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INDEPENDENT COMMISSION AGAINST CORRUPTION

PATRICIA McDONALD SC
COMMISSIONER

PUBLIC HEARING

OPERATION DASHA

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TRANSCRIPT OF PROCEEDINGS

AT SYDNEY

ON THURSDAY 12 JULY, 2018

AT 9.30AM

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This transcript has been prepared in accordance with conventions used in the Supreme Court.

THE COMMISSIONER: All right. Any matters anybody needs to raise beforehand?

MR BUCHANAN: Not for our part, Commissioner.

THE COMMISSIONER: All right. Natasha, we'll just re-swear.

THE COMMISSIONER: Mr Buchanan.

MR BUCHANAN: Thank you, Commissioner. Mr Demian, yesterday you gave evidence, on page 2155, line 3, that it was in late 2015 that you thought you might sell the Harrison's property and page 2156, line 23, that there was a discussion that you thought, to the best of your knowledge, may have been late in May 2016 that led to a discussion with Mr Hawatt in late May 2016, which led to a meeting, and you agreed with this question, "And was that the meeting you told us about yesterday that involved Mr Vasil and Mr Dabassis?" And you said, "That's correct." "Was that meeting held in a café?" "Yes." Could you tell us, please, what happened to cause you to be at that meeting at a café in Earlwood?---I think, I recall that George Vasil called me and said that a colleague of his has a potential purchaser and he would be interested in meeting with me and it was late in May that I think we ended up having a meeting on Saturday morning from recollection. In that meeting there was myself, I remember John Dabassis and I remember Michael was there.

And was there anyone else present?---I can't recall. I think there could have been a fourth one with John but I can't recall.

Was this a time when the CBRE agency agreement was on foot?---It, it had become an open agency at that time.

It had become, sorry?---An open agency. So, it was no longer exclusive.

30 And did Mr Vasil tell you who the colleague who had the substantial purchaser was?---Not over the phone.

When you say Mr Dabassis was at the meeting on the on the Sunday morning - - -?---Saturday morning.

I'm sorry, Saturday, I misheard. Had you come across Mr Dabassis before? ---No.

40 Had you heard of him before?---No.

Did Mr Vasil identify the substantial purchaser in his communication with you?---No.

Did he indicate the nature or origin of the potential purchaser?---Look, I understood it to be a Chinese investor.

Was it from something George Vasil said to you that you understood that they were a Chinese investor?---Oh, look, I think there had been an

exchange of SMSs in the past which I've declined to accept, that seems to be the same indicator.

And were those SMSs with George Vasil?---I think it could have been Michael forwarded them on to me from someone, I don't know who that he forwarded them from, but it just, from memory it said, "For your information," and the message came below and I didn't really take up on that.

10 But I've got a feeling that we've been here before, but did you infer from anything you had been told by George Vasil and anything that you knew about Michael Hawatt's relationship with George Vasil that the messages he was forwarded on to you were either from or on behalf of George Vasil?
---Or someone, or someone, yes.

Now, how many conversations with George Vasil were there about this before that meeting?---Look, I, regarding this particular meeting?

20 Yes.---Okay. I think there was one telephone discussion where he said that he understands that the agency is no longer with CBRE and he might have an interested party, a colleague of his that wants to introduce a purchaser.

So it was that same call that you told us about a moment ago?---Yes.

The one call?---Yes. It was, yeah, possibly one, possibly two, I don't know, but it was at least one call.

30 And what was it about – no, I withdraw that. Why did you go to the meeting?---Well, as I said, there has been persistence over a period of time that there is that Chinese investor who's very keen on a purchase or a property in the area, which led me to go and have the meeting with them.

You I take it were satisfied that it was worth your time and effort to attend the meeting to listen to what might be said about the offer. Is that right?
---Oh, you can never be sure.

40 I understand that, but I just want to explore why you attended. And do I take it that you attended because you thought there was something in it for you potentially?---Well, there's a potential purchaser, yes.

Yes. But you had been told about potential purchasers before. Was the difference on this occasion that the CBRE agency wasn't exclusive or was there some other reason that caused you to actually respond by going to a meeting?---Look, I suppose I didn't want to – there's three points here, one is that we had to go through a major marketing group for any of our transactions.

I do apologise, I didn't quite understand what you said there. Could you say it again?---I've explained to George when he made contact in the past I couldn't deal with him and we have to go through a tender process with one of the major five real estates.

Yes.---And yeah, so I've made that clear on several occasions actually.

10 And do I infer from your evidence that period had finished and for that reason you responded by actually attending a meeting rather than saying, no, sorry, I can't be involved?---I was between real estate marketing groups, so basically the CBRE, as I stated before, had expired around mid to late May and I was interviewing another couple of marketing groups to take on the forward marketing. So that was the reason. I was in between, there was a potential, I went to the meeting.

20 Before it expired had the CBRE agency agreement resulted in any potential offers?---Yes. From recollection there was about half a dozen, some were conditional, some were unconditional, some were high, some were low, so they were not suitable and we didn't enter into any, any agreement.

Now, you said, "We," a moment ago.---I.

By that, yes, you mean you in consultation with whoever you might be consulting about?---That's right. My employees, yes.

30 Yes. Thank you. Now, did George make the arrangements for the meeting as to venue and time and date or did somebody else?---I believe George told me where the meeting was going to be held and asked me what time I would be available. From memory, it would have been 10.00-11.00. I can't remember the time.

And when you got there you found that Michael Hawatt was at the meeting as well.---That's correct.

Was that a surprise to you?---Yes and no. Michael had, excuse me, SMS'd me, emailed in the past regarding that, SMSs, sorry, about a potential purchaser and when I turned up, he was at the meeting.

40 But had you had any communication with Michael Hawatt in the days or weeks before the meeting about this potential purchaser?---I'm not sure if it's the same potential purchaser. It was referred to as a Chinese investor. Then I had advice that I couldn't deal with him on a couple of occasions.

Who was that advice from?---The advice, I think, once by SMS and once verbally that I couldn't deal with the small agencies.

Oh, I'm sorry, you were saying advice you gave him?---In the past when the, I'm not sure whether the same person but it appears to be similar in

character as far as the SMSs were concerned and my reply in the early days was that I couldn't take them up on the offer.

Right. But just thinking now about that meeting, did you have any communication with Michael Hawatt in the days or weeks beforehand about the meeting?---I don't believe so. I can't recollect. I can't recall.

10 Are you quite sure about that, you can't recall?---As I said there had been some prior SMSs and, which I ignored, and then right at the end, I think was, would have been late May, that I've accepted an invitation to meet. But who arranged it precisely I remember as George. I'm not sure whether Michael had anything to do with it. It was an introduction.

Are you saying the purpose of the meeting was an introduction?---To a marketing guy. So, Michael and George, as I understand it, or understood it back then, were introducing me to a marketing real estate agent that potentially has Chinese investors (not transcribable)

20 So, did George say something to you about Michael being involved in this particular potential introduction?---Look, up till the meeting was an introduction. So, I, I don't recall the precise discussions but there was an arrangement to meet.

Yes. But what I'm trying to explore is your best recollection, if you wouldn't mind, about your understanding of the involvement of Michael Hawatt in this potential introduction that led up to this meeting.---Look, the last involvement I remember from Mr Hawatt was when he SMS'd me regarding a purchaser and I've decline to, to, to take up the offer and discuss it with them.

30 And how long after that SMS was it that this meeting occurred?---Don't know. Two, three, four weeks. Some, something in that range.

How long after that SMS was it that George Vasil called you, told you about a colleague having a substantial purchaser like you've just told us this morning?---Look, George Vasil rang me in the early days and I said I couldn't talk to him, he had to go through CBRE, and asked him to go for a conjunction.

40 That's not my question. You've given evidence today that there was a conversation on the telephone where George Vasil rang you and said that a colleague had a substantial purchaser and it was that call by Mr Vasil that led to this meeting on a Saturday morning where Michael Hawatt was present.---Sure. There was a further call later in May where I've accepted an invitation which I believe, from recollection, that it was George Vasil that invited me to meet a colleague of his who was a marketing agent that could possibly have a potential purchaser.

And in that conversation did he say anything about Michael Hawatt?---Not in that telephone conversation, no.

In the previous conversation did he say anything about Michael Hawatt?
---Oh, look, I don't recall.

10 So you don't have a recollection of Mr Hawatt's name being mentioned between the first call that George Vasil made that led to this meeting and the meeting itself where Michael Hawatt was present. Is that right?---No, it's not. What I said is that Mr Hawatt had forwarded me some MSSs [sic] which I assumed had come from George Vasil.

But that's previously you've told us.---That's correct, in that period.

At a time when you rejected them because of the exclusive agreement that was on foot with CBRE. That's before the George Vasil call that led to this meeting.---Yes.

20 So what I'm just trying to establish is, in terms of the communications that led to this meeting, what indication did you have that Michael Hawatt might be involved in this introduction before you saw him at the meeting?
---I didn't. My expectation was to be introduced to a marketing group that is likely to be effective in marketing the property for me and could potentially have a purchaser. That was an expectation.

30 And so I need to ask you again, was it a surprise to you to find a man who had not been mentioned in the communications you'd had with George Vasil leading up to this meeting, present at the meeting?---It wasn't a shock, but it was like, it crossed my mind, like what's he doing here basically, but that, that's as far as it went. I didn't question it, I just accepted the meeting.

What was your understanding as to why Mr Hawatt was there?---Didn't even think about it.

Why wouldn't you think about why a person was present at a discussion in which you were involved about a transaction which potentially involved many millions of dollars coming to you?---Sure.

40 Why wouldn't you think about, what's this person doing here?---Well, I was aware that he was familiar with those individuals and had forwarded SMSs to me in the past, so he was aware of what the meeting was all about, so it didn't really come as a shock.

What was the source of your understanding that Mr Hawatt was familiar with Mr Dabassis?---None.

Well, I thought you told us a moment ago that you understood Mr Hawatt was familiar with these individuals, we talked about two other individuals

there, Mr Vasil and Mr Dabassis, we know about your understanding of the relationship between Hawatt and Vasil, what was your understanding at that time of the relationship between Hawatt and Dabassis?---None. I had only met Mr Dabassis for the first time on that day.

Yes.---Never heard his - - -

But had - - -?---Never heard his name before.

10 - - - you some understanding before you met him that he existed?---No.

Had you some understanding before you met him that Michael Hawatt had a relationship with an agent that was talking to George Vasil about whether a purchaser could be introduced to you in respect of the Harrison's property? ---No.

20 So can you tell us what happened at the meeting itself, please?---Sure, yeah. So it was in a coffee shop next to the car park. We sat down. George introduced Mr Dabassis to me. Mr Dabassis then took over and for a few minutes told me about his background and expertise, companies he's worked for, companies he's working with, databases and the rest of it. He then - - -

Can I interrupt you here. Did he say anything about being a real estate agent?---Yes.

He did?---Yes, yes.

30 Thank you.---He did, yeah. He said he was a qualified real estate agent, he's got numerous Chinese purchasers' representatives that work with him and he has an interested party that wants to invest in the area but in particular they're very keen on that site. He then presented a piece of paper from a 2008 diary that basically had some mathematical figures on it which is potential price, GST, commissions and the rest of it. I was a bit sceptical and I've informed him that we can only pay commissions up to 3 per cent, regardless whether there's a purchaser's representative, which I usually understand get paid by the purchaser, not by us, or otherwise. And I didn't really think much of the deal. It didn't sound solid enough for me. The meeting was ended and we left it at that.

