

MR. ROGERS, EXAM. BY MR. MERRICK

1 information in my mind. But 20-percent minimums were not
2 uncommon as a requirement. The particular construction
3 of that 20 percent, I think, is what you're referring
4 to --

5 Q. Yes.

6 A. -- and I can't comment on that. There was the ACOA
7 Action Program at that time which, presumably, was an
8 option, but it's unknown to me why the proposal came
9 through the one door as opposed to ACOA's other door. So
10 it would be pure speculation on my part.

11 Q. You say that you knew other programs had a 20-
12 percent equity requirement. Do you know if they also had
13 provisions or definitions of that equity that would have
14 been somewhat similar to A.E.P. which would have allowed
15 an applicant to, in effect, borrow their equity?

16 A. Yeah, certainly subordinate -- fully subordinated
17 loans have always been treated as equity because, by
18 definition, they are gone. They are last in line to be
19 paid.

20 Q. All right. Do you know, during the negotiations
21 with Curragh, whether Curragh had gone to its own bankers
22 at any point prior to the completion of the negotiations
23 to see if, in fact, they could finance it without
24 government assistance or with more limited government
25 assistance?