

THE TRIBUNAL RESUMED ON THE 22ND APRIL, 2009, AS FOLLOWS:

CHAIRMAN: I am conscious, Mr. Vaughan, that this process is quite a long and taxing one for you and ranges over a number of years, so at any stage if you feel the need to have a drink of water or refresh yourself, feel free to do so. And Mr. Nathan, I think Mr. Healy has already outlined the procedures we propose to follow here, and I might just confirm for the record that the sequence will be after Mr. Healy has completed his examination, that it would then be the turn for examination by counsel for Mr. O'Brien, then for Mr. Lowry, as the person named in the Terms of Reference, and finally for yourself as counsel for Mr. Vaughan, having heard the substance of what has arisen in evidence, with some limited entitlement to Mr. Healy to, if you like, in effect, act as sweeper at the conclusion.

Very good.

MR. NATHAN: Before we continue, sir, there is just one matter, and I have raised it with counsel for the Tribunal, and my concern is simply this: That Mr. Vaughan is here for four days and at the moment we are solemnly reading into the transcript a whole file of letters, in effect. I am concerned simply that at the passage of time and the time that it takes to do that, when these are documents that are readily available in the form of a file which everybody seems to have got. I appreciate that you are following a procedure which has been adopted perhaps in the past, but I am just wondering whether there is not some way

which we can speed things up? If necessary, simply by appending to the transcript the file documents and Mr. Vaughan can be taken to those passages which counsel for the Tribunal wish to draw to his attention and ask him questions about. Otherwise, I fear, that we will simply be solemnly reading in letters from the Tribunal, his replies, letters from the Tribunal, his replies, for no great purpose, other than there may be a point here or a point there that the Tribunal counsel particularly wished to take him up on. I am merely concerned to express my worry that we may run out of time if one has this what is a slightly cumbersome procedure.

it may be that that is inevitable and cannot be done any other way, and I am concerned and simply trying to assist the Tribunal as much as I can to move things forward as quickly as possible, so one can actually get to what I might call the meat rather than simply endlessly looking at the sandwich.

CHAIRMAN: Well, I share the general thrust of what you state, Mr. Nathan, but at the same time, there is a danger, perhaps, of Tribunal counsel appearing to cherry pick, if perhaps a particularly selective number of documents, but I think some discussions have taken place with a view to seeing such dispatch as we can make, so let's proceed on that basis.

Q. MR. HEALY: I appreciate the point. This is enormously cumbersome, Mr. Vaughan, but as the Sole Member has already

mentioned, the documents in the main books do not, in fact, comprise all of your correspondence with the Tribunal, but what is already a selection which the Tribunal deems to be relevant for this reason: That it contains mainly accounts given by you of various matters, various transactions and, indeed, in some cases events you were involved in and which the Tribunal has been inquiring into with other witnesses.

Now, what I am going to try to do is to truncate references to the Tribunal correspondence on the basis that you will have a reasonable idea what they were about, but there may be other people present who may want me to read those letters out as well.

Before I do that, before I take that up, can I just deal with one matter that's I think outstanding for me anyway from your statement you provided yesterday, and that's at paragraph 8.1. This is your sort of introductory paragraph describing how you got involved with Mr. Kevin Phelan in relation, I think, to the DRFC transaction. And you refer to the files that you accumulated or the files, the documents you accumulated in the course of that transaction which you said you handed over to Craig Tallents of Morton Thornton, chartered accountants, "who in turn, passed them, I understand, to Peter Carter-Ruck, who then passed them to solicitors in Ireland William Fry or LK Shield.

"Eventually these files were returned to me incomplete and in a totally different order of files."

I am just wondering, can be more precise about what you

mean by that? And reason I am asking it is in the context of the documentation that we looked at yesterday that you produced concerning your dealings with Woodcock's where we have part only of the documentation?

A. Well, the files that I am talking about in 8.1 are the files relating to Doncaster Rovers Football Club, and when this process started again after the summons had been collected by me, we started to go through those files again, and what was apparent was that they are full of yellow Post-it notes, rather like the ones that you and I use, from Peter Carter-Ruck, and those notes all say things like "disclosable," "non-disclosable". They have been through the whole file, and for the purposes of the mediation, which I wasn't involved in, they have separated them out into documents which are disclosable in their opinion within that litigation process. So, I have no real idea of what documents have been put back into the right order. And so, what I was trying to explain was that they didn't come back in the same way as they went. But in addition, all the files went, and I seem to recall there are probably ten or a dozen files, but some of those files were for example, I remember a whole file of football player contracts. Well, nobody would have been particularly interested in those, and they seem to have disappeared on the way. So, when I said they haven't come back in the same order, that is right, but I couldn't identify, other than the football player contracts,

particular letters.

Q. All right. That's what you mean by "incomplete" then firstly?

A. Yes.

Q. Those things that don't appear would I be right in thinking that the heart of the file you recognise as the file that you handed over?

A. Yes, yes.

Q. And the order is that simply that things were moved around into these two categories?

A. Yeah, I can see it's quite clearly Peter Carter-Ruck, because as I have explained for the mediation purposes they have segregated them into different sections.

Q. I just want to be sure it wasn't anything more worrying. In relation to the documentation we looked at yesterday concerning the complaints made by Kevin Phelan, both in the form of correspondence directly to you and in the form of correspondence to Scott Fowler, both to you as a consultant in Scott Fowler and to the complaints partner in Scott Fowler. I just wonder why it is that those files seem to be so incomplete, bearing in mind how important one would have thought it was to have everything this man was saying, bearing in mind, as you said yesterday, that he was making a complaint to the Law Society and threatening litigation?

A. The Scott Fowler element of the file is complete, because they had kept that. The other complaints, they have letters that have sort of drifted off or got mislaid. I

think the important thing to realise is that of course to me this was a matter that had gone away, it was gone and dusted, as far as I was concerned. I was obviously aware of the Tribunal. And quite easily letters could have been misfiled, the Kevin Phelan ones, where do I put them exactly? But misfiling, or perhaps they have even been destroyed in files, because they were four or five years old, they are of no real importance to me any more. I was, as I said in my statement, I was under no specific direction to preserve these files. In hindsight it's easy to say we should have kept them, but I didn't, and what I have produced is, so far as I am aware, the total quantity of letters that I have relating to the Kevin Phelan matter. I am not aware what might be missing, other than the Woodcock's correspondence. It's clear there is a couple of letters, isn't there, in March of that year; there is the second page of one of them, but that's been missing for a long time, because I noticed in the Carter-Ruck correspondence it was missing then as well, so...

Q. We'll be coming back to it, I think, in some of the documents I'll be opening in due course.

If we now quickly go to Divider Number 3 of Book 81A. This contains a letter from the Tribunal to you and your response to the Tribunal dealing with both the Mansfield and the Cheadle purchases. Going to your response, you say in paragraph 1 - your response is dated 22nd May, 2001:

"I cannot find an initial instruction sheet in respect of

this transaction" - meaning the Mansfield transaction, I think - "As I mentioned to you in the penultimate paragraph of my letter of the 16th May last, there is obviously a letter missing which enclosed all the contract documentation, as the first letter on my file is a reminder."

You go on to say: "The one thing I can be almost quite positive about is that the initial instructions were almost certainly verbal and would come from Kevin Phelan. It is very unlikely that he would have written to me, as practically all his communications with me were by telephone."

The second letter, or the second query concerns the completion on the 26th March of that transaction, when you say: "I almost certainly would have had various telecommunications with Aidan Phelan's office prior to my letter of the 26th March, 1999, as would be apparent from my file copy. This completion did not take place as smoothly as anticipated, as the completion monies did not arrive on time. I certainly remember" sorry, just to clarify that - "I certainly remember having conversations with Aidan Phelan's office, almost invariably with Helen Malone inquiring, as to where the money was. I doubt whether I made any notes of those telephone conversations or the follow-up conversations, which would have been to Mr. Dawson of Messrs. Harrop White, Vallance & Dawson, just trying to establish when the money would be sent through to

me so that completion could take place.

"I note that there is no mention of Aidan Phelan on the file. I was, of course, aware of his involvement and had been dealing with him in respect of his acquisition of Regency House, Luton, Beechwild Limited, which had taken place in March 1998. That particular transaction had been completed but was and still continues as and when various units in that building are re-let to new tenants."

I think that query was raised because while there was no mention of Aidan Phelan on the Mansfield file, you were asked to, you were queried as to why, having regard to the fact that he provided the money, there should have been no mention.

The third query refers to the joint venture agreement subject to which the Tribunal has been informed this property was held, and you explain that you do not have a copy of the joint venture agreement. "This particular agreement was drafted by me for a meeting between Aidan Phelan and Michael Lowry. For various reasons that meeting never took place, and I suspect that it was impossible for all three of us to be able to meet at the same time in the same place. I ended up giving the draft of that agreement to Helen Malone on a floppy disc.

"I understand that subsequently the agreement was printed out and signed, but I have never seen the completed version, and I do not know what resemblance it bore to my original draft. I do not have a paper copy of the draft.

It is unlikely that a copy exists on the hard drive on our word processing equipment as the word processing and accounts systems have been changed within the last three years.

"So that there is absolutely no misunderstanding, I am perfectly happy and willing to come and meet the Tribunal in Dublin on the basis that my air fare and reasonable costs are paid.

"However, following our telephone conversation on Monday, 21 May, for business and family reasons there is absolutely no possibility I can come to Dublin this week."

And there is suggestion about other dates.

The next documents in Divider 4 are notes kept by the Tribunal's then solicitor and counsel of a meeting in Dublin with you on the 30th May, 2001.

And I think that if we take the handwritten copy of, or in the handwritten notes as read for a moment, and go on to the typed notes, unless you want me to read the handwritten notes?

A. No, no.

Q. We may make more progress. This is the Tribunal's note of its meeting with you.

"1. Christopher Vaughan met Kevin Phelan through a client in 1997. He is a sole practitioner who specialises in commercial property transactions, and he received a telephone call from a client requesting him to talk to two people who were about to enter into a commercial contract.

It was on this occasion that he was introduced to Kevin Phelan, who was trying to purchase a football club in administrative receivership. This was approximately October/November 1997, and the deal fizzled out after Christmas. The second person involved in this transaction was not connected to Aidan Phelan et al.

"2. The next occasion on which he had contact with Kevin Phelan was when he asked Christopher Vaughan if he could act for Aidan Phelan regarding the acquisition of the Luton property. This would have run over the period February to April 1998, and the property was acquired through Beechwild Limited. Christopher Vaughan was not aware until very recently that Denis O'Brien had any interest in the shares in Beechwild, and this only came to his attention when Helen Malone informed him that she was holding her shares in the company as nominee for Denis O'Brien.

"3. In mid-September 1998 Kevin Phelan arranged a meeting in Christopher Vaughan's offices and introduced Michael Lowry in connection with the acquisition of the Mansfield property. The meeting was quite lengthy and issues were discussed re future development, access difficulties and so forth. Michael Lowry told Christopher Vaughan that he was looking to develop property interests in the UK with a view to making money and explained some of his political and personal difficulties. At this stage the intention was that Michael Lowry would pay the deposit. Christopher Vaughan's recollection is that Aidan Phelan's name was

mentioned in connection with the overall funding of the project. Michael Lowry certainly made it clear to Christopher Vaughan that he had no funds available.

Michael Lowry instructed Christopher Vaughan not to write to him or send him any faxes, and that if he wished to make contact with him he should do so on Michael Lowry's mobile phone.

"4. In connection with the Mansfield property, Christopher Vaughan believed that he spoke to Aidan Phelan, Kevin Phelan and Helen Malone. With regard to the joint venture agreement, Christopher Vaughan is a little hazy. He believes that he prepared the agreement and thought that this may have been done prior to January 1999. He thinks that he gave the agreement to Helen Malone on disc. He does not have a copy on his file.

"5. Christopher Vaughan is clear that Aidan Phelan's name was mentioned in the context of funding from the first meeting which he had with Mr. Michael Lowry in September 1998. As the sale dragged on, there was a difficulty in funding. Christopher Vaughan discussed the matter with Helen Malone. After the sale completed and the property was registered in Michael Lowry's name, Christopher Vaughan notified Michael Lowry that he would be advising Aidan Phelan to register a caution on the folio to protect his interests. Although there is no record of any such advice to Aidan Phelan, Christopher Vaughan believes that he must have given this advice to Aidan Phelan. In the event, no

caution was registered and the matter was let lie.

"6. In relation to Catclause and the acquisition of the company, Christopher Vaughan's recollection is that this was probably Kevin Phelan's suggestion. Christopher Vaughan did to the inquire as to how the Cheadle property was to be funded. He presumed that Aidan Phelan would be involved. The note on his file which confirmed that Aidan Phelan agreed that the deposit could be paid out of the joint venture surplus may have been in error and it may have been Kevin Phelan who gave him those instructions. He accepts that his view that Aidan Phelan was involved from the outset does not accord with the contents of his letter to Aidan Phelan in December 1999, indicating that he had not been aware until the previous day that Aidan Phelan was involved in the acquisition of the Cheadle property.

"7. In addition to telephoning Christopher Vaughan, Michael Tunney also spoke to the solicitor for the vendor, Mr. Oldham. Christopher Vaughan met Michael Tunney briefly in January 2000 when Michael Tunney gave him a ticket for a rugby international.

"8. In the completion week there must have been a decision to take the property in Christopher Vaughan and his wife's name in trust. The transfer itself would have been in the name of the Catclause, and Christopher Vaughan thinks it was sometime after Christmas, perhaps in the early part of the new year that the title was changed. At that stage Aidan Phelan was giving instructions.

"9. A meeting on the 17th August, 2000, was prompted by the non-payment of the loan to Investec. Christopher Vaughan at the time of the funds were provided was surprised that the bank did not insist on the security being in place, and was perhaps more surprised that the bank did not seek to formalise the security post completion. The bank did, of course, have his written undertaking that the property would be held to the bank's order. Michael Lowry was present on the 17th August, as is apparent from the meeting notes which Christopher Vaughan believes were prepared by Helen Malone. This may have been because the meeting was both Mansfield and Cheadle properties. When pressed as to who his client was at that stage, Christopher Vaughan indicated that he did not think he would have taken instructions in connection with either properties from Michael Lowry alone.

"10. Christopher Vaughan's letter of the 25th October, 2000, to Investec was on the instructions of Aidan Phelan. Aidan Phelan had alerted Christopher Vaughan that the bank was concerned about the absence of formal security documentation in the light of the failure to repay the loan the previous July. Subsequent correspondence and, in particular, the letter of the 28th February, arose because of the proposal by Aidan Phelan that the property be put back into the name of Catclause. By then Catclause had been struck off the Register. And the letter of the 28th February, which Christopher Vaughan had informed Investec

that he held the property on trust for Aidan Phelan and/or Catclause, was intended to deal with what Christopher Vaughan perceived as a compliance process. During this time Christopher Vaughan did not write to Michael Lowry, as from the outset Michael Lowry instructed him that he did not wish to receive correspondence. Christopher Vaughan attended a meeting in Dublin on the 15th March last with Aidan Phelan and Helen Malone. Kevin Phelan was also in attendance briefly, as was Michael Lowry and his accountant, Denis O'Connor. It was explained to Christopher Vaughan that Investec had reported the transaction to the Tribunal and it was likely that the Tribunal would be making contact with Christopher Vaughan.

"13. Christopher Vaughan had dinner with Aidan Phelan and Helen Malone on Thursday last in the UK."

You then wrote to the Tribunal in response to the Tribunal's request to appear as a witness at its public sittings. This was on the 27th June, 2001. It was in your letter to Mr. Davis, the Tribunal's then solicitor you say:

"Thank you for your letter of the 19th June, to which I have given some considerable consideration. Unfortunately I cannot accede to your request to appear before the Tribunal in public sitting to give evidence"

MR. NATHAN: May I just interrupt one moment, I am just concerned structurally one may know what this tab contains.

It starts with a page of handwritten notes dated 30th May, 2001, which is the date on which Mr. Vaughan attended an

interview with the Tribunal's counsel, and then there is an attendance of the meeting, but the two are sharply different in some respects, and certainly the handwritten note is much, contains much less than the attendance note.

I think if we are actually reading things into the transcript, that somewhere along the way one has got to have some kind of an explanation as to what went on, because we have this shorthand written note which then turns into an attendance note which says things, first of all, more expansively, and secondly, says things differently from what is in the handwritten note. I do think therefore

MR. HEALY: I am happy to read anything out that I am asked

MR. NATHAN: Well, no, all I am concerned is to make sure that when say you, sir, come to review matters, that there is not something that matters in the discrepancies between these two documents, because if there is, I think in fairness to Mr. Vaughan, those discrepancies ought to be put in order to taking just a very simple thing, the very last item, 13, "Christopher Vaughan had dinner with Aidan Phelan and Helen Malone on Thursday last week in the UK." Here the handwritten note, last line says: "Met AP/HM on Monday night in the UK." So, I mean it's just different.

Now, I am concerned that if there is something is going to turn up about these differences that these are matters, if

they are important, they ought to be put to Mr. Vaughan.

That's all.

CHAIRMAN: Well, I am aware that Mr. Vaughan did express some concerns in his statement read yesterday over the content of the final note, and quite plainly the former solicitor, Mr. Davis's note, is a more distilled and summarised version, and I can readily see there may have been some discrepancies. Mr. Healy, I'll leave it to you for the time being as to whether there are any material matters that

Q. MR. HEALY: The reason I am reading out the long note is that Mr. Vaughan takes issue with it in the letter I am about to open, but I am happy to go through the handwritten note as well. They are not, as I have indicated, notes taken by the same people. In the handwritten note, which is Mr. Davis's note, he says "Kevin Phelan four years or so ago first met KP. Through a client Simon Hussey. Rang CV, was he available to talk urgently to two people at 7pm re conveyancing matter. KP and somebody else. Nothing to do with this matter. Trying to buy football club in receivership, fizzled out eventually.

KP rang again to ask if he'd asked for KP re Beechwild.

Never knew AP prior to this.

"Catclause-has nothing in terms of paperwork relating to the company. Got the company from Jordan's.

May have been a KP suggestion.

Assumed Cheadle was a continuation of the joint venture

agreement.

Telephone call from Michael Tunney 17/12/'99. Had never dealt with him before.

Michael Tunney also spoke to solicitor in Towns Needham, very strange. Mr. Oldham told Christopher Vaughan that Michael Tunney had been on the phone to him to say the money was on the way.

Christopher Vaughan didn't know whose name the property was being taken in. Letter of the 20th December is a form of undertaking he feels.

"Georgina Keane's inquiries" that's a reference to inquiries, I think, from Georgina Keane from Investec, isn't that right, Mr. Vaughan, I think?

A. That's correct.

Q. "Handwritten memo.

Christopher Vaughan actually prepared a contract for Thistlewood.

Letter to GK 25/10/2000 at the request of AP."

That's a letter we'll open in due course.

"15/3/2001 met Aidan Phelan, Helen Malone, in their offices in Dublin, KP there briefly, also ML? Denis O'Connor was also there. Meeting lasted 2/3 hours.

"Met AP/HM on Monday night in UK."

A. Can we just clarify one point, that this handwritten note had never been seen by me until about two weeks ago.

Q. To come back to your letter of the 27th June, 2001, you say that you couldn't accede to the Tribunal's request to

appear before the Tribunal. Then going on you say:

"My appearance before the Tribunal in public. As you will appreciate, I am a practicing solicitor and notary public in this country. I am not familiar with the lawyers of Ireland and, in particular, the workings and objectives of the Tribunal. Therefore, purely from a professional point of view, I cannot expose myself to a public matter in the context of the past professional representation of my clients, as I believe I could find myself in a totally impossible position.

"I believe it would be difficult, if not impossible, for me to recall exactly what I knew about all facets of particular matters, when they happened, in light of the details of which I have subsequently become aware. So far as I am concerned, the work that I undertook on behalf of my clients was the straightforward purchase of commercial properties in England."

Then you go on to deal with the contemporaneous attendance notes at the meeting in Dublin on the 30th May, 2001.

"May I firstly point out that I have some difficulties with the type written notes that you have sent me.

"As you will recall throughout that meeting both yourself and the three counsel to the Tribunal left the meeting at various times for various reasons, and I was not aware of any particular person taking detailed notes of the whole meeting, and neither was it specifically stated that notes of the meeting were being taken. If it had been intended

that such notes were going to be produced by yourself, then

I think we should have agreed them before my departure.

"However, as to your attendance notes, utilising the same numbering as those notes..." you then go on.

And I think it will help matters if we go to a document which the Tribunal obtained in 2006, which is actually your which contains your annotations on the attendance note, and that is, in fact, the next document in this divider.

A. Can we just go back to the letter from, because I think

Q. I am not leaving the letter, I am going to go through the letter.

A. All right.

Q. As to your attendance notes, utilising the same numbering as in those notes.

"1. I agree with this paragraph." And in your own copy, you have ticked that paragraph; isn't that right?

A. Yes, I have, yes. Are we cross-referencing the paragraphs of my letter of the 21st June, 2001, with the handwritten notes?

Q. No, I am cross-referencing them with your own, with

A. With my manuscript annotations on the type written version?

Q. Yes.

A. I am not quite sure how these came into the Tribunal's possession, but anyway. Carry on.

Q. I think the Tribunal obtained them when your file was sent to Messrs. Fry's for the purposes of litigation between

Mr. O'Brien and the Tribunal.

A. I think the numbering

Q. And was exhibited in those proceedings.

A. I think the numbering - I have suddenly worked this out - there is a 141, 142, etc., is to do with another matter, isn't it?

Q. It's to do with the numbering of exhibits in an exhibit in litigation in the High Court.

A. I'd rather guessed it was something like that. Thank you for that.

Q. Paragraph 1: "I agree with this paragraph."

Paragraph 2: "I agree with this paragraph states that Beechwild is spelt not with two Es but with an E and an A"; isn't that right?

A. Correct.

Q. Paragraph 3: "I believe there is some confusion in the narrative here between the Mansfield and St. Columba's Church/Cheadle sites. Michael Lowry did pay the deposit by bank transfer into my account for the purchase of this property, and as far as I am aware intended to fund the purchase as his own project."

"Aidan Phelan's name was not mentioned in connection with the overall funding of this project" meaning, presumably, the Mansfield project. "The issue of what funds were available to Michael Lowry did not arise at the time of the exchange of contracts, as I had assumed that Michael Lowry had control of this issue himself. Aidan Phelan did not

become involved in the Mansfield project until immediately before completion when he arranged for the balance of the purchase money to be made available."

"I would like to clarify Michael Lowry's instructions to me as to my future contact with him. I had, as the point of contact, his address, telephone and fax at his office in Thurles. However, there was little point in me trying to contact him at that address or fax him information at that address if he was going to be in Dublin. The arrangement was that I would telephone him on his mobile phone to ascertain where he was before forwarding any faxing to him, or to ascertain to which address any correspondence should be sent, as quite clearly it would be pointless sending such documentation to Thurles when he was actually in Dublin."

And I think in the manuscript you tick paragraph 3, but you add in apart from the comments you make in your letter, you add in, in the final sentence I think, "Michael Lowry certainly made it clear to Christopher Vaughan that he had no immediate funds available."

