

## **Interview With Miss Cora Felix**

On the 24 July 2003, the Court ordered the liquidation of Bank Crozier Limited. The Court further ordered that I, Garvey Louison of Louison Consulting be appointed liquidator of the Bank. Against this background, I conducted a formal interview of Ms. Cora Felix, Vice President of the Bank and the only senior management person available upon my attendance at the Bank on July 25<sup>th</sup>, 2003.

The interview took place on July 28 2003 commencing at 1:35 pm and concluding at 3:35 pm.

Present were:       (1) Mr. Garvey Louison  
                              (2) Ms. Cora Felix  
                              (3) Ms. Sheri St. Louis

The objectives of the interview were to obtain from Ms. Felix any information or material leading to or to the best of her knowledge, any assistance she can provide to ascertain the:

- Assets of Bank Crozier Limited
- Extend to which documentation exist to verify the existence of the assets;
- Costs of the assets; and
- Extent to which the value can be valued.

### **Listing of the Banks' Assets**

The meeting commenced with questions pertaining to the existence of a list of all the Banks' assets. Ms Felix was asked to give an explanation of nature and type of operation conducted, their location, their relationship to the Bank or its Directors and the current status of their business with the Bank. I discussed the following:

#### **Stourbridge Ltd.**

Mr. Peter Johansson administered this institution, where credit lines and loans were offered. Two loans were given, the first has been repaid and the second facility, which is still outstanding is approximately UDS\$5 to USD\$6 million. The nature of the operations t Stourbridge is unknown to Ms Felix.

The principal asset of Stourbridge is its investment in Exchange Bank and Trust. Stourbridge is a wholly owned subsidiary of Bank Crozier Limited. Ms. Felix is not in possession of any details concerning the purchase of Stourbridge by Bank Crozier Limited.

The Directors of the Bank were listed as Mr. Peter Johansson, Mr. Bruno Anderson and Mr. Olof Hogstrom. As was reported by Ms. Felix, the original shareholders were Mr. Johansson and Mr. Andersson, however Mr. Johansson is the sole shareholder at present. The aforementioned Board of Directors has also been dissolved, as the bank presently has no Board of Directors, which was noted as one of the major concerns of the regulatory body.

It was brought to Ms. Felix's attention, of the number of times that mention was made of Stourbridge in the documents, although she possessed no detailed knowledge of the nature of their business operations.

### **Exchange bank and Trust (EBT)**

To Ms. Felix's recollection, Exchange Bank and Trust is registered in Nauru and the Canadian Exchange Commission has frozen their assets. I made reference to information given before, that Stourbridge Ltd. is the owner of Exchange Bank and Trust and that Bank Crozier owns the said Stourbridge. Ms. Felix further explained that she had no knowledge of where the original certificates were or where they could have possibly been stored.

### **Add Trust**

Add Trust was reported. to be located in Sweden, from which shares were purchased and added to the Bank's portfolio. Some of the shares were sold while the remainder has been on the books for approximately one and a half years. There was no breakdown of the shareholders, whether former or current by the Bank or by Price Waterhouse Coopers.

### **Loan**

#### *Evergreen*

The Loan amounted to USD\$1 million. This company is reported to be a Grenadian IBC and is operating in Sweden where the operations are centered on forestry. This company was registered by Bank Crozier and from the last reports it was determined that machines in value of approximately USD\$ 600,000 had been seized, but was not enough to cover the outstanding balance of their loan.

#### *Othello*

Ms. Felix was unable to provide much detail of this company's operation besides mention that Peter Johansson administers it.

#### *Cap South Financial Management Company*

This company was reported by Ms. Felix to be a locally registered company, which is concerned with the invention and development of computer software and systems. Bank Crozier used this company's DOS based system from inception and was used as a test case to improve their software. Peter Johansson purchased one third of the company's shares and made a loan of USD\$200,000 available to the Company to assist them in improving their software. Instead of payment for the purchase of one third of the company by Mr. Johansson, a facility was made available to them and thus the outstanding balance cancelled out itself.

