

Taveta Investments Limited comments on transcript of 15 June 2016 oral evidence session

- 1 **Q1748:** Michelle Thomson asserted that “dividends were still being paid out at the rate they were when the pension scheme was moving into deficit”. (Karen Buck made a similar point at **Q1851**.) Please note that:
  - 1.1 £42.8m of the dividend declared in 03/04 was paid in 04/05 (which explains the difference between the £423m and £380m figures about which Mr Wright asked at **Q1812**).
  - 1.2 At that time, the most recent triennial valuation of the Bhs pension schemes recorded a surplus of £28m.
  - 1.3 It was not until the triennial valuation in 2006 that there was an overall deficit across the Bhs pension schemes of £7m.
- 2 **Q1756:** Carmen Properties Limited was registered for HMRC’s Non-resident Landlord Scheme and treated the rental income received from Bhs as taxable income.
- 3 **Q1765:** “we could have charged rent” is a transcription error. Sir Philip said “we could have charged roya-” (i.e. “royalties”). The Committees should note that during the period of ownership by Green family interests, Bhs and Arcadia combined have paid over £3 billion in UK taxes (corporation tax, business rates, employers NI contributions, customs import duty) and have collected a further £2.4 billion of VAT, PAYE and employees’ NI contributions on behalf of HMRC.
- 4 **Q1766:** Mildenhall Holdings Limited was formed to purchase the freehold of a property in Leeds. Mildenhall then leased the property to Bhs Properties Limited. The property was sold in February 2011 and Mildenhall was dissolved in November 2012. As recorded in the filed Bhs statutory accounts, a total of £2.887m rent was paid by Bhs Limited to Mildenhall between 2005 and 2011.

Mildenhall was registered for HMRC’s Non-resident Landlord Scheme and treated the rental income received from Bhs as taxable income.
- 5 **Q1792:** For the BHS Limited CVA, 37 landlords agreed to take a 75% drop in rent. This related to 46 leases.
- 6 **Q1851:** Karen Buck was incorrect to state that there was “an employer contribution holiday”. Please clarify the basis for this statement. Before the 2006 triennial valuation no deficit contributions (as distinct from future service contributions) were payable as the Bhs pension schemes had a surplus.
- 7 **Q1864 – Q1865:** Minutes of meetings of the Taveta Investments Limited board prior to 2012, that have previously been provided to the Committees, record that Sir Philip attended board meetings at which Paul Coackley, in particular, reported to the board on issues relating to the Bhs pension scheme deficits and recovery plans. Sir Philip was only himself materially involved in these issues from 2012 onwards.
- 8 **Q1880:** The loan referred to was from Arcadia Group Limited.

- 9 **Q1891:** In relation to Richard Graham’s reference to inheriting the pension scheme in 2000 and Bhs not having paid contributions for three years, please note that the Bhs pension schemes were in fact only established in July 2000.

Between 2000 and 2006, when the triennial valuation first recorded a deficit, Bhs Limited paid future service contributions for the Bhs Pension Scheme. Bhs Limited paid future service contributions for the Senior Management Scheme from 2003 onwards.

In relation to Richard Graham’s statement that “By 2005, the entire surplus was gone”, please note that the Bhs Senior Management Scheme continued to have a surplus at the 2006 triennial valuation. The Bhs Pension Scheme did not have a deficit until the 2006 triennial valuation.

- 10 **Q1894:** There is a transcription error. Sir Philip said: “I don’t think it is a question of crossed my mind” not “I don’t think it is a question that crossed my mind”.

- 11 **Q1894:** There is a transcription error. Richard Graham in fact said: “...there was a discussion with the pension scheme ...”. (Underlined words missing in transcript.)

- 12 **Q1896:** The Bhs pension scheme trustees took specialist employer covenant advice from Baker Tilly when agreeing the 2012 recovery plan. That advice confirmed that the £10m annual contribution was in fact more than Bhs Limited (the sponsoring employer) could afford. See for example (Q743):

*“Dr Margaret Downes: “When we had our covenant assessment, Baker Tilly advised us that, in fact—I think we appreciated that already—unless there was support from the wider group, BHS could not pay £10 million a year.”*

- 13 **Q1897 – Q1899:** The Committees will note that Steve Webb’s contemporaneous letter to Sir Philip of 17 May 2012 (copy attached as Attachment 1) did not make the points referred to by Richard Graham that were set out in Mr Webb’s letter to Mr Field of 13 June 2016.

