

1 THE TRIBUNAL RESUMED AS FOLLOWS ON FRIDAY,
2 19TH SEPTEMBER 2003 AT 10.00 A.M:

3

4 CHAIRMAN: Good morning, Mr. O'Neill.

5

6 MR. O'NEILL: Good morning, Mr. Chairman.

7 Mr. Lawlor please?

8

9 MR. LIAM LAWLOR, PREVIOUSLY SWORN, WAS EXAMINED AS FOLLOWS

10 BY MR. O'NEILL:

11

12 Q 1 MR. O'NEILL: Good morning, Mr. Lawlor

13 A Good morning.

14 Q 2 I would like you to consider a document which will be shortly put on screen
15 which has been covered in evidence already. It's at page number 40, page 40 in
16 your hard copy. The evidence that has been given in relation to this document
17 is that Mr. John Barrett, who was the accountant to Maplewood Homes received a
18 document similar in form to this. I say that because this of course is a copy
19 of a document, and Mr. Barrett's evidence was that he had probably received a
20 copy himself rather than an original document containing this detail. The
21 document was received by him from you and it was to evidence the payment of
22 100,000 pounds by Maplewood Developments Limited to you and to satisfy their
23 internal accounting requirements.

24

25 Now we heard yesterday from Mr. Seddon that this document in so far as it
26 appears to be a document generated by the solicitors firm of Seddons, is not
27 such a document but it is a forgery. Now, I would like you to outline to the
28 Tribunal how it is that this document came to be prepared.

29

30 CHAIRMAN: Sorry, Mr. O'Neill, I should remind Mr. Lawlor that you are already

1 sworn. All right, do you understand?

2 A I do of course, yes.

3 Sorry, how it was prepared?

4 Q 3 MR. O'NEILL: Yes, I am asking you how it is the document, the original of
5 which would have been produced to Mr. Barrett by you, how did you come to have
6 a document in that form which you handed to him

7 A I produced to Mr. Barrett at a meeting in the Maplewood offices in Harold's
8 Cross, invoice from Zatecka 14 S.R.O; and he said he would prefer details or a
9 document relating to an English entity because he had asked me to, or provided
10 me with the brochure for the Picadilly building and he wished to have a
11 document or an invoice reflecting the 100,000 pounds and 117 than the Czech
12 invoice which was being put forward to him. And in the course of that
13 discussion, he didn't wish to make the payment against the Zatecka invoice, the
14 discussion ensued that I was using, or was represented by a London firm of
15 solicitors, and he requested that a document or an invoice be provided from
16 that practice. I spoke to Tony Seddon about the putting of the monies into the
17 client account and the document was provided to Mr. Barrett some, I don't know,
18 week, two weeks later.

19 Q 4 The question --

20 A That's how it came to be prepared.

21 Q 5 That is the reason for its production to Mr. Barrett, it is not the manner in
22 which the document itself was engineered, constructed --

23 A I can't recall the detail of whether it was in Prague as I said earlier, I just
24 can't recall the detail.

25 Q 6 But Mr. Lawlor, this document is not a document which was produced in Prague?

26 A I think it was already said. How do you know it wasn't produced in Prague?

27 Q 7 Because we heard the yesterday from Mr. Seddon?

28 A That evidence didn't confirm that it wasn't produced in Prague, I could have
29 been in Prague and produced it. That's what I have already said previously to
30 you.

1 Q 8 Did you produce it in Prague?

2 A I don't know, I can't recall whether it was Prague.

3 Q 9 Well, please tell the Tribunal how you produced a document which is not an
4 invoice?

5 A I can't recall the detail of it other than what I have outlined to you, I can't
6 add anything to it other than it was prepared and I think, I don't know whether
7 I posted it or went back to meet Mr. Barrett.

8

9 CHAIRMAN: Mr. Lawlor, Mr. Seddon made it quite clear yesterday that this
10 invoice is not a precise copy of any invoice that was being used by his firm.

11 A Chairman, that's not in dispute, I mean that was rehearsed here in previous
12 evidence.

13

14 CHAIRMAN: Yes.

15 A So I can't add to what I have already said.

16

17 CHAIRMAN: It's not a case, it can't be a case, as we understood it to be up to
18 now, it can't be the case where you simply removed or took from a press or a
19 desk in Mr. Seddon's office in London or Prague a blank invoice and then went
20 away and filled it up.

21 A Sorry, did you say "can't"?

22

23 CHAIRMAN: Well according to Mr. Seddon, that couldn't have happened because
24 this is not the type of invoice that was being used by his office. So that
25 leaves the only other possibility being that this invoice was manufactured to
26 make it look like a Seddon invoice and then it was filled in with the figures
27 and the name of the company and so on.

28 A I can't agree with that. As far as I am concerned, it's a Seddon piece of
29 paper. I don't know where the difference is that was being articulated here
30 other than the change of partners names.

1

2 CHAIRMAN: It was made quite clear yesterday where the differences were.

3 Now --

4 A Could you --

5

6 CHAIRMAN: What you are being asked is where did you physically get the
7 invoice? And this was before filling in the figures, did you get it from
8 Mr. Seddon's office or did you make it up from bits and pieces of Seddon's
9 notepaper?

10 A It would be my recollection that -- and I don't know where the difference is,
11 we are talking about dotted lines. To me it looks like, identical to a Seddon
12 invoice.

13

14 CHAIRMAN: Well which is it?

15 A I don't know. Other than I look at a blank invoice and I am looking at a
16 photocopy and I don't see there's any great difference; the type, where
17 chargeable, the address, the reference, they are all the same.

18

19 CHAIRMAN: Mr. Lawlor, can you tell, it's a simple question, did you pick up a
20 blank invoice in his office and then fill it up or did you manufacture a blank
21 invoice and then fill it up?

22 A Well it would be my recollection that I would have had Seddon memo pads, Seddon
23 biros with their names on it, Seddon headed paper, Seddon invoices. I mean, I
24 had been there since 1994, using that office. So far as I --

25

26 CHAIRMAN: Are you saying, are you disagreeing with Mr. Seddon that you used a
27 blank invoice which you removed from Mr. Seddon's office or had in your
28 possession?

29 A I can't be certain, Chairman, I just can't be certain. All I know is that as a
30 result of the discussion with Mr. Barrett, he wanted a document from Seddon's

1 which is what we discussed and agreed in his office when I presented him with
2 the other invoice and --

3

4 CHAIRMAN: Mr. Lawlor, we don't want to hear about that again, we just want to
5 know where you got the blank invoice in which the figures were inserted. Was
6 it an authentic real Seddon invoice which you filled in or did you make one up
7 from bits and piece was headed notepaper that you had?

8 A No, it's my understanding it was a Seddon document.

9 Q 10 MR. O'NEILL: Mr. Lawlor, that can not be so because you heard the evidence
10 yesterday from Mr. Seddon in which he said that no Seddon document resembles
11 this document which is on screen today. He says that because he outlined how
12 there is a continuous series of dots on this document which do not appear on
13 any original Seddon document. He also says that the VAT number which is at the
14 bottom of it is not a correct VAT number and that it doesn't correspond with
15 the true VAT number of the company because it has two additions letters, A and
16 E, at the bottom of it

17 A It has what?

18 Q 11 The letters A and E after six and seven?

19 A I don't know about that, I would also point out that the difference, the only
20 difference I can see on it is the different names of the particular partners in
21 the practice. Other than that, I see no difference in it. And A and E, I
22 certainly didn't insert and letter A and E, I don't know how you would even
23 attempt to do so looking at the small size of it and the irrelevance of it and
24 so forth. So far as I am concerned that's a Seddon invoice, that's all I can
25 say.

26 Q 12 Mr. Lawlor you heard Mr. Seddon's evidence yesterday that the document was a
27 forgery, you had the opportunity of challenging his statement to that effect
28 and putting to him that this was an original document on which additional
29 information had been put, you chose not to do so, why is that if you are now
30 saying that his evidence in that regard was untrue?

1 A My only concern yesterday in questioning Mr. Seddon was bury your headline
2 grabbing "sheltered money" issue on this. Other than that it was of no great,
3 that's what I wanted to get on the record and that's what was put on the
4 record. The detail of that copy, Seddons invoice, Prague, London, pretty
5 irrelevant to me. It's a Seddon document. That's all I can say.

6 Q 13 But it's not --

7 A I certainly -- if you are trying to suggest that the little A and E on the
8 registration, is some change, no idea. I don't know what or how it's different
9 from other than as you look at the names of the people concerned, it ends with
10 Rebecca Thomas on page 40 and it ends with Nicholas Davis on page 39. They are
11 the only differences I can see.

12 Q 14 Mr. Lawlor, before you commenced your cross-examination of Mr. Seddon
13 yesterday, the Tribunal indicated to you that if you wanted to take issue or
14 challenge anything that Mr. Seddon had said, your opportunity for doing so was
15 yesterday and you should do so. One of the matters which he said, and it was a
16 of cardinal importance, was that this document is not a Seddon document, was
17 never a Seddon document, and is a forgery. Which he described as a "crude one"
18 for the reasons which he explained. That was apparent to you yesterday that
19 Mr. Seddon was saying that that this document is a forged document, you knew
20 that you had produced this document to Mr. Barrett. You are now being asked to
21 explain how it is that you produced a forged document. You are being asked
22 whether or not you manufactured the document or not but somebody did other than
23 Seddons. Now, if it wasn't you, Mr. Lawlor, who did it for you?

24 A Cardinal importance to who?

25 Q 15 To the Tribunal. To understand how it is that you passed forged documents in
26 support of money payments which were made to you by persons involved in the
27 property business in Dublin.

28 A That is of cardinal importance. As far as I am concerned, it's a Seddon
29 document, I cannot add or take away from it.

30 Q 16 But it's not Mr. Lawlor?

1 A You are so categoric it's not, I am saying it is, why is it not.

2 Q 17 Because the --

3 A It's a correct copy.

4

5 CHAIRMAN: Mr. Lawlor, Mr. Seddon himself --

6 A Mr.--

7

8 CHAIRMAN: Mr. Lawlor, just listen, Mr. Seddon has said himself it is not an
9 authentic Seddon document and it's clear from looking at what he says is an
10 authentic blank Seddon invoice and the one used by you, there are differences.
11 So, either he is lying or you are lying.

12 A I don't think either of us are lying.

13

14 CHAIRMAN: You did not --

15 A Just a second, don't --

16

17 CHAIRMAN: Mr. Lawlor --

18 A Mr. Chairman --

19

20 CHAIRMAN: Mr. Lawlor, you did not challenge Mr. Seddon on this topic
21 yesterday. And --

22 A I have no, I can't answer what I have already given in evidence on this matter
23 and I have finished by saying it's a Seddon document. That's all I can say to
24 you. I didn't produce it, it's a Seddon photocopy of a Seddon invoice which
25 the next page could be just the same, 39. That's all I can say to you and I
26 don't believe it's other than a copy of a Seddon document. I can't add or take
27 from that. There's no way that I could have printed up all the small print and
28 the names of these people, I don't know who Rebecca Thomas or Associates or
29 this one or that, I never heard of these people. Chris Evans I had met, I had
30 met Harvey Ingram, the other people, including Tony Seddon. That is a Seddon

1 document as far as I am concerned.

2 Q 18 MR. O'NEILL: The evidence, Mr. Lawlor, establishes the contrary and I want to
3 ask you why it is that on the last occasion you gave evidence before the
4 Tribunal, you indicated to the Tribunal that this was a document which was
5 typed up at your instruction, probably by a member of staff of the firm of
6 Seddons, possibly in Prague or possibly elsewhere, but under your direction;
7 when that cannot have taken place.

8 A It's what took place.

9 Q 19 It cannot have taken place, Mr. Lawlor, because this document never passed
10 through the office of Seddons.

11 A Who ever said it did?

12 Q 20 You say that you had the document prepared, probably by a member of staff of
13 Seddons, in either their Prague or their London office?

14 A I couldn't be certain of that. But it's a Seddon document, that's all I can
15 tell you. I can't advance it one bit further than that. It's a Seddon
16 document.

17 Q 21 You gave evidence on the last occasion you were here before this Tribunal,
18 Mr. Lawlor, that your best recollection was that this document was prepared at
19 your request. Is that true?

20 A The document was -- the Seddon document that was presented to John Barrett,
21 that's correct.

22 Q 22 Was this document prepared at your request?

23 A Oh yeah, you are now talking about type rather than the document?

24 Q 23 The person who inserted the information on the document, did they do so at your
25 request?

26 A Absolutely, yes.

27 Q 24 Right. So you were the instructing --

28 A I thought we had already dealt with that in previous evidence.

29 Q 25 We had, Mr. Lawlor.

30 A So what do you want to repeat it now?

1 Q 26 No, we want to establish whether or not it can be true what you said on the
2 last occasion or untrue; and I suggest to you that it is untrue, you could not
3 have given any member of staff of Seddons, whether in London or Prague,
4 instructions to prepare this document because it was not prepared in Seddons.
5 Isn't that true?

6 A How do you know that, because I don't.

7 Q 27 Well are you saying that you instructed a member of staff in Seddons to produce
8 this document for you and they did so?

9 A I can't be certain. The production of it was pretty irrelevant to me, my only
10 concern was to get the documentation to satisfy Mr. Barrett's requirements.

11 Q 28 The production of it, Mr. Lawlor, is relevant to the Tribunal, as is the
12 veracity or otherwise of the evidence that you are giving to the Tribunal. I
13 would ask you now to focus on how this document came to be prepared on your
14 instruction?

15 A I can't add to what I have already informed the Tribunal.

16 Q 29 Well I would like you to tell the Tribunal now what it is that you did to
17 prepare this document. Starting at the very beginning?

18 A I have nothing further to add, I can't elaborate on what I have already told
19 you.

20 Q 30 No, you are being asked a question and you are being asked to answer that
21 question?

22 A Sure.

23 Q 31 If you do not provide that information, you will not be cooperating with the
24 Tribunal?

25 A I am absolutely cooperating but I cannot, other than inform you as to what I
26 have already informed you.

27 Q 32 No.

28 A It could have been typed in Prague, in Seddons office, it could have been typed
29 in Aspen's office, it could have been -- it's a Seddon document, it was
30 typed -- I gave the instructions as to what was to go on the document; and

1 where it was done, I just don't have a clue.

2 Q 33 Why would a document from Seddons be typed in Aspen's office?

3 A Because I might ask a typist, as I did Seddon's secretary numerous times,
4 dictated documents, dictated faxes back to my office from Seddons office, from
5 Aspen's office, from Kavalek's offices.

6 Q 34 If you were having this document typed in Aspen's office, you were asking them
7 to type it on a document which was not Seddons document because this is --

8 A You can go around the mulberry bush, it was a Seddon document.

9 Q 35 It's not, Mr. Lawlor.

10 A Well I can't concur and say it wasn't a Seddon document. That's all I can say.
11 It was a copy, very much like 39, a blank Seddon document, on my instructions
12 the words typed on it were put on it. And that's all. Where I had it done, I
13 can't be categorical, just can't; and the typesetting, I don't know, you know,
14 it's very small type, I just don't know which office it was done.

15 Q 36 And where the original if there was a copy -- if there was a document produced
16 by Seddons, it would be in colour, it would have Seddons in blue, where is that
17 original document? Because Mr. Barrett's recollection is that he received only
18 a document corresponding to what we see here, i.e. a photocopy. Black and
19 white.

20 A No idea.

21 Q 37 Where is the original?

22 A I don't know if it was a copy of a blank invoice, just like 39.

23 Q 38 Even if it was a copy of a blank invoice, if it was an original document, it
24 would be in colour, it wouldn't be black and white?

25 A If you photocopied a blank invoice, it wouldn't be in colour, would it?

26 Q 39 I am asking about the original, Mr. Lawlor, the photocopy wasn't typed on, was
27 it? Did somebody type on a blank photocopy and then rephotocopy that again?

28 A No, it was a blank Seddon invoice, that's all I know.

29 Q 40 If it was a blank Seddon invoice, it was in colour?

30 A It might not have been in colour.

1 Q 41 It couldn't be a blank invoice if it wasn't on their stationery, which we have
2 heard is in colour?

3 A It would have been probably what 39 is.

4 Q 42 Which is a photocopy?

5 A Exactly, yes.

6 Q 43 Are you saying that you had somebody type information on to a photocopy and
7 then rephotocopy it to make it appear as if it was a photocopy of an original
8 document?

9 A I have no idea. No idea.

10 Q 44 But Mr. Lawlor, unless you are in the business of forging on a daily basis, I
11 assume, this had to be a serious matter for you to consider, that you were
12 going to prepare a false invoice for a transaction.

13 A It wasn't --

14 Q 45 How were you to --

15 A Not at all. Because the monies that were going to be transferred to Seddons
16 account, so it wasn't any big hill of beans as far as I am concerned and the
17 monies were transferred into Seddons client account, they were all recorded
18 there and they were all transferred. This detail that we are into is of no
19 relevance to me. Absolutely.

20 Q 46 It is utterly irrelevant as far as you are concerned, Mr. Lawlor, that you
21 produced false documentation and, I suggest, forged documents?

22 A Mr. O'Neill, I have repeated time ad idem, I have already given evidence on it,
23 I can't add to it other than I am saying to you it was a Seddon document, it
24 could have been, I regularly used his secretarial services, regularly, any time
25 in Prague, I didn't have any secretarial back up, if I went back after a
26 meeting to the Aspen office I might use a secretary there to dictate or Seddons
27 office or Dr. Kavalek office or the business centre in some hotel where there
28 was secretarial facilities provided. I just cannot be specific, I didn't have
29 any permanent secretarial support in Prague so I would have used all of those
30 at various times.

1 Q 47 I am suggesting to you, Mr. Lawlor, that you are continuing to perpetrate what
2 you know to be an untruth. That is that this document is a general Seddons
3 invoice on which you caused information to be placed. I am putting to you, you
4 know, that it is not a genuine Seddons invoice, you know that it is not a
5 forged document and you are refusing to acknowledge that under oath.

6 A No, what I confirming to you is that that was not prepared by the accounts
7 department of Seddons London office. That's all. I can absolutely
8 categorically state that because I don't believe I ever used the secretarial
9 services of Seddons London office. That's all I can --

10 Q 48 That is sufficient to establish that it is --

11 A Sorry?

12 Q 49 -- that is sufficient to establish that it is a false document. But I put it
13 to you that you know it to be a forged document, that you know it never came
14 from Seddon?

15 A I don't know that, absolutely don't, as far as I am concerned I could have had
16 exactly what 39 is and it would have been typed on 39 or 40. That's all I can
17 recall. I can't add or subtract to that and I can't be specific whether I went
18 to Prague after I met John Barrett and had it done there, I just can't be
19 specific. My only priority at the time, he was looking for some note from
20 Seddons to make the cheque payable to that legal practice and that's what was
21 done.

22 Q 50 Mr. Lawlor, this current compliance hearing is part of an ongoing series of
23 attempts by the Tribunal to have you disclose to the Tribunal the financial
24 information relating to payments made to you over time by builders and others.
25 You appreciate that?

26 A It seems obvious, yes, I have complied with that, I have complied fully with
27 that.

28 Q 51 It is obvious, and that process started with an order which was made by the
29 Tribunal --

30 A Sorry, when you are on compliance, do you now accept that Mr. Seddon has

1 clarified there has been full compliance from any of my dealings in the Czech
2 Republic?

3 Q 52 We will deal with that in the course of the day, Mr. Lawlor, we will deal with
4 exactly what your intentions and objectives were in dealing with Mr. Seddon.

5
6 Now, firstly, may I suggest to you that you at all times from the 8th June
7 onward, when the Tribunal -- 2000 that is -- when the Tribunal made its order
8 against you, were aware of your obligations to comply with that order and I
9 will repeat the contents of the order for you. It was an order made on the 8th
10 June 2000 that,

11
12 "you make discovery and produce to the Tribunal the following:

13
14 A, all documents and records in your possession or power, relating to any
15 accounts held in any financial institution, either within or outside the state,
16 in your own name, individually or jointly or for your benefit, or into which
17 you made lodgments of money or into which you caused or procured lodgments of
18 money to be made, or into which lodgments of money were made for your benefit.

19
20 Further, all documents and records in your possession or power relating to any
21 interest held by the defendant in any company and all documents and records in
22 your possession or power relating to any accounts held by you or on behalf of
23 such companies in any financial institution, either within or outside the
24 State."

25
26 I take it you appreciate from that order that your obligation extended not only
27 to discovering documents in the name of Liam Lawlor, but also documents and
28 bank accounts held by companies in which you were the effective controller of
29 those companies. Isn't that right?

30 A To my knowledge, that's exactly what we have done.

1 Q 53 Yes. There are two --

2 A If there's any omissions, it's not other than by not having or not getting the
3 information. I have endeavoured both through whatever records I had and
4 whatever records you could make with third parties, I discovered everything
5 that was within my power, procurement or possession. I don't know how I could
6 have advanced complying with that order which I have made very, very strenuous
7 efforts to do so. If there's any omissions they are by accident and not by
8 design.

9 Q 54 Mr. Lawlor, you know that there were a legend of omissions that involved the
10 Tribunal going to the High Court, the Supreme Court, the High Court and back to
11 the Supreme Court in numerous attempts to have you comply with these clear
12 obligations. Isn't that so?

13 A You heard it from Mr. Seddon yesterday that I have, at the outset, asked them
14 to fully comply, and at the conclusion the man is telling you yesterday that he
15 gave 99 percent of all, well no, he said that 99 percent of what he has
16 provided by his London and Prague office, he believes to be irrelevant. But
17 any detail, bank information, anything whatsoever from day one, I asked the man
18 to fully cooperate and he put that on the record yesterday.

19 Q 55 Two accounts which you effectively controlled as we have established in the
20 evidence of Mr. Seddon yesterday, was the client account in London into which
21 the sum of 100,000 pounds sterling, which you received at some time connected
22 with this invoice in the year 2000, was lodged, isn't that so?

23 A To the best of my knowledge this information was provided the last time I was
24 here.

25 Q 56 Not provided when it should have been provided, Mr. Lawlor?

26 A Well all I can say, it was provided and whatever documents I got by way of
27 records from Seddons London accounts department was discovered.

28 Q 57 Mr. Lawlor, I have to suggest to you that what is discovered is only discovered
29 once the Tribunal has established the existence of the documentation and when
30 it is, when you are otherwise obliged by order to provide specific

1 documentation which has been identified by the Tribunal.

2 A Well I think the Chairman and Mr. O'Neill should be specific, this is a
3 generalised comment. I don't know where it derives from.

4 Q 58 Well I'll put it to you very clearly, Mr. Lawlor.

5 There were two accounts which you, in the year 2000, knew were accounts which
6 were being operated for your benefit. One of those accounts was the client
7 account of Seddons in London, into which this 100,000 pounds was lodged. The
8 second of the accounts was the account at the Erste Bank, which was in the name
9 of the company Zatecka, which was effectively being run for your benefit. It
10 was an account into which lodgments were caused to be made on your behalf,
11 isn't that so?

12 A Well it's not so.

13 Q 59 It's not so?

14 A Because when I first sought all documentation from Seddons solicitors office,
15 regarding Zatecka, he disclosed what he thought was what he should disclose. I
16 put it to him yesterday, there was a lot of documentation he now provided me
17 with that he didn't provide me then.

18 Q 60 Isn't that because you orchestrated the demands for the documents and the
19 responses to be given to those demands?

20 A I did no such thing.

21 Q 61 Very good.

22 A Very good? So you agree then, do you?

23 Q 62 I don't, Mr. Lawlor.

24 A Do you not? Well I think you should.

25 Q 63 In the existence of the --

26 A Mr. Chairman, just on a point here, the first day I got the documentation or
27 client information from Seddons London office, it was provided as soon as it
28 was to hand, as soon as they provide, as soon as the documentation provided
29 from Prague, all along back over the period, it was discovered to the Tribunal.
30 Mr. Seddon in evidence here yesterday confirmed that from day one it was my

1 request to him to cooperate and comply and provide, so I can't advance it
2 further than that.

3 Q 64 OK, your summary of Mr. Seddon's evidence is not necessarily one that might be
4 shared by others, Mr. Lawlor.

5 A Well if you have to come in here on a Friday morning, having 2000 odd pages of
6 evidence, which I didn't have a chance to read and I was presented with this as
7 he commenced his evidence, and I suggest if I was here with legal
8 representation, we'd probably be here in three or four weeks time trying to
9 address the documentation and prepare for the presentation. However, I'm quite
10 delighted to deal with this matter, without going into all the detail, you are
11 saying now I am misinterpreting Mr. Seddon's evidence yesterday.

12 Q 65 Yes.

13 A Well I put the question to the man, did I at the outset ask him to provide
14 everything and did he and can he now confirm to the Tribunal he has provided
15 everything.

16

17 CHAIRMAN: Mr. Lawlor, you were given two examples of accounts which you failed
18 to discover and which should have been discovered under earlier orders. One
19 was the client account in Seddon's into which the 100,000 had been paid. You
20 have said that Mr. Seddon should have discovered this earlier but didn't do so
21 until recently. But Mr. Seddon, according to his evidence and your own
22 evidence, wouldn't have known where the 100,000 pounds came from or what it was
23 related to. Isn't that right? You didn't tell him that that arose as a result
24 of the sale of land at Somerton.

25 A I told him exactly how it arose, I had discussions with an Irish property house
26 building company who were going to acquire a building in London and I explained
27 the background to it, as I have already given evidence; and as soon as I got
28 that information and I discovered it to the Tribunal about those two accounts
29 and to this day, it's probably a debateable moot point about the Zatecka
30 statement, whether they are my possession; my name doesn't feature on the bank

1 account, the company was operated to my direction as the sole consultant,
2 advisor, executive, call it what you will, and all the other documentation that
3 Tony Seddon provided early on, which as I would say was a request to know what
4 accounts and benefits I had, was provided to the Tribunal.

5

6 CHAIRMAN: Well are you saying that the failure to discover documentation until
7 very recently is Mr. Seddon's fault?

8 A No, but Mr. Seddon at all times was repeatedly clarifying his legal situation
9 with client confidentiality.

10

11 CHAIRMAN: No it's a simple question, are you saying that the failure to comply
12 with discovery, going back over the past couple of years, which has landed you
13 in jail, in the High Court, into the Supreme Court and in jail; are you saying
14 that all or at least some of that failure is due to, is the fault of
15 Mr. Seddon?

16 A Well, when you ask for the fullest information and you are provided with what
17 he legally felt was your entitlement, and more recently, he has given me
18 documentation which I felt he should have provided me with, as I put to him
19 yesterday, as to why, now in more recent times he released documentation to me
20 which is actually probably related to third parties. So, well, I asked him to
21 provide me with everything he would provide me with. I couldn't force him.
22 And whatever he has provided me with, I have discovered.

23

24 JUDGE FAHERTY: Mr. Lawlor, Mr. Seddon told us yesterday he received
25 instructions from you to disclose certain matters that you dictated, that was
26 his evidence, if I recall it.

27 A I think you need to be specific, Judge.

28

29 JUDGE FAHERTY: That was his answer to you when you examined him yesterday.

30 A There was no limitation on my request to Tony Seddon from day one and well --

1 subject to reading the evidence, that was the question I put and that was the
2 issue I wished to address from day one, because I saw it of pretty irrelevance
3 to the Tribunal, but part of compliance, you know? And the documents I
4 recently received, why I didn't get them from him -- well, you know, that's for
5 him to clarify but, and in providing the Erste Bank charge account, credit
6 account, copies of the loans, etc, we are providing all of the information that
7 we could secure from him.

