

MR. ROGERS, EXAM. BY MR. TRAVES

1 Sherwood, I believe Mr. Roy Sherwood in Halifax, was
2 receiving the bank's inspection reports?

3 A. Yes.

4 Q. Was this the extent of the documentation he was
5 receiving from them?

6 A. Yes.

7 Q. Okay. And the loan guarantees, I take it, are
8 contingent on the bank exercising due diligence?

9 A. Yes.

10 Q. So if the bank is not diligent in assessing or
11 maintaining a check on the project, then the loan
12 guarantees -- the government would not have to come
13 through on the loan guarantees?

14 A. Well, the government had provided the loan
15 guarantee, and there would have to be significant cause
16 for the government to examine what the bank's oversight
17 was. And the significant cause would be some event or
18 series of events that gave rise to questions on that
19 point.

20 Q. Right.

21 A. Otherwise, it carries on on a normal basis month by
22 month without intervention.

23 Q. I see. If I could get you to turn to Exhibit 62.

24 A. Which --

25 Q. Exhibit 62.