms. Dillon's question.
23 A. Sorry, Ms. Dillon. I thought you were on the second time around. Sorry.
24

12:14:40 25 Q. 284 MS. DILLON: You sent 255,000 pounds to Jersey?
26 A. Sure.
27 Q. 285 The money had to go into a bank account when it arrived in Jersey. Would you
28 accept that?
29 A. Sure.

12:14:48 30 Q. 286 Now, what bank account did the 255,000 pounds go into when it went to Jersey?

12:14:53 1 A. I never asked the question.

2 Q. 287 When the 300,000 pounds was paid back the first time, Mr. Reynolds.

3 A. Uh-huh.

4 Q. 288 And the money came to Mr. O'Connor's. It must have come from a bank account

12:15:07 5 of Universal Management Consultants. Is that right?

6 A. I don't know. Because I would never have seen it.

7 Q. 289 You would never have seen what?

8 A. I would never have seen where the cheque was drawn on.

9 Q. 290 The cheque wasn't drawn. It was a remittance advice that's on the screen

12:15:24 10 beside you.

11 A. Okay, whatever way it came.

12 Q. 291 You will see that it comes from Universal Management Consultants?

13 A. Yeah, yeah.

14 Q. 292 It must have come through some bank account in Jersey. Would you accept that

12:15:34 15 Mr. Reynolds?

16 A. They had to write it but they got the money before that.

17 Q. 293 Right. When they got the money, the money was coming from, according to your

18 solicitor. At page 1791.

19 A. Yeah.

12:15:48 20 Q. 294 This might help you, Mr. Reynolds.

21 A. Okay.

22 Q. 295 According to your solicitor. Your solicitor told Allied Irish Bank to expect

23 the 300,000 pounds.

24 A. Right.

12:15:58 25 Q. 296 This is the first 300,000 pounds, Mr. Reynolds.

26 A. Uh-huh.

27 Q. 297 And your solicitor informed them to expect the transfer from Kleinwood Benson,

28 Jersey Limited.

29 A. Uh-huh.

12:16:08 30 Q. 298 And they gave an address and a swift code.

- 12:16:11 1 A. Uh-huh.
- 2 Q. 299 Now, do you accept first of all that's 300,000 pounds that comes in from
3 Universal Management?
- 4 A. Sure, there's only the one 300. There's not two in circulation, just the one.
- 12:16:23 5 Q. 300 And that 300,000. Your solicitor tells AIB is coming from a bank account in
6 Kleinwood -- coming from Kleinwood Benson Jersey Limited. Do you see that?
- 7 A. I do.
- 8 Q. 301 And do you remember the earlier document we looked at very early this morning,
9 Mr. Reynolds, the document that emanated from Ernst & Young? Do you remember
10 that?
- 11 A. Yeah.
- 12 Q. 302 Where the bankers to Universal Management are described as Kleinwood Benson.
13 1563.
- 14 A. Yeah, I remember it when I read it this morning.
- 12:16:54 15 Q. 303 You remember it. You will see here that the bankers to UMC are described as
16 Kleinwood Benson. Do you see that document?
- 17 A. Yeah, I do.
- 18 Q. 304 Do you then see the letter at 1791 please.
- 19 A. The one I'm looking at, yeah.
- 12:17:08 20 Q. 305 From your solicitors to Frances at Allied Irish Bank telling her to expect
21 300,000 pounds from Kleinwood Benson?
- 22 A. Yeah.
- 23 Q. 306 Do you accept that it mean that Kleinwood Benson is probably a bank?
- 24 A. I'm sure somebody in the business would know.
- 12:17:19 25 Q. 307 And that your 300,000 pounds, if I can call it that, Mr. Reynolds, which you
26 had sent out to Jersey, is coming back to Dublin from Kleinwood Benson Jersey
27 Limited?
- 28 A. It's the most likely place if that's where it was that's where it would come
29 back from.
- 12:17:34 30 Q. 308 If it's coming back from Kleinwood Benson Jersey Limited and Kleinwood Benson

- 12:17:39 1 is a bank it must be coming from a bank account in Kleinwood Benson. Is that
2 it?
- 3 A. It looks like it.
- 4 Q. 309 Right. Now, taking all of those matters into account. Would you agree that
12:17:50 5 it's likely that Universal Management Consultants had a bank account in
6 Kleinwood Benson, Jersey?
- 7 A. I don't know.
- 8 Q. 310 You don't know?
- 9 A. No.
- 12:17:59 10 Q. 311 Would you have any difficulty with allowing the Tribunal or consenting to the
11 Tribunal getting any documents that they can from Kleinwood Benson in relation
12 to any of these accounts?
- 13 A. Do you see, I'm not a director and I'm not a shareholder. So, I mean, I don't
14 know would the bank take an instruction from me. Maybe they would. I don't
12:18:20 15 know. Certainly I have no problem.
16
- 17 CHAIRMAN: Yes. But you were the beneficial owner of?
- 18 A. Oh yeah. As I say, I'm not trying to stop the information coming through. I
19 have no problem. All I want to say to you is this. Is that it's the same
12:18:33 20 300. Maybe, maybe when the 300 went back or whatever, maybe there was some
21 bit of regulations to be filled up or something that weren't filled. Maybe.
22 I don't know. But all I'm saying is this. 300 I was asked for, 300 I gave.
23 If somebody somewhere should have done this with it or that with it or
24 whatever. It wasn't on my instructions they did anything like that. As far
12:19:02 25 as I'm concerned I was asked for 300. I got the 300 there. Settled the
26 thing and go home. That was me. It didn't work that way. Apparently from
27 what I hear you say.
- 28 Q. 312 With your experience in business, Mr. Reynolds, would you accept that it's
29 likely that if a company is paying out 300,000 pounds, it's likely that that
12:19:25 30 300,000 pounds is coming from a bank account?

- 12:19:28 1 A. Oh, yeah. I mean it would never come from me. If it's coming from me it
2 would never come from any other way.
- 3 Q. 313 Than through a bank account?
- 4 A. Than through a bank account. I wasn't.
- 12:19:37 5 Q. 314 And therefore --
- 6 A. I wasn't going over to Jersey with 300,000 pounds in my hip pocket to give it
7 to them. Because I was only in Jersey once in 35 years.
- 8 Q. 315 And therefore, it's likely that when the one went into Jersey it went into a
9 bank account. Is that right?
- 12:19:53 10 A. Well you'd expect that.
- 11 Q. 316 And that when Universal Management Consultants Limited sent the 300,000 back to
12 Dublin the first time, it was sending it from a bank account?
- 13 A. I would expect so, yeah, yes.
- 14 Q. 317 And you wouldn't have any difficulty with the Tribunal getting access to those
15 bank accounts?
- 12:20:09 16 A. Well I have no problem. I'm telling you, I have no problem at all. I --
17 there was only one 300,000 involved. I have no problem with them whatsoever.
18 All I'm saying is this. Is that in relation to the fine detail of who did
19 what when in business. I don't spend time on small little things like that
20 because they all come right, if you know what I mean. They all come right.
12:20:40 21 Provided the main things are right, everything else will be right and that's
22 the way I do business.
- 23 Q. 318 Yes. And insofar as -- if I could just have 1743, Mr. Reynolds. Just to
24 finish on this point.
- 12:20:58 25
- 26 This is the company called Osiris Trustees Limited. You will remember that
27 Osiris Trustees Limited holds one share in Universal Management Consultants.
28 Isn't that right?
- 29 A. Yeah.
- 12:21:10 30 Q. 319 And the other is held by Isis Nominees Limited. Would you have any difficulty

12:21:16 1 with the Tribunal getting any information in relation to those companies or any
2 bank accounts that they may have held that may be relevant?
3 A. No problem whatsoever.
4 Q. 320 Can I take you back, Mr. Reynolds, if I can. To the agreement that you
12:21:29 5 entered into with O'Neill Brothers. At page 1618.
6 A. Yeah.
7 Q. 321 And I want to draw to your attention paragraph 5 of this agreement?
8 A. 16.
9 Q. 322 18. It's on the screen beside you, Mr. Reynolds?
12:21:43 10 A. Sorry. Go ahead.
11 Q. 323 In particular I want to draw to your attention paragraph five?
12 A. Yep.
13 Q. 324 Now, Mr. Russell has told the Tribunal he drafted this agreement. Would you
14 agree with that?
12:21:54 15 A. Yep.
16 Q. 325 Paragraph five provides.
17 "That O'Neill Brothers must be in a position to provide 600,000 pounds to buy
18 out a minority interest in the site." And the minority interest in the site
19 is the Lissenhall lands. Isn't that right? We're talking about the
12:22:12 20 Lissenhall lands.
21 A. Go ahead and you're talking about.
22 Q. 326 Sorry. If I could have 1618 in full please. Could we look at the first
23 paragraph of it.?
24 A. 1618.
12:22:20 25 Q. 327 It's the document on screen Mr. Reynolds?
26
27 The first paragraph records and I quote "It is hereby agreed and set out as
28 follows. The parties to the agreement agree to enter into a joint venture to
29 develop 20 acres of industrial land at Lissenhall, Swords, County Dublin.
12:22:34 30 Under the following terms and conditions."

- 12:22:35 1 A. Uh-huh.
- 2 Q. 328 Do you now agree that this agreement relates to your intended purchase of the
3 Lissenhall lands?
- 4 A. Yes.
- 12:22:42 5 Q. 329 If we look at paragraph five then Mr. Reynolds of the same document and it
6 records "That O'Neill Brothers, Derry, must be in a position to provide 600,000
7 pounds sterling to buy out a minority interest in the site. This is payable
8 in two moieties. 300,000 pounds on agreement and a further 300,000 pounds on
9 the closing of the deal, which will take approximately 28 days."
- 12:23:02 10 A. Yep.
- 11 Q. 330 Now, can you tell the Tribunal, who or what was the minority interest in the
12 site which was going to be bought out for 600,000 pounds?
- 13 A. I can't. I don't know. I could speculate but I don't think speculation is
14 what you are interested in. You want a straight answer.
- 12:23:30 15 Q. 331 Mr.--
- 16 A. There was no discussion.
- 17 Q. 332 Sorry --
- 18 A. At that table. And there was no disagreement at that table. And those
19 things when being settled and being signed for. Okay, I genuinely don't know.
12:23:41 20 So speculation is probably a dangerous thing. I have no problem speculating
21 to you you if you want.
- 22 Q. 333 No. I'll ask you to comment on this. Mr. Russell has told the Tribunal that
23 it was his understanding that the minority shareholder referred to you. And
24 that this was an agreement whereby you would take your profit on the
12:24:01 25 transaction out early. Do you agree with that or not?
- 26 A. Certainly not. And I would add that if there was any question or any
27 discussion at that table or anywhere else, in relation to me being the person
28 or the person included here, I don't believe for one minute that the O'Neills
29 would have come in. They'd have stayed out if they heard that.
- 12:24:30 30 Q. 334 Did you inquire when this agreement was either being drafted or before you

12:24:34 1 signed it as to who was the minority interest that was going to get 600,000?

2 A. There was no question. I don't remember any discussion whatsoever about it.

3 Q. 335 At the following page. 1619, please.

4 A. Yeah.

12:24:54 5 Q. 336 Do you confirm that that's your signature, Mr. Reynolds?

6 A. Yes.

7 Q. 337 And that you sign it on behalf of Universal Management Consultants Limited?

8 A. Yes.

9 Q. 338 All right. And if we go back then to paragraph five. And if you just

12:25:06 10 outline to the Tribunal what your understanding of, what was your understanding

11 of why 600,000 pounds was to be paid by O'Neill Brothers in this way?

12 A. Well, you can speculate as to why they did or why they didn't. But, I mean,

13 that's only the O'Neills could answer that. Not me.

14 Q. 339 Sorry. You signed the agreement, Mr. Reynolds, isn't that right?

12:25:31 15 A. Sure.

16 Q. 340 You are one of the parties to this agreement.

17 A. Uh-huh.

18 Q. 341 One of the terms of the agreement provides that the O'Neill Brothers have to

19 pay 600,000 pounds to buy out a minority interest. Is it your evidence that

12:25:43 20 you didn't know who the minority interest was?

21 A. It's the minority interest. It's not the 600. You'll find plenty of

22 reference to the 600 in documents. As to how it was being paid or when it was

23 being paid and all of that. What you won't find and I couldn't find and I've

24 tried my memory all over the place in relation to what about the 600. So who

12:26:07 25 were the parties involved signing that agreement. There were O'Neills and

26 there was Pat Russell and myself.

27

28 Now, who was to be the minority interest? We weren't even in at that stage.

29 Legally speaking if you want to be technical about it, we weren't in. But I'm

12:26:29 30 not saying that. We were operating as if we were, which is often done.

12:26:35 1 O'Neills were coming in. And we all knew and it had been fixed as to what the
2 O'Neills were going to pay coming in. There was never a question in my memory
3 as to anybody else handling the 600,000 bar the O'Neills putting it in.

4 Q. 342 What were they putting the 600,000 in for Mr. Reynolds?

12:26:58 5 A. To buy into the deal.

6 Q. 343 Was this a buy in fee to O'Neills? Is that what you --

7 A. They were coming in, in relation to, first of all, the deal in Derry, which I
8 told you earlier didn't come off for the reasons I told you.

9 Q. 344 Sorry, Mr. Reynolds, I don't want to cut across you --

12:27:18 10 A. Pat Russell was out there trying to get an agreement on Lissenhall. Right?
11 And the figure that -- I haven't the dates here. It doesn't matter. The
12 figure of 600,000 pounds was only mentioned in the context of O'Neills paying
13 it in. As I said, I wrecked my brains for the last week to try and think was
14 there any mention of -- the only way it could be, in my view, the only way that
12:27:47 15 I see it, that it would make sense, is that there were discussions going on at
16 the time with another family in Derry. Investors who were known to have money.
17
18 Now, and Russell, Pat Russell would have been conducting the discussions with
19 them and doing the dealing with them. Now, whether -- that's the reason he
12:28:13 20 wrote it in or not I don't know whether it is. But I can tell you that there
21 is absolutely no chance that it was in any way referring to me getting out of
22 the deal. Because I know I couldn't go ahead and O'Neills wouldn't go ahead
23 without me and I wouldn't go ahead without them.

24 Q. 345 On the same day Mr. Reynolds, that that agreement was signed, which was the 5th
12:28:36 25 of February of 1998.

26 A. Uh-huh.

27 Q. 346 It would appear that another document was signed by yourself and Mr. Russell
28 for O'Neill Brothers. At 1620. Which appears to relate to the earlier deal
29 you had with O'Neills in relation to the development. I think the convent
12:28:51 30 site in Derry. And what I want to draw to your attention there --

- 12:28:57 1 A. 16?
- 2 Q. 347 It's on the screen. And it is an acknowledgement of a receipt of 250,000
- 3 pounds as a 50 percent contribution of the Good Shepard Convent site in Derry.
- 4 Do you see that?
- 12:29:10 5 A. Yeah.
- 6 Q. 348 And what I want to draw to your attention, Mr. Reynolds. You appear to have
- 7 signed this document as a director of Universal Management Consultants Limited?
- 8 A. I do. It's wrong.
- 9 Q. 349 You have told the Tribunal that you weren't a director?
- 12:29:24 10 A. Yeah and I have said now that it's wrong.
- 11 Q. 350 Well how did you come to sign it then, Mr. Reynolds?
- 12 A. How did I come to sign it? It's the description of who I was that's wrong.
- 13 Not that I was wrong.
- 14 Q. 351 And the sum of money that's referred to there, the 250,000 pounds sterling,
- 12:29:43 15 that also became the subject of the subsequent litigation. Is that right?
- 16 A. All of that became subject to the litigation.
- 17 Q. 352 But insofar as the Lissenhall site is concerned, Mr. Reynolds, at 1618.
- 18 A. Yeah.
- 19 Q. 353 Ultimately insofar as paragraph five is concerned, was a sum of 350,000 pounds
- 12:30:08 20 paid by the O'Neill Brothers.
- 21 A. Uh-huh.
- 22 Q. 354 Is that right? Instead of the sum of 600,000?
- 23 A. Yeah, it was paid in installments to suit them I'm sure.
- 24 Q. 355 The first installment if I can show you the document, Mr. Reynolds, at 1647?
- 12:30:26 25 A. 1647?
- 26 Q. 356 Yes.
- 27 A. Yeah.
- 28 Q. 357 This is a payment of 150,000 pounds on the 9th of March 1998?
- 29 A. Uh-huh.
- 12:30:38 30 Q. 358 The second payment on foot of the Lissenhall agreement was made I think in --

12:30:53 1 at 1659.

2 A. Yeah.

3 Q. 359 And this was made on the 31st of March 1998. In the sum of 200,000 pounds.

4 A. Uh-huh.

12:31:02 5 Q. 360 So that the payments that were made on foot of the Lissenhall agreement for
6 what was described as buying out the minority interest were 350,000 pounds.
7 Do you see that? And the reason I say that to you, Mr. Reynolds, is because of
8 a letter at 1653.

9 A. Yep.

12:31:20 10 Q. 361 This is a letter which apparently emanates from you.

