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PUBLIC
HEARING

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INDEPENDENT COMMISSION AGAINST CORRUPTION

THE HONOURABLE PETER HALL QC
CHIEF COMMISSIONER

PUBLIC HEARING

OPERATION SKYLINE

Reference: Operation E17/0549

TRANSCRIPT OF PROCEEDINGS

AT SYDNEY

ON WEDNESDAY 11 APRIL, 2018

AT 10.15AM

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THE COMMISSIONER: Mr Menzies, do you want to announce your appearance?

MR MENZIES: Yes. If the Commission pleases, I seek leave to appear for Mr Petroulias.

THE COMMISSIONER: Very good.

10 MR MENZIES: He seems to be a man of – with whom the Commission has a substantial interest.

THE COMMISSIONER: Thank you, Mr Menzies. Welcome aboard, thank you. Just two matters before we start, it's intended to recall Mr Zong tomorrow morning. The scope of cross-examination of Mr Zong and his further evidence will be determined by me once his evidence has been given. The second matter relates – Mr Menzies, this also concerns your client – in relation to the recording said by Mr Petroulias to have been made at the meeting of 5 August, it's necessary that I have some information
20 about the circumstances of that recording in order to be able to determine whether it is to be used either in evidence or in any other way. Mr Petroulias indicated that he's aware of the provisions of the Surveillance Devices Act, and as I understood what he said, he maintains, however, that that's – the provisions of that Act are not a barrier or a bar for him to be able to deploy that recording in the course of these proceedings.

I think the only way in which this could be dealt with would be if Mr Petroulias gives some evidence more or less as in legal proceedings on (not transcribable) hearing to determine the circumstances of that recording. In that way he can gain the protection available under the ICAC Act if he
30 wishes to avail himself of that, otherwise, so far as I'm unable to determine whether or not he's at risk if he were to be directed, for example, or if he volunteers to provide submissions or makes observations about it. So it seems to me that probably the best way of dealing with it is for Mr Petroulias to be called to give some evidence tomorrow about it and then we'll decide what position about that recording is. Mr Menzies, do you have any - - -

MR MENZIES: No. It's actually an entirely appropriate way to deal with it.
40

THE COMMISSIONER: All right. Thank you. All right. We'll leave that on that basis.

MS NOLAN: Commissioner, unless Mr Chen has some matters that he wishes to deal with of a preliminary nature before he calls the next witness, I'd like to indicate that I'm instructed to make an application to the Commissioner. The application I make is one that the Commissioner can no longer properly be reasonably satisfied pursuant to its powers under section

13 as qualified by section 12A and section 8 of the ICAC Act, that this investigation is one mandated by the Act and that the investigation should be dissolved forthwith. The basis for that application, and I appreciate that it's nothing that I've communicated to my learned friends at all, but I outline its basis for their benefit, is that what fell in the discussion between the Commission and myself yesterday with respect to the consequentiality of the enforceability of the various agreements which Mr Green, as I understand it, entered into on the Commission's understanding, he entered into without authority, would mean that the agreement, whether they be
10 corrupt or not, constitute corrupt conduct or not, fail to be serious, and this Commission is mandated by section 12A of the ICAC Act to direct its attention as far as practicable to serious corrupt conduct. In circumstances where what the Commissioner put to me yesterday was, and we had a discussion about it if you may recall, that these agreements are unenforceable and inconsequential. It cannot be, in my respectful submission, that the Commission remains reasonably satisfied that this exercise of function to continue the investigation is one mandated by the Act.

20 THE COMMISSIONER: Well, Mr Chen, you haven't had notice of this?

MR CHEN: No. No, I haven't, Commissioner. I think my friend indicated as much.

THE COMMISSIONER: Well, Ms Nolan, I think in the circumstances we'll have to come to it in due course. I'm not sure exactly when in due course it can be dealt with. We've got witnesses arranged for today and tomorrow. Do you have any suggestion as to when?

30 MS NOLAN: Well, I'm in your hands and I appreciate very well that this is not a matter that can be dealt with on the run so you would be assisted no doubt by some written submissions articulating precisely the basis and how one arrives at the conclusions which I have submitted arise. Mr Chen of course will need an opportunity to respond and then you may wish to be assisted by oral argument. That's a matter for you as to how you wish to organise that within the matters that you, the witnesses that you've organised and as I have said, that's for you to determine. I do have one difficulty and I have communicated it to Ms Curtin. That is on Friday
40 morning I am in a matter that I cannot get out of. I didn't anticipate that my client's interests would continue through to the last day of the three weeks but if I could be indulged to the extent to which I need to attend that I should be back by about lunch.

THE COMMISSIONER: Yes. I think we can accommodate that.

MS NOLAN: Grateful.

THE COMMISSIONER: When will you be in a position to give Mr Chen your written submissions?

MS NOLAN: Tomorrow morning first thing.

THE COMMISSIONER: Well, let's deal with it on the basis that you will provide those submissions tomorrow morning and Counsel Assisting then can work out a timetable to deal with this application. It may be that it's an application that we can fit in on a date between now and the resumed hearing on 7 May but we'll talk about that tomorrow.

MS NOLAN: May it please the Commissioner.

THE COMMISSIONER: Yes, Mr Chen.

MR CHEN: Commissioner, I call Keith Rhee.

THE COMMISSIONER: Come here, Mr Rhee. Mr Rhee, would you just state your name.

20

MR RHEE: Keith Rhee, R-h-e-e.

THE COMMISSIONER: Thank you. Mr Rhee, before you give evidence do you wish to be sworn on the Bible, take an oath, or do you want - - -

MR RHEE: I'll take the oath.

THE COMMISSIONER: Or an affirmation?

30 MR RHEE: Oath. Thank you.

THE COMMISSIONER: Oath. Yes. Thank you.

THE COMMISSIONER: Thank you, Mr Rhee. Just take a seat.

MR CHEN: I'm not sure whether the witness seeks a declaration, Commissioner.

THE COMMISSIONER: Yes. You're not legally represented?---No.

10

Mr Rhee, you may be aware of the fact that it is open to a witness to give evidence under objection. The reason for that is that although a witness may object to giving evidence, he or she must give the evidence and give it truthfully, but the objection serves to provide a basis for the Commission to make a declaration that the evidence you give under objection cannot be used against you in the future in criminal, civil or other proceedings other than, of course, an offence under the Act such as giving false evidence. But apart from that exception it offers that protection so I just make you aware of the fact that you do have the right to object if you wish for that purpose.

20

---Thank you. Thank you, Your Honour.

Do you wish to object to giving evidence?---No, I don't object.

You don't. All right. If you wish at any point during the course of the evidence to reassess whether you want to give evidence, if for example there was something you thought might incriminate you in some way, you can simply make me aware of that and I can revisit this question as to whether I make a declaration under objection.---Thank you.

30

So it's always open to you.---Thank you.

Yes.

MR CHEN: Mr Rhee, are you the owner of a sushi business?---Yes.

Do you run that business with your wife?---Yes.

And do you run that through a company called Keeju Pty Ltd?---Yes, that's right.

40

Are you a director of Keeju?---Yes.

And is your wife the other director?---Yes.

And are you and your wife the only shareholders of that company?---Yes, that's correct.

I'll just get you to slow down a bit. It's just being recorded so it might help if you just allow me finish. Mr Rhee, you know a gentleman called Tony Zong do you not?---Yes, correct.

And for how long have you known Mr Zong for?---Oh, probably on and off for payment five or six years.

10 In what circumstance did you come to know Mr Zong?---I actually met Mr Zong in China, even though he lives in Australia, and I was introduced to Mr Zong by Mitchell Fence, so I met him on a social basis.

You understand that you came to be involved in a deal involving land in the Lake Macquarie, Newcastle area with Mr Zong?---Correct.

You need to answer?---Yeah, correct. Yeah.

But prior to that time, is the dealings that you had with Mr Zong purely social?---Yeah, purely social. No business dealings in the past, yes.

20 And is the only, I'll just call it business interaction, you've had with Mr Zong, that particular transaction?---The Lake Macquarie?

Yes?---Yeah. That's the only dealing I've had with him.

Now, you're Korean, are you not?---Yes, correct. Yes.

And Mr Zong, as far as you're aware, is of Chinese background?---Yes, 100 per cent Chinese I think, yes.

30 And when you communicate with him be it by email or in person, you speak in English?---Yes.

And that's always been the case?---That's always been the case, yes.

Now, do you know a gentleman called Nick Petroulias who is here in the hearing room?---Yes, I do.

40 How did you come to meet him, Mr Rhee?---Mr Petroulias was introduced to me by Mr Sam Say.

When did Mr Say introduce you to Mr Petroulias?---Well, that's when this opportunity came up with the land up in Warner's Bay.

All right. I'll just take you a step back?---Sure.

Prior to that introduction, had you met Mr Petroulias prior to that time, or had known him prior to that time?---I've known him because he used to work in the Tax Office.

Is that where you worked as well?---Yeah, I worked but I never associated or met Mr Petroulias when I worked in the Tax Office.

THE COMMISSIONER: What did you do at the Tax Office?---I was just a tax auditor in the Tax Office.

MR CHEN: When did you leave the Tax Office approximately?---Maybe, it's a bit of a – a bit of a guess, around about 15 years ago.

10

All right. Now, you mentioned a gentleman called Mr Say?---Yes.

How do you know Mr Say?---Mr Say was, introduced him to by another mutual friend, a Korean associate and introduced the same, Mr Say, Mr Say was in the business of real estate and properties, that maybe we can be friends or maybe work together in future, so that's how I was introduced.

20

Now, he had some dealings, did he not, with this Warner's Bay, Lake Macquarie transaction, didn't he?---Well, he's the one that brought the proposal to me.

All right. I'll ask you about that in a moment?---Sure.

But prior to that time, had you had any business dealings with Mr Say?---I had a couple of business dealings but, you know, the dealing never matured.

I see?---Yeah.

30

All right. Anyway, Mr Say, you said, made contact with you about this proposed detail. Is that right?---Yeah. It just came out, it came out of a conversation over a cup of coffee and, yeah.

And are you able to put a date or even an approximate date on when that was?---I'd probably have to say about early 2015, perhaps.

40

What did he say to you when you were having coffee about this deal?---All he said to me was there's an opportunity for a sub division for quite a large land up in Warner's Bay that's owned by the Aboriginal Land Council and Mr Petroulias was acting for them and he asked me, you know, whether I might have a potential investor that might be interested.

Did he give you any other details about what the land was?---He just gave me a location.

Do you remember where that was?---I think it was up in Newcastle somewhere and Warner's Bay, but I never knew where Warner's Bay was. I wasn't familiar with the area at that time.

Did he say to you how Nick Petroulias came to him with this deal?---I think Mr Say knew Mr Petroulias in the past, so maybe he had some dealings in the past. I'm not sure what the question was between those two.

Anyway, he said he was acting for them, Mr Petroulias was acting, did he, for - - -

Mr Petroulias was acting for the Land Council up in Newcastle.

10 Did you ask him what that actually meant?---Well, I assumed – at the beginning I assumed that he was, he was their legal representative.

All right. Now, did Mr Say suggest words to the effect of did you know somebody who was interested in investing in it or purchasing it, is that the effect of what Mr Say also said?---Yes, that's what he said. Yes.

All right. And what did you say - - - ?---As far as I remember, yeah.

20 What did you say to him?---I said, look, I'll see what's around, I'll see what kind of – whether my people are interested, so I'll get back to you. So, I just spoke to a few people about it and, but nothing happened for the first month or so, so - - -

MR CHEN: Did you ultimately make contact with Tony Zong?---There is, there is like, with Tony Zong, is one of his associates that work with Tony oh, we had a cup of coffee and we discussed some other matters and he also said that Tony was into property development, right, and he's looking for some good sites that are possible for property development. So that's how the thing started and that's when I contacted Tony whether he might be
30 interested in that property.

Who was the associate? Was it- - -?---It was just a mutual friend. His name was Lawrence, Lawrence Brown.

Lawrence Brown. Was Lawrence Brown a real estate agent so far as you're aware?---No, no. He wasn't a real estate – he mainly did leasing for retail shops.

40 Aside from that contact you had with Mr Brown, did he have any other ongoing role in this land transaction in the Warners Bay area?---Oh, no. Mr Lawrence had no, no dealing or no, no association with that, with that land whatsoever. All I did was mention it to Mr Brown, right, and said, "Look, I think Tony might be the person you might need to speak to." So that's how the thing started.

