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Monday, 15th March 2004

(9.20 am)

THE PRESIDENT: Yes, Mr Morris.

MR MORRIS: Good morning, sir. Just one or two matters of housekeeping, if I may. First, I understand there has been placed before you a paper from Umbro. You will see that it is a paper of four pages. The fourth page I am asked to draw to your attention as being confidential and material which Umbro wishes not to be referred to in open court nor to be referred back to anybody's clients on a lawyer-only basis.

The second matter is timetabling generally. We have produced a structure for the final hearing this week. It is not something I am going to place before you. Can I just say at the moment that we are working together on the timetabling of witnesses; it is something which we will probably if we have an opportunity discuss at the next adjournment or some appropriate time. We have pencilled in dates for each witness and we think we are getting there.

The third matter is this. There is some further material in this case which the OFT would wish to draw to the tribunal's attention. This has arisen in particular out of the cross-examination of Mr Ronnie and in particular --

1 MR WEST-KNIGHTS: Stop right there.

2 THE PRESIDENT: Just a minute.

3 MR WEST-KNIGHTS: Mr Ronnie is in court.

4 MR MORRIS: I apologise, I did not realise. I would ask for
5 Mr Ronnie not to be in court.

6 THE PRESIDENT: Do you mind, Mr Ronnie? I am sorry about
7 that.

8 MR MORRIS: I am grateful to my learned friend; I did not
9 realise.

10 MR WEST-KNIGHTS: Be on notice that if my learned friend
11 starts to tell you what this is I will stop him and
12 explain why.

13 THE PRESIDENT: How can he tell us --

14 MR WEST-KNIGHTS: He cannot. It is no business of any
15 counsel to stand up in the middle of cross-examination
16 and stay anything. There has been an exchange of emails
17 on this subject over the weekend. I made it quite clear
18 to my learned friend that he was to do nothing to put
19 information or documents before the tribunal otherwise
20 than through the proper process of litigation. I have
21 not the slightest idea what he thinks he is doing.

22 THE PRESIDENT: You had better not tell us what the material
23 is, Mr Morris.

24 MR MORRIS: I was just about to explain to you that a matter
25 has arisen, I has been canvassed with my learned

1 friends, and we are waiting to discuss with them the way
2 to proceed. I just raise it as a matter which I may
3 wish to raise during the course of the morning when
4 I have had an opportunity to discuss it with my learned
5 friend Mr West-Knights and my learned friend
6 Lord Grabiner. I have spoken briefly to my learned
7 friends this morning. We would suggest that it is
8 a matter that can be dealt with at an appropriate time
9 during the course of the morning. We would respectfully
10 suggest that it is a matter that has to be deal with
11 today, and preferably before lunchtime.

12 THE PRESIDENT: It had better wait in all event until
13 Mr Ronnie's cross-examination has been completed.

14 MR MORRIS: That may well be. It may be that it should not
15 wait until re-examination because it may be a matter
16 about which my learned friend will wish to question the
17 witness. There we are, I flag the issue, sir.

18 THE PRESIDENT: Thank you.

19 MR WEST-KNIGHTS: I am sorry if I sounded slightly sharp.

20 It is very early on a Monday morning and I have made my
21 views perfectly clearly to my learned friend, which is
22 that he does not have to discuss anything with me
23 because he must proceed as he thinks appropriate and
24 proper. Let me put it on the record that he will emerge
25 that what he is seeking to do is improper.

1 Very briefly, I do not want to delay Mr Ronnie any
2 more than is absolutely necessary. I received a copy of
3 this note to read shortly after 9.30 this morning.
4 Umbro provided one copy per party. I have not had
5 the slightest opportunity of absorbing it and,
6 consequently, your request that Umbro should produce
7 something before the weekend, even if it was only
8 without prejudice, even if it was only in draft was
9 completely ignored. Although there was communication
10 between the parties by email over the weekend.