11 A. 1653. Go on.

12 Q. 362 1653.

13 A. Go ahead.

14 Q. 363 In this letter which is a letter from you, apparently. Is that your signature
15 Mr. Reynolds?

16 A. Yeah.

17 Q. 364 To Mr. Dessie O'Neill.

18 A. Yeah.

19 Q. 365 About the Lissenhall matter.

12:31:51 20 A. Yeah.

21 Q. 366 In the second paragraph you state.
22
23 "In the interim I suggest we proceed with our own acquisition. We have
24 recalculated the requirements in the light of the premises. Whereas we needed
12:32:02 25 500,000 introduced to the bank and 600,000 to buy into the deal. We can now
26 live with A. Your company is showing bank records to the bank illustrating
27 you have resources of 500,000, which I understand is no problem.
28
29 And B, a cash introduction of 350,000 pounds from your side of which you have
12:32:19 30 already provided 150,000. This should be sent to the solicitors in Liverpool.

12:32:24 1
2 This allows us to close our end of the deal immediately and most importantly in
3 the short-term to take out minority shareholder Mr. Adams. His position
4 concerns me as if he was to realise how strong the deal is, he is most likely
12:32:39 5 to look for money above what we have agreed to pay him."
6
7 Do you see that?
8 A. Yep.
9 Q. 367 Are you the author of this document?
12:32:45 10 A. Yep.
11 Q. 368 When you refer there to the minority shareholder, who are you referring to?
12 A. Didn't you say Mr. Adams I thought when you read it out.
13 Q. 369 Yes. Is that who you were referring to?
14 A. Oh, yeah.
12:32:56 15 Q. 370 And what you appear to be saying there, Mr. Reynolds, and correct me if I'm
16 wrong. That the sum of 350,000 pounds, which the O'Neills were to pay, in
17 connection with the Lissenhall lands, was to be used to take out the minority
18 shareholder, Mr. Adams.
19 A. Not necessarily so. What you're asking me to agree that when I mentioned the
12:33:18 20 minority shareholder here and say it's Mr. Adams in this context. That is the
21 same should apply to the other larger amount? Is that what you're?
22 Q. 371 I'm not suggesting anything of the sort, Mr. Reynolds. I'm asking you are the
23 are you the author of this document?
24 A. Yes.
12:33:36 25 Q. 372 And the simplest way to do it would be just if you explain, if you just explain
26 to the Tribunal what you meant by "that the payment of 350,000 pounds would you
27 allow you to close your end of the deal immediately and most importantly in the
28 short-term take out the minority shareholder, Mr. Adams."
29 A. But Mr. Adams was only a 20,000 -- there's no comparison with Mr. Adams who was
12:34:00 30 there at the start and I acknowledged it from the start and acknowledged it

12:34:05 1 here early on that he had to get 20,000 pounds. Okay? And that 20,000 pounds
2 was paid by me to Mr. Adams from my own account in Longford. Okay?

3 Q. 373 Mr. Reynolds, the agreement that you signed on the 5th of February?
4 A. Yeah.

12:34:27 5 Q. 374 At paragraph five. Which was the heads of agreement?
6 A. Sure.

7 Q. 375 Provided for a payment of 600,000 pounds to buy out a minority shareholder in
8 the site. Is that right?
9 A. Yeah.

12:34:37 10 Q. 376 That agreement was altered by you in this document, which is I understand dated
11 the 23rd of March. The 22nd of March 1998. In that the sum of 600,000
12 pounds is reduced to 350,000 pounds. Do you agree with that?
13 A. Um, I'm not so sure now. I don't want to get mixed up here.

14 Q. 377 If you just read the second paragraph Mr. Reynolds?
12:35:04 15 A. "In the interim I suggest that we proceed with our own acquisition. We have
16 recalculated the requirements in the light." 500 is it? It's very bad
17 printing here anyway and 600 to buy into -- 600 to buy into the deal we can
18 live with. 600 was O'Neills total price to be into the deal. Right? The
19 500 that you're looking about there is working capital for that company.

12:35:42 20 Q. 378 Yes. What I'm asking you about is the 600,000, Mr. Reynolds?
21 A. Yeah, the 600,000, yeah.

22 Q. 379 Is reduced this in this document to 350,000 pounds. Isn't that right? If you
23 look at paragraph B.
24 A. Yeah.

12:35:57 25
26 JUDGE FAHERTY: Ms. Dillon, could I suggest if you put up 1618 on the screen.
27 Which is I think the agreement between O'Neill Brothers and -- I think that's
28 the reference.
29

12:36:06 30 MS. DILLON: Yes.

12:36:06 1
2 JUDGE FAHERTY: That's the paragraph you are talking about, isn't it?
3
4 MS. DILLON: Paragraph five. And Mr. Reynolds can look at his own documents
12:36:16 5 later on the letter. Those are the two documents you are talking to Mr.
6 Reynolds about.
7 A. So the two documents you want me to look at the same time are 1653.
8
9 JUDGE FAHERTY: There is one on the screen.
12:36:25 10 A. Okay.
11
12 JUDGE FAHERTY: That's the earlier agreement with the O'Neill Brothers.
13 A. Uh-huh.
14
12:36:28 15 JUDGE FAHERTY: And then you have the other document in front of you.
16
17 Q. 380 MS. DILLON: Just look at paragraph five, Mr. Reynolds.
18 A. Must be in a position to provide 600,000 sterling to buy ... This is payable
19 in two moieties. 300 on agreement and a further 300 on the closing of the
12:36:48 20 deal which will take approximately 28 days. Yeah. What about that?
21 Q. 381 I had asked you. I'll show you now the second document, at 1653, which is
22 your own letter to the O'Neill Brothers?
23 A. Yeah.
24 Q. 382 And I draw to your attention. If we could increase, if it's at all possible,
12:37:08 25 the second, third and fourth paragraph.
26 A. Uh-huh.
27
28 CHAIRMAN: Which is a later document.
29
12:37:13 30 MS. DILLON: Which is a later document.

- 12:37:15 1
- 2 CHAIRMAN: How much later?
- 3
- 4 MS. DILLON: The 5th of February is the first document. This second document
- 12:37:20 5 is the 21st of March 1998.
- 6
- 7 CHAIRMAN: So five or six weeks later.
- 8
- 9 Q. 383 MS. DILLON: Yes
- 12:37:25 10 A. What's your problem with it?
- 11 Q. 384 I am suggesting to you, Mr. Reynolds, that the document reduces the figure that
- 12 was to be payable for buying out the minority interest in the site from 600,000
- 13 pounds to 350,000 pounds. Because the document reads "In the interim I suggest
- 14 we proceed with our own acquisition. We have recalculated the requirements in
- 12:37:49 15 the light of the premises whereas we needed 500,000 pounds introduced to the
- 16 bank and 600,000 pounds to buy into the deal, with can now live with. And
- 17 number B says a cash introduction of 350.000 pounds from your side of which you
- 18 have already provided 150,000 pounds".
- 19 A. 500, yeah.
- 12:38:11 20 Q. 385 And what I am suggesting to you is that the monies that were to be paid by
- 21 O'Neill Brothers are being reduced in this document from the 600,000 pounds in
- 22 the February document to 350,000 pounds in this document.
- 23 A. I'm not so sure if that's the way it falls out number one. Because in
- 24 between -- in between times I haven't in front of me the details of what money
- 12:38:38 25 that O'Neills might have paid in, or paid to Russell or for other issues
- 26 involved in the place. I don't know. I'd have to have all of the figure
- 27 there is to --
- 28 Q. 386 Can you let me help you on that?
- 29 A. You can take it from me that I wasn't reducing it.
- 12:38:57 30 Q. 387 Let me help you on that. In paragraph B you say "a cash introduction of

12:39:01 1 350,000 pounds from your side of which you have already provided 150,000
2 pounds."
3 A. Yeah.
4 Q. 388 If you look at the document at 1647. This is a direction for a transfer of
12:39:13 5 150,000 pounds from O'Neill Brothers?
6 A. Yeah.
7 Q. 389 To a firm of solicitors called Silverbeck Rymer & Company?
8 A. Yeah.
9 Q. 390 Howard Jones.
12:39:24 10 A. Yeah.
11 Q. 391 That takes place on the 9th of March 1998?
12 A. Yeah.
13 Q. 392 Your letter is the 22nd of March 1998.
14 A. Yeah.
12:39:31 15 Q. 393 And your letter acknowledges receipt of 150,000 pounds.
16 A. Right.
17 Q. 394 Is this the 150,000 pounds that you are acknowledging receipt of, Mr. Reynolds?
18 A. I don't know how to be working out all figures. I want to have all the
19 figures in front of me before I could do that. But I can assure you, you
12:39:55 20 know, they weren't being let off with 150,000 less if that's what you think.
21 Q. 395 Just looking at that for the moment. Who are Silverbeck and Rhymer?
22 A. Mr. Russell's lawyer in Liverpool.
23 Q. 396 Did you have anything to do with Silverbeck & Rhymer?
24 A. No, I didn't know anything about them until they come into this. And I think
12:40:22 25 the O'Neills had a project going on in Liverpool as well. So I don't know
26 whether they agreed that they'd use the one lawyer or whatever. I wouldn't be
27 sure.
28 Q. 397 Did you deal with Mr. Howard Jones of that office?
29 A. I think I gave him an instruction thereafter some money was sent there to pay
12:40:47 30 out over a certain number. I had sent them to him because they were agreed by

12:40:53 1 O'Neills to be refunded to me. And I think one of them is, if I'm not
2 mistaken, would be Adams' 20,000.

3 Q. 398 If we look at the document at 1653 then, Mr. Reynolds.
4 A. Yeah.

12:41:06 5 Q. 399 I suggest to you that this document means that you were agreeing to reducing
6 the payment of 600,000 pounds to 350,000 pounds?
7 A. I couldn't do it.

8 Q. 400 And you say no?
9 A. No. Whatever is the movement in funds, I can assure at that you that there was
12:41:28 10 no reduction. Just while you're at that one. If you look down at the -- if
11 you look at the last two lines on that. "When the Fergusons are ready we ask
12 then introduce their capital as previously agreed. I'm way until the end of
13 the week. In the meantime, I have instructed Pat to proceed as above."
14

12:41:52 15 What I'm saying is those are the people that were there on the sideline,
16 thinking about coming in. In fact, Pat Russell had a couple of meetings with
17 them. And if you want to know who was coming in with money. My best guess
18 isn't as I say, it certainly wasn't me. I wasn't the minority interest. But
19 it is the possibility that that's who the minority interest, might turn out to
12:42:21 20 be, provided they were taken in on an agreement figure

21 Q. 401 You are referring to Mr. Adams?
22 A. No, no Mr. Adams is not in this league at all. Mr. Adams is only small money.
23 I'm talking about these people. Coming in with big money.
24

12:42:36 25 JUDGE FAHERTY: I think the point Ms. Dillon is making, Mr. Reynolds.
26 Further up in the letter you refer to Mr. Adams as a minority shareholder.
27 And that's. If you just for the --
28 A. He mightn't have been paid at that stage. I'm not certain of the date he got
29 paid. All I'm saying is Adams is a 20,000 pounds man. He was never --
12:42:55 30

12:42:55 1 CHAIRMAN: But the difference --

2 A. He was never in any sort of a league up near the figures that you are talking

3 about.

4

12:43:02 5 MS. DILLON: The second paragraph from the end

6

7 CHAIRMAN: But the difference, Mr. Reynolds, between Mr. Adams if he is the

8 minority shareholder and the Fergusons. The Fergusons were going to come in

9 with money? Is that right?

12:43:14 10 A. Oh, yes.

11

12 CHAIRMAN: Whereas the minority shareholder, if he be Mr. Adams or whoever,

13 was someone who was going to have to receive money, be paid money. And you

14 were seeking to obtain funds from the O'Neills in order to pay the -- pay off

12:43:41 15 the minority shareholder. But that can't be the Fergusons because they were

16 people who were coming in with money. No

17 A. No, no. I never ever. I mean, from day one, Adams was there claiming to

18 have an interest in it. He wanted to be bought out. His figure agreed from

19 day one was only 20,000. That's what I'm saying. Don't confuse him with the

12:44:04 20 Fergusons because they're not in the same league at all.

21

22 CHAIRMAN: No. Well the Fergusons aren't going to be paid anything.

23 They're coming in with money.

24 A. They were paying in.

12:44:13 25

26 CHAIRMAN: The minority shareholder according to this document and the

27 previous document, had to be paid off. Mr.-- you -- in the previous document

28 he's unnamed. And you weren't certain as to who he was, even though you

29 signed that document. Whereas in this document, the minority shareholder is

12:44:34 30 described as a Mr. Adams.

- 12:44:39 1 A. Sorry. I shouldn't have.
- 2
- 3 CHAIRMAN: So, I mean ...
- 4 A. Not in the that context. Do you know what I mean?
- 12:44:49 5
- 6 CHAIRMAN: The Tribunal is particularly interested obviously to know who the
7 minority shareholder is other than this person Mr. Adams, who received 20,000.
8 Is there another minority shareholder?
- 9 A. Not to my knowledge.
- 12:45:04 10
- 11 CHAIRMAN: And if so --
- 12 A. And when it was said that I was. I'm telling you straight without any
13 equivocation, that I was not.
- 14
- 12:45:13 15 CHAIRMAN: But the sort of --
- 16 A. And I also went forward to say that if the O'Neills were aware that I had any
17 ideas of getting out I said they wouldn't come in.
- 18
- 19 CHAIRMAN: Well the documentation wouldn't suggest that you were the minority
12:45:35 20 shareholder. The documentation suggests that a very substantial sum of money
21 was being sought from the O'Neills to pay off a mystery minority shareholder.
22 The only name we have is Mr. Adams. And this document. But you don't think
23 he is a minority shareholder in the real sense of that word, in that he was
24 only to get a once off payment of 20,000 pounds?
- 12:46:01 25 A. Correct.
- 26
- 27 CHAIRMAN: So we still have the mystery as to who the minority shareholder is
28 if he's not Mr. Adams. And if it's for a share greater than 20,000 pounds.
29 That's the mystery we're keen so solve.
- 12:46:18 30 A. Well, as I say. I have no problem being unequivocal that it wasn't me. And

- 12:46:26 1 in fact, until it came out here, Mr. Russell said it was me. I can assure you
2 there was never mention of it anywhere else.
- 3 Q. 402 But certainly in two documents that you have signed, Mr. Reynolds, being the
4 agreement of the 5th of February 1998. And your letter of the 22nd of March
12:46:45 5 1998. You referred to the existence of minority shareholders in both. Isn't
6 that right?
- 7 A. Probably did, yeah. I'll read them now if you want me to. Go ahead anyway,
8 I'll take your word.
- 9 Q. 403 Isn't that the position. And in this letter you identified the minority
12:47:01 10 shareholder, be it right or wrong, as Mr. Adams. Isn't that right?
- 11 A. The reason I'm doing that was that he was -- you'll see where he was paid his
12 20 grand at some stage in the process, don't ask me what the date was. I just
13 don't have them on top of me head.
- 14 Q. 404 Insofar as the money was received from the O'Neills, Mr. Reynolds, did you give
12:47:23 15 directions as to what was to be done with that money?
- 16 A. There was some of the money went without my knowledge to Liverpool. And
17 certainly O'Neills might have consented to it. I don't know. But they
18 certainly would have to do the transfer with the money so that they'd know
19 where it was going. So it may well be insofar as -- there was times when I'd
12:47:49 20 be away and Pat Russell would agree things so ...
- 21 Q. 405 If I can show you at a a letter at 1658, Mr. Reynolds?
- 22 A. Yep.
- 23 Q. 406 Are you the author of this document?
- 24 A. 16 ... personally no.
- 12:48:12 25 Q. 407 Is that your signature?
- 26 A. No.
- 27 Q. 408 Do you know who signed that on your behalf?
- 28 A. I don't but it is possible, you know, that it might have been, you know, one of
29 my secretaries working for me at the time. Unlikely but it could be them.
- 12:48:30 30 Q. 409 I want to draw --

12:48:32 1 A. But I can't go any further than to tell you it's not mine.

2 Q. 410 Well I want to draw to your attention that the document appears to be faxed

3 from Garrard International Holdings on the 27th of March 1998. And that's

4 clear from the fax line at the top of the document.

12:48:52 5 A. Yeah.

6 Q. 411 The document itself is undated.

7 A. Yeah.

8 Q. 412 And Garrard International Holdings, Mr. Russell has told the Tribunal was a

9 company of which he was effectively the beneficial owner?

12:49:01 10 A. Correct.

11

12 CHAIRMAN: Of which whom?

13

14 MS. DILLON: Mr. Russell.

12:49:05 15

16 CHAIRMAN: All right.

17

18 Q. 413 MS. DILLON: Was the beneficial owner. Does that assist you in working out

19 as to who might have prepared or drafted this document? Mr. Russell says it

12:49:14 20 was not him.