40

Excuse me a moment.---Sure.

On the piece of paper, was the offer indicated?---Yes, yes. It was - - -

And what was that?---56, 58, 54, somewhere in that range.

Million?---Yes. Inc, inc GST.

And what was indicated by way of commissions?---Some silly figure, some three point something million from memory, 3.7 possibly, I can't, I can't recall the figure but it was massive.

What did you think of that figure?---Oh, I didn't say, "Look, we can't." I said, "Our maximum that we pay for any sale is 3 per cent and that's in special circumstances."

10 Did you keep that piece of paper? I'm sorry, were you given that piece of paper?---I took that piece of paper and I got a scanned copy of it.

You have a scanned copy of it, do you?---Yes, I have. Yep.

Was there an exchange of business cards that occurred at the meeting?---I don't believe so. I don't believe I had Mr Dabassis' number or nor did I give him my card at the meeting. So, it left with pretty much like going nowhere type transaction.

20 Did Mr Dabassis identify the Chinese purchasers' representatives?---That's what I requested in the meeting and he said he couldn't and wouldn't until an agency is signed, otherwise he wouldn't get paid.

And so I take it you didn't identify the purchasers either?---Not in that meeting.

Did Mr Vasil contribute anything to the meeting?---No. He was, I think he was just supporting Mr Dabassis about how good a transaction man he is and how involved he is with the Chinese community.

30 Did Mr Hawatt contribute to the meeting?---No, really had not much to say at all.

Did you greet him, Mr Hawatt, as a person that you knew or did you pretend that you didn't know him?---Of course as a person I knew.

40 Now, at what point did you make a decision that that particular attempted introduction wasn't going anywhere?---Look, pretty much from the outset, it didn't look, it didn't look genuine enough and especially the way the presentation was made. Like, in an old diary piece of paper and was hand scribbles and it wasn't, it wasn't professional approach at all.

The piece of paper, can I ask you, have you got that in the hearing room or a copy of it electronic or otherwise now?---I can, I can have access to it, yes. If I can get, yes, I have, yep.

Commissioner, could I ask whether we could adjourn very briefly to allow Mr Demian to see if he can obtain a copy of it?

THE COMMISSIONER: Yes. How long do you think you'd need?---Or five minutes if I can get access to Wi-Fi, then I can email it to you.

And that can be facilitated in some way?

MR BUCHANAN: It might be necessary to go down to the lobby perhaps.

THE COMMISSIONER: I'll leave it - - -?---Sure. I understand.

10 MR BUCHANAN: We'll talk to the witness's representatives.

THE COMMISSIONER: All right. We'll adjourn for about 10 minutes.

MR BUCHANAN: Thank you very much.

SHORT ADJOURNMENT

[9.59am]

20 MR BUCHANAN: Sorry, Commissioner, I just need a few moments. Can I perhaps ask the witness some other questions and come back to it?

THE COMMISSIONER: Yes.

MR BUCHANAN: Can I just go back to the question of when the meeting was. Your recollection it was a Saturday morning?---Yeah, from recollection.

30 And I'm not saying you're wrong, I'm just asking what is it that makes you think that it was a Saturday morning?---I think that was the time that suited everybody and especially me, on a Saturday.

Could you have a look at this document, please. That's the document that during the adjournment you arranged to be downloaded from your office. Is that right?---That's correct.

40 And can you describe what that document is to us, please?---Sure. This is the document that was used for presentation of the potential purchaser, starting with a number of figures up the top, one of them being 58, and then there were a three million commission and further a 273 in GST, I think that describes a net figures of about forty-nine point seven, two seven million dollars' worth, and this piece of diary is dated 21 May, 2008.

Did you see this being written in front of you?---No, it was already prepared.

And Mr Dabassis gave it to you?---Mr Dabassis was explaining its content to me and how the deal would work.

And 50 million net to you. Is that right?---That's what this piece of paper says, yes.

Thank you. I tender the copy of the sheet from a May 2008 diary for the day, Wednesday, 21 May, 2008 that the witness has just described.

10 THE COMMISSIONER: All right. The copy of the page from a 2008 diary of 21 May which contains figures presented at a meeting will be Exhibit 127.

#EXH-127 - COPY OF THE PAGE FROM DIARY ENTRY OF 21 MAY 2008 CONTAINING FIGURES PRESENTED AT A MEETING

MR BUCHANAN: Thank you for arranging that, Mr Demian.---That's okay.

20 Did you, at that meeting, indicate that the deal was not one that you were prepared to take further?---That's correct.

At that meeting itself?---That's correct, yes.

Can I just ask you as best as you can recall, what did you say that indicated that?---Two reasons. One is - - -

30 No, I do apologise. No, what did you say to Mr Dabassis that indicated that as far as you were concerned, this deal wasn't going to go anywhere?---I needed to know that there was a general purchaser. So, that was the primary issue I needed to uncover and he couldn't provide that.

THE COMMISSIONER: Sorry, can you say that again? I didn't - - -?---I needed to, I needed to be provided with the potential purchaser's identity to confirm whether it's a genuine offer or just a listing grab we call it. And the second was the amount of commission requested.

40 And you, so you told him that the commission was too high?---Wasn't acceptable, yes.

MR BUCHANAN: Did you indicate why it wasn't acceptable?---Oh, it was too high.

Did you say that?---Yes. I said – I think in the meeting I indicated that 3 per cent would be the maximum that we would pay.

Did Mr Dabassis indicate who would receive the commission?---He indicated that it was a purchaser's representative that needed to be paid and

I said I was aware that purchasers' representatives usually get paid by the purchaser, we only pay out agency agents, that's as far as we go.

Did he indicate whether anyone would share in the commission proposed?
---No. When I said that to him, "We can only enter an agency with one party," he said he will take care of it, he will take the money and pay the purchaser's representatives.

10 And so as far as you were concerned, such commission would be payable to Mr Dabassis, were the deal to go through?---That's correct.

And it was a matter for him as to how he disbursed the proceeds?---It's his company, yes.

20 After that meeting what happened next, if anything, in relation to the introduction of potential purchasers for the Harrison's property?---I think from recollection, the best I can remember is that there was a few SMS and possibly one or two telephone call exchanges were strictly to say, "Look, the commission is a 3 per cent or 2.2 million," from memory. "That's as far as we can go." And I wasn't prepared to sign an agency until such time that a potential purchaser was actually identified but they ended up agreeing that I will give Mr Dabassis, from memory, just 10 days or something of that nature with an agency to introduce a purchaser.

Give him an agency agreement with a currency of about 10 days?---Yeah, 10-12 days, something of that nature, under two weeks anyway.

30 And why did you agree to do that?---Well, they, they sort of pursued it very – they sort of pursued it and, and sort of indicated that the purchaser was super keen and the rest of it. So, as I said, I was in between signing another agency up and I thought, look, I'll, for the benefit of the doubt, I'll give them the, that short period of time.

Did you regard yourself and dealing with Mr Dabassis alone or Mr Dabassis and somebody else?---Mr Dabassis.

Not Mr Dabassis and George Vasil?---No. Absolutely not.

40 And what physically was done to communicate the fact that you were prepared to enter into a short term agency agreement with Mr Dabassis? What did you do?---What I did, I've – I wouldn't provide him any information up until the date I had an agency within the exception of whatever was public and available on the website. I think on 14 June, I was given a document that was dated 4 June of 2016. I've crossed out next to my signatures the 4 and replaced it with 14. I gave my strict agency up until 26 June and I crossed out the entitlements within the exception of one, which was modified that if he introduced a purchaser, that purchaser enters a contract, then he becomes entitled to the commission. I remember also

crossing the commission figure that they had on it and I've reinstated it with a 2.2 million as a commission figure.

So if the witness could be shown volume 23, page 226, please. This will be in Exhibit 69 I think. So that document goes through to page 230 in our volume 23. Is that the agency agreement that you've been speaking about?
---Yes, this is the agency agreement.

10 And just to go through it briefly, the vendor is identified as Sterling, S-t-e-r-l-i-n-g, Linx, L-i-n-x - - -?---Yes.

- - - Pty Limited. Was that one of your special purpose vehicles?---That's correct, yes.

And Galazio Properties, G-a-l-a-z-i-o, was that the name you'd been given as Mr Dabassis' real estate agency?---That's correct, yes.

20 Now, apart from – I withdraw that. Is all the writing on that first page your writing? I do apologise. Is all the writing on that page, as you understand it, Mr Dabassis' writing?---Within exception of the top section where the company's name and my email address, that's my writing, and my mobile number in there.

And in terms of the date in the bottom right-hand corner, who put that there?
---That was there when I had, when I was provided the document.

Turning over to in our volume 23, page 227, page 2 of the document.---Yes.

30 Can you identify any of your writing there?---Yes. My initials on the left-hand side, my initial above the 2.2 million, my initial above the word "two", my initial on the right-hand side of the date, which the expiry date, and again below that the changing of the figure from 2.7 to 2.2 inc GST and initials on the side crossing out entitlements, introduction entitlements.

So you made the change to the amount of the commission. Is that right?
---That's correct, yes.

40 Did you make the change as to the currency of the agreement, the term of the agreement?---Yes, I did, the 26/6/2016, that's my writing, I've changed it.

So page 228 we can see, tell me if I'm wrong, your initials on the left-hand side against clause 8?---Yes, I've crossed that clause out and initialled it.

Thank you. And then page 230, the signature of the principal is your signature and you've written "Sterling Linx PL."---And, and, and the letters 14, sorry, the numerics on the right-hand side.

And - - -?---The number 14.

Yes.---I've crossed the 4 and stated 14 on both of those lines, in line with my signature.

Otherwise was the document already filled out when you first saw it - - -?
---That's correct.

- - - by, as you understood it, Mr Dabassis?---That's correct, yes.

10

And did he sign it in front of you or was it already signed by him?

---I think it was already signed by him, based on memory.

Now, can I ask, please, what were the circumstances leading up to the occasion when you made those changes to this document and signed it?

---I think George Vasil might have, may have attended my office. I have, trying to remember, I think I've received some, an email or SMS from John Dabassis as well about trying to arrange a date, but that first meeting didn't take place, I think following that someone collected it from my office.

20

From my recollection I believe it was Mr Vasil.

And what was the next thing that happened?---Well, the next thing they had the agency and then - - -

No, I do apologise, I mean in respect of this document. Someone collected it from your office.---That's correct.

With you having already made those changes to the document and signed it?

30

---Yes. So I've signed it, scanned it, filed it, gave them the original back, and, and that was that.

And what was the communication that led to Mr Dabassis and you think Mr Vasil attending your office with the agreement in the first place?---Well, the, obviously the, the, the intention is to come and get a signed agency agreement from myself.

But had you communicated to Mr Vasil or Mr Dabassis or anyone else a willingness to enter into - - -?---There was, there was, there was from

40

recollection a meeting set up with Mr Dabassis and that meeting, in that meeting I was insistent that he will bring with them the purchaser's identity. That meeting didn't, didn't take place and a few days after that I've decided to give him the opportunity of a short period of time to see whether he can come up with what he suggested that he had in place.

And you communicated that to whom?---Look, I believe there was messages between me and Mr Dabassis. I think George may have collected it, I recollect. I mean that's a while ago now, but I know someone collected it from my office.

