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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 TUESDAY 24 JULY, 2018

AT 2.00PM

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

THE COMMISSIONER: Oh, I'm sorry. Yes.

MS BERGLUND: Sorry, Commissioner. I understand that the Department of Planning and Environment has now been granted leave to be legally represented in this inquiry and I announce that I appear for the Department for Planning and Environment.

10

THE COMMISSIONER: Yes. The department has been given that authorisation and you and Ms Bennett I understand now represent the Department of Planning.

MS BERGLUND: That's correct. Thank you, Commissioner.

20

MR BUCHANAN: Mr Konistis, can I take you, please, to Exhibit 69, volume 21, page 154, item 123. We'll have it up on the screen for you in a moment. Item 123 is in the middle of the screen. It's a text message from you to Mr Hawatt sent on 23 November, 2015 at 5.18pm, "SMS me your company details and ABN and address to prepare tax invoice, buddy." And in the next message Mr Hawatt sends you his ABN. Can I ask why did you send that text message, number 123?---Yes. That was a request from John Dabassis to get Michael Hawatt's details so that he can prepare, if you recall there was an introducers remuneration agreement of 1.25 million and John wanted to prepare the tax invoice on behalf of himself to have ready for Michael Hawatt so he wanted his details to have on that as well.

30

For Michael Hawatt to render a tax invoice for a payment to him?---Yes.

From who?---No. Not a payment to him, it was, this was all preliminary preparation stuff for that remuneration agreement. You know that introducers agreement that was signed I think in December.

Yes. Could I - - -?---All these - - -

40

We'll take the opportunity, while the witness is talking about it, of having Exhibit 97 shown to the witness, please. Is that the introducers remuneration agreement that you've been speaking about?---Yes.

And that was being prepared, was it, at the time that you - - -?---When requesting those details.

Thank you.---And along with this, there was going to be a tax invoice prepared for this amount ready for Michael Hawatt.

But for whom to pay whom?---Galazio Properties was giving, handing over, or going to hand over the tax invoice to Michael Hawatt to pay Galazio

Properties as part of the commission of, of this introducers remuneration agreement. This agreement's between Michael Hawatt and Galazio Properties.

So, that's what is referred to in item 125. Have you got a hardcopy there in front of you?---Sorry - - -

Sorry, it's volume 21.---You mean the messages?

10 Page 154.---Page 154, yep.

Sorry, to jump around a bit but I'm just showing you now, item 125 which is a text message from you to Mr Hawatt dated 25 November, 2015 at 4.51pm and you say, "Fantastic, mate. Great news. Agreement with you and John will be ready soon too. Full steam ahead," and it's that agreement, the introducers remuneration agreement that was being prepared?---Yes.

20 If we could show the witness, please, we can show you on the screen a tax invoice. It's headed both Galazio Properties Pty Ltd and Michael Hawatt which is a little bit confusing as to who is claiming money owing from whom.---Yeah. Galazio Properties as part of this remuneration agreement is asking Michael Hawatt to pay the sum of \$1.25 million.

And there's no date on it.---There's date, 12 October, 2015.

I missed that. Thank you very much. And was that given to Michael Hawatt?---Which one, the invoice?

30 The tax invoice.---I'm not sure. I don't know. I don't know.

Going back to Exhibit 97 – I'm sorry. I should tender the tax invoice.

THE COMMISSIONER: And sorry, it was dated – am I getting confused? It was dated before the agreement?

MR BUCHANAN: It might be an American rendering of the date rather than the European format.

40 THE COMMISSIONER: All right. Sorry.

MR BUCHANAN: Would that be your explanation?---Yes, yes.

THE COMMISSIONER: Sorry, so the tax invoice?

MR BUCHANAN: Yes. I tender the tax invoice according to the witness by Galazio Properties Pty Ltd to Michael Hawatt, bearing a date that says 12/10/2015 but the witness says means 10 December, 2015.---Yes.

THE COMMISSIONER: All right. The tax invoice issued by Galazio Properties Pty Limited to Michael Hawatt with a date 12/10/2015 will be Exhibit 190.

#EXH-190 – TAX INVOICE #000121 ISSUED BY GALAZIO PROPERTIES PTY LTD TO MICHAEL HAWATT DATED 12/10/2015

10

MR BUCHANAN: Now, was it your understanding that Galazio Property, that John Dabassis, sorry, genuinely expected to be paid one and a quarter million dollars - - -?---Yes.

- - - on the presentation of this invoice?---No, not on the presentation, it was in preparation for the final contract of sale, once, once settlement went through. I guess he was jumping the gun a bit, getting the contract, getting the tax invoice ready and handed over at the same time as the remuneration agreement.

20

Can I ask you then, going back to the remuneration agreement, do you know who drafted it?---This draft I think was Michael Hawatt and it came from Michael Hawatt, this one.

Thank you. So when you said in your text messages that the agreement is being prepared, why were you telling Michael Hawatt that if he was the person who was preparing it?---Good question.

30

Do you understand?---Yeah, good question. Um, George Vasil actually took us to Lalotis Lawyers to do a similar remuneration agreement which was prepared by George Lalotis on behalf of Galazio Properties but Michael wasn't happy with that particular agreement and that's why this one eventuated. He was happy to sign this remuneration agreement which, you know, was prepared by him.

40

When you say it was prepared by him, how do you know it was prepared by him?---Because he and I, there was email exchange regarding this, what to include et cetera, at, with, I, I, I think – sorry, I believe at that point in time he had sent across a remuneration agreement which we looked at with John and - - -

Are you talking about Exhibit 97?---Yes. Ah, Exhibit, this one here, this.

Yes.---Yeah, so there was a little bit of tweaking of this.

And?---And then it was signed by both parties and witnessed by me.

And it identifies Michael Hawatt as the agent, Galazio Properties, in other words, John Dabassis as the introducer.---Yeah.

And if we go over to the second page of it, it has the, in clause C, “The agent agrees to pay the introducer, the introducer to remuneration as stated in point C.” Is that right?---Yes.

10 And to do, to understand what that means we go back to the preceding page where under Definitions, paragraph C says, “Introducer to remuneration shall mean the sum of one and a quarter million dollars plus GST.”
---Correct.

And can I ask you to go to the third page of the agreement. Did you witness a signature?---Yes.

Whose signature did you witness?---I witnessed John Dabassis’s and I witnessed Michael Hawatt’s and then I signed it.

20 And did you see Michael Hawatt apply that signature?---Yes.

That’s over his name.---Yes.

30 Thank you. Excuse me a moment. Excuse me a moment. Can we go to a document that will come up on the screen. It’s some further text messages and they don’t involve you but I want to take you to a particular one. It’ll be coming up on the screen there. So this is another schedule of text messages extracted from Michael Hawatt’s phone. They’re to and from his solicitor, a man called Tom Zreika. If I can ask you to go to number 27 on the fourth page. Do you see that? It’s a text message by Michael Hawatt to Tom Zreika on 4 January, 2016 at 12.33pm and it says, “Hi, Tom. Can you send a reply to lawyers re Elcheikh Revesby instructing them that we agree on a 10 per cent payment for the put and call option and a release of 5 per cent of the funds and a 27 month to settle. I am going overseas on Wednesday and trying to have this completed before I leave. Let me know when you respond to them. Thanks. Michael Hawatt.” Do you know anything about a put and call option in relation to the Revesby deal?---John had informed me around this time that the Revesby site had exchanged. We had no idea. We had absolutely no idea of the exchange. We were actually kept in the dark. After, after the remuneration agreement was signed we
40 were not kept updated as to what was going on with the Revesby site. It was sheer coincidence that John through one of Steve’s consultants discovered that the property had exchanged and we were horrified, me less than John. John was the agent and out of courtesy they should have told John that they had actually exchanged and that by the look of this money was released as well so I’ve got no idea.

That's your answer to my question about what do you know about a put and call option in relation to the - - -?---That’s, that’s what I know, that there

was a put and call, after John had been given that information that's when I became aware that there was some sort of option in place which had been activated but at that point in time I had no idea, absolutely no idea.

When you used the word "exchanged" in the answer you gave a moment ago, do you mean a purchase by an option agreement?---Yes. The put and call was like, activated if you like. This put and call option was activated.

10 THE COMMISSIONER: What do you mean by that, a put and call option was executed?---It's like an exchange. It's like an exchange. A put and call option just gives you more time to actually get to settle a property. You pay less money rather than, you know, a significant deposit, et cetera. Usually.

MR BUCHANAN: From your evidence I take it that you just simply know nothing about this until - - ?---No. I was told by John.

- - - someone found out by accident?---Yes, yes.

20 And when is it that you heard from John about it as best as you can recall?
---Early, early 2016.

Do you relate it to any particular event or stage?---Close to Australia Day. I remember close to Australia Day that we had found this information.

Can I - - ?---And actually, sorry, while I'm thinking about it, it may actually have been 2017 not 2016 that we actually discovered that it had exchanged back then.

30 Well, I'll take you to a document first if I can. Can we go to volume 21, page 158 in Exhibit 69, please, and can I ask you to look at item 203 on that page. It's a text to you from Michael Hawatt dated 9 February, 2016 at 5.19pm reading, "It's still looking good. Within the next few weeks if okay. There not be an option. It may be a straight-out purchase."---That would have come from John after discussions with Steve. Steve would have told John that he was going to exchange like a straight to purchase.

But just slowing down for a moment. This is a message from Mr Hawatt to you?---Yes.

40 Did you, when you received this message, know what he was talking about?
---No, no.

Well, I just point out that the response at item 204 at 5.19pm is, "Come on, mate. Deliver the goods."---Basically meaning exchange, hurry up and exchange.

But why didn't you ask him, "What are you talking about?"---I guess it didn't matter whether it was which way. It's just exchange the site, move to

the next stage is what I was more interested in, rather than how they were going to exchange or, you know, or in which manner they were going to exchange. It didn't matter.