21 A. Prepared this document?

22 Q. 414 Yes.

23 A. I don't know who prepared it. I mean, it was sent to the O'Neills under

24 Garrard. And we know who Garrard is.

12:49:35 25 Q. 415 Yes. It's also sent to O'Neills, with respect, Mr. Reynolds under the heading

26 Albert Reynolds TD because it's on your headed notepaper, isn't that right?

27 A. That's correct.

28 Q. 416 Do you dispute the contents of it having read it?

29 A. "Spoken to Howard Jones he has confirmed your transfer to his account will be

12:49:55 30 to my order only." This is the cheque that, the amount that out of money that

- 12:50:04 1 was sent by O'Neills to Liverpool. There were a list of items to be paid that
2 I have paid. And this was a refund. I don't disagree with it.
- 3 Q. 417 So the money that was being sent to the solicitors in Liverpool from O'Neills
4 was to be held to your order, is that right?
- 12:50:24 5 A. I was -- I wanted to know what was happening to the money. I wanted to be
6 able to find out because if you sent money over to over to Britain, or anyone
7 where like that. And that it's under the order of somebody else, then I have
8 no control over it. So I wanted it to be told, making it clear to him that I
9 wanted to be told what the score was.
- 12:50:52 10 Q. 418 So by the 27th March '98, 150,000 pounds had already been sent to the
11 solicitors, Mr. Russell?
- 12 A. Yeah.
- 13 Q. 419 And you go on to say on your behalf it's said in the letter "I asked him to
14 confirm this by fax and the arrival of the transfer which will be on Monday the
15 this stage." And the money that's going to come on Monday is the second
16 payment which is 200,000 pounds, Mr. Reynolds, at 1659.
- 17 A. Uh-huh.
- 18 Q. 420 This is a money transfer from O'Neill Builders to Bank of Ireland at Liverpool
19 for the account of Silverbeck Rymer & Co.
- 12:51:28 20 A. Uh-huh.
- 21 Q. 421 And that means by this stage, which is the 31st of March 1998, O'Neill Brothers
22 have paid 350,000 pounds.
- 23 A. Uh-huh.
- 24 Q. 422 You agree with that? And you will have seen the letter that you sent to
12:51:39 25 O'Neills in which you had said that they would have to pay the cash of 350,000
26 pounds. Do you remember that letter?
- 27 A. Yeah, I read it here today, yeah.
- 28 Q. 423 And on the 31st -- sorry. I beg your pardon. On the 1st of April 1998.
- 29 A. Uh-huh.
- 12:51:56 30 Q. 424 Mr. Reynolds. At 1660.

12:51:59 1 A. 16. Yep.

2 Q. 425 Is this your document?

3 A. Yes.

4 Q. 426 Is this your handwriting?

12:52:04 5 A. Yes.

6 Q. 427 And is this a direction to Mr. Jones of Silverbeck Rymer to transfer 100,000

7 pounds to the account of First Independent solicitors?

8 A. Uh-huh.

9 Q. 428 And who were First Independent solicitors?

12:52:17 10 A. First Independent solicitors. They could be one of two that might be working

11 for either Pat Russell or the O'Neills. The O'Neill has business in Liverpool

12 as well. I don't know to be honest with you. Off the top of me head I just

13 can't answer you that now.

14 Q. 429 According to Mr. Russell that sum of 100,000 pounds with a to be paid in

12:52:51 15 connection with the Stoke project to the vendors of the property in the Stoke

16 project. Does that assist you?

17 A. It does now. Yeah, it does.

18 Q. 430 Would you agree with Mr. Russell in relation to that?

19 A. Oh, well I see who they were now. I see where you're coming from now. This

12:53:16 20 was a project in down in Stoke, a fairly big project that's -- that was being

21 purchased. As far as I know it was a site at that stage. But the project,

22 yeah, did exist.

23 Q. 431 So that the people who were being paid the 100,000 pounds here on your

24 instruction are the other side in the Stoke transaction. It's not to

12:53:40 25 solicitors for yourself or Mr. Russell, is that right?

26 A. No. No. There was a project down there. And at this stage Russell was

27 trying to get us all interested in various other projects and that happened to

28 be one of them, including the O'Neills.

29 Q. 432 And is this 100,000 pounds Mr. Reynolds, that you are directing be paid to

12:54:03 30 First Independent solicitors, monies that are being taken out of the monies

- 12:54:14 1 paid by the O'Neill Brothers to Silverbeck Rymer?
- 2 A. Well, you know, you are saying Silverbeck Rymer on the basis that he was a
- 3 solicitor for project in thing where it came from. It wouldn't have been
- 4 done anyway, I can assure you. It wouldn't have been done without the consent
- 12:54:31 5 of O'Neills.
- 6 Q. 433 I'm not asking you , that Mr. Reynolds.
- 7 A. It's very important to know where the money. Who was controlling the money.
- 8 What I'm saying to you is important as far as I'm concerned. Is that I paid
- 9 out no money without the O'Neills knowing it.
- 12:54:48 10 Q. 434 Yes. The 350,000 pounds Mr. Reynolds, according to the documentation that
- 11 we've looked at. Was being paid to buy out a minority interest in the site or
- 12 a minority shareholder. That's in the documents you signed, isn't that right?
- 13 A. It's in one document.
- 14 Q. 435 Yes. And 350,000 pounds was paid by O'Neill Brothers, isn't that right?
- 12:55:09 15 A. Yeah.
- 16 Q. 436 It went to the solicitors in Liverpool?
- 17 A. Yeah.
- 18 Q. 437 Silverbeck Rymer.
- 19 A. Yeah.
- 12:55:15 20 Q. 438 Isn't that right? And the question I'm asking you. Is this sum of 100,000
- 21 pounds which you are directing is to be paid to First Independent solicitors
- 22 out of the money that O'Neills had paid to Silverbeck Rymer?
- 23 A. It wouldn't have been paid without the O'Neills okay it as far as I was
- 24 concerned.
- 12:55:33 25 Q. 439 Is that a yes, Mr. Reynolds?
- 26 A. It's a statement of fact of what happened.
- 27 Q. 440 Right. Did you have any other monies with Silverbeck Rymer at this time?
- 28 A. Me?
- 29 Q. 441 Yes.
- 12:55:43 30 A. No, not to my knowledge. But they could be there. O'Neill gave them money or

12:55:47 1 Russell gave them money.

2 Q. 442 Was there any other fund of money available to you in Silverbeck Rymer over
3 which you could give instructions in April of 1998? Other than the monies that
4 had been paid by O'Neills?

12:56:03 5 A. Look, I haven't got the detail in front of me. Look, if we could be clearer
6 as to where we're trying to get I'll short circuit it and I'll give the answer
7 that hopefully will help you. But this is about a deal that's above in Derry
8 that's long and long before this one that came up. I'm not trying to avoid
9 any questions but if I don't know don't be taking the wrong

12:56:27 10

11 CHAIRMAN: What Ms. Dillon is asking you to confirm if it's the case. That
12 the only funds that you had authority over in this firm of solicitors in
13 Liverpool was the money that had been transferred through or by or from O'Neill
14 Brothers.

12:56:52 15 Do you recall there was a letter, there was an instruction given in writing to
16 the effect that this money transferred from O'Neills was to be held to your
17 order?

18 A. My order?

19

12:57:03 20 Q. 443 MS. DILLON: 1658.

21 A. That's what I said to them.

22

23 CHAIRMAN: Yes.

24 A. To try and establish that.

12:57:09 25

26 CHAIRMAN: And you explained so that this was so that you would be able to ...

27 A. Know what was going on.

28

29 CHAIRMAN: Yes.

12:57:16 30 A. Yeah.

12:57:16 1
2 CHAIRMAN: Although you say you're not the author of this document. But you
3 say it would be in accordance with what your understanding was that you would
4 have, you would have control of these funds

12:57:27 5 A. Uh-huh.
6
7 CHAIRMAN: While they were with the firm of solicitors. And it then
8 subsequently transpires that there's an instruction in your handwriting to the
9 effect that 100,000 is to be transferred to the First Independent solicitors.
12:57:45 10 Which you say was probably in relation to the Stoke project.
11 A. Uh-huh uh-huh, that's what I say there and I'm sure that's what it was.
12
13 CHAIRMAN: Now, Ms. Dillon is wondering, first of all, can you confirm that
14 this 100,000 was coming from the O'Neill money. And as I understand your
12:58:03 15 answer to that was you believe so. And that you believe also that O'Neills
16 would have been aware of that fact.
17 A. Well I would expect they would.
18
19 CHAIRMAN: All right. Now, and then the last question which, as I understand
12:58:16 20 it, was did you have access to any other funds or control over any other funds
21 in those solicitors -- in that solicitor's office besides money that had come
22 from O'Neills, as we've seen.
23 A. Oh, besides money that had come from O'Neills?
24
12:58:35 25 CHAIRMAN: Yes.
26 A. Oh, no.
27
28 Q. 444 MS. DILLON: That would mean Mr. Reynolds, if this document is correct. That
29 you were directing that 100,000 pounds of the O'Neill money, with the agreement
12:58:45 30 of O'Neills, as you say, is going to go in a particular direction. Is that

12:58:50 1 right?

2 A. Yeah.

3 Q. 445 Right. And in a document, at 1661. Mr. Reynolds, are you familiar with this

4 document?

12:59:00 5 A. Yeah.

6 Q. 446 And in summary, would it be fair to say that this document is giving directions

7 to Mr. Howard Jones of Silverbeck Rymer as to the disbursement of further

8 funds?

9 A. Yeah.

12:59:10 10 Q. 447 And that the -- we'll go down through the amounts. But what -- that the only

11 fund that you could be directing this instruction to. Does it remain the

12 O'Neill funds? The only money that is you had?

13 A. There was no other money that I'm aware of.

14 Q. 448 In Silverbeck & Rhymer, is that correct?

12:59:29 15 A. There's no other money interest that I'm aware of is what I said.

16 Q. 449 But insofar as you are giving a direction to Mr. Jones to make certain payments

17 to your order?

18 A. Yeah.

19 Q. 450 The monies out of which Mr. Jones is making the payment are the funds that had

12:59:40 20 been paid in by O'Neill Brothers?

21 A. I would expect so.

22 Q. 451 Right. And those funds Mr. Reynolds, had been paid in, according to the

23 document that you signed, to buy out a minority shareholder in the site.

24 Isn't that right?

12:59:52 25 A. No. The minute you add-on the minority shareholder, I can tell you and I've

26 said it clearly and I want to say it again. I was not the minority

27 shareholder. I said by another witness. Number one. No. 2. There was no

28 discussion at that table in relation to a minority interest. I have spent the

29 last two or three days. I've found Mr. Gallagher selling horses beyond in

13:00:21 30 Scotland to try and find out. Because he would know everybody in relation to

13:00:25 1 that. To try and find out was there anybody that he knew. And the only
2 person he could mention to me was Fergusons. As far as I'm concerned, there
3 was no minority shareholder waiting on the wings that I was aware of. And I
4 said again. And I want to repeat it. That in my honest opinion, that
13:00:48 5 O'Neills would not come into the deal if I was going out.

6

7 Q. 452 MS. DILLON: That's not the question sorry that I asked you.

8 A. Well I want everybody to be clear.

9

13:00:55 10 CHAIRMAN: Perhaps Ms. Dillon, it's gone one o'clock. So if you take it up
11 at two o'clock.

12

13 MS. DILLON: May it please you, Sir.

14

13:01:03 15 CHAIRMAN: Now, there is another issue. But I think it's preferable that we
16 conclude with Mr. Reynolds.

17

18 MS. DILLON: Yes, Sir.

19

13:01:10 20 CHAIRMAN: This afternoon. So that might be explained to Mr. White.

21

22 MS. DILLON: Yes.

23

24 CHAIRMAN: But hopefully we can deal with.

13:01:20 25

26 MS. DILLON: I would anticipate that we could possibly take that up this
27 afternoon.

28

29 CHAIRMAN: All right.

13:01:24 30

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MS. DILLON: Thank you, Sir.

THE TRIBUNAL THEN ADJOURNED FOR LUNCH:

THE TRIBUNAL RESUMED AS FOLLOWS AT 2:00 P.M.:

13:01:46 1 MR. QUINN: Sir, before the current module resumes.
2
3
4

14:06:27 5 Could I just mention a matter. It was intended that the continued
6 cross-examination of Mr. Dunlop would take place this afternoon in the Duff
7 Module. Now, I have spoken to both Mr. Hayden and Mr. Redmond and
8 Mr. Montgomery and Mr. Kennedy. And subject to the agreement of the Tribunal,
9 it's proposed that Mr. Dunlop's continued cross-examination in that module
14:06:49 10 would take place at ten o'clock tomorrow. Later tomorrow we are opening the
11 Walls/Kinsealy Module. And that in relation to Mr. White's evidence, that
12 that would be taken on Friday the 5th of May, if that's agreeable to the
13 Tribunal.
14

14:07:05 15 CHAIRMAN: Yes. That's fine.
16

17 MR. QUINN: Thank you.
18

MR. ALBERT REYNOLDS CONTINUED TO BE EXAMINED BY

MS. DILLON AS FOLLOWS:

14:07:19 20 Q. 453 Thank you.
21

22 Good afternoon, Mr. Reynolds. If we could have the document at 1661 please,
23 which is the document we were just about to deal with just before lunch.
24

14:07:32 25 I think you confirmed before lunch, Mr. Reynolds, that you gave certain
26 directions in relation to the monies that were being held by Mr. Howard Jones
27 of Silverbeck Rymer?

28 A. Correct.

29 Q. 454 And do you confirm now that this document records some of the directions that
14:07:59 30 you gave in relation to those funds?

- 14:08:01 1 A. Correct.
- 2 Q. 455 And that the funds that were being held by Silverbeck Rymer were the funds that
- 3 had originated with O'Neill Brothers in Derry?
- 4 A. Yeah, I don't know anywhere else they could have originated from.
- 14:08:12 5 Q. 456 And if we just look now briefly at the payments that were being directed on the
- 6 1st of April 1998 to be made.
- 7 And the document says:
- 8 "Dear Howard, please make the following payments to my order.
- 9 1. Westminster and European security 10,000 pounds."
- 14:08:28 10 A. Correct.
- 11 Q. 457 Now, what was Westminster and European security?
- 12 A. Must have been something to do with the O'Neill project in -- other than that I
- 13 don't recall the detail of it.
- 14 Q. 458 Do you know whether that's being directed towards a specific bank account,
- 14:08:54 15 Mr. Reynolds?
- 16 A. I don't.
- 17 Q. 459 "2. AIB Longford account of Albert Reynolds, account number" and the account
- 18 number is given. Is that your account number?
- 19 A. That's it.
- 14:09:06 20 Q. 460 And the amount that's being directed there is a is a sum of 50,000 pounds,
- 21 isn't that right?
- 22 A. That's right.
- 23 Q. 461 Do you you acknowledge that you received those funds?
- 24 A. Yep.
- 14:09:16 25 Q. 462 And were they a repayment of monies that you had expend in the respect of the
- 26 deal?
- 27 A. Correct.
- 28 Q. 463 And what monies had you expended, can you recollect, in respect of the
- 29 Lissenhall lands up to this point in time, which is April 1998?
- 14:09:29 30 A. I wouldn't have an exact total available to me at this stage because it wasn't

14:09:39 1 split up in that regard. Like, what we did was made up the more or less the
2 figure due and got that repaid.

3 Q. 464 Can you I ask you, Mr. Reynolds, would that payment of 50,000 pounds have had
4 anything to do with the operation of the Universal Management Consultants
14:10:00 5 Limited current account at AIB. The one in Ireland?

6 A. Have you got the date in front of you when it was opened there in AIB?

7 Q. 465 At 1591.

8 A. 1591.

9 Q. 466 Yes. It'll come up.

14:10:14 10 A. I'll look at the two dates. What do you say it will come up?

11 Q. 467 Its on screen beside you. This is the opening of the Irish account of
12 Universal Management Consultants Limited.

13 A. I know what you're talking about. It's just the dates, I don't want to get
14 them wrong.

14:10:32 15 Q. 468 The opening of that account was the 15th of June 1997?

16 A. 15th of June.

17 Q. 469 1997.

18 A. And this is?

19 Q. 470 This is the April 1998.

14:10:43 20 A. Okay. So this is behind that. Yeah. Sorry.

21 Q. 471 There's nothing in the documentation to suggest that the 50,000 pounds was paid
22 into this account, Mr. Reynolds. Do you understand? I'm just asking you is
23 it possible that the payments that were made out of this account, that you are
24 being reimbursed for them in the 50,000 pounds?

14:11:15 25 A. Yeah, that's correct. The other part of it that you may be coming to or you
26 may not, it's not for me to ask. But when the overdraft was opened it was all
27 used up within days. And the likelihood is that, that 50,000 went into the,
28 if you have the AIB in the thing. The likelihood is that it went in or maybe
29 it didn't. Because we were given an overdraft, whatever it was. Mr. Russell
14:11:50 30 had written cheques in, and nearly used it all up in a matter of days or day or

14:11:58 1 whatever. In that scenario I'm not certain whether it went into mine or into
2 their. I see the reason why it might have gone into Baggot Street.

3 Q. 472 There's nothing in the bank statement, Mr. Reynolds, from Baggot Street to
4 suggest that that sum of 50,000 pounds went in. Although a separate sum of
14:12:17 5 50,000 pounds from O'Neill Brothers did go in. That's a separate payment.
6 There's nothing to suggest --

7 A. Okay. Well the overdraft was left at whatever level it was so. Yeah.

8 Q. 473 I'll show you the relevant date. That's 1598.
9 This is the position in relation to the Universal Management Consultants
14:12:40 10 Limited bank account in early 1998. Do you see, that Mr. Reynolds?
11 A. Yeah, 253 left, is it?

