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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 MONDAY 16 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: Oh, I'm sorry Mr Boatswain.

MR BOATSWAIN: Yes, it is. Thank you, Commissioner. Good morning. Just an administrative matter, Mr Pararajasingham has other commitments this morning. He expects to be here shortly after lunch, but in the meantime I seek leave to appear for Mr Stavis.

THE COMMISSIONER: Yes, that's fine. Thank you.

10 MR BOATSWAIN: Thank you.

THE COMMISSIONER: Mr Buchanan.

MR BUCHANAN: Commissioner, there's one small administrative matter that is actually relevant to the first witness this morning. In Exhibit 52, volume 8, it has a couple of pages which have been redacted, namely pages 27 and 28. Those pages are going to be restored on the public website and that'll be available sometime later today and I anticipate taking the first
20 witness to those pages. They'll be available on the screen when I do take him to them.

THE COMMISSIONER: So, we're ready for Mr Osman?

MR BUCHANAN: If it's convenient to do so. Mr Abdullah Osman, please.

THE COMMISSIONER: Now, Mr Osman, you're not legally represented?
---No, no.

30 Do you take an oath or an affirmation? An oath if you believe in some form of god, an affirmation if you don't. What you're doing is, you're undertaking to tell the truth today.---Yes. I'll take an oath to tell the truth, yep.

THE COMMISSIONER: Now, Mr Osman, you're not legally represented but has anybody explained to you that I can make a direction under section 38 of the ICAC Act?---Yeah. I was explained this morning. Yeah.

All right. And would you like me to make such a direction?---Yes.

10 I don't know what you've been told but it does provide a protection for any answer that you give during this public inquiry. It can't be used against you in other proceedings. There is a very important exception to that, that is if you give false or misleading evidence to this public inquiry, you may be prosecuted for an offence under the ICAC Act. It's a very serious offence, it brings with it a maximum penalty of a term of imprisonment, so you've got to be very careful that you're truthful at all times today.---Yeah, no problems.

20 Pursuant to section 38 of the Independent Commission Against Corruption Act, I declare that I declare that all answers given by this witness and all documents and things produced by this witness during the course of the witnesses evidence at this public inquiry are to be regarded as having been given or produced on objection and there is no need for the witness to make objection in respect of any particular answer given or document or thing produced.

30 **PURSUANT TO SECTION 38 OF THE INDEPENDENT COMMISSION AGAINST CORRUPTION ACT, I DECLARE THAT I DECLARE THAT ALL ANSWERS GIVEN BY THIS WITNESS AND ALL DOCUMENTS AND THINGS PRODUCED BY THIS WITNESS DURING THE COURSE OF THE WITNESSES EVIDENCE AT THIS PUBLIC INQUIRY ARE TO BE REGARDED AS HAVING BEEN GIVEN OR PRODUCED ON OBJECTION AND THERE IS NO NEED FOR THE WITNESS TO MAKE OBJECTION IN RESPECT OF ANY PARTICULAR ANSWER GIVEN OR DOCUMENT OR THING PRODUCED.**

40 THE COMMISSIONER: Mr Buchanan.

MR BUCHANAN: Commissioner. Your name is Abdullah Osman?---Yep.

And sir, what is your occupation?---Pharmacist.

You gave an interview to investigators from the Commission on 1 March, 2017. Do you recall being interviewed and giving answers?---I can't recall the date exactly but I did, yeah.

There is a transcript of the interview, which we can refer to if we need to. For the assistance of those in the hearing room, it's in Exhibit 70 and if you want to have a look at it at some stage while you're giving evidence, please tell us and we'll arrange for it to be put in front of you. Have you been involved in some property developments or proposals for property development?---Yep.

10 And have they been via an number of different companies or one company?---No, there's been through a few different companies.

Yes. And about how many proposed developments have you been involved in?---Or three or four off the top of my head.

You have a family trust known as the Osman Family Trust.---Yeah.

Is that right?---Ah hmm.

20 And what is the purpose of the Osman Family Trust?---It's something set up by my accountant a long time ago, so it's something my accountant can probably give more explanation to.

Does your income go into that trust?---The, the way it specifically is done, the accountant knows the details. I know I have a bank account linked to it and I have money there.

Are you talking about the trustee?---Yes.

30 Murad?---Yes.

M-u-r-a-d - - -?---Yeah.

- - - Pty Limited?---Yeah.

And that's the trustee for the Osman Family Trust?---Yeah.

You are the sole director and shareholder of Murad Pty Limited?---I'm pretty sure, yeah.

40 And its registered officer is [REDACTED] - - -?---[REDACTED].

[REDACTED] - - -?---Yeah.

- - - [REDACTED]?---Yeah.

Can I ask you about a company called Bella Ikea Strathfield Pty Limited. ---Ah hmm.

You knew or were involved in a company called Bella Ikea. Is that right?
---Yep, yeah.

And can I show you please an ASIC search, an extract of company details.
---Ah hmm.

Now, you won't have seen this recently but this is a current and historical organisation extract from ASIC - - -?---Yeah.

10 - - - for Bella Ikea Strathfield Pty Limited.---Yes.

If you could just flip over to the second page.---Ah hmm.

Can you see directors - - -?---Yes.

- - - nominated there, Hossam Matar - - -?---Yep.

- - - Abdullah Osman, yourself, and Mohammed El Badar?---Yeah.

20 And if I can take you over to share structure - - -?---Ah hmm.

- - - a bit before halfway down page 3, 120 shares on issues.---Ah hmm.

Is that right?---Yeah.

And the shareholdings are Oscorp, O-s-c-o-r-p Holdings Pty Limited as to 40 shares.---Ah hmm.

30 Is that one of your companies?---Yes.

The next shareholder is Melby, M-e-l-b-y Group - - -?---Ah hmm.

- - - Pty Limited as to 40 shares.---Ah hmm.

Whose company is that?---I'm not 100 per cent sure. I think it might be Mohammed El Badar. I'm not 100 per cent sure but you can probably look it up somewhere.

40 And the third shareholder is, as to 40 shares, Dunya, D-u-n-y-a Developments - - -?---Yeah.

- - - Pty Limited. Whose company is that?---Once again I'm pretty sure it's Hossam's but yeah, that's just what I've been told, my knowledge.

And are Mohammed and Hossam the two other shareholders as far as you're concerned via their company vehicles?---Yeah.

Via their companies.---Yeah.

Thank you. I tender the ASIC current and historical extract for Bella Ikea Strathfield Pty Limited.

THE COMMISSIONER: Right. The ASIC current and historical organisation extract for Bella Ikea Strathfield Pty Limited will be Exhibit 141.

10 **#EXH-141 - ASIC CURRENT & HISTORICAL ORGANISATION
EXTRACT FOR BELLA IKEA STRATHFIELD PTY LTD**

MR BUCHANAN: Now, in 2015, if you could think back - - -?---Ah hmm.

- - - three years, did Talal El Badar have a connection with Bella Ikea Strathfield?---Well, Mohammed's his brother.

20 Yes.---Yeah. And when you say he had a connection, what do you mean?

Well, did he have a financial interest - - -?---Yeah.

- - - in the company?---Well - - -

What was the nature of his financial interest?---He invested some money into that, like a project which that company owned.

And was that 459-557 Liverpool Road, Strathfield?---5, I think 549.

30 Thank you.---I think, yeah.

I could easily have the numbers round the wrong way.---Yep.

What was that project?---It was a development of some units.

And how was it acquired?---We bought it off someone.

Do you remember who?---I can't remember who the person - - -

40 Do you remember the name Marwan Chanine?---I, I, I met him once. I think, yeah, it might have been him that we bought it off, yeah.

Right. Or one of his companies?---Yeah. Oh, we did meet him when we were buying it so yeah, we met him at his office I think.

And when did you buy the project?---Potentially 2015. Yeah, I'm not, it would have been either '15 or '16.

Right. And were you buying the land?---Yes.

And were there DAs?---Yeah, it was already approved.

Did Bella Ikea have any other investments in 2015/16?---No. That, yeah.
No.

Just the Liverpool Road, Strathfield project?---Yeah.

10 Thank you.---From memory I'm pretty sure.

All right.---Yeah.

If the witness could be shown from Exhibit 52, volume 6, page 269, please.
I'm showing you another ASIC current and historical organisation extract.
---Ah hmm.

It's on the screen in front of you if that assists. Can you see it on the
screen?---No, it's turned off. Do I turn it on somehow?

20 We'll attend to that.---Yeah, this one here?

Yes. You can see it's for Willeroo Street Pty Limited.---Yes.

And I'll be asking you some more questions about it but you had some
connection with Willeroo Street Pty Limited?---Yes.

Is that right?---Yeah.

30 If we go, at the bottom of page 269 you can see the heading Company
Officers and Directors and the two directors identified on the top of page
270 are Talal El Badar and yourself.---How do I flip the page sorry, is there
- - -

I'm sorry.---I can't do that?

No, no.---That's all right. The other one.

40 Just go on the hard copy for yourself just for the moment.---Yeah. Yes, I
can see that.

And then the shareholdings towards the bottom of page 270, can you see
that they're, sorry, there were 200 shares on issues. This is the middle of
page 270.---Ah hmm.

And the shareholdings were Musk, M-u-s-k, Group Pty limited as to 100
shares.---Yeah.

Do you know who that was?---That's Talal. I'm pretty sure it's one of Talal's companies or something.

And then turning over to page 271, the other 100 shares were owned by your company, Murad Pty Ltd.---That's right.

Thank you. Willeroo Street Pty Limited was another development project. ---Yeah.

10 Is that right?---Yes.

Did you put money into that project?---Yeah. Ah hmm.

And what was the project?---It was a land that we bought to put some unit, some townhouses on it.

And having bought it did you lodge a – sorry, was a development application lodged?---Yes.

20 Can I just go back to El Badar, sorry, Mr Talal El Badar.---Ah hmm.

You had known him for a little while had you?---Yeah.

Thinking of 2015?---Yeah, I would have known him. I'm not sure how long but I would have known him to - - -

And you met him through his brother. Is that right?---Yeah, I'm pretty sure.

30 And did you know Michael Hawatt, Talal's father-in-law?---I didn't know him personally, no.

When did you first hear about Mr Hawatt?---What do you mean when did I first – I probably first saw one of his posters somewhere in Bankstown, you know, for vote or whatever it is.

Yes.---Yeah.

When would that have been in relation to 2015?---I can't remember.

40 Before or after 2015?---I can't remember. I wouldn't have a clue.

THE COMMISSIONER: And was it voting for - - -?---You know when - - -

- - - councillor or for State Parliament?---All I remember is seeing the name, vote. I don't know. I'd be lying if I said I knew which, what it was.

All right. You just saw vote Michael Hawatt?---Yeah. You know, you see, you see posters all, whenever there's elections so - - -

MR BUCHANAN: Can I ask you this, if I tell you that before – I withdraw that. In 2016 the State Government forced an amalgamation of Bankstown Council with Canterbury Council.---Yes. Yeah.

You're aware of that?---Yeah.

10 And that meant that the councillors on Canterbury Council didn't have a job anymore?---Yeah.

And if I tell you that that occurred on 12 May, 2016, if I tell you that the last election for councillors before then was in 2012, would that assist you as to when you would have seen these posters?---I can't remember.

Did you ever hear Talal speak about his father-in-law?---In what context?

20 Any context at all.---I can't recall, yeah. I mean, potentially. I can't remember specifically to be honest.

Right. Thinking of these posters that you saw, that's the only thing now, and if I can just ask you to focus on that, is that the only thing that, as you sit there now, that you can remember that drew to your attention the existence of Michael Hawatt?---No. I, I met him once at Talal's house. Yeah.

30 Right. And where were you at with the Willeroo Street development when you met him?---What do you mean?

What stage was the Willeroo Street development application at when you met Michael Hawatt at Talal's house?---I can't, I can't remember. I can't remember if I met him before we even bought that property or after to be honest. I remember meeting for like, a minute or two. He was at his house and he was about to leave and I shook his hand and he, yeah. I think that's the only time I've ever met him I think, yeah.

40 Thinking of these posters that you saw, if I can just follow up on a question the Commissioner asked you, you know that you can have federal elections to the Federal Parliament, you know, you can have state elections for election of members of the State Parliament?---Yeah.

And you know that you can have council elections for election of councillors to the council for the local government area?---Ah hmm.

So, those three different levels?---Yep.

Thinking of these particular posters, do you think that they were for Canterbury Council?---I can't remember. I, I, I honestly can't remember. All I remember is, I seen that, yeah.

That's okay. Could we provide the witness with a copy of his record of interview, please? Can I pass to you a copy of your – the transcript of your interview with Commission investigators on 1 March, 2017, which is part of Exhibit 70 and can I ask of you go to page 24. Actually, no, the bottom of 23 and do you see that in about the middle of the page there, you said, "I'm
10 assuming you're going to say Michael."---Where, where's that, sorry?

In about the middle of page 23. It should be on the screen in front of you. ---Yeah, I've got it here.

Do you see at line - - -?---I don't know (not transcribable) number 15, point 15?

Yes, yes. Keep going down. Keep going down. And can you see references to Michael and then Michael Hawatt, Michael Hawatt's email
20 address?---Yes, yes, yeah, yeah, yeah. Yeah, email.

And then there's a question about his email correspondence, and if we go over the page you said to the investigators, "I don't know. Is, isn't he part of the council? Isn't he involved in- - -"?---Yeah.

And you went on, "I don't know. I honestly, I, I don't know. I know he's part of Canterbury Council." And you went on to say, "I don't know what his, his job is." So, at the time that you were speaking to these investigators in March, 2017, you at that time understood he was part of Canterbury
30 Council?---Yep.

Does that assist you now or - - -?---Assist me with what? I'm not, I'm not sure I understand what you - - -

What I'm trying to do is to find out as at 2015 what your knowledge was about Michael Hawatt. In 2017, you said you knew he was part of Canterbury Council but you didn't know what his job was. Why did you say that to the investigators in 2017?---I knew he – even now, I know he was part of council. I don't know when I realised he was part of council if
40 that's what your question is.

That's what I want to focus on.---I, I don't know when exactly the date was that I thought, I realised okay, this guy's part of – but I knew at that point in time, in 2017 when I was asked this, obviously I knew that he was part of council. What his exact job or job description, I didn't know specifically, but I knew he was part of council, but I don't know when I actually realised that, if it was six months prior to that or two years prior to that. I can't, I'm not sure.

Okay. So just keep that transcript there in front of you, if you like.---Yeah, ah hmm.

Can I turn to the DA for Willeroo Street, Lakemba.---Yeah.

Architects called Hamec Pty Limited - - -?---Ah hmm.

10 - - - H-a-m-e-c, applied for development approval in March 2015. If I can just show you pages 1 to 3 of volume 6 of Exhibit 52. And you see there's on the screen a copy of the - - -?---Yes.

- - - first page of the development application?---Yes.

And it's got a council received stamp of 16 March, 2015?---That's correct.

And it indicates the applicant is Hamec Pty Limited and its signed as to owner's consent by Talal El Badar down the bottom of that page.---Ah
hmm.

20

Was Talal signing on behalf of Willeroo Street Pty Limited or was he - - -?
---He was the owner I think at that point.

He in fact owned the property.---Ah hmm.

Is that right?---(No Audible Reply)

You have to say something, sir.---Yes, oh, sorry, yeah.