A. Correct.

Q. Then paragraph 4, you say: "I am unsure as to the meaning or context of the first sentence of this paragraph. As to the Mansfield site, my initial dealings were with Michael Lowry and Kevin Phelan. Aidan Phelan became involved just before completion. Helen Malone's involvement was more secretarial/administrative. She certainly did not give me

any instructions as a participator in the purchase of this site. She was, however, my point of contact to ascertain when funds would be available."

Now, you have not ticked that on the, in your manuscript alterations or comments?

A. No, I think it's necessary to understand the context of the manuscript amendments, because I was obviously going to write a letter to Mr. Davis at the Tribunal, which turns out to be the letter of the 27th June. I would have looked at the memorandum that had been sent through to me by Mr. Davis and just made a few initial points just to assist me dictating. It wouldn't have meant merely because I ticked I agreed or I didn't tick, they are just observation points. The fact that I ticked something doesn't mean I agreed with it. It may be that I just ticked because I read the paragraph. It is just to assist me when I came to do the substantive letter.

Q. I see. It does appear, however, that the ticks tally with your letter where you say "I agree", and where you, in your letter, take issue with the document there doesn't appear to be a tick. Isn't that the case?

A. I think it would be very dangerous to regard a tick as a definite confirmation. It may be I have read this paragraph.

Q. Paragraph 5, which again you haven't ticked, but which clearly from your letter you have read, you say: "Again there seems to be some confusion between the Mansfield and

St. Columba's/Cheadle sites. Michael Lowry paid a deposit in respect of the Mansfield site in December 1998. As the completion date for the purchase (not sale) was approaching, funding then became an issue. Completion is what I think in Ireland as you refer to as 'closing', which follows an exchange of contracts where a deposit is paid. Completion is when the balance of the purchase monies are paid and the title deeds and other documentation handed over, and at that moment the purchaser becomes the owner of the property.

"Aidan Phelan became involved in funding the purchase in the funding of this purchase in March 1999.

"I would have discussed the matter with Helen Malone on various occasions in the days before completion, and those telephone conversations would have been almost all identical of the 'Where are the funds?' variety."

You go on, paragraph 6 I am sorry "As is apparent from the correspondence on my file, I did advise Aidan Phelan to register a caution to protect his interest in this property, but this never happened. You will be aware of the Land Registry 'caution procedure', as Investec Bank registered a caution to protect their interests against the St. Columba's Church site in March 2001 in respect of myself and my wife being the registered proprietors.

"I am not absolutely certain that it was Kevin Phelan's suggestion to form the company Catclause. It may have been a suggestion from Michael Lowry. The one thing I am quite

positive about is that it was not a suggestion made by Aidan Phelan, as he was not involved in this transaction at this stage at all.

"December 1999" sorry you go on

A. I think you have missed a paragraph.

Q. "I dealt exclusively with Michael Lowry as the principal in this transaction until January 2000 when Aidan Phelan assumed that role.

"In December 1999 - as is apparent from the correspondence on my file - I became aware for the first time of Aidan Phelan's involvement in the context of the funding of this transaction. Aidan Phelan had not prior to this stage been involved in the mechanics of the purchase of this property at all.

"My initial presumption of Aidan Phelan's involvement is based on the source of the deposit. As you now know from the correspondence on my file, my presumption was incorrect.

"7. I agree with this paragraph, save that the solicitor was Mr. Oldham and not Olden.

"8. I agree with this paragraph.

9. I agree with this paragraph." All of which appeared to be ticked incidentally.

Paragraph 10: "I agree with this paragraph, but it was not February 28th but March 1st, 2001." That's a reference to one of the dates in the paragraph.

"11. Please see the information as to this in paragraph 4

above."

That was a reference to the procedure you had agreed with Michael Lowry for contacting him.

Paragraph 12: "Denis O'Connor was not present at the meeting on the 15th March. I did, however, meet him at a later date in Dublin with Michael Lowry, Aidan Phelan and Helen Malone.

"13. The date was Monday 28th May, 2001." There is no date, in fact, on the typed version. And you crossed out the Thursday and put in Monday. "This was a bank holiday in England and we met socially at Galloway's restaurant in Woolburn. My wife, Debbie, was also present. It was not intended to be a 'business meeting.'

"Summary:

I have amended the factual mistakes in the attendance note that you have sent me. As you will recall, this meeting lasted for approximately three hours, and the attendance note deals only with a small variety of specific points.

It may be helpful if you could let me have a copy of the full notes of the meeting to see whether there are any other areas that I could clarify to assist the Tribunal.

"Because of the corrections required, I am copying this letter plus a copy of your letter and attendance note to my clients, Aidan Phelan and Michael Lowry."

MR. NATHAN: I wonder, sir, for the sake, again, of completeness, since we have been looking at various handwritten notes and then the typed version of an

attendance note, the one thing that seems to be missing so far from the material that's been provided to Mr. Vaughan are the full notes which he asked for on that occasion.

Presumably they are somewhere available and they could be made easily available? It seems to me that if we are putting things into the record, then one might have a complete picture of what took place at that meeting rather than selected bits.

CHAIRMAN: Can you help?

MR. HEALY: This, I think, is the importance of getting as much out as possible and selecting as little as possible.

As I mentioned at the outset, there are no notes. I think those are Ms. O'Brien's that's an attendance of Ms. O'Brien's and she simply dictated it there and then from whatever notes she had, which have now been destroyed. So there are the only note she has is the type written note, there is no other document.

Q. In Divider 5, Mr. Vaughan, you will find some, but not all, of the correspondence between you and the Tribunal concerning what have come to be called the long form/short form letters. In due course I may want to refer to more letters than appeared in this divider, although a lot of them were probably only in the form of reminders and so forth. I may have them before we get to the end of these documents, but if not, I'll make sure that you have them before we come back to it.

The first document is a letter of the 25th March, 2002, the

then solicitor to the Tribunal, Mr. Davis, wrote to you as follows:-

"Dear Mr. Vaughan,

"I refer to our telephone conversation of Thursday last."

That I think will appear in due course when we look at a transcript of the evidence, was a conversation you had with Mr. Davis concerning documents that had been provided to him by a journalist. Do you remember that conversation?

A. I don't remember it specifically. I have obviously seen reference to it. Is there a Mr. Davis file note of the conversation?

Q. There is evidence of it, there is actual evidence, which I have, and I'll let you have it later. I am not going to go into it in detail now, but I'm going to let you have it.

"Dear Mr. Vaughan,

"I refer to our telephone conversation of Thursday last.

With this letter I am enclosing further copies of the documents we discussed on the phone, namely:

"1. Your file copy of letter dated 6th of September, 2000.

2. A copy of letter you issued from your office on 5th September, 2000.

3. Your file copy of letter dated 12th July, 2000.

4. A copy of letter you issued from your office on 5th July, 2000.

"You will recall that we discussed the divergence between the office copy and the final issued letter in each of these cases. You felt the differences were probably due to

the fact that you had expanded on the drafts when issuing the final letters.

"I would be much obliged if you could examine your files so as to clarify the position, since I am sure you will agree that it is unusual that a solicitor would not retain an office copy of the final draft of a letter issued on behalf of a client."

That was on the 25th March, 2002.

On the 12th April 2002, Mr. Davis again wrote:-

"Dear Mr. Vaughan,

"I refer to my letter of the 25th March, 2002, to which I have not had a reply.

"I am now writing to seek, once again, your comments on the matters raised in my letter and in our telephone conversation of Thursday 21st March, 2002. With this letter I am enclosing not just the material to which I drew your attention in my letter of the 25th March but all the relevant documents to hand concerning this matter, including documents recently supplied to the Tribunal by another party.

"1. Office copy letter of 12th July, 2000, from your office to Mr. Kevin Phelan.

"2. Top copy of the same letter issued by you to Mr. Kevin Phelan and also dated 12th July.

"3. Top copy of another letter issued by you to Mr. Kevin Phelan, also dated the 12th July.

"4. Office copy letter of 5th September, 2000, from your

office to Mr. Kevin Phelan.

"5. Top copy of the same letter issued by you to Mr. Kevin Phelan and also dated 5th September, 2000.

"6. Top copy of another letter issued by you to Mr. Kevin Phelan, also dated the 5th September, 2000.

"You will recall that when we spoke on the phone on Thursday, 21st March, 2002, and as I stated in my letter of the 22nd March, 2002, you indicated that letter number 3 above probably differed from letter number 1 above because you had expanded on the draft when issuing the top copy from your office. Likewise, you indicated that the same was the position in relation to letters numbered 4 and 6.

"You will see from the copies enclosed that:

"1. It would appear that the letter number 3 is not, in fact, an enlargement of letter number 1.

"2. That letter number 6 is similarly not an enlargement of letter number 4.

"From the foregoing a number of reasonable inferences that could be drawn are:

"A. That you generated two separate sets of correspondence concerning this matter.

"B. That only one set was made available to the Tribunal on foot of its original request for assistance.

"C. That a separate set of documentation was obscured from the view of the Tribunal.

"D. That two files appear to have been kept in connection with this matter, one for disclosure and one to be

obscured from disclosure.

"That as appears from letter number 6, this concealment may be related to the involvement of Mr. Michael Lowry.

"As these are obviously matters of the most serious nature and could ultimately lead to conclusions that might have an adverse impact on your clients and on the conduct of your own practice as a solicitor. I would be much obliged if you let me have your comments on the foregoing as a matter of the utmost urgency, and certainly by no later than 12.00 noon on Wednesday next, 17th April."

Then the next documents are photocopies of those letters.

Firstly, just so that we can agree a nomenclature, the one that the Tribunal has been using. The first document is a letter, is an office copy of a letter from you to Kevin Phelan of the 12th July. It's an office copy of the short form of that letter. The next document is the top copy of the short form of that letter. The next document is then the long form of the top copy of that letter dated 12th July. The next document is an office copy of the short form of the letter of the 5th September. Following that is the short form of the top copy of the letter of the 5th September. And following that is the top copy of the long form of the letter of the 5th September.

Now, you referred to these letters yesterday in the course of, in your statement, and they have been referred to repeatedly in the course of the Tribunal's evidence, so I am not going to mention them in detail at this stage, but I

will do later on.

You reply to the Tribunal's letter on the 29th April, 2002,

saying:-

"Dear Mr. Davis,

"Thank you for your letter of the 17th April.

"I am sorry that I have been slow in responding to your inquiries, but I have been seeking instructions from my clients.

"I am enclosing copies of an exchange of correspondence between myself and Mr. Kevin Phelan for your information."

And you enclose then a letter of the 18th April, 2002, about eleven days previously, from you to Kevin Phelan saying:-

"Dear Kevin,

"Mr. John Davis from the Moriarty Tribunal has contacted me in previous weeks, Mr. Davis queried documents which passed between my office and you in July and September 2000. I would be grateful if you could assist me with regard to queries raised in relation to these documents. In order to assist you I have marked the documents 'July A' and 'July B,' 'September A' and 'September B' respectively.

"As you will observe, that there are two letters with the same date in each case. I have forwarded July A and September A to the Tribunal as the only copies on my files.

However, the Tribunal now appears to have July B and September B which raise obvious queries on their part.

"I would ask that you examine your files and let me have

your comments and observations. I would appreciate an immediate response, as the Tribunal is anxious to clear up this confusion and are pressing me with some urgency.

"I trust that you will be in a position to assist, and look forward to your early response."

Then you enclose the relevant letters.

In fact, only two are in the next portion of this part of the file, but they are the papers are replete with copies of them in any case.

In fact, I am fairly sure that the two following documents which are marked "September A" and "July A" were actually attached to Mr. Kevin Phelan's letter to you, which is the next that I want to mention.

Mr. Kevin Phelan wrote to you on the 23rd April, 2002:-

"Dear Christopher,

"I acknowledge receipt of your letter dated 18th April, 2002. I have examined my files, as requested by you, and confirm the only letters I have on file are 'July A' and 'September A.'

"I recall on some occasions in the past you issued correspondence to me outlining incorrect details following our prolonged and detailed meetings. I know on occasions you confused clients and projects, which resulted in corrections having to be made and new correspondence to be issued. I believe the documentation you have forwarded has probably arisen for this reason. In any event, as stated, I have letters marked 'July A' and 'September A' on my

files which I hold as originals.

"I have no idea where the documents marked 'July B' and 'September B' have come from.

"I trust this information is of assistance."

Could I just take you back for a moment just to clarify one matter on your letter of the 29th April, 2002, to the Tribunal's solicitor.

A. The letter of the 29th April?

Q. Yes, it's the if you go back just four pages in the documents that we have been looking at.

A. I am sorry, yes, I have got that.

Q. You say: "Thank you for your letter of the 17th April. I am sorry that I have been slow in responding to your inquiries, but I have been seeking instructions from my clients."

From what clients had you sought instructions in relation to this matter at that time?

A. I would have taken instructions from Westferry, as they were the clients who continued to instruct me. Whether at that moment it was Aidan Phelan or John Ryall, who then seemed to taken over his position at some stage, I couldn't answer. I would have referred the matter to them.

Q. And would you have sent the documentation from the Tribunal to them?

A. I don't know, I may have just spoken to them on the phone, I don't know. As there is no documentation, I suspect I spoke to them on the phone.

Q. And you received some guidance from them so?

A. I can't recall at this stage. If I could just assist you, it was at this stage that Kevin Phelan withdrew these complaints against me, so there was obviously something happening behind the scenes.

Q. But these letters had to do with Cheadle; isn't that right?

A. Correct.

Q. What did Westferry or Mr. Ryall have to do with Cheadle?

A. Well, perhaps I should have said Aidan Phelan, he would have been the client as such. Yeah...

Q. I think what you did say was Westferry, and then you corrected that or expanded it to mean Aidan Phelan or Mr. Ryall?

A. Let me put it like this: Westferry have been the common thread through this has been Westferry. I dealt with them initially with two individuals: Aidan Phelan and Helen Malone. They then at some stage, I can't tell you when, departed from the scene and two other people then started to be in touch with me in regard to various outstanding issues; John Ryall, who I still deal with, and somebody Sykes, I think who I met once. But as I explained to you yesterday, the Westferry thread continues, because they are still the owners of the leases at Doncaster, so I am in contact with them on a fairly regular basis.

Q. But are you telling me that in relation to the requests for information or responses from the Tribunal, you would originally have contacted Mr. Aidan Phelan and then

Mr. John Ryall when Mr. Aidan Phelan had slipped out of the picture?

A. Not necessarily every time. But I am not in the loop the whole time in this. I am sitting in England and the Tribunal is not something that is in the forefront of my mind. These letters, obviously, caused me some concern because they were not instantly no sort of explanation was instantly available. So, I would have spoken to people in Ireland within I think at this stage it would have almost certainly been Aidan Phelan or it may have been Helen Malone, I don't know. There is no note about it, but I would have discussed it with somebody else. Just to emphasise this point, I am sitting in my office in Northampton, I have no sort of day-to-day contact with what's happening in these matters.

Q. Just, as I said, we'll be looking at those documents in more detail later. If you just pass to Divider Number 6 now.

In Divider Number 6, there are two letters; one from you to Messrs. Kelly Noone, and the other from you to the Tribunal. The letter from Messrs. Kelly Noone to Messrs. Kelly Noone, was furnished to the Tribunal as part of Mr. Michael Lowry's responses to the Tribunal concerning, I think, the long form/short form letters. And your letter of the 17th July is a further response to further inquiries concerning that matter.

Firstly, I'll just go through your letter to Michael Lowry,

which is again in 2002, July 2002.

A. Sorry, my letter

Q. So Mr. Michael Kelly, representing Mr. Michael Lowry,
sorry.

"Dear Mr. Kelly,

"Re Tribunal-Michael Lowry.

"I refer to your letter of the 12th June, 2002, which I
received on 17 June, 2002.

"I am not going to reiterate all the facts of my
involvement in the acquisition of 377 Winslow Road,
Cheadle, known as St. Columba's Church, and Hilltop Farm,
Chesterfield Road, Glapwell, known as the Mansfield
property. These have been previously explained in great
detail in correspondence and to the Tribunal in private
session.

"The following issue, however, needs to be put into proper
context.

"I was first instructed by Mr. Kevin Phelan, who is not a
solicitor, but an agent, on behalf of Michael Lowry in
respect of the purchase of the Mansfield property in
September 1998, and completion of the purchase of that
property took place on 18 March, 1999.

"I was instructed in respect of the purchase of
St. Columba's Church in September 1999, again by Mr. Kevin
Phelan on behalf of Mr. Michael Lowry, and completion of
the purchase of that property took place in December 1999.

"As a solicitor, my practice deals with purely

non-contentious matters, the vast majority of which are commercial and conveyancing transactions similar to the purchase of St. Columba's Church and the Mansfield property.

"The only unusual fact relating to the purchase of these properties was that following exchange of contracts, the solicitors acting for the vendors of both these properties had occasion to serve Notices to Complete because I did not receive completion funds on the due date.

"Kevin Phelan's intentions on both sites was to have discussions with the relevant planning authorities with a view to obtaining planning permission within the purchase process, so that a sale of a particular property could be 'back-to-back' with the purchase in an attempt to effect a positive cash flow.

"Both before and after the purchase of these two properties, my practice dealt with other similar transactions.

"Prior to being instructed by Michael Lowry through his agent, Kevin Phelan, I had never met him or been instructed by him in any other transaction. Further, I have not been instructed by him since. I do not have any current contact with him and I do not regard him as a current client of mine.

"Likewise, with Aidan Phelan, I had been involved in the acquisition of Doncaster Rovers Football Club, but all the negotiations relating to that transaction were conducted by

Kevin Phelan, and I did not even meet Aidan Phelan until after the transaction had been completed.

"The instructions relating to the purchase of the property in Luton by Beechwild Limited were again given to me by Kevin Phelan. I do not recall ever meeting Aidan Phelan in respect of this transaction, although it is clear from my file that I spoke to him about it on the telephone.

"I am not currently instructed by Aidan Phelan in respect of any other matter, and although I am still the Company Secretary of Doncaster Rovers Football Club Limited, that company, although not dormant, is merely a holding company for the leases on the football ground upon which the club plays. I have no involvement whatsoever in the club itself.

"I hope this explains the background to my involvement in the two particular conveyancing transactions in which the Tribunal are interested, namely the acquisition of St. Columba's Church and the Mansfield site, which I would reiterate were very ordinary transactions.

"I do not hold the deeds of either property, which are either with Aidan Phelan or with other solicitors instructed by him.

"Although these two transactions appear to be of enormous amount of interest to the Tribunal, so far as I am concerned, without in any way wishing to be discourteous to the Tribunal, they were ordinary transactions representing a fairly small part of my work at that particular time.

However, I would like to say that both transactions were somewhat confusing and difficult because

"1. Kevin Phelan acted for the purchaser of the Mansfield property and had a very close relationship with the vendor and her agent.

"2. Because Kevin Phelan acted for both Aidan Phelan and Michael Lowry and was involved in other matters as well, it was very difficult when speaking with Kevin Phelan over the telephone to know whom he was representing at any one time, especially as any telephone conversation could cover a number of different matters.

"This certainly caused confusion on various occasions, which is why there may have been more than one version of a document prepared by me, because the first may have been prepared by me following a misunderstanding of my instructions.

"3. There was constant pressure from Kevin Phelan to hold up exchanging contracts for the purchase of the two properties pending him making planning inquiries and looking for new purchasers to see if added value could be achieved on the site, with the objective of completing a purchase, practically simultaneously with a completion of a sale on to a new purchaser.

"4. Kevin Phelan was constantly telephoning my office, my home and my mobile phone putting my staff and myself under additional pressure.

"5. So far as I was concerned, Michael Lowry relinquished

any claim to ownership of St. Columba's Church in early 2000 and certainly by February 2000. However, I was well aware that Michael Lowry was honour-bound to Aidan Phelan to help achieve a sale of St. Columba's Church. By implication, so was Kevin Phelan as Michael Lowry's agent.

"In your letter you mention evidence given by Aidan Phelan to the Tribunal. I cannot comment on that as I have neither seen a transcript of that evidence nor was I present at the Tribunal when it was given.

"However, I confirm that I acquired on behalf of Michael Lowry, at the request of his agent Kevin Phelan, an 'off the peg' company called Catclause Limited from Messrs. Jordan's the companies agents.

"Michael Lowry and his daughter were registered as officers of that company. I could not imagine how anyone could believe that Michael Lowry was trying to guise his involvement with this company because the Companies House in England and Wales is an open public register and information is easily accessible to anyone.

"You indicate that I have confused Aidan Phelan and Michael Lowry. This is not unexpected, bearing in mind what I have written above.

"However, I was instructed that the Revenue would expect that any site should be owned by an investor personally to minimize any Capital Gains Tax liability, therefore the objective was correct, but the name was stated incorrectly by me I would put this down to either a simple error or

lack of concentration. Kevin Phelan complained to me over it and I simply corrected it.

"With regard to your reference to the duplicate letters as mentioned above, I regularly faxed transmissions to Kevin Phelan throughout our whole working relationship.

"If he then corrected something on receipt of a fax, I would have sent him the amended version and kept that hard copy on my file, but probably not for the first version of the fax. Kevin Phelan would, therefore, have two versions of the same letter and I would only have the final version.

"I have already explained this to the Tribunal clerk, and Kevin Phelan has confirmed my view of what I think occurred.

"I have been subjected to a huge amount of pressure, inquiry, discussion and speculation about these transactions from various bodies, including the press.

"I have also been given an equally large amount of information about situations, matters and characters of which and of whom I have no previous knowledge whatsoever, whilst the two conveyancing transactions were taking place.

"For example, I have still never met or spoken to Denis O'Brien, or indeed, had any idea of who he was prior to the Tribunal asking me for information about these two conveyancing transactions.

"I have given this matter some considerable thought and taken advice, and I am firmly of the opinion that as a witness before the Tribunal my evidence will be totally and

completely worthless.

"I would find it impossible to separate out contemporaneous facts from current knowledge of which I am now aware, which would make any evidence I give to the Tribunal totally unreliable.

"I could foresee that I would be unable to answer with any degree of certainty questions put to me by the Tribunal or by counsel representing interested parties.

"I would genuinely like to assist the Tribunal, but as indicated above, I know that my evidence would be of no value.

"I was happy to attend a meeting before counsel to the Tribunal in Dublin Castle. However, the fact that my previous inquiry as to the accuracy of the notes of that meeting has still not been satisfactorily resolved causes me considerable concern.

"There is another issue which I have not mentioned previously to Michael Lowry, or indeed, to anyone else involved in these transactions, this is a health matter, I don't really see any reason

A. I'd be happy if you left that out.

Q. I hope that that has resolved itself.

Now, could I just ask you about one matter before we pass on from this letter.

If you go to the, I think it's the third page of the letter, fourth page of the letter. If you look at the fifth paragraph on that letter you say: "With regard to

your reference to the duplicate letters as mentioned above, I regularly faxed transmissions to Kevin Phelan throughout our whole working relationship. If he then corrected something on receipt of a fax, I would have sent him the amended version and kept that hard copy on my file, but probably not the first version of the fax. Kevin Phelan would, therefore, have two versions of the same letter, and I would only have the final version."