Now, you ultimately met with Mr Zong, didn't you?---Yes.

And you met with Mr Zong in his offices?--- Oh, prior to - - -

I just want to- - -?---Sorry.

Just- - -?---I, I met Tony Zong in his office, yes in, in Citibank Building.

Now, all right. Now before that meeting, when you met him in his offices, did you have any other meetings with Mr Say prior to that meeting?--- Yes. I had, had, had a meeting with Mr Say, Mr Petroulias and Mr Green.

10 All right. And on how many occasions, prior to the meeting you had with Mr Zong in his office, did you meet Mr Petroulias and Mr Green?---I probably, probably met up with Mr Petroulias and Mr Green and Mr Say probably about three times, three times before I yeah, actually had a meeting with Tony Zong.

All right. Now, where was the first, well you tell the Commissioner, where was the first meeting?---Well the first meeting was around, we had, we had a, a coffee, a cup of coffee and a light snack at, at a café shop in Beverly Hills, where Mr Petroulias and Mr Say and Mr Green and one of his friends
20 came to the café and we just had a big, big discussion about the property up in Warners Bay.

And are you able to put a date on when this meeting was?---Oh, probably somewhere early 2015.

If you - - -

THE COMMISSIONER: Sorry, early 2015?---Yeah, early 2015. I know it's quite, I knew it was after summer because it was, the weather was a bit
30 cooler but I couldn't put an exact month on it.

MR CHEN: If you work back from some dates, it appears that an agreement for a land transaction between Sunshine and at least the Land Council was entered on or about 30 June, 2015 and a site visit may have taken place perhaps up to a month before that. Does that assist you at all in trying to pinpoint when you had this first meeting at Beverly Hills?---Well, not, not exactly remembering the dates, right. The first meeting was at Beverly Hills, right. The second meeting was just myself and Mr Say. We
40 drove up to Newcastle, right, and met up with Mr Petroulias, Mr Green and I think the Deputy Mayor of Newcastle and I think there was another gentleman, that representing the Land Council. Just had a meeting as to, I don't know, what kind of property that was available and what can be developed.

All right. I'm going to just go back to the first meeting in Beverly Hills. ---Sure. Ah hmm.

You, you told the Commissioner that Mr Petroulias was there and Mr Say and Mr Green was there.---Ah hmm. Yes.

Now, who organised that meeting?---I believe that the, if I can recall, I think, yes, it was organised by Mr Say.

All right. And when you went to Beverly Hills, obviously you recognised, did you, Mr Petroulias or not?---Yeah. I recognised him because I saw his photos in the past in the newspaper and so on.

10

I see. And did Mr Petroulias explain anything about what his role in this land deal was?---From my memory, he was, he said he was a representative of the Land Council, right, and I think his, his, one of his companies had the, had the rights to deal with that property.

Did he identify the name of that company at all?---Not, not at that time. No.

And you were sitting around at a table, were you, the four of you?--- Five of us because there was , there was - - -

20

Oh, sorry.---Yeah.

Sorry, who was the fifth person?---Oh, I think it was just Richard Green's friend so I, I, I can't remember his name.

Anyway, there was a fifth person, was there?---Yes, yes.

And the five of you were sitting at a table having this discussion, were you? ---Yeah, just having a general discussion, yes.

30

And what did Mr Green say, if anything, during this meeting at Beverly Hills?---Oh, well, Mr Green said that ah, you know, he had the authority to act for the Land Council, right, and there is a possibly a good development, but you know, obviously there was no development people at the stage, it was just the raw site and just much of it was like a big bush area, right, but he said the location was good and he said, you know, he could assist us in, in getting the, the property, you know, if necessary.

40 What about Mr Say, did he make any contribution to this conversation at all?---Mr Say, I don't think he said, he didn't say, I don't think he said very much at the meeting, no.

Is there anything else at that meeting - - -?---It was, it was, sorry.

- - - that was said relating to the land or any interest in the land so far as you can recall?---Sorry, what was that, what was the question again, sorry?

I'll put it again. So far as you can recall was there anything else said by anyone in relation to the land at all, so far as you can remember?---Well, all I was told where, where the land was, how many lots there were, right, and what, what the size of the lands are so - - -

Did you make any contribution to this conversation at this stage or you were just listening?---No, I was just listening at this stage, 'cause, 'cause, as I said, I didn't know where Warners Bay was at the time.

10 You told the Commission that you drove up with Mr Say to have a look at the land as well.---That's right, correct, yeah.

Was there some discussion at the meeting at Beverly Hills about you doing that?---Yeah, after we, after we said we were willing to go and have a, we need to go up and have a look, yeah.

Right. And who did you direct that to?---I feel to Mr, Mr Petroulias and Mr Green.

20 And did they say that that could occur?---Yeah, that could be arranged, yes.

Right. And did you eventually go up, did you, with Mr Say to have a look at the land?---Yes, we did, yes.

And how long after the initial meeting at Beverly Hills did you go up and have a look at the land?---Oh, couldn't say exactly but it would, it would be a fairly short time, maybe, you know, the space of a few weeks.

30 Did you meet Mr Petroulias and Mr Green and the others at a particular location?---Yeah, I feel we met him in ah, in Newcastle.

Do you remember where?---I think, as far as I can remember we met at McDonald's first, right, then we had a look at the, the, the properties, then we went to, I think it was the Land Council office in Newcastle in the city and we had a, probably a meeting there to discuss the possible development of that area.

40 You subsequently had a, or went to a further site visit, did you not, with Mr Zong and a few others?---That's right, yes, we did, yes.

And you also met at McDonald's, did you not - - -?---Yes.

- - - at that time?---Yes.

So when you said you went to McDonald's and met there - - -?---Yeah.

- - - you weren't confusing the two meetings, you definitely went - - -?

---Ah, I'm pretty, I'm pretty sure because we didn't know where the Land Council office was, right, so my, my from my memory we met them at, we met at the McDonald's briefly, then we had a look at the properties, then, then we went to a Land, I think it was the Land Council office up in Newcastle in the city in the, in the late afternoon.

Well, the McDonald's restaurant is actually on Hillsborough Road. Isn't that right?---I think so, yes.

10 Well, it's on the same road as some of the properties.---Yes.

Isn't that so?---Exactly. I think that's the reason we met there, 'cause it was so close.

Now, just at this second, this site visit, you met, who did you actually meet at McDonald's? You met Mr Petroulias, didn't you?---Yes.

Mr Green?---Yes.

20 And you mentioned a few others that you thought you met.---At the second McDonald meeting?

Sorry?---The first?

I'm still dealing with the second meeting the first time you went to McDonald's.---Oh, yes, yeah, okay, right.

So the first time you went to McDonald's - - -?---Mmm.

30 - - - or met at McDonald's - - -?---Mmm.

- - - who were the others that you say went there?---I think that was it. It was just Mr Green and Mr Petroulias.

I see.

THE COMMISSIONER: You said before the deputy - - -?---No, that was at the Newcastle office in the afternoon.

40 Oh, I see.---Yes.

MR CHEN: I see. Did you meet Mr Petroulias and Mr Green inside the McDonald's or did you meet in the car park, do you remember?---I think it might have been (not transcribable) at the car park and we went inside together, as far as I can remember.

The four of you went in together?---Yeah, I think so, yeah.

Did you have a - - -?---I think we met at the car park and then we went inside together, yes.

Did Mr Green and Mr Petroulias come together or separately, do you know?---Separately as far as I know.

And when you went inside did you have a discussion about what you were going to do?---No, we just had a brief snack and the whole purpose of the trip was to go and have a look where the properties were.

10

And so was the discussion simply confined to let's go and have a look at the properties?---Let's go and have a look, yes.

Ultimately the properties that were the subject of this transaction were five lots were they not?---Yeah, I believe so.

And did you go and look at all five or only some of them?---I think we went, went, I think we went to all five because they, they were sort of, some of them were next to each other.

20

And was there any discussion at the site about what was proposed to be done in terms of any potential transaction or was it simply confined to having a look around and seeing what was on offer?---It was just simply confined to just looking, you know, because I'm not an expert in, in properties. I just wanted to see where the location was and Rich Green highlighted which is the prime location, which is like a general location kind of thing.

30

Do you remember which property was described as the prime location?---I think the prime location, I think there's already been some very expensive houses in that area. I don't know the exact name of the suburb but it was land that was sort of adjacent to all these very expensive houses that's already in the area in Warners Bay.

After the site visits was there any other discussion about what was to happen next if anything?---Well, the (not transcribable) discussion. After that I think we, I think we all met up at the, the Land Council office at Newcastle.

40

And do you remember who was there at that time?---I believe it was myself, Mr Say, Mr Petroulias, Mr Green and I think there was Deputy Mayor of Newcastle or Lake Macquarie, sorry, and, and also I think there was another gentleman. I didn't, I forgot what his role was but I assumed that he was just associated with Mr Petroulias.

Why did you assume that?---Well, he was there, he was there, you know, he knew Mr Petroulias and seems to know the Land Council's property so he was just giving general advice there.

Did he appear to be of Aboriginal descent?---No, no, he wasn't, no.

And was he not introduced?---He was introduced but I just don't remember his name.

10 What was the subject matter of the discussions that were had at the Land Council office when you went there?---Well, it's just merely a presentation that was made by Mr Green and also they were just asking questions to, and obviously the Deputy Mayor was there too to assist the Land Council as to, you know, what parts of the, the land can be redeveloped or rezoned, right, and then how it could benefit the Land Council and the general community of Newcastle so it just was - - -

Do you know the name of the Deputy Mayor?---I don't recall it.

Could you be mistaken about whether the Deputy Mayor actually was there?---No, no, I was definitely not mistaken because we were introduced to him as, we were introduced to him that he be the Deputy Mayor.

20 I see. And what council did the person appear to represent do you recall?
---I, I think he represented the area the properties that we were looking at. We had, I had his business card but I lost the business card so - - -

Are you able to give a description of the person?---Yeah, probably maybe early to, early, mid-thirties.

And what colour hair?---I think it was sort of brownish hair.

30 What about height?---Probably sort of medium. Maybe five, five, five eight, five nine, five ten maybe.

Could it be that perhaps you're mistaken and that in fact the person you're thinking about is a person who is an associate of Mr Zong named Matt Fisk?---No, no, no. Mr Fisk, that was, that was the second, second trip we went up to Newcastle.

40 After the presentation was there any other discussion then about what was to happen thereafter involving particularly you or what you were to do?
---Well, after that we just took the information back and (not transcribable) I'll speak to my people as to whether they're interested in the property.

Now, from your observation to this time did Mr Green and Mr Petroulias seem to know each other?---Yes.

Did they seem to know each other well?---Yes, quite well, yes.

Why do you say that?---Well, they were very friendly, they knew each other very well, right, and they both knew the properties quite well, right, and so I, from my observation, you know, they were fairly close.

10 Did Mr Green say anything more about what he could do in terms of assisting with any transaction?---Well, Mr Green said, I think at that time the Land Council Board was in a bit of disarray and he said he was the vice president and he can discuss the matters with the rest of the Council members to assist in getting this bill through, and it was very important for the Land Council to get this development done because it's going to help the Council and help the community.

I see. Now, during the course of the transactions that followed, did you have any one on one dealings with Mr Green, or no?---No.

Who were your dealings with?---All my dealings and all my communications went through Mr Petroulias or Mr Say.

20 THE COMMISSIONER: Sorry, say again?---All my communication was through Mr Say or Mr Petroulias, I have never had a one to one meeting or a one to one conversation with Mr Green.

MR CHEN: Now, did you come to then make some contact with Mr Zong?---Yes.

And I'm sorry if I missed this but was the suggestion to make contact with Mr Zong through Lawrence Brown or was it just you?---No, no, I spoke to Mr Zong directly.

30 I see. And you did say to the Commissioner earlier that you went to his office in Park Street in the city?---Yes, yes, the Citibank building, yes.

And did you go with Mr Say?---I think initially I did and I think I went there by myself.

All right. And you certainly had a meeting though, did you, with Mr Zong and Mr Say in Mr Zong's office in the city?---Yes, we did. Yeah, probably.

40 And you think you may have had one with him, do you, before that time? ---I probably had a couple of private meetings with Mr Zong first.