But you saw Mr Dabassis in your office with this agreement, didn't you?
---I don't recall whether he actually came to my office or didn't, but I know that as I said, there was initial meeting he was supposed to turn up which he didn't, I think he may have come with George, I can't recall.

You don't think that there might have been a meeting in your office between you and Mr Vasil and Mr Dabassis in which - - -?---That's what I just - - -

10 - - - this agreement was signed?---That's what I just suggested, yes.

Now, did Mr Hawatt say anything or contribute anything to these communications between the time of the meeting which he attended on a Saturday morning in a café and the time of what you think I think, or what you accept I think is a likely meeting in your office between you and Mr Vasil and Mr Dabassis when this agreement was presented?---Look, I can't recall Mr Hawatt having anything to do with it from that date onward, unless it was some small correspondence, I can't recall.

20 Did Mr Hawatt arrange the meeting in your office?---I honestly don't recall. I don't believe so. I think George organised the collection of the document and John Dabassis organised the meeting that didn't take place.

After the agency agreement had been signed, what happened next in relation to the introduction of potential purchasers?---Well, within a couple of days I've learned that someone in the city had a conjunction agreement with Mr Dabassis which I wasn't - - -

30 Can you explain to us what a conjunction agreement is, please?---It's when another real estate co-signs a further agreement with the original real estate and they will agree on sharing a commission arrangement, a percentage of the commission, could be half, could be 60, could be 40 per cent, I don't know.

And was that - - -?---I wasn't privy to that.

Does that other, sorry, generally speaking - - -?---Yes.

40 - - - in respect of a conjunction agreement, does that other agency do any work in order to share in the commission?---They authorise them to go out and market the property pretty much as they see fit.

THE COMMISSIONER: And does that need your consent?---Not the conjunction. I've already, once I authorise the first principal one, unless I cross out the conjunction section - - -

Okay.--- - - - it will authorise them to do it with as many people as he likes.

MR BUCHANAN: And can you assist us with this particular document. Is there a conjunction term or a non-conjunction term?---Yeah, there would be a term in there somewhere, I'll just try and find it.

Term 13, clause 13 on page 228.---Yeah, unless otherwise instructed.

You didn't cross it out?---I overlooked it. It was a very short agency so I didn't think that will happen.

10 You say you heard that someone had entered into a conjunction agreement with Mr Dabassis?---Correct.

And what happened next?---Well, I think it was Gary from JLL, contacted me to confirm whether the agency with Mr Dabassis is, is, is active I suppose, or, or current. And I've asked him questions and confirmed that it was current and that's when I've learned that Mr Dabassis must have signed conjunction agreements with other real estates.

20 Can I just go back, I do apologise, I forgot to ask you a question earlier about the state of play at the time you signed the agency agreement with Mr Dabassis. Had you had identified to you the purchaser or the purchaser's representative between the purchaser and Mr Dabassis?---Sorry, I'm trying to understand the question.

Yes, sure. I'll break it up into two questions. Had you had identified to you the purchaser or purchasers?---Yes. Oh, no, he had no. Up to that date, the, the answer is no.

30 And I thought from an answer you gave earlier that you understood Mr Dabassis to have been dealing with purchaser's representatives, as you understood what you were being told?---That's correct. That's exactly what he said. He said that he is dealing with purchaser's representatives that, that actually will, will manage the transaction.

Had you had identified to you at the time you signed the agency agreement, those purchaser's representatives?---No, he did not.

40 And notwithstanding your earlier desire to have them identified to you, either the purchaser or the purchaser's representatives, you were nevertheless prepared to enter into this agency agreement with Mr Dabassis?---That's correct.

Having discovered that there was an, someone who had entered into a conjunction agreement with Mr Dabassis, what happened next?---Well, it's pretty much you know, the thought was that, pretty much what I thought he would do and it was you know, disappointing. I've advised them of my disappointment.

Sorry, did anyone convey to you the terms of any offer to purchase the Harrison's property after the time the agency agreement was signed?---I think around a day before the expiry or a day after, I can't remember, I've emailed Mr Dabassis with my disappointment of the conjunction agreement and he replied advising that he only listed it with only one, which is JLL, and he nominated a purchaser's name in that response email, and I think seven days after the agreement I've written to him and I've advised him that if the purchaser goes ahead, then his rights will be preserved and otherwise his, his agency is terminated and any further agreement will be contrary to the, to his licence and that he's not to, he's not authorised to continue
10 advertising the property or working on it from that day forward.

Yes. I just missed a word that you said there, any further - - -?---Marketing.

Marketing would be contrary to what?---To, to the, to his licence, the real estate agency.

To his licence?---Yes.

20 Was an agreement reached with the purchaser he identified?---No, it wasn't. No, there wasn't. The, the conjunction agent, JLL, made contact and asked whether I will give him a small extension to introduce, to see whether he can actually bring the purchaser on board, and I think I gave him an open agency for a couple of days and nothing every eventuated out of it.

So, after the meeting with Mr Hawatt – I do apologise, after the meeting in a café on a Saturday morning in late May, I think you've indicated with Mr Vasil and Mr Dabassis and Mr Hawatt, what contact did you have with Mr Dabassis in relation to the introduction of potential purchasers to you in
30 respect of the Harrison's property?---Look, I, for a week or so, or a bit longer, I insisted that no agency would be signed unless there was an introduction of a name of a purchaser or at least their solicitors or representatives, and he sort of insisted that he couldn't do that unless he had his agents to protect his interest.

Who is, "He"?---Mr Dabassis. He insisted that he couldn't provide the information unless you know, the, the agency was executed to protect his interest because as he understand, my agency no payment, no commission. So, it became a stalemate and, look, I decided for the sake of it, I wasn't
40 doing anything with the property at that time. As I said, I was in between transactions, I gave them that short agency.

Yes. But my question was to this effect, what contact did you have with Mr Hawatt, or what contact did he have with you after that meeting on a Saturday morning, concerning the introduction of potential purchasers for the Harrison's property?---Yes. I believe at, at the beginning Mr Dabassis was not provided my details and I didn't want him to have them. So, there might have been MSSs [sic] forwarded to me from him either via - - -

From?---From Mr Dabassis. Either via George or via Michael I can't, I can't remember. So, there was a couple of SMS, SMSs forwarded via someone's phone to me on his behalf, I believe.

Yes. Was there any other contact that you had with Mr Hawatt or that he had with you after that Saturday morning meeting at a café about introducing purchasers to you for your Harrison's property?---Yeah, look, there was, there were, there were further discussions after a week or so, where we sort of, I would say, "Look, I can't do - - -"

Involving Mr Hawatt?---No, no. It was directly with Mr Dabassis.

What I'm focussing on now is communications with Mr Hawatt.---Okay, sorry. Okay. There may have been one or two SMSs forwarded on someone's behalf. That's, that's my recollection.

Anything more than that?---No, not really. No, because I (not transcribable) clear to Michael some time ago that, "Look, it's, I don't even like doing those deals but it's got to be on terms acceptable to me on a business basis."

So, when you say there may have been one or two SMSs, how many SMSs?---I can't recollect, I can't recall.

You would have recalled if there were numerous SMSs, I take it?---Oh, look, it was a short period so I can't recall but it was a long time ago.

So, is it your memory that Mr Hawatt did remain involved in attempts to introduce purchasers to you for the Harrison's property after that meeting on Saturday morning in the café?---No, he wasn't attempting to introduce purchasers. I think he forwarded or may have forwarded a couple of SMSs on behalf of Mr Dabassis. So, from memory, and this is the best of my recollection is that it would have been, "FYI" and then something will appear underneath it. So, I may have had - - -

That you assumed came from Mr Dabassis?---Yes.

Was there any communication from Mr Hawatt in relation to an introduction from somebody else, that's to say other than Mr Dabassis?---No.

And you're quite certain of that?---I think at one stage, and that would have been about June 2016, something popped up where he said that the, the State Government are doing business – what's it called, when they go overseas, business meetings or – in China and encouraging investors in Sydney and he said one of the MPs involved in those, in those transactions, let's call it, would be keen to introduce some of his business people from China to larger portfolios or larger properties around the state.

Why did you say no in answer to my question as to whether there were any further communications from Mr Hawatt about the introduction of potential purchasers when you knew that that answer was untrue?---No, the answer was not untrue. The answer was that Mr Hawatt did not introduce purchasers.

10 So what happened in relation to the communications from Mr Hawatt in relation to an MP and potential Chinese purchasers?---I think after several SMSs there was a meeting arranged in the city sometimes around that period of time for a coffee, for an introduction, which we met somewhere at that stage, probably a coffee catch-up. The MP at that stage explained to me that he's on the committee that goes to China and they have these business conferences between the two states, and that some of his larger investors that have interests in the state would be interested in large properties around the place, and he has heard that I have some of those.

Sorry, the MP who was talking to you?---That's correct, yes.

20 Who was that MP?---I think it was, from memory, Daryl Maguire MP.

And did anyone introduce Mr Maguire to you?---Michael Hawatt did, yes.

And in what circumstances did he introduce Mr Maguire to you?---Well, he invited me, he asked me whether I'd be interested in meeting, in meeting and I said that, yes, I would. And then I think a week or two weeks later we organised a catch-up in the city. I was interested in the Chinese investment type sort of businesses that would be going from China and who they were, and that's, that was the purpose of the meeting.

30 THE COMMISSIONER: And who attended this coffee shop meeting?---I think there was myself, the MP, Michael, and I think another Chinese representative – and for some reason the Chinese representative, I can't recollect their name – another Chinese representative may have joined us a bit later from one of the companies doing business in Australia.

MR BUCHANAN: And what happened? Were you all sitting around a table?---Yeah, we had a coffee. It was a coffee meeting.

40 Yes. And what happened at that coffee meeting?---Well, I said to you a lot of discussion was about briefing me about those events that take place in China to introduce business.

So it's just the MP talking to you.---That's correct. And then I've tried to explain that I have a couple of large landholdings which may be of interest for investment. And as I said, that's how the discussion started.

And what did Mr Hawatt say?---He was pretty much just there. Didn't say, didn't really contribute anything in those discussions.

As you understood it, why was Mr Hawatt there?---Well, as I said, he made the introduction.

Of the MP to you?---That's correct.

And you say you were joined by a Chinese purchaser or developer or - - -?
---Look, to the best of my, to the best of my ability, I think there was a
fourth person and he was Australian. Whether he was an employee or
10 representative, I can't remember.

When you say Australian, you mean Anglo?---Anglo, that's correct, yes.

And why did he join you as you understood it?---Well, he represents or
works for a large company, a multi-international company as I understand it
as well.

What was that company?---I can't remember the name. I think they do have
an office in Sydney, though.
20

And did that person say anything?---During the discussion, when I
mentioned that I had a few properties around the market, he expressed an
interest that his company may be interested in (not transcribable) one of
those projects.

And do you have an understanding, I'm sorry, did you have an
understanding at the time as to why this gentleman from the Chinese
company had joined you? That's to say, had someone arranged for that to
occur?---I didn't invite him. Obviously I'm not sure – someone would have
30 invited him out of those two to come to the meeting.

Before you attended the meeting, had you been given to understand that he
was going to join you?---Look, the meeting was about the MP but I wasn't,
I can't remember whether it was mentioned of other people joining in or not.
I can't recollect.