30 So it can be recorded. And did Willeroo Street retain Khaled, K-h-a-l-e-d, Kabbout, K-a-b-b-o-u-t at Hamec Pty Limited as the actual architect?---Yes.

Is that right?---Yes.

I might mispronounce his name, please tell me.---Yeah, that's all right, yeah.

And you wanted to construct five two-bedroom townhouses on the site. Is that right?---That's right, yeah.

40

And was there an issue, a problem in relation to getting that approved in terms of the site being what was called isolated?---What do you mean, was there a problem?

Well, do you recall any difficulties in getting approval for it?---It wasn't approved, it wasn't approved straightaway, we had to go to the Land and Environment Court.

Right. And do you know why it wasn't approved straightaway?---There was a lot of reasons. They had a list, and then we slowly worked towards getting rid of those issues that they, that they raised.

And they is council. Is that right?---Council, yeah.

And that's Canterbury Council?---Yeah.

10 And was it ever suggested to you or did you otherwise know that it was regarded as a difficult site for that sort of development that was proposed because it had a narrow frontage and it had blocks of units on either side? ---Ah hmm. It was said, but I don't believe it was a difficult site because it's been done numerous times and there's clauses in the DCP that allow for, for isolated sites.

But council had to approve it, didn't they?---Of course. Any development application has to be approved by council.

20 And did you get the impression from council that they thought there was an issue because the site had a narrow frontage and had blocks of residential units on both sides?---That, that was, that was one of the issue that they had with it, but there was other, other things that they mentioned. I think, yeah, I remember there was other issues that they had with, with the site.

If we can go to page 22 of this volume. Now, whose decision was it to go to the Land and Environment Court?---I can't remember. It may have been me and Talal, I can't remember whose decision it was.

30 The document I'm putting in front of you is a receipt by Canterbury Council acknowledging receipt of a legal document from Conomos Legal.---Yes.

Was that your legal firm? When I say your, I mean Willeroo Street Pty Limited's legal firm?---Yes, yeah, yes.

And it says, "Class 1 appeal, El Badar v Canterbury City Council."---Ah hmm. Yes.

40 And it bears a Canterbury City Council stamp, receipt stamp of 25 August, 2015. Does that prompt your memory as to when it was that the local proceedings were started against council for failing to - - -?---Yeah, obviously 25 August.

- - - approve the development?---Yeah.

And did council have a firm of solicitors that are acting for them called Pikes & Verekers, V-e-r-e-k-e-r-s, Lawyers?---I can't remember the name of their firm but I remember they had, obviously had a firm.

Who from your side gave instructions to Conomos Legal in those legal proceedings?---Who gave instructions? What do you mean by that, who - - -

Who told Conomos Legal - - -?---I can't remember, I don't - - -

- - - what you wanted done in respect of the legal proceedings, what needed to be done?---I remember me and Talal I think went and saw Vasili Conomos.

10

So you might both have done that together?---I, I do remember going to, to Vasili's office, I think it was his office, once or twice, I can't remember how many times but we did go.

And roughly how long did those court proceedings go on for?---Oh, you can probably have a look, I'm not, I can't, it was, it wasn't like a week or two, it was probably a couple of months.

20

And during that time did you and Talal talk with each other about what was happening in the court proceedings?---Yes.

And during that time did Talal say anything to you about his father-in-law or about a Michael?---He may have, I can't remember.

If we go to page 40 in volume 6, there's another document I can assist you with for another date.---Ah hmm.

30

And this legal document is date 15 September, 2015. It's in the proceedings of El Badar v City of Canterbury.---Ah hmm.

Can you see that?---Yes.

And it indicates there is to be a conference under section 34 - - -?---Yes.

- - - in the proceedings. Do you remember hearing about a, or being involved in a section 34 conference?---Yes.

40

And did you understand that to be a conciliation conference between the parties - - -?---Ah hmm.

- - - involving their lawyers in which they try to solve the dispute? ---Yes.

Now, can I take you to page 52 in the same volume. This is a letter from Pikes & Verekers Lawyers.---Ah hmm.

And they're I want to suggest to you council's lawyers in this proceedings between Talal and council, and it's a report by Pikes & Verekers to their client, Canterbury City Council.---Ah hmm.

And so they're saying this is what has happened. And this report is dated 4 November, 2015.---Yeah.

10 And if I can take you over to the second page of the report, page 53 of volume 6, it says essentially, looking at the second line – I'm sorry?
---I'm on page 52.

I'm sorry. If we can go to page 53.---Yeah.

20 Looking from the second line down it says actually, sorry, it says essentially that the applicant, Talal El Badar, agreed to provide council with further amended without prejudice drawings in an endeavour to reach agreement or at least resolve some of the contentions raised the proceedings. And the court therefore gave this direction, the applicant to provide further amended architectural drawings, all documents in support, to be served on council by 18 November, 2015.---Ah hmm.

Do you remember there being a requirement for amended drawings to be prepared?---Yeah, we changed them like - - -

I'm sorry?---We changed the drawings maybe four or five times.

30 So the position so far as you and Talal were concerned as at early November was that the DA for 23 Willeroo Street had not been approved by council. Correct?---Yeah. Well, if this letter, yeah, mustn't, I can't remember when it got approved but it was obviously not at this stage.

Well, it wasn't approved was it until basically the administrator approved it in about June 2016?---That's right, yes, exactly, yes. It was after council got sacked.

So we're talking now about back in November 2015.---Yeah.

40 The position was you had this DA in but it hadn't been approved.---Ah hmm.

It appeared that it was opposed by Canterbury Council. Is that fair to say? They were - - -?---They had issues, yeah.

- - - disputing that they should approve it?---They had issues with it, yeah.

You were tied up in a conciliation conference in the Land and Environment Court. Correct?---Yeah. That section 34 you mean?

Yes.---Yeah.

You were required to pay for lawyers. Correct?---Yeah, yeah, we paid.

You were required to pay for your architect to prepare amended plans. Correct?---Yeah. I can't remember how much we had to pay. It wasn't, yeah, we had to pay.

10 All of this is expensive isn't it?---In the context of things, yeah, I think it is.

And is it right that Talal had a loan on the property to help finance the DA? ---Yeah.

And is it fair to say that the prospect of you getting a return on your money was receding into the distance?---No.

Not impossible but it was further away than - - -?---No, I disagree with that.

20 Why do you disagree?---Because I believed strongly that we would get approved if we went to court, strongly, because I provided council two or three sites that were approved that were, were more height, more dense than this site and I specifically remember giving them, or I gave it to Vasili I think. I think I mentioned two or three sites to him. I can't remember who it was I gave it to but there were sites that were more densely approved in isolated sites than what this was.

30 So you thought you had the merits on your side?---I thought without a doubt, there's a clause in the DCP that allows for isolated sites and we bought the site specifically because of that clause.

40 But despite the fact that you believed you had the merits on your side you weren't getting an approval at this stage?---Yeah, and I believed that they were being I think, the arguments in some of their, some of their arguments were a bit, I found a bit, yeah, not correct. They kept referring to okay, but the site is less than 20, the 20 metres required and this is a known fact and it's also known that there's a clause that allows for sites that are more than 15 metres but less than 20 metres if they're isolated so I found that they were referring to this issue of it being less than 20 metres where in actual fact there's a clause in the DCP that says we allow it. That they were, they were almost ignoring the fact that that clause existed.

What I'm trying to ask you to focus on if you wouldn't mind is during this period from early November to say late November, 2015 the position you were in was you believed you had the merits on your side but you weren't getting anywhere fast in getting the approval that you need?---I can't remember that specific two week period to be honest. You're asking me to remember a specific two week period. I can't remember it, yeah.

Well, you've seen that the requirement for amended plans was imposed on you by the court on 4 November, 2014.---'15.

Thank you.---Yeah.

Thank you, sir. 2015. You've seen that.---Yeah.

And if I can take you to page 64 of volume 6. This is another updating report to council from their solicitors.---Ah hmm.

10

The report is dated 30 November, 2015 but what they're saying in the first paragraph of their report is "Last Friday, 27 November the matter was before", and then they identify the particular Commissioner, to continue the section 34 conference and it was indicated on your behalf by Mr Conomos that the applicant was of the opinion that council's contentions could be met through the submission of further amended plans and your solicitor sought a further adjournment to allow time for that to occur. Do you see that?
---Yeah.

20

So, and the conference was in fact adjourned to allow for further amended drawings to be supplied. So that's the situation you were in in November.
---Yeah.

You weren't getting anywhere fast and you were being required to spend money producing different plans?---Well, we had already spent, the lawyer's fees were fixed so it was like it was costing us more money as it went on. It was a fixed cost - - -

30

Agreement?---Yeah.

Right. But you were spending more money on architects. Correct?---I can't remember how much extra we spent on architects.

And Talal was paying interest on the loan I assume to finance the purchase of the property in the first place?---Yeah, it was rented out. The property rental was covering most of that.

40

Just speaking for yourself, if there had been a way of shortcutting all of this that would have been attractive to you?---What do you mean by shortcut?

Well, you're paying out money and you're not getting an approval.
---Ah hmm.

So, if it were possible in some way to not have to pay out more money and to get an approval, that would be of advantage to you?---Yeah. I know what you're trying to allude to but I, I, it's, yeah.

THE COMMISSIONER: But you agree with the proposition?---I wouldn't do it.

No, no. I think you're - - -

MR BUCHANAN: Just out of curiosity, what wouldn't you do?---Well, what he's trying to allude to.

Well, you tell me.

10

THE COMMISSIONER: What do you think this he's - - -?---Do something illegal. Yeah.

MR BUCHANAN: Well, such as?---I don't know. Anything illegal. If you ask the question again, would you, what was the question again, sorry?

Well, it would be an attractive proposition for you if you didn't have to pay out more money for architects and if you were able to expedite getting the approval for your development application?---In what way?

20

That would have been attractive, wouldn't it?---Well, it depends in what way. It would have been attractive dependent on what, in what fashion.

Right. And, and just tell us what you mean - - -?---If it meant that, if it meant that I could get a really good barrister on the case and he would be able to, you know, put, put in a strong argument to, to get us over the line, yeah, I - it'd be very attractive.

30

Did you have any discussion during this time with Talal about whether there was any way that council could be brought around to approve your plans? ---I can't remember if I had a discussion with Talal but we did meet with council. Like, me, I think Talal was there as well but we specifically had I think one meeting or two meetings at council.

Specifically, though, thinking about Talal El Badar, was there any conversation with him of which you're aware, whether it involved yourself or anyone else, about any way that council could be brought around to approve your plans?---I can't remember to be honest.

40

And are you aware of whether anything was done to try to bring council around to a position where it approved your plans?---Yeah. We went and met, we went and met with council.

You had a couple of meetings with Mr Stavis and a Mr Hargreaves, is that right?---I remember Mr Hargreaves and Mr - - -

Spiro?---I think so, yes, yes. I don't know how many, it was definitely one, I don't know if it, it might have been two.

Well, if I suggest to you that the first one was on 5 January, 2016?---I can't remember the date but I do remember we met with them. I can't remember the exact date.

And when you met with Spiro, he wasn't exactly supportive of your position, was he?---I can't remember.

10 Can I take you to page 21 of - - -?---I remember Mr Hargreaves wasn't, wasn't supportive.

Right. Can I take you to your interview, the transcript of your interview with the Commission investigators on 1 March, 2017 and can you go to page 17. Excuse me a moment. I apologise, I think I've taken you to the wrong page. It's not your fault. Page 21, please. And if we go back to page 20, just for context. Towards the bottom of page 20, can you see one of the investigators asks you, "Now, Spiro Stavis, who's the director of planning, you said you could recall him being at one of the meetings at least maybe but not every meeting?" You said, "He was at one, I can't remember if, if I was at only one or more than one." And then over to page 21 you said, "I remember him at least one meeting." And the investigator said, "In the meeting that you were at, did he sort of give any undertaking to you guys that he would work with you until you got it approved?" You said, "No. What do you mean? What, what does that mean?"---Ah hmm.

The investigator said, "Well, did he say to you that he would support the project, that he would make sure that you got an approval?" Answer. "Not really."---Ah hmm.

30 "Or anything along those lines?" Answer. "If you mean was he very supportive of it, I wouldn't say he was very supportive of it, if that's what you're trying to say." And then a little later on you said, "He had his own issues with it."---Ah hmm.

Do you see that?---Yeah.

And then you go on to give some, went on to give some details.---Yeah.

40 Does that refresh your collection as to whether you were having, whether Mr Stavis had issues with the application in the meeting that you could remember having with him?---I can't remember details of it, honestly, it's a long time, but there was obviously some, I don't know who, issues, who had the main issue but yeah, they, they weren't obviously agreeing to just approve it.

Were you involved in any phone calls to Canterbury Council planning staff? ---I can't remember. To who? I, oh, maybe, I don't know, I can't remember. Maybe to - I can't remember.

I take it you mean you can't remember any.---Yeah, if I did.

Is that fair to say?---Yeah.

Rightio. Now, eventually - - -?---You're talking about with regards to this project, yeah?

10 Yes, yes, sorry, sorry.---Yeah, yeah, yeah.

In relation to Willeroo Street.---Yeah, I can't remember, yeah.

Okay. In due course your architect provided amended plans. Is that right?
---Yeah.

20 If I can show you page 91 in volume 6. This is another court document and it's headed Without Prejudice Response to Amended Plans Received 7 December 2015. And it's a document from Canterbury Council, so it's their document, not yours.---Yeah.

Okay. And so just from the very title of it, can you see that Hamec Pty Limited provided amended plans on 7 December, 2015?---Ah hmm.

And if you go through that document, it might be easier if you have a look at the hard copy because it goes for a number of pages, so it starts at 91.
---Oh, is that this folder here?

Starts at page 91.---Yeah.

30 And if you just flip through the pages - - -?---Yeah.

- - - there's dot point after dot point after dot point where council says, and it's in red, "Not satisfactorily addressed."---Ah hmm. Yeah.

40 There's a few where they say "Satisfactorily addressed," but - - -?---So this is what I mean, there was a lot of things that if you read them they're just very silly, yeah, so there was a lot of this which we believed strongly, especially after speaking to the solicitor and to the barrister that, that all of this wouldn't hold up in court, were it not to be resolved at the section 34. So the majority of it, they thought that it was just a point of just putting down as much as you can on pen and paper so that it looks like there's major issues there.

Well - - -?---And there's some things such as stormwater and drainage, you don't go to the extent of finalising that until council is, is happy with the plans because you wouldn't do a whole stormwater design if you haven't even resolved how the plan's going to come out. So they're put a point,

okay, not satisfactorily addressed, but it's understood that you wouldn't do it at that point in time.

Nevertheless there were some substantial design issues that were raised - - - ?---From, from, council's point of view but not from - - -

From council's, that's what I'm saying.---Not from the lawyer's point of view or the barrister's advice point of view.

10 So the position was by the time this document went in to council - - -? ---Ah hmm.

- - - that council was taking issue with quite a large number of points, including design issues with your amended plans. Is that fair to say? ---I, I, I – what was the question, sorry?

Council was taking issue with you - - -?---Ah hmm. They had, yeah, they had issues with it but - - -

20 - - - as to the, as to the amended plans - - -?---Ah hmm.

- - - in relation to quite a large number of points, some of which were design issues?---I don't know which ones are design. They had issues with the development still, even though we'd provided amended plans, but they were issues that we felt that weren't issues. So from their point of view they were issues, from our point of view, we, I, I confidently believe 95 per cent of them aren't issues and some of them are issues that shouldn't even be brought up at that stage.