And what were you telling Mr Zong in these private meetings?---All I said was look, there's a land up by the Land Council up in Warner's Bay, probably, it hasn't been rezoned, there's no zoning application but potentially the property can be subdivided, right, and you probably can do land package deals later on, so that's what I said to him.

Was there any discussion about the role of any of the Land Council, particularly Mr Green, about what his involvement in all this was to Mr Zong at this time?---Well, all I said to Mr Zong was that people like Mr Green and Mr Petroulias and also the Deputy Mayor of Newcastle could assist in your project in getting this zoning approved.

10 And did you explain what the role of Mr Petroulias was in this apparent deal?---All, all I, to my knowledge I told Mr Zong that Mr Petroulias was a legal representative by the Land Council.

And why did you tell him that?---Well, number one, he told me he was the legal representative.

I see. Is that the substance of what you had said to Mr Zong in these one or two private meetings you had with him?---Yes.

20 Did you then come to have a meeting with Mr Zong and Mr Say?---If there was a meeting, Mr Say would have been there with me. Mr Say wouldn't have a separate meeting with Mr Zong.

No, sorry, I might have been unclear?---Okay.

As I understood the chronology, it was prior to you meeting with Mr Zong and Mr Say in Mr Zong's office, you had some private meetings with Mr Zong?---Yes, probably one or two.

30 I see. And what I wanted to ask you then is after you had these private meetings where these matters were discussed, you then had another meeting with Mr Zong and Mr Say?---I probably had, yes.

All right. Why was Mr Say, at this point, involved?---No, because Mr Say obviously had more background information about the property than me, right, and obviously he was dealing with Mr Petroulias before he probably was introduced to me.

40 And when you met up with Mr Zong and Mr Say, what was the discussion about at that time?---Just a general discussion as to what kind of property is available, right, but there's quite a few people that can assist in getting it rezoned.

What did Mr Say say in this meeting?---He just said what the potential lease for the property.

Did he give any background as to how it came to be that the property was to be offered for what appears to be a sale?---Well, my understanding was that the property was offered by Mr Petroulias and Mr Petroulias had the right to act for the Land Council, right, and you know, Mr Petroulias is going to assist in the transaction.

When you say it was your understanding, did Mr Say say that, or are you?---
Yes.

I see. Was there a suggestion that perhaps you should go and have a site
visit to have a look at it?---Yes.

Was that your idea?---No, it was just a general concession.

10 All right?---It was just part of the agreement.

And did you or Mr Say have to speak to somebody to arrange that?---I told
Mr Say to arrange it and he arranged it with Mr Petroulias and Mr Green.

That's what he told you, is it?---Yes.

Did you get in touch with Mr Zong to tell him that, that you could have a
site visit?---Yes.

20 Prior to going to the site, do you recall providing Mr Zong with some
material that had been given to you?---Yes. I think it was, yeah, I think it
was (not transcribable) map of the area and so on, yes.

I'll just show you a document if you would, look at volume 2, please, page
67. Do you recognise that document?---Yeah, I think so.

Is that the document that you gave to Mr Zong?---I don't think it was given,
I gave him directly, it might have come through, came by, I think it was
either Mr Say, I think Mr Say might have sent it.

30 Is it your recollection that that was provided to Mr Zong prior to going up to
look at the site?---I believe so.

Now, I just want to ask you then about the second occasion you went to
McDonald's to meet up, so when you went with Mr Zong. Mr Say
accompanied you?---Yeah. Four of us drove up, there was Mr Say, Mr
Zong, myself and Mr Matt Fisk.

40 And you all went up in Mr Zong's car?---That's right.

And did somebody suggest that you should again meet at the McDonald's
restaurant at Hillsborough Road?---I think that was the arrangement that
was made by Mr Sam Say, yes.

And was there some discussion in the car about who you were going to
meet, what you were going to do?---All we said was we were going to meet
up with Mr Green and Mr Petroulias and we're going to do a site visit for all
the various sites that were available.

Did you say something to those in the car on the way up about the role of Mr Petroulias in all of this?---I think just the -- I don't recall exactly what was said, no.

O.K. But at that stage you hadn't spoken at all directly to Mr Fisk, had you?---Mr Fisk?

10 Mr Fisk, yeah, he was in the car?---Yeah, Matt Fisk. Yes.

But you hadn't met with him?---No, no, that's the first time I met him on that day. Yes.

Was there some question by him or statement by you about what Mr Petroulias' role in this transaction was and why you were meeting him?---I think there might've been some general discussions but I can't recall exactly what was said, no.

20 Could it be that you said words to the effect that Mr Petroulias was the person who brought the deal together and he was a lawyer for the Land Council?---That might've been said but I can't exactly recall.

Well, that's what you've given evidence about that you've been told before, though. Isn't that right?---Well, that's what he told us, so I assumed that Mr Zong would've told Mr Fisk anyway.

But in any event if that statement is made in the car, it may have been made by you?---It might've been, but I'm not sure.

30 And did you also perhaps say that you were meeting someone from the Land Council as well?---Yes, Mr Green. Yes.

Did you also suggest that perhaps you were the agents for the Land Council?---No.

Didn't say that at any time?---No.

40 Now when you went to, or arrived at, McDonald's, you met Mr Green and Mr Petroulias?---Yes.

And were they already there when you had arrived or did they arrive later? ---I'm not sure, I think that they might've arrived at the same time, but we kept communicating as to what time they're going to be there and so on, yes.

What, by mobile phone I take it?---Yes.

And did you all go and eventually meet up inside?---Yes.

And sit down at a table?---Yes.

And there was introductions, I take it, at that point. Do you recall?---Yes.

And how was Mr Green introduced, Mr Rhee?---Representative of the Land Council.

10 And did he introduce himself as that or did somebody else introduce him?
---It was just, I think Mr Zong just, just took it on board.

And what about Mr Petroulias, how was he introduced?---Well, well, Mr Zong knew who Mr Petroulias was before we went up there.

From what you had told him?---Yes, what I'd told him, yes.

20 Right. But was there any other introduction? Because Mr Fisk hadn't met him, I take it?---Mr, Mr Fisk, I met him for the first time and they went and picked him up from near, near his place on, on the Pacific Highway and Mr Zong, obviously Mr Fisk worked for Mr Zong, right, so he went up there to assist Mr Zong.

No. It was more Mr Fisk, so far as you were aware, had not met prior to this meeting Mr Green or Mr Petroulias?---No, no, the first time they'd met, yes.

And so what I'm asking you is, was Mr Petroulias introduced to Mr Fisk, so far as you can recall, or not?---I just, I think just gave him introduction but I didn't tell Mr Fisk who Mr Petroulias was, no. I don't think, I don't think.

30 Did anybody else? Did anybody else, so far as you can recall?---No, I don't recall, no.

Could it be in fact that – well, I withdraw that. Did Mr Petroulias say anything about why he was there whilst you were all sitting at the table?
---No, I can't recall, no.

40 You've got no recollection of him saying that?---Look, it was a, there, they might have some general discussion as to who, which, which, who everyone was, right, but everyone knew, you know, the exact list of who we were going to meet up there so why should we do introductions at the McDonald's.

Did Mr Petroulias or somebody say that Mr Petroulias is the one that had the deal?---Yes, I feel there was some mention of that.

And did Mr Petroulias say something like, I have the rights for all the property?---Yes.

Now, was there some, aside from the meeting and greeting, was there some general discussion about the events for the day, what you were to do?

---Yeah. The whole purpose was to, for Mr Green to show us all the relevant properties, right, as to, you know, the locations and general discussion as to what could be done and what the size of the lands were and so on, yes.

And did you go to all five sites?---I believe so, yeah. We spent the whole day there so - - -

10

And what was the general tenor of the discussions you were having as you were going round the sites, was it generally about the features of it or was there more discussed?---No, it was just general features of the, of the property, I think Richard, Richard was telling us where the big sites were, where the prime locations were and what, you know, where the boundaries were and so on, so it was more of geographic, geographical lesson I think.

Was there any discussion about whether all or some of the lots were for sale?---Well, he identified which lots, lots are available, yes.

20

Did you say they, what was the - - -?---No, no, Richard, Richard pointed out to us which lots available, yes.

I see. And which ones were they, was it some or all of the ones you inspected?---I think, I think there was, I think there was the majority of it. I mean there, there, there were quite a few sites, I think it might have been about five or six sites, but – sorry.

No, you – have you finished?---No, no, sir, yeah, finished, yes.

30

Did you also go to a site which was called Braye Park or Waratah?---If you can tell me, give me a bit of description I might know.

It may have had a view.---Oh, yes, yeah, nice view, yes.

And that may have been the last site you visited.---I think that was maybe, if it had a nice view, that might have been the prime site as to Richard, Richard, Richard told us.

40

And in any event, after going to look at Braye Park can I suggest that that was the time that you all went your separate ways?---Yes, we did.

You went back to Sydney?---Yes, yes.

I just want to focus on some what was discussed there. Do you recall at that location any discussion about the lots being for sale?---I, I think we had a general idea what lots were for sale before ‘cause I think we got some, some, some maps of the, of the area before, before we actually went up.

Well, you think you received that document that I showed you which is at volume 2 - - -?---Yeah, I might have, yeah.

- - - page 67?---Yeah, I might have, yes.

And do you remember Mr Say making a contribution to the conversation at this site about who had the deal and how it had been put together?

10 ---Probably, not so much at the site but, you know, when the first, as I said to you, when the first probably came to me, when Mr Say offered the property, the proposal to me, and he advised me that Mr Petroulias had the right to deal and sell the land on behalf of the Land Council.

And could I suggest that Mr Say made broadly the same statement at least on one occasion during the site visit during the course of that day? Do you agree with that?---It might've been said, you know, but everyone, everyone was friendly, you know, enjoying the day so it might've been said, yes, but I can't give you 100 per cent.

20 And Mr Petroulias added in at some point that he had an option to acquire those five parcels of land. Do you remember a statement to that effect? ---I think that that was the start of the – I think I knew some of that before I actually maybe introduced the property to Mr Zong, whether he had the right or he had the right to purchase, I mean, but all I knew that was Mr Petroulias had the authority to deal with the land either way.

30 And was there any discussion either at this site visit or on any earlier occasion about to move forward that you would need to take out Mr Petroulias' position or acquire his option moving forward?---I think that was, I think that was discussed, yes.

And this was in the presence of Mr Zong?---Probably, yes.

Mr Fisk?---Probably.

Mr Say?---Probably.

Mr Green?---Probably.

40 Did Mr Green add his voice to any of these matters at all during the site visits?---Well, all Mr Green was that he boasted that, you know, he had the control of the board, right, that he can push this deal through, right, and he will try to help as much as he can.

Now you went back to Sydney with Mr Zong and Mr Say and Mr Fisk? ---That's correct.

Was there some discussion on the way back or prior to leaving the site between the four of you about if the deal was to go forward involving Mr Zong, that he wanted a lengthy due diligence period?---Yes.

And the purpose of that was to work out if the land could be rezoned?
---Exactly, rezoned, also probably, or possible rezoning, that was the number one issue, and secondly it was that we needed to get a valuation done on the properties.

10 So there was a discussion about instructing a value or securing a value to look at a price?---There was just general discussions about it, yes.

And also with the idea again going forward with those other matters, that there would be a need for an option?---There was no discussion of options at this stage, I think that was far too early.

Now, you know, you may not know the precise date but you know, do you, that there was an initial agreement between Mr Zong's company, Sunshine, and the Land Council that effectively gave them a 90 day due diligence
20 period upon the payment of some money?---That might've been the case, yes.

All right. Well, I'll show you the document in a moment. You're aware that a document broadly to that effect was signed, don't you?---I believe so, but I didn't get involved in any preparation of the documentations.

I'm just trying to locate times for you at the moment, but if I was to suggest to you that that agreement was signed on or around 30 June or perhaps as late as 8 July 2015, does that accord with your general recollection?---I
30 think there was some sort of agreement, yes.

Now, prior to signing that agreement, do you recall Mr Zong speaking to you and asking you about wanting some confirmation that Gows had the rights for the sites?---There might've been mention, but I can't, I'm not 100 per cent sure.

THE COMMISSIONER: Was the name of that company mentioned?---The company Gows was mentioned, yes.

