
IN THE MATTER OF A FINANCIAL MARKETS TRIBUNAL MATTER
(HELD VIA VIRTUAL PLATFORM)

Case No. FMT21014

BETWEEN

MR GILLES ROLLET

Applicant

- and -

THE DUBAI FINANCIAL SERVICES AUTHORITY

Respondent

- Before -

His Honour David Mackie CBE QC

Mr Ali Al Hashimi

Mr Patrick Storey

Day 1

Sunday, 31 October 2021

Ms Saima Hanif QC

appeared on behalf of the Applicant

Mr Simon Pritchard

appeared on behalf of the Respondent

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1 P R O C E E D I N G S

2 (11.56 am GST)

3 PRESIDENT: Welcome to you all. We all know who we are by
4 now.

5 HOUSEKEEPING

6 PRESIDENT: We sent a message to the effect that obviously
7 we have read the very helpful submissions which we
8 received from both sides about this case, and that we
9 could therefore go straight into the evidence.

10 We notice, however, that an issue arose yesterday on
11 the press release. I suppose we need to get that out of
12 the way now.

13 I wonder whether there has not been -- obviously
14 I will pass it over to counsel in a moment. But from
15 our standpoint, we have had an opportunity to discuss
16 it. This is a press release that is not a joint press
17 release, it is a press release by DFSA. The only
18 purpose in putting a brake as it were on the freedom of
19 the DFSA was to make sure that the proposed statement by
20 the DFSA was seen by the applicant before it went out,
21 and also to ensure that it made clear that the findings
22 of the DFSA as regards the applicant were provisional in
23 the sense that the applicant has now brought his case
24 before the tribunal.

25 It is not supposed to be a joint release, and

1 11:58 obviously if the applicant wants to issue his own press
2 releases, just like the DFSA, he is free to do so. But
3 it is really not a question of us negotiating a joint
4 release. The question is does the DFSA's proposed press
5 release do what we expected it to do. The three of
6 us -- subject of course to any submissions to the
7 contrary which we will listen to, the three of us are
8 clear that it follows precisely, almost precisely the
9 form of similar and equivalent press releases in the
10 past, and therefore it is okay. But I will obviously
11 now pass that over to counsel and if anyone wants to say
12 something they are free to do so.

13 MS HANIF: Sir, in light of the helpful indication from the
14 panel, and given as it were the timetabling, I am simply
15 content to move on to the evidence and we say no more on
16 the point, as it were.

17 PRESIDENT: Okay, I'm sorry if the wording of the order --
18 I can see why the wording of the order may have given
19 your client a different impression, and for that I take
20 responsibility. There we go. Let's move on.

21 Mr Pritchard.

22 MR PRITCHARD: Thank you, sir.

23 Given your indication about openings, I was not
24 intending to address you in opening. Maybe unless the
25 panel has any specific questions or queries arising from

1 11:59 my skeleton, or equally my opponent. But before
2 addressing you on that, we said we would cover off some
3 admin points this morning and I think there may just be
4 a few small ones, to cover.

5 We have done the publication, the other three I had
6 on my list was the hearing bundle, the trial timetable,
7 and I would like to just address you briefly on
8 Mr Rollet's fourth witness statement as a matter of
9 admin. So if I may, sir, can I just take you very
10 briefly through each of those topics.

11 The hearing bundle is an electronic bundle. There
12 are volumes A through to F, with F being an authorities
13 bundle. That was the latest bundle added.

14 The authorities bundle contains the cases referred
15 to by the parties in the openings plus a few extra. You
16 are likely to hear about the authorities in closings as
17 opposed to in openings now, but they are there in
18 bundle F.

19 During the hearing the intention is to share
20 documents on the portal via the sharing screen. So that
21 is the hope, and as I say, hopefully technology will
22 work and that will be fine.

23 Second point of admin was the trial timetable. If
24 I can address you on that.

25 In summary the position is that today the panel will

1 12:01 hear evidence from Mr Henny and Ms Morgan. They will
2 possibly hear evidence from Ms Paddon and Mr Cameron.
3 Both of whom are DFSA employees, both of whom have been
4 asked to be available on a floating basis. That's
5 really to enable the panel make best use of its time.
6 So if at any down time in the hearing where external
7 witnesses are not available then we have Ms Paddon and
8 Mr Cameron ready to give their evidence.

9 Tomorrow my learned friend has a Silks Day and we
10 congratulate her in that regard.

11 Tuesday it is intended the panel will hear from
12 Mr Sherriff and Mr Shah. Of course to the extent the
13 panel has not heard from Ms Paddon or Mr Cameron we will
14 also hear from them on that day. Then on Wednesday,
15 once my learned friend has finished with the DFSA's
16 witnesses, attention will shift to Mr Rollet's evidence.
17 With just Mr Rollet and Ms Liashchenko to give evidence.
18 I have said to my learned friend that I anticipate
19 needing at least a day but possibly slightly more with
20 Mr Rollet and two hours with Ms Liashchenko. I say it
21 may be slightly less.

22 Thursday will be the last day for evidence. And it
23 is everyone's intention that we will complete the
24 evidence on Thursday. But the panel has indicated
25 already it will not be able to start the hearing on

1 12:02 Thursday until 11 am.

2 Then closing submissions will follow, a hearing has
3 been listed for 29 November. Presumably with some form
4 of closing, written closing submissions before then, but
5 I suggest that is something we can deal with towards the
6 end of the hearing in relation to a timetable for
7 closing submissions.

8 Given the constraints of the hearing on Monday and
9 Thursday, my learned friend and I have discussed
10 revisiting the timetable at the end of the hearing today
11 just in part to see how much progress she is making
12 through the cross-examination, and with an eye for
13 asking, if necessary, for your indulgence to sit
14 slightly longer on Tuesday or Wednesday just to ensure
15 that we can get through all of the evidence by Thursday,
16 but I will update you on Tuesday once my learned friend
17 has had that conversation with me at the end of today.

18 That's all I intended to say on the timetable.

19 If I can now move on to make some observations about
20 Mr Rollet's fourth witness statement.

21 The panel will have seen from Mr Rollet's fourth
22 witness statement that it contains a number of
23 allegations against various of the DFSA's witnesses.
24 And some of those allegations Mr Rollet describes as
25 particularly serious.

1 12:04 Now, in fairness to the DFSA's witnesses, who are
2 not themselves party to these proceedings and who are
3 attending voluntarily, I will be respectfully asking the
4 panel's indulgence to ask them some supplementary
5 questions after they have introduced their witness
6 statements, just to give them an opportunity to respond
7 to some of the allegations. It seems to us appropriate
8 to give the witnesses that opportunity even if only to
9 address the allegations in brief rather than being asked
10 about them for the first time in my learned friend's no
11 doubt very skilled cross-examination.

12 The panel hopefully will understand that in me
13 asking those questions in supplementary questioning, the
14 DFSA is not necessarily accepting the relevance of any
15 of the matters that have been raised by Mr Rollet's
16 fourth witness statement, merely it is an aim of
17 ensuring fairness between the various witnesses who are
18 giving evidence.

19 Sir, that's what I intended to say about Mr Rollet's
20 fourth witness statement. That brings me to the end of
21 the administrative issues from our end.

22 PRESIDENT: Thank you very much.

23 Ms Hanif, do you want to say anything.

24 MS HANIF: Sir, simply to add, first of all I'm happy for
25 Mr Pritchard to ask any supplementary questions; not an

1 12:05 issue with that. Obviously the timetable has been an
2 ongoing process, but we will do our best to make sure we
3 finish the evidence in the time available.

4 PRESIDENT: Okay. Thank you very much for that.

5 So we will get cracking with the first witness.

6 When you are ready, Mr Pritchard.

7 MR PRITCHARD: Thank you, sir, so the first witness to call,
8 in the virtual way, is Ms Morgan.

9 TECHNICIAN: She has not joined the hearing yet

10 MR PRITCHARD: Thank you, sir. I'm corresponding with my
11 solicitors to make sure that that is happening.

12 PRESIDENT: That's okay. We all have these moments of
13 panic.

14 MR PRITCHARD: Otherwise Ms Paddon will be called!

15 I'm told Ms Morgan is just logging in now.

16 Perhaps we can get her witness statement up on the
17 screen. It is bundle B, page 18.

18 Whilst we wait, I said I would invite any questions
19 from the panel in relation to my opening rather than
20 making any opening submissions. May I extend that
21 invitation if there are any questions you had in
22 relation to my opening or the pre-reading. Are there
23 any matters you would like me to address?

24 PRESIDENT: I don't know whether Mr Al Hashimi or Mr Storey
25 would like you to deal with anything. Obviously there

1 12:08 is a great deal of material in both openings and we will
2 probably ask questions later rather than now, but if
3 there is anything Mr Storey or Mr Al Hashimi would like
4 to ask, I myself do not have anything.

5 Friends, do go ahead.

6 MR STOREY: Nothing from me, thank you.

7 PRESIDENT: I also proposed to get the witnesses to simply
8 affirm, because we are in an environment with witnesses
9 of all faith and I think it is going to be easier to
10 simply proceed with the affirmation. But if anyone
11 objects do let me know and we can do something else.

12 Ms TONI MORGAN (called)

13 PRESIDENT: Welcome, Ms Morgan, you are going to give
14 evidence to us. Thank you very much for coming. I'm
15 going to ask you to affirm -- can you hear me?

16 WITNESS: Yes I can, can you hear me?

17 PRESIDENT: Yes, thank you.

18 I'm going to ask you to affirm the truth of your
19 statement. Are you happy to do that?

20 WITNESS: Yes I am.

21 PRESIDENT: Please say after me.

22 I do solemnly and sincerely affirm.

23 WITNESS: I do solemnly and sincerely affirm.

24 PRESIDENT: That the evidence I will give.

25 WITNESS: That the evidence I will give.

1 12:10 PRESIDENT: Will be the truth, the whole truth and nothing
2 but the truth.

3 WITNESS: The truth, the whole truth and nothing but the
4 truth.

5 PRESIDENT: Thank you very much. Now, you will be asked
6 some questions.

7 Examination-in-chief by MR PRITCHARD

8 MR PRITCHARD: Thank you, Ms Morgan. On the screen before
9 you hopefully you can see a document that has the title
10 "The Progression". Maybe if we can scroll down on that
11 document, it says first statement of Toni Morgan, and if
12 I could ask the presenter to scroll through the
13 document, watching it on screen and going through to
14 page 31 of the bundle.

15 Ms Morgan, this document before you, is it your
16 witness statement you prepared in advance of these
17 proceedings?

18 A. I'm sorry, Simon, I was unable to hear you, you cut in
19 and out.

20 Q. Is this your witness statement you prepared for the
21 purposes of these proceedings?

22 A. That's correct.

23 Q. If we could keep scrolling through please to page 31.

24 Is that your signature we see there?

25 A. That is, yes.

1 12:11 Q. Is that statement true to the best of your knowledge and
2 belief?

3 A. I'm sorry, I'm not able to hear you.

4 Q. Is the statement true to the best of your knowledge and
5 belief?

6 A. Yes, it is.

7 Q. Thank you, Ms Morgan. If we could now turn to page 1299
8 of the bundle. If we could scroll through this
9 document, going to page 132.

10 Ms Morgan, is this a witness statement you prepared
11 for the purposes of these proceedings?

12 A. That's correct.

13 Q. Is that your signature we see on the screen?

14 A. Yes, that is my signature.

15 Q. And is the witness statement true to the best of your
16 knowledge and belief?

17 A. It is.

18 Q. Thank you, Ms Morgan. Ms Morgan, I have no further
19 questions for you, but no doubt my learned friend will
20 have some. Thank you.

21 Cross-examination by MS HANIF

22 MS HANIF: Ms Morgan, first of all, good morning or good
23 afternoon depending on where you are located.

24 I hope you can hear me clearly.

25 A. Yes, I can, thank you.

1 12:13 Q. Thank you. So, Ms Morgan, it is correct, isn't it, that
2 during the period June to December 2015 you were
3 authorised by the DFSA to be the compliance officer and
4 the MLRO of La Tresorerie?

5 A. That's correct.

6 Q. As I understand it, you are currently also in a DFSA
7 authorised role?

8 A. I am, yes.

9 Q. Therefore, is it fair to say that you are very familiar
10 with the DFSA principles for authorised individuals?

11 A. Yes.

12 Q. So for example you are aware of the duty under
13 principle 1 to act with integrity?

14 A. Yes.

15 Q. The duty under principle 2 to act in due skill and care?

16 A. Yes.

17 Q. And the duty under principle 10 to be open and
18 transparent with your regulator?

19 A. Yes.

20 Q. Ms Morgan, would you describe yourself as someone who
21 acts with integrity?

22 A. I would like to think so.

23 Q. And is it your position that during your time at
24 La Tresorerie you acted with integrity throughout?

25 A. Correct.

1 12:14 Q. Now, I want to look a bit closer at your specific role
2 within the organisation, and at this stage I would like
3 to turn to bundle C, and in particular I would like to
4 turn to a document which starts at page 157. So if that
5 could be shared on the screen.

6 Bundle C/157.

7 I think perhaps in fairness to you, I will just show
8 you the first page of the document to put it in context.

9 So the opening page starts at page 127. Whilst we
10 get that I will just describe, 127 identifies that this
11 is a regulatory business plan. And it has the date on
12 the bottom of it, which is May 2015. As I understand it
13 this document was submitted to the DFSA.

14 Do you recognise this document, Ms Morgan?

15 A. Can I confirm that this is a PowerPoint presentation?

16 A document in the form of a PowerPoint?

17 Q. It is possible it is in the form -- it appears to be in
18 the form of slides but my understanding is it was
19 a document that was submitted to DFSA effectively as
20 part of the remediation programme.

21 A. Yes.

22 Q. Do you have any recollection of this document?

23 A. I do recall this document, yes.

24 Q. Thank you. So if we then look at page 157, and do you
25 see at the top of page 157 it starts with the title

1 12:17 "The senior management team of LTL", do you have that
2 there?

3 A. Yes, .

4 Q. So effectively this section of the plan is setting out
5 the SMT. If you turn overleaf to page 158, you will see
6 at the top of that page there is a subheading which says
7 "compliance officer and money laundering reporting
8 officer ... and company secretary", can you see that?

9 A. Yes.

10 Q. It identifies you as having this role.

11 A. Correct.

12 Q. And it sets out in the second paragraph your experience?
13 Can you see that there, Ms Morgan?

14 A. Yes.

15 Q. Do you accept that you were a very experienced
16 compliance officer?

17 A. Yes, I do.

18 Q. And if you look at the bottom half of that page there is
19 a subheading that says "major responsibilities of the
20 CO/MLRO & company secretary", do you have that there?
21 And I'll keep reading:

22 "The CO is responsible for:

23 "Establishing compliance arrangements, including
24 processes and procedures that ensure and evidence, as
25 far as practicable, that LTL complies with all

1 12:18 legislation applicable in the DIFC".

2 Do you see that bullet point?

3 A. Yes.

4 Q. So an express part of your role was to ensure that the
5 company was compliant with the DFSA's rules and
6 regulations?

7 A. Yes, that's correct.

8 Q. And if you look at the third bullet point under that
9 subheading, it talks about.

10 "Establishing and maintaining the monitoring
11 reporting processes and procedures to ensure that any
12 compliance breaches are readily identified, reported and
13 acted upon promptly."

14 So it is also part of your role to identify --

15 A. Yes, I can see that.

16 Q. So you are effectively required to work proactively. It
17 is not a passive role?

18 A. Correct.

19 Q. And finally, if you look at the subheading "Company
20 secretary", it says there you had to manage all board
21 matters for the company?

22 A. Correct.

23 Q. Now, I want to just look at your specific reporting
24 lines as set out within this document.

25 If you turn to page 163, so page 163 is an

1 12:20 organogram, and at the bottom of that page there is
2 a paragraph that starts "Both the CO/MLRO". Can you see
3 that paragraph?

4 A. Ms Hanif, I'm having difficulty with this headset.
5 Would you mind if I take it off and switch it off?
6 I think I might be able to hear you more clearly.

7 Q. Of course, please do take whatever time is needed,
8 Ms Morgan.

9 A. Can you hear me.

10 Q. Can you hear me?

11 A. Yes, I can, actually. That's much better, thank you.

12 Q. I can hear you clearly too.

13 So hopefully, Ms Morgan, you can see page 163, which
14 has an organogram on it. And at the bottom of that page
15 there is a paragraph that starts with the sentence "Both
16 the CO/MLRO". Do you have that paragraph?

17 A. Yes, I can see that.

18 Q. The sentence says:

19 "Both the CO/MLRO ... have a reporting line to the
20 board ..."

21 So the first point is you had a direct route into
22 the board; that's correct isn't it?

23 A. That's correct.

24 Q. In addition to your reporting line to the SEO.

25 And you see it goes on to say that:

1 12:21 "The CO will update the board at each board meeting
2 on compliance developments ..."

3 Then it talks about informing the board of any AML
4 issues.

5 Then it also goes on to say that:

6 "In case the CO ... and the SEO do not agree on
7 a compliance/AML matter, the CO/MLRO can directly
8 escalate the issue to the board ..."

9 Do you see that there?

10 A. Yes.

11 Q. So essentially if there was any dispute between you and
12 Mr Rollet, you had a means of taking it directly to the
13 board; that's correct, isn't it?

14 A. That's correct, yes.

15 Q. And in fact it is not just that you had the means to
16 escalate it, this document envisages that actually you
17 would proactively bring it to the board's attention in
18 that situation?

19 A. That's not in dispute.

20 Q. Okay. Thank you.

21 I then want to look as another description of the
22 compliance function. So the document starts at
23 page 216, and it is a document that was produced by PWC.

24 What you see on page 216, it is entitled "Compliance
25 training", dated May 2015, and it appears that this is

1 12:23 a set of slides that PWC prepared for compliance
2 training that it delivered within the organisation.
3 I don't know if this rings any bells? It is a long time
4 ago --

5 A. It does. I recall a training session was delivered
6 off-site.

7 Q. If we then turn to page 223.

8 On page 223, at the bottom of that page the slide
9 says that the compliance team has an important role as
10 an independent function. So this is the bottom of
11 page 223. So compliance has an independent function
12 that identifies, assesses, monitors and reports and
13 provides advice on the risks of a firm's non-compliance
14 with relevant rules and regulations. Do you have that
15 there?

16 It is three lines from --

17 A. Yes.

18 Q. Essentially what is being said there is that the
19 compliance unit had a proactive duty to provide advice
20 on any risk of non-compliance. You accept that, don't
21 you?

22 A. Yes.

23 Q. Thank you. Now, we will turn to some of the meetings of
24 the DFSA in a moment, but it is fair to say you had
25 a lot of regular contact with the DFSA, is that correct?

1 12:24 A. That is correct.

