

Margo Hickman  
February 2, 2007

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FOR ATTORNEYS' EYES ONLY

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UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF TEXAS  
MARSHALL DIVISION

DATATREASURY CORPORATION,	)(	
	)	
Plaintiff,	)	
	)	
VS	)	CIVIL ACTION NO.
	)	2:06-CV-72 (DF)
WELLS FARGO & COMPANY,	)	
et al.,	)	
	)	
Defendants.	)	

VIDEOTAPED ORAL DEPOSITION OF MARGO HICKMAN

FEBRUARY 2, 2007

VIDEOTAPED ORAL DEPOSITION OF MARGO HICKMAN,  
produced as a witness at the instance of the Plaintiff,  
and duly sworn, was taken in the above-styled and  
above-numbered cause on the 2nd day of February, 2007,  
from 9:06 a.m. to 3:09 p.m., before Lisa J. Gretarsson,  
CSR in and for the state of Texas, reported by machine  
shorthand, at the offices of Katten Muchin, 525 West  
Monroe Street, located in the city of Chicago, state of  
Illinois, pursuant to the Federal Rules of Civil  
Procedure and the provisions stated on the record.

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 22 ALSO PRESENT:  
 23 Allison Shank, HSBC in-house counsel  
 Lauren Ragin, Video Technician  
 24 Brooke Berry, Document Technician  
 25 (continued on following page)

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 2 (continued from previous page)  
 3  
 4 LIVENOTE CONNECTIONS VIA THE INTERNET:  
 5 Amr Aly  
 Irah Donner  
 Meera Marti  
 6 David Curcio  
 Anthony Bruster  
 7 Ben King  
 Shephard Lane  
 8 Dalton Young  
 Sunja Smith  
 Ed Hohn  
 9 Kelli Hearne  
 CiCi Williams  
 10 John Hiles  
 George Shipley  
 Rod Cooper  
 11 Chris Sampson  
 Kellie Goolsby  
 12 Ed Chin  
 Amy Wise  
 13 Alison Ross  
 Karl Rupp  
 14 Jacala Hoffman  
 15

16 WEBCAST CONNECTIONS VIA THE INTERNET:  
 17 Dalton Young  
 David Curcio  
 18 Sunja Smith  
 Amr Aly  
 19 Irah Donner  
 Meera Marti  
 20 Chris Sampson  
 Amy Wise  
 21  
 22  
 23  
 24  
 25

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1	EXHIBITS	09:07 1	Q. Have you ever given a deposition before?
2	(exhibit index continued from previous page)	09:07 2	A. Yes.
3	NO. DESCRIPTION MARKED	09:07 3	Q. How many times?
4	12 Schedule HI Continued	09:07 4	A. Many. I don't know how many, but more than
5	(Bates stamped HNAH-JURIS-0014)..... 128	09:07 5	ten, I would say.
6	13 Notice of Intention to Take Oral and Video	09:08 6	Q. More than ten. Okay. When was the last time
7	Deposition of a 30(b)(6) Representative	09:08 7	you gave a deposition?
8	of HSBC North America Holdings, Inc..... 132	09:08 8	A. I don't believe I gave any in 2006 so probably
9	14 Affidavit of Margo Hickman..... 146	09:08 9	2005.
10	15 North America - Bank Holding Company	09:08 10	Q. So 2006 falls into the category of one of the
11	Structure..... 160	09:08 11	better years in your life?
12	(exhibit index concluded)	09:08 12	A. Yes.
13		09:08 13	Q. Okay. Well, I'm sure you're very familiar
14		09:08 14	with this routine. Just so you know, if you need a
15		09:08 15	break for any reason, let us know, we're happy to
16		09:08 16	accommodate you.
17		09:08 17	You'll hear the lawyers, and me,
18		09:08 18	probably, talking, but if you can try and answer my
19		09:08 19	questions directly, I'll try and ask proper questions,
20		09:08 20	and if you don't understand one, let me know, okay?
21		09:08 21	A. Yes.
22		09:08 22	Q. You understand the testimony you're giving
23		09:08 23	here today is the same as if you were sitting in a
24		09:08 24	courtroom in Marshall, Texas.
25		09:08 25	A. Yes.
Page 7		Page 9	
08:20 1	PROCEEDINGS	09:08 1	Q. That you're sworn to tell the truth here under
09:06 2	THE VIDEOGRAPHER: We're on the record.	09:08 2	penalties of perjury.
09:06 3	MARGO HICKMAN,	09:08 3	A. Yes.
09:06 4	having been first duly sworn, testified as follows, to	09:08 4	Q. Okay. You said that you first became the
09:06 5	wit:	09:08 5	senior vice president of insurance for HSBC North
09:06 6	EXAMINATION	09:08 6	America Holdings, Inc. in 2004, and that you were
09:06 7	BY MR. BRUSTER:	09:08 7	appointed to that position; is that correct?
09:07 8	Q. Good morning.	09:08 8	A. Yes.
09:07 9	A. Good morning.	09:08 9	Q. Okay. Who appointed you to that position?
09:07 10	Q. Tell us your name, please.	09:08 10	A. I believe it was the board, or they affirmed
09:07 11	A. Margo Hickman.	09:09 11	the appointment.
09:07 12	Q. Ms. Hickman, will you tell us your address,	09:09 12	Q. The board of directors?
09:07 13	both business and personal, please.	09:09 13	A. Yes.
09:07 14	A. My home address is 1444 Prairie Trail in	09:09 14	Q. And is that the board of directors of HSBC
09:07 15	YSLake, Illinois, which is YSLake, one word. My	09:09 15	North America Holdings?
09:07 16	business address is 2700 Sanders Road, Prospect Heights,	09:09 16	A. I believe so, yes.
09:07 17	Illinois.	09:09 17	Q. Prior to your appointment to the position of
09:07 18	Q. And what do you do for a living?	09:09 18	senior vice president of insurance for that entity, what
09:07 19	A. I am the senior vice president of insurance	09:09 19	did you do?
09:07 20	for HSBC North America Holdings.	09:09 20	A. I was the vice president of insurance for HSBC
09:07 21	Q. Senior vice president of insurance for HSBC	09:09 21	Finance Company, Inc.
09:07 22	North America Holdings. How long have you served in	09:09 22	Q. HSBC Finance Company, Inc.?
09:07 23	that position?	09:09 23	A. I think that's what we -- I think that's what
09:07 24	A. I was appointed to that position, I think, in	09:09 24	it's called. It's HBIO, the acronym.
09:07 25	2004 sometime.	09:09 25	Q. Okay. And how long had you been serving as

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09:09 1 the vice president of insurance for that entity?	09:12 1 A. Yes, HBUS.
09:09 2 A. For HSBC, as of the date of the acquisition in	09:12 2 Q. HBUS? Tell me -- tell me what that stands
09:09 3 March of 2003, I believe.	09:12 3 for.
09:09 4 Q. And when you say the date of the acquisition,	09:12 4 A. HSBC -- we just call it HBUS. I guess it's
09:09 5 tell me what you're referring to.	09:13 5 the -- the bank subsidiary, HSBC Bank something. Sorry,
09:09 6 A. The date that HSBC, PLC acquired Household	09:13 6 but I don't know exactly.
09:10 7 International.	09:13 7 Q. So those people work for the banking
09:10 8 Q. You said the date that HSBC, PLC acquired	09:13 8 subsidiary of HSBC.
09:10 9 Household International?	09:13 9 A. That's -- that's where they're headquartered,
09:10 10 A. Yes.	09:13 10 yes.
09:10 11 Q. Okay. And prior to that acquisition, had you	09:13 11 Q. The banking subsidiary here in North America.
09:10 12 been working with the Household International entities,	09:13 12 A. Yes.
09:10 13 as opposed to the HSBC entities?	09:13 13 Q. Okay. And those five people report directly
09:10 14 A. Yes.	09:13 14 to you?
09:10 15 Q. Okay. What position did you hold with	09:13 15 A. Shirley and Tim report directly to me, and
09:10 16 Household International prior to that acquisition?	09:13 16 then Barbara reports to Tim, Mike reports to Shirley,
09:10 17 A. Vice president of insurance.	09:13 17 and Joe reports to me.
09:10 18 Q. Are there any difference -- differences in job	09:13 18 Q. Do you know what Tim's title is?
09:10 19 duties that you have between when you served as the vice	09:13 19 A. Director of insurance.
09:10 20 president of insurance for HSBC Finance Company, Inc.	09:13 20 Q. And do you know what specific legal entity
09:10 21 and your current role as senior vice president of	09:13 21 he's director of insurance for?
09:10 22 insurance for HSBC North America Holdings, Inc.?	09:13 22 A. Well, the way we handle it is we work as a
09:10 23 A. Yes.	09:14 23 team, the 11 people. And we divide the duties for
09:10 24 Q. Okay. What are the differences?	09:14 24 insurance procurement and administrative duties for
09:10 25 A. I have responsibility for the insurance	09:14 25 North America between the 10 people. So he does -- his
Page 11	Page 13
09:10 1 procurement and administrative duties for all of North	09:14 1 duties are not defined by where he's located.
09:10 2 America. And I also am responsible for oversight of the	09:14 2 Q. Okay. And I guess that same kind of teamwork
09:11 3 insurance for Central and South America.	09:14 3 mentality, insofar as procurement of insurance, would go
09:11 4 Q. Any other differences?	09:14 4 for all the 10 people you mentioned, plus yourself --
09:11 5 A. I have a few more people reporting to me than	09:14 5 A. Yes.
09:11 6 I did before.	09:14 6 Q. -- across all those entities?
09:11 7 Q. Anything else?	09:14 7 A. Yes.
09:11 8 A. Not material.	09:14 8 Q. Okay. How many senior vice presidents are
09:11 9 Q. How many people report directly to you?	09:14 9 there that work for HSBC North America Holdings, Inc.,
09:11 10 A. Ten.	09:14 10 same company that you work for?
09:11 11 Q. Do all of the people that report to you work	09:14 11 A. I don't know. I'm sure we can provide that
09:11 12 for HSBC North America Holdings, Inc.?	09:14 12 information to you, but I don't know.
09:11 13 A. No.	09:14 13 Q. Are there more than five?
09:11 14 Q. If you could, walk through with me who the	09:14 14 A. I really can't tell you. I haven't paid
09:11 15 people are that report to you and who they work for.	09:14 15 attention to that.
09:11 16 A. I have -- would you like all ten names?	09:14 16 Q. Can you name any others, as you sit here this
09:11 17 Q. Sure, and who they work for.	09:14 17 morning, any other people that are senior vice
09:11 18 A. For HBIO, which is the finance company portion	09:15 18 presidents of some category, like yours is insurance,
09:11 19 of the company, I have Karen Lemanski, Bill Silva, Randy	09:15 19 that work for HSBC North America Holdings, Inc.?
09:12 20 Goodman, Cathy Ellingen and Kristin Kinder.	09:15 20 A. The only one that I -- that I'm fairly certain
09:12 21 For HBUS, which is the bank business in	09:15 21 of is Cliff Mizialko in the accounting -- in an
09:12 22 Buffalo, I have Tim O'Connor, Shirley Galioto, Mike	09:15 22 accounting role, but I'm not sure his exact title.
09:12 23 Benzino, Jill Peterson and Barbara Glaspy.	09:15 23 Q. Other than Mr. Mizialko -- is that how you say
09:12 24 Q. And those five people that you just listed,	09:15 24 that?
09:12 25 you use an acronym, HBUS? What was that?	09:15 25 A. Yes.

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09:15 1 Q. Okay. Are there any other people that -- do	09:18 1 automobiles, general liability, things like slips and
09:15 2 you know how many people there are that work in	09:18 2 falls and accidents that customers might have in our
09:15 3 accounting for HSBC North America Holdings, Inc.?	09:18 3 various premises. We buy, you know, coverage on -- to
09:15 4 A. No.	09:18 4 protect the assets of the corporation. Those are some
09:15 5 Q. Are there more than ten?	09:18 5 of the categories.
09:15 6 A. I don't know, but I -- I wouldn't think so,	09:18 6 Q. How many premises does HSBC North America
09:15 7 but I'm not positive.	09:18 7 Holdings, Inc. own?
09:15 8 Q. Do you know how many total employees there are	09:18 8 A. Well, I don't know exactly. It changes,
09:15 9 for HSBC North America Holdings, Inc.?	09:18 9 actually, day to day, but as -- probably 2,000 or a
09:16 10 A. I'm not positive, but I think it's less	09:19 10 little more.
09:16 11 than 50.	09:19 11 Q. Okay. Are those premises owned by any other
09:16 12 Q. Less than 50 total employees?	09:19 12 HSBC entities in joint ownership with HSBC Holdings
09:16 13 A. I think so.	09:19 13 North America, Inc.?
09:16 14 Q. We have you, who is in charge of insurance,	09:19 14 A. Well, they're not owned at all by HSBC North
09:16 15 and you've mentioned Mr. Mizialko, who deals with	09:19 15 America Holdings, Inc. They're owned or leased by the
09:16 16 accounting. What other kind of broad business	09:19 16 subsidiary companies.
09:16 17 categories like that are there departments of at HSBC	09:19 17 Q. Maybe I asked an unclear question, but a
09:16 18 North America Holdings, Inc.?	09:19 18 moment ago I asked you how many premises North -- HSBC
09:16 19 A. My understanding is that the categories are	09:19 19 North America Holdings, Inc. owns, you said
09:16 20 what we would call staff functions, which are support	09:19 20 approximately 2,000, so was that an incorrect statement?
09:16 21 functions for the corporation, accounting, tax,	09:19 21 A. Yes, it is, and I apologize for mis --
09:16 22 insurance, those types of functions.	09:19 22 misrepresenting that.
09:16 23 Q. Are there any others that you can think of as	09:19 23 Q. How many premises does HSBC North America
09:16 24 you sit here today?	09:19 24 Holdings, Inc. own?
09:16 25 A. Probably legal.	09:19 25 A. None, to my knowledge.
Page 15	Page 17
09:16 1 Q. Legal?	09:19 1 Q. Who owns the headquarter building that HSBC
09:17 2 A. But beyond that I wouldn't be able to say.	09:19 2 North America Holdings, Inc. operates out of in Prospect
09:17 3 Q. Would risk management fall in the category of	09:19 3 Heights, Illinois?
09:17 4 legal, or is that a separate department?	09:19 4 A. I don't know. I know it's a lease facility
09:17 5 A. That's a separate department.	09:19 5 and it's been sold a couple of times. I'm not sure who
09:17 6 Q. Does -- does HSBC North America Holdings, Inc.	09:20 6 the current owner is.
09:17 7 have a risk management department?	09:20 7 Q. Who's the lease -- the lessee on that
09:17 8 A. I guess I'm not positive where -- you know,	09:20 8 facility?
09:17 9 where that is housed exactly in the company. I'm sure	09:20 9 A. I don't know for sure.
09:17 10 we can provide that to you if we haven't already.	09:20 10 Q. So your testimony to the jury now is that HSBC
09:17 11 Q. If we can just kind of focus in on -- on your	09:20 11 North America Holdings, Inc. doesn't own any premises
09:17 12 line of business, the insurance line of business, since	09:20 12 whatsoever in North America?
09:17 13 that's what you probably know the most about.	09:20 13 A. That is my testimony.
09:17 14 You mentioned earlier that your	09:20 14 Q. Okay. If HSBC North America Holdings, Inc.
09:17 15 responsibility is for insurance procurement and	09:20 15 doesn't own any property anywhere in North America, why
09:17 16 administrative duties for all of North America --	09:20 16 does it go get insurance for properties all across this
09:17 17 A. Yes.	09:20 17 country?
09:17 18 Q. -- as one of your job responsibilities.	09:20 18 (Allison Shank enters the deposition
09:17 19 A. (Nods head affirmatively.)	09:20 19 room.)
09:17 20 Q. Tell us -- tell the jury what you mean by	09:20 20 A. The reason that we include HSBC North America
09:17 21 insurance procurement and administrative duties for all	09:20 21 Holdings, Inc. as an insured on our insurance policies
09:17 22 of North America. What does that mean?	09:20 22 is so that in the event they are named in a lawsuit they
09:17 23 A. Well, the corporation purchases insurance to	09:20 23 are provided coverage under the policy.
09:17 24 protect itself against certain types of risk, including	09:20 24 The insurance policies are designed to
09:18 25 workers' compensation, insurance coverage on property,	09:20 25 protect all of the operating subsidiaries, as well as

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09:21	1 any holding companies that we have in North America. We	09:23	1 Q. Do they just -- okay. Sorry. I didn't mean
09:21	2 buy the coverage in a broad way to protect the entire	09:23	2 to cut you off.
09:21	3 North American operation.	09:23	3 Does HSBC Bank own the building in
09:21	4 Q. (BY MR. BRUSTER) Does HSBC Bank operate in	09:23	4 Buffalo?
09:21	5 Texas?	09:23	5 A. No.
09:21	6 A. I -- when you said -- I -- I think so.	09:23	6 Q. They lease that building?
09:21	7 Q. Do the insurance policies, that you purchase	09:23	7 A. Yes.
09:21	8 on behalf of HSBC North America Holdings, Inc., provide	09:23	8 Q. Okay. What about in New York City? Do they
09:21	9 insurance for accidents that might happen in Texas?	09:23	9 own that building?
09:21	10 A. They provide insurance for accidents that	09:23	10 A. I believe we do own that building.
09:21	11 could happen anywhere in North America.	09:24	11 Q. You've been responsible for HSBC North America
09:21	12 Q. Is there any reason that these insurance	09:24	12 Holdings, Inc. for procuring insurance on that building,
09:21	13 policies weren't produced as part of the document	09:24	13 correct?
09:21	14 production in this case, to your knowledge?	09:24	14 A. Yes.
09:21	15 A. I can't answer that question.	09:24	15 Q. Now, earlier you were talking about -- let me
09:21	16 Q. Just so we're clear, all of these insurance	09:24	16 back up real quick.
09:21	17 policies that provide coverage even for accidents in	09:24	17 Separate and apart from procurement,
09:22	18 Texas for HSBC Bank customers, all of those policies are	09:24	18 negotiation, entering into contracts for insurance, all
09:22	19 purchased by HSBC North America Holdings, Inc., correct?	09:24	19 of which you do on behalf of HSBC North America
09:22	20 A. They are procured by us, yes, and then --	09:24	20 Holdings, Inc., who actually pays the insurance company
09:22	21 well, go ahead.	09:24	21 for the policy that they issue?
09:22	22 Q. Are they purchased by that company?	09:24	22 A. The premiums are paid by either HSBC Bank or
09:22	23 A. It's a difficult question. The way the -- the	09:24	23 HSBC Finance Corporation.
09:22	24 way the system works is that they are purchased, and	09:24	24 Q. Not by HSBC North America Holdings, Inc.?
09:22	25 then the cost for the insurance is allocated to each	09:24	25 A. No.
Page 19		Page 21	
09:22	1 operating subsidiary according to its own risk in that	09:24	1 Q. Does HSBC North America Holdings, Inc. have a
09:22	2 category. So if HSBC Bank has a bank branch and they	09:24	2 bank account?
09:22	3 paid the cost of the insurance for that bank branch, the	09:24	3 A. I don't know.
09:22	4 cost is not held at HSBC North America Holdings.	09:24	4 Q. Do you get a paycheck?
09:22	5 Q. HSBC North America Holdings negotiates for	09:24	5 A. I do.
09:22	6 that insurance, correct?	09:24	6 Q. Who is listed as the check writer on your
09:22	7 A. Yes.	09:25	7 paycheck?
09:22	8 Q. I mean, that's what you do, right?	09:25	8 A. Well, I actually never see it because it's
09:22	9 A. That's what I do.	09:25	9 direct deposit. But the way payroll is handled for the
09:23	10 Q. Okay. And HSBC North America Holdings enters	09:25	10 United States is through an affiliated company that
09:23	11 into the contract for insurance, correct?	09:25	11 handles -- it's HSBC Payroll Services, I believe, and it
09:23	12 A. Yes.	09:25	12 handles all of the payroll and tax -- employee payroll
09:23	13 Q. And those contracts for insurance, that HSBC	09:25	13 and tax filings.
09:23	14 North America Holdings, Inc. enters into, provide	09:25	14 Q. When you say handles payroll and tax filings,
09:23	15 coverage for accidents that might happen in Texas,	09:25	15 you're talking -- are you talking about preparation?
09:23	16 correct?	09:25	16 A. And --
09:23	17 A. Yes.	09:25	17 Q. Administration?
09:23	18 Q. Okay. You mentioned earlier the bank	09:25	18 A. Yes. I mean, you know, making sure everybody
09:23	19 subsidiaries, the people that report to you are officed	09:25	19 gets paid.
09:23	20 in Buffalo; is that correct?	09:25	20 Q. Is HSBC Payroll Services the payor on your
09:23	21 A. Yes.	09:25	21 paycheck?
09:23	22 Q. Is that the headquarters of HSBC Bank?	09:25	22 A. Well, it used to be. And I guess I haven't
09:23	23 A. I think the headquarters is officially	09:25	23 seen one for a long time so I apologize, I'd have to go
09:23	24 New York City, but it might -- I'm not sure. I guess it	09:25	24 look at it again, but the last time I looked, yes.
09:23	25 depends on the subsidiary.	09:26	25 Q. We've talked about one half of what you

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09:26 1 mentioned earlier as your duties, insurance procurement	09:29 1 A. I did say that I believe that's true.
09:26 2 for all of North America. Tell me about that other	09:29 2 Q. And what do you mean by that?
09:26 3 broad little topic you mentioned, administrative duties.	09:29 3 A. Well, again, it's the type of operation that
09:26 4 What does that entail?	09:29 4 consolidates information from operating subsidiaries for
09:26 5 A. Well, when you -- there would be claims	09:29 5 reporting purposes.
09:26 6 associated with the insurance policies, and it's our job	09:29 6 Q. How many people are in the tax department at
09:26 7 to make sure that the claims are reported correctly, and	09:29 7 HSBC North America Holdings, Inc.?
09:26 8 that we follow through as they are settled or adjusted	09:29 8 A. I have no idea.
09:26 9 with the person who filed the claim against us.	09:29 9 Q. Approximately.
09:26 10 We have responsibility for reporting some	09:29 10 A. I really don't know.
09:26 11 of the various parts of our insurance program to the	09:29 11 Q. Well, we have less than 50 total employees,
09:26 12 parent company. We have to make sure that the premiums	09:29 12 correct?
09:26 13 get paid. I mean, those are the administrative-type	09:29 13 A. Yeah, so -- but I don't know how many of them
09:26 14 duties. Certificates of insurance have to be issued.	09:29 14 are tax and legal and -- I don't know.
09:26 15 Q. All those things that you just mentioned you	09:29 15 Q. What does the legal -- legal department do at
09:27 16 do as part of your job as the senior vice president for	09:29 16 HSBC North America Holdings, Inc.?
09:27 17 insurance of HSBC North America Holdings, Inc., correct?	09:30 17 A. Well, I honestly don't know.
09:27 18 A. Those are done by my staff, yes --	09:30 18 Q. Who's the general counsel?
09:27 19 Q. By your staff.	09:30 19 A. Ken Robin.
09:27 20 A. -- in our department.	09:30 20 Q. Okay. Do you know how many assistant general
09:27 21 Q. Okay. Who do you report to?	09:30 21 counsel there are?
09:27 22 A. I report to Jack McGinnis.	09:30 22 A. I know the -- I don't know at HSBC North
09:27 23 Q. McGinnis?	09:30 23 America Holdings, Inc. If you get down to the
09:27 24 A. Yes.	09:30 24 subsidiary level, there are many different titles and I
09:27 25 Q. Do you know his title?	09:30 25 don't know what they are, but there are, throughout the
Page 23	Page 25
09:27 1 A. I think it's executive vice	09:30 1 organization, quite a few lawyers.
09:27 2 president/controller for HSBC North America Holdings.	09:30 2 Q. Of the 50 employees of HSBC North America
09:27 3 Q. And if you were to describe to someone what	09:30 3 Holdings, Inc., do you know how many of those folks are
09:28 4 Mr. McGinnis does, what his job duties are, what would	09:30 4 lawyers?
09:28 5 they be?	09:30 5 A. No, I really don't. And I don't honestly know
09:28 6 A. I have only a very general understanding of	09:30 6 that there are 50. I said I think 50 or less.
09:28 7 that. And it's my understanding that he helps	09:30 7 Q. I understand. I'm not trying -- I'm not
09:28 8 facilitate the consolidation of the accounting material	09:30 8 trying to pin you down on that.
09:28 9 for HBIO and HBUS on all North American entities.	09:31 9 Do you serve on the board of directors of
09:28 10 Q. Helps facilitate the consolidation of the	09:31 10 HSBC North America Holdings, Inc.?
09:28 11 accounting --	09:31 11 A. No.
09:28 12 A. Uh-huh (affirmative).	09:31 12 Q. Do you know how many members there are of the
09:28 13 Q. -- for those entities?	09:31 13 board of directors?
09:28 14 A. That's my understanding.	09:31 14 A. No, I don't know exactly. I'm sure we must
09:28 15 Q. And the acronyms you use, that's the finance	09:31 15 have told you that.
09:28 16 company arm of HSBC and the banking, correct?	09:31 16 Q. How many members of the board of directors can
09:28 17 A. Correct, yes.	09:31 17 you name, as you sit here today?
09:28 18 Q. Okay. And so we're clear, HSBC Bank has its	09:31 18 A. I don't know. Three or four probably.
09:28 19 accounting consolidated and reports up through HSBC	09:31 19 Q. Name those for me, if you would.
09:28 20 North America Holdings, Inc., correct?	09:31 20 A. Michael Geoghegan, Stephen Green, Bobby Mehta,
09:28 21 A. Yes, I believe so.	09:31 21 I think Salvatore or -- I can't -- I'm not sure I'm
09:29 22 Q. Is that -- you mentioned earlier that -- that	09:31 22 pronouncing that correctly -- I believe is on the board
09:29 23 tax was another job function performed by HSBC North	09:31 23 for HNAH Holdings, Inc. I don't remember who the other
09:29 24 America Holdings, Inc. on behalf of the subsidiary	09:31 24 outside directors are.
09:29 25 companies; is that correct?	09:32 25 Q. Do you know how many members of the board of