8 Q 66 MR. O'NEILL: I think it might assist the Tribunal to review the transcript of
9 Mr. Seddon's final evidence yesterday which is available on page 93 of the
10 transcript and I'll read from the exchanges which took place from 15:17:23 on
11 the transcript which reads as follows; the chairman asking a question.

12 A Sorry, my yesterday's evidence starts at 278, it must be the previous day, is
13 it?

14 Q 67 No, this is yesterday's transcript of evidence?

15 A It starts at 278 and goes on to -- 400.

16 Q 68 You are not looking at yesterday's transcript, Mr. Lawlor.

17 A Sorry, no, it's not. Sorry, I was presented with it earlier.

18 Q 69 Those are matters which will be referred to in the course of the day.

19 A My fault.

20 Q 70 The transcript reads as follows, question of the Chairman:

21 "But Mr. Lawlor specifically put it to you, Mr. Seddon, that he had asked you
22 to cooperate fully with the Tribunal, do you want to answer that question?

23 Answer: Well my cooperation was to him. I wasn't in any direct communication
24 with the Tribunal but yes, there were, I think the majority of discussions
25 with -- any discussions I did have with Mr. Lawlor were in relation to requests
26 for information by the Tribunal.

27 Mr. Lawlor goes on to say: Sorry, I just repeat, the fullest cooperation, I
28 never put any parameters or limitations on what the cooperation should be.

29 Would you agree with that?

30 Mr. Seddon answers: I would agree that I would follow your instructions if

1 they were, whatever they would be.

2 Question: Do you recall that that was my instruction?

3 Answer: I don't remember the specific times but I don't disagree that you said
4 that you wanted to cooperate fully."

5

6 Now that's the exchange from Mr. Seddon, Mr. Lawlor, which is not as you have
7 stated, that you informed him to cooperate fully and he followed those
8 instructions. That is not what the witness said yesterday.

9 A "I wouldn't disagree that you said that you wanted to cooperate fully", no.

10 Q 71 Yes.

11 A That's not --

12 Q 72 That's what you said, he does not say that you instructed him to cooperate
13 fully with the Tribunal. And that was --

14 A What does the word "cooperate fully" then if he is using those words?

15 Q 73 He is using them in the context that you might have said it. He does not agree
16 that he was ever instructed by you, as you claim, to cooperate fully with the
17 Tribunal.

18 A "I don't remember the specific times", he doesn't remember the specific times
19 but I wouldn't disagree.

20 Q 74 Yeah.

21 A So he wasn't disagreeing that I, other than, asked him to cooperate fully.

22 That's all I can do.

23 Q 75 Right. That's not what you said, you said he had been agreed to be instructed
24 by you to cooperate fully with the Tribunal?

25 A Is disagree, you know --

26 Q 76 He doesn't recollect what took place and doesn't recollect --

27 A Doesn't recollect.

28 Q 77 Doesn't recollect any such instruction, that's what he said?

29 A He doesn't recollect he was given the instruction, so are we saying he was or
30 he wasn't? He doesn't recollect, I am saying he was, that's all I can do.

1 Q 78 You are saying that he agreed and he did not say that he agreed. That is the
2 issue. Mr. Lawlor, we are going to review the manner in which you have dealt
3 with the Tribunal's request to provide information about your Czech dealings
4 which resulted ultimately this year in Mr. Seddon attending before the
5 Tribunal.

6
7 The Tribunal's first focus on your Czech affairs arose following discovery
8 which you had made in which you had exhibited in an affidavit a schedule for a
9 company called Zatecka, spelled SATECKA 14, in which there were a total of six
10 documents. That was commented upon in an affidavit filed in the High Court by
11 the Tribunal which was sworn by Maire Ann Howard, Solicitor to the Tribunal, on
12 the 10th July 2001, and a copy of that affidavit is in the brief before you.
13 And you will see at page 291 of the brief, Ms. Howard's reference to evidence
14 which you had given in connection with Czech affairs. It reads on Day 222 of
15 the public sittings, at question 234 and thereafter:

16
17 "The defendant was questioned in relation to his sources of income since
18 September 1998. In reply he stated: 'I think it would be probably be in the
19 Ulster Bank personal account that I might have drawn down some additional loan
20 from the Czech Republic'." The reference is there given.

21
22 There followed on that day and days 223 and 224 further questions in relation
23 to the Czech Republic loan referred to therein and reference is made to those
24 entries.

25
26 "In summary, the defendant gave evidence that he had engaged in business
27 ventures in the Czech Republic as a result of which he had associations with a
28 number of companies in the Czech Republic, that one such company was a Jersey
29 company, Long Water Investments Limited, that he was involved with them in
30 seven or eight projects and that when he had a lot of bank debt in the mid 80s,

1 Long Water advanced two loans to him. He gave evidence of contact with Long
2 Water being through Nicholas Morgan, a lawyer in Jersey. Previously he had
3 dealt with Mr. Morgan's late father, Mr. David Morgan, he said. The defendant
4 gave evidence of the loans having come from a trust fund but when asked for
5 details thereof, he referred to it as the Morgan family trust. Nothing in any
6 contemporaneous documentation discovered by the Tribunal refers to the trust
7 fund thus described by him in evidence."

8
9 At the end of the page then, it says "it was pointed out to the defendant on a
10 number of occasions prior to the order of the 15th January 2001, that he had
11 not produced any documentation whatsoever in relation to such loans or business
12 dealings in the Czech Republic. This was one matter for which Counsel on
13 behalf of the Defendant apologised in the proceedings before this court in
14 January 2001 and in respect of which an undertaking was given to ensure full
15 discovery."

16
17 Now, I should turn in the same affidavit to page 323 on screen. Here the
18 deponent says about Zatecka.

19
20 "The defendant furnished in folders B111 and B135 details of the payments
21 received by him by the use of Mastercard number so and so, of which the holder
22 appears to be Zatecka 14. It appears that his Prague lawyer, Dr. Kavalek,
23 obtained for him from the bank or credit card company a schedule of these
24 payments which is to be found in folder B 135 and upon which she exhibits prior
25 to the swear here of. In his most recent return of interest in the Ethics in
26 Public Office Act 1995, signed on the 3rd March 2001 under the heading
27 "shares", the defendant has made the following return.

28
29 '6. Profit sharing on property project, Zatecka 14, S.R.O, Rybna 11,000,
30 Prague 1, Czech Republic, property development consultancy.'

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In his return for the previous year, 1st March 2000, under the heading shares, the defendant made the following return to one hundred per cent Zatecka 14 S.R.O. property development.

The defendant has discovered in folder B 111 a letter from Seddons acting on behalf of Zatecka 14 S.R.O. in which it is stated that the defendant is neither an officer nor a shareholder in the company or its parent company."

She refers then to the letter we saw that letter yesterday, Mr. Lawlor.

"The identity of the parent company is not disclosed. The contents of Seddons letter appears to be inconsistent with the return of interest made on the 1st March 2000 which stated the defendant was the holder of one hundred per cent of the shareholding of Zatecka 14 S.R.O. in the year to March 2000. No documents have been discovered which establish either the acquisition or the disposition of any shareholding by the defendant in Zatecka 14 S.R.O.

An extract only from the accounts of the company operated by the defendant is provided. By way of explanation, Seddons state that part of the arrangement was that Liam Lawlor was to be issued with a credit card on the company's bank account which could be used for expenses incurred on the company's behalf and also for personal expenditure which would be treated as a payment on account of any instalment by Mr. Lawlor.

Whilst the credit card number is given, no copy of the card itself has been discovered, no details how the defendant could draw on foot of this card are discovered. It is not known whose name the card was held in or whose signature was used to authorise transactions using the card. No instructions to the bank to open such an account or to authorise the use of the account by the defendant

1 had been discovered. No details allowing for the identification of Lawlor
2 related expenditure as to opposed to other expenditure on the account has been
3 discovered. No documentation evidence in the agreement under which the
4 defendant was permitted to spend over 164,000 pounds on this account in the
5 nine months between March 2000 and December 2000 has been discovered."

6
7 I should say at this point that that is deutschmarks rather than pounds, a
8 matter which Mr. Lawlor subsequently corrected in his replying affidavit, which
9 I'll deal with shortly, and that the figure is probably 64,000 pounds expended
10 during that period.

11
12 "Consideration of the document furnished by way of extract from the account
13 shows regular payments of 4,986.79 pounds per month to the Ulster Bank. Again
14 that's deutschmarks rather than pounds. No documentation has been discovered
15 to establish the purpose of such payments. An invoice -- page 326, an invoice
16 from Demographic and Strategic Consultants seeking payment of 100,000 pounds
17 from Zatecka 14 for consultancy to year end 2000 is discovered without any back
18 up documentation indicating what work, if any, was carried out in respect of
19 any single project. And at a time when, according to his return of interests
20 he was the owner of one hundred per cent of the shares of both companies.
21 Seddons letter states that the firm was instructed to pay the defendant 60,858
22 pounds sterling in respect of and on behalf of Zatecka, yet the defendant has
23 not discovered any document forwarding such payment from Seddons to Demographic
24 Strategic Consultants nor any acknowledgement to Seddons on behalf of Zatecka
25 of receipt of such payment.

26
27 Seddons letter refers to a number of payments said to have been made to the
28 defendants account in Ireland, yet examination of the schedule of such payments
29 indicated that three of the payments totalling 17,776.63 euro were made a
30 credit card and building society account in the name of Mrs. H Lawlor. Again,

1 no supporting documentation accompanying such payments are acknowledge and
2 receipt thereof is discovered. No documents have been received in respect of
3 the property projects with which this company is concerned or the profit
4 sharing arrangements referred to in the Dail return, or the other parties with
5 whom such profits are shared."

6
7 And I turn now to page 58, where the deponent deals with the Erste Bank
8 account.

9
10 As paragraph 130 "it is also noted that Erste Bank holds the account of Zatecka
11 S.R.O, a company which Mr. Lawlor is stated to be a one hundred per cent
12 shareholder is set out above. Erste Bank held the account in the name of
13 Zatecka from which the Mastercard liabilities of Mr. Lawlor were discharged."
14 She refers to a letter of the 24th January 2001 from the company lawyer, that
15 is the bank's lawyer and the head of the legal and compliance department of
16 Seska Sporitelma.

17
18 JUDGE FAHERTY: 336 Mr. Kavanagh.

19
20
21 Q 79 MR. O'NEILL: Page 336 to Messrs. Delahunt, solicitors, entitled Mr. Liam
22 Lawlor, transaction and payments.

23 A "I say and believe, this is a response to one of the 272 letters, the letter to
24 Erste Bank seeking documents for the purposes of defendant's discovery. Having
25 recited that Seska Sporitelma took over the Erste Bank on the 1st October 2000
26 it is then stated: Under Czech law such information is subject to a bank
27 secret and therefore it can only be made available with the permission of the
28 client, Mr. Lawlor. Unfortunately, the consent you attach to your letter is
29 not a satisfactory document for our bank, what we need is a permission with the
30 signature authenticated by the Czech consulate in Dublin or by a notary public

1 and all necessary legislation enclosed to it as required under the relevant
2 international conventions.

3
4 There's no reply to that letter of discovery to the defendant.

5 "I say and believe the defendant's discovery relating to the Zatecka bank
6 accounts which is incomplete as stated above and in relation to the account
7 number 622815001 and any other bank held with Erste Bank or Seska Sporitelma,
8 the defendant was obliged to comply with these legal requirements. In his
9 discovery there are no documents evidencing the steps taken by the defendant or
10 his nominees in the administration of Zatecka in that regard."

11
12 Now, Mr. Lawlor, that was a summation of the position seen by the Tribunal at
13 that particular time in relation to the Zatecka accounts and your dealings with
14 them. It had established that there was a connection with Zatecka and
15 yourself, it was aware of the 100,000 pounds invoice which had been generated
16 by Demographic and Strategic Consultants, it could see there was a payment of
17 60,858 pounds sterling attributed to that payment; but the discovery of any
18 back up documentation behind was not available to the Tribunal at that point in
19 time. You appreciate that that was the position at that time?

20 A The position at that time was that I would have issued written requests and
21 instructions to Seddons to produce all of the information available, copies of
22 everything I got, as I set out to the Tribunal here yesterday, and I just on
23 132, I would be totally dependent on Seddons office who kept all the records
24 and so forth, to source and provide any documentation relating to these
25 matters.

26 Q 80 I have to suggest that the contrary is the case?

27 A Sorry?

28 Q 81 I suggest that the contrary is the case, and that at that time you sought to
29 distance yourself from your involvement in Zatecka 14 S.R.O.?

30 A All I can do is repeat exactly the role I had in Zatecka 14 S.R.O.

1 Q 82 Fine.

2 A Just you know, it's a question of bafflement that there was any
3 non-understanding of the matter because I think Tony Seddon here explained in
4 great detail how the company came to be set up.

5

6 There was a letter discovered to the Tribunal from Nicholas Morgan talking
7 about the profit sharing, substantial period prior to that, to my recollection.
8 And you know, the dilemma I had with the interest issue was to put on the
9 record in the register of interests, you know, which was an incorrect entry, in
10 that while I was seeing myself as requesting the company to be formed, advising
11 the company, consulting to the company, it was entered that way so it made sure
12 it covered everything. In essence, you know, you see if you just put down
13 under a heading in the declaration, consultancy, you don't then specify any
14 company. I wanted to specify Zatecka 14 S.R.O. and that was the way I wanted
15 to ensure it was on the public record.

16 Q 83 Mr. Lawlor, would you agree with me that the affidavit I have just opened to
17 you indicates the concern of the Sole Member of the Tribunal at that time in
18 July 2001, specifically directed towards your involvement with this entity
19 called Zatecka, with which there appeared to be a contradiction. On the one
20 hand in your declarations of interest to the Dail, you were down as one hundred
21 per cent owner of it, yet you had not discovered at that time any sufficient
22 documentation about it. That was the concern, isn't that right?

23 A Sure if Mr. Nicholas Morgan wrote to Tony Seddon and said "disclose nothing to
24 do with the company Zatecka 14 S.R.O", Seddon wouldn't be in a position to, the
25 reverse was the case.

26 Q 84 I am not asking about Mr. Seddon or Mr. Morgan?

27 A Well the only source of this information and the provision of same and the
28 detail of it was vis-a-vis Seddon's office in Prague where every record that you
29 are speaking about, or across in Wenceslas Square in the bank and my request to
30 him was that everything that he had in his possession to discover to me, and he

1 immediately set out and identified that I had financially benefited by way of
2 the credit or cheque card and we provided an itemised detail of that and that
3 was seen as the urgent priority.

4 Q 85 Well we'll move on Mr. Lawlor to see how you dealt with it that way, having
5 received the affidavit of Ms. Howard which set out, I put it to you, very clear
6 concerns of the Tribunal. You sought to address them in a replying affidavit
7 which you delivered to the Tribunal having sworn it on the 17th July 2001.

8

9 And that document is also in your brief and I'd ask you to look to page 357
10 where you deal with the relationship of David Morgan and yourself. Paragraph
11 59 as follows:

12

13 The relationship between the late David Morgan and this Deponent was grown from
14 their mutual interests in developing property interests in the Czech Republic.
15 It was for that principal purpose that David Morgan entered into the loan
16 agreement with this deponent." You are speaking of the Long Water loan.
17 "In anticipation of the Czech Republic property transactions generating
18 significant returns both to this deponent and the Morgan family, the late David
19 Morgan suggested I register a Liechtenstein foundation to receive those funds.
20 To this day no profits have been generated by me from any Czech Republic
21 transactions, any monies received by me in respect of the works done or any
22 effort on my behalf in relation to the Czech Republic have been nominal, out of
23 pocket expenses and/or fees or time, but no profit has been generated in any
24 transaction or in relation to the Czech Republic arising from any property I
25 had involvement in to date."

26 That is an affidavit which you swore, Mr. Lawlor, on the 17th July 2001.

27

28 Is it true --

29 A If you go back to 327, you see all the various properties that were being
30 pursued at that time.

1 Q 86 Is it true that you had not generated any profit from any Czech Republic
2 transaction by the 17th July 2001, or is that untrue?

3 A I can't be certain as to what the specific dates as to what -- the project at
4 the time --

5 Q 87 Where did the only money that came to Zatecka 14 SRO come from?

6 A It came, detailed at great length yesterday, came from the Hybernska building
7 purchase.

8 Q 88 Did it represent a payment of 17 million-odd koruna, 500,000 deutschemarks and
9 1 million deutschemarks, is that what the receipts of Zatecka were, Mr. Lawlor?

10 A Whatever the numbers were, yeah, I can't be absolutely -- yeah, whatever
11 numbers there were.

12 Q 89 All of those funds had been received in the year 2000?

13 A The funds, yes.

14 Q 90 Those funds represented your profit on the transaction in Prague in which you
15 were involved.

16 A Not necessarily, there had to be a reconciliation with the accounts and the
17 expenses and the tax liabilities and the profit sharing arrangement, that all
18 had to be addressed out of that company.

19 Q 91 That would be the distribution of the profit, the profit was made in the year
20 2000.

21 A But whenever it was, it still had to be resolved between the various outgoings
22 and so forth.

23 Q 92 The question of resolution is not what you are addressing here?

24 A But you see, previously in the affidavit there's reference to Zatecka and so
25 forth, and the detail of same.

26 Q 93 You swore on oath "to date no profits have been generated by me from any Czech
27 Republic transaction." That was untrue?

28 A No, no, if the monies was in the company and Zatecka was the basis of separate
29 discovery of anything we had related to that.

30 Q 94 You had a million pounds, Mr. Lawlor, in that account at one point in time.

1 A But it didn't necessarily mean that that million pounds was my million pounds
2 by any stretch of the imagination.

3 Q 95 Of the million pounds, you were entitled to 75 percent, you say, of the
4 profits. The expenses that went out of that company were limited to the
5 payment to Mr. Smith, the payment to Dr. Kavalek and the payment of solicitors'
6 fees to Mr. Seddon. Everything else was profit, isn't that right?

7 A Tax liabilities, further ongoing costs, overheads, debts, there were still some
8 debts due.

9
10 CHAIRMAN: Mr. Lawlor, what tax liabilities are you talking about? Because tax
11 wasn't a big feature for you at that time. I mean what expenses? Isn't it as
12 clear as night follows day that you were talking about hundreds of thousands of
13 pounds of profit?

14 A But who is to say --

15

16 CHAIRMAN: Sorry?

17 A Well the accountants that were handling the accounts of a company, of course
18 there's a tax liability to the Czech Revenue Authorities.

19

20 CHAIRMAN: Well even if there is, you are still talking about huge profits,
21 though you swore on oath in that affidavit that you haven't received a penny in
22 profits generated in --

23 A To this day I haven't received, I borrowed from the company. I haven't a
24 profit. I haven't received a profit from the company. I won't receive it
25 until all accounts are reconciled and figures are completed and the liabilities
26 are discharged.

27

28 CHAIRMAN: But it's been -- but this money has been paid to you and you have
29 spent it. You call it a loan.

30 A But it's by way of loan that may have to be, or in final negotiations with

1 Nicholas Morgan either repaid, or the profit element. None of that has been
2 reconciled, figures wise, and completed.

3

4 CHAIRMAN: But you are borrowing from yourself?

5 A I am borrowing from a company of which I was an adviser and consultant to and I
6 may have to repay that company that money or may have to repay the Czech Tax
7 Authorities a portion of that money.

8

9 CHAIRMAN: Mr. Lawlor, you controlled the company, your own solicitors says
10 that. On your own evidence.

11 A It was operated to my direction, absolutely and I have confirmed that from day
12 one.

13

14 CHAIRMAN: On your own evidence, you are entitled to 75 percent of the profits.

15 A But that set of documentation financially has not been reconciled and the
16 accountants are putting in the tax returns, referring to the fact that the
17 loans will have to be either repaid or discharged as profits, and at that stage
18 one can take a profit, but if you take a loan from a company, you owe the
19 company the money back and therefore it's not a profit at this juncture.

20

21 CHAIRMAN: Well is it your evidence then when you swore this affidavit, you
22 believed yourself that you hadn't received any profits or any advance on any
23 profits?

24 A No, I had received loans and I had received whatever the payments were on the
25 card, but it is my understanding that Zatecka 14 S.R.O. was the basis of
26 separate discovery, or separate information provided and declared on the Dail
27 register back whenever it was formed, etc. So, you know, the finances still
28 await final reconciliation and discharging of profits or repayment of loans or
29 whatever way the financial matters are going to be resolved and that's the
30 status as I sit here today.

1

2 CHAIRMAN: But sure don't you know that that company generated huge profits?

3 A All I know is that on one transaction there was the surplus we have discussed
4 in that company and that company has to reconcile and finalise its finances so
5 the profit is a --

6

7 CHAIRMAN: But you know, you are a shrewd businessman, you would know that the
8 company, while you mightn't be able to say to the last penny what the profits
9 might be after the tax has been paid, but you know there were significant
10 profits generated and you took the money, whether it is by way of loan or
11 straight payment, but these were profits.

12 A Chairman, there was a request for information from Mr. Seddon yesterday about
13 where was the equity going to come for the purchase of the Zatecka 14 building
14 and that was part of the intent of the time, that if there was surplus in the
15 Zatecka 14 company, that money could be used as equity and wouldn't be
16 distributes profit as all, or the loans I had received, would be repaid and
17 that money would be used as equity in the purchase for the other building. So
18 there's quite a clear distinction and I think lots of people have loans and
19 advances and they are given share allocations in companies and so forth, so the
20 matter hasn't been reconciled and actual profit hadn't been finalised so you
21 know, that was the situation at the time. And I mean if there's profit in
22 Zatecka 14, its not necessarily one hundred per cent my profit, there's the
23 liability to Morgan and there's the Czech Tax Revenue affairs to be dealt with.

24

25 JUDGE FAHERTY: But Mr. Lawlor, your own solicitor said yesterday 17 or 18
26 million CZk represented profit to you, to Zatecka.

27 A It represented to me or Zatecka, it's not one and the same no matter what
28 effort is made here to try interlink them at the hip, it's not the same, it's
29 in a company registered in the Czech Republic, the director of who is not me
30 and that company, and you have on record here references to Sarka looking for

1 reconciliations of these monies, and to be treated -- and how the accountants
2 are going to treat them, so the net profit situation has not yet been
3 established.

4
5 JUDGE FAHERTY: You see I have difficulty in understanding how you keep
6 referring to any possible tax liability you might have on it because you
7 purported to turn the 17 into a loan between yourself and the company.

8 A That doesn't divorce --

9

10 CHAIRMAN: ... it was never a loan.

11 A Judge, that doesn't release the company's responsibilities for a tax liability
12 from the Czech Republic, does it?

13

14 JUDGE FAHERTY: Mr. Seddon yesterday agreed there was never a loan situation in
15 respect of that money, Mr. Lawlor

16 A I think Mr. Seddon said he had prepared a loan for the 117,000 which you dealt
17 with at great length, which was never given effect. I discovered to the
18 Tribunal a series of loan documents because what happened there was during the
19 period in question I would have said I needed funds, I would have discussed the
20 matter with Nicholas Morgan and I would have said "I'll take the money out by
21 way of loan and we can reconcile the differences", the man holds security over
22 40 percent of the underground drainage in Dublin so he was quite prepared to
23 allow me to withdraw those monies by way of loans to be reconciled going
24 forward, and that needs reconciliation; and whatever valuation and agreement
25 there is on the underground services in Lucan, Mr. Morgan could be deducting a
26 very substantial financial liability from that matter to reconcile these
27 matters. That is the current status of the situation.

28

29 CHAIRMAN: Mr. Lawlor, when you would agree to, as we saw in some of the
30 correspondence yet from Mr. Seddon's file, when you applied for loans to the

1 company and you asked for loans, who made the decision to give you a loan?

2 A Well, I would have verbally agreed it that I could withdraw the money by way of
3 loan and would have given the instruction to the director in Seddon's office.

4

5 CHAIRMAN: You saw the correspondence asked for a loan, made a case for a loan
6 to be given; and who made the decision then on receipt of that request?

7 A I had agreed in principle with Nicholas Morgan that I could remove these monies
8 by way of loan to be reconciled at a future date. That would have been the
9 discussion between Nick Morgan and myself.

10

11 CHAIRMAN: Why would you then ask the director of the company in Mr. Seddon's
12 office?

13 A Because that was the person administering the actual --

14

15 CHAIRMAN: Why would you ask for an advance, ask them to consider giving you a
16 loan when you said you had already agreed for the loan?

17 A But I didn't want to be withdrawing other than what I wanted by way of
18 necessity for funds to cover outgoings and expenses.

19

20 CHAIRMAN: You were asking in correspondence with the director, one of
21 Mr. Seddon's staff, you were asking for a loan, you were asking to be given a
22 loan. You say that you had already agreed the loan, why would you ask for a
23 loan if you had already agreed it?

24 A Well the person that could formally, Mr. Chairman, the documentation, put it on
25 record, give effect to it, have it properly signed, was the operations of
26 Seddon's office in Prague, as was outlined in detail.

27

28 CHAIRMAN: But you were asking this lady to consider giving you a loan.

29 A No, all that director would do would be respond to the direction. I had agreed
30 in principle with Nick Morgan that whatever monies were in Zatecka, he did not

1 -- at one stage, I think there's documentation, he was looking for a transfer
2 of about 100,000 pounds. I would have said to him "look, I probably need the
3 resources out of that" and would have taken out the monies over a period of
4 time and there would have been understood by way of loan to be reconciled at a
5 future date and that's the way the transaction, and that's the way the matter
6 was handled.

7 Q 96 MR. O'NEILL: Mr. Lawlor, when you swear an affidavit, you swear on oath to the
8 truth of the information which is contained within the affidavit and I'm quite
9 sure, as the deponent in many hundreds now of affidavits which you swore, you
10 appreciate that your obligation is to tell the truth, the whole truth, and
11 nothing but the truth. Isn't is that right?

12 A But, Mr. O'Neill --

13 Q 97 Is that right, Mr. Lawlor?

14 A If you are in this situation.

15 Q 98 Is this right?

16 A These documents, with full knowledge, were drawn up by legal people, the full
17 knowledge of Zatecka, the full knowledge of everything that was in position, in
18 great detail and discussion under a great deal of ensuring that everything was
19 as correct as it should be. Now if there was 10 million pounds in Zatecka by
20 way of profit at that juncture.

21 Q 99 Yes?

22 A That wasn't 10 million pounds of profit to Liam Lawlor.

23 Q 100 Right. Did you tell --

24 A It was in the company and therefore the company could have liabilities of 12
25 million pounds. Could have all sorts of complications, all sorts of problems.

26 Q 101 Mr. Lawlor, you were swearing an affidavit in response to a specific complaint
27 which had been made about your discovery regarding the absence of documentation
28 establishing your relationship with the company Zatecka and the profits which
29 it was generating. You sought to deal with that in the way in which you did
30 here in this affidavit by making this bald statement that "to date no profits

1 have been generated by me from any Czech Republic transaction." Should you not
2 have indicated, if you say it is true, that "in the Czech Republic, last year I
3 generated for the company Zatecka, 1 million pounds in fees, some of which must
4 be paid for expenses, others which must go to taxation. My share is 75 percent
5 of that, I have not yet calculated what that amount would be."