30 Now, thinking of the first meeting you had with Spiro Stavis, do you remember how you came to go to that meeting?---The – no, I can't remember how.

Did someone tell you there's a meeting on?---I can't remember how, what, who organised it. Maybe Vasili, I can't remember who organised it to – no, I can't remember to be honest, no.

40 If I show you a document, page 101. You can see this is a Canterbury Council memo about a meeting, just looking at the first paragraph, between the author of the memo, Andrew Hargreaves, and Spiro Stavis on the one side, and Khaled and the owners.---Yeah, I think that's the one that I was at, I'm pretty sure.

And the owners would have been you and Talal?---Yeah. I, I'm not a hundred per cent sure if Talal was there. I think he may have been but I can't confirm, I can't remember.

There wouldn't have been anyone else who would have been described as an owner, though, would there, in respect of this project? You and Talal, that was about it, wasn't it?---Yeah, well, yeah. I, I, I'd say so, yeah.

Righto. And you can see this is dated 5 January, 2016. So, it's saying that the meeting occurred on 5 January, 2016?---Yep.

10 And at that meeting, and please have a look at the memo or any part of it to assist you, but you can recall, can't you, that it was suggested to you by either Spiro or Andrew or both that the proposal was an overdevelopment of the site?---Yes.

And that there were a number of things that needed to be done to the plans, is that fair to say?---Yep.

That that's what they indicated to you?---Ah hmm.

20 And arising from that meeting, was there an agreement that your architects would supply amended plans to address those concerns?---If he says – does it say that there? I can't remember exactly but if, if he says that that's what happened, yeah.

Well, I'll - - -?---“Suggest that this (not transcribable) a more appropriate design response,” yeah.

Do you remember that further amended plans were provided?---Yep.

And that was done because council asked for them, wasn't it?---Ah hmm.

30 Is that fair to say?---Yep.

Now, if I can take you to page 129, and again it's just to help fix dates et cetera, but can you see that this is an email from – I want to just tell you, if you look down the bottom it says Peter Jackson, partner Pikes and Verekers Lawyers. So Peter Jackson is a senior lawyer at council's lawyers, Pikes and Verekers and it's addressed, “Good afternoon, Vasili,” and Vasili Conomos was your lawyer, correct?---Yes.

40 So, it's a, it's correspondence on 19 January, 2016, to your lawyer from council's lawyers and down the bottom – I withdraw that. There's a whole lot of dot points which are complaints about the amended plans, about features of the amended plans. Do you see that?---Yes.

And then down the bottom it says, “In the circumstances, council is of the opinion that without prejudice amended drawings are unacceptable and accordingly we'll be seeking to terminate the section 34 process and have the matter listed for a defended hearing. Do you recall being made aware that council was saying, “Look, the amended plans aren't good enough,

we're terminating the section 34 process. We're going to go to court"?---I can't recall specifically but, yeah, if it's saying it there, yeah, I guess that's what – I, I can't remember the exact details, honestly. It's ages ago but there was, there was constant to and fro.

10 Do you remember a concern that you had or that Talal seemed to have that the section 34 conciliation conference was being terminated?---I can't remember. I, all – I, I do know that we were confident that if we went to court we would win but it's obviously always better to try to resolve things as quick as possible. But if, if we went to court we were confident we were going to win. I think they were trying to get us to do it four units instead of five. I think that was one of the issues but we kept arguing and saying, well, there's no requirement. The DCP doesn't specify that you can only have four units rather than five and we've done, we've you know, stuck within the, the, the guidelines of the DCP with everything and there's nothing that says you have to have four not five.

20 Did you understand that Talal ever did anything about council saying that okay, we're finishing the conciliation conference. We're going to go to court and have a fight in court. Do you recall Talal - - -?---I can't remember. I can't remember.

- - - having a conversation with you about whether anything would be done about that?---I can't remember. He may have. I can't remember to be honest.

30 Can you remember Talal being disappointed that the section 34 conference was going to be terminated?---He may have been but I can't remember the specific scenario. I would have been probably disappointed as well to a degree but like I said, I was, we were both confident that we would win in, in court anyway.

If I can take - - -?---I mean we were, just as an example - - -

40 Sorry, go on.--- - - - we've got one with Canterbury Council at the moment in a section 34 with Vasili at the moment and the same thing is we confidently believe that if we go to court we're going to win in court. So it's the same process. I, I have, I don't change my stance on it, yeah. They, they, I think I find sometimes that they may just make things an issue when they're not an issue.

If we look, please, at page 125 of volume 6. So this is shortly after that correspondence to your solicitors from council's solicitors. On 20 January at 2.23, this is the middle of the page, 2.23pm Talal has emailed Spiro to say, "As you can see from the last meeting we had it was all a waste of time as council's solicitor has terminated the section 34 stage. This is very upsetting."---Ah hmm.

Do you know why Talal would have sent that email?---You need to ask him why he sent. I can't remember why but - - -

Well, it suggests - - -?--- - - - what I found - - -

10 Sorry.---What I do remember is section 34 this without prejudice term we found a bit silly. It was like you go into a meeting, you discuss things and then they don't have to abide by it potentially I think. Something along those lines. So we found it pretty silly because we agreed to certain things, we changed the plans according to those things and then it was still not agreed to.

20 Can I ask you though, can you understand why Talal would have told Spiro that it was very upsetting that there had been a waste of time and that council's solicitor had terminated the section 34 stage?---I don't know why he would have said that. You need to ask him. But what, from my point of view thinking back now I would have preferred to have gone to court and not wasted our time with this section 34 from the start because if it's taken, looking at it in hindsight, obviously it started in August you were saying and we're in January now so I would, knowing that we were confident and the lawyer's advice was you will win in court, I would have preferred to, if we were going to get to this stage in hindsight I'd say, you know what, in August let's just take it to court. We're not going to change the plans because we were confident and so, but if that's what he's referring to.

Well, the question is given that that – are you saying that was your view at the time?---I can't remember what my view back then was but I'm saying now in hindsight, yeah.

30 Well, that's, no, no, no. That's now what I'm asking you about.---Okay.

Not your, your thoughts in retrospect - - -?---Okay. Fair enough.

- - - with a whole history of it - - -?---Yeah.

- - - that you're able to look back on.---Yeah.

Just thinking about your thoughts at the time.---Yeah.

40 Do you remember having a discussion with Talal about what should be done?---I can't remember. I may have but I can't remember.

Do you remember any disagreement between you and Talal about the tactics that should be adopted?---No, I can't remember.

Do you remember Talal expressing disappointment or being very upset?---I can't remember but like I said, thinking about it now we would have been

upset that we wasted our time through that whole four/five month process now.

Now, can I ask you, did Talal ever say anything to indicate that Spiro - - -?
---Ah hmm.

- - - knew that Michael Hawatt worked with council?---I can't remember if he - did Talal ever - what was the question, sorry?

10 Did Talal ever say anything to you that indicated that Spiro - - -?---Yeah.

- - - knew that Michael Hawatt worked with council?---I can't, nothing triggers my memory about that, no.

If I ask you to have a look at page 124, this is a WhatsApp text - - -?---Ah
hmm.

- - - that Talal sent to Michael Hawatt at 10.13am on 20 January, 2016, and
it reads, "Salaams. Hope you're well. The council terminated the section
20 34 phase after we met with Spiro."---Ah hmm.

Now, did you know that Talal was going to send a communication to his
father-in-law about this?---I don't know, to be honest. You're asking me to
remember two years ago if I knew somebody was going to send a message
to someone. I can't, I can't remember.

Okay. But do you remember any understanding that Talal would ask his
father to intervene - - -?---No.

30 - - - in what was, in what council was doing?---No, not that I can remember,
no.

Was there any understanding that you had at that time that there were, as it
were, two tracks to the approach that you and Talal were taking, one was the
approach that was being taken through the lawyers and the other was an
approach directly into council via Talal's father-in-law?---No.

Do you know why Talal would have sent that message to his father-in-law?
---Maybe, oh, I don't know.

40 Well, I'm not asking you to speculate.---Yeah, I don't know why he - - -

I am asking you what you understood at the time.---At the time I can't
remember. At that time maybe he was just upset about it, I don't know.

Yes, but why was he talking to his father-in-law about it? That's what I'm
asking, whether you have any knowledge - - -?---No, I, I, I don't know.

- - - at that time that you can assist us with.---No. Um, not that I, I can remember, no.

Now, did you, do you have a memory of understanding that Spiro Stavis intervened, even though in January he was on leave, does that ring a bell?
---It does ring a bell that something, he was on holidays or something, I can't remember the exact scenario but he was maybe on holidays, yeah.

10 Right. Is that something you understood at the time, that he was on holidays?---I can't remember if I knew it at the time or I know it now, I can't differentiate between the two difference.

And what's your memory as you sit there now - - -?---Ah hmm.

- - - of what the intervention was by Spiro in about January 2016?
---I can't remember the exact intervention. I don't know what you mean by intervention, what, what, what - - -

20 What's the next thing that happened that you remember, at the time that your lawyers said, oh, look, council's lawyers are telling us they're going to terminate the section 34 process, what's the next thing you remember happening?---I can't, I know there was a point in that time when it was going to still go to council and then council got sacked and then it had to go to the administrator and then the administrator ended up approving it.

30 Well, thinking back through to when council – I withdraw that. Do you remember council's lawyers – I'm sorry, I'll start that question again. Do you remember being told or learning that council's lawyers said, we're not happy, we're going to stop this process, we're going to go to court, go back to court?---Well, that letter that you showed me earlier.

That indicates that.---Yeah.

But do you remember that happening?---I can't remember, well, I remember there was a lot of issues, the specific scenario of it I don't know exactly, but that, like, that letter triggered a bit of that memory.

Okay.---Yeah.

40 Was that position solved? That is to say, did council's lawyers terminate the section 34 process and did you go back to court?---No, we didn't go – I don't think we went to court. I think we - - -

So, why not? What happened to prevent council's indication of what they proposed to do from actually happening?---I can't remember but if you show me some stuff maybe I can, it'd trigger more memory. Yeah.

If we can have a look at page 131, please, in volume 6. Now, towards the bottom, this is an email conversation and it's a little bit confusing because sometimes an email gets forwarded to someone and sometimes the conversation is started again, but towards the bottom, on page 131, what is reproduced there is the correspondence between the lawyers saying, "This is what's going to happen. The section 34 conference is going to be terminated. We're going back to court." Now, then if you look in the middle of that page, a bit below the middle, can you see, "From Talal El Badar"?---Yes.

10

And that's 20 January, 2016. It's the same date as the solicitor's advice, "This is what council's lawyers are doing, have said," and it's forwarding that to Spiro Stavis on 20 January, 2016. And then if you look above that, Spiro Stavis writes to someone called George and says, "See below. Did they submit amended drawings after my meeting with them? If so, I want to personally review before terminating the section 34 conference and instruct the solicitors accordingly." Now, does that ring any bells with you?---Bits and pieces sort of.

20 If we go to page 146 - - -?---Yep. Regarding (not transcribable)

If I take you to page 147, might be the fastest way of doing it. Can you see that in the middle of the page there's an email from Talal to Spiro. This is 20 January, 2016 at 5.14pm. "Dear Spiro, I really appreciate this." I'll read the rest of that in a second, but can I just go back down and can you see that what Spiro has done is send to Talal his email to the person called George in council and so Talal is responding to that when he says, "I really appreciate this."---Okay.

30 And so can you see that it would appear that Spiro intervened with the threat to terminate the section 34 conference and Talal said, 'I really appreciate this'?---Ah hmm.

And then he went on to say, "I think there's foul play from solicitors on both sides," and then there's an email from Spiro to Talal saying, "Don't worry, I'll get to the bottom of this." We're reading up the page, this is at 5.45pm, the same day.---Yep.

40 So, does any of that ring a bell with you? Is Talal keeping you posted on what was happening?---It sort of rings a bell, yeah. I, I don't know the exact details of it but I remember you know, that we were going back and forward all the time, yeah.

And was Talal keeping you posted on what was happening, just thinking about this period of time?---I, I knew bits and pieces of it. I, I don't know if I knew every, I can't remember if I knew every single thing that was being said and done but - - -

Excuse me a moment. So, it would seem – I withdraw that. January's a time when lots of people in Australia take their family holidays, you'd agree?---Yeah.

And the correspondence from Spiro is consistent with him being away somewhere and telling his staff hang on, hold it, I want to have a look and see what's going on here. You'd accept that?---I'm not sure whether he was away or what it was but, yeah, I remember there was something about him not being at work.

10

Rightio. And so you can see how it would be reasonable to characterise what Spiro did as intervening in the proposal - - -?---I don't know what his job is.

- - - that the section 34 conference be terminated?---I don't know what, I don't know if that's what happens all the time or if that's his job. I'm not sure. Like if, if somebody does that all the time it's just, I'm not sure.

20

Well, whether they do it all the time or whether they only do it sometimes, they're intervening. Spiro was intervening with his staff and saying hang on, I want to have a look at this before you go any further?---Yeah. Isn't that what a - - -

You can see that?---Is he, is he their boss though?

Yes.---And doesn't a boss intervene when - - -

Yes, he was the director of city planning.---Okay.

30

You understood Spiro to be the boss of Andrew Hargreaves didn't you?---I don't know his exact job description but I know he was like, had some responsibility of some sort. Like, I don't know if he was the manager or the, yeah. I didn't know he was a planner, whatever, the planner or, I knew he was, like he wasn't, yeah, he was more responsible than the other, than the other staff that were there.

40

And you can see that what he said to George indicated that he was giving George a direction, don't go any further with the termination. I want to have a look at the documents?---So does George, is George working, does he work - - -

He's a manager.---Okay. Does he work for him or - - -

Yes.---Who works for who, sorry?

You can assume that George worked for Spiro. Spiro was the top person in planning at Canterbury Council.---Yeah.

You can assume that.---Okay.

Director of city planning was his title.---Okay. So I don't know whose above the other to be honest but he's obviously telling him that I want to have a look at it so I don't, I don't know what - - -

10 Well, you can - - -?---As a manager or a boss, if I'm not there on a particular day and I have an issue with, with something I can tell my staff hold on a second. That's how I look at it. I don't know if that's the right way to look at it.

Yes. And that's an intervention isn't it?---Not if it's part of my job.

It's an intervention - - -?---If it's part of my job to make sure that my staff are doing the right job, yeah.

20 That's an intervention isn't it?---If my, in my daily routine if it's to double-check that my staff are doing the right job then my whole job is intervening if that's what, according to your description

And if he's on holidays at the time?---I don't know what their job, if that's part of his job description to take, to do that I don't know. I don't know what his job description, the details of his job description, yeah.

You don't want to describe it as an intervention?---I take, I take phone calls when I'm on holidays and, from, from my staff so from my context I don't see that as an issue but, yeah.

30 Do you know why Spiro Stavis would have sent that email to George and then had the further correspondence with Talal that you've read?---No.

It seems like Spiro has some sort of relationship with Talal, you'd accept that, he knows Talal or knows of Talal?---Yeah, to a degree. I don't know if he knows him. I don't know. But based on that email, are you asking me to judge it based on that email?

Yes.---Yeah, it looks like, yeah, he knows him or he may know of him.