40 Who mentioned it in what context?---I think it was mentioned by, I think that was mentioned by Mr, both Mr Say and Mr Petroulias. I knew that the Gow company - - -

At what stage did that first come up for discussion?---That would've been, that would've been, might've come up probably after the second visit, all right, so I went to the second visit and when they, Tony decided to proceed. I think Mr Petroulias or through Mr Say forwarded that particular document to Mr Zong, I believe.

MR CHEN: All right. But you think it was raised certainly by the time that you went up in the car with Mr Zong, Mr Fisk and Mr Say?---Yes.

And do you think it was discussed at the site or at McDonald's or at an earlier point?---Look, I'm not 100 per cent sure but it might have been discussed but I'm not sure.

10 Would you just have a look please at volume 3, page 121. Now, if you just have a look down the bottom of that page. I'll just show you the bottom of page 121 first just to - - -?---Right.

- - - give you the context. You will see that there's an email you receive at 1.37pm - - -?---Ah hmm.

- - - from admin@knightsbridgenorthlawyers on 29 June, 2015.---Ah hmm.

And that's your email address isn't it?---Yes, yes, that's correct.

20 And if you just have a look it says "Keith", and if we go to 122, "see attached is the current HOA with Gows", et cetera?---Heads of, heads of agreement with Gows. Yeah.

And I think that's what you just gave some evidence about, that you recall receiving something like this?---Yeah, I received something, yes, yes.

All right. So if you go, please, back to 121 you will see then that you have forwarded it on to - - -?---To Mr Zong, yes.

30 - - - Mr Zong?---Yes.

Having seen that now, do you think it's the case that Mr Zong in fact had spoken to you about wanting confirmation of what this underlying interest apparently was?---I think most likely he would have asked for confirmation, yeah.

40 And you would have sought that and did seek that?---I think after he wanted information I think might have told, told Mr Say that, you know, we need some sort of documentation to prove that, that Gow had the rights to deal with the property.

Now, did Mr Say run, or run a business or have some association with a business called Burwood Partners?---Yes.

And he wasn't a real estate agent though was he?---As far as I, as far as I know, no.

And do you recall that an offer was submitted by Mr Zong or Mr Zong's company to Mr Say via his company Burwood Partners?---Which property are we talking about?

Sorry, all the properties that you went and inspected.---As far as I know the Warners property had nothing to do with Burwood Partners.

All right. I'll just show you a document.---Yeah, yeah.

10 It's volume 3, page 139. It might be, I've got no doubt it's probably my questions, Mr Rhee, but do you recall seeing this letter at all?---I recall this but this particular letter had nothing to do with Burwood Partners. It was just an address Mr Say, Sam Say, was using at the time.

I see.---Yeah. It had nothing to do with Burwood Partners.

If you just have a look at the next page if you would.---Ah hmm.

20 I don't really recall seeing what's described as the Acquisition Proposal 30 June, 2015 and if you go to the next page, 141, you will see that it roughly sets out the terms.---Yeah.

Do you recall seeing this?---Yes.

And what ultimately it gave Sunshine was 90 days to work out whether to proceed upon the payment of a deposit?---Yes.

30 And you understood after that document was agreed upon by the parties that Mr Fisk and Mr Zong arranged for valuers to go out and value the properties?---The, the valuer, Diamond valuers, that was the valuer that did the valuation, they was actually introduced by Mr Say to, to Tony and (not transcribable).

I see. And what was the connection between those two so far as you were aware?---I don't think there was any direct connection. I think the reason, I think Mr Say did a bit of research as to who might be the most suitable valuer for that particular property and he happened to nominate Diamond as one of them.

40 In any event, you were aware that Diamond valuers came back with some valuations of the five lots, the subject of this acquisition proposal?---Yes.

And were you aware that it came back with a price of \$12.6 million?
---Yeah, I think, I think that was the amount, yes.

And do you recall that shortly after those valuations, sorry, do you recall the date of the valuations as being about 16 September, 2015?---Yeah.

Probably about right because I met the valuer and actually the valuer and myself and Mr Say actually went up to Newcastle together.

I see.---And one, and one of his assistants to, to locate the properties and assist them in dealing with the valuation.

Did you tell Mr Petroulias or Mr Green that you were doing that?--- Yes.

10 You did. Who did you tell?---Told, told, told, all my communication with Mr Green went through Mr Petroulias.

Sorry, went through - - -?---All my, all my communication to Mr, to Mr Green was gone through Mr Petroulias. I never spoke to Mr Green directly.

And in any event, you told him that you and Mr Say would be accompanying the valuers?---Yes.

20 And he was okay with that?---Oh, he was fine with that. He said, "The sooner the better." So - - -

Did he say anything else about it?---No, no, no.

In any event, the valuations came back and Mr Zong got in touch with you about them, do you recall?---Probably, probably. Yes.

Do you remember him maybe raising a question about whether perhaps he thought the valuations were slightly higher than what he anticipated?---I, I think every purchaser always thinks the valuations are, yes.

30 So Mr Zong was no different?---He was no different, no.

All right.---He was Chinese, so - - -

Do you recall him having a meeting or discussing alternatives in terms of dealing with the price issue differently? Namely by way of perhaps cash or stock as an alternative?---Oh, I think there was some discussion about that.

40 Do you recall whether you met with Mr Fisk and Mr Zong and Mr Say about that?---I, I think they, I think, I think maybe, I think Mr Petroulias might have been there at the time too. There were matters discussed as to, even if we acquire the land or for development, some land should be set aside for the Land Council, right, for them to gain some benefit, right. And we talked about, you know, if we start to subdivide some of the land, maybe we will allocate some land to the Land Council and also, there was some talk about, I think part of the land was mainly commercial property. So we couldn't do anything in terms of subdivision. So we might assist them maybe building a convenience store or something like that which could help the Land Council.

So there was certainly a discussion, I'll just, there was certainly a discussion about moving forward, not fixed to the valuation price but fixed, but perhaps by dealing it by way of payment of money and some other payment in kind?---Yes. I think that, that, I think some of that was discussed, yes.

And Mr Petroulias was involved in that, wasn't he, those discussions?---Of, of course, yes.

10 And he approved the approach, did he not, of dealing with the, I'll call it contract price, in that way?---Yes.

Now, did Mr Petroulias tell you at any point in that process that he needed to seek instructions from Richard Green?---I don't recall but the, you know, I couldn't say yes or no.

And did he tell you at any point that in agreeing to that, that he'd spoken to Richard Green or not?---I think Mr Petroulias did mention that he needs to take this back to Richard, Mr Green, and discuss it with him, discuss it with him.
20

Now, do you recall that following this discussion a, what is called an acquisition proposal in late September, was prepared by Mr Zong and Mr Fisk?---To be honest, I don't know who actually prepared it. I, I thought it was actually prepared by Mr Petroulias.

I'll just, there's quite a lot of documentation.---Sure.

As you're probably aware and I appreciate you were not principally involved in it but I'll just show you, if I can, volume 4, page 129.---Sure.
30

And you can see that's a document describing an acquisition proposal dated 21 September, 2015. I'll just show you the second page of that.---Sure.

You can see item 1, it refers to the same properties.---Ah hmm.

You agree with that?---I, I, oh, I'm, I'm familiar with the document but just the, I just don't know who actually prepared it.

40 Don't worry about who prepared it at the moment. Have you seen this before?---Yes, I have. Yeah.

And if you have a look at point 2, purchase price, you can see that there seems to be a breakdown then in the price to involving cash and completed stock?---Yes.

And you recall the discussion around that that you've just given evidence about?---Yes. Yep. I recall the document, but just reading the document, I don't think that was the final document.

No, no, I'm not suggesting it is. I'm just asking whether you've seen it?
---I've seen it, yes.

10 All right. And just so it's clear, all I was asking you is following the discussion about breaking down the price figure, an offer was, or a renewed document, a further document was prepared by Mr Zong and Mr Fisk and submitted. I'm not suggesting it was accepted, I'm just saying it was prepared and submitted. Do you recall that?---Yes, I recall that. Yes.

All right. Now - - - ?---I must have recalled it because I kept a copy of it, so - - -

You did?---Yeah. Well, I think I actually got a copy of that in my email.

20 Do you recall, Mr Rhee, that – I'll take it a step back. Following the initial signing of – I just want to take you back in time. Following the initial signing acquisition proposal, whether it's signed on 30 June 2015 or 8 July, it required the payment of a sum of money, \$50,000. Do you recall that?
---Yeah. I think that was paid, yes.

Yeah. And that was paid, was it, as far as you're aware, to the trust account of Knightsbridge North Lawyers?---Yes. From my understanding, I think it was paid to Gow but I'm not 100 per cent.

30 All right. Do you recall that at some point in the due diligence period, so after this period, there was a request made to you at any point about releasing a component of that money?---I think there, I think there was some discussions, yeah.

All right. Now, did they involve you?---No, no, it had nothing to do with me, no.

It didn't involve you at all?---No. I didn't get any of it, so - - -

40 No?---I think I might've spoken to Tony about it, right, on, because what Tony, what Mr Petroulias and Mr Say told me, so I just passed information to Tony.

All right. Did somebody ask you to speak to Mr Zong about releasing some of the deposit?---Yeah. I think it was for Sam Say.

I'll just ask you, would you mind just waiting until I ask the question? It's being recorded and it's being transcribed, so if you just wait until I ask the

question. So I think you said it was Mr Say made the request of you, did he?---I think so, yeah.

What was the substance of the request that Mr Say made to you about releasing some of the deposit?---It wasn't a great deal of an amount, right, but I think it was said that some money was needed by Mr Green.

Did he say why?---Some trigger but I just can't remember what it was.

10 Was it for sponsorship?---It might've been a sponsorship for his two year football team or something, yeah.

All right. Commissioner, could I tender at this stage two volumes of material which have been produced by Mr Rhee? They're obviously on the, they've been uploaded on the website. They're described as Keith Rhee emails and attachments.

20 THE COMMISSIONER: Yes. The volume of the documents Keith Rhee emails and attachments will be admitted and will be marked as Exhibit 63.

#EXH-063 – KEITH RHEE EMAILS & ATTACHMENTS VOLUME 1

MR CHEN: Yes. Commissioner, there are two volumes.

THE COMMISSIONER: Are there two?

30 MR CHEN: Now, this will come up on the screen. I just want to show you an email.

THE COMMISSIONER: The second volume will become Exhibit 64. Thank you. 63, 64.

#EXH-064 – KEITH RHEE EMAILS & ATTACHMENTS VOLUME 2

40 MR CHEN: Now, would you have a look, please, at page, so Exhibit 63, page 22.---Exhibit 63?

Sorry, it will come up on the screen.---Okay.

If you like, if you want to look at it in a hard copy - - -?---No, that's okay.

- - - have a look at page 22, whichever you prefer, Mr Rhee.---Okay.

They're your email addressed you can see on that email - - -?---Yes, yes, that's - - -

- - - of 18 September, 2015?---Ah hmm.

Is that right?---Yes.

10 And do you recall having read that sending that email to Mr Petroulias?
---Yes, yeah.

And is that the email you had following the discussion you had with Mr Say about releasing or authorising the release of some money?---But I wouldn't have written the email without the authority of Mr Zong.

I know. I apologise. I should have asked you that first. I was going to follow that up.---Sure.

20 By this time you've spoken to Mr Zong?---Yes, I have, yeah.

Told him of the conversation you'd had with Mr Say?---Yes.

And he gave you his authority to convey that that sum could be released?
---Sure. Asked, asked for Mr Zong's permission before I sent the email to him, yeah.

30 Now, were you aware that in the initial due diligence period that is post I'll call it from 1 July, 2015 onwards that Mr Zong or more accurately his company had retained a firm of town planners call Monteath & Powys?
---Yeah, I think so. I believe so.

And they were assisting Sunshine with the redevelopment and the application that would need to be submitted to council?---I believe so, yeah.

And do you recall Mr Zong raising with you that it had come to his attention perhaps via Monteath & Powys or Mr Fisk that the Land Council had actually made native title claims over adjoining land?---I think there was a mention of that, yes.

40 And did Mr Zong raise with you that he would like that land do you recall?
---I think so. I'm not, but I knew there was, when they do the initial survey there was a problem of one aspect of the land, right, and I think Mr Zong said for him to, to rezone the area he needs to acquire that land. I think there was some mention of that.