6 If that was the truth, I'm putting to you, Mr. Lawlor, it was your obligation
7 to state it at this point in the affidavit, and not to leave a bare statement
8 to the effect that to this date no profits have been generated because that
9 does not represent the whole truth. Do you appreciate that?

10 A I have outlined to you that I personally had other than derived what I would
11 have discovered by way of car juice and outgoings and loan loans, they would
12 have been discovered to the Tribunal and I am not sure whether they were
13 discovered before that date or after it. I just can't be certain and as I
14 outlined it, and the Zatecka 14 S.R.O. would have been the basis of a separate
15 discovery. I can't add or take from it. That was the way the matter was
16 handled and it would have been on advice of solicitor, Junior and Senior
17 Counsel, in preparing this documentation.

18 Q 102 I suggest to you that if you had indicated to your Irish solicitors that you
19 had control over the account of Zatecka, the company in which at that point in
20 time there were hundreds of thousands of pounds, that information would have
21 found itself in this affidavit?

22 A Would I actually, I can't be certain but I would have thought there was
23 information available in dealing with the whole Czech thing, notwithstanding
24 what's said here, under Zatecka or under whatever other discovery had come from
25 Seddons office.

26 Q 103 What you had discovered in relation to Zatecka to this point Mr. Lawlor was a
27 reference to six documents on the file B 111 and the credit, an extract from
28 the credit card account rather than the Erste Bank account of Zatecka, which
29 was, I put it to you, at all times under your control and capable of producing
30 the documentation.

1 A Mr. Chairman, it has been said that that discovery was prior to this affidavit?

2 Q 104 It wasn't prior to this affidavit, as much as was discovered prior to this
3 affidavit was a certain credit card on a mastercard which you gave an account
4 for. You did not discovery the documentation in relation to the Czech
5 transactions?

6 A I don't know if it was even in existence at the time.

7 Q 105 Of course they were, Mr. Lawlor. This transaction in the Czech Republic for
8 Zatecka had been going on since November 1999, we went through the
9 documentation?

10 A All I'm saying, Chairman, some of the loan documentation was prepared
11 retrospectively when the accountants were going through these advances and
12 wanted to know how they should treat them, and there was loan documentation
13 because that's what they had been taken out by way of loans and they were
14 regularising the documentation. I can't say, Mr. Chairman, whether the loan
15 documentation was in existence at that date or not. Because if they were
16 prepared after that date, they weren't available so you know I can't really,
17 other than set out as I have and as far as Zatecka 14, what I have been
18 reflecting was the monies I had benefited and discovered by way of the credit
19 card payments and itemised them. Now there's reference earlier to there's no
20 record of the transfers, but the records would have been in discovery by way of
21 the Ulster Bank statements and documentation which was discovered. So every
22 penny received in was itemised in the bank statement and discovered and
23 provided. Is that not a record of the transfer?

24 Q 106 It's not a record of your Czech property transactions which led to your
25 receiving a million pounds the year before, a matter which you did not disclose
26 in this affidavit to the High Court.

27 A Well I just have to totally disagree that there was any million pounds
28 received.

29 Q 107 There was, Mr. Lawlor, it's 17 million CZk, 1 million deutschmarks, 500,000,
30 the total of that comes to something between 900 and a 1,050,000 depending

1 on --

2 A It depends how it was treated financially.

3 Q 108 It doesn't matter how it was treated?

4 A You have decided what's your perception of the matter, it's not the correct.

5 Q 109 You have said there was no million, there was a million, Mr. Lawlor?

6 A There was whatever was provided to you in the greatest detail.

7 Q 110 It wasn't provided in this affidavit, it hasn't been provided?

8 A I am not certain I had the information at the time by way of documentation.

9 Q 111 Of course you had, you were making the decision which we saw yesterday where
10 you were directing --

11 A Of course I was.

12 Q 112 You were directing Mr. Seddon what to do with the money. You knew where the
13 167 million came from?

14 A At all times I was directing it, yes.

15 Q 113 So you can't claim, Mr. Lawlor, that you didn't know at that time whether there
16 was documentation?

17 A All I am saying to you is the reconciliation of these figures and dimension of
18 profit has not, as of today, been established.

19 Q 114 You go on in your affidavit Mr. Lawlor saying "any monies received by me in
20 respect of works done or efforts on my behalf in relation to the Czech Republic
21 have been nominal out of pocket expenses and/or fees for time. Was that a
22 truthful statement as of the 17th July 2001?

23 A That's exactly the information I would have had to hand and financial records
24 and details at that time, of course.

25 Q 115 It is the case, Mr. Lawlor, that you had withdrawn to the date of this
26 affidavit, some 288,381 pounds from the Zatecka account?

27 A Possibly, yes.

28 Q 116 How can you describe that as nominal out of pocket expenses?

29 A Well, that's I the way I described it.

30 Q 117 Were they nominal?

1 A Well --

2 Q 118Is 288,000 pounds nominal, Mr. Lawlor?

3 A All I'm saying to you, whatever had been withdrawn by way of card and bank
4 transfers and every other detail had been provided.

5 Q 119And these were all personal withdrawals to you for your own purposes, they
6 weren't out of pocket expenses?

7 A There does come the day of reckoning you have to account for and regularise
8 them and I either decide to repay them to the company or have them deducted out
9 of some future transaction.

10 Q 120Mr. Lawlor, you are talking in this affidavit, swearing to the following that
11 the monies received by you, in other words at the time you received them, they
12 were for works done, or any efforts on your behalf in relation to the property,
13 were for out of pocket expenses?

14 A Well if you receive it by way of loan you have a liability to repay it.

15 Q 121But you don't say in this affidavit "I took money out by way of loan based on
16 these Czech property transactions." That's an account you are giving now.
17 That is not the account you swore on oath when addressing the legitimate
18 concerns which were being raised about the continuing inadequacy of your
19 discovery?

20 A All I can say to you in order to be specific in endeavouring to answer your
21 question, I have to go back and look at what information I have had from
22 Seddon, what information I have by way of information I can provide, the
23 discussions I had with Dermot Coyne, the correspondence back and forth from
24 Delahunt back in 1999, 2000, whenever it was; and whatever I had to hand was
25 all provided and detailed and documented. I cannot other than say at that time
26 in the discussions and the fullest information of the relationship with my
27 involvement in the Czech Republic and access from my solicitors to Seddon to
28 discuss the matter directly and to provide the information. That was what was
29 done. It was ongoing. I didn't get bogged down to the detail of this, that or
30 the other. I left it to these professionals to deal with the matter and to

1 provide the information that could be provided in the circumstances.

2 Q 122Mr. Lawlor, in this affidavit at this point in paragraph 59, you are linking in
3 your Czech property transactions with the Morgan loan, the Liechtenstein bank
4 account in the Landesbank, which was the subject of particular scrutiny by the
5 Tribunal at that particular time because it did not appear to be feasible that
6 this was a legitimate loan arrangement and you were being questioned about it,
7 isn't that right?

8 A Sure. Even going back to 1995 in the document with Seddons there was a note
9 here where there was a reference to the profit sharing arrangement, he had
10 "Laywater" corrected to being "Long Water", that information was provided to
11 Seddon at the time and whatever information I had available was reflected in
12 what was discovered.

13 Q 123I am asking you about your affidavit, Mr. Lawlor, I am putting to you that in
14 order to bolster what I'm putting to you is a false claim, is these monies were
15 a loan, that is the Landesbank loan, you went on to deal with the Zatecka funds
16 in the same way and say that this is part of a Nick Morgan/Liam Lawlor Czech
17 property operation being conducted by me on behalf of Mr. Morgan and myself
18 over a number of years, isn't that right? This was to lend weight to this
19 supposed relationship between yourself and Mr. Nicholas Morgan regarding Czech
20 property, isn't that so?

21 A I don't believe there's ever going to be agreement Mr. O'Neill between you and
22 I on that matter, I have set it out as it was, I can only recite it to you here
23 again.

24 Q 124I am putting to you Mr. Lawlor, that it is linked to your claim that the
25 Landesbank account was loan monies?

26 A I am putting it to you that I have already given the fullest information I can
27 on these matters and I can't advance them further.

28 Q 125Do you recognise that or do you accept that the contents of paragraph 59 as now
29 read in the light of the information that you were the controller of the
30 Zatecka company in which there had been 1 million pounds the year before you

1 swore this affidavit, that this particular paragraph creates a totally false
2 impression of what your relationship was that the company Zatecka?

3 A All I recall for you there, there's been out of pocket and/or fees. That's
4 there. Spelt out.

5 Q 126Nominal out of pocket expenses and/or fees for time but no profit has been
6 generated in any transaction in relation to the Czech Republic arising from any
7 property?

8 A Who says the fee is nominal?

9 Q 127I am asking you whether or not --

10 A Nominal out of pocket expenses which at that stage I was recovering and/or
11 fees. So you know, it's there. I would have explained to the lawyers at the
12 time I would have benefited by recovery of expenses and so forth, there would
13 have been certain monies and that was what was discussed and that was what was
14 put there to cover the matter. It could be elaborated on in detail, I think it
15 possibly was at the time. So you know, I can't advance other than that was on
16 the advice provided, and the drafts of these were done by legal experts and I
17 have provided verbally in documentation all the information I have and I would
18 have also given them authority to speak with Tony Seddon or whoever they needed
19 to speak to so they could provide the fullest information.

20
21 CHAIRMAN: Mr. Lawlor, where are the accounts of Zatecka?

22 A They are administered, I think between the accountants obviously that are
23 dealing with the company's accounts in his office in Prague and in the Seddon
24 office.

25
26 CHAIRMAN: But have they not been completed at this stage?

27 A I think the accountants, as far as I know, year 2000 and possibly 2001 but I
28 couldn't be certain, it was just left to those people to do the accounts and
29 reconcile the accounts and --

30

1 CHAIRMAN: Are you saying that you don't know if any accounts have been
2 prepared? I mean you are, on your own evidence --

3 A I think we have even discovered copies of the accounts, Chairman.

4
5 CHAIRMAN: What is the position in relation to profits in 2000 and 2001?

6 A It would be my suggestion, well what will happen is there will be a meeting
7 with the accountants in Prague to establish how they have treated all the
8 various accounts, as far as I know there's, the 2000 accounts have been agreed
9 and if they have, they have been discovered.

10

11 CHAIRMAN: Mr. Lawlor, can you just tell us what your understanding is, I am
12 not asking you for precise figures, what your understanding is as to what
13 profits were made in these years?

14 A I don't have a detailed number, Chairman.

15

16 CHAIRMAN: I am not asking you for a detailed number. Surely if you are
17 entitled to 75 percent of the profits, you have some idea as to what the
18 profits, according to the accounts?

19 A I would be just guesstimating today, Chairman, based on the liability and
20 reconciliations, there could be two to three hundred thousand pounds, maybe
21 400,000 pounds of net profit, but that figure has not been yet agreed and
22 concluded; and if that was the case then there would be an entitlement for
23 300,000 pounds and 100,000 pounds to Nicholas Morgan so I estimate, I am only
24 guessing, I don't want to be held to the figures, I am trying to be of
25 assistance and I don't want them brought back saying "you said on record on
26 such a date." The accountants haven't presented me with the final figures for
27 the operating of that account and therefore I can't be specific, that I would
28 guesstimate in that region.

29

30 CHAIRMAN: And do you know how the loans were treated by the accountants in

1 those?

2 A They are still, I would suggest, treated as loans.

3

4 CHAIRMAN: Well surely --

5 A But I have that liability. It's my understanding that -- I have those
6 liabilities to the company and there will have to be a reconciliation of either
7 repayment, or if the loans are to be reverted by way of income, then that's
8 the -- they will be treated in either of those two ways.

9

10 CHAIRMAN: Who decides whether you repay the loans you borrow from your own
11 company?

12 A Well it won't be my company, it will be in the reconciliation figure with
13 Nicholas Morgan.

14

15 CHAIRMAN: Well if you are entitled to control the company and have been
16 controlling the company and you are entitled to 75 percent of the profits, I
17 presume you have a big say as to when you have to repay the loans to the
18 company?

19 A Yeah. I mean managing director having a loan of the company, he can have the
20 direction.

21

22 CHAIRMAN: Can you tell the Tribunal what arrangements are being made to repay
23 the loan?

24 A There's ongoing discussions with Nicholas Morgan regarding the metro launch and
25 he has always held that as a security against any monies that I may have a
26 liability to him; and that was discussed. One is of the opinion that it
27 adequately covers any exposure I have.

28

29 CHAIRMAN: Is there any correspondence between yourself and Mr. Morgan relating
30 to these ongoing negotiations?

1 A They were the basis of ongoing discussions, I was in London in Monday and, or
2 Monday week and had a meeting to him on these matters.

3

4 CHAIRMAN: Do you ever write to each other?

5 A He would set out the final agreement following discussions.

6

7 CHAIRMAN: But do you ever write to each other or put things down in documents?

8 A There will be a reconciliation of all these matters and everything related to
9 that I have discovered. I have been with Isadore Goldman asking for the
10 fullest cooperation, the same as with Seddon, getting all the documentation
11 from him that's available and any exchanges of documentation that's in
12 existence has been discovered.

13

14 JUDGE FAHERTY: Where's the documentation on the 75-25 percent division,
15 Mr. Lawlor? Between yourself and Mr. Morgan

16 A There's a very lengthy letter and if I could just, Judge Keys asked me a
17 question previously, did I ever keep a record, and what I omitted and sorry for
18 digressing, just to answer that question, I should have referred you on that
19 day to B 42 which is a very detailed file of every recollection I had of any
20 monies I have ever received.

21

22 Now, sorry, your question, Judge?

23

24 JUDGE FAHERTY: My question was, have you documentation --

25 A Sorry, yes. Sorry, the discussion I had with Nicholas Morgan and the letter
26 from C.I. Law Trust reflected on the fact that I had agreed with him there
27 would be a 75-25 percent split and that was discovered in a letter to the
28 Tribunal. I agreed that with him, he put that in a letter and that is there
29 and that is the arrangement I have with the man.

30

1 JUDGE FAHERTY: Is that agreement in writing in --

2 A It's in the letter. There's a profit sharing agreement and he came to Prague
3 and discussed it at the time with Seddon. I got an agreement we would borrow
4 from the company and we would reconcile the figures at a future date.

5

6 CHAIRMAN: We'll rise for ten minutes.

7

8 THE TRIBUNAL THEN ADJOURNED FOR A SHORT BREAK

9 AND RESUMED AGAIN AS FOLLOWS:

10

11 MR. O'NEILL: Mr. Lawlor please.

12

13 CONTINUATION OF EXAMINATION OF MR. LAWLOR BY MR. O'NEILL:

14

15 Q 128Mr. Lawlor, in the same affidavit of the 17th July 2001, you went on to deal
16 with the company Zatecka S.R.O. at page 365 on screen, it's page 24 of the
17 affidavit, as follows:

18

19 "Zatecka S.R.O. is a non-registered Irish, sorry, a non-Irish registered
20 company which has been incorporated by the Morgan Trust. As already referred
21 to in the letter from CI Trust Corporation dated the 20th March 2000, it is
22 envisaged that the Morgan Trust and this deponent will develop certain profits
23 in the Czech Republic in the near future. That is five to ten years. It has
24 further been agreed that profits arising from any such development would be
25 divided between the Morgan Trust and this deponent on a one to three divide
26 respectively. The Morgan trust has already incorporated the company Zatecka
27 S.R.O, as a corporation to which those proceeds can be lodged."

28 That was your affidavit, Mr. Lawlor, the contents of that paragraph are untrue,
29 isn't that so?

30 A There's a mistake on one third.

1 Q 129 Then the contents of that affidavit are untrue in that respect?

2 A There's a mistake there. It should have said 25 percent.

3 Q 130 I think to be fair to you, it's accurate, it's one to three, that would be 25
4 percent to --

5 A Sorry.

6 Q 131 That is accurate, what is inaccurate is that the Morgan Trust ever incorporated
7 Zatecka, that never happened?

8 A Well that's the basis of Judge Faherty's discussions with Mr. Seddon yesterday
9 in his failure to sort of regularise the situation. Can I say Chairman, I have
10 been told by my office during the break, the affidavit of the 12th March, 12001
11 and various other affidavits that I have been referred to because I really need
12 to say, because there's reference to some of these matters, so you know,
13 there's --

14 Q 132 They will be made available to you.

15

16 CHAIRMAN: Well you can certainly be entitled to look at them and they can be
17 made available to you, but just deal with the question that Mr. O'Neill asked
18 you about.

19 A I have no problem dealing with that, I think it was in Seddon's letter, he was
20 instructed by me verbally, he didn't act on it, once the -- I would suggest
21 that once the decision not to use the Zatecka company for the actual staying
22 involved in Hybernska that I then instructed him that it was going to be used
23 vis-a-vis the Nicholas Morgan Sinclair situation.

24 Q 133 I can give the exact date on which that instruction was given to, sorry, by
25 given by Mr. Morgan to Seddon?

26 A It was my understanding that in the first three or four months of 2000, Zatecka
27 14 S.R.O. was requested to be set up and in being to be an interdepart of the
28 acquisition and the possible holding of some equity or not, to be agreed. When
29 that situation was clarified, my recollection is that I outlined to Tony Seddon
30 that if it had been used for that purpose, another vehicle would have been set

1 up to reflect what's in this paragraph, but as Zatecka had been set up and was
2 not now going to be a interdepart of an ongoing Hybernska building, that that
3 was the instruction, that it would be set up and controlled.

4 Q 134Mr. Lawlor, it is a bald statement, Zatecka S.R.O. is a non-Irish registered
5 company which has been incorporated by the Morgan Trust. It was not
6 incorporated by the Morgan Trust. It was incorporated by Mr. Seddon at your
7 sole direction. Isn't that the truth of the matter?

8 A Well Mr. Chairman --

9 Q 135Is that the truth of the matter?

10 A But if you just let me explain if you want an explanation.

11 Q 136I want an answer.

12 A If you want I can say I can't recollect and just leave it.

13 Q 137I want an answer to the question, Mr. Lawlor?

14 A You will get one. The answer is I discussed the matter with Nick Morgan and we
15 agreed we were going to instruct Seddon, and Seddon admitted he didn't act on
16 the instruction.

17 Q 138That's not the answer to the question that has been put to you?

18 A I can't elaborate any further on it for you.

19 Q 139Is it true or untrue that the Morgan Trust incorporated Zatecka S.R.O, do you
20 understand the question? Do you understand the question, it's capable of a yes
21 or no answer. Is it true that the Morgan Trust incorporated Zatecka S.R.O?
22 Yes or no.

23 A Solicitors on their behalf, at my instruction, incorporated it.

24

25 CHAIRMAN: Well that's the answer which means that the statement in the
26 affidavit is incorrect.

27 A No, it's not, it's not incorrect in that a set of lawyers set it up on behalf
28 of -- maybe we could have said well Seddons solicitors were asked to set up the
29 company, etc.

30

1 CHAIRMAN: Well Mr. Seddon was quite clear he set up the company on your
2 instructions.

3 A Absolutely, yes. But to be held to the benefit --

4
5 CHAIRMAN: That's a different.

6 A But that's the reality of it. That's the facts of it.

7
8 CHAIRMAN: The statement in the affidavit that you swore is incorrect. The
9 company Zatecka S.R.O. was set up by you and on your instruction.

10 A But sure I could have been operating on the instructions of the Morgan Trust,
11 couldn't I?

12
13 CHAIRMAN: Well then that should have been stated. What was stated --

14 A It's stated that way and that's the way it was stated and I don't have any
15 problem with it because the intent was what I intended. If it didn't reflect
16 itself in that situation; there was such a volume of documentation, to me it's
17 a mere detail, and it was up to Seddon to set up the company, sort it out, and
18 to this day, that's the way I operate with these people. You pay professionals
19 to do things for you, if it's reflected somewhat that it was Seddons solicitors
20 set up a trust, the ownership to be allocated to a Morgan company at a future
21 date would be a more accurate way the describing it, but the intent is the very
22 same in that paragraph as to what I intended.

23 Q 140The intent I put to you Mr. Lawlor in swearing the affidavit in these terms was
24 to distinguish Zatecka S.R.O. from yourself and to establish that Zatecka
25 S.R.O. was independent of you and therefore not an entity which was bound to
26 comply with any Tribunal's orders for discovery?

27 A It had nothing whatever to do -- when this company was set up, it had nothing
28 whatever, the Tribunal wasn't even a consideration, not a consideration. It
29 was set up for the purposes of, it was researched in great detail by Tony
30 Seddon here for the last two days and all I can do is repeat it. It had

1 nothing to do with the Tribunal at any time.

2 Q 141What had to do with the Tribunal, Mr. Lawlor, is your averment here on oath
3 that the company was part of an entity called the Morgan Trust which had for
4 sometime, since 1995, been lending you enormous sums of money on foot of loan
5 agreements. Now, I am putting to you that it was in support of that history of
6 events that you are also advancing that Zatecka was yet another example of your
7 ongoing cooperation with the Morgan family trust, that is why you were
8 referring to it in addition to the fact that the Tribunal had identified it as
9 a company with which you had dealings.

10 A That's a statement. That's not a question.

11 Q 142Very good.

12 A You are stating that it was part of, you are right, that's exactly what it
13 was -- I instructed Seddon, set it up having discussed it with Nick Morgan. I
14 didn't even discuss with Nick Morgan at the early stages because it looked like
15 Zatecka 14 S.R.O. was going to be an integral part of the acquisition of the
16 Hybernska building and when it wasn't interlocked into that building in
17 cooperation with an Irish property company, it was then, rather than just wind
18 it up, the intent was that it would go on to hold and give effect to what Judge
19 Faherty asked earlier about the profit sharing arrangement in the Czech
20 Republic and that was going to be the vehicle that was going to give effect to
21 that agreement, and it was to be held to Sinclair Holdings and back in some of
22 the references yesterday from Seddon it was discussed at that time with him.

23 Q 143You are --

24 A Back on the 2nd January on page 85. Which is months before this affidavit,
25 there's reference to Long Water and to Morgan.

26 Q 144Mr. Lawlor, what is your explanation, finally, for the fact that you swear on
27 oath that Zatecka was incorporated by the Morgan Trust? You know that not to
28 be the case because it was incorporated by yourself through Seddons?

29 A It wasn't incorporated by myself, I instructed the solicitor, Mr. Seddon, well
30 it was his suggestion to me in taking the Aspen agreement that we needed a

1 Czech entity and between the 19th December and I think the 7th February, there
2 was a hectic activity of A, trying to ensure that the bid process and the
3 negotiations, etc, etc; this was a mere passing detail to me. Seddon's
4 suggested we set up a Czech company, you can't, you are non-native, you are
5 this, that and the other, but look, there's a profit sharing arrangement with
6 Morgan -- sorry, it wasn't that purpose initially, the purpose of setting up
7 Zatecka 14 S.R.O. was to have a Czech vehicle which could acquire from Aspen or
8 the Restitution Fund the Hybernaska building.

9 Q 145Mr. Lawlor --

10 A That's the only reason it was set up.

11 Q 146I am asking you why it is on the 17th July 2001, you saw fit to swear an oath
12 that the company Zatecka 14 was set up or incorporated, rather, by the Morgan
13 Trust. Why did you do so in the knowledge that you were the person who had
14 given Mr. Seddon the instruction to set up the company?

15 A I had given the -- well, I had given the instruction in cooperation and in
16 discussions, as I would have had regularly ongoing with Nicholas Morgan, but
17 actually it was it set up in the first instance for the purpose which it was
18 never used and it was then instructed to be to the benefit of Mr. Morgan's
19 company, whichever he nominated, and my only input at that stage was to get
20 Tony Seddon to talk to Nick Morgan and sort out the legal details and the
21 proper normal company holding of details and so forth. So far as I was
22 concerned, it was a company in Seddon's office.

23 Q 147Is the Tribunal then to interpret that as meaning that the company was not
24 originally set up by the Morgan Trust but subsequently seemed an appropriate
25 vehicle to advance Morgan Trust interests in at a later stage?

26 A That's the way it actually evolved. It evolved that way.

27 Q 148Well is that the accurate position?

28 A Well that's the way it evolved as I recall it.

29 Q 149Does that mean when you say that the Morgan Trust incorporated the trust, the
30 company rather, that didn't happen, it's an exception, is it?

1 A It's my understanding in 2001 that instructions have been verbally issued to
2 Tony Seddon, probably in mid 2000 to do what was stated there.

3 Q 150The incorporation, we know Mr. Lawlor, took place in 2000, in February. Now I
4 want to know whether you are saying that it is the case that in February 2000
5 the Morgan Trust incorporated this company, albeit through you, asking
6 Mr. Seddon to do so. Or are you saying that the Morgan company didn't
7 incorporate the trust at that time through you, but subsequently in the year
8 2001 perhaps, or perhaps towards the latter part of 2000, it was decided that
9 it might be a company which could be used to advance your joint interests. Do
10 you understand the question?

11 A My instructions to Seddons solicitor was when it wasn't going to be used for
12 the purpose that it was structured, the way it's expressed there, and I thought
13 he had actioned and dealt with that matter quite some time ago.

14 Q 151Mr. Lawlor you are not answering the question.

15 A I am just telling you exactly what my understanding of the company that is
16 Zatecka, once it wasn't being dealt with by the Hybernska building
17 relationship, it was to be held to the benefit of the Morgan Trust.

18 Q 152That is subsequent to its incorporation?

19 A Yes.

20 Q 153Now, I am talking about prior to its incorporation.

21 A It's irrelevant, it's totally irrelevant.

22 Q 154It's not irrelevant and those questions will be decided by the Tribunal and not
23 by you, Mr. Lawlor. You are here to answer questions.

24 A I am just explaining to you moments ago, from the 19th December to the 7th or
25 whatever date it was incorporated, the first thing was to get a vehicle
26 incorporated.

27 Q 155I want you to answer the following question directly, Mr. Lawlor, and that is,
28 did the Morgan Trust, through you or otherwise, instruct Mr. Seddon to
29 incorporate this company in February 2000 or prior to that date. That is
30 capable of a yes or no answer. Now --

1 A It was later in that year that the instruction was issued by me on behalf of
2 Morgan.

3 Q 156 So then the incorporation of the company was by you, being the instructing
4 person to Mr. Seddon and not the Morgan Trust?

5 A But there was always the intent --

6 Q 157 Is that so?

7 A No, it's not so.

8 Q 158 It can't be both, Mr. Lawlor.

9 A Well you know -- I am telling you exactly as it was. If you don't, if you are
10 not interested in that, I can't add to it.

11 Q 159 Please tell me?

12 A Set up a company, get the company registered, pick the name of the building,
13 Zatecka S.R.O, will that take, OK. You get that done, I'll be back to meet the
14 chairman of the RIF fund, whatever, on that matter and that vehicle can be used
15 for the Morgan discussion, that's the discussion. That is all I can take from
16 that.

17 Q 160 Please tell the Tribunal whether or not you gave the instruction to incorporate
18 the company?

19 A No, I didn't, I would have had discussions with Nick Morgan about the ongoing
20 general situation in Prague. He would have been down there and was probably
21 planning a further visit, I don't know when he came a second time.

