

1 UNITED STATES DISTRICT COURT
 2 EASTERN DISTRICT OF TEXAS
 3 MARSHALL DIVISION
 4 DATATREASURY CORPORATION,)(
 5 Plaintiff,)()(
 6 VS)(CIVIL ACTION NO.
 7)(2:06-CV-72 (DF)
 8 WELLS FARGO & COMPANY,)()(
 9 et al.,)()(
 10 Defendants.)()(
 11 VIDEOTAPED ORAL DEPOSITION OF MARGO HICKMAN
 12 FEBRUARY 2, 2007
 13
 14 VIDEOTAPED ORAL DEPOSITION OF MARGO HICKMAN,
 15 produced as a witness at the instance of the Plaintiff,
 16 and duly sworn, was taken in the above-styled and
 17 above-numbered cause on the 2nd day of February, 2007,
 18 from 9:06 a.m. to 3:09 p.m., before Lisa J. Gretarsson,
 19 CSR in and for the state of Texas, reported by machine
 20 shorthand, at the offices of Katten Muchin, 525 West
 21 Monroe Street, located in the city of Chicago, state of
 22 Illinois, pursuant to the Federal Rules of Civil
 23 Procedure and the provisions stated on the record.
 24
 25

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 2 (continued from previous page)
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 7 Meera Marti
 8 David Curcio
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08:20 1 PROCEEDINGS

09:06 2 THE VIDEOGRAPHER: We're on the record.

09:06 3 MARGO HICKMAN,

09:06 4 having been first duly sworn, testified as follows, to

09:06 5 wit:

09:06 6 EXAMINATION

09:06 7 BY MR. BRUSTER:

09:07 8 Q. Good morning.

09:07 9 A. Good morning.

09:07 10 Q. Tell us your name, please.

09:07 11 A. Margo Hickman.

09:07 12 Q. Ms. Hickman, will you tell us your address,

09:07 13 both business and personal, please.

09:07 14 A. My home address is 1444 Prairie Trail in

09:07 15 YSLake, Illinois, which is YSLake, one word. My

09:07 16 business address is 2700 Sanders Road, Prospect Heights,

09:07 17 Illinois.

09:07 18 Q. And what do you do for a living?

09:07 19 A. I am the senior vice president of insurance

09:07 20 for HSBC North America Holdings.

09:07 21 Q. Senior vice president of insurance for HSBC

09:07 22 North America Holdings. How long have you served in

09:07 23 that position?

09:07 24 A. I was appointed to that position, I think, in

09:07 25 2004 sometime.

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09:07 1 Q. Have you ever given a deposition before?

09:07 2 A. Yes.

09:07 3 Q. How many times?

09:07 4 A. Many. I don't know how many, but more than

09:07 5 ten, I would say.

09:08 6 Q. More than ten. Okay. When was the last time

09:08 7 you gave a deposition?

09:08 8 A. I don't believe I gave any in 2006 so probably

09:08 9 2005.

09:08 10 Q. So 2006 falls into the category of one of the

09:08 11 better years in your life?

09:08 12 A. Yes.

09:08 13 Q. Okay. Well, I'm sure you're very familiar

09:08 14 with this routine. Just so you know, if you need a

09:08 15 break for any reason, let us know, we're happy to

09:08 16 accommodate you.

09:08 17 You'll hear the lawyers, and me,

09:08 18 probably, talking, but if you can try and answer my

09:08 19 questions directly, I'll try and ask proper questions,

09:08 20 and if you don't understand one, let me know, okay?

09:08 21 A. Yes.

09:08 22 Q. You understand the testimony you're giving

09:08 23 here today is the same as if you were sitting in a

09:08 24 courtroom in Marshall, Texas.

09:08 25 A. Yes.

09:08 1 Q. That you're sworn to tell the truth here under
 09:08 2 penalties of perjury.
 09:08 3 A. Yes.
 09:08 4 Q. Okay. You said that you first became the
 09:08 5 senior vice president of insurance for HSBC North
 09:08 6 America Holdings, Inc. in 2004, and that you were
 09:08 7 appointed to that position; is that correct?
 09:08 8 A. Yes.
 09:08 9 Q. Okay. Who appointed you to that position?
 09:08 10 A. I believe it was the board, or they affirmed
 09:09 11 the appointment.
 09:09 12 Q. The board of directors?
 09:09 13 A. Yes.
 09:09 14 Q. And is that the board of directors of HSBC
 09:09 15 North America Holdings?
 09:09 16 A. I believe so, yes.
 09:09 17 Q. Prior to your appointment to the position of
 09:09 18 senior vice president of insurance for that entity, what
 09:09 19 did you do?
 09:09 20 A. I was the vice president of insurance for HSBC
 09:09 21 Finance Company, Inc.
 09:09 22 Q. HSBC Finance Company, Inc.?
 09:09 23 A. I think that's what we -- I think that's what
 09:09 24 it's called. It's HBIO, the acronym.
 09:09 25 Q. Okay. And how long had you been serving as

09:10 1 procurement and administrative duties for all of North
 09:10 2 America. And I also am responsible for oversight of the
 09:11 3 insurance for Central and South America.
 09:11 4 Q. Any other differences?
 09:11 5 A. I have a few more people reporting to me than
 09:11 6 I did before.
 09:11 7 Q. Anything else?
 09:11 8 A. Not material.
 09:11 9 Q. How many people report directly to you?
 09:11 10 A. Ten.
 09:11 11 Q. Do all of the people that report to you work
 09:11 12 for HSBC North America Holdings, Inc.?
 09:11 13 A. No.
 09:11 14 Q. If you could, walk through with me who the
 09:11 15 people are that report to you and who they work for.
 09:11 16 A. I have -- would you like all ten names?
 09:11 17 Q. Sure, and who they work for.
 09:11 18 A. For HBIO, which is the finance company portion
 09:11 19 of the company, I have Karen Lemanski, Bill Silva, Randy
 09:12 20 Goodman, Cathy Ellingen and Kristin Kinder.
 09:12 21 For HBUS, which is the bank business in
 09:12 22 Buffalo, I have Tim O'Connor, Shirley Galioto, Mike
 09:12 23 Benzino, Jill Peterson and Barbara Glaspy.
 09:12 24 Q. And those five people that you just listed,
 09:12 25 you use an acronym, HBUS? What was that?

09:09 1 the vice president of insurance for that entity?
 09:09 2 A. For HSBC, as of the date of the acquisition in
 09:09 3 March of 2003, I believe.
 09:09 4 Q. And when you say the date of the acquisition,
 09:09 5 tell me what you're referring to.
 09:09 6 A. The date that HSBC, PLC acquired Household
 09:10 7 International.
 09:10 8 Q. You said the date that HSBC, PLC acquired
 09:10 9 Household International?
 09:10 10 A. Yes.
 09:10 11 Q. Okay. And prior to that acquisition, had you
 09:10 12 been working with the Household International entities,
 09:10 13 as opposed to the HSBC entities?
 09:10 14 A. Yes.
 09:10 15 Q. Okay. What position did you hold with
 09:10 16 Household International prior to that acquisition?
 09:10 17 A. Vice president of insurance.
 09:10 18 Q. Are there any difference -- differences in job
 09:10 19 duties that you have between when you served as the vice
 09:10 20 president of insurance for HSBC Finance Company, Inc.
 09:10 21 and your current role as senior vice president of
 09:10 22 insurance for HSBC North America Holdings, Inc.?
 09:10 23 A. Yes.
 09:10 24 Q. Okay. What are the differences?
 09:10 25 A. I have responsibility for the insurance

09:12 1 A. Yes, HBUS.
 09:12 2 Q. HBUS? Tell me -- tell me what that stands
 09:12 3 for.
 09:12 4 A. HSBC -- we just call it HBUS. I guess it's
 09:13 5 the -- the bank subsidiary, HSBC Bank something. Sorry,
 09:13 6 but I don't know exactly.
 09:13 7 Q. So those people work for the banking
 09:13 8 subsidiary of HSBC.
 09:13 9 A. That's -- that's where they're headquartered,
 09:13 10 yes.
 09:13 11 Q. The banking subsidiary here in North America.
 09:13 12 A. Yes.
 09:13 13 Q. Okay. And those five people report directly
 09:13 14 to you?
 09:13 15 A. Shirley and Tim report directly to me, and
 09:13 16 then Barbara reports to Tim, Mike reports to Shirley,
 09:13 17 and Joe reports to me.
 09:13 18 Q. Do you know what Tim's title is?
 09:13 19 A. Director of insurance.
 09:13 20 Q. And do you know what specific legal entity
 09:13 21 he's director of insurance for?
 09:13 22 A. Well, the way we handle it is we work as a
 09:14 23 team, the 11 people. And we divide the duties for the
 09:14 24 insurance procurement and administrative duties for
 09:14 25 North America between the 10 people. So he does -- his

09:14 1 duties are not defined by where he's located.
 09:14 2 Q. Okay. And I guess that same kind of teamwork
 09:14 3 mentality, insofar as procurement of insurance, would go
 09:14 4 for all the 10 people you mentioned, plus yourself --
 09:14 5 A. Yes.
 09:14 6 Q. -- across all those entities?
 09:14 7 A. Yes.
 09:14 8 Q. Okay. How many senior vice presidents are
 09:14 9 there that work for HSBC North America Holdings, Inc.,
 09:14 10 same company that you work for?
 09:14 11 A. I don't know. I'm sure we can provide that
 09:14 12 information to you, but I don't know.
 09:14 13 Q. Are there more than five?
 09:14 14 A. I really can't tell you. I haven't paid
 09:14 15 attention to that.
 09:14 16 Q. Can you name any others, as you sit here this
 09:14 17 morning, any other people that are senior vice
 09:15 18 presidents of some category, like yours is insurance,
 09:15 19 that work for HSBC North America Holdings, Inc.?
 09:15 20 A. The only one that I -- that I'm fairly certain
 09:15 21 of is Cliff Mizialko in the accounting -- in an
 09:15 22 accounting role, but I'm not sure his exact title.
 09:15 23 Q. Other than Mr. Mizialko -- is that how you say
 09:15 24 that?
 09:15 25 A. Yes.

09:15 1 Q. Okay. Are there any other people that -- do
 09:15 2 you know how many people there are that work in
 09:15 3 accounting for HSBC North America Holdings, Inc.?
 09:15 4 A. No.
 09:15 5 Q. Are there more than ten?
 09:15 6 A. I don't know, but I -- I wouldn't think so,
 09:15 7 but I'm not positive.
 09:15 8 Q. Do you know how many total employees there are
 09:15 9 for HSBC North America Holdings, Inc.?
 09:16 10 A. I'm not positive, but I think it's less
 09:16 11 than 50.
 09:16 12 Q. Less than 50 total employees?
 09:16 13 A. I think so.
 09:16 14 Q. We have you, who is in charge of insurance,
 09:16 15 and you've mentioned Mr. Mizialko, who deals with
 09:16 16 accounting. What other kind of broad business
 09:16 17 categories like that are there departments of at HSBC
 09:16 18 North America Holdings, Inc.?
 09:16 19 A. My understanding is that the categories are
 09:16 20 what we would call staff functions, which are support
 09:16 21 functions for the corporation, accounting, tax,
 09:16 22 insurance, those types of functions.
 09:16 23 Q. Are there any others that you can think of as
 09:16 24 you sit here today?
 09:16 25 A. Probably legal.

09:16 1 Q. Legal?
 09:17 2 A. But beyond that I wouldn't be able to say.
 09:17 3 Q. Would risk management fall in the category of
 09:17 4 legal, or is that a separate department?
 09:17 5 A. That's a separate department.
 09:17 6 Q. Does -- does HSBC North America Holdings, Inc.
 09:17 7 have a risk management department?
 09:17 8 A. I guess I'm not positive where -- you know,
 09:17 9 where that is housed exactly in the company. I'm sure
 09:17 10 we can provide that to you if we haven't already.
 09:17 11 Q. If we can just kind of focus in on -- on your
 09:17 12 line of business, the insurance line of business, since
 09:17 13 that's what you probably know the most about.
 09:17 14 You mentioned earlier that your
 09:17 15 responsibility is for insurance procurement and
 09:17 16 administrative duties for all of North America --
 09:17 17 A. Yes.
 09:17 18 Q. -- as one of your job responsibilities.
 09:17 19 A. (Nods head affirmatively.)
 09:17 20 Q. Tell us -- tell the jury what you mean by
 09:17 21 insurance procurement and administrative duties for all
 09:17 22 of North America. What does that mean?
 09:17 23 A. Well, the corporation purchases insurance to
 09:17 24 protect itself against certain types of risk, including
 09:18 25 workers' compensation, insurance coverage on property,

09:18 1 automobiles, general liability, things like slips and
 09:18 2 falls and accidents that customers might have in our
 09:18 3 various premises. We buy, you know, coverage on -- to
 09:18 4 protect the assets of the corporation. Those are some
 09:18 5 of the categories.
 09:18 6 Q. How many premises does HSBC North America
 09:18 7 Holdings, Inc. own?
 09:18 8 A. Well, I don't know exactly. It changes,
 09:18 9 actually, day to day, but as -- probably 2,000 or a
 09:19 10 little more.
 09:19 11 Q. Okay. Are those premises owned by any other
 09:19 12 HSBC entities in joint ownership with HSBC Holdings
 09:19 13 North America, Inc.?
 09:19 14 A. Well, they're not owned at all by HSBC North
 09:19 15 America Holdings, Inc. They're owned or leased by the
 09:19 16 subsidiary companies.
 09:19 17 Q. Maybe I asked an unclear question, but a
 09:19 18 moment ago I asked you how many premises North -- HSBC
 09:19 19 North America Holdings, Inc. owns, you said
 09:19 20 approximately 2,000, so was that an incorrect statement?
 09:19 21 A. Yes, it is, and I apologize for mis --
 09:19 22 misrepresenting that.
 09:19 23 Q. How many premises does HSBC North America
 09:19 24 Holdings, Inc. own?
 09:19 25 A. None, to my knowledge.

09:19 1 Q. Who owns the headquarter building that HSBC
 09:19 2 North America Holdings, Inc. operates out of in Prospect
 09:19 3 Heights, Illinois?
 09:19 4 A. I don't know. I know it's a lease facility
 09:19 5 and it's been sold a couple of times. I'm not sure who
 09:20 6 the current owner is.
 09:20 7 Q. Who's the lease -- the lessee on that
 09:20 8 facility?
 09:20 9 A. I don't know for sure.
 09:20 10 Q. So your testimony to the jury now is that HSBC
 09:20 11 North America Holdings, Inc. doesn't own any premises
 09:20 12 whatsoever in North America?
 09:20 13 A. That is my testimony.
 09:20 14 Q. Okay. If HSBC North America Holdings, Inc.
 09:20 15 doesn't own any property anywhere in North America, why
 09:20 16 does it go get insurance for properties all across this
 09:20 17 country?
 09:20 18 (Allison Shank enters the deposition
 09:20 19 room.)
 09:20 20 A. The reason that we include HSBC North America
 09:20 21 Holdings, Inc. as an insured on our insurance policies
 09:20 22 is so that in the event they are named in a lawsuit they
 09:20 23 are provided coverage under the policy.
 09:20 24 The insurance policies are designed to
 09:20 25 protect all of the operating subsidiaries, as well as

09:21 1 any holding companies that we have in North America. We
 09:21 2 buy the coverage in a broad way to protect the entire
 09:21 3 North American operation.
 09:21 4 Q. (BY MR. BRUSTER) Does HSBC Bank operate in
 09:21 5 Texas?
 09:21 6 A. I -- when you said -- I -- I think so.
 09:21 7 Q. Do the insurance policies, that you purchase
 09:21 8 on behalf of HSBC North America Holdings, Inc., provide
 09:21 9 insurance for accidents that might happen in Texas?
 09:21 10 A. They provide insurance for accidents that
 09:21 11 could happen anywhere in North America.
 09:21 12 Q. Is there any reason that these insurance
 09:21 13 policies weren't produced as part of the document
 09:21 14 production in this case, to your knowledge?
 09:21 15 A. I can't answer that question.
 09:21 16 Q. Just so we're clear, all of these insurance
 09:21 17 policies that provide coverage even for accidents in
 09:22 18 Texas for HSBC Bank customers, all of those policies are
 09:22 19 purchased by HSBC North America Holdings, Inc., correct?
 09:22 20 A. They are procured by us, yes, and then --
 09:22 21 well, go ahead.
 09:22 22 Q. Are they purchased by that company?
 09:22 23 A. It's a difficult question. The way the -- the
 09:22 24 way the system works is that they are purchased, and
 09:22 25 then the cost for the insurance is allocated to each

09:22 1 operating subsidiary according to its own risk in that
 09:22 2 category. So if HSBC Bank has a bank branch and they
 09:22 3 paid the cost of the insurance for that bank branch, the
 09:22 4 cost is not held at HSBC North America Holdings.
 09:22 5 Q. HSBC North America Holdings negotiates for
 09:22 6 that insurance, correct?
 09:22 7 A. Yes.
 09:22 8 Q. I mean, that's what you do, right?
 09:22 9 A. That's what I do.
 09:23 10 Q. Okay. And HSBC North America Holdings enters
 09:23 11 into the contract for insurance, correct?
 09:23 12 A. Yes.
 09:23 13 Q. And those contracts for insurance, that HSBC
 09:23 14 North America Holdings, Inc. enters into, provide
 09:23 15 coverage for accidents that might happen in Texas,
 09:23 16 correct?
 09:23 17 A. Yes.
 09:23 18 Q. Okay. You mentioned earlier the bank
 09:23 19 subsidiaries, the people that report to you are officed
 09:23 20 in Buffalo; is that correct?
 09:23 21 A. Yes.
 09:23 22 Q. Is that the headquarters of HSBC Bank?
 09:23 23 A. I think the headquarters is officially
 09:23 24 New York City, but it might -- I'm not sure. I guess it
 09:23 25 depends on the subsidiary.

09:23 1 Q. Do they just -- okay. Sorry. I didn't mean
 09:23 2 to cut you off.
 09:23 3 Does HSBC Bank own the building in
 09:23 4 Buffalo?
 09:23 5 A. No.
 09:23 6 Q. They lease that building?
 09:23 7 A. Yes.
 09:23 8 Q. Okay. What about in New York City? Do they
 09:23 9 own that building?
 09:23 10 A. I believe we do own that building.
 09:24 11 Q. You've been responsible for HSBC North America
 09:24 12 Holdings, Inc. for procuring insurance on that building,
 09:24 13 correct?
 09:24 14 A. Yes.
 09:24 15 Q. Now, earlier you were talking about -- let me
 09:24 16 back up real quick.
 09:24 17 Separate and apart from procurement,
 09:24 18 negotiation, entering into contracts for insurance, all
 09:24 19 of which you do on behalf of HSBC North America
 09:24 20 Holdings, Inc., who actually pays the insurance company
 09:24 21 for the policy that they issue?
 09:24 22 A. The premiums are paid by either HSBC Bank or
 09:24 23 HSBC Finance Corporation.
 09:24 24 Q. Not by HSBC North America Holdings, Inc.?
 09:24 25 A. No.

09:24 1 Q. Does HSBC North America Holdings, Inc. have a
 09:24 2 bank account?
 09:24 3 A. I don't know.
 09:24 4 Q. Do you get a paycheck?
 09:24 5 A. I do.
 09:24 6 Q. Who is listed as the check writer on your
 09:25 7 paycheck?
 09:25 8 A. Well, I actually never see it because it's
 09:25 9 direct deposit. But the way payroll is handled for the
 09:25 10 United States is through an affiliated company that
 09:25 11 handles -- it's HSBC Payroll Services, I believe, and it
 09:25 12 handles all of the payroll and tax -- employee payroll
 09:25 13 and tax filings.
 09:25 14 Q. When you say handles payroll and tax filings,
 09:25 15 you're talking -- are you talking about preparation?
 09:25 16 A. And --
 09:25 17 Q. Administration?
 09:25 18 A. Yes. I mean, you know, making sure everybody
 09:25 19 gets paid.
 09:25 20 Q. Is HSBC Payroll Services the payor on your
 09:25 21 paycheck?
 09:25 22 A. Well, it used to be. And I guess I haven't
 09:25 23 seen one for a long time so I apologize, I'd have to go
 09:25 24 look at it again, but the last time I looked, yes.
 09:26 25 Q. We've talked about one half of what you

09:27 1 A. I think it's executive vice
 09:27 2 president/controller for HSBC North America Holdings.
 09:27 3 Q. And if you were to describe to someone what
 09:28 4 Mr. McGinnis does, what his job duties are, what would
 09:28 5 they be?
 09:28 6 A. I have only a very general understanding of
 09:28 7 that. And it's my understanding that he helps
 09:28 8 facilitate the consolidation of the accounting material
 09:28 9 for HBIO and HBUS on all North American entities.
 09:28 10 Q. Helps facilitate the consolidation of the
 09:28 11 accounting --
 09:28 12 A. Uh-huh (affirmative).
 09:28 13 Q. -- for those entities?
 09:28 14 A. That's my understanding.
 09:28 15 Q. And the acronyms you use, that's the finance
 09:28 16 company arm of HSBC and the banking, correct?
 09:28 17 A. Correct, yes.
 09:28 18 Q. Okay. And so we're clear, HSBC Bank has its
 09:28 19 accounting consolidated and reports up through HSBC
 09:28 20 North America Holdings, Inc., correct?
 09:28 21 A. Yes, I believe so.
 09:29 22 Q. Is that -- you mentioned earlier that -- that
 09:29 23 tax was another job function performed by HSBC North
 09:29 24 America Holdings, Inc. on behalf of the subsidiary
 09:29 25 companies; is that correct?

09:26 1 mentioned earlier as your duties, insurance procurement
 09:26 2 for all of North America. Tell me about that other
 09:26 3 broad little topic you mentioned, administrative duties.
 09:26 4 What does that entail?
 09:26 5 A. Well, when you -- there would be claims
 09:26 6 associated with the insurance policies, and it's our job
 09:26 7 to make sure that the claims are reported correctly, and
 09:26 8 that we follow through as they are settled or adjusted
 09:26 9 with the person who filed the claim against us.
 09:26 10 We have responsibility for reporting some
 09:26 11 of the various parts of our insurance program to the
 09:26 12 parent company. We have to make sure that the premiums
 09:26 13 get paid. I mean, those are the administrative-type
 09:26 14 duties. Certificates of insurance have to be issued.
 09:26 15 Q. All those things that you just mentioned you
 09:27 16 do as part of your job as the senior vice president for
 09:27 17 insurance of HSBC North America Holdings, Inc., correct?
 09:27 18 A. Those are done by my staff, yes --
 09:27 19 Q. By your staff.
 09:27 20 A. -- in our department.
 09:27 21 Q. Okay. Who do you report to?
 09:27 22 A. I report to Jack McGinnis.
 09:27 23 Q. McGinnis?
 09:27 24 A. Yes.
 09:27 25 Q. Do you know his title?

09:29 1 A. I did say that I believe that's true.
 09:29 2 Q. And what do you mean by that?
 09:29 3 A. Well, again, it's the type of operation that
 09:29 4 consolidates information from operating subsidiaries for
 09:29 5 reporting purposes.
 09:29 6 Q. How many people are in the tax department at
 09:29 7 HSBC North America Holdings, Inc.?
 09:29 8 A. I have no idea.
 09:29 9 Q. Approximately.
 09:29 10 A. I really don't know.
 09:29 11 Q. Well, we have less than 50 total employees,
 09:29 12 correct?
 09:29 13 A. Yeah, so -- but I don't know how many of them
 09:29 14 are tax and legal and -- I don't know.
 09:29 15 Q. What does the legal -- legal department do at
 09:29 16 HSBC North America Holdings, Inc.?
 09:30 17 A. Well, I honestly don't know.
 09:30 18 Q. Who's the general counsel?
 09:30 19 A. Ken Robin.
 09:30 20 Q. Okay. Do you know how many assistant general
 09:30 21 counsel there are?
 09:30 22 A. I know the -- I don't know at HSBC North
 09:30 23 America Holdings, Inc. If you get down to the
 09:30 24 subsidiary level, there are many different titles and I
 09:30 25 don't know what they are, but there are, throughout the

09:30 1 organization, quite a few lawyers.
 09:30 2 Q. Of the 50 employees of HSBC North America
 09:30 3 Holdings, Inc., do you know how many of those folks are
 09:30 4 lawyers?
 09:30 5 A. No, I really don't. And I don't honestly know
 09:30 6 that there are 50. I said I think 50 or less.
 09:30 7 Q. I understand. I'm not trying -- I'm not
 09:30 8 trying to pin you down on that.
 09:31 9 Do you serve on the board of directors of
 09:31 10 HSBC North America Holdings, Inc.?
 09:31 11 A. No.
 09:31 12 Q. Do you know how many members there are of the
 09:31 13 board of directors?
 09:31 14 A. No, I don't know exactly. I'm sure we must
 09:31 15 have told you that.
 09:31 16 Q. How many members of the board of directors can
 09:31 17 you name, as you sit here today?
 09:31 18 A. I don't know. Three or four probably.
 09:31 19 Q. Name those for me, if you would.
 09:31 20 A. Michael Geoghegan, Stephen Green, Bobby Mehta,
 09:31 21 I think Salvatore or -- I can't -- I'm not sure I'm
 09:31 22 pronouncing that correctly -- I believe is on the board
 09:31 23 for HNAH Holdings, Inc. I don't remember who the other
 09:31 24 outside directors are.
 09:32 25 Q. Do you know how many members of the board of

09:33 1 either the late third quarter or early fourth quarter of
 09:33 2 2006, I believe.
 09:33 3 Q. And it's your testimony that you believe she
 09:33 4 might be on the HSBC North America Holdings, Inc. board
 09:33 5 of directors?
 09:33 6 A. I could certainly ask counsel. I'm sure they
 09:33 7 could make sure that I, you know, am telling you if
 09:34 8 that's true or not, but I don't have anything with me
 09:34 9 and I don't remember.
 09:34 10 Q. Okay. Anybody else that's an executive, an
 09:34 11 officer of a banking subsidiary that serves on the board
 09:34 12 of directors of HSBC North America Holdings, Inc.?
 09:34 13 A. Not that I know of.
 09:34 14 Q. Are there officers of HSBC North America
 09:34 15 Holdings, Inc. that are --
 09:34 16 A. Yes.
 09:34 17 Q. -- that are not on the board of directors?
 09:34 18 A. Yes.
 09:34 19 Q. Okay. Who are the officers of HSBC North
 09:34 20 America Holdings, Inc.?
 09:34 21 A. Well, for instance, I'm an officer --
 09:34 22 Q. Okay.
 09:34 23 A. -- and I'm not on the board. I don't -- I
 09:34 24 don't know how many there are, who they are, but anyone
 09:35 25 in my level presumably is not on the board.