2 Q. And at those meetings did you yourself take any notes,
3 Ms Morgan?

4 A. I believe I did. And they would have been utilised to
5 prepare the summaries or assisting preparing the
6 summaries of those meetings.

7 Q. If a meeting was (audio distortion) you and Mr Rollet,
8 so just the two of you, was it you that would have taken
9 minutes during that meeting, or would it have been
10 Mr Rollet?

11 A. I think some of the early meetings with the DFSA before
12 the remediation plan -- sorry, the remediation programme
13 had commenced, there may not have been minutes or notes
14 taken of those early meetings.

15 Q. But later on, let's (audio distortion) on behalf of the
16 company it was just you and Mr Rollet, was your
17 expectation that it would have been you that had taken
18 notes of the meeting or produced a minute after the
19 meeting?

20 A. There was some meetings with the DFSA where
21 Gilles Rollet and I were present, but I do not recall
22 whether or not I took minutes or notes of those
23 meetings. I cannot recall. However, once the
24 remediation programme commenced I believe there were
25 notes and minutes taken during those follow-up meetings.

1 12:26 I'm sorry, I can't recall with any detail as to whether
2 all or some of the minutes -- sorry, meetings were
3 minuted.

4 Q. Okay. No problem.

5 What I want to touch on briefly is the nature of the
6 organisation.

7 So it was a fairly small team; do you accept that?

8 A. Yes, it was. We are talking in sort of 2015, early
9 2015?

10 Q. That's right, yes.

11 A. Yes, so it was a very small team.

12 Q. And it operated informally in the sense that if you
13 wanted to speak to someone you could just go and speak
14 to someone, you didn't have to book out a meeting, for
15 example?

16 A. No, that's correct. And my experience with
17 La Tresorerie was that that culture did not change
18 throughout the period of time that I provided services
19 to them.

20 Q. So if you wanted to speak with somebody, it would have
21 been very easy for you to do that?

22 A. It was an open plan environment, and generally there
23 were discussions that were occurring in that open plan
24 environment. If there was anything more formal then
25 people would move into a meeting room.

1 12:28 Q. I want to next turn to the cash withdrawal service,
2 Ms Morgan. I think it is fair to say that you accept
3 that you were aware that the company was providing the
4 service to its clients?

5 A. So, can you elaborate on what service you are
6 specifically referring to?

7 Q. The fact that clients could withdraw physical cash. So
8 you were aware that this was a service the company
9 provided to clients?

10 A. No I was not.

11 Q. So you were not -- your position is you were not aware
12 that at La Tresorerie clients were able to withdraw
13 physical cash?

14 A. I was not aware that clients were able to withdraw
15 physical cash and utilise the company like an accrual
16 bank account. No I was not.

17 Q. If you want to pause there for a moment, I want to turn
18 to your interview to see what you said to the DFSA. If
19 we could call up bundle D, please. D/1488.

20 You may recall this was an interview you had with
21 the DFSA in connection with your application to be
22 authorised by the DFSA; that's correct, isn't it?

23 A. I believe so, yes.

24 Q. Then as part of that conversation there was then
25 discussion about the events that happened at

1 12:30 La Tresorerie?

2 A. That's correct.

3 Q. If you look at page 1488, and roughly halfway down the
4 page, there is an entry under -- you see the name
5 "Fiona Paddon".

6 A. Correct.

7 Q. I'm just going to read it out. So Ms Paddon says:

8 "Okay, thank you. Okay. So I think we need to try
9 and sort of summarise our position here. I think you
10 are saying [to] me that you did know, you were aware
11 that there was some cash withdrawals going on at the
12 La Tresorerie."

13 And you say "correct".

14 So when you said "correct" in that interview, what
15 did you mean by that? Because it seems pretty clear to
16 me?

17 A. Yes, I think what -- that is correct, I was aware that
18 there were some cash withdrawals going on at
19 La Tresorerie. During what period that recollection
20 refers to, I cannot be specific. I believe that refers
21 to the period in 2016. I do not believe that refers to
22 the period before 31 December 2015.

23 Q. Right. So your evidence to the tribunal now is that
24 when you said "correct", what you were meaning is you
25 were not referring to physical cash withdrawals; is that

1 12:31 what you are saying?

2 A. No, that's not what I'm saying at all.

3 I subsequently became aware that there were cash
4 transactions occurring -- or what I call physical cash
5 transactions occurring at La Tresorerie. During what
6 period of time I became aware, I believe that is 2016.
7 I do not believe that I was aware of physical cash
8 deposits or withdrawals occurring prior to
9 31 December 2015 other than those two transactions that
10 were referred to the DFSA or discussed with the DFSA
11 during the course of the risk assessment early in 2015.

12 Q. I just want to clarify your evidence so that
13 I understand it. So your position is that the first you
14 were aware of any physical cash withdrawals was some
15 time in 2016. You were not aware before then?

16 A. That's correct.

17 Q. Okay.

18 Let's see what you say in the interview then. So
19 Ms Paddon then says to you:

20 "And that was during the time that you were the
21 compliance officer.

22 "Okay."

23 Now, in 2016 were you the compliance officer?

24 A. No I was not.

25 Q. So it is therefore clear that the period that is being

1 12:33 talked about in this bit of the conversation between
2 Ms Paddon is not 2016, it is the period when you were
3 the compliance officer. Do you accept that?

4 A. No, I don't accept that.

5 Q. So --

6 A. If they are occurring in 2015, they would have formed
7 part of the compliance monitoring programme, and I do
8 not recall signing off on any cash withdrawals or
9 deposits during the period that I was the compliance
10 officer.

11 Q. Ms Morgan, we are not talking here about whether you
12 signed off on anything. What is being asked here by
13 Ms Paddon, quite fairly, is she is putting to you that
14 you were aware that there were some cash withdrawals
15 going on. So at this stage you were not bearing down
16 into any detail about what paperwork you signed. Do you
17 accept that? She is asking as a generic point in her
18 view you were aware there were cash withdrawals going
19 on, and you say "correct". So you accept that part of
20 the interview at least?

21 A. I accept what is written there as what was said in the
22 interview.

23 Q. Do you accept that what is written down there is
24 truthful and accurate?

25 A. I don't believe that I was aware of a cash withdrawal

1 12:35 and deposit programme service occurring in La Tresorerie
2 during that period of time.

3 Q. Then when Ms Paddon goes on to say "That was during the
4 time you were compliance officer, okay", and we see what
5 you say. So she says:

6 "That being the case, what thoughts did you give as
7 to whether this behaviour was allowed at La Tresorerie?"

8 Do you see that question there?

9 A. Yes, I can see that question.

10 Q. And then if you turn over to the next page, we see your
11 response. You say:

12 "It was, it was, I ..."

13 It was during the time you were the compliance
14 officer:

15 "I had formed the opinion at the outset that it was
16 unacceptable".

17 So you don't say, "Oh, Ms Paddon, you got it wrong,
18 I'm talking about a different period when I wasn't the
19 compliance officer", you effectively affirm what she
20 said to you.

21 A. There were two cash transactions that I was aware of --

22 Q. Ms --

23 A. -- and at the time I became aware of those I made it
24 clear that I did not think that they were acceptable,
25 and they were raised to the DFSA at the outset.

1 12:36 Q. We'll come on (overspeaking) --

2 A. (Overspeaking) DFSA at the outset.

3 Q. We'll come on to that in a moment, and in fairness to
4 you, you do discuss that in your interview with
5 Ms Paddon, but I want to focus on this exchange at the
6 moment. So Ms Paddon made it very clear to you that her
7 understanding is that you were aware that there were
8 physical cash withdrawals, you confirm that her
9 understanding is correct, she then goes on to confirm
10 that her view is this occurred during the time you were
11 the compliance officer, and you again confirm that her
12 understanding is correct.

13 Are you now saying that that is not the correct
14 position?

15 A. I am saying that I was aware of several transactions
16 that were communicated to the DFSA. Any others, I was
17 not -- physically I was not aware of a cash transaction
18 service at that time operating to the extent that I have
19 subsequently been advised.

20 Q. Ms Morgan, I'm going to ask my question again, so
21 perhaps you can focus on it. In your evidence you
22 confirm that your witness statement was true and
23 accurate.

24 A. Yes, I do.

25 Q. And your witness statement --

1 12:37 A. (Overspeaking).

2 Q. -- says that the interview was truthful and accurate.

3 A. Correct.

4 Q. When we look at this witness interview, what it shows
5 quite clearly is you confirm to Ms Paddon that during
6 the time that you were the compliance officer you were
7 aware that there were some cash withdrawals going on.
8 Are you now saying that that is not correct and
9 truthful?

10 A. I am saying that there were several transactions that
11 I was aware that occurred during that period. And those
12 transactions were communicated to the DFSA.

13 Q. Okay. This is the final time I'm going to ask and
14 I will move on.

15 In this exchange between you and Ms Paddon do you
16 agree that you confirm her assertion that you were aware
17 of cash withdrawals?

18 A. I have answered that question.

19 Q. I'm going to ask you again then. Do you confirm that
20 you agreed with her assertion that you were aware that
21 there were cash withdrawals going on?

22 A. I have already answered that question. Several times.

23 Q. Okay. And then do you agree that you confirmed her
24 assertion that you were aware of this during the time
25 you were the compliance officer?

1 12:38 A. I have answered that question.

2 Q. We may disagree on that, but that will be a moment for
3 closing submissions.

4 In fact I think let's just stay within this
5 interview transcript.

6 So the trigger for this was that you had applied to
7 be authorised as the compliance officer and money
8 laundering officer in another organisation; that's
9 correct, isn't it?

10 A. That is not correct.

11 Q. What was the trigger for this?

12 A. The trigger for this interview was an application to be
13 a licensed director for a firm that was applying for an
14 authorisation licence.

15 Q. Okay. That's fine. Now, I want you to turn to
16 page 1459 of that interview. Page 1459.

17 And at the bottom of 1459, there is an exchange
18 between you and Ms Paddon. So Ms Paddon says -- and I'm
19 going to start by reading the latter end of her
20 statement, she says:

21 "You do understand that you signed the form saying
22 that you have disclosed everything and that you have to
23 tell the truth on the form?"

24 And you respond to that, "Correct".

25 Do you see that, there?

1 12:40 A. Yes.

2 Q. So what she is saying to you is, you signed the form
3 saying that you disclosed everything and you understood
4 you had to tell the truth. You agree with that?

5 A. Yes.

6 Q. Whereas actually what we know is that you didn't refer
7 to the fact that you were a director at the Blue Ocean
8 bank, that's correct, isn't it?

9 A. That's correct.

10 Q. So in fact you signed a form where in fact what you put
11 in there was not correct.

12 A. I signed a form that did not contain all of the
13 information that it should have contained, correct.

14 Q. Okay. Thank you.

15 I'm going to turn back to the cash withdrawal
16 service. And I want to try and understand who else you
17 say within the organisation knew that this was taking
18 place.

19 Is it your position that PWC were aware that
20 La Tresorerie was allowing clients to withdraw physical
21 cash?

22 A. I don't know the answer to that. I don't know what PWC
23 knew or did not know in respect of any cash
24 transactions.

25 Q. Well, what was your view? Do you think they knew? It

1 12:41 is a separate matter as to whether they say they did in
2 fact know or what know, but what do you think, given you
3 worked with them. Do you think they knew?

4 A. Sorry, I do not know whether they knew or did not know.
5 I cannot respond to that question.

6 Q. Okay. Thank you. You said in your interview with the
7 DFSA -- this is page 1489. You said at the top of
8 page 1489 that you had formed the opinion at the outset
9 that it was unacceptable, and this relates to a previous
10 discussion between you and Ms Paddon about cash
11 withdrawals?

12 A. This relates not so much to the action of cash
13 withdrawals or cash deposits, this actually relates to
14 the fact that these transactions were actually, the cash
15 was physically coming into the office of La Tresorerie
16 and was effectively being transported to a custodian for
17 and on behalf of the clients. It is that whole process
18 in totality that I found it unacceptable. La Tresorerie
19 was not a custodian, it was not a deposit-taker and nor
20 did it have appropriate controls in place for the
21 transportation of cash.

22 Q. So you are now saying that actually what you are talking
23 about there was the physical transportation of cash?

24 A. The physical acceptance of cash and transportation of
25 cash. The actual deposit of cash into a custodian

1 12:43 account, if that was permitted, was there needs to be
2 additional AML checks to ensure that any money
3 laundering risks are managed. And on an incidental
4 basis, on the face of it, no., but it is the process in
5 totality of which I found unacceptable.

6 Q. When you say "the process in totality", so are you
7 referring to the use of an intermediary like Cosmic or
8 EEC?

9 A. No, I'm talking about the use of La Tresorerie employees
10 to physically accept cash, or hand over cash, and to
11 transport that cash to a custodian or a facility for it
12 to be stored.

13 Q. When you talk about it being transported to a custodian,
14 do you mean it being physically transported to the
15 custodian?

16 A. Yes, physically carried, transported from where it has
17 been collected, whether that be in the offices of
18 La Tresorerie or elsewhere, to the deposit -- the
19 custodian where we deposited.

20 Q. We are going to turn back to bundle C and look at what
21 happened at the time, and what your response was to some
22 of these events.

23 So if I could ask that we turn to bundle C, and we
24 turn to page 329.

25 Thank you. So Ms Morgan, what you will have before

1 12:45 you on page 329, it is an email from Moepha Sharif, who
2 I understand worked in the compliance unit, and it is
3 addressed to Jennifer Adams, and you, and someone called
4 Tola Johnson at PWC, dated 16 July 2015.

5 If you look at that email he says:

6 "Hi all,

7 Version 1.2 attached of the TMP, have discussed with
8 Tola and Toni and incorporated their comments."

9 Do you see that there?

10 A. Yes, I see that.

11 Q. So it is quite clear that you were involved with the
12 very early versions of this document. Before
13 version 1.2, the only version prior to that would be the
14 first version, 1.1. So you are involved at the outset,
15 do you accept that?

16 A. Yes, as my role I would have had some involvement in
17 this, yes.

18 Q. What is quite clear is that Mr Sharif has discussed it
19 with you, do you accept that?

20 A. That's what it states, yes.

21 Q. And he has actually incorporated your comments?

22 A. That is what is stated in the email, yes.

23 Q. If we look at version 1.1, which you'll see starts at
24 page 330, at the bottom of page 330 you will see there
25 is a subheading that says "Cash deposits and cash

1 12:47 withdrawals". Can you see that there?

2 A. Yes, I can.

3 Q. And then the second sentence in that paragraph says:

4 "The focus of this document, however, is on the high
5 risk transactions which the firm is exposed to, namely
6 cash deposits and cash withdrawals."

7 Do you see that sentence?

8 A. Yes, I do.

9 Q. It has a footnote next to it, footnote 2, and if you go
10 to the bottom of the page, footnote 2 says:

11 "On occasions clients deposit and withdraw cash
12 amounts."

13 A. I see that.

14 Q. So you were aware in July 2015 that on occasion the
15 clients of La Tresorerie were withdrawing cash amounts?

16 A. I don't think that says that clients have been
17 depositing or withdrawing cash amounts, that simply
18 makes a reference to possible scenarios that are
19 contained in this document.

20 Q. Let's just focus on cash withdrawals, because that's
21 what this case is concerned about. So even on your
22 analysis, what you accept, it is envisaging or accepting
23 that on occasion clients will withdraw cash?

24 A. My understanding of the use of cash here is cash was
25 all-encompassing. Cash referred to an asset class. So

1 12:48 whilst feasibly it also includes physical cash, it
2 contemplates the wire transfers. So when you are
3 talking about monies being transferred into and out of
4 the La Tresorerie's custodians, they were referred to as
5 cash deposits or cash withdrawals. It was a very
6 generic term.

7 Q. Even if it is generic, you accept, even if it was
8 a broad term, it would encompass a physical cash
9 withdrawal?

10 A. It could encompass -- it was all-encompassing. It
11 encompassed -- that definition encompassed physical cash
12 plus wire transfers, it was reference to the asset class
13 of cash or money.

14 Q. Fine. So what this document is telling the reader is
15 that clients of La Tresorerie on occasion will withdraw
16 cash which can include physical cash?

17 A. It is talking about the withdrawal of cash. I don't
18 know that I can say that it extends to physical cash but
19 it is all encompassing, so ...

20 Q. If it is all-encompassing, as you say, that includes
21 physical cash?

22 A. It -- the definition includes physical cash, that's
23 correct, but -- yes. That is correct, yes. But does it
24 actually state that clients were withdrawing cash at
25 that point in time? I don't believe so.

1 12:50 Q. And you don't respond to this to say to Mr Sharif, hang
2 on a second, this encompasses physical cash and that is
3 unacceptable. You don't say to him at any point do you?

4 A. Not that I recall, no.

5 Q. No. And you don't say that to Ms Adams either, do you?

6 A. No. But I was aware of two physical cash deposits.

7 I was not aware of physical cash withdrawals at that
8 time.

9 Q. But you were aware that the process envisaged that
10 clients could withdraw cash, which includes physical
11 cash. So you are aware of that hypothetical situation?

12 A. Yes. And there was a custodian, EFG, who was a bank
13 that was located in Monaco, and I understood if clients
14 went with a representative of La Tresorerie there was
15 the potential for them to both deposit cash into that
16 custodian and actually withdraw it. Was I aware of any
17 instances of where the cash was withdrawn? No,
18 I wasn't.

19 Q. So just so I understand your interpretation of this
20 document, so you accept that what it says to the reader
21 is that La Tresorerie has clients who on occasion will
22 withdraw physical cash, because it is encompasses within
23 the generic term "cash", so you accept the document
24 envisages that?

25 A. I don't think the document in itself envisages that. It

1 12:52 just envisages that it has an all-encompassing
2 description of "cash" and whether that cash is physical
3 cash or whether that cash is sort of electronically
4 transferred cash.

5 Q. But you accept that nowhere in this document does it
6 make it clear that for example physical cash is excluded
7 because it is an activity that La Tresorerie should not
8 be conducting?

9 A. There is no express exclusion of it in this document,
10 no, there is not.

11 Q. Right. Now, what I want to look at is what information
12 was presented to the DFSA on this point.

13 Now, there have been various iterations of the TMP.
14 You will be pleased to know I'm not going to go through
15 all the versions with you.

16 Now, in your interview with the DFSA -- and if I can
17 ask you -- if we can turn back to bundle D, please. If
18 we turn to page 1474, bundle D/1474, there, halfway down
19 the page, there is an entry that says "Fiona Paddon",
20 and I'm going to read out what she says to you:

21 "Okay, so I mean we have gone over various bits of
22 information there, but I'll try to summarise it. In
23 response to my questions about the cash withdrawal
24 process, is it your response that you didn't know about
25 it?"

1 12:54 And you say:

2 "I was, there was a cash process that, was formed
3 that was, created as part of the remediation. There was
4 and -- so there was a cash policy ..."