40 And what I'm just trying to ascertain from you is do you know of anything that would explain why Spiro would have sent that correspondence, first to the manager underneath him and secondly to Talal?---No, I'm not sure.

Did you ever have any understanding that Spiro might be receiving any pressure from Talal's father-in-law?---No, I didn't know any of that.

And so if it was the case that Michael Hawatt was communicating with Spiro Stavis to try to solve the problems that you were having with council all of that was unknown to you at the time. Is that what you say?

---No, I may, I may have known. I'm just trying to recollect. Yeah, I potentially may have. I can't remember but.

What's the basis on which you say you potentially may have even though you can't remember?---Because I can't remember so I don't want to say, yeah, I do, I didn't, and then you show me something I did. I don't know. Maybe I did. I can't remember.

10 Well, I understand what you're saying.---Yeah.

But what we need from you is actually what you can recall as you sit there. ---Okay.

And if you have no memory of something - - -?---I can't - - -

- - - all you've got to say is I have no memory of it.---Yeah, I have no memory of it, yeah.

20 Now, can I take you to another document, please. Page 155 in volume 6. On 28 January, 2016, Talal emailed Spiro a letter asking Spiro to tell council's lawyer that he, Spiro, was happy with the amended plans, that they adequately reflected what had been discussed at what Talal described as "our meeting".---That's right.

Now, you received this email? I'm just looking up at the "to" field.---Okay, yeah. Yeah.

30 Do you remember this email?---Specifically no, but I obviously received it, so - - -

Do you know why you were copied into this email and yet it doesn't seem as if you had been copied into previous emails?---Yeah, I'm not sure.

There was no conversation between you and Talal saying, "Well, I want to be copied into what's going on here? Anything like that?"---No, not, yeah, not that I remember. I, I don't know. No.

It's just that your name starts to appear from here on.---Okay.

40 And I'm just wondering whether you can help us as to why it starts to appear when previously it had not.---I'm not sure why. It just started to appear.

Now, after your name and email address in the "to" field is the email address of Michael Hawatt. Do you know why he was copied into this correspondence?---I wouldn't have a clue. I don't know.

Why did Talal send this to Michael Hawatt?---You need to ask him why. He's the one that sent it. So I don't know why he sent it to him.

Well, you can see that he sent it to you and to Michael Hawatt as well as Spiro Stavis, and what I'm asking is, do you know why he sent it to Michael Hawatt?---No. You need to ask Talal why he sent it to him. I'm not sure why he would have sent it to him.

Well, you can assume that, you know, the Commission makes its own inquiries. What I'm asking you is to tell us.---Yeah.

10 When you received this, did you look at this extra email address and wonder, "Who's this?"---I can't remember. I honestly can't. I probably wouldn't have even realised who Michael [REDACTED] is. Like, yeah, he doesn't have his surname or anything, so - - -

So is what you're saying to us that you don't have a recollection of knowing who that person was at the time?---At that point in time, I can't tell you that I did. I'm, I don't think I did, from - I don't know. Maybe I, oh, I can't remember.

20 Now, if I could take you to page 171.---Yeah.

In the top half of that page, first of all at about point 3 on the page, can you see that where the cursor is there's a copy of an email from Spiro Stavis to Talal, and it says, "Talal, I've never seen the amended plans, so I'm not in a position to confirm anything, let alone my support," and then he goes on to say what he proposes to do. And that was sent from him to you and to Talal and to Michael Hawatt.---Okay.

30 Do you remember getting that email from Spiro Stavis?---Obviously I, I received it but I, I can't remember the specifics, no, of - like, if you're telling me two years ago do you remember receiving, yeah, I, I obviously received it. Two and a half years ago I received it, but - - -

Well, just take a step back.---I get a hundred emails a day. Like, I can't remember.

Sure. But remember that there had been a meeting between Spiro Stavis and Andrew Hargreaves on the one hand - - -?---And I was there on the other - - -

40 - - - and you and Talal on the other hand.---And the architect, I think.

And the architect. Thank you. So it wouldn't be surprising, would it, perhaps, that as far as Spiro is concerned if he thinks you're one of the owners, that he's got to copy you in on the correspondence?---Yeah.

Would that be a fair assumption?---Yeah, yeah.

So he's talking to Talal but he's copied you in.---Ah hmm.

Now, then you can see that this appears to have been forwarded to Michael Hawatt because he replies to Spiro on Thursday, 28 January, 2016 - - -?
---Ah hmm.

- - - at 3.44pm - - -?---Yeah.

- - - saying, "Thanks. Can you resolve this?"---Ah hmm.

10

Signed, "Michael."---Yes.

Do you know why Michael Hawatt would have sent that?---I'm not sure why he would have sent it.

Got any understanding, given what you knew at the time or even what you've known since as to why Michael Hawatt should have - - -?---I don't know if, I don't know what his job is, like, is he, like, isn't he there to resolve issues? I don't know, like, for, yeah.

20

Right. And when you say that - - -?---Yeah.

- - - what is your understanding of his job that would mean that it's his job to resolve issues?---Well, he's a, he's a councillor so I don't know, any people that have an issue can approach him I guess, I don't know.

Righto. Now, that's knowledge, tell me if I've got your evidence wrong, that's knowledge that you tell us you have acquired since?---I can't remember when I've acquired, I'm saying in general as a councillor, councillors are there to, if you've got an issue you approach 'em. I don't know if that's the correct thing that a councillor does but that's my understanding of what councillors are there - - -

30

Righto. What I need to ask you then is, when did you get the understanding that Michael Hawatt was a councillor on Canterbury Council?---I don't know the exact date, like I said, I remember seeing those billboards but I don't know when that time was.

In relation to the issues that you and Talal were having with council's response to the amended plans - - -?---Ah hmm.

40

- - - when was it that you found out that Michael Hawatt was a councillor on Canterbury Council?---I, I, I – you've asked me that about five times. I can't remember the date that I realised he was a councillor but I remember seeing those billboards, so yeah, I can't remember the exact date but yeah, obviously there was a point in time where I realised he was but when that was, whether it was 2015, '16 or even before that, I'm not sure.

THE COMMISSIONER: Your statement that generally councillors are there if you have a problem, you approach them - - -?---Yeah.

- - - that was your understanding back in 2016, just generally, as to what a councillor would do?---I can't remember. I don't know if that was my understanding back then or now or previous to that time. I don't know. I've, I've probably never approached a councillor for any issues that I've had in the past so I don't know their exact role, but yeah. I don't know. Is that correct? I don't know if that's the right - - -

10

No, no, no, it's your evidence.

MR BUCHANAN: Now, if I could ask you to have a look at page 186 of volume 6. This is some more correspondence.---Yeah.

It's from Spiro Stavis to Talal - - -?---Ah hmm.

- - - to Khaled, your architect - - -?---Yep.

20

- - - and to you.---Yeah.

And it's dated 29 January, 2016 at 12.30pm.---Ah hmm.

And it says, "Hi, Abdullah/Talal/Khaled."---Ah hmm.

And it says, "I have now reviewed the amended plans and I must admit I'm most disappointed with what has been submitted."---Ah hmm.

30

"At best the changes are tokenistic. You have made no real effort to address the changes raised by me at the last meeting" - - -?---Ah hmm.

- - - "so I can understand why my staff referred the matter straight to hearing."---Ah hmm.

And then he says, he goes on to address a series of issues that he says he raised at the without prejudice meeting on 5 January. Do you see that? ---Yes.

40

Now, I'll come back to a bit more of that in a moment. Can I just go back up to the header at the top.---Ah hmm.

And can you see that it has been indeed sent to Talal, Khaled and yourself and then at the end of the cc field is Michael Hawatt again?---Yeah.

Do you know why it was cc'd to Michael Hawatt?---I have no idea. I don't, yeah, I don't, is there an issue with that? I don't know if there - - -

Well, let's think about it this way. There were about nine councillors on Canterbury Council - - -?---Ah hmm.

- - - at the time. Do you know why Michael Hawatt would have been the only councillor - - -?---Well, there's, well, there's this other - - -

- - - who was copied into this correspondence?---This other person, Eva Rahme?

10 You can assume she is working for Spiro Stavis.---Well, I don't know that. I, I just don't - - -

That's okay, that's okay. I'm just asking, I'm just asking you to assume that.---So, looking at that from here, without knowing what you just told me, he, he's not the only person that is being cc'd on it. It's looks like he's sent that to two people which - - -

20 That's right but he's the only councillor.---Well, I don't know that. I, I, I, yeah. I, I, until now you've just told me that.

Mr Osman, listen to my question.---Yep.

He, I tell you, is the only councillor. Spiro Stavis is not a councillor, correct?---He's the head councillor. He's the head of the councillors.

He's not a councillor. He's director of city planning, remember?---Okay.

Talal El Badar's not a councillor.---So, does, does he - - -

30 Hey, hey, hey. Talal El Badar is not a councillor.---Ah hmm.

Khaled is not a councillor, your architect, correct?---Yep.

You're not a councillor, correct?---Ah hmm.

40 Eva Rahme works for Spiro Stavis. She's not a councillor. Michael is the only councillor who's copied in on this. There are some nine-odd councillors. Can you help us, why was Michael cc'd on this and not any other councillor?---I don't know. You need to ask, you need to ask whoever sent this email. Who sent the email? Spiro. You need to ask him why he only sent it to him. I, I don't know why. He's got George, this other George guy. Isn't he, isn't he a councillor? Or Andrew?

No. You know that George was being given directions by Spiro Stavis. ---Okay, yeah.

You saw that earlier. Andrew Hargreaves, you know who he is.---Yeah, he - - -

He's a planner who works for Spiro Stavis.---Okay, okay.

Okay, so Michael's the only one there who's a councillor.---I don't know why he's the only one to be honest.

The question is – yes, but you assume that he's the only one for the purpose of my question.---Okay.

10 Assuming that he's the only one. Have you got any understanding that you can assist us with as to why he was copied on this correspondence?---No, I don't know why he was copied in and I, and I don't know why he was the only one copied in.

Right. And now that you – I withdraw that. You know that Michael Hawatt was your investment partner's father-in-law. Does that help you understand as to why he might have been copied in?---No.

20 Now, then towards the bottom of this email, I said I'd come back to it. Can you see it says, "I've attached a sketch plan which provides some suggestions on how you can amend to satisfy our issues," and if you flip over to pages - - -?---Yeah, I remember that. Yep.

You remember those?---I remember some red drawings, yep.

And do you know what happened to these drawings with red writing on them?---Do I know what happened to them?

30 Yes. As in were they given to Khaled, was there any talk to Khaled about - - -?---I can't remember what happened to them. Yeah, they may have been. I, I, I'm not sure. Well he, didn't he get the email?

Yes, exactly.---Yeah, so he obviously got them.

Exactly but the question then is, Khaled words for you and for Talal, isn't that right?---Yeah.

40 All right. So, was there any discussion between you and Talal and Khaled as to whether these suggestions should be adopted in the further amended plans?---I can't remember. I, I didn't agree with these suggestions, I do remember that but I can't remember if – yeah.

When you say you didn't agree with them, was there any conversation in which you said that you didn't agree with them?---I can't remember if I had a conversation about it but - - -

Did you express your disagreement with these proposals for changes to anyone?---I may have but I can't remember specific scenarios.

Was there any decision as to whether any of these proposed changes indicated in red writing should be implemented in the new plans?---I can't remember if we implemented part of it or none of it. We – no, I don't think we implemented all of it but we may have implemented – oh, look, we may have implemented parts of it but not yeah, definitely not the whole thing I don't think. I don't think, yeah.

10 Can I take you to page 190. So that email that you were sent by Spiro Stavis, that you and others were sent by Spiro Stavis, was on 29 January, 2016 at 12.30pm. That's page 186. Page 190 is an email Mr Stavis has sent six minutes later, and he's sent it to Michael Hawatt. Can you see what he's said there? "I'm trying hard to accommodate them, but it's a narrow, isolated site and therefore needs to be sensitively designed, which is what the court will ask him to do. They may as well make the changes I'm suggesting now, rather than spend money paying lawyers, et cetera. He will still get five times two-bedroom houses with what I'm suggesting." Can you see that?---Yeah.

20 Do you know why Spiro Stavis would have sent an email like that to Talal's father-in-law?---Because he's a councillor, isn't - - -

Yes. But firstly he seems to have been the only councillor who's been sent this. Do you know why that would be so?---That's the same question you asked me a few minutes ago.

Yes.---I'm not sure, yeah. I'm not sure. Once again he's sent it to this Eva lady, so, yeah.

30 Yes. You know that she - - -?---She's not a councillor, now you've told me.

That's right.---But I don't know why he's – I'm looking at this and I'm thinking from this point of view that it doesn't look like there's an issue because obviously he's cc'ing somebody from Canterbury Council in it as well. So I don't know if there is an issue with sending it to only one councillor, but if there was, why would he cc someone from council as well? I don't know. I'm just looking at it from, today, looking at this. It doesn't seem like there's an issue with it because he's cc'd someone. If he hadn't cc'd her, okay, but - - -

40

THE COMMISSIONER: A lot of your answers you appear to be reading something into the question as if there's something necessarily sinister. It would assist if you could just listen to the question and answer it. For example, here Mr Buchanan is pointing out that out of the nine councillors there's only one councillor who's been copied in, and as he asked you, why is that the case? Can you suggest a reason for that?---The question is almost asking me to sort of look into that guy's brain to work out why he sent it to him. I don't know why he specifically sent it to only one person.

Mr Buchanan is not asking you to try and get into Mr Stavis's mind, but what he's interested in is somebody who's an owner of the property and who was involved, attending meetings, very keen to get your DA up and running. In that context, looking at it, can you suggest a reason as to why only one councillor was sent this email by Mr Stavis?---I honestly can't. I'm not sure why.

10 MR BUCHANAN: And Talal was your business partner in this exercise. Can you suggest, sorry, is there anything that you understood at the time which would explain why, of all the councillors to whom Mr Stavis was writing and explaining what the problems were, it should be your business partner's relative? Why him?---Out of all the nine?

Yes.---I'm not sure why he's only done one and I don't know why he's only – I'd say the reason he's copied him in is because he's the one that sort of sent the email a while back, asking him to look into it. Maybe that's why he's only chosen, that's why he hasn't sent the rest of the councillors.

20 Right. But really what I'm asking you is, did you have any knowledge at the time, say from any conversation that you had with Talal or anything that Talal said in your presence?---About what?

That would explain to your mind why Talal's father-in-law would be getting the benefit of this explanation about what the problem is?---I'm a bit confused. What's the question, sorry?

30 Was there anything Talal ever said to you which would explain why Spiro Stavis was sending this email to Talal's father-in-law?---No. Not that I, no, not that I think of, no.

And you never had any conversation with Michael Hawatt about it?---No.

About the investment or the development application?---Willeroo Street?

Yes.---No, I don't think so.

40 Did you ever have a conversation with Michael Hawatt about any development application?---No, I only met him once, I think, for about a minute or two.

Yes.---Yeah. And it was just - - -

Did you have a conversation with him about any development application? ---No. No. No. Not that I can think of at all.

Now, just to assist you with – I do apologise for a moment. I just need to – can I ask that you have a look at page 195 of volume 6.---Yeah.

That's an email on the say day, 29 January, but it's a bit later in the day 4.05pm and it's an email from Talal to Spiro Stavis but you're cc'd into it as is Michael Hawatt.---Yes.

You see that?---Ah hmm.