I think what you are saying is that he would have the original version you'd sent him and he would also have the version that you would have sent him following his corrections?

A. That's absolutely correct.

Q. "I have already explained this to the Tribunal clerk and Kevin Phelan has confirmed my view of what I think has occurred."

Just on one small aspect of that. Kevin Phelan, in his letter to you of the 23rd April, which is the last letter in the previous divider, says that the only letters he had on file were July A and September A, do you see that?

A. Yeah.

Q. Suggesting that like you, he only had one version as well?

A. Yeah.

Q. So perhaps not a huge divergence, but he may have confirmed that you sometimes confused clients and projects, but I don't think he confirms that he kept both top copies, as it were; is that right? He seems to suggest that he only has

the, if I can put it this way, the corrected top copy?

A. I mean, the letter of the 23rd April is written by Kevin Phelan, I can't really speak for him. I mean

Q. Well, you are speaking for him.

A. The penultimate paragraph says "I have no idea where the documents July B and September B have come from."

Q. I am simply suggesting that you are speaking for him in your letter. You say: "Kevin Phelan has confirmed my view of what I think occurred." And I think it's fair to say that he has said that you frequently confused clients and projects, and that resulted in corrections having to be made. But he doesn't confirm your view that he was left with two top copies, in fact he quite pointedly states that he doesn't have two top copies. Would you agree with that?

A. Well, I am not speaking for Kevin Phelan in this paragraph, I am speaking for myself, because if I have sent two faxes through, and if we look at the last sentence of this paragraph, "Kevin Phelan would, therefore, have two versions of the same letter, and I would only have the final version." So, from my own knowledge, because two faxes had been sent, he would have had two. If he did something else with them, that's not within my knowledge. So, when I say I am not speaking for Kevin Phelan, I am looking from an office procedural point of view: Two documents faxed, two must have been received.

There is one matter you could assist on. The letter to Mr. Kelly refers to a letter of the 17th June. I don't

seem to have got that and I don't know whether it's important or not, but it's not on the paperwork I have got.

Q. Well, I can certainly provide it. I don't think I have it here, but I can certainly provide it to you.

A. I don't think it's necessary to hold matters up, perhaps

Q. I'll open it later on, don't worry, but I have a bundle of documents, as I said, which is more extensive than this and it does contain that letter.

A. Exactly, yes.

MR. NATHAN: Can I just say, sir, obviously the source of these two long form photocopy letters is obviously a matter which is a question before the Tribunal, and one, it is perfectly obvious they didn't come, because there is a complaint from the Tribunal that they didn't come from the file of Mr. Vaughan, as I understand it, sir. But I need help, because I am not completely au fait with all of the evidence that you have had, sir. But as I understand it, the photocopies of the long form letters came from a journalist; is that right? That's correct. But has the journalist himself been asked as to where he got them from? Because if I might say, sir, speaking for my own part, it seems blindingly obvious that there can only have been one source of those letters: The files of Mr. Kevin Phelan. And that in his penultimate sentence of that letter he is lying like a trooper. But I just wonder, what inquiries or how far has the Tribunal established as to where the source of those long form photocopy letters came from, simply

because if it's a matter that's relevant for Mr. Vaughan to comment on or to be asked about, I think perhaps it's appropriate he ought to be asked. I don't know what it to go, as it were, unasked, so there is not a question.

That's all that I am saying.

MR. HEALY: It won't go unasked, and I appreciate the difficulty, and I am aware that Mr. Nathan may well refer to what is the blindingly obvious and what he feels about Mr. Phelan. I couldn't possibly comment. And I am aware that Mr. Vaughan has himself in other material which I'll come to later, expressed perhaps not dissimilar views as to the source of these letters, and I will be alluding to them.

Q. Now, Mr. Vaughan, I am now passing on to different matters.

Oh, sorry, I omitted to mention your letter of the 17th July, I am sorry.

The last letter in Divider 6 is a letter from you to Mr. Davis referring, again, to the long form/short form letters.

You say: "Thank you for your fax of the 12th July. I am sorry if you did not consider my letter of the 29th April last, together with the enclosures contained in that letter, shed any light on the situation. However, I will try and amplify the point that was implicit in that letter.

"Practically the whole of the correspondence I had with Kevin Phelan throughout our working relationship was by fax. You must be aware that Kevin Phelan was acting as

agent for Michael Lowry and Aidan Phelan, but he was also involved in a number of other projects which had nothing whatsoever to do with Michael Lowry or Aidan Phelan.

"As you can imagine, any telephone conversation with Kevin Phelan might cover half a dozen separate matters which would then result in me sending several faxes to him.

"Because Kevin Phelan was dealing with so many different matters, with me acting as legal advisor, inevitably some misunderstandings occurred between us. Kevin Phelan may well then have corrected my understanding of events on the receipt of a fax to him. I would have then sent him an amended version and kept the hard copy of that amended version on my file. I probably would have disposed of the first version of the fax to avoid further confusion. The end result would be that Kevin Phelan would have two versions of the same fax, the first incorrect version and the second correct final version.

"Kevin Phelan in his letter to me of the 23rd April, 2002, states that he has only one version of the two letters in question. I assume, therefore, that he likewise disposed of the incorrect version.

"However, the faxes may well have had a wider distribution, as copies could have been sent through to the clients and possibly other professional advisers, and one of those third parties may well have mischievously sent the incorrect version through to the Tribunal for some reason only known to the sender.

"I cannot speak on behalf of Kevin Phelan, but so far as I am concerned, the Tribunal has the correct version of the faxes in question.

"Since drafting the above reply to you I have now received your fax of the 15th July.

"Firstly, I am extremely surprised that Mr. Kelly has sent you a copy of my letter to him of the 4th July, 2002. So far as I was concerned, that letter was sent to him in confidence and at no stage did Mr. Kelly ask for my permission to send a copy of it to you.

"Nothing in your letter of the 15th July persuades me in the slightest that my evidence would be of any value to the Tribunal, and in no circumstances will I be attending either in public or closed session.

"So far as I am concerned that is the end of this correspondence, I have nothing further to add."

Now, I want to pass on to a different matter, and that is a series of responses from you to the Tribunal and to others concerning the letter of the 25th September, 1998, concerning the Doncaster Rovers transaction. And I am just trying to find a copy of that letter in this book without the need for people to turn to another book.

Now, very briefly, so that your responses will make some sense, I want to refer to your own office copy of your letter of the 25th September, 1998, to Michael Lowry and to as I said, to avoid asking you or anyone else to turn to another book, there is a copy of it, a good copy in

Divider 8, and it's about six or seven pages, six or seven or eight pages in. In fact, the first enclosure, I think, on your, in your letter of the 6th March, 2003, responding to the Tribunal's letters.

A. Just so we know we are talking about the same letter, this is a letter of the 25th September, 1998, it's a file copy and it has a number 5 in the top right-hand corner?

Q. Precisely. It's to Mr. Michael Lowry, Abbey Road Thurles, County Tipperary, Eire, 25th September, 1998.

"Dear Michael,

"Re Doncaster Rovers Football Club Limited

"I was very pleased to meet you on the 24th and 25th September, 1998.

"My apologies for getting you to Leicester a few minutes late for your appointment. I hope that all went well and you eventually returned to Ireland.

"I am enclosing:

"1. Copies of my letters of the 23rd and 25th September, 1998, to Aidan Phelan. You did take a copy of the letter of the 23rd with you on the 24th. However, you will recall that two of the figures were wrong on the Completion Statement and those have now been amended, and I would be grateful if you would destroy the incorrect copy and substitute this one.

"2. I had not appreciated your total involvement in the Doncaster Rovers transaction, and I am therefore enclosing a copy of my colleague's letter which was sent to Kevin

Phelan, Paul May and Aidan Phelan on completion.

"You will see that in that letter I make reference to the divesting of Westferry of all its assets. This is a matter that I discussed with you on the 24th September, and it is absolutely vital that this process is initiated urgently.

"It is not an issue that I can deal with as a solicitor as I think that there is a possible conflict of interest with my involvement with Doncaster Rovers.

"I think that it would be best for Aidan Phelan to arrange for the matter to be dealt with via Anglo Irish Bank, and either their solicitors in London, Theodore Goddard, or Messrs. Simcocks in the Isle of Man, who dealt with the other Westferry matters prior to the acquisition of the shares in Doncaster Rovers.

"I have absolutely no doubt in my mind that if Mr. Richardson, who was the controller of Dinard Trading and Shelter Trust Anstalt, does not receive his $\text{€}1/2250,000$ on the 31st December, 1998, a lot of expensive unnecessary and embarrassing litigation will ensue which will not be to be anyone's benefit.

"Agreement - Gameplan International Limited and Bryan Phelan:

I have heard nothing from Kevin since the document was faxed through to him.

"Doncaster Rovers/Westferry/Paul May:

I am preparing a draft agreement and I am discussing this with Paul at the moment in respect of his $\text{€}1/2120,000$ and the

transfer of the shares to the new Chairman.

"I understand that you are trying to organise a meeting between myself and Aidan Phelan.

"Obviously one of the matters to be discussed is the question of my outstanding costs, as an enormous amount of work has gone into the Doncaster Rovers acquisition and only half my fees have been paid.

"Likewise, I believe that there is an outstanding account due to Grant Thornton which needs to be paid, as we still need their financial input into producing a balance sheet as at the completion date of the 18th August, 1998, to enable the retention funds to be accessed."

Now, that document did not come to the attention or to the notice of the Tribunal until, I think, January of 2003, but the matter had been drawn to your attention in October of 2002 by Mr. CPA Vanderpump of Westferry Limited, when he wrote to you from Westferry's offices in the Isle of Man.

And his letter is contained at Divider 7.

It says:-

"Dear Mr. Vaughan,

"Re Westferry Limited/Doncaster Rovers Football Club Limited.

"We refer to the above matter. It has come to our attention during the mediation of the dispute with Dinard Trading Limited and Shelter Trust Anstalt suggested that Mr. Michael Lowry had or has a shareholding in Westferry Limited or, indeed, was involved in the negotiations on the

completion of the purchase of Doncaster Rovers Football Club Limited.

"We wish to advise you that the sole shareholder in Westferry Limited is Walbrook Trustees (Isle of Man) limited in its capacity as the trustees of the Wellington Trust. The beneficiaries of the Wellington Trust are Mr. Denis O'Brien and his family and no other party was or is involved.

"We would be grateful if you will confirm in writing that this is also your full and complete understanding of the matter.

"We look forward to hearing from you."

Incidentally, did that letter come to you completely out of the blue or did you receive a phone call from

A. The 17th October letter?

Q. Yes.

A. I think it came totally out of the blue. I don't remember having any forewarning of it.

Q. While you have indicated that you are now retained by Westferry, you were not at that time retained by Westferry, isn't that right, just at that particular time?

A. I don't quite know what you mean by "retained by"? There is the question of the leases

Q. Maybe I am wrong.

A. I explained this yesterday; that when the acquisition of DRFC took place, the first thing was to get rid of the playing element, to get rid of the footballers, because

Q. No, I understand that. I think maybe it's a mistake I am making.

A. So we were left then with sorry, with Westferry owning the majority of the shares in DRFC, and the asset that was represented by those shares were the two leases, and I have continued to act on that single element right the way through. There were two sort of diversions, if I put it like this, because you have Peter Carter-Ruck who dealt with the mediation, which I wasn't involved in, and also there is another firm in Manchester called Betesh Fox, who Kevin Phelan instructed to deal with the mediation, but that fizzled out for whatever reason, I don't know. But the lease bit I have continued to be involved in.

Q. All right. Now, what follows there is firstly an office copy of a letter addressed to Mr. Vanderpump, but which as far as the Tribunal is aware from Mr. Vanderpump's evidence was not received by him, and then a top copy of a letter dated a few days later, again from you to Mr. Vanderpump, and again responding to his letter of the 17th October?

A. Yeah, the first letter of the 21st October was a draft letter I prepared, but then I thought that Mr. Vanderpump needed more detail so I expanded that letter, and so the one which I think is agreed by him I have seen in papers from the Tribunal of the 23rd October, which contains a lot more information and some copy documents. So I then realised that of course Mr. Vanderpump was representing Westferry, so he needed to know this information.

Q. I'll just read the draft letter first.

"Dear Mr. Vanderpump,

"Re Westferry Limited/Doncaster Rovers Football Club Limited.

"Thank you for your letter of the 17th October. I now fully understand the structure of Westferry Limited as set out in your letter.

"You should be aware that I do not have any documentation relating to the acquisition of DRFC by Westferry, save for the original lease and some copies of various property documentation. However, I am quite positive in my mind that Kevin Phelan represented himself on a number of occasions as having an interest in Westferry Limited, and you will no doubt recall that he was maintaining that situation in August 2001. I now understand that Kevin Phelan did not have any interest in Westferry whatsoever.

"I do, however, enclose a copy of a letter from me to Michael Lowry dated 25th September, 1998, together with a file note as to how that letter came into my possession.

"What I can state quite categorically is that before I met Michael Lowry for the first time on the 24th September, I had absolutely no knowledge that he might have been involved in the acquisition of DRFC, and you will see that in that letter I explained to him some of the future problems facing the acquisition of the club, and with the thought that he might have some influence I set them out in that letter. Suffice it to say that none of those matters

were resolved by Michael Lowry.

"I do not think that I misunderstood his comments to me that he was involved in DRFC, but in hindsight I must put it down to some sort of political ego that he was trying to attach his name to what appear to be a successful venture.

"I would, however, reiterate that as far as I was aware that throughout the whole of the negotiations with the DRFC acquisition, Michael Lowry was never ever involved in giving me any instructions.

"I am not sure whether you are aware, but in October/November 1998 I was sacked by Kevin Phelan from having any further involvement in the matter, as he had instructed other solicitors, Messrs. Betesh Fox in Manchester.

"At a later date, sometime in early 1999, I was reinstructed to try and sort out various matters as Betesh Fox and Kevin Phelan had fallen out.

"I hope that this explains my position."

A. May I just stop you there? It must be realised that this letter was never sent and there is an obvious mistake in it when I talk about I enclose a copy letter from me to Michael Lowry together with a file note. That isn't in the proper letter.

Q. "A file note as to how it came into my possession"?

A. It obviously doesn't make sense, so...

Q. Can I just read that again?

A. This letter was never sent, so...

Q. Can I just clarify one aspect of that for one minute? How do you know it was never sent, just as a matter of interest? Have you got a system for divining whether a letter is sent or not?

A. You are absolutely correct, I can't give a hundred percent guarantee it was never sent, but it almost was certainly a draft letter and then I realised it needed expanding, and this bit in here "together with the file note as to how the letter came into my possession" is a nonsense, it means nothing. There isn't a file note.

Q. All right. I just wanted to clarify that in the context of some of the things you have told the Tribunal about letters that you don't send. You sometimes put lines through them, don't you?

A. Mm.

Q. That's, I think, as you have explained to the Tribunal in one of your letters, which I perhaps haven't read out; one way you can determine whether a letter was not sent or not. And one other way of avoiding confusion, you have described for the Tribunal I think this morning and in your statement yesterday, is to destroy a letter that you don't send out?

A. Correct.

Q. Can you think of any reason why you have retained this one?

A. I can't. It was on the file. I think it was sent to William Fry eventually and they submitted it to the Tribunal.

Q. You say that what convinces you that the letter was never

sent, or couldn't have been sent, is the reference to the file note?

A. What convinces me is Mr. Vanderpump says he never got it.

Q. No, but I mean you said reading the letter

A. Well, it's a nonsense.

Q. But I think if you go on to the next document, and I haven't added this on in the documents in the book, but I will refer you to the book in which this is contained, you did, in fact, send to Mr. Vanderpump a photocopy of a document which was handed to you in the course of a meeting on the 18th October, 2002, with Mark Weaver, and you have made a file note of that meeting. And it would appear that you sent that file note to Mr. Vanderpump?

MR. NATHAN: I think, in fairness, since it's the recollection of this witness which is being questioned, I think it would be helpful to see the document in question.

MR. HEALY: Yes, I am going to leave it till later, in fact.

MR. NATHAN: Whichever order

Q. MR. HEALY: It's Book 81, Tab 13. I am not trying to catch you out on this, I am simply saying that you have read it. You see a reference to a file note. I think you will find, you will find that in the letter that Mr. Vanderpump says he got in any case, there is a reference to a file note and the file note I'll show you a copy. It was just so you'll recognise it and we'll come back to it. Do you recognise that file note?

A. I have got that, yes, yes.

Q. I think that is the file note you sent him, because that is a file note that alludes to how you obtained a copy of the top copy of the letter that was sent to Mr. Lowry. Anyway, I'll come back to it later.

If we just go through the letter you sent to Mr. Vanderpump on the 23rd October, 2002.

"Dear Mr. Vanderpump,

"Thank you very much for your letter of the 17th October.

"I completely understand what you are saying as to the beneficiary ownership of Westferry Limited.

"As you are aware, I do not have any of the documentation in my possession relating to the acquisition of Doncaster Rovers Football Club by Westferry Limited, as all of this paperwork is with Peter Carter-Ruck & Partners. I do have the original lease of the football ground and copies of various other property-related documents, to which I will refer later on in this letter."

A. May I just stop you there, that just confirms what I was saying before. I have got the property documents, it's the other matters that I don't. Continue.

Q. Yes, I understand. "Therefore, my comments in the next paragraph are purely from memory.

"I am quite convinced that during the course of the acquisition of DRFC by Westferry, Kevin Phelan maintained to me that he was the beneficial owner of a trust called Glebe Trust, and also that he had a beneficial interest in

Westferry. I am also sure that he made representations to me to the effect that Michael Lowry was also involved in Glebe Trust.

"I have to say that at no time during the acquisition of DRFC by Westferry did Michael Lowry have any input into that process, nor later following completion. I do not know if you are aware, but shortly after completion I was sacked by Kevin Phelan, who then took the whole matter to Betesh Fox in Manchester. At a later date I was re-engaged to try and sort out the retention.

"As you are probably aware of Kate McMillan from Peter Carter-Ruck & Partners, I have been visited by Mr. Weaver, and I enclose herewith a copy of a letter dated 25th September, 1998, and a copy of my file note of the Friday, 18th October, and a copy of an earlier letter of the 19th February, 2002."

That's what I mean by the file note that you referred to in your earlier letter as well.

A. The draft hadn't expanded sufficiently to make it understandable.

Q. I was not trying to catch you out, there is a file note.

A. Thank you for putting me straight.

Q. You then go on to discuss the future of the DRFC. It's quite a lengthy resumi½ of the position with regard to leases and so forth. To speed time it's a page of detailed comment about leases, and on the next page, you say: "Various drafts were prepared by me, and I am aware

that various meetings took place between John Ryall and Aidan Phelan and Kevin Phelan, and I believe that an agreement was finalised and signed, but I do not have the original of that document nor have I ever seen a copy of it.

"I mention this agreement with Patienceform and Format Option because this obviously has an impact on your future development plans for DRFC as they have certain rights on the football ground which may or may not be the same as in the draft documents that I have.

"If there is any further I can do, please do not hesitate to contact me."

Now, you will see that in that letter, you send on your copy of the letter of the 25th September, and you send on the file note explaining how it came into your possession?

A. Mmm. This is the file note that says Mark Weaver met me in the car-park or something like that.

Q. Yes. And you also send on another file note, or rather a letter you sent on the 19th February, 2002, to Aidan Phelan?

A. Right.

Q. Referring to another meeting you had with Mark Weaver?

A. This man came twice, yes.

Q. We may return to those, but just to deal with one matter at this stage. In your draft letter which you didn't send, which you say you didn't send, I take it that you'd agree that it represents, although an unexpanded version of the

other letter, an indication of how you viewed matters? And I am asking you that with particular reference to the final paragraph on the first page.

A. Well, it doesn't appear in the letter that was sent. There was a draft, and it was obviously wrong.

Q. It's wrong? Perhaps we'll just go through it. Go to the penultimate paragraph on the first page. You state: "What I can state categorically is before I met Michael Lowry for the first time on the 24th September" - which must, in fact, be the 23rd as we know - "I had absolutely no knowledge that he might have been involved in the acquisition of DRFC, and you will see that in that letter I explained to him some of the future problems facing the acquisition of the club." That is correct, isn't it?

A. Yeah.

Q. It suggests that they were explained in some considerable detail, and not just in detail, but in a detail which touched on some very, very sensitive tactical matters, would that be right?

A. Yeah.

Q. In fact, you were recommending in order to resist what you believe to be the unjustified claims of the vendors, the assets of the purchasing company, Westferry, should be stripped out, so that if proceedings were brought against it, there would be no assets to meet any claim, and I think I am not being unreasonable in assuming to deter any purchaser in saying there is no point to pursuing this

company, it has no assets?

A. That was the suggestion made by me initially.

Q. If that claim was a legitimate claim, you were exposed, to some extent, to criticism for having suggested, or you would have been exposed to criticism for having suggested that a creditor dispose of its assets to avoid a claim; isn't that right?

A. Yes, I mean, I have explained this in correspondence, but the acquiring company, Westferry Limited, were obliged to change the contract on a couple of occasions by the seller trusts, they were offshore trusts which Mr. Richardson had setup, I believe. But they had the shares in those trusts.

The contract got changed on a couple of occasions because Mr. Richardson had the upper hand, in that the completion date had passed and because the money wasn't available, somewhat similar to the other two transactions, the contracts were changed to the benefit of Mr. Richardson and his trusts because he had the upper hand at this stage. We were meant to have completed this transaction, why haven't you? We have no money, all right, I'll let you carry on a bit longer but we'll change the contract.

One of the changes was that on a certain day, I think it was six months from completion, an additional $\frac{1}{2}$ 250,000 had to be paid to the seller. I resisted this change very strongly because it, in my opinion, was a nonsense. This was a share purchase, so when you acquired the shares of a company, you acquired all its assets, and all its assets

included the lease of the car-park, which is what we are talking about, and the extension to that car-park. I just have to go back to the documentation relating to DRFC. Mr. Ashworth, who was the solicitor acting for the seller, had supplied us with all the documentation, it was quite a lot because we talked earlier about player contracts, but the two key documents so far as the ground was concerned were the two leases: One is a long lease for the football ground itself, and then in front of the football ground, in between a road called Bortry Road, Doncaster, and the perimeter of the football ground or the perimeter of the stands anyway, there is a strip of land which is the car-park. The car-park lease at the time of the negotiations had expired and they were holding over, the company were holding over as tenants of the car-park. This was, to my mind, a major concern, because it obviously affected the value of the company, and it was something that I had expressed to Kevin Phelan.

Kevin Phelan at some stage said later on the sellers can get an extension of that car-park lease, but they need £250,000 to do it. What then happened was that I went back to the seller's solicitor, Reg Ashworth, about it, because he had provided me with copies of the leases, that's the lease of the ground and the lease of the car-park. He then said, and it's in the file, that he didn't have a copy sorry, he didn't have the lease of the car-park, he only had a photocopy of it. And I asked him to obtain from

Doncaster Metropolitan Borough Council, who were the landlords, a certificate confirming it was a true copy of the car-park lease, which he did. And we then proceeded on that basis.