The fact that you didn't query what he was saying about, "There may not be an option. It may be a straight out purchase," suggests that you had some idea that there was an option agreement in the mix.---Yeah. Perhaps, I don't recall. I don't recall.

10 If you could go then to the next text message, it's item 205 and it's at 5.21pm and it's from you and it reads, "If it is deposit arrangements, need to go back as per initial arrangement with owners. Please sort," s-o-r-t. What did you mean by that?---There was discussions at around that period of time as well with John that if there were any moneys released by the purchaser that the deposit, if the deposit was released, that John would get part of his moneys as well released to him. So, as part of the deal, if any moneys were released by the purchaser – say \$100,000 for it, I'm just plucking a figure – that figure would be shared or there was an expectation that that amount, everyone would enjoy part of that release at that point in time. And if that's, 20 what I'm writing there, if it is deposit arrangements need to go back as per initial arrangement. So, at, at that point in time there was discussion, is it going to be released, is it not going to be released, what exactly is going to happen with the deposit, who's going to hold the deposit? All this sort of stuff to do with the deposit.

But any moneys that were paid would be paid by the purchasers would they not?---The purchaser would pay the deposit, correct, over to the vendor's solicitors, I'm suspecting, but with the deposit, there is also the possibility that that deposit can actually be released, meaning the owners can get access 30 to it and do with it whatever they wish.

And who would have to organise for it to be released?---The solicitor.

Of?---The solicitor of the vendors.

Right. They would ask that, they would ask, "Can we have some money released?"

40 And so, the - - -?---And Steve agreed, Steve, as the purchaser agreed to it, then that particular portion of the money would be released and made available pretty much straight away and I think that's what happened.

That did actually happen?---Well, that's what we've heard. I think, I think John was told by his, Steve's consultation that not only did the property exchange but a deposit was paid and part of that deposit was released.

Can I just ask you to pause there. Who was this consultant?---It was, I think it was the architect who was seconded by Steve Spiridonidis to do the initial drawings and plans for the hospital.

I see.---And he was a good friend of John's. So John, John, through him and through Steve, more so the gentleman called Paul, I remember his first name, Paul, an architect.

10 THE COMMISSIONER: Sorry, Paul was the architect?---Paul, Paul, yes, and he, he had caught up with John at some stage and told John the property's exchanged and a deposit's been paid and moneys have been released. And obviously John and myself as well were a little bit disappointed that that was the case because all along we thought we were a team and we should all benefit from any release of moneys.

MR BUCHANAN: Now, your - - -

20 THE COMMISSIONER: I'm sorry. Did you find that out you think now in - - -?---A lot later.

A lot later.---I suspect it was after obviously the investigation started, so my, I would say it would have been close to Australia Day in 2017 that we actually found this out. So we were kept in the dark, we had absolutely no idea what was going on.

MR BUCHANAN: And your sources of the information that you've just given us, was that John Dabassis?---Yes.

30 He told you all of that?---He told, he told me all of that through a contact called Paul, the architect of Steve Spiridonidis.

And when did John tell you all of this?---I think we found out early 2017, close to Australia Day. I remember it being close to - - -

So that's when John told you all this?---Yes.

40 But in about February 2016, looking at the text message you sent at 5.21pm on 9 February, there was a contemplation, was there, that something like that would occur and that you and John would share in it?---Yes. And that's why I wrote further down, "Only fair on all of us."

Thank you. That's the text message at item 206, also sent at 5.21pm on 9 February. Is that right?---Yes, 9 February.

So when at 5.22pm Mr Hawatt said to you, this is item 207, "Murphy's Law needs to be also considered," what did you understand him to mean?---That obviously you'll have hiccups along the way.

Yes.---It may not work out as expected, and that's why I wrote, "We have you, forget Murphy." He was driving the bus basically regarding the deal with Revesby. He was in control of it and we from that point were kept in the dark, we weren't really updated as much as probably we should have been.

10 And why, what was it that led you to believe that Michael Hawatt was driving the bus?---Because there was less talk, there was less discussion about Revesby, we were still chasing him for information, I think if you look at the messages, I was chasing for more information, what's going on with Revesby, what's happening with Revesby, so we were trying to keep in touch to get information from Michael Hawatt, where are we at, what are we doing with Revesby, but there wasn't a lot coming back, there was always something we had to wait on or - - -

20 And do you say that your understanding is, from what you learned in late January 2017, that a deal was done between Michael Hawatt and Steve Spiridonidis which cut John Dabassis and you, for that reason, out of it?
---Highly likely, yes, highly likely.

But you don't know that happened?---I don't know. And I don't know whether Mr Hawatt would honour even this.

When you're now referring to Exhibit 97, are you?---Yeah, the remuneration agreement.

Okay.---Didn't know where we stood, or where John stood, I should say, 'cause at the end of the day it was John's agreement.

30 Can I take you back to another part of the schedule of text messages. Excuse me a moment. I apologise. Can you just be patient with me. We'll just bring up some emails that I'd like to show you and ask for your assistance on. It's a series of emails which go on these two pages from the bottom starting with an email from a Scott Pedder, P-e-d-d-e-r, dated 10 February, 2016 through to the top of the first page, which is an email from Michael Hawatt to Steve Spiridonidis on 11 February, 2016 at 1.45pm. I just want to take, you'll see the boundaries of it.---Yes.

40 Just looking at the email that's on the second page you can see that Scott Pedder has got a bankstownnsw.gov address.---Yes.

And that there is some opinions about planning issues that he sends to a man called Paul at Tecton Group - - -?---That's - - -

- - - T-e-c-t-o-n Group.---Yes.

Who was that?---That's the architectural firm that Steve Spiridonidis had I guess seconded at that point in time to draw the initial plans for the hospital.

And Paul might be the consultant?---Paul is the consultant and the contact that John Dabassis was getting information from regarding the sale.

Thank you. Then if we can go over the page and skip over the one at the very bottom from Paul, oh, Paul Pappas?---That's his name. Yes, Paul Pappas.

10 Right. So that's at the bottom of the first page of this email exchange. So that's paulpappas@tectongroup?---Yes.

And he's forwarding Mr Pedder's advice from Bankstown Council to Steve Spiridonidis?---Yes.

Can I take you then, that has been forwarded by Mr Spiridonidis to Michael at Ozsecure. Can you see that on - - -?---I can see that.

- - - 11 February at 12.00pm?---Yes.

20 Without any other text.---Yeah.

Then Michael Hawatt communicates with Matthew Stewart at bankstownnsw.gov.au?---Yes.

30 And says, "Hi, Matt. The architect just received the below email. What they want is council support to take to State Planning. They understand the issue with the height and FSR. They need to ensure that with the massive financial investment being proposed for this iconic project in Bankstown they need council support. They need your assurance for this project before they spend further moneys to get up to their board. Can you do something to state your support such a project and will be looked at favourably." And then there's a response from Mr Stewart at 1.06pm, "That's not what they asked for. They wanted comment on the proposal and drawings left. I can make a general comment of course but ultimate support will rest with the full council. Leave it with me." Do you see that?---Yes.

40 And do you see that then the whole conversation has been forwarded to Mr Spiridonidis by an email from Mr Hawatt at 1.45pm and it says, "See below FYI. He will change it for us as I suggested. Michael."---Yes.

And that would appear to be a reference to Mr Stewart.---Yes.

As you understand it.---Yes.

Right.---Yes.

I tender the email chain commencing at the top of the first, well, it's between 10 February, 2016 at 4.08pm and 11 February, 2016 at 1.45pm from Michael Hawatt to Mr Spiridonidis.

THE COMMISSIONER: Sorry, could we just go back?

MR BUCHANAN: Yes.

10 THE COMMISSIONER: The email exchange, dated 10 February to 11 February, 2016 will be Exhibit 191.

#EXH-191 – EMAIL CHAIN BETWEEN MICHAEL HAWATT, STEVEN SPIRIDONIDIS, MATTHEW STEWART AND SCOTT PEDDER TITLED ‘PRELIM COMMENTS: 297-299 CANTERBURY ROAD REVESBY FROM 10 FEBRUARY 2016 to 11 FEBRUARY 2016

20 MR BUCHANAN: Can I take you then to the next page. This is an email from Mr Stewart to Mr Hawatt of 17 February, 2016 at 4.27pm. It's forwarding another email from Mr Stewart. It's addressed, "Steven letter as discussed. Please call me if you need to discuss," from Mr Stewart and then over the page is an attachment which is a one-page letter from Mr Stewart to Mr Spiridonidis, dated 17 February, 2016. Can you see that?---Yes.

And that's another letter of support. You understand that?---Yes, yes.

30 So, we've seen two. Do you know why there was more than one?---No. No idea.

Commissioner, I tender the email from Matthew Stewart to Michael Hawatt, dated 17 February, 2016 and the attached letter from Mr Stewart to Mr Spiridonidis, dated 17 February, 2016.

THE COMMISSIONER: The email dated 17 February, 2016 with the attached letter will be Exhibit 192.

40 **#EXH-192 – EMAIL FROM MATTHEW STEWART TO MICHAEL HAWATT WITH ATTACHED LETTER TO STEVEN SPIRIDONIDIS DATED 17 FEBRUARY 2016**

MR BUCHANAN: And then if I could take the witness to an email at the top of the page from Matthew Stewart to Michael Hawatt of 17 February, 2016 at 4.28pm saying, "Thanks, Michael. I have sent you a copy just now of a letter mailed today and emailed to Steven," and you can see that there's

an email chain and at the bottom of the email chain is an email from Mr Spiridonidis of 15 February, 2016 at 3.34pm to Michael Hawatt. The subject is, "Letter of support," and it says, "Hi, Michael. We would require a letter to the effect that council is in support of the concept received for a private hospital and would look favourably to the additional FSR proposed, subject to the developer submitting a planning proposal to support the increase in FSR. Council advises that there may be an issue with height restrictions, though this may change as Bankstown Airport has closed and had been sold for major residential redevelopment. Regards, Steven." So, it
10 would seem that the letter that Mr Stewart provided, dated 17 February, might have been in response to a request from Mr Spiridonidis to that effect?---Yes.

