

Margo Hickman
February 2, 2007

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FOR ATTORNEYS' EYES ONLY

Page 1

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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<p>1 APPEARANCES</p> <p>2</p> <p>3 FOR THE PLAINTIFF:</p> <p>4 Anthony Bruster, Esq.</p> <p>5 R. Benjamin King, Esq.</p> <p>6 NIX PATTERSON & ROACH, L.L.P.</p> <p>7 2900 St. Michael Drive, Suite 500</p> <p>8 Texarkana, Texas 75503</p> <p>9 Telephone: 903-223-3999</p> <p>10 Facsimile: 902-223-8520</p> <p>11 E-mail: akbruster@nixlawfirm.com</p> <p>12 benking@nixlawfirm.com</p> <p>13</p> <p>14 FOR THE DEFENDANT, HSBC NORTH AMERICA HOLDINGS, INC./</p> <p>15 HSBC BANK USA:</p> <p>16 Tim S. Leonard, Esq.</p> <p>17 Edward J. "Nick" Nicholas, Esq.</p> <p>18 BOUDREAUX, LEONARD, HAMMOND & CURCIO, P.C.</p> <p>19 Two Houston Center</p> <p>20 909 Fannin, Suite 2350</p> <p>21 Houston, Texas 77010</p> <p>22 Telephone: 713-757-0000</p> <p>23 Facsimile: 713-757-0178</p> <p>24 E-mail: tleonard@blhc-law.com</p> <p>25 nnicholas@blhc-law.com</p> <p>FOR THE DEFENDANT, UNION BANCAL CORP.</p> <p>Ross R. Barton, Esq.</p> <p>PILLSBURY, WINTHROP, SHAW, PITTMAN, LLP</p> <p>1650 Tysons Boulevard</p> <p>McLean, Virginia 22102</p> <p>Telephone: 703-770-7900</p> <p>Facsimile: 703-770-7901</p> <p>E-mail: ross.barton@pillsburylaw.com</p> <p>ALSO PRESENT:</p> <p>Allison Shank, HSBC in-house counsel</p> <p>Lauren Ragin, Video Technician</p> <p>Brooke Berry, Document Technician</p> <p>(continued on following page)</p>	<p>1 INDEX</p> <p>2 PAGE</p> <p>3 Appearances..... 2-3</p> <p>4 WITNESS: MARGO HICKMAN</p> <p>5 Examination by Mr. Bruster..... 7</p> <p>6 Examination by Mr. Leonard..... 160</p> <p>7 Examination by Mr. Bruster..... 162</p> <p>8 Corrigendum Page..... 164</p> <p>9 Reporter's Certificate..... 166</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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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.
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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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<p>09:09 1 the vice president of insurance for that entity?</p> <p>09:09 2 A. For HSBC, as of the date of the acquisition in</p> <p>09:09 3 March of 2003, I believe.</p> <p>09:09 4 Q. And when you say the date of the acquisition,</p> <p>09:09 5 tell me what you're referring to.</p> <p>09:09 6 A. The date that HSBC, PLC acquired Household</p> <p>09:10 7 International.</p> <p>09:10 8 Q. You said the date that HSBC, PLC acquired</p> <p>09:10 9 Household International?</p> <p>09:10 10 A. Yes.</p> <p>09:10 11 Q. Okay. And prior to that acquisition, had you</p> <p>09:10 12 been working with the Household International entities,</p> <p>09:10 13 as opposed to the HSBC entities?</p> <p>09:10 14 A. Yes.</p> <p>09:10 15 Q. Okay. What position did you hold with</p> <p>09:10 16 Household International prior to that acquisition?</p> <p>09:10 17 A. Vice president of insurance.</p> <p>09:10 18 Q. Are there any difference -- differences in job</p> <p>09:10 19 duties that you have between when you served as the vice</p> <p>09:10 20 president of insurance for HSBC Finance Company, Inc.</p> <p>09:10 21 and your current role as senior vice president of</p> <p>09:10 22 insurance for HSBC North America Holdings, Inc.?</p> <p>09:10 23 A. Yes.</p> <p>09:10 24 Q. Okay. What are the differences?</p> <p>09:10 25 A. I have responsibility for the insurance</p>	<p>09:12 1 A. Yes, HBUS.</p> <p>09:12 2 Q. HBUS? Tell me -- tell me what that stands</p> <p>09:12 3 for.</p> <p>09:12 4 A. HSBC -- we just call it HBUS. I guess it's</p> <p>09:13 5 the -- the bank subsidiary, HSBC Bank something. Sorry,</p> <p>09:13 6 but I don't know exactly.