It was only after completion that we discovered that the car-park lease had typed onto the back page, so it wasn't a separate document, it had an extension of the lease. So what the contract was making Westferry do was to pay £250,000 for an extension of a lease that they already had, because it was within the assets of DRFC acquired by the share purchase. And I felt very annoyed about this. I suppose it reflected on me as well that perhaps I hadn't done enough due diligence, but we had a letter from the Council confirming it was a true copy. And I said, you know, I think the words I have used or the expression I have used in one of my letters, you know, they have lifted our leg over this; they have just got one over on us. They have used that tactic by deliberately concealing a vital piece of evidence as to the extension of the lease. I think we are entitled to use similar tactics, and sorry to go on about it, but that just was the background to it.

Q. I didn't want to cut you short and I think you were let's put it this way: It was a high wire act from your point of view, in that if you were proved wrong and ultimately the money was paid by DRFC, if you were proved wrong, you were exposed to the criticism that you were trying to avoid your creditors, I am not saying this wasn't

a tactic provided you stayed on the correct side of the law you could get away with, but it was a highly sensitive piece of information to be relaying to anyone, wasn't it?

A. I think it was a matter of brinkmanship, would Richardson have sued or would his offshore companies have sued?

Q. I accept that, but it was highly sensitive tactical and strategic information?

A. Yes, it was.

Q. And that was part of the information that was being imparted both at the meeting and in the letter? This letter contained that highly sensitive strategic

A. The meeting we are talking about is the meeting of the 23rd September?

Q. Correct, yes.

A. Yeah. Well, I think to summarise what I said in my statement yesterday; there was no holding back as to sensitive information when Michael Lowry was present.

Q. Yes, and there was no holding back in your letter?

A. No, no.

Q. You go on to say: "I explained to him some of the future problems facing the acquisition of the club, and with a thought that he might have some influence, I set them out in that letter. Suffice it to say that none of those matters were resolved by Michael Lowry."

Then you go on to say: "I do not think that I misunderstood his comments to mean that he was involved in DRFC, but in hindsight I must put it down to some sort of

political ego that he was trying to attach his name to what appeared to be a successful venture."

Now, as I understand you correctly, you are saying your statement that you did not misunderstand his comments is not correct, have I misunderstood you?

A. We are looking at a letter that was never sent.

Q. I am simply saying this is a comment you have made to yourself?

A. I have dictated a letter, I then looked at it and thought, some of this letter is not right. So the letter is being discarded and a new letter sent, and I don't see how you can look at a letter that was never sent.

Q. Is the statement correct? Is the statement correct, that you do not think that you misunderstood Mr. Michael Lowry's comments to you?

A. It's totally wrong.

Q. Is that statement correct "I did not misunderstand his comments to me"?

A. Let me put it another way: I gained an impression that he had the power to influence the, getting the parties together. I think if we have got a moment, can we just go back a stage on this to see what my, I suppose state of mind was on the 23rd September. If we go back to August, I have already explained to the Tribunal this morning that completion was delayed, the delay in completion was to the disadvantage of Westferry, because they suffered having to pay more money, having to have the lease dealt with. So

the contract was changed to their disadvantage. The reason for that was that the money didn't come through.

We had a completion date fixed finally for a Friday in August, it would have probably been about the 15th or something. On the 16th I was due to go on holiday down to Solcohm in the west country. This was a fairly high-powered transaction. We were waiting for $\frac{1}{2}$ 3.7 million or the balance of it anyway, to come through from the funder. It was the biggest job I had at that moment, and it wasn't happening. So, I have a wife and two children itching to get into a car to drive down to Devon. The money doesn't come and I was getting extremely stressed about it. So I make a decision that we go on holiday. We go on holiday, we go down to Solcohm, we take with us, or I take with us, the files. I take with me a fax machine so I could plug it in, and this is ten years ago, communication was not as sophisticated then as it is now, so I could plug it into the house that we had rented, so that we could complete it down there, because otherwise my holiday would have been totally ruined.

In the event, the money did not come through until the Tuesday, the completion date is a Tuesday. I spent the majority of the Monday chasing money, trying to get it sorted out. A slight aside, the fax machine wasn't compatible to the telephone line. I had my children running up and down from the house to Solcohm Post Office to do faxes because it was the only way of getting them

through. But eventually we completed on the 18th and I completed down in Devon. I remember telling Aidan Phelan over my mobile phone, who made the comment "I can hear seagulls." I thought, yes, God, I am on holiday, that's why. Anyway, that was that.

And the next day, or the day after, I sat down on the beach and I wrote and drafted the letter of the 23rd August; that was the long letter saying what we have got to do, we hand the money over, that's the easy bit. We have now got all these issues to sort out. That's what I wanted to get over to the directors of Westferry. That letter was sent on the 23rd September. On the 24th September, Paul May, who is one of the directors, came to see me and we discussed some of the issues, and coming back from my holiday I was then under pressure from Mr. Ashworth in respect of the retention matters, when are we going to sort this out?

Other issues as well, which I won't go into it, but I was immediately under pressure and I wanted explanations, I wanted answers, and I had set out what I thought was a good clear letter: We have completed, we have paid the money, we have got to do this now.

23rd August, I am sure, is the letter to the directors.

24th I meet with sorry, I meet with Paul May. But then after that nothing. And I was then in limbo for three weeks or something, nothing was happening, nothing was happening. And suddenly a meeting is arranged. And you are aware from the paperwork that there was a fax sent by

me or - in fact, Aidan Phelan says he never received it - setting out an agenda for the meeting of the 23rd. We needed to get these things moving, get them sorted out. So, then the meeting of the 23rd occurred. I was itching to get on to sort out some of these matters, and it was then apparent that they really weren't going to go anywhere particularly far. I spoke to Kevin Phelan, as I explained, and Michael Lowry was present. So, what then followed on I am sure we'll talk about a little later on, but what then followed was as matters had been explained in his presence and he seemed to indicate that he could perhaps move things forward, I spoke to him and I thought here is a man who can try and get this thing moving, because nothing had happened positive since my meeting with Paul May of the 24th August to the meeting on the 23rd September, and a lot of people wanted a lot of things to happen to move this club forward. So that was really my state of mind. So I grabbed at him as somebody who said well perhaps I can help, you know; I can't tell you the exact words, it's far too long ago, but the impression I got from him was that he was somebody who could help. That obviously, as you will know from the correspondence, was totally wrong. He never helped before. He never helped afterwards. But he offered.

Q. I am not I don't want to delay you too much on this, but it's because of what you have now explained to me that I can see why you could have written or thought at the time "I do not think I misunderstood his comments to me that he

was involved in DRFC." You are, as I see it, you have now explained to me how you could have formed that impression. You have explained, as I see it, how it is that you couldn't have misunderstood him and that what you wrote in your letter was based on a reasonable understanding of what he said or how he behaved?

A. The meetings that I had with him on the 23rd and 24th gave me the impression that here was somebody who could help us, but I was totally wrong.

CHAIRMAN: You have told us yesterday, Mr. Vaughan, in the course of your statement that in the numerous possible deals that Kevin Phelan introduced to you, you declined, correctly and scrupulously, a number of Irish projects because you explained to him you weren't an Irish solicitor?

A. That's right.

CHAIRMAN: And I am just wondering, is there some slight inconsistency with that very prudent approach that we now learn that in the presence of a new Irish client, a politician, who was involved in a fairly small deal, that you were prepared to discuss your biggest case, a matter of considerable urgency, unless you had an impression that he had some degree of involvement?

A. I can understand the reasoning behind your question, Chairman, but because there is this totally open discussion, and Kevin Phelan was acting as agent for Michael Lowry at that time in respect of the other property

transactions, it just flowed on and, of course, there was this period of an hour and a bit when we were together alone in my car going to Leicester and we just sort of chatted about general matters. I was somebody seeking a bit of help and here was somebody who might be able to offer it, and that's really how it came about. And he was very I very quickly realised I was wrong and retracted that statement that I made.

Q. MR. HEALY: What do you mean by saying you "retracted" that statement?

A. Well, there are letters from me and comments saying I realise that he was not involved in any way whatsoever.

Q. No, but after you sent the letter you never sent a letter to Mr. Lowry saying

A. He said

Q. Just bear with me for a minute. As far as you were concerned, you had sent it? As far as you were concerned, you had sent the letter?

A. Yeah.

Q. And you believe now that you were wrong. But you didn't send a letter to Mr. Lowry saying, "I want to retract all of that suggestion I made about your total involvement. I was completely mistaken. Please shred the letter or return it to me."

A. Well, I see little point.

Q. If you go on to the next divider, it contains the Tribunal's letter to you of the 13th January, drawing to

your attention what had come to the Tribunal's notice for the first time, namely the letter of the 25th September, which had featured in an article in The Irish Times.

Now, I don't think we need to go through the Tribunal's letter requesting various pieces of information, because I think that your letter in response speaks for itself.

The Tribunal's letter was dated January 2003. And it would appear that there was a further letter, presumably a reminder on the 16th January, 2003. And you replied on the 6th March, 2003, saying:

"Dear Mr. Davis,

"I refer to your letters of the 13th and 16th January, 2003, concerning articles which appeared in The Irish Times on Saturday, 11th January, 2003.

"I am now in a position to review my files in connection with the acquisition of the Doncaster Rovers Football Club Limited (DRFC). The letter quoted in The Irish Times and dated 25th September, 1998, was drafted by me (there are one or two small discrepancies in the letter). I attach a copy of the letter which I have taken from my file. You will also note that the top copy did not have a typing error as to a date in the first line of the paragraph numbered 1, which has not been amended on my file copy.

"A man who introduced himself as Colm Keena telephoned me on my mobile telephone at about 6.30pm on the 9th January 2003 whilst I was at Newport Pagnell service station on the M1 motorway paying for some fuel. He spoke to me for a

fairly short period of time, and I think what you have set out in paragraph 2 of your letter of the 13th January, 2003, represents the total extent of our conversation."

That's a reference to the journalist explaining that he rang you and what you said about the letter.

"The completion of the acquisition of DRFC was on the 18th August, 1998, and following that completion I had been pressing Kevin Phelan to arrange a meeting with Aidan Phelan and myself in connection with a number of outstanding issues. Therefore, when Kevin Phelan arranged the meeting for the 24th September, 1998, I initially assumed it was in connection with DRFC and that Aidan Phelan would attend.

"Accordingly, I wrote to Aidan Phelan on the 23rd September, 1998, enclosing an agenda of the items I wished to discuss at that meeting. I attempted to fax the letter to Aidan Phelan the day before the proposed meeting, but was unable to do so. The letter was posted to Aidan Phelan with the enclosures referred to at a later date.

"Subsequently it transpired that the meeting was not to be in connection with DRFC, but in respect of the purchase of the land at Hilltop Farm, Mansfield, (the Mansfield property) by Michael Lowry.

"I met Kevin Phelan and Michael Lowry on the 24th September."

As we now know from Mr. Lowry's ticket, that must have been the 23rd.

"We had a general discussion about the Mansfield property.

I believe that Kevin Phelan broadened the discussion by raising queries on other projects which he was involved in.

I would have certainly raised with Kevin Phelan the issue as to the outstanding matters in DRFC and the need to have a meeting with Aidan Phelan to consider those matters, and I gave him a copy of my letter dated 23rd September, 1998, which I had unsuccessfully attempted to fax to Aidan Phelan the previous day.

"Michael Lowry was present throughout the whole of those discussions, and I formed what I subsequently discovered to be a totally incorrect view, that because of the frank manner in which Kevin Phelan was discussing the outstanding issues relating to DRFC, Michael Lowry was somehow involved in the DRFC project.

"Michael Lowry and Kevin Phelan then wanted to go on to have a meal somewhere, but I returned to my home. It was arranged for Michael Lowry to come to my office the following day to finalise some of the details relating to the Mansfield property and for me to speak to the vendor's solicitor in respect of the property.

"Michael Lowry was brought to my office early in the morning of the 25th September, presumably by Kevin Phelan, but I have no note or recollection of meeting Kevin Phelan on that day. It had been arranged that a car would come to my office and collect Michael Lowry during the course of the morning and take him to Leicester for an appointment at

the BUPA hospital. The car failed to arrive (I cannot recall what went wrong) and I then offered to take Michael Lowry in my car to the BUPA hospital in Leicester, which is about 30 miles north up the M1 motorway from my office.

"Following Michael Lowry arriving at my office on the morning of the 25th September, we examined the Mansfield property file."

A. 24th now, of course.

Q. Yes. I will reread that. "Following Michael Lowry arriving at my office on the morning" - in the letter it says - "of the 25th September, we examined the Mansfield property" as you say correctly the 24th. "I contacted the vendor's solicitors as to issues that had arisen from our discussions as to the purchase of that property.

"No one else travelled in my car to Leicester other than myself and Michael Lowry.

"So far as I can recall, the discussions in the car related to the general property market in England, sport and Irish politics.

"Based on my incorrect assumption from the previous day's meeting, the outstanding issues relating to DRFC were again touched on by me. It is my recollection that Michael Lowry offered to assist me in resolving those outstanding issues, by agreeing to try arrange a meeting with Aidan Phelan whom he led me to believe he knew.

"I have found no handwritten notes on the DRFC file in relation to the meeting on the 24th September or the

discussion in the car the following day, which is not surprising as Michael Lowry had come to Northampton to discuss the Mansfield property.

"In hindsight, it does seem unusual that I believed Michael Lowry to be involved in DRFC, as throughout the whole of the discussions and negotiations relating to the acquisition of the DRFC over the period of some nine months I had never heard Michael Lowry's name mentioned nor met him with Aidan Phelan or any other person in connection with the acquisition of DRFC.

"When I returned to my office in the afternoon of the 25th September, in an attempt to try and move matters along (as can be seen from the tenor of my letter) I wrote the letter of the 25th September to Michael Lowry.

"Over the course of the next days (which was the weekend), I spoke to Kevin Phelan, who inquired of me as to how my journey to Leicester with Michael Lowry had gone. I outlined to Kevin Phelan that we had discussed the purchase of commercial property in England in general and the Mansfield property in particular, which I understood had been Michael's main purpose in visiting me in Northampton.

"I must have also told Kevin Phelan that I thought that Michael Lowry could assist in resolving the outstanding issues in DRFC, and that I had written the letter of the 25th September to Michael Lowry. I had also written a letter to Aidan Phelan advising him that I considered that Michael Lowry could arrange a meeting.

"Kevin Phelan then informed me that Michael Lowry was not connected in any way whatsoever to the DRFC project and that it would be very embarrassing for him if Aidan Phelan had been informed by me that any documentation had been sent to a third party (Michael Lowry).

"Kevin Phelan asked me to write to Aidan Phelan to clarify the situation, and it was at this stage that I informed Kevin Phelan that although the letter had been dictated and typed, it had not gone through my fax machine, neither had it been posted, and a copy of that letter, which has a line through it, still exists on my file, the top copy I assume was destroyed by me.

"As regards the involvement of Paul May: He was brought into the DRFC project by Kevin Phelan to be responsible for the day-to-day management of the football club. I do not believe that Michael Lowry had any involvement with Paul May or with the management of the club.

"As part of the agreement to purchase the shares in DRFC, Westferry Limited had agreed to pay an additional sum of £1/2250,000 upon the production of an extension to the lease between Doncaster Metropolitan Borough Council as landlord and DRFC as tenant in respect of the car-park adjoining the football stadium.

"It subsequently transpired that the vendors of the shares in the DRFC (a Mr. Richardson and a company and a trust associated with him) had totally misrepresented the situation, as in fact the lease extension was already in

place and within the ownership of DRFC. This was perceived to be an extremely embarrassing situation that there was in existence an extension of the lease, and that that fact had been missed when a due diligence examination of the documentation relating to DRFC was carried prior to the exchange of contracts by the purchasers.

"I can categorically confirm that I never acted for or had any dealings with Mr. Richardson (a man whom I have never met or ever spoken to) or his companies, trusts or nominees. The reference in my letter to 'conflict of interest' does not relate to Mr. Richardson or his associates, but it relates to my concern that if a dispute arose or even an allegation of negligence was made between or by Westferry, DRFC and/or its directors, I could have been placed in a difficult position which could have given rise to an allegation of conflict of interest, especially as by this time I was the Company Secretary of DRFC."

And with that document, you enclose your office copy of the letter to Mr. Lowry of the 25th September, and other documents concerning the same meeting.

And if I am not mistaken, although I can't see it here, it can, if necessary, be turned up, you must have enclosed a copy of the letter to Aidan Phelan with the line drawn through it, I think?

A. I know the letter you are talking about, but it's not within the tab, is it?

Q. But you have, in any case, on some other occasion produced

it and, if necessary, we can turn it up.

Now, can I just clarify one or two matters about this letter at this stage without dwelling on it for too long.

You will notice that the Tribunal wrote to you on the 13th January, and as far as we can judge, also on the 16th, and you responded on the 16th March in quite a lengthy letter, having, as you said, reviewed your files. In accordance with the practice that you have mentioned a moment ago, of consulting Westferry in relation to these matters, would you have consulted Westferry in relation to this letter?

A. I don't think so, because everything in here is factual from my files. But the files at this stage weren't in my possession, they were still with, presumably, William Fry in Ireland, so I couldn't check the actual details.

Q. But you do say "I am now in a position to review my files" maybe I had misunderstood you?

A. When the initial letters came, I couldn't look at the files, I hadn't got them.

Q. I follow.

A. They then returned to me.

Q. I follow.

Just one other small matter and then I think we'll leave this letter. If you go on to what I think is the third page, the fourth paragraph from the bottom of the page.

A. From the bottom?

Q. Yes, from the bottom. "I have found no handwritten notes on the DRFC file in relation to the meeting on the 24th

September or the discussion in the car the following day, which is not surprising, as Michael Lowry had come to Northampton to discuss the Mansfield property."

A. Yeah.

Q. You, I think, brought with you a copy of the Mansfield file, and you have also furnished a copy of it to the Tribunal?

A. Yes.

Q. Am I not right in saying that there is no attendance note nor any significant letter on that file detailing any of your discussions with Michael Lowry about Mansfield?

A. I don't think so. There almost certainly isn't a file note, but my practice is that if you are then going to reduce a phone conversation or a meeting into writing, I tend to do it in a letter. I don't want to extend this too long, but there were two or three important issues about the purchase of Mansfield that had to be discussed. It was a development site, and there was a problem, in my opinion, about access to the site. And there is a letter, I think you will find, to Mr. Dawson of Harrop White, Vallance & Dawson about this access, which is dated the 23rd September, or possibly the 24th September, following the meeting with Michael Lowry. So what we had discussed was reduced into a letter, sent to them. I think also there is a reference I think I had a telephone call with Mr. Dawson as well. So, there was no need for a file note because it was in another form of written note.

Q. I understand. But you are making the point here that you found no handwritten notes on the DRFC file relating to the meeting on the 24th, the 23rd as we know. You say which is not surprising as Michael Lowry had come to Northampton to discuss the Mansfield property. But, in fact, the major piece of work generated in your office following your dealings with Mr. Lowry was the DRFC letter, which as you said a moment ago, is the way you deal with these matters; isn't that right?

A. Well, Michael Lowry hadn't come to talk about that, he had come to talk about Mansfield.

Q. But the main thing that his meeting with you generated was the letter of the 25th September; isn't that right?

A. Well, that was by accident, not by intent. I mean...

Q. It's a fact though, isn't it, that that is at the conclusion of Mr. Lowry's visit to you, you may have written a letter to somebody else. You have no handwritten note on the Mansfield file, a point you make here in relation to the DRFC file, but what you do have is an enormously long letter on the DRFC file?

A. Well, the enormously long letter is, of course, in response to the enormously long letter of the 13th January.

Q. Your letter of the 25th September is a fairly long letter, isn't it?

A. Oh, that one, yes, to Michael Lowry?

Q. Yes.

A. Yeah.

Q. That was what was generated in terms of work following your meeting with him, not anything on the Mansfield file of any substance?

A. I disagree with that, because the Mansfield site didn't need a long letter, it needed a letter to Mr. Dawson sorting out the access arrangements and the possibility of yet getting an option to acquire the additional land where the current roadway joined the public highway so the visibility sightings could be fixed in from a highway's point of view. It was nothing to do with this. But that's what we were talking about, and that was the most important thing, because the site would have been rubbish without the proper access.

Q. I suppose the point I am trying to make, and I don't want to labour it too much, is that in your letter of the 6th March, you suggest that because you found no handwritten notes on the DRFC file in relation to the meeting or the discussion the following day, that is not surprising, as Michael Lowry had come to Northampton to discuss Mansfield.

What I am suggesting to you is that it would be more accurate to turn that sentence around and to say that you found no handwritten notes on the Mansfield file in relation to the meeting on the 23rd September, or the discussion in the car the following day, which is not surprising, as Michael Lowry had come to discuss Doncaster, because Doncaster is what generated your long letter of the 25th?

A. I think that's totally and completely wrong, because Michael Lowry had not come to Northampton to talk about Doncaster, he had come to talk about Mansfield.

Q. All right. Okay.

CHAIRMAN: I think probably with the length of time you have been here, it's appropriate we adjourn until two o'clock.

THE TRIBUNAL ADJOURNED FOR LUNCH

THE TRIBUNAL RESUMED AFTER LUNCH AS FOLLOWS:

CONTINUATION OF EXAMINATION OF CHRISTOPHER VAUGHAN BY MR. HEALY AS FOLLOWS:

Q. MR. HEALY: Thank you, Mr. Vaughan. If we could past on now to Divider 9. The first document in Divider 9 is the letter of the 14th May from the Tribunal's then solicitor to you seeking information in relation to aspects of the letter of the 25th September, 1998, and also seeking to arrange a meeting with you. It also draws to your attention information provided to the Tribunal by Mr. Lowry concerning his travel to England.

Now

MR. NATHAN: Mr. Chairman, sorry, I seem to have lost our way, because my Tab 9 starts, the bundle delivered by the Tribunal Secretariat, starts with a letter from Mr. Vaughan of the 8th September, 2004. I am not sure quite what My Learned Friend has now got, but he was referring to a letter from the Tribunal.

MR. HEALY: That's correct, and I see

MR. NATHAN: I have a letter from Christopher Vaughan.

MR. HEALY: There must have been a mistake.

Q. Now, the letter to you begins off: "Dear Mr. Vaughan, I refer to previous correspondence and, in particular, to the Tribunal's letters of the 13th and 16th January of 2003 and your letter in response of the 6th March, 2003. The Tribunal's queries concerned, in the main, your letter of 25th September, 1998, addressed to Mr. Michael Lowry, but according to him never received by him, and according to you never actually sent to him."

As we'll see in a moment, that's a mistake on the part of the Tribunal.

"I would be obliged for your assistance in responding to a number of further queries. Acknowledging your statement that the letter was never actually sent, I would, nevertheless, be obliged for a response to the following:

"1. Your letter of the 25th September, 1998, numbered paragraph 1, contains the following statement:

"You did take a copy of the letter of the 23rd with you on the 24th. However, you will recall that two of the figures were wrong on the Completion Statement, and those have now been amended, and I would be grateful if you would destroy the incorrect copy and substitute this one.'