But as Mr Stewart indicated in his correspondence with Mr Hawatt, he wasn't going to bind himself about development standards and their application to the site such as FSR requirement?---Yeah. We, as I said before, we were from this point on and earlier, we were kept out of the loop. We had no idea what was going on.

20 I tender, Commissioner, the email chain which at the top of the page reads from Matthew Stewart to Michael Hawatt on 17 February, 2016, commencing at 4.28pm and initiated by an email from Mr Spiridonidis to Mr Hawatt dated 15 February, 2016 at 3.34pm.

THE COMMISSIONER: All right. The email exchanges dated from 15 February to 17 February, 2016, finishing with an email from Matthew Stewart to Michael Hawatt shall be Exhibit 193.

30 **#EXH-193 – EMAIL CHAIN BETWEEN MATTHEW STEWART, MICHAEL HAWATT AND STEVEN SPIRIDONIDIS TITLED 'LETTER OF SUPPORT' COMMENCING AT 15 FEBRUARY 2016 TO 17 FEBRUARY 2016**

MR BUCHANAN: Can I ask you, do you have a recollection of having your attention drawn to a property in Alexandria which you thought might have the potential to also be developed as a private hospital?---Yes, there was discussion about a possible property in Alexandria through another
40 agent, who I cannot recall, it was a local Alexandria agent. I know that Steve had mentioned to John for after Revesby that they were looking for another area, possibly around the Alexandria/Mascot area, but that site wasn't suitable. I don't even remember the site or anything about the site, but it - - -

But nevertheless you were proposing it to Mr Hawatt?---No, to Steve, to Steve, not to Mr Hawatt. Mr Hawatt wouldn't have known about Alexandria hospital site, possible hospital site.

Well - - -?---Um, we may have, we may have sort of discussed to try and replicate it, but he didn't know of the site or anything like that.

Well, can I just take you to page 160 of volume 21 in Exhibit 69. We'll bring it up on the screen for you. Item 226.---Yeah.

A text message from you to Mr Hawatt of 25 February, 2016 at 7.59pm. ---Yeah.

10

“Found the next hospital site.”---Yep.

Item 228 - - -?---Yeah.

- - - Mr Hawatt says to you at 8.06pm, “Let's finish this one.”---Yeah.

20

Then item 229, your reply at 8.07pm, “Of course. Shush, but then we do it all over again in Alexandria. What a team.”---Yes. I was mentioning to him at that point in time that there is the possibility of a site in Alexandria for the hospital, but that was it. Michael had no, there was no discussion about where, why, what it is, et cetera.

Well, can I take you then to page 163 of volume 21, on item 287 on 5 April, 2016 - - -?---Yeah.

30

- - - you texted Mr Hawatt at 12.07pm to say, “PS. Alexandria ready to be replicated by our team.”---Yes, but even, I repeat again, Michael has no idea where this hospital site was et cetera, it was just general information that we might be able to do it later in Alexandria.

But at that time when you were talking to Mr Hawatt in February and April 2016 about that, why were you communicating with Mr Hawatt on that subject?---Um, I, I would have been communicating to all, every, all the four. Michael would have just been one of the four that I would have been communicating. As I saw it, it was a team. We did Revesby, or I thought we were doing Revesby as a team, therefore I thought the team could continue on at a possible Alexandria site down the track.

40

Thinking of that Alexandria site then and thinking of your understanding of what was going on in early 2016, what was it that you thought that Mr Hawatt could bring to a potential deal involving development of this site at Alexandria as a private hospital?---Just the expertise. My head raced ahead, maybe there would need, be required letters of support for that particular council, maybe Michael knew council, if that was going to happen, but it never, this, a discussion like that never ever occurred with Alexandria.

Yes, I understand you say that but your thinking was that what Michael Hawatt could bring to another private hospital development at a different

site was this time not so much representing the owner or introducing the owner but rather bringing into the deal indications of approval from regulatory authorities such as the council, the State Government as appropriate?---Yes. But that discussion was never had obviously. I never had that discussion with Michael.

Yes. All we're talking about is what was in your mind and why you were including Michael in those text messages.---Yes. There was also another reason why I was sending messages like that. As you can appreciate,
10 Revesby we were kept in the dark so I thought maybe if I dangled the carrot that we could do this again at Alexandria maybe we would get more information from him as to what was going on with Revesby as well. So there was also another reason why I was mentioning maybe we can do Alexandria in the hope that hey, tell us what's going on with Revesby.

Can I ask you to have a look at another text message but it doesn't involve you. It is again a text message between Michael Hawatt and his solicitor, Mr Zreika. If we go down towards the bottom end of the page, please,
20 there's a text message – I'm sorry, excuse me a moment. Text message number 44 in this schedule of text messages extracted from Mr Hawatt's phone. This is to Mr Zreika whom I've informed you was then Mr Hawatt's legal representative. It's dated 16 March, 2016 at 2.12pm and it reads, "Hi, Talal/Tom." Tom was the name of the solicitor.---Okay.

It reads, "A final inspection by the chairman re your site is planned for tomorrow around lunchtime. Everything is okay and ready to exchange after this is done. I will get a phone call tomorrow from them." Does that make any sense to you?---No, no sense at all. Like I said, we were kept out of the loop. We didn't know what was going on.
30

So it doesn't necessarily refer to the Revesby site, you're saying that there's nothing there in what you read there to indicate to you that it's about the Revesby site even?---True.

Okay. Commissioner, I have been taking the witness to a number of the text messages in this set of celebrite extractions from Mr Hawatt's phone. They've been displayed on the screen. When printed out they amount to some seven pages and they are text messages to and from, or between
40 Mr Hawatt and Mr Zreika commencing in September, 2015 going through to May, 2016. I tender them. We will be making further reference to them later when Mr Zreika gives evidence.

THE COMMISSIONER: And they're not already in – sorry, I'm getting a bit confused. They're already - - -

MR BUCHANAN: No.

THE COMMISSIONER: - - - not in volume 29?

MR BUCHANAN: No, they're not. Sorry, they are but that's not in evidence. That's why I'm - - -

THE COMMISSIONER: Okay.

MR BUCHANAN: It's simply for the Commission's administrative purposes we refer to it as volume 29 but it contains a bundle of additional material.

10

THE COMMISSIONER: Sorry. Now, can I just confirm this tender are the SMS messages commencing on 22 September, 2015 and going through to 5 May, 2016. Is that correct?

MR BUCHANAN: That's correct, Commissioner. Between Mr Hawatt and Mr Zreika.

20

THE COMMISSIONER: All right. The SMS messages exchanged between Mr Hawatt and Mr Zreika covering the period 22 September, 2015 to 5 May, 2016 will be Exhibit 194.

**#EXH-194 – SCHEDULE OF TEXT MESSAGES BETWEEN
MICHAEL HAWATT AND TOM ZREIKA COMMENCING 22
SEPTEMBER 2015 TO 5 MAY 2016**

30

MR BUCHANAN: Just to clarify or confirm the evidence you just gave about that text message. Did you know of a person called Talal?---No.

Who was involved in any of this?---No.

Can I, in the same exhibit, take you to item 46 and I don't want to confuse you, so you've got to simply tell us what you understand and what you don't understand.---I've never seen it before, I can tell you that.

40

Yes, that might be so, but first of all you can see that it is a text message from Mr Hawatt to Mr Zreika on 5 April, 2016 and it says, "Hi Tom. I'll be overseas from Friday and back 25 April. The exchange for Revesby will take place this week. As agreed with Talal, can you transfer my payment of \$250,000 from my company account of Ozsecure Home Loans Pty Ltd," and then he gives bank details. Do you see that?---Yes.

So, he does talk about Revesby in one sentence and you didn't know anything about an exchange taking place?---Absolutely no idea and this, this is the release that, this looks like the release of moneys that we were talking about before.

Well, if it's the same subject.---If it's the same subject. Well, it says the exchange for Revesby, so I assuming it's the Revesby exchange.

Well, that's an assumption one could make, but if you don't know anyone called Talal - - -?---I don't.

- - - and the Commission does in respect of a completely different transaction, then it might be a different subject. Do you see what I mean? That's why I asking you, if you could search your memory, there's no involvement of a Talal, a Talal El Badar perhaps?---Elcheikh. If, if he's one of the directors, I may have come across his name. If that's Talal Elcheikh, one of the directors of the Revesby site, one of the owners, it would make sense then.

Well, there was a Terry Elcheikh, wasn't there?---Yes, Terry Elcheikh.

I've been calling him Elcheikh, I do apologise.---My pronunciation could be wrong too, so - - -

20 Excuse me. Is it possible that Mr Elcheikh's Arabic name was Talal and that his anglicised name was Terry?---Highly likely.

Do you know anything about a payment – I'm sorry. Does the amount of \$250,000 mean anything to you in the context of what Michael Hawatt might think he was entitled to receive upon an exchange occurring in respect of the Revesby site?---This, I would say from this that Michael is expecting that sum of money, which is probably a part of the funds that, of the deposit that was transferred to his share of that deposit.

30 Would you just excuse me a moment. Excuse me, Commissioner. If I can take you to another text message, number 48 in the same exhibit, that is to say Exhibit 194. Can you see that this is a text from Mr Hawatt to Mr Zreika on 6 April, 2016 at 10.56am, so the day after the text that we saw earlier?---Yes.