Was it a surprise to you that this person joined you? Not their identity so
much as the role they were playing.---No, there was no shocking view there,
no.
40

Was the purpose of the meeting to meet this Australian person working for a
Chinese company? Was that the purpose of the meeting?---It wouldn't have
been the purpose but, as I said, I can't recall whether there was a mention of
another party joining us for that meeting. That was only an introduction.

THE COMMISSIONER: You gave an indication that the fourth person
came a little bit later.---That's correct, yeah.

When the fourth person arrived, was it evident that either, that Mr Hawatt knew him or the MP knew him or they both knew - - -?---It appeared to be that the MP knew him - - -

The MP.--- - - - or invited him. I'm not, but I'm not 100 per cent sure but appeared to be.

MR BUCHANAN: Can I ask, you went to a coffee shop at a particular address in the city. Is that right?---Yes.

10

Who organised for you to go to that particular address in the city at that time?---Mr Hawatt would have, would have forwarded the address of the meeting.

Why would Mr Hawatt have done that, as you understood it?---Well, I didn't know anyone else at that time so the introduction hadn't taken place and then obviously Mr Hawatt provided the address to meet the MP.

20

But as you understood it, what was the role that Mr Hawatt was playing at this stage in any attempt to introduce a purchaser to you in respect of the Harrison's property or any other property?---I have no idea. Look, it was an introduction, there was, again there was no talk about selling properties at that time, it was an introduction that Mr Hawatt organised.

30

But the purpose of the introduction was with a view to, if parties were in agreement, you selling a property or more than one of your properties to this Chinese development company. Is that right?---No, there was no expectation. The expectation that there are a number of entities in China that have business conferences with the State Government agencies or MPs and obviously they get introduced to other Australian businesses for business transactions, so that was my brief understanding of what is possible or likely to be the case, and then obviously I met the MP and we went from there.

40

Where did you get that understanding from, or from whom did you get that understanding?---Mr Hawatt explained to me that the State Government has been active in inviting business from China and one of the MPs involved in those businesses meetings or, you know, whatever you call them, conferences, would be interested to know if there's anything that would make sense to those investors.

And did he identify this MP - - -?---Yes, he did.

- - - at that time?---From memory he did.

That's Mr Maguire?---I'm pretty sure he did, yes.

THE COMMISSIONER: I'm sorry, what did you say, the MP was interested in something that would make sense?---So as I understand it, the
- - -

No, no, what did Mr Hawatt say to you?---I think that they're looking, there are some mega-companies overseas and they're looking for larger transactions or investments.

10 MR BUCHANAN: It's just that it sounds from your description as if someone intended, whether you did or not, that by going to this particular venue at this particular time you would be, you would end up talking to this representative of a Chinese development company. Is that right?---Um - - -

Someone had that intention?---Maybe, I don't know.

Did you have that intention?---I didn't have that intention.

20 Why didn't you have that intention?---Because as I stated, it was a brief introduction to further from there obviously if there were appropriate investors.

Introduction to whom?---Well, the introduction was to Mr Maguire, the MP.

Was that the first time you'd met him?---That's correct, yes.

30 Sorry, I interrupted you, yes.---No, that was it. And as I said, to my understanding is there could be potential company investors from China and I understand I have some sites that may be of interest to larger corporations to invest in.

And so was it a surprise to you when this representative of a Chinese development company joined the three of you?---It wasn't. I thought that was a quick introduction. He was introduced as either an employee or representative of a Chinese larger company.

Yes, but - - -?---So that was no surprise, no.

And who introduced him?---I think Mr Maguire.

40 And you had no idea before this person turned up at the table that you were going to be meeting a person at all, let alone a person like him?---Yeah, look, not to the best of my recollection.

Well, that tends to suggest, sorry, that sounds a bit as if you think that there might have been something going on that indicated that a purpose of the event was to meet the representative of the Chinese development company. ---No. The purpose was very clear. Obviously I had the intention and the desire to meet Chinese investors if that was possible, if the introduction

could be made that would be, that would be idea. I've also accepted that the State Government does that sort of business with larger business communities on both sides and arrange meetings and rest of it. So that was my clear understanding.

Excuse me. After that coffee shop meeting, this was in the city I think you've said somewhere.---Yes.

10 Can I just ascertain how long it went for all together including before the representative of the Chinese company turned up and after?---Half an hour. 40 minutes.

All together?---Yes.

And was there any agreement that had been reached as to what would happen next?---I was provided the business card of Mr Maguire.

20 I'm sorry, you were?---I was given the business, we've exchanged business cards with Mr Maguire and the fourth party. I issued my or provided my business card and there were several contacts following that.

And what was the name of the Chinese development company?---I honestly can't remember it. It's, I do have the record of it but I just can't recall the name.

Country Garden?---Possibly, yes.

30 You know definitely don't you? Possibly is not the truth. You know definitely don't you?---I said I do have it. I said I just didn't recall it till you just mentioned it now. So Country Garden would be a name, yes.

THE COMMISSIONER: And sorry, you said overall the meeting lasted about half an hour to 40 minutes. When did the fourth person from Country Garden arrive?---Oh look, it would have, would have been within five/10 minutes from my recollection.

40 MR BUCHANAN: Can I ask this, what happened – I withdraw that. At the end of that meeting what was your expectation that would happen next?--- I've gone, I've had discussions with that representative from Country Garden and tried to gauge whether there's anything of interest to them and I think I've had further discussions and consultation with Mr Maguire when he was about those trips in China and he emailed me for some of the information for details of those properties.

While Mr Maguire was in China or - - -?---That's correct.

- - - as a result of his work in China?---No, no. I remember one of the, one of the communications we had was whilst he was in China.

Can I ask you this, you arrived at the meeting. Did you arrived with anyone?---No. I was running about 15 minutes late, 10/15 minutes late actually.

That's okay. And was Mr Hawatt and Mr Maguire already there or did - - - ?---That's correct.

- - - one of them join a little later?---No, they were both actually there.

10

Together?---Yes.

Without this, the representative of Country Garden?---From, from recollection, yes.

And when the meeting finished was the representative of Country Garden still there, that is to say, he hadn't left earlier than that?---No. I think, I think from recollection we all left at the same time.

20

And so the MP stayed till the end of the meeting and Mr Hawatt stayed to the end of the meeting. Is that right?---From recollection, yes.

Was there any then discussion after the meeting between you and Mr Hawatt or you and Mr Maguire or both of them as to how to progress the matter?---No. Look, we were all running late to meetings so we went in different directions.

30

But had there been any agreement that you would provide information for example to Country Garden about your properties?---There was an understanding that I will in due course have a chat to the gentleman or his offsidars and provide some information on some of the projects that we had.

Can I ask you this, before that meeting, just thinking of the time of the meeting, had you provided to anyone a list of your properties that might be suitable for consideration by a potential purchaser?---Look, highly unlikely but if I did it would have been just by addresses nothing else.

40

Now, what was the next thing that happened after the meeting was over?---I think I had contact with the representatives of Country Garden and one of the properties that we were interested in was located in Waitara.

In sorry?---Waitara.

Waitara, yes.---Which I provided a set of documents to.

Did you have any further contact with the MP?---Yes. There was several exchanges via SMS and a couple of phone calls. I think one of those discussions was, was – or SMSs I should I say or email, I can't remember –

was, was he was overseas and he was asking for some of those details of some of those assets.

And you provided those details?---I, I recollect that tried to email back and it bounced, it didn't actually go through. I don't know whether he eventually received it or not and that was pretty much the end of it.

Did you have any subsequent contact with Mr Hawatt about the dealings with people who might be able to introduce potential purchasers?---No.
10 Look, after that meeting, that was pretty much the last introduction that was made by Mr Hawatt.

What was the last contact you had with Michael Hawatt?---Oh, look, I don't know.

Last week, last year, last night?---Probably, probably, probably a few months ago, last six months ago, I don't, I don't recall.

And what was the subject matter of the contact?---I don't recall. I don't
20 think it was anything important.

Have you had, you've agree that the subject matter of this inquiry is important?---Yes, absolutely.

Have you had any contact with Michael Hawatt about this inquiry or the giving of evidence in this inquiry?---No, zero.

Why have you not talked to Michael Hawatt about the giving of evidence in this inquiry?---I don't see the necessity of it. I haven't spoken to Mr Hawatt
30 for months now to be quite honest. I think it would have been Christmas last year would have been the last time – look, it's very, very you know, separated contact, if any right now.

You were given a summons to attend this inquiry.---Yes.

And he summons had on it a brief indication of what the inquiry was about.
---Yes.

And that included the name of Michael Hawatt and Pierre Azzi and Spiro
40 Stavis?---That's correct, yes.

Did you not take the opportunity when speak to Michael Hawatt to talk about what this inquiry might be about so far as concerned him?---No. I did not.

Did you contact Michael Hawatt at all to say, "What's this about? I've got a summons to attend the ICAC and your name's on it."---Look, possibly when, when I was first served in. back in 2016, there may have been an

enquiry about what's all this about but since then I've had very, very limited contact, if any with Councillor, or Mr Hawatt.

And if you had contact with him in about 2016 about what this is all about, what did he tell you?---I honestly don't remember. It was, it was the same stuff like, yeah, an inquiry in to something or other at council. He wouldn't, he wasn't specific at all. He wasn't interested in talking about it.

10 But weren't you curious to know why you were being dragged before the ICAC?---Well, I read the documents and I know the reason behind it.

I see. And you didn't have any contact with Mr Hawatt about anything you read in the documents?---No.

And you didn't have any contact with Mr Hawatt about what this might be all about before you read the documents?---No.

When did you first read the documents?---When I was served with them?

20 When was that as you best recall?---I can't remember. I think it was late 2016.

Can I take you to some particular documents and just ask you some questions about them, please. Excuse me a moment. Volume 23, page 164.---I see it.

30 That's the cover page. If I can take you to page 165, that's a copy of a text message extracted from Mr Hawatt's mobile telephone that he sent to you, dated 2 May, 2016, reading, "Hi, Charlie, I have a serious buyer who offered \$120 per site for Harrison. Are you interested in talking with him?" Do you remember getting that text message?---Yes.

What did you understand Mr Hawatt to mean by \$120 per site?
---I think he meant \$120,000 per site.

\$120,000?---Per unit site.

Per unit price. Thank you.---Per unit site.

40 And that's how you understood it, I take it?---Yes.

Thank you. Now, can I ask you, what was your thinking at the time you received this from Michael Hawatt, that is to say did this come out of left field for you or - - -?---To the best of my recollection it did and I don't believe I replied to it.

Can I ask you why you didn't?---I think, again to the best of my recollection, I had expressed to him and other people that I won't be dealing

with any cold calls, we call them, and any marketing of any of my properties will have to go through the proper channels.

But that's something you in fact conveyed to him.---Yes.

Is that right?---Yes.

And did you convey it to him as a result of that text message?

10 ---It would have, I think it would have been portrayed to him a couple of times.

So before and perhaps after the text message?---Possibly, yes.

So would it be fair to say that you had received communications like that from Mr Hawatt before 2 May, 2016, which necessitated you responding and saying I'm not in a position to entertain offers like this?---I can't recall whether, whether it was before 2 May, but I think it was likely after that date, but I can't, I can't be 100 per cent sure of that.

20 Thank you. Can we play an audio recording, please, LII 07849, recorded on 3 May, 2016 at 8.49am.

AUDIO RECORDING PLAYED

[11.07am]

MR BUCHANAN: Commissioner, I tender the audio tape and the transcript.