12 Q. 474 Yes. At the end of by February 1998.

13 A. Yeah. Sure.

14 Q. 475 Do you see that?

14:12:55 15 A. Yes. That's more or less along the lines I was trying to convey to you.

16 Q. 476 If you go at 1597. Which is the previous month's statement. It would appear
17 that the company was overdrawn. But it received funds in January of 1998.
18 And again, two payments in January. One of 25,000 pounds sterling and one
19 from Seamus Keady on the 19th of January of 40,000 pounds. Do you see that?

14:13:24 20 A. Uh-huh.

21 Q. 477 And they appear to have cleared the overdraft?

22 A. Okay.

23 Q. 478 So the payment at 1661.

24 A. 1661.

14:13:35 25 Q. 479 Which is on screen. Of 50,000 pounds to your account in Longford.
26 A. Yeah.

27 Q. 480 In April 1998 couldn't account for clearing the account of Universal
28 Management. Do you see that Mr. Reynolds?
29 A. I do, yeah.

14:13:47 30 Q. 481 What I'm asking you is whether the payment of 50,000 pounds to you was in

- 14:13:51 1 respect of expenses that you had incurred in connection with the Lissenhall
2 lands?
- 3 A. It referred to Lissenhall anyway.
- 4 Q. 482 Then what expenses did you incur that amounted to 50,000 pounds, can you
14:14:03 5 remember, Mr. Reynolds?
- 6 A. I wouldn't remember the detail. What I'm looking at here is, you know, I know
7 that one of the 50s coming back to me was based on that. And the detail of
8 that one is certainly there in front of you, 50,000. And after that ...
- 9 Q. 483 Is it your evidence then, Mr. Reynolds, that the payment of 50,000 pounds in
14:14:29 10 April 1998 from Silverbeck Rymer to your account in Longford relates to monies
11 that you paid in connection with the Lissenhall lands for which you had not
12 then been reimbursed?
- 13 A. Willie Adams ... the two areas over shadow each other here, don't they? The
14 Westminster one that I -- doesn't jump out at me. I have to assume that it
14:15:10 15 was, it could have been the other deal in Derry. It could have been, I'm not
16 certain. AIB account in Longford is very clear paying out money and getting
17 it back.
- 18 Q. 484 Yes. If we just stay with that one now for the moment, Mr. Reynolds?
- 19 A. Which one?
- 14:15:28 20 Q. 485 The second one. Which is the payment of 50,000 to you.
- 21 A. Yeah.
- 22 Q. 486 Now, the money that has come into Silverbeck & Rhymer is 350,000 paid on foot
23 of the Lissenhall agreement by O'Neill Brothers, isn't that right?
- 24 A. Yep, I think.
- 14:15:43 25 Q. 487 The money you are now directing, how a portion of that money is going to be
26 disbursed, isn't that right?
- 27 A. Well to be disbursed as it's listed there, yeah.
- 28 Q. 488 Yes. And the second disbursement is a payment of 50,000 pounds to yourself?
- 29 A. Yeah.
- 14:15:57 30 Q. 489 Now, was that in connection with the Lissenhall lands?

14:16:01 1 A. Well if you look at 20,000 pounds to Willie Adams certainly is in relation to
2 it. Brendan Flynn could be one or could be the other, I wouldn't be swearing
3 it. And balance to Pat Russell, that's money paid out while he was in
4 operating in Derry but could easily be operating part of Lissenhall, I'm not
14:16:28 5 certain.

6 Q. 490 Yes. The question I asked you Mr. Reynolds, and we'll just with that one if
7 we can. It relates to payment No. 2 of 50,000 pounds to you out of these
8 monies. And would you just outline to the Tribunal if those monies are
9 associated with the Lissenhall lands how you say they are associated or with
14:16:45 10 what expenses they involve?

11 A. What expenses? Well if you look at 50,000. For the reasons I said, balance
12 to Pat Russell could involve both, both these, could involve both these. I'd
13 have to have the detail in front of me to sort of divide them for you, to give
14 you the exact breakdown on it.

14:17:30 15 Q. 491 Yes, I'll come to deal with the balance to Mr. Russell in a moment,
16 Mr. Reynolds. If we just concentrate on number two.

17 A. If I was able to answer you I would. From what I have here in front of me I
18 haven't the exact detail to divide these up. Because I do know that, you
19 know, that, as I said Westminster and European -- I wouldn't be able to say
14:17:57 20 straight out and swear to it that that's either Derry or Lissenhall. I
21 couldn't because I don't know. As of now I don't know. I'd be able to,
22 hopefully able to find out. But as of now I couldn't do that. And, you
23 know, you can apply the same to what's there. Is there any back up stuff in
24 the?

14:18:21 25 Q. 492 The back up -- if you want to call it that, Mr. Reynolds, relates to the fact
26 that we appear to have established to this point in time that the fund out of
27 which you are directing these payments would be made, was the money that
28 O'Neills paid in connection the Lissenhall lands, isn't that right?

29 A. Yeah, yeah. Wait now. The expenses before the Lissenhall one, before we
14:18:48 30 came to it. I haven't the detail. I tried to give you a straight forward

14:18:53 1 divide on what's there.

2 Q. 493 Yes. The expenses in connection with the Lissenhall. That were paid by

3 O'Neill Brothers.

4 A. Yeah.

14:19:00 5 Q. 494 In advance of the Lissenhall deal. Are you referring to the 50,000 pounds

6 that was lodged to the bank account of Universal Management Limited in Dublin,

7 that payment?

8 A. If there were expenses, that's -- and they had to be paid up, you know. Some

9 of them payments that were issued by Russell, you know, I questioned them

14:19:29 10 afterwards. And I'm not so sure that -- if you take, if you take, what did I

11 say. I saw a Keady one there somewhere was it? It was in something else was

12 it? Some of them, you know, money that Russell had borrowed from some other

13 people came up from time to time. And he would say that, you know, that that

14 was in payment for, he was working such a week and he didn't draw any money for

14:20:06 15 it and that sort of thing. That sort of explanation but getting as specific

16 as you are getting here in what you're asking me, it's not that I'm dodging the

17 question. But I'd need the information before I could swear to it.

18 Q. 495 Let's see if we could help you with that, Mr. Reynolds. At 1596?

19 A. All right. 1596.

14:20:23 20 Q. 496 This is an extract from the bank account of Universal Management Consultants

21 Limited at AIB.

22 A. 15?

23 Q. 497 '96.

24 A. Okay.

14:20:34 25 Q. 498 And you will see there on the 19th of December 1997 when the account is around

26 53,000 pounds overdrawn?

27 A. Yeah.

28 Q. 499 A foreign exchange transfer of 57,142.85. Do you see that payment?

29 A. I do, yeah.

14:20:50 30 Q. 500 Now, I'll show you a document in a few moments in connection that. But for

14:20:54 1 the moment, Mr. Reynolds, you may take it from me, that that was a payment made
2 by O'Neill Brothers in connection with the Derry site.

3 A. Right.

4 Q. 501 And that sum of 50,000 pounds is paid by O'Neills into the bank account of
14:21:07 5 Universal Management Consultants Limited.

6 A. Yeah. Okay.

7 Q. 502 Now, there are then a number of withdrawals ...

8 A. Yeah.

9 Q. 503 In relation to the matter. Do you see those withdraw as there? "Seamus Keady
14:21:22 10 10,000 pounds."

11 A. Yeah.

12 Q. 504 "Draft and cash 10,000 pounds."

13 A. Yeah.

14 Q. 505 And "J Maude 14,484." Do you know anything about those withdrawals?

14:21:32 15 A. I don't think so.

16 Q. 506 You mentioned Seamus Keady a moment ago.

17 A. Seamus Keady, I saw his name somewhere else. I remember enquiring about what
18 he did for his money and what have you. And I didn't get an explanation that
19 totally satisfied me.

14:21:46 20 Q. 507 Yes. That money was paid by the O'Neill Brothers in connection with the Derry
21 matter, Mr. Reynolds.

22 A. Yeah.

23 Q. 508 That 50,000 was paid into that account. Do you see that?

24 A. Yeah but how do you divide what's concerning the Derry account and the
14:22:06 25 Lissenhall account.

26 Q. 509 Well, not engaging in conversation with you ...

27 A. No, no, no.

28 Q. 510 Mr. Reynolds ...

29 A. No, it wasn't meant to be that.

14:22:14 30 Q. 511 You divided on foot of the instruction you gave, apparently. In the letter of

14:22:18 1 the 22nd of March 1998.

2 A. 22nd of March?

3 Q. 512 Yes. At 1653.

4 A. 1653.

14:22:33 5 Q. 513 You remember we had this before lunch Mr. Reynolds?

6 A. Indeed, I do.

7 Q. 514 You will see there at paragraph B?

8 A. Paragraph what?

9 Q. 515 You see?

14:22:43 10 A. Sorry?

11 Q. 516 Paragraph B. That talks about a cash introduction of 350,000 pounds from your

12 side?

13 A. Yeah.

14 Q. 517 Of which you've already provided 150,000, this should be sent to the solicitors

14:22:55 15 in Liverpool.

16 A. Yeah.

17 Q. 518 And the document then talks about this allows us to close our end of the deal

18 immediately and most importantly in the short-term take out the minority

19 shareholder, Mr. Adams.

14:23:06 20 And you agreed, Mr. Reynolds, I think that that letter and those payments were

21 in connection with Lissenhall.

22 A. Well, I mean, it's clear from the letters that's there, that Willie Adams was

23 involved with Lissenhall from day one.

24 Q. 519 And --

14:23:27 25 A. And he was paid off with his 20 grand. So we can't agree that all of the

26 things mentioned here are belonging to the Lissenhall. When it's clear that a

27 lot of them were relating to Lissen or the Derry project.

28 Q. 520 And we saw this morning, Mr. Reynolds, that in the agreement of the 5th of

29 February 1998, which is headed "in connection only with the lands at

14:23:57 30 Lissenhall". Do you remember that?

- 14:23:59 1 A. Yeah.
- 2 Q. 521 That the agreement was 600,000 pounds would be paid by O'Neill Brothers. Do
3 you remember that?
- 4 A. Yeah. But it wasn't for the Lissenhall one on its own.
- 14:24:08 5 Q. 522 Very good. Well at 1618. We'll just look at the document, Mr. Reynolds, and
6 see can we get it clear.
- 7 A. Sure.
- 8 Q. 523 Do you see the very first paragraph in that document, Mr. Reynolds?
- 9 A. One second now I'll be with you. Yep.
- 14:24:31 10 Q. 524 And you see it's headed?
- 11 A. 1617.
- 12 Q. 525 1618, Mr. Reynolds.
- 13 A. Oh, 1618. Sorry. Yep.
- 14 Q. 526 And you'll see it's headed "heads of agreement between O'Neill Brothers Limited
14:24:43 15 Derry and Universal Management Consultants Limited."
- 16 A. Yep.
- 17 Q. 527 Now, you accept you signed this document?
- 18 A. Yep.
- 19 Q. 528 And you'll see the very first paragraph sets out "It is hereby agreed and set
14:24:55 20 out as follows. The parties to the agreement agreed to enter into a joint
21 venture to develop 20 acres of industrial land at Lissenhall, Swords, County
22 Dublin under the following terms and conditions." Do you see that?
- 23 A. Yeah.
- 24 Q. 529 Now, what other agreement do you tell the Tribunal is involved in this document
14:25:12 25 other than the lands at Lissenhall?
- 26 A. Well where are the are you living the one in Derry.
- 27 Q. 530 Leave that aside now, Mr. Reynolds. You suggested a moment ago that the
28 payments we were looking at related to Derry?
- 29 A. Some I said. Some.
- 14:25:28 30 Q. 531 Well let's deal with this document first of all?

14:25:30 1 A. Sure.

2 Q. 532 Is is this document solely and singularly concerned with the lands at

3 Lissenhall?

4 A. Page, paragraph five, "O'Neill Brothers Derry must be in a position to provide

14:25:45 5 600,000 pounds sterling to buy out a minority interest" which we haven't

6 identified. I think it's -- I don't know. So there's no point in me

7 guessing. This is payable in two moieties 300,000 and. There's a specific

8 reference to Derry in that documents. So I can't just say look this is all

9 for one document and not mix-up the two --

14:26:13 10 Q. 533 Sorry Mr. Reynolds. Are you seriously suggesting to the Tribunal that the

11 reference to Derry in paragraph five is a reference to the convent site that

12 you entered into a separate joint venture with O'Neill Brothers? Is that what

13 you're suggesting?

14 A. I'm suggesting to you, that you know, that there was a long run in for planning

14:26:43 15 permission and sort out the problems there before it became clear that this

16 could be a real deal or not a real deal and I thought I said -- I had mentioned

17 at some stage today, you know, that it could have gone ahead if I was to

18 guarantee --

19

14:26:59 20 JUDGE FAHERTY: Sorry, Mr. Reynolds. Paragraph five refers to 600,000

21 sterling to buy out a minority interest in the site.

22 Now, the site as such, there is no definition. But if you look at the very

23 first paragraph or the second paragraph on the document?

24 A. Yeah.

14:27:14 25

26 JUDGE FAHERTY: It is hereby agreed and set out as follows?

27 A. Yes, set out as follows.

28

29 JUDGE FAHERTY: The parties to the agreement are to enter into a joint venture

14:27:25 30 to develop 20 acres of industrial lands at Lissenhall, Swords?

14:27:28 1 A. Yeah.
2
3 JUDGE FAHERTY: Now, any reading of that document on paragraph five ...
4 A. Uh-huh.
14:27:33 5
6 JUDGE FAHERTY: And the assumption would be made that the site refers to
7 Lissenhall?
8 A. Yeah.
9
14:27:40 10 JUDGE FAHERTY: Do you see?
11 A. I understand what you're saying.
12
13 JUDGE FAHERTY: I think that's the thrust of Mrs. Dillon's question. That
14 there is no reference to any site in Derry in the document. I think that's
14:27:52 15 what Ms. Dillon is suggesting to you, Mr. Reynolds.
16 A. Yeah. Well, the dealings with the O'Neill Brothers as far as they are
17 concerned covers both. If they owed money, you know, and if you need to say
18 that you are interpreting that totally as Lissenhall with no carry forward or
19 no involvement from thing, that isn't correct. I have to say.
14:28:18 20
21 Q. 534 MS. DILLON: Thank you. Would you just identify in that document,
22 Mr. Reynolds, a reference that could lead any reader to know that they were
23 talking about the Derry lands or the Derry development at the convent site.
24 Please.
14:28:31 25 A. Well, first of all, I have to assume that whatever money was coming in from
26 O'Neills was also involved of -- and I agree with what you're saying. It
27 wasn't well drafted. I agree with what you're saying.
28 Q. 535 I wasn't saying that, Mr. Reynolds ...
29 A. I'm saying it.
14:28:56 30 Q. 536 I'm asking you in light of your evidence to the Tribunal that this document

14:28:59 1 deals not only with the Lissenhall site but with the convent site in Derry.
2 To now identify for the benefit of the Tribunal where in the agreement you say
3 it refers to the convent site in Derry. If you just take some time, look at
4 the document and carry out that exercise, Mr. Reynolds.

14:29:16 5 A. No, I don't disagree with what you're saying. I have to say this though.
6 That every time we sat down with the O'Neill Brothers we were talking about
7 both. We were talking about both. It's not clearly shown here, I have to
8 say that. But we assumed, and the O'Neills would assume, that it was their
9 joint venture deal with Universal.

14:29:43 10 Q. 537 If you just concentrate --
11 A. For me, to ask me now to try and segregate this here and now, I couldn't do it.
12 Q. 538 I'm not asking you to do that, Mr. Reynolds.
13 A. I'd love to be able to do it.
14 Q. 539 I am asking you in the light of your evidence to the Tribunal, your sworn
14:30:06 15 evidence, that this document encapsulates not just the Lissenhall lands but the
16 convent site in Derry, to identify in the document where you say this occurs.
17 And if you can't identify in the document where you say it occurs, then to say
18 that to the Tribunal, Mr. Reynolds.
19 A. I have to say that I wouldn't be prepared to say to the Tribunal that it
14:30:28 20 totally and absolutely excludes O'Neills from any reference to the Derry thing.
21 I couldn't in all honesty. And I'm not interested here in swearing lies or
22 swearing -- as I believe them. I'm not here to do it. I never did it in my
23 life and I paid a heavy price at times but I'm not going to do it now either.
24 Q. 540 What you have told the Tribunal, Mr. Reynolds, is that in your view this
14:30:57 25 document covered not just the Lissenhall but the Derry lands. And that the
26 payment of 50,000 pounds that was made to you in April 1998 covered expenses
27 that were connected with the Derry site also, isn't that right?
28 A. Yeah, sure.
29 Q. 541 Now, on the basis that that's your evidence. Will you simply indicate to the
14:31:15 30 Tribunal where in this document the convent site in Derry is dealt with?