"(A) Was this the only document given by you (or anyone else in your company) to Michael Lowry on that day or on the following day?

"(B) If other documents were given to or taken by Mr. Lowry

either on the 24th or on the 25th September, 1998, I would be obliged for your recollection as to the nature of the documents, and if you can identify them, please let me have copies.

"2. Mr. Lowry has informed the Tribunal that on his arrival in Birmingham on the 24th September, 1998, he was collected from the airport by Mr. Kevin Phelan, and that by arrangement they then went to a hotel premises in Northampton where they had a meeting with you. This meeting was described as a social meeting, and that over drinks there was wide-ranging discussion, including a general chat on the Mansfield property. Bearing in mind your statement (see page 36 of your letter of the 6th March, 2003) that Mr. Lowry had come to Northampton to discuss the Mansfield property, can you please let me know why you appear to have felt it necessary to bring the Doncaster file to the meeting, and moreover, to make available to Mr. Lowry (and presumably Mr. Phelan) copies of the completion statement.

"In your letter of the 6th March, (see page 4), in recounting your conversation with Mr. Phelan in the course of which you had realised that you had mistakenly assumed that Mr. Michael Lowry was involved in the Doncaster Rovers project, you informed Mr. Kevin Phelan that a letter to Mr. Aidan Phelan had been dictated and typed but that it had not gone through your fax machine and that it had not been posted. You drew attention to a copy of the letter on

your file with a 'line through it.' Please let me know why your copy of the letter of the 25th September to Mr. Lowry did not have a similar line through it, as one would have expected having regard to what appears to be your practice as described above.

"As I have already mentioned, the Tribunal will be still very anxious to endeavour to arrange a meeting..." and so on.

And your response, you say: "Dear Mr. Heneghan" - this is on the 8th of September, 2004 - "I spent some time this weekend reviewing correspondence that I have had with this Tribunal and I thought it would be helpful if I could set out what I perceive to be information that you have been seeking from me.

"Your letter of 1st July, 2003, states that you wish to examine my dealings with Michael Lowry as to the following properties:

"A) Mansfield:

You have had the benefit of seeing my original file and you have had a copy of it relating to this transaction. My initial contact in August 1998 was via Kevin Phelan, but in early September, and certainly when I met Mr. Michael Lowry on the 24th/25th September, 1998, I was fully aware that Michael Lowry was involved and I began to correspond with him. Michael Lowry's name is mentioned in all of the documentation relating to the property which was, of course, purchased in his name.

"B) St. Columba's Church (Cheadle):

As with Mansfield, you have seen my original file and have a copy of it. The initial contact was with Kevin Phelan, and I was aware at a very early stage that Michael Lowry was involved and he was to provide the purchase money.

Catclause Limited was to be used as the vehicle to purchase the property. Michael Lowry and his daughter were officers of Catclause Limited. Michael Lowry was unable to produce the balance of the purchase money on completion. Aidan Phelan, whom I already knew from the Doncaster Rovers project, which was very much a live project at the time of the purchase of St. Columba's Church then provided the purchase money, which came from Woodchester/Investec.

"In order to protect the bank's position, following discussions I had with the relevant parties, the title to the property was registered in the names of myself and my wife. I regarded that we held the property to the order of the bank whilst arrangements were made as to whose name the title to the property should be vested.

"C) Luton" You say you were told that was not relevant, and I think the Tribunal has never conducted any inquiries into it.

"Doncaster:

I am not aware that Michael Lowry was involved in this transaction at all, other than my reference to him in the letter of the 25th September, the status of which has already been explained in previous correspondence.

"Vineacre:

My instructions in this project came from Kevin Phelan. It related to the acquisition of property options in and around Wigan. I attended one meeting at the offices of Taylor Walton Solicitors in Luton. Mr. Lowry was present at that meeting. My instructions were subsequently terminated, probably in January,/February 2001. Since that time I had no further involvement in the matter and my file was passed over to Taylor Walton, and I have no current information as to the status of this transaction whatsoever.

"Dealing with the other individual points in your letter of July 2003:

"1(A)" this was querying whether the only document given by you to Mr. Lowry on the day of your meeting with him, on the day of his arrival in England, if we use that terminology, was the letter of the 23rd, and your response is: "I believe so. Having reread all the paperwork, it seems unlikely there would have been other documents.

Then (B) becomes non-applicable.

The second question concerned Mr. Lowry's arrival in Birmingham on the 24th September, and the date of his arrival and the place at which he met you. And you say:

"Mr. Lowry is mistaken. I met him in the Board room at this office. I did not go to a hotel or have drinks socially with him. I met him purely for the business in this building, and the Doncaster Rovers files were in my

room which is close to the Board room and were available to be looked at.

"I would reiterate what I have said above. So as far as I am aware, the letter of the 25th September, 1998, was posted to Michael Lowry, as it has his postal address on it, not his fax number. Therefore, there was no need to put a line through it."

In the last paragraph you state that you wish to "Examine your involvement in the Doncaster Rovers project." And then you go on to arrange about what arrangements you feel should be put in place, cost of representation and so forth, availability, and a stenographer. And although there was a lot more correspondence involved, eventually after much correspondence that meeting was set up, and that meeting and the note of it are contained in the next divider, Divider 10.

A. So I can be absolutely clear, my letter of the 8th September, which says in it, is actually replying to the letter of the 14th May.

Q. Your letter of the

A. If we look at the second page of the letter from me to Michael Heneghan of the 8th September, it says "Dealing with the other individual points in your letter of the 1st July, 2003." I think I am actually dealing with the points in the letter of the 14th May.

Q. You are absolutely right.

A. I have obviously made a mistake in my dictating

Q. That's an error?

A. I think we both made mistakes in both letters actually.

Q. It's fairly clear from the third page of that letter that you are responding to the two questions posed at 1A and 1B of the Tribunal's letter

A. Yeah, I'd agree with you.

Q. And that you were also responding to question 2 on the second page of that letter, where you say Mr. Lowry was mistaken, that you met him in the Board room.

MR. NATHAN: Also, in the middle of page 3, to be dealing with yet a further letter from the Tribunal of the 13th July. One bears in mind that this is a letter written on the 8th September and one sees from the date-stamp at the top "Received by the Tribunal" on the 8th September, which is the day before the second interview, this time with a stenographer, so that there could be no debate about what was being said and no loss of notes or being thrown away by counsel and so on.

MR. HEALY: In fact, I think - and Mr. Needham may remember this - I think that letter was if you look at the top of it, in fact, that letter was faxed to London, I think, but a copy of it was faxed because you are right, the meeting was the next day and the obviously the people in attendance at the meeting were unlikely to have had that letter.

Q. Now, Mr. Vaughan, some of this, virtually all of this meeting I think, while it's been read into the record, you

remember the meeting, you were present with Mr. Needham;
isn't that right?

A. Yeah.

Q. Now, there are parts of it that I'll skip over. If there
is any part that you don't want me to skip over, please
tell me.

A. So this is the total transcript under Tab 10?

Q. Correct.

A. Of the meeting of the 9th September, 2004?

Q. Correct. I think it's there is some introductory
remarks about what's going to be discussed and so on. I
think if you go to page 12, I think if there is anything
that should be read before that, I am happy to do so, but
at the top of that page, you are referring to one or two
matters and then

"Question: That is the big long letter?

Answer: Yes.

Question: That is what I meant. That was the
context for any continuing work in relation to Doncaster.

Answer: I was actually on holiday at this time and I
remember sitting down and saying, right, I have completed
it."

Do you remember giving that evidence this morning, that you
were on holiday, working out in August what your task list
was in relation to the balance of the Westferry work.

"I was actually on holiday at this time, and I
remember sitting down and saying, right, we have completed

it, now we have got to tidy up the loose ends. This letter was to the two people who were dealing with it from my perception, namely Paul May and Kevin Phelan.

Question: And Aidan Phelan as well, I think?

Answer: Yes. There were huge things that needed to be sorted out. What happened was that this meeting was arranged by Kevin and I assumed that it was, at least to start scrapping the surface of trying to deal with all those outstanding issues. It was also the start of the football season as well and there were lots of problems.

Question: You have said in a recent letter that you did not meet them in the hotel, but that it was within your office?

Answer: Yes.

Question: Certainly I was confused by the fact that you had all the files available in the hotel.

Answer: Yes, I can understand that.

Question: So you definitely met them in your office?

Answer: Yes, absolutely. They came to my office late one afternoon, and then the next morning Michael Lowry arrived back in the Board room in our office.

Question: Let us go to the night before for a moment. You say that you definitely met them in your office?

Answer: Absolutely.

Question: You assumed that you were going to discuss Doncaster with this new man present who you had not met before?

Answer: Correct.

Question: If we can just put Doncaster out of our minds for a moment, can you recall, again, how Mr. Lowry was introduced to you? You can look at the earlier note if you want.

Answer: The note of the 30th?

Question: Yes. There is not much in it about Doncaster, if you look at it there.

Mr. Needham: It is paragraph 3, is it not?

Mr. Healy: Is it? Yes, it is, it is quite lengthy.

'Issues were discussed re future.'

Answer: 'Future development and access difficulties.'

That is to do with the Mansfield access to the site.

Question: Michael Lowry told you that he was looking to develop property interests in the UK with a view to making money and explained some of his political and personal difficulties, and at that stage the intention was that he would pay the deposit. Christopher Vaughan's recollection is that Aidan Phelan's name was mentioned in connection with the overall funding of the project. I think you had a different recollection of what you said, and you wrote subsequently: 'Michael Lowry certainly made it clear to Christopher Vaughan that he had no funds available.'

Michael Lowry instructed Christopher Vaughan not to write to him or to send him any faxes, and that if he wished to make contact with him, he should do so on Michael Lowry's mobile phone.'

Just to help you on that, there was no suggestion that there was any misleading I think, and you can correct me if I am wrong, you may have subsequently qualified that to say that what you meant was not that Michael Lowry said 'Only contact me by mobile phone,' but that he said, 'I could be in Dublin or Tipperary, before you send me anything, ring me first on my mobile phone so that I know where to tell you to send it to'?

Answer: On the 27th June I wrote to Mr. Davis, and on page 3 of the letter, at the top, paragraph 3 it said 'I would like to clarify my position.' So, I am saying there that I had as the point of contact his address, telephone and fax at his office in Thurles, County Tipperary.

Question: So I am right in that, am I not?

Answer: Yes. I am now correct in that.

Question: It was not that he told you 'Don't write to me, don't fax me. Just to make sure that I get the faxes, ring me first'?

Answer: Yes.

Question: Okay. Right. After that meeting you did send him a letter to Thurles?

Answer: Yes, there is the letter of the 25th.

Question: Did you actually have a number for him? You did not have an address?

Answer: Yes, I had an address for him.

Question: Yes, you had an address. May we take it you rang him before sending the letter to say, 'Michael, I want

to send you a letter, do I send it to Abbey Road or do I send it to'

Answer: I would imagine so, to follow his instructions, which were then very fresh.

Question: That is my point. Okay. Again, while on that letter, and this, again, takes up something which you explained in a recent letter, you sent that letter, then you had a conversation with Kevin Phelan, he understood from the conversation initially that you had sent the fax of that letter to Aidan Phelan, you had not sent out the fax, you had it ready to send out, it stayed on your file and you drew a line through it?

Answer: Yes.

Question: I think Mr. Heneghan queried why there was no line drawn through the letter of the 25th, and you said that was because the letter of the 25th was sent. There was no need to draw a line through it because it was actually sent?

Answer: Yes.

Question: Rightly or wrongly, again putting that in the context of the discussion you had with Mr. Lowry, I want to know whether you would probably have rung him. You, in your letter of the 6th March, when explaining how the letter of the 25th came to be sent said - you can correct me if you think I am not summarising this rightly - that the letter does suggest on the face of it that Michael Lowry is clearly involved in the Doncaster Rovers

transaction?

Answer: Yes, it does.

Question: So, when Michael Lowry comes to your office, was the first subject on the agenda his own affairs?

Answer: I cannot remember.

Question: It is hard to say?

Answer: Can I volunteer this point? What I do quite distinctly remember is that the next morning, when we came back, we concentrated exclusively on Mansfield. We were dealing with that throughout that discussion in the morning. Kevin Phelan was not present at that meeting.

Let me put it like this: I think he brought him to the office, but I cannot remember. I certainly had not met them the night before. They came to the office, we were introduced and there was a general introduction and discussion.

Mr. Needham: Before this meeting on the 24th, had you any idea that Mr. Lowry was involved with Doncaster?

Answer: He never was.

Question: It strikes me, because I have some involvement with businessmen in football clubs" - and I think this must be Mr. Needham - "that they totally lose all sense of common sense when there is a sniff of being involved in a football club, particularly when a league club comes up.

Do you think that Mr. Lowry was hoping to jump on the bandwagon of something that might give him some kudos, Christopher?

Answer: I said that actually to Mr. Kelly in another letter, the one which I thought was a private letter which was sent to the Tribunal. It is the one where I say that the stress was getting me down or words to that effect. In that letter, don't I say something about I think he saw a good opportunity and was trying to be a politician and trying to jump on a bandwagon? Whether that is correct or not, I don't know, I have never put it to Michael Lowry.

Mr. Coughlan: Just as regards your own thinking, and it was a view that you were expressing, you mean jumping on the bandwagon in the context of a football club or in the context of what this was really about, which is a property transaction? That is what was hoped by the promoters originally, I suppose, in relation to Doncaster?

Mr. Needham: From Mr. Lowry's point of view, which is probably a bit of both.

Mr. Healy: Ah, but they were not buying the club, they were going to ditch the club and buy the ground.

Answer: I was looking at the letter that I wrote to Mr. Kelly. I said something to that effect.

Question: I think that is correct, words to that effect.

Answer: Perhaps I was being more cynical, it is in here somewhere.

Mr. Coughlan: I have said that Mr. Healy is doing most of the questioning because he has been dealing with this aspect of the matter. There is one point which does occur to me, are you of the view because you believe that

Mr. Lowry must have spoken to you about an involvement in Doncaster or is there some other reason why you would form that view?

Answer: The first time we met, when I was introduced to Michael Lowry, Kevin Phelan certainly spoke to me about the outstanding issues relating to the Doncaster Rovers acquisition. Michael Lowry was present during the discussion because they had come together. There was no holding back. There were no lines drawn of 'Oh, we must not talk about this in front of this person, Michael Lowry.' When I then took him to Leicester the next day, he was talking about it. I am guessing now, which I should not do, he had been with Kevin Phelan, I presume, when they came across from Ireland. He had been with Kevin Phelan, I assume, the night before, he had heard the problems that I was encountering set out in my August letter. When we drove in the car from my office to the BUPA hospital in Leicester, it was a conversation that we had. It came up in conversation that he was fully aware and, as I recall, I think this is mentioned, volunteered to try and move things along. That was it. Just in case there is no confusion, although we actually completed the acquisition of Doncaster Rovers, the matter continued, as will be seen from the letter on various outstanding issues.

Question: Just so that the note might be capable of being explained to lay people, if necessary; when you say that matters were discussed frankly between yourself and Kevin

Phelan in the presence of Michael Lowry, we, as lawyers, would know that there are certain matters that one does not discuss. One would not discuss one's client's business in front of a stranger in relation to that particular transaction, but Mr. Kevin Phelan was, as far as you were concerned, an agent for the principal acting in Doncaster, would that be right?

Answer: Absolutely. He was the person from whom I took my day-to-day instructions on throughout the whole transaction.

Question: When you said that you were discussing problems, they were problems in respect of which you were offering legal advice to him as agent or as principal and possible solutions or resolutions to those problems which existed?

Answer: Yes. I regarded him as my client for the purpose of dealing with this.

Question: Because all of this took place in the presence of Mr. Lowry, you formed the view that Mr. Lowry must have been involved to some extent, would that be right, rightly or wrongly?

Answer: I formed the view that he could help. That, I think, is the fairest way of putting it.

Question: So, in any event, the next day when you had driven him to Leicester he again discussed matters which you had been discussing with Kevin Phelan about Doncaster the previous evening?

Answer: Yes. A lot of issues were discussed and Doncaster

was one of them. I formed the impression that he was somebody who might be able to help because we were then at 25th September. The completion of the purchase of DRFC was on the 18th August. My letter was on 23rd August, whenever it was. That letter was written, as I said, when I was on holiday because we needed to crack on with this and nothing had happened for four weeks. I was getting concerned, so when somebody who appeared to be associated or was on speaking terms and was obviously somebody of importance, he was a member of the Irish Parliament, he gave the impression from what he said, I am inventing the words 'I can help on this'. He was a bit of a lifesaver because we had somebody we could deal with. This letter went.

I would say that after that letter went to him, from that moment when I first was introduced by Kevin Phelan, I think in January 1998, to when I met Michael Lowry over these two days in September, his name had never, ever been mentioned; I had never heard of him mentioned in that context of Doncaster. For the brief snapshot of a couple of days, it was, 'Perhaps I can help on this', and then after that point never again have I heard him mention it. I have perhaps caused this difficulty for him. I think he was offering, 'Can I help? Can we solve some of these problems?'

Question: It may be something you said which I picked up wrongly, or it may be a mistake which you made, and in any case, if it is we should correct it. You did meet both of

them the night before the trip to Leicester in the evening?

Answer: They came to my office in office hours.

Question: In office hours, that's okay, you had a discussion with them?

Answer: Yes.

Question: And they went off to have a meal?

Answer: Or whatever.

Question: But you did not go with them?

Answer: No. I have seen a statement somewhere which says we went off for a meal.

Question: He says, meaning Mr. Lowry, that you met him in a restaurant or a hotel in Northampton?

Answer: That is absolutely not right.

Question: Right, I just wanted to clarify that. All three of you met the evening before in your office in business hours?

Mr. Needham: I think it is more afternoon than evening.

Mr. Coughlan: I always think it is evening after 5 or 6 o'clock. I got the impression it was late afternoon. It does not make much difference.

Mr. Needham: To me evening is 8 o'clock onwards.

Mr. Healy: Let us be precise. It was within office hours?

Answer: It was before 6 o'clock, for whatever reason.

Question: That is all I wanted to get clear.

Answer: I did not carry on meeting them, we had other things to do.

Mr. Coughlan: The letter that was sent to Mr. Lowry on the

25th, that is a letter I want to go through. Are you satisfied that you sent it to Mr. Lowry yourself? You gave an explanation.

Answer: I have absolutely no reason to think that this letter was not posted to Michael Lowry.

Question: That is the first point I wanted to get clear. You had a copy ready to be faxed to Mr. Aidan Phelan, but after a conversation with Mr. Kevin Phelan, you did not send the fax; is that not right?

Answer: That is correct.

Question: As far as you were concerned, the only one who had received the document was Mr. Lowry?

Answer: As far as I am aware. When you say 'document'

Question: I mean the letter of the 25th September. Did you not give it to anybody else?

Answer: No, not that I can recall.

Mr. Healy: And you had not sent it to Kevin Phelan either, you think? I do not want into put words your mouth. Would you not answer?

Answer: I do not know.

Question: We will come back to your letter of the 6th March. You may deal with that matter there, but I cannot be quite sure.

Just to go back to the 25th September, the meeting on the 24th was between yourself, Kevin Phelan and Michael Lowry?

Answer: Correct.

Question: And Doncaster Rovers was discussed in detail in

your letter of the 25th. Perhaps you would like to look at it, you say: 'I was very pleased to meet you on the 24th/25th September. My apologies for getting to Leicester late' and so on. 'I am enclosing copies of my letters of the 23rd and 25th.' That was corrected in the final copy, it maybe the 24th and 25th, I do not know.

Answer: The 25th.

Question: Is it?

Answer: Yes.

Question: You did take a copy of the letter of the 23rd with you on the 24th. The letter of the 23rd is the big long letter that we were discussing a moment ago.

Answer: Yes. It should say 'August', shouldn't it?

Question: Yes, I appreciate that. I am not concerned about those details.

Answer: I think we ought to identify that it is the 23rd August.

Question: Yes, it is the big long letter that you were sending to Kevin Phelan and to Mr. Paul May?

Answer: Yes, and also Aidan Phelan.

Question: And Aidan Phelan, yes. Was a comprehensive overview of where the transaction stood, and you wanted all the loose ends tidied up?

Answer: Correct.

Question: It is not a short letter, it must have taken you some time to put it together, because it is a careful review of the whole state of affairs as at that time.

From this anyway, it appears to me, correct me if I am wrong, that you gave a copy of that to Michael Lowry on the 24th and he took it from you. In your discussions with Kevin Phelan on that evening, I assume you were discussing some of the things in that letter that were the outstanding items?

Answer: I assume so, yes. No, it is stronger than I assume so, we were talking about them.

Question: IF you go on to the next part you say, 'I am enclosing copies of the letters of the 23rd and 25th,' etc.. 'However, you will recall that two of the figures were wrong on the completion statement and that those have now been amended. I would be grateful if you would destroy the incorrect one and substitute this one.'

Answer: Yes.

Question: This is a reference, presumably, to a discussion which took place the previous evening in which you may have drawn the attention of both Kevin Phelan and Michael Lowry to an incorrect figure and you wanted them to substitute the new figures in the letter that you were enclosing. So that, again, would seem to suggest that on the evening before there was a discussion in which all three parties had relevant documents in their hands, or were looking at a relevant document?

Answer: Yes. Our Board room in the office is not dissimilar from this room."

The room we were in was quite a small consultation room in

the Law Society; isn't that right?

A. Yes.

Q. "I can imagine sitting there, and the issues which I raised in my letter of the 23rd/24th, or whatever it is, of August, were very much live issues. Possibly Kevin Phelan had not got a copy of that letter when he came to the meeting, I do not know, but in order to discuss these matters there would need to be copies.

Question: Not only that, it appears that Mr. Lowry took a copy, which is something that is of interest to the Tribunal?

Answer: Obviously he did, because I have recorded it contemporaneously or within 24 hours.

Question: Yes, the next day.

Answer: So we were sitting around the table and we all had copies.

Question: Then you say, if you go on: 'I had not appreciated your total involvement in the Doncaster Rovers transaction. I am, therefore, enclosing a copy of my colleague's letter which was sent to Kevin Phelan'. and the rest of the letter is quoted.

"Answer: Yes.

Question: That is a fairly crucial, tactical or strategic line which was being adopted in relation to dealing with Westferry. It may have been discussed again, am I right in suggesting, in reasonable detail the night before?

Answer: Yes. I am trying to think of the best way of

explaining this. In the purchase agreement for Doncaster Rovers, at a very late stage the agreement was amended whereby Westferry had to pay an additional £250,000 for a lease that initially the shareholders of DRFC said they were not aware of. After completion we realised that, in fact, this lease had existed and therefore Westferry were going to pay for something

Mr. Coughlan: For renewing the lease?

Answer: Which they had already got. My view was we have already got this, why should we pay for it, but anyway... which is the Carter-Ruck litigation. I would stress that I do not know anything about that other than the odd paper I have seen.

Mr. Healy: You are absolutely right.

Answer: This is probably not a proper legal view, but it is a practical view: Look, they have 250,000 from us, they have had our leg up on this, We have got to use the same tactic; that is what the clause is about. I felt very strongly about it, because I felt we had had our leg lifted and had been persuaded to pay money improperly.