40 “Hi, Tom. What name do you want the cheque in for Revesby? I need an urgent reply, they've been trying to call you, waiting now. Michael.” You're not able to shed any light on that other than what you have told us about already, that in light of the information you got in 2017 about what John Dabassis told you he'd been told had happened in 2016 - - -?---Yes.

- - - an exchange had occurred - - -?---Correct.

- - - which had been concealed from John Dabassis.---Correct.

If we could go over the page in volume 21 of Exhibit 69 to page 164, and go to text message number 298 on that page. This is a text message from you to Mr Hawatt on 29 April, 2016.---Yes.

And you say, “And from John ... g’day Laki. It is important to get Michael to put pressure by ringing his solicitor or Steve to find out if they are exchanging today. It’s not working from my end.” That sounds as if John had an inkling that an exchange was occurring or likely to occur or about to occur.---That’s correct.

Is that your understanding?---That’s my understanding.

10 So you had some idea that an exchange was occurring. Where did you get that idea from?---Ah, that comes from John, if you have a look, “G’day Laki.” It’s important” so - - -

I do understand that. I’m sorry.---That’s, that’s John telling me.

You’re quite right, you’re quite right. But where did, as you understand it, John get the idea from that an exchange might be occurring?---I don’t know. Don’t know.

20 But that is about Revesby, in retrospect, knowing what you know - - -?
---Yes.

- - - from 2017, that’s about Revesby?---Yes.

30 So if I can – excuse me a moment. Can I change now to the Harrison’s site deal. Whilst you met Mr Hawatt in the context of the Revesby site deal, shortly after the Revesby negotiations commenced you became involved, did you, or aware of dealings involving 548-568 Canterbury Road, Campsie, known as Harrison’s, the old Harrison’s timber yard?---Correct. And can I say at this point, this is an informed, it’s refreshed my memory reading those SMS messages again that were uploaded that refreshed my memory that there were actually three tranches, if you like, of possible deals with Harrison’s and I think if you look at my SMS messages, they’ll highlight the certain periods in which three different offers actually came in or prospective offers regarding Harrison’s, beginning in October 2015 as you say.

40 In the first instance, how was it that the property came to your attention?
---Through John Dabassis. John Dabassis had a potential buyer for Harrison’s and he needed, he asked me to speak to George to see if George knew the owner of the Harrison’s site.

And do you know why John Dabassis approached George Vasil to see whether he knew of the owner?---No, he asked me to approach George.

Do you know why John asked you to approach George in order to get that information?---Yes, probably ‘cause I knew George a little bit better than what he did at that point in time.

But why George rather than some other person in the population?---True, true, because we had worked on Revesby a month or so before so it just made sense, you know George, you're liaising with George regarding Revesby, it just made sense to continue with George. That's the only reason.

But this is - - -?---I could have - - -

10 - - - a totally different property - - -?---Agreed.

- - - in a different local government area.---Yes.

What's the point of approaching George Vasil as far as you understand it?
---Only 'cause we were already dealing with him with Revesby.

Was there any understanding on your part that George Vasil might have some information about the owner - - -?---No, I wasn't - - -

20 - - - of the Harrison's site?---I wasn't, I'm not aware of that. I'm not aware.

So as far as you understood you were simply being sent in the direction of George Vasil because you were already dealing with him, not because - - -?
---Yes.

- - - he might necessarily have an idea about how to locate the owner of Harrison's site?---Well, that's why I went to him, to see if he knew the owner, if he could, you know, present an offer that John had at that point in time on John's behalf.

30

Now, did you know, what did John tell you about the potential purchasers?
---Okay.

At that time.---The October, the October purchaser came through a guy called Tony from Draco Property Group and I think it was for around \$60-odd million, which came in a letter to John and that letter was given to George Vasil to present.

40 Did you give it to George Vasil?---I don't recall. I think it came from John.

What, directly between John and George?---Yeah. Once - - -

After you had been to see George or before?---After I spoke to George, after I spoke to George ah, can he help us find the owner of Harrison's, how do we get to the owner of Harrison's, George made some inquiries, he said, "Look, I know the people who know the owners and maybe they can help."

Did he indicate whether he knew the owners?---The impression he gave me was he didn't know. At that point in time he gave me the impression - - -

THE COMMISSIONER: Sorry, he did or didn't?---He didn't know, at that point in time it seemed like he didn't and he was going to pass us on to or pass John on to someone who knew the owners and probably knew them quite well. So that - - -

10 MR BUCHANAN: Did you tell George Vasil that you were making this inquiry on behalf of John Dabassis?---Yes.

And did you outline to him what the nature was of the inquiry, that is to say why you were making the inquiry?---Yes. John actually had an official letter that he gave to George Vasil with a formal offer from Tony Draco. I remember it vividly. And George went away with the letter, presented, did whatever he did and then came back and told us, "It's too early," meaning it's too early for them to be accepting offers. So that one died very quickly.

20 Was there anything that George said or that you otherwise know from something you were told as to who George went to, if anything, if anyone, at that stage?---At that stage I think he went to Michael.

How do you know that?---Because I think I, I was asking Michael at the same time. When he told me oh look, I think Michael knows the owners, I think I might have sent some messages to Michael regarding Harrison's as well around that time.

30 THE COMMISSIONER: Sorry. So Mr George Vasil said Michael - - -?
---George Vasil said Michael - - -

- - - knows the owner?---Michael knows the owners.

MR BUCHANAN: And this was after you had already met Michael Hawatt?---I met Michael regarding Revesby not Harrison's.

Yes, I understand that.---Yeah, not Harrison's.

40 I do understand that. And so you didn't know who George was talking about when he said Michael or - - -?---No, I knew he was talking to Michael Hawatt.

Yes, but I'm just trying to understand. Maybe if I, what I'll do is I'll show you something else instead. If we could go to volume 21, page 152, item 90. This is another schedule of text messages extracted from Mr Hawatt's telephone and item 90 is a text message from you.---Yes.

And if I can just draw your attention before we even go to it to the messages above in October.---Yes.

2 October, 2015.---Yeah.

And you can see that you're, item 86, 87, 88 that you're talking with Michael Hawatt about the Revesby deal.---That's correct.

And then in item 90 on 8 October, 2015 at 1.26pm you say, "What figure will it take for owner to exchange on Harrison's? We will lose big client."
---Yeah, so that, that there gives me the impression that George had gone to
10 Michael and presented the letter for \$60-odd million, I can't remember the exact figure, and - - -

That is to say, John had told you he had done that?---No. I actually saw the letter that John had, a letter of offer from Tony Draco for \$60-odd million. That was handed to - - -

Did you see John give it to George?---That I don't, no, but I saw, I saw the actual letter that John had.

20 Okay. How do you know it was given to George?---Well, because George came back to us and said it's too early to be making offers on this property. They weren't taking offers at that point in time and that's why I said we will lose big client because they, they had put a deadline on their offer and obviously - - -

You mean Draco had?---Yes. Draco's, Tony Draco's client.

Now, just stopping there. What I just want to understand is you in sending that text message assumed knowledge on the part of the person you were
30 talking to, Mr Hawatt, about a potential deal in relation to the Harrison's site.---Yes.

Why at 1.26pm on 8 October, 2015 were you assuming that Mr Hawatt knew about a potential deal on the Harrison's site?---Because George told me he'd already spoken to Michael about this site. George was going to Michael to talk about this site.

What had George said to you about having talked to Michael about this site?---George's comments back were it's too early to make offers.
40

But that's not a reference to Michael Hawatt.---No, but he would have discussed it with Michael and Michael - - -

How do you know that it was at - - -?---I don't. I don't. I'm just presuming.

Well, that's what we need to understand then.---I'm presuming.

That's okay.

THE COMMISSIONER: Hold on. You said you originally went to George to find out if George - - -?---The owner.

- - - could find out the owner.---Correct.

And is it correct that George said to you something along the lines of Michael Hawatt knows the owner?---Yes, yes.

10 All right. And then after that Mr Dabassis had the letter - - -?---Yes.

- - - which contained the offer?---Yes.

You have assumed that the letter went to George Vasil?---Yes.

And then you've assumed that George Vasil presented it to somebody?---Yes.

20 And then the next thing you know is George Vasil says to you it's too early?---Correct.

Now, within that sequence, other than the fact that Mr Vasil indicated Mr Hawatt knew the owners, how does Mr Hawatt become involved to the extent that on 8 October you sent that text message about what price to the owners want?---Well, if they were knocking back the \$60-odd million I was thinking to myself, well, what figure do these people want for - - -

MR BUCHANAN: No.

30 THE COMMISSIONER: Do you want to - - -

MR BUCHANAN: No, no, no. Sorry, Commissioner.

THE COMMISSIONER: Why have you now involved Mr Hawatt?---Because George said he was going to Michael because Michael knew the owners.

40 All right. So, as part of the sequence, when Mr Vasil identifies that Mr Hawatt knows the owners, does Mr Vasil say to you that he will take the letter to Mr Hawatt? Or have you assumed that?---Well, I didn't have the letter at that point in time that I was talking. That would have happened later on. John would have met up with George to hand over the letter and again, presume that it's gone - - -

To Mr Hawatt?---Yes.

And based on all those assumptions, you've now texted Mr Hawatt with, "What figure will it take for the owner"?---Yes, yes.

MR BUCHANAN: So, there's no communication that we have seen between you and Mr Hawatt to the effect of, "Hi Mike. I understand you know the owner of Harrison's. You might have been talking to George about that. Can I raise with you a question of whether some deal can be done?" There's nothing like that that we've seen.---We were, we were already past that, sorry, we were already past - - -

10 And was it because you simply assumed all of that communication, you simply went straight to the - - -?---I assumed that the offer that John had was not enough or they weren't – so I just wanted to know what is the figure that they've got on their mind to sell the property.

20 But you didn't have to introduce yourself to Mr Hawatt as being a person who had an interest in Harrison's. You understood that Mr Hawatt would already know that?---Yeah, through George, correct, correct, because George, George would have presented that offer, which Michael would have taken across to the owners saying, "Here, look we've got a, a, a, an offer for you guys. What do you want to do?"