22 Q 161 This was all prior to February when it was incorporated, is that right?

23 A Not specifically.

24 Q 162 I want to be absolutely specific with you Mr. Lawlor. I want you to tell the
25 Tribunal whether or not you instructed Mr. Seddon, in February or prior to
26 February 2002, to incorporate this company for your purposes in the acquisition
27 of Hybernska or whether it was you, in conjunction with Mr. Morgan, who
28 instructed him to incorporate the company, do you understand?

29 A I understand. And I am telling you what I did. Seddon suggested that we needed
30 a vehicle actually, I didn't --

1 Q 163We or you?

2 A Tony Seddon said we need a Czech entity.

3 Q 164Who is the we? Is Mr. Morgan part of the "we" or you and he?

4 A I am there discussing with the solicitor in Prague what do we need to do to bid
5 for the Hybernska building.

6 Q 165You are an individual, in the singular, Mr. Lawlor, who is the we?

7 A I am in Prague discussing with a solicitor how to do a property transaction.

8 Q 166Yes.

9 A The solicitor is advising what needs to be done.

10 Q 167Yes.

11 A Prior to that, I would have agreed with Morgan that we would set up a Czech
12 entity but I hadn't had time because this Tribunal was taking up vast
13 quantities of my time, and therefore whatever had to be done Seddon was
14 instructed to do it. Now, I would have agreed previously with Morgan, going
15 back even to discussions with his father that we would set up some form of
16 Czech or whatever the property entity was. This was set up on my instructions,
17 if it was going to change or not be used for the Morgan Trust, or could be used
18 for the Morgan Trust, didn't cross my mind at the time.

19 Q 168Did Mr. Morgan, on your account, know anything about the company Zatecka 14
20 S.R.O.?

21 A He wouldn't be bogged down that sort of detail. I would be just saying I am
22 going to down to Prague to meetings, it looks like we meet negotiate a
23 building, Seddon is to deal with the legalities and so forth, we are trying to
24 buy it from the Restitution Fund and I'll talk to you later when there's
25 something to report. That's the sequence, the way the matter would have run.

26 Q 169So if that is the sequence then Mr. Lawlor, it follows that Mr. Morgan would
27 have found out about the incorporation of Zatecka sometime after it was
28 incorporated and not before, is that fair?

29 A He wouldn't -- I would have been briefing how things were going and what we
30 were achieving or not achieving, regularly reporting to him by phone.

1 Q 170Are you saying that he was aware that you were going to incorporate a specific
2 company?

3 A The name would mean nothing to him.

4 Q 171No?

5 A I tell you why the name might mean something, because in the first instance the
6 building was the Zatecka building which as Mr. Seddon elaborated at great
7 length, I was pretty anxious to acquire. I would have spoken to Morgan about
8 the building, the name of the company would have been left to Seddon to pick
9 some name. I think I might have suggested the name to him, it looked like we
10 were going to buy the building from the time, we would operate the company from
11 the building and that was the name of the company and that's how it came into
12 being.

13 Q 172Mr. Lawlor, isn't it clear from the point of view of incorporation into this
14 company, Mr. Morgan had nothing to do with its incorporation, that was entirely
15 a matter for yourself and Mr. Seddon?

16 A In --

17 Q 173Is that true?

18 A -- in reporting to Nick Morgan telling him to what to do but not necessarily
19 specifically this is the name of the company so, and I wouldn't have been
20 boring with the details.

21 Q 174You are agreeing with me?

22 A I am telling we would have discussed with Nick Morgan and set up some entity
23 and looked after it, that's all.

24 Q 175On that account, he would not be the party incorporating or agreeing to set it
25 up?

26 A Seddon's solicitors were doing that.

27 Q 176Yes. But they were doing it at your instruction?

28 A Sure my instruction was related to my ongoing relationship with Nick Morgan,
29 you can try divorce them or marry them, that was the ongoing situation.

30 Q 177Mr. Seddon had no connection whatsoever with Mr. Morgan in relation to the

1 incorporation of this company, and his first dealings in relation to the share
2 structuring of the company, or any alteration of it, took place in February of
3 2001, the year after it had been incorporated, isn't that so?

4 A Could be, yeah.

5 Q 178 In support of your affidavit here in the paragraph I have just read to you, you
6 make reference to a letter dated the 20th March 2000 sent from C.I. Law Trust
7 corporation.

8 A Could I just Chairman, before you went on to, when you went back to the early
9 part of the affidavit, there's no reference to the fact that this is in here at
10 all, and here it is explaining what it was intended, and profit sharing
11 agreement; and you are suggesting I didn't inform the Court or I didn't do this
12 or that, and here it is in the affidavit.

13

14 CHAIRMAN: Here is what?

15 A Here is a paragraph about a company we spent about a half an hour on in the
16 early part of the affidavit.

17

18 CHAIRMAN: What paragraph?

19 A 365, we are back here discussing you didn't refer to Zatecka, you didn't do
20 this, you didn't do the other, here it is in it. Exactly what was the intent,
21 my intent explained here in the affidavit.

22

23 CHAIRMAN: But Mr.-- this is page 365.

24 A But sure we went back on page 336 and we were spending a half an hour talking
25 about the fact I never referred to Zatecka or never did --

26

27 CHAIRMAN: Do you think it's productive Chairman you have to read these
28 documents from a historic perspective? You know I just, it's lost on me.

29

30 CHAIRMAN: Mr. Lawlor, the entire questioning of you is for the most part

1 non-productive and has been for many months.

2 A Well it will be if you spend time on 336 and then an hour later you come up to
3 where we were discussing.

4

5 CHAIRMAN: Mr. Lawlor, you are being asked precisely, you are being asked about
6 sworn testimony that you gave on earlier occasions which it would now appear as
7 a result of Mr. Seddon's evidence and your own evidence, it would appear is
8 completely untrue.

9 A Mr. Chairman, I don't know how you draw that conclusion, you are here on 336,
10 Mr. O'Neill is seriously questioning the fact that in an affidavit, not
11 evidence, an affidavit, there's no reference to Zatecka 14 S.R.O. and he
12 labours that long and hard, and then we move on to page 366 and here is a
13 reference to the company. That's the specifics of what is at stake here.

14

15 CHAIRMAN: Mr. Lawlor, that's not correct, and I think you know it.

16 A No, I don't know it.

17

18 CHAIRMAN: The purpose of Mr. O'Neill's questioning is to determine the extent
19 to which you, when swearing this affidavit, attempting to distance yourself
20 from Zatecka S.R.O. We now know that there is a extremely close connection and
21 link between you and the company. Your own solicitor up to yesterday,
22 Mr. Seddon, believed that you were at all times controlling the company. The
23 clear impression given in this affidavit on page 365 is that the company was
24 something that was created by someone else, namely the Morgan Trust. And it
25 wasn't closely connected with you. That's the purpose of these questions.

26 A It's a complete --

27

28 CHAIRMAN: Any delay and lack of productivity as you refer to it is entirely
29 your fault.

30 A No, it's not. I vehemently disagree and I am saying this on record here, I

1 have never tried to distance myself from Zatecka 14, never, but what I have
2 done, and you are the people that do these sort of the things, you set up
3 companies, staff in offices hold the shares. Mr. Seddon wrote to me after an
4 article in the Irish Times, a legal expert like yourself saying you were never
5 a director and you are not a shareholder in Zatecka 14 S.R.O. I never was.
6 There's thousands of executives running companies that don't own the company,
7 don't own the shares in them, act as consultants to them, direct them, tell
8 them what to do. The people that owned and meet once for a board meeting and
9 have a discussion and the executives every day of the week, or the consultants
10 to the executives give directions and run the company.

11
12 JUDGE KEYS: Mr. Lawlor, a very simple question, going back to page 365 the
13 paragraph relating to Zatecka which is an non-Irish company incorporated by the
14 Morgan Trust; why didn't you simply say in that affidavit "I gave instructions
15 to Seddons to incorporate the company"?

16 A But sure I am saying. Who is the deponent in the paragraph?

17
18 JUDGE KEYS: It's a very --

19 A Lawlor is the deponent, Lawlor trust --

20
21 JUDGE KEYS: Why didn't you just simply say in plain English "I gave
22 instructions to Seddons to incorporate the company."

23 A Because it was being done in cooperation with a longstanding agreement and it
24 was reflecting the accurate situation. That's why.

25
26 JUDGE KEYS: That's not an answer to what I have asked you. A simple question.
27 You gave the instructions to set up the company, why didn't you say --

28 A Only after consultation with Nick Morgan.

29
30 JUDGE KEYS: Please listen to the question, why didn't you just say "I gave the

1 instructions" and then go on and mention something about the Morgan Trust.

2 A But sure I didn't say it --

3

4 JUDGE KEYS: You distance yourself from Zatecka.

5 A Rubbish.

6

7 JUDGE KEYS: You think that's rubbish?

8 A I think that's rubbish because here I am saying that there's a 75 a percent 25
9 percent agreed between the deponent, which is Lawlor, and the Morgan Trust.

10 Now how more can you marry at the hip a company, Zatecka 14 S.R.O -- any such
11 developments will be divided between the Morgan Trust and this deponent. Now I
12 mean I just, it's lost on me what the --

13

14 JUDGE KEYS: Mr. Lawlor, your explanation has been less than truthful.

15 A My explanation is wholly truthful. The deponent is Lawlor. So divide it
16 between, all I was interested in doing was putting on the record in an
17 affidavit the fact that there was a company and there was a profit sharing
18 arrangement. Who said to who about how it should be set up, to me, is a
19 complete irrelevancy.

20

21 JUDGE KEYS: You may have thought that, as you may well appreciate it was
22 extremely relevant in relation to the context of which this affidavit was
23 sworn.

24 A Anybody that doesn't know that I am related to this company by way of a profit
25 sharing arrangement set out in black and white there.

26

27 JUDGE KEYS: So you still can't give a proper explanation to the Tribunal why
28 you didn't insist that in that paragraph of the affidavit, "I gave instructions
29 to set up the company" and then elaborate more on the Morgan Trust --

30 A 12th March --

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JUDGE KEYS: You have no explanation for that?

A I have dealt with Zatecka in affidavits long before this affidavit.

MR. O'NEILL: You didn't deal with it Mr. Lawlor.

JUDGE KEYS: I am just asking a simple question,

A You are getting a simple answer. I didn't see it of any relevance that I, Liam Lawlor, instructed Seddon to set up the company, I don't see it as of relevance.

JUDGE KEYS: What you see of relevance, that dictates what you put in the affidavit, irrespective of what the Tribunal or the Order for Discovery directs you to do, is that correct?

A No, no, all I am saying in instructing a solicitor to set up a company seemed to me to be an irrelevancy. What seemed to be terribly important to me to inform in an affidavit any arrangements commercially that might derive from the vehicles, a member of my staff could ring Seddons office and say "register the name of a Czech company we may need it for whatever commercial purpose going forward". That to me is a pretty minuscule occurrence. The important thing from my point of view to disclose to the Tribunal and the High Court in that was to say that in that company, if there was benefits deriving from it, that that was the way the divide was going to be, which to me is of legitimate interest of the Tribunal and information it would want to know. Who instructed who to register the name of a company.

JUDGE KEYS: Mr. Lawlor, you are missing the point, very simply --

A I am not.

JUDGE KEYS: You are. Because it's very simple, the closer you are to Zatecka,

1 the better and more power you would have to procure documents that that company
2 has, isn't that correct? The closer the relationship you have with Zatecka,
3 the greater the chance or the powers that you would process to procure
4 documentation which the Tribunal were seeking from you or from that company,
5 isn't that correct?

6 A Yeah, that's correct and only Nick Morgan gave --

7

8 JUDGE KEYS: And I suggest to you that is the reason why you did not say in
9 that paragraph that "I gave the instructions to Seddons to set up that company"
10 because --

11 A Absolutely not.

12

13 JUDGE KEYS -- you knew if you deposed that in the affidavit --

14 A Not at all.

15

16 JUDGE KEYS -- that you had the power to procure the documentation, which was
17 being sought by the Tribunal.

18 A No, totally, absolutely not.

19

20 JUDGE KEYS: We are all wrong?

21 A No, you are not all wrong, I am just saying here that we have spent a half an
22 hour back here about no reference to Zatecka and here is the exact
23 arrangements; who rang who and why and how it was set up. Quite honestly,
24 Chairman, you know, maybe it wasn't the way, now with the wisdom of hindsight,
25 I left all these things, you could see yesterday and the day before, with
26 Seddons, his office did all that.

27

28 JUDGE KEYS: You are not going to blame your lawyers now for this, are you?

29 A No, I am just saying I left it to, it was Seddons suggestion we needed a Czech
30 vehicle, as I recall it. That was the structure he was trying to put on it.

1 The complexities of it.

2

3 JUDGE KEYS: I have no further questions.

4

5 CHAIRMAN: Mr. Lawlor, have you asked Mr. Morgan, your solicitor, one of your
6 solicitors and advisors, have you asked him to come over to give evidence to
7 the Tribunal?

8 A He was never my solicitor, he was a business partner. Not a solicitor. I mean
9 I wrote the day you asked, the next day, and I believe he has written back and
10 I believe he is in correspondence with his London lawyers giving every
11 cooperation. The only thing I ever did with Nick Morgan in relation to all
12 this, Nick would you ring Tony Seddon or do whatever has to be done to make
13 sure he gives everything that we need and I wouldn't give him a second thought.

14

15 CHAIRMAN: Have you asked him to come over to Ireland?

16 A That has been dealt with by way of correspondence, I faxed a copy of your
17 transcript from the previous day and I believe there was some contact between
18 him and the solicitors for the Tribunal. It's a matter to be --

19

20 CHAIRMAN: Have you asked him to come over?

21 A I told him that the Tribunal wanted to --

22

23 CHAIRMAN: That's not the question. Mr. Lawlor. Have you asked him to come
24 over to give evidence to clear up a variety of matters which appear to be in
25 dispute?

26 A I was never asked to ask him.

27

28 CHAIRMAN: Well are you prepared to ask him now?

29 A Of course I will, yeah, no problem whatsoever.

30

1 CHAIRMAN: Have you any objection to the Tribunal contacting him or other
2 agencies in the UK?

3 A None whatsoever.

4
5 CHAIRMAN: With a view to ensuring that he does come over?

6 A None whatsoever, the Tribunal can do that anyway, you don't need my approval.

7
8 CHAIRMAN: But we are asking for your approval.

9 A I have no problem, whatever. Never had.

10
11 CHAIRMAN: Are you happy to withdraw any objection you might ordinarily be
12 entitled to make?

13 A I have no objection to make whatever.

14
15 CHAIRMAN: Are you prepared to withdraw any objection on the grounds of
16 privilege or otherwise to the production of all relevant documentation by
17 Mr. Morgan?

18 A Absolutely, yeah. As far as I knew that was all concluded because I had given
19 him an authorisation way back to discover, or his solicitors, everything.

20
21 CHAIRMAN: Well it's clear now that there is no objection to --

22 A There never has been.

23 Q 179MR. O'NEILL: Mr. Lawlor, I was asking you about the content of the affidavit
24 on page 365. You raised the complaint that this should have been raised at
25 some earlier stage with you when I was questioning you in relation to the
26 detail on page 357. I just want to clarify something for you.

27
28 In relation to page 357, you were being questioned in relation to two specific
29 aspects. Firstly, the fact that you swore that no profits had been generated
30 by any Czech entity in the Czech Republic to that date in time; and secondly,

1 you are swearing to the fact that no monies had been paid to you other than
2 nominal out of pocket expenses. It was in the context of those positive
3 averments by you which I suggest are utterly untrue, that you were being
4 questioned at that time. You are now being questioned about the first specific
5 reference in your affidavit and it is your affidavit, to Zatecka, where you
6 start by swearing that the company is incorporated by the Morgan Trust. We
7 have gone through the circumstances which established that that in fact is not
8 the case and I now want to move on to deal with other matters which seem to be
9 inconsistent with the facts which are also deposed to in this affidavit of
10 yours.

11 A Mr. Chairman, just a second. 12th March affidavit. B 111 from my office.
12 12th March in advance of all this affidavit, my understanding was that you were
13 discovering all of the credit cheque cards spending and itemised detail, I
14 think that's the 25th affidavit.

15 Q 180Are you saying that all the affairs of Zatecka that are material to your
16 dealings with that --

17 A What I am saying is that you conveniently didn't even raise the matter and
18 there are substantial amounts of records given to you, itemising any financial
19 benefit I had derived by way of benefit.

20 Q 181They were opened in the affidavit that I opened earlier of Ms. Howard where she
21 indicated how she learned of the existence of this entity, so let's move on.

22 A Let's stay with it.

23 Q 182This is not a debate, Mr. Lawlor.

24

25 CHAIRMAN: Mr. Lawlor --

26 A Mr. Chairman.

27

28 CHAIRMAN: Mr. Lawlor, Mr. O'Neill will decide the questions, just answer the
29 questions and let's move on.

30 A I am wanting to state and I want to ask a question and I am entitled to --

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CHAIRMAN: You are not entitled to ask any questions.

A Well I am entitled to put it on record he is selectively picking and cherry picking.

CHAIRMAN: Mr. Lawlor, you can make submissions when your evidence is concluded.

Q 183MR. O'NEILL: Mr. Lawlor, you refer in your affidavit, from a letter from what you describe as CI Trust Corporation dating the 20th March 2000, in fact that is a letter dated 20th March 2001, and we have considered it at earlier hearings dealing with your discovery obligations. You refer to it here as being the basis, or support, for your contention that the company was incorporated by a Morgan Trust. You say as already referred to in the letter from CI Trust Corporation dated the 20th March 2000," it is envisaged that the Morgan Trust and this deponent will develop certain properties in the Czech Republic in the near future, five to ten years."

Isn't it the case, Mr. Lawlor, that at the time you swore this affidavit, you were in fact endeavouring to wind up the affairs of Zatecka and move its monies abroad?

A I don't know, possibly. I hadn't time to attend the Czech Republic or Prague, and Seddon suggested maybe you should sort of conclude the accounts of the company, that could well be the base.

Q 184How is that consistent with swearing on this date in July that the company was intending to proceed to carry out further projects in the Czech Republic over the next five to ten years?

A If I could give it time and attention I would certainly do so.

Q 185That wasn't the intention?

A I didn't have the time to do so.

Q 186You expressed the intention to Mr. Seddon that the monies in the account should be sent to Liechtenstein and to Switzerland, isn't that so?

1 A That was Morgan at Seddon's suggestion that the company should be wound up.

2 Q 187 We have a look now if we may to the letter you have referred to here of the
3 20th March 2001. It's Tribunal reference on Mr. Lawlor's discovery file is
4 257. It's on screen. Firstly the basis upon which the letter was written,
5 Mr. Lawlor, is expressed as follows. It's a letter written to your then
6 solicitor, Mr. Coyne, on the 20th March 2001, under reference the High Court,
7 the Honourable Mr. Justice Feargus M Flood, Sole Member of the Tribunal of
8 Inquiry into Certain Planning Matters and Payments versus Liam Lawlor.

9 "We have been advised by recent letter from Liam Lawlor that you are now acting
10 for him in place for Delahunt Solicitors, Mr. Lawlor has requested that we
11 respond to you in respect of a letter dated 22nd December 2000 which was
12 addressed to us by Delahunt Solicitors."

13 I think that's one of the 272 letters that you circulated to people.

14

15 With the said letter from Delahunt was a copy of an order made by the Sole
16 Member of the Tribunal made in respect of Mr. Lawlor together with a signed
17 authority from Mr. Lawlor to enable us to furnish information to you. We also
18 confirm we were instructed to act for Long Water Investments and related
19 entities in this matter."

20 Now, I want to move down through the letter if I may, to what will be page 259.
21 Paragraph 7.

22

23 Where in the body of the letter, Mr. Morgan is setting out his explanation for
24 the circumstances in which you received monies from his late father. Paragraph
25 7: "In or about summer 1995 it was understood that the said Mr. Lawlor
26 contacted the late David Morgan. Discussions took place with a view to
27 cooperating in Eastern European countries where we had already an established
28 client base. David Morgan outlined our group's offshore services and
29 Mr. Lawlor discussed the property projects he was pursuing in the Czech
30 Republic. It was agreed to establish an ongoing relationship between the

1 parties, a joint venture was discussed and as part of the discussions and allow
2 Mr. Lawlor to clear debts and fund and develop his efforts, the question of
3 availability of loan finance was raised by Mr. Lawlor with Mr. Morgan.

4
5 Mr. Morgan's advice was that the raising of the bank finance might prove
6 difficult in the context of what was proposed as the banks which he dealt
7 preferred UK based arrangements with defined security in control to fund
8 payment of capital interest. Mr. Lawlor inquired further whether any of our
9 companies or any clients could provide personal funding by way of secured loan
10 as a favourable interest rate. It should be emphasised that trust companies
11 and legal firms in Jersey and other offshore centres frequently receive
12 requests of this nature whereby trust funds or similar funds may be advanced by
13 way of short or medium term secured loan or private investment arrangements,
14 with rates of interest or return above prevailing bank deposit rates.

15 It is understood that following these discussions between the late Mr. Morgan
16 and the said Mr. Lawlor, it was agreed that a private loan should be made on
17 formal terms by an entity ultimately owned by a trust established by the late
18 Mr. Morgan. We are seeking authority to disclose to you a copy of the loan
19 agreement to the trustees. Mr. Morgan has already -- Mr. Lawlor has already
20 given his approval to the disclosure of the loan agreement, we provided to the
21 said Mr. Lawlor in the year 2000. Copies of the interest schedule showing the
22 balance of the indebtedness up to the end of the term of the loan and the
23 calculation of interest up to 31st December 2000.

24
25 It was also agreed in consideration of our procuring or making the loan,
26 Mr. Lawlor would promote our group's offshore services to his extensive
27 contacts in Eastern Europe and that Long Water would participate with
28 Mr. Lawlor as effective joint venture partner in business opportunities or
29 property ventures in Eastern Europe, principally within the Czech Republic on
30 the 25-75 percent basis.

1

2 Within this context we agreed the establishment of a local Czech company owned
3 by one of our companies during 2000 in respect of which profits will accrue to
4 us once local accounting and taxation formalities are attended to. Any profit
5 attributable to Mr. Lawlor is to be applied against the balance of indebtedness
6 of the above loan after making appropriate reserve for taxation, any taxation
7 liability of Mr. Lawlor's.

8

9 Thereafter any surplus profit will be divided on the said 25 to 75 percent
10 (Long Water/Lawlor) basis once the loan has been cleared, or by mutual
11 negotiation."

12

13 Again, Mr. Lawlor, could I point out that Morgans here seem to be repeating the
14 same error that you have in your affidavit here, namely that a Czech company
15 was established and owned by one of the Morgan companies in the year 2000.

16 That is factually incorrect, isn't that so?

17 A Detail between Seddon and Morgan getting the legalities in order.

18 Q 188It's not a detail?

19 A That's the way I view it.

20 Q 189This was a letter written to you for the purpose of production to the High
21 Court?

22 A I would have said to Morgan "talk to Seddon about the company detail."

23 Q 190Mr. Morgan could not have learned from Mr. Seddon that a Morgan company either
24 set up this trust or owned it in the year 2000 because neither of those events
25 took place and Mr. Seddon was the person who had set up the company in 2000 and
26 whose office had managed and administered it through that year. The first
27 indication that Morgan was saying this company should be held, or any Morgan
28 related entity, is on the 7th February 2001. This is an inaccurate statement,
29 Mr. Lawlor, I am asking you to confirm that that is the fact?

30 A It's the detail between solicitors setting up a vehicle in a company, no

1 comment on it, I can't add to it or take from it. That was the discussion that
2 ensued at the time.

3 Q 191 You know that this entire letter is one which has been subject of review by
4 Mr. Morgan and that his solicitors have written to the Tribunal, the letter we
5 have already put up on your last discovery, page 287, drawing your attention to
6 the fact that the file note does not correlate to the letter of Mr. Morgan on
7 the 20th March 2001 to Mr. Lawlor. That communication being based on various
8 misconceptions as what he understood the position to be as related to you by
9 your client. Mr. Morgan effectively retracted this letter, isn't that right,
10 because it was inaccurate, and this is one of the inaccuracies that is apparent
11 from the subsequent investigations conducted by the Tribunal. That is that
12 there is no Morgan company which owned this company Zatecka in 2000 and it was
13 not set up by the Morgan Trust as you swore in the High Court.

14 A That was a matter between, a legal aspect. I never wanted to hold or hold a
15 company, I wanted to set up in the first instance. I have already elaborated
16 in the second instance to give that arrangement.

17 Q 192 Isn't it the case that you were using these supposed loan agreements and your
18 supposed relationship with Mr. Morgan as a joint venture partner as an exercise
19 to hide your true ownership in incorporation? Mr. Morgan is in effect a screen
20 which prevents persons inquiring into your affairs from going behind it.

21 A Not at all. Rubbish. And Mr. Morgan has had an authority from me, written as
22 referred to, to disclose everything in the first paragraph just as I did with
23 Seddon. You have been advised by recent letters, acting for, copies of the
24 Tribunal's order and whatever was to be provided was to be provided by these
25 people, full authority from me, not in the slightest. Not remotely. Despite
26 your Machiavellian plot, Mr. O'Neill, you are wrong, totally wrong.

27 Q 193 Mr. Morgan is a person who carries out instructions of yours in relation to
28 your companies, which include directions to raise invoices for work which his
29 firm has never done so as to clear out the available funds in a bank account in
30 the Czech Republic, isn't that so?

1 A So where's any such document? Could you produce the document you are talking
2 about.

3 Q 194 Yes, I will, it's your document, you instructed him to generate an invoice for
4 consultancy services carried out for Zatecka by Sinclair Holdings?

5 A It was just to give effect to the profit sharing.

6 Q 195 Whatever it's effect was, Sinclair Holdings did not carry out consultancy
7 services for Zatecka?

8 A Sinclair Holdings had a very much hands on discussion role, kept up to date,
9 briefed, visited Prague, so you come to these magnificent conclusions of your
10 own volition.

11 Q 196 Well you tell me, Mr. Lawlor, why it is that you gave a series of instructions
12 where you instructed, firstly Mr. Seddon as to what he was to receive from
13 Mr. Morgan, you then instructed Mr. Morgan to communicate with Mr. Seddon. The
14 purpose of that communication was to ensure that all available funds then
15 standing in the bank accounts of Zatecka would be taken out of that account,
16 which on foot of an invoice would be generated by Sinclair?

17 A That gives effect of that agreement that it says there.

18

19 CHAIRMAN: Who gave effect to what agreement?

20 A To the profit sharing?

21

22 CHAIRMAN: You don't dispense profits via generated invoices.

23 A But sure the man also put in "subject to any local fees" or charges, or
24 whatever.

25

26 CHAIRMAN: Mr. Lawlor, you were asking, this was an instruction from you to
27 Mr. Morgan to generate invoices in order to clear out money in the Zatecka
28 account, an invoice is something that's generated for the purposes of payment
29 or securing payment for work done. You say this was in order to dispense
30 profits but you don't generate an invoice to draw down profits.

1 A How does somebody here come to the conclusion as to what Morgan did or didn't
2 do or what introductions his late father made in the Czech Republic.