- 14:31:20 1 A. It's not dealt with in the way you're talking about. But what I am saying is
2 something different. It is part of the same story. And that is that the
3 O'Neills sat down at table any time and they -- we dealt with O'Neills. What
4 business they were carrying on. Not alone in Derry but down here as well.
14:31:43 5 Now, we would understand that. It's not easy for you to understand that, and
6 I can well appreciate that.
- 7 Q. 542 And isn't it the case, Mr. Reynolds, that you entered into separate heads of
8 agreement with Dessie O'Neill in connection with the development of the Derry
9 site?
- 14:32:01 10 A. Yeah, but when you come to talk to money. Where I can't see where it has been
11 separated from each other.
- 12 Q. 543 At 1588, please?
- 13 A. 1588. O'Neill Brothers.
- 14 Q. 544 This is a document, Mr. Reynolds, headed "joint venture agreement" dated 12th
15 of December 1997.
- 16 A. Yeah.
- 17 Q. 545 And at paragraph two. It says "We will sign to the company the contract
18 entitled documents on the site we discussed for 176 houses and an hotel in
19 Derry."
- 14:32:58 20 A. Yeah.
- 21 Q. 546 That is the Derry development. Isn't that right, Mr. Reynolds?
- 22 A. Yeah.
- 23 Q. 547 And if you go back to paragraph one.
- 24 A. Yep.
- 14:33:05 25 Q. 548 It sets out that "a new UK registered joint venture company will be formed
26 owned 50 percent by O'Neill Brothers and 50 percent by Universal Management
27 Consultants. The investment trust owned by Patrick Russell and Albert
28 Reynolds."
- 29 A. Uh-huh.
- 14:33:25 30 Q. 549 What is being suggested there, Mr. Reynolds, is that an separate joint venture

14:33:25 1 company, which will be an English company will be set up to do the Derry
2 development.

3 A. Was it set up?

4 Q. 550 I'm just telling you what's in the document, Mr. Reynolds.

14:33:34 5 A. I know, I know. I was only looking for help, actually.

6 Q. 551 The document then goes on to deal with what the various parties will do in
7 relation to the Derry site.

8 A. Yeah.

9 Q. 552 Isn't that right?

14:33:46 10 A. Yeah.

11 Q. 553 That is sent by Mr. Russell to Mr. O'Neill in Derry?

12 A. Yeah.

13 Q. 554 Isn't that right?

14 A. That's what it says.

14:33:59 15 Q. 555 And that sets out the heads that had apparently been agreed in relation to the
16 Derry site. If you just look at the first paragraph?

17 A. In?

18 Q. 556 In the very first page. "Further to our meeting of yesterday the following are
19 the main terms. Heads of agreement I believe we have agreed."

14:34:25 20 A. It was a joint venture. I don't see. I don't recall it being set up was it?

21 Q. 557 I don't know whether the joint venture was set up or not, Mr. Reynolds?

22 A. Okay.

23 Q. 558 I'm simply pointing out to you that this document relates to the convent site
24 in Derry.

14:34:40 25 A. Yep.

26 Q. 559 And if --

27 A. It relates insofar as it goes.

28 Q. 560 And on the same date, Mr. Reynolds?

29 A. Yeah.

14:34:52 30 Q. 561 That you signed the heads of agreement in relation to the Lissenhall site. At

14:34:57 1 1619.

2 A. Yeah.

3 Q. 562 This is your signature on the heads of agreement in relation to the Lissenhall

4 site, isn't that right?

14:35:06 5 A. What number did you say again sorry?

6 Q. 563 1619.

7 A. 1619. Yeah. Sure we were at that before, yeah. That's signed, yeah,

8 that's my signature, yeah.

9 Q. 564 On the same day that you signed that document in connection with the Lissenhall

14:35:41 10 site. You signed a separate document in relation to the Good Shepard site in

11 Derry, Mr. Reynolds. At 1620. Do you see that document?

12 A. 1620?

13 Q. 565 Yes.

14 A. Yep.

14:35:55 15 Q. 566 Do you see your signature?

16 A. I do.

17 Q. 567 Do you see that the document specifically acknowledges receipt of 250,000

18 pounds sterling from O'Neill Brothers in contribution of their 50 percent stake

19 in the development of the Good Shepard common site in Derry. Do you see that

14:36:11 20 document?

21 A. 250,000 in contribution of their 50 percent stake in the development this money

22 is also totally refundable. Yeah, I do.

23 Q. 568 And you see that the money is totally refundable should the project not proceed

24 and its disbursement will be at the discretion of the UMC?

14:36:34 25 A. Yes.

26 Q. 569 I suggest to you, Mr. Reynolds, that if any portion of the Good Shepard site was

27 involved in the other document, there would have been no necessity for a

28 separate document. Do you understand the point?

29 A. Yeah but it's not the way the business was done in that group. It's not my

14:36:44 30 experience of the business the way it was done that you'd have separate

- 14:36:48 1 documents for everything, you know, and every detail.
- 2 Q. 570 Yes. And if we go back to where we started with this, Mr. Reynolds. Which
- 3 is at page 1661.
- 4 A. Yep.
- 14:36:59 5 Q. 571 And the payment of 50,000 pounds to your bank account in Longford.
- 6 A. Yeah.
- 7 Q. 572 This payment is being made out of the monies being held by Howard Jones of
- 8 Silverbeck Rymer, isn't that right?
- 9 A. Yes, sent there by the O'Neills.
- 14:37:16 10 Q. 573 Sent there by the O'Neills in connection with the Lissenhall lands project,
- 11 Mr. Reynolds. Isn't that the position?
- 12 A. And nothing belonging to Derry, is that what you're trying to say?
- 13 Q. 574 I am suggesting to you, Mr. Reynolds.
- 14 A. I don't accept it.
- 14:37:33 15 Q. 575 You don't accept it?
- 16 A. I don't accept it because I know it for a fact that there is part of those
- 17 payments were made on behalf of Derry. And why should I accept that it's all
- 18 Lissenhall. It's not all Lissenhall.
- 19 Q. 576 I'm not suggesting --
- 14:37:46 20 A. I was paying the small bits and pieces of the day-to-day expenses. And this
- 21 is coming back. And where were we at Lissenhall at that particular time? The
- 22 trouble with Lissenhall is this. Is that Lissenhall never ever sold.
- 23 O'Neills and myself went forward in Derry. Right? And the settlement
- 24 involved whatever was outstanding to go back to O'Neills. And that's what the
- 14:38:15 25 settlement was about but to try and put it all to Lissenhall, I'm sorry, I
- 26 cannot agree.
- 27 Q. 577 I'm not trying to put it all into Lissenhall, Mr. Reynolds. Because 250,000
- 28 pounds was paid by O'Neill Brothers in connection with Derry. Isn't that
- 29 right?
- 14:38:29 30 A. In connection Derry?

- 14:38:31 1 Q. 578 Yes.
- 2 A. Yep.
- 3 Q. 579 And when proceedings were issued by the O'Neill Brothers against yourself
- 4 Mr. Russell and Universal Management Company?
- 14:38:38 5 A. Yeah.
- 6 Q. 580 They sued for the return of two payments. The monies paid in connection with
- 7 the Derry site and the payments paid in connection with Lissenhall. Isn't that
- 8 right?
- 9 A. That's right.
- 14:38:49 10 Q. 581 In their proceedings that were brought in this jurisdiction. The O'Neill
- 11 Brothers allege that they had paid 350,000 pounds on foot of the Lissenhall
- 12 agreement. They had paid it to solicitors in Liverpool on foot of directions.
- 13 And they were seek the return of that money. And in addition, they were
- 14 seeking the return of 250,000 pounds they'd paid in connection with Derry.
- 14:39:09 15 Isn't that right?
- 16 A. Correct.
- 17 Q. 582 Right. Now, the 350,000 pounds that the O'Neill Brothers alleged that they
- 18 had paid on foot of the Lissenhall agreement are the 150,000 pounds that was
- 19 paid on the 9th of March 1998. And the 200,000 pounds that was paid on the
- 14:39:29 20 31st of March 1998. Isn't that the position?
- 21 A. That's it, according to the records, yeah.
- 22 Q. 583 And according to what the O'Neills said in their proceedings, Mr. Reynolds,
- 23 that you ultimately settled, isn't that right?
- 24 A. That they what?
- 14:39:44 25 Q. 584 That they brought against you, Mr. Russell and Universal Management. Isn't
- 26 that right?
- 27 A. Yeah.
- 28 Q. 585 They said that the sum of 350,000 pounds that they had paid, that was the
- 29 payment in April on the 9th of March '98. At 1647, please.
- 14:40:02 30

14:40:02 1 This payment at 1647, the O'Neill Brothers said was a payment in connection
2 with Lissenhall on foot of their agreement. It's on screen beside you,
3 Mr. Reynolds.

4 A. All right.

14:40:23 5 Q. 586 That payment is a payment on the 9th of March 1998?

6 A. Yeah.

7 Q. 587 And the O'Neill Brothers said that was a payment they made on foot of their
8 agreement in connection with the Lissenhall lands. Do you dispute that?

9 A. No, I'm not disputing anything because my approach to it was straight forward
10 and simple.

11 Q. 588 Yes. And they also --

12 A. Could I finish please?

13 Q. 589 Sorry Mr. Reynolds. Sorry.

14 A. I paid what I was entitled to pay the O'Neills. Others were entitled to pay
14:40:46 15 some of the things you are bringing out here. So the settlement represented
16 and accepted by O'Neills as what I knew I had to pay. They were looking for
17 more. They didn't they didn't get more. And I don't know what they got from
18 others. But I settled my liability with them straight forwardly enough. And
19 what I'm saying is whatever way you want to judge this in or out or around
14:41:15 20 about. The O'Neills were the people who paid the money. The O'Neills were
21 the people that settled the deal. So whatever little movements here and
22 there, you want to say was this for this or this for that. It was all put
23 together in the settlement and it was all paid.

24 Q. 590 And at 1659. This payment of 200,000 pounds, which was made to Silverbeck
14:41:40 25 Rymer on the 31st of March 1998 by the O'Neills was stated by the O'Neills to
26 be in pursuance of their agreement in connection with the Lissenhall lands.
27 Do you understand, Mr. Reynolds?

28 A. Yeah, go ahead

29 Q. 591 According to the O'Neills, those two payments of 150,000 pounds and 200,000
14:41:59 30 pounds were made by them in connection with the Lissenhall lands. Do you

14:42:04 1 agree with that?

2 A. I agree with that. But I would also put side by side with it, they accepted a
3 settlement from me for the figure that I know I was entitled to. Whatever
4 they may have said about they paying for this or that or the other. I paid
14:42:22 5 what I was entitled to pay. And, you know, matter -- we could spend here all
6 day. But that's where the reality lies at the end of the day. I'm not
7 hiding anything.

8 Q. 592 And therefore, Mr. Reynolds. When we come to look at your instructions to
9 Mr. Jones. At 1661. On the 1st of April 1998. The fund out of which you
14:42:45 10 are directing Mr. Jones to make these payments are the monies that the O'Neills
11 paid in pursuance of the Lissenhall lands agreement. Isn't that right?

12 A. Well how could 20.

13 Q. 593 Just listen to the question Mr. Reynolds.

14 A. Yeah well this is part of the question.

14:43:01 15 Q. 594 Yes. The fund out of which you were directing Mr. Jones to pay these monies?

16 A. Yeah.

17 Q. 595 Is the 350,000 pounds that the O'Neill Brothers has paid in connection with the
18 Lissenhall lands. Isn't that right?

19 A. Yeah.

14:43:16 20 Q. 596 Now, where we started, Mr. Reynolds this afternoon was item no. 2.

21 A. Just before you leave that.

22 Q. 597 Yeah.

23 A. In that 1661 in front of you. Isn't that the one you had me looking at or is
24 it?

14:43:33 25 Q. 598 That's 1661. Yes, Mr. Reynolds.

26 A. Sure, we know from the very start today that 20,000 of Irish punts went to
27 Willie Adams. Are you trying to say that he wasn't paid at that stage or what
28 are you?

29 Q. 599 No Mr. Reynolds. The only question I have for you relates to item no. 2 on
14:43:52 30 that list, which relates to 50,000 pounds to yourself.

- 14:43:55 1 A. Are you saying that I wasn't entitled to get it or?
- 2 Q. 600 No, Mr. Reynolds, I am not suggesting anything. I am asking you what expenses
3 or why that payment was made to you?
- 4 A. It was made for day-to-day expenses.
- 14:44:07 5 Q. 601 In connection with what?
- 6 A. In connections with the operations that we were going through. And it wasn't
7 all separately one or the other. Whatever it was the day-to-day expenses in
8 relation to whatever. You know yourself there are day-to-day expenses.
- 9 Q. 602 In relation to what, Mr. Reynolds? In relation to what had you incurred 50,000
10 pounds day-to-day expenses?
- 11 A. I haven't the list with me.
- 12 Q. 603 Do you have a list?
- 13 A. I don't know.
- 14 Q. 604 Do you mean --
- 14:44:37 15 A. Because the way you run small business like that getting off the ground is you
16 agree between the principals, what's what and what's what. And as long as
17 they both agree you go off and do it. Supposing Pat Russell wanted to fill
18 his car and he hadn't money going up to Derry, you know.
- 19 Q. 605 Are you suggesting that the 50,000 pounds was petrol expenses, Mr. Reynolds?
- 14:45:08 20 A. I am not suggesting that. I am just trying to say there are day-to-day --
21
- 22 CHAIRMAN: I think he's just giving that as an example.
- 23 A. An example. That's all.
24
- 14:45:12 25 Q. 606 MS. DILLON: Is it possible that any of that money was used to buy out any
26 minority interest that was in the site Mr. Reynolds?
- 27 A. None whatsoever. None. And the minority interest, I have listened to it all
28 day. I'd love to say I'd be able to help me. Believe me, if I knew the
29 answer you'd have got it this morning. You wouldn't be looking for it at this
14:45:34 30 stage of the day. That's my honest opinion. Over to you.

- 14:45:37 1 Q. 607 And insofar as payment number three is concerned, which is a payment of 25,000
2 Irish pounds to Mr. McFeely what connection had Mr. McFeely to the Lissenhall
3 lands?
4 A. None that I'm aware of.
- 14:45:51 5 Q. 608 Who is Mr. McFeely?
6 A. McFeely is a builder from Derry.
7 Q. 609 Why was Mr. McFeely being paid 25,000 pounds?
8 A. Because he had advanced it to Russell when he was up in the North. That's
9 what I was told by Patrick Russell.
- 14:46:06 10 Q. 610 And insofar as payment number four, the 20,000 Irish punts to Willie Adams.
11 Is that the payment to Mr. Adams in connection with him having an expectation,
12 as you have described, in relation to the deal?
13 A. Correct.
14 Q. 611 And was that paid to Mr. Adams?
15 A. Yes.
- 14:46:20 16 Q. 612 And that was paid in connection with Mr. Adams --
17 A. Lissenhall.
18 Q. 613 Lissenhall interest?
19 A. Correct.
- 14:46:26 20 Q. 614 And the 10,000 pounds to Mr. Brendan Flynn?
21 A. He -- Mr. Brendan Flynn had a double role in one sense. In that he brought
22 forward a project in Paris that he thought would have interest. So it's a UMC
23 one, you know, I suppose. It's in support of both of them so. It didn't
24 come out the at anything so that was it.
- 14:46:56 25 Q. 615 So the total --
26 A. He was a finder if you want to put it. He was one of the finders of bringing
27 forward projects.
28 Q. 616 But he wasn't connected to the Lissenhall lands. Is that correct?
29 A. Well, at one stage Pat Russell had said to me to that Brendan Flynn had a
14:47:14 30 contribution to make in relation to the ownership. Sorry. Not the

14:47:20 1 ownership. That's Tim Collins. In relation to the possibilities of making a
2 contribution towards, an oral contribution I'm talking about now. Towards the
3 problems that were seen ahead in Lissenhall in relation to access roads that he
4 knew some the farmers or something there that might be able to help him in
14:47:42 5 getting planning permission at the end of the day. And the other one, the
6 other area was wait until I see. It was all about Lissenhall site anyway
7 about improving it.

8 Q. 617 Who was Mr. Brendan Flynn, Mr. Reynolds?

9 A. Mr. Russell brought him to me. I don't know.

14:48:03 10 Q. 618 And is that as much as you knew about Mr. Flynn what you've just outlined to
11 the Tribunal?

12 A. Well, others would know him. I wouldn't know him. He's known apparently
13 around, I inquired. Of being presenters of projects, trying to -- like a,
14 what do you call them, like auctioneers would do or valuers would do and all of
14:48:29 15 them. If you're buying and selling land you have to get somebody to try and
16 sort out little problems for you along the way. Maybe they're personality
17 problems or whatever they were. That's the sort Flynn was.

18 Q. 619 So on the 1st of April '98, Mr. Reynolds, you had directed the payment of
19 100,000 pounds to First Independent solicitors, isn't that right?

14:48:48 20 A. Yeah.

21 Q. 620 We saw that.

22 A. Yeah.

23 Q. 621 And on the 1st of April 1998 you are then directing payments of a sum of
24 approximately 115,000 pounds, isn't that right?

14:48:59 25 A. Here in front of me?

26 Q. 622 Yes.

27 A. This lot?

28 Q. 623 Isn't that right?

29 A. Yeah.

14:49:05 30 Q. 624 And the balance to go to Mr. Russell?