30 THE COMMISSIONER: The audio file an transcript of LII 07849, recorded on 3 May, 2016, at 8.49am, will be Exhibit 128.

#EXH-128 – TRANSCRIPT SESSION 07849

40 MR BUCHANAN: And I have a suggestion for possible notation to be made on our copies of the transcript, Commissioner. On page 5, the first passage attributed to Mr Hawatt, in the first line, instead of the word "go" Mr Hawatt used the word "got". "He's still got the people." I'm getting nods. I don't know if there are any other - - -

THE COMMISSIONER: Any other disagreement to that? All right.

MR BUCHANAN: Mr Demian, I apologise, I forgot to ask you to keep an eye on the screen and have a look at the transcript as we're going through, so please do tell us if you want me to replay any of it.---No, that's fine.

You recognise the voice of Mr Hawatt and yourself?---Yes.

Now, was the process that you were talking about a process whereby expressions of interest had been called for and people tendered an offer?
---That's correct.

Did you have an agent who was acting for you in that process?---Yes.

And who was that?---CBRE.

10

Is this during the currency of the exclusive agency that CBRE had that you've told us about previously?---That's correct.

Now, you would agree with me that the nature of the conversation that you were having with Mr Hawatt was not exactly pursuant to a professional relationship you had with him as you had previously described?---I disagree with that.

20

Your definitely of a professional relationship in the context of the dealings you had with council extended, did it, to chatting with Mr Hawatt about his understanding of the likelihood or otherwise that you would achieve the price you wanted for the Harrison's property?---I think the discussion was about that the market had dropped since November prior and was dropping, you know, frankly, as going forward.

30

But what interest, as you understand it, did Michael Hawatt, councillor at Canterbury City Council, have in that?---Well, in that SMS that he forwarded he was suggesting that whoever that person is that may be interested had a figure of \$100 million on that SMS, which was way too low.

But what did that have to do with the discharge of his duties, as you understood it, as a councillor on Canterbury City Council?---Absolutely zero. It was just a general discussion.

John Nassif, page 3 of the transcript. Who was he?---John Nassif is one of the larger developers in Sydney.

40

And he was a friend of Michael Hawatt's?---I have no idea.

Sorry, you described him, as I'm looking in the transcript at the bottom of page 3, as "your friend John Nassif".---Can I disagree with that?

Yes, sure.---Which, which page was it on?

Page 3. The cursor is in the left-hand column next to the passage.---Yes, yes, yes.

You appear to have understood that John Nassif was a friend of Mr Hawatt in that conversation.---No, it's actually far from it. We used the, jokingly we used the word "your friend" for people that we disagree with or dislike for one reason or the other. So it's contrary to - - -

10 And what was your understanding of Mr Hawatt's relationship with John Nassif at that stage?---I wasn't aware of any relationship but everyone understand that John Nassif had purchased multiple properties in the area and had at least a couple under construction at that time, so he was well known in the area.

But had he had a falling out with Mr Hawatt as you understood it?---I have no idea.

20 THE COMMISSIONER: You said you used the term "your friend" in a sense ironically to indicate somebody that you had a falling out with or didn't like.---Well, not necessarily a falling out. Someone that, you know, could be someone that we disagree with about something or just minor natures, nothing major. So it's a, it's a friendly, it's an ironic term that we use occasionally just to joke around.

And so what was your understanding of the difference in opinion between Mr Hawatt and Mr Nassif?---I didn't really have any opinion of them but I know Mr Nassif was building some large developments in the area.

30 MR BUCHANAN: I do need to suggest to you that the reference you made in that conversation with Mr Hawatt to "your friend John Nassif" would appear to indicate that you had an understanding at the time that Mr Hawatt had had some dealings with or some opinion of Mr Nassif which was not a terribly happy one, thus the irony.---I have no knowledge of any dealings between those two.

But can you explain to us why you used an ironic tone?---Oh, no, look, it's, as I said it's a simple joke in passing.

But what's the joke?---Well, Mr Nassif is pretty much building quite a number of developments in the area, so that was pretty much the joke. There was nothing into it.

40 Were you indicating that because he was a developer with a number of developments in the area you expected Mr Hawatt to have some sort of dealings with Mr Nassif?---No, I didn't expect anything. I think the whole thing was about Mr Nassif came in with a low offer and we were just joking about that. That's pretty much it. It was not - - -

But it's the reference to "your friend" that we're inquiring about because it seems to indicate an understanding on your part at the time that - - -

MR DREWETT: Commissioner, can I be heard in relation to this evidence.

MR BUCHANAN: I'm sorry.

MR DREWETT: Only a very small part of that particular transcript is being read to this particular witness. Perhaps if it can be put in the context of the words that immediately follow that conversation or that sentence, where my client, Mr Hawatt, says – and it's just been taken off the screen here now –
10 "I don't know him. He's not my friend." Perhaps that could be put to the witness so there's a balanced question put and the witness could respond accordingly. Rather than just extracting particular words out of a transcript, it needs some contextualisation, I would submit, with respect, Commissioner.

MR BUCHANAN: Well, I object to the witness being led which is what, in my submission, just occurred and I would appreciate it if my friend would refrain from attempting to lead a witness by purporting to make an objection.

20 MR DREWETT: I maintain the objection. It's unfair. This Commission is an inquiry and the Commission, in my respectful submission, does not want to be misled and, in my respectful submission, the manner of the question, isolated as it is, without the full context of the question and response, in my respectful submission, is something that may mislead this Commission.

THE COMMISSIONER: Mr Drewett, there's two issues there. So, your objection and there is also the point that Mr Buchanan has made that in your rather expansive objection, it could be seen that you were either suggesting or leading the witness to an answer, which I am troubled by. If you can
30 limit your objections at a general level. If I need more assistance or more detail, we can deal with it in the usual fashion but I think that's the first issue we've got to deal with. The second issue is your objection of raising context. Mr Buchanan, in respect of that?

MR BUCHANAN: Commissioner, it is certainly not unfair. One can completely eliminate what appears after the passage attributed to Mr Demian on page 3 of the transcript about which I've been asking him questions and it is still, in my submission, a relevant matter to know why
40 this witness used the expression, "Your friend," when referring to John Nassif, who had provided a particular bid. The response to it was after the use of the expression, "Your friend," and what we're trying to establish is, what did this witness know of the relationship, if any, between Mr Nassif and Mr Hawatt that caused him to use the words, "Your friend," he says in an ironic fashion and I'm exploring whether, if that be the case, what was it that was the point of the irony in the use of those words.

THE COMMISSIONER: Mr Drewett, do you have anything further to submit?

MR DREWETT: I've made my submission. No, Commissioner.

THE COMMISSIONER: All right. No, I'm going to allow the question. As Mr Buchanan said, it's focusing on what was volunteered or initiated by this particular witness.

10 MR BUCHANAN: Mr Demian, I just want to leave you the opportunity of responding to this, the expression you used to Mr Hawatt, "Your friend John Nassif," bespeaks an understanding that there was a relationship between Mr Nassif and Mr Hawatt of a particular kind about which you were making a joke and that was your understanding of the relationship between Nassif and Hawatt. What do you say?---No, that's incorrect. Absolutely incorrect. I have no - - -

And what's incorrect about it?---I have absolutely no knowledge of any relationship between those two individuals.

20 So, why did you use the words, "Your friend," before using the words, "John Nassif"?---I think I've explained myself but the, the fact that Mr Nassif had made a low offer, that was the irony of the discussion. No more, no less.

THE COMMISSIONER: But it was a low offer to you, not Mr Hawatt.---I don't understand, Commissioner.

I'm not going to - - -

30 MR BUCHANAN: I won't take it any further. I've given the witness an opportunity.

THE COMMISSIONER: Yes.

40 MR BUCHANAN: Can I ask that we go now back to volume 23 and I'll just make an enquiry of – so at page 169A. Moving on to 7 May, 2016, this is three text messages as you can see on the screen to and from Mr Hawatt and yourself. The first is at 12.10pm, where Mr Hawatt says to you, "I have George's people chasing me re. Harrison. They want a sale price and if acceptable, will act quickly. Michael." And then at one minute later you respond, "Let's meet with you and George to discuss may later on in the day if you available." And then a couple of minutes after that Mr Hawatt said, "Okay. I am free after 4.00pm. Can we meet at either my house or Earlwood? Let me know. Michael." Do you see those texts?---Yes, I do, yeah.

Do you recall that exchange?---I can see that exchange, yes.

You can see it but I'm just asking actually can you recall the exchange at this stage?---No. Look, from my recollection I don't recall the, recall the exchange.

Did you meet as you had proposed?---Look, to the best of my recollection possible, yes.

And where did you meet?---I can't recollect. I can't recall.

10 Was it at Mr Hawatt's house or at Earlwood?---Look, again, I can't recall the location if we had a meeting.

What did you understand the word "Earlwood" to refer to? We all know it's a suburb in Sydney.---Well, that's George's real estate office.

And you understood Earlwood to be shorthand for George Vasil's real estate office?---As I understand it, yes.

20 Had you been there before, before 7 May, 2016?---Been where?

To George Vasil's real estate office.---I think possibly once a very long time ago.

When had you last been, before 7 May, 2016 when had you last been?
---Before, before 7, before 7 May but I can't recall.

Weeks before, months before, years before?---Probably a month, a month before. Probably - - -

30 What was the first - I'm sorry, I interrupted you.---No, that's okay. Probably a good year earlier I would say.

And what was the occasion of you first going to George Vasil's office?---I can't remember how it started but there was some property that one of his real estate agents in Chelmsford - - -

In Campsie?---In Chelmsford Street in Campsie, Chelmsford. Chelmsford.

40 Could you spell the name of the street?---I think it's C-h-e-m - - -

Oh, Chelmsford?---Chelmsford, yeah.

Yes, right.---I think there may have been a property or two in there that his, one of his real estate agents was looking at or possibly. I can't remember.

Did you have any contact with Mr Vasil about 2 Chelmsford Avenue, the property the subject of the complaint about isolation that the IHAP fastened on - - -?---I think there was - - -

- - - in respect of 570-580 Canterbury Road?---Yeah. I think there was number 2, 4 and 6 that he may have had some knowledge of as far as (not transcribable) is concerned. But as I said, it's such a long time ago I can't even recall. Because two of those properties were listed and one of them wasn't listed at that stage. Not with George, with another real estate agent.

10 Did you use George Vasil to try to acquire 2 Chelmsford Avenue?---I actually had discussions with them about whether he's aware of them or pricing or anything like that. There was no discussion about any acquisition of those.

THE COMMISSIONER: Sorry, you had a discussion with George Vasil about those three - - -?---About - - -

- - - properties in Chelmsford Street?---Yes, yes, his knowledge. Chelmsford, yeah.

20 MR BUCHANAN: So it's possible is it that you had a meeting on 7 May, given what we have in front of us and in terms of the printout of the extraction, with George Vasil and Michael Hawatt about people that George Vasil had who were chasing Michael Hawatt in relation to Harrison's? ---Look, from my recollection it's possible. I don't recall the meeting.

Did it go anywhere?---No. George, yeah, sorry, no, that's fine.

This was a time when you had an agency agreement with CBRE?---That's correct.

