

**An Inquiry pursuant to Part IIIC of the Central Bank Act 1942 (as amended)  
concerning the Irish Nationwide Building Society, Michael Fingleton, William  
Garfield McCollum, Tom McMenemy, John S. Purcell and Michael P. Walsh  
(the “Inquiry”)**

**Inquiry Hearing  
SPC 7**

**Wednesday 3 July 2019**

**Chairperson’s Opening Statement**

This morning we will commence hearings into suspected prescribed contraventions outlined in SPC 7(a), 7(b) and 7(c) of the Notice of Inquiry, which was served on 9 July 2015. SPC 7 alleges that INBS failed to ensure that the establishment of profit share agreements was the subject of any formal credit risk policy. SPC 7 also alleges that Mr Michael Fingleton and Mr Stan Purcell participated in the commission of these prescribed contraventions.

We will first take appearances from all parties present and then affidavits of service. I will then briefly outline the events that have led to this hearing.

This will be followed by an Opening Statement from the Legal Practitioner Team, and then Mr Stan Purcell will be invited to make an Opening Statement

Appearances

Affidavits of service

The Inquiry has set aside today for Opening Statements in this module. The hearing of evidence in respect of SPC 7 will commence on Tuesday 9 July at 11am and will continue until the evidence has been completed which is estimated to be by Friday 26 July 2019. A total of 17 witnesses have been summonsed or requested to give evidence, including Mr Purcell.

On 28 January 2019, the Inquiry held an Inquiry Management Meeting (“IMM”) to consider three options for proceeding with the SPC 6 hearings in light of the continuing illness of Mr Fingleton. The options were:

1. Proceeding in respect of all Persons Concerned, including Mr Fingleton,
2. Proceeding in respect of those Persons Concerned identified in SPC 6, excluding Mr Fingleton and staying the SPC 6 hearing insofar as Mr Fingleton is concerned, until such further date as may be identified by the Inquiry, or
3. Postponing the SPC 6 hearings until such further date as may be identified by the Inquiry.

Following consideration of the submissions received and in light of Mr Fingleton’s medical condition, the Inquiry Members decided to adopt Option 2 above and to proceed with the hearing of evidence in SPC 6 in respect of Mr Purcell. Proceedings in respect of Mr Fingleton were stayed until he was in a position to re-engage with the Inquiry.

Accordingly, hearings into SPC 6 took place in respect of Mr Purcell on 27 March and from 3 to 12 April 2019.

According to the information and reports received by the Inquiry Members, Mr Fingleton’s medical condition continues to preclude his participation in this Inquiry.

The Inquiry Members wrote to the Persons Concerned and Enforcement on 13 May 2019 to state that they were of the view that the possible options for proceeding to the SPC 7 were similar to those considered in respect of SPC 6, and to invite submissions.. Mr Fingleton Junior responded on behalf of his father. He stated that the decision to hold SPC 6 hearings in two parts was prejudicial to the interests of his father. He also stated that it was contrary to fair procedures and the principles of natural and Constitutional justice and the right of Mr Fingleton to defend his good name. He said that to continue in the same manner for the SPC 7 hearings would be to raise the same issues for his father.

On 29 May 2019, the LPT provided submissions in response to Mr Fingleton Junior's email of 23 May 2019 and observed that: "*no new issue has been identified or raised by Mr Fingleton (or indeed any other party) in the context of the Options for the SPC 7 hearing nor indeed does he point to any examples of any specific prejudice arising from the first SPC 6 hearing*".

By decision issued 14 June 2019, we decided to proceed with SPC 7 by way of "staggered" hearings as has already occurred in respect of the SPC 6 hearings. We are satisfied that the conduct of the SPC 6 Hearings demonstrated the effectiveness and fairness of this approach.

I will now call on Mr Brian O'Moore to make an opening statement on behalf of the Legal Practitioner Team, followed by Mr Purcell.