</p> <p>09:13 7 Q. So those people work for the banking</p> <p>09:13 8 subsidiary of HSBC.</p> <p>09:13 9 A. That's -- that's where they're headquartered,</p> <p>09:13 10 yes.</p> <p>09:13 11 Q. The banking subsidiary here in North America.</p> <p>09:13 12 A. Yes.</p> <p>09:13 13 Q. Okay. And those five people report directly</p> <p>09:13 14 to you?</p> <p>09:13 15 A. Shirley and Tim report directly to me, and</p> <p>09:13 16 then Barbara reports to Tim, Mike reports to Shirley,</p> <p>09:13 17 and Joe reports to me.</p> <p>09:13 18 Q. Do you know what Tim's title is?</p> <p>09:13 19 A. Director of insurance.</p> <p>09:13 20 Q. And do you know what specific legal entity</p> <p>09:13 21 he's director of insurance for?</p> <p>09:13 22 A. Well, the way we handle it is we work as a</p> <p>09:14 23 team, the 11 people. And we divide the duties for the</p> <p>09:14 24 insurance procurement and administrative duties for</p> <p>09:14 25 North America between the 10 people. So he does -- his</p>
Page 11	Page 13
<p>09:10 1 procurement and administrative duties for all of North</p> <p>09:10 2 America. And I also am responsible for oversight of the</p> <p>09:11 3 insurance for Central and South America.</p> <p>09:11 4 Q. Any other differences?</p> <p>09:11 5 A. I have a few more people reporting to me than</p> <p>09:11 6 I did before.</p> <p>09:11 7 Q. Anything else?</p> <p>09:11 8 A. Not material.</p> <p>09:11 9 Q. How many people report directly to you?</p> <p>09:11 10 A. Ten.</p> <p>09:11 11 Q. Do all of the people that report to you work</p> <p>09:11 12 for HSBC North America Holdings, Inc.?</p> <p>09:11 13 A. No.</p> <p>09:11 14 Q. If you could, walk through with me who the</p> <p>09:11 15 people are that report to you and who they work for.</p> <p>09:11 16 A. I have -- would you like all ten names?</p> <p>09:11 17 Q. Sure, and who they work for.</p> <p>09:11 18 A. For HBIO, which is the finance company portion</p> <p>09:11 19 of the company, I have Karen Lemanski, Bill Silva, Randy</p> <p>09:12 20 Goodman, Cathy Ellingen and Kristin Kinder.</p> <p>09:12 21 For HBUS, which is the bank business in</p> <p>09:12 22 Buffalo, I have Tim O'Connor, Shirley Galioto, Mike</p> <p>09:12 23 Benzino, Jill Peterson and Barbara Glaspy.</p> <p>09:12 24 Q. And those five people that you just listed,</p> <p>09:12 25 you use an acronym, HBUS? What was that?</p>	<p>09:14 1 duties are not defined by where he's located.</p> <p>09:14 2 Q. Okay. And I guess that same kind of teamwork</p> <p>09:14 3 mentality, insofar as procurement of insurance, would go</p> <p>09:14 4 for all the 10 people you mentioned, plus yourself --</p> <p>09:14 5 A. Yes.</p> <p>09:14 6 Q. -- across all those entities?</p> <p>09:14 7 A. Yes.</p> <p>09:14 8 Q. Okay. How many senior vice presidents are</p> <p>09:14 9 there that work for HSBC North America Holdings, Inc.,</p> <p>09:14 10 same company that you work for?</p> <p>09:14 11 A. I don't know. I'm sure we can provide that</p> <p>09:14 12 information to you, but I don't know.</p> <p>09:14 13 Q. Are there more than five?</p> <p>09:14 14 A. I really can't tell you. I haven't paid</p> <p>09:14 15 attention to that.</p> <p>09:14 16 Q. Can you name any others, as you sit here this</p> <p>09:14 17 morning, any other people that are senior vice</p> <p>09:15 18 presidents of some category, like yours is insurance,</p> <p>09:15 19 that work for HSBC North America Holdings, Inc.?</p> <p>09:15 20 A. The only one that I -- that I'm fairly certain</p> <p>09:15 21 of is Cliff Mizialko in the accounting -- in an</p> <p>09:15 22 accounting role, but I'm not sure his exact title.</p> <p>09:15 23 Q. Other than Mr. Mizialko -- is that how you say</p> <p>09:15 24 that?</p> <p>09:15 25 A. Yes.</p>