In any event, you think that there was a mention of it and did you then speak to Mr Petroulias about it do you recall?---No, I, look, those communication was done directly between Mr Petroulias and Mr Zong. I didn't get involved

in any of the technical side of that, that particular area. All I did was just pass on the information.

But do you recall whether you passed on that information, that is, that maybe you did take this phone call from Mr Zong and then ring Mr Petroulias and raise with him that Mr Zong wanted the adjoining land? ---Something like that I wouldn't have spoken to Mr Petroulias. I might have forwarded an email onto Mr Petroulias but I don't recall making that telephone conversation and then most times it's very hard to get in contact with Mr Petroulias anyway so - - -

So you don't recall having a meeting discussing this issue at all?---I don't, I don't recall.

I'll just show you a document and you might indicate whether you've seen it. It's volume 4, page 74. You will see on the screen now, Mr Rhee, is a document called Right of First Refusal General Heads of Agreement dated 2 October 2015?---Yes, yeah.

20 And we'll turn to page 75, and you'll see that it's a proposed agreement between Sunshine and the Land Council?---Mmm hmm.

You'll see at recital B there's a reference to the parties seeking to document the right of first refusal over adjoining properties, etcetera. Do you see that?---Yes.

That doesn't assist your recollection at all?---No, no. But my understanding was that in this agreement there was a lot of changes made before it became final, so there was a lot of drafts of that banging around, so it's a bit hard to understand which one is exactly, which is which.

This is a diff agreement, I want to make this clear for your assistance, Mr Rhee, this is not the agreements or the draft agreements that ultimately was purporting to deal with the land?---Okay.

This is a separate agreement that was drafted dealing with adjoining land, and you've never seen this before?---No, I think I've seen it, I've seen it but, you know, I don't recall exactly what this agreement was for.

40 Do you remember around this time, this was October 2015, that there became some – I'll use the word pressure, but there was some concern by various parties that they wanted the transaction to be finalised reasonably swiftly?---Yeah, there was some, they were talking about trying to finalise the transactions quickly but also there's been a lot of talks about walking away from the deal completely.

And at one point it was indicated on behalf of, at least Mr Petroulias through Knightsbridge North Lawyers, that negotiations had ended?---Well, Mr Petroulias ended the negotiation.

All right. Well I'll come to that in a moment, but in any event, do you recall speaking to Mr Say effective to the effect that Land Council itself was applying pressure to try and have the deal finalised?---No, I don't recall that. No.

10 Now, is that a convenient time, Commissioner?

THE COMMISSIONER: Yes. We're just going to take a 15 minute break, you may step down?---Okay, thank you.

Yes, I'll adjourn.

SHORT ADJOURNMENT

[11.27am]

20

THE COMMISSIONER: Yes, thank you, Mr Rhee. Yes.

MR CHEN: Thank you, Commissioner.

Mr Rhee, do you remember going to a meeting that was attended by Mr Say, yourself, Mr Zong and Mr Driscoll - - -?---Yes, yes.

- - - a solicitor?---Ah hmm.

30 And was that in Mr Zong's office?---Yes, that's correct.

And shortly after that meeting, perhaps within a matter of days, did you understand that Mr Zong, Mr Say went up to Newcastle to sign the actual agreements?---That's correct, yes.

And you didn't go on that day, did you?---I didn't go, no.

You had other business commitments or - - -?---Yes, I did, yeah.

40 Now, I just want to take you back a few days before - - -?---Ah hmm.

- - - those dates and to assist you, the agreements were signed on 23 October, 2015 in Newcastle. That's the day you didn't go.---That's right, yes.

Now, are you able to say before that day when this meeting involving Mr Driscoll, yourself, Mr Say, Mr Petroulias and Mr Zong was?---Sorry, what was the question, sorry?

Do you know when, how long before or how many days or weeks before was this meeting?---Oh, it might have been probably, probably a few days beforehand or less than a week.

Do you recall during the course of that meeting there being a question raised about, possibly by Mr Driscoll the solicitor, about wanting to make changes to the documents and not being happy with the documents?---What it was, originally Mr Driscoll actually gave us a draft agreement, which was
10 forwarded to all the relevant parties and Mr Petroulias wasn't happy with the, with the, with the agreement and I think we were on the verge of actually terminating the agreement and to see everyone walking away from the deal, right. And so Tony was, Tony, well, I think maybe Mr Petroulias just wouldn't accept the terms of what Mr Driscoll had proposed. So we tried to get in contact with Mr Petroulias and, you know, if you want to discuss the changes you should come to the meeting and have a face-to-face meeting with Mr Driscoll and make changes if necessary to make this agreement work. So that's, and arranged that meeting through, through Mr Say and Mr Petroulias and I think it was, that meeting was actually, I think
20 Mr Petroulias came on a fairly late afternoon and it took some convincing for him to come.

And anyway, was it your understanding that more or less the subject to signing the documents the key terms had been agreed upon?---Some, some matters were agreed on but they didn't like some of the wordings in the agreement, Mr Driscoll and Mr Petroulias.

Now, do you recall around this time, now whether it be in a meeting or before or after, there was a question raised by either Mr Driscoll or Mr Zong
30 about whether or not or what the authority of Mr Petroulias was and the Land Council to enter into this transaction?---I think that matter was, was already agreed, agreed on before that meeting.

All right. I just want to show you a document if I can and I just want to see whether you've seen it before. So it's Exhibit 57, page 15. Now, I want to direct your attention in particular to what is at the top of the page, namely an apparent resolution of the board, which I ask you to assume is the Awabakal Local Aboriginal Land Council, dated 31 October, 2014. Now, that's on the screen. Have you seen that before, Mr Rhee?---I don't, I don't recall seeing
40 it.

All right.---Sorry.

Do you recall any discussion about a resolution at all?---No.

There was no – I withdraw that. Thank you, that can be taken down. Now, you understood did you that there had been an arrangement made for the

agreements to be signed at the Land Council's offices on 23 October, 2015?---I believe so, yes.

And do you recall prior to that day having a discussion either on the morning or within a day or so before with Mr Petroulias about what was to take place in terms of executing the agreement and payment?---Yes.

10 And do you remember when that was in relation to the day that the agreements were to be signed?---The day was decided, I think if I recall 23 October was a Friday, right, if I recall, right. Mr, sorry, Mr Zong and Mr Sam Say drove up with the, with the contracts to be signed, right, we communicated with Mr Petroulias that Mr Petroulias wasn't going to be at the signing unless he got paid first.

And that's what he told you, did he?---That's right. Yes.

And did you have that discussion with him in person or on the telephone? ---Oh, probably spoke to us three or four times over the phone that morning.

20 THE COMMISSIONER: Sorry, who did you speak to?---Mr Petroulias.

Oh, yes. Sorry. And sorry, just going back to your previous question and answer. Was it before 23 October - - -?---It was the morning of the 23rd.

On that day, was it?---It was the morning of the 23rd.

And did - - -?---I think Mr, so Mr Say and Mr, Mr Zong, on the way, they were on the way, going up to Newcastle.

30 And who rang who? Did you ring Mr Petroulias or the other way around? ---Well, firstly, Mr Petroulias, so I think Mr Say, Say rang me saying that Mr Petroulias was very upset, right, that, that he wasn't going to go up to Newcastle, at the presence of the signing, was going to cancel that signing because he, because he didn't get paid.

Because he?---Didn't get paid.

MR CHEN: All right. And did you ring Mr Petroulias?---Yes.

40 And did he, what did he say to you when you rang him?---Well, Mr Petroulias was very upset, right, he was screaming at - - -

When you say upset, do you, oh, sorry, you keep going.---He was screaming and carrying on, right, you know, saying that, you know, "If Tony doesn't put," you know, "\$250,000 dollars into the Gows account," right, "this meeting's not going to happen."

All right.

THE COMMISSIONER: How much?---He said \$250,000 was - - -
\$23,000?---\$250,000.

Was not placed in where?---Paid, paid to the Gows account, the meeting was not going to happen, the signing wasn't going to happen.

10 MR CHEN: And, and what did you say?---Then obviously I tried, I tried getting in contact with Mr Zong to say, "Listen, mate," I told Tony, "Look, Mr Petroulias is going to cancel the meeting if you don't deposit the money."

And what did Mr Zong say to that?---Oh, well yeah, nothing. Mr, Mr Zong hastily tried to arrange the, arrange the payment.

All right. Did you get back in touch with Mr Petroulias after you'd spoken to Mr Zong?---Yes. I think so, yeah. I, I think I spoke to Mr Petroulias several times that morning.
20

All right. And did you convey what Mr Zong had told you?---Yes.

All right. And what was his response if anything, to that?---I think that at first I said Mr Zong was going to make some payment, right, if I recall. Whether he made the full payment, I'm not sure. But he was going to arrange some payment to his account.

All right. And did that appear to satisfy Mr Petroulias?---I think, I think Mr Zong was speaking to one of his staff to, to transfer the amount I think by that, by that afternoon so I think Mr Petroulias accepted that, I think. But there was a big concern about the payment and Mr Petroulias had made it clear that day if, if he didn't get paid, he was going to, he wasn't going to turn up at Newcastle for the, for the signing.
30

All right.

THE COMMISSIONER: Did he say what the payment was for?---It was, it was agreed that Mr Zong was going to pay X amount of dollars as the time of execution of the, of the document, right. So Mr Zong, sorry, Mr
40 Petroulias wanted to make sure that his company got paid.

MR CHEN: And his company, being Gows?---Yes. Correct, yes.

All right. Now, in any event, did you come to understand that, or know that a number of documents were signed?---Prior to going up to Newcastle?

No, no. At Newcastle.---Yes.

All right. And prior to that time, I'll withdraw that. You had an arrangement as well, did you not, that he would be paid?---Yes.

With Mr Say for your - - -?---Yes. For our services, yes.

And did you draft the document that was to record the agreement as to how you would be paid?---No. The, the, the document was prepared by Mr, Mr Zong.

10 I see. And would you just have a look please, at volume 7, page 144?---Ah
hmm.

And do you recognise that as the agreement that was entered between Keeju and Sunshine Warners Bay Pty Limited?---Yes. That's right.

Yes. We'll just scroll to the end.---Ah hmm.

Is that your signature that appears there?---Yes. Correct.

20 All right. And where did you arrange for this document to be signed?---It
was signed at Mr Zong's office.

I see. And it says 2 October.---Ah hmm.

Do you know when you signed it?---Oh, probably around about that date.

All right. So you signed it before the parties went up and signed the agreement?---Yes, yeah, exactly. Yep.

30 I see. But it was conditional upon that transaction proceeding that you
would- - -?---Sure. Of course. Yes.

I see. Now, I just want to ask you a couple of things about it. Obviously at 1.7 sub paragraph 1, so this is page 144, you were to be paid initially \$250,000?---That's for me and Mr Say.

And you were paid that money?---Yeah, but after, after the signing.

40 And is it the case that the money was paid equally to both of you, so Mr Say
got 125 and you got 125, or how was it worked out?---Well, the thing is that Mr Zong arranged payments in instalments after the signing, so we didn't get the full amount in one go. It was over several payments.

So ultimately though, what was received was 250?---It was 250,000, yes.
Correct.

How was the money split between you and Mr Say?---\$125,000 was given to Mr Say and \$125,000 was kept in Keeju account.

Ultimately, is this the way you understood the agreement worked is that if the Sunshine transaction proceeded to settlement that you would receive the fee of \$2.4 million?---That was said when all the rezoning gets approved and development starts, yes.

10 Now, would you have a look at, just at 1.3, please, so paragraph 1.3, and there's a description of your, or what appears to be, services that Keeju provides, mainly funding and services associated with procurement and management of large scale and unique land developments, do you see that?
---Yes.

Were you providing any funding?---No, no, no, no, no.

Were you asked to provide any funding?---No.

20 Is that an accurate description of what you were doing in this transaction or it was just a matter of - - - ?---As I said to you earlier, this document was prepared by Sunshine Properties, it wasn't prepared by me, right?

THE COMMISSIONER: Prepared by Sunshine?---Yeah, it was prepared by Sunshine, or Mr Zong.

MR CHEN: You've never met Debbie Dates, have you?---No.

30 And have you ever met Despina Bakis?---I met, I met her once on a street in Liverpool Street, I think Mr Petroulias and Despina was walking up the road and we just happened to meet each other because it was during a football game and I think Sammy, Mr Say and I were attending a football game and we were going to have a quick snack in the city and we just happened to see Despina and Mr Petroulias on the street.