In relation to Richard Graham’s reference to £2m, please note that Sir Philip raised with Mr Rubenstein in March 2012 a proposed PPF levy increase in respect of the Bhs pension schemes for levy year 2011/2012 to levy year 2012/2013 of over £3m. In the event, the increase was approximately £2.3m.

- 14 **Q1905:** There is a transcription error. Sir Philip said “I am happy to answer...” not “I am not unhappy to answer....”.

- 15 **Q1907:** The letter from Tony Clare of Deloitte to Frank Field dated 6 June 2016 records that Deloitte were engaged in relation to Project Thor from November 2013.

A copy of the Chris Martin email referred to by Sir Philip is attached as Attachment 2.

- 16 **Q1911:** A copy of the Deloitte letter referred to by Sir Philip is attached as Attachment 3.

- 17 **Q1920 – Q1928:** Richard Graham suggested to Sir Philip that the Pension Regulator’s letter dated 4 September 2014 to Chris Martin prompted the decision to pause Project Thor, which was communicated to the pension trustees on 5 September 2014. However, please note that:

- 17.1** the decision to pause Project Thor had already been taken by 3 September 2014 (i.e. before the date of the Pension Regulator’s letter) and the 5 September 2014 call was proposed in an email of 3 September 2014 from Mr Budge to Mr Martin (copy attached as Attachment 4);
- 17.2** Mr Budge attempted to call Mr Martin on 3 September 2014 to communicate the decision to pause Project Thor;
- 17.3** in the event Mr Budge spoke with Mr Martin at approximately 8.30 a.m. on 4 September 2014 and communicated the decision to pause Project Thor;
- 17.4** the Pension Regulator’s letter of 4 September 2014 was addressed to Mr Martin, not to Arcadia, Taveta or Bhs;
- 17.5** it is clear from the note of the call on 19 September 2014 between the Bhs pension trustees and their advisers (paragraph 14c) and from the minutes of the meeting of the Bhs pension trustees on 16 December 2014 (paragraph 12(xii)) that the trustees had not provided a copy of the 4 September 2014 letter to Arcadia/Taveta/Bhs as at 5 September 2014; and
- 17.6** when work continued on Project Thor in January 2015, Mr Martin sent Mr Budge a redacted copy of the 4 September 2014 letter. Please see Mr Martin’s email and attachment at Attachment 5 in this regard.
- 18** **Q1929 & 1942:** The note of the call to which Richard Graham referred at Q1929 (which was not shown to Sir Philip when he was questioned by Richard Graham) records that the call in fact took place on 7 October 2015, well after the sale of Bhs. It is clear that the comments attributed to Sir Philip in the note to which Richard Graham referred related to the Pension Regulator’s post-sale investigation, not its pre-sale moral hazard questions. (This is indeed what Sir Philip said in response to Richard Graham: “If you get a section 72 from the regulator...”) Richard Graham wrongly suggested at Q1929 and Q1942 that the comments attributed to Sir Philip were made prior to the March 2015 sale of Bhs.
- 19** **Q1940:** SwissRock put a “pension-free” Bhs purchase proposal to Goldman Sachs in December 2014 (see paragraph 5.11 of the Letter of Intent at Appendix 2 of the 11 December 2014 offer submitted by RiverRock to Goldman Sachs). It was rejected in December 2014.

The Committees will note the email from Joseph Dryer of RiverRock to Mr Gutman dated 16 December 2014 resigning on the basis that the deal was not as described by Mr Chappell. Mr Dryer explained in his oral evidence (Q1090) that RiverRock resigned on learning that the deal was not as described by Mr Chappell in relation to “the pension fund liability”. So, on any view, any understanding by Mr Chappell that there was a “pension-free” deal was corrected by 16 December 2014.