3
4 CHAIRMAN: You said the reasons for your request to him to generate invoices
5 was to give effect to the sharing, the profit sharing agreement, so how could
6 anyone, how could a company dispense profits in payment of an invoice? An
7 invoice is for goods or services given or supplied

8 A Well, I mean who's to say he wasn't tracking ours against the Czech Republic.

9
10 CHAIRMAN: Can you not understand the point that's being made, you are asking
11 someone to generate invoices, to produce invoices for work done that wasn't
12 done, in order to dispense with profits.

13 A How do you come to the conclusion what he did or didn't do when you don't know.

14
15 CHAIRMAN: But you don't ask somebody to generate an invoice in order to draw
16 down profits?

17 A You can't make that judgment as to what Nick Morgan or his late father did or
18 didn't do by way of their input in the Czech Republic.

19
20 CHAIRMAN: But that's not profits though. You are --

21 A I mean Nick Morgan came and spent nearly the best part of, I don't know how
22 many days in Prague. I mean if he is looking at the likes of the hours that
23 lawyers and barristers charge, why couldn't he charge it in that format?
24 That's, you know, Nick Morgan on a number of occasions or his late father made
25 introductions, I don't know what hours he booked against it, if that was the
26 way he was proposing to do it, that was up to the company accountants in Prague
27 to get whatever format and whatever documentation that was necessary and
28 correct and in order.

29
30 JUDGE FAHERTY: Mr. Lawlor, could I just ask one question? Could I remind you

1 what you asked Mr. Morgan to send to Mr. Seddon was very clear, transfer for
2 consultancy work the amount of CK amount and the deutschmark account at the
3 Erste Bank; that's Zatecka's bank account, as I understand it, to Sinclair
4 Holdings banks accounts. A reading of that would suggest you were asking,
5 telling Mr. Morgan to request Mr. Seddon to clear out the bank accounts of
6 Zatecka. And indeed Mr. Morgan purported to act on your instruction because I
7 think about ten days later he writes to Mr. Seddon and tells him to send the
8 whole of the monies to Zatecka's account to a bank in Liechtenstein and a bank
9 in Switzerland?

10 A Why don't you read out the letter that he said "subject to all deductions and
11 appropriate fees and outgoings."

12
13 MR. O'NEILL: We will examine this.

14
15 CHAIRMAN: Mr. Morgan was your solicitor.

16 A No, he was never my solicitor, I repeat myself to you, and it's irrelevant, but
17 I am telling you he was never ever my solicitor.

18
19 CHAIRMAN: Well, he described himself as your solicitor.

20 A Well I'm just telling you what my description of Mr. Nicholas Morgan was, an
21 international businessman with a major --

22
23 CHAIRMAN: You say he was not your solicitor, look at the letter of the 20th
24 March, paragraph 8, this is Mr. Morgan writing. He says the writer, that's
25 Mr. Morgan, "met with the said Mr. Lawlor in or about July 1999, shortly prior
26 to the death of the late Mr. Morgan." That's his father. "The contents of
27 part of the discussion are naturally privileged as between solicitor and
28 client. Advice was given to said Mr. Lawlor on changes in the offshore world
29 generally, including new due diligence requirements requiring trust company
30 licensing regulations, present banking policy and similar matters."

1

2 And then later on in the paragraph, he says "clearly privilege attached to this
3 meeting." Now that is an instance, I think there are more, but that's one
4 clear instance where Mr. Morgan is describing himself as to -- this was to your
5 Irish solicitor, was describing himself as your solicitor. Did you say to your
6 own solicitor to whom that letter was written, this is incorrect, Mr. Morgan is
7 misdescribing himself when we refers to himself as your solicitor?

8 A I think there's further comment maybe in that letter that, I think, was not
9 acting as my solicitor, but he felt part of that discussion related to his
10 family affairs.

11

12 CHAIRMAN: Didn't he say in paragraph 8 that he was your solicitor?

13 A I think now if we get it right, he had clarified that possibly earlier on. Or
14 in some other correspondence. I think it was to do with the Liechtenstein bank
15 account, my interpretation of this, he was discussing his affairs.

16

17 CHAIRMAN: He was referring to you, he was referring to you as his client. Is
18 it the case then that he was, on occasion, your solicitor and on occasion not
19 your solicitor?

20 A Not, well he may have written in that context but he has never legally advised
21 or acted for me in the context of these matters. It was either Seddons
22 solicitors who were totally acting in that context.

23

24 CHAIRMAN: So when he described himself as your solicitor, this was incorrect
25 information?

26 A I think there's some other correspondence, Chairman, that addresses that matter
27 in the correct form. Nicholas Morgan is not somebody I ring or seek or get
28 legal advice.

29 Q 197MR. O'NEILL: He is the person you authorised to deal with the Landesbank and
30 to receive the information from Landesbank which was --

1 A Yeah.

2 Q 198He was given an authority as your solicitor to communicate with them to receive
3 the information?

4 A At the time, that was seen as the, to try because they had much greater contact
5 to ensure we got all the information for the Tribunal.

6 Q 199He did so as your solicitor, Mr. Lawlor?

7 A I think he qualified that because he came in, David Whitehead letters and I
8 remember discover in the Liechtenstein account.

9 Q 200Let's look Mr. Lawlor at the dealings which you had in relation to the Zatecka
10 funds with Mr. Lawlor, Morgan, and the role you intended him to play. If you
11 look to page 50 you see how you orchestrated the correspondence which was to
12 take place between Mr. Seddon, Mr. Morgan and vice versa.

13 On the 4th August 2000, page 50,

14 A That would have been after discussions with Nick Morgan.

15 Q 201On the 4th August 2000, you draw up a fax which you are sending to London to
16 Mr. Seddon regarding Zatecka and you enclose the attached fax which has been
17 submitted to Nicholas Morgan. The next page, page 51, shows the attached fax?

18 A Yes.

19 Q 202It is a fax from Zatecka and it is instructing Mr. Morgan to forward to Seddons
20 solicitors, who are the solicitors for that company, an appropriate invoice to
21 be prepared and submitted to the above company. The effect of the provision of
22 that invoice you see is to operate, to transfer for consultancy work the amount
23 of the CK holdings, that's the Czech koruna and deutschmark account holdings at
24 the Erste Bank to the bank of Sinclair Holdings Limited.

25

26 At that point in time, had you any idea of what the amount of those funds were
27 or had you received from Mr. Morgan or from Sinclair or anybody else, a
28 detailed breakdown which would allow you to calculate what consultancy fee, if
29 any, was due to Sinclair for any work which Sinclair had done for Zatecka

30 A It's back to the answer I gave this morning, he was suggesting what was the

1 profit and I would have roughly assumed that it was 100,000 which is what's
2 referred to.

3 Q 203How would you roughly assume that was a profit, on a million pounds
4 transaction?

5 A You see you have a phobia about a million, which is incorrect, do you know how
6 much had to be paid out of the million?

7 Q 204We know exactly how much had to be paid out because we see the breakdown in the
8 financial accounts. The money went to you.

9 A It didn't go to me.

10 Q 205There is 40,000 left in the account?

11 A It didn't go to me.

12 Q 206There's 40,000 left in the account, Mr. Kavalek was paid, Seddons were paid,
13 what other payments were there?

14 A Aspen.

15 Q 207Aspen was paid, we can put it on on screen for you and you can explain it
16 Mr. Lawlor. 121.

17

18 This is 2000. Mr. Kavalek of two and a half million koruna. Seddons got 3.3.
19 Your son and his wife got 5.3.

20

21 Mr. Seddon withdrew 900, there was a transfer into another bank account, you
22 might be able to help us on that, 460,000.

23 There was a transfer to Hannibal, which is Mr. Ron Smith.

24 A Yes.

25 Q 208Of 10,000 pounds. 50,000 to yourself, 10,000 to yourself, 10,000 to
26 Mr. Seddon.

27 10,000 for you in deutschmarks.

28 And the transfer to Westaway Trust Company, which went to Dr. Kavalek in an
29 offshore payment.

30 Where are the great expenses now that come out of all of this?

1 A That's exactly what I am talking about.

2 Q 209 They are minuscule by reference to the millions that were in that account,
3 there was 26 million in that account?

4 A I think you should clarify that they are CZk least our fans behind me are
5 talking about millions tomorrow morning. Divide it by 44.

6 Q 210 We can see that it's a Czech account, it's apparent from the document itself,
7 you needn't make that point.

8 A I think it's very necessary to make it actually. So that's the record and that
9 was discovered by me back I think whenever, I can't remember the date. That's
10 the records of it.

11 Q 211 The 29th July this year, Mr. Lawlor, is when it was discovered. You did not
12 discover until then on the basis that you were claiming that Zatecka 14 S.R.O.
13 was a company which was not within your control and the extent to which you
14 could deal with its accounts was limited to providing an extract of certain
15 Mastercard transactions. That was untrue, Mr. Lawlor.

16 A It wasn't untrue and it's not untrue today. I don't own or control the
17 company. I never claimed other than the error in the Dail register, Mr. Seddon
18 is writing to me here saying he noticed something in the Irish Times and he
19 wanted to correct it. I have no problem being an adviser, directing, driving
20 Zatecka 14 to what it achieved but it was not ever held to my benefit as an
21 owner. As a consultant directing the company from day one, absolutely, yes.

22 Q 212 As a person who could direct that every single penny in its accounts could go
23 at your direction, you were effectively --

24 A Mr. O'Neill, that has to be reconciled with Mr. Morgan either today or
25 yesterday or tomorrow and that's a matter of commercial reality that has to be
26 addressed.

27 Q 213 To which you have produced no documentation other than the letter of the 20th
28 March 2001 evidencing this transaction and it being your relationship with
29 Mr. Morgan. And that is a letter which Mr. Morgan, through his solicitors,
30 Isadore Goldman, has withdrawn as being inaccurate. Now --

1 A All I can say to you, Mr. Chairman, there's a vast quantum of further
2 documentation discovered.

3 Q 214Why does the Tribunal not have a document which you say should evidence the
4 relationship of Mr. Morgan and yourself in relation to Zatecka?

5 A It's there. You have just read a letter, there's other correspondence.

6 Q 215That is a letter which they have withdrawn.

7 A They didn't withdraw it, no, they referred to clarification on certain aspects
8 of it. Are you suggesting that the totality of this letter is supposedly
9 withdrawn? Is that what you are trying to say?

10 Q 216I am saying they have not quantified or identified what --

11 A Spell out the letter to them as I have just given clearance and ask them
12 exactly what you want and when you want and why you want it. No problem, go
13 and do it. I have given clearance by writing months ago.

14 Q 217As much as they have done is to reply saying that their memorandum speaks for
15 itself. They don't identify any of the matters which they now realise are
16 incorrect and misinformation --

17 A That is totally untrue. You have been given everything that his solicitor and
18 he decided I have a procurement of entitlement to. Every detail of it.

19 Q 218The only response which the Tribunal has received, Mr. Lawlor, to the question
20 as to what matters in the letter of the 20th March 2001 require clarification
21 because of their inaccuracy is as follows: There are no matters which require
22 correction or clarification following the meeting of the 16th January 2002.
23 The minutes prepared which you had seen accurately reflect the position so far
24 as our clients are aware, on the information provided to them." Which does not
25 in any sense explain which of the details in the letter was 20th are
26 inaccurate. However the Tribunal has, in its examination of you recently,
27 established that there are two possible scenarios for the receipt by you of
28 685,000 pounds. One being that they are the product of loans by Morgan Trust.
29 The other, that these are funds which were paid to you from funds which were
30 ultimately or initially generated by Mr. John Caldwell in relation to Dublin

1 land transactions.

2 A Yes.

3 Q 219Right. The 685,000 in fact comes from two transactions. 350,000 pounds in
4 relation to the trench of land at Baldoyle, where you, through a company called
5 Trenary, received that amount of money, 'the other 325,000 pounds, sorry,
6 335,000 pounds comes as your share of the profits of the Coolamber land
7 transaction isn't that so?

8 A That has all been well rehearsed.

9 Q 220Of course it has and it is wholly inconsistent with the content of the letter
10 of the 20th March 2001.

11 A But sure the meeting, the minute of the meeting in London went back over all of
12 those matters and elaborated in detail and cleared up now, I vehemently
13 disagreed with some of the findings or notes of Morgan because he had met
14 Caldwell two days earlier, he was very much reflecting Caldwell's views which
15 weren't mine.

16 Q 221When Mr. Morgan wrote that letter, he did so on the basis, he said, of
17 misinformation provided by you. When he was asked --

18 A Where is that stated?

19 Q 222It's stated to the minute notes, you know well. That it suited your purpose to
20 be lacking in candour in giving your account.

21 A Not at all, that was his view. I disagree with that.

22 Q 223You are asking me when he said it, I am telling you when he said it.

23 A I have disagreed and you have documents to prove I did.

24

25 CHAIRMAN: We'll sit again at two o'clock.

26

27 THE TRIBUNAL THEN ADJOURNED FOR LUNCH

28

29

30

1 THE TRIBUNAL RESUMED AS FOLLOWS AFTER LUNCH:

2

3 MR. O'NEILL: Mr. Lawlor.

4

5 CHAIRMAN: Mr Lawlor, just before Mr. O'Neill starts, recommences his
6 cross-examination, or his examination, you said before lunch, you said in
7 response to a question asked of you about Mr. Nicholas Morgan, you insisted
8 that he had never been your solicitor, isn't that right?

9 A. In the context of representing me legally, in matters other than this
10 correspondence that arose relating to the Tribunal, Chairman.

11

12 CHAIRMAN: And you then had read to you, I think by me, paragraph 8 of
13 Mr. Morgan's letter to you, or sorry, to your Dublin solicitor dated 20th of
14 March of 2001, but you still persisted in your insistence that he was not your
15 solicitor. And I want to refer to you evidence that you gave on Day 393 which
16 was the 10th of July last, and at question 580 with reference to Mr. Morgan you
17 were asked, "In which Mr. Morgan, who is your solicitor, has 25 per cent in
18 profits". Your answer: "I think you wouldn't be correct to categorise him as
19 a -- he is a financier and an investor and a businessman as well as having a
20 very substantial legal practice." The next question: "Does that mean he is
21 not a solicitor?"

22 Answer: Well he is a solicitor first but a businessman second, or whatever
23 form at you wish to put it.

24 Question: Has he acted for you as a solicitor?

25 Answer: He has advised me on several occasions, his father before him. I
26 think he referred to that in his correspondence, if I wanted advice Nicholas
27 Morgan would be somebody which I could go to, depend on his -- on his advice, I
28 presume you meant to say. In all of this matter I would classify Mr. Seddon as
29 my solicitor.

30 Question: You have a range of solicitors don't you?

1 Answer: I just have Tony Seddon in Czech Republic and Dr. Kavalek, Czech
2 solicitor.

3 Question: Then your London solicitor, Mr. Seddons, isn't that right?

4 Answer: It derived from the Prague connection actually.

5 Question: You have Haynes & Trias and Mr. Morgan in Gibraltar and Jersey
6 respectively, isn't that right?

7 Answer: Yeah."

8

9 So the position seems to be clear that on that date in July, under oath, you
10 accepted that Mr. Morgan was your solicitor, or had been your solicitor.

11 A. The reason that I said this morning, Chairman. I am of the opinion there is an
12 earlier letter from Nicholas Morgan which referred specifically to this matter.
13 That's the only -- he set out the situation. I think it was -- I think it is a
14 previous letter and I recall, I can't recall the date of the letter that he
15 specifically referred to the fact regarding the legal aspect of his involvement
16 with me. That's the only reason that there is a previous letter, I believe to
17 this letter, in which he addressed that matter.

18

19 CHAIRMAN: But do you now accept that he was your solicitor?

20 A. Well, you see, I don't see him in that context. The context in which I see
21 Nicholas Morgan is, is a business colleague and business associate and in my
22 first dealings with his late father, it wasn't in the context of going looking
23 for legal advice, it was to do with resolving commercial dispute between
24 parties.

25

26 CHAIRMAN: But why did you say in July that he was your solicitor?

27 A. You know, it's in -- if you say Haynes & Trias, you know, I am not absolutely
28 certain as to whether he is a partner, principal or associate or what his role
29 is. His name doesn't feature in that.

30

1 CHAIRMAN: But you said then Haynes & Trias and Mr. Morgan were your
2 solicitors. In any event, the reason I am raising it is just to, just to point
3 out to that in fact you did acknowledge Mr. Seddon, or Mr. Morgan as your
4 solicitor in July. And to point out to you that the Tribunal at this stage
5 is -- as well as Mr. Morgan's acknowledgement in that letter in 2001 that he
6 was your solicitor. But I want to make it clear that the Tribunal is now
7 satisfied, having looked back at this evidence, to state that Mr. Morgan was
8 your solicitor and has acted as your solicitor.

9 A. Well I just want to reserve the situation, I believe there is an earlier
10 correspondence from Mr. Morgan, it may assist further on that matter. I just
11 can't consult the letter because I don't have it here. I know it is on --
12 maybe Mr. O'Neill can put his finger on it. It was the letter that I received
13 following my visit to Jersey when his father was ill and that was the
14 correspondence that first arose and in that letter I recall he addressed the
15 matter acting for me -- to me it's irrelevant in that whatever dealings I had
16 with Nicholas Morgan, I have asked him in whatever capacity to provide and
17 discover all information in relation to any dealings I have ever had with him.

18

19 CHAIRMAN: Well I think, Mr. Lawlor, it's particularly important that the
20 Tribunal makes it quite clear that it accepts that Mr. Morgan has acted as your
21 solicitor and in that respect he has a duty and an obligation, particularly
22 having regard to your request that he should come and give evidence, that he
23 should come and give evidence to the Tribunal

24 A. That's a matter for Mr. Morgan.

25

26 CHAIRMAN: Well I just want to -

27 A. I have already stated my view on the matter. I just want to revert and, when I
28 get the chance to research the letter, to bring it back to your attention,
29 Chairman, so it may be of some assistance.

30

1 Q.224MR. O'NEILL: Mr. Lawlor, earlier we were discussing two documents which are
2 pages 50 and 51 of the hard copy before you, and they are the documents which I
3 suggest you used to orchestrate the response or the letter from Mr. Nicholas
4 Morgan which was sent to Mr. Seddon on the 18th of August. The origins of the
5 letter, in other words, of the 18th the August are these two communications
6 from you, the first to Mr. Seddon, the second to Mr. Morgan, and as a result of
7 these communications one moves on to your, to see the letter of the 18th of
8 August which we see at page 54.

9 A. Yes.

10 Q.225Page 54 is the document from Sinclair Holdings Limited. That, you say, is a
11 Nicholas Morgan company. It certainly shares the address of many of the Morgan
12 entities which have been considered by the Tribunal to date, including its
13 registers office at East Asia Chambers in Road Town, Tortolla in the British
14 Virgin Islands. And this letter, you agree, is the product of the earlier two
15 letters; isn't that right?

16 A. It could be, yes. I can't be absolutely certain. You are talking about the
17 4th of August?

18 Q.226Yes.

19 A. I don't think it refers to them but it could be, yes.

20 Q.227Well I put to you that there is absolutely no doubt but that it is and I will
21 read into the record firstly your letter of the 4th which probably went by fax
22 to Tony Seddon which reads, "Tony Seddon, London office. Zatecka 14 S.R.O.
23 date August 4th 2000. Attached fax sent to Nicholas Morgan. I informed him
24 you are at the London office today prior to going on vacation next week. Could
25 you issue the appropriate instruction to Sarka to action the transfers next
26 week when Sinclair Holdings Limited provide the bank name and account numbers
27 to receive the transfers. The CZk should be converted to sterling for
28 transfer."

29

30 Page 51 then, under the heading of the letter head of Zatecka 14 S.R.O. to

1 Nicholas Morgan/Sinclair Holdings from Zatecka 14 S.R.O, August 4th 2000
2 "Instruction to be forwarded to Seddon solicitor of address, transfer for
3 consultancy work the amount of the Czech account and deutschmark account at
4 Erste Bank to Sinclair Holdings Limited bank accounts.

5
6 Appropriate invoice to be prepared and submitted to the above company.

7 Also confirm to Seddon solicitors that the following two accounts will be
8 discharged by Sinclair Holdings Limited when the appropriate invoices have been
9 submitted and the instruction confirmed as already discussed.

10
11 The amounts due are:

12 15,000 Irish and 10,000 sterling and signed." I suggest that's your signature
13 there, is that right?

14 A. Yeah.

15 Q.228At the bottom. And the next document we turn to then is the fax which came
16 from Sinclair Holdings to Seddon solicitor on the 18th of August 2000 reads as
17 follows, "Zatecka 14 S.R.O. Further to our recent telephone conversation, I
18 should be grateful if you arrange to transfer the balances standing to the
19 credit of the above company's CZk account and deutschmark account at Erste Bank
20 to Sinclair Holdings Limited as per the details set out below representing
21 payment for consultancy works carried out the invoice of which will follow
22 under separate cover.

23
24 I also confirm the two relevant invoices for 15,000 Irish pounds and 10,000
25 sterling will be discharged directly by Sinclair Holdings when appropriate
26 invoices have been submitted and instructions confirmed as already discussed.

27
28 Sinclair Holdings Limited bank account details are as follows", then two
29 accounts are given. Firstly in relation to the Czech balance, it should be
30 converted to sterling and 120,000 pounds sterling should be sent to the account

1 at the Bank Multi Commerciale in the account name of Sinclair Holdings in
2 Geneva. And the second to be converted from the deutschmark accounts to the
3 bank of Sinclair holds at VP Bank in Liechtenstein in account number 310924014,
4 the other account being 002682.

5

6 "I would be grateful if you could advise us by fax of the converted amounts
7 that are being transferred and the date of the transaction so that we can
8 advice the recipient bank accordingly."

9

10 Now I want to know, Mr. Lawlor, what was it in relation to those transactions
11 that Mr. Nicholas Morgan, who was the signatory to that letter, what was his
12 involvement in relation to those transactions?

13 A. Well as far as I know, himself and Tony Seddon agreed the payments of the two
14 invoices to the two parties associated with it, having had an involvement with
15 the Hybernska building.

16 Q.229But is that not what you say in your instruction to have agreed, you in fact
17 have --

18 A. It would have been following discussions with Tony Seddon that that's the way
19 he wanted to discharge those two accounts.

20 Q.230But that is not what is expressed in the two documents that we --

21 A. My reaction to what you are asking, that's what I am saying, will be my
22 understanding of it. That I would have discussed with Tony Seddon the
23 discharging of those monies and that's the way the paperwork would have issued
24 accordingly.

25 Q.231When you say you would have discussed them, this was --

26 A. Yeah, I would have discussed.

27 Q.232-- your conclusion as to how these two smaller amounts, the 10 and 15 should be
28 dealt with, that was your decision, isn't that right?

29 A. I would suggest both Ron Smith and Dr. Kavalek would be in regular day to day
30 contact with Tony Seddon than myself on that matter.

1 Q.233 Let me be perfectly clear about this, Mr. Lawlor. It was you, was it not, who
2 agreed with Dr. Kavalek his fees were going to be paid offshore in Jersey
3 account?

4 A. In consultation with Tony Seddon, yes. That's why this paper would have arisen
5 because Tony Seddon said will you fax Nicholas Morgan and instruct or inform
6 him and you go on to see that there is further faxes. A letter from Seddon to
7 Dr. Kavalek referring to on page 56, so he is really "I would like to speak to
8 you before arrival of Mr. Lawlor. If you are back in the office on Monday,
9 perhaps you can speak for a few minutes " etcetera. "In the meantime, please
10 note that I have informed Nick." That was Tony Seddon.

11 Q.234 That was Tony Seddon, following --

12 A. Following a discussion with myself, yeah.

13 Q.235 Following your discussion?

14 A. And possibly with Dr. Kavalek and with Ron Smith, yeah.

15 Q.236 Yes. Mr. Lawlor, it was you who agreed with these gentlemen that you pay their
16 fees offshore through this Jersey account?

17 A. You will have other points there where you see Ron Smith will be been speaking
18 with Tony Seddon, he was there permanent, a week on, a week off. I would be in
19 for a day or two and back out, it was really maybe I discussed the matter with
20 Tony Seddon on the phone. He asked me to send a fax, I would dictate a fax and
21 that's what would have happened.

22 Q.237 I will deal with the two smaller amounts in due course, Mr. Lawlor. But I want
23 to understand what the underlying purpose of your transfer of the balance of
24 the funds which were in the account in Czechoslovakia was and why, in
25 particular, you were having them transferred to these two accounts, one in
26 Switzerland and one in Liechtenstein.

27 A. They were totally to do with Nicholas Morgan, probably wondering was there
28 funds available or, you know, he was looking to get, give effect to whatever
29 funds that might have been available, but it never transpired because, just
30 didn't happen. That was never actioned or never given effect because he, I

1 think Tony Seddon would have probably dealt with the matter and discussed with
2 Nicholas Morgan and he actioned two smaller amounts and never actioned the
3 larger amount.

4 Q.238But the larger amount transactions were initiated by you. Initiated by you
5 sending the fax on pages 51 and 52. It was your request, not Mr. Morgan's,
6 that these two sums would find themselves in these offshore accounts in
7 Liechtenstein.

8 A. No, that doesn't automatically follow at all.

9 Q.239Whether it automatically follows or not --

10 A. He could have had a discussion with Nicholas Morgan and Tony Seddon and that
11 documentation emanated from a three- or four-way discussion. You know, I can't
12 be specific about the exact detail of that.

13 Q.240You have agreed already, Mr. Lawlor, that the content of the letter of the 18th
14 of August flows from the instruction which you gave in the two earlier letters
15 of the August 4th, that was an instruction from you to Mr. Seddon to implement
16 the payment of these funds on receiving from Mr. Morgan a request to pay those
17 funds. You equally instructed Mr. Morgan to make the request which would
18 result in those payments being made. Those payments, if implemented, would
19 have transferred the funds that were in this account which were at least
20 250,000 pounds or so, to transfer those to a Liechtenstein bank account and a
21 Swiss bank account. I would like you to explain why it is that that
22 transaction was to take place.

23 A. I don't have, other than what I have already explained to you. I mean as far
24 as I know, in ongoing probably discussions with Tony Seddon wasn't actioned.

25 Q.241We know it wasn't, he considered it inappropriate.

26 A. No, no, the only thing was that, there was -- you know, company accounts to be
27 concluded and so forth. It is reflecting what I was saying to the Chairman
28 earlier about whether there was funds to be had or not, you know, and just it
29 wasn't actioned, it was premature and it hasn't been actioned since.

30 Q.242Well what was your intention, Mr. Lawlor, when you gave this direction?

1 A. I had no intention other than as stated there.

2 Q.243No intention stated here other than that there will be a transfer of funds from
3 an account which is controlled by you in Czechoslovakia to two accounts, one of
4 which is in Geneva and the other in Liechtenstein?

5 A. They have nothing whatsoever to do with me.

6 Q.244Well then why were you directing your money would be put into those accounts?

7 A. All I have to tell you, it wasn't my money so, you know, so -- you can retract
8 that. It was the company's money and Nick Morgan had an involvement,
9 participation, profit sharing, call it what you will.