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

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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.
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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 forth 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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<p>09:43 1 that board members, like Ms. Derickson and Mr. Mehta,</p> <p>09:43 2 that are board members of both HSBC North America</p> <p>09:43 3 Holdings, Inc. and HSBC Bank, do you know how much</p> <p>09:43 4 influence they have on the direction of HSBC Bank?</p> <p>09:43 5 A. Well, in their roles as, you know, the leaders</p> <p>09:43 6 of the corporation and its -- and its subsidiaries, they</p> <p>09:43 7 have -- you know, certainly they have influence over the</p> <p>09:43 8 direction of the corporation in general.</p> <p>09:43 9 Q. Okay. Is there any kind of non-board</p> <p>09:44 10 committee, that's within HSBC North America Holdings,</p> <p>09:44 11 Inc., that is comprised of executives from the</p> <p>09:44 12 subsidiary company; for example, a management committee,</p> <p>09:44 13 or something like that, where the executives or officers</p> <p>09:44 14 of the subsidiary corporations meet within HSBC North</p> <p>09:44 15 America Holdings, Inc.?</p> <p>09:44 16 A. I'm not familiar with that sort of committee.</p> <p>09:44 17 Q. Are you familiar with any time within which</p> <p>09:44 18 officers or executives of HSBC North America Holdings,</p> <p>09:44 19 Inc. --</p> <p>09:44 20 MR. BRUSTER: Strike that. Back up.</p> <p>09:44 21 Erase that. I was getting off to a bad start.</p> <p>09:44 22 Q. (BY MR. BRUSTER) Are you familiar with</p> <p>09:44 23 anytime where officers or executives of the banking</p> <p>09:44 24 subsidiaries of HSBC meet with the board or the</p> <p>09:44 25 executives of HSBC North America Holdings, Inc.?</p>	<p>09:46 1 operations. They might be for -- it might be the</p> <p>09:46 2 headquarters for consumer lending, but I'm not positive</p> <p>09:46 3 of that.</p> <p>09:46 4 Q. Are any of the staff members from any of the</p> <p>09:46 5 HSBC Bank subsidiaries officed at the Prospect Heights</p> <p>09:46 6 location?</p> <p>09:46 7 A. Not to my knowledge.</p> <p>09:46 8 Q. And you've never sat in on one of these</p> <p>09:46 9 strategy and planning meetings where folks come up and</p> <p>09:46 10 make presentations -- folks from the subsidiaries come</p> <p>09:46 11 up and make presentations to Mr. Mehta?</p> <p>09:47 12 A. No, I haven't.</p> <p>09:47 13 Q. Those meetings occur outside the presence of</p> <p>09:47 14 the board of directors, though?</p> <p>09:47 15 A. I believe so, yes.</p> <p>09:47 16 Q. Do you know how many people from the HSBC Bank</p> <p>09:47 17 subsidiaries come and make those presentations to</p> <p>09:47 18 Mr. Mehta?</p> <p>09:47 19 A. No.</p> <p>09:47 20 Q. Did I already ask you what time of year that</p> <p>09:47 21 goes on?</p> <p>09:47 22 A. Yes, you asked me.</p> <p>09:47 23 Q. Okay.</p> <p>09:47 24 A. I still don't know.</p> <p>09:47 25 Q. That's what I thought. I thought that</p>
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<p>09:45 1 MR. LEONARD: Objection: Form.</p> <p>09:45 2 Q. (BY MR. BRUSTER) You may answer.</p> <p>09:45 3 A. I know that once a year there's like, you</p> <p>09:45 4 know, a strategy and planning meeting that -- where</p> <p>09:45 5 presentations are made by the operating subsidiaries to</p> <p>09:45 6 Mr. Mehta and whoever he chooses to have there.</p> <p>09:45 7 Q. Does that occur approximately the same time</p> <p>09:45 8 every year?</p> <p>09:45 9 A. I'm not involved in it and so I'm not sure</p> <p>09:45 10 what the schedule is.</p> <p>09:45 11 Q. Have you ever attended the strategy and</p> <p>09:45 12 planning meetings?</p> <p>09:45 13 A. No, I have not.</p> <p>09:45 14 Q. Where do those take place?</p> <p>09:45 15 A. The ones that I'm aware of have taken place in</p> <p>09:45 16 Prospect Heights.</p> <p>09:45 17 Q. At the corporate headquarters of HSBC North</p> <p>09:45 18 America Holdings, Inc.?</p> <p>09:45 19 A. Yes.</p> <p>09:45 20 Q. Okay. Do any of the other HSBC companies</p> <p>09:45 21 share the Prospect Heights location as a corporate</p> <p>09:46 22 headquarters?</p> <p>09:46 23 A. We do have staff members from other operating</p> <p>09:46 24 subsidiaries housed in that facility. I don't know for</p> <p>09:46 25 sure if they're considered the headquarters for those</p>	<p>09:47 1 intervening two minutes may have just jogged your</p> <p>09:47 2 memory.</p> <p>09:48 3 How does HSBC North America Holdings,</p> <p>09:48 4 Inc. earn money?</p> <p>09:48 5 A. Earn money?</p> <p>09:48 6 Q. Yes, ma'am.</p> <p>09:48 7 A. We don't have any operations, so any money,</p> <p>09:48 8 which I don't know that there is any, but any money in</p> <p>09:48 9 the corporation would be dividended from, you know, the</p> <p>09:48 10 direct -- you know, a direct subsidiary.</p> <p>09:48 11 Q. You're talking about HSBC North America, Inc.?</p> <p>09:48 12 A. Yes.</p> <p>09:48 13 Q. Okay. In other words, to pay your salary, is</p> <p>09:49 14 it your understanding that that's a result of dividends</p> <p>09:49 15 from the wholly owned subsidiary of HSBC North America</p> <p>09:49 16 Holdings, Inc.?</p> <p>09:49 17 A. Well, it's my understanding that, because HSBC</p> <p>09:49 18 North America Holdings, Inc. doesn't -- you know, it</p> <p>09:49 19 doesn't perform any revenue-generating activities, that</p> <p>09:49 20 the money to pay my salary does come from its operating</p> <p>09:49 21 subsidiary.</p> <p>09:49 22 Q. So the subsidiary below your company, which is</p> <p>09:49 23 a wholly owned subsidiary, correct --</p> <p>09:49 24 A. Yes.</p> <p>09:49 25 Q. -- and which, down its chain of ownership,</p>