And so, was this the first communication or contact of any sort you had with Mr Hawatt about Harrison's?---I think so, I believe so, yes.

There was no other earlier contact at all?---No, no. Not, not - - -

As to explain how come you're leaping straight into the bottom line of a deal?---Not that I can recall. Only through George.

30 Now, why did you describe the client as a big client?---Well, \$60 million offer on the table for a site is astronomical numbers.

And who did you mean by, "We"?---John Dabassis and I.

So, can I take you then to item 91 in this schedule of text messages. A text message from you at 9.47pm on 8 October, 2015. "Deadline for Harrison's tomorrow before they commit elsewhere."---That would have been on the letter, from the letter that they had, they gave a certain period in which to respond to that particular offer that was being tabled by Tony Draco.

40 Had there been any communication between you and Mr Hawatt between 1.26pm and 9.47pm on 8 October?---No.

That's to say between those two text messages?---No.

You just simply got no response and you tried again?---And that was it, and that was it. Then I just assumed, "Oh well, this deal's finished, this one's gone."

So, can I now take you to a telephone message, a telephone call that we'll play a recording of. It's, Commissioner, LII 03655, recorded on 19 February, 2016 at 11.34am. So, we're talking about 19 February, 2016 if you could listen to it. And sorry, while it's being prepared, it'll come up, a transcript will come up on the screen. Please read the transcript while you're listening to it.---Thank you.

10 And if you have a question about the transcript afterwards, the accuracy of it, please raise it.---Thank you.

AUDIO RECORDING PLAYED **[3.15pm]**

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

20 THE COMMISSIONER: All right. The audio file and transcript of the recording LII 03655, recorded on 19 February, 2016 at 11.34am will be Exhibit 195

#EXH-195 – TRANSCRIPT SESSION 03655

MR BUCHANAN: Mr Konistis, you heard that recording?---Yes, I have.

Did you recognise your voice and Mr Hawatt's voice?---Yes.

30 Just to check on one aspect of it, on the first page of the transcript at the bottom, do you recall making the call?---No.

You don't?---No.

But it sounded as if you were talking to somebody else when you said, "No, I don't, I don't know what, oh, yeah, yeah, yeah." And then you had to say, "Sorry, Michael." Were you listening to it?---Yeah, I was, I was listening to it.

40 Did it sound to you as if you were talking to somebody else, not on the phone but - - -?---Yeah.

- - - near you at the time you were making the call?---Possibly, might have been someone nearby me, I, I don't recall.

Okay. Thank you.---I don't recall.

Then can I take you to the second page of the transcript. In the middle of the page it records you saying, "It's, it's through Con, now George. George went down to a big architectural firm, through a big architectural firm." Can I just ask you, when you said Con, who were you referring to? ---It's through John. It should have been John. It's John, not Con. The architectural firm came through John and the architectural firm was Kannfinch.

10 And you give that name today with your memory refreshed from your knowledge of the evidence that's been given yesterday by Mr Dabassis? ---No, from the SMS messages that were on the thing.

I see.---I told you, the messages informed me as to the actual deals that were coming through, this, this transcript, this conversation is the second deal, is the second offer that comes later in February. They had an initial meeting down at this architectural firm's offices and then I think they've gone back in February.

20 When was the initial meeting?---I can't recall. That was through John, John and George. They, they attended the meeting, I - - -

George Vasil?---George Vasil.

Attended the meeting?---With, with John Dabassis.

And Kannfinch?---Yes, down in the offices of Kannfinch.

30 How do you know that?---John told me, and John organised the meeting for them to go.

And why was George Vasil taken?---Again part of the, part of the team of Revesby. That's all it was.

What was it that George Vasil could bring to the table in a meeting between John Dabassis and Kannfinch who might or might not have had a potential buyer?---Well, maybe George was better – sorry, I'm guessing, I shouldn't be guessing. I don't know, I don't know. I don't know.

40 All right. Can I go back though to that passage in the middle of the transcript on page 2. It says, "George went down to a big architectural firm, through a big architectural firm last year August/September and they're the people that we have to buy it, right." You see that on the transcript?---Yes, yes.

And you heard that being said?---Yes.

Why were you referring to last August/September if this is the second offer?

---Yeah. I think that was the initial icebreaker of that organisation perhaps becoming interested in Harrison's.

And did it go anywhere in 2015?---2015? No, no, nowhere in 2015.

Well, that's – you can see why I'm asking you.---Yeah.

Because you say, "Through a big architectural firm last year, August/September."---Yeah. That would have been Kannfinch.

10

Right. And are you saying that there was a contact between Kannfinch and John Dabassis, as you understood it - - -?---Yes.

- - - in that period of 2015 - - -?---Yes.

- - - where interest was expressed in 458 Canterbury Road, Campsie, but no approach was made to George Vasil, nothing happened at all, as far as you know?---As far as I know, I don't know.

20 Okay. And that being - - -?---I do, sorry.

Yes, go on?---I do know they both went down to Kannfinch and they were, they met through a guy called Nick, first name Nick.

And what's your best memory of when you found out that they had done that?---Around February 2015.

'15 or '16?---'16, '16, sorry, '16, '16. 2016. February 2016.

30 Now, what had John told you to lead you to say a little further down in the second page of the transcript, "We've got the buyer, how much do you, how much," sorry, "do they want, we're going to put our agreement, our agency agreement on top?" What had John told you about the buyer?---Okay, that they were, they were really keen on, on, on purchasing the site, that that's the reason that they were going down together with George to, to meet them. The gentleman, Nick, I think was chasing John for all the latest information that he could get regarding Harrison's.

40 When you say you think, why, on what basis do you say that, that the man - - -?---Because John told me that this guy Nick was chasing him.

Thank you. Yes.---To give him information, more information regarding Harrison's.

So why did you ring Michael Hawatt, knowing that there had been meetings involving George Vasil and Kannfinch with the potential buyer and John. ---Yeah.

Why did you take it on yourself to have this conversation with Michael Hawatt?---Because Michael Hawatt knew the owners better than George.

How did you know that as at February 2016? What was the source of your belief that Michael Hawatt knew the owners better than George Vasil?

10 ---Because, because in October 2015 I went to George and said, "Do you know the owner of Harrison's," and maybe that was a bit earlier, you know, maybe I've got my months wrong, I mean it was two years ago, but I do recall going to George and George telling me that Michael Hawatt knows the owners, so that's why I'm making contact with Michael here, to tell him that we've got another possible purchaser that John has for Harrison's.

Going to the third page of the transcript about point 7 you say you haven't heard anything about the other one. That's a reference to Revesby I take it?--Yes, yes.

Can we play another recording, please. LII 03711 recorded on 19 February, 2016, the same day, at 7.04pm.

20

AUDIO RECORDING PLAYED [3.26pm]

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

THE COMMISSIONER: The audio file and transcript of the recording LII 03711 recorded on 19 February, 2016 at 7.04pm is Exhibit 196.

30 **#EXH-196 – TRANSCRIPT SESSION 03711**

MR BUCHANAN: You heard that recording being played, sir?---Yes, yes.

Did you recognise your voice and Mr Hawatt's voice?---Yes.

Looking at the first page of the transcript you heard Mr Hawatt say "I spoke to him" and thereafter refer to a male person, singular.---Yeah.

40 Did you understand he was referring to the owner?---Yes.

On the second page of the transcript towards the top of the page the passage where you said, "All right. Well, he's going to lose, he's going to lose probably the, did you speak to George because George said they, he could do a joint agreement with them or something, that they were going to do a joint agreement with him." What was it that you understood as at 19 February, 2016 about George having said he could do a joint agreement with them?---Okay. This, this was around, just after the period where

George had gone with John Dabassis down to Kannfinch who expressed a genuine and serious interest in purchasing the property and from that meeting John Dabassis had, he indicated, George had indicated to John Dabassis that perhaps they could do like a, I think it's called conjunction agreement between the two.

With whom?---With the, whoever he signed up with. At the time I didn't know who that was.

10 And the same page a bit over halfway down, you said to Michael Hawatt, "These guys were prepared to pay anything, Michael." Was that you just using what lawyers call puffery?---Yes, yeah.

It wasn't something you knew?---No, no.

Excuse me.

THE COMMISSIONER: Can I just correct, I think this recording was at 9.04pm. I think I might have put on the record 7.04pm.
20

MR BUCHANAN: I understand.

THE COMMISSIONER: It just makes a difference with the - - -

MR BUCHANAN: In fact, I'm sure it was me who said 7.04.

THE COMMISSIONER: And I'm just not being pedantic. There might be a text message that proceeded that, so - - -

30 MR BUCHANAN: No, no, no. It's my fault. I apologise. 9.04. So, if the exhibit marking perhaps could be changed to the same extent.

THE WITNESS: Can I, sorry, can I - - -

MR BUCHANAN: Yes.---I'm just looking at the messages as well. Just to understand the pressure that we were going through with this guy, if you look at message 217, 218, you'll see how much they were pushing John to get details as soon as possible.

40 Now, you're looking at volume 29 of exhibit 69?---Volume 21 it looks like.

I'm sorry, thank you, thank you.---Sorry, I'm leading you now.

No, no. It's my fault. Volume 21, page 159, item 217?---Just to give you an idea of the pressure that was going on at that point in time, that's all.

And you're looking at a text message on 19 February, 2016 at 8.57pm that you sent to Michael Hawatt?---Yeah, from John. See how it says John? So, it's, I, this is from Nick to John.

Thank you.

10 THE COMMISSIONER: And that's the SMS you refer to in the telephone calls?---Yes, and that's the message that I sent to Michael to show him that, that he's the serious buyer and this message, these messages are not coming from me or from John, they're actually coming from this guy Nick.