09:32 1 directors of HSBC North America Holdings, Inc. also
 09:32 2 serve on the board of directors of any of the HSBC
 09:32 3 banking subsidiaries?
 09:32 4 A. No. I'd have to look at it. I mean, did we
 09:32 5 not provide that to you?
 09:32 6 Q. I'm just curious, where would you look to find
 09:32 7 that out?
 09:32 8 A. The company has lists of people serving on the
 09:32 9 boards of the various operating subsidiaries, so I would
 09:32 10 go to the secretary, the corporate secretary's office
 09:32 11 and ask for that information.
 09:32 12 Q. Are there any executives from the operating
 09:32 13 subsidiaries of HSBC, in the banking subsidiaries, that
 09:32 14 serve on the board of directors of HSBC North America
 09:32 15 Holdings, Inc.?
 09:33 16 A. The only one that I -- that might -- and
 09:33 17 again, I'm sure we've told you this, but if -- the only
 09:33 18 one I can think of that might would be Sandra Derickson.
 09:33 19 Q. And what position does Sandra Derickson hold
 09:33 20 in the banking subsidiary?
 09:33 21 A. She was recently appointed, I think, as CEO of
 09:33 22 HSBC Bank.
 09:33 23 Q. Do you know when she was appointed CEO of HSBC
 09:33 24 Bank?
 09:33 25 A. Not exactly, but it was in -- sometime in

09:35 1 Q. Who's the CEO of HSBC North America Holdings,
 09:35 2 Inc.?
 09:35 3 A. Bobby Mehta.
 09:35 4 Q. Bobby Mehta?
 09:35 5 A. Uh-huh (affirmative).
 09:35 6 Q. And can you spell that last name for the court
 09:35 7 reporter?
 09:35 8 A. M-e-h-t-a.
 09:35 9 Q. And Mr. Mehta is one of the individuals you
 09:35 10 mentioned who's also on the board of directors, correct?
 09:35 11 A. Yes.
 09:35 12 Q. Do you know whether or not Mr. Mehta holds a
 09:35 13 board seat on any of the banking subsidiaries?
 09:35 14 A. I believe that he does.
 09:35 15 Q. Do you know how many banking subsidiaries
 09:35 16 Mr. Mehta holds a board seat on?
 09:35 17 A. No.
 09:35 18 Q. Is HSBC Bank USA one of the entities that he
 09:35 19 holds a board seat on?
 09:35 20 A. I believe so.
 09:35 21 Q. Who's the CFO of HSBC North America Holdings,
 09:35 22 Inc.?
 09:35 23 A. Just -- someone new just came into that job.
 09:36 24 His name is Chris -- I can't remember his last name. He
 09:36 25 came in at the end of the year. He's an interim CFO.

09:36 1 Q. To your knowledge, does he hold any --
 09:36 2 A. I think his last name is Spooner. I'm sorry.
 09:36 3 Q. Chris Spooner?
 09:36 4 A. I believe so, yes.
 09:36 5 Q. Does Mr. Spooner, to your knowledge, hold any
 09:36 6 board positions or executive positions in the banking
 09:36 7 subsidiaries?
 09:36 8 A. I don't know.
 09:36 9 Q. Are there any other chairman level or chief
 09:36 10 level officer positions for HSBC North America Holdings,
 09:36 11 Inc.?
 09:36 12 A. Well, not chairman, I don't believe. I think
 09:36 13 the subsidiaries -- I believe Sandy Derickson, for
 09:36 14 instance, is the chief executive officer for HSBC Bank,
 09:37 15 and I'm not sure what the other senior executive titles
 09:37 16 are.
 09:37 17 Q. Maybe I asked an unclear question.
 09:37 18 Are there any other chief positions, such
 09:37 19 as a COO a CTO a CIO --
 09:37 20 A. Oh, I'm sorry.
 09:37 21 Q. -- for HSBC North America Holdings, Inc.?
 09:37 22 A. I'm not sure what the titles are. I'd have to
 09:37 23 go back and look. If you want me to do that, I'd be
 09:37 24 glad to --
 09:37 25 Q. Okay.

09:39 1 Inc. owns stock in the banking subsidiaries of HSBC
 09:39 2 Bank, correct?
 09:39 3 A. Not directly, no.
 09:39 4 Q. Okay. It has indirect stock ownership in the
 09:39 5 subsidiaries, HSBC Bank, correct?
 09:39 6 A. Well, it's the holding company. It owns the
 09:39 7 stock of, you know, HSBC North America, Inc., I think is
 09:39 8 the official name, which then owns the stock of the
 09:39 9 subsidiaries that it's the parent of.
 09:39 10 Q. I hate to interject utter confusion into
 09:39 11 things, but I'm going to try to walk through that
 09:39 12 ownership structure you just defined.
 09:39 13 The parent company of the entire HSBC
 09:40 14 operation is HSBC Group, PLC, correct?
 09:40 15 A. Yes.
 09:40 16 Q. Which is a London-based organization, correct?
 09:40 17 A. Yes.
 09:40 18 Q. Okay. And its subsidiary that you work for is
 09:40 19 HSBC North America Holdings, Inc., which is a direct
 09:40 20 wholly owned subsidiary of that London-based PLC,
 09:40 21 correct?
 09:40 22 A. Yes.
 09:40 23 Q. And then your company owns 100 percent of the
 09:40 24 stock of a company called HSBC North America, Inc.,
 09:40 25 correct?

09:37 1 A. -- respond later.
 09:37 2 Q. Sure. That would be great.
 09:37 3 Are there any other folks, other than
 09:37 4 Sandy Derickson and Mr. -- how do you --
 09:37 5 A. Mehta.
 09:37 6 Q. -- Mehta -- that, to your knowledge, serve on
 09:37 7 both -- in both either board or executive level
 09:37 8 positions with HSBC North America Holdings, Inc. and
 09:38 9 with HSBC Bank subsidiaries?
 09:38 10 A. I believe Janet Burak is on both boards, but I
 09:38 11 don't think that her title includes the word chief.
 09:38 12 Q. Okay. Anyone else that would serve in both
 09:38 13 levels but you're not sure their position?
 09:38 14 A. No. I just -- I'm not sure. I don't know.
 09:38 15 Q. And tell me Ms. Burak's title at HSBC North
 09:38 16 America Holdings, Inc.
 09:38 17 A. I don't know her exact title. She's an
 09:38 18 attorney, but I'm not positive of her title.
 09:38 19 Q. Is she an attorney in the legal department, or
 09:38 20 serving in some other executive capacity?
 09:38 21 A. She's in the legal department.
 09:39 22 Q. Does HSBC North America Holdings, Inc. have
 09:39 23 the --
 09:39 24 MR. BRUSTER: Strike that.
 09:39 25 Q. (BY MR. BRUSTER) HSBC North America Holdings,

09:40 1 A. Yes.
 09:40 2 Q. Which, as you've defined it, is another
 09:40 3 holding company here in the US, correct?
 09:40 4 A. Yes.
 09:40 5 Q. And your testimony is that that company then
 09:40 6 owns 100 percent of the stock out of HSBC Bank USA, the
 09:40 7 banking subsidiary.
 09:40 8 A. I'm not sure if -- I don't think that it does,
 09:40 9 no. Whatever the company below HSBC North America, Inc.
 09:40 10 is, which I can't remember the exact structure, but I
 09:40 11 think HSBC Bank is three or four tiers down.
 09:41 12 Q. So there might be another wholly owned
 09:41 13 subsidiary sandwiched in between them before you get to
 09:41 14 the bank.
 09:41 15 A. Right.
 09:41 16 Q. Okay. Does HSBC North America Holdings, Inc.
 09:41 17 have the authority to vote the shares of stock that it
 09:41 18 owns in HSBC North America, Inc.?
 09:41 19 MR. LEONARD: Objection: Form.
 09:41 20 Q. (BY MR. BRUSTER) You may answer.
 09:41 21 A. Yes, I believe so.
 09:41 22 Q. Does HSBC North America, Inc. have the
 09:41 23 authority to vote the shares of stock that it owns in
 09:41 24 the wholly owned subsidiary below it that is related to
 09:41 25 the banking operations?

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09:41 1 MR. LEONARD: Objection: Form.
 09:41 2 Q. (BY MR. BRUSTER) You may answer.
 09:41 3 A. Well, I think that as long as it gets to vote
 09:41 4 those shares of its own wholly owned subsidiary, which
 09:41 5 owns the shares of the wholly owned subsidiary below it,
 09:41 6 and so on, that it just flows that direction and so it
 09:41 7 votes the shares.
 09:42 8 Q. Do you know who determines the membership of
 09:42 9 the board of directors of HSBC Bank?
 09:42 10 A. No.
 09:42 11 Q. Do you know what influence the parent company
 09:42 12 HSBC North America Holdings, Inc. has on that selection?
 09:42 13 MR. LEONARD: Objection: Form.
 09:42 14 Q. (BY MR. BRUSTER) You may answer.
 09:42 15 A. I'm really not familiar with the selection
 09:42 16 process.
 09:42 17 Q. Do you know how -- you're going to have to
 09:42 18 tell me Bobby's last name once again. I'm going to
 09:42 19 write it out phonetically so I don't keep asking you.
 09:42 20 A. Mehta.
 09:42 21 Q. Mehta.
 09:42 22 Do you know how Mr. Mehta was selected or
 09:42 23 elected to serve on the board of HSBC Bank?
 09:42 24 A. No.
 09:43 25 Q. Do you know the amount of influence that --

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09:43 1 that board members, like Ms. Derickson and Mr. Mehta,
 09:43 2 that are board members of both HSBC North America
 09:43 3 Holdings, Inc. and HSBC Bank, do you know how much
 09:43 4 influence they have on the direction of HSBC Bank?
 09:43 5 A. Well, in their roles as, you know, the leaders
 09:43 6 of the corporation and its -- and its subsidiaries, they
 09:43 7 have -- you know, certainly they have influence over the
 09:43 8 direction of the corporation in general.
 09:43 9 Q. Okay. Is there any kind of non-board
 09:44 10 committee, that's within HSBC North America Holdings,
 09:44 11 Inc., that is comprised of executives from the
 09:44 12 subsidiary company; for example, a management committee,
 09:44 13 or something like that, where the executives or officers
 09:44 14 of the subsidiary corporations meet within HSBC North
 09:44 15 America Holdings, Inc.?
 09:44 16 A. I'm not familiar with that sort of committee.
 09:44 17 Q. Are you familiar with any time within which
 09:44 18 officers or executives of HSBC North America Holdings,
 09:44 19 Inc. --
 09:44 20 MR. BRUSTER: Strike that. Back up.
 09:44 21 Erase that. I was getting off to a bad start.
 09:44 22 Q. (BY MR. BRUSTER) Are you familiar with
 09:44 23 anytime where officers or executives of the banking
 09:44 24 subsidiaries of HSBC meet with the board or the
 09:44 25 executives of HSBC North America Holdings, Inc.?

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09:45 1 MR. LEONARD: Objection: Form.
 09:45 2 Q. (BY MR. BRUSTER) You may answer.
 09:45 3 A. I know that once a year there's like, you
 09:45 4 know, a strategy and planning meeting that -- where
 09:45 5 presentations are made by the operating subsidiaries to
 09:45 6 Mr. Mehta and whoever he chooses to have there.
 09:45 7 Q. Does that occur approximately the same time
 09:45 8 every year?
 09:45 9 A. I'm not involved in it and so I'm not sure
 09:45 10 what the schedule is.
 09:45 11 Q. Have you ever attended the strategy and
 09:45 12 planning meetings?
 09:45 13 A. No, I have not.
 09:45 14 Q. Where do those take place?
 09:45 15 A. The ones that I'm aware of have taken place in
 09:45 16 Prospect Heights.
 09:45 17 Q. At the corporate headquarters of HSBC North
 09:45 18 America Holdings, Inc.?
 09:45 19 A. Yes.
 09:45 20 Q. Okay. Do any of the other HSBC companies
 09:45 21 share the Prospect Heights location as a corporate
 09:46 22 headquarters?
 09:46 23 A. We do have staff members from other operating
 09:46 24 subsidiaries housed in that facility. I don't know for
 09:46 25 sure if they're considered the headquarters for those

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09:46 1 operations. They might be for -- it might be the
 09:46 2 headquarters for consumer lending, but I'm not positive
 09:46 3 of that.
 09:46 4 Q. Are any of the staff members from any of the
 09:46 5 HSBC Bank subsidiaries officed at the Prospect Heights
 09:46 6 location?
 09:46 7 A. Not to my knowledge.
 09:46 8 Q. And you've never sat in on one of these
 09:46 9 strategy and planning meetings where folks come up and
 09:46 10 make presentations -- folks from the subsidiaries come
 09:46 11 up and make presentations to Mr. Mehta?
 09:47 12 A. No, I haven't.
 09:47 13 Q. Those meetings occur outside the presence of
 09:47 14 the board of directors, though?
 09:47 15 A. I believe so, yes.
 09:47 16 Q. Do you know how many people from the HSBC Bank
 09:47 17 subsidiaries come and make those presentations to
 09:47 18 Mr. Mehta?
 09:47 19 A. No.
 09:47 20 Q. Did I already ask you what time of year that
 09:47 21 goes on?
 09:47 22 A. Yes, you asked me.
 09:47 23 Q. Okay.
 09:47 24 A. I still don't know.
 09:47 25 Q. That's what I thought. I thought that

09:47 1 intervening two minutes may have just jogged your
 09:47 2 memory.
 09:48 3 How does HSBC North America Holdings,
 09:48 4 Inc. earn money?
 09:48 5 A. Earn money?
 09:48 6 Q. Yes, ma'am.
 09:48 7 A. We don't have any operations, so any money,
 09:48 8 which I don't know that there is any, but any money in
 09:48 9 the corporation would be dividended from, you know, the
 09:48 10 direct -- you know, a direct subsidiary.
 09:48 11 Q. You're talking about HSBC North America, Inc.?
 09:48 12 A. Yes.
 09:48 13 Q. Okay. In other words, to pay your salary, is
 09:49 14 it your understanding that that's a result of dividends
 09:49 15 from the wholly owned subsidiary of HSBC North America
 09:49 16 Holdings, Inc.?
 09:49 17 A. Well, it's my understanding that, because HSBC
 09:49 18 North America Holdings, Inc. doesn't -- you know, it
 09:49 19 doesn't perform any revenue-generating activities, that
 09:49 20 the money to pay my salary does come from its operating
 09:49 21 subsidiary.
 09:49 22 Q. So the subsidiary below your company, which is
 09:49 23 a wholly owned subsidiary, correct --
 09:49 24 A. Yes.
 09:49 25 Q. -- and which, down its chain of ownership,

09:50 1 Q. (BY MR. BRUSTER) As a general principle, the
 09:50 2 profits of the operating subsidiaries flow upwards
 09:50 3 through dividends to HSBC North America Holdings, Inc.,
 09:51 4 correct?
 09:51 5 A. Yes.
 09:51 6 Q. Does HSBC North America Holdings, Inc. arrange
 09:51 7 for financing with regard to its -- to the HSBC Bank
 09:51 8 subsidiary?
 09:51 9 MR. LEONARD: Objection to form.
 09:51 10 A. I don't think I understand your question.
 09:51 11 Q. (BY MR. BRUSTER) For example, does HSBC North
 09:51 12 America Holdings, Inc. enter into any credit
 09:51 13 arrangements for the benefit of the HSBC Bank
 09:51 14 subsidiary?
 09:51 15 A. I have no idea. I don't know.
 09:51 16 Q. Who would know the answer to that?
 09:51 17 A. I would expect one of the, you know, CFO or
 09:51 18 treasury people could answer that question for you.
 09:51 19 Q. To your knowledge, you don't know whether or
 09:51 20 not HSBC North America Holdings, Inc. has ever entered
 09:52 21 into any kind of revolving credit facility or any other
 09:52 22 provision of credit to HSBC Bank.
 09:52 23 A. I don't think it would because it's -- HSBC
 09:52 24 Bank is too far down the chain. I just -- I can't see
 09:52 25 that that would be a logical way for the company to

09:49 1 holds the stock of HSBC Bank, correct --
 09:49 2 A. Well, somewhere down there, yes.
 09:49 3 Q. -- it pays dividends to HSBC North America
 09:49 4 Holdings, Inc., correct?
 09:49 5 A. That's my understanding, yes.
 09:49 6 Q. What does -- how does HSBC North America,
 09:49 7 Inc., your direct wholly owned subsidiary, earn a
 09:49 8 revenue?
 09:50 9 A. I don't believe it has any operations or
 09:50 10 revenue-generating operations either, so it would also
 09:50 11 have whatever money it has as a result of dividends from
 09:50 12 the operating subsidiaries.
 09:50 13 Q. Isn't it -- isn't it true that the operating
 09:50 14 subsidiaries generate the revenue that is then
 09:50 15 dividended -- if that's a word -- up the chain all the
 09:50 16 way to HSBC North America Holdings, Inc.?
 09:50 17 A. Yes, that's my understanding.
 09:50 18 Q. In other words, the operating subsidiary, HSBC
 09:50 19 Bank, generates the revenue that pays your salary --
 09:50 20 MR. LEONARD: Objection.
 09:50 21 Q. (BY MR. BRUSTER) -- isn't that true?
 09:50 22 MR. LEONARD: Objection: Form.
 09:50 23 A. I -- I could not tell you which one of the
 09:50 24 operating subsidiaries pays my salary or how that's all
 09:50 25 consolidated.

09:52 1 operate so, no, I don't think so.
 09:52 2 Q. Well, you procure insurance for HSBC Bank,
 09:52 3 correct?
 09:52 4 A. Yes.
 09:52 5 Q. Okay. And HSBC Bank is pretty far down the
 09:52 6 chain from you, correct --
 09:52 7 A. Yes.
 09:52 8 Q. -- according to your testimony.
 09:52 9 A. Yes.
 09:52 10 Q. But you don't think it would be logical for
 09:52 11 your company to enter into credit arrangements for HSBC
 09:52 12 Bank?
 09:52 13 A. I would think that -- I -- I really am not the
 09:52 14 right person to answer that question.
 09:52 15 Q. I understand.
 09:52 16 Earlier, when you were talking about your
 09:52 17 insurance procurement and how that was expensed, you
 09:52 18 mentioned that the expense of obtaining the insurance
 09:52 19 was allocated to the operating subsidiaries on the
 09:53 20 financial statements, that were then consolidated up
 09:53 21 through and to your company, HSBC North America
 09:53 22 Holdings, Inc., correct?
 09:53 23 A. Yes.
 09:53 24 Q. Okay. Does HSBC North America Holdings, Inc.
 09:53 25 allocate general and administrative expenses to its

09:53 1 subsidiaries across the board on its financial
 09:53 2 statement?
 09:53 3 A. I don't know.
 09:53 4 MR. LEONARD: Objection to form.
 09:53 5 Q. (BY MR. BRUSTER) You may answer.
 09:53 6 A. I don't know.
 09:53 7 Q. Who would know the answer to that?
 09:53 8 A. Again, someone in the CFO position, I would
 09:53 9 say.
 09:53 10 Q. Other than accounting, tax, legal, and
 09:53 11 insurance, can you tell the jury any other ways that
 09:53 12 HSBC North America Holdings, Inc. assists the HSBC Bank
 09:53 13 subsidiaries?
 09:53 14 A. As I testified earlier, I really don't
 09:53 15 remember any other areas. I don't know.
 09:54 16 Q. Does HSBC North America Holdings, Inc. have a
 09:54 17 technology department?
 09:54 18 A. There is a technology subsidiary, but I don't
 09:54 19 believe that it's -- it's not -- HNAH Holdings, Inc. is
 09:54 20 not the company that provides the technology services in
 09:54 21 North America.
 09:54 22 Q. What's the name of that company, that
 09:54 23 subsidiary?
 09:54 24 A. I think it's HSBC Technology Services,
 09:54 25 something like -- something like that. I'm not positive

09:56 1 Q. Can you tell the jury whether or not there's a
 09:56 2 person like yourself at HSBC North America Holdings,
 09:56 3 Inc. that has oversight of things like that?
 09:56 4 A. No, I can't tell you. I don't know.
 09:56 5 Q. Do you know of any loans, as opposed to
 09:56 6 securing credit, do you know of any loans that HSBC
 09:56 7 North America Holdings, Inc. has made to the HSBC Bank
 09:56 8 subsidiaries?
 09:56 9 A. No. I have no idea if there are any or not.
 09:56 10 I wouldn't think so.
 09:57 11 Q. Is there a marketing department at HSBC North
 09:57 12 America Holdings, Inc.?
 09:57 13 A. Not that I'm aware of, no.
 09:57 14 Q. Where is the -- where are the marketing
 09:57 15 decisions for HSBC's North American operations made?
 09:57 16 MR. LEONARD: Objection: Form.
 09:57 17 Q. (BY MR. BRUSTER) You may answer.
 09:57 18 A. Well, it's my understanding that each of the
 09:57 19 operating subsidiaries has its own marketing strategy
 09:57 20 and staff, and so those decisions are made at the
 09:57 21 operating subsidiary level, to the best of my knowledge.
 09:57 22 Q. Do you consider HSBC North America, Inc. an
 09:58 23 operating subsidiary?
 09:58 24 A. America, Inc., I don't believe so. I believe
 09:58 25 it's a holding company.

09:54 1 of the exact name.
 09:54 2 Q. Do you know whether or not contracts for
 09:54 3 things such as telecommunications, that touch a lot of
 09:55 4 different states within the HSBC Bank operations, do you
 09:55 5 know whether contracts for telecommunications are
 09:55 6 negotiated on an enterprise-wide level?
 09:55 7 A. It's my understanding that a group of people,
 09:55 8 which are internally called vendor management, negotiate
 09:55 9 that type of contract.
 09:55 10 Q. And when you say internally called vendor
 09:55 11 management, is that a group that's internal to HSBC
 09:55 12 North America Holdings, Inc.?
 09:55 13 A. No.
 09:55 14 Q. Internal to who?
 09:55 15 A. I am not sure who's -- where that company
 09:55 16 resides, but I know it's not HSBC North America
 09:55 17 Holdings, Inc.
 09:55 18 Q. How do you know it's not HSBC North America
 09:55 19 Holdings, Inc.?
 09:55 20 A. Well, there's a lot of people involved and
 09:55 21 there aren't very many people at Household -- HSBC North
 09:55 22 America Holdings, Inc., so just by virtue of the
 09:55 23 personnel counts it wouldn't be possible. And I just
 09:56 24 don't know. I can't tell you which -- which -- where
 09:56 25 they report to.

09:58 1 Q. So based on that understanding and your answer
 09:58 2 previously given, you wouldn't think that HSBC North
 09:58 3 America, Inc. would be engaged in any marketing.
 09:58 4 A. I wouldn't think so, no.
 09:58 5 MR. BRUSTER: We've been going about an
 09:58 6 hour. Why don't we take a short break and then we'll --
 09:58 7 MR. LEONARD: Great.
 09:58 8 MR. BRUSTER: -- restart.
 09:58 9 THE VIDEOGRAPHER: We're off the record.
 09:58 10 (Recess taken 9:58 to 10:16)
 10:13 11 THE VIDEOGRAPHER: Back on the record.
 10:16 12 Q. (BY MR. BRUSTER) All right. We're back after
 10:16 13 a short break. Are you ready to continue? Oh, sorry,
 10:16 14 I'll let you quick BlackBerrying.
 10:16 15 MR. LEONARD: Yes.
 10:16 16 Q. (BY MR. BRUSTER) I get caught in that dilemma
 10:16 17 all the time.
 10:16 18 A. Okay.
 10:16 19 Q. Ready?
 10:16 20 A. Uh-huh (affirmative).
 10:16 21 Q. Before we left off, we were talking about HSBC
 10:16 22 North America, Inc., which is the wholly owned -- direct
 10:16 23 wholly owned subsidiary right under HSBC North America
 10:16 24 Holdings, Inc., correct?
 10:17 25 A. That's my recollection, yes.

10:17 1 Q. And you described that company as another
 10:17 2 holding company? Is that your testimony?
 10:17 3 A. Yes.
 10:17 4 Q. Okay. And I think I asked you whether or not
 10:17 5 that company had any operations and you said that you
 10:17 6 didn't believe they did; is that right?
 10:17 7 A. Well, holding companies are intended not to be
 10:17 8 operating companies, so that would be my understanding.
 10:17 9 Q. Does HSBC North America Holdings, Inc. run a
 10:17 10 website?
 10:17 11 A. I don't know, actually.
 10:17 12 Q. What about HSBC North America, Inc., do they
 10:17 13 have a website?
 10:17 14 A. The website that I'm familiar with is
 10:17 15 HSBC.com.
 10:17 16 Q. Who's responsible for the content of that
 10:18 17 website?
 10:18 18 A. I don't know.
 10:18 19 Q. You don't know whether it's HSBC North America
 10:18 20 Holdings, Inc. or not?
 10:18 21 A. Well, what do you mean by responsible for
 10:18 22 content?
 10:18 23 Q. How would you understand that question?
 10:18 24 A. Well, I would think that the technology group
 10:18 25 would have -- the group that runs the websites for the

10:18 1 company would be the primary place, you know, that would
 10:18 2 be responsible for it.
 10:18 3 Q. Does HSBC North America Holdings, Inc. have
 10:18 4 any input into the content that's displayed on the
 10:18 5 HSBC.com website?
 10:18 6 A. I have no idea how that all happens in the
 10:18 7 company. I don't know how that works.
 10:18 8 Q. Do you know whether or not HSBC North America,
 10:18 9 Inc. has any locations in Texas where it does business?
 10:18 10 A. Again, as a holding company, I don't believe
 10:19 11 it does business.
 10:19 12 MR. BRUSTER: Hey, Brooke, let's pull up
 10:19 13 and mark as Exhibit 3 ...
 10:19 14 (Off-the-record discussion between
 10:19 15 Mr. Bruster and Miss Berry.)
 10:22 16 Q. (BY MR. BRUSTER) Is the screen in front of
 10:22 17 you working?
 10:22 18 A. You know, it's working, but there's a terrible
 10:22 19 glare and I can't see it.
 10:22 20 Q. It should be able to adjust anyway you want
 10:22 21 it.
 10:22 22 A. Okay. Pull this up, or how does it --
 10:22 23 (Interruption in the proceedings.)
 10:23 24 THE VIDEOGRAPHER: We're off the record.
 10:24 25 (Recess taken 10:22 to 10:25.)