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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.	09:53	20	financial statements, that were then consolidated up
09:50	21	Q. (BY MR. BRUSTER) -- isn't that true?	09:53	21	through and to your company, HSBC North America
09:50	22	MR. LEONARD: Objection: Form.	09:53	22	Holdings, Inc., correct?
09:50	23	A. I -- I could not tell you which one of the	09:53	23	A. Yes.
09:50	24	operating subsidiaries pays my salary or how that's all	09:53	24	Q. Okay. Does HSBC North America Holdings, Inc.
09:50	25	consolidated.	09:53	25	allocate general and administrative expenses to its
Page 39			Page 41		
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 BlackBerry.
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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<p>10:43 1 not every day.</p> <p>10:43 2 Q. You understand one of the key issues in this</p> <p>10:43 3 dispute is whether or not HSBC North America Holdings,</p> <p>10:43 4 Inc. controls the operations of HSBC Bank, the</p> <p>10:43 5 subsidiary?</p> <p>10:43 6 A. Well, what do you mean by control?</p> <p>10:43 7 Q. What's your definition of control?</p> <p>10:43 8 A. I asked you first.</p> <p>10:43 9 Q. Do you have a definition of control?</p> <p>10:43 10 A. No, I don't think I do have a definition, so</p> <p>10:43 11 in order to answer your question I'd like for you to</p> <p>10:43 12 tell me what your definition is.</p> <p>10:43 13 Q. Well, can you tell the jury whether or not</p> <p>10:43 14 HSBC North America Holdings, Inc. controls HSBC Bank</p> <p>10:44 15 USA, the banking subsidiary?</p> <p>10:44 16 MR. LEONARD: Objection: Form.</p> <p>10:44 17 A. The way I think about it is that as the</p> <p>10:44 18 hold -- the ultimate holding company, it does exercise</p> <p>10:44 19 some management control, but it does not exercise</p> <p>10:44 20 day-to-day operating control.</p> <p>10:44 21 Q. (BY MR. BRUSTER) What's the difference</p> <p>10:44 22 between management control and operational control?</p> <p>10:44 23 A. Well, setting strategy would be a management</p> <p>10:44 24 control, reviewing results periodically and how it</p> <p>10:44 25 compares to the strategy would be a management control.</p>	<p>10:46 1 A. Yes.</p> <p>10:46 2 Q. Consolidation of financials of the banking</p> <p>10:46 3 subsidiary for reporting purposes, correct?</p> <p>10:46 4 A. Not of the banking subsidiary by itself, all</p> <p>10:46 5 of the subsidiaries. A consolidation is of all the</p> <p>10:46 6 subsidiaries.</p> <p>10:46 7 Q. So it necessarily includes the banking</p> <p>10:46 8 subsidiary.</p> <p>10:46 9 A. It does include the banking subsidiary, but it</p> <p>10:46 10 does not perform the day-to-day accounting of the</p> <p>10:46 11 banking subsidiary. The banking subsidiary has its own</p> <p>10:47 12 accounting department.</p> <p>10:47 13 Q. The HSBC North America Holdings, Inc. parent</p> <p>10:47 14 company provides support to that accounting department,</p> <p>10:47 15 correct?</p> <p>10:47 16 MR. LEONARD: Objection: Form.</p> <p>10:47 17 Q. (BY MR. BRUSTER) You may answer.</p> <p>10:47 18 A. They interact with each other. Whether it's</p> <p>10:47 19 support or -- I don't know exactly what their</p> <p>10:47 20 interactions are.</p> <p>10:47 21 Q. HSBC North America Holdings, Inc., the parent</p> <p>10:47 22 company, also provides assistance with regulatory</p> <p>10:47 23 compliance to the banking subsidiary, correct?</p> <p>10:47 24 MR. LEONARD: Objection: Form.</p> <p>10:47 25 Q. (BY MR. BRUSTER) Isn't that what you just</p>