MR BUCHANAN: Would you look at item 218. The next day at 6.31pm, there's a message that is addressed, sent from you to Mr Hawatt but it commences, "Hi, George. Below message is from Nick," then the name John then, "apologise to harass you over the weekend," and following. ---Yes. This message was from John to George because they had gone down to visit Kannfinch.

20 And Nick was at Kannfinch?---Yes. So, this is John Dabassis sending this message to George telling about the message from Nick after their meeting.

No, I just want to clear this up if you don't mind. Are we to read everything in that message after the word, "John," as coming from Nick?---Yes. That came from Nick.

So, it's a message to John from Nick?---Yes, yes.

30 That has been forwarded to George and then you sent it to Michael Hawatt? ---Yes, yes.

Can we play please a recording LII 08190, recorded on 6 May, 2016, commencing at 3.01pm.

AUDIO RECORDING PLAYED [3.34pm]

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

40 THE COMMISSIONER: The audio file and transcript of recording LII 08190 recorded on 6 May, 2016 at 3.01pm will be Exhibit 197.

#EXH-197 – TRANSCRIPT SESSION 08190

MR BUCHANAN: Mr Konistis, you heard that recording being played? ---Yes.

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

Can you explain to me, please, everyone else in the room might understand but I just need to have it explained to me, what is a nett offer?---A nett offer, look, I, I was, at that point in time I had no idea numbers. A nett offer would be how much goes to the - - -

The vendor?---Yes.

10

The vendor actually gets?---Yes.

But including GST?---Yes.

And so looking at page 2 of the transcript where you said, “They will clear just over 45”, who was they?---The owners.

Thank you. Looking back at volume 21 of Exhibit 69, page 165, item 317 on 7 May, 2016, a text message to you from Michael Hawatt at 5.14pm,
20 “We are all meeting owner on Tuesday 4.30pm. Tell George.” Do you remember receiving that?---No. I have received it but I don't remember it.

And does it relate to anything you know about now?---I believe that was the meeting with Charlie Demian, Michael Hawatt and John Dabassis.

Now, you're aware of evidence that John gave in relation to a meeting at Frappe Café and that there were text messages either side indicating that the meeting occurred on 10 May, 2016 in the afternoon?---Yes.

30 You weren't there?---No.

Were you aware that the meeting was going to take place, that is to say, had John told you?---Yes. Well, John had told me that there was a meeting coming up. I don't know exactly when they were going to have that meeting but I was aware that there was going to be a meeting between them.

Did you get a report about the meeting?---From John afterwards.

40 And when was that in relation to 10 May?---Probably after the meeting. After their meeting he would - - -

Do you have a memory of what John said?---No, no.

Did you understand from John or any other source as to who had organised the meeting?---John requested the meeting. I know John, it was John, at John's request to have the meeting.

With the owner?---Yeah. I believe George Vasil organised the meeting for John to get his agreement signed.

When you say believe, does that mean you're putting two and two together and it's not something you know of your own direct knowledge?---Correct.

Can you have a look, please, at page 165, the same page, item 321. That's a text message on 11 May, 2016 from John Dabassis to Michael Hawatt.

10 MR NEIL: Commissioner, can I just raise a matter as we've gone past Exhibit 197, I'm subject to correction, but I thought on the second page of the transcript of 197, if I could just ask if that be looked at. I thought that on the audio played the word that is shown in the transcript as, "Contact," was expressed as, "Contract".

THE COMMISSIONER: We'll just have a look, Mr Neil, if we can - - -

MR NEIL: As I said, I may be subject to correction, but that's an impression I got.

20

MR BUCHANAN: Second page?

MR NEIL: At the end of the second page after the line, "Unintelligible." "That's important that we need that contact quickly." I thought the word said was, "We need that contract quickly."

THE COMMISSIONER: That's actually my recollection as well.

MR BUCHANAN: That's my recollection too.

30

THE COMMISSIONER: Well, I would propose that the transcript be read that contact actually is contract. Does anybody have a contrary submission? All right. Thanks, Mr Neil.

MR BUCHANAN: Thank you, my learned friend, for that. Sorry, Mr Konistis.---Sure.

You see item 321 on page 165 of volume 21?---Yes.

40 Can I ask, were you involved in Mr Dabassis sending that text message that commences, "Gents, good morning"?---He would have sent me, usually whatever text messages he sends to either George or Michael, he would usually send just to keep me updated, not that I had anything to do with it but he would just keep me updated. So, I don't recall if I received this one.

And was it his practice to involve you in the drafting of a text message?
---No, not text messages, no.

Other documents but not text messages?---Yes, yes, yeah. Not text messages.

Thank you. And can I ask you to go to page 166 of volume 21, item 325. This is a message the day after the 11th, namely the 12 May, 2016 from Mr Dabassis to Mr Hawatt at 12.35pm and it's addressed, "Hi gents," so it would seem to have been sent to Mr Hawatt as well as other people and he then indicates, "Once again, I wish to confirm that my clients are not small consortium and the money is on the table. Again, I wish to stress the final offer after spending hours with them. Final offer is at \$56 million. Total commissions are \$4.5 million as we all took a cut. Since the last offer, the sellers are better off by \$3 million, \$2 million for purchasers increasing their offer and \$1 million from us." Can I just pause there. Had there been any discussion of which you were aware, that is to say had Mr Dabassis say anything to you - - -?---Not that I'm aware.

- - - about this?---Not that I'm aware.

Had there been any discussion that you were aware of about commissions by the time that you heard John Dabassis give a report of the meeting at the Frappe Café with the owner?---In regards to commissions, the only - this was the third obviously prospective purchaser. The commissions that I was aware for this one was in, John was trying to get I think \$2.7 million and that was changed to \$2.2 million. So, the commission that was payable for this third purchaser if you like was in the vicinity of \$2.2 million. That's the commission that I'm aware of. I mean there were numbers thrown around in the meantime. There were you know, numbers all over the place bit that was where all the discussion sort of crystallised at the end of you like.

But there were discussions as far as you were aware about commissions? ---Yes.

But nothing crystallised until the agency agreement was drafted?---Until, correct, correct, correct.

And you weren't involved in any discussions with Michael Hawatt or George Vasil about commissions - - -?---I, I, yeah, no. There were - - -

- - - at that point?---No. I was trying to sort of be the one out of the discussions or communications but I was trying to sort of work out what the hell was going on, but I couldn't make sense of it, until the agency agreement actually was formalised.

Now, why did you say this is obviously the third offer?---Well, as I said to you, if you look at my SMS messages, the first offer came in October 2015 from Tony Draco, that letter, the second one was Kannfinch who was chasing John as you saw.

In the text messages you drew our attention to?---In the text messages, yeah, exactly. And this was the last offer which John has another purchaser from a consortium, a consortium of a lot of these guys working together. I think it was JLL, Tony Draco and John himself.

How did you know this?---Ah, because John would send me a copy of emails, so when there was an email that came in he, I would also get a copy of it, and I think the last email that came from – when this, like, when John exposed the buyer for example, he sent me a copy of that email and he sent it to, and I saw that he - - -

Yes, but that's a long way down the track.---That's right.

At the moment I'm just trying to - - -?---That's how I knew.

- - - understand your, I'm just trying to ascertain what your knowledge was of when there was a new different purchaser, potential purchaser, from the second potential purchaser. At what point were you - - -?---Mid-May 2016.

20 And what was it that made you think there's a new potential purchaser in the game?---Because John had, John through this consortium had another person interested in possibly purchasing Harrison's.

No, sorry, what I meant was, what did you see or hear that made you think, ah, this is a different, a third purchaser, potential purchaser?---Ah, John had told me that there was someone else interested. That's, that's - - -

It's what John told you?---Yes.

30 Did you see any document from JLL for example?---Not till later down the track.

Okay. But you're quite satisfied that by 12 May, 2016, negotiations were concerning the third offer, not the second offer?---Correct.

Thank you. And you don't know anything more about commissions than for example as at 12 May, 2016, what John Dabassis has recorded here - - -? ---No.

40 - - - in that text message - - -?---No.

- - - to Michael Hawatt?---No.

Thank you. If I could take you, please, to volume 23, oh, no, sorry, it's at volume 21, page 327, item 327, a text message from John Dabassis to Michael Hawatt on 13 May, 2016 at 11.06am.---Sorry - - -

Addressed to George and Michael. "Just had another meeting with the potential purchasers and again they confirm the below." And then there are terms set out which include, "Payable commissions, \$4.5 million inclusive of GST." Do you see that?---Yes.

Were you aware of this text message being sent or a communication like this being sent at the time?---John probably would have sent it to me, but I wasn't a party - - -

10 But you don't have a specific recollection?---No.

At the bottom Mr Dabassis says, "I'm happy to talk with Charlie if you wish once you've sent me his number." As you sit there now, do you know how Mr Dabassis had the knowledge that the given name of the owner was Charlie, at that stage?---Ah - - -

If you don't know, you just say.---I can't, I'm trying to recall for you, I, I don't, I don't recall how he or when he found out that Charlie was the owner. Can't pinpoint the time.

20

Can we play, please another recording LII 09818 recorded on 25 May, 2016 commencing at 9.45am.

AUDIO RECORDING PLAYED

[3.51pm]

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

30 THE COMMISSIONER: The audio file and transcript of recording LII 09818, recorded on 25 May, 2016 at 9.40am is Exhibit 198.

#EXH-198 – TRANSCRIPT SESSION 09818

MR BUCHANAN: You heard that recording being played, sir?---Yes.

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

40

Do you remember this conversation?---Not really, but it's obviously there.

When, looking at the first page of the transcript, you said, looking at the middle of the page, "Did George tell you about the new offer?" why was it that George was the person who would be aware of that new offer in order to tell Michael?---Because John would have taken that new offer to George. All this - - -

As you understood it, why in that case were you talking to Michael Hawatt?---Just to confirm that he knew about this new offer as well.