- 20** **Q1942:** Paul Budge’s email of 20 January 2015 referred to by Richard Graham was sent at a time when there were no ongoing negotiations with Mr Chappell/SwissRock/Retail Acquisitions Limited (“**RAL**”). The deal at that time was off. So there was no basis for Mr Budge to provide Mr Chappell with updated Project Thor costs. In this regard please note:

- 20.1** Mr Budge’s note of 19 January 2015 to Sir Philip recorded that Mr Budge had told Mr Chappell that morning that there would be no further sale negotiations with SwissRock and that Bhs would be put up for sale to other bidders. Mr Budge’s email to Mr Gutman of 19 January 2015 recorded that Mr Budge had told Mr Chappell that morning that there was “no deal”.
- 20.2** Mr Budge’s email of 20 January 2015 expressly recorded that, in his conversation with Mr Chappell on that date, he had made it clear that the deal with SwissRock was still off.
- 20.3** The £50m referred to was the previous estimated cost of Project Thor, which had risen to £80m by January 2015. See, for example:
- 20.3.1** The Deloitte January 2014 Project Thor slide deck (slide 14 referred to the Bhs pension schemes recovering on insolvency £49m plus around £5m from the Davenbush Limited guarantee and the first bullet point on slide 20 recorded a payment of £54m into the Bhs pension schemes).
- 20.3.2** The £80m deficit referred to in the Deloitte January 2015 Project Thor slide deck.  
(Deloitte emailed both of these slide decks to Olswang (acting for RAL) in February 2015.)
- 20.3.3** The statement in the email of 6 February 2015 from Mr Clare of Deloitte to the Pensions Regulator: “The reduction in gilt yields has increased the cash cost of executing the Pensions Restructuring from approximately £50 million in Autumn 2014 to nearer £80 million as at 31 December 2014.”
- 20.4** When the deal with Mr Chappell/SwissRock/RAL was back on, extensive Bhs pensions information was provided to them and they acquired a detailed understanding of the relevant Bhs pensions issues. Please see paragraph 23 below.
- 21** **Q1944:** There is a transcription error. Sir Philip said: “Regardless of what Mr Chappell said to you ...” (underlining added), not “Regardless of what Mr Chappell said to me...”.  
Please note in relation to the figures referred to by Sir Philip:
- 21.1** “a figure of £50 million or £60 million”: this was a reference to the previous estimated cost of Project Thor; and
- 21.2** “a number of something like £51 million or £54 million”: this was a reference to the Deloitte estimated outcome on insolvency.
- 22** **Q1947:** Copies of the support letters were sent to the Committees on 3 June 2016.
- 23** **Q1973 – Q1978:** In relation to Jeremy Quin’s suggestion that Mr Chappell/SwissRock/RAL believed until late on in the sale process that it would be a sale “without the pension problem” see for example:
- 23.1** Paragraph 19 above.
- 23.2** Mr Chappell’s email to Mr Gutman of 8 January 2015 which included, as one of the “Main terms of the Offer”: “Pension solution satisfactory to SwissRock.”

- 23.3** Mr Budge’s email to Mr Gutman of 19 January 2015 which set out the content of a text from Mr Chappell to Mr Budge on 18 January 2015. It included the statement: “We would need BHS clear of debt but could discuss a pension provision.”
- 23.4** Mr Budge’s email to Mr Gutman of 20 January 2015 which reported on Mr Budge’s call with Mr Chappell that morning. Mr Budge recorded that SwissRock “would be prepared to contribute towards the pension recovery position”.
- 23.5** Mr Chappell’s email to Mr Budge of 10 February 2015: “The funders are fully aware of the pension issues.”
- 23.6** The various drafts (and the 16 February 2015 signed version) of the “Points of Principle” received by the Committees which all make specific reference to the need for Project Thor or a similar pensions solution.
- 23.7** The Deloitte email to Olswang of 26 February 2015 which attached Deloitte slide decks describing the status of the Bhs pensions schemes and Project Thor.
- 23.8** The Olswang “Issues List” dated 6 March 2015, which referred to:
- 23.8.1** a “potential £500m hole in the pension funds”;
  - 23.8.2** “On and from completion, Seller’s position is that the Buyer should assume full risk in respect of the existing pension deficit...”; and
  - 23.8.3** “If Project Thor can be delivered the relevant deficit could reduce to c.£80m (based on Deloitte’s figures) on a self-sufficiency basis”.
- 23.9** The Olswang “Pension Risk Matrix” dated 7 March 2015 which included as an appendix a “High Level Summary of Project Thor Risks”.
- 23.10** Stephen Bourne’s evidence (Q1373) that: “We had had a full explanation of Project Thor – we had a debrief from Deloitte on that. We had a report on Project Thor, which Grant Thornton and Olswang had looked at. They had looked at the size of the deficit, which was enormous.”
- 23.11** Mr Chappell’s evidence (Q1487) that: “We did full due diligence on the business; Grant Thornton worked tirelessly on that, and so did Olswang. We had full advice on that side, and we had full background knowledge of the pension. We met the chairman of the trustees, who told us that he was prepared to work with us at the time to deliver a Project Vera or Project Thor.”
- 24 Q1995 – Q2003:** In relation to the decision to stop dealing with Paul Sutton:
- 24.1** Ms Saunders stated in her letter to Mr Field of 14 June 2016, in relation to a call on 15 June 2013, “Sir Philip was unhappy with Paul Sutton and said he would not proceed with a sale of BHS to Paul Sutton due to Paul Sutton’s reputation”. It appears that Ms Saunders is likely remembering a call in 2014.
- 24.2** In fact Mr Budge discontinued dealings with Mr Sutton in March 2014 (as explained by Mr Budge in his oral evidence at Q522).