10 Was there any conversation between you and Talal before he sent this email?---There may have been. Yeah, we used to talk about the whole thing together a lot so potentially there would have been.

So when – I withdraw that. Talal says all the way through we, not I, we. ---Yeah.

Would we be a reference to you and him?---I would say so.

20 And so the likelihood is that the two of you have discussed what he would say to council's director of city planning?---I don't know if we, we would have discussed, I remember talking to him about things such as okay, we had this meeting with them and we, we come to some sort of resolution that you need to change A, B, C, D and E. So we then told the architect to make those changes and from memory, especially with all this, I remember that we did those changes and we're still getting the same like, or responses saying that no, it's still not sufficient so me and Talal would have had the discussions about hold on a second, we made all these changes. So it looks like we had that discussion and we, we formulated an email together and, yeah.

30 So going over to page 196.---Ah hmm

There's a reply to Talal but you're cc'd into it.---Yeah.

Still on 29 January but at 4.19.---Yeah.

And Mr Stavis says, "Talal, I disagree with your recollection of the meeting. The issues discussed are clearly outlined in my previous email hence please advise if you are intending to prepare amended plans otherwise we'll instruct our solicitor to go to hearing."---Ah hmm.

40 Could that have been something that caused you to agree with Talal to instruct your architect to make changes to the plans?---I can't remember. I remember we made a lot of changes. I don't know what stage that was. We did, the architect probably changed it probably three or four or five times so, but I don't know at what stage this is, yeah.

Do you remember hearing that Talal had a meeting with Spiro a little later? ---I had a meeting with him, with, at council?

Yes, but - - -?---I wasn't - - -

Sorry, but Talal had another meeting at a later stage I want suggest to you.
---I can't remember. I can't remember.

Rightio. Have a look at page 213.---213.

10 And just see this is an internal memo by Mr Hargreaves dated 11 February and it says in the first paragraph, "Following his request of 4 February, 2016 Spiro Stavris and I met with Talal El Badar on 10 February to discuss the without prejudice plans he lodged with us on 2 February, 2016."---Ah hmm.

And it basically goes on to say that with a small exception the amended plans are satisfactory.---Okay.

Do you have a memory of Talal telling you about something like that?---I, I can't, I may have been there to be honest, I can't remember, but I may have been at that meeting. I can't remember but, yeah.

20 And then do you remember that there was basically an agreement under section 34 reached with council so that it didn't have to go back to court?---I remember council approved it once, I don't know from this point until the council got sacked but I remember it got approved. We were meant to go to council and on the day we were going to council is when they got sacked. I remember that happened and then we had to wait like, it could have been a month or two until the administrator approved it. So I can't remember the exact time because this looks like, I think the administrator was, the council was sacked around this time wasn't it?

30 Yes, 12 May. 12 May.---Yeah, so it was a few months after. Yeah. So, it wasn't approved yet but, yeah.

Can I ask you about a different property, 51 Penshurst Road. Did you understand that to be where Talal lived with his wife and family?---Yep, yep.

Did you know that in 2015 Talal and his wife had a DA in with Canterbury City Council to redevelop that site?---I don't know what year it was but I know he put a DA in for it.

40

Did you hear from – did you learn from anyone about any communication that Talal and his wife had with Michael Hawatt about that DA?---No. I wasn't involved in that so I, I don't know, I know very little about that DA.

But you weren't kept up to date by Talal with what was happening or - - -?
---I, I knew, I knew that he, he had to do – he, he asked me once about the neighbour who had approach him with the – he had to write a letter to him to buy some, for the – to get his - - -

An easement?---Yeah.

A stormwater easement?---Yeah. From one of the neighbours. I think he had to purchase two of them, yeah.

Right, but you weren't being kept apprised of what was happening?---No. I knew bits and pieces but because I wasn't involved in it, it wasn't - - -

10 Now, at the time of the 2015 dealings in respect of 23 Willeroo Street, you heard about a property at 31 Santley Crescent, Kingswood, is that right?
---Yes, yep.

What were the circumstances in which you first heard about it?---Talal approached me and I think it was Hossam and I can't remember who else but he said, "Look, there's a property. It looks like it's a good opportunity. Are you guys interested?"

20 And Hossam is Hossam Matar?---Yeah.

And when was that approach roughly?---Dates, I'm very bad with, yeah. I can't remember.

When you first heard from Talal about it, where was the Willeroo Street development application at?---I can't remember if it was, I can't remember. If you told when the date of that Santley Crescent, then I can tell you where we were at.

30 Did you go and have a look at it?---At Santley Crescent?

Yes.---Yeah.

Did you go there with anyone?---I, I can't remember if it was myself or with Talal or with Hoss, with Hossam, but yeah, I remember going there.

And did you think it was worth looking into as worthwhile investment?
---Yeah, yeah. It looked like it was pretty good.

40 What was it that appealed to you about it?---I mean, we do, we did a very quick feasibility on it and it looked like it was going to stack up.

For what purpose?---For, I think we were looking at either units or boarding, boarding rooms I think. I think it was units initially, yeah.

And how did you do the feasibility study?---Oh, well just we had a chat about it. You know, we, we're not very formal. It just, really, yeah.

Well, was any research conducted?---We got an architect. After we bought it, we got an architect. I think Talal may, may have spoken to the architect to get a rough idea of what he thinks he can get on it and then he told him so we then went and bought it and then, and then we went and got more formal plans done and then we realised that the architect's initial calculations weren't going to work.

10 And who did you understand was the owner?---I know now who it is but I, I, I can't remember if I – I think I may have known it was his father-in-law back then. I'm – I get confused whether I know it now or I knew with back then but yeah, I can't remember if – I may have known it back then, I may have.

Can I ask you this, what's your first memory of understanding that the owner was Talal's father-in-law?---What's my first memory?

20 Yes. Of understanding that the owner of 31 Santley - - -?---No. We did, I, I did know it at a point in time, definitely not now. I knew it at a point in time because we kept asking him to, when we decided to not go through with it, we kept telling him to, to his father-in-law, to give us back the money. So, there was – so I knew, I may have known at the point of us buying it to be honest. I can't remember exactly when but there was a point in time that we definitely knew that he owned it. It might have been at the start.

So if I can assist you with some dates. If we could have a look at volume 8 in Exhibit 52, page 73.---This one, the folder? Page - - -

30 It will be a different folder, sir. We'll give you another one. But that page will come up on the screen in a moment. This is an email from Talal and you can see it's to Michael. You understand that now to be Michael Hawatt. And it's dated 8 October, 2015. Can you see it attaches a number of documents? Sorry, it attaches in particular Architectural Fee Proposal, Santley Crescent Kingswood, and then it's got some more detail. If we can go to the next page.---Yes. Gus. Yeah.

That's a fee proposal dated 8 October, 2015, from Gus Fares.---That's right. Yeah.

40 Do I pronounce it correctly?---Yeah.

So first word Gus, G-u-s, second word Fares, F-a-r-e-s, Architects.---Yeah.

Addressed to Talal El Badar. And it's a quote for providing the services that they then describe in the subsequent pages. It's probably easiest if you have a look at the hard copy because it goes for a number of pages.---Yes. Yeah.

And you can see on the screen there the title page for the fee proposal. Do you remember seeing this document?---Yeah.

And was the fee proposal accepted?---Yes. And we paid him a deposit. We paid him, yeah, and he returned some money back to us.

Well, we'll come back to that later. But this fee proposal, then, was sent to you on about 8 October, 2015 if we go back to page - - -?---Yeah, that's what he writes on the email, 8 October.

10

Yes.---Was it sent to me on that date as well?

No, I'm not suggesting it is. That's why I asked you whether you saw it.---I, I did see that. I'm pretty sure, like, I remember looking at the plans and pricing from Gus, but I don't know when I saw it. I went to his office once.

20

And it was basically to get Mr Fares to advise as to the development potential of the site.---I think, I, from memory, it, he did the, I can't remember if it was before we bought it or after we bought it. I think the, the, before purchase it may have been more informal and after purchase was – I can't remember exactly but it may have been informal and after we bought it, it was a more formal, you know, this is the quote and this is what I can, you know - - -

So can I just ask, who was involved in the purchase?---So it was my brother that was going to buy the property and it was me and Talal and - - -

Your brother's name?---Alae.

30

Yes.---Me and Talal and Hossam and, yeah. So it was, we, we paid a deposit. So we paid 300,000. 50,000 initially, which was paid I think 16,000 each or 16,600 each three ways. So Hossam - - -

50,000 initially? Or 60?---No, it was 50 but it was made up of 16,600 or whatever three ways.

Right. I'm with you.---And then we paid another \$250,000.

40

THE COMMISSIONER: And, sorry, you three were going to develop it but your brother was actually going to own the property?---We, it was very rushed so we, he was going to buy it. We, we potentially said, you know, maybe, you know, I can't remember if we were going to sell it later or if we were going to develop it or – we run very ad hoc sometimes. It was just, like, yeah, it looks like a good opportunity. Let's do it. And I don't know why we put it in his name. Maybe because he was going to get a loan potentially. I can't remember the exact reasons.

But he doesn't seem to be part of the partnership.---Well, we, we work where – for example, Hossam may have put that money where it might be for him and his brother. So his brother was involved in the development at Strathfield but Hossam's name was the only one on that. So we have done that in the past where, you know, my brother's name is on there and I've put the 16,000 up front.

Or vice versa.---But along the way he'll give me some money to, to invest into that project. So it's not very formal. I, yeah, it's just - - -

10

MR BUCHANAN: Excuse me a moment. Now, can I just ask you to go page 106 of volume 8.---Yeah.

First of all I just need to tell you – you're looking at the paper copy.---Yeah.

If you go back to page 74, sorry.---Yeah.

Or 91 – you can see that there's copies of the fee proposal from the architect to Talal dated 8 October, 2015.---Yes.

20

Then if you go to page 106 you can see that there's a similar but not identical copy of a fee proposal, still for 31 Santley Crescent.---Ah hmm.

This time it's dated 13 October and it's addressed to Croydon 2915 Pty Limited.---Yes.

Do you know why a similar copy of the fee proposal, not identical, was sent to that company?---I think that we were going to develop, I think we paid him the deposit from Croydon 2195. I think we paid Gus from that account.

30

Rightio. And you can see a difference - - -?---No, no, we, yeah, we paid, we didn't pay for the site from that account but we paid Gus I think, I think from memory.

Can I just take you, if you look at page 91 and then flip over to 106.---Ah hmm. Yeah.

The, the subject heading is Proposed Up To 24 Units on 8 October - - -? ---Yes.

40

- - - when it's sent to Talal, and then it Up To 30 Units - - -?---Ah hmm.

- - - when it's sent to Croydon 2195 on 13 October.---Yeah. Ah hmm.

Was that because the proposal was morphing, was it, as - - -?---This happens very commonly in development. I mean you could change it from two-bedroom units to one-bedroom units. I think at a point in time we had a look at the, I think there's a hospital close by so we were looking at maybe

putting more one-bedroom units in there rather than two-bedroom, potentially.

Right. Can I just ask you to have a look at this. So I think there's a small OH&S risk involved in this, the staple, if you'd just keep your fingers away from it. This is a current organisation extract from ASIC - - -?---Yes.

- - - for Croydon 2195 Pty Limited.---Yeah.

10 And if we go down to the bottom, the heading is Directors. Over the page it identifies them as Mohammed El Badar, Hossam Matar and Abdullah Osman.---Yes.

And then the share structure is number of shares issues, 90, and if you go over the page again the shareholding is Mohammed El Badar, Hossam Matar and yourself in equal portions.---Yeah.

I tender that company extract, please.

20 THE COMMISSIONER: The ASIC current organisation extract for Croydon 2195 Pty Limited will be Exhibit 142.

#EXH-142 - ASIC CURRENT ORGANISATION EXTRACT FOR CROYDON 2195 PTY LTD

MR BUCHANAN: And what was your understanding as to the purpose of the existence of Croydon 2195 Pty Limited?---We bought a property in
30 Croydon Street in Lakemba, 114 or 116, I can't remember, and we were going to try to buy the neighbour and we tried for a few months and he refused so we ended up selling it.

But the company still existed?---And it's, I think that's probably why we bought, I mean we paid for Gus's fees for the other property from this one, because we were probably going to end up using this company to develop the other one.

40 That is to say you were probably going to use Croydon 2195 to develop 31 Santley Crescent?---Potentially if we ended - - -

Potentially.---If we ended up developing it. It was, it was a company that was set up and not used so, yeah.

THE COMMISSIONER: It was only set up about a month or just over three weeks - - -?---We set it up probably just around the time we bought the property in Croydon Street because - - -

So that was in September, 2015?---Yeah, potentially.

Because that's the registration date.---Because we would have named it after the property in Croydon Street so it would have been around that time that we set it up.

10 MR BUCHANAN: And so can I just ask to just tie this off, I think I know what you're going to say, why was Bella Ikea Strathfield not used to potentially develop 31 Santley Crescent?---It was already developing something, yeah. You can get, yeah, so there was need. We, we set up a new company and, to develop Santley Crescent.

As you said, Croydon 2195 was available. It wasn't doing anything else? ---Yeah. Now, I don't know if we were going to use Croydon 2195 but we definitely used funds that were there to pay for Gus's fee so - - -

20 I understand.--- - - - we may have actually paid back the money to Croydon Street at a point in time and reconciled everything so that it sort of separated anyway.

Now, what was the sale price for 31 Santley Crescent?---I can't remember the exact price to be honest but I know it was, it worked out to be worth doing.

Yes, but you said you bought it.---Yes.

You and your colleagues bought it.---Yeah.

30 What was paid for it?---We paid a \$50,000 deposit, 250,000 initially and then we paid another \$250,000.

Yes.---And then the remainder we still had to pay on settlement.

And what was the remainder?---I can't remember whether it was 900,000 or \$1 million or, something around there, maybe 1.1. Yeah, I can't remember to be honest. It's probably on the contract.

40 Well, did anyone keep a copy of the contract?---It's probably somewhere, hidden somewhere. I don't know. I can't - - -

Well, did you - - -?---I haven't got a copy handy if you're asking me. I haven't got one.

Did you sign the contract?---No, my brother signed it.

And how do you know your brother signed it? I'm not saying he didn't I'm just asking what's your source of knowledge?---I'm pretty sure we went up together. I can't remember. I can't remember. We went - - -

You were about to say you're pretty sure you went up to?---Yeah, maybe I went up with him to, to - - -

To where?---Bankstown to the, I may have gone with him or I may have told him to go to the office to sign it, at the lawyer's office.

Right. A lawyer's office at Bankstown. Why do - - -?---Yeah. I'll tell you his name is - - -

10

Tom Zreika?---Sterling, Sterling Legal.

Sterling Legal?---Yeah.

Do you remember a name Tom Zreika?---It rings a bell;.

Did you meet a lawyer there?---I can't remember to be honest. I can't remember the exact scenario.

20

Now, all right. Yes, it is a convenient time if this would be convenient for you, Commissioner?

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

SHORT ADJOURNMENT

[11.29am]

30

THE COMMISSIONER: Mr Buchanan.

MR BUCHANAN: Commissioner.

Mr Osman, can I just go back to the evidence you were giving before morning tea about this \$50,000 and then \$250,000 - - -?---Yep.

- - - as a deposit, those two sums together as a deposit. Is that right as you understood it?---Yes. It was done separately. One was \$50,000 from one account and the other 250,000 from another account.