5 So I want to pause there and say, you used the
6 phrase "cash policy". Are you talking about the TMP or
7 are you talking about a separate policy?

8 A. I actually don't recall. I'm sorry, I don't recall if
9 there was one TMP or there was a separate one. I'm
10 sorry, I can't give you any more.

11 Q. Are you aware whether there was any other cash policy
12 that was separate from the transaction monitoring
13 programme?

14 A. I don't recall, I'm sorry.

15 Q. I'm going to put to you, Ms Morgan, there was no other
16 separate policy, or certainly there is no other policy
17 in the bundle. All we see in the bundle the transaction
18 monitoring programme. And what you say is that was
19 submitted to the DFSA as part of the remediation
20 package?

21 A. Yes.

22 Q. So it is your position that as part of the remediation
23 package the DFSA was sent a copy of what you loosely
24 called the cash policy?

25 A. Yes, that would have been with the bundle that was

1 12:56 submitted, I believe at the end of July, at the
2 completion of the initial stage of the remediation
3 programme.

4 Q. That's helpful. Thank you.

5 I want to look at some of the information that was
6 being provided by PWC. So I want to start by looking at
7 a document that begins at page 241.

8 So we are in bundle C, page 241. In all fairness,
9 it starts at page 240 for the first page. So at 240,
10 you see the first slide, and it is the weekly update
11 report to the DFSA. So you will recollect, Ms Morgan,
12 that on a weekly basis there was effectively information
13 provided to the DFSA to update them as to what was going
14 on within La Tresorerie, do you recollect that?

15 A. Yes.

16 Q. And the slide pack we are about to see is typical of the
17 sort of information that was provided to the DFSA.

18 If we start by looking at page 241, and you see
19 roughly half the way down the page, in the column
20 "subarea", there is reference to transaction monitoring?

21 A. Yes.

22 Q. And if you follow that row through, and this slide is
23 talking about key activities in the last period, it is
24 saying that the manual transaction monitoring programme
25 has been developed.

1 12:58 A. Yes, I see that.

2 Q. So that's a reference to what we are calling the TMP?

3 A. Okay.

4 Q. That's the document we have just seen which you were
5 developing with Mr Sharif?

6 A. I don't believe that I was developing it, but I was
7 probably had a part in developing it or at least
8 providing inputs.

9 Q. And then if you turn overleaf to page 242, again there
10 is a row that says transaction monitor, and you see the
11 key activity for the next period is there is going to be
12 testing and implementation of the transaction monitoring
13 programme?

14 A. Yes, I see that.

15 Q. So effectively a core part of the remediation exercise
16 was that this transaction monitoring programme was going
17 to be tested and embedded within the organisation?

18 A. That's correct.

19 Q. I will take you to one more slide pack just to show this
20 is a regular theme throughout the information packs that
21 are sent to the DFSA.

22 If you then turn to page 261. Apologies it is 263.

23 So this is another example of the slide packs that
24 were sent to the DFSA, and if you turn to page 264, you
25 see it describes one of the key activities for the last

1 13:00 period has been the testing and implementation of the
2 manual transaction monitoring programme, do you see that
3 there?

4 A. Yes, I see that, although I'm not sure that testing and
5 implementation of -- in hindsight are the correct words,
6 because there was very little business being conducted
7 at La Tresorerie during that period, so I'm not sure
8 whether the testing and implementation would have been
9 on live transactions.

10 Q. But we just don't know at this stage?

11 A. No. But it is -- yes, I see that, and it is not in
12 dispute.

13 Q. Then if you turn to page 265, which sets out the key
14 activities for the next period, so we are looking at
15 something that is forward looking, it then says in
16 respect of transaction monitoring is that the programme
17 is going to be reviewed in light of the lessons learnt
18 from the pilot.

19 A. Yes, I see that.

20 Q. So effectively the transaction monitoring programme
21 which you reviewed and made comments upon was
22 effectively going to be tested and it was going to be
23 reviewed in light of that testing?

24 A. Correct.

25 Q. So it was an evolving document, Ms Morgan; would you

1 13:01 accept that?

2 A. Sorry, my recollection here is, when it comes to the
3 transaction monitoring programme, the document that was
4 of note here was the end-to-end process that sat behind
5 any policy, and that was very much around what was the
6 documentation that needed to be obtained, who had to
7 obtain it, what were the roles and responsibilities, and
8 I believe that is the key operational part of the
9 monitoring programme that this is referring to.

10 Q. Right. I then want to look at page 339 within bundle C.

11 What you see at 339 is that Jennifer Adams comes
12 back with her comments on the document so. Effectively
13 she has reviewed the version that incorporates your
14 comments then she comes back with her comments. You see
15 what she says is roughly halfway down that email:

16 "Great to see this almost complete. It is so
17 important to have in place."

18 Do you see that there?

19 A. Yes.

20 Q. At the bottom of her email just before she signs off her
21 name she effectively states that:

22 "For clients no deposits will be applied to their
23 accounts nor funds released by finances unless procedure
24 followed."

25 Do you see this?

1 13:03 A. I do see that.

2 Q. She is making it very clear that there are not to be any
3 withdrawals unless the procedures contained within this
4 policy are complied with?

5 A. Correct.

6 Q. So it is clearly a critical document for the
7 organisation?

8 A. Absolutely, I agree with that.

9 Q. And you accept again Ms Morgan that in response to this
10 email from her you don't respond to say, "Oh, hang on
11 a second, it currently envisages that physical cash
12 withdrawals could take place, that's not permitted"?

13 A. There was no such response to her, no.

14 Q. The next page I would like to look at is at -- we are
15 still in bundle C and if we turn to page 664, we are now
16 moving forward to October 2015. And it is an email from
17 Moapha Sharif, the compliance officer, and it is an
18 email effectively to everyone within La Tresorerie
19 including you and including Ewan Sherriff, who we will
20 hear from later on. And there is an attachment to it
21 and it says transaction monitoring programme version 2
22 and you will see that he says:

23 "Hi all,

24 Please use the attached going forward".

25 Somewhat unhelpfully, the TMP that is attached to

1 13:05 that email is found at page 529, so we have to move
2 backwards in the bundle to page 529. And at 529, what
3 we see is version 2.1 of the transaction monitoring
4 programme that is dated 28 September. So you see that
5 there, do you, Ms Morgan?

6 A. Yes, I do.

7 Q. And on page 529 you see we have that same footnote that
8 appeared in the very early version that you were
9 involved with, namely that on occasion clients withdraw
10 cash amounts. You see that there?

11 A. Yes.

12 Q. And then also I would like you to turn to the appendix
13 which is on page 536. This is the appendix attached to
14 this version of the TMP, and you see at the top it says
15 "to be completed for every withdrawal ..."

16 Do you see that there?

17 A. Yes.

18 Q. So you accept that this will also have to be completed
19 for a physical cash withdrawal?

20 A. It says "for every withdrawal", regardless of physical
21 or electronic, is my understanding.

22 Q. So you accept that if it is a physical cash withdrawal,
23 you have to complete this appendix?

24 A. For any withdrawal.

25 Q. Including a cash withdrawal?

1 13:07 A. For any withdrawals, whether -- in whatever format, that
2 needs to be completed, correct.

3 Q. I'm going to ask the question -- it is a pretty simple
4 question. Do you accept this also needs to be completed
5 for a physical cash withdrawal?

6 A. Yes.

7 Q. Thank you.

8 Then you will see that on the first column there is
9 a question which if you look at the fourth row, which
10 says:

11 "Is the withdrawal an electronic transfer of cash or
12 physical cash withdrawal?"

13 Do you see that question?

14 A. Yes, I do see that question.

15 Q. So this is making it explicit, insofar as is it needs to
16 be made explicit, that actually La Tresorerie does
17 facilitate cash withdrawals for its clients?

18 A. I don't think that's what it says at all. What it says
19 there is to be able to distinguish between a physical or
20 electronic withdrawal. It is not saying whether one is
21 or is not acceptable.

22 Q. Hang on a second. Let's just take this in pieces. So
23 we have been through a few emails where you have agreed
24 that the transaction monitoring programme was critical
25 to La Tresorerie's remediation programme?

1 13:08 A. Correct.

2 Q. And it is a programme which needs to be -- as
3 Jennifer Adams said, it has to be followed before any
4 funds can be released?

5 A. That's correct.

6 Q. Now, this appendix has to be completed for every
7 withdrawal?

8 A. We have agreed that, yes.

9 Q. So it has to be completed for a physical cash
10 withdrawal?

11 A. Any withdrawal, as I have answered previously, which is
12 inclusive of whatever form that withdrawal is to take.

13 Q. So are you now saying that by having this explicit
14 process which enables a physical cash withdrawal to take
15 place, you do not see that as implicitly approving that
16 a physical cash withdrawal is acceptable?

17 A. No, I don't.

18 Q. Ms Morgan, I'm going to put it very simply. If an
19 activity is not permitted, why have a process that
20 enables for it to take place?

21 A. I don't believe this process enables something to take
22 place. I think this process enables -- it was the --
23 the form to be identified. It is not an approval.

24 Q. Let's go on and see what it says. It says:

25 "If it is a physical cash withdrawal, do we have

1 13:09 a written client introduction authorising the
2 withdrawal?"

3 Do you see that question?

4 A. Yes, I see that question.

5 Q. It is interesting what it goes on to say. It says:

6 "Any physical cash withdrawal that does not have
7 a client authorisation in an acceptable format must be
8 automatically escalated to compliance."

9 So what it is saying there is that if a client wants
10 a physical cash withdrawal but there is not an
11 acceptable client instruction, then it is automatically
12 circulated to compliance; would you accept that?

13 A. That's what it says, yes.

14 Q. But the point here is that it is not saying the very
15 fact of a physical cash withdrawal request gets
16 automatically escalated to compliance, it is only if
17 there isn't any evidence of a client instruction?

18 A. I can see that, yes.

19 Q. So this document, if as you say -- your point is, well
20 this document it is just an administrative paper
21 exercise, so you are saying it does not -- you can't
22 read this as approving the withdrawal of physical cash.

23 Is that what you are saying?

24 A. Not unless the actual transaction has been approved.

25 Q. Right. If you turn overleaf on page 9, you will see

1 13:11 what it says under there is -- it has fields that need
2 to be filled in, and talks about the name of the
3 reviewer, then talks about whether or not there is
4 a compliance review required and then it has a field for
5 the name of the compliance reviewer and the signature of
6 the compliance reviewer.

7 So what this document is setting out is that if
8 there are circumstances that trigger a compliance
9 review, this appendix will record that compliance
10 review.

11 A. Yes.

12 Q. There is nothing in this document which says physical
13 cash withdrawals are not permitted.

14 A. That's correct, it does not.

15 Q. You were sent this document; you accept that?

16 A. I accept that I was sent that document, yes.

17 Q. At this time you were the compliance officer and the
18 MLRO?

19 A. At that period, yes.

20 Q. Nowhere do you say "Hang on a second guys, this is
21 awful, this appendix envisages that a physical cash
22 withdrawal will take place; that's not allowed". You
23 don't say that, do you?

24 A. No, I do not.

25 Q. But you accept, or as I understand it, your position to

1 13:12 this tribunal is that you think -- your view at the time
2 was that physical cash withdrawals were unacceptable?

3 A. That's correct.

4 Q. But you didn't convey that view at the time to the
5 company?

6 A. Doesn't appear to be conveyed specifically in this email
7 correspondence, no, it doesn't.

8 Q. I'm going to suggest to you, Ms Morgan, and no doubt
9 your counsel will correct me if I'm wrong, there is
10 nothing in any of the emails in this bundle where you
11 express any concern about a physical cash withdrawal.

12 Did you ever make a record in the breaches register
13 to say that physical cash withdrawals were and this was
14 in breach of the regulatory framework?

15 A. Yes, the cash deposit that was --

16 Q. No, no, (overspeaking). Did you make any record about
17 cash withdrawals in the breaches register?

18 A. Not to my knowledge, no.

19 Q. No.

20 And once you received this copy of the transaction
21 monitoring programme, did you tell the DFSA that, "Hey,
22 hang on a second, we now have a policy which enables us
23 to carry out physical cash withdrawals, but I think they
24 are unacceptable"?

25 A. There was no correspondence with the DFSA on this

1 13:14 version of the compliance monitoring programme.

2 Q. Am going to ask the question again. Did you ever tell
3 the DFSA that there was a transaction monitoring
4 programme that allowed La Tresorerie to facilitate
5 physical cash withdrawals?

6 A. That communication did not occur.

7 Q. Thank you.

8 I would like you to turn to another document within
9 bundle C, which is page 700.

10 At page 700 it is a document which is entitled
11 compliance report November 2015.

12 So this was during the time when you were the
13 authorised compliance officer. Is this a report that
14 you wrote, Ms Morgan?

15 A. I believe so, yes.

16 Q. And did you ever share this report with the DFSA?

17 A. I don't know if I did or I did not. I don't recall.

18 Q. Okay.

19 Now this report was presented at one of the board
20 meetings and we can see the board meeting minute at
21 page 732.

22 At page 732 there is a document that says "Minutes
23 of the meeting of the board of directors dated Monday
24 16 November 2015", and we see the parties present at the
25 meeting were Mr Rollet and his partner Mr Vieujot, and

1 13:16 in attendance it was yourself and Ms Adams, do you see
2 that?

3 A. Yes.

4 Q. Roughly three-quarters of the page down there is
5 a subheading that says "Compliance update", and do you
6 see there is a sentence that says "Ms Morgan tabled
7 a compliance report dated November 2015 and the board
8 note the document".

9 Do you see that there?

10 A. Yes.

11 Q. So you clearly presented it to the board.

12 Now, I just want to look very briefly what the
13 report said.

14 So apologies to skip back, but if we could turn back
15 to page 701, so this is effectively the first
16 substantive page of the report, and on that page there
17 is a section 2 that is subhead "Compliance resources and
18 training". So it just sets out the brief (inaudible)
19 down there.

20 And then if you turn overleaf to page 703, at the
21 top of page 703 you have the specific subheading which
22 is section 5, "(compliance 1/3)", and it starts
23 "compliance monitoring", do you have that there?

24 A. Yes.

25 Q. The first subheading is "Transaction monitoring", and it

1 13:18 says:

2 "The firm has implemented a transaction monitoring
3 programme that assesses and pre-approves all incoming
4 and outgoing cash and wire transfers."

5 You see that sentence?

6 A. Yes, I see that.

7 Q. So you are telling the board that we have now got this
8 transaction monitoring programme, and what the programme
9 does, it actually approves in advance outgoing cash
10 transfers.

11 A. I don't know that that actually refers specifically to
12 physical cash transfers. I know it has a distinction
13 between cash and wire transfers, but I don't think it
14 specifically is referring to physical cash necessarily.

15 Q. You have just explained earlier on in your evidence,
16 Ms Morgan, that the transaction monitoring programme
17 covered every type of cash withdrawal, whether it was
18 physical or otherwise. So you are giving comfort to the
19 board that they now have in place a proper monitoring
20 programme that is actually going to pre-approve all
21 cash -- all outgoing cash transfers. You are saying
22 whether or not those outgoing cash transfers are
23 physical or otherwise, you are saying "Look guys, we now
24 have a programme that pre-approves them so it is all
25 good". That's the message you are giving to the board;

1 13:19 do you accept that?

2 A. No, I don't accept that.

3 Q. You don't say to the board, do you, "I'm really
4 concerned guys, there is an appendix to this programme
5 which envisages that physical cash withdrawals can take
6 place. I'm very worried about that". You don't say
7 anything like that do you?

8 A. That was not communicated, no.

9 Q. Given you are not only the authorised CO and MLRO, you
10 are also the company secretary, that's precisely the
11 sort of thing the board would expect to be notified of;
12 do you accept that?

13 A. In principle, yes.

14 Q. Therefore, by failing to notify the board about this,
15 you failed in your duties to the board.

16 A. I disagree.

17 MS HANIF: Sir, I wonder whether this is an appropriate
18 moment to pause for a break before I turn on to the next
19 section of my cross-examination?

20 A. I'm happy to proceed.

21 MS HANIF: I'm happy to continue, sir, if --

22 In that case, I'll continue, sir.

23 PRESIDENT: I'm sorry, did you want a break? You wanted
24 a break?

25 MS HANIF: I was proposing a short break for five minutes,

1 13:21 sir, but if everyone is content to continue I'm content
2 to continue.

3 PRESIDENT: We will take a short break. We will take
4 a break of five minutes and resume in five minutes.

5 MS HANIF: I'm grateful, thank you, sir.

6 (1.21 pm GST)

7 (A short break)

8 (1.26 pm GST)

9 PRESIDENT: I think that's five minutes.

10 MS HANIF: Thank you, sir.

11 So, Ms Morgan, I think earlier on in your evidence
12 you referred to the fact that you said you were aware
13 that La Tresorerie was collecting physical cash from
14 a custodian in Monaco called EFG; is that your evidence?

15 A. No, that was not my evidence. My evidence was that
16 I was aware there was a custodian EFG in Monaco who
17 would accept cash, physical cash deposits. I was not
18 aware of actual deposits occurring. I was aware of
19 a custodian that would accept them.

20 Q. Right. So you are not making any reference to cash
21 withdrawals?

22 A. I don't know whether the facility at EFG extended to
23 cash withdrawals, but I was aware it would accept cash
24 deposits.

25 Q. We will hear from Mr Rollet, but he is very clear that

1 13:28 La Tresorerie never got cash from EFG?

2 A. Okay.

3 Q. And there is no evidence of what you have said just now,
4 Ms Morgan?

5 A. That has been my understanding. I apologise if I have
6 misled you. I had an understanding that was the case,
7 but if that's not the case I accept that.

8 Q. What I do want to look at, though, is the involvement of
9 a third party called Cosmic and EEC. So you are now
10 aware, Ms Morgan, that effectively they were a third
11 party that facilitated the withdrawal of physical cash.
12 Is that right?

13 A. I'm now aware, yes.

14 Q. Let's see what you were aware of at the time.

15 If we can start by looking at page 800, and we are
16 in bundle C.

17 Page 800 is the start of an email thread, and the
18 way they work is it is often the most recent one at the
19 top of the email thread so it may make more sense to
20 look at the oldest email in that chain. That starts at
21 the bottom of that page, and it is an email from
22 Mr Henny and it is copied to various people; not you at
23 this stage.

24 So it is copied to Josep Mestres, who I understand
25 worked in the finance department?

1 13:30 A. Correct, yes.

2 Q. And it is also copied to Moapha Sharif who is also in
3 the compliance unit.

4 If you turn to page 801, you will see he says there:

5 "Good morning, attached you will find:

6 "2 payment templates to Cosmic ..."

7 And he sets out the account numbers. Then he sets
8 out copies of a SWIFT, and then finally signed retrieval
9 slips by the two clients, and then he says:

10 "The Cosmic invoice will follow later today. Given
11 the urgency, (Gilles will pick up from Cosmic on
12 Thursday) please do the transaction monitoring already
13 now ..."