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09:32	1 directors of HSBC North America Holdings, Inc. also	09:35	1 Q. Who's the CEO of HSBC North America Holdings,
09:32	2 serve on the board of directors of any of the HSBC	09:35	2 Inc.?
09:32	3 banking subsidiaries?	09:35	3 A. Bobby Mehta.
09:32	4 A. No. I'd have to look at it. I mean, did we	09:35	4 Q. Bobby Mehta?
09:32	5 not provide that to you?	09:35	5 A. Uh-huh (affirmative).
09:32	6 Q. I'm just curious, where would you look to find	09:35	6 Q. And can you spell that last name for the court
09:32	7 that out?	09:35	7 reporter?
09:32	8 A. The company has lists of people serving on the	09:35	8 A. M-e-h-t-a.
09:32	9 boards of the various operating subsidiaries, so I would	09:35	9 Q. And Mr. Mehta is one of the individuals you
09:32	10 go to the secretary, the corporate secretary's office	09:35	10 mentioned who's also on the board of directors, correct?
09:32	11 and ask for that information.	09:35	11 A. Yes.
09:32	12 Q. Are there any executives from the operating	09:35	12 Q. Do you know whether or not Mr. Mehta holds a
09:32	13 subsidiaries of HSBC, in the banking subsidiaries, that	09:35	13 board seat on any of the banking subsidiaries?
09:32	14 serve on the board of directors of HSBC North America	09:35	14 A. I believe that he does.
09:32	15 Holdings, Inc.?	09:35	15 Q. Do you know how many banking subsidiaries
09:33	16 A. The only one that I -- that might -- and	09:35	16 Mr. Mehta holds a board seat on?
09:33	17 again, I'm sure we've told you this, but if -- the only	09:35	17 A. No.
09:33	18 one I can think of that might would be Sandra Derickson.	09:35	18 Q. Is HSBC Bank USA one of the entities that he
09:33	19 Q. And what position does Sandra Derickson hold	09:35	19 holds a board seat on?
09:33	20 in the banking subsidiary?	09:35	20 A. I believe so.
09:33	21 A. She was recently appointed, I think, as CEO of	09:35	21 Q. Who's the CFO of HSBC North America Holdings
09:33	22 HSBC Bank.	09:35	22 Inc.?
09:33	23 Q. Do you know when she was appointed CEO of HSBC	09:35	23 A. Just -- someone new just came into that job.
09:33	24 Bank?	09:36	24 His name is Chris -- I can't remember his last name. He
09:33	25 A. Not exactly, but it was in -- sometime in	09:36	25 came in at the end of the year. He's an interim CFO.
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09:33	1 either the late third quarter or early fourth quarter of	09:36	1 Q. To your knowledge, does he hold any --
09:33	2 2006, I believe.	09:36	2 A. I think his last name is Spooner. I'm sorry.
09:33	3 Q. And it's your testimony that you believe she	09:36	3 Q. Chris Spooner?
09:33	4 might be on the HSBC North America Holdings, Inc. board	09:36	4 A. I believe so, yes.
09:33	5 of directors?	09:36	5 Q. Does Mr. Spooner, to your knowledge, hold any
09:33	6 A. I could certainly ask counsel. I'm sure they	09:36	6 board positions or executive positions in the banking
09:33	7 could make sure that I, you know, am telling you if	09:36	7 subsidiaries?
09:34	8 that's true or not, but I don't have anything with me	09:36	8 A. I don't know.
09:34	9 and I don't remember.	09:36	9 Q. Are there any other chairman level or chief
09:34	10 Q. Okay. Anybody else that's an executive, an	09:36	10 level officer positions for HSBC North America Holdings,
09:34	11 officer of a banking subsidiary that serves on the board	09:36	11 Inc.?
09:34	12 of directors of HSBC North America Holdings, Inc.?	09:36	12 A. Well, not chairman, I don't believe. I think
09:34	13 A. Not that I know of.	09:36	13 the subsidiaries -- I believe Sandy Derickson, for
09:34	14 Q. Are there officers of HSBC North America	09:36	14 instance, is the chief executive officer for HSBC Bank,
09:34	15 Holdings, Inc. that are --	09:37	15 and I'm not sure what the other senior executive titles
09:34	16 A. Yes.	09:37	16 are.
09:34	17 Q. -- that are not on the board of directors?	09:37	17 Q. Maybe I asked an unclear question.
09:34	18 A. Yes.	09:37	18 Are there any other chief positions, such
09:34	19 Q. Okay. Who are the officers of HSBC North	09:37	19 as a COO a CTO a CIO --
09:34	20 America Holdings, Inc.?	09:37	20 A. Oh, I'm sorry.
09:34	21 A. Well, for instance, I'm an officer --	09:37	21 Q. -- for HSBC North America Holdings, Inc.?
09:34	22 Q. Okay.	09:37	22 A. I'm not sure what the titles are. I'd have to
09:34	23 A. -- and I'm not on the board. I don't -- I	09:37	23 go back and look. If you want me to do that, I'd be
09:34	24 don't know how many there are, who they are, but anyone	09:37	24 glad to --
09:35	25 in my level presumably is not on the board.	09:37	25 Q. Okay.

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09:37	1 A. -- respond later.	09:40	1 A. Yes.
09:37	2 Q. Sure. That would be great.	09:40	2 Q. Which, as you've defined it, is another
09:37	3 Are there any other folks, other than	09:40	3 holding company here in the US, correct?
09:37	4 Sandy Derickson and Mr. -- how do you --	09:40	4 A. Yes.
09:37	5 A. Mehta.	09:40	5 Q. And your testimony is that that company then
09:37	6 Q. -- Mehta -- that, to your knowledge, serve on	09:40	6 owns 100 percent of the stock out of HSBC Bank USA, the
09:37	7 both -- in both either board or executive level	09:40	7 banking subsidiary.
09:37	8 positions with HSBC North America Holdings, Inc. and	09:40	8 A. I'm not sure if -- I don't think that it does,
09:38	9 with HSBC Bank subsidiaries?	09:40	9 no. Whatever the company below HSBC North America, Inc
09:38	10 A. I believe Janet Burak is on both boards, but I	09:40	10 is, which I can't remember the exact structure, but I
09:38	11 don't think that her title includes the word chief.	09:40	11 think HSBC Bank is three or four tiers down.
09:38	12 Q. Okay. Anyone else that would serve in both	09:41	12 Q. So there might be another wholly owned
09:38	13 levels but you're not sure their position?	09:41	13 subsidiary sandwiched in between them before you get to
09:38	14 A. No. I just -- I'm not sure. I don't know.	09:41	14 the bank.
09:38	15 Q. And tell me Ms. Burak's title at HSBC North	09:41	15 A. Right.
09:38	16 America Holdings, Inc.	09:41	16 Q. Okay. Does HSBC North America Holdings, Inc.
09:38	17 A. I don't know her exact title. She's an	09:41	17 have the authority to vote the shares of stock that it
09:38	18 attorney, but I'm not positive of her title.	09:41	18 owns in HSBC North America, Inc.?
09:38	19 Q. Is she an attorney in the legal department, or	09:41	19 MR. LEONARD: Objection: Form.
09:38	20 serving in some other executive capacity?	09:41	20 Q. (BY MR. BRUSTER) You may answer.
09:38	21 A. She's in the legal department.	09:41	21 A. Yes, I believe so.
09:39	22 Q. Does HSBC North America Holdings, Inc. have	09:41	22 Q. Does HSBC North America, Inc. have the
09:39	23 the --	09:41	23 authority to vote the shares of stock that it owns in
09:39	24 MR. BRUSTER: Strike that.	09:41	24 the wholly owned subsidiary below it that is related to
09:39	25 Q. (BY MR. BRUSTER) HSBC North America Holdings	09:41	25 the banking operations?
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09:39	1 Inc. owns stock in the banking subsidiaries of HSBC	09:41	1 MR. LEONARD: Objection: Form.
09:39	2 Bank, correct?	09:41	2 Q. (BY MR. BRUSTER) You may answer.
09:39	3 A. Not directly, no.	09:41	3 A. Well, I think that as long as it gets to vote
09:39	4 Q. Okay. It has indirect stock ownership in the	09:41	4 those shares of its own wholly owned subsidiary, which
09:39	5 subsidiaries, HSBC Bank, correct?	09:41	5 owns the shares of the wholly owned subsidiary below it,
09:39	6 A. Well, it's the holding company. It owns the	09:41	6 and so on, that it just flows that direction and so it
09:39	7 stock of, you know, HSBC North America, Inc., I think is	09:41	7 votes the shares.
09:39	8 the official name, which then owns the stock of the	09:42	8 Q. Do you know who determines the membership of
09:39	9 subsidiaries that it's the parent of.	09:42	9 the board of directors of HSBC Bank?
09:39	10 Q. I hate to interject utter confusion into	09:42	10 A. No.
09:39	11 things, but I'm going to try to walk through that	09:42	11 Q. Do you know what influence the parent company
09:39	12 ownership structure you just defined.	09:42	12 HSBC North America Holdings, Inc. has on that selection?
09:39	13 The parent company of the entire HSBC	09:42	13 MR. LEONARD: Objection: Form.
09:40	14 operation is HSBC Group, PLC, correct?	09:42	14 Q. (BY MR. BRUSTER) You may answer.
09:40	15 A. Yes.	09:42	15 A. I'm really not familiar with the selection
09:40	16 Q. Which is a London-based organization, correct?	09:42	16 process.
09:40	17 A. Yes.	09:42	17 Q. Do you know how -- you're going to have to
09:40	18 Q. Okay. And its subsidiary that you work for is	09:42	18 tell me Bobby's last name once again. I'm going to
09:40	19 HSBC North America Holdings, Inc., which is a direct	09:42	19 write it out phonetically so I don't keep asking you.
09:40	20 wholly owned subsidiary of that London-based PLC,	09:42	20 A. Mehta.
09:40	21 correct?	09:42	21 Q. Mehta.
09:40	22 A. Yes.	09:42	22 Do you know how Mr. Mehta was selected or
09:40	23 Q. And then your company owns 100 percent of the	09:42	23 elected to serve on the board of HSBC Bank?
09:40	24 stock of a company called HSBC North America, Inc.,	09:42	24 A. No.
09:40	25 correct?	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,	09:46 1 operations. They might be for -- it might be the
09:43 2 that are board members of both HSBC North America	09:46 2 headquarters for consumer lending, but I'm not positive
09:43 3 Holdings, Inc. and HSBC Bank, do you know how much	09:46 3 of that.
09:43 4 influence they have on the direction of HSBC Bank?	09:46 4 Q. Are any of the staff members from any of the
09:43 5 A. Well, in their roles as, you know, the leaders	09:46 5 HSBC Bank subsidiaries officed at the Prospect Heights
09:43 6 of the corporation and its -- and its subsidiaries, they	09:46 6 location?
09:43 7 have -- you know, certainly they have influence over the	09:46 7 A. Not to my knowledge.
09:43 8 direction of the corporation in general.	09:46 8 Q. And you've never sat in on one of these
09:43 9 Q. Okay. Is there any kind of non-board	09:46 9 strategy and planning meetings where folks come up and
09:44 10 committee, that's within HSBC North America Holdings,	09:46 10 make presentations -- folks from the subsidiaries come
09:44 11 Inc., that is comprised of executives from the	09:46 11 up and make presentations to Mr. Mehta?
09:44 12 subsidiary company; for example, a management committee,	09:47 12 A. No, I haven't.
09:44 13 or something like that, where the executives or officers	09:47 13 Q. Those meetings occur outside the presence of
09:44 14 of the subsidiary corporations meet within HSBC North	09:47 14 the board of directors, though?
09:44 15 America Holdings, Inc.?	09:47 15 A. I believe so, yes.
09:44 16 A. I'm not familiar with that sort of committee.	09:47 16 Q. Do you know how many people from the HSBC Bank
09:44 17 Q. Are you familiar with any time within which	09:47 17 subsidiaries come and make those presentations to
09:44 18 officers or executives of HSBC North America Holdings,	09:47 18 Mr. Mehta?
09:44 19 Inc. --	09:47 19 A. No.
09:44 20 MR. BRUSTER: Strike that. Back up.	09:47 20 Q. Did I already ask you what time of year that
09:44 21 Erase that. I was getting off to a bad start.	09:47 21 goes on?
09:44 22 Q. (BY MR. BRUSTER) Are you familiar with	09:47 22 A. Yes, you asked me.
09:44 23 anytime where officers or executives of the banking	09:47 23 Q. Okay.
09:44 24 subsidiaries of HSBC meet with the board or the	09:47 24 A. I still don't know.
09:44 25 executives of HSBC North America Holdings, Inc.?	09:47 25 Q. That's what I thought. I thought that
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09:45 1 MR. LEONARD: Objection: Form.	09:47 1 intervening two minutes may have just jogged your
09:45 2 Q. (BY MR. BRUSTER) You may answer.	09:47 2 memory.
09:45 3 A. I know that once a year there's like, you	09:48 3 How does HSBC North America Holdings,
09:45 4 know, a strategy and planning meeting that -- where	09:48 4 Inc. earn money?
09:45 5 presentations are made by the operating subsidiaries to	09:48 5 A. Earn money?
09:45 6 Mr. Mehta and whoever he chooses to have there.	09:48 6 Q. Yes, ma'am.
09:45 7 Q. Does that occur approximately the same time	09:48 7 A. We don't have any operations, so any money,
09:45 8 every year?	09:48 8 which I don't know that there is any, but any money in
09:45 9 A. I'm not involved in it and so I'm not sure	09:48 9 the corporation would be dividended from, you know, the
09:45 10 what the schedule is.	09:48 10 direct -- you know, a direct subsidiary.
09:45 11 Q. Have you ever attended the strategy and	09:48 11 Q. You're talking about HSBC North America, Inc.?
09:45 12 planning meetings?	09:48 12 A. Yes.
09:45 13 A. No, I have not.	09:48 13 Q. Okay. In other words, to pay your salary, is
09:45 14 Q. Where do those take place?	09:49 14 it your understanding that that's a result of dividends
09:45 15 A. The ones that I'm aware of have taken place in	09:49 15 from the wholly owned subsidiary of HSBC North America
09:45 16 Prospect Heights.	09:49 16 Holdings, Inc.?
09:45 17 Q. At the corporate headquarters of HSBC North	09:49 17 A. Well, it's my understanding that, because HSBC
09:45 18 America Holdings, Inc.?	09:49 18 North America Holdings, Inc. doesn't -- you know, it
09:45 19 A. Yes.	09:49 19 doesn't perform any revenue-generating activities, that
09:45 20 Q. Okay. Do any of the other HSBC companies	09:49 20 the money to pay my salary does come from its operating
09:45 21 share the Prospect Heights location as a corporate	09:49 21 subsidiary.
09:46 22 headquarters?	09:49 22 Q. So the subsidiary below your company, which is
09:46 23 A. We do have staff members from other operating	09:49 23 a wholly owned subsidiary, correct --
09:46 24 subsidiaries housed in that facility. I don't know for	09:49 24 A. Yes.
09:46 25 sure if they're considered the headquarters for those	09:49 25 Q. -- and which, down its chain of ownership,

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09:49 1 holds the stock of HSBC Bank, correct --	09:52 1 operate so, no, I don't think so.
09:49 2 A. Well, somewhere down there, yes.	09:52 2 Q. Well, you procure insurance for HSBC Bank,
09:49 3 Q. -- it pays dividends to HSBC North America	09:52 3 correct?
09:49 4 Holdings, Inc., correct?	09:52 4 A. Yes.
09:49 5 A. That's my understanding, yes.	09:52 5 Q. Okay. And HSBC Bank is pretty far down the
09:49 6 Q. What does -- how does HSBC North America,	09:52 6 chain from you, correct --
09:49 7 Inc., your direct wholly owned subsidiary, earn a	09:52 7 A. Yes.
09:49 8 revenue?	09:52 8 Q. -- according to your testimony.
09:50 9 A. I don't believe it has any operations or	09:52 9 A. Yes.
09:50 10 revenue-generating operations either, so it would also	09:52 10 Q. But you don't think it would be logical for
09:50 11 have whatever money it has as a result of dividends from	09:52 11 your company to enter into credit arrangements for HSBC
09:50 12 the operating subsidiaries.	09:52 12 Bank?
09:50 13 Q. Isn't it -- isn't it true that the operating	09:52 13 A. I would think that -- I -- I really am not the
09:50 14 subsidiaries generate the revenue that is then	09:52 14 right person to answer that question.
09:50 15 divided -- if that's a word -- up the chain all the	09:52 15 Q. I understand.
09:50 16 way to HSBC North America Holdings, Inc.?	09:52 16 Earlier, when you were talking about your
09:50 17 A. Yes, that's my understanding.	09:52 17 insurance procurement and how that was expensed, you
09:50 18 Q. In other words, the operating subsidiary, HSBC	09:52 18 mentioned that the expense of obtaining the insurance
09:50 19 Bank, generates the revenue that pays your salary --	09:52 19 was allocated to the operating subsidiaries on the
09:50 20 MR. LEONARD: Objection.	09:52 20 financial statements, that were then consolidated up
09:50 21 Q. (BY MR. BRUSTER) -- isn't that true?	09:52 21 through and to your company, HSBC North America
09:50 22 MR. LEONARD: Objection: Form.	09:52 22 Holdings, Inc., correct?
09:50 23 A. I -- I could not tell you which one of the	09:52 23 A. Yes.
09:50 24 operating subsidiaries pays my salary or how that's all	09:52 24 Q. Okay. Does HSBC North America Holdings, Inc.
09:50 25 consolidated.	09:52 25 allocate general and administrative expenses to its
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09:50 1 Q. (BY MR. BRUSTER) As a general principle, the	09:53 1 subsidiaries across the board on its financial
09:50 2 profits of the operating subsidiaries flow upwards	09:53 2 statement?
09:50 3 through dividends to HSBC North America Holdings, Inc.,	09:53 3 A. I don't know.
09:51 4 correct?	09:53 4 MR. LEONARD: Objection to form.
09:51 5 A. Yes.	09:53 5 Q. (BY MR. BRUSTER) You may answer.
09:51 6 Q. Does HSBC North America Holdings, Inc. arrange	09:53 6 A. I don't know.
09:51 7 for financing with regard to its -- to the HSBC Bank	09:53 7 Q. Who would know the answer to that?
09:51 8 subsidiary?	09:53 8 A. Again, someone in the CFO position, I would
09:51 9 MR. LEONARD: Objection to form.	09:53 9 say.
09:51 10 A. I don't think I understand your question.	09:53 10 Q. Other than accounting, tax, legal, and
09:51 11 Q. (BY MR. BRUSTER) For example, does HSBC North	09:53 11 insurance, can you tell the jury any other ways that
09:51 12 America Holdings, Inc. enter into any credit	09:53 12 HSBC North America Holdings, Inc. assists the HSBC Bank
09:51 13 arrangements for the benefit of the HSBC Bank	09:53 13 subsidiaries?
09:51 14 subsidiary?	09:53 14 A. As I testified earlier, I really don't
09:51 15 A. I have no idea. I don't know.	09:53 15 remember any other areas. I don't know.
09:51 16 Q. Who would know the answer to that?	09:54 16 Q. Does HSBC North America Holdings, Inc. have a
09:51 17 A. I would expect one of the, you know, CFO or	09:54 17 technology department?
09:51 18 treasury people could answer that question for you.	09:54 18 A. There is a technology subsidiary, but I don't
09:51 19 Q. To your knowledge, you don't know whether or	09:54 19 believe that it's -- it's not -- HNAH Holdings, Inc. is
09:51 20 not HSBC North America Holdings, Inc. has ever entered	09:54 20 not the company that provides the technology services in
09:52 21 into any kind of revolving credit facility or any other	09:54 21 North America.
09:52 22 provision of credit to HSBC Bank.	09:54 22 Q. What's the name of that company, that
09:52 23 A. I don't think it would because it's -- HSBC	09:54 23 subsidiary?
09:52 24 Bank is too far down the chain. I just -- I can't see	09:54 24 A. I think it's HSBC Technology Services,
09:52 25 that that would be a logical way for the company to	09:54 25 something like -- something like that. I'm not positive

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09:54 1 of the exact name.	09:58 1 Q. So based on that understanding and your answer
09:54 2 Q. Do you know whether or not contracts for	09:58 2 previously given, you wouldn't think that HSBC North
09:54 3 things such as telecommunications, that touch a lot of	09:58 3 America, Inc. would be engaged in any marketing.
09:55 4 different states within the HSBC Bank operations, do you	09:58 4 A. I wouldn't think so, no.
09:55 5 know whether contracts for telecommunications are	09:58 5 MR. BRUSTER: We've been going about an
09:55 6 negotiated on an enterprise-wide level?	09:58 6 hour. Why don't we take a short break and then we'll --
09:55 7 A. It's my understanding that a group of people,	09:58 7 MR. LEONARD: Great.
09:55 8 which are internally called vendor management, negotiate	09:58 8 MR. BRUSTER: -- restart.
09:55 9 that type of contract.	09:58 9 THE VIDEOGRAPHER: We're off the record.
09:55 10 Q. And when you say internally called vendor	09:58 10 (Recess taken 9:58 to 10:16)
09:55 11 management, is that a group that's internal to HSBC	10:13 11 THE VIDEOGRAPHER: Back on the record.
09:55 12 North America Holdings, Inc.?	10:16 12 Q. (BY MR. BRUSTER) All right. We're back after
09:55 13 A. No.	10:16 13 a short break. Are you ready to continue? Oh, sorry,
09:55 14 Q. Internal to who?	10:16 14 I'll let you quick BlackBerrying.
09:55 15 A. I am not sure who's -- where that company	10:16 15 MR. LEONARD: Yes.
09:55 16 resides, but I know it's not HSBC North America	10:16 16 Q. (BY MR. BRUSTER) I get caught in that dilemma
09:55 17 Holdings, Inc.	10:16 17 all the time.
09:55 18 Q. How do you know it's not HSBC North America	10:16 18 A. Okay.
09:55 19 Holdings, Inc.?	10:16 19 Q. Ready?
09:55 20 A. Well, there's a lot of people involved and	10:16 20 A. Uh-huh (affirmative).
09:55 21 there aren't very many people at Household -- HSBC North	10:16 21 Q. Before we left off, we were talking about HSBC
09:55 22 America Holdings, Inc., so just by virtue of the	10:16 22 North America, Inc., which is the wholly owned -- direct
09:55 23 personnel counts it wouldn't be possible. And I just	10:16 23 wholly owned subsidiary right under HSBC North America
09:56 24 don't know. I can't tell you which -- which -- where	10:16 24 Holdings, Inc., correct?
09:56 25 they report to.	10:17 25 A. That's my recollection, yes.
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09:56 1 Q. Can you tell the jury whether or not there's a	10:17 1 Q. And you described that company as another
09:56 2 person like yourself at HSBC North America Holdings,	10:17 2 holding company? Is that your testimony?
09:56 3 Inc. that has oversight of things like that?	10:17 3 A. Yes.
09:56 4 A. No, I can't tell you. I don't know.	10:17 4 Q. Okay. And I think I asked you whether or not
09:56 5 Q. Do you know of any loans, as opposed to	10:17 5 that company had any operations and you said that you
09:56 6 securing credit, do you know of any loans that HSBC	10:17 6 didn't believe they did; is that right?
09:56 7 North America Holdings, Inc. has made to the HSBC Bank	10:17 7 A. Well, holding companies are intended not to be
09:56 8 subsidiaries?	10:17 8 operating companies, so that would be my understanding.
09:56 9 A. No. I have no idea if there are any or not.	10:17 9 Q. Does HSBC North America Holdings, Inc. run a
09:56 10 I wouldn't think so.	10:17 10 website?
09:57 11 Q. Is there a marketing department at HSBC North	10:17 11 A. I don't know, actually.
09:57 12 America Holdings, Inc.?	10:17 12 Q. What about HSBC North America, Inc., do they
09:57 13 A. Not that I'm aware of, no.	10:17 13 have a website?
09:57 14 Q. Where is the -- where are the marketing	10:17 14 A. The website that I'm familiar with is
09:57 15 decisions for HSBC's North American operations made?	10:17 15 HSBC.com.
09:57 16 MR. LEONARD: Objection: Form.	10:17 16 Q. Who's responsible for the content of that
09:57 17 Q. (BY MR. BRUSTER) You may answer.	10:18 17 website?
09:57 18 A. Well, it's my understanding that each of the	10:18 18 A. I don't know.
09:57 19 operating subsidiaries has its own marketing strategy	10:18 19 Q. You don't know whether it's HSBC North America
09:57 20 and staff, and so those decisions are made at the	10:18 20 Holdings, Inc. or not?
09:57 21 operating subsidiary level, to the best of my knowledge.	10:18 21 A. Well, what do you mean by responsible for
09:57 22 Q. Do you consider HSBC North America, Inc. an	10:18 22 content?
09:58 23 operating subsidiary?	10:18 23 Q. How would you understand that question?
09:58 24 A. America, Inc., I don't believe so. I believe	10:18 24 A. Well, I would think that the technology group
09:58 25 it's a holding company.	10:18 25 would have -- the group that runs the websites for the