40

Right. But together they were one deposit, they were the whole deposit? ---It was the whole \$300,000 deposit for that Penrith property.

So if you know that the deposit is 300,000, does that help you recall what the purchase price was?---I can't remember the exact, I think it was around the 900 or a million dollar, maybe 1.1, around that, that sort of figure. I can't remember exactly what it was. Because we didn't end up going through with it, like, we ended up, so I can't remember what it was.

You've been involved in property dealings a little bit though.---Ah hmm.

A third of the purchase price as the deposit sounds a bit disproportionate for a deposit, doesn't it?---I know what you mean. Yeah, it's probably not normal, yeah, but - - -

10 So why was the deposit \$300,000 if the purchase price was 900,000 or 1 million or 1.1 million?---That's what was agreed. Like, he, he, Talal told us, look, he needs that much money to get the, the sale. He'll give us a deferred - - -

He needs that much money to what?---To, to, so we can secure the sale.

Yes.---But he'll give us a bit of a delayed settlement. Sometimes you've got to give and take, so you get a bit of a delayed settlement, you've got to pay a bit more than what you would normally pay for a deposit.

20 Why did you want a delayed settlement?---I can't remember. I think maybe – you always want a delayed settlement, whatever you're going to, whenever you get into prohibited drug, whether to organise finance or to try to get the DA done before, there's always, you know, it's always better to get a delayed settlement.

So do you have a recollection that the deposit was meant to bear some particular relationship to the amount of the purchase price, was there meant to be - - -?---Oh, I don't think so, no. I don't, I don't think it was relative to the purchase price.

30 It wasn't meant to be a third of the purchase price or a quarter?---No, no, not, not from memory, I don't think it was, because I don't, yeah, I don't think it was 1.2 million, it may have been 900 but it seems more like it was about \$1 million and I don't think we organised it to be 30 per cent, I think it was just we paid the \$50,000 deposit and then his father-in-law needed more, more money and we, so we paid that and then we owed him a certain amount to finalise the sale.

40 And how did you find out that his father-in-law needed more money to be paid?---Talal would have told us on one of the, we have WhatsApp groups so he would have sent, or he would have sent a message or we would have, I don't know, we would have spoken about it at a point in time or, or messages or something.

And you don't have a memory of what it was that Talal told you that explained to you why more money needed to be paid than \$50,000?
---Now I'm just trying to – I know now, because of my last interview and I'm trying to - - -

And let's leave aside - - -?--- - - - work out if I knew back then or not. I, I know now the reason 'cause I've, 'cause of when I was interviewed and what you read in articles, but I'm not 100 per cent sure if I knew that back then, if you know what I mean.

So what is it that you've learned since?---That he was, he needed X amount of money 'cause he was going to buy another property somewhere else.

10 You don't have a memory of at the time thinking, oh, we're being asked to buy this property for Talal's father-in-law?---No, no. I definitely don't remember us saying, not from memory, I don't think we, we discussed, okay, we need to pay him so that he can buy, yeah, all I remember is we needed to pay an extra \$250,000 or we had to pay a total of \$300,000 to secure this site which looked like it was pretty, pretty good from a feasibility point of view and so we thought, you know what, let's, let's do it. And we ended up, we didn't have the funds ready so we had to loan it from Bella Ikea, the company that was doing the job in Strathfield, so there was some excess funds there so we, we thought, you know what, we'd fund it there until we organise our finances from this end.

20

Excuse me a moment.---Yeah.

Was there any discussion with Mohammed El Badar about money being lent by Bella Ikea in order to find the \$250,000 that you were being asked to give to Michael Hawatt?---I think Mohammed might have been also involved in the Kingswood property anyway.

30 In what way, how?---I'm not 100 per cent sure but because, like I said before, I would put my name down as a third and Hoss would put his name down as a third but he would represent him and his brother, so Talal having his name there, once again, I'm not 100 per cent sure, but it could have been there to represent both him and his brother. So his brother would have potentially been in the whole conversation from, from the start that we needed to pay for it and where we're going to get the money from, we've got a bit of excess in this company, so we paid it from there temporarily.

Now, did Alae have an interest, a financial interest at stake in this deposit paying or purchase?---Initially, no. The 16,666, I, I, I covered that and - - -

40 Why didn't he pay?---Why didn't - well, it's - we're brothers, we just, like I said, it's very informal, we, we do things a bit ad hoc. So during the process of the development he would have said, I've saved up \$20,000, I'll invest that into the project and it's very ad hoc, it's not formal, it's not structured to that degree.

Had Alae been involved in any property dealings in which you've been involved before - - -?---He, he, he - - -

- - - Santley Crescent, before Santley Crescent?---He's probably given me a bit of money to put into the Strathfield development, so once again his name isn't on there but, yeah, like, maybe 20 or \$30,000 that he's given me to put in there and - - -

And what's - just so that we can understand how it works, let's say it's \$20,000 that Alae gave you - - -?---I don't know the exact dollars, so I'm just - - -

10 No, I understand that. Say it's \$20,000.---Yep.

To put into the Liverpool Road, Strathfield development. What does Alae get out of that?---Once the project's finished and we've sold everything and we pay out taxes and the companies that, you know, we, the accountant will work out what the distributions are. So, I will get a distribution based on what my total input in and then his percentage of my input would be his, yeah. So, for argument's sake, if I put \$100,000 and he was 20 per cent of that, then - - -

20 Can I show you a document please, Exhibit 105. Now, you were shown this during your interview by the Commission investigators. I'm showing you a different copy now from the one that was shown to you by the Commissioner investigator and we'll come to why it's different in a moment. One difference, though, just for complete transparency, is the one that you were shown by the Commission investigators had a line drawn through the front page. Don't worry about that, though.---Yep.

This is an option agreement that has not been executed. You see from the front page, there's no actual date apart from the reference to 2016. Can you see that? And then if you go, just in the hard copy, if you go to page 7, you can see that there's no signatures?---Yep.

But can you see that it's an option agreement between Michael Hawatt and your brother Alae?---I, I don't think we did an option. It was, I'm pretty sure it was just a settlement like, a normal settlement from memory.

What do you mean by settlement?---Just a long extended settlement. It wasn't an option because we, yeah, it was just a, a sale. Like, we were buying the, the property off him, not an option,

40 Right. So, if I can take you to page 3 and before I ask the specific question about what's on page 3, you can assume that his has been prepared by Sterling Legal, the solicitors you referred to earlier.---Ah hmm.

You can see that Michael Hawatt is identified as the vendor and that your brother is identified as the purchaser?---Yep.

Do you know how come this document was prepared?---I don't know why it was prepared but maybe they were thinking to do an option, maybe. I, from what I recall, I don't, I'm like, 99 per cent sure we didn't do an option. It was just a settlement.

All right. Did your brother say anything to you to indicate that there would be an option agreement?---I, I don't think my brother would know the difference to be honest. Yeah.

10 So, can you just tell us again, why was he to be the purchaser for Santley Crescent, as far as you understood?---I can't remember the exact reasons but it may have been because he didn't have a house and he was going to buy in his name and then we, you know, he would potentially get a loan down the track for it because obviously if we lent \$250,000 from another development, we would have been probably short of funds at that point in time. So, I'd say that would probably be the easiest way for him to get to, to finance that is, to fund it, because he didn't have a house. Yeah.

20 What was the relationship between you and Alae at this time, so far as concerned his finances?---He's my brother, so in terms of his – he had to give me some money to put into the trust for development. Yeah, what else are you asking?

Did you look after his finances or business interests in any way?---Just the Strathfield development. Like, he's give me – we're, we're very, me and my brothers are very close so you know, we borrow money from each like, it's very open.

30 Did he conduct any investments on your behalf?---No.

So, any investments he had were managed if that's the right word, by you? ---It was just Strathfield. It was just Strathfield that he, he had some surplus funding, money and I put it into the project for him.

Sure. But this is now a different project.---He hadn't put any money into this yet but - - -

40 But it looks as if he's put in money.---Okay. He hadn't put any money in, what I'm saying is he hadn't put any money in at that point in time.

But it was with your agreement I take it, your personal agreement that his name go on the contract?---Yeah, I would have spoken to him about it and for whatever reason we said yeah, it's probably the best way to do it.

So just going then to page 3 of this unexecuted option agreement. You can see it's in respect of 31 Santley Crescent.---Yeah.

That's in recital A. And then can I take you to page 4 where it says, "In consideration" – I'm sorry, this is clause 2(a) under the heading Call Option. "In consideration of the sum of \$300,000 being paid by the purchaser to the vendor the vendor grants to the purchaser or its nominee an option to purchase the property", et cetera. Do you see that?---Yes.

So that sum of 300,000 is exactly the sum that you and your - - -?---That's, yeah, but - - -

10 - - - co-investors paid to Michael Hawatt?---But it's not an, we didn't do an option. I'm 99 per cent sure it was just a normal contract.

Do you know why the figure of 300,000 would be appearing in this unexecuted option agreement when that's - - -?---I know now - - -

- - - exactly the amount that was paid?---I know now why because obviously he needed that money to buy a unit, yeah.

20 But it sounds as if – I withdraw that. On one view of it this has been prepared by Sterling Legal who are Mr Hawatt's solicitors and he has given them the instructions that that's the sum that's to appear in the option agreement. That's one way of looking at it.---We, from what I remember there was no option.

But the figure of 300,000, do you know where that came from in this document, where did that figure come from?---Is that what, I mean I would assume like I said is that he has told the solicitor I need that much money because I need to buy a unit.

30 Rightio. So it's simply an assumption on your part that Michael Hawatt said that to his solicitor?---That's what I'm assuming, yeah.

That's all right.---Yeah.

Thank you. If that's your state of knowledge that's your evidence.---Yeah.

Now, can I just take you to page 5.---Ah hmm.

40 So it's really clause 3 going over to page 5, clause 3(f).---Ah hmm.

The currency of the option was until July, 2016, 1 July, 2016. Can you see that?---I, I've never read this option before so I don't know where, where this, I've never seen this before so, yeah.

Very well, Now, can I take you to towards the back of the document where there's the front part of a contract for sale of land attached.---What page is this?

This will be page 8. Hang on. Excuse me.---Yeah, here, 9. Yeah, that's - - -

Thank you, yes. You found a signature?---Yeah.

And that's your brother's signature?---Yeah.

Do you know - - -?---I'd say, yeah.

10 Do you know the circumstances in which your brother came to sign that page?---I can't remember if me and him went up together or if, I can't remember. I remember Bankstown. I remember Sterling Legal. I can't remember if it was me and him or him or, yeah.

Where did you get the idea of an association between the suburb of Bankstown and these solicitors if you didn't actually go there?---I'm pretty sure I may have been there with him. I don't want to say I'm 100 per cent sure but it sounds, like I can't remember it like I remember yesterday but it sounds familiar.

20 Does the name Tom Zreika mean anything to you?---I don't know him personally but it rings a bell.

As the solicitor that you were dealing with, does that ring a bell?---Yeah.

Did you - - -?---I think we paid the deposit to him or his, his trust account.

Did you have a solicitor in the negotiations or the dealings with Michael Hawatt to acquire 31 Santley Crescent?---I can't remember if we engaged a solicitor or not. It doesn't ring a bell. I don't - - -

30 Did you have anyone looking after the interests of you and Alae - - -?---In the purchase of it?

Yes.---It doesn't ring a bell to be honest, no. Yeah, I don't think so.

Why were you dealing with Sterling Legal?---That was his solicitor I think.

Who is - - -?---Michael.

40 Michael Hawatt's solicitor?---Yeah.

And do you know or not whether you were thinking about – you were present when Alae signed this page?---I can't remember.

Now, there is something that's written very faintly against the word, "Completion date," about a third of the way down. Can you see it looks like a date of 12 February, 2016?---Yep.

Do you have any knowledge about that date or why it appears there?---No. But yeah, potentially it was because we were going to get delayed settlement, potentially but I don't, yeah, that's probably the reason.

10 Would you excuse me. Do you know anything else about this unexecuted contract for land? I say unexecuted because the only writing on it is the writing I've drawn your attention to. There's no signature by the vendor, for example, and there's no price on it. So, do you know anything else about this particular unexecuted contract for 31 Santley Crescent?---What do you mean? Do I know anything else about - - -

Have you seen it before today?---I'm not sure. I can't remember if they showed it to me when I was – when I had the meeting last year. I may have been shown it, I can't remember.

Leaving that aside, have you seen this document or, or anything like it in respect of Santley Crescent anywhere else or any other time?---This contract, I can't remember.

20 So you see, I just need to come back to the evidence you gave before morning tea. You said, “We bought it.”---Yep.

You know that to buy land you've got to have a contract?---I know what you mean. It's, like I said before, we're, we sometimes do things very informally and maybe it was done a bit informally because Talal was related to the vendor. So it was a bit ad hoc and informal and it was more like, yeah, sounds like a good deal, let's buy it. And yeah, so I, I don't know. Yeah. Does that make sense?

30 What was it that happened or that anyone said that made you think that you and somebody else or anyone else had bought 31 Santley Crescent? ---Because he went and signed it. Like, we, we bought it. I, yeah.

So before I showed you this, did you know that Alae had signed the contract?---Yeah. Well, because I either told him, you need to go and sign it, or I went with him or – but it was signed and we knew that we, and we went and paid a deposit to the architect. So he just went around the process, that's it. We - - -

40 But you know that paying an architect doesn't mean you bought it. ---I know, I know, I know what you mean, yeah.

So leave aside the payment to the architect.---Legally, legally speaking, I know what you mean. This is not, it means you haven't purchased but we, as far as we were concerned we had bought it. Yeah. It might not – now looking at it on pen and paper it's probably not bought, but we were under the assumption we were getting a long settlement, we were paying a deposit and then we go through the process of getting the DA.

I just need to just make sure that I've given you as good an opportunity as we can to answer the question, though. Thinking about your state of mind in late 2015, I assume, that you had bought this property. Know that 2015 is not on there.---Okay.

10 Thinking of your state of mind, that you had bought this property, what was it that made you think you had bought this property? Now, I'm not interested in you saying, "We assumed we had." I want to know what was it that had happened or that anyone said or that you saw that made you think you had bought the property.---There's, there's nothing but I, well, I just
20 knew that we – maybe it's very silly of us that you know, we haven't got a exchanged contract or anything but we went and spent, I think we paid \$25,000, \$30,000 as a deposit to the architect. We're not going to do that if we're not going to acquire the, the, the land to develop. Like, we went actively out to see the architect once or twice and we, he formulated some plans and drawings. So, we went spent money, we, yeah, so the whole intention, whether or not legally speaking it had been transferred in our name or it was exchanged is another, is another issue. Maybe it was just
20 ignorance on, on our part.

Well, there's two matters arising out of that. One, in fairness to you, you do seem to have some faint recollection - - -?---Ah hmm.

- - - of perhaps being present at Sterling Legal's offices in Bankstown - - -?
---Yeah.

- - - when Alae signed this or at around the time that Alae signed this.
---Yeah.

30 That's in fairness to you, because you have told us that.---Ah hmm.

So that's one thing that contributed to that state of mind.---Yeah, potentially, yeah.

Is that fair?---Yeah, fair, yeah.

40 Okay. But the other thing though, you say that you wouldn't have spent the money on the architects unless you were acquiring the land.---Yeah.

Weren't you paying money to architects to do due diligence, to find out whether it's worth buying the land?---This particular property?