Question: You felt that someone had pulled a fast one on you, and you were going to be equally adroit in your response?

Answer: Yes. That, perhaps, is not a proper legal suggestion, that is what I felt at the time.

Question: I think that is an indication of the intimacy of the discussion?

Answer: Yes.

Question: These are tactical matters being discussed. If you go on in your letter of the 6th March, you say on the third page: 'Following Michael Lowry arriving at my office on the morning of the 25th September we examined the Mansfield property file. I contacted the vendor's solicitors as to issues that had arisen from our discussions as to the purchase of that property. No one else travelled in my car to Leicester other than myself and Michael Lowry. So far as I can recall, the discussions in the car related to the general property market in England, sport and Irish politics.'

And you go on to quote from the letter based on your incorrect assumption from the previous day's meeting "the outstanding issues relating to DRFC were again touched on by me" I am quoting from your letter.

"Question: You can tell me how long the car journey took to get from Northampton to Leicester?

Answer: 50 minutes, but if you read the first part of the paragraph it says 'I am sorry for getting you there late.'

We took a wrong turning on the outskirts of Leicester, it should be 45/50 minutes, but it probably took an hour and five minutes, that sort of magnitude.

Question: You say based on your incorrect assumption from the previous meeting, when you had been handing him documents and so on, and significant aspects of the transaction being discussed, you again touched on the

outstanding issues?

Answer: They were really worrying me.

Question: Yes. So you were dealing with them? Again,

Michael Lowry was engaging with you in relation to them.

You say, 'In hindsight it does seem unusual that I believed

Michael Lowry to be involved in DRFC.'" And I quote your

letter.

Then the questions go on: "What I think Michael Moriarty

will be interested in is that whereas on the night before

there were three of you in your office, and two people who

were, on every account of this transaction involved, you as

the professional agent, and Kevin Phelan, effectively as an

agent but a person with a major Ministerial responsibility,

in the car there was only Michael Lowry and you. So, if

you still had the impression that Michael Lowry was totally

involved when you wrote your letter of the 25th September,

some time that day, it must have been not only as a result

of what you discussed the night before

Mr. Coughlan: The afternoon before.

Mr. Healy: The afternoon before, I am sorry. Let me get

that correct. The afternoon before, but also what had been

discussed in the car on the way up. Do you follow me?

Answer: Yes. I think you are probably giving far more

value to the word 'totally' than it deserves. I think this

is the problem. It was, obviously, a letter that I

dictated when I got back from Leicester. 'Totally

involved' makes it sound as if the person had been involved

in a total acquisition process, which was simply not correct. I think the word 'totally' is unfortunate in that context. The letter would be better without it. But there is no doubt that I got the impression that he could help. That is what I was looking for, somebody who could help. Then, of course, I was told he could not.

Question: Okay"

MR. NATHAN: I am getting slightly perturbed about the passage of time, because it's now well past 2.30, we have got another 60 pages of this transcript to go through. We have had one question in relation to the size of the room in the Law Society building where this interview is taking place. It does seem to me an odd way that he is going to go about things where one has a transcript of some unsworn statements being read into the transcript here with no questions about the content of the material that is going before you. I mean, one has simply get a page-long question from Mr. Healy on the one hand and a three-line answer from Mr. Vaughan. I am not sure that I am just concerned that in a sense your knowledge is not being informed by having something which you have in paper form before you, and which can easily be made available in paper form to anybody who wants to look at it, or it could be attached to the transcript, but solemnly to read into the transcript the transcript of something else seems a rather pointless waste of time, to be honest.

CHAIRMAN: Well, I understand, Mr. Nathan, that some of the

remainder will be abbreviated, and I think it is perhaps material that these matters are put, not merely on the record, but that your client is reminded of his responses on this occasion.

MR. NATHAN: What I am concerned is that in a sense nothing is actually being put, it is just simply being read. The only thing he has been asked thus far to confirm is the size of the room in the Law Society building. He has not actually being asked was that true, is this the correct understanding that you had at the time of the interview on the 9th September or anything of that kind. All that is happening is this is just being solemnly read into the record with no conclusionary observations or statements obtained from the witness. I mean, it seems, to all intents and purposes, my client, Mr. Vaughan, might just as well leave the room while this is going on, while this is solemnly being read into the transcript, and that does concern me, because it doesn't seem to me that this is a way of actually introducing evidence as opposed to simply having something read in without any kind of indication as to confirmation from the witness. If, from time to time, Mr. Healy would say, "Is that correct, do you stand by it?" I could understand, but nothing of that kind has gone on and we have now solemnly ploughed through nearly 30 pages. I am merely concerned, because I am aware of the limited amount of time that we do have.

MR. HEALY: I am anxious to go through every line of this

because Mr. Vaughan has adopted this as his explanation of what happened. He has made a point of, in his letters, which I'll come to in due course, of adopting this as his cooperation with the Tribunal and his explanation of these matters. It is one of a number of explanations. It is extremely lengthy and tedious, but it is one of a number of explanations culminating with the explanation the Tribunal was given for the first time yesterday morning of this.

The explanations range over a period of six years, I think there are eight or nine of them in all, and this is one of them. I am quite happy to ask Mr. Vaughan after each question if that is correct, but I think it's preferable to wait until I am finished and to ask him to confirm, what I think is undoubtedly the case, that he has adopted this already in his correspondence, and that is why it has to be gone through in such detail. And certainly it's tedious, but I make no apology for it.

CHAIRMAN: I feel it is material that the accounts given by Mr. Vaughan in relation to the core matters that are under examination be placed on the record, and perhaps we might proceed to make as much dispatch as we can on it.

Q. MR. HEALY: Going on to page 30 of the transcript, I think you were saying:-

"Yes. I think you were probably giving far more value to the word 'totally' than it deserves. I think this is the problem. It was obviously a letter I dictated when I got back from Leicester. 'Totally involved' makes it sound as

if the person had been involved in a total acquisition process, which was simply not correct. I think the word 'totally' is unfortunate in that context, the letter would be better without it. But there was no doubt I got the impression that he could help, that is what I was looking for, somebody who could help. But then, of course, I was told he could not.

Question: Okay. You got that impression from your contacts with him in the company of Kevin Phelan, and I think it is more important from Michael Moriarty's point of view that it was from your contacts with Michael Lowry directly and nobody else in the car going to Leicester?

Answer: Yes, I formed the impression let me put it like this: Even if he had never heard of Doncaster Rovers until the day before, he thought that he could help.

Question: And he was engaging with you on that basis?

Answer: Absolutely.

Mr. Coughlan: Could I ask a question? I take the point that all lawyers are concerned when you look at a document and you have added something where one word or two words are used. I take your point about using the words 'totally involved.'

Answer: I use it in another letter somewhere else.

Question: But you do not draw back from the view that you had that he was involved?

Answer: I felt he could help.

Question: I understand that, there is a distinction, maybe

there is not. I was just wondering if one used the term 'involved' as opposed to 'help you'? I am trying to clarify this to enable Michael Moriarty to have more information.

Mr. Needham: Am I right in thinking that until 24th September Lowry had no involvement in Doncaster Rovers at all?

Answer: Not to my knowledge.

Question: And after 25th September he had no involvement?

Answer: I never had any discussion with him.

Question: So you just had that snapshot of 12 hours?

Mr. Healy: Correct.

Mr. Coughlan: Absolutely.

Question: When he was trying to home in on it?

Answer: Yes.

Question: The language used there conveys an impression of conveying an involvement. If I may ask a question in that way

Answer: That is why I said a little earlier - I cannot find it now - that I wondered whether this is a politician jumping on a bandwagon suggesting I can help.

Mr. Needham: As an outsider, it seems to me that Lowry was not to Christopher's knowledge involved in. He turns up on the 24th. He sees him again the next morning, the 25th, and they have a journey together and he takes no further part in it as far as Chris knows. He was trying to make an opportunity for himself.

Answer: And I was somebody who was looking for help, so the combination of those two has caused this.

Mr. Coughlan: In fairness to you, I suppose, to tease out the question, or a view that he was looking for an opportunity. Was it conveyed to you that this was for financial gain, an opportunity to make something out of it? I am trying to understand the opportunity.

Mr. Needham: He is a politician.

Mr. Coughlan: Yes, I understand that.

Mr. Needham: I do not think there was time to form a view.

Mr. Coughlan: Yes, but you did form the view that he was involved?

Mr. Needham: I appreciate the use of the word 'totally', but 'wanted to get involved' is, I think, a better description.

Mr. Healy: Okay, let's put it that way. Mr. Lowry, whatever he said, left you with the impression that he wanted to be involved, or that he wanted

Mr. Needham: That he wanted to help, I think 'help' is the right description.

Mr. Healy: I do think that the words used at this time are worth teasing out a little. Leave out the word 'totally' for the moment. Are you involved? Forget whether the involvement is as a participant or as an agent for the moment.

Mr. Needham: Or as an interested party.

Mr. Healy: I mean, a participant in the sense of a person

with a piece of the action, if you follow me?

Answer: If I follow your suggestion and go back to paragraph 2 of the letter of the 25th September and miss out the word 'total', it then says 'I have not appreciated your involvement in the Doncaster Rovers transaction.'

We have there a lawyer, in myself, wanting to get a matter finalised, a month elapsing between my post-completion letter and someone who is offering to help who obviously had a standing as status. It is not as if I was taking one of my secretaries to the BUPA hospital or someone else, this person had a presence and a status, did he not? So, when I gathered from him that he could help, then I latched on to that, because as a lawyer I was getting problems from the other side to crack on with this. Here is somebody who can help, he is indicating he can help.

Question: Let me come to that, I want to tease that out.

From your point of view you saw Michael Lowry as a person who could help, but that was as a result of his actions and what he said to you?

Answer: It was the impression I formed from him.

Mr. Needham. Could it also be that he was brought to you by Kevin Phelan?

Answer: I have no idea.

Mr. Healy: That is possible?

Answer: No. We had a meeting about Mansfield.

Mr. Needham: The fact that Lowry came to your office with Kevin Phelan, who was somebody you had had dealings with

for nine months at that stage, it would make you more receptive. If a longstanding client of mine brought in a third party into discussions of that type and of that intimacy, I would naturally, I think, assume or I would have done, and be more sympathetic to what he was saying.

Would it make you drop your guard somewhat, in that Kevin Phelan had brought him in, he involved him in quite intimate discussions on Doncaster Rovers, and then he indicates that he can help? Surely that would cause you to drop your guard somewhat?

Mr. Healy: I am not criticising Mr. Vaughan because he formed this impression.

Mr. Needham: I can see the line of your questioning, but I do not think it could go further. I would ask you to bear in mind that the involvement of Lowry with Christopher on this matter is restricted to 12 hours.

Mr. Coughlan: Yes.

Mr. Healy: Let us deal with one matter before we have our coffee. You are saying that your impression was that this man could help - I am not trying to put words into your mouth - to say that your impression was that the man was a participant or an actual shareholder in the transaction.

But what I am interested in is that whatever impression you got, it was from quite a detailed engagement with Michael Lowry; it was his actions and his behaviour towards you and the fact that he accepted from you documents. You discussed details of those, you discussed quite important

strategic matters, and then you touched on those matters again in your car with him, and in that car discussion you were left with the impression that he could help?

Answer: Correct. It was the very point that I talked to him about this. He took away from my office some of the documents the night before. In hindsight, of course, it indicates that he had no involvement in it at all, otherwise he would have known more about this and he would have had all of this information already. I gained no impression whatsoever that he was, to use your word, an investor or involved in it because he obviously had no knowledge of it. It was me talking to him and saying 'This is where we are.' He obviously had not seen this letter of 23rd August. 'Here are our problems' I was saying. He was indicating to me that he could help. As it happened. He could not.

Mr. Needham: Or did not?

Answer: Yes. Quite clearly he did not know about all these matters.

Mr. Healy: To judge from the correspondence, neither did Aidan Phelan know much about it. Denis O'Brien did not seem to know much either?

Mr. Needham: Wasn't it at that stage left to Kevin Phelan?

Mr. Healy: Kevin Phelan was the actual front man, wasn't he? He was the man out front buying? He was the Westferry man in front if you like ; isn't that right?

Mr. Needham: He was the front man.

Mr. Healy: Yes. They did not allow anybody else's name to be breathed abroad as it were.

Answer: No, Aidan Phelan was the name that was there.

Question: Are we all ad idem that this strategy of buying a football club, separating the club from its premises, is fraught with all sorts of sentimental controversy that can scupper these deals?

Mr. Needham: As I said earlier, as soon as a businessman gets a sniff of a football club, his brains go out the window.

Mr. Healy: Yes, but in this case it was a very clever thing, they did not care about the football club.

Mr. Needham: But it still has not worked.

Mr. Coughlan: As another Irishman has found out at Manchester United.

Mr. Healy: Now time for a cup of tea.

Mr. Needham: Have we finished with Doncaster?"

Now, the next item that's dealt with is, I think sorry there is some discussion at this stage, Mr. Vaughan, I don't know if you can remember it, about a remark you made concerning Mr. Lowry jumping on a bandwagon. I think we can dispose of all of this because you had felt you had said it in a letter to Mr. Kelly; you had said in a letter to Mr. Kelly you thought that Mr. Lowry, as a politician, was anxious to associate himself with a football club or something

A. Yes, during the course of the interview in the Law

Society's hall in September I used the expression, you know, was he jumping on a bandwagon, and I thought that the expression had been used in a letter to Mr. Michael Kelly.

Subsequently, and I think this comes out in some correspondence somewhere, that I looked at that letter and I looked at, I think, another letter as well, and there is no such expression at all that I could find. But that was my feeling at the time, that he was looking for an opportunity.

Q. Yes.

A. Can I just clarify something?

Q. You did mention it in a letter, and I think the Tribunal asked you to clarify it. I don't want to go into the correspondence because the Tribunal was looking for the letter as well.

A. I don't think it exists, does it?

Q. Well, if you go back to Leaf 7, and you see the first document in Leaf 7 is a letter from Mr. Vanderpump to you, we discussed it this morning. And the second document is your draft, which you say was not sent. Do you see that?

And which he says he did not receive.

A. Well, it was not sent.

Q. You see the last paragraph on that page: "I do not think that I misunderstood his comments to me that he was involved in DRFC, but in hindsight I must put it down to some sort of the political ego, that he was trying to attach his name to what appears to be a successful

venture."

Is that probably the letter you are referring to?

A. It may have been. But, of course, that wasn't used in the next

Q. Is that perhaps what you thought you were referring to when you mentioned at the meeting in London that there was a letter containing something to that effect?

A. Yeah. Can I just clarify something for a moment? It's really following on from what Stephen Nathan says. When you finish reading this into the record, are you then going to say do you agree everything I have read out is correct?

Q. Yes.

A. Because there is various points that as we have gone through it, that I would certainly query now, and in fact the part you just read out a moment ago which says, and this is your question on page 37, "Mr. Healy: I do not even see it in Doncaster terms in that sense any more. I put the Doncaster thing in context earlier on, that you have two solicitors at either end of the transaction mentioning Michael Lowry's name." Well, that's quite clearly not correct; there is not two solicitors at either end of a transaction. There is only one solicitor in the Doncaster, which I mentioned his name once in my letter of the 25th. There is not Reg Ashworth, who is a solicitor at the other end of the transaction. He is not mentioning Michael Lowry. I don't think I ever answer that point.

Q. Ms. Ruth Collard did mention Michael Lowry. She was

dealing with the litigation?

A. But she wasn't involved with me. I have not met her.

Q. No, but she was a solicitor dealing with the Doncaster, dealing with the fall-out from the Doncaster transaction; isn't that right?

A. Well, I know what she was doing, but I wasn't

Q. Well, sorry, just to clarify it. Are you aware of that?

She was a solicitor in Carter-Ruck?

A. I am aware in general terms, I haven't followed word-by-word that mediation process, but I am aware of what happened. But if you are linking myself to Ruth Collard at "either end of the transaction," you know, I don't know what you mean by "either end"?

Q. Of course you are quite right, in that they are not at the beginning. One of you wasn't at the beginning and one wasn't at the end. You were at, if you like, after you were at the beginning of the end, to quote somebody else.

And you were you were dealing with the immediate aftermath of the closing; isn't that right?

A. So, this is really not a question, it's more of a statement. Because I have no ability whatsoever to comment on Ruth Collard getting involved in this matter, because

Q. Of course. Can I just clarify one thing. I am not asking you whether what you said here is correct, I am asking you do you agree that you said it? If there is anything here that you feel you didn't say, of course feel free to stop me.

A. So, what is actually going into the record is my answers, not your statements?

Q. Yes.

A. Right, okay.

Q. You don't disagree that you said any of this?

A. So, when there is a statement which says "I put the Doncaster thing in context earlier on, that you have two solicitors at either end of the transaction," that is not a statement attributable to me? It's something I don't agree with.

Q. It certainly is not attributable to you. It is not attributable to you here.

A. Well, it could be looked like that, because it is in the statement you are reading in.

Q. It says: "Mr. Healy: I do not even see it in Doncaster terms." Doesn't that seem to be attributable to me?

A. Well, it is attributable to you.

Q. Yes. If there is anything else that was said that you think, we can certainly come back to it. But you can also stop me in mid-stream if you wish, but I don't think you have ever suggested that this was an inaccurate transcription of what transpired at this meeting in London, am I right in that?

A. Oh, I am sure there are parts of it that may not be a hundred percent correct in hindsight, but there may since 2004 up till today, more information has come out, so something might now be apparent that

Q. Let's just be clear about this, Mr. Vaughan. I am not asking you at this point whether the statements or the content of this is correct as to the events that are being described, I am asking you first whether you agree that what is attributed to you here was said by you? There may be, as there are in all transcriptions, small errors, but I am not talking about that.

A. Okay. If what I have said, it must be I have got no reason to doubt whatsoever that what is transcribed here by the court reporter is a true record of what I said.

Q. Yes. You may wish to qualify some of the statements here, I well understand that, because in subsequent statements you have made different, or given different accounts, slightly different accounts.

Now, the pages 38 onwards deal with the long form/short form letters, but a large part of the first few pages, and I am happy to read them out if you want, deal with the question whether - I think raised by Mr. Needham, as you correctly pointed out - whether these letters were forgeries or not. And I think

A. I think it was yesterday in my statement.

Q. I think we can dispose of that?

A. Yes.

Q. If you go on to page 44 now, and what is being canvassed is how the letters came to be generated. I think if you go to line 19, question:

"Mr. Healy: Do you use a word processing system?"

Answer: Yes.

Question: Do you generate your copies on the word processor?

Answer: Yes.

Question: Your secretary prints off an original and you sign it and she has a copy which you retain?

Answer: Yes.

Question: She produces a second copy off the printer?

Answer: Yes.

Question. Right.

Answer: That sounds a very perfect way of doing it. If I have a complicated letter and whether this happened with this one, but it just happens to be here, the one to Michael of the 4th July what frequently happens is that I would dictate a letter, it would get taped, I say to Melanie, who is my secretary, 'leave it on the screen,' and at half past 5 I will sit down and change it, edit it.

That may be significantly different to the first letter. I may print it out. Hopefully, I then make sure that the alterations are incorporated by pressing the right button saying 'Do you want these changes incorporated into your letter?'"

I am just wondering what the reference to the 4th July letter is, but that may not be a letter that may not be one of the long form/short form letters, it may just be a letter you were referring to to illustrate a point.

"Question: I follow that. It is possible that you might

not be so expert at the computer as your secretary and you end up with a different copy?

Answer: What I do not want to do is to keep making suggestions because I am struggling. I don't know.

Mr. Coughlan: That is fair enough.

Mr. Healy: If this was a letter which was sent or was sent to Kevin Phelan for his comments, what we have is a copy of the final letter. Do you follow me?

Answer: You have both, do you not?

Question: Yes, we have both. We have the long form.

Answer: What about Kevin Phelan, because I wrote to him, did I not, on the 18th April and asked what was the situation?

Question: We have got an explanation from Kevin Phelan.

Answer: And he comes back and says

Question: You often send me letters for my approval?

Answer: He was a person who, as a client, was somebody who could perhaps introduce six different topics in one sentence. We were constantly talking to him. He was hopping all over the place. He occasionally got extremely cross with me.

Question: I suppose if you were sending a letter to a third party and you wanted to run it passed him, it makes perfect sense?

Mr. Needham: It is not uncommon if it is a difficult letter.

Mr. Healy: Yes. If it is an important letter you might

want the client to look at it. It may be that you have a very truculent client who wants to check every letter that's sent out. I am sure that happens too. If you were sending a letter to a third party, I can understand you doing that, but here you are actually sending a letter to Kevin Phelan himself in that context. Does his explanation of the practice which he says sometimes developed make such sense? Do you follow me?

Answer: I follow absolutely. I still think that I simply don't know. There is no point in speculating on this, with the best will in the world.

Mr. Coughlan: You can not take it any further?

Answer: I am very keen to help. When I was talking to Duncan on Tuesday, we were saying that there is no point in guessing, because that probably leads people up the wrong path totally. I don't know what is the simple answer. We have these two letters which are rogue letters. Of course the provenance, as Duncan said, is such that they arrive in your possession. I do not have them.

Mr. Healy: We have received correspondence which has not been helpful.

Answer: What, more of my correspondence?

Question: No, no, correspondence which we have never seen any reason to run with in public because we are not terribly impressed by it. Without wanting to completely blacken people, we have received correspondence which has not impressed Michael Moriarty to the point where he would

run with it in public. In all these cases there are people out there to cause trouble, and if somebody is in trouble with the Tribunal, then, of course, there are mischievous people, I fully accept that. If the letter was generated and if, either as a result of following that practice or a similar practice, this portion was removed, it was important for us to say to you that a reasonable interpretation is that it was removed because you were instructed to keep Michael Lowry's name off the correspondence?

Mr. Needham: That is St. Columba's, is it not?

Answer: Yes. So this is 2000?

Question: Lowry was involved in the St. Columba's anyway?

Mr. Healy: Yes, St. Columba's now is Cheadle?

Mr. Coughlan: There are a number of names.

Mr. Needham: Cheadle. Of course, it is that it was written about the time that Phelan was trying to take the heat off himself by introducing these Thistlewood Estates because the property was not sold.

Mr. Coughlan: When you say that Mr. Lowry was always involved in the context of Mr. Vaughan as a solicitor, but you remember the vehicle that was being used for the purchase?

Answer: The limited company, Catclause.

Question: Yes. The controversy which has arisen in the course of evidence between bankers and Investec about

Mr. Needham: Yes.

Mr. Coughlan: I am only bringing these to your attention in the context of bringing it to our attention that Mr. Lowry was know to be involved?

Answer: Yes.

Question: That was all taken into account.

Answer: What I cannot follow is that if it is a letter which has been forged or whatever, why? Because it was in the public domain, that is what I can't understand.

Question: When you say 'it was in the public domain'?

Answer: Catclause was the company. This is St. Columba's Church. Catclause was the vehicle. He was registered at Companies House as being the officer of Catclause with his daughter. I am sorry to sound so much disparaging about it, but I can see that there are two letters here and there should be an explanation here, but I cannot see why anybody would want to change it.