30 Can I ask why you would bother meeting with them in that circumstance, given that you previously told us and indeed we've heard the evidence, seen the evidence that you had responded to messages like this from Michael and George by saying, look, I can't do anything, I've got this agreement on foot, it's exclusive, we've got to wait till it ends.---Yeah.

40 Why did you bother going to a meeting or why did you bother even considering going to a meeting rather than responding with that sort of response on this occasion?---I think the tender process was nearing the end and obviously we wanted to explore as many potential tenderers as possible. George had been invited a number of times to communicate with CBRE and deal with them or through them if need, if he needs to, so that was it.

I just want to check though, was there anything in it for George to communicate the identity of potential purchasers that he might have had to CBRE if CBRE had an exclusive agency?---I honestly don't know. It's up to CBRE or the purchaser, he could be working for either one of those, I don't know.

I note the time, Commissioner.

THE COMMISSIONER: All right. We'll adjourn for morning tea and resume at 10 to 12.00.

SHORT ADJOURNMENT

[11.32am]

10 MR BUCHANAN: Commissioner. Mr Demian, can we play, not Mr Demian, can we play, please – I do apologise.

MS GALL: Commissioner.

THE COMMISSIONER: Oh, I'm sorry.

MS GALL: No, no, I apologise, I'm very far back. I seek to appear – my name is Gall, G-a-l-l. I seek leave to appear for Mr Daryl Maguire who I understand will be the next witness after Mr Demian has been finished.

20

THE COMMISSIONER: Thank you, Ms Gall, you are authorised to appear for Mr Maguire.

MS GALL: Thank you, Commissioner.

MR BUCHANAN: Could we play, please, LII 08328, recorded on 9 May, 2016, commencing at 11.51am.

30 **AUDIO RECORDING PLAYED**

[11.59am]

MR BUCHANAN: I tender the audio file and the transcript of that recording.

THE COMMISSIONER: The audio file and transcript of LII 08328 recorded on 9 May, 2016 at 11.51pm will be Exhibit 129.

40 **#EXH-129 – TRANSCRIPT SESSION 08328**

MR BUCHANAN: Mr Demian, you heard that recording being played and read the transcript - - -?---Yes.

- - - whilst it was being played. Is that right?---That's correct.

And did you recognise your voice and that of Mr Hawatt?---Yes.

The conversation occurred on 9 May, 2016.---Yes.

At that time the CBRE agency agreement was still current?---Yes.

It was still an exclusive agreement?---Yes.

Why were you prepared to meet with Mr Hawatt about what he had put to you about an MP having access to potential purchasers in that case?

10 ---I don't recall there was a reference to Canterbury, or to the Campsie property in there. Is that correct?

What's that got to do with it?---Well, I think, I thought that was only an introduction, you know, to the MP at that time. That was the topic that we had discussed.

But who has access to these people and who, and when he says, "The guy is very serious, very serious," and you ask, "Are we talking to the actual guy himself or are we talking to a representative," - - -?---Correct.

20 - - - plainly you're talking about purchasers or purchasers' representatives, aren't you?---At that point of discussion I recollect that was the case, yes.

Yes. So are you saying that you thought he was talking about a property other than the Harrison's property?---I had no idea what he was talking about at that time.

But you didn't ask him, did you?---No, I did not ask him.

30 And previously you had had a number of communications with Mr Hawatt in which he had been trying to interest you in, or get you to respond to information about potential purchasers in respect of Harrison's, correct? ---Yes.

You, I would suggest, plainly assumed that this was a conversation about Harrison's.---No.

Why not?---Because I didn't.

40 But I'm just asking, the dealings you'd had with the man, had they been about other properties as well up to this point?---To the best of my recollection I understand that he, he's aware of me owning other development sites across the state.

Yes, that is so, but we can all assume that, but I'm just asking about your dealings with Councillor Hawatt had been exclusively, so far as concerned purchasers, in respect of the Harrison's property, hadn't they?---Look, from the best of my recollection, possibly, but I can't recall.

Well, it's not a matter of possibly, can you please tell us, as at 9 May, 2016, had Councillor Hawatt been trying to introduce you to purchasers of properties other than 548-568 Canterbury Road?---To the best of my ability and recollection, I can't recall.

Do you mean by that, no, he hadn't been?---No, I said I can't recall.

10 What can't you recall?---That's my answer. I can't remember whether there had even been discussions about other assets of mine.

So, your recollection is that the only property that Councillor Hawatt had been communicating with you about in the context of introducing purchasers was 548-568 Canterbury Road?---As I recall it, yes.

20 So in that context why would you assume that this conversation was about any property other than 548-568 Canterbury Road?---I don't assume the, there was an introduction, a possible introduction and I was interested in that.

Introduction in relation to what?---A property, potential property purchaser of some sort.

Well, Councillor Hawatt didn't actually say that. You seem to have assumed that it was worthy of a meeting with him in relation to potential purchasers. What else did you have to sell?---Best of my recollection, he said it was some Chinese investors with some serious financial investments capability.

30 Are you talking about this conversation or an earlier conversation?---This conversation.

Yes. And how does that broaden the ambit of the subject matter of the conversation, a potential introduction to purchasers of 548-568 Canterbury Road? How does that change things?---There was no specific property that was discussed in that discussion as I recall and the reference was made, "He," I had no idea who, "He," represented.

40 Well, can I just ask, if we look at page 1 of 3 of the transcript, please. In the last passage Mr Hawatt says, "No, we're talking to the MP." Do you see that?---Yes.

It suggests that you do know who, "He," is because you've been told it's an MP.---No. At, at that point of time, when it was mentioned, prior to that I had no idea who he was referring to and I asked the question, "Who are we talking about? Our representative?"

Yes. And you were told it's the MP.---Following that, I said, "No, no, we're talking about the MP."

THE COMMISSIONER: No, "Talking to the MP."---Talking to the MP.

MR BUCHANAN: So, he told you who he was talking about.---To the MP.

10 Yes. Now, when Mr Hawatt said to you, "We're talking to the MP," he didn't say, "We're talking to an MP," he said, "We're talking to the MP." ---Correct.

The inference is that you had previously had a communication with Mr Hawatt in which he had indicated to you that he had an MP who might be able to introduce purchasers for an property.---I can't recall but highly unlikely.

Why is it highly unlikely?---Because I don't remember any discussions you know, sort of on, on, on that basis.

20 Why does that make it highly unlikely that there had been a previous communication between you and Mr Hawatt about an MP who might be able to introduce purchasers to you?---There was no such discussion ever as about an MP introducing purchasers. There was discussion about an MP who was in government delegations that may have interested investors from offshore.

30 And that conversation or those conversations occurred before this conversation on 9 May, 2016 at 11.51am, is it? Is that what you're telling me?---Look, again, from recollection it's highly unlikely. It would have come in at a later stage.

I'm sorry, it's highly - -?---I don't believe I had met the MP at that time and I believe it would have been, from recollection, I believe it would have been some weeks later.

THE COMMISSIONER: But what about Mr Hawatt telling you that there was an MP?---I can't recall before that date there was ever a discussion on that topic. I can't recall that.

40 MR BUCHANAN: He hadn't ever indicated to you that he had an MP who was potentially able to introduce purchasers to you?---Again, as I said, based on recollection, I can't recall discussion of an MP prior to that date.

Excuse me a moment. Excuse me. I'll take you to another document in a moment, but can I just ask, before we part from this particular telephone conversation - -?---Yes.

- - - Exhibit 129, was this, as far as you were concerned, different from the George people about whom you had heard Mr Hawatt, I'm sorry, you had read Mr Hawatt speak in his text of 7 May, 2016?---Yes, I understand that to be the case.

So as at this time you understood, did you, that Mr Hawatt was trying to introduce you to two different sets of purchasers that he knew from different sources? Was that your understanding at the time?---My understanding for one of them, for the second one, no, that wasn't my understanding.

10

Well, which one are you talking about when you say that wasn't your understanding?---Well, the first Chinese purchaser that was referred to by George which I declined on a number of occasions and had chats with them on a number of occasions, with this discussion here I had no expectation in mind.

20

But didn't it indicate to you that on the one hand George Vasil was trying to introduce purchasers through Michael Hawatt to you, and on the other hand, as at this conversation, an MP called Daryl Maguire was trying to introduce purchasers to you, and it would be a remarkable coincidence if they were the same purchasers, wouldn't it?---Ah, highly unlikely, but to the best of my knowledge, as I recall it was a possible introduction to an MP who is part of delegations to business communities in China that want to invest in Sydney. That's as far as I understood it.

And can I ask you, did you consider this communication to be part of a professional relationship that you had with Councillor Hawatt that you've told us about in the evidence that you've given?---Ah, yes.

30

Is this indicative of the professional nature of the relationship that you've told us about?---Yes.

And so when you talked about professional relationship with Councillor Hawatt in your earlier evidence, you extend that, do you, to a business relationship?---Well, this was an introduction, not a business relationship.

But plainly Mr Hawatt is trying to do business with you in this conversation, isn't he?---Not the way I saw it, based on my recollection, no.

40

How otherwise could you see it?---I had no agreements or agencies with Mr Hawatt so he was simply introducing parties, okay, that he's aware of. That's as far as I took it, based on my recollection.

What was your understanding as to why Councillor Hawatt would have bothered to do that?---I really have no idea. Within the exception of a simple introduction I have no idea.

But the answer is obvious, isn't it, that there was something in it for Councillor Hawatt?---Not that I'm aware of.

No, you might not have been told about it, but the only possible inference you could draw from the evidence that we've reviewed together is that there was a business relationship between you and Councillor Hawatt in relation to the introduction or the potential introduction of purchasers in respect of the Harrison's property.---No, that's not correct.

10 MS RONALDS: I object. There are a wide range of inferences that could be drawn of the evidence to date and to suggest the one narrow focus put by Counsel Assisting in my view is extremely unfair.

THE COMMISSIONER: Well, your client answered and didn't agree with it, so in those circumstances I'll allow it.

MR BUCHANAN: Well, let's explore other possibilities, shall we. Are you saying that Councillor Hawatt wouldn't have seen that there was anything in it for him of these meetings with you about purchasers or
20 communications with you about purchasers?---As far as I'm aware, no.

But when you say as far as you're aware, I'm not asking you about your awareness, I'm asking you about your understanding of what was in it for Councillor Hawatt.---And my understanding was zero in it for Councillor Hawatt.

So if that were the case, why would he bother to do it, unless he was so close to you that he wanted to ensure that you made a lot of money?
---That's not correct.

30 Well, if that's not correct, what other conclusion can we possibly draw? What do you suggest would have been his motivation?---I suggest it was no business relationship, he was merely doing what he believed was right for him, there was no agency, there's no payment. That's how it works.

THE COMMISSIONER: No, no, I don't think Mr Buchanan's putting it on that formal level, but you can see from the telephone conversation we just looked at, that Mr Hawatt, I would suggest to you, is going out of his way, saying, "We need to meet. I'll come to you at Parramatta," or wherever it was.---That's correct.
40

Looking at that, that seems beyond the call of duty in one way. He's actively going out to assist you, and Mr Buchanan's not putting to you that you had a written agreement or anything like that with him - - -?
---I understand.

- - - but it does seem somebody who's going, doing work to an incredible extent to assist you, and the question that arises and is being put to you is

why would Mr Hawatt do that. Can you suggest a reason as to why he would do it?---I honestly don't know. And that's honest. I have, I don't know how he runs his business. That's his prerogative.