Yes.---Well, I don't think we paid him anything prior to buying that, well, buying that land, so it was more of an informal chat, but once we had bought it, well, we, we assumed we had bought it, we went to his office and we agreed to the amount and we paid him that amount.

Him being Gus Fares?---Gus, yeah.

Can I just – if you just pause with me for a moment. You know those fee proposals we looked at - - -?---Yeah.

10 - - - around 8 October and 13 October, 2015 to Gus Fares, when was the payment to Gus Fares made in relation to the date on those fee proposals, how soon afterwards say?---I have to see my bank account, I mean have a look and see when it was paid. I can't remember if it was – from my recollection we went and saw Gus, we had a discussion about what it was going to cost and what he was going to be able to put on the site and then he may have emailed that after we saw him and then we would have paid it after we received it.

And the money to pay Gus Fares came out of the - - -?---Croydon.

- - - bank account of Croydon 2195?---Yes, that's correct. So I'd say it was probably shortly after that October date.

20 So maybe mid-October say 2015?---Rather than speculate we can have a look at the accounts just to get an exact date. I mean I can probably have a look and see exactly when we paid that.

Sure, but in the absence of the accounts right now, your best recollection - - -?---I would say it happened after he sent the invoice.

And that would have been reasonably shortly after, say within two weeks roughly?---Potentially, yeah.

30 Yeah.---Yeah.

Okay. And so you think that by then you believed that you had bought 31 Santley Crescent?---Without a doubt I would have not paid that if I didn't have assumption, clear, clear, yeah, that, that this is our site. Now, I know what you mean now, looking at this - - -

No, no, no, I'm not having a go at you.--- - - - I haven't got an exchanged contract.

40 I'm not having a go at you at all. I just want to go back though to my questions earlier about weren't you paying money to Gus Fares to simply do - - -?---No.

- - - due diligence to find out whether it's worth buying?---No, no.

And your answer is no?---I don't think so.

What was it then that you were getting from Gus Fares that you, that was going to add value to the fact that you owned this land?---I don't understand the question.

If you believed you'd bought it - - -?---Yeah.

- - - then you'd owned it, you were owning it.---Yeah.

10 What was it that Gus Fares was going to do that was going to add value to the fact that you owned this land?---He was going to get the DA for it.

And if we could have a look at volume 8, page 282, please, at page 281. ---Is that in the folder that I've got as well?

Yes, but look, we can probably get it up on the screen just as quickly. ---Yeah, here it is, that's the invoice.

Yeah.---Yeah, yeah.

20 And so it's got a date of 20 October, 2015.---Yeah.

And you say the likelihood is that - - -?---Yeah.

- - - the money came out of Croydon 2195 account - - -?---I, I, I would say we - - -

- - - roughly two weeks after.---I would say we already owned it prior to this invoice being issued.

30 Right.

THE COMMISSIONER: And when you say you owned it, you paid - - -? ---Well, now looking at this, obviously we didn't own it because there's no exchange contract you're saying, but - - -

MR BUCHANAN: Yes, but that's not what I'm asking about. We're just simply trying to find out what had happened to make you think you had bought it. That's what we're trying to find out at this stage.---Yeah. Like I said, I think maybe we're, looking at it in hindsight we may be a bit ignorant
40 that we went and - - -

No, no, no. That's not an issue.---ah hmm.

We're not exploring that. We're trying to explore what actually happened - - -?---Yeah.

- - - to cause you think, we own this, we can go ahead and give money to Gus Fares to do the work to get a DA. What was it that made you think we

own it?---The thing is, we didn't think, we knew for certain that we owned it.

Right. What was it that made you know that you owned it?---I don't know. It's, we just, you know, we went and, well, he, my brother went and signed and that's it, we own it. That's it. We're going to get a long settlement and the guy's related to, to Talal so obviously he's not going, you know, it's, yeah.

10 THE COMMISSIONER: Sorry, is your recollection that you were with your brother when he signed the contract?---It rings a bell that I was with him but I'm not 100 per cent sure.

Do you know who witnessed it, did you witness the contract?---I can't remember.

Did you take away a copy of it?---I'm not sure.

20 MR BUCHANAN: I take it you don't have a copy at home?---No, not that I've seen. I don't think we took any, once again I think it is a bit silly of us. It sounds a bit stupid that, you know, you haven't engaged a lawyer and you haven't got an exchanged contract and you haven't got a copy of it but I don't know if it's because, you know, we're buying off someone that's related to, to one of us that we just overlooked a lot of this sort of stuff.

Does the payment of the first instalment, if I can use that word just for the moment, of \$50,000, is that something that contributed to your knowledge - - -?---Definitely, yes.

30 - - - that you had bought it?---Yeah, definitely. That and the 250,000 as well.

Well, let's just stop there. If I tell you that that \$50,000 was paid on 18 November, 2015?---Okay. Yeah.

Make that assumption.---Ah hmm.

40 Then does that mean that you believed that you owned it as of that date? ---No. Like I said, I think that from the date that we, I can tell you I would not have paid \$26,400 if I didn't believe 100 per cent sure that we owned it. Whenever, whenever that, if you can tell me what date that we paid Gus I can tell you with a shadow of a doubt that I would have assumed 100 per cent that I owned it at that point in time.

But - - -?---So whether or not that was pre that date in November you mentioned - - -

The 18th.---Yeah. If I paid Gus before that date I would not have paid him if I wasn't 100 per cent sure that we owned this property.

But what about the payment of the \$50,000 itself - - -?---Okay. Well, that's - - -

- - - doesn't that mean - - -?---No. Because, once again because - - -

10 - - - that you owned it as far as you're concerned?---Once again because he's a relative of one of the buyers you give some flexibility. You know, we've been waiting on him to pay the, the money and he's only paid back \$100,000. Once again we've given - - -

But that's a different subject.---Yeah, but I'm trying to bring the point that because he's a relative we've given him flexibility on that. Had it been anyone else we would have probably gone the path of, you know, seeking legal, legal advice.

20 If I could ask that the witness be shown, please, volume 8, page 131. This is not your document, Mr Osman, but it's writing, handwriting on a couple of empty emails can you see that have been printed off?---Yeah.

And I appreciate that the empty emails say essentially Sterling Legal and Tom Zreika and in particular 31 Santley Crescent, Kingswood.---Ah hmm.

But the writing on this is likely to have been written on or after 11 November, 2015.---Yeah.

30 Because it's a print of an email.---Yeah.

A couple of emails. This is not your writing.---No.

Please make this assumption, that it's written by Tom Zreika, the solicitor at Sterling Legal, after he had a meeting with Michael Hawatt on 14 November.---Yeah.

You see 14/11?---Yes.

40 And it says "price half million".---Ah hmm.

"Deposit 50,000, purchaser Alae Osman" and then your address.---Ah hmm.

Does half a million dollars sound like the price?---It doesn't ring a bell that it was that price. It may have been. I honestly can't remember the price that we agreed to buy it. I thought it would have been more like \$900,000 or a million but it may have been, may have been – because it wasn't, it's not the most expensive area so it may have been that price. I do remember

it was a really good deal, so potentially it could have been because it was you know, we were looking at getting 20 or 30 units, so - - -

But a total deposit of \$300,000 for a contract price at \$500,000 doesn't sound right, does it?---As, as I said before, it's, it's a relative of someone that was buying it so there was a lot of flexibility. We, we were paying that \$300,000, he needed that money, he was going to give us long settlement on the property.

10 But it's not much flexibility involved if you're paying more than half the purchase price by way of deposit, is there?---I can't, I'm not sure if that's the price but if it is, yeah, but he's, he was a relative so he was giving us flexibility I guess.

And I'm just asking, though, just one other little question that you can help us with. Your address was written in that by the solicitor. One can assume he got that from Michael Hawatt. Do you know why Michael Hawatt would have given your address for Alae Osman?---He was living there at the, at, at that time I'd say.

20

That's a good reason, thank you.---I'm pretty sure he was living there, yeah.

Now, I want to skip ahead – oh no, I'll withdraw that and come back. Can I go back to the – what I'll do actually, in the first instance is ask that we show you the trust account statement at page 204 of volume 8.---Yep. Whose account is this? Oh, is this the lawyers account?

It's the lawyers trust account for Michael Hawatt.---Okay.

30 And all I'm doing at this stage is drawing your attention to the first two entries, and then maybe while we're at it I'll draw your attention to the third. So, the first one is on 18 November, 2015, received and it says, "From Alae Osman," and abbreviation for Kingswood, "\$50,000." Underneath that, the word, "Reason," is, "Deposit funds."---Yep.

Don't worry about the date 20 November. The next entry is 21 December, 2015 and it says, "Received from Michael Hawatt." I'd just ask you to assume that that's simply a software entry that's not made by anyone manually.---Okay.

40

And so it doesn't mean it was necessarily received from him at all.---Yep.

"Received \$250,000." Do you see that? Do you see those two entries? ---Yep.

That's over a month apart.---Yes.

When was it in relation to the payment of the 50,000 that you understood the \$250,000 in addition had to be paid?---I can't remember. I thought it would have been a bit closer than that to be honest. I can't remember it being that far apart but I guess, is that the \$250,000 that came from Bella Ikea, that same date?

10 Well, I'll help you with that. In the first instance anyway, if we go to page 178, this is a bank trace of where the funds came from and it says that they came from you at 15 Odenpa Road, Cordeaux Heights and they were paid into the Sterling Legal Trust account.---No, it would have come from Bella Ikea not from - - -

I'm not saying they didn't but maybe it went via you?---I would have probably done the transfer. I, I did a lot of the transfers but - - -

Because I just want you to look at that account number. Can you see it? It's tiny, I appreciate.---Where am I looking, sorry?

20 Where the - - -?---Account number. There it is.

Yes, right at the very top of the screen.---Yeah, [REDACTED].

Take the last four digits, it's [REDACTED].---Yes.

That's your account?---I'm not sure. I don't know the account number.

Well - - -?---Bella Ikea's account, you mean?

30 No. My mistake. You're correct. Can I show you this copy of a bank statement, please. And you're absolutely correct, Mr Osman. Can you see in the front page that the account holder is identified in the middle of the page?---Yes.

Bella Ikea Strathfield Pty Ltd.---Yeah.

And if I can take you to the third page.---Yeah, 250,000, that's it.

Plus a small bank fee.---So that, that - - -

40 On 21 December, 2015.---Yeah. So Bella Ikea paid that, but it was, I mean, we, we had to, we still have to pay Bella Ikea back the money because it was just a loan from Bella Ikea to, to buy this purchase. The people that were involved in Bella Ikea weren't the same ones that are going to be involved in Santley Crescent.

That's why I asked you about Mohammed El Badar and whether he had – he agreed to this.---I can't remember if he did. But even if he did, I don't know about – Bella Ikea's percentage ownership was based on investment

throughout the course of the project. So somebody could have been 13 per cent, somebody could have been 35 per cent. Santley Crescent was structured, especially initially, 33/33/33. So the ownership of that one – initially I'm speaking. Down the track, if we ended up developing it, it could have changed, but initially it was separate to Bella Ikea's and that's why it was essential that it was a loan and it was going to be paid back, because even on our balance sheet for Bella Ikea, 2016 and 2017, the accountant asked us several times, "What's this \$250,000?" and we told him it was a loan for a project that will come back.

10

THE COMMISSIONER: And, sorry, who did Bella Ikea loan it to? Which entity or person?---I can't remember if we paid it directly to the, that Sterling Legal or if we paid it to - - -

MR BUCHANAN: It was paid directly, as you suggested in the first instance.---Yeah. Okay. Yeah. Yeah.

THE COMMISSIONER: But it would have to be identified within the books of Bella Ikea as a loan to a particular - - -?---It is. On the balance sheets in 2016, I remember the accountant – Harvest Accounting – actually asking me, "What's this \$250,000?"

20

And who was the borrower? Which entity or person?---I can't remember what we wrote down. We might not have, we just maybe wrote down it's a loan. I can't remember if – once again, I, I, yeah, it could have been just written down as a loan that needs to be paid back.

30

MR BUCHANAN: I tender the copy of the bank statement of Bella Ikea Strathfield Pty Ltd, which is for October through to the end of December 2015.---Yeah.

THE COMMISSIONER: The Commonwealth Bank statement for Bella Ikea Strathfield Pty Ltd, covering the period 1 October to 30 December, 2015, will be Exhibit 143.

**#EXH-143 - COMMONWEALTH BANK STATEMENT FOR BELLA
IKEA STRATHFIELD COVERING THE PERIOD 1 OCTOBER 2015
TO 30 DECEMBER 2015**

40

MR BUCHANAN: And that bank trace that I showed you earlier, that indicates, does it, that you were the person who actually organised the transfer from Bella Ikea to the Sterling Legal trust account for Michael Hawatt?---I did a lot of transfers. If it says that, then probably most likely I did. Because I didn't do all of them but I did a lot of them.

Now, if the payment out of Bella Ikea was to be a loan from Bella Ikea, why was it envisaged that, how was it envisaged that the money would come back?---Okay. So let's say, for argument's sake, it was bought for a million dollars. Okay, we paid the \$50,000 and then Bella Ikea loaned this \$250,000. Once we worked out how we're going to fund it, whether it was going to be the same thirds, we put that into the account, whether it's Croydon, and pay the remaining funds and then pay back the \$250,000 to Bella Ikea.

10 So it wouldn't depend on the investment being realised or the investment being successful. As far as you're concerned if the investment was made there would be sufficient funds obtained to ensure that the loan by Bella Ikea was repaid straightaway?---Yeah. Well, we, we wanted it repaid immediately because we needed those funds to finish the Strathfield project and he ended up paying \$100,000 back. Once we ended the sale Michael paid back 100,000 and he still owes 50,000 to this end and \$150,000 to Bella Ikea.

20 But can you assist us in understanding why you would expect the money to come back from the vendor if it was a deposit?---Because we cancelled the sale in the end.

But usually you lose the deposit if you cancel a sale.---Well, once, once again it's I guess because he's a relative of one of the buyers he agreed.

30 What did he agree and when?---I know it's not the traditional, the traditional way of doing a transaction but we went to the architect and we spoke to him and he said look, I didn't realise, he went and did a pre DA and architect actually told us I didn't realise you needed a 24 metre frontage rather than 20 metre frontage in Penrith Council so, you know, he, he actually paid us back the \$26,000 that he, we had paid him for the deposit of the architecturals less a nominal fee. \$5,000 I think it was.

But I'm asking you about a different sum of money.---Yeah.

I'm asking you about the \$300,000 that was paid to Michael Hawatt. ---Yeah.

40 Now, it was paid to him you've told us as a deposit.---Yeah.

And if you cancel, if the person who pays a deposit on a contract to purchase land doesn't proceed with the contract then the deposit is forfeit. ---Yeah. We would have had a discussion at that stage, me and Hossam and Talal and we would have told him look, the architect said we can't get what we're going to get, can you speak to your father-in-law. We want to cancel the sale. And at a point in time he would have spoken to him and come back to us and said yes, he'll agree to it but he needs some time to give us the money.

The language you're using suggest that you don't have any memory of this at all, you're just simply reconstructing as to what you believe would have happened.---Okay. I can - - -

10 What do you remember happening?---Okay. I remember, let me separate exactly what I remember and what, definitely having a discussion where we're going to get our money back because we can't get on the site what we initially thought we'd get on the site so we were going to get our money back.

Stop there. The money has already been paid at that stage. Is that right?
---Yes.