10 Q.245Mr. Lawlor, this was money which was being withdrawn on your instruction, it
11 was going from one bank to another bank. Why did you nominate these two
12 accounts as being the areas where this money would go? There must be an
13 underlying --

14 A. Can you draw my attention to where I nominate these accounts? Tell me where I
15 refer to these accounts.

16 Q.246You tell Mr. Morgan to take the money out of those accounts on foot of the
17 invoices.

18 A. That's not what you said, Mr. O'Neill. Mr. Chairman, I am asking where I
19 specify these two bank accounts anywhere in this documentation.

20 Q.247You didn't specify these two particular accounts.

21 A. That's what you said, why did you nominate these two bank accounts so if you
22 wish to withdraw is what you said --

23 Q.248I won't use the word nominate. Why did you have the money taken out of this
24 account which, I am putting to you, you exclusively controlled and why were
25 they to go into these two accounts?

26 A. I didn't exclusively control. It was by agreement with Nicholas Morgan at any
27 juncture.

28 Q.249Mr. Seddon has already told us, Mr. Lawlor, that until yesterday all
29 instructions he received in connection with this company were taken from you,
30 that whilst he received a notification from Mr. Seddon via this letter on the

1 18th of August of 2000 to transfer the funds, he refused to do so because he
2 considered it inappropriate and whilst he received a letter on the 7th of
3 February of the following year to the effect that the shares in Zatecka should
4 be held by Sinclair Holdings, he did not implement that either.

5
6 So, you are the person who controlled these funds and everything which came out
7 of those accounts, which amounts to more than 900,000 Euro, was removed from
8 those accounts at your direction. Now why was this particular balance as of
9 August 2000 to be transferred to a Liechtenstein and Swiss bank account?

10 A. Because, as I draw Judge Faherty's attention to letter at 100, Mr. Seddon set
11 out there -- he desisted from part of it yesterday. He was familiar at all
12 times with the involvement going back to his letter of the 4th of April, 2002.
13 He set out, he agreed it wasn't exactly correct, just like I agreed regarding
14 the formation of Zatecka but there was always the understanding that Nicholas
15 Morgan or his company had that interrelationship with Zatecka 14. And it's
16 spelt out there in black and white on page 100 as to the understanding, if not
17 the actual actions, of Seddons office in dealing with Nicholas Morgan and his
18 associate company.

19
20 So Nicholas Morgan would have been regularly reported to and discussed by phone
21 with him, the progress of various matters in the Czech Republic and he visited
22 and inspected it firsthand on some occasions etcetera so that -- that's, so the
23 discussion would have emerged and Tony Seddon would have actioned the two
24 smaller amounts and the larger amount was left to be addressed at a future
25 stage when the reconciliation of the company's finances had been completed.

26
27 CHAIRMAN: Mr. Lawlor, you were asking, you were effectively directing that
28 the profits of the company in their entirety were to be sent to, if your
29 evidence is correct, to bank accounts outside your control.

30 A. Yeah, but the whole -- no, they were nothing to do with me, those bank

1 accounts.

2

3 CHAIRMAN: Yes, that's what you say. But if that's to be accepted by the
4 Tribunal, what it means in effect is that here were you actively engaged in a
5 process where a quarter of a million pounds, the entire profits from the
6 company Zatecka, were being handed over to bank accounts outside your control.
7 Why would you do that if you are entitled to 75 per cent of it?

8 A. Yeah, but 120,000 is what's the figure mentioned? If Mr. O'Neill has gone from
9 a million to 900 now and you know, 120 would only reflect possibly 25 per cent
10 of the matter.

11

12 CHAIRMAN: But you --

13 A. So, you know, that was in -- some discussion with Nicholas Morgan at the time
14 and that's how the paper work was produced. Tony Seddon would have probably
15 pointed out saying there could be a lot of costs and we have to get the
16 accountant to resolve the matter and it was just parked and said okay, we'll
17 just pay the other two small amounts and what do you want me to do? Send me a
18 fax with instruction.

19

20 CHAIRMAN: But your instruction to Mr. Seddon was to pay out on foot of an
21 invoice, isn't that right?

22 A. Well it was on foot of a discussion and a transfer, it could have been an
23 invoice or whatever the appropriate documentation.

24

25 CHAIRMAN: But it was to be -- but it was to be an invoice.

26 A. But that was a matter for Nicholas Morgan to reconcile in his books whatever
27 way he wanted to receive or accept the funds if he was receiving it. Let it be
28 a profit share, he may have been invoicing as a service to the company.

29

30 CHAIRMAN: But you said this morning, that you made it quite clear that as far

1 as you were concerned, all Mr. Morgan was doing was preparing an invoice to
2 cover his expenses and services to the company.

3 A. But he could have written back with some different method of payment if he
4 wished to, on behalf of his company.

5

6 CHAIRMAN: But, Mr. Lawlor, this is a company where you are the effective
7 controller. You are entitled, on your own evidence, to 75 per cent of the
8 profits.

9 A. Correct, yes.

10

11 CHAIRMAN: So you, more than anyone, will be surely concerned to ensure that
12 invoices raised against the company are reasonable and are justified, isn't
13 that right?

14 A. But if --

15

16 CHAIRMAN: No, wait now, just deal with that. Like any businessman --

17 A. Sure.

18

19 CHAIRMAN: -- who was going to benefit from the profits, you would be concerned
20 that false invoices wouldn't be raised, isn't that right?

21 A. But there is no question of false invoices.

22

23 CHAIRMAN: All right. So you were requesting that the entire monies in the
24 account in effect were to be paid against an invoice without giving yourself an
25 opportunity to look at the invoice or query or ensure that it was fair and
26 reasonable, because this, whatever the amount of the invoice was, it was going
27 to eat into your share of the profits?

28 A. But if there was a reconciliation of the figures and there was X paid more
29 than, it could be reconciled between Nicholas Morgan and myself.

30

1 CHAIRMAN: But was this money to be transferred on foot of a genuine interest?

2 A. But it was whatever format Nicholas Morgan decided he wanted to interrelate
3 with the company in Prague, whichever way he -- it is really a matter for him.

4
5 CHAIRMAN: But you were aware that the system to be used was the raising of an
6 invoice, isn't that right?

7 A. If he wanted to raise an invoice.

8

9 CHAIRMAN: No, no forget --

10 A. A dividend or whatever.

11

12 CHAIRMAN: Forget what he wanted. You were aware then this was going to be
13 done and processed on foot of an invoice.

14 A. It didn't really matter to me which way it was going to be done, Chairman.

15

16 CHAIRMAN: Just answer that. Were you aware this was going to be done by way
17 of an invoice?

18 A. Yeah. As I say, I was specifically aware that that was the way. My attitude
19 would be that would be a matter for the accountants to deal with in whichever
20 way Mr. Morgan and possibly his accountants would have wanted to deal with the
21 matter.

22

23 CHAIRMAN: But, Mr. Lawlor, you are not being truthful. On the 4th of August
24 of 2000, you instruct Mr. Seddon on Zatecka notepaper appropriate invoice --
25 sorry, you say, first of all "Transfer for consultancy work" then you say
26 "Appropriate invoice to be prepared" so you were aware that this money was
27 going to be transferred out of the Czech bank account to offshore banks on foot
28 of invoices for consultancy work or other work done for the company by
29 Mr. Morgan, isn't that right?

30 A. But if you go to page 58, Chairman, you see a different form of words which

1 really would put the emphasis on Mr. Morgan in whatever form at he wished to
2 deal with it. If he didn't wish to raise an invoice and wished to put it in as
3 a part dividend or profit sharing, I am just using the word invoice, it could
4 mean whatever form at it was submitted.

5

6 CHAIRMAN: Well then, if we are to accept what you say, as far as you were
7 concerned it didn't really matter a hoot to you how it was transferred or for
8 what reason based on what paperwork it would be transferred.

9 A. I would have left that Seddons office in Prague.

10

11 CHAIRMAN: Well now, can you tell the Tribunal was this money genuinely
12 intended to discharge expenses or fees incurred by Mr. Morgan or was it a way
13 of giving Mr. Morgan the, his share of the profits?

14 A. Well it was probably premature in the first instance to even enter into this
15 paperwork because the company's accounts hadn't been processed or dealt with.
16 So it was just premature to deal with it. Whichever way it was going to be
17 dealt with was a matter for Morgan, Seddon and the accountants.

18

19 CHAIRMAN: No, but what did you think you must have --

20 A. I wouldn't be too fussed one way or the other, Chairman. I would have said
21 look --

22

23 CHAIRMAN: Did it not matter to you whether Mr. Morgan was grabbing every last
24 penny out of the company account for services that he was pretending to have --

25 A. It would be my understanding, as I said to you earlier this morning, Chairman,
26 in the region of 100,000 would have probably been his entitlement after all
27 deductions and taxes and whatever. You asked me what I thought about 400 was
28 the net profit, I could be wrong. It could be 500 or 300. Now if the figure
29 was incorrect or reconciled differently, there would have been a readjustment
30 or contra or payment back to the company or whatever, because I only picked a

1 round figure guestimating what I thought the matter should be. I would leave
2 to Seddons office and accountants to do the calculation in detail. Seddon
3 could have come back and said the accounts are in order and the sum to be
4 transferred should be 87,550 pounds.

5

6 CHAIRMAN: Was this then a way of ensuring Mr. Morgan was given a share of his
7 profits?

8 A. It was part of the discussion, I think, following a visit to Prague. But it
9 was particularly premature because, you know, the matter didn't, and still
10 hasn't to this day, because of the ongoing accountancy requirements being fully
11 reconciled, so there was no transfer made. The matter was left in abeyance and
12 still the basis of --

13

14 CHAIRMAN: Is it your evidence then that as of the time you gave that
15 instruction that you had never, would never see another penny out of this?

16 A. No, no, it wasn't the case at all. If there was an adjustment to be made with
17 Nicholas Morgan that he had received in excess of what his entitlement was,
18 that would be adjusted and that would be dealt with.

19

20 CHAIRMAN: Why transfer the money out of the jurisdiction?

21 A. It wasn't -- he was based in whatever jurisdiction he was.

22

23 CHAIRMAN: Why weren't you saying to Mr. Morgan, look we'll do up the
24 accounts, we'll divide up the profits and whatever your share is I will
25 transfer to your account in wherever.

26 A. That would be the final reconciliation of the account.

27

28 CHAIRMAN: But wouldn't it be normal to do the final reconciliation for the
29 company while the company had the money instead of sending it off to offshore
30 accounts in two different countries?

1 A. That was very much Mr. Morgan's response back. I wasn't aware of where the
2 banks were, what banks, they were his instructions.

3
4 CHAIRMAN: But you were party to this. You were actively engaged in saying to
5 Mr. Seddon, get rid of the money out of the Czech accounts.

6 A. That never arose, what arose was a discussion with Nicholas Morgan and the
7 figure that I mentioned to you this morning was the estimated figure I would
8 have had, that should reflect the distribution, just like when I invoiced the
9 100,000 pounds and then the 75,000 pounds, give or take an adjustment, was what
10 was transferred to my consultancy in Dublin. The balance at that stage was
11 left in the company to be Nicholas Morgan's distribution of 100,000. And in
12 this instance it was very premature to be addressing this matter, it was
13 probably after discussion with Nicholas Morgan. I said well I will instruct
14 Seddon, it should be about a 100,000 pound which will reflect the profit
15 sharing, I will issue instruction, dictate a fax and send it to your office or
16 whatever. If he came back and reconciled and said it should be 74,000, not
17 100,000, I may say will you send me a fax with an instruction to that effect.
18 That's what would have happened.

19
20 CHAIRMAN: Were you not concerned that this was likely to be a breach of
21 revenue law or company law?

22 A. There was a breach of nothing. What was it in breach of? The company
23 accountants in Prague had every itemised detail. Seddon or Sinclair's
24 accountants who are, I believe, KPMG --

25
26 CHAIRMAN: Are you saying the company accountants in Prague were party to this
27 arrangement or had consented to it?

28 A. No, I am not. I am just saying that the information as to how the company's
29 money was dealt with would have been brought to the attention of the
30 accountants as it was dealt with yesterday in their lengthy letter, it went

1 through all the records of the company. They set out all the queries, the
2 reason the loans were raised to me at the time was because we hadn't reconciled
3 the accounts and I needed resources and the monies were provided by way of loan
4 from the company. Documents discovered to this Tribunal and the loans will
5 have to be reconciled either by way of repayment or a distribution of profits
6 when the accountants complete their work.

7
8 CHAIRMAN: Is it your evidence then, because we have to be clear about this,
9 Mr. Lawlor, as I understand your evidence, it is to the effect that you were
10 happy to be party to an instruction to Mr. Seddon to clear out the company bank
11 accounts in Czechoslovakia, or the Czech Republic, that you were happy that
12 that would be transferred to bank accounts you say outside your control, and
13 that after all that was to happen, you would then sit down and decide about
14 what monies should be transferred back into the company for proper
15 distribution?

16 A. No, it would have been the other way around. If the instruction to Tony Seddon
17 didn't reflect the proper administration or the accountancy procedures of the
18 company, then it was his office was dealing with that. It would be my
19 understanding that he would ask the accountants about the matter, take advice
20 on if and if that wasn't the way to deal with it, deal in whatever was the
21 appropriate and correct way.

22
23 CHAIRMAN: So this quite clear instruction from you to Mr. Seddon was, you
24 were saying, wasn't necessarily to be carried out it was a matter ultimately
25 for Mr. Seddon?

26 A. No, I am saying he would go and ensure whatever reaction or implementation of
27 the instruction was in order, and he said here even when he drew up the loan
28 document it was never given effect, he obviously had discussion with the
29 accountants it should be classified as a loan. That was never actioned.

1 CHAIRMAN: But Mr. Seddon would have to be a magician to take that out of your
2 instruction.

3 A. But you see the point about it, it was his office and the accounts were all
4 dealt within his office. The ownership of the company was held there, to be
5 obviously not transferred to Morgan which it should have been, the accountants,
6 the whole operation of this company was out of Seddon's office in Prague,
7 honestly, Chairman, I repeat, I didn't get bogged down in the detail. I would
8 have issued that instruction on the understanding that Seddon and his
9 professional people would come back and say that's not the proper procedure,
10 this is the instruction we require from you and that there would be reconciled
11 between Morgan's accountants and the accountants in Prague and dealt with that
12 way.

13

14 JUDGE FAHERTY: This company was just six months old, Mr. Lawlor, only
15 incorporated in February. Surely the -- had the accountants done the accounts
16 by August 2000?

17 A. No, they hadn't.

18

19 JUDGE FAHERTY: Wasn't that the point the Chairman was making, how could
20 anybody give such an instruction, there was no accounts drawn up, it was only
21 six months into the life of the this company.

22 A. There was accountants that had been requested to oversee the running of the
23 company and the accounts of the company. I didn't, I don't think I met the
24 accountants for about two years after they were appointed. Seddon's office
25 appointed them. Seddon had a reputable company of accountants they deal with,
26 would it be appropriate to appoint them, yes, you appoint and look after them,
27 give them all the information, all the detail was in Seddon's office. I didn't
28 have any detail, I was happy to leave to Seddon's office to administer both the
29 legalities and financial aspect of the company.

30

1 JUDGE FAHERTY: If this happened as per your instruction to both Mr. Morgan and
2 Mr. Seddon, even if the accountants had done their job afterwards, it appears
3 there wouldn't have been a cent left in the company funds to pay the
4 accountants.

5 A. That would have to be reconciled and repatriated or paid to them or whatever,
6 yes.

7

8 JUDGE FAHERTY: So you would have to send back to Liechtenstein and Geneva for
9 funds for the accountants?

10 A. It wasn't intended unless everything was in order and the accountants were
11 happy to approve the payment of it.

12

13 JUDGE KEYS: Mr. Lawlor, could I ask you one thing, you say in your evidence
14 that you saw nothing wrong in this procedure.

15 A. I said I issued the instructions and left it to professional people to deal
16 with.

17

18 JUDGE KEYS: No, you issued instructions to pay monies out of a company, to
19 have all its monies transferred outside the jurisdiction.

20 A. Subject to all the appropriate procedures.

21

22 JUDGE KEYS: As a businessman, you saw nothing wrong with that?

23 A. Don't try and, you know, I am saying to you and it's even reflected in the --

24

25 JUDGE KEYS: It's a simple question, do you see anything wrong with that?

26 A. All procedures being correct, no.

27

28 JUDGE KEYS: No, do you see anything wrong with doing that?

29 A. All procedures being correct, absolutely not.

30

1 JUDGE KEYS: I see. Well, if all procedures are correct then, it can't be
2 done until accounts are finalised and the debts of the company have been
3 discharged. You have given instructions to do that before that had been
4 ascertained and done. That's what you call asset stripping.

5 A. I might have been in a position to know there was substantial monies in the
6 accounts. There could well be substantial monies left after this transfer.

7

8 JUDGE KEYS: I don't think I am picking up the picture wrong. All I can see is
9 that you gave instructions to take all the money out of a company and have it
10 transferred elsewhere before the liabilities of that company were discharged.
11 Now that is wrong. And you know that to be wrong. That's what they call asset
12 stripping.

13 A. What I am saying, how are you coming to the conclusion?

14

15 JUDGE KEYS: Because Mr. Seddon, Mr. Seddon in evidence yesterday said that the
16 procedure of which both you and Mr. Morgan or yourself and instructions you
17 gave were inappropriate and the reason why they were inappropriate was because
18 it was asset stripping what you were doing, in essence, was cleaning out of the
19 company before it paid its debts and that is wrong.

20 A. That is not what Mr. Morgan's request said, subject to all local fees and other
21 issues.

22

23 JUDGE KEYS: That's fine. That's the point. Why weren't the monies left in
24 the account until all that was done and then you take the monies out and have
25 them transferred or then give the direction to have them transferred over?

26 A. At that stage, the company could have had more funds than could justify --

27

28 JUDGE KEYS: No, your intention was to have the monies transferred out of the
29 account before the company paid its liability.

30 A. That's not correct.

1

2 JUDGE KEYS: All the monies in the account. You are trying to tell the
3 Tribunal now that if that had gone through and that there had been debts from
4 that, the monies would have been switched back from Liechtenstein and the other
5 country, Switzerland, the monies would be returned to pay the debts of the
6 company which is in Prague.

7 A. But who says?

8

9 JUDGE KEYS: Are you saying that would have happened?

10 A. Who says the 120 was the total proceeds?

11

12 JUDGE FAHERTY: You seem to be under some misapprehension about this -- if you
13 read your own instruction to Mr. Seddon, your first letter, you read your fax
14 to Mr. Morgan, if you read Mr. Morgan's letter, Mr. Morgan's letter to Tony
15 Seddon is quite clear. "Transfer the balances outstanding to the credit of the
16 above company at Erste Bank both in deutschmarks and CZk."

17 A. But only after whatever had to be deducted or retained.

18

19 JUDGE FAHERTY: That's not what was said.

20 A. I can't -- this is Morgan's fax, not mine. I am saying only after -- there is
21 no way that Tony Seddon administering the company was going to transfer the
22 other than what was appropriate. And if there had to be an adjustment of that,
23 that adjustment would be made.

24

25 JUDGE FAHERTY: Mr. Lawlor, I just want to impress upon you again your own fax
26 to Mr. Morgan, "Transfer for consultancy work the amount of the CZk account and
27 deutschmark account at Erste Bank to Sinclair Holdings bank accounts."

28 A. But that was meant in the context of what ever deductions had to be made,
29 should and would be made. That's why Seddon's office was administering the
30 company, had accountants looking after the company and it would be my

1 understanding that that or a lesser amount would be transferred if that was
2 appropriate. That's all. That's the whole nub of that issue. I wasn't
3 dealing with, didn't have the day to day -- that was a responsibility of
4 Seddons office. We were paying for secretarial and legal advice etcetera, that
5 was the way the company was administered and ran.

6

7 Q.250MR. O'NEILL: Mr. Lawlor, are you saying by August of the year 2000 that you
8 had decided that the acquisition of the Zatecka 14 building was not likely to
9 proceed and therefore that the company Zatecka S.R.O. could be used as part of
10 the Morgan Trust Group of Companies, is that --

11 A. Both were ongoing and, you know, if the price had been satisfactory, it was
12 expensive based on the figures and workouts on Zatecka 14 building. And if
13 funds were needed on an agreed formula and had to be injected back into the
14 company to buy the building, then that would have been done.

15 Q.251Well are you saying --

16 A. But the price of the building just didn't, it wasn't value for money, it was
17 very excessive price and I had lengthy negotiations as you can see in an
18 attempt to get agreement.

19 Q.252I am just trying to fix in time when you say that the Zatecka company fell
20 within the umbrella of the Morgan trust as opposed to its earlier status which
21 you said was for the purpose of acquiring the building. Can we take it it was
22 sometime in the middle of the year 2000 or was it later than that date that you
23 had decided it wouldn't be used for its original purpose?

24 A. No, I couldn't be specific about that.

25 Q.253In any event --

26 A. Later in the year and the following year if there was some opportunity, then
27 one would attempt to - because one of the other things that was ongoing was the
28 attempt in negotiations in several meetings I had regarding the Bank Of Bohemia
29 building at the Bank of Hybernska.

30 Q.254Are you saying the Sinclair Holdings company, that its involvement with Zatecka

1 was one where it was exercising its right as the Morgan Trust to be a company
2 which would control at least 25 per cent of the ultimate profit of the company
3 and that this would be a vehicle used jointly by Mr. Morgan and yourself for
4 Czech property ventures?

5 A. The matter was ongoing. It could have changed, based on decisions to negotiate
6 for a further building. Retain all the monies in the company, add to the
7 company's monies.

8 Q.255I am trying to --

9 A. I was trying to convince Nicholas Morgan at certain junctures going back and
10 forth he should invest substantially, put proposals to him on those lines. It
11 was just an ongoing situation.

12 Q.256I am trying to establish, Mr. Lawlor, when it was that you say that Sinclair
13 and Zatecka had a relationship which was a relationship that was going to
14 result in the 75/25 divide of profits.

15 A. The matter was ongoing in discussion between myself and Nicholas Morgan, there
16 was no definitive date as to when it should or shouldn't be given effect to.

17 Q.257What instruction --

18 A. During the lifetime of the company going forward, I would have put to him I
19 needed advances out of the company and there were advanced by way of loans to
20 be reconciled at a later stage, he then decided to leave the aspects of the
21 profit share providing he had asset comfort of control over shareholding in
22 Metro Launch.

23 Q.258We know from the letter of the February 2001 from Mr. Morgan to Mr. Seddon at
24 that point in time Mr. Morgan was addressing the question of the ownership of
25 Zatecka and saying that the shares in that company should be issued and held
26 and/or held for the benefit of Sinclair Holdings. You are aware of that?

27 A. Yeah well, I am sure it is there somewhere, yeah.

28 Q.259But irrespective of whether it was there as a document, you are aware of it as
29 a fact, isn't that right, that that was --

30 A. No, I would just be depending on Seddon and Morgan to address the matter and

1 thought it had been addressed and would have left it to be addressed. The
2 point here is that there were all sorts of time commitments here in Dublin that
3 I really wasn't in a position to give a great deal of time or attention to
4 Prague and haven't been, so therefore things were let drift from the initial
5 '94, '95 period. During that period, senior executives in Ballymore visited
6 Prague. I re-kindled that interest in '99, I gave a detailed three, four,
7 five, six months in 2000 and then I just didn't have time to devote and left it
8 to Seddons and Morgans and accountants to deal with whatever had to be done.

9 Q.260 All of those persons, I am putting to you, Mr. Lawlor, acted only on result of
10 express instruction given to them by you as evidence, for example, by these two
11 letters.

12 A. No, it was all done in the spirit of cooperation and agreement, not -- I was
13 the driving force behind what was done, but they were left to deal with the
14 specifics and details of it. I mean even in the purchase of Hybernska building
15 went in, chaired meetings, met the other side, went through everything, back to
16 Seddons office, you do that and you do that, we'll meet the bank tomorrow
17 etcetera etcetera, packed in whatever meetings I could, and returned maybe on a
18 day trip to Prague or spent two or three days, left all the administration and
19 legalities and banking and detailed workings of it to Seddons office. That's
20 the way I operate.

21 Q.261 Mr. Lawlor, you operate by giving instructions to people and having them reply
22 to other professionals who are acting for you who are seeking information from
23 those professionals.

24 A. I saw Nicholas Morgan in this transaction as a partner, as a financial interest
25 in it, not as a lawyer, never did.

26 Q.262 You say, Mr. Lawlor, that Sinclair has an investment with Zatecka we know from
27 February, it was to be the holder of the shares in Zatecka, isn't that right?

28 A. That's correct, yes.

29 Q.263 It was its parent company, in effect, within the Morgan Trust empire, is that
30 right?

1 A. It was to give effect to my agreement with Nicholas Morgan, yes.

2 Q.264But was that how it was done? It was the parent company of Zatecka.

3 A. But sure, you know, I really -- I wasn't too bothered what way it was done.

4 All I had was an agreement that if Zatecka made a 100,000 pounds, it paid
5 40,000 in tax, there was 60 left, I was entitled to 75 per cent of it, how
6 everything else was done I hadn't the remotest interest in it.

7 Q.265Well you did, Mr. Lawlor, because you were being asked about it by the Tribunal
8 of Inquiry, you were being asked to file affidavits in relation to it. You had
9 to put yourself in a position where you would know exactly what your status was
10 in relation to the company Zatecka before responding to the queries raised in
11 the High Court proceedings, isn't that right?

12 A. That's what I would have asked Tony Seddon's legal advice, practice, expertise
13 in Prague as he gave in evidence here, to clarify that for me. And to give me
14 the information. To write to me and tell me exactly what status was, what
15 should be discovered, why it should be discovered. I was totally in trust of
16 asking him to resolve and provide me with that information.

17 Q.266Your solicitor and associate, Mr. Nicholas Morgan, as the person controlling
18 the Morgan Trusts and its related companies, could tell you what the position
19 was in relation to the ownership of Zatecka, isn't that right, if you had asked
20 him, if you needed to ask him?

21 A. If I had any query in Zatecka it is Tony Seddon I would go to.

22 Q.267Right.

23 A. And Tony Seddon, in his letter, reflected what instructions he had received on
24 page 100 but appears not to have ever actioned it.

25 Q.268But you are aware of it?

26 A. I wasn't aware of the detail of it, not in the slightest. All I know is that
27 any day from the time we didn't use the company to buy the Hybernska building,
28 that that was a Morgan company. I told Tony Seddon the agreement I reached
29 with Nicholas Morgan was that the company should be entrusted with him and
30 whatever legality should be put in place, should be put in place. The detail

1 of it, quite honestly I wouldn't have had a clue about it. And I was always
2 convinced and I actually believe Tony Seddon told me that he had actioned it.
3 And Tony Seddon had various discussions, meetings and exchange of
4 correspondence with Nicholas Morgan which I thought had regularised all of
5 that.

6 Q.269 So your belief at all times has been that the Zatecka company was transferred
7 to Sinclair Holdings so that it was part of the Sinclair?

8 A. My belief was as reflected in Mr. Seddon's letter to Mr. Coyne of 2002, April
9 4th.

10 Q.270 I want to refer you now to your affidavit of the 17th of July, 2001 at page 381
11 where you deal with your involvement of the Zatecka company at some length.

12
13 Paragraph 106, 105 and 106.