What was it that Michael Hawatt could add to the equation given that George Vasil was the intermediary through whom an offer was being conveyed, as you understood it, to the owner?---Yeah, it was just a sense of excitement that, hey, look, it's, there's another offer here. Did you hear about it? If not – it was like saying to him, look, check with George, please, regarding this new, new offer that John had tabled.

10

But you were anxious, weren't you - - -?---More, more excited, I'd say, than anxious. I just wanted it to happen.

Well, you had anxiety about wanting it to happen.---Yes.

Is that fair to say?---Yes.

And would it be fair to say that you thought that Michael Hawatt had a connection with the owner that was perhaps more influential on at least this sort of topic than George might have been?---Well, it was conveyed to us from the outset that George knew the owner, so it made sense that - - -

20

Michael knew the owner.---Sorry, that Michael knew the owner better than George.

And so is your answer, yes, you thought that Michael would be more influential with the owner than - - -?---For, yes, for that, for that reason.

For that reason.---He knew the owner better.

30

Can I take you to the second page of the transcript. In about the middle of the page Mr Hawatt said, "Now, how about the commissions part?" and you said, "Right, the commission part. What happened? Let me tell you what it is. It's 58 million on the table, right, so they've increased it and they've lowered the commission. They want, they initially wanted 4 million commission, right, so they've brought it down to 2.2." Does that suggest that you had an awareness at the time about commissions that predated the figures that were put into the agency agreement?---As I said to you before, there was a lot of commission numbers and figures flying around.

40

Yes.---But, and this is one of those moments - - -

And this is one of them.--- - - - where that, that, that occurred, where numbers were thrown left, right and centre, and they were just numbers thrown in the air at that point in time.

But it does indicate the commissions were being actively canvassed.---Yes.

And that you were involved in it and that Michael Hawatt was interested in it.---Yes.

Now, what did you understand was Michael Hawatt's interest in the commission?---Well, Michael Hawatt knew that because we were a team, so to speak, again – I bring that word in again – that whatever commissions we got, that we would split.

10 And he would get part of a split?---So he was, yeah, so he was basically going to help, help make the sale, play his role in making a sale, and if he made the sale, he'd be entitled to a commission.

Could I take you to page 3 of the transcript. At the bottom, after telling Mr Hawatt that you sent the offer to George yesterday, sorry, that Mr Dabassis sent the offer to George yesterday, you say, "Let me tell you, and what George did, what George did, just so, there's a, some commission for you," I apologise. The intonation is critical here.---Yeah.

20 As I heard it, it was, "Some commission for, you know, the rest."---Yeah, the rest of the team.

Commas between "for" and "you" and "know" and "the". Do you understand what I mean?---Yeah.

What did you mean by "commission for the rest"?---The rest of the team.

30 Now, I hope I'm not taking it out of context but can I take you to page 6. I just want you to assist me if you can. A bit before the middle of the page there's a passage where you said, "Yeah, it does", as in it sounds like it might happen.---Yeah.

"Now, the other good thing that he told me, he goes he is talking with two other parties but those two other parties there's a lot of negotiations." Do you see that part of the transcript?---Yes, I do. Yes.

Who is he who told you?--- I think that's the guy from CBRE.

40 You were talking to a guy from CBRE?---I made, I made some contact with CBRE to get some information from CBRE where this site was at, what was going on with the site and they had said that they were in discussions with other parties regarding the sale of Harrison's. So it's just basically getting some updated information, where, what's going on with the actual Harrison's site.

And then finally on page 7 there's the traditional closing attempt to get some information out of Michael about what's happening with Revesby? ---Revesby again, yes.

Thank you. Can we play, please, LII 10011 recorded on 27 May, 2016 commencing at 1.23pm.

AUDIO RECORDING PLAYED

[4.02pm]

10 MR BUCHANAN: I tender the audio recording and transcript of that, sorry audio file and transcript for that recording.

THE COMMISSIONER: The audio file and transcript of recording LII 10011, recorded on 27 May, 2016 at 1.23pm will be exhibit 199.

#EXH-199 – TRANSCRIPT SESSION 10011

20 MR BUCHANAN: Commissioner, certainly at the bar table here, we heard on page 2, the third entry there that is attributed to Mr Hawatt, the second line, where it says, "Unintelligible," what was said was, "No." As in, "It's like somebody says there is two real million dollars or there's three no million dollars." I don't know if any of my friends, I think there's consensus that that was what was heard.

THE COMMISSIONER: All right.

30 MR BUCHANAN: Excuse me a moment. And we have a further suggestion for an amendment of our copies of the transcript on page 3. Over halfway down the page, the long entry that's attributed to Mr Konistis, second last line it reads, "And say we're the ones who brought you." It should read, "And say listen, we're the ones who brought you." There's a couple of nods.

THE COMMISSIONER: Nods, good.

MR BUCHANAN: So, if we can perhaps make that change to our copies of the transcript. Mr Konistis, you heard that recording being played?---Yes.

40 You recognised your voice and that of Mr Hawatt?---Yes.

Can I ask you, looking at the transcript page 1, when Mr Hawatt said, "Has John told you, did he tell you what happened?" and you say, "Yeah, he told me. He told basically that he wasn't, he wasn't happy with the commission." What is it that you understood Mr Hawatt was referring to when he asked, "Did he tell you what happened"?---I, the commission there I suspect would be being cut back to 2.2 million overall.

But was there some event whereby there's been a negotiation or some communicating?---Well they must, these, these guys had their meeting. They had their - - -

Who had - - -?---John Dabassis, Michael Hawatt and probably Charlie Demian regarding the commission.

10 But is that you doing a reconstruction? Do you have a memory about Mr Dabassis telling you about a meeting?---I can't recall but that's what I suspect would have happened.

And when you were saying to Mr Hawatt, "He wasn't happy with the commission and he told me," that's Mr Dabassis?---Correct.

20 And so this was a proposal, looking at page 3 of the transcript, given that what apparently had been negotiated was the elimination of the money available for the commission that could be split, was that Mr Demian be prevailed upon to agree to have a side agreement with those who had done the work – namely you and John Dabassis and Michael Hawatt and George Vasil – to give you guys some money for your efforts?---That's how I read it.

Thank you. Could we play Exhibit 184, please, which is LII 10030. It was admitted into evidence yesterday. This is a recording that was made on 27 May, 2016, so the same day but this time at 2.13pm.

AUDIO RECORDING PLAYED

[4.12pm]

30

MR BUCHANAN: Mr Konistis, you heard that recording played?---Yes.

Did you recognise the voices of yourself and Mr Hawatt?---Yes.

There's a change that we made to the transcript when it was admitted into evidence on page 3. You can see the second item there reads "Demian". We've changed that to read "Konistis".---Correct.

40

You understand?---Correct.

Now, looking at page 3 there's a discussion between you and Mr Hawatt about 300 and how it could be divided and you say that John should get more than all of us. That's at the bottom of page 3 of the transcript.---Yeah.

Going over to page 4 Mr Hawatt says, "Maybe we can give John more, a little bit more. I have no problems." And then you say, "Maybe give John 100. I'm happy with 50 to be honest with you." Hawatt says, "I'm the same." You say, "And the rest of us, give the rest of us 50." Hawatt says,

“Yeah, 50. How much is that?” You say, “Four, four 50s is 200 and John’s 100 is 300. It’s still 300.” Hawatt says, “300, yeah, yeah, all right.” Who were the four people as you understood it that were going to have this 200 split between?---Myself, George Vasil, Michael Hawatt and a guy called Pierre.

Who was the guy called Pierre?---That’s all I knew at the time. Pierre, a guy called Pierre.

10 Where did you at this time, this is 27 May, 2016, get an understanding that there was a guy called Pierre who would share in the commission?---George had told us a couple of weeks or so before that Pierre was also involved in the project.

Where were you when you were told that?---I can’t recall where but I was with - - -

You said he told us.---Yes. I was with John when he told us that Pierre needed to be included in the project.

20

Did George tell you face to face or - - -?---Yes.

- - - over the phone?---No, face to face.

Were you at his office or somewhere else?---I don’t recall where we were first told about Pierre.

30 Did anything else happen on that occasion that George told you that there was a guy called Pierre who had to share in it?---Well, I recall John was upset about it because he, he, you know, couldn’t understand what Pierre had actually done to be involved at a late stage for a payment.

Could you?---No, no idea.

Did you at that stage – sorry, as at 27 May, 2016 know the second name of the man called Pierre?---I later found out it was - - -

No, not later. At that stage.---No, no, no, I don't.

40 You had no idea?---I don’t, I don’t think, I don't believe so.

Did you have any idea of the role that person played in relation to the Harrison’s site at all?---No, absolutely none.

And so after George had told you and John that there was a guy called Pierre who had to share in the commissions, are you saying that by 27 May you accepted that?---Yes.

Why did you accept it?---So be it. Like, there was no point arguing, fighting. As long as John was happy, at the end of the day if John was happy with it so be it.

And when did John give you to indicate that he was happy with it or at least not so unhappy with it that he wasn't going to spit the dummy?---When I went back to him and explained to him that he would be getting 100 or we're trying to negotiate for him to get a little bit more, I think that calmed John down a little bit because he did the majority of the work from that side.

10

Can we show the witness, please, from Exhibit 69, volume 23, page 205. And if you're looking at it in hard copy you can turn over the page. You'll see it's a two-page letter.---Yes.

Do you recognise it?---Yes, I do.

And what was your initial involvement in it or first sighting of it?
---Okay. This was – and I received an email from John Dabassis regarding him trying to crystallise and put everything in, in, in order in relation to the discussions that we had et cetera, and he asked me to proof his email and obviously polish it up a little bit, because John's English wasn't as good, so I've actually fixed his, what he was trying to say in his email to me and then I've, I've sent that to him.