MR BUCHANAN: That's not an honest answer, is it?---I think I used the word honest, didn't I?

10 I just want to go back to the suggestion of the alternative explanation to a business relationship that you had with Councillor Hawatt, to the, that is to say, to the proposition that I put to you that he had a very, very close friendship with you, such that he saw it in his interests to make sure you were able to make a large amount of money. What do you say to that?
---I saw it's false and fabricated.

And you can't suggest any other explanation than a business relationship or a very close friendship, or perhaps some combination of the two?

---It's a professional relationship is what I've said up to now.

20 That extended to this conduct of Councillor Hawatt that we've seen in the evidence and that you know occurred.---Yes.

Excuse me a moment. Can I take you back, please, and I do apologise, this is not in chronological order.---That's okay.

30 Volume 23, page 177. It's the same day, but it's actually earlier than that conversation that I played to you a moment ago. This is text messages extracted from Councillor Hawatt's telephone that were sent and received on 9 May, 2016. The first one is sent by Councillor Hawatt to you and it says – sorry, this is at 10.26am.---Yes.

“Hi. Just got a call from an MP friend of mine who is well-connected in China.”---Yes.

40 “He has a mega-rich company who are seriously looking to buy 30 DA sites. They have secured three but need DA approval that are ready to start. I told him about your sites including Commissioner. I said 160 plus per site. He is keen to talk about this and any other site you want to sell. They are keen, ready and cashed-up. I need to leave a private discussion. Are we still on at around 4.00pm or after? Michael.” Do you see that?---Yes.

Is that the text message that you had in mind when you were giving answers earlier about what you understood Mr Hawatt was talking about in the telephone conversation - - -?---Yeah.

- - - shortly afterwards that day?---To, to the best of my recollection I would have, I would have remembered some communications on that basis.

Certainly the reference to Canterbury Road could only be a reference to Harrison's, couldn't it?---I agree.

Then Mr Hawatt sent to you his private email address. Do you know why he did that?---I have no idea. I didn't even know that was his email address. Yep, I don't know.

10 Well, if I ask you to assume that the evidence would seem to indicate that it is. Assuming that, was there a conversation that you had with Mr Hawatt between 10.26am and 2.09pm which would explain why he sent you his email address?---I can't recall.

Can you give us any other explanation as to why he would have sent it to you?---Look, during the course, there may have been discussions on, about property addresses or information to be, to be provided to this individual. So I have, I can't recall whether that was one of them or the reason behind it.

20 It would seem, however, that there had been some understanding, at least before the 2.09pm, at 9.05, that you would send something on this subject to Michael Hawatt's email address. Is that fair to say?---I can't recall a date but I do recall having sent some addresses, yes.

THE COMMISSIONER: Sorry, sent addresses of your assets?---Of, of some of those properties that may have been of interest, yes.

I thought you gave evidence before morning tea that you were asked for details about assets and you sent them but it bounced back.---No. That was about the MP, Mr Maguire, from China inquiring about some information.

30 That was sending it to the MP?---That was correct and, and, or the email he provided at that time and from recollection, that email bounced back.

MR BUCHANAN: Excuse me. Could the witness please be shown – no, I withdraw that, sorry. Can I instead ask that an audio recording be played LII number 08352, recorded on 9 May, 2016 at 1.47pm. Very short.---Sure.

AUDIO RECORDING PLAYED [12.24pm]

40 MR BUCHANAN: Yes, I think that was Exhibit 129. We'll just get 08352 lined up.

AUDIO RECORDING PLAYED [12.25pm]

MR BUCHANAN: I tender the audio file and the transcript of that recording.

THE COMMISSIONER: The audio file and transcript of LII 08352 recorded on 9 May, 2016 at 1.47pm will be Exhibit 130.

#EXH-130 – TRANSCRIPT SESSION 08352

10

MR BUCHANAN: Plainly that was Mr Hawatt downstairs and wanting you to come down and let him into your office building. Is that right?
---That's correct. That's correct.

And then you were on a level above ground level, I assume?---That's correct.

And you took him upstairs to your office.---That's correct.

20

Now, that was at 1.47pm on 9 May. How long did you spend with Mr Hawatt in your office on that occasion?---Oh, look, I can't recall it.

Do you recall his visit to you on that occasion?---I do recall his visit.

And what happened at that meeting?---He would have informed me about the MP's contacts via the delegations, or the government-Chinese delegations, and he has met in those delegations some serious investors from China and that was the interest of the discussion at that time.

30

And was there any outcome of that meeting at your office on 9 May?---No, it was just information.

Can I suggest that there might have been some agreement that you would send him a list of properties?---Look, as I stated earlier, to the best of my recollection, I did provide him or someone a list of properties at some time or the other.

40

And if we just go back to volume 23, page 177. You can see that the second text is recorded there from Michael Hawatt's telephone was on 9 May at 2.09pm.---Yes.

In the course of which he simply provided you with an email address. That would be consistent with an agreement that you were going to provide him with a list of properties that you would send him at his email address that he agreed he would provide you in a text.---Based on my recollection, I did provide a list of some properties at one time or another. I can't remember the date.

So if we could go to page 178, please, of volume 23. It might be that there was some miscommunication, but if you just look at the top of that page you can see that it's an email from Michael at that email address to you on 9 May, but this time at 6.20, 8.20pm. "Hi, Charlie. You sent me the same email. I need the summary of sites as discussed." It might be that you've accidentally sent him some other correspondence by mistake.---Sent something else. Sure. I can't recall.

10 Excuse me a moment. Can we go please to page 181 of volume 23. This is 10 May, 2016, and there's a series of three text messages extracted from Mr Hawatt's telephone. The first one is one he sent to you at 10.11am, "Have not received proposals. Can you send soon, thanks. Michael." And then the second one is at 2.46pm, again to you from Mr Hawatt, "Did you sent proposals?" And then the third one is at 4.14pm, "Spoke to George. Meeting at Frappe Café near car park, the bus terminus. Please bring proposal with you." Looking at that, had there been a communication between you and Mr Hawatt about you sending him proposals?---I don't recall. He would be referring to the list of properties that he requested, you know, for prior. But I don't, I don't recall. I don't think I even responded to those, based on my recollection.

20 But can I just ask, he doesn't say, "Have not received list of properties," and he doesn't say, "Have not received list." It suggests he's asking for something rather different and that is proposals which would either be someone had sent you proposals or you had prepared proposals.---Not that I can recall.

30 Do you know what Mr Hawatt was talking about when he said, "Proposals," in those two texts at 10.11 and 2.46 on 10 May?---No.

There's no text back from you saying, "What are you talking about?"---I can't recall. I can't recall responding to a few of his SMSs.

Do you mean you recall not responding to a few of his SMSs? That is to say deliberately not responding.---I don't, as I said to you I don't recall, but from some recollection there was a period of time that I was very busy and didn't respond to any, to his SMSs.

40 Now, the text message at 4.14pm, about a meeting at Frappe Café near the car park, sorry, "Near car park, the bus terminus. Please bring proposal with you." Is that a reference to the meeting which occurred on, according to your recollection, a Saturday morning which was attended by Mr Dabassis, Mr Vasil and Mr Hawatt?---No, no. The other, the, the meeting that we had regarding this Campsie proposal was some time very late in May.

And what is it that enables you to say that it was very late in May?---My decisions from recollection were based on the termination of the, of the exclusive agency period and determining whether it was a successful

outcome or otherwise. As I have mentioned on several occasions, that termination from memory happened around the middle of the month, giving CBRE one, seven days' written notice that the exclusivity will no longer be and that would have expired from recollection again, around the 20th or thereabouts.

So, did you attend a meeting at Frappe Café near the car park at a bus terminus?---Look, from recollection I can't recall having attended a meeting in that period but, look, it's possible. I just can't recall.

10

And if you did, was George Vasil there as well?---Well, I suppose that would have been the purpose of the meeting, yes.

So, this wasn't in relation to the MP's purchasers, potential purchasers. This was in relation to George Vasil's potential purchasers, is that right? ---That's, that's about right, yes.

If that meeting occurred, what was the outcome of it?---I can't even recall the meeting let alone an outcome.

20

Can I just ask you to have a look now at page 183 of volume 23. This is a series of text messages on 11 May, the day after those text messages to you from Mr Hawatt, including about a meeting at Frappe Café, "Please bring a proposal with you." And the first one is at 4.04pm from Mr Hawatt to you. "FYI, waiting for info. Michael." And then it would seem he's forwarding this text from John Dabassis at Galazio Properties. Do you see that?---I'm just trying to read them, if you don't mind.

30

Sure.---Thank you. Yes, I understand that would be the reference to John Dabassis.

Well, it purports to be a text message from Mr Dabassis to multiple gentlemen and that it was sent in the morning and it's talking about a meeting last night. It would be a logical inference, unless the man was fantasising, that this is in fact a reference to the meeting at Frappe Café on 10 April, sorry, 10 May, which is message number 3 on page 181, that was being lined up on 4.14pm on 10 May.---Well, I don't necessarily agree with that. That could have been a follow-up for not having turned up, you know, the day before, that the purchasers – if I understand this correctly, and I'm trying to have a quick look at it, this is a result of a meeting with the potential purchasers, as I understand it, not with myself.

40

It does seem a little coincidental, doesn't it, though, that on the one hand it would seem Michael Hawatt is likely to have been a recipient of this text message, and thus a person who attended the meeting that is said to have occurred on the night of 10 May according to Mr Dabassis, and Mr Dabassis was also present when you've told us that you did attend the meeting with both those gentleman. It was at a café somewhere, and it was about the

potential sale of 548-568 Canterbury Road.---If I can verify this. The top of the message said, “Waiting for info. Michael.” Which means I may not have met with him and provided any information as of that time. And I think it was around that time, from recollection, that I had told him and George that I will not be in a position to deal with him regarding any potential purchasers.

But that would mean that there were two meetings involving Mr Hawatt and Mr Dabassis at a minimum - - -?---Not Mr Dabassis.

10

- - - at a café about purchasers for 548-568 Canterbury Road.---I have not met Mr Dabassis as of that date, okay? So I had no idea who the man was.

But you met him at a café at a meeting with Mr Hawatt about purchasers for 548-568 Canterbury Road. You told us that.---That was late, yeah, and I told you also it was late in May. Late. I've used that term quite a number of times.

20

You keep on saying that, and of course that would take it after the amalgamation between Bankstown and Canterbury Councils, when Mr Hawatt was no longer a councillor, wouldn't it?---I'm trying to assist you by saying - - -

Or are you trying to protect Mr Hawatt?---The meeting that took place where the first introduction with John Dabassis was very late in May. I can't recall a date. It was late in May. It was on a Saturday, to the best of my recollection.

30

Yes, you keep saying that, but the evidence is suggesting otherwise. That's what I just want to draw your attention to.---Not my opinion.

Was Mr Hawatt the person who, as you understood it, organised the meeting in the café that you say occurred in late May with Mr Dabassis and Mr Vasil?---I remember my evidence as being I believe George would have made the call and - - -

40

Yes, I remember that too. What I'm putting to you is an alternative, namely that your evidence is incorrect and that it was in fact organised, as far as you understood, by Mr Hawatt?---Look, from recollection I remember George making the phone call and organising the meeting. It was his, it was actually George's introduction.