10:24 1 (Exhibit Number 3 marked.)
 10:25 2 THE VIDEOGRAPHER: We're on the record.
 10:25 3 Q. (BY MR. BRUSTER) Ma'am, we've handed you
 10:25 4 what's been marked as Exhibit 3 to your deposition. And
 10:25 5 if you see that mouse, that's sitting there in front of
 10:25 6 you, you've got the ability to control this document as
 10:25 7 well, if you wish to. I can show you that it's a --
 10:25 8 yeah, there you go. You can scroll through it and look.
 10:25 9 It's a two-page document.
 10:25 10 A. Oh, okay.
 10:25 11 MR. BRUSTER: Do you have it?
 10:26 12 MR. LEONARD: We're not getting it over
 10:26 13 here.
 10:26 14 MISS BERRY: I'm getting it. I'm sorry.
 10:26 15 It'll be just a few seconds.
 10:26 16 Q. (BY MR. BRUSTER) We'll wait until their up.
 10:26 17 I didn't realize they weren't up. Go ahead and look
 10:26 18 through it.
 10:27 19 A. (Reviewing document.) It's actually a
 10:27 20 one-page document. It says two, I know, but I'm only
 10:27 21 getting one.
 10:27 22 Q. Weird. Don't worry about it. We're only
 10:27 23 using page 1 anyway.
 10:27 24 A. Okay.
 10:27 25 Q. Do you recognize this as a printout from the

10:27 1 HSBC website?
 10:27 2 A. I've never seen it before, but it certainly
 10:27 3 appears to be that, yes.
 10:27 4 Q. You've spent time on the HSBC website, right?
 10:27 5 A. Not looking for jobs.
 10:27 6 Q. Sure, since you have a job.
 10:27 7 A. Yes.
 10:27 8 Q. Let me ask you about -- if you could, pause it
 10:27 9 right there, and do you see where the location for this
 10:27 10 job is?
 10:27 11 A. Lewisville, Texas.
 10:27 12 Q. Do you know where Lewisville, Texas is?
 10:28 13 A. I think I've been there once. Is it a
 10:28 14 subsidiary of Dallas?
 10:28 15 Q. Suburb.
 10:28 16 A. I mean a suburb? I'm sorry.
 10:28 17 Q. Close enough but, yes, it is.
 10:28 18 A. They both start with s-u-b.
 10:28 19 Q. Do you see the description of the job there?
 10:28 20 A. Yes, I do.
 10:28 21 Q. And do you see where it says, Make the right
 10:28 22 move and join a winning team. Build your career with
 10:28 23 us. HSBC North America is part of HSBC Group, one of
 10:28 24 the largest banking and financial services organizations
 10:28 25 in the world. Do you see that?

10:28 1 A. Yes.

10:28 2 Q. If HSBC North America is a holding company

10:28 3 with no operations, as you've just testified to, do you

10:28 4 know why it is that they're advertising for a job in

10:28 5 Lewisville, Texas here?

10:28 6 A. Well, the company that's the holding company

10:28 7 is HSBC North America Holdings, Inc., so I would not

10:28 8 assume that that's the company advertising for this job.

10:28 9 Q. You wouldn't assume that that's the company

10:28 10 advertising for the job even though it says, To build

10:28 11 your career with us, HSBC North America?

10:29 12 A. Correct.

10:29 13 Q. Why wouldn't you make that assumption?

10:29 14 A. Because I think there's a company named HSBC

10:29 15 North America that's not the same as HSBC North America

10:29 16 Holdings, Inc.

10:29 17 Q. HSBC North America, Inc. is a wholly owned

10:29 18 direct subsidiary of HSBC North America Holdings, Inc.,

10:29 19 correct?

10:29 20 A. That's my understanding.

10:29 21 Q. Okay. And you testified a few minutes ago

10:29 22 that HSBC North America, Inc. was just a holding company

10:29 23 with no operations, right?

10:29 24 A. I did.

10:29 25 Q. And here we're looking at a web page where

10:29 1 HSBC North America is advertising for a job in

10:29 2 Lewisville, Texas, aren't we?

10:29 3 A. We are.

10:29 4 Q. If they're a holding company with no

10:29 5 operations, why would they be offering employment to

10:29 6 people in Lewisville, Texas?

10:29 7 A. I can't answer that question.

10:29 8 Q. And for further clarification, I'll scroll

10:29 9 down here to the bottom of page 1. Oh, never mind.

10:30 10 We'll leave it at that.

10:30 11 Do you think that a person in the general

10:30 12 public, if they were on this website, looking at this,

10:30 13 would come the conclusion that HSBC North America was

10:30 14 offering jobs in Lewisville, Texas?

10:30 15 MR. LEONARD: Objection: Form.

10:30 16 Q. (BY MR. BRUSTER) You may answer.

10:30 17 A. Yes.

10:30 18 Q. Doesn't that seem entirely inconsistent with

10:30 19 your testimony a few minutes ago, that it's a holding

10:30 20 company with no operations?

10:30 21 A. Yes.

10:30 22 MR. LEONARD: Objection: Form.

10:30 23 THE WITNESS: Sorry.

10:30 24 A. Yes.

10:30 25 Q. (BY MR. BRUSTER) It does, doesn't it?

10:30 1 A. Yes.

10:30 2 Q. And you can't explain that, can you?

10:30 3 A. No.

10:30 4 Q. Now, you also testified that --

10:30 5 MR. BRUSTER: Hold on just a minute.

10:31 6 MR. NICHOLAS: Counsel, we can't access

10:31 7 the Exhibit right now.

10:31 8 MISS BERRY: Can y'all not see it at all?

10:31 9 MR. NICHOLAS: Well, it's down on the

10:31 10 white part, where you didn't have anything and

10:31 11 couldn't move it back up.

10:31 12 MISS BERRY: I can scroll down for you,

10:31 13 if you'd like to.

10:31 14 MR. NICHOLAS: Can you just release

10:31 15 control of the document?

10:31 16 MISS BERRY: You have complete control

10:31 17 over there. I'm not doing anything with it.

10:31 18 MR. BRUSTER: Let's go off the record for

10:31 19 just a minute.

10:31 20 THE VIDEOGRAPHER: Off the record.

10:31 21 (Recess taken 10:31 to 10:36)

10:36 22 THE VIDEOGRAPHER: Back on the record.

10:36 23 Q. (BY MR. BRUSTER) All right. Your screen

10:36 24 should be about as light as midnight and the -- we're

10:36 25 going to convert some documents over here.

10:36 1 MR. BRUSTER: Counsel, what I'd to do, if

10:36 2 it's all right with you guys, is use some paper copies

10:36 3 for a minute or two to keep going, and we can pencil

10:36 4 those in as the same Exhibit Number that we can then go

10:36 5 back and stamp the electronic copies just to say

10:36 6 consistent.

10:36 7 MR. LEONARD: Sure.

10:36 8 MR. BRUSTER: In other words, we use

10:36 9 paper 3, 4, 5, we'll go back and electronically stamp 3,

10:36 10 4 and 5 so that it's all together. Is that all right

10:36 11 with you guys?

10:36 12 MR. LEONARD: Will you go ahead and mark

10:36 13 the paper copies?

10:36 14 MR. BRUSTER: You bet, yeah. I mean,

10:36 15 we'll just kind of write it in there and circle it since

10:36 16 we're stamping the electronic --

10:36 17 MR. LEONARD: Just so we can later make

10:36 18 sure we have the same one.

10:36 19 Q. (BY MR. BRUSTER) If you want to go ahead and

10:36 20 circle in a 3 on that copy right there that we're using

10:36 21 of this document, that would be perfect.

10:36 22 A. (Complies.)

10:36 23 Q. And while you're sitting there looking at

10:36 24 Exhibit 3, Ms. Hickman, on the second page of that

10:36 25 document, you see down at the bottom on the second page

10:37 1 where it lists a copyright?
 10:37 2 A. I do.
 10:37 3 Q. Okay. And who is the copyright holder for
 10:37 4 this particular web page?
 10:37 5 A. HSBC North America, Inc.
 10:37 6 Q. Okay. And HSBC North America, Inc. is who you
 10:37 7 testified a few minutes ago you didn't believe to have
 10:37 8 any operations, correct?
 10:37 9 A. Yes.
 10:37 10 Q. Okay. Do you know why this purported holding
 10:37 11 company, with no operations, has a copyright on the
 10:37 12 Internet and is advertising jobs?
 10:37 13 A. I do not.
 10:37 14 Q. Okay. Does HSBC North America Holdings, Inc.
 10:37 15 own any copyrights?
 10:37 16 A. Not that I'm aware of, no, I don't believe so.
 10:37 17 Q. Did you know that HSBC North America, Inc.
 10:37 18 held any copyrights before I just showed you the one
 10:37 19 here in Exhibit 3?
 10:37 20 A. No.
 10:37 21 Q. So what you're telling the judge and jury is
 10:37 22 that HSBC North America Holdings, Inc. might have
 10:37 23 copyrights, might not, you just don't know. That's
 10:37 24 true, isn't it?
 10:37 25 MR. LEONARD: Objection: Form.

10:37 1 A. As I testified, yes, I don't know.
 10:38 2 Q. (BY MR. BRUSTER) Can you think of a reason
 10:38 3 why HSBC North America Holdings, Inc. would have any
 10:38 4 copyrights if it purportedly doesn't have any
 10:38 5 operations?
 10:38 6 A. No.
 10:38 7 Q. The job location that's advertised here in
 10:38 8 Lewisville, Texas --
 10:38 9 A. Yes.
 10:38 10 Q. -- are you familiar with the address or the
 10:38 11 office building where that job is being offered?
 10:38 12 A. I'm not certain. I have visited the
 10:38 13 Lewisville, Texas facility, but it was many years ago
 10:38 14 and I'm not certain that they haven't moved, but if it's
 10:38 15 the same one, I've been there.
 10:38 16 Q. Have you procured insurance for the facility
 10:38 17 located in Lewisville, Texas?
 10:38 18 A. Yes.
 10:38 19 Q. Okay. When you've done that, you've done that
 10:38 20 in your job position as the senior vice president of
 10:38 21 HSBC North America Holdings, Inc., correct?
 10:38 22 A. Yes.
 10:39 23 Q. How often do you go visit facilities that are
 10:39 24 held by a member of the HSBC family of companies?
 10:39 25 A. I try to visit several facilities annually.

10:39 1 Q. Annually. Have you been to any facilities in
 10:39 2 Texas in the last two or three years?
 10:39 3 A. No.
 10:39 4 Q. When was the last time you visited a Texas
 10:39 5 facility?
 10:39 6 A. The only time I visited a Texas facility was
 10:39 7 when I visited Lewisville, and that was many years ago.
 10:39 8 Q. Okay. Does -- did you procure premises
 10:39 9 liability insurance for that facility there in
 10:39 10 Lewisville, Texas?
 10:39 11 A. This facility is covered on an overall basis
 10:39 12 with all facilities in the United States, yes.
 10:39 13 Q. Which includes premises, general liability --
 10:39 14 A. Yes.
 10:39 15 Q. -- those kind of things?
 10:39 16 A. Uh-huh (affirmative).
 10:39 17 Q. Okay. On that front page it says that -- just
 10:40 18 read it directly -- HSBC North America is part of HSBC
 10:40 19 Group. Do you see that?
 10:40 20 A. Yes.
 10:40 21 Q. Is that a reference to HSBC Group, PLC?
 10:40 22 MR. LEONARD: Objection: Form.
 10:40 23 A. That's the way I would read it, but I -- I
 10:40 24 don't know. It doesn't have a PLC on it.
 10:40 25 Q. (BY MR. BRUSTER) But you would read that to

10:40 1 mean the parent company from England.
 10:40 2 A. That's what I would think, yes.
 10:40 3 Q. Have you ever seen this document or this web
 10:40 4 page before?
 10:40 5 A. I certainly have not seen the document before
 10:40 6 and, no, I'm not familiar with this web page.
 10:40 7 Q. Have you ever asked anybody within HSBC
 10:40 8 Holdings -- or HSBC North America Holdings, Inc. whether
 10:41 9 or not that entity operates a website?
 10:41 10 A. No.
 10:41 11 Q. Why not?
 10:41 12 A. I just haven't.
 10:41 13 Q. You didn't ask that question in preparation
 10:41 14 for your deposition here today about potential contacts
 10:41 15 with Texas?
 10:41 16 A. That particular piece of information was not
 10:41 17 discussed.
 10:41 18 Q. Have you ever been to the -- to the London
 10:41 19 headquarters of HSBC Holdings, PLC?
 10:41 20 A. Yes.
 10:41 21 Q. When was the last time you went to London to
 10:41 22 the headquarters?
 10:41 23 A. Shortly after Household was acquired, so I
 10:41 24 don't know exactly the date, but it would've been in
 10:41 25 2003.

10:41 1 Q. And what was your purpose for going over
 10:41 2 there?
 10:41 3 A. To introduce myself to the head of insurance
 10:42 4 on a worldwide basis, and to familiarize myself with the
 10:42 5 way that they would want us to report to them and their
 10:42 6 expectations of me.
 10:42 7 Q. Who is the head of insurance on a worldwide
 10:42 8 basis?
 10:42 9 A. Peter Valentine.
 10:42 10 Q. And you report, I guess, indirectly to
 10:42 11 Mr. Valentine?
 10:42 12 A. That's correct.
 10:42 13 Q. Do you correspond with Mr. Valentine on a
 10:42 14 regular basis?
 10:42 15 A. Yes.
 10:42 16 Q. By e-mail?
 10:42 17 A. Typically, yes.
 10:42 18 Q. Do you correspond with employees or officers
 10:42 19 or directors of the HSBC Bank subsidiary on a regular
 10:42 20 basis?
 10:42 21 MR. LEONARD: Objection: Form.
 10:42 22 A. Well, certainly, to the extent that my staff
 10:43 23 works there, yes, and certain other people periodically.
 10:43 24 Q. (BY MR. BRUSTER) So that would be a yes?
 10:43 25 A. Well, regularly, periodic -- once in a while,

10:44 1 And operational control, on the other
 10:44 2 hand, would be how many phone calls are made or deciding
 10:44 3 which customers to call or making sure the checks are
 10:45 4 processed.
 10:45 5 Q. What else besides setting strategy, reviewing
 10:45 6 results and comparing those to strategy would fall
 10:45 7 within your definition of management control?
 10:45 8 A. Well, consolidation of financials for
 10:45 9 reporting purposes, the same operation for tax within
 10:45 10 the regulations we have to comply with.
 10:45 11 Q. Anything else that you can think of that would
 10:45 12 fall within your definition of management control?
 10:45 13 A. No. I mean, I think that's indicative of how
 10:45 14 I view that.
 10:45 15 Q. And so just so we're clear, your testimony to
 10:46 16 this judge and jury is that HSBC North America Holdings,
 10:46 17 Inc. exercises management control over its banking
 10:46 18 subsidiary.
 10:46 19 A. It certainly -- it -- yes.
 10:46 20 Q. And that includes setting strategy, correct?
 10:46 21 A. Yes.
 10:46 22 Q. Reviewing results, correct?
 10:46 23 A. Yes.
 10:46 24 Q. Comparing those results to the strategy that's
 10:46 25 been set for the banking subsidiary, correct?

10:43 1 not every day.
 10:43 2 Q. You understand one of the key issues in this
 10:43 3 dispute is whether or not HSBC North America Holdings,
 10:43 4 Inc. controls the operations of HSBC Bank, the
 10:43 5 subsidiary?
 10:43 6 A. Well, what do you mean by control?
 10:43 7 Q. What's your definition of control?
 10:43 8 A. I asked you first.
 10:43 9 Q. Do you have a definition of control?
 10:43 10 A. No, I don't think I do have a definition, so
 10:43 11 in order to answer your question I'd like for you to
 10:43 12 tell me what your definition is.
 10:43 13 Q. Well, can you tell the jury whether or not
 10:43 14 HSBC North America Holdings, Inc. controls HSBC Bank
 10:44 15 USA, the banking subsidiary?
 10:44 16 MR. LEONARD: Objection: Form.
 10:44 17 A. The way I think about it is that as the
 10:44 18 hold -- the ultimate holding company, it does exercise
 10:44 19 some management control, but it does not exercise
 10:44 20 day-to-day operating control.
 10:44 21 Q. (BY MR. BRUSTER) What's the difference
 10:44 22 between management control and operational control?
 10:44 23 A. Well, setting strategy would be a management
 10:44 24 control, reviewing results periodically and how it
 10:44 25 compares to the strategy would be a management control.

10:46 1 A. Yes.
 10:46 2 Q. Consolidation of financials of the banking
 10:46 3 subsidiary for reporting purposes, correct?
 10:46 4 A. Not of the banking subsidiary by itself, all
 10:46 5 of the subsidiaries. A consolidation is of all the
 10:46 6 subsidiaries.
 10:46 7 Q. So it necessarily includes the banking
 10:46 8 subsidiary.
 10:46 9 A. It does include the banking subsidiary, but it
 10:46 10 does not perform the day-to-day accounting of the
 10:46 11 banking subsidiary. The banking subsidiary has its own
 10:47 12 accounting department.
 10:47 13 Q. The HSBC North America Holdings, Inc. parent
 10:47 14 company provides support to that accounting department,
 10:47 15 correct?
 10:47 16 MR. LEONARD: Objection: Form.
 10:47 17 Q. (BY MR. BRUSTER) You may answer.
 10:47 18 A. They interact with each other. Whether it's
 10:47 19 support or -- I don't know exactly what their
 10:47 20 interactions are.
 10:47 21 Q. HSBC North America Holdings, Inc., the parent
 10:47 22 company, also provides assistance with regulatory
 10:47 23 compliance to the banking subsidiary, correct?
 10:47 24 MR. LEONARD: Objection: Form.
 10:47 25 Q. (BY MR. BRUSTER) Isn't that what you just

10:47 1 mentioned a moment ago?
 10:47 2 A. Well, I said, you know, consolidation of
 10:47 3 financials and tax, and so to the extent that those are
 10:47 4 holding-company-regulated items, yes. As far as
 10:47 5 anything that the subsidiary, all by itself, is
 10:47 6 responsible for, I would think that that would not be
 10:47 7 something the holding company would be involved in.
 10:48 8 Q. Does HSBC North America Holdings, Inc.
 10:48 9 exercise ownership of HSBC Bank USA?
 10:48 10 MR. LEONARD: Objection: Form.
 10:48 11 A. Not on a direct basis. As we previously
 10:48 12 discussed, it owns the stock of the company directly
 10:48 13 beneath it, which owns the stock of the company beneath
 10:48 14 it, which owns the stock of the company or companies
 10:48 15 beneath it, and it all flows up. So, no, it doesn't
 10:48 16 have direct ownership.
 10:48 17 Q. (BY MR. BRUSTER) I'm going to hand you what
 10:48 18 we're going to mark for now on paper, and soon on
 10:48 19 electronic, as Exhibit Number 4 to your deposition.
 10:48 20 (Exhibit Number 4 marked.)
 10:48 21 MR. LEONARD: Counsel, do you have
 10:48 22 multiple copies of that?
 10:48 23 MR. BRUSTER: Yeah, you bet. Just take
 10:48 24 this one.
 10:48 25 MR. LEONARD: Thank you very much.

10:50 1 A. (Complies.)
 10:50 2 Q. On the right-hand column, in the top
 10:50 3 paragraph, the last sentence, do you see where it reads,
 10:50 4 This company, called HSBC North America Holdings, Inc.,
 10:50 5 is also a bank holding company under the BHCA by virtue
 10:50 6 of its ownership and control of HSBC Bank USA. Do you
 10:51 7 see that?
 10:51 8 A. I do.
 10:51 9 Q. Okay. Do you believe that's an accurate
 10:51 10 statement?
 10:51 11 A. Yes.
 10:51 12 Q. Okay. A few minutes ago you told this judge
 10:51 13 and jury that you didn't believe that HSBC North America
 10:51 14 Holdings, Inc. could be termed to own HSBC Bank USA.
 10:51 15 MR. LEONARD: Objection.
 10:51 16 Q. (BY MR. BRUSTER) Do you recall that
 10:51 17 testimony?
 10:51 18 MR. LEONARD: Objection to form.
 10:51 19 A. I think my testimony was that it's not the
 10:51 20 direct owner, and I would stand by that.
 10:51 21 Q. (BY MR. BRUSTER) Okay. So is it true that
 10:51 22 HSBC North America Holdings, Inc. has ownership of HSBC
 10:51 23 Bank USA? Is that a true statement?
 10:51 24 MR. LEONARD: Objection to form.
 10:51 25 A. As I stated before, it's my understanding that

10:48 1 MR. BRUSTER: Sure.
 10:49 2 Q. (BY MR. BRUSTER) Have you ever seen this
 10:49 3 document that I've handed you, Exhibit 4?
 10:49 4 A. Yes.
 10:49 5 Q. Did you see it as a part of the -- as part of
 10:49 6 your review in preparation for your deposition today?
 10:49 7 A. Yes.
 10:49 8 Q. Okay. This is a Form 20-F, which is a
 10:49 9 Securities & Exchange Commission or SEC filing that was
 10:49 10 made on behalf of your employer's parent company, HSBC
 10:49 11 Holdings, PLC, correct?
 10:50 12 A. Yes.
 10:50 13 Q. Okay. And do you know why the SEC requires
 10:50 14 HSBC Holdings, PLC to file this document?
 10:50 15 A. No.
 10:50 16 Q. Okay. This is an excerpted document because
 10:50 17 the original document is some hundred-plus pages. Do
 10:50 18 you understand that?
 10:50 19 A. It says 729 at the top.
 10:50 20 Q. Okay.
 10:50 21 A. That's huge.
 10:50 22 Q. Let's go with big, all right?
 10:50 23 If you'll flip to the third page --
 10:50 24 A. Okay.
 10:50 25 Q. -- of Exhibit 4.

10:51 1 the ownership is a result of the direct subsidiary
 10:51 2 immediately beneath HSBC North America Holdings, Inc.
 10:51 3 owning the stock of the subsidiary below that, which
 10:51 4 owns the stock, I believe, at that point, of HSBC Bank.
 10:52 5 So they do own HSBC Bank indirectly by virtue of all the
 10:52 6 stock rolling up.
 10:52 7 Q. (BY MR. BRUSTER) I think the answer was in
 10:52 8 there, but isn't it true that HSBC North America
 10:52 9 Holdings, Inc. owns HSBC Bank USA?
 10:52 10 MR. LEONARD: Objection: Form. Object
 10:52 11 to the sidebar.
 10:52 12 Q. (BY MR. BRUSTER) Isn't that true?
 10:52 13 MR. LEONARD: Same objection.
 10:52 14 A. Well, I'm going to -- I guess I've already
 10:52 15 answered your question to the best of my ability and so
 10:52 16 I'm just going to leave it at that.
 10:52 17 Q. (BY MR. BRUSTER) You don't dispute the
 10:52 18 statement here that HSBC North America Holdings, Inc.
 10:52 19 exerts ownership of HSBC Bank USA, do you?
 10:52 20 A. No.
 10:52 21 Q. Okay. Well, then, let's talk about control,
 10:52 22 the second thing there, where it says HSBC North America
 10:52 23 Holdings, Inc. has ownership and control of HSBC Bank
 10:52 24 USA. Do you agree with that statement?
 10:52 25 A. Well, it also says that under the Bank Holding

10:53 1 Company Act, that under that Act, by virtue of control
 10:53 2 of HSBC Bank. So it's my understanding that that Act
 10:53 3 requires the holding company to have control if there
 10:53 4 are safety and soundness issues in the bank.
 10:53 5 Q. Well, let me ask the same question again.
 10:53 6 Does HSBC North America Holdings, Inc. control HSBC Bank
 10:53 7 USA?
 10:53 8 MR. LEONARD: Objection: Form.
 10:53 9 A. Not on a day-to-day operating basis.
 10:53 10 Q. (BY MR. BRUSTER) So do you disagree with the
 10:53 11 statement made here in this SEC government filing that
 10:53 12 was made by your parent company?
 10:53 13 A. I think that there are many ways to
 10:53 14 characterize the word control.
 10:53 15 Q. So you disagree with this statement, or you
 10:53 16 don't?
 10:53 17 A. I don't disagree with this statement.
 10:53 18 Q. So this is accurate, HSBC North America
 10:53 19 Holdings, Inc. has ownership and control of HSBC Bank
 10:54 20 USA. Is that your testimony to this judge and jury?
 10:54 21 MR. LEONARD: Objection: Form.
 10:54 22 A. Yes, it does, but indirectly.
 10:54 23 Q. (BY MR. BRUSTER) Well, it doesn't say
 10:54 24 indirectly here in the document, does it?
 10:54 25 MR. LEONARD: Objection: Form.