- 14:49:08 1 A. Yeah.
- 2 Q. 625 Was that the balance of the money that would be left after the 100,000 pounds
3 had been paid and these payments out had been made?
- 4 A. When I agreed, I just recall that because I agreed everything with the O'Neills
14:49:20 5 before I did any of those things. And there would be agreement there or else
6 I wouldn't be directing them to be paid. So you can take it that what I
7 wanted to be sure in doing things like this was that I was aware of what bills
8 were there to be paid. And that they would be all checked out. And I would
9 rely on O'Neills because they were doing a job in Liverpool as well.
- 14:49:55 10 Q. 626 Did you see any bills for Mr. McFeely, Mr. Adams or Mr. Brendan Flynn?
- 11 A. No, they had be loaned to them. No, Flynn had been brought in and Russell
12 certified the money for him to get paid. He said that Mr. McFeely was owed
13 money that he ran short of money and he was owed money. And O'Neills agreed
14 with that. And who else was there. Willie Adams was there from day one.
- 14:50:18 15 Q. 627 So out of the 350,000 pounds that the O'Neills paid in connection with the
16 Lissenhall lands?
- 17 A. Yeah.
- 18 Q. 628 You directed payments of a sum of approximately 215,000 pounds of that. Is
19 that right?
- 14:50:29 20 A. Is that what it adds up to?
- 21 Q. 629 Well you take the 100,000 pounds to First Independent solicitors.
- 22 A. Yeah.
- 23 Q. 630 Which is contained in the document we saw earlier?
- 24 A. Okay.
- 14:50:38 25 Q. 631 If you add to that, the sum of 115,000 pounds, which is on the document on
26 screen, excluding the balance of to Mr. Russell T gives you a figure of
27 approximately 215,000 pounds.
- 28 A. Yeah.
- 29 Q. 632 That would suggest, Mr. Reynolds, that the greater portion of the monies that
14:50:53 30 were paid by O'Neills in Derry were disbursed to your order or on your

14:50:59 1 instruction?

2 A. Well you can't say that fully. Because, I mean, O'Neills agreed with me and

3 if they had any problems they'd have to agree them with Russell.

4 Q. 633 Yes. And did you keep any record at all Mr. Reynolds, of your agreement with

14:51:15 5 O'Neills in relation to these payments?

6 A. Well if I did they're not -- you know, if I did they are burned out and gone

7 because I wasn't holding them. Once we were finished we were finished. I

8 could see everything finished on the day we settled and they gave me a

9 clearance, that was it.

14:51:41 10 Q. 634 Certainly?

11 A. I'm sure there were some bits and pieces hanging around. They're not there

12 now and they haven't been there for a long time.

13 Q. 635 Certainly, Mr. Reynolds, in the documents that you have provided to the

14 Tribunal insofar as these transactions are concerned. There is nothing to

14:51:58 15 indicate that you consulted with the O'Neill Brothers in relation to the

16 payments before you made them, isn't that the position?

17 A. That may be right. But you take up the phone and you rang O'Neills. That's

18 the way they did business. They rang me too, so I mean, it wasn't the way

19 you'd expect that everything was documented this, this and this. I have no

14:52:20 20 doubt whatever documentation I had when your Tribunal started I supplied it to

21 the Tribunal about four years or four and a half years ago or whatever period

22 it was.

23 Q. 636 And the monies Mr. Reynolds, over which you were directing operations, if I can

24 put to the like that --

14:52:37 25 A. I wasn't. No, no, no, no. Now, wait now, I wasn't sitting down directing

26 operations now and everything. O'Neills and Russell were doing the business.

27 And I was there as an investor. I hadn't the time at that stage to be doing

28 day-to-day on it. First of all, you have to wait until you get planning

29 permission or nothing happens in Derry. And secondly, you want to wait until

14:53:03 30 the ownership decides to sell that site there before demands full-time for me.

14:53:13 1 As it turned out I was right. Because Derry didn't go for one reason. And
2 the other one didn't go for the reason that the owners didn't want to sell.

3 Q. 637 We're looking now Mr. Reynolds, at who is the person who dealt with the funds
4 that were paid by O'Neills on foot of the Lissenhall lands agreement. And
14:53:32 5 page 1660.

6 A. 1660.

7 Q. 638 Which is your own handwritten document. Isn't that right?

8 A. 1660, yeah, that's right.

9 Q. 639 That's your handwriting?

14:53:45 10 A. Yeah, that's right.

11 Q. 640 So far as this instruction in respect of the 100,000 pounds is concerned. You
12 went to the trouble of sitting down and writing out the instruction in
13 longhand. Isn't that right?

14 A. Yeah.

14:53:55 15 Q. 641 And this document in its opening paragraph says and I quote.
16
17 "This is to confirm our telephone conversation of this morning of my
18 instructions to you to transfer 100,000 pounds sterling to the account of First
19 Independent solicitors."

14:54:11 20 A. Uh-huh.

21 Q. 642 Is that document correct, Mr. Reynolds?

22 A. Yeah, of course.

23 Q. 643 And therefore you instructed Mr. Jones to transfer 100,000 pounds. Isn't that
24 right?

14:54:20 25 A. Yeah.

26 Q. 644 And on the second document at --

27 A. Just before we leave that one.

28 Q. 645 Yes.

29 A. Could I just point out. That it's clear to me that Howard apparently rang me
14:54:29 30 to get agreement on that before he did it.

- 14:54:33 1 Q. 646 He rang you, Mr. Reynolds?
- 2 A. Well it looks like it. This is to confirm our telephone conversation of this
- 3 morning.
- 4 Q. 647 And at 1661.
- 14:54:45 5 A. 1661.
- 6 Q. 648 This deals with the disbursement of 115,000 pounds from the same fund, which is
- 7 the monies that the O'Neill Brothers paid in connection with the Lissenhall
- 8 lands?
- 9 A. Yep.
- 14:54:54 10 Q. 649 I think you've accepted that that letter was sent on your instructions?
- 11 A. Yeah, it looks like.
- 12 Q. 650 Isn't that right?
- 13 A. Looks like it.
- 14 Q. 651 Therefore, insofar as a minimum of the 215,000 pounds of the money that the
- 14:55:06 15 O'Neill Brother paid in connection with the Lissenhall lands is concerned, it
- 16 was disbursed or paid out on foot of written instructions from you. Is that
- 17 correct?
- 18 A. Just to go back to '61. While that is not my signature there. Nevertheless,
- 19 I don't disagree. So it could -- it looks to me as if it was a secretary or
- 14:55:27 20 somebody who thing and, you know, isn't that for Albert Reynolds or something?
- 21 Q. 652 That's what it appears to be.
- 22 A. That's what it appears to be. So it's not my personal signature. I'm not
- 23 disagreeing with anything.
- 24 Q. 653 But the question I had put to you, Mr. Reynolds, was. Taking the two
- 14:55:47 25 documents together?
- 26 A. Yeah.
- 27 Q. 654 That a sum of at least 215,000 pounds was paid out of the monies that were paid
- 28 by the O'Neill Brothers in connection with the Lissenhall lands on foot of your
- 29 instructions?
- 14:55:58 30 A. Not, no, no, no I can't accept that fully. Certainly I would be involved in

14:56:03 1 it. But I have made it clear to the man in Liverpool. I tried to make it
2 thing and I said O'Neills have to agree. O'Neills have to agree with whatever
3 is done. It's not a question of me taking over the fund. Me deciding
4 everything, me writing the cheques for whoever I wanted to write the cheques
14:56:25 5 for or indeed cheques to myself or anybody else. Everything had to be agreed.
6 And I'm not saying that it worked fully. But we'll leave that out.

7 Q. 655 And ultimately when you came to settle the lands by the route that we saw this
8 morning, Mr. Reynolds. You included in your settlement the claim by the
9 O'Neills, that 350,000 pounds had been paid by them in connection with the
14:56:50 10 Lissenhall lands. Isn't that right?

11 A. Whatever the lawyers agreed. They handled that.

12 Q. 656 The O'Neill Brothers had made two claims in respect of money against yourself,
13 Mr. Russell and Universal Management Company Limited. Isn't that right?

14 A. Whatever they made. I accept.

14:57:07 15 Q. 657 They had claimed 350,000 pounds that they said that they had paid on foot of
16 the Lissenhall lands agreement. And a sum of 250,000 pounds which they said
17 they had paid in connection with the site in Derry?

18 A. Right. Okay. I accept what you're saying.

19 Q. 658 Isn't that what you're saying?

14:57:22 20 A. I accept what you're saying.

21 Q. 659 And that was compromised by you. And your portion of the settlement, we saw
22 this morning where we saw 300,000 pounds was paid.

23 A. It was settled for 300,000 pounds.

24 Q. 660 Insofar as you were concerned?

14:57:35 25 A. Yeah.

26 Q. 661 It was settled for 300,000 pounds?

27 A. Yeah.

28 Q. 662 Is that the position?

29 A. Sure.

14:57:40 30 Q. 663 Now, did anybody else direct how that money that came in from O'Neills in

14:57:46 1 connection with the Lissenhall lands was to be spent?

2 A. I made it clear that it was to be spent. At -- that the O'Neills would know

3 and should be known and told in advance and they either agree or disagree. I

4 was the same myself. But as far as I was concerned I trusted the O'Neills.

14:58:09 5 And if they okayed some payment, which they did from time to time, fine. And

6 furthermore, they were also interested in doing a joint venture in Liverpool.

7 Not with UMC but with Pat Russell. Because he had two projects in mind in

8 Liverpool. And they were saying that, you know, work was short in Northern

9 Ireland or in Derry at the time. And they were having their own discussions

14:58:41 10 between each other. I tried to the best way I could to try and keep the

11 amounts.

12

13 And it does I'm sure appear from the settlement that that carried right

14 through. The only reason the settlement was delayed that caused the problem

14:59:00 15 for us this morning, for me rather you. Was that I'd forgotten about the

16 thing, the deal not being finished when it should have been finish in May.

17 And then it came around to be done in July. I wasn't at home. I was down in

18 Galway on me holidays, at the Races. Okay.

19 Q. 664 I didn't make myself clear, Mr. Reynolds, I think there. The question I had

14:59:32 20 put to you was did anybody else give directions to the solicitors in relation

21 to the monies that the O'Neills paid other than yourself?

22 A. I'm sure Pat Russell did.

23 Q. 665 Certainly insofar as 215,000 pounds of it is concerned, you were the person who

24 gave the directions, isn't that right?

14:59:44 25 A. Oh, yeah. But I mean, clear understanding that I wasn't issuing any money

26 that the O'Neills weren't okay with. I mean, I would -- any time I was asked

27 to approve money if I was at home, if I wasn't they would have gone without me

28 if it was urgent.

29

15:00:03 30

15:00:03 1 CHAIRMAN: Sorry Mr. Reynolds. I think what Ms. Dillon seeks to establish
2 is, were the only person who had authority to direct money to be paid from the
3 Liverpool account?
4 A. Oh, no.

15:00:18 5
6 CHAIRMAN: Or could other people like Mr. Russell write a letter and direct
7 payment or was the only person who could direct a payment yourself?
8 A. No, no --
9

15:00:30 10 CHAIRMAN: Having reached whatever agreement you reached?
11 A. I wasn't the only person, no.
12
13 CHAIRMAN: All right.
14 A. And you must bear in mind that the solicitor was not chosen or employed by UMC
15 from the start. He was Russell's solicitor, as far as I know.
16
17 CHAIRMAN: All right.
18

15:00:59 19 Q. 666 MS. DILLON: I think, Mr. Russell (SIC) that you discovered in 1998 after the
20 money had been paid by O'Neills, that there was a difficulty in buying the
21 Lissenhall site?
22 A. Correct.

15:01:14 23 Q. 667 And I think that you discovered this as a result of a contact that was made by
24 your then solicitors, Mr. Loomes, with Messrs. O'Donnell Sweeney solicitors for
25 Rayband and Mr. Moran?
26 A. I have to put the record straight. Loomes were never my solicitors. I never
27 instructed Loomes solicitors. The only time I spoke to Mr. Loomes himself was
28 when he wasn't getting paid his fees from anybody. And he phoned me up and I
29 told him straight out, that you know, he hadn't been talking to me. He never
15:01:44 30 got any instructions from me. And he accepted that after a long discussion

15:01:47 1 and that was it. That was that situation. In relation to the land not being
2 for sale, I told -- I think I told the Tribunal here that, you know, it was Pat
3 Russell's story was that, you know, Mr. Collins was the right man to have on
4 the thing and there was some talk that he had an interest in the lands itself.
15:02:15 5 And I didn't know but after a while it dragged on and on and I said to Russell
6 look, I says, what is the real position in this. Why is he going on so long.
7
8 And I got my solicitors who knew a girl that worked for that firm that were
9 handling, that would have been handling that. And she said she wasn't aware
15:02:44 10 of anything going forward in the office for sale. So I asked Russell again
11 straight out. He brought Tim Collins to me. And I have to say I wasn't
12 satisfied I wasn't getting answers to the questions I was asking about. Like,
13 what are we doing, where's it going, all of this. And I was getting very
14 vague answers. On the same day I took up the phone, I rang Joe Moran, made a
15:03:16 15 date with him for to have lunch. And in two minutes I was told we have no,
16 this land is not for sale. And I can't -- I don't want to be unfair. I
17 think he said it never was for sale. But I'm not absolutely sure about it.
18
19 So after that the shutters were drawn down to the whole lot and that was it.
15:03:43 20 And I made arrangements. I was glad to get out and get all of the problems
21 solved in UMC. I went back to working myself only in relation to where I
22 could get a deal. And because that's the way I was used to it. And I have
23 to say that, yeah, it was a bad experience in Lissenhall. Derry was my own
24 call. Very bad experience in that but I got back. Just pulled the shutters
15:04:20 25 down on the whole lot. Paid whoever had to be paid. Not necessarily the
26 people that might have been looking for money. But anybody who was due in my
27 book they got paid. And I went back to looking for deals myself and I have to
28 say that the first one I did I recovered between six and seven times what I
29 lost on, personally, on Lissenhall and the one in Derry. And I have stayed
15:04:52 30 doing my own business myself and dealing with professional people like

15:04:57 1 auctioneers or whoever. Bad experience but you pay for what you get.

2 Q. 668 Certainly by June of 1998 for whatever reason, at 1666, Thomas Loomes & Co.

3 were writing to you and telling you about a conversation they'd had with

4 O'Donnell Sweeney solicitors. Isn't that right?

15:05:17 5 A. That's correct.

6 Q. 669 Yes.

7 A. But I didn't -- I had no connections. They were writing to me. I mean, I

8 hadn't given them any instructions. I didn't know anything about it and that

9 was it. I decided, that's why I decided to sort it out meself. Let's find

15:05:34 10 the man who owns the ground and ask him straight. And that's what I did.

11 Q. 670 In the second paragraph there the solicitor I think, I think it's Ms. Rosario

12 Lee set out that she had contacted Mr. Crowley of O'Donnell Sweeney. And that

13 she had confirmed that she does not act on behalf of Mr. Moran and there is a

14 site at Lissenhall which is -- that she does act on behalf of Mr. Moran and

15:05:54 15 there is a site at Lissenhall which is owned by Rayband. However, she has

16 indicated to me that she has absolutely no instructions in relation to the

17 matter. She further advised that she was not aware of any further

18 negotiations pending.

19

15:06:08 20 When you mentioned to the Tribunal a few minutes ago Mr. Reynolds, that your

21 solicitor had received confirmation for the solicitors for Mr. Moran, that they

22 had nothing doing in relation to the lands in their office. Was this the

23 letter to which you were referring

24 A. My own solicitors?

15:06:25 25 Q. 671 Yes.

26 A. My own solicitors didn't ring up officially on behalf of UMC or whatever. He

27 knew some girl in the office and says I have a customer here I presume it's

28 something like this he says. He says and I'd just like to know if there's

29 business to be done there. That's the sort of inquiry that was there. There

15:06:46 30 wasn't a sort of official letter written from there to there, you know.