14
15 "It's true to state I am not an officer and shareholder of Zatecka 14. I am
16 not aware if there is a parent company in relation to Zatecka 14. Zatecka 14
17 was incorporated by Seddon solicitors on receipt of instructions from Nicholas
18 Morgan to provide a Czech Republic registered corporation that could open a
19 bank account and receive in profits accruing to this deponent as a consultant.
20 As already stated, those profits would be divided between the Morgan Trust and
21 this deponent in the ratio one to three. As I was not involved in the
22 incorporation of the said company, I have no documentation in relation to it. "

23
24 All of that is untrue, Mr. Lawlor, isn't it? Untrue.

25 A. Chairman, all I can put on record is that I was --

26 Q.271 This is a record.

27 A. I will answer it whichever way I believe is appropriate to be as helpful as I
28 can. All I can say is I left all of that to Seddon's solicitors, Prague.

29 That's all.

30

1 CHAIRMAN: But Mr. Lawlor --

2 A. I would have discussed the matter with Morgan saying --

3

4 CHAIRMAN: But, Mr. Lawlor, you were involved in the incorporation of the
5 company. That's a clear fact. So when you said in your affidavit "I was not
6 involved in the incorporation of the company."

7 A. I tell you what I mean, I mean that I assume that there is no member of a
8 solicitor's office going to go down to some Companies Office somewhere, going
9 to sign forms on behalf of the company and going to deal with the matter which
10 I had no involvement with. The fact that I said would you please form a
11 company, yeah. But I had no involvement and that's what I mean.

12 Q.272I see. You didn't --

13 A. I am down in solicitors' offices every day of the week, it is my understanding
14 that there are staff members who incorporate, form companies, there are shelf
15 companies you can buy off the shelf, nothing to do with the formation of them,
16 some solicitors office or company outfit set them up. That's what's meant
17 there.

18 Q.273But you didn't mean to say you didn't have any direction or control of the
19 company?

20 A. You can split the hair any way you like.

21 Q.274That isn't splitting hairs.

22 A. I am not involved in the incorporation. Whoever I would have thought it was, a
23 staff member of a solicitor's office that was involved in the incorporation.

24 Q.275But you didn't mean to infer that you didn't have control of the company or
25 direction of it, is that what you are now saying?

26 A. What I am always saying is that it was operated at my leadership or call it
27 what you will, but the legalities of the formation, the files, the records, the
28 registration you put on the wall, all of that, I have nothing to do with it,
29 wasn't remotely interested in the detail.

30 Q.276Okay. The formalities of the company documentation, they were matters dealt

1 with by others but the direction of the company was yours, can you accept that
2 now, isn't that so?

3 A. No, the company was the ownership of those that he incorporated maybe to
4 transfer it on to some other party.

5 Q.277The direction of the company, Mr. Lawlor, was at all times exclusively yours,
6 isn't that so?

7 A. But you know Mr. O'Neill, we are never going to agree on this. All I can do is
8 say that I was, my priority was to negotiate the acquisition of a building.
9 The company, the methodology, the legality I have no interest to me. Just do
10 what I needed to do best, to negotiate the successful acquisition of the
11 building and leave everything else to Seddons solicitors or whoever was
12 involved in advising.

13 Q.278Well let's see what you said in your affidavit about it, Mr. Lawlor.

14

15 You go on, "It is in fact correct to state that I am not a 100 per cent
16 shareholder nor do I own a shareholding in Zatecka 14. However, it is agreed
17 that I will be paid by that company 75 per cent of the profit received by it in
18 relation to all property transactions negotiated and/or sourced by this
19 deponent. Zatecka was incorporated by the Morgan Trust. It may be used by
20 them for other transactions if and when the occasion arises. It may also be
21 used by them if they enter into a transaction without my involvement. As I do
22 not have any shareholding in the company, I have no control over its
23 direction."

24

25 How could you swear that, Mr. Lawlor, when every single direction of this
26 company was given by you?

27 A. Because the directors, owner of the company tomorrow morning in Prague, or
28 Sinclair Holdings, could decide they wanted to transact other business in that
29 company and I would have no power or otherwise. They could, any day of the
30 week, deal with that.

1 Q.279Mr --

2 A. That's what's meant by that.

3 Q.280Mr. Seddon stated yesterday that he was obliged, as was his secretary who was
4 the nominal director and shareholder of the company, to hold this company to
5 your benefit and to carry out all directions given by you, provided they were
6 legal and proper.

7 A. It's my understanding, Chairman, that if Nicholas Morgan rang Tony Seddon today
8 and said he wanted to put a hundred pounds or million pounds of equity into
9 Zatecka 14 and wanted to buy some building or business in the Czech Republic,
10 he could freely do so without me. That's my understanding of what was meant
11 exactly there and that's put that way because Nicholas Morgan would have
12 probably said to me that he may have other interests he wished to pursue in the
13 Czech Republic. So --

14

15 CHAIRMAN: Mr. Lawlor, you said there under oath that you had no control over
16 its direction. You are now suggesting that Mr. Morgan has control over its
17 direction. But it is quite wrong, it was quite wrong for you to say that you
18 had no control.

19 A. You know the only control I saw myself exercising in this whole matter was
20 controlling the successful conclusion of the acquisition of the building. The
21 corporate entity and the legalities and the accounts was something that I
22 really wasn't perplexed about, you know.

23

24 CHAIRMAN: But that's nonsense, Mr. Lawlor. Sure all the documentation we
25 have clearly shows you directing where the money goes and who it is to be paid
26 to.

27 A. Yeah but, Mr. Chairman, only if you succeed in the purchase of a building
28 called Hybernska. If you don't succeed in that function, you have none of
29 these matters to address. That's the only point I am making.

30

1 CHAIRMAN: But you had the day to day control of the company insofar as its
2 operation were concerned. You had effectively said that and Mr. Seddon, your
3 solicitor, has made it quite clear that the controller of the company was you
4 and yet you swore under oath, you swore on oath that you had no control. Now
5 no control, we are talking about plain English. No control means no control.
6 It doesn't mean that I have only some control. It means I have no control.

7 A. Well what was meant by that was that I wasn't a shareholder or director.
8 Couldn't be.

9
10 CHAIRMAN: That is not what it means. It means that you have said earlier you
11 weren't a shareholder, you go on to say that because you have no shareholding,
12 you have no control. We know now that you had control and --

13 A. All I am saying here is that Liam Lawlor as a consultant, accounts received,
14 profits accruing -- that's exactly what happened. That's the exact factual
15 situation. To this day if I rang up and issued an instruction and Sarka
16 Therova didn't want to accept it, she doesn't have to. She is the director
17 holding the control and ownership of the company. If it was with Sinclair
18 Holdings and they wished to put other business through the company, it wouldn't
19 be within my control or direction or otherwise. That's what's meant there. I
20 was a consultant to this company, it was to give effect to an agreement and a
21 handshake I had with Nicholas Morgan and that's what was there and that's
22 what's spelt out. Now we are here, you know, maybe it is a bit confusing but
23 my whole interest and priority in driving this issue was to secure a suitable
24 property transaction. The methodology and workings of it, and I just want to
25 put it on record, there is nothing but nothing Mr. Seddon gave in his evidence
26 that any of that was structured in any way to conceal or hide anything from
27 anybody. Not -- and the Tribunal was probably set up at the time, I don't know
28 when, and all that was done, so you know, I appreciate there is a lot of time
29 being spent on this. But that is as I interpret what it was. I had control of
30 the company relating to the purchasing of that one particular property

1 transaction and if I negotiated several more business deals that I was
2 directing, but it says here that others could use the company because it was
3 under their control, not mine.

4 Q.281 That's what it says Mr. Lawlor. Is it true?

5 A. Absolutely. I have just given the example. If Nicholas Morgan today wanted to
6 inject or do some transaction in the Czech Republic, he would consult with me,
7 I have no doubt, he would explain what he was doing, if he felt I could be of
8 assistance he might use me and if not -- so if he was offered to purchase some
9 other form of company in the Czech Republic today by a legal practice or by
10 some other commercial venture, he could say well, I am going to use Zatecka 14
11 S.R.O.

12 Q.282 If he did, he would meet Mr. Seddon who said until yesterday he understands
13 that the control of this company is exclusively yours.

14 A. Yes, but you have to go back to page 100, he expressed that here yesterday
15 evening but I put to him it was his clear understanding it not actioned, the
16 situation as per those two paragraphs in that letter, because I had discussed
17 and Nicholas Morgan had visited Prague and met Tony Seddon on several
18 occasions, if he didn't actioned legal transfers of shares documentation in
19 some official capacity, I accept that, but it wasn't my understanding, I was
20 absolutely a hundred per cent clear in my mind that Zatecka 14 S.R.O. was held
21 the way it had been assumed to be held, in Sinclair Holdings.

22 Q.283 Mr. Lawlor, Zatecka 14 S.R.O. is a company which received almost a million
23 pounds from an Irish property development company. It lodged those funds to a
24 Czech account which is controlled by you. You were being questioned as to -

25 A. Could I just say, Mr. Chairman, it is not controlled. I could not walk into a
26 bank, Erste Bank in Prague and withdraw one CZk or one pound from the account.

27 Q.284 You could do so by directing the secretary of the solicitor, Mr. Seddon.

28 A. Absolutely. If that person decided no or whatever, I didn't have any control.

29 Q.285 That person has no entitlement to say no, you were the beneficial owner of the
30 company and that is what Mr. Seddon said.

1 A. I want to you understand that. It is correct to say I don't have control.

2

3 CHAIRMAN: Mr. Lawlor, did that person ever say no in all the numerous and
4 frequent demands that you gave to transfer huge sums of money into your own
5 accounts? Did that person ever say no?

6 A. Yes.

7

8 CHAIRMAN: When?

9 A. When Tony Seddon wasn't available to confirm the instruction. If he was on
10 vacation or whatever.

11

12 CHAIRMAN: All right. After Tony Seddon became available, did that person
13 ever --

14 A. Providing it was all appropriate and he was satisfied, he would issue the
15 instruction.

16

17 CHAIRMAN: Were you ever refused money from the company?

18 A. In the context of requesting some instruction and he wasn't available and if he
19 was on vacation or whatever, until he returned there was no action taken.

20

21 CHAIRMAN: Were you ever ultimately refused money that you demanded from the
22 company?

23 A. No, there was -- anything that was done was done by agreement, Chairman.

24

25 CHAIRMAN: Were you ever refused a demand?

26 A. I don't recall being refused. I recall there could have been delays or could
27 have been Tony Seddon wasn't there to agree or negotiate.

28

29 CHAIRMAN: Well why, under oath, do you persist in giving the false impression
30 that somebody else had the authority and right to say no to your demands for

1 money from this company?

2 A. I put it another way, that person had the authority at all times to go to the
3 bank and withdraw every penny out of it with no recourse to me.

4
5 CHAIRMAN: Why do you persist, under oath, in giving the impression that your
6 demands for money were subject to the authority of some other person to say yes
7 or no, the demands that you made clearly were made always in the full knowledge
8 that once whatever paperwork had to be done by Mr. Seddon, you would receive
9 the money that you demanded.

10 A. With a caveat, Chairman.

11
12 CHAIRMAN: And this is a company that you say you have no control over its
13 direction and yet you take, you empty its accounts?

14 A. Chairman, you have just said, with the consultation and agreement of Tony
15 Seddon whose office administered the company. I am just repeating it.

16

17 JUDGE FAHERTY: Mr. Lawlor --

18 A. If I could finish this point. I don't have, I am not a signatory to the
19 account. Other than the documentation that I have presented to the Tribunal as
20 my arms length control, direction or whatever of the company.

21

22 JUDGE FAHERTY: Mr. Lawlor, you just said to the Chairman that Sarka Therova
23 would have to go to Mr. Seddon if you had requested something off her when he
24 wasn't there, is that correct?

25 A. Correct, yes.

26

27 JUDGE FAHERTY: Well Mr. Seddon had no hand, act or part in the control or
28 ownership of the company, the only person Mr. Seddon would have to consult
29 would be yourself, isn't that correct?

30 A. But I can only tell you the way it operated, Chairman. Not the way it should

1 theoretically or legalistically.

2

3 JUDGE FAHERTY: If you asked Ms. Therova, Mr. Seddon wasn't there, she went to
4 Mr. Seddon and Mr. Seddon would ask you if it was all right to accede to your
5 own request, you have effectively, you controlled the company, you were the
6 only person that could say what could happen in relation to the funds.

7 A. Sorry, in discussions at various times Tony Seddon decided I better consult
8 with the accountants before we make that transaction or advance those funds or
9 whatever. That would have happened. It happened on a number of occasions.
10 And listen, when will you be in Prague again, I would like you to meet the
11 accountants etcetera. So all I can do is tell you how it operated. If you
12 don't think it was the exact theoretical correct procedure, that's the way it
13 operated. Therefore I am trying to spell out in as clear and understandable
14 way I was advising and directing the company -- all I was doing was directing
15 its functions in one property acquisition with the hope that one might go on
16 and do other property transactions. Unless you focus on the acquiring of the
17 property and were successful, that you wouldn't have any transfer difficulties
18 or any account problems or any transfer issues. That was my priority.

19

20 Q.286MR. O'NEILL: Mr. Lawlor, the priority of the Tribunal and High Court in the
21 year 2001 was to try and get you to indicate exactly what your documentation was
22 in relation to the company Zatecka 14 S.R.O, and in particular its bank
23 accounts, to establish whether or not there were funds in those accounts which
24 merits investigation by the Tribunal.

25

26 You knew at the time you swore this affidavit that in the bank accounts of that
27 company during the year 2000, approximately a million pounds had been lodged by
28 an Irish property development company. You knew that you were the person who
29 was withdrawing those funds from that company. Yet in your affidavit of July,
30 you endeavour to indicate that it is a company controlled by the Morgan Family

1 Trust, that you do not have control of its direction, that you are not a
2 shareholder and therefore you are not in a position to provide information
3 about the company. That you have limited knowledge of it only. Now I put it
4 to you that you knew at this time in July that this company still had a
5 considerable amount of cash on hand, isn't that so?

6 A. I am now going forward and looking at page 397, page 398, page 399, that's
7 provided as addendums to the affidavit giving whatever information there is
8 about the company and its accounts and the amounts of money, etcetera.

9 Q.287Mr. Lawlor, I have asked you specifically.

10 A. I am answering by saying just refer to 397, 398 and 399 and you will see there
11 that I provided to the High Court what information I could about the company,
12 its bank accounts, a letter to Mr. Kosman in Erste Bank, what more can one do?

13 Q.288One can tell the truth, Mr. Lawlor, as the very basis upon which one moves
14 forward and I am putting to you that you did not do so in your affidavit to the
15 High Court and have indicated and demonstrated it so far today. I would like
16 you now to indicate --

17 A. You wouldn't move off that point without I commenting. I say go to those pages
18 and it shows you there, Mr. Chairman, the details associated with the affidavit
19 contradicting the whole thesis of what you are trying to put forward.

20 Q.289We have not left page 381.

21 A. I am referring to page 397.

22 Q.290I will deal firstly with page 381 and in particular where you swear the
23 following also untrue, "I believe that Zatecka 14 has no assets save the funds
24 advanced to it from which the payments to me have been made via the credit
25 card."What did you intend to convey, Mr. Lawlor, by that statement?

26 A. It owned no building.

27 Q.291What?

28 A. Owned no buildings.

29 Q.292Has no assets?

30 A. Assets were buildings. Other than, what did I say?

1

2 CHAIRMAN: Or money.

3 A. What did I say?

4 Q.293 "I believe that Zatecka 14 has no assets save the funds advanced to it from
5 which the payments to me have been made via the credit card."

6 A. The funds advanced, yeah.

7 Q.294 You were endeavouring to say the only funds that were there were the monies
8 made available to you ultimately --

9 A. No, the funds advanced to the company and those monies were taken from it and
10 detailed for you.

11 Q.295 They weren't detailed. Mr. Lawlor don't tell us that --

12 A. Hold on now. If you want to start, we go to 397 and we are talking about
13 3,100,000 pounds -- so why do you wish to twist and turn that? I am not saying
14 when, at the back of the affidavit is the details, you were holding a bank
15 guarantee for what is described as a minimum of 3.1 million sterling re:
16 Hybernska dealing with the Zatecka, Zatecka Properties S.R.O -- a note on it,
17 pointing out the amounts of money etcetera.

18 Q.296 Where does it --

19 A. The company now requests Erste Bank to call for the transfer of 3,100,000 to
20 discharge the tender winning price of that to the Restitution Fund. Now, you
21 know, how much more can one provide by way of -- you are then back up here
22 saying there is no assets or no finance in the company and at the back there is
23 correspondence discussing the finances of the company.

24 Q.297 Not discussing what assets remain in the company and not indicating anything
25 about how you personally took down the vast majority of the one million pounds
26 which was lodged to that account. Not one single reference to you benefiting
27 other than as a person drawing expenses of a nominal nature is made in this
28 affidavit, Mr. Lawlor.

29 A. You have all the information I had at my disposal at the time and it was
30 provided there and back up information about the monies in the company, the

1 breakdown and the detail of it, if available then, would have been provided.

2 Q.298 It wasn't provided, Mr. Lawlor.

3 A. It is clearly understood here 3.1 million pounds in the documentation.

4 Q.299 The purchase price of the building. There is nothing about the profit of a
5 million which came to you and was spent by you?

6 A. Well, if I could just say that the difference between 3.1 and 162 million CZks
7 is the calculation.

8 Q.300 Where, Mr. Lawlor, is there a simple reference to you profiting from this
9 enterprise to the extent that it is now been established that you did?

10 A. I am just giving you what the finances of the company in the available
11 documentation at the time. It's there for you, 3.1 million was the figure,
12 that was the gross figure transferred, is that right?

13 Q.301 The gross figure for what, Mr. Lawlor?

14 A. The gross figure transferred.

15 Q.302 The gross figure --

16 A. Referred to there in the documentation.

17 Q.303 Transferred as a guaranteed fund which was going to be used in the investment
18 by Ballymore. It says nothing about what Liam Lawlor received out of this
19 transaction or how he received it or how those funds were dealt with. That was
20 the documentation which you were obliged to disclose. You were obliged to
21 disclose the account into which monies were lodged on your account. You did
22 not do so. You maintained that it was an account that was part of the Morgan
23 Trust, just as you maintained the same in relation to the Landesbank
24 Liechtenstein account. These are creations, Mr. Lawlor, of --

25 A. Of yours.

26 Q.304 Of yours, Mr. Lawlor.

27 A. Your creations. You have created all this web of smoke and mirrors that are
28 there and it's there for you, black and white. The details of the company, the
29 monies and any follow up needed or detail needed was available and provided to
30 you.

1 Q.305 Mr. Lawlor, you may be mistaken in the source of the documentation that you are
2 looking at at page 397. Is that the document you are relying upon as --

3 A. I am not relying on anything.

4 Q.306 Sorry, you were indicating in your affidavit we had all this information and
5 you are referring to page 397?

6 A. If you wish, Chairman, I will review my affidavits and come back and deal with
7 them because they are here, there is pages of them.

8 Q.307 This is not part of your affidavit.

9 A. Whatever it is. It is information that I have tried -- as I have explained it
10 here setting out the format, setting out the situation regarding Zatecka 14
11 S.R.O. is exactly how the situation was.

12

13 CHAIRMAN: Mr. Lawlor, you are being asked specifically about information you
14 gave in an affidavit in July of 2000, sorry 2001.

15 A. If you wish that I consult the affidavit in great detail and prepare myself to
16 address it, I have no problem. No problem whatsoever. Because it appears as
17 you start at the affidavit you are asking questions as you go through the
18 information then you have been asked about is further on in the affidavit.

19 Q.308 It's not. Nor is this in the affidavit. The affidavit is --

20 A. But 105 and 106 sets out exactly to the best of my abilities what I could
21 explain about the, how the company was to operate, etcetera.

22 Q.309 But that's untrue. All of that is untrue.

23 A. Not untrue. Not at all.

24 Q.310 It's untrue.

25 A. I do confirm the purchase of Hybernska building was funded by Erste Bank. It
26 is, I believe, an Austria bank etcetera, what more -- any follow up detail.

27 Q.311 Let's start at the beginning what is untrue is where you say "I am not aware if
28 there is a parent company in relation to Zatecka 14." You now say there is and
29 it is called Sinclair Holdings. You never disclosed that in your affidavit.

30 A. Where are you now?

1 Q.312105 and 106 to which you referred me as being a truthful account of your
2 relationship with this company. "I am not aware if there is a parent company
3 in relation to Zatecka 14." You just told us that Sinclair Holdings --

4 A. Where is that?

5

6 CHAIRMAN: The start of the paragraph.

7 Q.313Page 381, reference 105 and 106 of your affidavit of July 2001.

8 A. "I am not an officer or shareholder. I am not aware if there is a parent
9 company in relation. It was incorporated."

10 Q.314Let's just stop at the 'not being aware'. You were aware because Sinclair
11 Holdings was the company which, in the year 2001 on the 7th of February, you
12 directed Mr. Morgan to write to Mr. Seddon saying that the shares should be
13 held in the name of that company.

14 A. But --

15 Q.315You knew that?

16 A. By referring to Nicholas Morgan, the method of control again is between these
17 parties that can easily be identified.

18 Q.316But you swear that "I am not aware if there is a parent company in relation to
19 Zatecka 14", you had to be aware in July 2001 that there was because
20 Mr. Nicholas Morgan had instructed Mr. Seddon in February to transfer or to
21 issue the shares in that company to Sinclair Holdings, so how can you swear?

22 A. I will tell you exactly. Nicholas Morgan might nominate some director or if it
23 was in a position to hold with a residency approval in at Czech Republic, he
24 might not need to be a subsidiary. I wasn't aware of the legalities of the
25 methodology, that's all I am saying, I am referring to the parties involved. I
26 didn't know the detail, he could have decided to hold Zatecka 14 S.R.O. as it
27 is held.

28 Q.317I have "As I was not involved in the incorporation of the company, I have no
29 documentation in relation to it."

30 A. That's correct.

1 Q.318 You had all the letters you had sent, giving instructions to Mr. Seddon as to
2 what to do with his company, which you have subsequently belatedly, this year,
3 discovered to the Tribunal, including the documents at page 50 and page 51
4 which are documents involved with Zatecka where you are giving the direction as
5 to how that company is to be run. How can you swear "I have no documents in
6 relation to it"?

7 A. You are talking about, I don't have the certificate of incorporation that you
8 see on the wall of an office or these official forms signed which I believe are
9 normally held in the solicitor's office. I didn't have them. I didn't see
10 them as being of the slightest relevance. So, you know, what is the big deal,
11 you went down to the Companies Office in Dublin or Prague and get all the
12 details of a company.

13 Q.319 You weren't being asked for the certificate of incorporation, you were being
14 asked for the documentation which would indicate --

15 A. That's the documentation associated with the formation and operation of a
16 company.

17 Q.320 That's not what documentation you were limited to giving. You said "I have no
18 documentation in relation to it. As I was not involved in the incorporation of
19 the company, I have no documentation in relation to it." That was a lie,
20 Mr. Lawlor.

21 A. I didn't have documentation. Sure if I had, I would have given it. What the
22 hell difference would it have made to me to provide it or not? I didn't have
23 what you are referring to.

24 Q.321 I don't know what difference it would have made for you to not, to provide it,
25 but certainly made a difference not to have provided it, Mr. Lawlor, because we
26 are only now understanding exactly what your dealings with this company were
27 when we should have known it in the year 2000 had you complied with these
28 orders.

29 A. I didn't have, I am not even sure that you have it now other than whatever has
30 been given to me by Seddons office and scheduled and declared and provided. I

1 don't know whether you have all the documentation, I don't know whether there
2 is some other legal papers that are in the Companies Office in Prague or with
3 Morgan or with Seddon that's not there. Never had them. So that's -- that's
4 absolutely correct.

5 Q.322 Well, Mr. Lawlor, I fail to understand how you can swear to having no
6 documentation in relation to a company and then discover to the Tribunal 11,000
7 pages of documents which you say are in some way -- we are now up to 17,000
8 pages, which you say are connected in some way with this company?

9 A. 99 per cent of Mr. Seddon believes has nothing to do with the Tribunal, leave
10 that aside, as whenever I was provided with it, what difference would it make
11 to me to discover this documentation if I had it? Absolutely none. If I had
12 it, I would have discovered it. If I could have got it, I would have
13 discovered it.

14 Q.323 What was to prevent you getting it, Mr. Lawlor? What was to prevent you
15 getting in touch --

16 A. I thought the purpose of bringing Mr. Seddon and paying him up front for two
17 days, that was the purpose for him to answer the questions for.

18 Q.324 No, the purpose of Mr. Seddon coming here was to try and endeavour to establish
19 whether or not your compliance or not with the order of the Tribunal was
20 occasioned by reason of his insistence upon payment in advance for the
21 provision of documents which you claim to have the financial incapacity to pay
22 for and therefore advanced as a reason for not producing the documents to the
23 Tribunal.

24
25 You know that Mr. Seddon in his evidence yesterday indicated that he never at
26 any time indicated that, to you, that he would require to be paid in advance
27 before he made discovery for the Tribunal.

28 A. I think if you go back to some of his correspondence and some of his
29 discussions with me that that was blatantly incorrect. My reference was to
30 Isadore Goldman who put out a special, put out a specific interim payment. The

1 Chairman said he couldn't, under your Terms of Reference, make that advance
2 payment, yet it was capable of being done for Tony Seddon. I don't know what
3 happened on the record, that's my recollection of what you said, Chairman, that
4 you weren't in a position to do that, yet it could be done with Seddon.

5 Q.325Mr. Seddon is a witness as will Mr. Morgan, hopefully, when his appropriate
6 witness expenses will be paid as Mr. Seddon's expenses will be paid.

7 A. Are you sure -- you owe me a substantial amount of money if that's the case.

8 Q.326It depends of course on your cooperation, Mr. Lawlor. In the event the
9 Tribunal determines you have cooperated with the Tribunal, it will consider
10 your application for costs under the section which has already been advised.

11 A. Mr. Seddon has been committed to a guarantee of the payment which has not
12 happened with anybody else to my knowledge.

13 Q.327There is no guarantee of payment to anybody, Mr. Lawlor.

14 A. It's a commitment.

15

16 CHAIRMAN: I think we should move on.

17 Q.328Very good. Mr. Lawlor, when you had directed Mr. Seddon, Mr. Morgan rather, to
18 write to Mr. Seddon, the letter by fax of the 18th of August, it was received
19 by Mr. Seddon and, as you know, he did not implement the instruction which was
20 given there. You will see from page 200 his response to Mr. Morgan where he
21 says, "Thank you for your fax of the 18th of August and I note what you say. I
22 am currently arranging for a statement to be prepared and will let you have
23 details in due course."

24 A. Sorry, what number?

25 Q.329Page 200.

26 A. Of the affidavit or the --

27 Q.330No, of the brief of documents that --

28 A. Yeah, fine. Yes.

29 Q.331And that --

30 A. Making the point I was making earlier that Seddon's office was at all times

1 going to ensure everything was going to be done correctly and properly.

2 Q.332By not implementing the instruction which you had directed Mr. Morgan to give.

3 A. Sorry?

4 Q.333Mr. Seddon in this respect was not prepared to act in accordance with the
5 direction that you had asked Mr. Morgan to convey to Mr. Seddon as Mr. Morgan's
6 direction and the reason he did not do so, he said, was that he considered it
7 to be inappropriate to do so.