10:54 1 Q. (BY MR. BRUSTER) You may answer.
 10:54 2 A. No, it doesn't.
 10:54 3 Q. If the average consumer were to pick this up
 10:54 4 and read it, there's nothing in here that would lead him
 10:54 5 to believe that there's some sort of indirect ownership
 10:54 6 or indirect control exerted by HSBC North America
 10:54 7 Holdings, Inc., is there?
 10:54 8 MR. LEONARD: Objection: Form.
 10:54 9 Don't speculate, Ms. Hickman.
 10:54 10 Q. (BY MR. BRUSTER) You may answer.
 10:54 11 A. This is one sentence in a document of 729
 10:54 12 pages. I don't know what the average consumer would
 10:54 13 think if they read the entire document.
 10:54 14 Q. What about if they just read that one
 10:54 15 sentence? I mean, there's nothing in here that would
 10:54 16 appear to show that there is indirect control exerted by
 10:55 17 HSBC North America Holdings, Inc., is there?
 10:55 18 MR. LEONARD: Objection to form.
 10:55 19 Q. (BY MR. BRUSTER) You may answer.
 10:55 20 MR. LEONARD: Do you want -- I mean,
 10:55 21 Counsel, do you want her to look at the entire document?
 10:55 22 You just asked, is there anything in this document to
 10:55 23 suggest that there's indirect ownership.
 10:55 24 MR. BRUSTER: No, sir. I want her to
 10:55 25 answer the question.

10:55 1 Q. (BY MR. BRUSTER) Is there anything right
 10:55 2 there that would show anyone that the control exerted by
 10:55 3 HSBC North America Holdings, Inc. is indirect?
 10:55 4 MR. LEONARD: Objection to form.
 10:55 5 Right there, I guess he's referring to
 10:55 6 that specific sentence, Ms. Hickman.
 10:55 7 A. And I understand that, and I've answered that
 10:55 8 several times now, and I don't have a different answer
 10:55 9 unless you want me to read the entire document. I'm
 10:55 10 sorry, but I've told you what I think and that's what
 10:55 11 I'm here to do.
 10:55 12 Q. (BY MR. BRUSTER) The answer is no, there's
 10:55 13 nothing in there that indicates any kind of indirect
 10:55 14 control, is there?
 10:55 15 MR. LEONARD: Objection: Form.
 10:55 16 A. Not in that sentence.
 10:55 17 Q. (BY MR. BRUSTER) Okay. And, in fact, there's
 10:55 18 nothing anywhere on that page that shows indirect
 10:55 19 control, is there?
 10:55 20 A. I can't answer that without reading it.
 10:56 21 MR. LEONARD: Read the document.
 10:56 22 Q. (BY MR. BRUSTER) Okay.
 10:56 23 A. (Reviewing document.) Would you ask your
 10:58 24 question again, please?
 10:58 25 Q. Excuse me? I'm sorry?

10:58 1 A. Could you ask your question again, please?
 10:58 2 Q. Sure. Did you see anything on that page to
 10:58 3 indicate that the control exerted by HSBC North America
 10:58 4 Holdings, Inc. and HSBC Bank USA is indirect?
 10:58 5 MR. LEONARD: Objection: Form.
 10:58 6 Q. (BY MR. BRUSTER) You may answer.
 10:58 7 A. I do not see anything.
 10:58 8 Q. There's nothing there, is there?
 10:58 9 A. Not that -- no, I didn't identify anything.
 10:58 10 Q. But it's your testimony to this judge and this
 10:58 11 jury that this control, that's discussed in this SEC
 10:59 12 document, is, in fact, indirect. That's your testimony.
 10:59 13 A. The control is not operational is my
 10:59 14 testimony. It's not on a day-to-day operational basis.
 10:59 15 Q. We've talked about ownership here and we've
 10:59 16 talked about control and now you just mentioned
 10:59 17 operations. Let's talk about operations a little bit.
 10:59 18 Is it your testimony to this judge and
 10:59 19 jury that HSBC North America Holdings, Inc. does not
 10:59 20 operate its subsidiaries?
 10:59 21 MR. LEONARD: Objection: Form.
 10:59 22 Q. (BY MR. BRUSTER) You may answer.
 10:59 23 A. It is -- a subsidiary operates its own
 10:59 24 business. They are not operated by HSBC North America
 10:59 25 Holdings, Inc.

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10:59 1 Q. So it's your testimony to this judge and jury
 10:59 2 that the banking subsidiary of HSBC is not operated by
 10:59 3 HSBC North America Holdings, Inc.
 10:59 4 A. That's correct.
 10:59 5 MR. LEONARD: Objection to form.
 10:59 6 Q. (BY MR. BRUSTER) You may answer.
 10:59 7 A. That's correct.
 10:59 8 (Exhibit Number 5 marked.)
 11:00 9 Q. (BY MR. BRUSTER) Okay. I've pulled up on the
 11:00 10 screen in front of you a document that's been marked as
 11:00 11 Exhibit 5 to your deposition. And I can actually hand
 11:00 12 you a hard copy, too, if you'd like that.
 11:00 13 MR. BRUSTER: The electronic should be on
 11:00 14 y'all's screen, too.
 11:00 15 Q. (BY MR. BRUSTER) And I think you should have
 11:00 16 the ability to control it on your screen, too, if you
 11:00 17 wish.
 11:00 18 Have you seen Exhibit 5 before?
 11:01 19 A. (Reviewing document.) I think I saw this,
 11:01 20 yes. It looks different on the screen.
 11:01 21 Q. You think you've seen it before?
 11:01 22 A. Yes.
 11:01 23 Q. Okay. And I saw that you flipped to the last
 11:01 24 page. This is a letter that was written by Janet Borak.
 11:01 25 Is that how you pronounce her name?

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11:01 1 A. Borak.
 11:01 2 Q. Borak?
 11:01 3 A. Uh-huh (affirmative).
 11:01 4 Q. It was written July 16th of 2004, correct?
 11:01 5 A. Yes.
 11:01 6 Q. And this letter was addressed to some folks at
 11:01 7 the Office of the Comptroller of the Currency, the
 11:02 8 Secretary of the Board of Governors of the Federal
 11:02 9 Reserve, the FDIC and the Securities & Exchange
 11:02 10 Commission and the Office of Thrift Supervision,
 11:02 11 correct?
 11:02 12 A. Yes.
 11:02 13 Q. Ms. Burak is a lawyer with HSBC, correct?
 11:02 14 A. Yes.
 11:02 15 Q. I'm going to flip here to page 2 of this
 11:02 16 letter. And about two minutes ago you testified that
 11:02 17 HSBC North America Holdings, Inc. does not operate its
 11:02 18 subsidiaries. Do you recall that testimony?
 11:02 19 A. Yes.
 11:02 20 Q. First of all, here on page 1, you can see
 11:02 21 where the letter defines HSBC North America Holdings,
 11:02 22 Inc. to be HSBC North America throughout the letter. Do
 11:02 23 you see that?
 11:02 24 A. I see that, yes, she has defined it that way.
 11:02 25 Q. And the first sentence on page two says, As a

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11:02 1 bank holding company, HSBC North America operates
 11:03 2 various subsidiaries in the United States. Do you see
 11:03 3 that?
 11:03 4 A. I do.
 11:03 5 Q. Okay. Just a few minutes ago you said HSBC
 11:03 6 North America does not operate its subsidiaries. Do you
 11:03 7 recall testifying to that?
 11:03 8 A. I do.
 11:03 9 Q. Okay. Who's right, Ms. Burak in her letter to
 11:03 10 the United States government, or you in your testimony
 11:03 11 here today?
 11:03 12 MR. LEONARD: Objection: Form.
 11:03 13 A. I am here to testify to my knowledge of the
 11:03 14 subject matter you've asked for, and I stand by my
 11:03 15 understanding of the word operates and the fact that
 11:03 16 HSBC North America Holdings, Inc. does not operate the
 11:03 17 subsidiaries.
 11:03 18 Q. (BY MR. BRUSTER) So in your understanding,
 11:03 19 what you're testifying to is that Ms. Burak is wrong --
 11:03 20 MR. LEONARD: Objection: Form.
 11:03 21 Q. (BY MR. BRUSTER) -- in her representation
 11:03 22 here to the United States government. Is that what
 11:03 23 you're saying?
 11:03 24 MR. LEONARD: I'm sorry.
 11:03 25 Same objection.

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11:03 1 A. I cannot -- I can't testify to whether or not
 11:03 2 this is wrong or how she characterized her letter.
 11:04 3 That's not -- I think you would have to ask her these
 11:04 4 questions if you wanted to know.
 11:04 5 Q. (BY MR. BRUSTER) So let me just ask you, are
 11:04 6 you telling the judge and jury that first sentence is
 11:04 7 wrong, that that's an incorrect statement?
 11:04 8 MR. LEONARD: Objection: Form.
 11:04 9 A. My testimony is that there are operating
 11:04 10 subsidiaries of HSBC North America Holdings, Inc., that
 11:04 11 HSBC North America Holdings, Inc. does not operate the
 11:04 12 subsidiaries on a day-to-day basis. So, yes, I would
 11:04 13 say my understanding is that that first sentence is
 11:04 14 incorrect.
 11:04 15 Q. (BY MR. BRUSTER) So your testimony to the
 11:04 16 judge and jury is that first sentence there on page 2 is
 11:04 17 incorrect.
 11:04 18 MR. LEONARD: Objection: Form.
 11:04 19 A. Yes.
 11:04 20 Q. (BY MR. BRUSTER) Do you know why Ms. Burak
 11:04 21 would make that misrepresentation to the United States
 11:04 22 government?
 11:04 23 MR. LEONARD: Objection: Form.
 11:04 24 A. I cannot speak to that.
 11:04 25 Q. (BY MR. BRUSTER) Did you talk to her in

11:04 1 preparation for your deposition here today?
 11:05 2 A. No.
 11:05 3 Q. You actually received a copy of this letter
 11:05 4 weeks ago, didn't you?
 11:05 5 A. No.
 11:05 6 Q. When did you first see this letter?
 11:05 7 A. The day before yesterday.
 11:05 8 Q. The day before yesterday?
 11:05 9 A. Yes.
 11:05 10 Q. Did your lawyers, that are here today, show it
 11:05 11 to you?
 11:05 12 MR. LEONARD: Objection: Form.
 11:05 13 Q. (BY MR. BRUSTER) You may answer.
 11:05 14 MR. LEONARD: Don't answer the questions
 11:05 15 of what you may have discussed with your lawyers.
 11:05 16 Q. (BY MR. BRUSTER) Yeah. I don't want to know
 11:05 17 about anything you talked to them about, but did your
 11:05 18 lawyers, that are here today, show you this letter?
 11:05 19 MR. LEONARD: You're going into work
 11:05 20 product. You can ask her what she saw, Anthony, but
 11:05 21 don't ask her what I discussed with her.
 11:05 22 MR. BRUSTER: I don't want to know what
 11:05 23 you discussed with her, make that clear.
 11:05 24 MR. LEONARD: Okay. So limit your
 11:05 25 question to what she may have reviewed in preparation

11:06 1 work-product protection may extend to the selection from
 11:06 2 a vast pool of documents that are to be reviewed, but
 11:06 3 when a specific document is shown to a witness and
 11:06 4 discussion of where she got that document from is not
 11:06 5 privileged.
 11:06 6 MR. LEONARD: Well, I think what's
 11:06 7 important is did she see the document, did she review
 11:07 8 the document, is she aware of the document, and did she
 11:07 9 do it in conjunction with her preparation.
 11:07 10 Whether I showed her the document myself
 11:07 11 and whether or not I discussed the document with her is
 11:07 12 not really something that you're entitled to know.
 11:07 13 That's the only distinction I'm trying to make.
 11:07 14 MR. BRUSTER: I'm not asking for
 11:07 15 discussions. I'm not asking for what you discussed.
 11:07 16 Q. (BY MR. BRUSTER) Was there anything else in
 11:07 17 the packet that arrived when you got this letter?
 11:07 18 A. Yes.
 11:07 19 Q. What else?
 11:07 20 A. Well, one of the things that was in there was
 11:07 21 that Form 20-F, that we looked at earlier. I don't
 11:07 22 know. There were just a number of documents.
 11:07 23 Q. So a number of documents related to the
 11:07 24 deposition were delivered to you.
 11:07 25 A. Yes.

11:05 1 for her deposition.
 11:05 2 Q. (BY MR. BRUSTER) How did you get this letter
 11:05 3 the day before yesterday?
 11:05 4 A. In preparation for my deposition.
 11:05 5 Q. How did you get it?
 11:05 6 A. It was delivered to my office or to my
 11:05 7 secretary.
 11:05 8 Q. By whom?
 11:05 9 A. I'm not really sure, actually. I wasn't
 11:06 10 there.
 11:06 11 Q. Did it come from your attorneys?
 11:06 12 MR. LEONARD: Don't answer that question.
 11:06 13 MR. BRUSTER: You're objecting to her
 11:06 14 telling us whether or not you gave her this document?
 11:06 15 MR. LEONARD: I don't object to you
 11:06 16 asking her about any documents she may have reviewed in
 11:06 17 preparation for her deposition. I think it's privileged
 11:06 18 what I may have shown her in preparation for the
 11:06 19 deposition and discussed as part of my work product.
 11:06 20 So I know I'm splitting hairs. I want
 11:06 21 you to be able to examine her on anything she reviewed,
 11:06 22 I just don't want you to examine her on what I may have
 11:06 23 shown her and discussed with her. That's the
 11:06 24 distinction I'm trying to make.
 11:06 25 MR. BRUSTER: Okay. Well, I think the

11:07 1 Q. Okay. Did they come from your lawyers?
 11:07 2 MR. LEONARD: Don't answer that question.
 11:07 3 Q. (BY MR. BRUSTER) Did the packet, that the
 11:07 4 documents arrived in, have a sender's address on it?
 11:08 5 A. No.
 11:08 6 Q. How were they -- how were they delivered to
 11:08 7 you? By e-mail?
 11:08 8 A. No.
 11:08 9 Q. Hard copies?
 11:08 10 A. Yes.
 11:08 11 Q. Were they bound together?
 11:08 12 A. There was a rubber band around them.
 11:08 13 Q. Was there a conveyance letter with them?
 11:08 14 A. No.
 11:08 15 Q. Did you have any idea who they were from?
 11:08 16 A. Well, I expected to receive them.
 11:08 17 Q. Why did you expect to receive them?
 11:08 18 A. Because I knew I was going to be giving this
 11:08 19 deposition and that there were some things I needed to
 11:08 20 review prior to today.
 11:08 21 Q. How did you know there were things you needed
 11:08 22 to review?
 11:08 23 A. Well, that's what you do before you give a
 11:08 24 deposition.
 11:08 25 Q. Was there any indication at all where this

11:08 1 letter came from?
 11:08 2 A. It's a letter -- it's a copy of a letter
 11:08 3 written by Janet Burak. That's all I can tell you.
 11:09 4 Q. So just so we're clear, your testimony to the
 11:09 5 jury is that Ms. Burak is wrong when she says HSBC North
 11:09 6 America operates subsidiaries in the US.
 11:09 7 MR. LEONARD: Objection: Form.
 11:09 8 A. I'm saying that the word operates, to me,
 11:09 9 is -- could -- is -- indicates something different than
 11:09 10 what that sentence says.
 11:09 11 Q. (BY MR. BRUSTER) When you read this letter
 11:09 12 two days ago, did you pick up the phone and call
 11:09 13 Ms. Burak and say, where did you get the understanding
 11:09 14 that HSBC North America Holdings, Inc. operates banking
 11:09 15 subsidiaries in the United States?
 11:09 16 A. I already testified that I did not speak to
 11:09 17 Ms. Burak.
 11:09 18 Q. Why didn't you call her if you got this letter
 11:09 19 a couple of days ago and recognized its content to be
 11:09 20 inconsistent with what your knowledge of HSBC North
 11:09 21 America Holdings, Inc. operations were?
 11:09 22 A. I just didn't.
 11:09 23 Q. You just didn't? Isn't it true that you
 11:09 24 didn't call her because you knew that the definition of
 11:09 25 operation she'd give you would subject HSBC North

11:11 1 Q. Yes, ma'am.
 11:11 2 A. Yes.
 11:11 3 Q. It says, As a leader in providing a wide array
 11:11 4 of financial services to clients, HSBC North America
 11:11 5 believes that financial institutions have a vital role
 11:11 6 to play in the responsible use of CSFT's and related
 11:11 7 financial products, and it continues from there,
 11:11 8 correct?
 11:11 9 A. Yes.
 11:11 10 Q. Okay. Just 30 seconds ago you testified to
 11:11 11 the judge and jury that HSBC North America does not
 11:11 12 provide financial services to clients. Do you recall
 11:11 13 that?
 11:11 14 A. Yes.
 11:11 15 Q. Okay. And right here Ms. Burak writes, As a
 11:11 16 leader in providing a wide array of financial services
 11:11 17 to clients, HSBC North America, it goes on and on,
 11:11 18 correct?
 11:11 19 A. Correct.
 11:11 20 Q. Okay. Is this a misrepresentation made by
 11:12 21 Ms. Burak to the United States government as well?
 11:12 22 MR. LEONARD: Objection: Form.
 11:12 23 A. You know, the letter says what it says. That
 11:12 24 is not my understanding of the role that HSBC North
 11:12 25 America Holdings plays, but I can't interpret her letter

11:10 1 America Holdings, Inc. to operating subsidiaries --
 11:10 2 MR. LEONARD: Objection.
 11:10 3 Q. (BY MR. BRUSTER) -- in the United States?
 11:10 4 MR. LEONARD: Excuse me.
 11:10 5 Objection to form.
 11:10 6 A. No.
 11:10 7 Q. (BY MR. BRUSTER) You were afraid of her
 11:10 8 answer, weren't you?
 11:10 9 A. No.
 11:10 10 Q. Did you think that she was going to change her
 11:10 11 position of what she represented to the United States
 11:10 12 government?
 11:10 13 MR. LEONARD: Objection to form.
 11:10 14 A. I didn't give any thought to calling Janet
 11:10 15 about this letter.
 11:10 16 Q. (BY MR. BRUSTER) Does HSBC North America
 11:10 17 Holdings, Inc. provide any financial services to its
 11:10 18 clients, to any clients?
 11:10 19 MR. LEONARD: Objection: Form.
 11:10 20 A. Not to my knowledge, no.
 11:11 21 Q. (BY MR. BRUSTER) Do you see here, in the
 11:11 22 second paragraph, where I've got the cursor on this
 11:11 23 Exhibit? Do you see this sentence right here on the
 11:11 24 third line of the second paragraph?
 11:11 25 A. The one that begins with "as"?

11:12 1 for you.
 11:12 2 Q. (BY MR. BRUSTER) Ms. Burak is a lawyer for
 11:12 3 HSBC North America Holdings, Inc., correct?
 11:12 4 A. I believe she does, yes.
 11:12 5 Q. The same company that you work for, right?
 11:12 6 A. Yes.
 11:12 7 Q. And she's represented to the government, as a
 11:12 8 lawyer, that HSBC North America provides a wide array of
 11:12 9 financial services to clients, hasn't she?
 11:12 10 A. Again, that's what this sentence says, yes.
 11:12 11 Q. And you're here today testifying to this judge
 11:12 12 and jury that, in fact, HSBC North America Holdings,
 11:12 13 Inc. does not provide those services.
 11:12 14 A. The services are provided through its
 11:12 15 operating subsidiaries, they're not provided by the
 11:12 16 holding company.
 11:12 17 Q. Well, Ms. Burak writes right here that HSBC
 11:13 18 North America Holdings, Inc. is providing those
 11:13 19 services, doesn't she?
 11:13 20 MR. LEONARD: Objection: Form.
 11:13 21 A. You read the sentence, yes, it says what it
 11:13 22 says.
 11:13 23 Q. (BY MR. BRUSTER) And I guess even if they are
 11:13 24 provided through the subsidiaries, in the previous
 11:13 25 paragraph she wrote that HSBC North America Holdings,

11:13 1 Inc. is operating those subsidiaries, didn't she?
 11:13 2 MR. LEONARD: Objection: Form.
 11:13 3 A. Again, Ms. Burak's letter speaks for itself.
 11:13 4 My testimony is that my understanding is different from
 11:13 5 this letter in terms of control and operations.
 11:13 6 Q. (BY MR. BRUSTER) And did you get that
 11:13 7 understanding from your lawyers or from somebody else?
 11:13 8 MR. LEONARD: Objection.
 11:13 9 Don't answer with respect to what you may
 11:13 10 have discussed with your lawyers.
 11:13 11 A. I have general knowledge of how corporate
 11:13 12 structures with holding companies work, and HSBC North
 11:13 13 America Holdings has 50 or less employees. Its role is
 11:14 14 to provide services to consolidate various financials
 11:14 15 and help with taxes, those things. It's not an
 11:14 16 operating company. It does not generate revenue.
 11:14 17 Q. (BY MR. BRUSTER) Why is it that the jury
 11:14 18 should believe you instead of a lawyer who works for the
 11:14 19 company that you work for on these issues?
 11:14 20 MR. LEONARD: Objection: Form.
 11:14 21 A. Well, I guess the jury can believe whatever it
 11:14 22 chooses to believe, but I am testifying to my
 11:14 23 understanding of these matters.
 11:14 24 Q. (BY MR. BRUSTER) Does HSBC North America
 11:14 25 Holdings, Inc. implement policies for subsidiaries?

11:14 1 A. Could you give me some idea of what you mean
 11:14 2 by a policy?
 11:14 3 Q. What's your understanding of what the word
 11:14 4 policy means?
 11:14 5 A. Here we go again. Well, when I think of
 11:15 6 policies, I think of -- it could be any number of
 11:15 7 things, actually. I mean, it could be policies that --
 11:15 8 you know, that are specific to a business, or it could
 11:15 9 be policies that -- such as the HSBC policy of operating
 11:15 10 with integrity as something that is integral to the
 11:15 11 entire organization.
 11:15 12 Q. Is that a written policy? Is there a written
 11:15 13 policy about operating with integrity?
 11:15 14 A. I don't know that it's a written policy, but
 11:15 15 it's certainly a pervasive statement and a pervasive
 11:15 16 viewpoint of the organization.
 11:15 17 Q. Do you have like risk management policies, for
 11:15 18 example?
 11:15 19 A. We have guidelines, yes. I mean ...
 11:16 20 Q. Does HSBC North America Holdings, Inc.
 11:16 21 implement risk management policies that its subsidiaries
 11:16 22 follow?
 11:16 23 MR. LEONARD: Objection.
 11:16 24 A. Are you talking about insurance risk
 11:16 25 management?

11:16 1 THE WITNESS: Oh, I'm sorry.
 11:16 2 MR. LEONARD: Objection: Form.
 11:16 3 Q. (BY MR. BRUSTER) I'm just talking about from
 11:16 4 a policy level does HSBC North America Holdings, Inc.
 11:16 5 implement policies that its banking subsidiary then
 11:16 6 follows?
 11:16 7 A. I don't know.
 11:16 8 MR. LEONARD: Objection: Form.
 11:16 9 A. I don't know.
 11:16 10 Q. (BY MR. BRUSTER) You don't know?
 11:16 11 A. Huh-uh (negative).
 11:16 12 Q. Does HSBC North America Holdings, Inc. serve
 11:16 13 customers?
 11:16 14 MR. LEONARD: Objection to form.
 11:16 15 A. Not on a direct basis, no. Its customers are
 11:16 16 served through operating subsidiaries.
 11:16 17 Q. (BY MR. BRUSTER) I'll flip over to page 5 of
 11:16 18 Ms. Burak's letter to the United States government
 11:17 19 agencies and have you look with me here in the bottom
 11:17 20 paragraph, right above this section, Additional
 11:17 21 Comments. Do you see the sentence right here starting
 11:17 22 with, HSBC North America?
 11:17 23 A. Yes.
 11:17 24 Q. It reads, HSBC North America -- which is
 11:17 25 referring to North America Holdings, Inc., correct?

11:17 1 A. Yes.
 11:17 2 Q. -- is as a financial institution, a principle
 11:17 3 strategic advantage of which is its ability to structure
 11:17 4 cross-boarder transactions and serve customers and
 11:17 5 counterparties in more than one geographic region. Do
 11:17 6 you see that?
 11:17 7 A. I do.
 11:17 8 Q. Is that an accurate statement that Ms. Burak
 11:17 9 made to the United States government there?
 11:17 10 A. Again, it speaks for itself, and I have
 11:17 11 testified that this would not be my understanding of
 11:17 12 serving customers. I just moments ago --
 11:18 13 Q. Moments ago you testified -- you testified
 11:18 14 that HSBC North America Holdings, Inc. does not serve
 11:18 15 customers, correct.
 11:18 16 A. On a direct basis, yes.
 11:18 17 Q. And Ms. Burak here is writing to the United
 11:18 18 States government that, in fact, the company is serving
 11:18 19 customers, isn't she?
 11:18 20 MR. LEONARD: Objection to form.
 11:18 21 A. The letter speaks for itself. That's what
 11:18 22 this sentence says.
 11:18 23 Q. (BY MR. BRUSTER) But again, you want the
 11:18 24 judge and jury to believe you instead of Ms. Burak's
 11:18 25 letter, correct?