At or around the time the money was paid was there any discussion about whether it was just a loan?---It was a loan from Bella Ikea.

20 I'm sorry, was there any discussion about whether it was just a loan to Michael Hawatt?---No, no. It was a deposit to him.

Well - - ?---I don't think, yeah.

And so at the time it was paid you understood did you that if you didn't go ahead with the purchase you would forfeit the \$300,000?---No, no. We told Talal to speak to him. We can't get on there what we initially thought so we have to get our, ask him to get our money back.

30 But that's after the money, the 300,000 has been paid and what I'm trying to ascertain - - ?---It would have been, yeah.

- - - from you is what were the discussions, if any, that were held that led you to understand that if you didn't go ahead with the purchase you would get your \$300,000 back?---We didn't have to have that discussion. It was always assumed that we're going to go ahead with this because we're going to be able to put 20 or 30 units because the architect said you're going to get 20 or 30 units. At that point we, so previous to the architect telling us you can't get that on the site there was no discussion from, yeah, from memory that we were going to get our money back because there was no need to get the money back. We wanted to proceed with the sale. After that point in
40 time is when we would have, is when we definitely, I'm sure that Talal spoke to his father-in-law, we don't want to go through with the sale, and his father-in-law told him to tell us yes, but I need some time to pay you the money back.

So you can see why that if you're just, a person stands there and looks at these transactions it looks as if it was a loan to Michael Hawatt so that he could buy some other property.---I know what you mean but from our point of view Bella Ikea was loaning us \$250,000 to buy this land. It wasn't

loaning him any money. We couldn't come up with the funds in our entity so Bella Ikea having surplus funds would fund it, lend it to our, to Croydon, pay that off and then once Croydon comes up with the funds it'll pay back Bella Ikea. So that's the, that's - - -

10 But it's the relationship between the people who are paying the money and Michael Hawatt that I want to ask you about. It looks to any objective observer as if a loan has been made to Michael Hawatt.---Yeah, I'm -- okay, I'm not an objective observer, I'm the person that was involved in the transaction and I'm telling you how it is from my point of view. So, if an objective observer wants to see it in that way, that's fine, but I'm telling you what happened. It was Bella Ikea and had it not been that case, we would not have, have put on the balance sheet for Bella Ikea in 2016, a loan, and it was only 2016 and in 2017.

20 THE COMMISSIONER: Well, you would have because it would have been a loan to Mr Hawatt.---Yeah. I, I, I don't think we even mentioned, it, no, it wasn't a loan to Mr Hawatt, it wasn't mentioned. I mean we can check the, the account but I'm sure we would never have asked him to put that because it wasn't a loan. It was a loan for the entity that was buying Kingswood.

MR BUCHANAN: Just forget about where the money came from, just thinking about the fact that \$300,000 was paid to Michael Hawatt. You say it was a deposit and there wasn't any thought that it wasn't anything other than a deposit at that time and are you saying it turned into a loan?---What do you mean by, "It turned into a loan"? That he has, he owes us, he still owes us - - -

30 You say that he was approached by Talal and he agreed to pay it back? ---That's right.

So, it turned into a loan?---Well, we agreed, he agreed to rescind the sale, so he's got to obviously return the money to us.

40 How do you know he agreed to rescind the sale? I'm not saying he didn't, I'm just asking you what is it that happened where you were told - - -?---So, Talal was the person that was communicating with him and he, he told us - - -

What did Talal tell you?---He said he's agreed to but he needs time to pay it back and I can't remember if he told us the reason why he needs time to pay it back.

When you say though that he agreed to rescind the loan - - -?---The sale.

Sorry, I do apologise, thank you. That's separate from repaying the \$300,000. I just want to focus on - - -?---For us, it was one and, one and the

same because we just assumed it's his father-in-law, he's going to cancel the sale and he's going to pay us the money back and I specifically remember his paying he needs time to pay the money back. So, there, there's no reason why it would correlate the two if I didn't realise that the, the funds being paid back correlated to the rescinding of the sale.

10 Was there any concern at any stage that, well, look, you have this difficulty, you've given \$300,000 to the vendor and ordinarily if you don't go ahead with the sale you'll lose that money?---No. It was never, it was always an issue that he was going to just take time for him to pay us back and we constantly, I mean what, what I find surprising to be honest, is they pulled out all these messages when I had the, the meeting last year but they didn't find any messages or they didn't show me any messages of us constantly bugging Talal, "Tell your father-in-law we need the money back."

20 I'm not suggesting you didn't. That's not the point, though.---But what I'm trying to say is, you're suggesting that this \$250,000 or \$300,000 was for something else, but there's, without a shadow of a doubt, me and Hossam and, would have constantly been bugging Talal to speak to his father-in-law and I'm sure you've seen messages where we've constantly telling, telling him, from 2016, "Talal, tell your father-in-law we need the money to finish off the project in Strathfield." But for some reason, that was not shown when, when I had the meeting last year and I find it unusual that why is this evidence not being shown? Because it clearly proves that this \$250,000 was for a particular reason and it needed to be given back.

30 No, no, no. Can I make one thing very clear. I am not challenging your assertion that Mr Hawatt was asked to repay this money and indeed perhaps repeatedly asked to repay the money. That's not the point. The point is, what was going on when the money was paid in the first place because you know it went straight out of that trust account to pay the person who was selling a Queensland Gold Coast unit to Mr Hawatt, don't you?---I know that now, I don't know if I knew it back then.

Well, you know that's what actually happened.---Yeah, now I do, yeah.

And, and you told us that you understood that Mr Hawatt needed this \$300,000.---That's right.

40 So, you were told at the time that he needed \$300,000 and so money that he agrees later to pay back that you were told at the time he needed that was in fact used for a purpose for him, has all the indications of being money that was passed over to Michael Hawatt on a temporary basis, like a loan, doesn't it?---It was, yeah, it wasn't a loan. It was for the purchase of a property.

And you thought, did you, merely asking Mr Hawatt to rescind the contract and repay the deposit would result in him rescinding the contract and repaying the deposit. Is that what you thought at the time?

---We, we asked Talal to speak to him and he came back and he said, yes, but he needs time to give us back the money. And then there was a point in time where he said he's trying to sell a unit, I didn't know it was this same unit, but said he needs to sell a unit to give us some money and it's on the sale, on the market. This is after us constantly bugging him that we need our money.

10

Yeah.---He said, he told us, look, he's trying to sell the unit to give us the money back. So I don't, I didn't know if he, and I still don't know if it's the same unit or if it's another unit that he was trying, that he's trying to sell.

And you weren't in any doubt at any time that if you asked Mr Hawatt to rescind the contract he would. Is that right?---Sorry, can you - - -

20

Yes. You never had a thought pass through your mind that oh, we might need to rescind this contract, we'll have to ask the vendor to rescind the contract, and then there wasn't a question in your mind, will he rescind the contract?---No. For some reason there was never, because he was, once again 'cause he was his father-in-law and, and Talal had a vested interest in it, so we always, we just assumed, maybe once again stupidly, that, that we're going to get our money back, ask him and see if we can cancel, yeah, no problems, all done, but he needs time, okay, how long does he need.

Did you yourself ask Mr Hawatt - - -?---I, I - - -

30

- - - to rescind the contract?---I've never spoken to him about - - -

You asked, you agreed with Talal that he would ask?---Me and Hoss, Hossam would have spoken to him and you would have seen messages from both of us from two or three years ago asking him to get the money back.

When did you ask, when did you three ask Mr Hawatt as you understand it, to rescind the contract?---It was after Gus told us he did the pre-DA meeting with council, Penrith Council, and we can't get on what we can.

40

Excuse me a moment, Mr Osman. Your brother was the applicant on the pre-DA lodgement?---I can't remember who was put down as the applicant.

Do you remember that it was you who paid the pre-DA application fee?
---Potentially. I did a lot of the transaction, I didn't do it all but it wouldn't surprise me if I did it.

Excuse me a moment. Have you still got the trust account entry there?
---Yeah.

Can you see that the first part of the deposit was \$50,000 and it was paid on 19 November, 2015?---Sorry, is this page 178?

No, I'm sorry, 204.---204. Yeah, 50,000 and then 250,000, yeah.

Yes. So just looking at that first line there, at the time that was paid - - -?
---Yeah.

10 - - - what did you understand the deposit to be? Sorry, by that I mean how much did you understand the deposit to be?---50,000 at that time.

At that time you didn't think there was going to be any more than that. Is that right?---I can't, I can't remember at what point in time it, we were, it went from we have to pay him 50,000 to paying him 3. It might have been then but we need time to pay the other 250 or it might have been, might have come up later. I'm not 100 per cent sure.

Do you have a - - -?---But we knew that it was - - -

20 - - - memory of being upset, finding out that it was more than 50,000, indeed it was a lot more than 50,000??---I don't have a memory of that, being upset about it.

Normally if a purchaser has been told the deposit is 50,000 and then all of a sudden they're told it's 300,000 - - -?---So that's what I'm saying, I'm not sure if I knew about it initially - - -

30 Yes.--- - - - but we told him we can't pay it straightway, we need 50,000 now and then we need a bit of time to pay the 250.

So what's your first memory of how much you found out the deposit was to be?---I, I can't remember that. Yeah, yeah, it's - - -

Who did you learn it from, how much the deposit was to be?---I can't remember. I do know that there was a \$300,000 deposit and it was paid from two separate - - -

Payments.---Yeah.

40 Two separate sources. Is that fair to say?---Yeah, well, yeah, two. One source was only loaning it.

In early November we went through the history of the Willeroo Street application and processing and the fact that you were in the section 34 conciliation proceedings. In early November 2015, the Willeroo Street DA had not been approved, correct?---Yeah.

It was opposed by Canterbury Council, correct?---Yes.

You were tied up in a conciliation conference in the Land and Environment Court, correct?---Yes.

You were being required to retain lawyers and pay fees to architects, correct?---Yes.

And the architects were being asked to prepare revised plans, correct?
---Ah hmm.

10

Talal had a loan on the property to help finance the DA, correct?---Yeah.

And the prospect of you getting a return on your investment in Willeroo was going further and further into the distance.---No. I, I, as I said in this morning, I was firm, I had firm belief that if we went to the court we would get it approved because there was other developments that were far more densely designed than this site.

20

THE COMMISSIONER: But that's going to take time, isn't it?---As I said before, in hindsight I would have just gone to the court straightaway because I think it would have been - - -

Not hindsight. At that time.---Yeah. At that point in time.

It was obviously going to take time.---It's very difficult to, to make a judgement at a point in time where you're going through a section 34. Obviously you want to finalise it but sometimes you think, you know what? Stuff this. We'll just go to court and get it over and done with.

30

Yes, but it would take time. Because the section - - -?---Sometimes it's a lot quicker than finalising that section 34, and that's one thing I learn in this whole process, that it wasn't worth doing the section 34. Just go to court because it would have happened a lot quicker. And that's, as I mentioned earlier this morning, we've got one in court at the moment and we're doing that exact thing because of the learnings from this.

MR BUCHANAN: And can I just point out to you that often in court cases one party loses.---That's right.

40

And you knew that at the time.---But I was extremely confident, based on the barrister and the lawyer, that we had a very, very strong case.

You've never known a lawyer to be wrong?---Well, I, I remember the barrister telling us, "You have an 80 per cent chance of winning."

So a 20 per cent chance of losing.---80 per cent sounds very, very good.

You see, was the \$50,000 paid to Mr Hawatt on 18 November in order to facilitate progressing the Willeroo Street DA?---I, I find that very, the first time I learnt about this was when I had this meeting and I couldn't believe that it was actually mentioned. It's got - - -

When you say "the meeting" you mean with the investigators?---Yeah. It's two, two completely different things, it's something that I would never do, and it's something that definitely didn't happen.

10 And there wasn't ever an understanding on your part - - -?---No.

- - - that if this money was paid to Mr Hawatt then you might have an easier chance, easier road in getting your DA through council?---This money here was paid for a development in Penrith, in, in Santley Crescent, Kingswood, and that was something separate in Lakemba, and that was owned by different people than this one over here. It just didn't, I couldn't understand how the investigators were asking me this question, where why would I pay any money? Hossam doesn't have any interest in Willeroo Street. Why would we pay money for something where he's got no interest to get it approved?
20

Because he's a mate of yours.---What's that, sorry?

He is a mate of yours. People do things for each other.---Yeah. No, well, it didn't happen here.

Can I ask you, do you know whether anyone took over as potential purchaser of 31 Santley Crescent or after the contract was, as you understood it, rescinded?---I know now and I don't know - - -
30

At the time. At the time.---At the time, I, I, I'm not sure if I knew at the time. Once again, you get diluted. The information gets diluted.

I understand. Confused between the two.---Yeah, yeah.

But just now focusing, if I can ask you to do that, on your memory of what happened at the time. Did you find out that there was somebody else, some other potential purchaser around who could take over from you?---I honestly can't remember if I – I definitely know now and I'm trying to think
40 back at that time. I can't remember if I found out then or I found out during this whole process.

Would you just excuse me a moment.---Yeah.

Pardon me, Commissioner, for a moment. I just want to show you another document if I can. I want to show you volume 8, page 209, please. Starting at page 209. If you want to flip through the hard copy please do.---Yeah.

Because it's a multi-page legal document.---Ah hmm.

And it's option to purchase from Michael Hawatt and the purchaser is identified as Nifitsa, N-i-f-i-t-s-a, Pty Ltd.---Ah hmm.

And if you go over to page 211 the date is 27 April, 2016 and what the document is as you would have seen back on 210 is an option to purchase and then a property is identified on 212, 31 Santley Crescent, Kingswood. ---Okay.

10

Now, can I just ask you to go to page 213. Can you see there that the purchase price is identified as \$1.5 million?---Yes.

Can I ask you then to go to page 213.---Ah hmm.

And under the heading Call Option Fee can you see that the fee for that option agreement is \$30,000?---Yes.

20

Does it come to you as a surprise that in April, 2016 somebody was able to get an option to purchase the same property out of Michael Hawatt for \$30,000 given how much you've paid?---But this is an option. We paid a deposit.

Yes.---It's a different thing.

Yes.---I think you pay, options are usually small like that, 40, \$50,000. We, we, ours was a settlement, like a delayed settlement.

30

So you're saying this doesn't come to you as a surprise?---No.

Okay.---The 30,000? No. I mean it's, options are usually one or two per cent, something like that.

And deposits are usually how much, what proportion?---It depends if you're buying it from someone that you're related to or not.

That's my examination of Mr Abdullah Osman.

40

THE COMMISSIONER: I note the time. Can I just inquire do other counsel have many questions. Mr Moses?

MR MOSES: I have no questions for the witness, Commissioner.

MR DREWETT: Nothing from me, Commissioner.

THE COMMISSIONER: Mr O'Gorman-Hughes?

MR O'GORMAN-HUGHES: No questions, Commissioner.

MALE SPEAKER: I've got no questions.

MR ANDRONOS: No questions.

THE COMMISSIONER: All right. Mr Osman can be excused?

MR BUCHANAN: Yes, Mr Osman can be excused.

10 THE COMMISSIONER: Thank you for coming. You're excused.---No problem. Do I leave all this stuff here?

THE COMMISSIONER: Yes, thank you.

MR BUCHANAN: Yes, please.

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

20 **THE WITNESS EXCUSED** **[1.03pm]**

LUNCHEON ADJOURNMENT **[1.03pm]**