8 A. Yeah, he was looking for a meeting to discuss how the whole thing was going to
9 be advanced or wound up or whatever appropriate method to arrange the winding
10 down, exactly.

11 Q.334Yes. And it was the fact, as you now acknowledge, in August it was intended
12 that this entity would be wound down?

13 A. See, I just hadn't got the time to spend travelling back and forth and pursuing
14 opportunities in Prague, so the matter was in abeyance, this company was there,
15 there was responsibilities at hand, it had liability to the Finance Office
16 etcetera, I just didn't have the time to give it attention. And you know, this
17 is part of the acknowledgement of that and between the professionals they were
18 communicating as to how the matter should be properly dealt with.

19 Q.335Mr. Lawlor, if this company was, as you said in your affidavit, a company
20 within the Morgan Group that might be used for purposes which might never
21 involve you investment at all, there was no reason for it to be wound up purely
22 to suit your convenience, because it was a company that was available within
23 the Morgan enterprises for the conduct of its business and didn't depend on
24 your involvement.

25 A. And the fact it hasn't -- the company could be, the company is still in
26 existence and if I had time and the opportunity, it could well be left and go
27 on and do further business, or not.

28 Q.336But if it --

29 A. Or if you were buying a separate building, as is always the case, you ringfence
30 the next project with another vehicle and you don't inherit liability from a

1 previous company. That is all the normal routine procedure of operating or not
2 operating a company.

3 Q.337 If it was a Morgan company of the nature you have already described, I am
4 suggesting that the following instructions or communication between Mr. Seddon
5 and Mr. Morgan would not have taken place in respect of a company which was
6 Mr. Morgan's company. He goes on to say, "I am due to see Liam within the next
7 few days and will clarify a number of points regarding the future
8 administration of the company.

9
10 You will appreciate that my secretary here is the responsible person for the
11 company with various legal obligations and it was always understood that
12 nothing would be done which could cause her any potential liability with the
13 Financial Office.

14
15 Accordingly we'll need to agree with Liam an appropriate method to arrange the
16 winding down of the company's activities with appropriate documentation to
17 enable a financial statement to be prepared in such a way that no tax liability
18 will fall on the company. This should be done before all funds are sent out of
19 the company's account.

20
21 I cannot be sure of the exact balance held on the company's account because
22 Liam tends to use the credit card on the account without reference to this
23 office. The current balances are to the best of my current knowledge:
24 44, 306 deutschmark. 12,572,586.09 koruna."

25
26 The total of that, by my calculation, Mr. Lawlor, is probably 228,000 sterling
27 in relation to the korunas account, that's at 55 to the pound. And 18,461
28 pounds at the deutschmark punt equivalent of 2.4. So -- probably -- 275,000
29 pounds there or thereabouts is in the company at this point in time.

30 A. Yes.

1 Q.338 If it is the case, as you say, Mr. Lawlor, that in August of 2000 this company
2 was no longer going to perform the function for which it had been set up for
3 your exclusive use, to buy the Zatecka building, but was in fact a Morgan
4 company, there would have been no requirement for Mr. Seddon to have
5 communicated in the manner in which he did with Mr. Morgan because as you said
6 in your affidavit, the Zatecka company was a company which could be used for
7 projects which had nothing to do with you at all, your only connection with it
8 was that you had a profit sharing arrangement. Why, if that was so, is this
9 letter here?

10 A. But sure Tony Seddon, the second, which you omitted to read "I am currently
11 arranging for a statement to be prepared and will let you have details in due
12 course". Do you think a solicitor would let another party have that
13 information if he didn't believe they were entitled to it? Would Seddon's
14 solicitors send off a statement with the confidential financial information
15 associated with Zatecka 14 S.R.O. to Nicholas St. Clair Morgan if he didn't
16 believe it was appropriate he should.

17 Q.339 Of course he would. Because you were the person who explained to him that
18 Mr. Morgan was somebody who could act with your authority in relation to these
19 funds.

20 A. No, what he was saying was he have this request, but we have to tidy all this
21 detail. I was the pioneering factor initially, he wanted to discuss whether
22 that was the procedure we wanted. I could have the next day picked up the
23 phone and rang Nick Morgan and said I don't think we should wind the company
24 up, we are pursuing another building or it would be probably better to wind it
25 up and if we need to set up a new company we can do so. That's confirming the
26 points I have been trying to make to you.

27 Q.340 It is indicating clearly in this letter, Mr. Lawlor, that you have the
28 principal element of control in this building which is entirely inconsistent
29 with what you were maintaining in your approach to the Tribunal at the same
30 time.

1 A. Not in the slightest.

2 Q.341Where you were saying it was a Nicholas Morgan-controlled entity with which you
3 had limited connection?

4 A. Go onto the third -- "You appreciate my secretary here is the responsible
5 person for the company with the various legal obligations."

6 Q.342Yes?

7 A. And that same person had the financial responsibility of the bank account.
8 That person had the total responsibility of operating the company.

9 Q.343That person was a Czech resident who would remain in the Czech Republic in the
10 event these monies had been transferred out and would be the accountable
11 person.

12 A. If there is the slightest implication there was any attempt to take out without
13 meeting all the responsibility, it just beggars belief. It is untrue. There
14 is no way that these, this company was going to leave a liability to a Czech
15 resident who had acted in the capacity that the person had acted in. And
16 whatever the responsibilities were, they were going to be addressed and that's
17 why Seddon nominated accountants, of which I never met but approved, to ensure
18 everything was in order. So I can't advance it further than that. If there is
19 any implication that there is other than that, it's wrong.

20

21 CHAIRMAN: But, Mr. Lawlor, there was an attempt, it's quite clear there was
22 an attempt by you to wind down the company, remove all the money from the Czech
23 Republic, it was only because Mr. Seddon said no, this shouldn't be done
24 because it will expose his secretary to a variety of unpleasant legal
25 difficulties at home, it was only because of his intervention that it wasn't
26 done.

27 A. But sure I mean --

28

29 CHAIRMAN: That's clear from the correspondence.

30 A. It is not clear, no, it is not and it was never the intention and its

1 suggestion or otherwise is just bunkum and here we are now saying there is
2 275,000 pounds over here, we are concerning ourselves with a transfer of
3 100,000 -- so there would be 175 pounds left in the company. 18th of August
4 2000, 25th of August 2000, yourself, Chairman, was concerned, sure if there is
5 275,000 pounds in the company and you are transferring out 100,000, there was
6 very substantial sums left to deal with the matter.

7 Q.344 There was nothing left, Mr. Lawlor, the entire funds were to go as between the
8 two accounts as one in Liechtenstein and --

9 A. Only if everything had been dealt with, only if everything was resolved and
10 whatever details and whatever had to be done was done.

11

12 CHAIRMAN: But Mr. Seddon said that, not you.

13 A. But it was implied in everything I did.

14

15 CHAIRMAN: It was only Mr. Seddon who said certain things have to be done.

16 A. But sure, I mean you think I was going to leave Seddon who was in control of
17 everything with a liability? It doesn't even arise. Doesn't arise. The
18 office was administering the full detail. If I issued instruction they didn't
19 wish to follow, they didn't have to follow it. So in essence when you boil it
20 all down, Zatecka 14 S.R.O. was in a hundred per cent control of Seddons
21 solicitors office in Prague actually.

22

23 Q.345 MR. O'NEILL: Mr. Lawlor, you make the point that everything that you did in
24 relation to Zatecka in the Czech Republic would have regard for the local taxes
25 and requirements in that jurisdiction, isn't that right?

26 A. As administered by Seddons office, correct.

27 Q.346 You were the person that gave instructions?

28 A. I wasn't remotely interested in that matter. That was a matter for
29 administrators and accountants. You just, if you can't appreciate the method
30 of just dealing with the major issues. Like being the policy maker, you have

1 someone else to write the script, these were the scriptwriters doing that job
2 and thoroughly and professionally and reputable professional people. All I
3 wanted to do was conclude the major transaction and leave these people to
4 administer and make sure everything was done correctly. That's all I could do
5 and all I was interested in doing. Spend a couple of hours, a couple of days
6 back out of Prague, set up everything for my next trip, have a car at the
7 airport, do what I have to do and left it for the people to follow up the
8 detail.

9 Q.347 You are saying you only dealt with the important things, whether they be
10 important in terms of money.

11 A. I dealt with everything I could in the time available.

12 Q.348 Including the payment to Dr. Kavalek of his fees out of the Czech jurisdiction?

13 A. Whatever. Seddon and himself would have discussed that I would have been told
14 Kavalek want to be paid. I would say to Seddon can you organise it, do you
15 want me to give you instruction. It was dealt with by Seddon and Kavalek. I
16 want no other detail on it and I wouldn't expect them to bother me with it, to
17 be honest.

18 Q.349 You made the arrangements that your lawyer in the Czech Republic you claim to
19 have been a friend and given you close advice over time, you arranged that he
20 would be paid offshore, isn't that right?

21 A. Whatever was done was done. It's there.

22 Q.350 Is that yes or no?

23 A. I don't have a clue.

24 Q.351 At this point in time I want to know.

25 A. Seddon would have said he had a meeting with Dr. Kavalek or he would have
26 discussed the matter with Seddon or Kavalek could have said to me can this be
27 arranged, I would have said to Seddon can you organise that or get it down, it
28 was money I owed him or the company owed him, pay and be done with whatever way
29 he wanted to be paid.

30 Q.352 Why were you paid offshore in respect of the a liability incurred by a company

1 in the Czech Republic?

2 A. I have no idea that was what the arrangements were paid.

3 Q.353 Was it is to avoid tax in the Czech Republic by agreement between yourself and
4 Mr. Kavalek?

5 A. Absolutely, the matter never even arose, never even was discussed.

6 Q.354 Let's have a look at page 60 in the brief then, which was a letter from
7 Mr. Seddon to Nick Morgan of Sinclair Holdings. "I refer to discussions
8 regarding the above and I understand that Liam had arranged that Dr. Kavalek
9 would be paid his fees out of Jersey.

10

11 In this connection, I had been expecting to hear that you have received an
12 invoice and I would then put you in fund to cover it.

13

14 I am informed that an invoice for 15,750 Irish pound and is in the name of
15 Trumf Spol, S.R.O.

16

17 Have you received such an invoice? I should be grateful if you would let me
18 know the bank account details so I can send the funds to cover this."

19

20 Do you accept now that it was your arrangement with Dr. Kavalek that he would
21 be paid his fees in or out of a Jersey account?

22 A. You need to go to the previous page and see Seddon was communicating with
23 Dr. Kavalek about fees or invoices.

24 Q.355 Mr. Lawlor, did you --

25 A. No, I am pointing out to you that I left that Kavalek could have asked me could
26 this be done and I would have consulted with Seddon and if Seddon couldn't
27 organise it, fine. That's all --

28 Q.356 What was the underlying purpose of this?

29 A. I haven't a clue, you can write to Dr. Kavalek and ask him. Not a clue.

30 Q.357 Not a clue?

1 A. Just deal with it, get it -- if Seddon can organise it, do it. If there is
2 anything, if Seddon wasn't satisfied he would say it shouldn't be done or
3 couldn't be done that way, so really I appreciate, Chairman, it may be of
4 interest but it's lost on me and I would have had very little input into the
5 dealings with it other than if Dr. Kavalek said to me could he arrange to
6 invoice an offshore entity and I would have said you can speak to Tony Seddon
7 about that and Tony was satisfied he can organise it, then do it, you know?

8 Q.358 It is indicative, Mr. Lawlor, of the activities of yourself, Mr. Seddon and
9 Mr. Morgan with regard to structuring the financial affairs of this Czech
10 company so that it could meet its liabilities on foot of invoices which are not
11 invoices provided by the professional firm who may have provided the service
12 but otherwise on foot of untraceable payees, isn't that right?

13 A. We go to 63 then if you want to make that point and contradict yourself.

14 Q.359 Could you, do you agree at first?

15 A. No, I don't. I am saying going to page 63, there is a memo from Dr. Kavalek to
16 Mr. Seddon the name of the company is that, that's on his office record in
17 Czech Republic in Prague, so you know -- it's lost on me the point you are
18 trying to make because here is the solicitor's office sending an instruction to
19 a solicitor across town in Prague referring to the name of the company. I
20 don't know whether that company is on or offshore or where it is, to be honest.

21

22 JUDGE KEYS: Mr. Lawlor, do you think it had anything to do with income tax?

23 A. Sorry?

24

25 JUDGE KEYS: Do you think it had to do income tax?

26 A. I think that's a totally different issue.

27

28 JUDGE KEYS: Do you think all of this web is anything to do with trying to
29 avoid having to pay income tax?

30 A. Well --

1

2 JUDGE KEYS: Take, Mr. Kavalek, for example, why would anybody want somebody,
3 let's say living in Prague, why would he want money sent to Jersey? This is
4 money he earned for a job which he has done, why do you think he want to send
5 it there or ask you or you ask him? Why do you think? Listen --

6 A. My only concern no impingement on Zatecka 14, where it was paid out of --

7

8 JUDGE KEYS: Listen, Mr. Lawlor, why do you think somebody that carries on
9 business in Czechoslovakia wants to have a fee paid in another jurisdiction
10 and, in particular, Jersey? Why do you think? Just think about it.

11 A. I don't believe it was paid, it was paid out of Jersey, not into Jersey.

12

13 JUDGE KEYS: Was it not, wasn't the monies to be lodged in a foreign account?

14 A. I have no idea.

15

16 Q.360MR. O'NEILL: We'll go through the sequence of the payments and you might be
17 able to explain how you understand this transaction. Mr. Lawlor, firstly the
18 amount that you agreed to pay to Dr. Kavalek was an amount in Irish pounds,
19 right, in relation to services which he had provided to you in Czechoslovakia.
20 Can you explain what particular service it was that Dr. Kavalek provided to you
21 which merited a payment in Irish pounds, rather than CZk?

22 A. Whatever legal fees Dr. Kavalek's practice had incurred in bidding and going
23 through the contract document before they were assigned over or I instructed
24 Seddons office, gone on to 65, Chairman, it is a Czech company based in Prague
25 5 which was paid the money, I don't know where and it is a Czech bank that's
26 referred to. That's the first time I have ever paid the slightest detail for
27 work done on the Hybernska building. So it's Prague 6 down the bottom is the
28 company, that could be an associate company of Dr. Kavalek's, I don't know, I
29 know nothing about it. But money was paid to a Czech entity by the man.

30 Q.361You know, Mr. Lawlor, that not only was the money paid once but it was paid

1 twice in error.

2 A. That was in error actually.

3 Q.362But you know it, so you can't say you don't know anything.

4 A. No, for the first time I am looking at this invoice here.

5 Q.363Yes?

6 A. And reading the detail in order, because Judge Keys was of the opinion that the
7 money was paid to Dr. Kavalek in some offshore entity other than in the Czech
8 Republic. I am only drawing attention to the fact that it is in Prague 5 or 6,
9 I am not sure which, 6, that the money was paid. Now I have no detail of that,
10 what it is. It's some associated vehicle to do with Dr. Kavalek and on his own
11 legal practice headed paper, he was providing the information to Tony Seddon.
12 So I don't see anything untoward about it. Maybe there is, I don't see it and
13 I am not aware of it, Chairman.

14

15 JUDGE KEYS: Mr. Lawlor, can you explain why he wasn't paid in Prague?

16 A. That's what he was paid in, Chairman.

17

18 JUDGE KEYS: I thought you said the monies were in paid in Jersey?

19 A. No, he invoiced Sinclair Holdings in Jersey and they paid the money into
20 Prague, that's 65 is the invoice and has the details and its paid by Sinclair
21 Holdings done at the request of Dr. Kavalek provided Tony Seddon, Chairman, was
22 satisfied it was in order, it was actioned and I have no other detail or
23 knowledge of it.

24

25 Q.364MR. O'NEILL: The document at page 65, if we can put it on screen, firstly
26 expresses itself to be a Faktura invoice, the party raising it is Trumf S.R.O.
27 with an address in Prague. Did that company or entity have any provide any
28 service to you or any company of yours and in particular to Sinclair Holdings?

29 A. I would classify that as whatever work Dr. Kavalek's office did.

30 Q.365It is a formal document raised by this entity called Trumf, raised by what we

1 understand to be a limited liability company in Prague. It is not raised by
2 the legal practice of Mr. Synek and Dr. Kavalek who are lawyers who presumably
3 have their own invoices to bill for their legal services.

4 Now I am asking you, Mr. Lawlor, whether Trumf S.R.O. provided any service to
5 Zatecka and if so, can you tell me what it was?

6 A. I am not so aware, but prior to them putting in the bid they would have had a
7 structural and architectural of Hybernska building and all I agreed was
8 whatever fee they had requested. I think there was some negotiation on it,
9 whatever was agreed was discharged, this is how part of it was discharged.
10 That could have been for structural engineers or some other technical people
11 who would have advised Aspen in the putting in of the bid. All I know is that
12 when we were taking over all of the documentation, there was a negotiation and
13 a request for fees and a transfer from Aspen who had bid for the property and
14 Dr. Kavalek's office that had done various legal work and if they had used
15 services of other people, it was all before I got involved, so I really don't
16 know, that can be a structural engineering company or whatever. All I really
17 was the amounts.

18 Q.366 You agreed that it was to be a payment to Dr. Kavalek, if it was a payment to
19 structural engineers or to anybody else, it is they who would have entered into
20 the negotiation and raised the invoice. This, I suggest, was clearly and known
21 to all parties concerned to be an invoice which would be sent in order to pay
22 Mr. Kavalek's personal account or agreement with you, isn't that right?

23 A. I had no such knowledge whatsoever. All I did was took over, negotiated, Aspen
24 was looking for far more than it was prepared to discharge to them. There was
25 quite a bit of negotiation on the amounts and afterwards this matter arose, I
26 would suggest, I don't know what the dates are, 6th of September, when the
27 transaction had been completed in the early part of the year, and it was dealt
28 with in the way it was. I really -- all I have is I had agreed this liability,
29 the methodology of payment, I really didn't have any interest in at all.

1 JUDGE KEYS: Mr. Lawlor, I just want to clarify one thing, I may not have been
2 very clear in the question I asked you. What I meant to ask you is monies were
3 due to Mr. Kavalek in Prague, isn't that correct, from --

4 A. There was a substantial fee, Judge, paid separate to this amount.

5

6 JUDGE KEYS: Why weren't the monies kept in the account in Prague in the
7 company and then paid out to him? Why take it out of the jurisdiction to
8 Jersey and bring it back to pay him? What was the purposes of that?

9 A. I have no idea. I wasn't -- I am only just, I thought actually that they were
10 looking for payment for some other party that had done work for us in Prague,
11 but it now appears that this company, because Dr. Kavalek's practice to my
12 recollection was paid a substantial legal fee. Whether or not these are people
13 they got to give them some advice, I didn't get into that because we took the
14 negotiations from a situation where I agreed with Aspen, Dr. Kavalek and with
15 Seddon etcetera, etcetera on advising on the acquisition of the company.

16

17 JUDGE KEYS: I know that. Do you not agree it doesn't make sense really, does
18 it, where you owe somebody in one jurisdiction money by a company within that
19 jurisdiction and you shift the money out to another jurisdiction and shift it
20 back again to pay him? What's the logic?

21 A. It is my understanding, Judge, that the biggest companies in this country enter
22 foreign transfer accounts to minimise their tax debt, starting with Intel or
23 Hewlett Packard.

24

25 JUDGE KEYS: So it has something to do with income tax?

26 A. Corporation tax, minimise exposure to tax, which is what they are doing.

27

28 JUDGE KEYS: Well who benefits in this transaction by shifting the money to
29 Jersey and shifting it back to Prague?

30 A. Judge, I have no idea other than that was the request that was made and once

1 Tony Seddon was satisfied it could be actioned that way it was actioned through
2 his office. All I know is I authorised the amount.

3
4 JUDGE KEYS: And then paid to a company or a person?

5 A. Zatecka 14 S.R.O. would have had to issue an instruction to Erste Bank to
6 transfer the amount to Sinclair Holdings and Sinclair Holdings made a payment
7 against this invoice. That's the way the matter was transacted.

8
9 JUDGE KEYS: Would you agree it was for somebody's benefit anyhow, otherwise it
10 was a total waste of time?

11 A. I would assume the fact that the monies were paid into the Prague company meant
12 that company had to meet its obligations through its Czech --

13
14 JUDGE KEYS: I am talking about taking out of the jurisdiction and bringing it
15 back.

16 A. There was no benefit to anybody in that respect.

17
18 JUDGE KEYS: Why do it then?

19 A. There was only costs associated with. Therefore if this company was able to
20 minimise taxation or whatever or whether it was for professional fees
21 associated with putting in of the bid, I don't know.

22
23 JUDGE KEYS: So the only benefits is the banks, you were making more money for
24 the bank.

25 A. Possibly to pay legal fees as well.

26
27 JUDGE KEYS: I see.

28
29 Q.367MR. O'NEILL: Mr. Lawlor, if we look to page 62 we see how the payment was
30 structured. Firstly, there was an instruction from Nicholas Morgan from

1 wearing the CI Law Trust Group Limited hat to Mr. Tony Seddon, do you see that?

2 A. Yes.

3 Q.368 He says "I refer to your letters" and now encloses the relevant invoice number
4 83/00. "Please arrange the transfers of the equivalent amount in US sterling
5 to our account and we'll then arrange to discharge this ourselves." They gave
6 their bank details, Barclays Bank PLC, 13 Library Place, St. Hellier, Jersey,
7 put down the account in which the funds are to go Westaway Trust Company
8 Limited office account.

9

10 On the next page 63, you see the copy of the invoice in question, sorry, you
11 see a letter from Mr. Kavalek to Mr. Seddon referring to the fax and saying the
12 name of the company is Trumf and the amount is what it is. Page 64 we see the
13 invoice on the letterhead of Trumf, above that we see D Morgan and Whitehead, I
14 think that's the legal firm in which Mr. Nicholas Morgan is principal.

15 A. Yes.

16 Q.369 That is involved on obviously in sending the fax. We then see on page 65 the
17 invoice itself.

18 A. Again it's faxed from David Morgan and Whitehead & Company. We then see
19 Nicholas Morgan being written to by Mr. Seddon on page 66 acknowledging the
20 fact and saying that he is arranging for the funds in question to be sent to
21 the account stated, it would be appreciated if you would discharge the invoice
22 as soon as the funds are received.

23

24 If you move forward then we see that there is a request in December at page 69
25 from Mr. Seddon to Mr. Morgan to see whether the invoice has in fact been paid.
26 There apparently was some difficulty in relation to that as we see on page 70
27 because the bank, this is the sending bank, said that it was unable to credit
28 the funds to the account which had been named because it was a savings account
29 and asked that an alternative account for transfer be nominated as the bank
30 would only hold the funds in Prague for a very short period before sending them

1 back. Obviously to Jersey.

2

3 Now there then is a document on page 63 where Mr. Seddon receives an e-mail,
4 page 73 from Sarka Therova, sorry the original message from Martin Webster,
5 subject: Duplicate payment Zatecka, 14 March 2001. For attention of
6 Mr. Anthony Seddon from Martin Webster. March 1st 2030, Royal Bank of Canada,
7 Jersey duplicated a payment of 11,904.76 to Trumf S.R.O. Prague. I believe re
8 lorwla. I think that is, in fact, Lawlor rejigged, isn't that right?

9 A. Sorry?

10 Q.370 Your name is structured to read Lorwla L-O-R-W-L-A, the reference is Lawlor
11 obviously. "CBC are unable to receive the duplicate payment and Nick has asked
12 me to e-mail you".

13

14 We then see a letter to whom it may concern at page 74, addressed to Trumf "I
15 write with reference to the above account and in particular to two credits
16 which you have received in the amount of 11,904.76 pence, which I suggest is
17 equivalent of 15, 750 Irish.

18

19 These funds were forward in March 2001 and although the first credit was
20 correct, the second transfer was in fact sent in error. I have therefore
21 contacted your bankers on several occasions in order to obtain a refund,
22 however I have now advised me that in order for these funds to be returned, it
23 is necessary for me to contact you directly.

24

25 May I therefore ask if you would be kind enough to check your bank statement
26 and should you be in agreement with my request, you return the funds as follows
27 to Barclay Bank PLC Fenchurch Street, London, to the account Royal Bank of
28 Canada (Jersey) Limited, account 10513830, to the attention of Leslie Watts.

29

30 Please ensure that all charges for making this transfer are deducted from the

1 amount being returned.

2

3 Please accept my sincere apologise for the obvious inconvenience caused and
4 should you wish to discuss this matter with me personally, please do not
5 hesitate to contact me using the telephone number shown above. I will of
6 course be happy to return all calls". Etcetera

7 A. That's 74, where are you saying Lawlor was referred to?

8 Q.371 On the earlier document on page 73.

9 A. Yes.

10 Q.372 Have you got an e-mail at page 73?

11 A. I have yeah, M Webster at CI Law Trust. Is that what you are --

12 Q.373 Yes.

13 A. CI Law Trust, that's nothing to do with me.

14 Q.374 If you work down through it, I believe it is on screen at the moment. Re:
15 Lorwla. It is the fourth line up from the bottom of it. You see where it is
16 signed "Many thanks, Martin."

17 A. I don't know what that is to be honest.

18 Q.375 You don't know what it is?

19 A. No, sorry I don't. I thought the CI Law Trust.

20 Q.376 I look now to document at page 75 which is a letter where Mr. Seddon is now
21 writing to Dr. Kavalek on the 6th of January of 2003 regarding Trumf S.R.O,
22 "Dear Richard, I again refer to the invoice which Liam arranged to pay through
23 his Jersey colleague, Nick Morgan.

24

25 You will remember that there has been some considerable delay in payment being
26 made to you and I sent a reminder to Nick Morgan early in 2001.

27

28 As a result, he instructed his bank a second time, not realising that the first
29 payment had in fact already left his bank, Royal Bank of Canada, Jersey branch,
30 with the result that Trumf received a second payment. I do not remember the

1 figure on the invoice but the duplicated payment was in sterling 11,904.76 and
2 paid to the account number at the commercial bank Prague.

3
4 Clearly the company must have known that it had received this money in error.
5 You had said you would look into this but I heard nothing further. I note that
6 the company is now shown as being in liquidation. The two jednatele
7 shareholders were Stanislava Jarolimkova and Frantisek Tuhacek. Can they still
8 be requested to return the funds. Kind regards."

9
10 I think that effectively brought to a close the transaction in which Trumf
11 ended up receiving 30,150 Irish pounds instead of the agreed 15,750 and
12 apparently has never returned the surplus, is that right?

13 A. I wasn't aware of this until quite sometime later, it was never brought to my
14 attention between Morgan and Seddon they were dealing with it, but I was only
15 sort of became aware of this reading documentation in recent times to be
16 honest.

17
18 CHAIRMAN: I am just wondering, are we finished with Mr. Lawlor yet?

19
20 MR. O'NEILL: I don't believe so until probably lunchtime on Tuesday.

21 A. That's fine, Chairman.

22
23 CHAIRMAN: Half ten is it?

24
25 MR. O'NEILL: Yes, half ten.

26
27 CHAIRMAN: Half ten.

28
29 THE TRIBUNAL THEN ADJOURNED UNTIL THE FOLLOWING TUESDAY,
30 23RD SEPTEMBER 2003 AT 10.30 AM.