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10:18 1	company would be the primary place, you know, that would	10:27 1	HSBC website?
10:18 2	be responsible for it.	10:27 2	A. I've never seen it before, but it certainly
10:18 3	Q. Does HSBC North America Holdings, Inc. have	10:27 3	appears to be that, yes.
10:18 4	any input into the content that's displayed on the	10:27 4	Q. You've spent time on the HSBC website, right?
10:18 5	HSBC.com website?	10:27 5	A. Not looking for jobs.
10:18 6	A. I have no idea how that all happens in the	10:27 6	Q. Sure, since you have a job.
10:18 7	company. I don't know how that works.	10:27 7	A. Yes.
10:18 8	Q. Do you know whether or not HSBC North America,	10:27 8	Q. Let me ask you about -- if you could, pause it
10:18 9	Inc. has any locations in Texas where it does business?	10:27 9	right there, and do you see where the location for this
10:18 10	A. Again, as a holding company, I don't believe	10:27 10	job is?
10:19 11	it does business.	10:27 11	A. Lewisville, Texas.
10:19 12	MR. BRUSTER: Hey, Brooke, let's pull up	10:27 12	Q. Do you know where Lewisville, Texas is?
10:19 13	and mark as Exhibit 3 ...	10:28 13	A. I think I've been there once. Is it a
10:19 14	(Off-the-record discussion between	10:28 14	subsidiary of Dallas?
10:19 15	Mr. Bruster and Miss Berry.)	10:28 15	Q. Suburb.
10:22 16	Q. (BY MR. BRUSTER) Is the screen in front of	10:28 16	A. I mean a suburb? I'm sorry.
10:22 17	you working?	10:28 17	Q. Close enough but, yes, it is.
10:22 18	A. You know, it's working, but there's a terrible	10:28 18	A. They both start with s-u-b.
10:22 19	glare and I can't see it.	10:28 19	Q. Do you see the description of the job there?
10:22 20	Q. It should be able to adjust anyway you want	10:28 20	A. Yes, I do.
10:22 21	it.	10:28 21	Q. And do you see where it says, Make the right
10:22 22	A. Okay. Pull this up, or how does it --	10:28 22	move and join a winning team. Build your career with
10:22 23	(Interruption in the proceedings.)	10:28 23	us. HSBC North America is part of HSBC Group, one of
10:23 24	THE VIDEOGRAPHER: We're off the record.	10:28 24	the largest banking and financial services organizations
10:24 25	(Recess taken 10:22 to 10:25.)	10:28 25	in the world. Do you see that?
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10:24 1	(Exhibit Number 3 marked.)	10:28 1	A. Yes.
10:25 2	THE VIDEOGRAPHER: We're on the record.	10:28 2	Q. If HSBC North America is a holding company
10:25 3	Q. (BY MR. BRUSTER) Ma'am, we've handed you	10:28 3	with no operations, as you've just testified to, do you
10:25 4	what's been marked as Exhibit 3 to your deposition. And	10:28 4	know why it is that they're advertising for a job in
10:25 5	if you see that mouse, that's sitting there in front of	10:28 5	Lewisville, Texas here?
10:25 6	you, you've got the ability to control this document as	10:28 6	A. Well, the company that's the holding company
10:25 7	well, if you wish to. I can show you that it's a --	10:28 7	is HSBC North America Holdings, Inc., so I would not
10:25 8	yeah, there you go. You can scroll through it and look.	10:28 8	assume that that's the company advertising for this job.
10:25 9	It's a two-page document.	10:28 9	Q. You wouldn't assume that that's the company
10:25 10	A. Oh, okay.	10:28 10	advertising for the job even though it says, To build
10:25 11	MR. BRUSTER: Do you have it?	10:28 11	your career with us, HSBC North America?
10:26 12	MR. LEONARD: We're not getting it over	10:29 12	A. Correct.
10:26 13	here.	10:29 13	Q. Why wouldn't you make that assumption?
10:26 14	MISS BERRY: I'm getting it. I'm sorry.	10:29 14	A. Because I think there's a company named HSBC
10:26 15	It'll be just a few seconds.	10:29 15	North America that's not the same as HSBC North America
10:26 16	Q. (BY MR. BRUSTER) We'll wait until their up.	10:29 16	Holdings, Inc.
10:26 17	I didn't realize they weren't up. Go ahead and look	10:29 17	Q. HSBC North America, Inc. is a wholly owned
10:26 18	through it.	10:29 18	direct subsidiary of HSBC North America Holdings, Inc.,
10:27 19	A. (Reviewing document.) It's actually a	10:29 19	correct?
10:27 20	one-page document. It says two, I know, but I'm only	10:29 20	A. That's my understanding.
10:27 21	getting one.	10:29 21	Q. Okay. And you testified a few minutes ago
10:27 22	Q. Weird. Don't worry about it. We're only	10:29 22	that HSBC North America, Inc. was just a holding company
10:27 23	using page 1 anyway.	10:29 23	with no operations, right?
10:27 24	A. Okay.	10:29 24	A. I did.
10:27 25	Q. Do you recognize this as a printout from the	10:29 25	Q. And here we're looking at a web page where

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10:29	1 HSBC North America is advertising for a job in	10:36	1 MR. BRUSTER: Counsel, what I'd to do, if
10:29	2 Lewisville, Texas, aren't we?	10:36	2 it's all right with you guys, is use some paper copies
10:29	3 A. We are.	10:36	3 for a minute or two to keep going, and we can pencil
10:29	4 Q. If they're a holding company with no	10:36	4 those in as the same Exhibit Number that we can then go
10:29	5 operations, why would they be offering employment to	10:36	5 back and stamp the electronic copies just to say
10:29	6 people in Lewisville, Texas?	10:36	6 consistent.
10:29	7 A. I can't answer that question.	10:36	7 MR. LEONARD: Sure.
10:29	8 Q. And for further clarification, I'll scroll	10:36	8 MR. BRUSTER: In other words, we use
10:29	9 down here to the bottom of page 1. Oh, never mind.	10:36	9 paper 3, 4, 5, we'll go back and electronically stamp 3,
10:30	10 We'll leave it at that.	10:36	10 4 and 5 so that it's all together. Is that all right
10:30	11 Do you think that a person in the general	10:36	11 with you guys?
10:30	12 public, if they were on this website, looking at this,	10:36	12 MR. LEONARD: Will you go ahead and mark
10:30	13 would come the conclusion that HSBC North America was	10:36	13 the paper copies?
10:30	14 offering jobs in Lewisville, Texas?	10:36	14 MR. BRUSTER: You bet, yeah. I mean,
10:30	15 MR. LEONARD: Objection: Form.	10:36	15 we'll just kind of write it in there and circle it since
10:30	16 Q. (BY MR. BRUSTER) You may answer.	10:36	16 we're stamping the electronic --
10:30	17 A. Yes.	10:36	17 MR. LEONARD: Just so we can later make
10:30	18 Q. Doesn't that seem entirely inconsistent with	10:36	18 sure we have the same one.
10:30	19 your testimony a few minutes ago, that it's a holding	10:36	19 Q. (BY MR. BRUSTER) If you want to go ahead and
10:30	20 company with no operations?	10:36	20 circle in a 3 on that copy right there that we're using
10:30	21 A. Yes.	10:36	21 of this document, that would be perfect.
10:30	22 MR. LEONARD: Objection: Form.	10:36	22 A. (Complies.)
10:30	23 THE WITNESS: Sorry.	10:36	23 Q. And while you're sitting there looking at
10:30	24 A. Yes.	10:36	24 Exhibit 3, Ms. Hickman, on the second page of that
10:30	25 Q. (BY MR. BRUSTER) It does, doesn't it?	10:36	25 document, you see down at the bottom on the second page
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10:30	1 A. Yes.	10:37	1 where it lists a copyright?
10:30	2 Q. And you can't explain that, can you?	10:37	2 A. I do.
10:30	3 A. No.	10:37	3 Q. Okay. And who is the copyright holder for
10:30	4 Q. Now, you also testified that --	10:37	4 this particular web page?
10:30	5 MR. BRUSTER: Hold on just a minute.	10:37	5 A. HSBC North America, Inc.
10:31	6 MR. NICHOLAS: Counsel, we can't access	10:37	6 Q. Okay. And HSBC North America, Inc. is who you
10:31	7 the Exhibit right now.	10:37	7 testified a few minutes ago you didn't believe to have
10:31	8 MISS BERRY: Can y'all not see it at all?	10:37	8 any operations, correct?
10:31	9 MR. NICHOLAS: Well, it's down on the	10:37	9 A. Yes.
10:31	10 white part, where you didn't have anything and	10:37	10 Q. Okay. Do you know why this purported holding
10:31	11 couldn't move it back up.	10:37	11 company, with no operations, has a copyright on the
10:31	12 MISS BERRY: I can scroll down for you,	10:37	12 Internet and is advertising jobs?
10:31	13 if you'd like to.	10:37	13 A. I do not.
10:31	14 MR. NICHOLAS: Can you just release	10:37	14 Q. Okay. Does HSBC North America Holdings, Inc.
10:31	15 control of the document?	10:37	15 own any copyrights?
10:31	16 MISS BERRY: You have complete control	10:37	16 A. Not that I'm aware of, no, I don't believe so.
10:31	17 over there. I'm not doing anything with it.	10:37	17 Q. Did you know that HSBC North America, Inc.
10:31	18 MR. BRUSTER: Let's go off the record for	10:37	18 held any copyrights before I just showed you the one
10:31	19 just a minute.	10:37	19 here in Exhibit 3?
10:31	20 THE VIDEOGRAPHER: Off the record.	10:37	20 A. No.
10:31	21 (Recess taken 10:31 to 10:36)	10:37	21 Q. So what you're telling the judge and jury is
10:36	22 THE VIDEOGRAPHER: Back on the record.	10:37	22 that HSBC North America Holdings, Inc. might have
10:36	23 Q. (BY MR. BRUSTER) All right. Your screen	10:37	23 copyrights, might not, you just don't know. That's
10:36	24 should be about as light as midnight and the -- we're	10:37	24 true, isn't it?
10:36	25 going to convert some documents over here.	10:37	25 MR. LEONARD: Objection: Form.

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10:37	1 A. As I testified, yes, I don't know.	10:40	1 mean the parent company from England.
10:38	2 Q. (BY MR. BRUSTER) Can you think of a reason	10:40	2 A. That's what I would think, yes.
10:38	3 why HSBC North America Holdings, Inc. would have any	10:40	3 Q. Have you ever seen this document or this web
10:38	4 copyrights if it purportedly doesn't have any	10:40	4 page before?
10:38	5 operations?	10:40	5 A. I certainly have not seen the document before
10:38	6 A. No.	10:40	6 and, no, I'm not familiar with this web page.
10:38	7 Q. The job location that's advertised here in	10:40	7 Q. Have you ever asked anybody within HSBC
10:38	8 Lewisville, Texas --	10:40	8 Holdings -- or HSBC North America Holdings, Inc. whether
10:38	9 A. Yes.	10:41	9 or not that entity operates a website?
10:38	10 Q. -- are you familiar with the address or the	10:41	10 A. No.
10:38	11 office building where that job is being offered?	10:41	11 Q. Why not?
10:38	12 A. I'm not certain. I have visited the	10:41	12 A. I just haven't.
10:38	13 Lewisville, Texas facility, but it was many years ago	10:41	13 Q. You didn't ask that question in preparation
10:38	14 and I'm not certain that they haven't moved, but if it's	10:41	14 for your deposition here today about potential contacts
10:38	15 the same one, I've been there.	10:41	15 with Texas?
10:38	16 Q. Have you procured insurance for the facility	10:41	16 A. That particular piece of information was not
10:38	17 located in Lewisville, Texas?	10:41	17 discussed.
10:38	18 A. Yes.	10:41	18 Q. Have you ever been to the -- to the London
10:38	19 Q. Okay. When you've done that, you've done that	10:41	19 headquarters of HSBC Holdings, PLC?
10:38	20 in your job position as the senior vice president of	10:41	20 A. Yes.
10:38	21 HSBC North America Holdings, Inc., correct?	10:41	21 Q. When was the last time you went to London to
10:38	22 A. Yes.	10:41	22 the headquarters?
10:39	23 Q. How often do you go visit facilities that are	10:41	23 A. Shortly after Household was acquired, so I
10:39	24 held by a member of the HSBC family of companies?	10:41	24 don't know exactly the date, but it would've been in
10:39	25 A. I try to visit several facilities annually.	10:41	25 2003.
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10:39	1 Q. Annually. Have you been to any facilities in	10:41	1 Q. And what was your purpose for going over
10:39	2 Texas in the last two or three years?	10:41	2 there?
10:39	3 A. No.	10:41	3 A. To introduce myself to the head of insurance
10:39	4 Q. When was the last time you visited a Texas	10:42	4 on a worldwide basis, and to familiarize myself with the
10:39	5 facility?	10:42	5 way that they would want us to report to them and their
10:39	6 A. The only time I visited a Texas facility was	10:42	6 expectations of me.
10:39	7 when I visited Lewisville, and that was many years ago.	10:42	7 Q. Who is the head of insurance on a worldwide
10:39	8 Q. Okay. Does -- did you procure premises	10:42	8 basis?
10:39	9 liability insurance for that facility there in	10:42	9 A. Peter Valentine.
10:39	10 Lewisville, Texas?	10:42	10 Q. And you report, I guess, indirectly to
10:39	11 A. This facility is covered on an overall basis	10:42	11 Mr. Valentine?
10:39	12 with all facilities in the United States, yes.	10:42	12 A. That's correct.
10:39	13 Q. Which includes premises, general liability --	10:42	13 Q. Do you correspond with Mr. Valentine on a
10:39	14 A. Yes.	10:42	14 regular basis?
10:39	15 Q. -- those kind of things?	10:42	15 A. Yes.
10:39	16 A. Uh-huh (affirmative).	10:42	16 Q. By e-mail?
10:39	17 Q. Okay. On that front page it says that -- just	10:42	17 A. Typically, yes.
10:40	18 read it directly -- HSBC North America is part of HSBC	10:42	18 Q. Do you correspond with employees or officers
10:40	19 Group. Do you see that?	10:42	19 or directors of the HSBC Bank subsidiary on a regular
10:40	20 A. Yes.	10:42	20 basis?
10:40	21 Q. Is that a reference to HSBC Group, PLC?	10:42	21 MR. LEONARD: Objection: Form.
10:40	22 MR. LEONARD: Objection: Form.	10:42	22 A. Well, certainly, to the extent that my staff
10:40	23 A. That's the way I would read it, but I -- I	10:43	23 works there, yes, and certain other people periodically.
10:40	24 don't know. It doesn't have a PLC on it.	10:43	24 Q. (BY MR. BRUSTER) So that would be a yes?
10:40	25 Q. (BY MR. BRUSTER) But you would read that to	10:43	25 A. Well, regularly, periodic -- once in a while,

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10:43 1 not every day.	10:46 1 A. Yes.
10:43 2 Q. You understand one of the key issues in this	10:46 2 Q. Consolidation of financials of the banking
10:43 3 dispute is whether or not HSBC North America Holdings,	10:46 3 subsidiary for reporting purposes, correct?
10:43 4 Inc. controls the operations of HSBC Bank, the	10:46 4 A. Not of the banking subsidiary by itself, all
10:43 5 subsidiary?	10:46 5 of the subsidiaries. A consolidation is of all the
10:43 6 A. Well, what do you mean by control?	10:46 6 subsidiaries.
10:43 7 Q. What's your definition of control?	10:46 7 Q. So it necessarily includes the banking
10:43 8 A. I asked you first.	10:46 8 subsidiary.
10:43 9 Q. Do you have a definition of control?	10:46 9 A. It does include the banking subsidiary, but it
10:43 10 A. No, I don't think I do have a definition, so	10:46 10 does not perform the day-to-day accounting of the
10:43 11 in order to answer your question I'd like for you to	10:46 11 banking subsidiary. The banking subsidiary has its own
10:43 12 tell me what your definition is.	10:47 12 accounting department.
10:43 13 Q. Well, can you tell the jury whether or not	10:47 13 Q. The HSBC North America Holdings, Inc. parent
10:43 14 HSBC North America Holdings, Inc. controls HSBC Bank	10:47 14 company provides support to that accounting department,
10:44 15 USA, the banking subsidiary?	10:47 15 correct?
10:44 16 MR. LEONARD: Objection: Form.	10:47 16 MR. LEONARD: Objection: Form.
10:44 17 A. The way I think about it is that as the	10:47 17 Q. (BY MR. BRUSTER) You may answer.
10:44 18 hold -- the ultimate holding company, it does exercise	10:47 18 A. They interact with each other. Whether it's
10:44 19 some management control, but it does not exercise	10:47 19 support or -- I don't know exactly what their
10:44 20 day-to-day operating control.	10:47 20 interactions are.
10:44 21 Q. (BY MR. BRUSTER) What's the difference	10:47 21 Q. HSBC North America Holdings, Inc., the parent
10:44 22 between management control and operational control?	10:47 22 company, also provides assistance with regulatory
10:44 23 A. Well, setting strategy would be a management	10:47 23 compliance to the banking subsidiary, correct?
10:44 24 control, reviewing results periodically and how it	10:47 24 MR. LEONARD: Objection: Form.
10:44 25 compares to the strategy would be a management control.	10:47 25 Q. (BY MR. BRUSTER) Isn't that what you just
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10:44 1 And operational control, on the other	10:47 1 mentioned a moment ago?
10:44 2 hand, would be how many phone calls are made or deciding	10:47 2 A. Well, I said, you know, consolidation of
10:44 3 which customers to call or making sure the checks are	10:47 3 financials and tax, and so to the extent that those are
10:45 4 processed.	10:47 4 holding-company-regulated items, yes. As far as
10:45 5 Q. What else besides setting strategy, reviewing	10:47 5 anything that the subsidiary, all by itself, is
10:45 6 results and comparing those to strategy would fall	10:47 6 responsible for, I would think that that would not be
10:45 7 within your definition of management control?	10:47 7 something the holding company would be involved in.
10:45 8 A. Well, consolidation of financials for	10:48 8 Q. Does HSBC North America Holdings, Inc.
10:45 9 reporting purposes, the same operation for tax within	10:48 9 exercise ownership of HSBC Bank USA?
10:45 10 the regulations we have to comply with.	10:48 10 MR. LEONARD: Objection: Form.
10:45 11 Q. Anything else that you can think of that would	10:48 11 A. Not on a direct basis. As we previously
10:45 12 fall within your definition of management control?	10:48 12 discussed, it owns the stock of the company directly
10:45 13 A. No. I mean, I think that's indicative of how	10:48 13 beneath it, which owns the stock of the company beneath
10:45 14 I view that.	10:48 14 it, which owns the stock of the company or companies
10:45 15 Q. And so just so we're clear, your testimony to	10:48 15 beneath it, and it all flows up. So, no, it doesn't
10:46 16 this judge and jury is that HSBC North America Holdings,	10:48 16 have direct ownership.
10:46 17 Inc. exercises management control over its banking	10:48 17 Q. (BY MR. BRUSTER) I'm going to hand you what
10:46 18 subsidiary.	10:48 18 we're going to mark for now on paper, and soon on
10:46 19 A. It certainly -- it -- yes.	10:48 19 electronic, as Exhibit Number 4 to your deposition.
10:46 20 Q. And that includes setting strategy, correct?	10:48 20 (Exhibit Number 4 marked.)
10:46 21 A. Yes.	10:48 21 MR. LEONARD: Counsel, do you have
10:46 22 Q. Reviewing results, correct?	10:48 22 multiple copies of that?
10:46 23 A. Yes.	10:48 23 MR. BRUSTER: Yeah, you bet. Just take
10:46 24 Q. Comparing those results to the strategy that's	10:48 24 this one.
10:46 25 been set for the banking subsidiary, correct?	10:48 25 MR. LEONARD: Thank you very much.

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10:48	1 MR. BRUSTER: Sure.	10:51	1 the ownership is a result of the direct subsidiary
10:49	2 Q. (BY MR. BRUSTER) Have you ever seen this	10:51	2 immediately beneath HSBC North America Holdings, Inc.
10:49	3 document that I've handed you, Exhibit 4?	10:51	3 owning the stock of the subsidiary below that, which
10:49	4 A. Yes.	10:51	4 owns the stock, I believe, at that point, of HSBC Bank.
10:49	5 Q. Did you see it as a part of the -- as part of	10:52	5 So they do own HSBC Bank indirectly by virtue of all the
10:49	6 your review in preparation for your deposition today?	10:52	6 stock rolling up.
10:49	7 A. Yes.	10:52	7 Q. (BY MR. BRUSTER) I think the answer was in
10:49	8 Q. Okay. This is a Form 20-F, which is a	10:52	8 there, but isn't it true that HSBC North America
10:49	9 Securities & Exchange Commission or SEC filing that was	10:52	9 Holdings, Inc. owns HSBC Bank USA?
10:49	10 made on behalf of your employer's parent company, HSBC	10:52	10 MR. LEONARD: Objection: Form. Object
10:49	11 Holdings, PLC, correct?	10:52	11 to the sidebar.
10:50	12 A. Yes.	10:52	12 Q. (BY MR. BRUSTER) Isn't that true?
10:50	13 Q. Okay. And do you know why the SEC requires	10:52	13 MR. LEONARD: Same objection.
10:50	14 HSBC Holdings, PLC to file this document?	10:52	14 A. Well, I'm going to -- I guess I've already
10:50	15 A. No.	10:52	15 answered your question to the best of my ability and so
10:50	16 Q. Okay. This is an excerpted document because	10:52	16 I'm just going to leave it at that.
10:50	17 the original document is some hundred-plus pages. Do	10:52	17 Q. (BY MR. BRUSTER) You don't dispute the
10:50	18 you understand that?	10:52	18 statement here that HSBC North America Holdings, Inc.
10:50	19 A. It says 729 at the top.	10:52	19 exerts ownership of HSBC Bank USA, do you?
10:50	20 Q. Okay.	10:52	20 A. No.
10:50	21 A. That's huge.	10:52	21 Q. Okay. Well, then, let's talk about control,
10:50	22 Q. Let's go with big, all right?	10:52	22 the second thing there, where it says HSBC North America
10:50	23 If you'll flip to the third page --	10:52	23 Holdings, Inc. has ownership and control of HSBC Bank
10:50	24 A. Okay.	10:52	24 USA. Do you agree with that statement?
10:50	25 Q. -- of Exhibit 4.	10:52	25 A. Well, it also says that under the Bank Holding
Page 63		Page 65	
10:50	1 A. (Complies.)	10:53	1 Company Act, that under that Act, by virtue of control
10:50	2 Q. On the right-hand column, in the top	10:53	2 of HSBC Bank. So it's my understanding that that Act
10:50	3 paragraph, the last sentence, do you see where it reads,	10:53	3 requires the holding company to have control if there
10:50	4 This company, called HSBC North America Holdings, Inc.,	10:53	4 are safety and soundness issues in the bank.
10:50	5 is also a bank holding company under the BHCA by virtue	10:53	5 Q. Well, let me ask the same question again.
10:50	6 of its ownership and control of HSBC Bank USA. Do you	10:53	6 Does HSBC North America Holdings, Inc. control HSBC Bank
10:51	7 see that?	10:53	7 USA?
10:51	8 A. I do.	10:53	8 MR. LEONARD: Objection: Form.
10:51	9 Q. Okay. Do you believe that's an accurate	10:53	9 A. Not on a day-to-day operating basis.
10:51	10 statement?	10:53	10 Q. (BY MR. BRUSTER) So do you disagree with the
10:51	11 A. Yes.	10:53	11 statement made here in this SEC government filing that
10:51	12 Q. Okay. A few minutes ago you told this judge	10:53	12 was made by your parent company?
10:51	13 and jury that you didn't believe that HSBC North America	10:53	13 A. I think that there are many ways to
10:51	14 Holdings, Inc. could be termed to own HSBC Bank USA.	10:53	14 characterize the word control.
10:51	15 MR. LEONARD: Objection.	10:53	15 Q. So you disagree with this statement, or you
10:51	16 Q. (BY MR. BRUSTER) Do you recall that	10:53	16 don't?
10:51	17 testimony?	10:53	17 A. I don't disagree with this statement.
10:51	18 MR. LEONARD: Objection to form.	10:53	18 Q. So this is accurate, HSBC North America
10:51	19 A. I think my testimony was that it's not the	10:53	19 Holdings, Inc. has ownership and control of HSBC Bank
10:51	20 direct owner, and I would stand by that.	10:54	20 USA. Is that your testimony to this judge and jury?
10:51	21 Q. (BY MR. BRUSTER) Okay. So is it true that	10:54	21 MR. LEONARD: Objection: Form.
10:51	22 HSBC North America Holdings, Inc. has ownership of HSBC	10:54	22 A. Yes, it does, but indirectly.
10:51	23 Bank USA? Is that a true statement?	10:54	23 Q. (BY MR. BRUSTER) Well, it doesn't say
10:51	24 MR. LEONARD: Objection to form.	10:54	24 indirectly here in the document, does it?
10:51	25 A. As I stated before, it's my understanding that	10:54	25 MR. LEONARD: Objection: Form.

