

MR. ROGERS, EXAM. BY MR. MERRICK

1 this level of government support for this type of
2 operation. Maybe specifically also focusing on does it
3 bring out operators who may be more interested in seeing
4 an easy deal that they can do because it doesn't require
5 them to really put a lot of their own stuff out and,
6 thus, attract inappropriate operators.

7 In addition to the general broad question, what are
8 your views as to the appropriateness of this level of
9 government support for this kind of project?

10 A. As I said earlier in my testimony, they met the 20-
11 percent equity rule in a fashion that was consistent with
12 the A.E.P. guidelines. You may not like the fact they
13 had 9 million of cash only and 6 million of deferred
14 management fees as part of that structure, or that there
15 was a 12 million subordinated loan from the Province of
16 Nova Scotia, but the fact is those qualified. And so the
17 only comment I can make is they met the minimum
18 requirements as set forth in the rules and regulations of
19 that program.

20 Did I personally think it was enough? Of course
21 not. You'd like to see a much higher level of
22 commitment, but they met the rules, and that was my --
23 that was my responsibility.

24 Does it attract a, quote, wrong, unquote, operator?
25 I can't describe them as a "wrong operator." They would