

MR. ROGERS, EXAM. BY MR. MERRICK

1 maintained by the bank.

2 Q. Uh-huh.

3 A. And the bank has two different kinds of oversight.  
4 One is a financial tracking of what is being spent and  
5 what it's being spent on before they would make any  
6 advances against the agreed loan. And the second was  
7 their own technical person who was in there really giving  
8 them a general level of satisfaction as to what was going  
9 on. And some of those reports are in your -- in your  
10 file here.

11 Now if you can imagine Bob Russell or one of these  
12 officials showing up at the doors of Westray and saying,  
13 "We want a full accounting as to what your production  
14 problems are," you have to believe that they're going to  
15 get tossed out on their ear, because we do not have a  
16 primary responsibility, as a Department after approval,  
17 to be monitoring those projects. We are doing this at  
18 arm's length.

19 The persons responsible are the banks and that was  
20 agreed at the beginning, and that's the nature of a  
21 guarantee. This is a proper description of roles. This  
22 is not, in any way, an attempt for me to obfuscate the  
23 accountabilities on this. The accountabilities are very  
24 clear. If there's going to be problems corrected, it's  
25 going to be done between the lender and their advisors