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10:54	1 Q. (BY MR. BRUSTER) You may answer.	10:58	1 A. Could you ask your question again, please?
10:54	2 A. No, it doesn't.	10:58	2 Q. Sure. Did you see anything on that page to
10:54	3 Q. If the average consumer were to pick this up	10:58	3 indicate that the control exerted by HSBC North America
10:54	4 and read it, there's nothing in here that would lead him	10:58	4 Holdings, Inc. and HSBC Bank USA is indirect?
10:54	5 to believe that there's some sort of indirect ownership	10:58	5 MR. LEONARD: Objection: Form.
10:54	6 or indirect control exerted by HSBC North America	10:58	6 Q. (BY MR. BRUSTER) You may answer.
10:54	7 Holdings, Inc., is there?	10:58	7 A. I do not see anything.
10:54	8 MR. LEONARD: Objection: Form.	10:58	8 Q. There's nothing there, is there?
10:54	9 Don't speculate, Ms. Hickman.	10:58	9 A. Not that -- no, I didn't identify anything.
10:54	10 Q. (BY MR. BRUSTER) You may answer.	10:58	10 Q. But it's your testimony to this judge and this
10:54	11 A. This is one sentence in a document of 729	10:58	11 jury that this control, that's discussed in this SEC
10:54	12 pages. I don't know what the average consumer would	10:59	12 document, is, in fact, indirect. That's your testimony.
10:54	13 think if they read the entire document.	10:59	13 A. The control is not operational is my
10:54	14 Q. What about if they just read that one	10:59	14 testimony. It's not on a day-to-day operational basis.
10:54	15 sentence? I mean, there's nothing in here that would	10:59	15 Q. We've talked about ownership here and we've
10:54	16 appear to show that there is indirect control exerted by	10:59	16 talked about control and now you just mentioned
10:55	17 HSBC North America Holdings, Inc., is there?	10:59	17 operations. Let's talk about operations a little bit.
10:55	18 MR. LEONARD: Objection to form.	10:59	18 Is it your testimony to this judge and
10:55	19 Q. (BY MR. BRUSTER) You may answer.	10:59	19 jury that HSBC North America Holdings, Inc. does not
10:55	20 MR. LEONARD: Do you want -- I mean,	10:59	20 operate its subsidiaries?
10:55	21 Counsel, do you want her to look at the entire document?	10:59	21 MR. LEONARD: Objection: Form.
10:55	22 You just asked, is there anything in this document to	10:59	22 Q. (BY MR. BRUSTER) You may answer.
10:55	23 suggest that there's indirect ownership.	10:59	23 A. It is -- a subsidiary operates its own
10:55	24 MR. BRUSTER: No, sir. I want her to	10:59	24 business. They are not operated by HSBC North America
10:55	25 answer the question.	10:59	25 Holdings, Inc.
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10:55	1 Q. (BY MR. BRUSTER) Is there anything right	10:59	1 Q. So it's your testimony to this judge and jury
10:55	2 there that would show anyone that the control exerted by	10:59	2 that the banking subsidiary of HSBC is not operated by
10:55	3 HSBC North America Holdings, Inc. is indirect?	10:59	3 HSBC North America Holdings, Inc.
10:55	4 MR. LEONARD: Objection to form.	10:59	4 A. That's correct.
10:55	5 Right there, I guess he's referring to	10:59	5 MR. LEONARD: Objection to form.
10:55	6 that specific sentence, Ms. Hickman.	10:59	6 Q. (BY MR. BRUSTER) You may answer.
10:55	7 A. And I understand that, and I've answered that	10:59	7 A. That's correct.
10:55	8 several times now, and I don't have a different answer	10:59	8 (Exhibit Number 5 marked.)
10:55	9 unless you want me to read the entire document. I'm	11:00	9 Q. (BY MR. BRUSTER) Okay. I've pulled up on the
10:55	10 sorry, but I've told you what I think and that's what	11:00	10 screen in front of you a document that's been marked as
10:55	11 I'm here to do.	11:00	11 Exhibit 5 to your deposition. And I can actually hand
10:55	12 Q. (BY MR. BRUSTER) The answer is no, there's	11:00	12 you a hard copy, too, if you'd like that.
10:55	13 nothing in there that indicates any kind of indirect	11:00	13 MR. BRUSTER: The electronic should be on
10:55	14 control, is there?	11:00	14 y'all's screen, too.
10:55	15 MR. LEONARD: Objection: Form.	11:00	15 Q. (BY MR. BRUSTER) And I think you should have
10:55	16 A. Not in that sentence.	11:00	16 the ability to control it on your screen, too, if you
10:55	17 Q. (BY MR. BRUSTER) Okay. And, in fact, there's	11:00	17 wish.
10:55	18 nothing anywhere on that page that shows indirect	11:00	18 Have you seen Exhibit 5 before?
10:55	19 control, is there?	11:01	19 A. (Reviewing document.) I think I saw this,
10:55	20 A. I can't answer that without reading it.	11:01	20 yes. It looks different on the screen.
10:56	21 MR. LEONARD: Read the document.	11:01	21 Q. You think you've seen it before?
10:56	22 Q. (BY MR. BRUSTER) Okay.	11:01	22 A. Yes.
10:56	23 A. (Reviewing document.) Would you ask your	11:01	23 Q. Okay. And I saw that you flipped to the last
10:58	24 question again, please?	11:01	24 page. This is a letter that was written by Janet Borak.
10:58	25 Q. Excuse me? I'm sorry?	11:01	25 Is that how you pronounce her name?

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11:01	1	A. Borak.	11:03	1	A. I cannot -- I can't testify to whether or not
11:01	2	Q. Borak?	11:03	2	this is wrong or how she characterized her letter.
11:01	3	A. Uh-huh (affirmative).	11:04	3	That's not -- I think you would have to ask her these
11:01	4	Q. It was written July 16th of 2004, correct?	11:04	4	questions if you wanted to know.
11:01	5	A. Yes.	11:04	5	Q. (BY MR. BRUSTER) So let me just ask you, are
11:01	6	Q. And this letter was addressed to some folks at	11:04	6	you telling the judge and jury that first sentence is
11:01	7	the Office of the Comptroller of the Currency, the	11:04	7	wrong, that that's an incorrect statement?
11:02	8	Secretary of the Board of Governors of the Federal	11:04	8	MR. LEONARD: Objection: Form.
11:02	9	Reserve, the FDIC and the Securities & Exchange	11:04	9	A. My testimony is that there are operating
11:02	10	Commission and the Office of Thrift Supervision,	11:04	10	subsidiaries of HSBC North America Holdings, Inc., that
11:02	11	correct?	11:04	11	HSBC North America Holdings, Inc. does not operate the
11:02	12	A. Yes.	11:04	12	subsidiaries on a day-to-day basis. So, yes, I would
11:02	13	Q. Ms. Burak is a lawyer with HSBC, correct?	11:04	13	say my understanding is that that first sentence is
11:02	14	A. Yes.	11:04	14	incorrect.
11:02	15	Q. I'm going to flip here to page 2 of this	11:04	15	Q. (BY MR. BRUSTER) So your testimony to the
11:02	16	letter. And about two minutes ago you testified that	11:04	16	judge and jury is that first sentence there on page 2 is
11:02	17	HSBC North America Holdings, Inc. does not operate its	11:04	17	incorrect.
11:02	18	subsidiaries. Do you recall that testimony?	11:04	18	MR. LEONARD: Objection: Form.
11:02	19	A. Yes.	11:04	19	A. Yes.
11:02	20	Q. First of all, here on page 1, you can see	11:04	20	Q. (BY MR. BRUSTER) Do you know why Ms. Burak
11:02	21	where the letter defines HSBC North America Holdings,	11:04	21	would make that misrepresentation to the United States
11:02	22	Inc. to be HSBC North America throughout the letter. Do	11:04	22	government?
11:02	23	you see that?	11:04	23	MR. LEONARD: Objection: Form.
11:02	24	A. I see that, yes, she has defined it that way.	11:04	24	A. I cannot speak to that.
11:02	25	Q. And the first sentence on page two says, As a	11:04	25	Q. (BY MR. BRUSTER) Did you talk to her in
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11:02	1	bank holding company, HSBC North America operates	11:04	1	preparation for your deposition here today?
11:03	2	various subsidiaries in the United States. Do you see	11:05	2	A. No.
11:03	3	that?	11:05	3	Q. You actually received a copy of this letter
11:03	4	A. I do.	11:05	4	weeks ago, didn't you?
11:03	5	Q. Okay. Just a few minutes ago you said HSBC	11:05	5	A. No.
11:03	6	North America does not operate its subsidiaries. Do you	11:05	6	Q. When did you first see this letter?
11:03	7	recall testifying to that?	11:05	7	A. The day before yesterday.
11:03	8	A. I do.	11:05	8	Q. The day before yesterday?
11:03	9	Q. Okay. Who's right, Ms. Burak in her letter to	11:05	9	A. Yes.
11:03	10	the United States government, or you in your testimony	11:05	10	Q. Did your lawyers, that are here today, show it
11:03	11	here today?	11:05	11	to you?
11:03	12	MR. LEONARD: Objection: Form.	11:05	12	MR. LEONARD: Objection: Form.
11:03	13	A. I am here to testify to my knowledge of the	11:05	13	Q. (BY MR. BRUSTER) You may answer.
11:03	14	subject matter you've asked for, and I stand by my	11:05	14	MR. LEONARD: Don't answer the questions
11:03	15	understanding of the word operates and the fact that	11:05	15	of what you may have discussed with your lawyers.
11:03	16	HSBC North America Holdings, Inc. does not operate the	11:05	16	Q. (BY MR. BRUSTER) Yeah. I don't want to know
11:03	17	subsidiaries.	11:05	17	about anything you talked to them about, but did your
11:03	18	Q. (BY MR. BRUSTER) So in your understanding,	11:05	18	lawyers, that are here today, show you this letter?
11:03	19	what you're testifying to is that Ms. Burak is wrong --	11:05	19	MR. LEONARD: You're going into work
11:03	20	MR. LEONARD: Objection: Form.	11:05	20	product. You can ask her what she saw, Anthony, but
11:03	21	Q. (BY MR. BRUSTER) -- in her representation	11:05	21	don't ask her what I discussed with her.
11:03	22	here to the United States government. Is that what	11:05	22	MR. BRUSTER: I don't want to know what
11:03	23	you're saying?	11:05	23	you discussed with her, make that clear.
11:03	24	MR. LEONARD: I'm sorry.	11:05	24	MR. LEONARD: Okay. So limit your
11:03	25	Same objection.	11:05	25	question to what she may have reviewed in preparation

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11:05	1 for her deposition.	11:07	1 Q. Okay. Did they come from your lawyers?
11:05	2 Q. (BY MR. BRUSTER) How did you get this letter	11:07	2 MR. LEONARD: Don't answer that question.
11:05	3 the day before yesterday?	11:07	3 Q. (BY MR. BRUSTER) Did the packet, that the
11:05	4 A. In preparation for my deposition.	11:07	4 documents arrived in, have a sender's address on it?
11:05	5 Q. How did you get it?	11:08	5 A. No.
11:05	6 A. It was delivered to my office or to my	11:08	6 Q. How were they -- how were they delivered to
11:05	7 secretary.	11:08	7 you? By e-mail?
11:05	8 Q. By whom?	11:08	8 A. No.
11:05	9 A. I'm not really sure, actually. I wasn't	11:08	9 Q. Hard copies?
11:06	10 there.	11:08	10 A. Yes.
11:06	11 Q. Did it come from your attorneys?	11:08	11 Q. Were they bound together?
11:06	12 MR. LEONARD: Don't answer that question.	11:08	12 A. There was a rubber band around them.
11:06	13 MR. BRUSTER: You're objecting to her	11:08	13 Q. Was there a conveyance letter with them?
11:06	14 telling us whether or not you gave her this document?	11:08	14 A. No.
11:06	15 MR. LEONARD: I don't object to you	11:08	15 Q. Did you have any idea who they were from?
11:06	16 asking her about any documents she may have reviewed in	11:08	16 A. Well, I expected to receive them.
11:06	17 preparation for her deposition. I think it's privileged	11:08	17 Q. Why did you expect to receive them?
11:06	18 what I may have shown her in preparation for the	11:08	18 A. Because I knew I was going to be giving this
11:06	19 deposition and discussed as part of my work product.	11:08	19 deposition and that there were some things I needed to
11:06	20 So I know I'm splitting hairs. I want	11:08	20 review prior to today.
11:06	21 you to be able to examine her on anything she reviewed,	11:08	21 Q. How did you know there were things you needed
11:06	22 I just don't want you to examine her on what I may have	11:08	22 to review?
11:06	23 shown her and discussed with her. That's the	11:08	23 A. Well, that's what you do before you give a
11:06	24 distinction I'm trying to make.	11:08	24 deposition.
11:06	25 MR. BRUSTER: Okay. Well, I think the	11:08	25 Q. Was there any indication at all where this
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11:06	1 work-product protection may extend to the selection from	11:08	1 letter came from?
11:06	2 a vast pool of documents that are to be reviewed, but	11:08	2 A. It's a letter -- it's a copy of a letter
11:06	3 when a specific document is shown to a witness and	11:08	3 written by Janet Burak. That's all I can tell you.
11:06	4 discussion of where she got that document from is not	11:09	4 Q. So just so we're clear, your testimony to the
11:06	5 privileged.	11:09	5 jury is that Ms. Burak is wrong when she says HSBC North
11:06	6 MR. LEONARD: Well, I think what's	11:09	6 America operates subsidiaries in the US.
11:06	7 important is did she see the document, did she review	11:09	7 MR. LEONARD: Objection: Form.
11:07	8 the document, is she aware of the document, and did she	11:09	8 A. I'm saying that the word operates, to me,
11:07	9 do it in conjunction with her preparation.	11:09	9 is -- could -- is -- indicates something different than
11:07	10 Whether I showed her the document myself	11:09	10 what that sentence says.
11:07	11 and whether or not I discussed the document with her is	11:09	11 Q. (BY MR. BRUSTER) When you read this letter
11:07	12 not really something that you're entitled to know.	11:09	12 two days ago, did you pick up the phone and call
11:07	13 That's the only distinction I'm trying to make.	11:09	13 Ms. Burak and say, where did you get the understanding
11:07	14 MR. BRUSTER: I'm not asking for	11:09	14 that HSBC North America Holdings, Inc. operates banking
11:07	15 discussions. I'm not asking for what you discussed.	11:09	15 subsidiaries in the United States?
11:07	16 Q. (BY MR. BRUSTER) Was there anything else in	11:09	16 A. I already testified that I did not speak to
11:07	17 the packet that arrived when you got this letter?	11:09	17 Ms. Burak.
11:07	18 A. Yes.	11:09	18 Q. Why didn't you call her if you got this letter
11:07	19 Q. What else?	11:09	19 a couple of days ago and recognized its content to be
11:07	20 A. Well, one of the things that was in there was	11:09	20 inconsistent with what your knowledge of HSBC North
11:07	21 that Form 20-F, that we looked at earlier. I don't	11:09	21 America Holdings, Inc. operations were?
11:07	22 know. There were just a number of documents.	11:09	22 A. I just didn't.
11:07	23 Q. So a number of documents related to the	11:09	23 Q. You just didn't? Isn't it true that you
11:07	24 deposition were delivered to you.	11:09	24 didn't call her because you knew that the definition of
11:07	25 A. Yes.	11:09	25 operation she'd give you would subject HSBC North

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11:10	1	America Holdings, Inc. to operating subsidiaries --	11:12	1	for you.
11:10	2	MR. LEONARD: Objection.	11:12	2	Q. (BY MR. BRUSTER) Ms. Burak is a lawyer for
11:10	3	Q. (BY MR. BRUSTER) -- in the United States?	11:12	3	HSBC North America Holdings, Inc., correct?
11:10	4	MR. LEONARD: Excuse me.	11:12	4	A. I believe she does, yes.
11:10	5	Objection to form.	11:12	5	Q. The same company that you work for, right?
11:10	6	A. No.	11:12	6	A. Yes.
11:10	7	Q. (BY MR. BRUSTER) You were afraid of her	11:12	7	Q. And she's represented to the government, as a
11:10	8	answer, weren't you?	11:12	8	lawyer, that HSBC North America provides a wide array of
11:10	9	A. No.	11:12	9	financial services to clients, hasn't she?
11:10	10	Q. Did you think that she was going to change her	11:12	10	A. Again, that's what this sentence says, yes.
11:10	11	position of what she represented to the United States	11:12	11	Q. And you're here today testifying to this judge
11:10	12	government?	11:12	12	and jury that, in fact, HSBC North America Holdings,
11:10	13	MR. LEONARD: Objection to form.	11:12	13	Inc. does not provide those services.
11:10	14	A. I didn't give any thought to calling Janet	11:12	14	A. The services are provided through its
11:10	15	about this letter.	11:12	15	operating subsidiaries, they're not provided by the
11:10	16	Q. (BY MR. BRUSTER) Does HSBC North America	11:12	16	holding company.
11:10	17	Holdings, Inc. provide any financial services to its	11:12	17	Q. Well, Ms. Burak writes right here that HSBC
11:10	18	clients, to any clients?	11:13	18	North America Holdings, Inc. is providing those
11:10	19	MR. LEONARD: Objection: Form.	11:13	19	services, doesn't she?
11:10	20	A. Not to my knowledge, no.	11:13	20	MR. LEONARD: Objection: Form.
11:11	21	Q. (BY MR. BRUSTER) Do you see here, in the	11:13	21	A. You read the sentence, yes, it says what it
11:11	22	second paragraph, where I've got the cursor on this	11:13	22	says.
11:11	23	Exhibit? Do you see this sentence right here on the	11:13	23	Q. (BY MR. BRUSTER) And I guess even if they are
11:11	24	third line of the second paragraph?	11:13	24	provided through the subsidiaries, in the previous
11:11	25	A. The one that begins with "as"?	11:13	25	paragraph she wrote that HSBC North America Holdings,
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11:11	1	Q. Yes, ma'am.	11:13	1	Inc. is operating those subsidiaries, didn't she?
11:11	2	A. Yes.	11:13	2	MR. LEONARD: Objection: Form.
11:11	3	Q. It says, As a leader in providing a wide array	11:13	3	A. Again, Ms. Burak's letter speaks for itself.
11:11	4	of financial services to clients, HSBC North America	11:13	4	My testimony is that my understanding is different from
11:11	5	believes that financial institutions have a vital role	11:13	5	this letter in terms of control and operations.
11:11	6	to play in the responsible use of CSFT's and related	11:13	6	Q. (BY MR. BRUSTER) And did you get that
11:11	7	financial products, and it continues from there,	11:13	7	understanding from your lawyers or from somebody else?
11:11	8	correct?	11:13	8	MR. LEONARD: Objection.
11:11	9	A. Yes.	11:13	9	Don't answer with respect to what you may
11:11	10	Q. Okay. Just 30 seconds ago you testified to	11:13	10	have discussed with your lawyers.
11:11	11	the judge and jury that HSBC North America does not	11:13	11	A. I have general knowledge of how corporate
11:11	12	provide financial services to clients. Do you recall	11:13	12	structures with holding companies work, and HSBC North
11:11	13	that?	11:13	13	America Holdings has 50 or less employees. Its role is
11:11	14	A. Yes.	11:14	14	to provide services to consolidate various financials
11:11	15	Q. Okay. And right here Ms. Burak writes, As a	11:14	15	and help with taxes, those things. It's not an
11:11	16	leader in providing a wide array of financial services	11:14	16	operating company. It does not generate revenue.
11:11	17	to clients, HSBC North America, it goes on and on,	11:14	17	Q. (BY MR. BRUSTER) Why is it that the jury
11:11	18	correct?	11:14	18	should believe you instead of a lawyer who works for the
11:11	19	A. Correct.	11:14	19	company that you work for on these issues?
11:11	20	Q. Okay. Is this a misrepresentation made by	11:14	20	MR. LEONARD: Objection: Form.
11:12	21	Ms. Burak to the United States government as well?	11:14	21	A. Well, I guess the jury can believe whatever it
11:12	22	MR. LEONARD: Objection: Form.	11:14	22	chooses to believe, but I am testifying to my
11:12	23	A. You know, the letter says what it says. That	11:14	23	understanding of these matters.
11:12	24	is not my understanding of the role that HSBC North	11:14	24	Q. (BY MR. BRUSTER) Does HSBC North America
11:12	25	America Holdings plays, but I can't interpret her letter	11:14	25	Holdings, Inc. implement policies for subsidiaries?

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11:14	1 A. Could you give me some idea of what you mean	11:17	1 A. Yes.
11:14	2 by a policy?	11:17	2 Q. -- is as a financial institution, a principle
11:14	3 Q. What's your understanding of what the word	11:17	3 strategic advantage of which is its ability to structure
11:14	4 policy means?	11:17	4 cross-boarder transactions and serve customers and
11:14	5 A. Here we go again. Well, when I think of	11:17	5 counterparties in more than one geographic region. Do
11:15	6 policies, I think of -- it could be any number of	11:17	6 you see that?
11:15	7 things, actually. I mean, it could be policies that --	11:17	7 A. I do.
11:15	8 you know, that are specific to a business, or it could	11:17	8 Q. Is that an accurate statement that Ms. Burak
11:15	9 be policies that -- such as the HSBC policy of operating	11:17	9 made to the United States government there?
11:15	10 with integrity as something that is integral to the	11:17	10 A. Again, it speaks for itself, and I have
11:15	11 entire organization.	11:17	11 testified that this would not be my understanding of
11:15	12 Q. Is that a written policy? Is there a written	11:17	12 serving customers. I just moments ago --
11:15	13 policy about operating with integrity?	11:18	13 Q. Moments ago you testified -- you testified
11:15	14 A. I don't know that it's a written policy, but	11:18	14 that HSBC North America Holdings, Inc. does not serve
11:15	15 it's certainly a pervasive statement and a pervasive	11:18	15 customers, correct.
11:15	16 viewpoint of the organization.	11:18	16 A. On a direct basis, yes.
11:15	17 Q. Do you have like risk management policies, for	11:18	17 Q. And Ms. Burak here is writing to the United
11:15	18 example?	11:18	18 States government that, in fact, the company is serving
11:15	19 A. We have guidelines, yes. I mean ...	11:18	19 customers, isn't she?
11:16	20 Q. Does HSBC North America Holdings, Inc.	11:18	20 MR. LEONARD: Objection to form.
11:16	21 implement risk management policies that its subsidiaries	11:18	21 A. The letter speaks for itself. That's what
11:16	22 follow?	11:18	22 this sentence says.
11:16	23 MR. LEONARD: Objection.	11:18	23 Q. (BY MR. BRUSTER) But again, you want the
11:16	24 A. Are you talking about insurance risk	11:18	24 judge and jury to believe you instead of Ms. Burak's
11:16	25 management?	11:18	25 letter, correct?
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11:16	1 THE WITNESS: Oh, I'm sorry.	11:18	1 MR. LEONARD: Objection: Form.
11:16	2 MR. LEONARD: Objection: Form.	11:18	2 A. Well, I am telling you the truth as I know it
11:16	3 Q. (BY MR. BRUSTER) I'm just talking about from	11:18	3 so, yes, I would like for the judge and jury to believe
11:16	4 a policy level does HSBC North America Holdings, Inc.	11:18	4 me.
11:16	5 implement policies that its banking subsidiary then	11:18	5 Q. (BY MR. BRUSTER) Do you know whether
11:16	6 follows?	11:18	6 Ms. Burak was telling the truth when she wrote this
11:16	7 A. I don't know.	11:18	7 letter to the United States government?
11:16	8 MR. LEONARD: Objection: Form.	11:18	8 A. I am confident that she was.
11:16	9 A. I don't know.	11:18	9 Q. That she was.
11:16	10 Q. (BY MR. BRUSTER) You don't know?	11:18	10 A. Yes.
11:16	11 A. Huh-uh (negative).	11:18	11 Q. Okay.
11:16	12 Q. Does HSBC North America Holdings, Inc. serve	11:19	12 MR. BRUSTER: Why don't we take another
11:16	13 customers?	11:19	13 short break. We've been going an hour-and-fifteen or
11:16	14 MR. LEONARD: Objection to form.	11:19	14 so.
11:16	15 A. Not on a direct basis, no. Its customers are	11:19	15 THE VIDEOGRAPHER: Off the record.
11:16	16 served through operating subsidiaries.	11:19	16 (Recess taken 11:19 to 11:38)
11:16	17 Q. (BY MR. BRUSTER) I'll flip over to page 5 of	11:19	17 (Exhibit Number 6 marked.)
11:16	18 Ms. Burak's letter to the United States government	11:38	18 THE VIDEOGRAPHER: We're back on the
11:17	19 agencies and have you look with me here in the bottom	11:38	19 record.
11:17	20 paragraph, right above this section, Additional	11:38	20 Q. (BY MR. BRUSTER) All right. We're back after
11:17	21 Comments. Do you see the sentence right here starting	11:38	21 a short break. Ms. Hickman, without disclosing any of
11:17	22 with, HSBC North America?	11:38	22 the nature of the conversations, did you have an
11:17	23 A. Yes.	11:39	23 opportunity to visit with your counsel during the break?
11:17	24 Q. It reads, HSBC North America -- which is	11:39	24 A. Just now? Yes.
11:17	25 referring to North America Holdings, Inc., correct?	11:39	25 Q. Okay. I'm going to mark, as Exhibit 6, what