14 Do you see that email?

15 A. Yes.

16 Q. What he is staying is that firstly effectively he is
17 enclosing a payment template effectively for funds to go
18 to Cosmic -- and we will look at those templates in
19 a moment -- and he says because it is really urgent he
20 is suggesting that Gilles will go to Cosmic to pick up
21 the funds, but he says do the transaction monitoring
22 now.

23 So this is a classic physical cash withdrawal that
24 is going through the transaction monitoring programme.

25 Do you accept that?

1 13:31 A. Yes, I accept that.

2 Q. Now on page 802, which is the last bit of the email
3 thread, you will see the various documents that were
4 attached to Mr Henny's email, and there seem to be four
5 items, but I want to look in particular at one of the
6 payment templates, and there is a reference there,
7 payment template, 800252. Do you see that reference?

8 A. Yes.

9 Q. And that particular payment template can be found at
10 page 805.

11 If you look at the client account number, it is
12 800 -- he put 252, this is 525, and it may be a slight
13 typographical error, but his email talks about HB, and
14 then the client account name here is Hans Bockstal, so
15 it seems this is what Mr Henny attached to the email.
16 And if you look at the row "what is the reason for the
17 withdrawal", it says there this is a transfer to Cosmic.

18 So what this template is telling you is that
19 Hans Bockstal, there is a withdrawal that is going to
20 take place, but it is going to transferred to Cosmic.
21 And then if you read that in conjunction with mark
22 henny's email, what he is effectively saying is that the
23 funds will be transferred to Cosmic and then Gilles will
24 pick it up from Cosmic later on.

25 A. That's what it says.

1 13:33 Q. So effectively Mark Henny is being very open about the
2 fact that not only is he facilitating a cash withdrawal
3 for his client but he is using a third party
4 intermediary to do that. So he is not seeking to hide
5 that from either compliance or the finance team. Do you
6 accept that?

7 A. That's what it says on this document, correct.

8 Q. So if we then turn back to page 800 -- so we see that
9 email from Mark Henny. That email is then forwarded by
10 Moapha to Ewan Sherriff and Melanie Fuller, and as we
11 know Ewan Sherriff effectively took over your role from
12 2016, and Melanie Fuller is another individual who works
13 in the compliance team, that's right, isn't it?

14 A. Yes.

15 Q. So Moapha is effectively forwarding Mark Henny's email
16 to the compliance unit, then at some stage if you look
17 at the email above it Mr Sherriff replies and informs
18 you it is not clear from the way the email is set out
19 who he is copied in. But what is clear is that he must
20 have copied in you and Jennifer Adams, because if you
21 look at the email above his email, Jennifer Adams then
22 makes a comment and she has copied you in. But you see
23 Ewan basically says "These are new clients on the point
24 of onboarding", so he is saying we have not onboarded
25 them yet. The clients have sold their securities

1 13:35 because they want to get cash, and he goes on it say the
2 issue is the clients are now asking 85,000 euro each in
3 cash, EFG refused to give them cash, and he says "I have
4 also refused to authorise it because it is a classic
5 flow-through". Do you see that there?

6 A. Yes.

7 Q. And you are then obviously copied in and Jennifer Adams
8 responds saying "Agreed, does not make sense to do".

9 So the issue that Ewan Sherriff is concerned with is
10 effectively you are facilitating a transaction for
11 a client that has not yet been onboarded. It is
12 effectively a timing issue that he is concerned with?

13 A. Yes, I believe so.

14 Q. Interestingly you don't reply -- bearing in mind you
15 have been in your post for a far greater period of time
16 than Ewan Sherriff, and you are still the compliance
17 officer, the MLRO and the company secretary -- you don't
18 reply and say "Hey, hang on a second, why is Mark Henny
19 allowing his clients to withdraw physical cash and using
20 Cosmic". You don't express any concern on those issues?

21 A. I don't recall this particular instance. I acknowledge
22 I am on cc, but this does not -- I do not have
23 a recollection of it, at all.

24 Q. And it clearly didn't raise any red flags from your
25 perspective?

1 13:36 A. I'm sorry, I can't comment. I don't recall this
2 particular instance at all.

3 Q. Okay. But do you accept there is no record of you
4 raising any concerns?

5 A. If there is no response, that is correct.

6 Q. Did you tell the DFSA that actually you were aware that
7 La Tresorerie was facilitating physical cash withdrawals
8 using a third party called Cosmic?

9 A. I don't recall this instance, and not recalling this
10 instance, I clearly would not have had that conversation
11 with the DFSA with respect to this instance.

12 Q. Irrespective of your (audio distortion), you accept that
13 at the time the events took place in December 2015 there
14 is no record of you reporting to the regulator that you
15 had now become aware of the fact there was a third party
16 intermediary that was facilitating cash withdrawals?

17 A. I acknowledge that I have been on cc on one of these
18 emails, but that is the only recollection -- that's the
19 only instance it has to me being made aware of this.
20 Because I do not recall it at all. So I can't comment
21 any further.

22 Q. I am going to put it to you, Ms Morgan, there is
23 absolutely no record of you raising any of these issues
24 either with the DFSA or the board, or Mr Rollet.

25 Now, I would now like to turn to some other

1 13:38 documents in bundle C. And there is a sample at 122 we
2 can look at. There is a number of these throughout the
3 bundle, I'm not going to take you through all of them,
4 but at 122 you will see an example of a document that is
5 called cash receipt. That can be found at page 122.

6 As I said, there is lots of these throughout the
7 bundle but I'm not going to go through all of them
8 because they effectively in a standard template.

9 You can see it has a series of fields in there, it
10 has the date of the number of it, it identifies that it
11 is a receipt for the payment of cash withdrawal, then it
12 talks about the amount. And then obviously it is
13 signed.

14 Do you recall seeing these during your time at
15 La Tresorerie?

16 A. I don't recall, no.

17 Q. Are you aware that these were all kept within a physical
18 file within the offices?

19 A. The records of the company? Yes, I would assume they
20 were being retained by the company in their records.

21 Q. At no point did anyone prevent you from accessing
22 company records, did they?

23 A. No.

24 Q. And although you say you cannot recall seeing these, it
25 is possible at the time you did see them?

1 13:39 A. It is possible, but I don't recall seeing these.

2 Q. And you will see it makes it quite clear in terms of
3 payment method. It has various methods, is it cheque,
4 cash, money order or credit card. And on that box they
5 have ticked the field that says "cash".

6 A. I can see that.

7 Q. So what these documents make very clear is that clients
8 were physically receiving cash?

9 A. Does it say that? Or is it that -- does cash
10 potentially include wire transfers as well? I'm not
11 sure, I can't answer that question for you.

12 Q. Well, if you think this document is ambiguous,
13 Ms Morgan, as the compliance officer perhaps you should
14 have raised a query at the time. And you didn't?

15 A. Is that a question? I'm sorry.

16 Q. Did you raise any queries at the time?

17 A. I did not raise any queries about this form at the time.

18 Q. Thank you.

19 I would next like you to turn to page 520 within the
20 bundle.

21 It is a handwritten note, and it is dated
22 11 September 2015, and I will read it out for the
23 benefit of everyone. It says "Please debit my
24 account" -- and gives a number of the account, 800386.
25 "Please debit my account of 10,000 euro and bring me the

1 13:41 cash", looks like it says on October 9, 2015, "in 100
2 and 50 euro notes", and there is a signature of a client
3 underneath it.

4 Do you accept, Ms Morgan, that what this is
5 effectively is a request from a client that funds should
6 be withdrawn from their account and then brought to them
7 in physical cash. So in this case euros?

8 A. That's -- what it says is what it says.

9 Q. Then there is a Post-it Note on there, and as
10 I understand it that note is the written of somebody
11 called Anastasiia Liashchenko, who we are going to hear
12 evidence from, and what that says is that it says:

13 "29.09.15 Toni [so that's a reference to you] said
14 I should show a book value 9 October 2015. Ie transfer
15 pending until then."

16 Do you see that Post-it Note?

17 So clearly, Ms Liashchenko spoke to you about this
18 request from the client?

19 A. I don't -- does not say that at all. There is
20 a Post-it Note on top of this document but there is no
21 way of knowing whether that Post-it Note specifically
22 refers to this document or something else.

23 Q. So you think that Post-it Note -- you are saying this
24 Post-it Note could actually relate to an entirely
25 different client request?

1 13:43 A. It could relate to a totally different request, it could
2 also relate to this one, but there is no evidence there
3 that there was a specific discussion about a cash
4 withdrawal.

5 Q. Let's just see what it does say. There is clearly
6 a conversation between you and Ms Liashchenko that has
7 taken place. Because it says "Toni said", so clearly
8 there has been a conversation?

9 A. There were multiple conversations with Ms Liashchenko.
10 On multiple issues. It was a regular occurrence.

11 Q. That's fine. Let's just stick to this one for the
12 moment. There is no need to be defensive.

13 So if we stick to this particular Post-it Note that
14 appeared on the top of the client request. There has
15 clearly been a conversation about a client request, and
16 what Ms Liashchenko is saying is she has been told by
17 you to show a book value as at 9 October and
18 interestingly that corresponds to the date the client
19 has given as to when he would like the cash to be
20 brought to him?

21 A. I can't understand why I would be having a discussion
22 around a particular book value for a transaction. That
23 does not seem like the type of conversation I would have
24 had with client management.

25 Q. Okay, are you disputing the accuracy of Ms Liashchenko's

1 13:44 note?

2 A. I don't think it is clear from Ms Liashchenko's note
3 what the nature of the discussion she had with me was
4 regarding.

5 Q. We will ask Ms Liashchenko. What she is going to say,
6 I suspect, is that she spoke to you about this
7 particular client request, and that you would have been
8 aware that it was a request for a physical cash
9 withdrawal.

10 A. I dispute that.

11 Q. Okay.

12 You are also aware that La Tresorerie had a safe in
13 Switzerland that was used on occasion for holding client
14 funds?

15 A. I was aware subsequently in 2017 in relation to a safe
16 in Switzerland, yes.

17 Q. You say you became aware of it then. Mr Rollet's
18 evidence is going to be that you were aware of it before
19 2017?

20 A. I don't recall being aware of it before then.

21 Q. But it is possible that you could have been aware of it
22 before 2017.

23 A. I can't recall. Yes it is possible, but I don't have
24 a recollection of a safe or references to a safe that
25 La Tresorerie was using until 2017.

1 13:46 Q. When you do find out about it in 2017 on your case, did
2 you then inform the DFSA that, gosh, you just discovered
3 that this is taking place and you are really concerned
4 about it?

5 A. No, I did not.

6 Q. Did you inform the board that you have just discovered
7 this fact and you are really concerned about it?

8 A. At that stage there was an incredibly nasty shareholder
9 dispute going on at La Tresorerie. Mr Rollet was no
10 longer on the board, we did not have access to the
11 La Tresorerie board or to officers of La Tresorerie at
12 that stage. There was no way that even if a decision
13 had been made to notify La Tresorerie that it was
14 possible.

15 Q. But you didn't even try to (audio distortion) to the
16 board?

17 A. In -- I don't even know who was on the board at that
18 stage at La Tresorerie. The people that I had worked
19 with and associated with at La Tresorerie were no longer
20 associated with the company.

21 Q. When Mr Sherriff took over from your role did you do
22 a handover with him?

23 A. Yes, we did a handover for a period of between October
24 and -- actually probably even slightly earlier than
25 that. We did a handover from October through to the end

1 13:47 of the year.

2 Q. Did you tell him that you were aware that there was
3 a transaction monitoring programme which expressly
4 envisaged that physical cash withdrawals could take
5 place? Did you tell him that?

6 A. Mr Sherriff was involved in the remediation programme
7 and was as aware of all of the documents that had been
8 prepared and compiled during that process. There was no
9 need to have a specific conversation with him around
10 that.

11 Q. Did you tell him that in your view you considered it to
12 be unacceptable for there to be physical cash
13 withdrawals?

14 A. That discussion did not occur during the handover, no.

15 Q. Finally, Ms Morgan. Do you still accept -- is it still
16 your position that throughout your time at La Tresorerie
17 you acted with integrity?

18 A. That's correct.

19 Q. I'm just going to take a moment just to check if there
20 is any questions from my side, so if you just bear with
21 me.

22 A. Sure.

23 Q. Thank you, there is no further questions from me. If
24 you stay there, there may be some questions from the
25 tribunal or your counsel.

1 13:49 A. Thank you.

2 PRESIDENT: Thank you. The next stage is to ask
3 Mr Pritchard whether he has any questions.

4 MR PRITCHARD: Thank you, sir. Yes, I do.

5 Re-examination by MR PRITCHARD

6 MR PRITCHARD: Ms Morgan, if I could ask you please to look
7 at page C/539 of the bundle.

8 You will recall that you were taken through this
9 document in cross-examination?

10 A. Yes, I recall.

11 Q. Could you turn to the end of the document, which is at
12 page 548. Scroll down. We see it is the end of the
13 document because we see it is page 10 of 10, and this is
14 a list of custodians used by LT. If you look please at
15 number 4, EFG Monaco, and underneath that it says:

16 "EFG Monaco is used for cash deposits and the buying
17 and selling of a number of financial products."

18 You were asked some questions about EFG Monaco and
19 you gave some evidence regarding what services they did
20 or did not provide in relation to custodians and cash in
21 your understanding.

22 Having seen that, how does that accord with your
23 recollection of the services that you thought EFG Monaco
24 were providing or could provide?

25 A. The services that EFG Monaco were providing to

1 13:51 La Tresorerie based on this would be, yes, buying and
2 selling of shares, equities, possibly managed funds, and
3 wire transfers in and out of the custody account.

4 Q. Thank you.

5 You were asked at the end of your cross-examination
6 about your knowledge of the safe. And you said that you
7 learned about it in February 2017. What was your role
8 at La Tresorerie, if any, in February 2017?

9 A. I had no role at La Tresorerie in 2017 --
10 sorry, February 2017, and was not continuing to provide
11 services to the company at that time.

12 Q. If you could look, please, at page 1111 of bundle C, we
13 have a letter here, if you could scroll down to see the
14 contents of the letter. It is a letter from
15 Gilles Rollet we see at the bottom of the screen, and it
16 says:

17 "As part of my obligations to hand over
18 La Tresorerie assets, please note that La Tresorerie has
19 a safe in Switzerland holding client money. These
20 assets are in cash and were used to advance funds to
21 clients when they needed liquidities."

22 Were you aware at the time -- so this
23 is January 2017 -- of Mr Rollet communicating this to
24 the board?

25 A. No.

1 13:53 MR PRITCHARD: Thank you.

2 Sir, those were the only questions I had in
3 re-examination.

4 PRESIDENT: Thank you. I have no questions. But let's see
5 if Mr Al Hashimi or Mr Storey have questions?

6 MR AL HASHIMI: I don't have any.

7 MR STOREY: Nothing from me either. Thank you very much.

8 PRESIDENT: I have no questions either, so thank you,
9 Ms Morgan, for your help and assistance.

10 A. Thank you everybody, and goodbye.

11 (The witness was released)

12 PRESIDENT: I think you can sort of clock off now.

13 Next witness.

14 MR PRITCHARD: The next witness is Mr Henny. And he is
15 being, I'm told, lined up now.

16 PRESIDENT: Okay.

17 (Pause)

18 MR PRITCHARD: Sir, this is specifically to Ms Hanif as
19 well: it could be that Ms Paddon can give evidence now
20 whilst we wait for Mr Henny, but I'm conscious that was
21 not the timetable that we specifically agreed, Ms Hanif.
22 So -- and the panel. I'm in the panel and my learned
23 friend's hands as to whether or not you would like
24 Ms Paddon to give evidence know.

25 PRESIDENT: Is there any reason to believe it is going to

1 13:55 take that long to get Mr Henny?

2 MR PRITCHARD: There is not. My solicitors are trying to
3 get hold of him now.

4 PRESIDENT: Let them take some time then. If you think back
5 to live court proceedings and how long it sometimes
6 takes to get a witness into the room, one needs to be
7 a little patient.

8 I started waiting at the Isleworth Crown Court in
9 1988, so I think I can still be patient.

10 MR PRITCHARD: Thank you, sir.

11 (Pause)

12 I'm told that he will be ready in 10 minutes.

13 PRESIDENT: We will break for 10 minutes, and resume, and it
14 will give my colleagues and I an opportunity to try out
15 our conference facility.

16 So I make it -- let's restart at what in England is
17 10 past 10.

18 MR PRITCHARD: Thank you, sir, yes.

19 (1.58 pm GST)

20 (A short break)

21 (2.11 pm GST)

22 PRESIDENT: How are we doing?

23 MR PRITCHARD: I'm hoping at any moment Mr Henny is going to
24 pop up in this virtual hearing box.

25 PRESIDENT: Okay.

1 14:11 (Pause)

2 MR PRITCHARD: If those instructing me can now give
3 a telephone call to Mark directly.

4 MR MARK HENNY (called)

5 PRESIDENT: Welcome, Mr Henny, thank you for joining us.

6 TECHNICIAN: Can you confirm you are able to hear us and see
7 me?

8 I don't think he is able to hear us.

9 Mr Henny?

10 WITNESS: I can't hear anything.

11 TECHNICIAN: Let me send him a direct message.

12 WITNESS: I'm afraid I still can't hear anything. Let me
13 try if this works better.

14 TECHNICIAN: You will get a notification: new hardware
15 detected. Use it.

16 WITNESS: Can you hear me?

17 TECHNICIAN: I can hear you. Can you hear me?

18 WITNESS: I can hear you.

19 PRESIDENT: Welcome, Mr Henny, thank you for coming to join
20 us. You are going to be giving evidence today. I'm
21 going to ask you to please affirm or agree to the truth
22 of your evidence by saying the following words after me.

23 I do solemnly and sincerely affirm.

24 WITNESS: I do solemnly and sincerely affirm.

25 PRESIDENT: That the evidence which I shall give.

1 14:15 WITNESS: That the evidence which I shall give.

2 PRESIDENT: Is the truth, the whole truth and nothing but
3 the truth.

4 WITNESS: Is the true, the whole truth and nothing but the
5 truth.

6 PRESIDENT: Thank you very much. You will now be asked some
7 questions first by Mr Pritchard.

8 Examination-in-chief by MR PRITCHARD

9 MR PRITCHARD: Mr Henny, if I could ask you to look at your
10 witness statement, which will come up on the screen
11 shortly. It is in bundle B/3.

12 A. Yes.

13 Q. If we could please scroll through this document on the
14 screen. Going through to page 17 of the bundle.

15 This is the document that you prepared for the
16 purposes of these proceedings, isn't it, Mr Henny?

17 A. It is which page are we going to? Because I have a hard
18 copy here as well.

19 Q. Very good, Mr Henny. We are going to page 17 and
20 a signature box. For those looking on the screen it is
21 now on the screen. Is that your signature we see below
22 paragraph 42?