#### *Crozier Financial Holding*

This is the parent company of Bank Crozier to which money was lent. The assets of Crozier Financial Holding has been frozen for approximately one year. Consequently Ms. Felix reported that all assets concerning related parties have been frozen for approximately one year. She also reports that she is not in possession of any of the original documents of the transactions. However concerning those loans for which she was personally responsible, the original loan application and approval exists and are in her possession. At present Ms. Felix had no outstanding loans from her clients.

#### *Blue Ocean Properties*

This was the real estate company, which was locally registered. It is a wholly owned subsidiary of Bank Crozier Limited. Ms. Felix had no knowledge as to the names of the shareholders of this organization, but offered information that Ms. Roslyn Wilkinson, Attorney at Law, administered it. She is aware that the company owns a house in L'Anse Aux Epines, which she currently occupies and two plots of land at Point Salines. There had been no recent valuations of the land, but the post was USD\$215,000. There was also no recent valuation of the house, but the cost was TJSD\$200,000.

#### *Grenada Offshore management Company*

From Ms. Felix reports, this is a local company, established for the purpose of registering companies and is operated as a part of the Bank. Renewal fees were taken back to repay the facilities which the bank had extended to them. There was no cost since its business was generated by the Bank.

## **Debit Card System**

Ms. Felix stated that the debit card system was frozen on the date the Minister issued his intention to revoke the license of Bank Crozier. She further stated that there was an amount of USD\$600,000 which was reported to be the security deposit in favor of the debit cards, which would have been frozen in both the Master Card and the BAC Miami account. As a result I requested that an official document be prepared to inform Master Card and BAC Miami of the Bank's current position. Documents were also requested informing all the parties involved, which would include all the creditors, depositors, directors and former directors of the Bank.

## **PricewaterhouseCoopers**

I then requested a full account of the fees and expenses charged by Price Waterhouse Coopers, during their period as Controllers of the Bank. Ms. Felix presented a few documents concerning hourly charges and bills.

Reports from Ms. Felix indicated that to the best of her knowledge there was no standard hourly rate and that at no time were they (Bank Crozier) presented with breakdown of the hourly rates per person by Price Waterhouse Coopers.

Ms. Felix expressed concern about some transactions, which occurred in the month of May. She reported that unknown to the Bank two cheques were written. One was made payable to Paterson Palmer for USD\$65,000 on the 22<sup>nd</sup> May 2003 and the second to Seon and Associates for USD\$ 160,000 on the 23<sup>rd</sup> May 2003. According to Ms. Felix the Bank had no knowledge of the transactions until the advices were needed for reconciliation purposes.

Another transaction of which Ms. Felix reports to have no knowledge of was a cheque received from PriceWaterhouseCoopers in the amount of USD\$40,000, which they were prohibited from depositing, since their arrangement with Grenada Co-operative Bank did not allow them to conduct deposit transactions. When Ms. Felix inquired about the cheque to PriceWaterhouseCoopers she was told that it was a return cheque for Canadian legal counsel.

Sixty-five thousand US dollars (USD\$65,000) was returned to the Grenada Co operative Bank account while USD\$100,000 was paid into the RBTT Grenada Ltd. & on the 29 of May 2003. Ms. Felix expressed the need for these transactions to be clarified by PriceWaterhouseCoopers so that the amounts could be properly posted to the General Ledger.

Discussions then moved to the questions by me concerning a listing of companies, which received loans or other facilities from Bank Crozier. Three of these organizations were discussed:

*City International*

Ms. Felix reported that City International is owned by Peter Johansson and is a local IBC Grenadian Company.

*Parman Enterprise*

Ms. Felix was unable to give any details on the nature of the operations or information on the ownership of this organization.

*Private Portfolio*

It was reported that this organization once had a loan of USD\$1.3 million from Bank Crozier, which it has paid off in full.