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11:39 1 was provided to us as HSBC North America Holdings,	11:41 1 A. Yes.
11:39 2 Inc.'s Objections, Assertions of Privilege and Responses	11:41 2 Q. (BY MR. BRUSTER) Okay.
11:39 3 to DataTreasury Corporation's First Set of Requests for	11:41 3 A. I mean -- well, that it's an indirect
11:39 4 Admission Regarding Jurisdictional Discovery. It's a	11:42 4 subsidiary, yes.
11:39 5 mouthful of a title, but have you ever seen this	11:42 5 Q. Well, separate and apart from its status as an
11:39 6 document before?	11:42 6 indirect subsidiary, does HSBC North America Holdings,
11:39 7 A. Yes.	11:42 7 Inc. operate HSBC Bank USA, either directly or
11:39 8 Q. When was the last time you looked at this	11:42 8 indirectly?
11:39 9 document before your deposition?	11:42 9 A. No. I'm sorry, no.
11:39 10 A. I looked at it yesterday. I might have read	11:42 10 MR. LEONARD: Objection: Form.
11:39 11 it on the train on the way in this morning. I don't	11:42 11 A. No. No, it does not.
11:39 12 remember for sure. But I looked at my deposition topics	11:42 12 Q. (BY MR. BRUSTER) It doesn't.
11:39 13 and a number of other things.	11:42 13 A. No.
11:39 14 Q. Did you provide input in answering these	11:42 14 Q. So if you were to answer that question right
11:39 15 requests for admission?	11:42 15 there, Admit that HSBC Bank North America Holdings, Inc.
11:40 16 A. Not much, no.	11:42 16 operates HSBC Bank USA, you would say deny.
11:40 17 Q. Not much?	11:42 17 MR. LEONARD: Objection to form.
11:40 18 A. Huh-uh (negative).	11:42 18 A. Yes.
11:40 19 Q. Did you provide any input?	11:42 19 Q. (BY MR. BRUSTER) Okay. And that's directly
11:40 20 A. I'd have to read them, sir. I can't remember.	11:42 20 contradictory to the letter that we just looked at from
11:40 21 Q. Let's walk through and look at a couple of	11:42 21 Ms. Burak to the United States government agencies,
11:40 22 these.	11:42 22 correct?
11:40 23 A. Okay.	11:42 23 MR. LEONARD: Objection: Form.
11:40 24 Q. Request for admission number two says, Admit	11:42 24 A. Ms. Burak's letter is her letter. It says
11:40 25 that HSBC North America Holdings, Inc. operates HSBC	11:42 25 what it says. I think there are different ways to
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11:40 1 Bank USA. Do you see that?	11:42 1 interpret words, operates, controls, and you should ask
11:40 2 A. I do.	11:42 2 her what her intent was if you're not comfortable with
11:40 3 Q. And then after some objections, there's an	11:43 3 our two answers.
11:40 4 answer that says, Denied that HNAH, which is HSBC North	11:43 4 MR. BRUSTER: Objection: Nonresponsive.
11:40 5 America Holdings, Inc., operates HSBC Bank USA directly,	11:43 5 Q. (BY MR. BRUSTER) This testimony you just
11:40 6 but it is admitted that in its role as a holding company	11:43 6 gave, that you deny that, is inconsistent with the
11:40 7 that HSBC Bank USA is an indirect, wholly owned	11:43 7 letter that Ms. Burak wrote to the United States
11:40 8 subsidiary of HNAH. Did I read that correctly?	11:43 8 government agencies, isn't it?
11:40 9 A. You did.	11:43 9 MR. LEONARD: Objection: Form; asked and
11:41 10 Q. Okay. There is no discussion of operation in	11:43 10 answered.
11:41 11 that second clause after, It is admitted. In other	11:43 11 Q. (BY MR. BRUSTER) You may answer.
11:41 12 words, it says, HSBC Bank USA is an indirect wholly	11:43 12 A. Well, I have answered.
11:41 13 owned subsidiary, but there's no discussion about	11:43 13 Q. That's a yes-or-no question. Is it
11:41 14 whether or not HSBC North America Holdings, Inc.	11:43 14 inconsistent?
11:41 15 operates the bank. Do you recognize that?	11:43 15 MR. LEONARD: Same objection.
11:41 16 MR. LEONARD: Objection: Form.	11:43 16 A. The reason I have a difficult time answering
11:41 17 A. It says in the first line of the response	11:43 17 your question is that I just think you should talk with
11:41 18 subject to denied that HNAH operates HSBC Bank USA	11:43 18 Ms. Burak about her intent in writing that letter. I'm
11:41 19 directly.	11:43 19 comfortable with the way I'm answering these questions,
11:41 20 Q. (BY MR. BRUSTER) In other words, I guess my	11:43 20 that they're correct to the best of my knowledge.
11:41 21 question is, is the second clause, is the latter part of	11:43 21 Q. (BY MR. BRUSTER) Well, Ms. Burak wasn't
11:41 22 this sentence meant to convey the fact that HSBC North	11:43 22 presented here for a deposition today so that's why I'm
11:41 23 America Holdings, Inc. operates HSBC Bank USA	11:43 23 asking you about your understanding of operation since
11:41 24 indirectly?	11:43 24 she wrote and said that HSBC North America Holdings,
11:41 25 MR. LEONARD: Objection: Form.	11:43 25 Inc. operates these subsidiaries. And as I'm hearing

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11:44 1 from you today, you have a different understanding.	11:46 1 word controls?
11:44 2 Correct?	11:46 2 A. The fact that the operations of the
11:44 3 MR. LEONARD: Objection to form; object	11:46 3 subsidiaries are handled at the subsidiary level. HNAH
11:44 4 to sidebar.	11:46 4 does not control the subsidiary's day-to-day operations.
11:44 5 A. My -- the problem is that I think you're	11:46 5 Q. Are you uncomfortable having to clarify and
11:44 6 saying that there's only one way to interpret the word	11:46 6 define words, simple words like control or operate in
11:44 7 operates, and I think that that's not true. And	11:47 7 your deposition here today?
11:44 8 consequently what she said -- well, it sounds different	11:47 8 A. I find them to be somewhat ambiguous and
11:44 9 from what I'm saying. You know, you need to find out	11:47 9 uncomfortable that you won't define them for me as you
11:44 10 from her if she intended it to be different.	11:47 10 would like to discuss them.
11:44 11 Q. (BY MR. BRUSTER) If she intended the word	11:47 11 Q. Did you have any discussion with Ms. Burak or
11:44 12 operates to be different?	11:47 12 anybody else at HSBC North America Holdings, Inc. about
11:44 13 A. If she intended her letter to reflect	11:47 13 what it means to control or operate subsidiary banks
11:44 14 something different than my testimony, yes.	11:47 14 before your deposition here today?
11:44 15 Q. This next request, Admit that HSBS North	11:47 15 MR. LEONARD: Don't discuss your -- don't
11:44 16 America Holdings, Inc. controls HSBC Bank USA, is	11:47 16 discuss your discussions with your attorneys. If you
11:44 17 answered on the top of the following page where, after	11:47 17 talked to Ms. Burak in conjunction with legal advice
11:44 18 some objections, HSBC North America Holdings, Inc.	11:47 18 that you were seeking from her, then you're not
11:44 19 denies that it controls the daily operations of HSBC	11:47 19 permitted to talk about that.
11:45 20 Bank USA but does admit to having a controlling interest	11:47 20 A. I didn't -- I did not have any conversations
11:45 21 in HSBC Bank USA. Do you see that?	11:47 21 with Ms. Burak at all.
11:45 22 A. I do.	11:47 22 Q. (BY MR. BRUSTER) Did you talk to anybody else
11:45 23 Q. Okay. By controlling interest, what does that	11:47 23 at HSBC North America Holdings, Inc. about all these
11:45 24 phrase mean to you?	11:47 24 documents that discuss the holding company operating or
11:45 25 A. It means that ultimately the parent company	11:48 25 controlling the subsidiary bank before your deposition?
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11:45 1 owns the stock of the subsidiaries.	11:48 1 MR. LEONARD: Objection: Form.
11:45 2 Q. So you're just talking about stock ownership	11:48 2 A. Any conversations I had are subject to
11:45 3 there.	11:48 3 privilege, attorney-client privilege.
11:45 4 A. That's -- that would be my interpretation,	11:48 4 Q. (BY MR. BRUSTER) Outside the presence of
11:45 5 yes.	11:48 5 these lawyers or your lawyers representing HSBC in this
11:45 6 Q. And a denial of that statement, that HSBC	11:48 6 action, you didn't have any conversations with anybody
11:45 7 North America Holdings, Inc. controls HSBC Bank USA, is	11:48 7 else that works for HSBC North America Holdings, Inc.
11:45 8 inconsistent with the Exhibit we looked at a few minutes	11:48 8 about those topics?
11:45 9 ago, the 20-F form that was filed by your parent	11:48 9 A. That's correct.
11:45 10 company, HSBC Group; isn't that true?	11:49 10 Q. Let me ask you about number 13 here on the
11:45 11 MR. LEONARD: Objection: Form.	11:49 11 screen in front of you, which was admit that in the last
11:45 12 A. That was that 20-F?	11:49 12 three years HSBC North America Holdings, Inc. has earned
11:46 13 Q. (BY MR. BRUSTER) I think you have, actually,	11:49 13 revenue that is generated from business conducted in
11:46 14 a paper copy there in front of you, where the page 3,	11:49 14 Texas, and the answer after a number of objections is
11:46 15 top paragraph, right-hand column, last sentence, talks	11:49 15 deny. Do you see that?
11:46 16 about HSBC North America Holdings, Inc. controlling HSBC	11:49 16 A. I do.
11:46 17 Bank USA. Do you recall that?	11:49 17 Q. Okay. Earlier we talked about the way that
11:46 18 A. I recall something like that, yes.	11:49 18 HSBC North America Holdings, Inc. makes money, and your
11:46 19 Q. So a denial of this statement here in the	11:49 19 testimony was that it does so as a result of dividends
11:46 20 discovery is just inconsistent with that Security &	11:49 20 that are paid up from its subsidiary companies, correct?
11:46 21 Exchange Commission filing, isn't it?	11:49 21 A. That's my understanding, yes.
11:46 22 MR. LEONARD: Objection: Form.	11:49 22 Q. Okay. Isn't it true, then, that a portion of
11:46 23 A. Again, no, I don't think it is. I think it's	11:49 23 the money that is earned as dividend payments by HSBC
11:46 24 a clarification.	11:49 24 North America Holdings, Inc., that that money is
11:46 25 Q. (BY MR. BRUSTER) Clarification on what, the	11:49 25 generated in part from business activities in Texas?

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11:50	1 MR. LEONARD: Objection: Form.	11:52	1 North America Holdings, Inc. has earned revenue that's
11:50	2 Q. (BY MR. BRUSTER) You may answer.	11:52	2 generated in the state of Texas --
11:50	3 A. I wouldn't know one way or the other if -- if	11:52	3 MR. LEONARD: Objection: Form.
11:50	4 businesses in Texas made money.	11:53	4 Q. (BY MR. BRUSTER) -- can you?
11:50	5 Q. Is it your testimony to this judge and jury	11:53	5 MR. LEONARD: Same objection.
11:50	6 that you don't know whether or not HSBC's operations in	11:53	6 A. HSBC North America Holdings, Inc. hasn't
11:50	7 Texas make any money?	11:53	7 earned revenue. I can't tell you whether or not it
11:50	8 A. I know that we have operations in the state of	11:53	8 received, as part of its dividend, money that was earned
11:50	9 Texas. I do not know what the -- their financial	11:53	9 in Texas. I don't know.
11:50	10 picture is on an individual basis, no.	11:53	10 Q. (BY MR. BRUSTER) If HSBC North America
11:50	11 Q. Can you tell the judge and jury whether or not	11:53	11 Holdings, Inc. receives money in the form of dividend
11:50	12 HSBC's activities in the state of Texas generate revenue	11:53	12 payments that was generated as a result of business
11:50	13 for the company?	11:53	13 activity in Texas, do you think that HSBC North America
11:50	14 MR. LEONARD: Objection: Form.	11:53	14 Holdings, Inc. can properly say it doesn't engage in
11:50	15 A. Yes, I am certain that that --	11:53	15 activities in Texas?
11:50	16 MR. LEONARD: Counsel, I believe you	11:53	16 MR. LEONARD: Objection: Form.
11:50	17 misspoke. Do you want to further define what HSBC	11:53	17 A. Absolutely you can say that, yes.
11:50	18 you're talking about?	11:53	18 Q. (BY MR. BRUSTER) So in other words, Texas
11:51	19 MR. BRUSTER: Any HSBC banking	11:53	19 folks can pay money to HSBC North America Holdings, Inc.
11:51	20 subsidiary.	11:53	20 subsidiaries and the parent company can reap the benefit
11:51	21 MR. LEONARD: Banking subsidiary. Okay.	11:53	21 of those monies by dividend payments but yet can take
11:51	22 A. I'm certain that the operating subsidiaries	11:53	22 the position that it doesn't do any business in Texas.
11:51	23 generate revenue.	11:53	23 That's your testimony.
11:51	24 Q. (BY MR. BRUSTER) And the profit that's earned	11:54	24 MR. LEONARD: Objection: Form.
11:51	25 by operating subsidiaries, including profit earned in	11:54	25 A. My testimony is that HSBC North America
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11:51	1 the state of Texas, is then paid up the chain to the	11:54	1 Holdings, Inc. is a holding company and does not operate
11:51	2 holding companies in the form of dividends, correct?	11:54	2 its business. It has no revenue-generating operations.
11:51	3 MR. LEONARD: Objection: Form.	11:54	3 Q. (BY MR. BRUSTER) But yet, the money that it
11:51	4 Q. (BY MR. BRUSTER) You may answer.	11:54	4 earns or is provided as dividend payment might stem from
11:51	5 A. That's my understanding.	11:54	5 Texas; isn't that true?
11:51	6 Q. So isn't it true that dividend revenue earned	11:54	6 MR. LEONARD: Objection: Form.
11:51	7 by HSBC North America Holdings, Inc. is earned, in part,	11:54	7 A. It is possible.
11:51	8 from business activity conducted in the state of Texas?	11:54	8 Q. (BY MR. BRUSTER) In fact, it's likely, isn't
11:51	9 A. I think that I was trying to distinguish	11:54	9 it?
11:51	10 earlier, and you did just now, that revenue and profit	11:54	10 MR. LEONARD: Objection to form; asked
11:51	11 are sometimes -- are different things so, yes, they	11:54	11 and answered.
11:51	12 generate revenue. I have no idea if they're profitable.	11:54	12 A. I'm sorry, I'm not the right person to answer
11:51	13 Q. Your testimony to this court is that you have	11:54	13 these questions, so I just don't know.
11:52	14 no idea whether or not HSBC banking subsidiaries have	11:54	14 Q. (BY MR. BRUSTER) So HSBC North America
11:52	15 ever earned a profit in the state of Texas; is that	11:54	15 Holdings, Inc. procures insurance coverage for HSBC
11:52	16 true?	11:54	16 properties in Texas, correct?
11:52	17 A. Yes, that's true, I don't know personally.	11:54	17 MR. LEONARD: Objection: Form.
11:52	18 Q. Who would know the answer to that?	11:54	18 A. It procures insurance for all of its North
11:52	19 A. Whoever reviews the financials for the banking	11:54	19 America properties, yes.
11:52	20 subsidiary in Texas.	11:54	20 Q. (BY MR. BRUSTER) Including properties in
11:52	21 Q. Who is that person?	11:54	21 Texas, correct?
11:52	22 A. I don't know.	11:54	22 MR. LEONARD: Same objection.
11:52	23 Q. I'm sorry?	11:54	23 Q. (BY MR. BRUSTER) And then HSBC North America
11:52	24 A. I don't know.	11:54	24 Holdings, Inc. might be provided dividend revenue that's
11:52	25 Q. So you can't tell the jury whether or not HSBC	11:55	25 earned as a result of subsidiaries' business activities

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11:55 1 in the state of Texas.	11:58 1 MR. LEONARD: Objection to form.
11:55 2 MR. LEONARD: Objection: Form.	11:58 2 A. I don't recall what she said about operational
11:55 3 Q. (BY MR. BRUSTER) That's your testimony as	11:58 3 support.
11:55 4 well, isn't it?	11:58 4 Q. (BY MR. BRUSTER) I'll show you. Here on the
11:55 5 MR. LEONARD: Same objection.	11:58 5 top of page 2 of that letter she says, As a bank holding
11:55 6 A. Again, that's, you know, where the revenue	11:58 6 company, HSBC North America operates various
11:55 7 comes from, is from the operating subsidiaries, so if	11:58 7 subsidiaries in the United States. Do you see that?
11:55 8 they made money in Texas then, yes, it's possible.	11:58 8 A. Uh-huh (affirmative).
11:55 9 Q. (BY MR. BRUSTER) Does the CEO of HSBC North	11:58 9 Q. And then in the document we just looked at it
11:55 10 America Holdings, Inc. know that you are testifying here	11:58 10 is denied that HSBC North America Holdings, Inc. has
11:55 11 today that there's no control exerted by HSBC North	11:58 11 provided operational support --
11:55 12 America Holdings, Inc. over the banking subsidiaries?	11:58 12 MR. LEONARD: I'm sorry, Counsel, but it
11:55 13 MR. LEONARD: Objection: Form.	11:58 13 also lodges an objection to that phrase as being vague.
11:55 14 A. I'm sorry, could you ask that question again?	11:58 14 Q. (BY MR. BRUSTER) Do you understand what
11:55 15 I didn't get it.	11:58 15 operational support means?
11:56 16 Q. (BY MR. BRUSTER) Sure. Does the CEO of HSBC	11:58 16 A. Would you define it for me?
11:56 17 North America Holdings, Inc. know that you're testifying	11:58 17 Q. Do you think there's a difference between
11:56 18 today that that company does not exert control over HSBC	11:58 18 operates and providing operational support?
11:56 19 Bank?	11:58 19 A. Yes.
11:56 20 MR. LEONARD: Objection: Form.	11:58 20 Q. What's the difference?
11:56 21 A. I have no idea if he knows I'm testifying	11:58 21 A. Operates is, you know, an active verb.
11:56 22 today.	11:59 22 Operational support is -- you know, support, it's a
11:56 23 Q. (BY MR. BRUSTER) Do you know if the	11:59 23 noun. I mean, it's a noun, just like operational
11:56 24 shareholders of HSBC have been informed that HSBC,	11:59 24 support is something separate from operating. They're
11:56 25 according to you, HSBC North America Holdings, Inc.	11:59 25 not the same at all.
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11:56 1 doesn't exert control over the operations of HSBC Bank?	11:59 1 Q. Okay. So let's skip past the first question,
11:56 2 MR. LEONARD: Objection: Form.	11:59 2 then, about whether or not that's inconsistent with
11:56 3 A. No, I don't know.	11:59 3 Ms. Burak's letter, I think the jury can draw that
11:56 4 Q. (BY MR. BRUSTER) Excuse me?	11:59 4 conclusion, and let me ask you this question.
11:56 5 A. No, I don't know.	11:59 5 You testified earlier that HSBC North
11:57 6 MR. LEONARD: Counsel, when you reach a	11:59 6 America Holdings, Inc. and HSBC Bank, the banking
11:57 7 convenient stopping point ...	11:59 7 subsidiary, share some directors and officers, correct?
11:57 8 MR. BRUSTER: Yeah. Let's do about five	11:59 8 MR. LEONARD: Objection to form;
11:57 9 more minutes and we'll be there.	11:59 9 objection, sidebar.
11:57 10 MR. LEONARD: Okay.	11:59 10 Q. (BY MR. BRUSTER) You may answer.
11:57 11 Q. (BY MR. BRUSTER) Let me ask you about number	11:59 11 A. I believe that they do, yes.
11:57 12 14 here on the screen in front of you. It says, Admit	11:59 12 Q. Including the CEO of HSBC North America
11:57 13 that in the last three years HSBC North America	11:59 13 Holdings, Inc., correct?
11:57 14 Holdings, Inc. has provided operational support to HSBC	11:59 14 A. Yes, I believe so.
11:57 15 Bank USA. Do you see that?	11:59 15 Q. Including the CEO of the HSBC banking
11:57 16 A. I do.	11:59 16 subsidiary, correct?
11:57 17 Q. And then unsurprisingly the answer to that was	12:00 17 A. Yes, I believe so.
11:57 18 denied. Do you see that?	12:00 18 Q. Okay. Despite the sharing of those two
11:57 19 A. I do.	12:00 19 high-level executives between these two companies, is it
11:57 20 MR. LEONARD: Objection.	12:00 20 still your testimony that the parent company doesn't
11:57 21 Q. (BY MR. BRUSTER) The -- first of all, a	12:00 21 provide operational support to the bank?
11:57 22 denial of that statement, that HSBC North America	12:00 22 A. Yes.
11:57 23 Holdings, Inc. has provided operational support to HSBC	12:00 23 Q. Have you ever asked those two respective CEOs
11:57 24 Bank USA, is inconsistent with Ms. Burak's letter to the	12:00 24 whether they provide operational support to HSBC Bank?
11:58 25 government, isn't it?	12:00 25 A. No.

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12:00	1 Q. Wouldn't that be important to know before you	01:26	1 A. No.
12:00	2 come testify that there is no operational support	01:26	2 Q. Do you know who has?
12:00	3 provided?	01:26	3 A. No.
12:00	4 A. I'm comfortable with my answers.	01:26	4 Q. Let me ask you about some of the things that
12:00	5 Q. Even though these two CEOs serve on the boards	01:27	5 are in here, although our discussion may be somewhat
12:00	6 of both companies.	01:27	6 limited since you've not been involved in that process.
12:00	7 A. Yes.	01:27	7 There's a request here for request number
12:01	8 MR. BRUSTER: Let's take our lunch break.	01:27	8 nine, Produce all documents evidencing any
12:01	9 THE VIDEOGRAPHER: We're off the record.	01:27	9 communications between officers, directors or employees
12:01	10 (Recess taken 12:01 to 1:24)	01:27	10 of HSBC North America Holdings, Inc. on the one hand and
01:24	11 THE VIDEOGRAPHER: We're back on the	01:27	11 officers, directors or employees of HSBC Bank USA. Do
01:24	12 record.	01:27	12 you see that?
01:25	13 Q. (BY MR. BRUSTER) All right. Let's try again.	01:27	13 A. I do.
01:25	14 Ms. Hickman, are you ready to proceed?	01:27	14 Q. You have documents such as those, that are
01:25	15 A. Yes.	01:27	15 referenced there in request number nine, in your
01:25	16 Q. Great. I forgot to ask you earlier this	01:27	16 possession at your office, don't you?
01:25	17 morning, but do you hold any other positions with any	01:27	17 A. I don't.
01:25	18 other HSBC-related companies other than the senior vice	01:27	18 Q. You don't?
01:25	19 president of insurance for HSBC North America Holdings,	01:27	19 A. No.
01:25	20 Inc.?	01:27	20 Q. Earlier this morning I thought we talked about
01:25	21 A. No.	01:27	21 some folks that directly reported to you that were
01:25	22 Q. Do you serve on any committees or boards or	01:28	22 executives of HSBC Bank USA. Is that correct?
01:25	23 anything else related to your work at HSBC?	01:28	23 A. I apologize. I understand. Yes, I do have
01:25	24 A. No.	01:28	24 communication between my staff, yes. I'm sorry.
01:25	25 Q. No other internal associations or groups of	01:28	25 Q. You have communications between you on behalf
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01:25	1 employees that you serve on?	01:28	1 of HSBC North America Holdings, Inc. on the one hand and
01:25	2 A. Internal to the company?	01:28	2 people that work for HSBC Bank on the other, correct?
01:25	3 Q. Yes, ma'am.	01:28	3 A. Yes, I do. I'm sorry, yes.
01:25	4 A. No.	01:28	4 Q. Okay. And you've not produced any of those in
01:25	5 Q. Okay. Do you serve on any boards of any other	01:28	5 this litigation, have you?
01:25	6 companies?	01:28	6 A. No.
01:25	7 A. No.	01:28	7 Q. And I guess I understand from your testimony
01:25	8 Q. External to HSBC?	01:28	8 you've never been asked to do that?
01:25	9 A. No.	01:28	9 A. That's correct.
01:26	10 Q. Okay.	01:28	10 Q. What e-mail application do you use?
01:26	11 (Exhibit Number 7 marked.)	01:28	11 A. Lotus Notes.
01:26	12 Q. (BY MR. BRUSTER) Let me show you a document	01:28	12 Q. Lotus Notes. Is that how you communicate for
01:26	13 we're going to mark as Exhibit 7, which is HSBC North	01:28	13 the majority of your written communication with
01:26	14 America Holding, Inc.'s Objections, Assertions of	01:28	14 employees of HSBC Bank USA?
01:26	15 Privilege and Responses to DataTreasury Corporation's	01:28	15 A. Yes.
01:26	16 First Set of Request for Production Regarding	01:29	16 Q. How long have you used the Lotus Notes
01:26	17 Jurisdictional Discovery. Do you see that on your	01:29	17 application for e-mail?
01:26	18 screen?	01:29	18 A. It's been several years. I don't know
01:26	19 A. Yes.	01:29	19 exactly.
01:26	20 Q. Were you involved in the process of collecting	01:29	20 Q. When you procure insurance to cover all the
01:26	21 documents for this litigation?	01:29	21 HSBC facilities, do you negotiate with -- tell me the
01:26	22 A. No.	01:29	22 process that you go through to do that.
01:26	23 Q. Have you done anything insofar as collecting	01:29	23 A. Well, there's a data-gathering effort that
01:26	24 and producing documents to your lawyers for this	01:29	24 goes on, depending on the type of insurance that is to
01:26	25 litigation?	01:29	25 be procured, and so we gather information from the