11 The second point I want to make about this is that
12 I quite fail to understand the assumption that this is
13 counsel only. The Sports Soccer note is being treated
14 as pink. That is to say it must not be read out in open
15 court. Except when we get to the detail, we will
16 probably find that there is nothing there we do not
17 know.

18 I am not an accountant. I believe myself capable of
19 reading a set of accounts, but I plainly need, and want,
20 to discuss with at the very least the managing director
21 of my clients, who is ex-Pricewaterhouse, as to
22 the ramifications of the statements made in this
23 document, which, as I say, I have not read, but simply
24 glanced over. I wonder if that could be clarified
25 immediately because we need to pass this document, or

1 its contents, perhaps over the phone initially to those
2 who can assist us with untangling this all.

3 THE PRESIDENT: As I understand it, there is a particular
4 sensitivity about the figures on the last page of this
5 document headed "Confidential information." That is
6 what is sensitive. Just looking at those figures, there
7 is a payment in 2002 and then there are some figures
8 about amounts of royalty, which refer to 2000 and 2001
9 but go up to 2002 and 2003. The first of the two
10 figures relating to 2000 and 2001 are, one way or
11 another, elsewhere in evidence. But the rest of
12 the figures, as far as I can see, may not be in evidence
13 and may still be sensitive because they are more recent.

14 MR WEST-KNIGHTS: If they are germane to an understanding of
15 these arrangements -- first, is it your understanding,
16 sir, that it is only page 4 which is only wholly blue?

17 THE PRESIDENT: Yes.

18 MR WEST-KNIGHTS: In which case, to that extent, I misheard.
19 In any event, if these are germane to the understanding
20 of the arrangements, how am I to take advice from
21 an accountant without obtaining instructions?

22 THE PRESIDENT: What we are concerned with in this case is
23 what was going on in 2000 and 2001, principally 2000.

24 MR WEST-KNIGHTS: Perhaps this figure should not be there,
25 I do not know. They have been volunteered presumably

1 because they are germane to the explanation.

2 THE PRESIDENT: The course of events in 2000 especially and
3 the various payments that were made at that time are now
4 explained in the first three pages of this document.

5 I would not have thought, bearing in mind what we all
6 now know, there is a particular reason to take further
7 instructions on the particular sensitive figures
8 referred to on the last page, the 2002 invoice and
9 I assume the royalty figures.

10 MR WEST-KNIGHTS: For the purposes of taking instructions,
11 we need to release the figures in 2000 and 2001. That
12 was not a rhetorical question. Am I to take it that
13 you are releasing us from the unilaterally imposed
14 confidence by Umbro in respect of 2000 and 2001?

15 THE PRESIDENT: Mr Morris and Miss Roseveare, in relation to
16 the last page of this document, there are some figures
17 for the amount of royalty used, and I think it is
18 already in evidence that for 2000 there is a nil figure
19 and for 2001 there is another figure. It may not be
20 appropriate that those two figures should still have, as
21 it were, blanket protection because I think it is
22 probably water under the bridge.

23 MR MORRIS: I will allow Miss Roseveare to say what -- just
24 to remind you, we believe that the 13.6 figure is
25 already out --

1 MR WEST-KNIGHTS: My learned friend has just mentioned that
2 figure in open court, notwithstanding that there is no
3 ruling.

4 MR MORRIS: We believe that that figure for 2001 has already
5 been mentioned openly in one of the documents,
6 we believe.

7 MR WEST-KNIGHTS: It has been mentioned now; it is on
8 the transcript.

9 THE PRESIDENT: Miss Roseveare, I think at the moment, as
10 far as the tribunal is concerned, our view is that there
11 does not need to be mention of the figure relating to
12 the 2002 invoice, nor for the figures for 2002 and
13 2003 as far as royalty is concerned. But for 2000 and
14 2001 my impression is that those figures, or something
15 like them, are already in evidence. They do not have to
16 be read out in open court necessarily, but I think
17 they are already part of the documents that have been
18 seen by most of the parties.