- 15:06:50 1 Q. 672 Certainly by this time in June 1998, the money that had been received from
2 O'Neills in connection with the Lissenhall lands which had been paid possibly
3 in connection with the minority interest. Had all been spent. Is that
4 right, Mr. Reynolds?
- 15:07:05 5 A. I don't know.
- 6 Q. 673 Well we've seen what happened to at least 215,000 pounds of it, isn't that
7 right?
- 8 A. Sure.
- 9 Q. 674 And that money at least was gone to the various destinations identified by you
15:07:15 10 in your correspondence with Mr. Howard Jones, isn't that right?
- 11 A. At least some of it anyway. I don't know if it all was.
- 12 Q. 675 Well I didn't understand you to tell the Tribunal that Mr. Jones did not carry
13 out your instructions?
- 14 A. I think Mr. Jones was, I may be wrong. I haven't the timing actually.
15:07:40 15 Mr. Jones left that firm or was removed from that firm, I don't know.
- 16 Q. 676 Were the monies that you had directed to be paid to First Independent
17 solicitors paid Mr. Reynolds?
- 18 A. Was it paid?
- 19 Q. 677 Yeah.
- 15:07:55 20 A. Oh, I've no reason to believe it wasn't.
- 21 Q. 678 And the monies that you had directed that were to be paid in the second
22 correspondence, dated the 1st of April 1998. Being the 50,000 pounds to
23 yourself and to the various other disbursements, were they all paid?
- 24 A. You can take it from me that if I owed somebody 50,000 pounds I'd have paid it
15:08:16 25 to them. The fact that I can't give you the exact detail and what this was
26 for or what that was for. It was agreed between me and the people in
27 O'Neills. I guarantee you when they came to salvage the claim there was no
28 claim for that. So I have to assume that everything was okay.
- 29 Q. 679 So that certainly by the time you received this communication in June of 1998,
15:08:38 30 in connection with the Lissenhall lands. The monies that had been paid by

15:08:43 1 O'Neill Brothers are gone or are substantially gone. Isn't that right?
2 They've been paid out.
3 A. I couldn't give you a detailed answer to it. But you can take it that it was
4 there or thereabouts.
15:08:53 5 Q. 680 I beg your pardon?
6 A. I would expect it was there or thereabouts.
7 Q. 681 When you say it was there or thereabouts. Are you saying that the money was
8 there and available or are you saying that the money had been spent in the
9 manner that the documents record?
15:09:08 10 A. I would say I expected that the money would be spent. Insofar as I wouldn't
11 know the details. The solicitor wasn't giving me the details. And as I said
12 subsequently, or here not long ago, the solicitor either left or was removed
13 from the office, I don't know.
14 Q. 682 And certainly by November of 1998 O'Neills were looking for their money back,
15:09:34 15 Mr. Reynolds, isn't that right?
16 A. Sure.
17 Q. 683 And you entered into I think an agreement. At 1692.
18 A. Yep.
19 Q. 684 And is this a rather bad photocopy of a letter that would originally or a
15:09:49 20 document originally written by you?
21 A. 1692. I'll get it for you one second now sorry about that. It's not very
22 good handwriting anyway.
23
24 CHAIRMAN: Have we a typed copy?
15:10:17 25
26 MS. DILLON: Pardon.
27
28 CHAIRMAN: Have we a typed copy.
29
15:10:21 30 MS. DILLON: It's behind it. Then I can move onto the typed copy

- 15:10:25 1 A. Okay.
- 2 Q. 685 Do you confirm, first of all, that that's your writing Mr. Reynolds?
- 3 A. Yeah.
- 4 Q. 686 And that it's signed at the bottom by the O'Neill Brothers and that it's also
- 15:10:35 5 signed by yourself and Mr. Russell?
- 6 A. Correct.
- 7 Q. 687 And it's witnessed at the seem by Mr. Noel Gallagher?
- 8 A. Yes.
- 9 Q. 688 And dated the 24th November 1998?
- 15:10:44 10 A. Whatever, yeah.
- 11 Q. 689 And the typed version is at 1693?
- 12 A. Yeah.
- 13 Q. 690 This is the typed version of the document. It records the agreement made on
- 14 24th of November 1998 between O'Neill Brothers of Derry and UMC Limited two of
- 15:10:59 15 projects?
- 16 A. Uh-huh.
- 17 Q. 691 "1. The Derry project: O'Neill Brother to take full responsibility for the
- 18 completion and financing of the project. UMC Limited to repay the sum of
- 19 175,000 pounds to O'Neill Brothers by the 31st of January 1999. The hotel
- 15:11:13 20 project is withdrawn. And the Swords project. UMC Limited to repay to
- 21 O'Neill Brothers the sum of 350,000 pounds by the 31st of December 1998. And
- 22 in addition pay 20,000 pounds to Noel Gallagher and a further 20,000 pounds to
- 23 A N Other."
- 24 A. Uh-huh.
- 15:11:30 25 Q. 692 That's the document you signed, Mr. Reynolds?
- 26 A. Correct.
- 27 Q. 693 Now, that document creates a distinction between two projects, isn't that
- 28 right?
- 29 A. Sure.
- 15:11:38 30 Q. 694 And it identifies the Derry project and the monies that are to be paid and the

15:11:43 1 Swords project and the monies that are to be paid. Is that right?

2 A. Correct.

3 Q. 695 And the amount of money that's to be repaid in connection with the Swords

4 project is 350,000 pounds, isn't that correct?

15:11:51 5 A. Correct.

6 Q. 696 In addition a sum of 20,000 pounds is to be paid to Noel Gallagher?

7 A. Correct.

8 Q. 697 Was that sum paid?

9 A. Yes.

15:11:58 10 Q. 698 Was that sum paid by you, Mr. Reynolds?

11 A. I think it was, yeah. Almost certain it was, yeah.

12 Q. 699 And that document --

13 A. You could take it that it was, yeah.

14 Q. 700 And that document appears to record, Mr. Reynolds, that sum of 20,000 pounds to

15:12:17 15 be paid to Mr. Noel Gallagher was in some way in connection with the Swords

16 project. Would you agree with that?

17 A. No, he never had anything to do with the Swords project. Not very much. The

18 most of that would be for the other project. The Derry project.

19 Q. 701 Well --

15:12:35 20 A. For Gallagher now.

21 Q. 702 Well if that is the case, Mr. Reynolds, why wasn't the payment to Mr. Noel

22 Gallagher added in to paragraph one which deals with the Derry project?

23 A. Where did -- who translated this into this? Was it the Tribunal or was it

24 somebody on my side?

15:13:00 25

26 CHAIRMAN: I think it was the Tribunal that drew up.

27

28 JUDGE FAHERTY: Go back to the original.

29

15:13:06 30

- 15:13:06 1 Q. 703 MS. DILLON: 1692, please.
- 2 A. Yeah. I don't know. I just, you know. This was a get together and Noel
- 3 Gallagher was at it to try and find a solution to the whole situation. And
- 4 that's what came out of it. I would have paid up my share. And what I was
- 15:13:34 5 responsible for if the other man was in a position to do his, he agreed that he
- 6 would do it at the time. But subsequently changed his mind and that's why
- 7 that didn't go through.
- 8 Q. 704 Can I draw to your attention, Mr. Reynolds, on the handwritten version at the
- 9 very beginning it refers to two projects?
- 15:13:53 10 A. Yeah.
- 11 Q. 705 And then you have the number one beside the Derry project. Do you see that?
- 12 A. Yeah.
- 13 Q. 706 And you have no. 2 besides the Swords project.
- 14 A. Yeah.
- 15:14:01 15 Q. 707 And if you read down through that. It says at the end of the Swords project
- 16 "and in addition."
- 17 A. Yeah.
- 18 Q. 708 "Pay 20,000 pounds to Noel Gallagher"
- 19 A. Uh-huh.
- 15:14:11 20 Q. 709 "And a further 20,000 pounds to A N Other." Isn't that right?
- 21 A. Uh-huh.
- 22 Q. 710 There isn't a number three there, isn't that right?
- 23 A. No.
- 24 Q. 711 So that the payment to Mr. Gallagher is tied in by the author of the document,
- 15:14:23 25 namely yourself, to the Swords project. On the face of the document?
- 26 A. Okay. But, I mean, we wouldn't be that much -- oh, there'd be some difference
- 27 in it but, I mean. When you are trying to settle something you don't go into
- 28 the pennies.
- 29 Q. 712 And at 1693. If that is the case then?
- 15:14:43 30 A. Yeah.

- 15:14:43 1 Q. 713 It would follow, Mr. Reynolds, that the 20,000 pounds payment to A N Other was
2 probably in connection with the Swords project?
- 3 A. I wouldn't be sure. Because I wouldn't be sure because it never was paid
4 anyway. Because and I think I said earlier, I found Mr. Gallagher in Scotland
15:15:06 5 and asked him could he throw any light on this because he was at the meeting.
6 Throw any light on this. And he said no, there was help he says along with
7 the Swords project or along with the other project. He had very little to do
8 with Swords, with Lissenhall. And he said I don't know he says whether this
9 man hasn't been around for a good while. And I don't know if he feels he
10 should get something out of it, whether he does or he doesn't. But he says
11 I'm damned he says if I can think of the man's name. Because he wasn't a
12 friend of mine or he wasn't in any connection of his or otherwise, you know.
13 So that's the best I can tell you about it.
- 14 Q. 714 You can't assist as to who that 20,000 pounds, where it was directed or who was
15 to get it?
- 16 A. It didn't go anywhere. If I -- I tried my best in over the last three days to
17 try and track it down for you and I couldn't. But you see, it's very hard to
18 track it down when nobody got it, do you know what I mean. It's easier when
19 you go to somebody and say did you get 20,000 three or four years ago. I'm in
15:16:18 20 the trying to go around the thing at all. And if I find out, and I only
21 finished last night. If I find out you'll be told.
- 22 Q. 715 In your statement to the Tribunal. You accept Mr. Reynolds, that you are the
23 ultimate beneficial owner of the Jersey company Universal Management
24 Consultants?
- 15:16:35 25 A. Uh-huh.
- 26 Q. 716 Isn't that right?
- 27 A. There wasn't any beneficiary unfortunately.
- 28 Q. 717 Yes. In your statement to the Tribunal in relation to the Lissenhall lands.
29 At 2226, please.
15:16:46 30

15:16:46 1 I want to draw to your attention the last two paragraphs of that statement,
2 Mr. Reynolds.

3
4 "Universal Management Consultants Limited was a company which it was proposed
15:17:02 5 would hold my interest in the property in the event that the transaction went
6 ahead. As set out above, the proposed transaction never went ahead. Right?
7 I was not a director of the company nor did I ever become a shareholder of the
8 company. Mr. Russell had been negotiating with various parties and various
9 projects had been introduced to him. Had any of these projects progressed
10 then it was proposed that Universal Management Consultants would hold any
11 shareholding which I might take in any of the proposed developments."

12
13 Do you see that?

14 A. Yep.

15:17:36 15 Q. 718 Where in your statement do you disclose to the Tribunal that in fact you are
16 the ultimate owner of Universal Management Consultants?

17 A. I thought the whole future was here. If anything had happened. If Universal
18 had gone ahead I'd be a beneficiary. If it didn't go ahead, I had no, nothing
19 to worry -- to deal with. So, I mean, as far as I'm concerned it was as
15:18:07 20 clear-cut as I need to be. Maybe you don't see it that way but that's fair
21 enough.

22 Q. 719 You are satisfied, Mr. Reynolds, that anybody reading that document would have
23 understood that you were the ultimate beneficial owner of Universal Management
24 Consultants Limited?

15:18:22 25 A. I was not a director of the company. Nor did I become a shareholder in the
26 company. In other words, the Universal Management was put in place. If
27 there was to be any success it was my first company to set up there and there
28 was no point in going the whole distance until the project was going to take
29 off. So we're talking now about a project that didn't take off. It wasn't
15:18:56 30 for sale in the end. And that's it. And I settled the case, paid what I had

15:19:02 1 to pay and the company was subsequently (collapse hands) wrote off or
2 de-registered or whatever they did.

3 Q. 720 I want to ask you something, Mr. Reynolds. And before you answer it, you may
4 wish to consult with your legal advisors and it would be proper that you do so
15:19:22 5 before you. Would you be prepared to consult to the Tribunal getting access
6 to all of the foreign companies and banks that have been referred to today in
7 connection with these matters that have been identified in relation to any of
8 the accounts that there might be. Before you answer that, Mr. Reynolds, I
9 think you should take an opportunity to consult with your advisors.

15:19:43 10
11 CHAIRMAN: Well if you wish to.

12 A. Would.

13
14 CHAIRMAN: Would you like to talk to your solicitor?

15:19:48 15 A. I don't want to give the wrong impression by not talking to my solicitor. As
16 far as I'm concerned I know what the general public would be thinking, this
17 fella has accounts here and accounts here and there and every where. Because
18 you set up an account in Jersey. If I was going to the project in Paris. If
19 I was taking on a few of the projects that Russell had in the UK, then most of
15:20:13 20 the activity would be abroad. And it would make a lot of sense.

21
22 CHAIRMAN: Well the suggestion by Ms. Dillon doesn't in any way suggest that
23 there's anything improper about any of your foreign dealings. It's just what
24 she's asking you is are you prepared to consent that the Tribunal would have --
15:20:35 25 could approach the various companies and banks which have come up in the course
26 of the evidence today with a view to ascertaining details to assist in its
27 inquiries. And she then said if you wished, she quite rightly suggested, that
28 if you wished to check with your solicitor before saying yes or no to that, you
29 could do so.

15:20:58 30

15:20:58 1 But if you are happy to say yes to it or indeed no to it.

2 A. Well I don't want to be doing. To be taking away from their advice as to what

3 they might say. Let me say this to you. That every bank account that was

4 mentioned here I was asked earlier and I says fine. And every other thing as

15:21:18 5 well.

6

7 CHAIRMAN: Well.

8 A. Because when -- I know it's no reflection on here or on anybody here. But the

9 first time I read my appearance of the thing was to inquire into, you know, an

15:21:36 10 offshore company that I had in Jersey. We live in a world, I mean, that is

11 not what it used to be 10, 20 years ago. In that, you know, wherever it suits

12 you to have. But you know as well as I know and I'm not going to mention it.

13 What the implications are for ordinary people that, you know, you're at what

14 you're not at.

15:22:01 15

16 CHAIRMAN: Well I think probably the best thing to do is if we rise for five

17 minutes. And perhaps, Ms. Dillon, you might be in a position to talk to

18 Mr. Reynolds' suggest and explain what the request is. And then Mr. Reynolds

19 can talk to his solicitor privately.

15:22:19 20

21 MS. DILLON: May it please you, Sir.

22

23 MR. CUSH: Mr. Chairman, just in relation to that very issue that there is now.

24 If I could just indicate that we have just in the last short while been

15:22:29 25 furnished with I think 11 consent forms in relation to the various companies

26 and banks mentioned today in the course of the hearing.

27

28 And I have to say I don't fully understand the reasoning behind the request.

29 But I would welcome an opportunity to speak to Mr. Reynolds about it. And

15:22:50 30 then if at all possible to correspond with the Tribunal in relation to it.

15:22:54 1 Because it is the first occasion on which the request has been ...

2

3

CHAIRMAN: Well that's perfectly reasonable.

4

15:23:02 5 MR. CUSH: Rather than having a five-minute consultation.

6

7

CHAIRMAN: I think we would prefer if you had an opportunity to talk to -- So

8

we'll leave that to one side for the moment.

9

15:23:09 10 MR. CUSH: I'm obliged.

11

12

CHAIRMAN: All right.

13

14

Q. 721 MS. DILLON: Thank you very much, Mr. Reynolds. If you would answer any

15:23:17 15 question that is anybody else might have for you.

16

17

CHAIRMAN: Mr. Cush, do you want to ask?

18

19

MR. CUSH: No, thank you.

15:23:23 20

21

MR. BURKE: Sorry, Chairman, I might have a few questions. On an entirely

22

different matter if I may. Just a moment or two.

23

24

CHAIRMAN: I don't immediately understand why you would want to cross-examine

15:23:35 25 Mr. Reynolds. You are acting for the Hand family.

26

27

MR. BURKE: Yes. No, it arises out of a matter which was discussed here on

28

the 23rd of March last when Mr. Dunlop was asked by me, questions about tax

29

designations.

15:23:48 30 And I have some information that Mr. Reynolds might have had concerns about tax

15:23:55 1 designations.

2

3 MS. DILLON: I don't want to cut across My Friend in relation to this.

4

15:24:01 5 CHAIRMAN: I just want to find out first of all -- we're not dealing with
6 that, Mr. Burke. I mean, if you want to correspond or talk to the Tribunal
7 legal team later and if there is good reason for you to ask Mr. Reynolds
8 questions on that subject, he can certainly be recalled. But

9

15:24:19 10 MR. BURKE: Well the reason I brought the matter up on the 23rd of March was
11 because it went to Mr. Dunlop's credibility. Initially I asked him was he
12 aware of any corruption outside of Dublin County Council. And he said
13 emphatically no. I kept pressing him and eventually he agreed that he was
14 aware on an indirect basis of some impropriety.

15:24:39 15
16 I then asked him about the off-the-record discussions. And he said -- he
17 refused to rule out the possibility that he had discussed impropriety connected
18 with tax designations on that occasion. That was within this module and it
19 went to Mr. Dunlop's credibility.

15:24:55 20
21 Now, my information is that the former Taoiseach had some very serious concerns
22 about one episode. That's not the subject matter of the O'Callaghan injunction
23 as far as I am aware. And I think it would be most helpful indeed, if I could
24 ask him because it relates to the credibility attaching to Mr. Dunlop arising
15:25:13 25 out of the questions I asked him on the 23rd of March.

26

27 MS. DILLON: But in the first place. If I can just say this. Mr. Reynolds
28 has no notice of this. Which is the first thing and it would be entirely
29 unfair to ambush Mr. Reynolds in the witness box in relation to a matter that

15:25:28 30 is not and has not been signaled to be the matter of this module.

15:25:31 1 And if the Tribunal were disposed to allow Mr. Burke to allow approximate with
2 this line of questioning. And I would suggest the Tribunal should not be so
3 disposed but it is a matter for the Tribunal, then at a minimum Mr. Reynolds
4 should be given an opportunity to consider all of the material, if any, that
15:25:45 5 might be relevant to this.

6
7 According to Mr. Burke, this matter arose as a result of a cross-examination as
8 to credit of Mr. Dunlop. That is a collateral issue. It's nothing to do
9 with what the Tribunal is enquiring into this in this module.

15:26:03 10
11 As Mr. Burke is aware. Following on a request that Mr. Burke. He asked that
12 certain inquiries be made of Mr. Dunlop and of counsel that conducted the
13 meeting with Mr. Dunlop. And as Mr. Burke is aware and as he has been told,
14 the Tribunal has received correspondence from two of the counsel and is
15:26:20 15 awaiting correspondence from two more. So that the matter itself has not even
16 been finalised or resolved.