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01:29 1 various subsidiaries relative to whatever the risk is	01:33 1 (Exhibit Number 8 marked.)
01:29 2 we're looking to insure.	01:33 2 Q. (BY MR. BRUSTER) Let me show you what we
01:29 3 Then we assemble it into a format that we	01:33 3 marked -- what's marked as Exhibit 8 to your deposition,
01:29 4 can provide to the insurance brokers and the insurance	01:33 4 which is a document entitled HSBC North America
01:29 5 underwriters so that they can understand what it is that	01:33 5 Holdings, Inc.'s Objections, Assertions of Privilege and
01:30 6 we're trying to purchase from them.	01:33 6 Answers to Defendant DataTreasury Corporation's First
01:30 7 Typically, after that, there would be	01:33 7 Set of Interrogatories Regarding Jurisdictional
01:30 8 some meetings with underwriters. And following that, we	01:33 8 Discovery. Do you see that?
01:30 9 would expect to receive quotations for the premiums that	01:33 9 A. I do.
01:30 10 they would propose to charge us for the risk that we're	01:33 10 Q. Have you ever seen this document before?
01:30 11 trying to transfer.	01:33 11 A. Yes, but wasn't it the same one we just looked
01:30 12 Q. And then you select among those quotations for	01:33 12 at? No.
01:30 13 the policies that best suit your requirements.	01:33 13 Q. No, it wasn't, actually.
01:30 14 A. That's correct.	01:33 14 A. Okay. It's very similar.
01:30 15 Q. Okay. Do you -- are you typically the person	01:33 15 Q. Very similar, I agree. This is actually
01:30 16 from HSBC North America Holdings, Inc. that's involved	01:33 16 written answers to question where the other one was a
01:30 17 in those meetings with insurers?	01:33 17 request for documents.
01:30 18 A. Yes.	01:33 18 A. I see. Yes, I believe I have seen this.
01:30 19 Q. And do you receive that information that's	01:33 19 Q. You have seen this one?
01:30 20 gathered by your subsidiaries, including the bank	01:33 20 A. Yes.
01:30 21 subsidiary, for data gathering to determine what your	01:33 21 Q. Did you provide any assistance in answering
01:30 22 needs are?	01:34 22 the questions that are contained in this document?
01:30 23 A. Not personally.	01:34 23 A. No.
01:30 24 Q. Who is?	01:34 24 Q. Do you know who did?
01:30 25 A. People on my staff would gather it and	01:34 25 A. No.
Page 107	Page 109
01:30 1 assemble it.	01:34 1 MR. BRUSTER: Counsel, was there a
01:30 2 Q. Okay. And then they provide that information	01:34 2 attestation to this that was provided?
01:30 3 to you?	01:34 3 MR. LEONARD: Well, there's supposed to
01:30 4 A. Yes.	01:34 4 be. I don't honestly know.
01:32 5 Q. Number 23 says, Please produce all documents	01:34 5 MR. BRUSTER: I didn't see one. I
01:32 6 related to all business activities ever attended or	01:34 6 figured it might be the witness today since she did the
01:32 7 conducted in the state of Texas by HSBC North America	01:34 7 affidavit, but per her testimony here that she didn't
01:32 8 Holdings, Inc. officers, directors or employees. Do you	01:34 8 provide any assistance, I was wondering if you guys
01:32 9 see that?	01:34 9 could tell us who that was.
01:32 10 A. I do.	01:34 10 MR. LEONARD: Actually, I think -- quite
01:32 11 Q. And you can see down here in response that	01:34 11 frankly, I intended for her to be the -- so I'm a little
01:32 12 there was a number of objections to that, and then	01:34 12 bit surprised by this myself.
01:32 13 finally a response that says, After conducting a	01:34 13 MR. BRUSTER: Okay.
01:32 14 diligent search, HSBC North America Holdings has not	01:34 14 MR. LEONARD: But I'll check on that and
01:32 15 located any documents within its possession, custody or	01:34 15 get back to you.
01:32 16 control that are responsive to this request. Do you see	01:34 16 Q. (BY MR. BRUSTER) Before we look at this
01:32 17 that?	01:34 17 document, though, your testimony here is that you didn't
01:32 18 A. I do.	01:34 18 assist in the answering of these questions, correct?
01:32 19 Q. Do you know anything about that diligent	01:34 19 A. Well, could we look at the question?
01:32 20 search?	01:34 20 Q. Sure. Yeah. Feel free to scroll through it.
01:32 21 A. No.	01:34 21 You've got the mouse right there.
01:32 22 Q. You weren't involved in any way with that?	01:34 22 A. Oh, okay. Maybe I'm confused. I don't know.
01:32 23 A. No.	01:35 23 MR. LEONARD: Here is a hard copy if
01:32 24 Q. Do you know who was, by any chance?	01:35 24 that's easier for you.
01:32 25 A. No, I don't.	01:35 25 THE WITNESS: Oh, okay.

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01:35 1 A. (Reviewing document.) Well, I guess I did	01:39 1 Q. When litigation is brought against HSBC Bank
01:35 2 testify that I did help with the answers to this and	01:39 2 that triggers insurance coverage, do you get involved?
01:35 3 perhaps it's just been a while. I don't remember.	01:39 3 A. If it triggers insurance coverage, then my
01:35 4 Q. (BY MR. BRUSTER) Okay. I just want to clear	01:39 4 department gets involved, yes.
01:35 5 this up now for the jury. A few minutes ago you said	01:39 5 Q. And your department is a department in HSBC
01:35 6 that you did not assist in providing the answers to	01:39 6 North America Holdings, Inc., correct?
01:35 7 these questions. And now do I understand your testimony	01:39 7 A. Well, the claims people actually are in
01:35 8 to be that you did assist in providing?	01:39 8 Buffalo and are in the HSBC Bank USA operation.
01:35 9 A. Yes, that is my testimony, and I apologize for	01:40 9 Q. Do those claims people report to you?
01:35 10 misleading the jury.	01:40 10 A. Yes, they do.
01:36 11 Q. Did you provide assistance in answering all of	01:40 11 Q. But you didn't provide any input for that
01:36 12 these questions or just some of them?	01:40 12 answer, number four?
01:36 13 A. I -- I would have to look at them, but my	01:40 13 A. No.
01:36 14 initial indication or my initial response would be some	01:40 14 Q. When a claim is filed that triggers an
01:36 15 of them.	01:40 15 insurance policy that you've procured on behalf of HSBC
01:36 16 Q. If you could, flip through here and tell me	01:40 16 North American Holdings, Inc., do you get a report that
01:36 17 which ones that you provided assistance in answering,	01:40 17 that claim has been filed?
01:36 18 please.	01:40 18 A. With our insurance company, you mean?
01:36 19 MR. LEONARD: Take your time. Go through	01:40 19 Q. Yes, ma'am.
01:36 20 one at a time.	01:40 20 A. Yes, I will. Not a report, but I'm copied on
01:36 21 A. (Reviewing document.) With regard to	01:40 21 the transmittal letter, yes.
01:36 22 interrogatory number two on my affidavit, I did work	01:40 22 Q. And do you also get notified or receive
01:36 23 with legal counsel on the affidavit.	01:40 23 notification of such a claim from the subsidiary?
01:37 24 MR. LEONARD: What was the Exhibit Number	01:40 24 A. Yes.
01:37 25 on that?	01:40 25 Q. In other words, do you have conversations,
Page 111	Page 113
01:37 1 MR. BRUSTER: I think we're on eight.	01:40 1 communications with folks that work for the HSBC Bank
01:37 2 MR. LEONARD: Thank you.	01:40 2 subsidiary about claims that have been filed that have
01:37 3 A. (Reviewing document.) With regard to	01:40 3 triggered insurance policies that you've procured?
01:37 4 interrogatory number eight, because of -- my job is	01:40 4 A. It would be unusual. It could happen, but it
01:37 5 procuring insurance, I would -- I know that HSBC North	01:40 5 wouldn't be the normal course.
01:37 6 America Holdings, Inc. does not own, lease or have	01:41 6 Q. Has it happened in the past?
01:37 7 interest in real estate in Texas. And I believe that	01:41 7 A. Not for the bank subsidiary, no.
01:38 8 that would be all.	01:41 8 Q. For other subsidiaries has it?
01:38 9 Q. (BY MR. BRUSTER) So number two and number	01:41 9 A. For the finance company subsidiaries in the
01:38 10 eight were the only ones that you assisted in answering.	01:41 10 past, yes.
01:38 11 A. Yes.	01:41 11 Q. So your testimony to the jury is that never,
01:38 12 Q. Let me ask you about some of the things in	01:41 12 since you've served as the senior vice president of
01:38 13 this document. And again, you may not be able to help	01:41 13 insurance for HSBC North America Holdings, Inc., have
01:38 14 me out if you -- those are the only two that you helped	01:41 14 you ever had communication with someone in the bank
01:38 15 on there.	01:41 15 subsidiary about a claim that's been made that's
01:39 16 For example, number four, all instances	01:41 16 triggered an insurance policy. Is that your testimony?
01:39 17 in which HSBC North America Holdings, Inc. has defended	01:41 17 A. Yes, it is. Well, other than my claims people
01:39 18 or assumed responsibility for a liability claim against	01:41 18 who work there, so I apologize if that's misleading.
01:39 19 HSBC Bank USA or other banking subsidiary.	01:41 19 But the people who work for me, I talk to them about the
01:39 20 A. Yes.	01:41 20 claims that are triggering insurance policies.
01:39 21 Q. You didn't provide any input on that?	01:41 21 Q. Okay. Well, that -- that's important.
01:39 22 A. Well, I mean, I would not have any independent	01:41 22 A. Okay. I'm sorry. I didn't mean to mislead
01:39 23 knowledge. The knowledge I would have on those kinds of	01:41 23 you there.
01:39 24 questions would be through the legal department, which	01:41 24 Q. So you've communicated with people that work
01:39 25 manages the litigation for HSBC Bank.	01:41 25 for the banking subsidiary --

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01:41	1 A. Yes.	01:44	1 business on behalf of HSBC North America Holdings in
01:41	2 Q. -- about claims that have been made against	01:44	2 Texas. I -- no, I don't know.
01:42	3 the banking subsidiaries.	01:44	3 Q. (BY MR. BRUSTER) Do you have any knowledge as
01:42	4 A. Yes.	01:44	4 to whether any of these individuals have ever been to
01:42	5 Q. Correct?	01:44	5 Texas?
01:42	6 A. Yes. I'm sorry. I didn't mean to mislead you	01:44	6 A. No.
01:42	7 there.	01:44	7 Q. None at all?
01:42	8 Q. That's okay.	01:44	8 A. I don't know.
01:42	9 Can you verify for us that here, in	01:45	9 Q. Have you guys ever had any corporate meetings
01:42	10 response to interrogatory number ten, that that's an	01:45	10 or retreats or anything like that in Texas, to your
01:42	11 accurate listing of all the people that serve on the	01:45	11 knowledge?
01:42	12 board of directors of HSBC North America Holdings, Inc.?	01:45	12 A. Not to my knowledge.
01:42	13 A. Yes, I can, although -- yes -- no, that's	01:45	13 Q. You've never been advised of?
01:42	14 correct.	01:45	14 A. No.
01:43	15 Q. You didn't provide any input to this -- to	01:45	15 Q. And you don't know who provided the
01:43	16 answering this interrogatory, did you?	01:45	16 information within the legal department to answer that
01:43	17 A. No. This is very available information. I	01:45	17 interrogatory?
01:43	18 wouldn't have any --	01:45	18 A. No, I don't.
01:43	19 Q. The last sentence there that says, HSBC North	01:46	19 Q. Interrogatory number 15 asks for officers,
01:43	20 America Holdings, Inc. further responds that, to its	01:46	20 directors, employees at HSBC North America Holdings,
01:43	21 knowledge, none of the board members -- none of the	01:46	21 Inc. that also serve as officers, directors or employees
01:43	22 board of directors have conducted business activities on	01:46	22 of the bank subsidiary. Do you see that?
01:43	23 behalf of HNAH while physically in Texas. Do you see	01:46	23 A. I do.
01:43	24 that?	01:46	24 Q. And after some objections there's an answer
01:43	25 A. I do.	01:46	25 here with Salvatori H. -- how do you pronounce that?
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01:43	1 Q. Do you know who provided that information for	01:46	1 A. Alfiero, I believe.
01:43	2 answering these interrogatories?	01:46	2 Q. Alfiero. And this is Janet Burak, whose
01:43	3 A. Not specifically, no.	01:46	3 letter we've been reading earlier this deposition,
01:43	4 Q. Generally, do you know?	01:46	4 Mr. John McKenna, Ms. Teresa -- how do you pronounce
01:43	5 A. I know that some of the research to answer	01:46	5 that?
01:43	6 some of the questions was done through the legal	01:46	6 A. I don't know.
01:43	7 department, but I don't know who in the legal department	01:46	7 Q. -- and Mr. George T. Wendler are officers both
01:44	8 specifically.	01:46	8 of your company, HSBC North America Holdings, Inc., and
01:44	9 Q. Do you know whether each of these members of	01:46	9 the banking subsidiary. Do you see that?
01:44	10 the board of directors was contacted and asked if they'd	01:46	10 A. I do.
01:44	11 conducted business on behalf of HSBC North America	01:46	11 Q. Is that a true and accurate list of officers
01:44	12 Holdings, Inc. while in Texas?	01:46	12 and directors of -- that the company share?
01:44	13 A. I don't know if they were personally contacted	01:47	13 MR. LEONARD: Counsel, I'm advised that
01:44	14 or how that was determined.	01:47	14 we supplemented that to add some additional names in the
01:44	15 Q. The reason I'm wondering is because it says --	01:47	15 last day or so. I don't know if you're aware of that.
01:44	16 further responds that, to its knowledge, which seems to	01:47	16 MR. BRUSTER: Yeah, I am. I'm about to
01:44	17 be a limiting -- a limiting clause, to its knowledge	01:47	17 pull it up.
01:44	18 none of the board of directors have conducted business	01:47	18 MR. LEONARD: Okay.
01:44	19 while in Texas.	01:47	19 A. I would've expected to see Mr. Geoghegan's
01:44	20 A. That's what it says.	01:47	20 name there and Mr. Mehta.
01:44	21 Q. Do you understand that some members of the	01:47	21 Q. (BY MR. BRUSTER) Okay. This list right here
01:44	22 board of directors might have conducted business while	01:47	22 has some names that we haven't previously discussed of
01:44	23 in Texas?	01:47	23 people that share officer/director positions between the
01:44	24 MR. LEONARD: Objection: Form.	01:47	24 two entities, right?
01:44	25 A. I have no knowledge that any of them conducted	01:47	25 MR. LEONARD: Objection: Form.

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01:47 1	A. Yes, there are names here we haven't discussed	01:50 1	MR. NICHOLAS: I'm just saying what
01:47 2	before.	01:50 2	you've got marked as Number 9 isn't the supplement.
01:47 3	Q. (BY MR. BRUSTER) To your understanding,	01:50 3	MR. BRUSTER: Hers is right, isn't it?
01:47 4	though, is that list right there accurate?	01:50 4	That's the only one I'm worried about.
01:47 5	A. Well, as supplemented.	01:50 5	MR. LEONARD: Well, we need to --
01:47 6	Q. Okay. Let me show you the supplemented	01:50 6	MR. BRUSTER: The one you were looking
01:47 7	version, which we'll mark as Exhibit 9 to your	01:50 7	at?
01:47 8	deposition.	01:50 8	MR. LEONARD: We need to have all of them
01:47 9	(Exhibit Number 9 marked.)	01:50 9	so everybody is following along.
01:47 10	Q. (BY MR. BRUSTER) You'll see that it's the	01:50 10	MR. KING: She's taking care of it right
01:48 11	same question, interrogatory 15, and then there's a	01:50 11	now.
01:48 12	different list here, Mr. Alfiero, Mr. Goeghegan,	01:50 12	MR. LEONARD: Okay.
01:48 13	Mr. Mehta. Are -- those three individuals are directors	01:50 13	MR. KING: She's correcting the problem.
01:48 14	of both HSBC North America Holdings, Inc. and HSBC Bank	01:50 14	MR. BRUSTER: Are we on the same page?
01:48 15	USA, correct?	01:50 15	MR. NICHOLAS: We don't have it yet.
01:48 16	A. Was it -- was the question either directors or	01:50 16	(Off-the-record discussion between
01:48 17	officers, or only directors?	01:50 17	Mr. Bruster and Miss Berry.)
01:48 18	Q. I'm just reading what's listed here in the	01:51 18	MR. LEONARD: Actually, if you just have
01:48 19	answer where it says they're directors of both.	01:51 19	a hard copy, in the interest of time, we'll follow along
01:48 20	A. Oh, I see.	01:51 20	with that.
01:48 21	MR. NICHOLAS: Counsel, we don't have	01:51 21	MR. BRUSTER: Yeah. I mean, I don't have
01:48 22	that Exhibit up.	01:51 22	one in front of me. You guys actually served that on us
01:48 23	A. I'm sorry. I was looking at the bottom where	01:51 23	two days ago, I think. You might have that one with
01:48 24	it listed officers but, yes, that's what it says.	01:51 24	you.
01:48 25	Q. (BY MR. BRUSTER) So those three individuals	01:51 25	MR. LEONARD: Do you have one?
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01:48 1	are directors of both HSBC North America Holdings and	01:51 1	MR. NICHOLAS: No, I don't.
01:48 2	HSBC Bank USA, correct?	01:51 2	MR. LEONARD: I can just look over
01:48 3	A. Yes.	01:51 3	Ms. Hickman's shoulder.
01:49 4	Q. Is it still your testimony to the jury that	01:51 4	MR. BRUSTER: Okay. Perfect.
01:49 5	HSBC North America Holdings, Inc. doesn't control or	01:51 5	We're still on, right?
01:49 6	operate HSBC Bank USA despite the fact that three	01:51 6	THE COURT REPORTER: Yes.
01:49 7	members of the board of directors serve on both	01:51 7	Q. (BY MR. BRUSTER) Then after the listing of
01:49 8	entities?	01:51 8	the three shared directors, we have Ms. Janet Burak,
01:49 9	MR. LEONARD: Objection: Form.	01:51 9	Mr. John J. McKenna, Ms. Teresa Pesce, and Mr. George T.
01:49 10	A. Again, as I've answered before, yes, that is	01:52 10	Wendler are officers of HSBC North America Holdings,
01:49 11	still my testimony.	01:52 11	Inc. and HSBC Bank USA; is that correct?
01:49 12	Q. (BY MR. BRUSTER) And then we have a list here	01:52 12	A. Yes.
01:49 13	that says --	01:52 13	Q. And is it still your testimony, despite those
01:49 14	MR. NICHOLAS: Excuse me, Counsel, but I	01:52 14	four shared officers, in addition to the three shared
01:49 15	don't think -- Exhibit 9 is objections to the notice, is	01:52 15	board of directors members, that HSBC North America
01:49 16	what you've electronically marked.	01:52 16	Holdings, Inc. doesn't operate or control HSBC Bank USA?
01:49 17	MR. BRUSTER: On my screen Exhibit 9 is	01:52 17	MR. LEONARD: Objection: Form.
01:49 18	the objections to -- supplemental objections to the	01:52 18	A. Yes.
01:49 19	interrogatories. That's what's showing on her screen.	01:52 19	Q. (BY MR. BRUSTER) And then we have Ms. Sandra
01:49 20	I'm not sure why that's happening on yours.	01:52 20	Derickson, who you mentioned earlier, senior management
01:49 21	MR. LEONARD: Actually, we don't have	01:52 21	HSBC North America Holdings and HSBC Bank USA but is
01:49 22	anything on our screen now.	01:52 22	only a director of HSBC Bank USA; is that correct?
01:49 23	MR. BRUSTER: This is the supplement you	01:52 23	A. Yes. And I think I said earlier that she was
01:49 24	were whispering about a minute ago over there. I think	01:52 24	a director of HSBC North America Holdings and so I'd
01:49 25	you know of it, right?	01:52 25	like that to be corrected on the record.

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01:52	1 Q. So is this document correct or your earlier	01:56	1 instances where HSBC North America Holdings, Inc. has
01:52	2 testimony correct?	01:56	2 made a representation that it operates or controls any
01:52	3 A. This document would be correct.	01:56	3 subsidiary doing business in Texas?
01:53	4 Q. And how do you know that?	01:56	4 A. No.
01:53	5 A. Because I -- this -- this just reminds me that	01:56	5 Q. We've already looked at several examples of
01:53	6 I made that mistake.	01:56	6 that today, including Ms. Burak's letter, correct?
01:53	7 Q. Have you been mistaken about any of your other	01:56	7 MR. LEONARD: Objection: Form.
01:53	8 testimony here today that we haven't already talked	01:56	8 A. Again, we disagree on the -- you need to speak
01:53	9 about?	01:56	9 with Ms. Burak about the intent of her letter. It's not
01:53	10 MR. LEONARD: Objection: Form.	01:56	10 for me to represent her intent.
01:53	11 A. When I made a mistake, I think I corrected it.	01:56	11 Q. (BY MR. BRUSTER) Well, separate and apart
01:53	12 Q. (BY MR. BRUSTER) And Ms. Derickson is listed	01:56	12 from whatever intent she may have meant when she printed
01:53	13 as senior management of HSBC Bank. She's actually the	01:56	13 the words, that letter, by its words, has a
01:53	14 CEO, correct?	01:56	14 representation that HSBC North America Holdings, Inc.
01:53	15 A. Yes.	01:56	15 operates a subsidiary that does business in Texas,
01:53	16 Q. Let's go back to Exhibit 8. Interrogatory 17	01:56	16 correct?
01:53	17 asks --	01:56	17 MR. LEONARD: Objection: Form.
01:53	18 MR. NICHOLAS: Can we have ours turned on	01:56	18 A. The letter speaks for itself. I mean, we read
01:53	19 again?	01:56	19 it earlier and it says what it says.
01:53	20 MR. BRUSTER: I'm sorry?	01:57	20 Q. (BY MR. BRUSTER) So is that a question?
01:53	21 MISS BERRY: Yes. Did it not come back	01:57	21 MR. LEONARD: Objection: Form.
01:53	22 on?	01:57	22 A. Again, her letter speaks for itself.
01:54	23 MR. NICHOLAS: No. We have a black	01:57	23 Q. (BY MR. BRUSTER) Okay. So regardless of its
01:54	24 screen.	01:57	24 intent it speaks for itself, right?
01:54	25 MR. BRUSTER: Is it there?	01:57	25 A. Yes.
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01:54	1 MR. NICHOLAS: I have what was marked as	01:57	1 Q. Interrogatory number 19 asks for all revenues
01:55	2 Exhibit 9, which is the objections, but I don't have --	01:57	2 that have been provided to the parent company from HSBC
01:55	3 I can't ...	01:57	3 Bank USA including all revenues originating from
01:55	4 MR. LEONARD: Exhibit 8 is the	01:57	4 business activity in Texas, which goes back to something
01:55	5 interrogatory answers?	01:57	5 we discussed earlier in the morning about dividend
01:55	6 MR. BRUSTER: Yeah.	01:57	6 payments that may stem from money earned or profits
01:55	7 MR. LEONARD: I've got it, Nick. Let's	01:57	7 earned out of Texas operations. Do you recall that?
01:55	8 just go. Let's go.	01:57	8 A. I do.
01:55	9 MR. BRUSTER: Participating counsel's got	01:57	9 Q. And after some objections, the response to
01:55	10 it so we'll go.	01:57	10 this interrogatory is none. Do you see that?
01:55	11 Q. (BY MR. BRUSTER) Interrogatory 17 says to	01:58	11 A. I do.
01:55	12 list and describe in detail all instances where HSBC	01:58	12 Q. Did you provide any input in answering that
01:55	13 North America Holdings, Inc. has made a representation	01:58	13 question?
01:55	14 that it operates or controls any subsidiary company that	01:58	14 A. No.
01:55	15 does business in Texas. Do you see that?	01:58	15 (Exhibit Number 10 marked.)
01:55	16 A. Yes.	01:58	16 Q. (BY MR. BRUSTER) Let me mark, as Exhibit 10,
01:55	17 Q. And then after a number of objections it says,	01:58	17 a document that was produced to us entitled Consolidated
01:55	18 After reasonable inquiry, HNAH is unaware of any	01:58	18 Financial Statement For Bank Holding Companies, and in
01:55	19 specific representation concerning subsidiaries doing	01:58	19 here it says HSBC North America Holdings, Inc. Do you
01:55	20 business in Texas but acknowledges that certain indirect	01:58	20 see that?
01:55	21 operating subsidiaries do business in Texas.	01:58	21 A. I do.
01:55	22 Do you know anything about that	01:58	22 MR. BRUSTER: And for the record,
01:55	23 reasonable inquiry that's referenced there?	01:58	23 Counsel, that's Bates-stamped HNAH-JURIS-0012.
01:56	24 A. I was not involved in it.	01:58	24 Q. (BY MR. BRUSTER) And I guess, as I understand
01:56	25 Q. You didn't undertake to determine any	01:58	25 from your earlier testimony, you were not involved in