23 A. It is.

24 Q. Is the statement true to the best of your knowledge and
25 belief?

1 14:16 A. It is.

2 Q. Thank you, Mr Henny. I have no further questions for
3 you, but my learned friend may do.

4 Cross-examination by MS HANIF

5 MS HANIF: Hello Mr Henny, I hope you can hear me clearly?

6 A. I can hear you, yes.

7 Q. Mr Henny, as I understand your evidence, any physical
8 cash withdrawal that is you carried out for your client,
9 you sought the approval of compliance for all those
10 requests?

11 A. That's correct.

12 Q. At any stage did anyone in compliance suggest to you
13 that somehow this was not an appropriate activity?

14 A. No.

15 Q. I understand that you say that your clients were aware
16 that there was an intermediary, whether it is Cosmic or
17 EEC, that was used for the cash withdrawals?

18 A. They were aware that there was -- that there was
19 a process, that there was an intermediary. They were
20 not aware of the precise details of the operational
21 structure, nor of the names of the intermediaries
22 involved.

23 Q. Did any of your clients express any concern or
24 unhappiness with the use of an intermediary?

25 A. I think they were focused on getting the transaction in

1 14:18 the way they wanted it. So no.

2 Q. To the best of your recollection, were the compliance
3 team at La Tresorerie aware that an intermediary was
4 being used to facilitate the cash withdrawals?

5 A. I think so. I can of course not look in their mind, but
6 I think so.

7 Q. And at any stage was any concern expressed to you from
8 the compliance team that somehow the use of Cosmic or
9 EEC was inappropriate?

10 A. It was not, but I wouldn't expect them to, even if it
11 was, or it were, to express that to me or discuss that
12 with me, but no, it wasn't.

13 Q. When you say you wouldn't expect them to express that to
14 you, why do you say that?

15 A. Because as one of the, let's say, asset managers that
16 worked with La Tresorerie and had clients on with
17 La Tresorerie and on their platform, I was not involved
18 in day-to-day management or any management for that
19 matter, nor was I involved in any policy or rule making.

20 Q. Okay.

21 Let's turn to one of the documents in the bundle
22 which involves one of these cash transfers. If we could
23 turn to bundle C/800. At the bottom of page 800,
24 Mr Henny, there is an email, it is the bottom of that
25 page, it is an email from you dated December 15th and it

1 14:20 is addressed to do a number of people, and one of those
2 individuals is Mr Sharif who was in the compliance team,
3 and if you turn overleaf to page 801, we will see what
4 your email says. So you say:

5 "Good morning.

6 "Attached you will find:

7 "2 payment templates to Cosmic ... there is a copy
8 of a SWIFT wire transfer."

9 Then you talk about Cosmic invoices will follow
10 later on, and then you say:

11 "Given the urgency, Gilles will pick up from Cosmic
12 on Thursday, but can you please do the transaction
13 monitoring now".

14 So essentially were you seeking the prior approval
15 of compliance, is that correct?

16 A. Let me see. Well, it seems to me I can't recollect the
17 details of what this specifically referred to, but just
18 trying to infer from the email here, it seemed to me
19 probably a new client coming in, because there is talk
20 of a wire transfer, a SWIFT transfer being wired from
21 EFG, another bank, to fund the accounts, so -- and as it
22 says, the rest of the portfolio follows imminently.
23 This to me sounds like the funding of a new account,
24 with La Tresorerie, and the reference to Cosmic and to
25 Gilles picking up from Cosmic on Thursday, which

1 14:22 obviously will have been a date after the date of this
2 email, suggests that part -- that these clients, these
3 new clients, would have want to do a cash withdrawal.
4 That's all I can make from this email. And this, to me
5 seems trying to at least prepare or inform the
6 compliance team and put things in motion as quickly as
7 possible.

8 Q. Was it ever said to you, Mr Henny, whether by Mr Sharif
9 or any of the others in compliance, whether it was
10 Ms Morgan or Melanie Fuller or Ewan Sherriff, that
11 effectively: we should not be using Cosmic or EEC?

12 A. No, but again I would not expect them to share that with
13 me, even if they had -- so there is no way for me of
14 telling whether they did or did not have those thoughts.
15 It was not discussed with me.

16 Q. Fine. We also know that on occasion you delivered cash
17 abroad to your clients, that's correct, isn't it?

18 A. That is correct.

19 Q. On those occasions did you inform compliance that you
20 were going to be doing this?

21 A. I didn't inform them specifically, but it was -- in my
22 opinion it was known by Gilles, it was known by
23 compliance.

24 Q. Did compliance ever say to you, "Oh, you shouldn't be
25 doing this"?

1 14:24 A. No.

2 Q. On occasion you used your own personal account to
3 facilitate a cash transfer; that's right, isn't it?

4 A. In the beginning of the involvement with La Tresorerie
5 on a small number of occasions yes. I did this because
6 it was benefit -- Gilles had done so a number of times
7 using an account, I don't know whether it was in his
8 name or the name of La Tresorerie. This was before the
9 Cosmic arrangement was in place, and so therefore that
10 was done.

11 Q. Did you ever receive any objections from compliance when
12 you sought to use your account?

13 A. In my recollection, when the arrangement with Cosmic was
14 put in place, this was seen to phase out, as it were,
15 any use of personal accounts.

16 Q. In your view, were compliance aware that personal
17 accounts were being used on occasion?

18 A. At the start, I wouldn't know, but I would expect so.

19 Q. Are you able to comment, Mr Henny. What is your view?
20 Do you think PWC were aware that La Tresorerie was
21 allowing clients to withdraw physical cash?

22 A. I am aware that at the time of their -- of PWC's
23 involvement in remediation effort with La Tresorerie
24 that they were copied in on emails which had procedural
25 material in them with procedures pertaining to -- also

1 14:26 pertaining to withdrawal of cash.

2 Q. To the best of your knowledge, did PWC ever indicate to
3 you, or indeed to any others, that this was not
4 something that La Tresorerie should be doing?

5 A. I would not be able to comment on that. I had not
6 contact -- I didn't have a relationship of that nature
7 with PWC, so I have no idea.

8 Q. Mr Henny, you will be aware of something that is
9 referred to -- there is a specific letter that I think
10 both you and Mr Rollet had used when transporting cash
11 for your clients, and I think an issue has arisen as to
12 who created that letter?

13 A. Mm-hmm.

14 Q. And my understanding is you can't recollect it, but you
15 may have created the first draft, correct?

16 A. I think it was a joint effort.

17 So there was some back and forth on this letter
18 between Gilles and myself. It is a rather short letter.
19 Who exactly did what I really can't tell. So in my
20 recollection it was a joint effort.

21 Q. But you are aware that Mr Rollet's position is that you
22 effectively produced the letter in the first instance?

23 A. I'm aware of that, and I disagree with that.

24 Q. Thank you, Mr Henny. I have no further questions for
25 you.

1 14:28 PRESIDENT: Mr Pritchard.

2 MR PRITCHARD: No further questions.

3 PRESIDENT: I have no questions, I don't know if my
4 colleagues do.

5 MR HASHIMI: I don't.

6 MR STOREY: None from me.

7 PRESIDENT: Thank you very much, Mr Henny.

8 (The witness was released)

9 PRESIDENT: Right. Thank you for that. Who is next?

10 MR PRITCHARD: Thank you, sir. Next will be Ms Paddon.

11 Before I call Ms Paddon, if Ms Hanif maybe could
12 give me an indication whether she would like Mr Sherriff
13 also to be available. We have Ms Paddon and Mr Cameron
14 available today. We had initially told him Tuesday, but
15 we are getting through the witnesses at a very
16 commendable pace.

17 PRESIDENT: Why don't -- can you try and line him up?

18 MR PRITCHARD: Indeed. We will see if we can get him
19 available.

20 PRESIDENT: Provided it is not -- Ms Hanif, I don't want --
21 we don't want to start landing you with witnesses you
22 are not prepared for, because my own recollection of
23 what one does in that situation is it take three time as
24 long to ask the questions.

25 MS HANIF: I was envisaging actually that Mr Sherriff would

1 14:29 give evidence today, and I think that it would be
2 helpful actually to have him lined up. I think that
3 would be very useful if that's possible.

4 MR PRITCHARD: We will take steps.

5 PRESIDENT: Let's line him up and see how we go.

6 MR PRITCHARD: If Ms Paddon, please, could turn on her
7 camera, because I think she is in the group.

8 MS FIONA PADDON (called)

9 PRESIDENT: I understand you are about to give evidence to
10 us. Would you be good enough to repeat after me.

11 I do solemnly and sincerely affirm.

12 WITNESS: I do solemnly and sincerely affirm.

13 PRESIDENT: That the evidence I shall give.

14 WITNESS: That the evidence I shall give.

15 PRESIDENT: Will be the truth the whole truth and nothing
16 but the truth.

17 WITNESS: Will be the truth the whole truth and nothing but
18 the truth.

19 PRESIDENT: Thank you very much. You will now be asked some
20 questions.

21 Examination-in-chief by MR PRITCHARD

22 MR PRITCHARD: Ms Paddon, if you could please look at your
23 witness statement, that has come up on the screen here
24 at page 111 of bundle B. If we could scroll through
25 your witness statement please. And through to page 128.

1 14:30 Ms Paddon, is the document you see on the screen
2 your witness statement prepared for the purposes of
3 these proceedings?

4 A. Yes, it is.

5 Q. When we get to the final page of the witness statements,
6 is that your signature we see there?

7 A. Yes, it is.

8 Q. And is the statement true to the best of your knowledge
9 and belief?

10 A. It is, yes.

11 Q. Then you prepared a further witness statement which
12 starts at page 140 of the bundle. And again, if we
13 could scroll through that document, please. Ms Paddon,
14 is this a further witness statement you prepared for the
15 purposes of these proceedings?

16 A. Yes, it is.

17 Q. And again there is a signature there. Is that your
18 witness statement -- is this your signature?

19 A. Yes, it is.

20 Q. Is the content of this witness statement true to the
21 best of your knowledge and belief?

22 A. They are, yes.

23 MR PRITCHARD: Thank you, Ms Paddon. I have no further
24 questions for you but my learned friend may.

25 Cross-examination by Ms Hanif.

1 14:31 MS HANIF: Hello Ms Paddon.

2 A. Hello.

3 Q. Ms Paddon, you will accept, would you, that a regulator
4 has to conduct an investigation fairly and
5 proportionately?

6 A. Yes, I would.

7 Q. What it shouldn't be doing in the course of an
8 investigation is to effectively try and find a single
9 scapegoat?

10 A. Yes, that's correct.

11 Q. And if in the course of the investigation it appears
12 that there may be others that are guilty of misconduct,
13 the correct and fair thing to do is to also investigate
14 those individuals?

15 A. I wouldn't agree with that entirely. The DFSA, like all
16 regulators has to use its resources in the most
17 effective way possible. It would be absolutely
18 impossible for the DFSA to investigate every single
19 person who may have committed a breach in any case.

20 Q. Okay. Let's look at what happened in this case.

21 So I want to start by looking at the suspicious
22 transaction report which you will see in bundle C at
23 page 1278. As I understand it Ms Paddon, the DFSA's
24 case is it was not aware of the issues with
25 La Tresorerie that form the subject matter of this

1 14:33 hearing until it had received this report. Is that
2 right?

3 A. Yes, that's correct.

4 Q. If we look at page 1279, on page 1279, at the bottom of
5 the page there is as column that starts "source of
6 suspicion", and then the second column states "a junior
7 employee verbally informed the temporary MLRO that on
8 a number of occasions the previous senior management of
9 the firm would upon the customer's request facilitate
10 cash withdrawals". Do you have that there?

11 A. Yes.

12 Q. So what you have been told at this stage is that
13 potentially the senior management team of La Tresorerie
14 have been engaged in a potentially unlawful activity?

15 A. Yes.

16 Q. And if we then turn through to page 1336, it was
17 a notification that was made to the DFSA that raised
18 specific concerns both with Mr Rollet and
19 Mr Josep Mestres; do you see that there?

20 A. Yes.

21 Q. It runs over a number of pages, we certainly don't need
22 to go through those page, but essentially what the
23 letter is saying is that these two individuals are both
24 authorised by the DFSA and in the opinion of the author
25 they were involved in the matters outlined in there. Is

1 14:35 that fair?

2 A. Yes.

3 Q. Am I correct in thinking that Mr Mestres has never been
4 formally investigated in respect of the matters that
5 form the subject of this hearing?

6 A. Yes. That is correct.

7 Q. Are you aware that Mr Mestres was actually part of the
8 senior management team of the La Tresorerie?

9 A. Yes, he was a DFSA authorised person. Or one of the
10 DFSA authorised persons.

11 Q. So he is part of the senior management team, he is DFSA
12 authorised, you have received a suspicious transaction
13 report which implicates the senior management team and
14 you have received separate notification which also
15 identifies Mr Mestres, but despite that you chose not to
16 investigate him, is that correct?

17 A. The DFSA did not investigate Mr Mestres in this matter,
18 no.

19 Q. What is interesting -- if we go to his interview
20 transcript. So if we turn to this bundle D, and his
21 interview transcript begins on page -- bear with me one
22 moment?

23 MR PRITCHARD: Page 336, if that helps.

24 MS HANIF: Thank you, Mr Pritchard. That's helpful.

25 If we look at his interview transcript, I'm just

1 14:37 going to scroll down to it now, you say at the outset --
2 and it is at page -- I'll come back to that in a moment,
3 but you have a discussion with Mr Mestres about the
4 safe, so if you turn to page 424, and it is clear from
5 what he says on page 424 that he was aware that there
6 was a safe in Switzerland that was being used by
7 La Tresorerie, is that fair?

8 A. Well, if I can just have a chance to look at it?

9 Q. Please do.

10 A. Yes, so he was aware of the safe.

11 Q. Obviously one of the allegations that you are bringing
12 against Mr Rollet is that essentially this is a further
13 instance of Mr Rollet acting without integrity in the
14 sense that he was knowingly involved with the use of
15 a safe in Switzerland.

16 What we see here in the interview is you have got an
17 individual who is previously authorised by the DFSA,
18 part of the senior management team, about whom there has
19 been a specific complaint, who has admitted in the
20 interview actually he was aware of the safe and it is
21 quite clear from that exchange that he didn't consider
22 there to be anything untoward about it, and despite all
23 that the DFSA is not alleging that Mr Mestres has
24 behaved without integrity?

25 A. That's correct, yes.

1 14:39 Q. So I'm curious, Ms Paddon, what is the difference
2 between Mr Mestres and Mr Rollet; why is it that
3 Mr Rollet's knowledge of the safe, you say amounts to
4 a lack of integrity, whereas the same isn't said about
5 Mr Mestres?

6 A. Um, well, I guess there are a number of different
7 reasons.

8 One of the reasons is in relation to the safe
9 specifically. It is our understanding that Mr Rollet
10 was the person who actually operated the safe. He was
11 the authorised signatory, and he was the one who
12 delivered money to the safe and also took money out of
13 the safe to give to clients. He was also the founder
14 and senior executive officer of La Tresorerie, whereas
15 Mr Mestres was a licensed director at a later stage once
16 the firm had been going for a short period. Or for
17 a period. And also I repeat my earlier point that the
18 DFSA cannot investigate and take action against every
19 single person who may have committed breaches within
20 a case.

21 Q. Do you accept, Ms Paddon, that what it now seems is that
22 Mr Mestres may also have committed on your case breaches
23 of the regulatory framework?

24 A. He certainly may have, yes. The fact that we don't take
25 action against someone is not an acceptance that they

1 14:40 have done nothing wrong.

2 Q. Are you aware that Mr Mestres was aware that within
3 La Tresorerie there were physical cash withdrawals?

4 A. Yes, we would not of interviewed him had he not been
5 aware. He would not have been able to give us any
6 information.

7 Q. So you now also have another member of the senior
8 management team who is DFSA authorised who knows both
9 about the safe and of the physical cash withdrawals.
10 Are you aware that he also knew that an intermediary was
11 being used, namely Cosmic and EEC?

12 A. I confess I don't remember the full contents of the
13 interview as it was some time ago, but I should imagine
14 based on what I do recollect that, yes, he was aware
15 that there were intermediaries involved.

16 Q. Therefore, it is fair to say that in terms of the
17 substance of the allegations that form part of this
18 hearing, Mr Mestres is as involved with those as
19 Mr Rollet is?

20 A. No, I would not agree that he was as involved as
21 Mr Rollet was. I would accept that he was involved.

22 Q. Mr Mestres was also the finance director; do you accept
23 that?

24 A. That was his job title as I understand it, yes.

25 Q. So part of his remit was, if I can use this phrase, to

1 14:42 make sure that client funds were accounted for properly
2 within the company?

3 A. I don't know what his job description as finance
4 director was. I don't think I have ever seen it.

5 Q. So you never bothered to find out before the interview
6 what the scope of his role was?

7 A. I may have prior to the interview had a look at it.
8 I can't now recollect it.

9 Q. I'm going to suggest to you, Ms Paddon -- I'm sure if
10 I am wrong I will be corrected -- that part of his remit
11 was to carry out reconciliations within the company to
12 make sure that client funds were properly accounted for.

13 A. Yes, I should imagine that was one of his roles.

14 Q. Given that another aspect of the case against Mr Rollet
15 is essentially that client funds were not properly
16 protected, as it were, well plainly that's another
17 matter that Mr Mestres is potentially involved with.

18 A. Potentially, yes.

19 Q. So in a sense what you have got is an individual who is
20 largely involved with the exact matters that you are now
21 bringing in Mr Rollet, yet the DFSA has chosen not to
22 even investigate him.

23 A. That is the position, yes.

24 Q. Is that, Ms Paddon, because you thought, well, Mr Rollet
25 was an easy scapegoat?

1 14:43 A. Absolutely not, no. The DFSA carried out an exercise to
2 determine where best to target its resources in relation
3 to this case. Taking into account some of the things
4 that I have mentioned as regards the involvement of
5 different aspects of this case, and the various
6 different roles of the numerous people who were involved
7 in the cash withdrawals at La Tresorerie.

8 Q. Okay, but with Mr Mestres you have the suspicious
9 transaction which says the senior management team were
10 involved, you have the anonymous letter which sets out
11 in some detail what is alleged against Mr Mestres, so
12 some of that work has been done for you. You then go to
13 extent of actually interviewing him. So in terms of the
14 use of your resources, there was not really any
15 additional resources that were required to formally
16 investigate Mr Mestres. You have effectively done
17 everything that is required. The position really,
18 Ms Paddon, is it that you don't really think that he
19 breached any of the DFSA principles?

20 A. When you say "he" do you mean Mr Mestres?

21 Q. Isn't the position that the DFSA thinks that Mr Mestres
22 has not breached any of the principles for authorised
23 individuals?