11:18 1 MR. LEONARD: Objection: Form.
 11:18 2 A. Well, I am telling you the truth as I know it
 11:18 3 so, yes, I would like for the judge and jury to believe
 11:18 4 me.
 11:18 5 Q. (BY MR. BRUSTER) Do you know whether
 11:18 6 Ms. Burak was telling the truth when she wrote this
 11:18 7 letter to the United States government?
 11:18 8 A. I am confident that she was.
 11:18 9 Q. That she was.
 11:18 10 A. Yes.
 11:18 11 Q. Okay.
 11:19 12 MR. BRUSTER: Why don't we take another
 11:19 13 short break. We've been going an hour-and-fifteen or
 11:19 14 so.
 11:19 15 THE VIDEOGRAPHER: Off the record.
 11:19 16 (Recess taken 11:19 to 11:38)
 11:19 17 (Exhibit Number 6 marked.)
 11:38 18 THE VIDEOGRAPHER: We're back on the
 11:38 19 record.
 11:38 20 Q. (BY MR. BRUSTER) All right. We're back after
 11:38 21 a short break. Ms. Hickman, without disclosing any of
 11:38 22 the nature of the conversations, did you have an
 11:39 23 opportunity to visit with your counsel during the break?
 11:39 24 A. Just now? Yes.
 11:39 25 Q. Okay. I'm going to mark, as Exhibit 6, what

11:40 1 Bank USA. Do you see that?
 11:40 2 A. I do.
 11:40 3 Q. And then after some objections, there's an
 11:40 4 answer that says, Denied that HNAH, which is HSBC North
 11:40 5 America Holdings, Inc., operates HSBC Bank USA directly,
 11:40 6 but it is admitted that in its role as a holding company
 11:40 7 that HSBC Bank USA is an indirect, wholly owned
 11:40 8 subsidiary of HNAH. Did I read that correctly?
 11:40 9 A. You did.
 11:41 10 Q. Okay. There is no discussion of operation in
 11:41 11 that second clause after, It is admitted. In other
 11:41 12 words, it says, HSBC Bank USA is an indirect wholly
 11:41 13 owned subsidiary, but there's no discussion about
 11:41 14 whether or not HSBC North America Holdings, Inc.
 11:41 15 operates the bank. Do you recognize that?
 11:41 16 MR. LEONARD: Objection: Form.
 11:41 17 A. It says in the first line of the response
 11:41 18 subject to denied that HNAH operates HSBC Bank USA
 11:41 19 directly.
 11:41 20 Q. (BY MR. BRUSTER) In other words, I guess my
 11:41 21 question is, is the second clause, is the latter part of
 11:41 22 this sentence meant to convey the fact that HSBC North
 11:41 23 America Holdings, Inc. operates HSBC Bank USA
 11:41 24 indirectly?
 11:41 25 MR. LEONARD: Objection: Form.

11:39 1 was provided to us as HSBC North America Holdings,
 11:39 2 Inc.'s Objections, Assertions of Privilege and Responses
 11:39 3 to DataTreasury Corporation's First Set of Requests for
 11:39 4 Admission Regarding Jurisdictional Discovery. It's a
 11:39 5 mouthful of a title, but have you ever seen this
 11:39 6 document before?
 11:39 7 A. Yes.
 11:39 8 Q. When was the last time you looked at this
 11:39 9 document before your deposition?
 11:39 10 A. I looked at it yesterday. I might have read
 11:39 11 it on the train on the way in this morning. I don't
 11:39 12 remember for sure. But I looked at my deposition topics
 11:39 13 and a number of other things.
 11:39 14 Q. Did you provide input in answering these
 11:39 15 requests for admission?
 11:40 16 A. Not much, no.
 11:40 17 Q. Not much?
 11:40 18 A. Huh-uh (negative).
 11:40 19 Q. Did you provide any input?
 11:40 20 A. I'd have to read them, sir. I can't remember.
 11:40 21 Q. Let's walk through and look at a couple of
 11:40 22 these.
 11:40 23 A. Okay.
 11:40 24 Q. Request for admission number two says, Admit
 11:40 25 that HSBC North America Holdings, Inc. operates HSBC

11:41 1 A. Yes.
 11:41 2 Q. (BY MR. BRUSTER) Okay.
 11:41 3 A. I mean -- well, that it's an indirect
 11:42 4 subsidiary, yes.
 11:42 5 Q. Well, separate and apart from its status as an
 11:42 6 indirect subsidiary, does HSBC North America Holdings,
 11:42 7 Inc. operate HSBC Bank USA, either directly or
 11:42 8 indirectly?
 11:42 9 A. No. I'm sorry, no.
 11:42 10 MR. LEONARD: Objection: Form.
 11:42 11 A. No. No, it does not.
 11:42 12 Q. (BY MR. BRUSTER) It doesn't.
 11:42 13 A. No.
 11:42 14 Q. So if you were to answer that question right
 11:42 15 there, Admit that HSBC Bank North America Holdings, Inc.
 11:42 16 operates HSBC Bank USA, you would say deny.
 11:42 17 MR. LEONARD: Objection to form.
 11:42 18 A. Yes.
 11:42 19 Q. (BY MR. BRUSTER) Okay. And that's directly
 11:42 20 contradictory to the letter that we just looked at from
 11:42 21 Ms. Burak to the United States government agencies,
 11:42 22 correct?
 11:42 23 MR. LEONARD: Objection: Form.
 11:42 24 A. Ms. Burak's letter is her letter. It says
 11:42 25 what it says. I think there are different ways to

11:42 1 interpret words, operates, controls, and you should ask
 11:42 2 her what her intent was if you're not comfortable with
 11:43 3 our two answers.
 11:43 4 MR. BRUSTER: Objection: Nonresponsive.
 11:43 5 Q. (BY MR. BRUSTER) This testimony you just
 11:43 6 gave, that you deny that, is inconsistent with the
 11:43 7 letter that Ms. Burak wrote to the United States
 11:43 8 government agencies, isn't it?
 11:43 9 MR. LEONARD: Objection: Form; asked and
 11:43 10 answered.
 11:43 11 Q. (BY MR. BRUSTER) You may answer.
 11:43 12 A. Well, I have answered.
 11:43 13 Q. That's a yes-or-no question. Is it
 11:43 14 inconsistent?
 11:43 15 MR. LEONARD: Same objection.
 11:43 16 A. The reason I have a difficult time answering
 11:43 17 your question is that I just think you should talk with
 11:43 18 Ms. Burak about her intent in writing that letter. I'm
 11:43 19 comfortable with the way I'm answering these questions,
 11:43 20 that they're correct to the best of my knowledge.
 11:43 21 Q. (BY MR. BRUSTER) Well, Ms. Burak wasn't
 11:43 22 presented here for a deposition today so that's why I'm
 11:43 23 asking you about your understanding of operation since
 11:43 24 she wrote and said that HSBC North America Holdings,
 11:43 25 Inc. operates these subsidiaries. And as I'm hearing

11:45 1 owns the stock of the subsidiaries.
 11:45 2 Q. So you're just talking about stock ownership
 11:45 3 there.
 11:45 4 A. That's -- that would be my interpretation,
 11:45 5 yes.
 11:45 6 Q. And a denial of that statement, that HSBC
 11:45 7 North America Holdings, Inc. controls HSBC Bank USA, is
 11:45 8 inconsistent with the Exhibit we looked at a few minutes
 11:45 9 ago, the 20-F form that was filed by your parent
 11:45 10 company, HSBC Group; isn't that true?
 11:45 11 MR. LEONARD: Objection: Form.
 11:45 12 A. That was that 20-F?
 11:46 13 Q. (BY MR. BRUSTER) I think you have, actually,
 11:46 14 a paper copy there in front of you, where the page 3,
 11:46 15 top paragraph, right-hand column, last sentence, talks
 11:46 16 about HSBC North America Holdings, Inc. controlling HSBC
 11:46 17 Bank USA. Do you recall that?
 11:46 18 A. I recall something like that, yes.
 11:46 19 Q. So a denial of this statement here in the
 11:46 20 discovery is just inconsistent with that Security &
 11:46 21 Exchange Commission filing, isn't it?
 11:46 22 MR. LEONARD: Objection: Form.
 11:46 23 A. Again, no, I don't think it is. I think it's
 11:46 24 a clarification.
 11:46 25 Q. (BY MR. BRUSTER) Clarification on what, the

11:44 1 from you today, you have a different understanding.
 11:44 2 Correct?
 11:44 3 MR. LEONARD: Objection to form; object
 11:44 4 to sidebar.
 11:44 5 A. My -- the problem is that I think you're
 11:44 6 saying that there's only one way to interpret the word
 11:44 7 operates, and I think that that's not true. And
 11:44 8 consequently what she said -- well, it sounds different
 11:44 9 from what I'm saying. You know, you need to find out
 11:44 10 from her if she intended it to be different.
 11:44 11 Q. (BY MR. BRUSTER) If she intended the word
 11:44 12 operates to be different?
 11:44 13 A. If she intended her letter to reflect
 11:44 14 something different than my testimony, yes.
 11:44 15 Q. This next request, Admit that HSBS North
 11:44 16 America Holdings, Inc. controls HSBC Bank USA, is
 11:44 17 answered on the top of the following page where, after
 11:44 18 some objections, HSBC North America Holdings, Inc.
 11:44 19 denies that it controls the daily operations of HSBC
 11:45 20 Bank USA but does admit to having a controlling interest
 11:45 21 in HSBC Bank USA. Do you see that?
 11:45 22 A. I do.
 11:45 23 Q. Okay. By controlling interest, what does that
 11:45 24 phrase mean to you?
 11:45 25 A. It means that ultimately the parent company

11:46 1 word controls?
 11:46 2 A. The fact that the operations of the
 11:46 3 subsidiaries are handled at the subsidiary level. HNAH
 11:46 4 does not control the subsidiary's day-to-day operations.
 11:46 5 Q. Are you uncomfortable having to clarify and
 11:46 6 define words, simple words like control or operate in
 11:47 7 your deposition here today?
 11:47 8 A. I find them to be somewhat ambiguous and
 11:47 9 uncomfortable that you won't define them for me as you
 11:47 10 would like to discuss them.
 11:47 11 Q. Did you have any discussion with Ms. Burak or
 11:47 12 anybody else at HSBC North America Holdings, Inc. about
 11:47 13 what it means to control or operate subsidiary banks
 11:47 14 before your deposition here today?
 11:47 15 MR. LEONARD: Don't discuss your -- don't
 11:47 16 discuss your discussions with your attorneys. If you
 11:47 17 talked to Ms. Burak in conjunction with legal advice
 11:47 18 that you were seeking from her, then you're not
 11:47 19 permitted to talk about that.
 11:47 20 A. I didn't -- I did not have any conversations
 11:47 21 with Ms. Burak at all.
 11:47 22 Q. (BY MR. BRUSTER) Did you talk to anybody else
 11:47 23 at HSBC North America Holdings, Inc. about all these
 11:47 24 documents that discuss the holding company operating or
 11:48 25 controlling the subsidiary bank before your deposition?

11:48 1 MR. LEONARD: Objection: Form.
 11:48 2 A. Any conversations I had are subject to
 11:48 3 privilege, attorney-client privilege.
 11:48 4 Q. (BY MR. BRUSTER) Outside the presence of
 11:48 5 these lawyers or your lawyers representing HSBC in this
 11:48 6 action, you didn't have any conversations with anybody
 11:48 7 else that works for HSBC North America Holdings, Inc.
 11:48 8 about those topics?
 11:48 9 A. That's correct.
 11:49 10 Q. Let me ask you about number 13 here on the
 11:49 11 screen in front of you, which was admit that in the last
 11:49 12 three years HSBC North America Holdings, Inc. has earned
 11:49 13 revenue that is generated from business conducted in
 11:49 14 Texas, and the answer after a number of objections is
 11:49 15 deny. Do you see that?
 11:49 16 A. I do.
 11:49 17 Q. Okay. Earlier we talked about the way that
 11:49 18 HSBC North America Holdings, Inc. makes money, and your
 11:49 19 testimony was that it does so as a result of dividends
 11:49 20 that are paid up from its subsidiary companies, correct?
 11:49 21 A. That's my understanding, yes.
 11:49 22 Q. Okay. Isn't it true, then, that a portion of
 11:49 23 the money that is earned as dividend payments by HSBC
 11:49 24 North America Holdings, Inc., that that money is
 11:49 25 generated in part from business activities in Texas?

11:50 1 MR. LEONARD: Objection: Form.
 11:50 2 Q. (BY MR. BRUSTER) You may answer.
 11:50 3 A. I wouldn't know one way or the other if -- if
 11:50 4 businesses in Texas made money.
 11:50 5 Q. Is it your testimony to this judge and jury
 11:50 6 that you don't know whether or not HSBC's operations in
 11:50 7 Texas make any money?
 11:50 8 A. I know that we have operations in the state of
 11:50 9 Texas. I do not know what the -- their financial
 11:50 10 picture is on an individual basis, no.
 11:50 11 Q. Can you tell the judge and jury whether or not
 11:50 12 HSBC's activities in the state of Texas generate revenue
 11:50 13 for the company?
 11:50 14 MR. LEONARD: Objection: Form.
 11:50 15 A. Yes, I am certain that that --
 11:50 16 MR. LEONARD: Counsel, I believe you
 11:50 17 misspoke. Do you want to further define what HSBC
 11:50 18 you're talking about?
 11:51 19 MR. BRUSTER: Any HSBC banking
 11:51 20 subsidiary.
 11:51 21 MR. LEONARD: Banking subsidiary. Okay.
 11:51 22 A. I'm certain that the operating subsidiaries
 11:51 23 generate revenue.
 11:51 24 Q. (BY MR. BRUSTER) And the profit that's earned
 11:51 25 by operating subsidiaries, including profit earned in

11:51 1 the state of Texas, is then paid up the chain to the
 11:51 2 holding companies in the form of dividends, correct?
 11:51 3 MR. LEONARD: Objection: Form.
 11:51 4 Q. (BY MR. BRUSTER) You may answer.
 11:51 5 A. That's my understanding.
 11:51 6 Q. So isn't it true that dividend revenue earned
 11:51 7 by HSBC North America Holdings, Inc. is earned, in part,
 11:51 8 from business activity conducted in the state of Texas?
 11:51 9 A. I think that I was trying to distinguish
 11:51 10 earlier, and you did just now, that revenue and profit
 11:51 11 are sometimes -- are different things so, yes, they
 11:51 12 generate revenue. I have no idea if they're profitable.
 11:51 13 Q. Your testimony to this court is that you have
 11:52 14 no idea whether or not HSBC banking subsidiaries have
 11:52 15 ever earned a profit in the state of Texas; is that
 11:52 16 true?
 11:52 17 A. Yes, that's true, I don't know personally.
 11:52 18 Q. Who would know the answer to that?
 11:52 19 A. Whoever reviews the financials for the banking
 11:52 20 subsidiary in Texas.
 11:52 21 Q. Who is that person?
 11:52 22 A. I don't know.
 11:52 23 Q. I'm sorry?
 11:52 24 A. I don't know.
 11:52 25 Q. So you can't tell the jury whether or not HSBC

11:52 1 North America Holdings, Inc. has earned revenue that's
 11:52 2 generated in the state of Texas --
 11:52 3 MR. LEONARD: Objection: Form.
 11:53 4 Q. (BY MR. BRUSTER) -- can you?
 11:53 5 MR. LEONARD: Same objection.
 11:53 6 A. HSBC North America Holdings, Inc. hasn't
 11:53 7 earned revenue. I can't tell you whether or not it
 11:53 8 received, as part of its dividend, money that was earned
 11:53 9 in Texas. I don't know.
 11:53 10 Q. (BY MR. BRUSTER) If HSBC North America
 11:53 11 Holdings, Inc. receives money in the form of dividend
 11:53 12 payments that was generated as a result of business
 11:53 13 activity in Texas, do you think that HSBC North America
 11:53 14 Holdings, Inc. can properly say it doesn't engage in
 11:53 15 activities in Texas?
 11:53 16 MR. LEONARD: Objection: Form.
 11:53 17 A. Absolutely you can say that, yes.
 11:53 18 Q. (BY MR. BRUSTER) So in other words, Texas
 11:53 19 folks can pay money to HSBC North America Holdings, Inc.
 11:53 20 subsidiaries and the parent company can reap the benefit
 11:53 21 of those monies by dividend payments but yet can take
 11:53 22 the position that it doesn't do any business in Texas.
 11:53 23 That's your testimony.
 11:54 24 MR. LEONARD: Objection: Form.
 11:54 25 A. My testimony is that HSBC North America

11:54 1 Holdings, Inc. is a holding company and does not operate
 11:54 2 its business. It has no revenue-generating operations.
 11:54 3 Q. (BY MR. BRUSTER) But yet, the money that it
 11:54 4 earns or is provided as dividend payment might stem from
 11:54 5 Texas; isn't that true?
 11:54 6 MR. LEONARD: Objection: Form.
 11:54 7 A. It is possible.
 11:54 8 Q. (BY MR. BRUSTER) In fact, it's likely, isn't
 11:54 9 it?
 11:54 10 MR. LEONARD: Objection to form; asked
 11:54 11 and answered.
 11:54 12 A. I'm sorry, I'm not the right person to answer
 11:54 13 these questions, so I just don't know.
 11:54 14 Q. (BY MR. BRUSTER) So HSBC North America
 11:54 15 Holdings, Inc. procures insurance coverage for HSBC
 11:54 16 properties in Texas, correct?
 11:54 17 MR. LEONARD: Objection: Form.
 11:54 18 A. It procures insurance for all of its North
 11:54 19 America properties, yes.
 11:54 20 Q. (BY MR. BRUSTER) Including properties in
 11:54 21 Texas, correct?
 11:54 22 MR. LEONARD: Same objection.
 11:54 23 Q. (BY MR. BRUSTER) And then HSBC North America
 11:54 24 Holdings, Inc. might be provided dividend revenue that's
 11:55 25 earned as a result of subsidiaries' business activities

11:56 1 doesn't exert control over the operations of HSBC Bank?
 11:56 2 MR. LEONARD: Objection: Form.
 11:56 3 A. No, I don't know.
 11:56 4 Q. (BY MR. BRUSTER) Excuse me?
 11:56 5 A. No, I don't know.
 11:57 6 MR. LEONARD: Counsel, when you reach a
 11:57 7 convenient stopping point ...
 11:57 8 MR. BRUSTER: Yeah. Let's do about five
 11:57 9 more minutes and we'll be there.
 11:57 10 MR. LEONARD: Okay.
 11:57 11 Q. (BY MR. BRUSTER) Let me ask you about number
 11:57 12 14 here on the screen in front of you. It says, Admit
 11:57 13 that in the last three years HSBC North America
 11:57 14 Holdings, Inc. has provided operational support to HSBC
 11:57 15 Bank USA. Do you see that?
 11:57 16 A. I do.
 11:57 17 Q. And then unsurprisingly the answer to that was
 11:57 18 denied. Do you see that?
 11:57 19 A. I do.
 11:57 20 MR. LEONARD: Objection.
 11:57 21 Q. (BY MR. BRUSTER) The -- first of all, a
 11:57 22 denial of that statement, that HSBC North America
 11:57 23 Holdings, Inc. has provided operational support to HSBC
 11:57 24 Bank USA, is inconsistent with Ms. Burak's letter to the
 11:58 25 government, isn't it?

11:55 1 in the state of Texas.
 11:55 2 MR. LEONARD: Objection: Form.
 11:55 3 Q. (BY MR. BRUSTER) That's your testimony as
 11:55 4 well, isn't it?
 11:55 5 MR. LEONARD: Same objection.
 11:55 6 A. Again, that's, you know, where the revenue
 11:55 7 comes from, is from the operating subsidiaries, so if
 11:55 8 they made money in Texas then, yes, it's possible.
 11:55 9 Q. (BY MR. BRUSTER) Does the CEO of HSBC North
 11:55 10 America Holdings, Inc. know that you are testifying here
 11:55 11 today that there's no control exerted by HSBC North
 11:55 12 America Holdings, Inc. over the banking subsidiaries?
 11:55 13 MR. LEONARD: Objection: Form.
 11:55 14 A. I'm sorry, could you ask that question again?
 11:55 15 I didn't get it.
 11:56 16 Q. (BY MR. BRUSTER) Sure. Does the CEO of HSBC
 11:56 17 North America Holdings, Inc. know that you're testifying
 11:56 18 today that that company does not exert control over HSBC
 11:56 19 Bank?
 11:56 20 MR. LEONARD: Objection: Form.
 11:56 21 A. I have no idea if he knows I'm testifying
 11:56 22 today.
 11:56 23 Q. (BY MR. BRUSTER) Do you know if the
 11:56 24 shareholders of HSBC have been informed that HSBC,
 11:56 25 according to you, HSBC North America Holdings, Inc.

11:58 1 MR. LEONARD: Objection to form.
 11:58 2 A. I don't recall what she said about operational
 11:58 3 support.
 11:58 4 Q. (BY MR. BRUSTER) I'll show you. Here on the
 11:58 5 top of page 2 of that letter she says, As a bank holding
 11:58 6 company, HSBC North America operates various
 11:58 7 subsidiaries in the United States. Do you see that?
 11:58 8 A. Uh-huh (affirmative).
 11:58 9 Q. And then in the document we just looked at it
 11:58 10 is denied that HSBC North America Holdings, Inc. has
 11:58 11 provided operational support --
 11:58 12 MR. LEONARD: I'm sorry, Counsel, but it
 11:58 13 also lodges an objection to that phrase as being vague.
 11:58 14 Q. (BY MR. BRUSTER) Do you understand what
 11:58 15 operational support means?
 11:58 16 A. Would you define it for me?
 11:58 17 Q. Do you think there's a difference between
 11:58 18 operates and providing operational support?
 11:58 19 A. Yes.
 11:58 20 Q. What's the difference?
 11:58 21 A. Operates is, you know, an active verb.
 11:59 22 Operational support is -- you know, support, it's a
 11:59 23 noun. I mean, it's a noun, just like operational
 11:59 24 support is something separate from operating. They're
 11:59 25 not the same at all.

11:59 1 Q. Okay. So let's skip past the first question,
 11:59 2 then, about whether or not that's inconsistent with
 11:59 3 Ms. Burak's letter, I think the jury can draw that
 11:59 4 conclusion, and let me ask you this question.
 11:59 5 You testified earlier that HSBC North
 11:59 6 America Holdings, Inc. and HSBC Bank, the banking
 11:59 7 subsidiary, share some directors and officers, correct?
 11:59 8 MR. LEONARD: Objection to form;
 11:59 9 objection, sidebar.
 11:59 10 Q. (BY MR. BRUSTER) You may answer.
 11:59 11 A. I believe that they do, yes.
 11:59 12 Q. Including the CEO of HSBC North America
 11:59 13 Holdings, Inc., correct?
 11:59 14 A. Yes, I believe so.
 11:59 15 Q. Including the CEO of the HSBC banking
 11:59 16 subsidiary, correct?
 12:00 17 A. Yes, I believe so.
 12:00 18 Q. Okay. Despite the sharing of those two
 12:00 19 high-level executives between these two companies, is it
 12:00 20 still your testimony that the parent company doesn't
 12:00 21 provide operational support to the bank?
 12:00 22 A. Yes.
 12:00 23 Q. Have you ever asked those two respective CEOs
 12:00 24 whether they provide operational support to HSBC Bank?
 12:00 25 A. No.

12:00 1 Q. Wouldn't that be important to know before you
 12:00 2 come testify that there is no operational support
 12:00 3 provided?
 12:00 4 A. I'm comfortable with my answers.
 12:00 5 Q. Even though these two CEOs serve on the boards
 12:00 6 of both companies.
 12:00 7 A. Yes.
 12:01 8 MR. BRUSTER: Let's take our lunch break.
 12:01 9 THE VIDEOGRAPHER: We're off the record.
 12:01 10 (Recess taken 12:01 to 1:24)
 01:24 11 THE VIDEOGRAPHER: We're back on the
 01:24 12 record.
 01:25 13 Q. (BY MR. BRUSTER) All right. Let's try again.
 01:25 14 Ms. Hickman, are you ready to proceed?
 01:25 15 A. Yes.
 01:25 16 Q. Great. I forgot to ask you earlier this
 01:25 17 morning, but do you hold any other positions with any
 01:25 18 other HSBC-related companies other than the senior vice
 01:25 19 president of insurance for HSBC North America Holdings,
 01:25 20 Inc.?
 01:25 21 A. No.
 01:25 22 Q. Do you serve on any committees or boards or
 01:25 23 anything else related to your work at HSBC?
 01:25 24 A. No.
 01:25 25 Q. No other internal associations or groups of

01:25 1 employees that you serve on?
 01:25 2 A. Internal to the company?
 01:25 3 Q. Yes, ma'am.
 01:25 4 A. No.
 01:25 5 Q. Okay. Do you serve on any boards of any other
 01:25 6 companies?
 01:25 7 A. No.
 01:25 8 Q. External to HSBC?
 01:25 9 A. No.
 01:26 10 Q. Okay.
 01:26 11 (Exhibit Number 7 marked.)
 01:26 12 Q. (BY MR. BRUSTER) Let me show you a document
 01:26 13 we're going to mark as Exhibit 7, which is HSBC North
 01:26 14 America Holding, Inc.'s Objections, Assertions of
 01:26 15 Privilege and Responses to DataTreasury Corporation's
 01:26 16 First Set of Request for Production Regarding
 01:26 17 Jurisdictional Discovery. Do you see that on your
 01:26 18 screen?
 01:26 19 A. Yes.
 01:26 20 Q. Were you involved in the process of collecting
 01:26 21 documents for this litigation?
 01:26 22 A. No.
 01:26 23 Q. Have you done anything insofar as collecting
 01:26 24 and producing documents to your lawyers for this
 01:26 25 litigation?