17
18 CHAIRMAN: All right. Mr. Burke,
19 A. Mr. Chairman, I don't. If it's of any help to you.

15:26:32 20
21 CHAIRMAN: I know that.

22 A. I don't have any problem.

23
24 CHAIRMAN: I accept that. But we won't allow the question to be asked. If
15:26:38 25 you feel it's of some relevance you can certainly approach Ms. Dillon later on.

26
27 MR. BURKE: Can I just say in response to, that Mr. Chairman. It's not a
28 matter of ambush. If anything Mr. Reynolds can handle himself very, very
29 well.

15:26:55 30

15:26:55 1 CHAIRMAN: No. But ambush in the sense that Mr. Reynolds has no idea that he
2 was to be asked anything other than the matters which he is directly concerned
3 with and which he has notice from in the brief. So we are not going to allow
4 the question. I mean, we're not closing the issue down completely. It can be
15:27:14 5 raised again. And if necessary, Mr. Reynolds can be recalled. And if
6 you've -- and Judge Faherty just reminds me. If you have documentation which
7 isn't included in the brief and which you feel might be of relevance, again,
8 that's a matter which you should raise for the legal team.
9

15:27:34 10 MR. BURKE: No, I don't have any documentation.
11 But I don't think Mr. Reynolds has any difficulty with me asking him --
12

13 CHAIRMAN: It's not entirely a matter for Mr. Reynolds.
14 If there is an issue which you raise with him then you are going to have to
15:27:47 15 mention it first of all to the Tribunal. And if necessary and if it's
16 appropriate then Mr. Reynolds can be recalled.
17

18 MR. BURKE: Very good, Chairman. Thank you.
19

15:27:59 20 JUDGE FAHERTY: Could I have that document, Ms. Dillon. 1661 I think.
21 It's up on the screen.

22 A. Okay. Go ahead.
23

24 JUDGE FAHERTY: This was the various disbursements that were made out of some
15:28:13 25 of the O'Neill monies, Mr. Reynolds. And I just want to ask you. I think if
26 you do a tot on that, I think Ms. Dillon has done it. From numbers one to
27 five it's 115,000 pounds.

28 A. Right.
29

15:28:28 30 JUDGE FAHERTY: And I think we already know that Mr. I've forgotten his name

15:28:33 1 now. I think it's Mr. Holland.
2
3 MS. DILLON: Jones.
4
15:28:37 5 JUDGE FAHERTY: Mr. Howard Jones from Silverbeck Rymer had already disbursed
6 100,000 for the Stoke project I think you called it.
7 A. Yeah. I picked that up somewhere in the documentation.
8
9 JUDGE FAHERTY: It was an instruction on the same day I think. So we know by
15:28:53 10 the 1st of April out of the 350,000 monies that the O'Neills sent vis a vis the
11 Lissenhall project. Various disbursements were made totalling 215,000 pounds.
12 A. Uh-huh.
13
14 JUDGE FAHERTY: And this the 1st of April. I think the second tranche of the
15:29:15 15 O'Neill money went in before, the 31st of March. And they already had 150,000
16 from the 9th of March. So by the 31st of March they had 350,000 less the
17 100,000 paid out for the Stokes project. That's my read of it now. And I
18 may be wrong. I'm sure Ms. Dillon will correct me.
19 And paragraph six of your instruction to Mr. Jones says the balance to Pat
15:29:45 20 Russell.
21 A. Yeah.
22
23 JUDGE FAHERTY: Now, on my mathematics 215 from 350 is 135,000. Is that? I
24 think that's right?
15:29:58 25 A. That's fair enough.
26
27 JUDGE FAHERTY: And I'm just wondering. Do you know why the 135,000 at this
28 juncture was destined for Mr. Russell?
29 A. When did the second amount go in?
15:30:17 30

15:30:17 1 JUDGE FAHERTY: The 31st of March I think it was the second tranche.
2 A. And how much was there at the time this went out. Is there that plus?
3
4 JUDGE FAHERTY: I'd say by the 31st of March as I understand it there was only
15:30:27 5 50,000. The Silverbeck Rymer had 50,000 of the -- because he had paid out
6 100,000.
7 A. Right.
8
9 JUDGE FAHERTY: So, now, I may be wrong on this. It's at some point I think
15:30:38 10 between the 9th of March and 31st of March 100,000 goes out.
11
12 MS. DILLON: On the 1st of April. Both on the same date.
13
14 JUDGE FAHERTY: So in fact the whole lot of the money was there on the 1st of
15:30:49 15 April. The 350,000, Mr. Reynolds.
16 A. Right.
17
18 JUDGE FAHERTY: But we know from the various directions you have given that by
19 the 1st of April you have directed 215,000. And you've named the various
15:31:02 20 entities to get this money. And you say the balance to Mr. Russell.
21 A. Uh-huh.
22
23 JUDGE FAHERTY: I think you've agreed with Ms. Dillon that the only monies
24 that Silverbeck Rymer vis-a-vis Lissenhall were holding was the 350,000 from
15:31:20 25 the O'Neill Brothers. I'm just wondering did you discuss the disbursement
26 with Mr. Russell that he would get the balance or how did that come about?
27 A. You can take it for certain that it was discussed. I would imagine with the
28 O'Neills. But I probably would have told them that I was, you know ...
29
15:31:46 30 JUDGE FAHERTY: But did you discuss it with --

15:31:49 1 A. Discuss it with Russell. I probably did.
2
3 JUDGE FAHERTY: But why was he getting it, Mr. ?
4 A. Well that's why I think that, you know, the O'Neills and himself were very
15:32:04 5 close in relation to working for the projects. Right? I was coming and
6 going. I would assume, you know, at all times. And I mean, I said it to
7 him. That he would satisfy himself for payments coming out. Because I never
8 got from the solicitor in ...
9
10 JUDGE FAHERTY: Mr. Jones.
11 A. Yeah. I never got a confirmation that only on my instructions would money be
12 sent out.
13
14 JUDGE FAHERTY: I know. Well, we don't know for certain obviously, if that's
15:32:37 15 the case, as I understand it. But certainly you were agreeing obviously in
16 your own mind you had fixed the fact that you would, that Mr. Russell could
17 have the balance. And the balance on my reading of it has to be 135,000 of
18 the 350,000.
19 A. Sure.
15:32:53 20
21 JUDGE FAHERTY: Sent by the O'Neill Brothers re Lissenhall.
22 A. Yeah, but what you have to bear in mind is that there were a number of other
23 projects that Russell had in the UK. And they could be for part of one of
24 them or whatever.
15:33:06 25
26 JUDGE FAHERTY: All right.
27 A. And at that stage O'Neill was carrying out his own assessment on the various
28 projects as to what they thought of them. Whether they would take them into
29 UMC or not take them into UMC and I was relying on their efforts to assess
15:33:25 30 whether it was a good project or a bad project.

15:33:27 1

2 JUDGE FAHERTY: All right. Can I just take you then back, Mr. Reynolds.

3 A. Sure.

4

15:33:31 5 JUDGE FAHERTY: This is the 1st of April 1998. As I understand it, the heads
6 of agreement between yourself and Mr. Russell on behalf of, well it seems to be
7 as directors even though I know you say you weren't. I'll call it yourself
8 and Mr. Russell, your heads of agreement with the O'Neill Brothers was signed I
9 think on the 5th of February of the same year. So it's about six weeks prior
10 I think.

15:33:55 10

11 A. Yeah.

12

13 JUDGE FAHERTY: That's correct I think

14 A. That's correct.

15:33:59 15

16 JUDGE FAHERTY: I think we've already been through it and I don't need to go
17 through that again. Part of that agreement that they would put up firstly I
18 think 600,000 to buy out a minority interest in the site and later revised I
19 think to 350,000. Really my question is this. Like, six weeks on then.
20 They send the money to do that ostensibly because that's what they agree and
21 said. They are going to send off 350,000 to buy out a minority interest. We
22 now know. You say it's not you.

23 A. Definitely not. If I knew who it was you'd know.

24

15:34:33 25 JUDGE FAHERTY: Fair enough. Well this is my question really Mr. Reynolds.

26 A. Fair enough.

27

28 JUDGE FAHERTY: Six weeks later the money is disbursed and gone in various
29 directions. As I understand it by the 1st of April 1998 you were still of the
30 belief or understanding that you were on the -- on the cusp or maybe that's too

15:34:48 30

15:34:53 1 strong a word. But certainly that there was negotiations ongoing for the
2 purchase of lands at Lissenhall.

3 A. Yeah.

4

15:34:59 5 JUDGE FAHERTY: Isn't that?

6 A. Well that's what I was being told.

7

8 JUDGE FAHERTY: Yes. And I'm just wondering. Suppose you didn't know until
9 June or July I think that it was going nowhere that you had a meeting with
10 Mr. Moran or whatever.

11 A. Yeah.

12

13 JUDGE FAHERTY: Were you -- was it not the case or why wasn't it the case that
14 if you believed that a minority interest had to be bought out that was part of
15 the negotiations.

16 A. Uh-huh.

17

18 JUDGE FAHERTY: Were you concerned at all that had the deal gone through or
19 were to go through and that the Moran's were selling the land or Rayband was
20 selling the land. That the O'Neill Brothers would be asking for an account as
21 to who the, where the 350,000 went and who was the minority interest or
22 confirmation that it was paid?

23 A. I think it's putting your mind back.

24

15:35:56 25 JUDGE FAHERTY: Do you see where I'm coming from?

26 A. I see where you're coming from. If you put your mind back, or if I put my
27 mind back and I have done that in relation to trying. Let's look at the role
28 of a minority interest for a start, you know, if they were coming in. Why
29 were they coming in. Was it to supply money.

15:36:14 30

15:36:15 1 JUDGE FAHERTY: But you see, it seems on one reading of the document,
2 Mr. Reynolds. What it says is you and the O'Neill Brothers were agreeing in
3 February. They were coming on board a joint venture with you and Mr. Russell.
4 To buy and presumably develop or whatever, the land or whatever in Lissenhall.

15:36:31 5 A. Sure.
6
7 JUDGE FAHERTY: But part of the criteria for them coming on board is that they
8 had to buy out a minority interest in the site.

9 A. Yeah.

15:36:39 10
11 JUDGE FAHERTY: A reading of that would suggest a minority interest in
12 Lissenhall?

13 A. Yeah. Okay.
14

15:36:49 15 JUDGE FAHERTY: And the money that they send, they would appear to send in,
16 two tranches for that purpose.

17 A. Yeah.
18

19 JUDGE FAHERTY: Is within six weeks of your agreeing with the O'Neill Brothers
15:37:02 20 that they'd send that money to buy out that minority interest. That money is
21 disbursed and it goes in a number of -- a number of directions.

22 A. Yeah but --
23

24 JUDGE FAHERTY: And one person that you claim -- sorry. I know it's a very
15:37:18 25 long-winded question and I don't. I want you to follow me.

26 A. Okay.
27

28 JUDGE FAHERTY: Only one individual it would appear on the face of it, that
29 you say who you thought had a minority interest in the site, was a Mr. Willie
15:37:32 30 Adams. But he wasn't the minority interest that was referred to in the

15:37:36 1 agreement.

2 A. He wasn't because, I mean, he was only in for 20,000. I mean, I don't know

3 what figure he might have in mind. If you were to consider and evaluate

4 Willie Adams' position. You have already said, if I may say so, that my

15:37:56 5 understanding and of what you were saying is that it was a big amount was going

6 to come in. Not just 20,000.

7

8 JUDGE FAHERTY: Well it was a big amount, it would appear from the agreements

9 it was a big amount by the O'Neill Brothers to buy out a minority interest.

10 And they duly transferred the money down or transferred across to Silverbeck

11 Rymer.

12 A. But that money. I read that to me, to mean that there was additional money to

13 come in, apart from the agreement that the O'Neills had already committed

14 themselves to coming in.

15:38:34 15

16 JUDGE FAHERTY: Well that may well be. I'm sure if they were joint ventures

17 that they would be putting in money in the project had the project developed in

18 the terms of acquiring the land and building on the land. But that's not my

19 question. Because you already had established that they were good for a good

15:38:51 20 partner on the basis that they had a standing in the bank. That was one of

21 the conditions as well. But this was a particular condition that they were

22 putting up 350,000.

23 A. Yeah.

24

15:39:12 25 JUDGE FAHERTY: Well 600,00 first and then revised, apparently, to buy out a

26 minority. And within six weeks of the agreement being signed.

27 A. Uh-huh.

28

29 JUDGE FAHERTY: The money that they had put aside or to be there for the

15:39:14 30 minority buy out is disbursed in all directions. It would appear and from the

15:39:18 1 trail of documentation that Ms. Dillon has put up on the screen. Do you see
2 what I'm saying?

3 A. Yeah, I do, I see what you're saying.
4

15:39:25 5 JUDGE FAHERTY: I'm just wondering why would that money have been disbursed
6 very quickly when one supposes now. I'm only supposing here. That you had
7 no reason to believe that there wasn't a minority interest to be bought out.

8 A. Well I, you know, I'll leave myself out of it for the moment. The O'Neills sat
9 down and signed that agreement. If they had any problems at all it would have
10 been questioned. And that's why I said I mentioned a name here today that
11 would be known to them all. And I could see that in that situation small
12 money wouldn't have concerned them anyway, do you know. But they didn't -- we
13 didn't know at that point that they weren't coming in. The view was that they
14 would be coming in. And a very strong view that they were to be coming in.
15:40:18 15 And they'd be known to the O'Neills.
16

17 JUDGE FAHERTY: Yes.

18 A. And the O'Neills might well have. I mean, I shouldn't be even trying to
19 analyse it. But the O'Neills wouldn't have any problems. And they knew
15:40:31 20 about the Fergusons wanting to get in. And they wouldn't have any problems
21 about wanting to put up the money.
22

23 JUDGE FAHERTY: Well the focus of my question was sort of different to the
24 issue you are raising.

15:40:45 25 A. Go ahead.
26

27 JUDGE FAHERTY: Just one final matter, Mr. Reynolds. Did you -- were receipts
28 ever received from any of the parties who were the beneficiaries of this money
29 or who got money on foot of your directions on the 1st of April 1998?

15:41:00 30 A. Well ...

15:41:00 1
2 JUDGE FAHERTY: You know the various individuals that are mentioned?
3 A. No, there are no receipts as far as I know. There were cheques issued.
4
15:41:08 5 JUDGE FAHERTY: And was there any process put in place to do any accounting, a
6 balance sheet, or a reconciliation statement. I don't know what you'd call it
7 really.
8 A. That would be done whenever, when the right time would come.
9
15:41:22 10 JUDGE FAHERTY: But on an ongoing basis, you know, so that if the lands indeed
11 had been acquired by yourself and Mr. Russell and the O'Neill Brothers from the
12 Rayband and from the Moran family, that you would know where all of the monies
13 involved in the whole transaction had gone. Was there any -- was there ever
14 an ongoing reconciliation?
15:41:45 15 A. First of all, Rayband I didn't know.
16
17 JUDGE FAHERTY: Fair enough.
18 A. I hadn't a clue that they were the owners.
19
15:41:51 20 JUDGE FAHERTY: no. I'm talking about on your side. Was there anybody
21 keeping an account or substantiating the disbursements by way of -- you've said
22 that there were no receipts?
23 A. We were issued cheques.
24
15:42:05 25 JUDGE FAHERTY: Yes.
26 A. No cash. No cash dealt with.
27
28 JUDGE FAHERTY: Yes.
29 A. So you had all of your receipts.
15:42:10 30

15:42:11 1 JUDGE FAHERTY: Right.

2 A. In the cheques.

3

4 JUDGE FAHERTY: Fair enough.

15:42:15 5

6 CHAIRMAN: Thank you very much, Mr. Reynolds.

7

8 JUDGE FAHERTY: Thank you very much.

9 A. Pleasure. Thank you.

15:42:19 10

11 CHAIRMAN: We are sitting tomorrow at ten o'clock.

12

13 **THE WITNESS THEN WITHDREW.**

14

15:42:22 15 MS. DILLON: Yes, Sir. That's the conclusion of -- this is the conclusion.

16

17 CHAIRMAN: Well substantially concluded. There is the issue in relation to
18 going "off the record". That has to be ...

19

15:42:34 20 MS. DILLON: And the Hand financial has also to be dealt with in this Module.

21 That's been put back in ease of ...

22

23 CHAIRMAN: That won't happen before Easter anyway.

24

15:42:42 25 MS. DILLON: Not before the 3rd of --

26

27 CHAIRMAN: Well we can decide on a date later. It won't happen before
28 Easter. Other than that the Lissenhall Module is substantially concluded.

29 And we resume Duff at ten o'clock and then Walls in the afternoon.

15:43:02 30

15:43:02 1 MS. DILLON: In the afternoon.

2

3 CHAIRMAN: In the afternoon.

4

15:43:04 5 Thank you, Mr. Reynolds.

6

7 MS. DILLON: May it please you.

8

9 **THE TRIBUNAL THEN ADJOURNED UNTIL THE FOLLOWING DAY,**

15:43:27 10 **THURSDAY 6TH APRIL 2006 AT 1000 A.M.**

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