24 A. As you said, the DFSA did not investigate Mr Mestres, so
25 the DFSA is unable to conclude whether he breached any

1 14:45 of the principles or he didn't. Based on the
2 investigation and what we have seen, there is
3 a possibility that he did.

4 Q. And bearing in mind that he was responsible for
5 reconciling client funds within the organisation, and
6 bearing in mind that he is aware of the safe, isn't it
7 relevant to the DFSA's investigation against Mr Rollet
8 that his finance director, who is also subject to the
9 DFSA rules and regulations, does not at any stage say:
10 hang on a second, the use of the safe is unauthorised?
11 Is it not relevant to your investigation of Mr Rollet's
12 conduct?

13 A. Sorry, I don't understand. Are you asking --

14 Q. Is it not relevant to your investigation of Mr Rollet's
15 conduct that there is another DFSA authorised individual
16 who is actually part of the finance department who is
17 aware of the safe, and is quite open in the interview
18 that he is aware of it, but at no stage does he ever
19 tell Mr Rollet or La Tresorerie that the use of this
20 safe is inappropriate. Do you not think that is
21 a relevant consideration?

22 A. Not really. What one person's conduct is does not
23 really affect the conduct of another person. We are
24 investigating Mr Rollet and La Tresorerie in general,
25 and we look at what he did. Obviously we look at what

1 14:46 other people did as well, but one does not cancel out
2 the other.

3 Q. But do you accept that in an organisation, a single
4 individual, even if they are the SEO, they can't
5 themselves carry out each and every function that is
6 required within an organisation; do you accept that?

7 A. Of course I do.

8 Q. That's the whole point of having lots of roles that are
9 authorised, such as a compliance officer or a licensed
10 director. There is a recognition that there are
11 different roles to be carried out which require
12 differing expertise, do you accept that?

13 A. Yes.

14 Q. And do you accept that it is proper for an SEO to rely
15 on competent staff to carry out their roles competently?

16 A. Um, I think it is proper for him to rely on them subject
17 to having the appropriate oversight and understanding of
18 what is going on within the firm.

19 Q. Therefore, isn't it fair that the very point of having,
20 for example, a compliance officer, is so that
21 individuals in the organisation, whether it is the SEO
22 or the board, they can rely on the experience and
23 expertise of that individual?

24 A. Yes, as I said they are entitled to rely on other
25 people's expertise as long as they are carrying out

1 14:48 their own regulatory responsibilities and functions
2 correctly.

3 Q. Did you ever speak to Melanie Fuller as part of your
4 investigation?

5 A. No, we didn't.

6 Q. You are aware that Melanie Fuller has signed a number of
7 the checklists authorising the physical cash
8 withdrawals?

9 A. Yes.

10 Q. And you are aware that she also works in compliance?

11 A. Yes.

12 Q. Did you try to interview Moapha Sharif?

13 A. No, we didn't.

14 Q. Are you aware that he has also signed on behalf of
15 compliance a number of the checklists that approve
16 a physical cash withdrawal?

17 A. Yes.

18 Q. With regard to Ms Morgan, it seems that the only reason
19 for her interview was because she was going through an
20 authorisation process. Is that correct? That was the
21 trigger for her interview?

22 A. That was the trigger for her interview, yes.

23 Q. So had it not been for that, you would not have
24 interviewed her either.

25 A. We may have interviewed her. We -- she was not the last

1 14:49 person we interviewed. We had not completed our
2 interviews at that stage.

3 Q. Having heard what you now heard, namely Ms Morgan
4 throughout her time La Tresorerie did not raise or
5 circulate any of these issues with the board, is it
6 still your view that she is fit and proper to be a DFSA
7 authorised individual?

8 A. That is not a decision that is up to me, so I'm not
9 prepared to comment.

10 Q. But is there anything in her evidence that has given you
11 any cause for concern about her fit and properness?

12 A. Again, that's not for me to say.

13 MR PRITCHARD: I hesitate to interrupt, but Ms Morgan is not
14 the subject of the proceedings or the investigation, and
15 the DFSA as a body has not made a decision in relation
16 to her. I'm not quite sure how helpful this line of
17 questioning is, and is potentially problematic, given
18 that, as I say, Ms Morgan is not a party to these
19 proceedings.

20 MS HANIF: Sir, where we say it is important is in -- what
21 we are concerned with here is what are proper regulatory
22 standards in the sense there is the regulator there as
23 it were to take action where standards have not been
24 met, it is useful to understand as it were where the
25 DFSA itself puts a line in the sand. And that is where

1 14:50 actually it is quite useful to understand what the DFSA
2 considers to be conduct which does or does not fall
3 below the standard to be expected of authorised
4 individuals.

5 PRESIDENT: As I understand the system, that is not
6 a decision that is taken by Ms Paddon. It is taken by
7 others, and I'm not sure how -- where you are going to
8 get asking for her off the cuff to make a sort of
9 informal regulatory decision about the performance of
10 a witness, which I think is what you are doing, isn't
11 it.

12 MS HANIF: I'll ask very one short question and move on.

13 Ms Paddon, where we have a compliance officer and
14 MLRO, would it be your expectation that if that
15 individual had any cause for concern as to whether the
16 activities of the company were compliant with the DFSA's
17 regime, would you expect the compliance officer to draw
18 that matter to the attention of the board?

19 A. It would depend on what that compliance officer's
20 specific responsibilities were within the company, but
21 I should imagine that would be a normal fairly standard
22 thing for a compliance officer to do, yes.

23 Q. What I also want to look at very briefly are some of the
24 information requests that were made by the DFSA.
25 Because as you are aware, Ms Paddon, a real bone of

1 14:52 contention between the DFSA and Mr Rollet is what
2 information was received by the DFSA. Now, the first
3 question I had is, we can see from the notes of the
4 various meetings between La Tresorerie and the DFSA that
5 David turner was effectively the lead on the part of the
6 DFSA. Have you spoken to Mr Turner at all?

7 A. No, we have not.

8 Q. Why is that?

9 A. He -- well, he obviously left the DFSA some considerable
10 time before these events were brought to our attention.

11 Q. Did you even bother to contact him to see if he could
12 recollect anything about the events?

13 A. We didn't contact him, no.

14 Q. Do you not think he would have been an important person
15 to contact?

16 A. He may have been. We did have extensive contemporaneous
17 documents and emails to review.

18 Q. But we simply just don't know what Mr Turn's position is
19 going to be.

20 And you are aware, are you, that La Tresorerie had
21 complained about Mr Cameron?

22 A. I became aware of that after the investigation had
23 commenced, yes.

24 Q. So notwithstanding that, you still decided there was no
25 need to try and speak to Mr Turner?

1 14:53 A. Yes. That is the case.

2 Q. I want to then look at the information requests that
3 were made by the DFSA.

4 So I want to start by looking at the request that
5 was made to PWC, and this starts at page 1430 in
6 bundle C.

7 So we can see that is dated 25 April. In particular
8 what I would like to turn to is page 1434.

9 What we see here -- we can see it there, it is the
10 first schedule, and it specifies the information
11 a documents covered by the request.

12 In particular you will see at paragraph 2 it sets
13 out a number of individuals within La Tresorerie. So
14 effectively PWC is being asked whether it has any
15 records of any communication with the various
16 individuals, and what we see is there is no reference
17 there to Melanie Fuller, is there?

18 A. No, there isn't.

19 Q. There is no reference to Moapha Sharif?

20 A. No, there isn't.

21 Q. Given they were signing off the checklists for the
22 physical cash withdrawals that's quite an important
23 omission isn't it, Ms Paddon?

24 A. I don't think so. We included all of the more senior
25 people that were involved as far as we understood it at

1 14:55 the time that this information requirement was sent out.

2 Q. If we then turn to page 1442 -- so 1442 is an email
3 between you and various individuals at PWC, and then you
4 say:

5 "Thank you for your time this morning to discuss the
6 notice."

7 I don't think there is a note in the bundle of the
8 call that you had with PWC, is there?

9 A. No, there isn't.

10 Q. But you say "I can confirm that this is hereby varied".
11 So you are varying the notice.

12 So what was it about that call that then led you to
13 vary the notice?

14 A. Well, can you scroll down to show more of the email
15 please?

16 Q. In fact please do take a moment to read it actually, and
17 it runs over to 1443. So please do take a moment.

18 A. Scroll down. Sorry, scroll up a bit. Little bit more.
19 Just there.

20 So, that discussion was around the sort of
21 practicalities and the technical requirements that PWC
22 had in terms of being able to comply with our notice.

23 So when we send out a notice we obviously make
24 a requirement of the information that we would like to
25 receive, and then it is very normal for the person who

1 14:57 receives that notice to come back and say to us,
2 actually, because of how we store our documents,
3 especially considering this is an historic amount of
4 information for PWC, it is not something they are
5 currently working on, the individuals from PWC contacted
6 us and said, in relation to what you are asking, the way
7 our systems and archives work, this is the way in which
8 we can provide it to you.

9 So -- and to go back to your point earlier about not
10 receiving emails from Melanie Fuller and Moapha Sharif,
11 the way that this information requirement has been
12 amended means that we have asked for emails that were
13 sent to anyone with the domain name @latresorerie.com,
14 which therefore would have included the individuals that
15 you mentioned.

16 Q. What we can see at point 2, as you say:

17 "Want a copy of all emails to or from former PWC
18 employees James Tebbs and Hinesh Shah."

19 Now, what we can see now is that a number of the
20 emails relating to the transaction monitoring programme
21 it is actually Tola Johnson that appears to be taking
22 the lead on those within PWC. So is there any reason
23 why you didn't ask to see his emails?

24 A. Well, bearing in mind at this point we have not received
25 the emails, we don't know who they are going to be from,

1 14:59 but we were advised by PWC, and as we understood it
2 based on the information we had at that time, the two
3 primary persons who worked on the engagement with
4 La Tresorerie was James Tebbs and Hinesh Shah.

5 Q. Okay. But when you then received the documents and you
6 see that actually Tola Johnson is named on a lot of
7 them, and in fact particularly when it comes to the
8 transaction monitoring programme, did you not then go
9 back to PWC and say "Actually there is another
10 individual that is potentially relevant"?

11 A. No, we didn't.

12 Q. You also have never interviewed Tola Johnson, is that
13 correct?

14 A. That is correct, yes.

15 Q. So that's another omission.

16 Bear with me one moment, I'm checking whether there
17 is any other questions.

18 Before I conclude on this issue, I just want to turn
19 back to Mr Turner. When did he actually leave the DFSA?

20 A. I don't know that off the top of my head, I'm afraid.
21 I would have to check.

22 Q. You don't know when he left but you chose not to contact
23 him in any event?

24 A. That does not mean I never knew when he left. I don't
25 know at this point now you are asking me the question

1 15:00 when he left.

2 Q. I'm just puzzled as to why an individual who is so
3 relevant to an investigation has not even been
4 contacted. You appreciate, Ms Paddon, the severity of
5 this investigation from Mr Rollet's perspective, he is
6 potentially facing a lifetime ban. Do you appreciate
7 that's very serious?

8 A. Of course I do.

9 Q. In that context, do you not think it is a matter of
10 fairness that at the very least what the DFSA should do
11 before bringing these very serious allegations against
12 Mr Rollet is to see if the leading individual at the
13 DFSA that was actually liaising with the La Tresorerie,
14 whether they -- to contact them to see whether they can
15 offer any useful information on the matter?

16 A. It may have been helpful to contact Mr Turner, it may
17 not have been. It is hard for me to say. What I can
18 say is we had numerous contemporaneous documents,
19 including Mr Turner's emails and we could see what went
20 on, the communications with La Tresorerie on that basis.

21 Q. Without Mr Turner there, we can't really say
22 definitively what he received or what he read, can we?

23 A. No, he may never have read any of the emails that were
24 sent to him. He may have read all of them. We don't
25 know.

1 15:01 Q. I'm struggling to understand why the regulatory body who
2 is bringing serious allegations against an individual,
3 why you don't go so far as to contact a former employee
4 and say "Please can you help us with this". Is it the
5 practice of the DFSA that it never contacts former
6 employees?

7 A. No, that is indeed not the practice. I contacted other
8 former employees in relation to this case. Most of whom
9 were unable to recollect much of what happened at the
10 time. And clearly the DFSA has to have some regard to
11 its resources, and cannot contact every person who
12 potentially has some information about each case.

13 Q. So who were the former DFSA employees that you
14 contacted?

15 A. Um, I don't recall all of them. Michael Wong was one of
16 them. It may be that my colleagues contacted some of
17 the others, I don't have a full recollection of who we
18 contacted, I'm afraid.

19 Q. That's even more puzzling, because you contacted
20 a former employee who was peripheral to matters, whereas
21 the individual who was actually there as lead individual
22 during the material events, you have not even bothered
23 to contact him. I'm just puzzled. Is it because you
24 are worried he might have something to say that might be
25 helpful to Mr Rollet?

1 15:03 A. Absolutely not.

2 Q. So what was the reason for contacting Mr Wong but not
3 contacting Mr Turner?

4 A. The reason for contacting Mr Wong was because it was in
5 relation to a specific comment from one of the other
6 witnesses that they thought they had had a conversation
7 with Mr Wong. I spoke to Mr Wong, and he told me he had
8 no recollection of that conversation: there has been no
9 suggestion from any of the other witnesses or Mr Rollet
10 to say that there was any specific conversation or
11 communication with Mr Turner that required us to check
12 the details with him of that conversation.

13 Q. Thank you, Ms Paddon.

14 The final question I have just relates to your
15 second witness statement, where I think essentially you
16 attempted to do a reconciliation of the funds in the
17 account, and I think you say, I'll just read it at out
18 paragraph 14 of your second witness statement, that
19 based on your analysis, paragraph 14 of your second
20 statement:

21 "The amount of client money held in LT's client
22 money account by its custodian banks would have been in
23 deficit for several days". I simply make the point that
24 we don't have the actual records from the Atrium system,
25 do we?

1 15:04 A. No.

2 MS HANIF: Thank you very much, Ms Paddon. I have no
3 further questions for you.

4 PRESIDENT: Thank you.

5 Mr Pritchard?

6 MR PRITCHARD: Sir, yes, I have ...

7 A. You have put yourself on mute.

8 MR PRITCHARD: Apologies. I do have a further questions.

9 Re-examination by MR PRITCHARD

10 MR PRITCHARD: If you would please look in bundle B/55.

11 When we get to bundle B at page 55 you will see it
12 is a paragraph from Mr Sherriff's witness statements.
13 And you were asked questions about why you spoke with
14 Mr Michael Wong formerly of the DFSA.

15 If you look at paragraph 15, and if you could read
16 from four lines from the bottom.

17 A. Yes, this is Ewan Sherriff's witness statement.

18 Q. This is Mr Sherriff's witness statements, and you see
19 there --

20 A. I -- do you want me to read it out?

21 Q. Is this the piece of evidence that you were referring to
22 that you said led you to have that discussion with
23 Mr Wong?

24 A. It is, yes.

25 MR PRITCHARD: Thank you, sir. That's the only question.

1 15:06 PRESIDENT: Mr Storey, do you have any questions?

2 MR STOREY: Nothing from me, thank you.

3 PRESIDENT: Mr Al Hashimi?

4 MR HASHIMI: No, sir, I'm fine.

5 PRESIDENT: In which case, that's it. Thank you very much
6 for your help, Ms Paddon.

7 A. Thank you.

8 (The witness was released)

9 PRESIDENT: Going back to administration, as I understand it
10 we now have what -- neither in Dubai nor United Kingdom
11 is actually lunchtime, but we will have, at an equally
12 inconvenient time for everybody, a one hour break now.
13 Is my understanding correct?

14 MR PRITCHARD: It is, sir.

15 PRESIDENT: Okay. Well we will stop now, and start again at
16 noon UK time.

17 MR PRITCHARD: Before we --

18 PRESIDENT: Sorry --

19 MR PRITCHARD: Just to keep you updated. We are trying to
20 get hold of Mr Sherriff. As I say it, was agreed
21 between counsel and he was told he would be on Tuesday.
22 He is in this Dubai, I think, so it is a working day for
23 him. The PWC employee is in the UK, so I think getting
24 him to give evidence today may be slightly more
25 difficult. But we will try to get hold of Mr Sherriff

1 15:08 during the lunch break.

2 PRESIDENT: Okay. Let's say 12.05 UK time. Thank you.

3 (3.08 pm GST)

4 (The short adjournment)

5 (4.06 pm GST)

6 PRESIDENT: Mr Cameron, you are on mute.

7 WITNESS: Good afternoon.

8 PRESIDENT: Thank you for coming, can you hear us?

9 MR CHRISTIAN CAMERON (called)

10 PRESIDENT: Can you hear us, Mr Cameron?

11 WITNESS: I can just hear you. This sounds a little

12 interrupted. Let me try and adjust this. Can you hear

13 me okay now?

14 PRESIDENT: Yes, I can -- yes, I think everybody can.

15 I think you very kindly agreed to come and give

16 evidence to us.

17 What I'm going to do is ask you to affirm the truth

18 of your statement, and I will be grateful if you could

19 repeat after me.

20 I do solemnly and sincerely affirm.

21 Could you repeat after me.

22 I do solemnly and sincerely affirm.

23 WITNESS: I sincerely and solemnly affirm.

24 PRESIDENT: That the evidence that I will give.

25 WITNESS: That the evidence that I will give.

1 16:07 PRESIDENT: Will be the truth, the whole truth and nothing
2 but the truth?

3 WITNESS: Will be the truth, the whole truth and nothing but
4 the truth.

5 PRESIDENT: Thank you very much.

6 Mr Pritchard.

7 Examination-in-chief by MR PRITCHARD

8 MR PRITCHARD: Thank you. Sir, I should observe that there
9 seems to be some kind of time delay, certainly on my
10 camera, between Mr Cameron visually speaking and I then
11 hearing his voice.

12 I don't know if the technician can maybe look into
13 that, but I think maybe we need to bear in mind there
14 may be a time delay at the moment.

15 Mr Cameron, if you could please look at bundle B/32,
16 you will see your witness statement. Or a document. If
17 we could go through that document, please.

18 First of all, if we could scroll down we will see
19 what the document is. It says first statement of
20 Christian Cameron. Then please scroll through the
21 document through to page 51.

22 Mr Cameron, is this document your witness statement
23 that you prepared for the purposes of these proceedings?

24 A. That's correct, yes, it is.

25 Q. Below paragraph 71, you see a signature. Is that your

1 16:09 signature?

2 A. Yes, that is my signature, yes.

3 Q. Is your witness statement true to the best of your
4 knowledge and belief?

5 A. That's correct.

6 Q. Mr Cameron, I have two matters that I would like to ask
7 you supplementary questions, and they were arising from
8 some matters that were raised this morning during
9 cross-examination.