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01:58	1 gathering of documents that were produced?	02:02	1 money, that's broken out here on the right-hand side as
01:58	2 A. I represented to you what I was involved with	02:02	2 different portions of income earned by HSBC North
01:58	3 but --	02:02	3 America Holdings, Inc., can you tell us whether any of
01:59	4 Q. Have you ever seen this document before?	02:02	4 that is attributable to business activity in Texas?
01:59	5 A. Yes.	02:02	5 MR. LEONARD: Objection: Form.
01:59	6 Q. When did you first see it?	02:02	6 A. I can't.
01:59	7 A. A few days ago.	02:02	7 Q. (BY MR. BRUSTER) You don't know the answer to
01:59	8 Q. Was it in that packet of materials that	02:02	8 that?
01:59	9 arrived for your deposition preparation?	02:02	9 A. No, I don't.
01:59	10 A. Yes.	02:02	10 Q. Let me show you page 14 that we're going to
01:59	11 Q. This is dated September 30th, 2006, and let me	02:02	11 mark as Exhibit 12 to your deposition.
01:59	12 go to the next page, which I think I'll probably just	02:02	12 (Exhibit Number 12 marked.)
01:59	13 mark as a separate Exhibit, Exhibit 11 --	02:03	13 Q. (BY MR. BRUSTER) And do you see this portion
01:59	14 (Exhibit Number 11 marked.)	02:03	14 number five here where it says, Number of full-time
01:59	15 Q. (BY MR. BRUSTER) -- which is the following	02:03	15 equivalent employees at end of current period --
01:59	16 page of this document that's Consolidated Income	02:03	16 A. Yes.
01:59	17 Statement Reported Income For Bank Holding Companies	02:03	17 Q. -- rounded to the nearest full number?
01:59	18 Do you see that?	02:03	18 A. Uh-huh (affirmative).
01:59	19 A. Yes.	02:03	19 Q. And what number is listed there?
01:59	20 Q. Did you look at this in preparation for your	02:03	20 A. 53,211.
01:59	21 deposition?	02:03	21 Q. And earlier this morning you testified that
01:59	22 A. Not in any real detail.	02:03	22 HSBC Holdings North America -- excuse me -- HSBN North
01:59	23 Q. Why not?	02:03	23 America Holdings, Inc. has approximately 50 or fewer
01:59	24 A. Just didn't.	02:03	24 employees. Do you recall that?
01:59	25 Q. Where is -- can you point anywhere on this	02:03	25 A. Yes.
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01:59	1 page where income or dividend income earned from the	02:03	1 Q. And here on this document, that we looked at
02:00	2 HSBC Bank subsidiaries would be reflected?	02:03	2 as being filed on behalf of HSBC North America Holdings
02:00	3 A. Well, I don't see anything under interest	02:03	3 Inc., it shows 53,211 full-time equivalent employees.
02:00	4 income.	02:03	4 Do you see that?
02:00	5 Q. Can you scroll down with the mouse you have?	02:03	5 MR. LEONARD: Objection: Form.
02:01	6 A. (Reviewing document.) What was your question	02:03	6 A. I see that number, yes.
02:01	7 again? I apologize, but --	02:03	7 Q. (BY MR. BRUSTER) And do you have an
02:01	8 Q. Sure. Can you see where any -- earlier we	02:03	8 understanding of the reconciliation between those two
02:01	9 talked about the fact that HSBC North America Holdings,	02:03	9 numbers?
02:01	10 Inc. makes money by receiving dividends that are paid	02:04	10 A. Well, it's not an understanding. My
02:01	11 from its subsidiaries. Do you recall that?	02:04	11 assumption would be that this is a document that
02:01	12 A. I do.	02:04	12 consolidates the information from the operating
02:01	13 Q. Can you show us where that type of dividend	02:04	13 subsidiaries.
02:01	14 payment is reflected?	02:04	14 Q. Is there any document that you know of that
02:01	15 A. I don't see that anything that is described	02:04	15 HSBC North America Holdings, Inc. has filed with the
02:01	16 that way. But is this, you know, a document that the	02:04	16 government, or any other agency of the government, that
02:01	17 government asks us to fill out, I think, or somebody? I	02:04	17 breaks out the difference between employees of your
02:01	18 don't see that it says anything about dividend income.	02:04	18 company, the parent company, and employees of a banking
02:01	19 Q. If you were going to look for dividend income	02:04	19 subsidiary?
02:01	20 to find the answer to that question, what document would	02:04	20 A. I am not aware of anything like that, no.
02:02	21 you go look at?	02:04	21 (Ms. Shank enters the deposition room.)
02:02	22 A. I wouldn't know what document to look at.	02:04	22 Q. (BY MR. BRUSTER) From your perspective, is it
02:02	23 Q. You wouldn't know what document to look at?	02:04	23 really that important to break out which legal entity
02:02	24 A. No.	02:04	24 they work for anyway?
02:02	25 Q. Can you tell us whether or not any of the	02:04	25 MR. LEONARD: Objection to form.

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02:04	1 A. Yes.	02:07	1 knowledge of the compilation and creation of financial
02:04	2 Q. (BY MR. BRUSTER) But you're not aware of any	02:07	2 statements for HSBC Holdings North America [sic] or its
02:04	3 document that would show us that.	02:08	3 subsidiaries, are you?
02:04	4 A. I don't -- no, I don't know of a document that	02:08	4 A. No.
02:05	5 would do that for you.	02:08	5 (Exhibit Number 13 marked.)
02:05	6 Q. Here in category six lists non-interest items	02:08	6 Q. (BY MR. BRUSTER) I'm going to stamp, as
02:05	7 of income that exceed 1 percent of the net income sum	02:08	7 Exhibit Number 13, the original deposition notice to
02:05	8 that's listed above, and number 6(f) we've got credit	02:08	8 take a 30(b)(6) deposition of HSBC North America
02:05	9 and charge card fees with an income associated with	02:08	9 Holdings, Inc. I'm sure you'll recognize it from its
02:05	10 those of \$1,935,906. Do you see that?	02:08	10 topic areas that are located here.
02:05	11 A. I do.	02:08	11 MR. LEONARD: Counsel, if you're changing
02:05	12 Q. Okay. Do you know how much of that revenue	02:08	12 subjects, could we take a short break? You haven't been
02:05	13 was generated out of Texas?	02:08	13 going that long, but we've actually been in this room
02:05	14 A. No.	02:08	14 for a little over an hour now.
02:05	15 Q. Does HSBC -- one of HSBC's banking	02:08	15 MR. BRUSTER: Yeah. I'm actually going
02:05	16 subsidiaries issue credit cards to cardholders that live	02:08	16 to just stick on this subject for about two more
02:05	17 in Texas?	02:08	17 minutes.
02:06	18 A. I don't have personal knowledge of that.	02:08	18 MR. LEONARD: Okay.
02:06	19 Q. You don't.	02:08	19 Q. (BY MR. BRUSTER) And you've seen these topic
02:06	20 A. No.	02:08	20 areas before, correct?
02:06	21 Q. So you can't tell us whether that amount of	02:08	21 A. I have.
02:06	22 money right there reflects revenue earned in Texas or	02:08	22 Q. In fact, I think you mentioned you were
02:06	23 not.	02:08	23 reading them on the train on your way in this morning,
02:06	24 A. That's correct, I can't.	02:08	24 right?
02:06	25 Q. I guess by that same token you wouldn't be	02:08	25 A. Yes.
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02:06	1 able to tell the jury whether or not HSBC North America	02:08	1 Q. You understand that you're here testifying
02:06	2 Holdings, Inc. has realized any dividend revenue as a	02:08	2 today as a person presented by HSBC North America
02:06	3 result of loans that have been made to people that live	02:09	3 Holdings, Inc. on these topics to give binding testimony
02:06	4 in Texas, can you?	02:09	4 to the company?
02:06	5 A. No.	02:09	5 A. I do.
02:06	6 MR. LEONARD: Objection: Form.	02:09	6 Q. As a person with the most knowledge of these
02:06	7 A. No, I can't.	02:09	7 topics?
02:06	8 Q. (BY MR. BRUSTER) And you can't tell the jury	02:09	8 A. I know I'm here to represent HSBC North
02:06	9 whether or not HSBC North America Holdings, Inc. has	02:09	9 America Holdings, Inc., yes.
02:06	10 realized dividend revenue based on loans pertaining to	02:09	10 Q. Now, about a minute ago I asked you whether or
02:06	11 real estate that's located in Texas, can you?	02:09	11 not you were really the person with the most knowledge
02:06	12 MR. LEONARD: Objection: Form.	02:09	12 about the compilation or creation of the financial
02:06	13 A. No, I can't.	02:09	13 statements for your company or the subsidiaries and you
02:07	14 Q. (BY MR. BRUSTER) Can you tell the jury	02:09	14 said you weren't, correct?
02:07	15 whether or not HSBC North America Holdings, Inc. has	02:09	15 A. Correct.
02:07	16 realized dividend revenue based on mutual funds that	02:09	16 Q. And I'm sure you noticed, when you read this
02:07	17 have been sold to Texas residents?	02:09	17 deposition notice, that topic number 18 is the
02:07	18 MR. LEONARD: Objection: Form.	02:09	18 compilation and creation of financial statements and tax
02:07	19 A. No, I can't.	02:09	19 returns for Defendant and any or all subsidiaries of
02:07	20 Q. (BY MR. BRUSTER) If you wanted to know the	02:09	20 Defendant, right?
02:07	21 answer to those questions, who would you ask?	02:09	21 A. I did see that, yes.
02:07	22 A. I would go to the operating subsidiaries that	02:09	22 Q. Okay. You've just testified that you're not
02:07	23 sell those products and ask them if they collect the	02:09	23 that person and you don't know who that person would be,
02:07	24 information on a state-by-state basis.	02:09	24 you would -- you would go ask all of the heads of
02:07	25 Q. You're really not the person with the most	02:09	25 various subsidiaries to get that information; is that

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02:09	1 correct?	02:32	1 record.
02:10	2 A. Yes.	02:32	2 Q. (BY MR. BRUSTER) All right, Ms. Hickman,
02:10	3 Q. Are there any other topics contained in this	02:32	3 we're back after a short break. Are you ready to go?
02:10	4 topic list that you don't feel like you're competent or	02:32	4 A. Yes.
02:10	5 qualified to testify on here today?	02:32	5 Q. We left off talking about your knowledge of
02:10	6 MR. LEONARD: Objection: Form.	02:32	6 the topics that are here on the 30(b)(6) notice, and I
02:10	7 Q. (BY MR. BRUSTER) You may answer. And feel	02:32	7 specifically want to ask you about topic number six, All
02:10	8 free to use your mouse and scroll through it if you	02:33	8 processes by which Defendant or any of its subsidiaries
02:10	9 could tell us any others, like Exhibit -- like topic	02:33	9 transmit images of checks and other documents from all
02:10	10 number 18.	02:33	10 points of image capture to other locations that traverse
02:10	11 MR. LEONARD: Same objection.	02:33	11 the state of Texas at any time. Do you see that?
02:10	12 A. (Reviewing document.) Could you rephrase your	02:33	12 A. I do.
02:11	13 question to me, please?	02:33	13 Q. Tell me what your knowledge is on that topic.
02:11	14 Q. (BY MR. BRUSTER) Sure. My understanding of	02:33	14 A. Well, actually, my knowledge is that HSBC
02:11	15 your testimony was that, at least as to topic number 18,	02:33	15 North America Holdings, Inc. does not do any
02:11	16 you didn't feel qualify to testify on. Is that correct?	02:33	16 transmission of images or documents to other locations
02:11	17 MR. LEONARD: Objection to form.	02:33	17 in the state of Texas, which I learned through inquiry
02:11	18 A. I stated that I would not be the person with	02:33	18 in the organization. I have to -- the subsidiary part I
02:11	19 the most knowledge to testify on that topic, yes.	02:33	19 have -- I am not knowledgeable about. I don't know how
02:11	20 Q. (BY MR. BRUSTER) Then tell me what other	02:33	20 that happens.
02:11	21 topics in this topic list you feel you're not the person	02:33	21 Q. So you're not the person to ask about that
02:11	22 with the most knowledge able to testify to.	02:34	22 with respect to the subsidiaries as listed there in
02:11	23 A. Topic number four, I would not have personal	02:34	23 topic six?
02:11	24 knowledge, although it was -- this question was	02:34	24 MR. LEONARD: For the record, Counsel,
02:11	25 researched and I was informed of the answer.	02:34	25 she's not being produced on the issue and I think we
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02:13	1 Question number 15, identify all	02:34	1 objected to producing anyone on that issue.
02:13	2 employees, directors and officers of Defendant. I don't	02:34	2 MR. BRUSTER: I think you guys objected
02:13	3 have that information. It would be provided to me.	02:34	3 to every topic, didn't you?
02:13	4 And question number 22, I was provided	02:34	4 MR. LEONARD: I don't know. And the
02:13	5 the answer to that question.	02:34	5 answer is, no, we didn't.
02:14	6 Q. That's it.	02:34	6 MR. BRUSTER: You didn't lodge objections
02:14	7 A. I think with respect to the other questions	02:34	7 to every topic?
02:14	8 that I am able to answer them on behalf of HSBC North	02:34	8 MR. LEONARD: No, we didn't.
02:14	9 America Holdings, Inc.	02:34	9 MR. BRUSTER: Okay. I thought there was
02:14	10 Q. Okay. So every topic other than 4, 15, 18 and	02:34	10 objections at the outset that were applicable to every
02:14	11 22 you feel comfortable answering with your personal	02:34	11 single topic.
02:14	12 knowledge as the person with the most knowledge on	02:34	12 MR. LEONARD: General objections, but
02:14	13 behalf of HSBC North America Holdings, Inc.	02:34	13 with regard to the specific inquires, we didn't lodge
02:14	14 MR. LEONARD: Objection to form.	02:34	14 with one with respect to each category.
02:14	15 Q. (BY MR. BRUSTER) Is that correct?	02:34	15 Q. (BY MR. BRUSTER) Am I understanding that
02:14	16 A. I feel comfortable answering the questions on	02:35	16 you're -- you're not the person to ask about the
02:14	17 the behalf of HSBC North America Holdings, Inc., having	02:35	17 subsidiaries as it relates to topic number six? Is that
02:14	18 been provided information relative to the question. I	02:35	18 your testimony?
02:14	19 do not have personal knowledge about every other topic	02:35	19 A. Yes.
02:14	20 on this deposition list.	02:35	20 Q. Okay. Is the same true for topic number four?
02:14	21 Q. We'll explore that.	02:35	21 A. Yes.
02:14	22 MR. BRUSTER: We can take our break now.	02:35	22 Q. You said you made an inquiry and determined
02:14	23 THE VIDEOGRAPHER: We're off the record.	02:35	23 that you -- and when I say you I mean HSBC North America
02:14	24 (Recess taken 2:14 to 2:32)	02:35	24 Holdings, Inc. -- did not transmit any images of
02:32	25 THE VIDEOGRAPHER: We're back on the	02:35	25 documents. You made an inquiry and determined that; is

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02:35	1 that right?	02:37	1 America Holdings, Inc., correct?
02:35	2 A. I made an inquiry into the processes or the --	02:37	2 A. It is.
02:35	3 what HSBC North America Holdings does and this is not	02:37	3 Q. But you don't know who she works for?
02:35	4 something that, as a holding company, we do.	02:37	4 A. I don't know how the legal department is
02:35	5 Q. Who did you ask?	02:37	5 organized in terms of business units or how they divide
02:35	6 A. I consulted with the legal department on this.	02:38	6 the work up.
02:35	7 Q. The legal department?	02:38	7 Q. Let's talk about number nine, all agreements
02:35	8 A. Yes.	02:38	8 entered into between Defendant and its subsidiaries or
02:35	9 Q. Was there anyone, other than people in the	02:38	9 affiliates authorizing the subsidiaries or affiliates
02:35	10 legal department, and other than your lawyers here, that	02:38	10 to -- who want to conduct business under the name of the
02:35	11 you consulted with in order to prepare for your	02:38	11 defendant. You're the person with the most knowledge of
02:35	12 deposition?	02:38	12 that topic to testify here today?
02:35	13 A. No, there's really not.	02:38	13 A. No.
02:36	14 Q. Not personally. Did you have other people	02:38	14 Q. Oh, you're not?
02:36	15 consult others for you and report to you?	02:38	15 A. No.
02:36	16 A. Yes.	02:38	16 Q. I didn't get that from our list earlier. I
02:36	17 Q. Okay. Who did you have do that?	02:38	17 only had 4, 15, 18 and 22. Is this to be added to the
02:36	18 A. I went through the topics and asked the legal	02:38	18 list of things that you're not the person the most
02:36	19 department to obtain information for me relative to the	02:38	19 qualified to talk about?
02:36	20 topics, which I was not prepared to discuss, and they	02:38	20 A. I have been and have asked the questions
02:36	21 provided the answers that I needed to come here today to	02:39	21 necessary to answer the question -- to answer your
02:36	22 testify on behalf of HSBC North America Holdings.	02:39	22 questions for HSBC North America Holdings, Inc., but
02:36	23 Q. Who, at the legal department, did you consult	02:39	23 from a personal standpoint, having independent knowledge
02:36	24 with?	02:39	24 of all these topics, no, I am not --
02:36	25 A. My primary contact is Allison Shank.	02:39	25 Q. Tell me -- okay.
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02:36	1 Q. Allison Chang?	02:39	1 A. -- knowledgeable.
02:36	2 A. Shank.	02:39	2 Q. I'm with you. Let's just do the best we can.
02:36	3 Q. Shank. Anyone else at the legal department	02:39	3 Tell me what you know about topic 9(a).
02:36	4 you contacted to get these answers?	02:39	4 MR. LEONARD: Objection to form.
02:36	5 A. No.	02:39	5 Q. (BY MR. BRUSTER) You may answer.
02:36	6 Q. No?	02:39	6 A. What I know about 9 is that HSBC North America
02:36	7 A. No.	02:39	7 Holdings, Inc. has not entered into agreements as
02:36	8 Q. You said your primary contact. Was there	02:39	8 described in A through E.
02:36	9 anyone else that you spoke with?	02:39	9 Q. So there's no agreements that have been
02:37	10 A. Her paralegal just told me that the documents	02:39	10 entered into between HSBC North America Holdings, Inc.
02:37	11 would be forthcoming, but I didn't ask her questions.	02:39	11 and its subsidiaries authorizing the subsidiaries to do
02:37	12 Q. Did she give you documents?	02:39	12 anything listed in A through E. That's your testimony.
02:37	13 A. As I testified earlier, documents were given	02:40	13 A. I'm not aware of any.
02:37	14 to my secretary. I don't know who brought them down.	02:40	14 Q. Earlier we looked at a website page that had a
02:37	15 Q. Is Ms. Shank in the legal department of HSBC	02:40	15 copyright logo from HSBC North America, Inc. Do you
02:37	16 Holdings North America, Inc. -- or excuse me -- HSBC	02:40	16 recall that?
02:37	17 North America Holdings, Inc.?	02:40	17 A. I do.
02:37	18 A. I'm not sure how the legal department is	02:40	18 Q. Which, under (b), use trademarks, patents or
02:37	19 organized from that standpoint. I know that she works	02:40	19 copyrights held by the Defendant. Do you see that?
02:37	20 on technology contracts.	02:40	20 A. HSBC North America, Inc. is not the same as
02:37	21 Q. She works where?	02:40	21 HSBC North America Holdings, Inc.
02:37	22 A. On technology contracts for the company.	02:40	22 Q. Does HSBC North America Holdings, Inc. own any
02:37	23 Q. Where's her office?	02:40	23 trademarks, patents or copyrights?
02:37	24 A. In Prospect Heights.	02:40	24 A. No, I don't believe they do.
02:37	25 Q. Which is the headquarter office of HSBC North	02:40	25 Q. It doesn't.

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02:40	1 A. No.	02:44	1 certain that -- in fact, I don't believe that the people
02:40	2 Q. Has it applied for any trademarks or patents	02:44	2 that report to him are officers of HSBC North America
02:40	3 or copyrights?	02:44	3 Holdings, Inc.
02:40	4 A. Not to my knowledge.	02:44	4 Q. You don't believe that the people that report
02:40	5 Q. Did you ask someone about that?	02:44	5 to him are employees of HSBC North America Holdings,
02:40	6 A. Did I ask someone if we had applied for them?	02:44	6 Inc.?
02:40	7 No, I did not.	02:44	7 A. That's correct, I don't believe that they are.
02:41	8 Q. Do you know who Scott James Hardle (phonetic)	02:44	8 Q. Which would mean the people that are reporting
02:41	9 is?	02:44	9 to him are people that work for the subsidiaries?
02:41	10 A. No.	02:45	10 A. I think technically, yes.
02:41	11 Q. Do you know whether HSBC North America	02:45	11 Q. So does the human resources department of HSBC
02:41	12 Holdings, Inc. is the assignee of any patents?	02:45	12 North America Holdings, Inc. work with the subsidiaries,
02:41	13 A. No, I don't know.	02:45	13 including HSBC Bank?
02:41	14 Q. Is it your testimony to the jury that HSBC	02:45	14 A. Well, each subsidiary has its own human
02:41	15 North America Holdings, Inc. has never licensed any	02:45	15 resources department and so services -- so they are
02:41	16 patents, trademarks or copyrights to any of its	02:45	16 responsible for the day-to-day human resources function
02:41	17 subsidiaries?	02:45	17 of their subsidiaries.
02:41	18 A. That is my understanding.	02:45	18 There are a few people in Prospect
02:42	19 Q. Is there a human resources executive that	02:45	19 Heights in the human resources area, but I'm not sure --
02:42	20 works for HSBC North America Holdings, Inc.?	02:45	20 I don't believe that they are officers or employees of
02:42	21 A. Yes, I believe there is.	02:45	21 HSBC North America Holdings, Inc.
02:42	22 Q. Does that office provide any downstream	02:45	22 Q. They work for the subsidiaries.
02:42	23 support in the human resources area in the same way that	02:45	23 A. Well, not directly, because they're also
02:42	24 you do in the insurance area?	02:45	24 not -- for instance, there would be people that were --
02:42	25 MR. LEONARD: Objection: Form.	02:45	25 work for HBIO, also in HSBC Finance Corporation, Inc.,
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02:42	1 A. Not in the same way, no.	02:46	1 in terms of, you know, their official title or -- if
02:42	2 Q. (BY MR. BRUSTER) Does the human resources	02:46	2 that's what you're asking me.
02:42	3 office of HSBC North America Holdings, Inc. provide any	02:46	3 Q. I guess what I'm asking is, does the human
02:43	4 benefit or any service to any HSBC subsidiary?	02:46	4 resources department of HSBC North America Holdings,
02:43	5 MR. LEONARD: Objection: Form.	02:46	5 Inc. work with the subsidiaries, including HSBC Bank?
02:43	6 A. I am -- I am not sure that the human resources	02:46	6 A. Well, and as I testified, there -- to my
02:43	7 areas that provide the benefits are part of HSBC North	02:46	7 knowledge, there's only one person who is technically an
02:43	8 America Holdings, Inc. I can't answer that. I don't	02:46	8 employee of HSBC North America Holdings, Inc. and so
02:43	9 know.	02:46	9 am sure he has conversations with subsidiaries and, you
02:43	10 Q. (BY MR. BRUSTER) So you're on topic 17 where	02:46	10 know, I don't know his day-to-day job duties.
02:43	11 we have the structure and relationship of common	02:46	11 Q. In the same way, you're the only person in the
02:43	12 business departments between Defendant and any and all	02:46	12 insurance department of HSBC North America Holdings,
02:43	13 subsidiaries including but not limited to human	02:46	13 Inc., correct?
02:43	14 resources. You don't have an understanding as to	02:46	14 A. That's correct.
02:43	15 whether or not the parent company's human resources	02:46	15 Q. But you have people from the subsidiaries,
02:43	16 department provides benefit or service to the	02:47	16 including HSBC, reporting to you, right?
02:43	17 subsidiaries?	02:47	17 A. I do.
02:43	18 MR. LEONARD: Objection: Form.	02:47	18 Q. Have you ever read any of the patents that are
02:44	19 A. That -- that wasn't exactly the question you	02:47	19 involved in this litigation?
02:44	20 asked earlier. You asked if they did it the same way	02:47	20 A. No.
02:44	21 that the insurance department does it, and my answer to	02:47	21 Q. Never read them?
02:44	22 that is no. There is an executive.	02:47	22 A. No.
02:44	23 Q. (BY MR. BRUSTER) What is that person's name?	02:47	23 Q. Have you ever skimmed over them?
02:44	24 A. Steve Gonabi is the head of human resources	02:47	24 A. No.
02:44	25 for HSBC North America Holdings, Inc., but I'm not	02:47	25 Q. Have you ever seen any of the patents that are