- 24.3** Mr Budge also explained in his oral evidence (Q2957-Q2961) how Mr Sutton lost credibility in May 2014 as far as Sir Philip and Mr Budge were concerned. Mr Budge has confirmed that this occurred in May 2014 (and not in March 2014 as he suggested at Q522).
- 24.4** A meeting had been scheduled for 13 May 2014 between Sir Philip and Mr Sutton, but did not take place because of the above.
- 24.5** Mr Budge was called by Mr Sutton in July 2014. Mr Budge explained that the decision not to deal with Mr Sutton had not changed.
- 24.6** Further information was provided to Mr Budge in relation to Mr Sutton in December 2014. Please see at Attachment 6 a December 2014 email chain in this regard.
- 25** **Q2004:** Mr Budge explained (Q523, Q529, Q2960-2962) that Mr Chappell first contacted Mr Budge on 16 July 2014 to discuss a possible sale of Bhs.
- 26** **Q2008:** The Committees have been provided with a copy of a statutory declaration by Mr Sutton dated 9 February 2015 (one week before the Points of Principle were signed) which stated that Mr Sutton was not involved in any way with the bid for Bhs. Please see also Mr Chappell's email of 9 December 2014 in this regard (attached at paragraph 24.6 above).
- 27** **Q2029:** Richard Fuller asserts that Mr Budge was aware that Mr Chappell "was associated with a convicted fraudster". Mr Budge's position is that he had been unaware that Mr Sutton was a convicted fraudster.
- 28** **Q2038:** As explained by Mr Budge (Q545, Q2044 & Q3083), of the five potential purchasers of Bhs other than RAL, four wished to put Bhs immediately into an insolvency process. The Taveta group preferred to seek a buyer who would continue to operate Bhs as a going concern. The other party was not regarded as a serious bidder. All five parties were known to the Taveta group. SwissRock/RAL was not known to the Taveta group and was therefore vetted by Goldman Sachs.
- 29** **Q2048 – Q2049:** Please see the minutes of the Taveta Investments Limited board meetings on 30 October 2014 and 29 January 2015.
- 30** **Q2139:** The reference to Marylebone House in the second line of the second page of the minutes of the meeting of the Taveta Investments Limited board on 25 March 2015 is erroneous. The rent reduction figures referred to related to both of the following matters:
- 30.1** The sale of Carmen Properties Limited on 13 March 2015 (by an agreement between Nautilus Nominees Services Limited and Bhs Properties Limited).
- 30.2** Also on 13 March 2015, Bhs Limited surrendering the existing lease in respect of Marylebone House to Carmen Properties Limited and Wilton Equity Limited granting a new lease in respect of Marylebone House to Bhs Limited for a term of 2 years at a peppercorn rent. This reduced the rent payable by Bhs Limited on Marylebone House from £2.175m per annum to a peppercorn rent.
- 31** **Q2152 – Q2153:** Mr Quin stated (in relation to a valuation of Marylebone House) "We have asked for it ... You said you hadn't got it." In fact the Clerk of the Work and Pensions

Committee requested (by email on 10 June 2016): “A copy of the independent valuation of Marylebone House that was presented to the Arcadia board”. It was explained in response to this request that the minutes of the meeting of the board of directors of Arcadia Group Limited on 16 July 2015 (which were provided to the Committees) referred to offers received, but not to a valuation. Chris Harris dealt with the issue in detail in his oral evidence (Q2997-Q3046).