01:26 1 A. No.
 01:26 2 Q. Do you know who has?
 01:26 3 A. No.
 01:26 4 Q. Let me ask you about some of the things that
 01:27 5 are in here, although our discussion may be somewhat
 01:27 6 limited since you've not been involved in that process.
 01:27 7 There's a request here for request number
 01:27 8 nine, Produce all documents evidencing any
 01:27 9 communications between officers, directors or employees
 01:27 10 of HSBC North America Holdings, Inc. on the one hand and
 01:27 11 officers, directors or employees of HSBC Bank USA. Do
 01:27 12 you see that?
 01:27 13 A. I do.
 01:27 14 Q. You have documents such as those, that are
 01:27 15 referenced there in request number nine, in your
 01:27 16 possession at your office, don't you?
 01:27 17 A. I don't.
 01:27 18 Q. You don't?
 01:27 19 A. No.
 01:27 20 Q. Earlier this morning I thought we talked about
 01:27 21 some folks that directly reported to you that were
 01:28 22 executives of HSBC Bank USA. Is that correct?
 01:28 23 A. I apologize. I understand. Yes, I do have
 01:28 24 communication between my staff, yes. I'm sorry.
 01:28 25 Q. You have communications between you on behalf

01:28 1 of HSBC North America Holdings, Inc. on the one hand and
 01:28 2 people that work for HSBC Bank on the other, correct?
 01:28 3 A. Yes, I do. I'm sorry, yes.
 01:28 4 Q. Okay. And you've not produced any of those in
 01:28 5 this litigation, have you?
 01:28 6 A. No.
 01:28 7 Q. And I guess I understand from your testimony
 01:28 8 you've never been asked to do that?
 01:28 9 A. That's correct.
 01:28 10 Q. What e-mail application do you use?
 01:28 11 A. Lotus Notes.
 01:28 12 Q. Lotus Notes. Is that how you communicate for
 01:28 13 the majority of your written communication with
 01:28 14 employees of HSBC Bank USA?
 01:28 15 A. Yes.
 01:29 16 Q. How long have you used the Lotus Notes
 01:29 17 application for e-mail?
 01:29 18 A. It's been several years. I don't know
 01:29 19 exactly.
 01:29 20 Q. When you procure insurance to cover all the
 01:29 21 HSBC facilities, do you negotiate with -- tell me the
 01:29 22 process that you go through to do that.
 01:29 23 A. Well, there's a data-gathering effort that
 01:29 24 goes on, depending on the type of insurance that is to
 01:29 25 be procured, and so we gather information from the

01:29 1 various subsidiaries relative to whatever the risk is
 01:29 2 we're looking to insure.
 01:29 3 Then we assemble it into a format that we
 01:29 4 can provide to the insurance brokers and the insurance
 01:29 5 underwriters so that they can understand what it is that
 01:30 6 we're trying to purchase from them.
 01:30 7 Typically, after that, there would be
 01:30 8 some meetings with underwriters. And following that, we
 01:30 9 would expect to receive quotations for the premiums that
 01:30 10 they would propose to charge us for the risk that we're
 01:30 11 trying to transfer.
 01:30 12 Q. And then you select among those quotations for
 01:30 13 the policies that best suit your requirements.
 01:30 14 A. That's correct.
 01:30 15 Q. Okay. Do you -- are you typically the person
 01:30 16 from HSBC North America Holdings, Inc. that's involved
 01:30 17 in those meetings with insurers?
 01:30 18 A. Yes.
 01:30 19 Q. And do you receive that information that's
 01:30 20 gathered by your subsidiaries, including the bank
 01:30 21 subsidiary, for data gathering to determine what your
 01:30 22 needs are?
 01:30 23 A. Not personally.
 01:30 24 Q. Who is?
 01:30 25 A. People on my staff would gather it and

01:30 1 assemble it.
 01:30 2 Q. Okay. And then they provide that information
 01:30 3 to you?
 01:30 4 A. Yes.
 01:32 5 Q. Number 23 says, Please produce all documents
 01:32 6 related to all business activities ever attended or
 01:32 7 conducted in the state of Texas by HSBC North America
 01:32 8 Holdings, Inc. officers, directors or employees. Do you
 01:32 9 see that?
 01:32 10 A. I do.
 01:32 11 Q. And you can see down here in response that
 01:32 12 there was a number of objections to that, and then
 01:32 13 finally a response that says, After conducting a
 01:32 14 diligent search, HSBC North America Holdings has not
 01:32 15 located any documents within its possession, custody or
 01:32 16 control that are responsive to this request. Do you see
 01:32 17 that?
 01:32 18 A. I do.
 01:32 19 Q. Do you know anything about that diligent
 01:32 20 search?
 01:32 21 A. No.
 01:32 22 Q. You weren't involved in any way with that?
 01:32 23 A. No.
 01:32 24 Q. Do you know who was, by any chance?
 01:32 25 A. No, I don't.

01:33 1 (Exhibit Number 8 marked.)
 01:33 2 Q. (BY MR. BRUSTER) Let me show you what we
 01:33 3 marked -- what's marked as Exhibit 8 to your deposition,
 01:33 4 which is a document entitled HSBC North America
 01:33 5 Holdings, Inc.'s Objections, Assertions of Privilege and
 01:33 6 Answers to Defendant DataTreasury Corporation's First
 01:33 7 Set of Interrogatories Regarding Jurisdictional
 01:33 8 Discovery. Do you see that?
 01:33 9 A. I do.
 01:33 10 Q. Have you ever seen this document before?
 01:33 11 A. Yes, but wasn't it the same one we just looked
 01:33 12 at? No.
 01:33 13 Q. No, it wasn't, actually.
 01:33 14 A. Okay. It's very similar.
 01:33 15 Q. Very similar, I agree. This is actually
 01:33 16 written answers to question where the other one was a
 01:33 17 request for documents.
 01:33 18 A. I see. Yes, I believe I have seen this.
 01:33 19 Q. You have seen this one?
 01:33 20 A. Yes.
 01:33 21 Q. Did you provide any assistance in answering
 01:34 22 the questions that are contained in this document?
 01:34 23 A. No.
 01:34 24 Q. Do you know who did?
 01:34 25 A. No.

01:34 1 MR. BRUSTER: Counsel, was there a
 01:34 2 attestation to this that was provided?
 01:34 3 MR. LEONARD: Well, there's supposed to
 01:34 4 be. I don't honestly know.
 01:34 5 MR. BRUSTER: I didn't see one. I
 01:34 6 figured it might be the witness today since she did the
 01:34 7 affidavit, but per her testimony here that she didn't
 01:34 8 provide any assistance, I was wondering if you guys
 01:34 9 could tell us who that was.
 01:34 10 MR. LEONARD: Actually, I think -- quite
 01:34 11 frankly, I intended for her to be the -- so I'm a little
 01:34 12 bit surprised by this myself.
 01:34 13 MR. BRUSTER: Okay.
 01:34 14 MR. LEONARD: But I'll check on that and
 01:34 15 get back to you.
 01:34 16 Q. (BY MR. BRUSTER) Before we look at this
 01:34 17 document, though, your testimony here is that you didn't
 01:34 18 assist in the answering of these questions, correct?
 01:34 19 A. Well, could we look at the question?
 01:34 20 Q. Sure. Yeah. Feel free to scroll through it.
 01:34 21 You've got the mouse right there.
 01:34 22 A. Oh, okay. Maybe I'm confused. I don't know.
 01:35 23 MR. LEONARD: Here is a hard copy if
 01:35 24 that's easier for you.
 01:35 25 THE WITNESS: Oh, okay.

01:35 1 A. (Reviewing document.) Well, I guess I did
 01:35 2 testify that I did help with the answers to this and
 01:35 3 perhaps it's just been a while. I don't remember.
 01:35 4 Q. (BY MR. BRUSTER) Okay. I just want to clear
 01:35 5 this up now for the jury. A few minutes ago you said
 01:35 6 that you did not assist in providing the answers to
 01:35 7 these questions. And now do I understand your testimony
 01:35 8 to be that you did assist in providing?
 01:35 9 A. Yes, that is my testimony, and I apologize for
 01:35 10 misleading the jury.
 01:36 11 Q. Did you provide assistance in answering all of
 01:36 12 these questions or just some of them?
 01:36 13 A. I -- I would have to look at them, but my
 01:36 14 initial indication or my initial response would be some
 01:36 15 of them.
 01:36 16 Q. If you could, flip through here and tell me
 01:36 17 which ones that you provided assistance in answering,
 01:36 18 please.
 01:36 19 MR. LEONARD: Take your time. Go through
 01:36 20 one at a time.
 01:36 21 A. (Reviewing document.) With regard to
 01:36 22 interrogatory number two on my affidavit, I did work
 01:36 23 with legal counsel on the affidavit.
 01:37 24 MR. LEONARD: What was the Exhibit Number
 01:37 25 on that?

01:37 1 MR. BRUSTER: I think we're on eight.
 01:37 2 MR. LEONARD: Thank you.
 01:37 3 A. (Reviewing document.) With regard to
 01:37 4 interrogatory number eight, because of -- my job is
 01:37 5 procuring insurance, I would -- I know that HSBC North
 01:37 6 America Holdings, Inc. does not own, lease or have
 01:37 7 interest in real estate in Texas. And I believe that
 01:38 8 that would be all.
 01:38 9 Q. (BY MR. BRUSTER) So number two and number
 01:38 10 eight were the only ones that you assisted in answering.
 01:38 11 A. Yes.
 01:38 12 Q. Let me ask you about some of the things in
 01:38 13 this document. And again, you may not be able to help
 01:38 14 me out if you -- those are the only two that you helped
 01:38 15 on there.
 01:39 16 For example, number four, all instances
 01:39 17 in which HSBC North America Holdings, Inc. has defended
 01:39 18 or assumed responsibility for a liability claim against
 01:39 19 HSBC Bank USA or other banking subsidiary.
 01:39 20 A. Yes.
 01:39 21 Q. You didn't provide any input on that?
 01:39 22 A. Well, I mean, I would not have any independent
 01:39 23 knowledge. The knowledge I would have on those kinds of
 01:39 24 questions would be through the legal department, which
 01:39 25 manages the litigation for HSBC Bank.

01:39 1 Q. When litigation is brought against HSBC Bank
 01:39 2 that triggers insurance coverage, do you get involved?
 01:39 3 A. If it triggers insurance coverage, then my
 01:39 4 department gets involved, yes.
 01:39 5 Q. And your department is a department in HSBC
 01:39 6 North America Holdings, Inc., correct?
 01:39 7 A. Well, the claims people actually are in
 01:39 8 Buffalo and are in the HSBC Bank USA operation.
 01:40 9 Q. Do those claims people report to you?
 01:40 10 A. Yes, they do.
 01:40 11 Q. But you didn't provide any input for that
 01:40 12 answer, number four?
 01:40 13 A. No.
 01:40 14 Q. When a claim is filed that triggers an
 01:40 15 insurance policy that you've procured on behalf of HSBC
 01:40 16 North American Holdings, Inc., do you get a report that
 01:40 17 that claim has been filed?
 01:40 18 A. With our insurance company, you mean?
 01:40 19 Q. Yes, ma'am.
 01:40 20 A. Yes, I will. Not a report, but I'm copied on
 01:40 21 the transmittal letter, yes.
 01:40 22 Q. And do you also get notified or receive
 01:40 23 notification of such a claim from the subsidiary?
 01:40 24 A. Yes.
 01:40 25 Q. In other words, do you have conversations,

01:40 1 communications with folks that work for the HSBC Bank
 01:40 2 subsidiary about claims that have been filed that have
 01:40 3 triggered insurance policies that you've procured?
 01:40 4 A. It would be unusual. It could happen, but it
 01:40 5 wouldn't be the normal course.
 01:41 6 Q. Has it happened in the past?
 01:41 7 A. Not for the bank subsidiary, no.
 01:41 8 Q. For other subsidiaries has it?
 01:41 9 A. For the finance company subsidiaries in the
 01:41 10 past, yes.
 01:41 11 Q. So your testimony to the jury is that never,
 01:41 12 since you've served as the senior vice president of
 01:41 13 insurance for HSBC North America Holdings, Inc., have
 01:41 14 you ever had communication with someone in the bank
 01:41 15 subsidiary about a claim that's been made that's
 01:41 16 triggered an insurance policy. Is that your testimony?
 01:41 17 A. Yes, it is. Well, other than my claims people
 01:41 18 who work there, so I apologize if that's misleading.
 01:41 19 But the people who work for me, I talk to them about the
 01:41 20 claims that are triggering insurance policies.
 01:41 21 Q. Okay. Well, that -- that's important.
 01:41 22 A. Okay. I'm sorry. I didn't mean to mislead
 01:41 23 you there.
 01:41 24 Q. So you've communicated with people that work
 01:41 25 for the banking subsidiary --

01:41 1 A. Yes.
 01:41 2 Q. -- about claims that have been made against
 01:42 3 the banking subsidiaries.
 01:42 4 A. Yes.
 01:42 5 Q. Correct?
 01:42 6 A. Yes. I'm sorry. I didn't mean to mislead you
 01:42 7 there.
 01:42 8 Q. That's okay.
 01:42 9 Can you verify for us that here, in
 01:42 10 response to interrogatory number ten, that that's an
 01:42 11 accurate listing of all the people that serve on the
 01:42 12 board of directors of HSBC North America Holdings, Inc.?
 01:42 13 A. Yes, I can, although -- yes -- no, that's
 01:42 14 correct.
 01:43 15 Q. You didn't provide any input to this -- to
 01:43 16 answering this interrogatory, did you?
 01:43 17 A. No. This is very available information. I
 01:43 18 wouldn't have any --
 01:43 19 Q. The last sentence there that says, HSBC North
 01:43 20 America Holdings, Inc. further responds that, to its
 01:43 21 knowledge, none of the board members -- none of the
 01:43 22 board of directors have conducted business activities on
 01:43 23 behalf of HNAH while physically in Texas. Do you see
 01:43 24 that?
 01:43 25 A. I do.

01:43 1 Q. Do you know who provided that information for
 01:43 2 answering these interrogatories?
 01:43 3 A. Not specifically, no.
 01:43 4 Q. Generally, do you know?
 01:43 5 A. I know that some of the research to answer
 01:43 6 some of the questions was done through the legal
 01:43 7 department, but I don't know who in the legal department
 01:44 8 specifically.
 01:44 9 Q. Do you know whether each of these members of
 01:44 10 the board of directors was contacted and asked if they'd
 01:44 11 conducted business on behalf of HSBC North America
 01:44 12 Holdings, Inc. while in Texas?
 01:44 13 A. I don't know if they were personally contacted
 01:44 14 or how that was determined.
 01:44 15 Q. The reason I'm wondering is because it says --
 01:44 16 further responds that, to its knowledge, which seems to
 01:44 17 be a limiting -- a limiting clause, to its knowledge
 01:44 18 none of the board of directors have conducted business
 01:44 19 while in Texas.
 01:44 20 A. That's what it says.
 01:44 21 Q. Do you understand that some members of the
 01:44 22 board of directors might have conducted business while
 01:44 23 in Texas?
 01:44 24 MR. LEONARD: Objection: Form.
 01:44 25 A. I have no knowledge that any of them conducted

01:44 1 business on behalf of HSBC North America Holdings in
 01:44 2 Texas. I -- no, I don't know.
 01:44 3 Q. (BY MR. BRUSTER) Do you have any knowledge as
 01:44 4 to whether any of these individuals have ever been to
 01:44 5 Texas?
 01:44 6 A. No.
 01:44 7 Q. None at all?
 01:44 8 A. I don't know.
 01:45 9 Q. Have you guys ever had any corporate meetings
 01:45 10 or retreats or anything like that in Texas, to your
 01:45 11 knowledge?
 01:45 12 A. Not to my knowledge.
 01:45 13 Q. You've never been advised of?
 01:45 14 A. No.
 01:45 15 Q. And you don't know who provided the
 01:45 16 information within the legal department to answer that
 01:45 17 interrogatory?
 01:45 18 A. No, I don't.
 01:46 19 Q. Interrogatory number 15 asks for officers,
 01:46 20 directors, employees at HSBC North America Holdings,
 01:46 21 Inc. that also serve as officers, directors or employees
 01:46 22 of the bank subsidiary. Do you see that?
 01:46 23 A. I do.
 01:46 24 Q. And after some objections there's an answer
 01:46 25 here with Salvatori H. -- how do you pronounce that?

01:46 1 A. Alfiero, I believe.
 01:46 2 Q. Alfiero. And this is Janet Burak, whose
 01:46 3 letter we've been reading earlier this deposition,
 01:46 4 Mr. John McKenna, Ms. Teresa -- how do you pronounce
 01:46 5 that?
 01:46 6 A. I don't know.
 01:46 7 Q. -- and Mr. George T. Wendler are officers both
 01:46 8 of your company, HSBC North America Holdings, Inc., and
 01:46 9 the banking subsidiary. Do you see that?
 01:46 10 A. I do.
 01:46 11 Q. Is that a true and accurate list of officers
 01:46 12 and directors of -- that the company share?
 01:47 13 MR. LEONARD: Counsel, I'm advised that
 01:47 14 we supplemented that to add some additional names in the
 01:47 15 last day or so. I don't know if you're aware of that.
 01:47 16 MR. BRUSTER: Yeah, I am. I'm about to
 01:47 17 pull it up.
 01:47 18 MR. LEONARD: Okay.
 01:47 19 A. I would've expected to see Mr. Geoghegan's
 01:47 20 name there and Mr. Mehta.
 01:47 21 Q. (BY MR. BRUSTER) Okay. This list right here
 01:47 22 has some names that we haven't previously discussed of
 01:47 23 people that share officer/director positions between the
 01:47 24 two entities, right?
 01:47 25 MR. LEONARD: Objection: Form.

01:47 1 A. Yes, there are names here we haven't discussed
 01:47 2 before.
 01:47 3 Q. (BY MR. BRUSTER) To your understanding,
 01:47 4 though, is that list right there accurate?
 01:47 5 A. Well, as supplemented.
 01:47 6 Q. Okay. Let me show you the supplemented
 01:47 7 version, which we'll mark as Exhibit 9 to your
 01:47 8 deposition.
 01:47 9 (Exhibit Number 9 marked.)
 01:47 10 Q. (BY MR. BRUSTER) You'll see that it's the
 01:48 11 same question, interrogatory 15, and then there's a
 01:48 12 different list here, Mr. Alfiero, Mr. Geoghegan,
 01:48 13 Mr. Mehta. Are -- those three individuals are directors
 01:48 14 of both HSBC North America Holdings, Inc. and HSBC Bank
 01:48 15 USA, correct?
 01:48 16 A. Was it -- was the question either directors or
 01:48 17 officers, or only directors?
 01:48 18 Q. I'm just reading what's listed here in the
 01:48 19 answer where it says they're directors of both.
 01:48 20 A. Oh, I see.
 01:48 21 MR. NICHOLAS: Counsel, we don't have
 01:48 22 that Exhibit up.
 01:48 23 A. I'm sorry. I was looking at the bottom where
 01:48 24 it listed officers but, yes, that's what it says.
 01:48 25 Q. (BY MR. BRUSTER) So those three individuals

01:48 1 are directors of both HSBC North America Holdings and
 01:48 2 HSBC Bank USA, correct?
 01:48 3 A. Yes.
 01:49 4 Q. Is it still your testimony to the jury that
 01:49 5 HSBC North America Holdings, Inc. doesn't control or
 01:49 6 operate HSBC Bank USA despite the fact that three
 01:49 7 members of the board of directors serve on both
 01:49 8 entities?
 01:49 9 MR. LEONARD: Objection: Form.
 01:49 10 A. Again, as I've answered before, yes, that is
 01:49 11 still my testimony.
 01:49 12 Q. (BY MR. BRUSTER) And then we have a list here
 01:49 13 that says --
 01:49 14 MR. NICHOLAS: Excuse me, Counsel, but I
 01:49 15 don't think -- Exhibit 9 is objections to the notice, is
 01:49 16 what you've electronically marked.
 01:49 17 MR. BRUSTER: On my screen Exhibit 9 is
 01:49 18 the objections to -- supplemental objections to the
 01:49 19 interrogatories. That's what's showing on her screen.
 01:49 20 I'm not sure why that's happening on yours.
 01:49 21 MR. LEONARD: Actually, we don't have
 01:49 22 anything on our screen now.
 01:49 23 MR. BRUSTER: This is the supplement you
 01:49 24 were whispering about a minute ago over there. I think
 01:49 25 you know of it, right?

01:50 1 MR. NICHOLAS: I'm just saying what
 01:50 2 you've got marked as Number 9 isn't the supplement.
 01:50 3 MR. BRUSTER: Hers is right, isn't it?
 01:50 4 That's the only one I'm worried about.
 01:50 5 MR. LEONARD: Well, we need to --
 01:50 6 MR. BRUSTER: The one you were looking
 01:50 7 at?
 01:50 8 MR. LEONARD: We need to have all of them
 01:50 9 so everybody is following along.
 01:50 10 MR. KING: She's taking care of it right
 01:50 11 now.
 01:50 12 MR. LEONARD: Okay.
 01:50 13 MR. KING: She's correcting the problem.
 01:50 14 MR. BRUSTER: Are we on the same page?
 01:50 15 MR. NICHOLAS: We don't have it yet.
 01:50 16 (Off-the-record discussion between
 01:50 17 Mr. Bruster and Miss Berry.)
 01:51 18 MR. LEONARD: Actually, if you just have
 01:51 19 a hard copy, in the interest of time, we'll follow along
 01:51 20 with that.
 01:51 21 MR. BRUSTER: Yeah. I mean, I don't have
 01:51 22 one in front of me. You guys actually served that on us
 01:51 23 two days ago, I think. You might have that one with
 01:51 24 you.
 01:51 25 MR. LEONARD: Do you have one?

01:51 1 MR. NICHOLAS: No, I don't.
 01:51 2 MR. LEONARD: I can just look over
 01:51 3 Ms. Hickman's shoulder.
 01:51 4 MR. BRUSTER: Okay. Perfect.
 01:51 5 We're still on, right?
 01:51 6 THE COURT REPORTER: Yes.
 01:51 7 Q. (BY MR. BRUSTER) Then after the listing of
 01:51 8 the three shared directors, we have Ms. Janet Burak,
 01:51 9 Mr. John J. McKenna, Ms. Teresa Pesce, and Mr. George T.
 01:52 10 Wendler are officers of HSBC North America Holdings,
 01:52 11 Inc. and HSBC Bank USA; is that correct?
 01:52 12 A. Yes.
 01:52 13 Q. And is it still your testimony, despite those
 01:52 14 four shared officers, in addition to the three shared
 01:52 15 board of directors members, that HSBC North America
 01:52 16 Holdings, Inc. doesn't operate or control HSBC Bank USA?
 01:52 17 MR. LEONARD: Objection: Form.
 01:52 18 A. Yes.
 01:52 19 Q. (BY MR. BRUSTER) And then we have Ms. Sandra
 01:52 20 Derickson, who you mentioned earlier, senior management
 01:52 21 HSBC North America Holdings and HSBC Bank USA but is
 01:52 22 only a director of HSBC Bank USA; is that correct?
 01:52 23 A. Yes. And I think I said earlier that she was
 01:52 24 a director of HSBC North America Holdings and so I'd
 01:52 25 like that to be corrected on the record.

01:52 1 Q. So is this document correct or your earlier
 01:52 2 testimony correct?
 01:52 3 A. This document would be correct.
 01:53 4 Q. And how do you know that?
 01:53 5 A. Because I -- this -- this just reminds me that
 01:53 6 I made that mistake.
 01:53 7 Q. Have you been mistaken about any of your other
 01:53 8 testimony here today that we haven't already talked
 01:53 9 about?
 01:53 10 MR. LEONARD: Objection: Form.
 01:53 11 A. When I made a mistake, I think I corrected it.
 01:53 12 Q. (BY MR. BRUSTER) And Ms. Derickson is listed
 01:53 13 as senior management of HSBC Bank. She's actually the
 01:53 14 CEO, correct?
 01:53 15 A. Yes.
 01:53 16 Q. Let's go back to Exhibit 8. Interrogatory 17
 01:53 17 asks --
 01:53 18 MR. NICHOLAS: Can we have ours turned on
 01:53 19 again?
 01:53 20 MR. BRUSTER: I'm sorry?
 01:53 21 MISS BERRY: Yes. Did it not come back
 01:53 22 on?
 01:54 23 MR. NICHOLAS: No. We have a black
 01:54 24 screen.
 01:54 25 MR. BRUSTER: Is it there?

01:54 1 MR. NICHOLAS: I have what was marked as
 01:55 2 Exhibit 9, which is the objections, but I don't have --
 01:55 3 I can't ...
 01:55 4 MR. LEONARD: Exhibit 8 is the
 01:55 5 interrogatory answers?
 01:55 6 MR. BRUSTER: Yeah.
 01:55 7 MR. LEONARD: I've got it, Nick. Let's
 01:55 8 just go. Let's go.
 01:55 9 MR. BRUSTER: Participating counsel's got
 01:55 10 it so we'll go.
 01:55 11 Q. (BY MR. BRUSTER) Interrogatory 17 says to
 01:55 12 list and describe in detail all instances where HSBC
 01:55 13 North America Holdings, Inc. has made a representation
 01:55 14 that it operates or controls any subsidiary company that
 01:55 15 does business in Texas. Do you see that?
 01:55 16 A. Yes.
 01:55 17 Q. And then after a number of objections it says,
 01:55 18 After reasonable inquiry, HNAH is unaware of any
 01:55 19 specific representation concerning subsidiaries doing
 01:55 20 business in Texas but acknowledges that certain indirect
 01:55 21 operating subsidiaries do business in Texas.
 01:55 22 Do you know anything about that
 01:55 23 reasonable inquiry that's referenced there?
 01:56 24 A. I was not involved in it.
 01:56 25 Q. You didn't undertake to determine any

01:56 1 instances where HSBC North America Holdings, Inc. has
 01:56 2 made a representation that it operates or controls any
 01:56 3 subsidiary doing business in Texas?
 01:56 4 A. No.
 01:56 5 Q. We've already looked at several examples of
 01:56 6 that today, including Ms. Burak's letter, correct?
 01:56 7 MR. LEONARD: Objection: Form.
 01:56 8 A. Again, we disagree on the -- you need to speak
 01:56 9 with Ms. Burak about the intent of her letter. It's not
 01:56 10 for me to represent her intent.
 01:56 11 Q. (BY MR. BRUSTER) Well, separate and apart
 01:56 12 from whatever intent she may have meant when she printed
 01:56 13 the words, that letter, by its words, has a
 01:56 14 representation that HSBC North America Holdings, Inc.
 01:56 15 operates a subsidiary that does business in Texas,
 01:56 16 correct?
 01:56 17 MR. LEONARD: Objection: Form.
 01:56 18 A. The letter speaks for itself. I mean, we read
 01:56 19 it earlier and it says what it says.
 01:57 20 Q. (BY MR. BRUSTER) So is that a question?
 01:57 21 MR. LEONARD: Objection: Form.
 01:57 22 A. Again, her letter speaks for itself.
 01:57 23 Q. (BY MR. BRUSTER) Okay. So regardless of its
 01:57 24 intent it speaks for itself, right?
 01:57 25 A. Yes.