20

Right. And if we - - -?---It's in regards to the 2.2 million.

Yes. If we go to page 212 of volume 23.---212. 212.

30

You can see there's an email from you to Michael Hawatt on Sunday, 29 May, 2016 - - -?---Yes, it's just - - -

- - - which attaches Letter of Offer Canterbury Road Campsie.docs.---Yep, yep.

“Hi, Michael. Letter from John and Laki.”---Yeah. So he's asked me to forward it on to Michael.

Now, going back to the letter itself, page 205-206 - - -?---Yeah.

40

- - - when the letter said in the second paragraph, or third paragraph actually, “Please understand that we all came into this as a team,” what was your understanding of what was intended by that?---Ah, again, a team of us trying to effect a sale, trying to - - -

And who is the team?---The team initially was four of us which later turned to five.

Who? Tell us.---You want the five?

Yes, please. Sorry, who were the initial four?---The initial four was John Dabassis, George Vasil, Michael Hawatt and myself.

And the fifth member was the man - - -?---Pierre.

- - - called Pierre.---Pierre.

10 Can I ask that we play recording LII 10301, recorded on 31 May, 2016, commencing at 5.02pm.

AUDIO RECORDING PLAYED

[4.23pm]

MR BUCHANAN: Commissioner, I tended the audio file and transcript of that recording.

20 THE COMMISSIONER: The audio file and transcript of recording LII 10301, recorded on 31 May, 2016 at 5.02pm will be Exhibit 200.

#EXH-200 – TRANSCRIPT SESSION 10301

MR BUCHANAN: And you heard the recording, sir?---Yes.

You recognised your voice and that of Mr Hawatt, is that right?---Yes.

30 Commissioner, there's one change that I would suggest to the transcript of page 8 at about, it's the first entry attributed to Mr Konistis at the end there, "Contract," has turned into, "Contact." So, we would read that as contract again.

THE COMMISSIONER: Everybody agree with that? Yes, thank you.

40 MR BUCHANAN: I'm told there are others. On page 8 again, in the middle of the page, there are two unintelligibles in brackets in the second last line of the passage attributed to Mr Hawatt. The second, "Unintelligible," we submit should read, "Want to," so that it reads, "Why do we want to change anymore?"

THE COMMISSIONER: Okay.

MR BUCHANAN: Thank you. Mr Konistis, could you go, please, to volume 21, page 171 of Exhibit 69 and look at item 386. A text to apparently George, Michael and yourself from John Dabassis. This is a message extracted from Mr Hawatt's phone, so it's the message he received

at 6.55pm on 7 June, 2016 and there's some detail in there as to the negotiations at that stage and you'd see a third of the way down, "Explain to you that \$2.2 million commission was for the consortium. The vendor this evening has agreed to this \$2.2 million commission which basically means that not one cent of our commission is secured if the agreement is signed at that price. After speaking with the purchasers tonight, they have asked me to proceed and, as such, I will be letting Charlie know tomorrow to sign at \$2.2 million inclusive of GST. I'm very disappointed that all this time you told me you controlled the owner and now it is up to you to make sure he lives up to whatever promise he had made to you." Underneath that is a text message from you to Mr Hawatt but it's addressed, "Folks," and it's at 10.19pm. Can you see that?---Yep.

And it says, "Folks, the \$2.2 million commission, which also includes the 300 is accepted. John is to receive 100 of this and I am sure nobody will begrudge the effort he has put into his project. Mike and George, you two must now pick up John's signed agency agreement plus the contract, plus all other documents requested by John urgently tomorrow for the purchaser. Please collect from Charlie tomorrow and let's meet up tomorrow afternoon when you have all the documents to hand over to John." Do you remember sending that text message?---Yes, I do.

And does it reflect what your understanding was at the time?---Yes.

And the \$300 was on top of the \$2.2 million commission?---Not on top, includes.

Included in the \$2.2 million commission?---Yes. That's what my SMS reads.

Did you know what was – you knew what was in the agency agreement that had been provided to Mr Demian by Mr Dabassis when he met with George Vasil and Mr Demian in Mr Demian's office at Parramatta?---I knew what was being prepared before they went in.

And you know it stipulated 2.7 million?---Correct.

Did you learn that it would be reduced to 2.2 million?---Not till it came back to John and John saw it.

Well, that didn't occur until after 7 June, 2016.---That's correct.

So when you said, "Folks, the 2.2 million commission includes the 300," that's what you meant?---Yeah, that's what, that's what was discussed at that point in time but I didn't see it eventuate until John actually collected his agency agreement.

Where did you get the idea from that it would be \$2.2 million commission when you got the agency agreement back?---When we got the agency?

Well, you - - -?---Okay. If you have a look at these two messages, the first message, have a look at the time of the first message, that was at 6.55.

10 Yes, 6.55pm on 7 June.---Yeah, and then about four, three hours later, I would have had discussions with John in between those two messages. So the first message that John had sent to George, Michael and myself obviously expresses his disappointment, he's upset that, you know, that 2.2 million was meant to have been for his consortium.

Can I interrupt you?---Sure.

20 John is there saying that the commission is going to be 2.2 million. In other words, he thinks that the \$2.7 million is going to be reduced to \$2.2 million, even though he hasn't got the agency agreement back yet.---That's correct, that's correct, but what I saw, I, I saw the initial thing that he was preparing for 2.7 million. That's what I, that's what I recall. Now - - -

And did John Dabassis come back from the meeting with Mr Demian accompanied by George Vasil - - -?---Well, before - - -

30 - - - indicating I think he's going to reduce it to 2.2 million?---Well, before we even got to that stage, that's why I was trying to have you look at the time, I had discussions with John between 6.55 and 10.19 basically saying, John, you need to go back to the consortium and explain the situation to them that he's only prepared to pay 2.2, so somehow you need to be included, we need to be included in that 2.2 million, so - - -

Yes. What I'm asking though is, where did John Dabassis get the idea from that the commission would be 2.2 million some seven days before he got the agency agreement back?---No, but the agency agreement I think was prepared - - -

For 2.7 million.---?- - - on the 4th.

On the 4th.---Yes.

40 And John didn't get it back until, at the earliest, 14 June when George Vasil collected it.---Yeah. So there must have been discussion in between that he, Charlie was going to obviously reduce the commission.

Right. But you don't have a memory - - -?---No.

- - - of John Dabassis coming back and saying, oh, Charlie's going to reduce the commission to 2.2?---No, only the discussions that I had with Michael that that, if that was going to be a controversial issue to just go with the 2.2.

Can we play please - - -

THE COMMISSIONER: And get a side agreement.---No, there's no side agreement, there was no – there was discussion of a side agreement but that never eventuated.

Never eventuated.---It was never, there was never a side agreement. It was all part of that final 2.2 million.

10

MR BUCHANAN: Well, that does leave me confused, I'm sorry, because in that case where are you going to get any dollars out of that 2.2 million? ---Well, that's what I was trying to explain to you when you stopped me again.

20

I'm sorry.---John had gone back to the consortium to say to them he's only prepared to pay 2.2 million, you guys need to take a haircut, if you like, as well, so that at least we can get some money out of it. And the consortium had said, all right, well, we'll drop to \$1.9 million and you guys can get \$300,000. That's where that figure, that's my understanding of the whole thing, that the consortium in the end would be getting 1.9 million and 300,000 would be the team, if you like.

And you got that understanding from a conversation that you had with John Dabassis---?---Correct.

30

After he said he had been to talk to the consortium or to JLL?---Yes. Yes, to the consortium. JLL, Tony Draco, those people who were a part of the consortium.

Also the Chinese consortium of introducers?---Look, I don't, I don't know the Chinese. The two that I was always aware of was Tony Draco and JLL.

40

THE COMMISSIONER: And did that discussion occur between 6.55pm and when you send your SMS at 10.19?---Yeah. I was speaking to John so John would have been in touch with the other consortium and say look, he's only offering this much. It's not fair that we're not going to make anything out of this. You guys, can you drop your commissions. If there were three of them as has been suggested drop yourselves 100 each, make it 1.9. There's the 300,000 for the rest of the team.

MR BUCHANAN: So, Commissioner, I note the time. I've got two more recordings to play but not much else by way of examination of the witness. Those two recordings are I don't think very long but I don't know how much cross-examination any of my friends might have.

THE COMMISSIONER: Could I just ask Mr Neil?

MR NEIL: Well, I couldn't say I'd be very long but I don't know that I'd finish in less than a quarter of an hour and I would like to, we'd prefer to go over to tomorrow. I'll be frank on that.

THE COMMISSIONER: You would like an opportunity to review the transcript?

MR NEIL: Yes, yes.

10 THE COMMISSIONER: Ms Bulut, I'm sorry, I jumped over you.

MS BULUT: Absolutely fine, Commissioner. We have no questions.

THE COMMISSIONER: Can I just have an indication anybody else?

MR DREWETT: Commissioner, I don't think I've got any questions at this stage if that assists.

20 THE COMMISSIONER: I am minded to allow Mr Neil a chance to read the transcript overnight.

MR BUCHANAN: Yes. A quarter of an hour is too much to add onto the playing of two more recordings.

THE COMMISSIONER: Yes, we'd be here past 5.00 o'clock.

MR BUCHANAN: And having regard to staff and other exigencies.

30 THE COMMISSIONER: Yes. Mr Konistis, will you be back her tomorrow morning at 9.30?---Of course I'll be here.

The indication is that it won't be that long.---Yes.

That you should be finished at least by say 10.00, quarter past 10.00.
---Thank you. I'll be here.

All right. We are now adjourned until 9.30 tomorrow morning.

40 **THE WITNESS STOOD DOWN** **[4.41pm]**

AT 4.41PM THE MATTER WAS ADJOURNED ACCORDINGLY
[4.41pm]