10 In cross-examination there were questions asked
11 about a Mr David Turner, who I understand used to work
12 at the DFSA, is that correct?

13 A. That's right, yes.

14 Q. Do you know when he ceased to work for the DFSA?

15 A. Yes. That was January 2016.

16 Q. And the second question. If you could please look at
17 page 163 of bundle C, please. On this page we see an
18 organogram of the firm. You see at the top it has board
19 of directors, Sylvain and Gilles Rollet, then the senior
20 executive officer below that. Then below that we see
21 six red boxes containing various individuals. One of
22 them, a finance officer, Mr Mestres. Can you see that?

23 A. Yes, I can see that, yes.

24 Q. Again, there was some questioning this morning about

25 Mr Mestres. Are you aware whether or not Mr Mestres was

1 16:11 an approved person for the purposes of the DFSA
2 regulatory regime?

3 A. Whilst I was the supervisor, or part of the supervisory
4 team, I was the support relationship manager for
5 a period of time. He was not actually an authorised
6 individual. But as I understand it he then went on to
7 become a licensed director after the period of time that
8 I was supervisor. During the time that I was supervisor
9 he carried a number of roles we identified during the
10 risk assessment that we had undertaken. But principally
11 it was support to the authorised individual that held
12 the finance office or function. He was essentially
13 being trained up in that role. But also carried out
14 a couple of other role through that as well, again more
15 of a trainee and support manner. Things like risk
16 management and chief operating officer as well during
17 that time. He was spread across a variety of roles.
18 And in many instances training up. If that helps.

19 Q. Do you know when he had the status of an authorised
20 individual?

21 A. I don't know the exact dates. As I say, that was after
22 I was on the relationship management team. I ceased
23 being on that team Q4 of 2015, and I believe it was
24 after that period of time.

25 Q. Thank you.

1 16:13 MR PRITCHARD: Those are the questions I had for you,
2 Mr Cameron. My learned friend may have some questions
3 for you in cross-examination.

4 Cross-examination by MS HANIF

5 MS HANIF: Good afternoon, Mr Cameron. I hope you can hear
6 me clearly?

7 A. Very well. Good afternoon to you, thank you.

8 Q. Thank you. Mr Cameron, as you are aware, one of the
9 points of dispute between the DFSA and Mr Rollet is
10 precisely what information was provided to the DFSA
11 around the cash withdrawal service that La Tresorerie
12 was providing. What I want to do is just go through
13 some of the documents at the time just to see what the
14 flow of information was. In that respect if we can
15 start by looking at page 196, which is in bundle C.
16 These are the minutes of a meeting, as you will see.
17 Between the DFSA and La Tresorerie. I think they are
18 the DFSA minutes. What I just want to turn to in
19 particular is at the bottom of page 196, under the
20 subheading "operations", the bullet point reads "JA",
21 which is a reference to Jennifer Adams:

22 "JA reviewed details of the points highlighted on
23 the weekly progress report. Segregation of duties for
24 outgoing cash transfers has been done between finance
25 and client management."

1 16:14 Can you recollect, Mr Cameron, whether at that stage
2 there was any specific discussion as to how precisely
3 the cash transfers had been segregated; how the duties
4 in respect of them had been resolved within the company?

5 A. I can confirm to my knowledge that certainly was not in
6 and around cash coming in and out of the business or the
7 premises. It was more in relation to reconciliation of
8 cash on client portfolios, if you like. That was a key
9 component of discussions particularly with Jennifer when
10 she came into the organisation at that point. She was
11 focusing a lot on the operational side of the business
12 with a view to also possibly taking over the SEO from
13 Mr Rollet at that time.

14 So a lot of the focus was around the reconciliation
15 of what I would call client money, client assets, that
16 would be held with a third party. And then that cash
17 transfer was in that context.

18 Q. Do you accept, Mr Cameron, that there is a distinction
19 between for example a wire transfer and a cash transfer?

20 A. Yes. I mean, if someone was to have cash vis a vis
21 using a system to transfer that money, absolutely. As
22 I mentioned in the context, those conversations, we had
23 not ever discussed cash coming into the business. It
24 was always with a view to third party custodians being
25 involved in and around segregation of client money and

1 16:16 how money might then be put into a client account in the
2 name of the firm.

3 Q. What I want to next look at, Mr Cameron, on a weekly
4 basis the DFSA received a PowerPoint slide which I think
5 was prepared by PWC. I'm not going to look at all the
6 packs, but I want it take you through a few of the
7 sample ones, and we will see there is a rolling theme
8 through them.

9 So the first relevant pack as it were starts at
10 page 253. Within tab C. I don't know whether you
11 recollect these, Mr Cameron, but they were produced
12 weekly.

13 And if we can then look at page 254, and what we can
14 see there -- so 254 is the key activities for the last
15 period, so essentially that is backward looking, and
16 then there is a field that is headed "Transaction
17 monitoring" and as against that field you see the text
18 "manual transaction monitoring programme developed". We
19 have that there. Then if you turn to page 255, that is
20 key activities for the next period, so this is
21 forward-looking. And again there is another field which
22 refers to transaction monitoring and it talks about
23 testing and implementation of the transaction monitoring
24 programme.

25 So what is clear from this is certainly within

1 16:18 La Tresorerie a key part of their remedial action was
2 the implementation and testing of what is referred to as
3 the transaction monitoring programme. Does that accord
4 with your recollection?

5 A. Yes. Absolutely. If I may just put some context around
6 that?

7 What we identified through risk assessment was very
8 much a start-up business, a huge influx of clients,
9 deficiencies around onboarding of clients, and
10 consequently there was such a huge volume of clients
11 onboard to the business very quickly that the compliance
12 monitoring, and with that transaction monitoring, had
13 not been implemented. And by transaction monitoring
14 what we mean there is both from an AML risk and also
15 a conduct risk perspective. So the ability to monitor
16 trades, transactions that were undertaken on behalf of
17 clients' portfolios. And reconciling that with third
18 party custodians, and as I said earlier the client money
19 and -- client accounts, I beg your pardon, under the
20 firm's name, on behalf of clients.

21 Q. Thank you, Mr Cameron.

22 I want to look briefly at page 257, which is another
23 note of a meeting between La Tresorerie and the DFSA.
24 At 257 there is a specific section on transaction
25 monitoring.

1 16:19 The first bullet point you see is says:

2 "La Tres is putting in place a rigorous process to
3 assess the source of funds flowing in and out of the
4 firm."

5 Then it talks about cash acceptances needing
6 pre-approval and that also sending money to a third
7 party would need pre-approval.

8 What this suggests again, Mr Cameron, again there
9 was discussion of the method by which La Tresorerie was
10 going to monitor the transactions and in particular what
11 processes it put in place to ensure that was done
12 properly.

13 A. That's correct. But that is not in relation to cash
14 coming into the premises. So just around the risk
15 assessment we had identified some issues with client
16 money actually being put into the firm's own account, so
17 there was some breaches of client money requirements at
18 that point. Through the risk assessment we identified
19 the firm needed to put in place a framework to monitor
20 the source of funds coming into the client money
21 accounts. We also identified that some third party
22 investment managers in Switzerland had been provided
23 account numbers to essentially transfer money to the
24 client accounts without the necessary checks and
25 approvals, and that would constitute both from

1 16:21 a financial crime or an AML and also a conduct client
2 classification onboarding perspective.

3 So that's really where the context of those bullet
4 points, it was about monies being transferred to that
5 client account rather than cash being taken into the
6 premises of the business, if you like.

7 Q. But it certainly talks about there being a rigorous
8 process to assess the source of funds flowing out of the
9 firm, so there must have been some discussion about
10 outflows?

11 A. Yes, absolutely. So we were concerned that the high
12 risk nature of the third party investment managers had
13 already transferred money to the client account, and we
14 needed to ensure that there was necessary checks and
15 identification from a UBO perspective to look at the AML
16 financial crime risk before any money was then
17 transferred back to clients. And so that is really
18 where that was looking at in terms of the source of
19 funds. Flowing in and out of the firm's client account.

20 Q. What I want to look at is another meeting pack, and we
21 can deal with it very briefly at page 264. Again there
22 is this ongoing theme about the importance of the
23 transaction monitoring programme. So 264 is another
24 slide within the PWC pack, and you will see again under
25 transaction monitoring is talks about the fact that

1 16:22 there has been testing and implementation of the manual
2 transaction monitoring programme, so they have had
3 a pilot, and then the forward-looking activity on
4 page 265 is they are going to review the transaction
5 monitoring programme in light of any lessons that are
6 learned from the pilot. There is clearly a lot of focus
7 within the organisation on this transaction monitoring
8 process. Is that something that came across to the
9 DFSA?

10 A. Yes. And I think where we have looked for PWC and the
11 firm itself to then do a further review, we naturally
12 expected, or a high possibility that once they put in
13 place the transaction monitoring programme there may be
14 things such as SARs that would then come around given
15 that we are aware that some of the clients were
16 medium/high risk and that's when we said they needed to
17 keep reviewing how robust that system was, because it
18 then might identify some issues, given the deficiencies
19 around the onboarding of the clients. So that is really
20 when that additional review was then to take place.

21 Q. Thank you. Then when you turn to page 271, which is
22 a slide pack from the PWC weekly update, it is on
23 page 271, we see again another notation as against
24 transaction monitoring which talks about updating the
25 cash transaction monitoring programme. So what is quite

1 16:24 clear, Mr Cameron, is the firm was not hiding the fact
2 that essentially it had this transaction monitoring
3 programme. It was in fact telling the DFSA at every
4 opportunity, this is the process we have internally and
5 this is going to assist us in meeting our compliance
6 obligations with, for example, cash transactions.

7 A. The firm had definitely -- and alongside its advisors
8 taken measures to put in place a compliance monitoring
9 programme and transaction monitoring programme we
10 requested.

11 That was in relation to a more AML risk perspective.
12 There was a conversation very early in the remediation
13 programme where I sought confirmation around cash coming
14 in and out of the business and had got a confirmation
15 that said that that was not the case. So at all times
16 really that transaction monitoring piece was really
17 around AML risk. More than anything. As well as those
18 couple of breaches that we identified where money had
19 gone into the firm's own accounts rather than the client
20 account. And that was really the context behind that
21 piece to be honest.

22 Q. Sorry, Mr Cameron. Just so I have understood correctly.
23 I think you said there was a conversation that took
24 place early on about cash coming in and out of the
25 business, is that correct?

1 16:25 A. There was --

2 Q. So are you talking about cash withdrawals?

3 A. There was a conversation with Toni Morgan, which I have
4 mentioned in my statement, where she had referred to
5 a significant volume of client files coming into the
6 operations, and we had sought confirmation/clarification
7 from her that she meant just client files rather than
8 money being taken into the premises and she confirmed it
9 was only client files. That was of interest to us at
10 the time given that we had confirmations from the firm
11 that they had got the remediation programme to a certain
12 point and they had identified each of the clients and
13 what that meant was there was an additional bulk of
14 clients had come in, compliance officer was unaware of
15 it, and during that conversation we sought clarification
16 that she was not referring to any cash coming in
17 alongside the documentation, and she confirmed that was
18 not the case.

19 Q. But she didn't provide any confirmation in respect of
20 cash withdrawals did she? She didn't say, for example:
21 no, there are no physical cash withdrawals taking place
22 at La Tresorerie?

23 A. That conversation was predominantly around cash coming
24 in. That's what we sought confirmation about.

25 Q. Fine. So it didn't deal with what we are concerned with

1 16:27 here, which is to do with cash withdrawals.

2 What I then want to do is just move on again to
3 another meeting pack, and again to illustrate the same
4 point, and it is a bit representative, but we then get
5 to 281. It is again part of the same PWC pack that we
6 get weekly, and again what we see against transaction
7 monitoring there is a reference to the TMP and the fact
8 it is going to be reviewed in light of any lessons from
9 week 1. What is clear is there is so much focus on the
10 transaction monitoring programme that from the DFSA's
11 perspective it is not really something that could be
12 understood without seeing what the programme itself
13 looked like. How could you as the DFSA assess the
14 efficacy of this without actually seeing what the
15 process was?

16 A. Sorry, I can't quite see the bullet point on my screen.

17 Q. Sorry, it is page 281 and then --

18 A. Is that row 69.

19 Q. Yes, then again it says "transaction monitoring
20 programme to be reviewed".

21 The point I'm making is there is so much focus on
22 this programme then in a sense it is not possible for
23 the DFSA to properly assess whether or not that is
24 appropriate remediation unless it actually sees the
25 document in question. How would you be in a position to

1 16:29 satisfy yourself whether or not this was proper
2 remediation unless you actually see the underlying
3 document?

4 A. I think, just as I mentioned earlier, I think a lot of
5 the focus we had was around the AML side. We had a lot
6 of discussions with the firm and its advisors
7 predominantly, PWC as well, around the measures that
8 they had put in place, and there was some (inaudible)
9 had come through as a result of that. So we were seeing
10 a more effective framework being built. So that was how
11 we were monitoring that as well as documents generally
12 the firm had provided through PWC. They were
13 essentially creating a lot of the framework as they were
14 also going through the remediation exercise and
15 reviewing the files. So it is very much a results
16 business at that perspective, that point of time. And
17 SARs were actually a good indicator of that, which there
18 had.

19 Q. What this slide says to us, if you look at the column
20 that is entitled "Area", that's the first column, it
21 talks about AML and compliance framework. So in a sense
22 as part of their AML framework they are going to carry
23 out transaction monitoring and that's going to be done
24 via the transaction monitoring programme. So Mr
25 Cameron, even if one characterises it as an AML focus,

1 16:30 the point is that TMP is directed to that specific
2 concern around AML, they are not putting forward that
3 TMP in respect of some other area of concern. Do you
4 see that? That's how it is being presented to the DFSA.

5 A. That's not how we read that during that process.

6 Q. So how did you read that? So when you had this repeated
7 reference to transaction monitoring programme which is
8 the way it is set up in the slide, it is always against
9 the area of AML and compliance framework, so how did you
10 read it?

11 A. As I mentioned, it was -- as the firm went through
12 various measures to either on board freshly or
13 re-onboard to the required criteria, it meant that there
14 were SARs did appear on some of those particular around
15 the higher risk elements, so that was for us evidence at
16 that time or progress being made through the onboarding
17 and transactions that had been undertaken on behalf of
18 those clients, most of which, our understanding at that
19 time were transactions in collective investment funds
20 through various portfolio management models that we had
21 in place.

22 Q. Okay. Just to row back a second. So you are repeatedly
23 being told: look, in order to address the concerns
24 around AML and compliance we have this transaction
25 monitoring programme in place. What is clear that at

1 16:32 every weekly update there is a reference to it being
2 a key activity in a retrospective sense and also a key
3 from a forward looking sense. What I want to understand
4 is, when this information was provided to the DFSA how
5 could it even understand whether that was an appropriate
6 activity without seeing the underlying transaction
7 programme? Unless you see the programme you have got no
8 idea whether or not this is in any way, shape or form an
9 effective remediation exercise.

10 A. The discussions that we were having on a weekly basis,
11 we were -- we talked through in a lot of detail the
12 framework that they were literally creating, in many
13 senses, there was other components of it needed to be
14 refined, enhanced. So there was a lot of detail
15 discussions around what PWC and the firm were putting in
16 place. So we were made aware of those developments.
17 And transaction monitoring would have been part of that.

18 Q. Okay. But you accept at the very least that
19 La Tresorerie is being very open with the DFSA in
20 telling it repeatedly we have this transaction
21 monitoring programme?

22 A. In the context that we understood it, yes. Which is on
23 the AML risk side and re-onboarding of clients. Not in
24 respect of any cash coming in or out of the premises.

25 Q. But if cash is coming in or out of the premises isn't

1 16:34 that a risk for the firm from an AML perspective?
2 Surely that's the whole point of monitoring
3 transactions? Because if a sudden burst of cash leaves
4 a premises and goes to some unidentified party that is
5 bound to be an AML concern. Do you accept that?

6 A. I would completely accept that if we were aware that
7 cash had been coming in and out of the business and the
8 firm had the appropriate licence to do that.

9 And that it was noted in their AML documents. We've
10 got a very good mechanism, AML business risk assessment,
11 these give an insight into the business lines of a firm,
12 et cetera. So those were being refined alongside the
13 discussions we were having as well, and is that cash in
14 and out of the business was never -- as I say there was
15 one discussion where I sought clarification, but it was
16 never a discussion point prior to or thereafter.

17 Q. So what I want to do next, Mr Cameron, is look at
18 page 393 in the bundle.

19 So just to put it into context, Mr Cameron. This is
20 a response from the company in respect of a request from
21 the DFSA where effectively what the DFSA had requested
22 that La Tresorerie write to it addressing it on various
23 remedial action that had been taken, and this is the
24 result of that. So it is addressed to Mr Turner, but
25 I assume that you would also have seen this at some

1 16:36 point.

2 Yes?

3 A. Yes, I was on annual leave when that letter came in, but
4 of course when I returned to the office I would have
5 gone through that along with David and other colleagues
6 involved in the process.

7 Q. Just want to look in a bit more detail at some aspects
8 of the letter, and it is quite a lengthy response
9 because it has various appendices attach to do it.

10 I want to start by looking at appendix A, which you
11 will find at page 399. And at the bottom of page 399.
12 So at the bottom you see there is numbering on the
13 left-hand side. It starts with zero. I want to look at
14 item 2 which talks about the firm being required to
15 establish and maintain monitoring and reporting
16 processes and procedures to ensure that any compliance
17 breaches are identified reported and resolved. It says:

18 "This should capture compliance, AML sanctions and
19 transaction monitoring".

20 In respect of that if you look at the final column
21 it says:

22 "The firm has designed and implemented a transaction
23 monitoring process which covers all incoming and
24 outgoing cash transactions on all client accounts ..."

25 So what this is effectively telling the DFSA is:

1 16:38 hey, look at us, we have the fantastic transaction
2 monitoring programme, we have not only drafted it but we
3 have implemented it and it is going to cover both
4 incoming and outgoing cash transactions. And there is
5 no as it were definition in this letter which says cash
6 transactions is defined to only cover wire transfers,
7 for example. There is nothing to that extent, is there?

8 A. That's correct, it does not say that. But again in the
9 context of the discussions throughout the entire
10 remediation process, the focus was on the use of
11 a client account held by a third party custodian, or
12 custodians actually over time, and that was always the
13 context in which we held these discussions and the
14 remediation effort from our perspective was being
15 carried out certainly not cash coming in or out of the
16 business' premises itself.

17 Q. Then if we turn, just to give another example, to
18 page 405, just to see a further reference to the
19 transaction monitoring programme, so page 405, and
20 essentially it is a repetition of what we have already
21 seen. So page 405 roughly halfway through that page,
22 you will see there is a paragraph that starts with the
23 sentence:

24 "The firm has developed and implemented
25 a transaction monitoring programme which monitors all

1 16:39 incoming funds and outgoing withdrawals."