**32 Q2163 – Q2165:** Please see Note 4 of the “Cash Overview” sheet attached to Sir Philip’s letter of 13 July 2016: “Marylebone House sale fell through around 18 March 2015. Arcadia agreed to provide £10m (direct to HSBC) in respect of Marylebone House sale and in settlement of remaining completion obligations.”

**33 Q2171 – Q2185:** Whilst it is correct, as Mr Quin stated, that the Taveta group was aware that RAL had not transferred £7m of the £32m proceeds of the sale of North West House to Bhs, Mr Chappell represented that the £7m had been deposited with Bank of China whilst a facility agreement was put in place for Bhs. See Linklaters’ letter to Olswang dated 21 June 2016. It now appears from the evidence produced to the Committees that the £7m was used, in breach of the covenants contained in clause 6.2 of the Bhs sale agreement, to pay RAL, individuals associated with RAL and its advisers.

At Q2185 Sir Philip also referred to the £5m of equity that RAL in fact borrowed from Allied Commercial Enterprises against the security of Bhs’ Atherstone warehouse. See Linklaters’ letter to Olswang dated 23 June 2016.

**34 Q2192:** Under clause 2.1(c) of the LIBOR Term Loan Facility Agreement dated 26 March 2015 (provided to the Committees on 14 June 2016) the consent of Arcadia Group Limited (as “Corporate Guarantor”) was required for Bhs Group Limited to “submit a Drawdown Request in respect of the Tranche B Facility”.

**35 Q2193 – Q2198:** The £3.5m Arcadia Group Limited loan was unsecured.

Clause 4.3 of the Bhs sale agreement did oblige RAL to procure that “the Fixed and Floating Charges are granted”. This included a floating charge over the non-property assets of the Bhs group to secure £25m (of the remaining £40m) of a separate debt owed by Bhs Group Limited to Arcadia Group Limited (after £216m of debt to Arcadia Group Limited was written off). This floating charge was given by a Security Agreement dated 14 April 2015.

At Q2197, Mr Quin refers to minutes of a RAL board meeting in relation to the BHS Loan. These have not been published by the Committees or seen by Arcadia Group Limited. Please can a copy be provided.

**36 Q2205:** Richard Graham said “at that stage in October 2015” (underlined word added) not “at that stage in 2015”.

**37 Q2212 – Q2217:** Please find attached at Attachment 7 a letter dated 27 January 2016 from Arcadia Group Limited to The Directors of Bhs Group Limited indicating a willingness to release the charge over the Cribbs Causeway property in order to assist Bhs Group Limited to raise a loan to fund short term working capital. The release was effected by a Deed of Release dated 4 February 2016.

At Q2217 Mr Quin was reading from RAL board minutes. These have not been published by the Committees or seen by Arcadia Group Limited. Please can a copy be provided.

**38 Q2247 – Q2249:** The filing of the CVA report with the Court would have been a “qualifying insolvency event” in respect of Bhs Limited for the purpose of s.127(3) of the Pensions Act 2004 and would therefore (as explained by Mr Budge at Q2985) have triggered the start of the PPF assessment period for the Bhs schemes. Only at the end of the assessment period would they enter the PPF if they had insufficient assets and before that they could be the subject of a scheme rescue plan.

**39 Q2255 – Q2263:** Sir Philip was sent a section 72 notice by the Pensions Regulator dated 2 April 2015 asking (among other matters) for details of properties purchased within a specified period by Sir Philip “or by any Connected Entity from any company within the BHS Group.” “Connected Entity” was defined as “any entity in which you have a legal or beneficial interest”. Sir Philip responded to the Pensions Regulator by letter dated 24 April 2015 explaining that neither he nor any Connected Entity (as defined) had made any such purchase. This response was accurate.

A subsequent section 72 notice was sent by the Pensions Regulator to Taveta Investments Limited (not Sir Philip) in July 2015. In responding to this notice, Taveta Investments Limited identified the connection between the buyer of the Ealing Bhs store (Thackeray Estates Ealing Limited) and the Green family.

**40 Q2264:** There is a transcription error. Sir Philip said: “Outside of that, I have no knowledge, other than on a general basis, of ...I think he talked to the PPF ...I think that was an offer he mooted.” (Underlined words added.)