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02:47 1 involved in this litigation?	02:50 1 MR. LEONARD: Objection to form.
02:47 2 A. No.	02:50 2 A. I don't think we've established that, no.
02:47 3 Q. Do you know what it takes to infringe any of	02:50 3 Q. (BY MR. BRUSTER) Okay. Is that a true
02:47 4 the patents involved in this litigation?	02:50 4 statement, or not? Has HSBC ever engaged -- let me ask
02:47 5 A. No.	02:50 5 you this question. Has HSBC ever engaged in any
02:47 6 (Exhibit Number 14 marked.)	02:50 6 activity -- back up. Be precise.
02:47 7 Q. (BY MR. BRUSTER) I'm going to show you what	02:50 7 Has HSBC North America Holdings, Inc.
02:48 8 we've marked as Exhibit 14 to your deposition, which I'm	02:50 8 ever engaged in any activity in the state of Texas?
02:48 9 sure you'll recognize as an affidavit that you signed in	02:50 9 MR. LEONARD: Objection to form.
02:48 10 support of HSBC North America Holdings, Inc.'s Motion to	02:50 10 A. The only activity I'm aware of -- and I would
02:48 11 Dismiss for Lack of Personal Jurisdiction. Is that	02:50 11 not constitute it as a business activity -- is a
02:48 12 correct?	02:50 12 charitable contribution.
02:48 13 A. Yes.	02:50 13 Q. (BY MR. BRUSTER) Within the state of Texas.
02:48 14 Q. Okay. And I'll show you that's a three-page	02:50 14 A. Yes.
02:48 15 document. Is that your signature there on the last	02:50 15 Q. Was that transaction done purposely by HSBC
02:48 16 page?	02:51 16 North America Holdings, Inc.?
02:48 17 A. It is.	02:51 17 A. To the best of my knowledge, yes.
02:48 18 Q. And that's sworn and signed under oath by a	02:51 18 Q. Yes?
02:48 19 Notary, correct?	02:51 19 A. Yes, I assume. I don't -- I'm not aware of
02:48 20 A. Yes.	02:51 20 why it wouldn't be, yes.
02:48 21 Q. Okay. Let me ask you about, for example,	02:51 21 Q. I mean, that was a purposeful act done by HSBC
02:48 22 topic 17 here. HSBC North America Holdings, Inc. has	02:51 22 North America Holdings, Inc. in the state of Texas,
02:48 23 not authorized, participated in, or facilitated any	02:51 23 right?
02:48 24 transactions occurring in whole or in part within the	02:51 24 A. To make the charitable contribution, yes.
02:48 25 state of Texas that infringe in whole or in part upon	02:51 25 Q. Okay. Let me show you statement number nine
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02:48 1 the '988, '137, '007 or '868 patents. Did I read that	02:51 1 that you made in your affidavit that says, HSBC North
02:49 2 correctly?	02:51 2 America Holdings, Inc. has not purposely done any act or
02:49 3 A. Yes.	02:51 3 consummated any transaction within the state of Texas.
02:49 4 Q. About a minute ago you told the jury that you	02:51 4 Do you read that?
02:49 5 have never read any of those patents and you don't know	02:51 5 A. I do.
02:49 6 what it takes to infringe those, right?	02:51 6 Q. Okay. This is a sworn document that you
02:49 7 A. That's correct.	02:51 7 signed off on last year and you've just, 30 seconds ago,
02:49 8 Q. Do you really feel comfortable giving sworn	02:51 8 given sworn testimony to this judge and jury that HSBC
02:49 9 testimony that HSBC North America Holdings, Inc. doesn't	02:51 9 North America Holdings, Inc. has purposely done an act
02:49 10 do anything to infringe those patents if you don't even	02:51 10 within the state of Texas; isn't that true?
02:49 11 know what it takes to infringe them?	02:51 11 A. That is true.
02:49 12 A. Yes.	02:51 12 Q. Are we to believe your previous testimony
02:49 13 Q. You -- for example, we know that HSBC North	02:52 13 under oath or this testimony under oath?
02:49 14 America Holdings, Inc. engages in activity, right?	02:52 14 MR. LEONARD: Objection to form.
02:49 15 A. Yes.	02:52 15 A. I was not aware of the charitable contribution
02:49 16 Q. I mean, you work for that company, correct?	02:52 16 when I signed this document in May of 2006.
02:49 17 A. Yes.	02:52 17 Q. (BY MR. BRUSTER) How did you find out about
02:49 18 Q. And you're swearing and affirming that your	02:52 18 it?
02:49 19 company doesn't engage in any infringing activities	02:52 19 A. I learned about it through counsel.
02:49 20 without knowing what it takes to infringe the patent.	02:52 20 Q. I guess with a similar vein, you're not aware
02:49 21 Does that make sense to you?	02:52 21 the broad range of any other potential activities that
02:49 22 A. Yes.	02:52 22 HSBC North America Holdings, Inc. might have done within
02:50 23 Q. We know that HSBC North America Holdings, Inc.	02:52 23 the state of Texas, are you?
02:50 24 has engaged in some activity in the state of Texas,	02:52 24 MR. LEONARD: Objection: Form.
02:50 25 correct?	02:52 25 A. When I inquired about the activities in

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02:52 1 preparation for the deposition, that was the only	02:55 1 definition of operate, right?
02:52 2 activity I was informed of.	02:55 2 A. When I signed this.
02:52 3 Q. (BY MR. BRUSTER) Are there any other portions	02:55 3 MR. LEONARD: Objection: Form.
02:52 4 of your sworn testimony, either today or your sworn	02:55 4 Q. (BY MR. BRUSTER) I'm sorry?
02:52 5 testimony from this affidavit last year, that you	02:55 5 A. I said that was my definition when I signed
02:52 6 believe is improper or incorrect?	02:55 6 it.
02:52 7 MR. LEONARD: Objection: Form.	02:55 7 Q. All right. Did you ask the legal department
02:52 8 A. On number 18.	02:55 8 to use your definition of operation or operate, as
02:53 9 Q. (BY MR. BRUSTER) So number 18 is incorrect?	02:55 9 opposed to their definition of operate, when you wrote
02:53 10 A. No, it's correct, except that it should be	02:55 10 this affidavit?
02:53 11 singular instead of plural. HSBC North America	02:55 11 MR. LEONARD: Objection: Form.
02:53 12 Holdings, Inc. only has one wholly owned subsidiary.	02:55 12 A. I don't believe that we had that discussion.
02:53 13 Q. How come you didn't inquire about whether HSBC	02:55 13 Q. (BY MR. BRUSTER) Did you write this
02:53 14 North America Holdings, Inc. has purposely done any act	02:55 14 affidavit, by the way?
02:53 15 in the state of Texas before you gave this sworn	02:55 15 A. No.
02:53 16 affidavit?	02:55 16 Q. Who wrote it?
02:53 17 MR. LEONARD: Objection to form.	02:55 17 A. I don't know.
02:53 18 A. That was not my testimony. My testimony was	02:55 18 Q. You don't know who wrote it?
02:53 19 that in May I was not aware of that contribution. I	02:55 19 A. No.
02:53 20 became aware of it after I signed this document.	02:55 20 Q. Did you write the part here on the first page
02:53 21 Q. (BY MR. BRUSTER) Did you inquire as to	02:55 21 that says, I'm dually qualified and authorized to make
02:53 22 anybody within the HSBC organization about whether or	02:55 22 this affidavit in all respects from my own personal
02:53 23 not HSBC had done any act within the state of Texas	02:55 23 knowledge, right here?
02:53 24 before you signed this affidavit?	02:56 24 A. Well, I didn't write any of it, but I have --
02:53 25 A. I worked with the legal department on this --	02:56 25 I did work on it with the legal department.
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02:53 1 on the answers in this affidavit.	02:56 1 Q. Who in the legal department did you work on it
02:53 2 Q. The same legal department whose lawyer wrote	02:56 2 with?
02:54 3 the letter to the government about HSBC North America	02:56 3 A. Primarily with Allison Shank.
02:54 4 Holdings, Inc. operating various subsidiaries?	02:56 4 Q. Anybody else?
02:54 5 MR. LEONARD: Objection: Form.	02:56 5 A. I don't know who she worked with or if there
02:54 6 A. Different lawyers.	02:56 6 was anyone else, but that's who I worked with.
02:54 7 Q. (BY MR. BRUSTER) Different lawyers in the	02:56 7 Q. And you didn't write any of this affidavit.
02:54 8 same legal department.	02:56 8 You just signed your name to it.
02:54 9 So knowing what we know, that HSBC North	02:56 9 A. I didn't just sign my name on it. I did
02:54 10 America Holdings, Inc. has, in fact, purposely done an	02:56 10 review it and I did satisfy myself that the statements
02:54 11 act within the state of Texas, and knowing that you've	02:56 11 being made were correct as to -- based on the
02:54 12 never read the patents and you don't know what it takes	02:56 12 information I had at the time.
02:54 13 to infringe them, do you still feel comfortable with	02:56 13 Q. In other words, you adopted all the wording in
02:54 14 your statement here in paragraph 12, HSBC North America	02:56 14 the affidavit.
02:54 15 Holdings, Inc. is not currently engaging in any	02:56 15 MR. LEONARD: Objection to form.
02:54 16 infringing activities within the state of Texas?	02:57 16 A. Was that a question?
02:54 17 A. Yes, I do.	02:57 17 Q. (BY MR. BRUSTER) Is that true?
02:54 18 Q. Okay. That's a statement that you made	02:57 18 MR. LEONARD: Same objection.
02:54 19 without knowing what it takes to engage in infringing	02:57 19 A. Again, I didn't write it.
02:54 20 activity; isn't that true?	02:57 20 Q. (BY MR. BRUSTER) What else did you do to
02:55 21 A. I -- my willingness to sign that was knowing	02:57 21 prepare for your deposition today besides reading
02:55 22 that HSBC North America Holdings, Inc. is not involved	02:57 22 through the deposition notice on the train this morning?
02:55 23 in any operations or businesses in the state of Texas on	02:57 23 A. I reviewed certain documents. I had
02:55 24 a direct basis.	02:57 24 discussions with counsel.
02:55 25 Q. Of course, I guess that depends on your	02:57 25 Q. Don't tell me anything you talked about with

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02:57	1 your lawyers. When was the first time you met with your	02:59	1 somewhere else?
02:57	2 counsel seated here today about this deposition?	02:59	2 A. No. It's a separate building.
02:57	3 A. I don't know exactly when that was.	02:59	3 Q. Is it an HSBC building?
02:57	4 Q. Within the last three weeks?	02:59	4 A. Yes.
02:57	5 A. Somewhere within three to six weeks, I would	03:00	5 Q. What goes on at the career development center?
02:57	6 say.	03:00	6 What is that for?
02:57	7 Q. Where did you first meet with them? Over the	03:00	7 A. It's for training and meetings.
02:57	8 telephone or here in Illinois?	03:00	8 Q. Who owns that building? Do you know?
02:57	9 A. We met in person in Prospect Heights.	03:00	9 A. I really am not sure, no.
02:57	10 Q. In person in Prospect Heights.	03:00	10 Q. Is there full-time staff at that building?
02:58	11 A. Yes.	03:00	11 A. Yes.
02:58	12 Q. Okay. Was that at the corporate headquarters	03:00	12 Q. Who do those members or full-time staff, who
02:58	13 of HSBC North America Holdings, Inc., or some other	03:00	13 do they work for?
02:58	14 place in Prospect Heights?	03:00	14 A. I don't know.
02:58	15 A. No. It was at the headquarters.	03:00	15 Q. You don't know? Who is trained there?
02:58	16 Q. And who all attended that meeting?	03:00	16 A. It's a -- it's a building that's available for
02:58	17 A. I was there, Mr. Leonard was there, Nick was	03:00	17 all the subsidiaries if they want to use it as a
02:58	18 there, and Ms. Shank.	03:00	18 training facility.
02:58	19 Q. Anyone else?	03:00	19 Q. Do people from HSBC Bank, that banking
02:58	20 A. I don't believe so.	03:00	20 subsidiary, come and do training at the career
02:58	21 Q. How -- how long was that meeting?	03:00	21 development center?
02:58	22 A. A few hours.	03:00	22 A. I know that people from the bank have been at
02:58	23 Q. What's the next thing you did to get ready for	03:00	23 that -- at that center. I don't know the purpose of
02:58	24 your deposition today?	03:00	24 their -- of their being there.
02:58	25 A. Reviewed documents.	03:00	25 Q. Is it connected to the corporate headquarters
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02:58	1 Q. When did you start doing that?	03:00	1 of HSBC North America Holdings, Inc.?
02:58	2 A. I started immediately after that first	03:01	2 A. No.
02:58	3 meeting, reviewing some of the documents, and reviewed	03:01	3 Q. Is it on the same campus?
02:58	4 them prior to coming here today.	03:01	4 A. Yes.
02:58	5 Q. How many hours do you think total you've spent	03:01	5 Q. Is there a sign on the front of it or
02:58	6 reviewing documents in preparation for the deposition?	03:01	6 anything?
02:59	7 A. Probably ten.	03:01	7 A. Yes, I believe there is.
02:59	8 Q. Did you have a meeting with counsel for HSBC	03:01	8 Q. What does that sign say?
02:59	9 this week in preparation for your deposition?	03:01	9 A. I think it says career development center.
02:59	10 A. I met with -- yes.	03:01	10 Q. Does it have the HSBC logo on it?
02:59	11 Q. I'm sorry?	03:01	11 A. Don't know.
02:59	12 A. Yes, I did.	03:01	12 Q. Does HSBC Bank USA make any effort to separate
02:59	13 Q. When was that?	03:01	13 out -- I'm talking about in the public -- to separate
02:59	14 A. We met yesterday.	03:01	14 out -- separate itself away from any other of its parent
02:59	15 Q. Where did you meet yesterday?	03:01	15 companies?
02:59	16 A. We met at the career development center in	03:01	16 MR. LEONARD: Objection: Form.
02:59	17 Prospect Heights.	03:01	17 Q. (BY MR. BRUSTER) You may answer.
02:59	18 Q. And how long was that meeting?	03:01	18 A. Well, would you give me an example of what you
02:59	19 A. I don't recall exactly, but a few hours.	03:01	19 meant? I'm not sure what you're asking really.
02:59	20 Q. Have you had any other meetings with anyone	03:01	20 Q. Sure. Are you aware of any representation by
02:59	21 else in preparation for your deposition other than those	03:01	21 HSBC Bank where it has made a representation to the
02:59	22 meetings?	03:01	22 public that it is a separate, distinct legal entity from
02:59	23 A. No.	03:02	23 other HSBC organizations?
02:59	24 Q. Is the career development center something	03:02	24 MR. LEONARD: Objection: Form.
02:59	25 inside the corporate headquarter building, or is that	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	03:05 1 A. Yes.
03:02 2 you're asking me.	03:05 2 Q. Thanks for your time.
03:02 3 Q. (BY MR. BRUSTER) Advertising. Let's do	03:05 3 MR. BRUSTER: I'll pass the witness.
03:02 4 advertising.	03:05 4 EXAMINATION
03:02 5 A. I believe that HSBC Bank does its own	03:05 5 BY MR. LEONARD:
03:02 6 advertising. I believe that it does.	03:05 6 Q. Ms. Hickman, I have just a few questions. I
03:02 7 Q. Are you aware of any distinctions drawn in	03:05 7 know it's late, but more of a housekeeping matter. I
03:02 8 that advertising to distance itself from HSBC North	03:05 8 want to go back to your testimony early this morning.
03:02 9 America Holdings, Inc., for example?	03:05 9 Did you mean to testify that Janet Burak
03:02 10 MR. LEONARD: Objection: Form.	03:05 10 was on the board of directors of both HSBC North America
03:02 11 A. No, but I don't know -- I don't know -- I	03:05 11 Holdings and HSBC Bank US? I'm focusing on board of
03:02 12 mean, distance itself in what way?	03:05 12 directors.
03:02 13 Q. (BY MR. BRUSTER) Call attention to itself as	03:05 13 A. Yes. No. That's -- no. I think you're
03:02 14 some group separate from HSBC North America Holdings,	03:05 14 right. I don't believe she is.
03:02 15 Inc.	03:05 15 Q. Okay.
03:02 16 A. Well, the advertising I've seen has been HSBC	03:05 16 A. I apologize.
03:02 17 Bank USA.	03:05 17 Q. You also testified that HSBC Bank Holdings had
03:02 18 Q. Have you seen any advertising where HSBC Bank	03:05 18 a subsidiary that you called HINO and you identified as
03:03 19 has sought to distance itself from the HSBC Group, PLC?	03:05 19 HSBC North America, Inc. Do you recall that testimony?
03:03 20 MR. LEONARD: Objection: Form.	03:05 20 A. Yes, I do.
03:03 21 A. I guess I don't even know how it would do	03:05 21 MR. LEONARD: Counsel, what's the last
03:03 22 that. I'm not really understanding where you're going	03:06 22 Exhibit Number?
03:03 23 with this.	03:06 23 MR. BRUSTER: 14.
03:03 24 Q. (BY MR. BRUSTER) I mean -- I guess what I'm	03:06 24 (Exhibit Number 15 marked.)
03:03 25 saying is, you're not -- you don't -- HSBC North America	03:06 25 MR. LEONARD: It's my only copy so I want
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03:03 1 Holdings, Inc. doesn't strive to have a separate public	03:06 1 to show it to you.
03:03 2 image of itself or any other HSBC banking subsidiary,	03:06 2 MR. BRUSTER: Okay.
03:03 3 for that matter, separate and apart from HSBC Group,	03:06 3 Q. (BY MR. LEONARD) Ms. Hickman, I'm going to
03:03 4 PLC, does it?	03:06 4 hand you what's been marked as Exhibit 15 to your
03:03 5 MR. LEONARD: Objection to form.	03:06 5 deposition. This is a document that we previously
03:03 6 A. I don't think it strives to have, you know,	03:06 6 furnished to the opposition in this case. Does that
03:03 7 any image that I'm aware of at all.	03:06 7 refresh your recollection on who HINO is?
03:03 8 Q. (BY MR. BRUSTER) I mean, HSBC Bank is proud	03:06 8 A. Yes. I see that I was referring to the wrong
03:03 9 to be affiliated with HSBC Group, PLC, isn't it?	03:06 9 subsidiary but the right acronym.
03:03 10 MR. LEONARD: Objection: Form.	03:06 10 Q. Okay. And refreshing your recollection, could
03:03 11 A. I guess so. I can't answer that.	03:06 11 you tell the judge and the jury in this case who HINO
03:03 12 Q. (BY MR. BRUSTER) Do you think that HSBC Bank	03:07 12 is?
03:03 13 relies on the HSBC Group, PLC brand?	03:07 13 A. HSBC Investments North America, Inc.
03:04 14 MR. LEONARD: Objection: Form.	03:07 14 Q. Does that accurately reflect that HINO is the
03:04 15 A. HSBC Group has been striving to reach a common	03:07 15 direct subsidiary of HSBC North America Holdings?
03:04 16 brand worldwide and so, yes, all the subsidiaries are	03:07 16 A. Yes.
03:04 17 using the same brand, for the most part.	03:07 17 Q. And is that the other holding company that you
03:04 18 Q. (BY MR. BRUSTER) Did you do anything else to	03:07 18 were referring to in your prior testimony rather than
03:04 19 prepare for your deposition today other than the	03:07 19 HSBC North America, Inc.?
03:04 20 documents we've talked about and the meetings with your	03:07 20 A. Yes.
03:04 21 lawyers?	03:07 21 Q. Okay. Are you here to speak today on behalf
03:04 22 A. No.	03:07 22 of HSBC North America, Inc.?
03:04 23 Q. Do you like your job?	03:07 23 A. North America Holdings, Inc.
03:04 24 A. Yes, I do.	03:07 24 Q. Okay. Your question earlier about
03:04 25 Q. Want to keep it?	03:07 25 consolidated financials, are you able to confirm for the

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<p>03:07 1 Court that HSBC North American Holdings, Inc. does, in</p> <p>03:07 2 fact, prepare consolidated financial statements and tax</p> <p>03:07 3 returns?</p> <p>03:07 4 MR. BRUSTER: Objection: Leading.</p> <p>03:07 5 A. I can confirm that for Court.</p> <p>03:07 6 Q. (BY MR. LEONARD) Let me rephrase that.</p> <p>03:07 7 Do you know that -- whether or not HSBC</p> <p>03:08 8 North America Holdings prepares consolidated financial</p> <p>03:08 9 statements and tax returns for itself and its</p> <p>03:08 10 subsidiaries?</p> <p>03:08 11 A. I do know that it does, yes.</p> <p>03:08 12 Q. And did you identify, as an Exhibit, one of</p> <p>03:08 13 those documents for counsel?</p> <p>03:08 14 A. I believe I did, yes.</p> <p>03:08 15 Q. At the time you signed the affidavit that</p> <p>03:08 16 you've discussed here today, and today, for that matter,</p> <p>03:08 17 did you then or do you now consider a charitable</p> <p>03:08 18 contribution to be a business activity?</p> <p>03:08 19 A. I do not.</p> <p>03:08 20 MR. LEONARD: No further questions.</p> <p>03:08 21 EXAMINATION</p> <p>03:08 22 BY MR. BRUSTER:</p> <p>03:08 23 Q. Ma'am, on Exhibit 14, which is still in front</p> <p>03:08 24 of you on the screen there, your affidavit, there's no</p> <p>03:08 25 reference to the word business, in terms of activity</p>	<p>1 CHANGES AND CERTIFICATION</p> <p>2 WITNESS NAME: MARGO HICKMAN</p> <p>3 DATE OF PROCEEDING: FEBRUARY 2, 2007</p> <p>4 PAGE LINE CORRECTION REASON</p> <p>5 _____</p> <p>6 _____</p> <p>7 _____</p> <p>8 _____</p> <p>9 _____</p> <p>10 _____</p> <p>11 _____</p> <p>12 _____</p> <p>13 _____</p> <p>14 _____</p> <p>15 _____</p> <p>16 _____</p> <p>17 _____</p> <p>18 _____</p> <p>19 _____</p> <p>20 _____</p> <p>21 _____</p> <p>22 _____</p> <p>23 _____</p> <p>24 _____</p> <p>25 _____</p>
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<p>03:08 1 being conducted in the state of Texas, is there?</p> <p>03:09 2 A. No.</p> <p>03:09 3 Q. Okay. And you swore that that statement was</p> <p>03:09 4 true at the time you signed this document. Today you've</p> <p>03:09 5 told us that, in fact, that's is a false statement.</p> <p>03:09 6 MR. LEONARD: Objection to form.</p> <p>03:09 7 A. When I signed it, I signed it to the best of</p> <p>03:09 8 my knowledge at the time.</p> <p>03:09 9 Q. (BY MR. BRUSTER) And today you understand</p> <p>03:09 10 it's false, right?</p> <p>03:09 11 MR. LEONARD: Objection: Form.</p> <p>03:09 12 A. Today I understand that there was a charitable</p> <p>03:09 13 contribution made.</p> <p>03:09 14 Q. (BY MR. BRUSTER) I'm sure you get asked this</p> <p>03:09 15 often, but has anyone ever told you you look like Martha</p> <p>03:09 16 Stewart?</p> <p>03:09 17 A. Oh, my God, no. Jesus.</p> <p>03:09 18 MR. BRUSTER: Pass the witness.</p> <p>03:09 19 MR. LEONARD: Nothing further. Thank</p> <p>03:09 20 you, Ms. Hickman.</p> <p>03:09 21 THE VIDEOGRAPHER: We're off the record.</p> <p>03:27 22 (Proceedings concluded 3:09 p.m.)</p> <p>23</p> <p>24</p> <p>25</p>	<p>1 I, MARGO HICKMAN, have read the foregoing</p> <p>2 deposition and hereby affix my signature that same is</p> <p>3 true and correct, except as noted above.</p> <p>4 _____</p> <p>5 MARGO HICKMAN</p> <p>6 THE STATE OF TEXAS )</p> <p>7 COUNTY OF _____)</p> <p>8 Before me, _____, on this day</p> <p>9 personally appeared _____, known to me (or</p> <p>10 proved to be on the oath of _____ or through</p> <p>11 description of identity card or other document) to be</p> <p>12 the person whose name is subscribed to the foregoing</p> <p>13 instrument and acknowledged to me that he executed the</p> <p>14 same for the purposes and consideration therein</p> <p>15 expressed.</p> <p>16 Given under my hand and seal of office this</p> <p>17 ____ day of _____, A.D., 2007.</p> <p>18 _____</p> <p>19 Notary Public in and for the</p> <p>20 State of _____</p> <p>21 County of _____</p> <p>22 My Commission Expires: _____</p> <p>23</p> <p>24</p> <p>25</p>

42 (Pages 162 to 165)

Margo Hickman CONFIDENTIAL  
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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

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1 FOR THE PLAINTIFF:  
 2 Anthony Bruster, Esq.  
 3 R. Benjamin King, Esq.  
 4 NIX PATTERSON & ROACH, L.L.P.  
 5 2900 St. Michael Drive, Suite 500  
 6 Texarkana, Texas 75503  
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 11 FOR THE DEFENDANT, HSBC NORTH AMERICA HOLDINGS, INC./  
 12 HSBC BANK USA:  
 13  
 14 Tim S. Leonard, Esq.  
 15 Edward J. "Nick" Nicholas, Esq.  
 16 BOUDREAUX, LEONARD, HAMMOND & CURCIO, P.C.  
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 24 FOR THE DEFENDANT, UNION BANCAL CORP.  
 25 Ross R. Barton, Esq.  
 PILLSBURY, WINTHROP, SHAW, PITTMAN, LLP  
 1650 Tysons Boulevard  
 McLean, Virginia 22102  
 Telephone: 703-770-7900  
 Facsimile: 703-770-7901  
 E-mail: ross.barton@pillsburylaw.com  
 I further certify that I am neither attorney nor  
 counsel for nor related to or employed by any of the  
 parties to the action in which this deposition is taken,  
 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.

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1 In witness whereof, I have hereunto set my hand  
 2 and affixed my seal this \_\_\_\_\_ day of \_\_\_\_\_, 2007.  
 3  
 4 *Lisa J. Gretarsson*  
 5 LISA J. GREARSSON, CSR No. 4486  
 6 Expiration Date: 12-31-08  
 7 Firm Registration No. 90  
 8 208 N. Green Street, Ste. 201  
 9 Longview, TX 75601  
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 11 903/758-4890 (fax)  
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 file was electronically signed  
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