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<p>10:44 1 And operational control, on the other</p> <p>10:44 2 hand, would be how many phone calls are made or deciding</p> <p>10:44 3 which customers to call or making sure the checks are</p> <p>10:45 4 processed.</p> <p>10:45 5 Q. What else besides setting strategy, reviewing</p> <p>10:45 6 results and comparing those to strategy would fall</p> <p>10:45 7 within your definition of management control?</p> <p>10:45 8 A. Well, consolidation of financials for</p> <p>10:45 9 reporting purposes, the same operation for tax within</p> <p>10:45 10 the regulations we have to comply with.</p> <p>10:45 11 Q. Anything else that you can think of that would</p> <p>10:45 12 fall within your definition of management control?</p> <p>10:45 13 A. No. I mean, I think that's indicative of how</p> <p>10:45 14 I view that.</p> <p>10:45 15 Q. And so just so we're clear, your testimony to</p> <p>10:46 16 this judge and jury is that HSBC North America Holdings,</p> <p>10:46 17 Inc. exercises management control over its banking</p> <p>10:46 18 subsidiary.</p> <p>10:46 19 A. It certainly -- it -- yes.</p> <p>10:46 20 Q. And that includes setting strategy, correct?</p> <p>10:46 21 A. Yes.</p> <p>10:46 22 Q. Reviewing results, correct?</p> <p>10:46 23 A. Yes.</p> <p>10:46 24 Q. Comparing those results to the strategy that's</p> <p>10:46 25 been set for the banking subsidiary, correct?</p>	<p>10:47 1 mentioned a moment ago?</p> <p>10:47 2 A. Well, I said, you know, consolidation of</p> <p>10:47 3 financials and tax, and so to the extent that those are</p> <p>10:47 4 holding-company-regulated items, yes. As far as</p> <p>10:47 5 anything that the subsidiary, all by itself, is</p> <p>10:47 6 responsible for, I would think that that would not be</p> <p>10:47 7 something the holding company would be involved in.</p> <p>10:48 8 Q. Does HSBC North America Holdings, Inc.</p> <p>10:48 9 exercise ownership of HSBC Bank USA?</p> <p>10:48 10 MR. LEONARD: Objection: Form.</p> <p>10:48 11 A. Not on a direct basis. As we previously</p> <p>10:48 12 discussed, it owns the stock of the company directly</p> <p>10:48 13 beneath it, which owns the stock of the company beneath</p> <p>10:48 14 it, which owns the stock of the company or companies</p> <p>10:48 15 beneath it, and it all flows up. So, no, it doesn't</p> <p>10:48 16 have direct ownership.</p> <p>10:48 17 Q. (BY MR. BRUSTER) I'm going to hand you what</p> <p>10:48 18 we're going to mark for now on paper, and soon on</p> <p>10:48 19 electronic, as Exhibit Number 4 to your deposition.</p> <p>10:48 20 (Exhibit Number 4 marked.)</p> <p>10:48 21 MR. LEONARD: Counsel, do you have</p> <p>10:48 22 multiple copies of that?</p> <p>10:48 23 MR. BRUSTER: Yeah, you bet. Just take</p> <p>10:48 24 this one.</p> <p>10:48 25 MR. LEONARD: Thank you very much.</p>