01:57 1 Q. Interrogatory number 19 asks for all revenues
 01:57 2 that have been provided to the parent company from HSBC
 01:57 3 Bank USA including all revenues originating from
 01:57 4 business activity in Texas, which goes back to something
 01:57 5 we discussed earlier in the morning about dividend
 01:57 6 payments that may stem from money earned or profits
 01:57 7 earned out of Texas operations. Do you recall that?
 01:57 8 A. I do.
 01:57 9 Q. And after some objections, the response to
 01:57 10 this interrogatory is none. Do you see that?
 01:58 11 A. I do.
 01:58 12 Q. Did you provide any input in answering that
 01:58 13 question?
 01:58 14 A. No.
 01:58 15 (Exhibit Number 10 marked.)
 01:58 16 Q. (BY MR. BRUSTER) Let me mark, as Exhibit 10,
 01:58 17 a document that was produced to us entitled Consolidated
 01:58 18 Financial Statement For Bank Holding Companies, and in
 01:58 19 here it says HSBC North America Holdings, Inc. Do you
 01:58 20 see that?
 01:58 21 A. I do.
 01:58 22 MR. BRUSTER: And for the record,
 01:58 23 Counsel, that's Bates-stamped HNAH-JURIS-0012.
 01:58 24 Q. (BY MR. BRUSTER) And I guess, as I understand
 01:58 25 from your earlier testimony, you were not involved in

01:58 1 gathering of documents that were produced?
 01:58 2 A. I represented to you what I was involved with
 01:58 3 but --
 01:59 4 Q. Have you ever seen this document before?
 01:59 5 A. Yes.
 01:59 6 Q. When did you first see it?
 01:59 7 A. A few days ago.
 01:59 8 Q. Was it in that packet of materials that
 01:59 9 arrived for your deposition preparation?
 01:59 10 A. Yes.
 01:59 11 Q. This is dated September 30th, 2006, and let me
 01:59 12 go to the next page, which I think I'll probably just
 01:59 13 mark as a separate Exhibit, Exhibit 11 --
 01:59 14 (Exhibit Number 11 marked.)
 01:59 15 Q. (BY MR. BRUSTER) -- which is the following
 01:59 16 page of this document that's Consolidated Income
 01:59 17 Statement Reported Income For Bank Holding Companies.
 01:59 18 Do you see that?
 01:59 19 A. Yes.
 01:59 20 Q. Did you look at this in preparation for your
 01:59 21 deposition?
 01:59 22 A. Not in any real detail.
 01:59 23 Q. Why not?
 01:59 24 A. Just didn't.
 01:59 25 Q. Where is -- can you point anywhere on this

01:59 1 page where income or dividend income earned from the
 02:00 2 HSBC Bank subsidiaries would be reflected?
 02:00 3 A. Well, I don't see anything under interest
 02:00 4 income.
 02:00 5 Q. Can you scroll down with the mouse you have?
 02:01 6 A. (Reviewing document.) What was your question
 02:01 7 again? I apologize, but --
 02:01 8 Q. Sure. Can you see where any -- earlier we
 02:01 9 talked about the fact that HSBC North America Holdings,
 02:01 10 Inc. makes money by receiving dividends that are paid
 02:01 11 from its subsidiaries. Do you recall that?
 02:01 12 A. I do.
 02:01 13 Q. Can you show us where that type of dividend
 02:01 14 payment is reflected?
 02:01 15 A. I don't see that anything that is described
 02:01 16 that way. But is this, you know, a document that the
 02:01 17 government asks us to fill out, I think, or somebody? I
 02:01 18 don't see that it says anything about dividend income.
 02:01 19 Q. If you were going to look for dividend income
 02:01 20 to find the answer to that question, what document would
 02:02 21 you go look at?
 02:02 22 A. I wouldn't know what document to look at.
 02:02 23 Q. You wouldn't know what document to look at?
 02:02 24 A. No.
 02:02 25 Q. Can you tell us whether or not any of the

02:02 1 money, that's broken out here on the right-hand side as
 02:02 2 different portions of income earned by HSBC North
 02:02 3 America Holdings, Inc., can you tell us whether any of
 02:02 4 that is attributable to business activity in Texas?
 02:02 5 MR. LEONARD: Objection: Form.
 02:02 6 A. I can't.
 02:02 7 Q. (BY MR. BRUSTER) You don't know the answer to
 02:02 8 that?
 02:02 9 A. No, I don't.
 02:02 10 Q. Let me show you page 14 that we're going to
 02:02 11 mark as Exhibit 12 to your deposition.
 02:02 12 (Exhibit Number 12 marked.)
 02:03 13 Q. (BY MR. BRUSTER) And do you see this portion
 02:03 14 number five here where it says, Number of full-time
 02:03 15 equivalent employees at end of current period --
 02:03 16 A. Yes.
 02:03 17 Q. -- rounded to the nearest full number?
 02:03 18 A. Uh-huh (affirmative).
 02:03 19 Q. And what number is listed there?
 02:03 20 A. 53,211.
 02:03 21 Q. And earlier this morning you testified that
 02:03 22 HSBC Holdings North America -- excuse me -- HSNB North
 02:03 23 America Holdings, Inc. has approximately 50 or fewer
 02:03 24 employees. Do you recall that?
 02:03 25 A. Yes.

02:03 1 Q. And here on this document, that we looked at
 02:03 2 as being filed on behalf of HSBC North America Holdings,
 02:03 3 Inc., it shows 53,211 full-time equivalent employees.
 02:03 4 Do you see that?
 02:03 5 MR. LEONARD: Objection: Form.
 02:03 6 A. I see that number, yes.
 02:03 7 Q. (BY MR. BRUSTER) And do you have an
 02:03 8 understanding of the reconciliation between those two
 02:03 9 numbers?
 02:04 10 A. Well, it's not an understanding. My
 02:04 11 assumption would be that this is a document that
 02:04 12 consolidates the information from the operating
 02:04 13 subsidiaries.
 02:04 14 Q. Is there any document that you know of that
 02:04 15 HSBC North America Holdings, Inc. has filed with the
 02:04 16 government, or any other agency of the government, that
 02:04 17 breaks out the difference between employees of your
 02:04 18 company, the parent company, and employees of a banking
 02:04 19 subsidiary?
 02:04 20 A. I am not aware of anything like that, no.
 02:04 21 (Ms. Shank enters the deposition room.)
 02:04 22 Q. (BY MR. BRUSTER) From your perspective, is it
 02:04 23 really that important to break out which legal entity
 02:04 24 they work for anyway?
 02:04 25 MR. LEONARD: Objection to form.

02:04 1 A. Yes.
 02:04 2 Q. (BY MR. BRUSTER) But you're not aware of any
 02:04 3 document that would show us that.
 02:04 4 A. I don't -- no, I don't know of a document that
 02:05 5 would do that for you.
 02:05 6 Q. Here in category six lists non-interest items
 02:05 7 of income that exceed 1 percent of the net income sum
 02:05 8 that's listed above, and number 6(f) we've got credit
 02:05 9 and charge card fees with an income associated with
 02:05 10 those of \$1,935,906. Do you see that?
 02:05 11 A. I do.
 02:05 12 Q. Okay. Do you know how much of that revenue
 02:05 13 was generated out of Texas?
 02:05 14 A. No.
 02:05 15 Q. Does HSBC -- one of HSBC's banking
 02:05 16 subsidiaries issue credit cards to cardholders that live
 02:05 17 in Texas?
 02:06 18 A. I don't have personal knowledge of that.
 02:06 19 Q. You don't.
 02:06 20 A. No.
 02:06 21 Q. So you can't tell us whether that amount of
 02:06 22 money right there reflects revenue earned in Texas or
 02:06 23 not.
 02:06 24 A. That's correct, I can't.
 02:06 25 Q. I guess by that same token you wouldn't be

02:06 1 able to tell the jury whether or not HSBC North America
 02:06 2 Holdings, Inc. has realized any dividend revenue as a
 02:06 3 result of loans that have been made to people that live
 02:06 4 in Texas, can you?
 02:06 5 A. No.
 02:06 6 MR. LEONARD: Objection: Form.
 02:06 7 A. No, I can't.
 02:06 8 Q. (BY MR. BRUSTER) And you can't tell the jury
 02:06 9 whether or not HSBC North America Holdings, Inc. has
 02:06 10 realized dividend revenue based on loans pertaining to
 02:06 11 real estate that's located in Texas, can you?
 02:06 12 MR. LEONARD: Objection: Form.
 02:06 13 A. No, I can't.
 02:07 14 Q. (BY MR. BRUSTER) Can you tell the jury
 02:07 15 whether or not HSBC North America Holdings, Inc. has
 02:07 16 realized dividend revenue based on mutual funds that
 02:07 17 have been sold to Texas residents?
 02:07 18 MR. LEONARD: Objection: Form.
 02:07 19 A. No, I can't.
 02:07 20 Q. (BY MR. BRUSTER) If you wanted to know the
 02:07 21 answer to those questions, who would you ask?
 02:07 22 A. I would go to the operating subsidiaries that
 02:07 23 sell those products and ask them if they collect the
 02:07 24 information on a state-by-state basis.
 02:07 25 Q. You're really not the person with the most

02:07 1 knowledge of the compilation and creation of financial
 02:07 2 statements for HSBC Holdings North America [sic] or its
 02:08 3 subsidiaries, are you?
 02:08 4 A. No.
 02:08 5 (Exhibit Number 13 marked.)
 02:08 6 Q. (BY MR. BRUSTER) I'm going to stamp, as
 02:08 7 Exhibit Number 13, the original deposition notice to
 02:08 8 take a 30(b)(6) deposition of HSBC North America
 02:08 9 Holdings, Inc. I'm sure you'll recognize it from its
 02:08 10 topic areas that are located here.
 02:08 11 MR. LEONARD: Counsel, if you're changing
 02:08 12 subjects, could we take a short break? You haven't been
 02:08 13 going that long, but we've actually been in this room
 02:08 14 for a little over an hour now.
 02:08 15 MR. BRUSTER: Yeah. I'm actually going
 02:08 16 to just stick on this subject for about two more
 02:08 17 minutes.
 02:08 18 MR. LEONARD: Okay.
 02:08 19 Q. (BY MR. BRUSTER) And you've seen these topic
 02:08 20 areas before, correct?
 02:08 21 A. I have.
 02:08 22 Q. In fact, I think you mentioned you were
 02:08 23 reading them on the train on your way in this morning,
 02:08 24 right?
 02:08 25 A. Yes.

02:08 1 Q. You understand that you're here testifying
 02:08 2 today as a person presented by HSBC North America
 02:09 3 Holdings, Inc. on these topics to give binding testimony
 02:09 4 to the company?
 02:09 5 A. I do.
 02:09 6 Q. As a person with the most knowledge of these
 02:09 7 topics?
 02:09 8 A. I know I'm here to represent HSBC North
 02:09 9 America Holdings, Inc., yes.
 02:09 10 Q. Now, about a minute ago I asked you whether or
 02:09 11 not you were really the person with the most knowledge
 02:09 12 about the compilation or creation of the financial
 02:09 13 statements for your company or the subsidiaries and you
 02:09 14 said you weren't, correct?
 02:09 15 A. Correct.
 02:09 16 Q. And I'm sure you noticed, when you read this
 02:09 17 deposition notice, that topic number 18 is the
 02:09 18 compilation and creation of financial statements and tax
 02:09 19 returns for Defendant and any or all subsidiaries of
 02:09 20 Defendant, right?
 02:09 21 A. I did see that, yes.
 02:09 22 Q. Okay. You've just testified that you're not
 02:09 23 that person and you don't know who that person would be,
 02:09 24 you would -- you would go ask all of the heads of
 02:09 25 various subsidiaries to get that information; is that

02:09 1 correct?
 02:10 2 A. Yes.
 02:10 3 Q. Are there any other topics contained in this
 02:10 4 topic list that you don't feel like you're competent or
 02:10 5 qualified to testify on here today?
 02:10 6 MR. LEONARD: Objection: Form.
 02:10 7 Q. (BY MR. BRUSTER) You may answer. And feel
 02:10 8 free to use your mouse and scroll through it if you
 02:10 9 could tell us any others, like Exhibit -- like topic
 02:10 10 number 18.
 02:10 11 MR. LEONARD: Same objection.
 02:10 12 A. (Reviewing document.) Could you rephrase your
 02:11 13 question to me, please?
 02:11 14 Q. (BY MR. BRUSTER) Sure. My understanding of
 02:11 15 your testimony was that, at least as to topic number 18,
 02:11 16 you didn't feel qualify to testify on. Is that correct?
 02:11 17 MR. LEONARD: Objection to form.
 02:11 18 A. I stated that I would not be the person with
 02:11 19 the most knowledge to testify on that topic, yes.
 02:11 20 Q. (BY MR. BRUSTER) Then tell me what other
 02:11 21 topics in this topic list you feel you're not the person
 02:11 22 with the most knowledge able to testify to.
 02:11 23 A. Topic number four, I would not have personal
 02:11 24 knowledge, although it was -- this question was
 02:11 25 researched and I was informed of the answer.

02:13 1 Question number 15, identify all
 02:13 2 employees, directors and officers of Defendant. I don't
 02:13 3 have that information. It would be provided to me.
 02:13 4 And question number 22, I was provided
 02:13 5 the answer to that question.
 02:14 6 Q. That's it.
 02:14 7 A. I think with respect to the other questions
 02:14 8 that I am able to answer them on behalf of HSBC North
 02:14 9 America Holdings, Inc.
 02:14 10 Q. Okay. So every topic other than 4, 15, 18 and
 02:14 11 22 you feel comfortable answering with your personal
 02:14 12 knowledge as the person with the most knowledge on
 02:14 13 behalf of HSBC North America Holdings, Inc.
 02:14 14 MR. LEONARD: Objection to form.
 02:14 15 Q. (BY MR. BRUSTER) Is that correct?
 02:14 16 A. I feel comfortable answering the questions on
 02:14 17 the behalf of HSBC North America Holdings, Inc., having
 02:14 18 been provided information relative to the question. I
 02:14 19 do not have personal knowledge about every other topic
 02:14 20 on this deposition list.
 02:14 21 Q. We'll explore that.
 02:14 22 MR. BRUSTER: We can take our break now.
 02:14 23 THE VIDEOGRAPHER: We're off the record.
 02:14 24 (Recess taken 2:14 to 2:32)
 02:32 25 THE VIDEOGRAPHER: We're back on the

02:32 1 record.
 02:32 2 Q. (BY MR. BRUSTER) All right, Ms. Hickman,
 02:32 3 we're back after a short break. Are you ready to go?
 02:32 4 A. Yes.
 02:32 5 Q. We left off talking about your knowledge of
 02:32 6 the topics that are here on the 30(b)(6) notice, and I
 02:32 7 specifically want to ask you about topic number six, All
 02:33 8 processes by which Defendant or any of its subsidiaries
 02:33 9 transmit images of checks and other documents from all
 02:33 10 points of image capture to other locations that traverse
 02:33 11 the state of Texas at any time. Do you see that?
 02:33 12 A. I do.
 02:33 13 Q. Tell me what your knowledge is on that topic.
 02:33 14 A. Well, actually, my knowledge is that HSBC
 02:33 15 North America Holdings, Inc. does not do any
 02:33 16 transmission of images or documents to other locations
 02:33 17 in the state of Texas, which I learned through inquiry
 02:33 18 in the organization. I have to -- the subsidiary part I
 02:33 19 have -- I am not knowledgeable about. I don't know how
 02:33 20 that happens.
 02:33 21 Q. So you're not the person to ask about that
 02:34 22 with respect to the subsidiaries as listed there in
 02:34 23 topic six?
 02:34 24 MR. LEONARD: For the record, Counsel,
 02:34 25 she's not being produced on the issue and I think we

02:34 1 objected to producing anyone on that issue.
 02:34 2 MR. BRUSTER: I think you guys objected
 02:34 3 to every topic, didn't you?
 02:34 4 MR. LEONARD: I don't know. And the
 02:34 5 answer is, no, we didn't.
 02:34 6 MR. BRUSTER: You didn't lodge objections
 02:34 7 to every topic?
 02:34 8 MR. LEONARD: No, we didn't.
 02:34 9 MR. BRUSTER: Okay. I thought there was
 02:34 10 objections at the outset that were applicable to every
 02:34 11 single topic.
 02:34 12 MR. LEONARD: General objections, but
 02:34 13 with regard to the specific inquires, we didn't lodge
 02:34 14 with one with respect to each category.
 02:34 15 Q. (BY MR. BRUSTER) Am I understanding that
 02:35 16 you're -- you're not the person to ask about the
 02:35 17 subsidiaries as it relates to topic number six? Is that
 02:35 18 your testimony?
 02:35 19 A. Yes.
 02:35 20 Q. Okay. Is the same true for topic number four?
 02:35 21 A. Yes.
 02:35 22 Q. You said you made an inquiry and determined
 02:35 23 that you -- and when I say you I mean HSBC North America
 02:35 24 Holdings, Inc. -- did not transmit any images of
 02:35 25 documents. You made an inquiry and determined that; is

02:35 1 that right?
 02:35 2 A. I made an inquiry into the processes or the --
 02:35 3 what HSBC North America Holdings does and this is not
 02:35 4 something that, as a holding company, we do.
 02:35 5 Q. Who did you ask?
 02:35 6 A. I consulted with the legal department on this.
 02:35 7 Q. The legal department?
 02:35 8 A. Yes.
 02:35 9 Q. Was there anyone, other than people in the
 02:35 10 legal department, and other than your lawyers here, that
 02:35 11 you consulted with in order to prepare for your
 02:35 12 deposition?
 02:35 13 A. No, there's really not.
 02:36 14 Q. Not personally. Did you have other people
 02:36 15 consult others for you and report to you?
 02:36 16 A. Yes.
 02:36 17 Q. Okay. Who did you have do that?
 02:36 18 A. I went through the topics and asked the legal
 02:36 19 department to obtain information for me relative to the
 02:36 20 topics, which I was not prepared to discuss, and they
 02:36 21 provided the answers that I needed to come here today to
 02:36 22 testify on behalf of HSBC North America Holdings.
 02:36 23 Q. Who, at the legal department, did you consult
 02:36 24 with?
 02:36 25 A. My primary contact is Allison Shank.

02:36 1 Q. Allison Chang?
 02:36 2 A. Shank.
 02:36 3 Q. Shank. Anyone else at the legal department
 02:36 4 you contacted to get these answers?
 02:36 5 A. No.
 02:36 6 Q. No?
 02:36 7 A. No.
 02:36 8 Q. You said your primary contact. Was there
 02:36 9 anyone else that you spoke with?
 02:37 10 A. Her paralegal just told me that the documents
 02:37 11 would be forthcoming, but I didn't ask her questions.
 02:37 12 Q. Did she give you documents?
 02:37 13 A. As I testified earlier, documents were given
 02:37 14 to my secretary. I don't know who brought them down.
 02:37 15 Q. Is Ms. Shank in the legal department of HSBC
 02:37 16 Holdings North America, Inc. -- or excuse me -- HSBC
 02:37 17 North America Holdings, Inc.?
 02:37 18 A. I'm not sure how the legal department is
 02:37 19 organized from that standpoint. I know that she works
 02:37 20 on technology contracts.
 02:37 21 Q. She works where?
 02:37 22 A. On technology contracts for the company.
 02:37 23 Q. Where's her office?
 02:37 24 A. In Prospect Heights.
 02:37 25 Q. Which is the headquarter office of HSBC North

02:37 1 America Holdings, Inc., correct?
 02:37 2 A. It is.
 02:37 3 Q. But you don't know who she works for?
 02:37 4 A. I don't know how the legal department is
 02:37 5 organized in terms of business units or how they divide
 02:38 6 the work up.
 02:38 7 Q. Let's talk about number nine, all agreements
 02:38 8 entered into between Defendant and its subsidiaries or
 02:38 9 affiliates authorizing the subsidiaries or affiliates
 02:38 10 to -- who want to conduct business under the name of the
 02:38 11 defendant. You're the person with the most knowledge of
 02:38 12 that topic to testify here today?
 02:38 13 A. No.
 02:38 14 Q. Oh, you're not?
 02:38 15 A. No.
 02:38 16 Q. I didn't get that from our list earlier. I
 02:38 17 only had 4, 15, 18 and 22. Is this to be added to the
 02:38 18 list of things that you're not the person the most
 02:38 19 qualified to talk about?
 02:38 20 A. I have been and have asked the questions
 02:39 21 necessary to answer the question -- to answer your
 02:39 22 questions for HSBC North America Holdings, Inc., but
 02:39 23 from a personal standpoint, having independent knowledge
 02:39 24 of all these topics, no, I am not --
 02:39 25 Q. Tell me -- okay.

02:39 1 A. -- knowledgeable.
 02:39 2 Q. I'm with you. Let's just do the best we can.
 02:39 3 Tell me what you know about topic 9(a).
 02:39 4 MR. LEONARD: Objection to form.
 02:39 5 Q. (BY MR. BRUSTER) You may answer.
 02:39 6 A. What I know about 9 is that HSBC North America
 02:39 7 Holdings, Inc. has not entered into agreements as
 02:39 8 described in A through E.
 02:39 9 Q. So there's no agreements that have been
 02:39 10 entered into between HSBC North America Holdings, Inc.
 02:39 11 and its subsidiaries authorizing the subsidiaries to do
 02:39 12 anything listed in A through E. That's your testimony.
 02:40 13 A. I'm not aware of any.
 02:40 14 Q. Earlier we looked at a website page that had a
 02:40 15 copyright logo from HSBC North America, Inc. Do you
 02:40 16 recall that?
 02:40 17 A. I do.
 02:40 18 Q. Which, under (b), use trademarks, patents or
 02:40 19 copyrights held by the Defendant. Do you see that?
 02:40 20 A. HSBC North America, Inc. is not the same as
 02:40 21 HSBC North America Holdings, Inc.
 02:40 22 Q. Does HSBC North America Holdings, Inc. own any
 02:40 23 trademarks, patents or copyrights?
 02:40 24 A. No, I don't believe they do.
 02:40 25 Q. It doesn't.

02:40 1 A. No.
 02:40 2 Q. Has it applied for any trademarks or patents
 02:40 3 or copyrights?
 02:40 4 A. Not to my knowledge.
 02:40 5 Q. Did you ask someone about that?
 02:40 6 A. Did I ask someone if we had applied for them?
 02:40 7 No, I did not.
 02:41 8 Q. Do you know who Scott James Hardle (phonetic)
 02:41 9 is?
 02:41 10 A. No.
 02:41 11 Q. Do you know whether HSBC North America
 02:41 12 Holdings, Inc. is the assignee of any patents?
 02:41 13 A. No, I don't know.
 02:41 14 Q. Is it your testimony to the jury that HSBC
 02:41 15 North America Holdings, Inc. has never licensed any
 02:41 16 patents, trademarks or copyrights to any of its
 02:41 17 subsidiaries?
 02:41 18 A. That is my understanding.
 02:42 19 Q. Is there a human resources executive that
 02:42 20 works for HSBC North America Holdings, Inc.?
 02:42 21 A. Yes, I believe there is.
 02:42 22 Q. Does that office provide any downstream
 02:42 23 support in the human resources area in the same way that
 02:42 24 you do in the insurance area?
 02:42 25 MR. LEONARD: Objection: Form.

02:42 1 A. Not in the same way, no.
 02:42 2 Q. (BY MR. BRUSTER) Does the human resources
 02:42 3 office of HSBC North America Holdings, Inc. provide any
 02:43 4 benefit or any service to any HSBC subsidiary?
 02:43 5 MR. LEONARD: Objection: Form.
 02:43 6 A. I am -- I am not sure that the human resources
 02:43 7 areas that provide the benefits are part of HSBC North
 02:43 8 America Holdings, Inc. I can't answer that. I don't
 02:43 9 know.
 02:43 10 Q. (BY MR. BRUSTER) So you're on topic 17 where
 02:43 11 we have the structure and relationship of common
 02:43 12 business departments between Defendant and any and all
 02:43 13 subsidiaries including but not limited to human
 02:43 14 resources. You don't have an understanding as to
 02:43 15 whether or not the parent company's human resources
 02:43 16 department provides benefit or service to the
 02:43 17 subsidiaries?
 02:43 18 MR. LEONARD: Objection: Form.
 02:44 19 A. That -- that wasn't exactly the question you
 02:44 20 asked earlier. You asked if they did it the same way
 02:44 21 that the insurance department does it, and my answer to
 02:44 22 that is no. There is an executive.
 02:44 23 Q. (BY MR. BRUSTER) What is that person's name?
 02:44 24 A. Steve Gonabi is the head of human resources
 02:44 25 for HSBC North America Holdings, Inc., but I'm not

02:44 1 certain that -- in fact, I don't believe that the people
 02:44 2 that report to him are officers of HSBC North America
 02:44 3 Holdings, Inc.
 02:44 4 Q. You don't believe that the people that report
 02:44 5 to him are employees of HSBC North America Holdings,
 02:44 6 Inc.?
 02:44 7 A. That's correct, I don't believe that they are.
 02:44 8 Q. Which would mean the people that are reporting
 02:44 9 to him are people that work for the subsidiaries?
 02:45 10 A. I think technically, yes.
 02:45 11 Q. So does the human resources department of HSBC
 02:45 12 North America Holdings, Inc. work with the subsidiaries,
 02:45 13 including HSBC Bank?
 02:45 14 A. Well, each subsidiary has its own human
 02:45 15 resources department and so services -- so they are
 02:45 16 responsible for the day-to-day human resources function
 02:45 17 of their subsidiaries.
 02:45 18 There are a few people in Prospect
 02:45 19 Heights in the human resources area, but I'm not sure --
 02:45 20 I don't believe that they are officers or employees of
 02:45 21 HSBC North America Holdings, Inc.
 02:45 22 Q. They work for the subsidiaries.
 02:45 23 A. Well, not directly, because they're also
 02:45 24 not -- for instance, there would be people that were --
 02:45 25 work for HBIO, also in HSBC Finance Corporation, Inc.,

02:46 1 in terms of, you know, their official title or -- if
02:46 2 that's what you're asking me.
02:46 3 Q. I guess what I'm asking is, does the human
02:46 4 resources department of HSBC North America Holdings,
02:46 5 Inc. work with the subsidiaries, including HSBC Bank?
02:46 6 A. Well, and as I testified, there -- to my
02:46 7 knowledge, there's only one person who is technically an
02:46 8 employee of HSBC North America Holdings, Inc. and so I
02:46 9 am sure he has conversations with subsidiaries and, you
02:46 10 know, I don't know his day-to-day job duties.
02:46 11 Q. In the same way, you're the only person in the
02:46 12 insurance department of HSBC North America Holdings,
02:46 13 Inc., correct?
02:46 14 A. That's correct.
02:46 15 Q. But you have people from the subsidiaries,
02:47 16 including HSBC, reporting to you, right?
02:47 17 A. I do.
02:47 18 Q. Have you ever read any of the patents that are
02:47 19 involved in this litigation?
02:47 20 A. No.
02:47 21 Q. Never read them?
02:47 22 A. No.
02:47 23 Q. Have you ever skimmed over them?
02:47 24 A. No.
02:47 25 Q. Have you ever seen any of the patents that are

02:48 1 the '988, '137, '007 or '868 patents. Did I read that
02:49 2 correctly?
02:49 3 A. Yes.
02:49 4 Q. About a minute ago you told the jury that you
02:49 5 have never read any of those patents and you don't know
02:49 6 what it takes to infringe those, right?
02:49 7 A. That's correct.
02:49 8 Q. Do you really feel comfortable giving sworn
02:49 9 testimony that HSBC North America Holdings, Inc. doesn't
02:49 10 do anything to infringe those patents if you don't even
02:49 11 know what it takes to infringe them?
02:49 12 A. Yes.
02:49 13 Q. You -- for example, we know that HSBC North
02:49 14 America Holdings, Inc. engages in activity, right?
02:49 15 A. Yes.
02:49 16 Q. I mean, you work for that company, correct?
02:49 17 A. Yes.
02:49 18 Q. And you're swearing and affirming that your
02:49 19 company doesn't engage in any infringing activities
02:49 20 without knowing what it takes to infringe the patent.
02:49 21 Does that make sense to you?
02:49 22 A. Yes.
02:50 23 Q. We know that HSBC North America Holdings, Inc.
02:50 24 has engaged in some activity in the state of Texas,
02:50 25 correct?