But aside from that, you never - - - ?---No, I never met her, no.

But aside from that meeting on the street, you haven't had any dealings with Ms Bakis in relation to the events surrounding this land transaction. Is that right?---Sorry, what was the question, sorry?

40 I'll put it again. Aside from meeting her on the street, you'd never met her before. Is that right?---No.

And you didn't have any dealings with her, just to be clear, in this transaction at all?---No, not directly. No.

Now, do you recall after the agreements had been signed, Mr Zong making contact with you about an investigation that was being conducted in relation to the activities of the Land Council?---Sorry, what? Could you ask the question again, sorry?

I'm sorry, I did take a long time. Do you recall after the agreement had been signed, so after 23 October 2015, Mr Zong spoke to you about a concern he had about an investigation that was being undertaken in relation to the Land Council?---I think that was well after the signing of the agreement.

Do you recall him raising it with you, though?---After he signed the agreement I knew that Tony was having some problems when he lodged the application for rezoning.

10

I just want to pause there?---Sure.

I want to take you back and deal with – I'll come to that issue in a moment, but do you recall at the end of 2015 Mr Zong raising with you an issue about an investigation into the Land Council and having some concerns about - - - ?---Yeah, yeah, I think he raised that. Yes.

20

Do you remember – did he ask you to do anything in relation to that, do you know?---No. It was just a general comment, and he asked me to maybe speak to Tony, Mr Petroulias about it and find out what's going on.

Do you recall doing that?---Well, I couldn't get a hold of Mr Petroulias.

All right. Do you recall a document being prepared, a guarantee that was prepared late in 2015 which covered the investigation and sought to confirm the transaction would be going ahead?---I don't recall seeing anything like that.

30

I'll just show you this document if I can, Mr Rhee, so it's Exhibit 57 page 1. You'll see there it's a document described as a Deed of acknowledgement and guarantee between Sunshine Warner's Bay and the Land Council?---Mmm hmm.

Dated 21 December 2015. Have you ever seen this before, Mr Rhee?---I may have seen it but I'm not 100 per cent sure.

All right. Did Mr Zong ever tell you that he had got such a document?---I'm not sure to be honest.

40

Did Mr Petroulias ever tell you that he had a hand in arranging for the preparation of this document?---Just I don't recall seeing this document, sorry. It's not familiar to me. Yeah.

Now, you mentioned earlier that there were some difficulties with you getting in contact with Mr Petroulias and perhaps you may have said in 2016 or the early part of 2016?---Yes, yeah.

Why were you needing to get in contact with Mr Petroulias at that time, Mr Rhee?---I got a phone call from Mr Zong and also Mr Fisk and they were in the process of making application with the, with the council, the, I think it was the Macquarie council or the Newcastle council for the zoning application, right, and apparently they, they said they couldn't accept the application without a letter of authority from the Land Council authorising this particular council to deal in the land.

10 And did he ask you to do something when he told you that?---Well firstly, at first I didn't know what it was, right, so I said to Mr Zong and Mr Fisk what are you talking about. You know, I thought all the, all the documents are in order. But I found out subsequently that I was involved in some other property dealing with another land council and one of the first things they produced was this letter of authorisation from the New South Wales Land, I think it was the New South Wales Aboriginal Land Council giving the local Aboriginal council the authority to deal in the land and I think that was the document which they were after.

20 Did you understand that to be a dealing certificate or something - - -?---Yes, yes, yes.

All right. And were you asked to do something then to try and secure that? ---Well, I tried to get in contact with Mr Petroulias, right, and also I've told Mr Say that they need to produce the certificate.

Sorry, did you speak to either of them?---Well, I left messages and I think, I think at the end I actually spoke to Mr Petroulias but before that I tried to get in touch with him, right, and without much success.

30 All right. Well, you did say at the end you did get in touch with him.---Yes.

Did you speak to him about the dealing certificate?---Yes, I did. Yes, I did.

And what did you say to him?---I think he said don't worry, it'll be forthcoming.

Did you convey that to Mr - sorry, I'll withdraw that. Did you raise before he said that that Mr Zong wanted on?---Yes.

40 Did you tell him that Mr Zong had told you that they were having problems with the - - -?---I told, I told Mr Petroulias without that certificate they can't proceed.

And that's when he gave you the response did he?---Yeah.

Did you speak to Mr Zong about that conversation?---Yeah, I told him. I told him I, I spoke to Mr Zong and also Mr Fisk that I've passed that information to, to Mr Petroulias.

And did you tell him what Mr Petroulias had told you?---Mr Petroulias said he'll see what he can do and try to get it for him.

But did you convey that to Mr Zong? That was my question.---Yes, I did, of course.

10 Now, do you recall this dealing certificate issue being raised actually prior to signing the contracts?---It wasn't, it wasn't raised. Nobody knew about it. I mean nobody raised the issue.

Do you recall having any discussions with Mr Zong prior to the signing of the contract about needing a dealing certificate or something to that effect? ---At that time I didn't know that the dealing certificate existed.

20 I just need to ask you a specific question and you answer it how you see fit but I'm just asking whether Mr Zong had ever asked that of you prior to the signing of contracts so far as you can recall?---No. As far as I know he didn't ask for it.

All right. Just so it's clear, do you have a recollection to the effect that he did not ask that or you just do not recall him ever asking that?---I don't recall him asking for that.

And what about Mr Fisk, do you recall that he made a request to you along those lines prior to the signing of the contracts?---I think Mr Fisk might have raised it but I didn't know exactly what he wanted.

30 Can I suggest that maybe he did raise it with you - - -?---Yeah.

- - - and that you agreed to speak to Mr Petroulias?---At that time I didn't know exactly what it was, right. I think Matt might have raised it with me but I, to, to, I didn't know exactly what it was and I didn't find out exactly what it was until maybe a month later, then I actually gave a copy of a sample certificate to Matt and Tony Zong.

40 I just want to put another proposition to you, that in fact you told Mr Fisk that you'd spoken to Mr Petroulias and Mr Green - - -?---I never spoke to Mr Green.

All right. In any event, that you conveyed to Mr Fisk that there would be no issue moving forward and securing a dealing certificate.---Yes, yeah, I believe so, yeah.

But just so it's clear to you - - -?---Mmm.

- - - what I'm suggesting is this occurred before signing the contract.---No, no, this didn't happen before, this has happened all after signing the contracts.

And can I suggest that maybe you told Mr Fisk that, I appreciate you may not agree with this, because in fact you had spoken to Mr Petroulias about that very matter?---Before the signing?

10 Yes.---I don't remember discussing it with Mr Petroulias before the signing.

But you're not denying that it occurred, you just don't have a recollection of it.---I just don't, I just don't remember, no.

Now, do you recall in about April of 2016 having difficulties getting in touch with Mr Petroulias?---Yes.

And was that in particular in relation to not receiving a response from the request for a dealing certificate?---Yes.

20 And Mr Zong was in touch with you regularly to try and secure it?---Of course, yes. I think both Mr Zong and Mr Fisk.

And do you recall you had some problems, well, you had no luck in having Mr Petroulias reply or respond to your requests that he get in touch with you?---Yes, because I left, I left many, many messages, text messages and voicemail messages and I just didn't get a call back from him.

30 And do you remember raising this with Mr Say as well?---Mr Say disappeared too for a couple of months.

Right. Can I just show you an email, please.---Mmm.

So this is Exhibit 63, page 207, which might - - -?---Refresh my memory?

No, I don't think it needs to, but it's just going to distil what I think you're saying.---Sure.

40 So it's page 207. And this is an email chain, and by all means have a look at all of it, but what I want to direct your attention to, Mr Rhee, is really the middle part of it.---Ah hmm.

It's an email from you.---Oh, yes. Ah hmm.

And it's to Ferntreeinvest@gmail.com. Do you recognise that address?---Yes, ah hmm.

And is that Mr Say's email address?---Yes, that's right, correct, yeah.

And that's the email address that he used at all times when you - - -?
---Yes, ah hmm.

- - - communicated with him during this transaction?---Yeah, I believe so,
yeah.

And do you recall sending that email now?---Oh, yes, of course, yeah.

10 And does that summarise the concerns that you had at the time?---Of course,
because I couldn't get in touch with either Mr. Mr Petroulias or Mr Say.

And Tony had said to you, had he not, that he would start legal proceedings
because of fraud and deception?---Yes, ah hmm.

And - - -?---(not transcribable) made it up, you know? So this is what Tony
conveyed to me.

20 And did Mr Say get back in touch with you?---Maybe it was some time, but
as I said, you know, I couldn't get in touch with Mr Say for a couple of
months myself so I was very frustrated.

Now, do you remember that in fact in about June of 2016 - - -?---Ah hmm.

- - - there was proposed to be a meeting involving Mr Petroulias, Mr Zong,
Mr Fisk, and at least yourself at Mr Zong's office?---But I don't, I don't
remember a meeting taking place in June 2016.

What I want to - - -?---Yeah.

30 I'll take you to some emails in a moment.---Sure.

Do you remember a meeting was arranged but was cancelled?---Oh, that's
right, because Mr Petroulias didn't turn up.

You remember that now?---Yeah.

And do you remember that occurred in about the middle of 2016?
---Probably, yes.

40 THE COMMISSIONER: Who didn't turn up?---Sorry?

Who did not - - -?---Mr Petroulias just didn't turn up.

Sorry?---Mr Petroulias didn't turn up.

Oh, I see. Did you know what the meeting was being called for?---Well, I
think the meeting was to mediate and find a solution to our, to our, to our
problems.

The problems being associated with the dealings that you did?---So, the dealings that we did, you know, the question of whether we can proceed or whether, you know, whether this deal was finished.

MR CHEN: Anyway, you remember that sequence of events, don't you, that a meeting was arranged?---All I can remember is trying to arrange some sort of meeting where all the parties can come together and come to a compromise.

10

I'll just show you these emails, Mr Rhee. So if you look please at volume 15 page 88, do you recognise that as an email that you received from Mr Fisk of 6 June 2016? That's the top of the email?---Well if it was sent to me, yes, I'll remember, yeah.

You'll see there's a response where you say, "We'll see you tomorrow morning"?---Mmm hmm.

20

And I just want to show you another email as well, so actually, if you go please to page 164, do you, I'm sorry, you don't need to look at that. In any event, that's the meeting that you're referring to earlier?---Yeah. I believe that, from my memory, that meeting didn't happen.

And you were never given a dealing certificate by Mr Petroulias, were you? ---No, no.

30

And he never gave you an explanation, did he, for why he didn't give you one?---I think at that time that he didn't like the way that Mr Zong was dealing with the situation, right, and he wasn't happy because he didn't exercise his options and so on, so as far as he was concerned, you know, the agreement can't, the arrangement can't go forward.

THE COMMISSIONER: Was there ever an explanation as to why Mr Petroulias didn't turn up at the meeting?---I have no idea but from my memory, that meeting didn't happen for some reason or another.

MR CHEN: But were you ever given an explanation as to why he didn't turn up?---No.

40

And he never did give you a dealing certificate?---No.

All right. And Mr Say never gave you a dealing certificate?---No. That was the most important document for the deal to proceed and that document was never produced.

Did Mr Petroulias tell you that by this point in time he had already been dealing with another company called Solstice?---I think there was a mention of that.

All right. And when did you first become aware that Solstice had become a party to whom Mr Petroulias was speaking?---The thing is, when Mr Zong threatened to take the Land Council and Mr Petroulias to court over this transaction, right, Mr Petroulias got in contact with me I think around about that time, June or July, right, and said look, what's, is Tony still going to proceed with his legal proceedings? Right. And he mentioned, and I said to him, how can we get out of it? And I said to Mr Petroulias, well it's very simple, mate, you took his money so you pay the money back, right? Then
10 Mr Petroulias said, look, what about we put this proposal forward to Tony, whether he's willing to do a JV with a particular company.

THE COMMISSIONER: What proposal was he then referring to?---It might've been that company but I'm not exactly sure of the name of the company, but he did mention there's another company that's interested in property and doing the subdivision, whether Tony might be interested in doing a JV.

What was your reaction to that?---I said to him, well, I said to Mr Petroulias,
20 I don't think Tony will be interested in JV at all, you know, he does it himself but he's not interested in partnership.