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

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

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

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

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

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

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

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

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

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

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

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

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<p>02:57 1 your lawyers. When was the first time you met with your</p> <p>02:57 2 counsel seated here today about this deposition?</p> <p>02:57 3 A. I don't know exactly when that was.</p> <p>02:57 4 Q. Within the last three weeks?</p> <p>02:57 5 A. Somewhere within three to six weeks, I would</p> <p>02:57 6 say.</p> <p>02:57 7 Q. Where did you first meet with them? Over the</p> <p>02:57 8 telephone or here in Illinois?</p> <p>02:57 9 A. We met in person in Prospect Heights.</p> <p>02:57 10 Q. In person in Prospect Heights.</p> <p>02:58 11 A. Yes.</p> <p>02:58 12 Q. Okay. Was that at the corporate headquarters</p> <p>02:58 13 of HSBC North America Holdings, Inc., or some other</p> <p>02:58 14 place in Prospect Heights?</p> <p>02:58 15 A. No. It was at the headquarters.</p> <p>02:58 16 Q. And who all attended that meeting?</p> <p>02:58 17 A. I was there, Mr. Leonard was there, Nick was</p> <p>02:58 18 there, and Ms. Shank.</p> <p>02:58 19 Q. Anyone else?</p> <p>02:58 20 A. I don't believe so.</p> <p>02:58 21 Q. How -- how long was that meeting?</p> <p>02:58 22 A. A few hours.</p> <p>02:58 23 Q. What's the next thing you did to get ready for</p> <p>02:58 24 your deposition today?</p> <p>02:58 25 A. Reviewed documents.</p>	<p>02:59 1 somewhere else?</p> <p>02:59 2 A. No. It's a separate building.</p> <p>02:59 3 Q. Is it an HSBC building?</p> <p>02:59 4 A. Yes.</p> <p>03:00 5 Q. What goes on at the career development center?</p> <p>03:00 6 What is that for?</p> <p>03:00 7 A. It's for training and meetings.</p> <p>03:00 8 Q. Who owns that building? Do you know?</p> <p>03:00 9 A. I really am not sure, no.</p> <p>03:00 10 Q. Is there full-time staff at that building?</p> <p>03:00 11 A. Yes.</p> <p>03:00 12 Q. Who do those members or full-time staff, who</p> <p>03:00 13 do they work for?</p> <p>03:00 14 A. I don't know.</p> <p>03:00 15 Q. You don't know? Who is trained there?</p> <p>03:00 16 A. It's a -- it's a building that's available for</p> <p>03:00 17 all the subsidiaries if they want to use it as a</p> <p>03:00 18 training facility.</p> <p>03:00 19 Q. Do people from HSBC Bank, that banking</p> <p>03:00 20 subsidiary, come and do training at the career</p> <p>03:00 21 development center?</p> <p>03:00 22 A. I know that people from the bank have been at</p> <p>03:00 23 that -- at that center. I don't know the purpose of</p> <p>03:00 24 their -- of their being there.</p> <p>03:00 25 Q. Is it connected to the corporate headquarters</p>
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<p>02:58 1 Q. When did you start doing that?</p> <p>02:58 2 A. I started immediately after that first</p> <p>02:58 3 meeting, reviewing some of the documents, and reviewed</p> <p>02:58 4 them prior to coming here today.</p> <p>02:58 5 Q. How many hours do you think total you've spent</p> <p>02:58 6 reviewing documents in preparation for the deposition?</p> <p>02:59 7 A. Probably ten.</p> <p>02:59 8 Q. Did you have a meeting with counsel for HSBC</p> <p>02:59 9 this week in preparation for your deposition?</p> <p>02:59 10 A. I met with -- yes.</p> <p>02:59 11 Q. I'm sorry?</p> <p>02:59 12 A. Yes, I did.</p> <p>02:59 13 Q. When was that?</p> <p>02:59 14 A. We met yesterday.</p> <p>02:59 15 Q. Where did you meet yesterday?</p> <p>02:59 16 A. We met at the career development center in</p> <p>02:59 17 Prospect Heights.</p> <p>02:59 18 Q. And how long was that meeting?</p> <p>02:59 19 A. I don't recall exactly, but a few hours.</p> <p>02:59 20 Q. Have you had any other meetings with anyone</p> <p>02:59 21 else in preparation for your deposition other than those</p> <p>02:59 22 meetings?</p> <p>02:59 23 A. No.</p> <p>02:59 24 Q. Is the career development center something</p> <p>02:59 25 inside the corporate headquarter building, or is that</p>	<p>03:00 1 of HSBC North America Holdings, Inc.?</p> <p>03:01 2 A. No.</p> <p>03:01 3 Q. Is it on the same campus?</p> <p>03:01 4 A. Yes.</p> <p>03:01 5 Q. Is there a sign on the front of it or</p> <p>03:01 6 anything?</p> <p>03:01 7 A. Yes, I believe there is.</p> <p>03:01 8 Q. What does that sign say?</p> <p>03:01 9 A. I think it says career development center.</p> <p>03:01 10 Q. Does it have the HSBC logo on it?</p> <p>03:01 11 A. Don't know.</p> <p>03:01 12 Q. Does HSBC Bank USA make any effort to separate</p> <p>03:01 13 out -- I'm talking about in the public -- to separate</p> <p>03:01 14 out -- separate itself away from any other of its parent</p> <p>03:01 15 companies?</p> <p>03:01 16 MR. LEONARD: Objection: Form.</p> <p>03:01 17 Q. (BY MR. BRUSTER) You may answer.</p> <p>03:01 18 A. Well, would you give me an example of what you</p> <p>03:01 19 meant? I'm not sure what you're asking really.</p> <p>03:01 20 Q. Sure. Are you aware of any representation by</p> <p>03:01 21 HSBC Bank where it has made a representation to the</p> <p>03:01 22 public that it is a separate, distinct legal entity from</p> <p>03:02 23 other HSBC organizations?</p> <p>03:02 24 MR. LEONARD: Objection: Form.</p> <p>03:02 25 A. Well, you mean people and that kind of stuff,</p>