02:47 1 involved in this litigation?
02:47 2 A. No.
02:47 3 Q. Do you know what it takes to infringe any of
02:47 4 the patents involved in this litigation?
02:47 5 A. No.
02:47 6 (Exhibit Number 14 marked.)
02:47 7 Q. (BY MR. BRUSTER) I'm going to show you what
02:48 8 we've marked as Exhibit 14 to your deposition, which I'm
02:48 9 sure you'll recognize as an affidavit that you signed in
02:48 10 support of HSBC North America Holdings, Inc.'s Motion to
02:48 11 Dismiss for Lack of Personal Jurisdiction. Is that
02:48 12 correct?
02:48 13 A. Yes.
02:48 14 Q. Okay. And I'll show you that's a three-page
02:48 15 document. Is that your signature there on the last
02:48 16 page?
02:48 17 A. It is.
02:48 18 Q. And that's sworn and signed under oath by a
02:48 19 Notary, correct?
02:48 20 A. Yes.
02:48 21 Q. Okay. Let me ask you about, for example,
02:48 22 topic 17 here. HSBC North America Holdings, Inc. has
02:48 23 not authorized, participated in, or facilitated any
02:48 24 transactions occurring in whole or in part within the
02:48 25 state of Texas that infringe in whole or in part upon

02:50 1 MR. LEONARD: Objection to form.
02:50 2 A. I don't think we've established that, no.
02:50 3 Q. (BY MR. BRUSTER) Okay. Is that a true
02:50 4 statement, or not? Has HSBC ever engaged -- let me ask
02:50 5 you this question. Has HSBC ever engaged in any
02:50 6 activity -- back up. Be precise.
02:50 7 Has HSBC North America Holdings, Inc.
02:50 8 ever engaged in any activity in the state of Texas?
02:50 9 MR. LEONARD: Objection to form.
02:50 10 A. The only activity I'm aware of -- and I would
02:50 11 not constitute it as a business activity -- is a
02:50 12 charitable contribution.
02:50 13 Q. (BY MR. BRUSTER) Within the state of Texas.
02:50 14 A. Yes.
02:50 15 Q. Was that transaction done purposely by HSBC
02:51 16 North America Holdings, Inc.?
02:51 17 A. To the best of my knowledge, yes.
02:51 18 Q. Yes?
02:51 19 A. Yes, I assume. I don't -- I'm not aware of
02:51 20 why it wouldn't be, yes.
02:51 21 Q. I mean, that was a purposeful act done by HSBC
02:51 22 North America Holdings, Inc. in the state of Texas,
02:51 23 right?
02:51 24 A. To make the charitable contribution, yes.
02:51 25 Q. Okay. Let me show you statement number nine

02:51 1 that you made in your affidavit that says, HSBC North
02:51 2 America Holdings, Inc. has not purposely done any act or
02:51 3 consummated any transaction within the state of Texas.
02:51 4 Do you read that?
02:51 5 A. I do.
02:51 6 Q. Okay. This is a sworn document that you
02:51 7 signed off on last year and you've just, 30 seconds ago,
02:51 8 given sworn testimony to this judge and jury that HSBC
02:51 9 North America Holdings, Inc. has purposely done an act
02:51 10 within the state of Texas; isn't that true?
02:51 11 A. That is true.
02:51 12 Q. Are we to believe your previous testimony
02:52 13 under oath or this testimony under oath?
02:52 14 MR. LEONARD: Objection to form.
02:52 15 A. I was not aware of the charitable contribution
02:52 16 when I signed this document in May of 2006.
02:52 17 Q. (BY MR. BRUSTER) How did you find out about
02:52 18 it?
02:52 19 A. I learned about it through counsel.
02:52 20 Q. I guess with a similar vein, you're not aware
02:52 21 the broad range of any other potential activities that
02:52 22 HSBC North America Holdings, Inc. might have done within
02:52 23 the state of Texas, are you?
02:52 24 MR. LEONARD: Objection: Form.
02:52 25 A. When I inquired about the activities in

02:52 1 preparation for the deposition, that was the only
02:52 2 activity I was informed of.
02:52 3 Q. (BY MR. BRUSTER) Are there any other portions
02:52 4 of your sworn testimony, either today or your sworn
02:52 5 testimony from this affidavit last year, that you
02:52 6 believe is improper or incorrect?
02:52 7 MR. LEONARD: Objection: Form.
02:52 8 A. On number 18.
02:53 9 Q. (BY MR. BRUSTER) So number 18 is incorrect?
02:53 10 A. No, it's correct, except that it should be
02:53 11 singular instead of plural. HSBC North America
02:53 12 Holdings, Inc. only has one wholly owned subsidiary.
02:53 13 Q. How come you didn't inquire about whether HSBC
02:53 14 North America Holdings, Inc. has purposely done any act
02:53 15 in the state of Texas before you gave this sworn
02:53 16 affidavit?
02:53 17 MR. LEONARD: Objection to form.
02:53 18 A. That was not my testimony. My testimony was
02:53 19 that in May I was not aware of that contribution. I
02:53 20 became aware of it after I signed this document.
02:53 21 Q. (BY MR. BRUSTER) Did you inquire as to
02:53 22 anybody within the HSBC organization about whether or
02:53 23 not HSBC had done any act within the state of Texas
02:53 24 before you signed this affidavit?
02:53 25 A. I worked with the legal department on this --

02:53 1 on the answers in this affidavit.
02:53 2 Q. The same legal department whose lawyer wrote
02:54 3 the letter to the government about HSBC North America
02:54 4 Holdings, Inc. operating various subsidiaries?
02:54 5 MR. LEONARD: Objection: Form.
02:54 6 A. Different lawyers.
02:54 7 Q. (BY MR. BRUSTER) Different lawyers in the
02:54 8 same legal department.
02:54 9 So knowing what we know, that HSBC North
02:54 10 America Holdings, Inc. has, in fact, purposely done an
02:54 11 act within the state of Texas, and knowing that you've
02:54 12 never read the patents and you don't know what it takes
02:54 13 to infringe them, do you still feel comfortable with
02:54 14 your statement here in paragraph 12, HSBC North America
02:54 15 Holdings, Inc. is not currently engaging in any
02:54 16 infringing activities within the state of Texas?
02:54 17 A. Yes, I do.
02:54 18 Q. Okay. That's a statement that you made
02:54 19 without knowing what it takes to engage in infringing
02:54 20 activity; isn't that true?
02:55 21 A. I -- my willingness to sign that was knowing
02:55 22 that HSBC North America Holdings, Inc. is not involved
02:55 23 in any operations or businesses in the state of Texas on
02:55 24 a direct basis.
02:55 25 Q. Of course, I guess that depends on your

02:55 1 definition of operate, right?
02:55 2 A. When I signed this.
02:55 3 MR. LEONARD: Objection: Form.
02:55 4 Q. (BY MR. BRUSTER) I'm sorry?
02:55 5 A. I said that was my definition when I signed
02:55 6 it.
02:55 7 Q. All right. Did you ask the legal department
02:55 8 to use your definition of operation or operate, as
02:55 9 opposed to their definition of operate, when you wrote
02:55 10 this affidavit?
02:55 11 MR. LEONARD: Objection: Form.
02:55 12 A. I don't believe that we had that discussion.
02:55 13 Q. (BY MR. BRUSTER) Did you write this
02:55 14 affidavit, by the way?
02:55 15 A. No.
02:55 16 Q. Who wrote it?
02:55 17 A. I don't know.
02:55 18 Q. You don't know who wrote it?
02:55 19 A. No.
02:55 20 Q. Did you write the part here on the first page
02:55 21 that says, I'm dually qualified and authorized to make
02:55 22 this affidavit in all respects from my own personal
02:55 23 knowledge, right here?
02:56 24 A. Well, I didn't write any of it, but I have --
02:56 25 I did work on it with the legal department.

02:56 1 Q. Who in the legal department did you work on it
 02:56 2 with?
 02:56 3 A. Primarily with Allison Shank.
 02:56 4 Q. Anybody else?
 02:56 5 A. I don't know who she worked with or if there
 02:56 6 was anyone else, but that's who I worked with.
 02:56 7 Q. And you didn't write any of this affidavit.
 02:56 8 You just signed your name to it.
 02:56 9 A. I didn't just sign my name on it. I did
 02:56 10 review it and I did satisfy myself that the statements
 02:56 11 being made were correct as to -- based on the
 02:56 12 information I had at the time.
 02:56 13 Q. In other words, you adopted all the wording in
 02:56 14 the affidavit.
 02:56 15 MR. LEONARD: Objection to form.
 02:57 16 A. Was that a question?
 02:57 17 Q. (BY MR. BRUSTER) Is that true?
 02:57 18 MR. LEONARD: Same objection.
 02:57 19 A. Again, I didn't write it.
 02:57 20 Q. (BY MR. BRUSTER) What else did you do to
 02:57 21 prepare for your deposition today besides reading
 02:57 22 through the deposition notice on the train this morning?
 02:57 23 A. I reviewed certain documents. I had
 02:57 24 discussions with counsel.
 02:57 25 Q. Don't tell me anything you talked about with

02:57 1 your lawyers. When was the first time you met with your
 02:57 2 counsel seated here today about this deposition?
 02:57 3 A. I don't know exactly when that was.
 02:57 4 Q. Within the last three weeks?
 02:57 5 A. Somewhere within three to six weeks, I would
 02:57 6 say.
 02:57 7 Q. Where did you first meet with them? Over the
 02:57 8 telephone or here in Illinois?
 02:57 9 A. We met in person in Prospect Heights.
 02:57 10 Q. In person in Prospect Heights.
 02:58 11 A. Yes.
 02:58 12 Q. Okay. Was that at the corporate headquarters
 02:58 13 of HSBC North America Holdings, Inc., or some other
 02:58 14 place in Prospect Heights?
 02:58 15 A. No. It was at the headquarters.
 02:58 16 Q. And who all attended that meeting?
 02:58 17 A. I was there, Mr. Leonard was there, Nick was
 02:58 18 there, and Ms. Shank.
 02:58 19 Q. Anyone else?
 02:58 20 A. I don't believe so.
 02:58 21 Q. How -- how long was that meeting?
 02:58 22 A. A few hours.
 02:58 23 Q. What's the next thing you did to get ready for
 02:58 24 your deposition today?
 02:58 25 A. Reviewed documents.

02:58 1 Q. When did you start doing that?
 02:58 2 A. I started immediately after that first
 02:58 3 meeting, reviewing some of the documents, and reviewed
 02:58 4 them prior to coming here today.
 02:58 5 Q. How many hours do you think total you've spent
 02:58 6 reviewing documents in preparation for the deposition?
 02:59 7 A. Probably ten.
 02:59 8 Q. Did you have a meeting with counsel for HSBC
 02:59 9 this week in preparation for your deposition?
 02:59 10 A. I met with -- yes.
 02:59 11 Q. I'm sorry?
 02:59 12 A. Yes, I did.
 02:59 13 Q. When was that?
 02:59 14 A. We met yesterday.
 02:59 15 Q. Where did you meet yesterday?
 02:59 16 A. We met at the career development center in
 02:59 17 Prospect Heights.
 02:59 18 Q. And how long was that meeting?
 02:59 19 A. I don't recall exactly, but a few hours.
 02:59 20 Q. Have you had any other meetings with anyone
 02:59 21 else in preparation for your deposition other than those
 02:59 22 meetings?
 02:59 23 A. No.
 02:59 24 Q. Is the career development center something
 02:59 25 inside the corporate headquarter building, or is that

02:59 1 somewhere else?
 02:59 2 A. No. It's a separate building.
 02:59 3 Q. Is it an HSBC building?
 02:59 4 A. Yes.
 03:00 5 Q. What goes on at the career development center?
 03:00 6 What is that for?
 03:00 7 A. It's for training and meetings.
 03:00 8 Q. Who owns that building? Do you know?
 03:00 9 A. I really am not sure, no.
 03:00 10 Q. Is there full-time staff at that building?
 03:00 11 A. Yes.
 03:00 12 Q. Who do those members or full-time staff, who
 03:00 13 do they work for?
 03:00 14 A. I don't know.
 03:00 15 Q. You don't know? Who is trained there?
 03:00 16 A. It's a -- it's a building that's available for
 03:00 17 all the subsidiaries if they want to use it as a
 03:00 18 training facility.
 03:00 19 Q. Do people from HSBC Bank, that banking
 03:00 20 subsidiary, come and do training at the career
 03:00 21 development center?
 03:00 22 A. I know that people from the bank have been at
 03:00 23 that -- at that center. I don't know the purpose of
 03:00 24 their -- of their being there.
 03:00 25 Q. Is it connected to the corporate headquarters

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03:00 1 of HSBC North America Holdings, Inc.?

03:01 2 A. No.

03:01 3 Q. Is it on the same campus?

03:01 4 A. Yes.

03:01 5 Q. Is there a sign on the front of it or

03:01 6 anything?

03:01 7 A. Yes, I believe there is.

03:01 8 Q. What does that sign say?

03:01 9 A. I think it says career development center.

03:01 10 Q. Does it have the HSBC logo on it?

03:01 11 A. Don't know.

03:01 12 Q. Does HSBC Bank USA make any effort to separate

03:01 13 out -- I'm talking about in the public -- to separate

03:01 14 out -- separate itself away from any other of its parent

03:01 15 companies?

03:01 16 MR. LEONARD: Objection: Form.

03:01 17 Q. (BY MR. BRUSTER) You may answer.

03:01 18 A. Well, would you give me an example of what you

03:01 19 meant? I'm not sure what you're asking really.

03:01 20 Q. Sure. Are you aware of any representation by

03:01 21 HSBC Bank where it has made a representation to the

03:01 22 public that it is a separate, distinct legal entity from

03:02 23 other HSBC organizations?

03:02 24 MR. LEONARD: Objection: Form.

03:02 25 A. Well, you mean people and that kind of stuff,

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03:02 1 or are you talking about advertising? I don't know what

03:02 2 you're asking me.

03:02 3 Q. (BY MR. BRUSTER) Advertising. Let's do

03:02 4 advertising.

03:02 5 A. I believe that HSBC Bank does its own

03:02 6 advertising. I believe that it does.

03:02 7 Q. Are you aware of any distinctions drawn in

03:02 8 that advertising to distance itself from HSBC North

03:02 9 America Holdings, Inc., for example?

03:02 10 MR. LEONARD: Objection: Form.

03:02 11 A. No, but I don't know -- I don't know -- I

03:02 12 mean, distance itself in what way?

03:02 13 Q. (BY MR. BRUSTER) Call attention to itself as

03:02 14 some group separate from HSBC North America Holdings,

03:02 15 Inc.

03:02 16 A. Well, the advertising I've seen has been HSBC

03:02 17 Bank USA.

03:02 18 Q. Have you seen any advertising where HSBC Bank

03:03 19 has sought to distance itself from the HSBC Group, PLC?

03:03 20 MR. LEONARD: Objection: Form.

03:03 21 A. I guess I don't even know how it would do

03:03 22 that. I'm not really understanding where you're going

03:03 23 with this.

03:03 24 Q. (BY MR. BRUSTER) I mean -- I guess what I'm

03:03 25 saying is, you're not -- you don't -- HSBC North America

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03:03 1 Holdings, Inc. doesn't strive to have a separate public

03:03 2 image of itself or any other HSBC banking subsidiary,

03:03 3 for that matter, separate and apart from HSBC Group,

03:03 4 PLC, does it?

03:03 5 MR. LEONARD: Objection to form.

03:03 6 A. I don't think it strives to have, you know,

03:03 7 any image that I'm aware of at all.

03:03 8 Q. (BY MR. BRUSTER) I mean, HSBC Bank is proud

03:03 9 to be affiliated with HSBC Group, PLC, isn't it?

03:03 10 MR. LEONARD: Objection: Form.

03:03 11 A. I guess so. I can't answer that.

03:03 12 Q. (BY MR. BRUSTER) Do you think that HSBC Bank

03:03 13 relies on the HSBC Group, PLC brand?

03:04 14 MR. LEONARD: Objection: Form.

03:04 15 A. HSBC Group has been striving to reach a common

03:04 16 brand worldwide and so, yes, all the subsidiaries are

03:04 17 using the same brand, for the most part.

03:04 18 Q. (BY MR. BRUSTER) Did you do anything else to

03:04 19 prepare for your deposition today other than the

03:04 20 documents we've talked about and the meetings with your

03:04 21 lawyers?

03:04 22 A. No.

03:04 23 Q. Do you like your job?

03:04 24 A. Yes, I do.

03:04 25 Q. Want to keep it?

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03:05 1 A. Yes.

03:05 2 Q. Thanks for your time.

03:05 3 MR. BRUSTER: I'll pass the witness.

03:05 4 EXAMINATION

03:05 5 BY MR. LEONARD:

03:05 6 Q. Ms. Hickman, I have just a few questions. I

03:05 7 know it's late, but more of a housekeeping matter. I

03:05 8 want to go back to your testimony early this morning.

03:05 9 Did you mean to testify that Janet Burak

03:05 10 was on the board of directors of both HSBC North America

03:05 11 Holdings and HSBC Bank US? I'm focusing on board of

03:05 12 directors.

03:05 13 A. Yes. No. That's -- no. I think you're

03:05 14 right. I don't believe she is.

03:05 15 Q. Okay.

03:05 16 A. I apologize.

03:05 17 Q. You also testified that HSBC Bank Holdings had

03:05 18 a subsidiary that you called HINO and you identified as

03:05 19 HSBC North America, Inc. Do you recall that testimony?

03:05 20 A. Yes, I do.

03:05 21 MR. LEONARD: Counsel, what's the last

03:06 22 Exhibit Number?

03:06 23 MR. BRUSTER: 14.

03:06 24 (Exhibit Number 15 marked.)

03:06 25 MR. LEONARD: It's my only copy so I want

03:06 1 to show it to you.
 03:06 2 MR. BRUSTER: Okay.
 03:06 3 Q. (BY MR. LEONARD) Ms. Hickman, I'm going to
 03:06 4 hand you what's been marked as Exhibit 15 to your
 03:06 5 deposition. This is a document that we previously
 03:06 6 furnished to the opposition in this case. Does that
 03:06 7 refresh your recollection on who HINO is?
 03:06 8 A. Yes. I see that I was referring to the wrong
 03:06 9 subsidiary but the right acronym.
 03:06 10 Q. Okay. And refreshing your recollection, could
 03:06 11 you tell the judge and the jury in this case who HINO
 03:07 12 is?
 03:07 13 A. HSBC Investments North America, Inc.
 03:07 14 Q. Does that accurately reflect that HINO is the
 03:07 15 direct subsidiary of HSBC North America Holdings?
 03:07 16 A. Yes.
 03:07 17 Q. And is that the other holding company that you
 03:07 18 were referring to in your prior testimony rather than
 03:07 19 HSBC North America, Inc.?
 03:07 20 A. Yes.
 03:07 21 Q. Okay. Are you here to speak today on behalf
 03:07 22 of HSBC North America, Inc.?
 03:07 23 A. North America Holdings, Inc.
 03:07 24 Q. Okay. Your question earlier about
 03:07 25 consolidated financials, are you able to confirm for the

03:08 1 being conducted in the state of Texas, is there?
 03:09 2 A. No.
 03:09 3 Q. Okay. And you swore that that statement was
 03:09 4 true at the time you signed this document. Today you've
 03:09 5 told us that, in fact, that's a false statement.
 03:09 6 MR. LEONARD: Objection to form.
 03:09 7 A. When I signed it, I signed it to the best of
 03:09 8 my knowledge at the time.
 03:09 9 Q. (BY MR. BRUSTER) And today you understand
 03:09 10 it's false, right?
 03:09 11 MR. LEONARD: Objection: Form.
 03:09 12 A. Today I understand that there was a charitable
 03:09 13 contribution made.
 03:09 14 Q. (BY MR. BRUSTER) I'm sure you get asked this
 03:09 15 often, but has anyone ever told you you look like Martha
 03:09 16 Stewart?
 03:09 17 A. Oh, my God, no. Jesus.
 03:09 18 MR. BRUSTER: Pass the witness.
 03:09 19 MR. LEONARD: Nothing further. Thank
 03:09 20 you, Ms. Hickman.
 03:09 21 THE VIDEOGRAPHER: We're off the record.
 03:27 22 (Proceedings concluded 3:09 p.m.)
 23
 24
 25


03:07 1 Court that HSBC North American Holdings, Inc. does, in
 03:07 2 fact, prepare consolidated financial statements and tax
 03:07 3 returns?
 03:07 4 MR. BRUSTER: Objection: Leading.
 03:07 5 A. I can confirm that for Court.
 03:07 6 Q. (BY MR. LEONARD) Let me rephrase that.
 03:07 7 Do you know that -- whether or not HSBC
 03:08 8 North America Holdings prepares consolidated financial
 03:08 9 statements and tax returns for itself and its
 03:08 10 subsidiaries?
 03:08 11 A. I do know that it does, yes.
 03:08 12 Q. And did you identify, as an Exhibit, one of
 03:08 13 those documents for counsel?
 03:08 14 A. I believe I did, yes.
 03:08 15 Q. At the time you signed the affidavit that
 03:08 16 you've discussed here today, and today, for that matter,
 03:08 17 did you then or do you now consider a charitable
 03:08 18 contribution to be a business activity?
 03:08 19 A. I do not.
 03:08 20 MR. LEONARD: No further questions.
 03:08 21 EXAMINATION
 03:08 22 BY MR. BRUSTER:
 03:08 23 Q. Ma'am, on Exhibit 14, which is still in front
 03:08 24 of you on the screen there, your affidavit, there's no
 03:08 25 reference to the word business, in terms of activity

1 CHANGES AND CERTIFICATION
 2 WITNESS NAME: MARGO HICKMAN
 3 DATE OF PROCEEDING: FEBRUARY 2, 2007
 4 PAGE LINE CORRECTION REASON
 5 _____
 6 _____
 7 _____
 8 _____
 9 _____
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 22 _____
 23 _____
 24 _____
 25 _____

1 I, MARGO HICKMAN, have read the foregoing
 2 deposition and hereby affix my signature that same is
 3 true and correct, except as noted above.
 4 _____
 5 MARGO HICKMAN
 6
 7 THE STATE OF TEXAS)
 8 COUNTY OF _____)
 9 Before me, _____, on this day
 10 personally appeared _____, known to me (or
 11 proved to be on the oath of _____ or through
 12 description of identity card or other document) to be
 13 the person whose name is subscribed to the foregoing
 14 instrument and acknowledged to me that he executed the
 15 same for the purposes and consideration therein
 16 expressed.
 17
 18 Given under my hand and seal of office this
 19 _____ day of _____, A.D., 2007.
 20 _____
 21 Notary Public in and for the
 22 State of _____
 23 County of _____
 24 My Commission Expires: _____
 25

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 32 I further certify that I am neither attorney nor
 33 counsel for nor related to or employed by any of the
 34 parties to the action in which this deposition is taken,
 35 and further that I am not a relative or employee of any
 attorney or counsel employed by the parties hereto or
 financially interested in the action.

1 CERTIFICATE
 2 STATE OF TEXAS)
 3 COUNTY OF DALLAS)
 4 I, Lisa J. Gretarsson, Certified Shorthand
 5 Reporter, duly qualified in and for the state of Texas,
 6 do hereby certify that, pursuant to the agreement
 7 hereinbefore set forth, there came before me, MARGO
 8 HICKMAN, who was by me duly sworn to testify the truth,
 9 the whole truth, and nothing but the truth of her
 10 knowledge concerning the matters in controversy in this
 11 case; and that she was thereupon carefully examined upon
 12 her oath and her examination reduced to typewriting by
 13 me or under my supervision; that the deposition is a
 14 true record of the testimony given by the witness before
 15 me pursuant to the agreement of the parties.
 16 That the amount of time used by each party at the
 17 deposition is as follows:
 18 Anthony Bruster - (3:32)
 19 Tim S. Leonard - (0:04)
 20 Ross R. Barton - (0:00)
 21 That pursuant to information given to the
 22 deposition officer at the time said testimony was taken,
 23 the following includes counsel for all parties of
 24 record:
 25

1 In witness whereof, I have hereunto set my hand
 2 and affixed my seal this ___ day of _____, 2007.
 3
 4  *Lisa J. Gretarsson*
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 6 Expiration Date: 12-31-08
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