But so far as concerns the meeting that it appears Mr Hawatt was trying to organise in his text to you at 4.14pm on 10 May, 2016, he was organising it. ---Yeah, and I don't recall that meeting taking place.

Is it possible that it occurred on the late afternoon/evening of a day other than a Saturday?---Are we talking about the meeting later on in the month?

No. I'm talking about the meeting that occurred between you and George Vasil and Michael Hawatt and John Dabassis.---Again, as I recall it, it was late in May, it was on a Saturday morning.

What makes you think it was a Saturday?---Because they're the best days for me to actually have meetings similar to that.

10 You had plenty of meetings during the weekdays, didn't you?---Plenty of meetings?

Yes.---What, general meetings with - - -

Meetings. You took part in meetings during the week, didn't you?
---I'm just trying to clarify who with?

20 Does it matter? I'm asking you, you took part in meetings generally during weekdays, didn't you?---I run my business and I'm very, very busy so I have lots and lots and lots of meetings during the week.

And would it be fair to say most of them are during weekdays?---It's fair to say that a lot of them happen between Monday and Friday and some, some of them happen on Saturdays.

And if there was a prospect of you selling a property of yours, then why wouldn't you attend such a meeting on a weekday?---It probably wasn't suitable. I don't know.

30 Excuse me a moment. Can I talk to you then about the meeting that you say occurred in late May that involved Mr Dabassis, Mr Vasil and Mr Hawatt.
---Yes.

It was about the Harrison's property and the potential sale of it. Is that correct?---That's correct.

Was it also about any other property of yours?---No.

40 And, excuse me a moment. Was there a discussion there about commissions?---Mr Dabassis put forward his proposal which included a figure for commission.

And you rejected that figure as being ridiculously high.---Yes.

Did you propose a figure instead, a different figure for commissions?
---I think in the meeting I suggested that the highest we'd ever pay for something like that would be 3 per cent.

Could you have indicated that the highest you would be prepared to pay would be \$300,000?---No. Absolutely not.

Can I ask you why not?---Because the guy was asking for three million, to offer him 300 would be an insult. So I advised him the highest that can, I'm trying to remember the words that would have been used, that I can justify would be 3 per cent.

10 And who did you understand would be the recipient or the beneficiaries I should say, of such a commission?---I understood that the purchaser's representatives and Mr, or John Dabassis.

And when you say purchaser's representative, you mean the people between the purchaser and Mr Dabassis?---No, no, the, this was one of my queries as well, that when a purchaser comes, especially from the Chinese background, they usually have, or if they're a major corporation they usually have what we call a purchaser's representative who's a Sydney-based consultant or otherwise, maybe Sydney, maybe not Sydney, but a consultant that will deal on their behalf and not basically divulge the identity of the purchaser until
20 such time they're satisfied, and that's what we refer to as a purchaser's representative. So they're usually - - -

I understand that, but that's a person in between the purchaser and John Dabassis - - -?---That's correct.

- - - who's the person who's talking to you.---That's correct.

Yes. Did you understand that Mr Hawatt might be a recipient of the commission that was being discussed at that meeting?---No, not at all.

30 Excuse me a moment. Volume 23, page 188, please. This is a text to you on 13 May, 2016, sent at 11.07am from Mr Hawatt's telephone. "FYI," and then there's a message. Did you understand that what Mr Hawatt was doing was forwarding to you a message he had received that was addressed to George and Michael?---Yeah, it's a forward, it appears to be a forward SMS to myself, if I can, if I, if I understand it correctly.

40 And it reads, "George and Michael, just had another meeting with the potential purchasers and again they confirming the below," and then he identifies terms, "Offer stands at 5.00pm today, regards, George Dabassis, Galazio Properties. I am happy to talk to Charlie if you wish once you've send me his number. Thanks." Do you see that?---Yeah, so he's advised them that he had a further meeting and he's requesting that he be given my mobile number to be contacted.

Excuse me a moment. Now, I appreciate this is not your document, and I'm not suggesting it was sent to you, but I should show you volume 23, page 205-206. This is a two-page document.---Yes.

It's signed by, well, purports to be signed by John Dabassis of Galazio Properties, and it's addressed, "Dear Michael," and it bears the date 27 May, 2016. It reads, "Once again it was a pleasure seeing all. Following to our meeting last week with Charlie, Lakis," L-a-k-i-s, "has advised me that the group has agreed on the sale price and payable commissions being 2.2 million for the consortium and only 300,000 for us." Do you see that?
---I can see that.

- 10 Now, again I emphasise it's not your document and I'm not saying you were sent it. I assume you don't recognise it?---No, I've never seen it before.

If the date on the document is correct, 27 May, 2016, then the meeting to which he's referring would have been in the week commencing Sunday, 15 May, because that's the week before.---That's almost two weeks.

I'm sorry?---I would understand a week before, and I don't know what 27 May, what day that was, but he said the week before, last week.

- 20 Let's say Friday. That's a Friday.---So it would have been the Saturday before, would have been the Friday before. I have no idea. It's not my (not transcribable)

So 21 May is the Saturday before.---It's, it's, from recollection it's likely to be on, on, on that date onward, yes.

- 30 So are you saying that if that date is right and if Mr Dabassis is right about a meeting the previous week with you, then it could have been on Saturday, 21 May that you met at the café.---Actually that sort of aligns with the expiry of the exclusive agency termination date.

Yes.---So that would be around that period of time. Again, look, based on my recollection. I haven't given a date.

Thank you. Did you know who Lakis was?---Never met him. I don't know him.

But did you know who he was?---No.

- 40 Had there been any discussion involving you of a commission which would be split up "2.2 million for the consortium and \$300,000 for us"?---There was a, a 2.7 million at one stage that was put back to me, and I rejected it.

2.7 million by way of commissions?---From, from memory, by way of commission, and I rejected that 2.7 million.

Now, just drawing on your knowledge generally of this attempt to introduce purchasers to you and to arrive at terms for a contract for the sale of 548-

568 Canterbury Road, did you understand the word “the consortium” to be a reference to the purchaser’s representatives of the kind that you've just explained to us earlier, where the purchaser was Chinese or situated in China?---Or otherwise. I don’t, look, I have no idea what that reference is made, made for. Whether it’s a group of people or one person, I don't know. I just see it for the first time.

10 Well, the consortium, it couldn't be the purchasers themselves. It’s not you and it’s not the people who were described as “us” who would get 300,000, so it must be someone in between the purchasers and the people who are described by Mr Dabassis, or Lakis, as “us”.---I don't know. I have no idea.

But you’d agree with that? The purchaser’s representative in the, a context that you described earlier, would logically be the consortium in this context.---Again, look, I don't know.

20 You didn't hear anyone talk about a consortium?---No. The discussion I had with those individuals, there was a purchaser’s representative who usually charged, like, big dollars for those introduction, introductions.

Now, can I just go down, take you down to fourth paragraph in the page. And can you see it reads, “I also spoken to George and he confirmed that there was \$500,000 in commissions previously agreed upon.” Do you know anything about that?---No, I don’t.

30 Can I take you, please, to page 216 of volume 23. This is again a series of text messages extracted from Mr Hawatt’s telephone, this time that occurred on 31 May, 2016. The first one is at 1.29pm and is sent to you by Mr Hawatt. Question, “Are we catching up today?” Sorry, quote, “Are we catching up today for discussion?” Signed, “Michael.” Second one, at 6.53pm, is a hang-up message from you and then the third one is at 6.54pm, a text from you, “Hi, Michael. Please call when free.” Do you recall these text messages or calling Mr Hawatt in the context of some communication like this?---Yeah. Look, there was a few communications around that, excuse me, that period, late May, early June regarding the introductions that had been organised.

40 And are you talking about introductions in relation to the Dabassis people, if I can call them that, or the Maguire people?---Both.

Both?---Both, yes.

Do you remember talking to Mr Hawatt on this occasion and what the content of that conversation was?---From recollection, I've had several discussions with Michael. I can't remember the context of the discussions.

Now, the agency agreement that we looked at earlier, volume 23, page 226. At the bottom of the first page, bears the date 4 June, 2016. Can you just

tell us, please, a little bit more about the circumstances in which this came into existence? That is to say was there a meeting at your office involving Mr Dabassis and Mr Vasil at which this was presented to you?---Not that I can recall, no.

So, when was the first time you saw this document?---From recollection, would have been on 14 June, 2016.

10 And why do you say – I appreciate that the date was changed but is there anything else that enables you to say that you didn't have a meeting with those two men before 14 June, such as on 4 June?---Oh, look, from recollection, as I said, I had hesitations and the commission figure is not warranted so I sort of was half-hearted whether they would do it or otherwise.

20 And looking at page 230, there are a couple of references here in the last page of the document to 4 June. One is at clause 25 but also at the point of the date against the box with Sterling Linx PL, written in it. Do you see where, "04," has been written initially and then it's been crossed out and, "14," is substituted?---So the 14 is my writing as well as the signature and the, and the company name underneath it. They're the only written of, by myself.

So, was there, irrespective of when it occurred, a meeting in your office with George Vasil and John Dabassis?---Look, from recollection, as I said, it's possible but I don't recall that meeting. I don't believe that meeting took place. That's based on my recollection.

30 How did this document come into your hands?---They either would have brought, brought it with them on the day or they may have given it to me in a previous meeting. I don't know.

Sorry, I should have made myself clearer. You say there was no meeting on 4 June but there was on 14 June?---Yep.

40 On 14 June, then, you had a meeting with George Vasil and John Dabassis, is that right?---No, no. I said George Vasil on the 14th of the 6th came to my office and collected the document, the signed, the signed agency agreement. That's what I had set up, up for them.

Were you there at the time?---I don't recall. That was a very busy month for myself. I don't recall whether the agency was collected and I was there or otherwise.

How do you know George Vasil collected it?---Because it was arranged for George Vasil to collect it.

How was that arrangement made?---He would have contacted me and I would have agreed for it to be collected by him.

Well, can I just ask – I'm still struggling to understand, and I do apologise if it's my fault – but you don't remember meeting with George Vasil and him collecting it, you don't remember a meeting with George Vasil and John Dabassis, and yet somehow this document came into your possession.
---Okay.

10 And it had a date of 4 June on it and you've changed it to 14 June. So the question is, how did it come to your possession in the first place?---What I suggested – I'll rephrase. What I said from recollection on this event - - -

Can I interrupt? I do apologise. Just at the moment after what you said, how did the document come into your possession in the first place?---It's exactly what - - -

Did somebody give it to you?---That's exactly what I was trying to say. So - - -

20

Did someone give it to you?---Possibly or might have, or it may have been dropped over to my office.

So you weren't handed it by George Vasil or John Dabassis?---I honestly can't recollect. I can't recall.

So you're saying it might have been handed to you by George Vasil or John Dabassis.---Look, it's possible but highly unlikely. It may have been dropped into my office and collected back from my office.

30

Why is it highly unlikely that one or other of them provided the document to you in the first place?---Because from the meeting, sorry, from recollection we had a meeting organised for early June which got cancelled over the commission agreement. So that meeting, as I recollect, did not take place. Now, sometimes between that time and the 14th, the agency either was handed to me or dropped into my office. I can't recall.

See, yes, my attention has been drawn to the time. I'll have to come back to this subject after lunch.

40

THE COMMISSIONER: Right. We're adjourned until 2 o'clock.

LUNCHEON ADJOURNMENT

[1.02pm]