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<p>03:02 1 or are you talking about advertising? I don't know what</p> <p>03:02 2 you're asking me.</p> <p>03:02 3 Q. (BY MR. BRUSTER) Advertising. Let's do</p> <p>03:02 4 advertising.</p> <p>03:02 5 A. I believe that HSBC Bank does its own</p> <p>03:02 6 advertising. I believe that it does.</p> <p>03:02 7 Q. Are you aware of any distinctions drawn in</p> <p>03:02 8 that advertising to distance itself from HSBC North</p> <p>03:02 9 America Holdings, Inc., for example?</p> <p>03:02 10 MR. LEONARD: Objection: Form.</p> <p>03:02 11 A. No, but I don't know -- I don't know -- I</p> <p>03:02 12 mean, distance itself in what way?</p> <p>03:02 13 Q. (BY MR. BRUSTER) Call attention to itself as</p> <p>03:02 14 some group separate from HSBC North America Holdings,</p> <p>03:02 15 Inc.</p> <p>03:02 16 A. Well, the advertising I've seen has been HSBC</p> <p>03:02 17 Bank USA.</p> <p>03:02 18 Q. Have you seen any advertising where HSBC Bank</p> <p>03:03 19 has sought to distance itself from the HSBC Group, PLC?</p> <p>03:03 20 MR. LEONARD: Objection: Form.</p> <p>03:03 21 A. I guess I don't even know how it would do</p> <p>03:03 22 that. I'm not really understanding where you're going</p> <p>03:03 23 with this.</p> <p>03:03 24 Q. (BY MR. BRUSTER) I mean -- I guess what I'm</p> <p>03:03 25 saying is, you're not -- you don't -- HSBC North America</p>	<p>03:05 1 A. Yes.</p> <p>03:05 2 Q. Thanks for your time.</p> <p>03:05 3 MR. BRUSTER: I'll pass the witness.</p> <p>03:05 4 EXAMINATION</p> <p>03:05 5 BY MR. LEONARD:</p> <p>03:05 6 Q. Ms. Hickman, I have just a few questions. I</p> <p>03:05 7 know it's late, but more of a housekeeping matter. I</p> <p>03:05 8 want to go back to your testimony early this morning.</p> <p>03:05 9 Did you mean to testify that Janet Burak</p> <p>03:05 10 was on the board of directors of both HSBC North America</p> <p>03:05 11 Holdings and HSBC Bank US? I'm focusing on board of</p> <p>03:05 12 directors.</p> <p>03:05 13 A. Yes. No. That's -- no. I think you're</p> <p>03:05 14 right. I don't believe she is.</p> <p>03:05 15 Q. Okay.</p> <p>03:05 16 A. I apologize.</p> <p>03:05 17 Q. You also testified that HSBC Bank Holdings had</p> <p>03:05 18 a subsidiary that you called HINO and you identified as</p> <p>03:05 19 HSBC North America, Inc. Do you recall that testimony?</p> <p>03:05 20 A. Yes, I do.</p> <p>03:05 21 MR. LEONARD: Counsel, what's the last</p> <p>03:06 22 Exhibit Number?</p> <p>03:06 23 MR. BRUSTER: 14.</p> <p>03:06 24 (Exhibit Number 15 marked.)</p> <p>03:06 25 MR. LEONARD: It's my only copy so I want</p>