So, the proposal being referred to as you understood it was the proposal that was being spoken about in this conversation by Mr Petroulias was one that related to the very same land that had been the subject of the transaction with Sunshine?---Yes, I believe so, yes. I believe so, yes.

The same Land Council?---Yeah, the same Land Council, the same land,
30 yeah.

MR CHEN: Did you know about that other company Solstice earlier than that?---I think there was a mention that if there is another group that was interested, and I think that was conveyed to me by Mr Petroulias.

Did you know in fact that negotiations apparently had started with Solstice, that other group - - -?---Ah hmm.

- - - on the 19th or even before 19 November, 2015?

40 MR MENZIES: Well, I object to that question for this reason. That the witness, as I understood his evidence, did not accept that the other company's name was Solstice. He said there was another, there was another corporation, he didn't recall the name. My learned friend is now proceeding upon an assumption that he did accept that. So the - - -

THE COMMISSIONER: All right. Well, we'll clear it up. I don't think there's any other corporation in the frame - - -

MR MENZIES: I beg your pardon?

THE COMMISSIONER: - - - but we'll just find out.

MR CHEN: I thought he did accept it, but had you heard of Solstice?---
The, the Solstice was, to be honest, there was a company mentioned but I'm
not sure it was Solstice, just, yeah.

10 Were you aware back as early as 19 November, 2015, that Mr Petroulias
was dealing with another company in relation to the very same land?
---It was ah, I don't think it came directly from Mr Petroulias, I think Mr
Sam Say, Mr Say might have said something about that.

Did that strike you as odd, that the very same land that was the subject of
the Sunshine agreements was being discussed with another company?
---Of course it was odd, yeah.

Did you have anything to do with that?---No, I, I don't know these people.

20 So far as you were aware was there a binding agreement between all the
parties with this land?---My understanding was he, I thought he had a, he
had a contractual agreement with, with Sunshine, right, and they want, they
want, they want to proceed. As to why this other company got involved I
have no idea.

Now, after, did you find out that the Sunshine deal did not go ahead?
---Well, the, the, I only found out subsequently when, when Sunshine
decided to take legal proceedings against the Land Council and Mr
Petroulias or the, or the, or the company called Gow.

30 Who told you that there were legal proceedings, do you know?---It was
actually, actually firstly it was, it was mentioned by Tony Zong that said he
was going, they were going to proceed, then Mr Petroulias confirmed that
later on.

Did he make contact with you and tell you that?---Who, Mr Zong?

40 No, Mr Petroulias.---He, he, he ah, he, I think it was, I think he wanted to, to
have a cup of coffee with me at Burwood and ah, and after months of not
getting in touch with him I finally got in touch with him and we decided to
go for a cup of coffee and during that meeting I think he actually mentioned
that Tony Zong's decided to take legal proceedings against him.

And what did you say about it, if anything?---Well, he asked me, you know,
how can we get this legal proceedings go away and I said to him, "Very
simple, you just pay the money back to him."

And what did Mr Petroulias say to that?---Mr Petroulias said, "I'm not going to give the money back to him and he can do whatever he wants," or Mr Zong.

Did you have any other contact with Mr Petroulias after that meeting when you caught up with him in Burwood?---Yeah, I think I didn't see him for quite a while then probably might have met him another three or four months later down the track.

10 And did you, what was the discussion that you had with Mr Petroulias?
---The discussion was that he wanted me to, whether, whether I'd act as a witness in his defence against Mr Zong.

Ah hmm. And what did you say?---And I said, and then he was, he was going to, you know, wanted to pay for my services for attending court and I told him, look, something that I don't want to get involved but I'll think about it and a couple of days later I rang him and says, look, I'm not interested, I'm not going to, I'm not going to do that.

20 Right. And why did you not want to assist Mr Petroulias?---Well, it's very simple, I thought the litigation is between, mainly between Mr Petroulias and Mr Zong and I've got a conflict of interest, right, 'cause Tony Zong is a friend of mine, right, and ah, so I didn't particularly want to act as a witness for Mr Petroulias.

Right. Did you ever have a conversation with Mr Petroulias about where the money had gone?---Yes.

30 And what did you ask him if anything about that?---I asked him where the money went and I said, "So where did the \$750,000-odd that was a trust account, where did it go?" Right.

And what did he say?---And he said, "It's none of your business."

And is that the last dealings that you had with Mr Petroulias?---Yeah, I believe so, yes.

40 Right. And what about Mr Say, when was your last dealings with Mr Say?
---Mr Say was, the last time I had a dealing with him was ah, I think it was back in ah, probably 2016, right, when, when I think during the conversation that, with Mr Petroulias when we met and had a cup of, cup of, a cup of coffee with Mr Petroulias, that Mr Petroulias paid the, paid Mr Sam Say \$105,000 out of the trust account.

Did he say why he paid him that money?---He said it was the money that Sam Say wanted so he gave it to him.

THE COMMISSIONER: Sorry, say that again.---I asked him, “Why did you pay Sam Say \$105,000 out of the trust account?” And all Mr Petroulias said, “Oh, it was the money that he’s entitled to.” And I said, I said, “Where’s mine?” And he says, “Oh, I don't know. You sort it out with Sammy.”

10 MR CHEN: Did he give you any more detail as to where the entitlement came from?---Well, I asked him okay and what was said to me was that Mr Zong gave authority to, to Knight Lawyers or Mr Petroulias to release the money, the \$750,000 in the trust account and that was told, that was told by Mr Petroulias not by Mr Zong.

That’s what he said when you had this conversation with him?---Yeah, that’s right.

And that’s the context of how Mr Say got this \$105,000?---Yeah, and I asked Mr Say, you know, why did you get \$105,000 and I asked him.

20 And what did he say to that?---Oh, he said oh, that was for services provided to Mr Petroulias going around all over New South Wales or all over eastern Australia looking for land council properties which, which I didn’t believe.

All right. Did you know he did that work, Mr Say?---I asked Mr Petroulias whether he did it and Mr Petroulias said no.

30 Now, I just want to ask you some questions about how the money was agreed upon so it’s a new topic. There was some discussions were there not at or around October, 2015 - - -

THE COMMISSIONER: Mr Chen, are these discussions that are said to involve Mr Khee?

MR CHEN: Rhee. Yes, they do Commissioner.

THE COMMISSIONER: And when do these discussions take place, what period of time?

40 MR CHEN: In simple terms October, 2015 so pre and post execution of the agreements.

THE COMMISSIONER: I don’t know quite where you’re going but perhaps Mr Khee should be given the benefit at least if he wants to object to these questions. If you think that might be an appropriate course then I’ll do so.

MR CHEN: I do think it’s appropriate.

THE COMMISSIONER: Yes. All right. Mr Khee, you recall that I earlier said that you're entitled to object if you wish to and the effect of that is to give you the protection that I referred to. This is a line of questioning apparently that involves discussions about money being paid and I think somehow it may involve you in the discussions or something to do with the money. I have no idea myself what it's about but I just raise it because you are entitled to object to a particular line of questioning if you wish and hence in relation to this matter before we get into to. If you do want to object it's an opportunity for you to do so and I can make a declaration to that effect if you want it.---Okay. Thank you.

Would you wish to?---I don't know what the questions are so - - -

No. Well, I'm just giving you an opportunity to say if you wish.---Okay. If I wish that I will object, yes.

I'm sorry?---If I wish to object I will.

All right. Well, let's just wait and see and you might - - -?---Yeah. So I don't know what the questions are so - - -

- - - give Mr Khee the opportunity if he wishes to revisit this aspect.

MR CHEN: I'll do that, Commissioner. So I just want to ask you some questions about the transactions generally, Mr Zong, if I can. I'm sorry, Mr Rhee.---Ah hmm.

Now, the parties to the ultimate deal were, or a deal Gows. Isn't that right? ---Yes.

The Land Council?---Yes.

And Sunshine. Now, there might be a difference between the companies but just ignore that for the moment. But they're the essential parties to these transactions. Is that right?---Yeah, I believe so, yeah.

And standing beside that was the agreement you had, Keeju with Sunshine? ---Yes.

Now, you were paid money by Mr Zong's company?---Yes, correct.

And you've given evidence about how that was split?---Yes.

And that was your, in general terms, the entitlement that you had to be paid for introducing and bringing the deal via Mr Say and Mr Petroulias to Mr Zong?---That's right.

But if we just go back to the other agreements, the party who was paying money was the Sunshine Companies to either Gows or the Land Council. Isn't that right?---That's right. Mmm hmm.

Nobody was paying Sunshine, were they, money?---No.

Their deal was whatever it was to acquire something under the agreements in relation to the properties. Is that right?---Yes.

10 Now, there was discussion prior to the – so it's clear, the parties that I've identified are the only parties who are entitled to money, so far as you understand it, namely your company through Mr Say and yourself. Do you agree?---Yes. Yes. Correct.

And on the other hand, Mr Petroulias and his company Gows?---Yes, that's correct.

And also the Land Council?---Yes.

20 Now, do you recall having some meetings prior to the signing of the contract with Mr Petroulias and Mr Say involving how certain monies were to be split?---There were some discussions, yes.

And there was a discussion, was there not, involving how monies that were to be paid as commission were to be paid to individuals?---But the, at the end, the amounts were actually decided by Mr Zong, where discussions between Mr Petroulias, Mr Say and myself as to how much we wanted to be paid and when to be paid, right, but at the end of the day it was the manner in which the payment was going to be made, as to when and where or how
30 much was determined by Mr Zong.

But you recall having meetings concerning how monies were to be paid?
---Yes.

And to who?---Yes.

And they involved, as you say at least, yourself. Would you mind just saying yes, if you agree?---Yes, yes.

40 Because it's being recorded?---Yes.

And Mr Say?---Yes.

Mr Petroulias?---Mr Petroulias or Gow, they call Gow.

And Mr Zong, you say, as well?---Mr Zong getting paid?

No, sorry, we might be across purposes, it sounds like we are. I'm just saying the discussions involved those four people, yourself, Mr Zong, Mr Say and Mr Petroulias?---Yeah. Yeah. That's correct. Yeah.

And it was agreed, was it not, that certain monies would be paid to Mr Petroulias, or Gows?---Yes.

10 That monies would be paid to you and to Sam Say pursuant to whatever agreement you put together?---Yes.

But there was also a discussion, wasn't there, about paying Nick, being Mr Petroulias himself?---No.

No. And there was also discussion, wasn't there, about paying Mr Richard Green. Isn't that right?---I don't recall that because all that, any payments to Mr Green was done through, was going to go through Mr Petroulias or Gow. There was no direct, there was no direct payment made by Sunshine to Mr Green.

20 What I'm just asking you about at the moment is was there a discussion about it, Mr Rhee?---I don't, I don't recall any discussions, no.

Richard Green was the only Richard you dealt with in this transaction. Isn't that right?---Yes, I believe so. Yeah.

Well, you can't think of any other Richard, can you?---No, I don't think so.

30 All right. So, would you have a look please at Exhibit 63, page 28? Do you see down the bottom there, that's an email to you sent from Mr Say?---
There was, maybe there would've been some discussions but these amounts were paid as per email.

All right. There was, leaving aside the amounts for a moment, there was certainly discussion, wasn't there, about payments to the individuals mentioned in this email. Isn't that right?---If it's there, yeah.

If you want to consider, Mr Rhee, giving your evidence under a declaration, please feel free to do so. Do you understand what that is?

40 THE COMMISSIONER: So, I think perhaps to make it clear, what your attention is being drawn to is, what was said to be a discussion or discussions, an email which was just shown to you in which it, it might be suggested that there was a deal done or agreements entered into for payments to be made to individuals. That it was, if you like, an arrangement or a scheme whereby monies would be paid out of the transactions that were being negotiated to individuals as some form of reward that, as I understand it, might be said. Now, before we go any further about that, insofar as you are concerned, and whether you were in fact involved in the discussions or

not it may become clearer later, but you're entitled to object to answering questions on the on this line of questioning if you wish and I can make a declaration as I earlier referred you to, that the answers you give in relation to this line of questioning, if objected to, then cannot be used against you in any other proceedings. Do you follow what I'm saying?---Sure.

10 Yes. So I think Counsel Assisting is simply pausing to give you an opportunity. Again, as I have indicated, you are entitled to have that opportunity if you wish to object to this line of questioning.---(not transcribable)

Yes.---It's okay. If we can just get that document again.