Mr. Healy: By September 2000

Mr. Coughlan: Catclause was out of the equation.

Mr. Needham: Michael Lowry was still involved in it.

Mr. Healy: Was he?

Mr. Needham: Yes, because he was in for 10% of the profit.

Mr. Coughlan: I think you were talking about Mansfield there, it is a genuine mistake. I can tell you this much, when dealing with all these different properties we have to pull our chronologies out and look at them. He was definitely in for 10% of Mansfield. Aidan Phelan was in for 90% of that. The Cheadle, St. Columba's Church or

Catclaus was the one that he was initially contemplating on his own in and out through Catclaus. The money raised through Investec on the intervention of Aidan Phelan was none of your concern about what dispute was going on about what information was given to various bankers?

Mr. Needham: That does not affect you.

Mr. Coughlan: It's quite significant. The evidence has to be considered. It is significant to the extent that it is to be considered.

Mr. Needham: Christopher's position against Investec is one thing, I cannot see how it is involved in your inquiry over Mr. Lowry's finances.

Mr. Healy: The evidence has been given by people at the bank.

Mr. Needham: What, in other transactions?

Mr. Healy: No, that this transaction was backed by

Mr. O'Brien, do you follow?

Mr. Needham: I have seen that.

Mr. Coughlan: It is really the relationships are significant.

Mr. Needham: Mr. O'Brien said he knew nothing or was hopping mad that his name had been used.

Mr. Coughlan: Yes.

Mr. Needham: As far as Christopher is concerned, whereas he may be in some difficulties as against Investec

Mr. Coughlan: You mean the way in which the property was held. You are absolutely right, that is not our concern.

Mr. Needham: That is no concern of yours whatsoever.

Mr. Coughlan: We are ad idem on that.

Mr. Healy: What I am trying to dig out a little more is the fact that the evidence we have heard is that in January 2000 Aidan Phelan took over?

Mr. Needham: This is January 2000?

Mr. Healy: The deal closes in December 1999. After some pressure from you, Mr. Vaughan, the money is produced by the bank?

Answer: Yes.

Mr. Needham: That money is used to purchase the property, and the property is parked in the name of Christopher Vaughan and Debbie Vaughan, his wife, because he did not know where else to put it.

Answer: Correct.

Question: He was on an undertaking to the bank so the bank's position was secured?

Answer: Correct.

Mr. Coughlan: That is none of our concern. Just as I cannot bind Mr. Vaughan, I cannot bind Investec.

Mr. Healy: That aspect of the matter is not a major concern of ours. The evidence is that at one point

Mr. Phelan wrote to Mr. Lowry and said 'You can't really sustain this transaction. You have put me in an embarrassing position. The bank'

Mr. Needham: That is Aidan Phelan?

Mr. Coughlan: Yes.

Mr. Healy: He says, "As you know, Christopher has been instructed that Catclaus is gone and he is holding the property in trust for me until the loan is repaid."?

Answer: That makes perfect sense. It is not a letter that I am aware of.

Mr. Needham: That makes perfect sense.

Mr. Healy: 'Although I am prepared to backstop the loan, it is your full responsibility to move the property as soon as possible.' That, obviously, to some extent, is inconsistent with the letter in which Michael Lowry is recorded as wanting to own the property in his own name for a month, is it not?

Answer: I think we are back to the point that I really, genuinely, don't know why there are two versions of this letter. I wish I could help, but I cannot.

Question: There was, during this whole period of 2000, looking at your file, am I right, if you looked at the file, you could not tell really who owned the property?

Mr. Needham: I think you have come back to the difficulty that"

And I think at this point, unless, again, there is something that is needed to be read out, we could pass on to page 79.

Now, in passing over these pages, I am not suggesting that they are without importance, and I take it that you agree that what's in the pages that I haven't read out is, again, an accurate transcription, within reason obviously, of what

was said at the meeting?

A. I have no reason to doubt that it isn't an accurate version. I have never queried it before.

Q. The question that is being canvassed or the questions that are being canvassed at this point is, arises or are concerned with the fact that the two letters that in the long forms of the two letters there are suggestions that Michael Lowry is a person involved in the Cheadle transaction, and that the alteration in the letters was to exclude any reference to Michael Lowry in correspondence relating to the transaction, notwithstanding that he might have an involvement.

So, we'll just go on here.

Question 19, on page 79. Line 19, I am sorry, page 79:

"Maybe we can take it up at the bank again. But the real problem is that there is a document here concerning a transaction which started out with Michael Lowry, and the one person's name who is not mentioned in the history of the transaction was the man who started it out?"

Answer: It is. It is mentioned at Catclause, and he is a director of Catclause. I have seen the company documents which show that he was a director. I do not see that.

Question: But he pulled out of it, did he not?

Mr. Needham: He pulled out of the deal because he could not raise the money.

Mr. Healy: Then how come Catclause is still in it, if he is a director of Catclause?

Mr. Needham: That was the dilemma that Christopher faced in the middle of December.

Mr. Healy: Was he in or out?

Answer: I cannot answer that, which is what this letter says. At the very end it says, in the penultimate paragraph no, it is not there. I say that I have tried to cover both positions. I have said that I am holding it and I am quite happy to transfer it to Catclause or Aidan Phelan. I cannot see where I have said that now. Yes. 'Aidan Phelan has, therefore, instructed me to write to you to confirm that the property is to be held strictly to the order of Catclause Limited, and that the property should be transferred.' This letter says that it should be transferred to Catclause, but subsequently they had been struck off, had they not?

Mr. Needham: Wasn't it struck off about this time?

Mr. Healy: I think an application was made to the Companies Office to be struck off on the 25th December, 2000.

Mr. Needham: Then there is a delay of two months.

Mr. Healy: So, it would have been struck off subsequent to that?

Mr. Needham: If nothing was done another letter would be sent automatically giving a final month. So it was probably struck off in March. I bet if you look at the dates when it was actually struck off, it was about the time that this letter was written.

Mr. Healy: We might check that.

Mr. Needham: I am pretty certain because occasionally clients of mine have found themselves in that difficulty.

I think you get a two-month warning letter if you do not make any return, then you get a final one-month warning letter, and then you are struck off. So, if it went out in December, then March would have been the time that it was actually struck off.

Mr. Healy: Yes, but this was not an involuntary striking off. The letter of the 25th September was an application to strike off, to have Catclaus struck off.

Answer: Who applied for that?

Question: As far as we know it was Aidan Phelan's accountant.

Mr. Coughlan: It was Aidan Phelan's accountant.

Answer: I did not want to ask this question in case it concerned me. I do not know.

Question: It was an application by his English accountants. There is just one thing which you spoke about a moment ago, and that was the dilemma faced by Christopher in December when the money came in. Could you explain that to me?

Mr. Needham: Because they were going to lose their $\frac{1}{2}$ 45,000 deposit.

Mr. Coughlan: The closing was supposed to take place sometime in October or November originally; isn't that right?

Answer: Correct.

Mr. Needham: They had served notice to complete and that had expired. So they had forfeited their deposit there and then.

Mr. Coughlan: I am just trying to get factual situation clear. You were pressing for the money to enable you to close?

Answer: Yes.

Question: It came to December and you can remember what was being said to you at that stage when the money came through. You wrote the letter in the usual terms to the bank?

Answer: If we go back to the exchange of contracts, the exchange of contracts gave a long completion date as at 30th November. I would then have then diarised it ahead.

And then, on the 12th of November I wrote to Kevin Phelan saying completion is 30th November, this is the money I want, these are my bank details. I have a handwritten note, there are some bits of pieces. By the 16th November the vendor's solicitors are getting a bit worried about it.

By 1st December, we had not completed. So Towns Needham write to me and say 'You have not completed. Here is the Completion Notice.' The Completion Notice in 1999 would have been ten working days, so within then working days they could then keep the deposit.

Question: I note they could, but would you be able to claim relief yourself in a situation like that?

Answer: I was not in any difficulties at all at that moment, because I was acting on behalf of Catclause. Catclause had paid a deposit. The vendor's solicitors were holding that deposit as stakeholders under the terms of the contract. The contract would say that completion was 30th November. Under the terms of the contract if you do not complete on the correct date they are entitled to serve a "Notice to Complete" and so on.

if you go to the end of that question.

"Answer: I was seeking, I was then seeking to protect those who had advanced the 45,000, so we had Michael Lowry and Aidan Phelan who had contributed the money. That was my dilemma.

Question: It was really Aidan Phelan's money, was it not, the deposit? As I understand, it was surplus in your Client Account?

Answer: I had some, I think, from Michael Lowry.

Mr. Needham: Did you not have 27 from them?

Mr. Coughlan: I thought it was Aidan Phelan's balance arising out of Mansfield, I could be wrong. In any event, if it was Aidan Phelan's, he says it was on behalf of Michael Lowry?

Answer: Let me say, it was not really my particular concern.

Question: What happened then as you saw it, the money became available?

Answer: I think we had an intervention by the bank from

this man, Michael Tunney, because I was faxing Kevin Phelan and Michael Lowry on the 9th December. 'I am faxing this letter to both of you, as I have heard nothing as to the completion of this matter. The Notice to Complete expires at the end of business on 3rd December. If I am not in funds, they will forfeit 42,000.' I was getting concerned.

The fax receipts are here. It says that it has to be insured. Then there is the intervention, if I can put it like that, of Michael Tunney who comes in and says 'We are providing the funds.'

Mr. Needham. Indeed he spoke to Mr. Oldham?

Answer: Yes, he spoke to Mr. Oldham. It is quite strange that the funder spoke to the vendor's solicitor and says don't worry, it has all come. Not only was I having a lot of pressure from Kevin Phelan, no money, etc., but I was also having a huge amount of pressure from Mr. Oldham, who was a charming semi-retired solicitor in Manchester, but he was also a trustee of the church, so he had a whole congregation saying 'Where is the money?'

Mr. Coughlan: And you think football clubs are difficult.

Answer: Then suddenly we got the money and it was completed.

Question: You got the money. What was the problem at that stage when you received the money, as you saw it? That is what I am trying to understand. I can see what was going on on the Irish side, but what did you see?

Answer: I was instructed that Catclaus, when the money

came in, to use the words which are there, was an inappropriate vehicle. I do not know what (SIC) it was an inappropriate vehicle, but I remember talking to Mr. Oldham saying, 'You will just have to leave the purchaser blank. You are going to have the money, we will then sort out when we come to registration.'

Question: So, really it was just a vehicle, as far as you were concerned?

Answer: Yes, I had done the deal, we had got the property, but who actually becomes the beneficial owner is a matter of not for me.

Question: But which vehicle is used, because the instructions in it say that it was an inappropriate vehicle?

Answer: I was told it was an inappropriate vehicle. I am saying that it was bought. We saved the deposit from forfeiture. It is not up to me, but those instructing me; you had Kevin Phelan, Michael Lowry and Aidan Phelan, whoever, to say that it should be in the name of whatever. That is not my problem, that is their problem. I assured the bank, I spoke to Michael Tunney, I said, 'Don't worry, we have got the property.'

Mr. Healy: I will try to look at two things; I will look back at the precise time that the long form 5th September and 12th July letters came in. I will look at it again in the light of what you have said.

Answer: When you say 'came in', somebody sent them to me.

Question: We have got something from Kevin Phelan, remember? We will have to look at it again carefully. We will try and do it tomorrow.

Mr. Needham: Can you disclose where it came from?

Mr. Coughlan: It came from a journalist who tried to get a story from us. We could not confirm one or another whether we were in possession of them.

Do you know where he got them from?

Mr. Coughlan: Do you think that any journalist discloses his sources?

Mr. Needham: It all rings a bell now. Is there anything else you want to ask Christopher?

Mr. Coughlan: I suppose there is one thing. I should ask you formally on behalf of Michael Moriarty, he would be delighted if you would consider coming to give evidence at the Tribunal?

Answer: I have said that my opinion is as before, we have problems here. It's just a matter of trying to recall things."

I don't think there is anything else of substance.

The next divider I think we can deal with fairly quickly, it's Divider 11. And it raises a number of questions arising from the meeting, some of them we have already touched on. I don't think we need to go into them again.

MR. LEHANE: Just before we move on, I wonder if Mr. Healy could just read the portion further down the page where

Mr. Vaughan says in response that he never paid a penny to

Mr. Michael Lowry?

CHAIRMAN: Certainly.

MR. HEALY: Page 87, is it?

MR. LEHANE: Yes.

Q. MR. HEALY: "Mr. Needham" I think that's where it puts it in context, doesn't it. Mr. Needham says:

"Can I just make one comment? My understanding of your brief under the order which was made in September is to look into really payments made to Michael Lowry. Nobody has asked Christopher if he ever paid money to Michael Lowry.

Mr. Healy: It's not quite as simple as that.

Mr. Needham: Nobody has.

Answer: It is the point you made on Tuesday. I can categorically say that I have never paid a penny to Michael Lowry. It is as simple as that. Money has not come into my account and gone out to him.

Mr. Healy: Well, it has.

Answer: Has it?

Question: Yes.

Answer: How?

Question: The 40,000 deposit that was used.

Mr. Needham: What I said was, has Christopher paid any money personally to Mr. Lowry?

Mr. Healy: The money from Aidan Phelan was deployed for the benefit of Michael Lowry, was it not?

Answer: In the end it was not, was it?

Question: But initially it was deployed for his benefit,
is that not right? It was, was it not?

Answer: Was it initially for his benefit?

Question: On another occasion you went so far as to advise
Aidan Phelan in relation to the other property, the
Mansfield property, that he should register a caution?

Answer: That is right. The point that Duncan was saying
was that there was no actual cash transfer.

Question: Our inquiry is not just about cash transfers.
We both know that paying money is not as simple as that. I
do think you might consider I found this quite helpful
that giving evidence.

Mr. Needham: Not wishing to prolong this further, but in
the hope that we may never have to come back, the other
item raised by you is Vineacre. Do you want to ask
anything about that?

Mr. Healy: I can not think of anything that needs to be
asked at this stage.

Mr. Needham: Christopher's involvement in Vineacre which I
believe, was Luton?

Answer: No, Vineacre was something in Wigan.

Question: Your involvement in that was very small and you
were disinstructed very quickly?

Answer: Yes. I have no idea what the status is now.

Mr. Healy: Can you remember who you got the original
instructions from?

Answer: Yes, Kevin Phelan."

And I think the rest of it seems to be about Vineacre and Taylor Walton and matters that you have, in fact, already alluded to in correspondence.

Now, Mr. Vaughan, by letter of the 24th September, the Tribunal, as I mentioned earlier, raised a number of matters with you arising out of the London meeting, but also arising out of information that came into the possession of the Tribunal in the proceedings launched by Mr. O'Brien, Judicial Review proceedings. It was in those proceedings that a file which has come to be known as DOB7, because that was the number of the exhibit, contained a file of material that you appear to have sent to Mr. O'Brien's solicitors in Dublin sometime in October, sometime in September of 2004. I am trying to find your response because it's not in a separate divider.

CHAIRMAN: This isn't Divider 11, Mr. Healy?

Q. MR. HEALY: It's inside Divider 11, but I think I am going to be able to the Tribunal sent a letter to you on the 24th September, or to Mr. Needham, I beg your pardon, your solicitor, and sent a further letter on the 27th September.

Now, the first letter the first letter of the 24th September contains a number of documents that have numbers, some of them that have numbers on the top right-hand corner, which obviously relate to the numbers put on them in the course of litigation, and if you go to where the numbers go from double digits to treble digits, you'll come to 408, 409, and then after 409 you'll find the Tribunal's

letter of the 27th September. Have you got that letter?

A. This is the letter addressed to Duncan Needham?

Q. There is the 24th September

A. Sorry, the 27th September.

Q. But the first one is the 24th, then the 27th. Have you got that?

A. I have both of those.

Q. And then if you go to the end of attachments to the letter of the 24th, you will come to a letter of the 28th September

A. 27th?

Q. Sorry, the attachments at the end of the letter of the 27th. Sorry, my fault.

MR. NATHAN: I think they are the wrong way around, I think, in this bundle, because I have got the 28th in front of me, the 27th, followed by the 17th October response.

MR. HEALY: Well, in the Tribunal books it's definitely the 27th first.

MR. NATHAN: I have got what you have given us.

A. I have letters of the 27th and the 24th. I don't have one of the 28th.

MR. HEALY: All right. Let's take the first lot.

CHAIRMAN: We better embark on some apparent sequence and see if we have to revise it.

A. I have now got all three letters.

MR. HEALY: There are a lot of attachments which make these difficult to follow.

A. I have marked them with a green tab.

Q. MR. HEALY: We'll again just make sure you have got them

all. There is the 24th September with a substantial

bundle. There is the 27th September.

A. Yeah.

Q. The 28th September.

A. Yeah.

Q. Now, I am now going to ask you to juggle a bit. If you go

to Divider 12

A. Yeah.

Q. you will find the 1st October?

A. Yeah.

Q. Now, you responded to all of those letters by your letter

of the 7th October. Your letter of the 7th October, in my

bundle of documents, has its own treasury tag, and it's the

last set of documents in Tab 11. Do you have that? If you

go to the end of Tab 11. I'll get Mr. Brady just to make

sure you have it.

Now, these documents contain requests for information to

which you have responded by your letter of the 7th October.

I am not going to go into that letter in detail, as I don't

think it's necessary, other than to say that you did

provide the Tribunal with a response.

If you then go on to Tab 12 and ignore the first letter, as

I have said, because that preceded your reply of the 7th

October, the Tribunal then wrote to you on the 8th October.

Have you got that letter?

A. Yes.

Q. Responding to your letter of the 7th October, but raising a number of additional queries, but referring to your letter of the 7th October.

The Tribunal again wrote on the 12th October raising further additional issues?

A. I have that, yes.

Q. That's the first letter of the 12th October. The second letter was also sent on the 12th October. And these letters should all be either held together by a treasury tag or by a stapler. We then come to a letter of the 19th November, do you see that? That is the last letter in Divider 13 sorry, second-last.

A. Yes. 19th November, 2004?

Q. Yes. Now, I draw those to your attention simply because you have mentioned that you have responded to all of the Tribunal's requests for assistance, but as far as I am aware there have been no responses to any of the queries raised in those letters. Maybe you'd like to correct me if I am wrong.

A. Well, I can't answer that question immediately, I'd need to study the files.

Q. Fine. You can do it at another point.

Now, there is one final document I want to mention and we'll get rid of all of the documents.

MR. NATHAN: I think it would be helpful to this witness, rather than him being expected to plough through

point-by-point, if Mr. Healy could perhaps

MR. HEALY: I am not going to ask him to go through any of them.

MR. NATHAN: You have just put a question to him, made a statement to him, to which you have asked him to respond.

When he said that he had cooperated and provided answers to correspondence, you had suggested to him that he had not.

If, therefore, there are particular points which he has not responded to, I think it would be helpful to identify those rather than some general statement made to him to which this witness is completely incapable of answering.

CHAIRMAN: Yes. We'll

MR. NATHAN: There is an enormous amount of homework. It shouldn't be for the witness to do the homework in the first case, it should be for the questioner to put the questions.

CHAIRMAN: We'll narrow it as best we can.

Q. MR. HEALY: We put questions to you, Mr. Vaughan, on the 1st October, 2004. If you want to look at that letter to which you replied, as you did to a number of other letters on the 7th October. But from that date onwards, as far as I am aware, you haven't responded. Firstly, do you agree with that?

A. There is only one letter, is there not, after the 7th October? And that's the 1st October to Duncan Needham from Michael Heneghan.

Q. I thought there was a letter of the 8th October. I thought

I had drawn that to your attention a moment ago and you had agreed that you had received it. If you go to Divider 12, it's the second letter in Divider 12. Do you see that letter?

A. In fact we are just looking now into Divider 12 as to ones that may not have been replied to?

Q. Yes.

A. Right. So we can ignore everything in the other divider. So, we have got 1st October, 2004; 8th October, 2004; 12th October, 2004, are the three letters from the Tribunal to Duncan Needham, and you are saying that you haven't had a reply?

Q. Yes.

A. Right.

MR. NATHAN: 8th October

MR. HEALY: The 8th October is to Mr. Vaughan as well. The 12th October is to Mr. Vaughan. The second letter on the 12th October is to Mr. Vaughan. And the letter on the 19th November is to Mr. Vaughan.

Q. Now, have you got those letters there?

A. I have got them. I will see if it is easier if I can actually take them out of the binder, so I put a treasury tag through these. I think my answer is still the same. I'd have to check as to whether I replied or not.

Q. I appreciate that. You can look into it.

A. Well, if I can respond to that tomorrow morning?

Q. Yes, you can.

A. Thank you very much.

Q. That's all I was seeking to do, to make sure that you realised there were these outstanding queries contrary to what was stated, and it may be that there is a mistake made by the Tribunal.

Now, do you remember, Mr. Vaughan, making contact or, in fact, I suspect the contact wasn't initiated, but do you remember a contact initiated by Kate McMillan of Carter-Ruck Solicitors with you in late 2002 concerning proposed criminal proceedings arising out of a blackmail complaint?

A. Are you referring me to a specific document?

Q. Well, before we do that, you do remember that?

A. She made contact with me, correct.

Q. And aren't I right in what I describe as the reason for the contact?

A. Well, her practice was dealing with the mediation issues.

Q. Yes.

A. So she made contact with me in respect of that aspect of the work that her practice was carrying out.

Q. Perhaps you could just tell me: What was that contact about regarding the mediation? What contact did she make with you regarding the mediation?

A. Well, she telephoned there is a note about it. Rather than me hazard a guess, I think we ought to look at her note.

Q. Yes. I just thought you were distinguishing between

something else and what I had understood to be the nature or the reason for the contact, namely the prosecution that was the complaint was being made to the City of London Police?

A. No, I regard the mediation and the alleged blackmail as one issue, I can't separate them out.

Q. Fine. Well, we are talking about the same thing. When you say the mediation and I say the blackmail complaint, it's the same thing?

A. Right. She certainly made contact with me.

Q. All right. Now, if you have a supplemental book of documents, and you go to Tab 30, you will find the first of the documents I want to mention, but it's also in documents I am going to hand up to you now to avoid you having to juggle with too many books.

MR. LEHANE: Sorry, Mr. Chairman, Tab 30 of which book?

MR. HEALY: Tab 30 of the supplemental book.

Q. Tab 30 contains, firstly, a photocopy of Ms. Kate McMillan's handwritten notes of a telephone conversation between you and her on the 22nd October, 2002. Are you aware of that telephone

A. I don't have a tab number, so I have got here a number of pages which are manuscript.

Q. Yes.

A. So that's Tab 1, is it?

Q. And does it say firstly, do you have a very dark photocopy of which I think is the front page of a notebook,

do you have that?

A. Yes.

Q. And the next page is headed "Christopher Vaughan 22/10/2."

Do you have that?