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<p>03:03 1 Holdings, Inc. doesn't strive to have a separate public</p> <p>03:03 2 image of itself or any other HSBC banking subsidiary,</p> <p>03:03 3 for that matter, separate and apart from HSBC Group,</p> <p>03:03 4 PLC, does it?</p> <p>03:03 5 MR. LEONARD: Objection to form.</p> <p>03:03 6 A. I don't think it strives to have, you know,</p> <p>03:03 7 any image that I'm aware of at all.</p> <p>03:03 8 Q. (BY MR. BRUSTER) I mean, HSBC Bank is proud</p> <p>03:03 9 to be affiliated with HSBC Group, PLC, isn't it?</p> <p>03:03 10 MR. LEONARD: Objection: Form.</p> <p>03:03 11 A. I guess so. I can't answer that.</p> <p>03:03 12 Q. (BY MR. BRUSTER) Do you think that HSBC Bank</p> <p>03:03 13 relies on the HSBC Group, PLC brand?</p> <p>03:04 14 MR. LEONARD: Objection: Form.</p> <p>03:04 15 A. HSBC Group has been striving to reach a common</p> <p>03:04 16 brand worldwide and so, yes, all the subsidiaries are</p> <p>03:04 17 using the same brand, for the most part.</p> <p>03:04 18 Q. (BY MR. BRUSTER) Did you do anything else to</p> <p>03:04 19 prepare for your deposition today other than the</p> <p>03:04 20 documents we've talked about and the meetings with your</p> <p>03:04 21 lawyers?</p> <p>03:04 22 A. No.</p> <p>03:04 23 Q. Do you like your job?</p> <p>03:04 24 A. Yes, I do.</p> <p>03:04 25 Q. Want to keep it?</p>	<p>03:06 1 to show it to you.</p> <p>03:06 2 MR. BRUSTER: Okay.</p> <p>03:06 3 Q. (BY MR. LEONARD) Ms. Hickman, I'm going to</p> <p>03:06 4 hand you what's been marked as Exhibit 15 to your</p> <p>03:06 5 deposition. This is a document that we previously</p> <p>03:06 6 furnished to the opposition in this case. Does that</p> <p>03:06 7 refresh your recollection on who HINO is?</p> <p>03:06 8 A. Yes. I see that I was referring to the wrong</p> <p>03:06 9 subsidiary but the right acronym.</p> <p>03:06 10 Q. Okay. And refreshing your recollection, could</p> <p>03:06 11 you tell the judge and the jury in this case who HINO</p> <p>03:07 12 is?</p> <p>03:07 13 A. HSBC Investments North America, Inc.</p> <p>03:07 14 Q. Does that accurately reflect that HINO is the</p> <p>03:07 15 direct subsidiary of HSBC North America Holdings?</p> <p>03:07 16 A. Yes.</p> <p>03:07 17 Q. And is that the other holding company that you</p> <p>03:07 18 were referring to in your prior testimony rather than</p> <p>03:07 19 HSBC North America, Inc.?</p> <p>03:07 20 A. Yes.</p> <p>03:07 21 Q. Okay. Are you here to speak today on behalf</p> <p>03:07 22 of HSBC North America, Inc.?</p> <p>03:07 23 A. North America Holdings, Inc.</p> <p>03:07 24 Q. Okay. Your question earlier about</p> <p>03:07 25 consolidated financials, are you able to confirm for the</p>

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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>

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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:

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3 R. Benjamin King, Esq.

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11 FOR THE DEFENDANT, HSBC NORTH AMERICA HOLDINGS, INC./

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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.

25

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1 In witness whereof, I have hereunto set my hand
2 and affixed my seal this 2 day of February, 2007.3
4 LISA J. GRETARSSON, CSR No. 4486
5 Expiration Date: 12-31-08
6 Firm Registration No. 90
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