**41 Q2275 – Q2282:** A copy of the two letters dated 14 June 2016 from Duff & Phelps to Sir Philip referred to by Sir Philip at Q2279 (and also at Q2283-Q2287 & Q2302) are attached as Attachments 8 and 9.

The meeting to discuss the viability of the Bhs business with the proposed new Gordon Brothers facility was on 18 April 2016.

In relation to the events that triggered the administration, see also:

**41.1 Q1174 Darren Topp:** “unfortunately a combination of the property transactions or potential sales fell through, and the ABL facility with Gordon Brothers just was not workable or practical and was expensive. The consequence of those two failures meant that we had no choice but to go into administration.”

**41.2 Q1250 Craig Mackinlay:** “What I am trying to get at is, you put the plan together. Did it stick to the plan? If it didn’t, why not?”

Darren Topp: I think it is quite interesting. It didn’t. That is fact. As I said, for the year, our sales were broadly flat—down 0.2%. The non-food sales of our biggest competitor, Marks & Spencer, were down 2.9%. So you could say that, relative to our biggest competitor, our performance was pretty good. The truth was that it wasn’t enough—and that is absolutely true. We missed the forecast. We do not believe that it was because of the material reasons that the business ultimately ended up in administration because, as I have said already, that

was because we did not raise the finances post the CVA. But it clearly did not help. It put additional pressure on the business, and this was a business that, sadly, did not have a balance sheet like Marks & Spencer, which could cope with difficult trading conditions. That's the truth."

**41.3** Q2748 Neville Kahn: "It was not Sir Philip or Taveta or Arcadia that tipped the company into administration, no. With respect to who was running the company after the sale, my understanding is that it had a management team led by the CEO of BHS, Darren Topp. Obviously the new owners brought in their own advisers—the Grant Thorntons and the Olswangs and their various lawyers and their board—in order to run the business. That is who was running the business after the sale."

**41.4** Q2765 Michelle Thomson: "I have a final question. This has certainly been a long session. In terms of Duff & Phelps as the proposed administrators, how was the decision to appoint them made?"

Neville Kahn: The ultimate decision to appoint them was obviously made by the BHS board and its advisers. To try to help you understand how they got there, I will go back. There was a meeting that I attended with our client. It was the BHS directors, management team, and their advisers looking at the immediate cash flow of the business. The company, at this point, is already in CVA. It is about a month after the CVA, and they are needing cash.

Q2766 Frank Field: When you say your client, do you mean Arcadia or Sir Philip?"

Neville Kahn: Arcadia Group Ltd. So we are there, with Arcadia Group Ltd, and there was a discussion around the cash flow, the cash-flow facilities that RAL were trying to raise and whether there was sufficient cash for the company to trade on. At that meeting, the finance director—I am not sure if it was the finance director, but it was the head of finance for BHS—the chief executive of BHS, various members of the management team and, interestingly, the lawyer from Olswang looked at it and concluded that it was clear the company was running out of cash and would not have enough facilities. At that meeting, we could see the BHS management team concluded that because, I think, they had not sold the property for the amount they were expecting, which was in the cash flow, and all these things were getting delayed. At that meeting, there was a discussion about who should be appointed as the administrator if they decided to go into administration. That meeting was on 18 April. During that meeting, a couple of firms were mentioned. One of those was Duff & Phelps. I was asked what my view was about Duff & Phelps. Obviously, as an insolvency practitioner, we tend to know all the different firms. I commented that I thought they were capable of doing the job. They had done other large retailers; I was aware of that, so I commented on it at the meeting. After that meeting, I said to them, "We can't advise"—we were not advising BHS—"They need to go back and speak to their own lawyers and decide whether they want to go into administration." I have seen in the evidence the board minutes where the BHS group, with their advisers—we are not involved in that at all—decided to appoint Duff & Phelps.

Q2767 Michelle Thomson: That is your role in terms of the advisory role to Arcadia. What was Philip Green's role in appointing Duff & Phelps?"

Neville Kahn: Arcadia Group were the floating charge holder. In very normal circumstances, you would expect a company to consult some of its creditors about that. At the meeting, as I said, more than one firm was discussed. As far as I am aware, the BHS directors then went away. They met Duff & Phelps. I was not involved in any of those meetings. They decided—BHS or RAL—to appoint Duff & Phelps.”