Just before we get there - - -?---Sorry, just, just to refresh my memory. That - - -

Mr, Mr - - -?---Sorry.

20 Sorry. Let me deal with one thing at a time.---Okay.

As I understand it, you do want to take the objection to this line of questioning. Is that right?---Yes.

And you're entitled to do so if you wish.---Okay.

Yes. All right?---Yes.

30 Pursuant to section 38 of the Independent Commission Against Corruption Act, I declare that all answers given by this witness, Mr Khee, and all documents or any other things produced by him during the course of his evidence on this line of questioning, can be regarded as having been given or produced on objection and therefore, there is no need for Mr Khee to make objection in respect of any particular question or any particular document or thing produced.

40 **PURSUANT TO SECTION 38 OF THE INDEPENDENT COMMISSION AGAINST CORRUPTION ACT, I DECLARE THAT ALL ANSWERS GIVEN BY THIS WITNESS, AND ALL DOCUMENTS OR ANY OTHER THINGS PRODUCED BY HIM DURING THE COURSE OF HIS EVIDENCE ON THIS LINE OF QUESTIONING, CAN BE REGARDED AS HAVING BEEN GIVEN OR PRODUCED ON OBJECTION AND THEREFORE, THERE IS NO NEED FOR THE WITNESS TO MAKE OBJECTION IN RESPECT OF ANY PARTICULAR QUESTION OR ANY PARTICULAR DOCUMENT OR THING PRODUCED.**

THE COMMISSIONER: The line of questioning concerns a discussion said to have occurred in or about October, 2015?

MR CHEN: Yes, Commissioner.

THE COMMISSIONER: And to which Exhibit 63, page 28 is said to have a bearing. All right. Now, I've made that declaration and we'll go back talking about the topic, Mr Khee. Yes.

10 MR CHEN: You wanted to look at it on the screen again?---Yes, sure.

Mr Rhee, you'll see it's on the screen again now for you and if you prefer it in a hard copy, that can be made available.---Ah hmm. Okay.

Sorry, did you read what you wanted to read?---Yeah. Well, this now, just refreshing my memory. That proposal or that, apparently was, was instigated by Mr Say. It was just a proposal sent to us, to, to me and Nick.

Leaving aside the figures for the moment.---Yeah. Ah hmm.

20

There was certainly a discussion, was there not, about payments to the individuals nominated in that email. Isn't that right?---There, there may have been some discussions but it was just a general discussion.

And it certainly involved Richard Green, didn't it?---Well this, Richard Green in this discussion, I, I don't recall anything, anything being mentioned by Richard, oh about, in regards to any payments being made, paid by Richard to, paid to Richard Green.

30 Ah hmm. Anyway - - -?---This, this is something that was formulated by Mr, Mr, Mr, Mr Say.

All right. Well, let's- - -?---So might he might have had discussions with Nick, I don't know.

All right. Anyway, do you recall receiving this email?---Yes.

Do you recall responding to it in any way?---I, I, I may have said, "It's up to you guys."

40

I see.---Yeah.

THE COMMISSIONER: Sorry, you might have said?---Up to, up to you guys. It's. it's not something for me to decide.

MR CHEN: I'm not putting to you, Mr Rhee, so it's clear, that you were participating in any of the decision making as to who should receive money or how much.---Ah hmm.

You understand that?---Yes.

What I'm just asking you at the moment is questions directed to whether you were involved in discussions where that subject matter was discussed? Do you understand?---There might have been discussions but it's, precisely what we discussed, I don't remember. No.

10 Right. So do you recall there being any other discussions beyond, or any other communications of any kind beyond the one which was at page 28 of Exhibit 63, the email?

THE COMMISSIONER: That's the one on the screen.---On the screen, yeah. Look, I don't, I don't remember any subsequent discussions about this email, right, and, and you know, it wasn't something, to me this email wasn't that important to me.

20 MR CHEN: Would you have a - - -?---Because at the end of the day that's not how the money was split, so it didn't happen as to what the email said.

Now, would you have a look – I withdraw that. Do you recall Mr Say sending you any other communications at all about how money might be split and with who?---There might have been, yes.

And do you know or can you recall now whether you had any other discussions about it at all?---We might have had some general discussions about it but it was nothing formal, no, I don't think so.

30 So is it the case that the extent to which you would be able to assist, it would really be linked to whatever emails you received or sent at the time? Is that really the thrust of what you tell the Commission, you don't have any recollection?---As far as I, as far as I, as far as I know, a lot of the emails that I got was either a copy or it's been forwarded by someone else, which I forwarded to, on to maybe Tony or Sam Say. I was just the guy just passing the information.

Right.---And a lot of the emails or a lot of the documents wasn't instigated by me.

40 Sorry, were not?---A lot of the email and any, any documents wasn't instigated by me.

Would you have a look, please, at Exhibit 63, page 193.---Ah hmm.

Just have a look at the top of the page if you would.---Ah hmm.

Do you see that's an email from you to Mr Say of 23 October, 2015?
---That's, that's from Mr Say, wasn't it, to me?---Yeah.

Sorry, did I say the other way?---Yeah.

THE COMMISSIONER: Yes, you did.

MR CHEN: Sorry. From Mr Say to you?---Ah hmm.

And you see he asks you to send on to Nick?---Yeah, probably, yeah, if it says I probably did probably forward it to Nick.

10

Right. And do you recall receiving this email?---Yes.

And you'll see again if you look down it breaks down payments.---This, this email, just to, just to make it clear, right, okay, I do recall receiving it, right, but this is, this is (not transcribable) which Mr Sammy Say thought of, right, it was just, there was, it was just his opinion as to how he want to be paid, right, which nobody took, nobody took it seriously. It was, it was a (not transcribable) email as to Mr, Mr Say was getting a bit excited because the deal was fairly close to being finalised and he dream about how the money should be paid. So it was his instigation, right, and his thoughts.

20

Right. Well, some of it's accurate at least if you look at the first part because - - -?---Ah hmm.

- - - Keeju was to be paid two hundred and - - -?---That's right, I mean it, it - - -

Just, Mr, Mr Rhee - - -?---Ah hmm.

30 - - - just let me ask the questions first.---Sure.

I'll let you answer. Some of it's accurate, isn't it, because \$250,000 was paid to Keeju?---Yes, ah hmm.

So it wasn't completely in another galaxy, it was accurate at least in that respect, wasn't it?---Well, some of it's accurate, yeah, not all of it, no.

And you'll see as well down the bottom there's a break-up with the initials "R 275."---Ah hmm.

40

Do you know anything about that?---Yeah, I think that was, yeah, I think that might have been Richard Green.

Yeah.

THE COMMISSIONER: Did you understand that there was a proposal floated that Richard Green to be paid?---It was a proposal that was made by Mr Say.

By Mr Say?---Yeah. It wasn't a proposal made, made by me or Nick.

No.---Petroulias, sorry. It was, it was something that was instigated by Mr Say.

MR CHEN: And if you go down then, if you just assume for the moment that 23 October is a Friday, you'll see the next email is the Saturday, 24 October.---Mmm.

10

And that's from Mr Say to yourself and also to Nick.---Ah hmm.

Do you see that?---Yes.

It says, "These are the figures we have agreed upon with the split." Do you see that?---Yes.

"Before Keith and I speak to Tony on Monday we want to make sure we're all on the same page." Do you see that?---Ah hmm.

20

And again, you'll see that the break up identified \$275,000 next to initial R. Do you see that?---Yes.

And do you recall receiving a response to this email?---From who?

I'm sorry?---From who?

From anybody. From Nick?---No. I don't, I don't, I don't feel we actually got it, I don't remember getting any confirmation agreed to these terms.

30

Did you have a meeting with Mr Zong about these matters?---Yeah, I think we did, probably have, yeah.

And there was a discussion, wasn't there, about payment of some kind of money to Mr Green, wasn't there?---I don't remember. All I can remember was the final payment, the procurement deed was prepared by Mr Zong, right, and any money, if it was anything that was paid to Mr Green would have been paid through Gow.

40

But what I'm - - - ?---I don't recall any direct payment being made to Mr Green.

But what I'm just putting to you is that there was some discussion involving a payment to Mr Green. Do you agree with that?---There might've been some discussions, but I'm not 100 per cent sure.

Well just have a look if you would at page 199 of Exhibit 63. You will recognise that as an email that you sent to Tony and to Sam Say?---Mmm hmm.

And it refers to a meeting you had on Monday?---Mmm hmm.

So this is an email sent on 29 October?---Mmm hmm.

10 And it talks about you were going to give the money to Richard. Do you see that?---Yeah. They might have some discussions about, because it was, I think it was in regards to the \$50,000 that Mr – Sunshine Properties made into Knightsbridge Trust Account, and out of that \$2000 was for some sort of sponsorship. I think when the deal was done, on top of the 1.10 per cent deposit which Mr Zong has made, he wanted the remaining \$48,000 back. So I think Mr Zong instructed me to get in contact with Knightsbridge North Lawyers to get the \$48,000 back.

20 Sorry, what you're saying is that Mr Zong asked you to get the money back?---Yes.

Well the agreement has just been signed?---Yeah, but the \$48,000 had nothing to do with the agreement, that was the deposit that was made, remember? If you recall, there was a \$50,000 deposit that was made into the trust account of Knightsbridge North Lawyers.

30 It's the case, isn't it, that irrespective of whether that's the correct construction of the agreements, Mr Rhee, what was discussed at this meeting on Monday was that Mr Green was to be paid a sum of money. Isn't that right?---There might've been some discussions, yes.

You're agreeing with me there was?---There might've been. I'm not 100 per cent sure. I mean, what's in the email is maybe that's what I said, it's the way it happened, I'm not sure.

Well it certainly is clear in its language, is it not, that money was to go to Richard? Do you agree?---But the thing is, that was up to Knightsbridge North Lawyers, it wasn't up to me.

40 THE COMMISSIONER: Yes, we understand that but we're just talking about an arrangement that was being discussed for payment of some monies to Richard Green, not talking about who is going to pay it at this stage. You see, the first two lines of your email, it says, as discussed and agreed in our meeting on Monday, any refund of \$48,000 from the Knightsbridge North Lawyers, presumably trust account, it goes on to say you, that's Tony, was going to give the money to Richard. Now, I think you're just being asked to address your mind to the - - - ?---If I wrote this email, the \$48,000, anything payable to Richard, the decision wasn't made by me. It was either a suggestion either from Mr Say or Mr Petroulias.

Look, we're not dealing with the proposition that you suggested. Nobody is putting that to you at the moment. All I'm trying to assist you or your recollection with is that the first line of your email is referring to a refund.--- Ah hmm.

It says, "A refund in the amount of \$48,000 and the source of the moneys is said to be - - -?---Oh, okay.

10 - - - from Knightsbridge Lawyers." So there's a proposition there. There's some money which is available to be paid or utilised for paying Richard Green some money. It goes on to say, "The agreement in regards to the \$48,000 has nothing to do with Keeju, Sammy and me." So the email suggests there's been some discussion whereby Tony is going to agree to moneys being paid through to Green.---Sorry. Yeah, yeah.

So that's the way it appears.---Yeah, sure. Sorry. Now, now, now I, I remember. I mean just - - -

20 All right. Now, what - - -?---I should, I should have read it more carefully, sorry.

Now, having looked at that again what is your recollection?---The recollection was is that Mr Zong have said oh look, get the, get the \$50,000 back. \$2,000 is gone. It's already gone to Richard so why don't we give \$48,000 to Richard. I'm sorry about that. I didn't, I should have read the email more properly, sorry.

30 MR CHEN: And that was discussed at this meeting on the Monday?---Yes, I think, yeah.

And who was at this meeting?---If he said so, yes.

And who was at this meeting on the Monday, yourself obviously, Mr Zong?---No, Mr Zong, and Mr Zong and probably, Mr Zong and probably just, just my (not transcribable) and maybe Mr Say.

40 All right.---I don't think Mr Petroulias was there. I'm not sure. There were a lot of meetings and so I can't recall every meeting, sorry.

Commissioner, could I ask for an early lunch break. There's just some matters I need to take some instructions on before I continue further.

THE COMMISSIONER: Yes, certainly. We'll take the luncheon break now and we'll resume at 2 o'clock.

LUNCHEON ADJOURNMENT

[12.57pm]