A. No. Well, I have only got a manuscript note.

Q. Yes, does it say that at the top?

A. It says "Blackmail 1. Did you think" something,
something

Q. I think you must be looking at Tab 31. Tab 30. I have
just handed you a bundle, and I understand the first
document you have been handed

A. I think we should start with Tab 31, because looking at the
dates I gather this is where the confusion arises. The
bundle that's been handed out to make life easier for
people has, in fact, made life harder, in that the position
of the first document should be exchanged with the second
one. Right. So let me just change this around. So, the
first document now says "Christopher Vaughan 22/10/7"?

Q. Correct, yes.

A. The second document is a typewritten version of that?

Q. Correct.

A. The third document is something that says "Blackmail"?

Q. Yes.

A. And then it goes to a Peter Carter-Ruck letter?

Q. Yes.

A. All right.

Q. Now, Ms. McMillan has given evidence that the first three

pages of the first document, the document that is at Tab 30 of the supplemental book, of her notes the first three pages are the covering page of her notebook and two pages of her notes of a telephone conversation with you?

A. They are notes of a conversation, they are not of a verbatim record, obviously.

Q. I beg your pardon, sorry?

A. They can't be a verbatim record, they are just notes that she has made.

Q. They are her notes of a telephone conversation with you?

A. So she says.

Q. That's the evidence she has given?

A. I hear what you saw, but I obviously wasn't there to test her on that. But they are not a verbatim note.

Q. Nobody was stopping you being present to test her.

A. But they are not a verbatim note, are they?

MR. NATHAN: I just rise. I mean, My Learned Friend just said there was nothing to "stop you". But I don't know if the Tribunal ever notified Mr. Vaughan that this particular witness was going to be giving evidence on this particular point on that particular day. It seems rather

CHAIRMAN: I am not sure what was the position.

MR. HEALY: I don't know the answer to that question, but Mr. Vaughan

MR. NATHAN: I do think that sort of comment from My Learned Friend is most inept. I am sorry, most inappropriate.

MR. HEALY: Mr. Vaughan had already made it clear he was not going to attend at the Tribunal by the time the Tribunal arranged to take the evidence of Ms. McMillan.

CHAIRMAN: Well, we are close to the end of a long day, I'd like us to try and make some progress and at least address this.

A. The point I was trying to make is they are not a verbatim note of our telephone conversation.

CHAIRMAN: Yes, that's accepted.

Q. MR. HEALY: Now, what she has done is she has typed up the written notes. And I am going to ask you to look at those.

You have seen this before, haven't you, Mr. Vaughan?

A. Yes, recently, yes.

Q. You have seen it, okay.

A. Yes. Only since the notice of sorry, since the summons.

These notes, or the handwritten notes form part of the documents that the Tribunal served on me after the date of the summons, yeah.

MR. LEHANE: Sorry, Mr. Chairman, would it be useful to refer to Ms. McMillan's evidence at this point that she gave?

MR. HEALY: Yes, I am trying to shorten this, but I am quite happy to read out all her evidence as well, because I have included that with the bundle of documents that have been handed out.

CHAIRMAN: I presume, Mr. Lehane, the exhibits were addressed, I can't specifically recall, two years ago in

London?

MR. HEALY: Oh, Mr. Lehane was represented, his client was represented.

CHAIRMAN: I recall that, I recall Mr. McGonigal being present, but I am just anxious to see perhaps we can have the typed version in the first instance, and if it's necessary to add something from the transcript of testimony in the middle temple, well and good.

MR. HEALY: There are, undoubtedly, a few places where it's not possible to make complete sense of this without referring to the transcript of the evidence.

So, the notes begin: "Last two pages of original cannot be photocopied as in black ink on blue black cover of counsel's notebook, original is available for inspection.

"Items in bold below do not appear in original notes, but have been added to indicate page breaks."

So the first item in bold is: "Page 1 of 5 pages of the notes" and her note is: " Mr. Weaver." That appears to be a reference to you, I would suggest, is that right, mentioning the name Mr. Weaver?

A. Yeah.

Q. Then she says: " I have done a detailed note about this hold on one second."

A. She is recording my comment. I have done a detailed note about this.

Q. Right. And you are saying "hold on", meaning, presumably, I am going to find it or turn it up?

A. Correct.

Q. Now, before this telephone conversation took place, had you, as it were, made an appointment to have the telephone conversation with Ms. McMillan?

A. Not so far as I am aware, no.

Q. Did she ring up out of the blue?

A. I think she did. I can't answer that question totally, but I think she rang up out of the blue.

Q. Right. But you do seem to have had your file with you in any case?

A. Well, I don't think I did, because it says "Hold on a second." I had to go and find the paperwork.

Q. The next entry is: "18th October, Friday." The date of presumably the note?

A. Yeah, I think it would be helpful if I had the Weaver notes, because that's what I am referring to, isn't it?

Q. I am sure we have those here, because you have already referred to them.

A. The Weaver note is back in the file we have just had.

Q. Book 81, Divider 13. Maybe if somebody can turn that up? Do you have a copy?

A. I have a copy of my file note dated Friday, 18th October, 2002.

Q. So she records: "Dictated not long afterwards? just before 10am.

small man with piece of paper.

Didn't recognise him.

Thought notarial matter.

Can I help?

I have letter Mark Weaver"

I suggest that she is noting you telling her that you encountered this man, this small man whom you didn't recognise who had a piece of paper and whom you thought was coming to have something signed, something notarised or whatever?

A. Yes. Can I just stop there for a minute? What I am sure that I did was, when Kate McMillan spoke to me, and presumably introduced herself and we then started to talk about Mr. Weaver, I then say "I have done a detailed note about this, hold on a second." I then collect this file note of the 18th October from a file and I then read it to her. So, what she has put down in these sort of bullet points without the bullets is extracts from what I read over the telephone to her. So, you know, we have started off with the date, and I can see there is what she has written down are extracts from my note.

Q. It seems to be fairly accurate, doesn't it?

A. Well...

Q. Does it seem to be accurate?

A. Sorry, does what seem to be accurate?

Q. Does her note seem to be accurate, if what you did was to read out your file note of Friday the 18th October?

A. Well, I can't say it's accurate.

Q. You have had an opportunity to look at it?

A. She has just noted down odd key words from the note that I read to her. So, she was sitting on the end of the telephone in London, I read out the file note and she is obviously jotted down odd words, so I can't say whether it's accurate or not. Just the odd word from my file she has put in her notebook.

Q. Is there anything in her note that would suggest it didn't come from your file note?

A. Well, I think I'd have to cross-reference those quite carefully, but I don't know whether her note is, in fact, all that useful, because I then sent her the file note, so she would have had the original document.

Q. But, I suppose, I say useful as a way of seeing how good she is at noting what you said to her on the phone, since to my mind, and I am happy to be put right on this, she seems to have made a fairly accurate note of the main points of the file note that you had in front of you when you were speaking to her? Now, I can go through it, if you want me to, line-by-line, but you have had an opportunity to do it, and I am asking you the question: Does it appear to be a fairly accurate note, and no more than that, of the contents of your file note?

A. I don't know what you mean by the word "accurate"? I've spoken to her on the telephone, she has quite properly, as I would have done as a solicitor as well, noted odd points down from what I have said over the telephone.

Q. I don't want to waste too much time, Mr. Vaughan, let's go

through it, and we'll get through it much more quickly.

A. But look, let's not sort of get too carried away about this. The file note then becomes, surely, pointless because she then has the original note because we send it to her. So, why does if we are going to try and find differences between her file note and what I sent to her, is that not a pointless exercise?

Q. What I am simply trying to do is to get you to agree with the impression I formed, I may be wrong, I am happy to be put right by you, that she kept an accurate note, because she has other notes that she has kept of matters that are not recorded in your file notes?

A. Can I go back to what I said before? This is not a verbatim note of our telephone call, it doesn't say "Hello Christopher, I am Kate McMillan".

MR. NATHAN: I am just it may be what My Learned Friend is seeking just to deal with is comment, because what's happened is one can see in five lines of this note on page 1, this particular lady has taken five lines of notes, it's not even proper full lines, I think about 15 words, which summarises just over three pages of a long memorandum. Therefore, to suggest one is an accurate record of the other seems to me

CHAIRMAN: Well, I think probably the most prudent course is that we simply have the longer format. If needs be Mr. Nathan can examine on it in due course, and if I have to refresh myself on these matters I can come to my own

conclusion as to how helpful the synopsis may have been.

So, let's proceed on that basis.

Q. MR. HEALY: Now, there is only one, apart from that general point, there is one point of importance I wanted to mention to you, and it relates to the evidence that she gave concerning the contents of this note.

Now, if you go to the next document

A. Is this in the binder or the

Q. This is the typed attendance note, headed "Kate McMillan - 22nd October - Doncaster Rovers Football Club/Westferry 12027.2."

A. I am looking at that now. Is that the one starting "KM attending Christopher Vaughan"?

Q. Correct?

A. Right, I have that.

Q. Now, because I want to mention one important piece of evidence she gave concerning this document. I am going to read through it fairly quickly.

"Kate McMillan attending Christopher Vaughan on telephone 01604 758908.

"After Christopher Vaughan had transferred KM from his secretary's office to his own office, KM explaining that she understood that CV had received a visit recently from Mark Weaver in connection with Westferry Limited.

"KM asked CV if he could explain what had happened as her client, Westferry Limited, was considering making a complaint regarding Mark Weaver's visit if appropriate.

"CV asked KM to hold on while CV got a copy of the detailed file note he had made about MW's visit.

"CV explained that the attendance note had been dictated not long after MW's visit. CV then went through the content of his file note of the 18th October, 2002, with KM. CV said that he had thought that Michael Lowry had had no involvement in Westferry whatsoever. CV said that he had never met ML before 24th September, 1998.

"KM asked CV for a copy of the letter and for his attendance note, and CV said he would be happy to provide KM with the same.

"CV said that the letter was a photocopy of a fax, and on the second page there was some areas which did not reproduce well.

"CV said that he thought that MW was trying to blackmail the O'Brien family. He interpreted MW's visit as a forerunner of something else that was going to happen. He believed that MW was flagging up a situation and he expected there to be a response to it.

"CV said that MW had come to see him a year ago. At that time he had been clearly trying to obtain some financial benefit as a result of meeting with CV. After MW came to see CV last time, a letter found its way to the Irish police.

"CV explained that Denis O'Connor was coming to see him from Ireland. Denis O'Connor had in his possession the faxed copy of the top copy of the letter. The letter of

the 25 September 1998, which MW had produced on 18 October, 2002, had been sent only to ML. CV said that he was of the view that the letter could have come only from ML. The letter had not been stolen from CV's file.

"CV said that he understood that ML had passed all his files to KP at one stage.

"It was CV's view that KP probably copied all ML's papers in an attempt to secure an advantage for himself.

"KM asked CV if he had an attendance note of his previous conversation with MW which CV could let KM have.

"KM asked CV if he would be prepared to sign a witness statement in respect of his contact with MW should her client wish to pursue a claim against MW in relation to what could be construed as blackmail.

"CV said that he would be happy to assist, although he was of the view that what MW had said did not prove the offence of blackmail.

"CV said that DOC had called CV 25 minutes after MW's visit.

"DOC had told CV that he was acting for ML, and a copy of the letter MW had shown CV had been faxed to DOC.

"KM asked CV what his relationship was with DOC. CV said that he had purchased some properties in Mansfield and Stockport for ML. The Moriarty Tribunal had raised questions in relation to these purchases.

"CV said his relationship with ML was simply as a solicitor employed to buy two properties on ML's behalf.

"CV said that the Doncaster Rovers Football Club acquisition was introduced to him by KP who had some contact with ML.

"CV said it was important to look at his letter to ML of 25 September, 1998, in context. The letter was written a month after the purchase on the day that CV had met ML for the first time. ML said that he was involved in Doncaster Rovers Football Club Limited. CV said that perhaps what ML had said to him about Doncaster Rovers Football Club Limited was politicians' puff. Perhaps he was latching on to some transaction which might have been perceived at the time as successful and therefore considered it was advantageous for him to be connected to it. CV said that he had never taken instructions from ML in relation to Doncaster Rovers Football Club Limited. CV said that he believed ML was not involved in Doncaster Rovers Football Club Limited at all.

"KM asked CV if he had a middle name and CV confirmed that it was James.

"CV asked KM if DOC was representing Westferry. KM confirmed that DOC was not representing Westferry.

"CV said that DOC was probably involved because his client was the person to whom the letter of the 25th September, 1998, which had popped-up was sent, and therefore he naturally had an interest.

"CV said that he was intrigued, however, as to why DOC telephoned CV 20 minutes after MW came to see CV in respect

of the letter.

"CV said that his instinct was that KP was probably behind all this. In CV's view KP was a very dangerous character.

"CV explained that he and KP had fallen out in a very big way. CV said that KP had tried to get him to send letters containing things which CV knew were untrue. CV knew that KP was a liar and a cheat and he could prove that easily.

"KP had told CV that he had sent objectionable letters about CV to the Law Society whereas, in fact, those letters had never been sent.

"KM thanked CV for his assistance, and says that she looked forward to receiving the material CV had promised shortly. KM said there was no need for CV to write a fax cover sheet as she was very close to the fax machine."

Now, just before I ask you a question about that, just to clarify one matter. There are eight the first eight exchanges on the second page, if you look at them starting with "KM", count eight down, it says "CV said that the Doncaster Rovers Football Club acquisition was introduced to him by KP, who had had some contact with ML"?

A. Yeah.

Q. In her evidence in London, Ms. McMillan said, and I'll just read it out first. This is at the Tribunal's transcript for Day 350, page 141. And I won't go into the total detail of her evidence for the moment, other than to tell you that she says that that word "who" should be "though"?

A. I am sorry, can I just stop you, what number are you on on

page 141?

Q. Firstly, I am going to tell you the whole thing, give you an overview before I ask you to look at anything.

when Ms. McMillan recorded "CV said that the Doncaster Rovers Football Club acquisition was introduced to him by KP who had had some contact with ML," do you see that?

A. Yeah.

Q. She testified that she was mistaken in writing "who" and that that should have been "Though had had some contact with ML"?

A. Sorry, "though"?

Q. "Though"?

A. Sorry, can you just spell that?

Q. I think that maybe we are at cross-purposes, maybe it's the time of day. I am reading out the note she made from her handwritten notes?

A. Well, we have three versions of her notes, don't we? We have her handwritten, a type written of her handwritten, and then we have her expanded?

Q. No, we have her evidence, this is what I am telling you about.

A. This is what I said. What line are we on?

Q. Firstly, I want you to understand before you read any of her evidence, I want you to understand what I am trying to draw your attention to. The document that I have just read, her attendance note

A. Correct.

Q. on the second page

A. I am with you.

Q. paragraph 8, she records: "CV said that the Doncaster Rovers Football Club acquisition was introduced to him by KP, who had had some contact with ML." Can you see that?

A. I am with you, yes.

Q. In evidence I don't think you have the exhibit that I am going to refer you to, but I am going to tell you what I am seeking to do first and let you comment on it.

A. This is the document Mr. Brady gave me a moment ago?

Q. Yes. I am not sure that you have the right document. Do you have Moriarty Tribunal Day 350?

A. I do.

Q. Do you have page 141?

A. I do. I am looking at it.

Q. You do?

A. Yeah.

Q. Good. Well, then we both have the same document. Now, do you see where it says "Now just in relation to that, I think you have brought your original notebooks with you"?

A. This is line 18?

Q. Line 18, yes. "And I think because the last two pages were written on the back cover of the notebook it wasn't possible to photocopy them clearly." Have you got that?

A. Yes.

Q. "Answer: That's correct.

Question: And so we were only provided with the first two

or three pages of the note of this conversation and then a full transcript which you prepared very kindly?

Answer: That's correct.

Question: And I just want to jump to that briefly, and I think it's at Divider 66, and it's five pages in in my divider; it's the second of the typed pages, and at the bottom of that, about five lines from the bottom, it says 'DRFC acquisition.'"

Now, in the document that I was referring you to a moment ago, but I don't think you are terribly interested in it, but in any case, in her typescript of her handwritten note, which is what she is referring to now, she says: "DRFC acquisition introduced to me by Kevin Phelan, though had some contact with ML." Let me read out what she says. The question is: "And at the bottom of that, about five lines from the bottom it says 'DRFC acquisition' and then 'through' seems to be crossed out. 'Introduced to me by Kevin Phelan, though had some contact with Michael Lowry.'

Question: I am sorry I am not on the right page yet, I am sorry.

Answer: Yes, I am with you now.

Question: You have it now. If you go up about five lines in from the bottom 'DRFC acquisition', then the word 'through' in the shortened American style appears to be crossed out 'introduced to me by Kevin Phelan though had some contact with Michael Lowry'?

Answer: Yes.

Question: Now, I was a bit confused, obviously, because the typed attendance which, as I understand it, was prepared on the basis of these notes says 'Who had some contact with Michael Lowry', and because we hadn't been able to see the handwritten note, it was unclear whether it in fact said 'who' or 'though', but can you confirm what word is, in fact, written on the cover of the book?

Answer: The word that's written is 'though,' capital T-H-O.

Question: The sentence should, in fact, read 'Doncaster Rovers Football Road acquisition' - 'through' crossed out - then "Introduced to me by Kevin Phelan, though had some contact with Michael Lowry?'

Answer: That's correct."

Now, firstly, in relation to the attendance note in general, when you got that in the book of documents, did you have any view as to whether it accurately recorded your conversation with Ms. McMillan so far as it concerned matters that weren't in your file note?

A. Well, there are, of course, three versions of the file note, aren't there? There is her handwritten note, which we know is not in full, because it's not possible to reproduce the blue pen on the blue notebook that she was using. So, I can't say whether the then 1, 2, 3 typed pages are an accurate version of what she wrote on her notebook, especially the blue pen on the blue page. So, I can't agree with that.

And then, of course, you and I were sort of slightly at cross-purposes about a quarter of an hour ago when you said to me did I agree that the three note pages, the typed pages were an accurate version of what the conversation was. But then, of course, she has expanded it with a detailed attendance note of two typed pages. So, there is three versions of the same note. And you are asking about this particular paragraph, paragraph 8 on page 3 of the typewritten note, and what we seem to be in discussion about at the present moment is whether the word "who" under the initials CV in paragraph 8 was an incorrect typed note of the telephone conversation and "who" should be "through".

Q. No, no, it's not a question of whether she is right or wrong, I am just telling you what she said. She said in evidence that she recorded you as having said to her that the Doncaster Rovers Football Club acquisition was introduced to you by Kevin Phelan "though had had some contact with ML," that's all?

A. Well, no, because she recorded in her note "who".

Q. Is that right or wrong to begin with? If she is right in what she has recorded

A. Well, I can't speak for Kate McMillan, but in her typewritten version it says "who" - W-H-O, so...

Q. In her evidence she said that's a mistake and I am just asking you, you can disagree with it, you can say that this is not true?

A. I can't possibly comment on what she said in her evidence.

Let me put it like this: In the typewritten

contemporaneous note

Q. Mr. Vaughan, I think we are at cross-purposes, I am really not asking you to comment on whether her notes are accurate or not. We have passed away from that. I am not going to engage in that debate with you. I am simply going to ask you whether you agree with her evidence that with what I suggest is a reasonable view of her evidence, that you said to her that the Doncaster Rovers Football Club acquisition was introduced to you by Kevin Phelan. That's correct, isn't it? That is correct?

A. The first part of that is absolutely right; "Doncaster Rovers Football Club acquisition was introduced to him" in her note "by KP, who had some contact with ML," absolutely straightforward.

Q. "Though had had some contact with ML" which suggests that you had other contact with ML. I am simply asking you whether you agree?

A. It doesn't say that in her notes, does it?

Q. It said it in her evidence. Do you want to comment on it or you don't want the opportunity to comment on it?

A. I can't comment on her evidence because I wasn't there.

Q. You don't want to comment on it?

A. No, no, I think it would be impertinent of me to comment on somebody's evidence

Q. You don't want to? You are perfectly at liberty

A. Mr. Healy, it's not a matter of not wanting to, but I think I am incapable, and it would be impertinent upon me to comment on somebody's evidence when I wasn't there, when quite clearly her file note says "who".

Q. That's fine. Had you had any contact with Michael Lowry prior to the Doncaster Rovers acquisition?

A. No.

Q. All right. Okay.

CHAIRMAN: I think we are over the two and a quarter hours.

MR. HEALY: I think one or two final hours and we can dispose of this all together, sir.

Q. If I do just come to the last part of her handwritten notes and her transcription of the same, it's page 5 of five pages of notes.

A. This is a second bundle, isn't it?

Q. No, no, it's the last part of the bundle we were looking at a moment ago, supplemental book, Tab 30.

A. I am not trying to confuse you, but there is a second book

Q. I am not dealing with that one.

A. We are back on track now. And this one starts top left-hand corner "Blackmail"

Q. No, no, the other one, the first one we were looking at. We didn't get to the end of it.

A. I apologise. So we are back to the one we started, "Christopher Vaughan 22nd October", whatever?

Q. Yes. It says: "KP and I, we fell out in a big way, he is

a very dangerous character." Do you see that?

A. Correct me as to where it is.

Q. Page 5 of five pages of notes.

A. Right, I am with you.

Q. Page 3, page 4 and then page 5.

A. Right. So this is the last paragraph?

Q. Yes. "KP and I fell out in a big way, he is a very dangerous character.

he sent objectionable letters.

Letters had never been sent.

Wouldn't argue with me because he knows I know he is a liar and a cheat.

I could prove that easily.

January 2000 property deal asked me to write letters that were untrue."

Now, can you recall saying that to Kate McMillan?

A. I do, yes.

Q. What was that about, asking you to write letters that were untrue?

A. There was a letter that she sorry, he asked me to write to some agents in Birmingham relating to the ownership of Cheadle representing the fact that it was owned by Kevin Phelan personally and not by Catclause.

Q. And that was

A. When I say Catclause, Catclause, Aidan Phelan or whoever was the true owner, but he asked me to write a letter to that effect.

Q. And you refused, obviously?

A. Yes, I did write a letter to the agents, but it said quite clearly that Kevin Phelan/Gameplan International was an agent for the beneficial owner.

Q. Did you know who the beneficial owner was when you wrote that letter?

A. Well, there was a choice, wasn't there? I think it was sufficient that I had managed to put the letter into the correct context to make sure that it reflected the true situation that he was an agent for the beneficial owner, who I don't think I named, so he wasn't the owner of the property.

Q. You didn't allow Kevin Phelan to represent himself as the beneficial owner? You made it clear he wasn't the beneficial owner, but as it happens

A. Well, he wasn't.

Q. No, no, of course, I appreciate he wasn't, but you weren't in a position to identify who the beneficial owner was?

A. Well, I think I could perm one from three, so I was there.

MR. HEALY: I think we have probably gone on too late.

CHAIRMAN: It's been such a lengthy day. Perhaps we'll adopt the same...

MR. LEHANE: Could I just ask how much longer the Tribunal is planning to be with this witness or does it have any idea as to the examination-in-chief?

CHAIRMAN: I think the intention is certainly that the evidence will conclude in the course of the week, and we'll

sit as may be as can best accommodate that intent. But

obviously you should liaise with the Tribunal counsel.

THE TRIBUNAL ADJOURNED UNTIL THE FOLLOWING DAY, THURSDAY,

THE 23RD OF APRIL, 2009.