2 And I will just take you briefly through the other
3 references, Mr Cameron, to the TMP.

4 It is referred to again on page 411. So you will
5 see it under item issue 3. And then again it talks
6 about -- the second paragraph under issue 3, and it has
7 the sentence:

8 "The firm has developed and implemented
9 a transaction monitoring programme, which monitors all
10 incoming funds and outgoing withdrawals ..."

11 And it goes on, it talks about the fact that the
12 process is currently manual, and it says the TMP has
13 been incorporated into the day-to-day responsibilities
14 of the finance, operations and client management
15 functions. Then it talks about clearly defined
16 escalation points to the compliance function. And then
17 on the bottom of that page you see it says:

18 "In addition all withdrawals need to be
19 reviewed ..."

20 So the strong message that is being given to the
21 DFSA time and time again is that "We have this fantastic
22 transaction monitoring programme and that is going
23 to" -- and in fact it has already been embedded -- "it
24 is going to look at not just incoming funds but also any
25 withdrawal to the company is subject to this transaction

1 16:41 monitoring programme". Do you accept that, Mr Cameron?

2 A. I do. As I said, in the context in which we have
3 approached it, and I expected the firm to approach it,
4 through client accounts held with third party
5 custodians.

6 In relation to the introduction and kind of ongoing
7 enhancement of the system, you do rightly point out it
8 was manual system from my recollection Jennifer Adams,
9 one of the key areas she focused on when she came into
10 the business was to step that up.

11 And that was really to put in place, as you would
12 expect, of a firm of that kind of wealth management
13 business, to be able to reconcile holdings of its
14 clients that are ultimately held through third party
15 client accounts. But it certainly was not in relation
16 to money, cash coming in and out of the business.

17 Q. Well, Ms Morgan, who I understand was present at
18 a number of the meetings of the DFSA -- that is correct,
19 isn't it, Mr Cameron, she was a key contact with the
20 DFSA while she was at La Tresorerie?

21 A. Can you confirm, this was Ms Morgan?

22 Q. Toni Morgan had a lot of contact with the DFSA during
23 this particular period. She was present --

24 A. Correct, yes.

25 Q. Now, she gave evidence earlier and she said in her

1 16:42 evidence, which referred to something she said in her
2 interview, that a cash policy had been shared with the
3 DFSA as part of the remediation exercise, and she
4 referred to, I think she said roughly around end of July
5 in response to a request from the DFSA a whole set of
6 documents was provided.

7 So her position is that a policy of some kind which
8 related to cash was provided to the DFSA. Now,
9 Mr Cameron, we said there was only one such policy and
10 that was the transaction monitoring programme.
11 Therefore, her view is that that was shared with the
12 DFSA. Do you accept that?

13 A. I don't recall that I'm afraid.

14 Q. Okay. What I want to look at next is the fees schedule.
15 And turn next to the -- there is a letter which starts
16 at page 480. What you see there is a letter to
17 La Tresorerie and I want to look at page 483. So just
18 to put things in context, what happened was there was
19 a further meeting with La Tresorerie and as a result of
20 that meeting there were further requests for
21 documentation. This letter which comes from Mr Turner,
22 you will see on page 483, and you will see on that page
23 he specifically requests a copy of the new fee schedule.
24 Do you have that there, Mr Cameron?

25 A. Yes, I have got the letter in front of me, point (c),

1 16:44 new fee schedule.

2 Q. What is interesting is he does not request to see, for
3 example, the transaction monitoring programme. Would
4 you accept that?

5 Well, we can see from the letter there is no request
6 for the TMP.

7 A. Certainly on that page of the letter I don't see that
8 being requested.

9 Q. I'm suggesting, Mr Cameron, the reason it was not
10 requested is because if Ms Morgan is correct and that in
11 fact a copy of it had been shared with the DFSA, well
12 actually there would be no need for him to request it,
13 so therefore it is consistent with her view that he did
14 not in this letter request to see a copy of that policy.
15 Do you accept that?

16 A. I wouldn't be able to comment on that.

17 Q. Do you accept it is possible that if Ms Morgan is
18 correct and she had shared a copy of the TMP with
19 Mr Turner or others, that could explain why it is not
20 requested within this letter?

21 A. Hypothetically speaking yes, but I don't recall
22 conversations around that at that point. I do recall
23 coming back from annual leave just around about this
24 time I mentioned earlier. I don't recall a conversation
25 why we would or would not have requested that to have

1 16:46 been added or not as the case in the letter.

2 Q. Okay. Then when we look at the fee schedule -- this can
3 be found at page 485, and in particular it is page 486
4 that has the relevant part for our purposes. So on
5 page 486 you will see at the top of the page there is
6 a subheading "Cash and commodities fees", and then it
7 talks about cash deposits and cash withdrawals. You see
8 that sentence? And then underneath it you have outgoing
9 wire payments.

10 So the first thing to note is this is making a clear
11 distinction between outgoing wire payments and cash
12 withdrawals. Do you accept that?

13 A. That is certainly what the schedule notes there. But
14 again the conversations that we were having at that
15 time, it was always in relation to the use of a client
16 money account held with a third party custodian, as
17 opposed to anyone taking cash to or out of the premises
18 in the DIFC.

19 Q. What we do know is clearly this was a schedule that
20 Mr Turner was particularly interested in, because he
21 requested it. That's fair, isn't it? If he was not
22 interested in it he would not have asked for it; do you
23 accept that?

24 A. Certainly this is the evidence that has been provided.
25 He certainly from the letter that you showed me, he has

1 16:47 requested that.

2 Q. So he clearly thought it was important. And what he has
3 now been given is a fee schedule which basically shows
4 if you want to withdraw cash it is going to cost you
5 5 per cent per transaction. If you are happy just for
6 electronic transfer, that's just US\$70.

7 Now, he is not here, so we don't know what he would
8 say, but I'm going to suggest to you, Mr Cameron, that
9 the firm here were being transparent in letting the DFSA
10 know that, yes, they were facilitating cash withdrawals
11 and they were charging for it.

12 A. You are right, he is not here to be able to give that
13 view. But again, the context of -- mentioned a few
14 times this afternoon, our head was -- our mindset was
15 never of the place where there was cash coming in and
16 out of the business in the DIFC. It was always in
17 relation to a client account held by a third party
18 custodian or custodians, and that's -- that was the
19 mindset throughout that entire process. Particularly
20 having got clarification about it was certainly just on
21 cash coming in from earlier conversations. And even
22 through conversations we had had with the breach of the
23 client assets requirements with money being transferred
24 into the firm's own account. There was never further
25 discussions around this type of service that is noted.

1 16:49 Q. Mr Cameron, if it had been the case -- which is
2 Mr Rollet's case -- that Toni Morgan was aware that
3 La Tresorerie was allowing clients to withdraw physical
4 cash, would you have expected her to have informed you
5 of this at any point during these meetings?

6 A. We absolutely would have, yes.

7 Q. Mr Cameron, I'm going to deal very shortly with
8 Mr Rollet's fourth witness statement and you are aware
9 of the fact that following these events in 2015 there
10 was a complaint made against you by Mr Rollet and
11 others?

12 A. Yes. I have seen the statement, and the accompanying
13 letters.

14 Q. As I understand it from your witness statement, your
15 last meeting was in September 2015, and then after that
16 any matters relating to La Tresorerie were handed over
17 to your other colleagues?

18 A. I think it was actually October that the risk assessment
19 took place. And essentially the risk assessment was
20 to -- the DFSA, the team to go in and test the
21 remediation programme that had been put in place, and
22 also use that as a mechanism to hand over to -- given
23 the heightened AML risks that had been identified,
24 certainly two of the new colleagues that were introduced
25 to that process, they were AML in-house specialists at

1 16:51 that time. So I think it was October rather
2 than September I believe. That was my kind of -- and
3 the role that I then took in the background for a month
4 or two was what we would call special support, and
5 I know that members of La Tresorerie were comforted by
6 that at the time to ensure consistency over throughout
7 that handover process. It was not because of the
8 remediation undertaken; that consistency was needed in
9 case there was any clarification needed from the
10 relationship management team. If that helps.

11 Q. Thank you. If you would just bear with me I'm going to
12 check whether ...

13 Mr Cameron, I have no further questions for you.

14 Thank you for your time.

15 A. Thank you.

16 PRESIDENT: Mr Pritchard?

17 Re-examination by MR PRITCHARD

18 MR PRITCHARD: I have a few questions in re-examination.

19 If you could first please look at document C/1043.

20 You see we have a letter dated 27 October 2016. If
21 you could scroll through the letter, please. It is
22 going to La Tresorerie. It says:

23 "Dear sirs,

24 I refer to our previous correspondence ..."

25 Then the next paragraph:

1 16:53 "I have carefully considered the matters raised in
2 the complaint, as well as the documentary evidence
3 subsequently provided, and the comments of all the
4 individuals I have met in order to discuss various
5 aspects of the complaint.

6 "I have concluded that the complaint has not been
7 substantiated by the evidence provided."

8 And if we go over the next page:

9 "However, in light of the circumstances, I can
10 confirm that Mr Christian Cameron will not be involved
11 in the supervision of any of the companies or
12 subsidiaries going forward."

13 The date of that letter is 27 October 2016. How
14 does that fit with your recollection of the dates that
15 you were just asked about?

16 A. Yes. That's when formal notification was given back to
17 the complainants. The reality is when the first letter
18 came in, which recollection was the first or second week
19 of December the previous year, I had already transferred
20 the supervision relationship management of
21 La Tresorerie. So I was -- I had even moved beyond this
22 special support relationship manager. I was no longer
23 involved at all in the firm in relation to the other
24 firm mentioned there, Emirates REIT, I was literally
25 taking a step back and removed, so that process could be

1 16:54 fair and reasonable to all parties concerned. General
2 Counsel went through a very robust process to ensure
3 that everyone through that process was protected.

4 So literally from December 2015 onward I had no
5 interaction with any of the parties, individuals and
6 legal entities mentioned in that document. If that
7 helps.

8 Q. If you could now look at C/399. Scroll down the page
9 towards the bottom. This is a document you were taken
10 to in cross-examination. You were asked questions about
11 the paragraphs right at the bottom of the page. The
12 lowest paragraph on the right says:

13 "The firm has designed and implemented a transaction
14 monitoring programme which covers all incoming and
15 outgoing cash transactions on all ... accounts, ie all
16 receipts to and payments from a customer's account."

17 That reference to the "ie", how does that compare to
18 your recollection of what the transaction monitoring
19 programme as far as you were concerned was involved in?

20 A. So again, the example I used earlier was third party
21 asset managers and asset managers in Switzerland who had
22 access to the client -- the firm's clients' accounts.
23 There had been money flowing into the account without
24 the necessary approvals and checks. So that is what we
25 wanted to try and get the firm's framework to mitigate

1 16:56 against was that it was able to identify monies coming
2 into that client account and from its customer's
3 account. And that could have been direct clients. We
4 knew Mr Rollet had a big bank of clients he said
5 developed over the years as well as these third party
6 asset managers in Switzerland, and we were referred to
7 them as indirect clients. They had the underlying
8 clients, and then access to La Tresorerie's client
9 account, which was a breach in itself.

10 So that was the context when we read that. That's
11 where our mindset would have been: to ensure that it was
12 mitigant and a more robust framework in place in that
13 regard. If that helps.

14 Q. How did you understand money to be "flowing in" to the
15 client account as you put it?

16 A. So there was not -- unfortunately a member of staff had
17 provided these third party asset managers with the
18 account number, the client account number, so they were
19 literally transferring monies into that account without
20 the necessary AML and what we call conduct checks. So
21 there was an inability for them to realise money was
22 coming in and to mitigate that risk, they were not able
23 to upfront, certainly identify who the underlying client
24 was, and from an AML perspective, identify who the
25 customer and the ultimate beneficial owner might have

1 16:58 been, and with that source of funds, source of wealth,
2 identification and indeed given that most these were
3 medium to high risk, verification of those aspects as
4 well, which is extremely important.

5 Q. When you say "transfer", what is the process by which
6 you understood the money to be transferring?

7 A. Sorry, yes, so that would be electronic transfer, bank
8 account, customer's bank account, to the third party
9 custodian, and that would be the firm's own client
10 account. So it would be a transfer from one account to
11 another as opposed to any cash transfer.

12 Q. Mr Cameron, I'm next going to refer you to part of your
13 witness statement, and then take you to a document that
14 you were shown in cross-examination. I don't know if
15 you have a copy of your witness statement to hand, or
16 I will put it up on the screen.

17 A. If that could be put on the screen that would be
18 helpful, thank you.

19 Q. Of course. B/41. If you could look please at
20 paragraph 45 and 46. If you read that to yourself.

21 A. Paragraph 45, thank you.

22 Q. And 46.

23 (Pause)

24 A. Thank you, I have read both of those paragraphs.

25 Q. If you now go to document C/257, which is one of the

1 17:00 documents you were taken to in cross-examination. On
2 this document you were asked questions regarding the
3 bullet point "transaction monitoring". So if we scroll
4 down the page somewhat we see the section "Transaction
5 monitoring", and the second bullet point says "cash
6 accepted need pre-approval". You were asked questions
7 around what the transaction monitoring process involved.
8 What did you understand, if anything, the cash accepted
9 need pre-approval to be referring to?

10 A. If for any exception that someone was a custodian bank,
11 that cash had been taken to the bank in that regard,
12 which would be highly unlikely, most of our
13 understanding was that it was transfers from one bank
14 account to the other. But a lot of what Jennifer Adams
15 had put in place was approvals as well as compliance
16 around onboarding of clients, and in relation to how
17 monies had been transferred to those client accounts.
18 Particularly given the breaches we had identified around
19 about the risk assessment.

20 Q. Again, how did you understand those transfers to have
21 occurred?

22 A. So that would be from a client or customer's own bank
23 account, or another custodian bank where their client
24 account might have been held, from that account,
25 essentially, to La Tresorerie's own client account held

1 17:02 by one of the third party custodians.

2 Q. Thank you.

3 In your cross-examination regarding transaction
4 monitoring, you referred on a number of occasions to AML
5 risks and you were saying this was all in the context of
6 AML risks. Could you please expand on what you meant --
7 what you mean specifically by AML risks in this context?

8 A. Sure. With this firm there was a variety of
9 deficiencies that we had: governance, conduct, such as
10 the ability to classify clients, and disclosures, but
11 the key set of risks was around anti-money laundering
12 and financial crime, and from a board risk tolerance
13 statement, we have a zero tolerance for any deficiencies
14 in that space. I made reference earlier to the fact
15 this was very much a small start-up business that had
16 gained significant traction through a regulatory event
17 at another firm. There had been a client bank
18 essentially that it was able to compete for part of,
19 given Mr Rollet's previous employment and contacts, and
20 wider contacts that he was able to form this client bank
21 very quickly, and gained significant traction and
22 essentially what happened at the business was this
23 couple of hundred, if not more, clients were onboarded
24 very quickly, but the control framework was not there to
25 accommodate that, and so the ability to identify who

1 17:04 these clients were given that they were in the higher
2 risk space, a lot of them, and if not then certainly the
3 medium risk, and so the requirement to verify the
4 identity of these clients and the ultimate beneficial
5 owners behind vehicles that were being used, and the
6 layering of vehicles across jurisdictions meant there
7 was a heightened AML and financial crime risk within
8 this portfolio of clients. So that is really where the
9 vast majority of our focus and our mindset. There was
10 a lot of other deficiencies, but when we looked at it on
11 a risk-based approach in line with our risk tolerance as
12 an organisation, the financial crime components were at
13 the very top of that. That's why I referred several
14 times today to transaction monitoring. It was very much
15 with that at the forefront of our minds that we had got
16 confirmations on the cash element that we got
17 clarification on early in the process. It was always
18 around the AML financial crime aspect.

19 Q. You said it is the context of the AML, but what part of
20 the business were you thinking was affected by these AML
21 risks which you are describing the context?

22 A. Yes, so essentially the firm was holding itself out as
23 a wealth manager and indeed we had some early marketing
24 disclosures that it was providing the private banking
25 services that were no longer being provided elsewhere,

1 17:05 private banking essentially speaking is a business model
2 that does have a number of higher risks in the financial
3 crime space. You have a lot of ability for PETs and as
4 I said the ultimate beneficial ownership behind vehicles
5 being used. We found with that portfolio of clients
6 there was a lot of vehicles and layering across high
7 risk jurisdictions. So making sure the firm had the
8 framework in place and the methodology to not just
9 identify but assess and rate risk rate those clients was
10 imperative. But it had been lacking, certainly at the
11 risk assessment stage.

12 MR PRITCHARD: Thank you. Sir, I have no further questions.

13 A. Thank you.

14 PRESIDENT: Could you wait there one moment.

15 Mr Al Hashimi do you have any questions?

16 MR HASHIMI: Not from myself.

17 PRESIDENT: Mr Storey?

18 MR STOREY: None from me either.

19 PRESIDENT: I have no questions. So thank you very much for
20 your help, Mr Cameron.

21 A. Thank you.

22 (The witness was released)

23 PRESIDENT: You can leave us if you wish.

24 Mr Pritchard, who is next?

25 MR PRITCHARD: Sir, we are in the fortunate position that

1 17:07 the sun has come out. As I say, counsel, Ms Hanif and
2 I, had agreed a timetable of witnesses which had
3 Mr Sherriff and Mr Shah tomorrow. We have tried to get
4 hold of one of those and we have not been able to get
5 them to come earlier. As such, I'm afraid that we may
6 need to draw up stumps for today and proceed on Tuesday
7 with both those witnesses.

8 PRESIDENT: Okay. And I see there is a Ms Liashchenko on
9 the screen here. Is she --

10 MS HANIF: I should explain. She is one of my witnesses,
11 she is not giving evidence today. As I understand it my
12 solicitor asked the solicitor whether she could dial in
13 to see what the process looks like. She is not here as
14 a witness. Not today anyway.

15 PRESIDENT: That is fine. Very sensible advice to give, if
16 I may say so.

17 All right. So we will stop now, and we start again
18 at 8 am UK time on Tuesday morning.

19 While the sun may have come out for Mr Pritchard,
20 I might point out to our guests and colleagues in Dubai
21 that Mr Pritchard is in London, which is a place far
22 away from the extreme west of Mr Storey and the extreme
23 east of myself where there is no sun whatsoever.

24 So thank you all very much for your help. I will
25 talk to my colleagues on our own forum. Otherwise, we

1 17:09 will speak at 8 am on Tuesday. Thank you.

2 MR PRITCHARD: Thank you, sir.

3 PRESIDENT: Good luck tomorrow, Ms Hanif.

4 MS HANIF: Thank you very much, sir. Goodbye.

5 (4.05 pm GST)

6 (The hearing adjourned to 12.00 pm GST on
7 Tuesday, 2 November 2021)

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