19 MISS ROSEVEARE: Perhaps if I can just explain in a little
20 more detail. We have provided those figures
21 specifically in relation to a question that, I believe,
22 Mr Colgate asked. He wanted to know how much of the
23 advanced royalty had been used already. Obviously, we
24 do not believe it is relevant to any of the other
25 parties to know the terms or how the -- how much of that

1 licence agreement had actually been used up to date.
2 That is highly sensitive commercial information.

3 I understand that the 2000 figure has been mentioned
4 in evidence. I must admit I am not quite sure about
5 the 2001 figure.

6 MR MORRIS: Can I clarify that. As I understand it, a copy
7 of the 2002 licensing agreement has been provided to
8 everybody on an open basis, subject to certain
9 blankings-out. Within that document at schedule 5 is
10 a figure for 2001 which is not blanked out. So it does
11 appear that that figure has in fact been disseminated to
12 clients as well.

13 THE PRESIDENT: I think that is right, thank you. I think
14 as far as we are concerned, Mr West-Knights, we need to
15 rule on it.

16 MR WEST-KNIGHTS: Yes, I am content, as it were, for
17 the moment by consent from my point of view. 2000 and
18 2001 are I think now wholly open, but at any rate I am
19 content to treat them as pink. I am prepared for
20 the time being to abide by Umbro's stricture in respect
21 of the other pieces of specific information on page 4.
22 As and when, and if, I have the chance to read this
23 paper together with the Sports World paper together with
24 the information we already have, I may need to come back
25 to you and say: I am stuck on this one. It may be that

1 in camera a debate -- because some of us have more
2 accounting knowledge than others, we could actually
3 resolve this, as it were, off-line vis-a-vis
4 the clients, I do not know.

5 I am not trying to be difficult, but I am bound to
6 say I do deprecate intensely the fact that this material
7 arrived this morning because it is probable --
8 I certainly cannot cross-examine Mr Ashley on one little
9 chapter, which would necessarily be a proper chronology
10 of who did what in the spring and early summer of
11 2000 without understanding this stuff and I will not
12 have understood it by the time he finishes. So it may
13 be that he is going to have to come back.

14 We have always said that the financial
15 cross-examination should await the arrival of these two
16 bits of paper, but it is nearly a week since that was
17 first floated.

18 THE PRESIDENT: Let us press on for the moment on the basis
19 we have discussed.

20 MR MORRIS: As far as my learned friend's observations on
21 the timetable are concerned, I have no observations
22 because anything he has written down has not been shared
23 with me and he and I have not spoken this morning.

24 Right, perhaps we could have Mr Ronnie back.

25 THE PRESIDENT: Yes.

1 MR WEST-KNIGHTS: I can tell you, if it is material, that it
2 may be wise to rise for a couple of minutes as it looks
3 like there is a faulty cable connection with Livenote.

4 THE PRESIDENT: We will rise for a couple of minutes, if you
5 would kindly tell us when you have got it fixed.

6 (10.00 am)

7 MR RONNIE (continued)

8 Cross-examination by MR WEST-KNIGHTS (continued)

9 Q. Were you in court on Friday, Mr Ronnie, when Mr Prothero
10 was giving evidence?

11 A. I was in court for some of that evidence, yes.

12 Q. Were you in court whilst I was asking questions?

13 A. I was.

14 Q. Did you hear all of my questions?

15 A. No, I am sorry, I did not.

16 Q. Or, relevantly, did you hear the answers to my
17 questions, but anyway the answer is no.

18 During the course of his evidence he explained in
19 his first two witness statements that there was no
20 reference in respect of a Sky television promotion as to
21 how it was that Umbro had come to find out about
22 the existence of the promotion. Were you in court for
23 that bit?

24 A. I heard Mr Prothero mention something about a channel on
25 Sky, but I did not really hear the detail. My mind was

1 on other things at the time.

2 Q. The explanation which he gave us for the statement in
3 his witness statement 3, the one of July 2002, that he
4 believed that Allsports may have been the source of
5 Umbro's knowledge as to that promotion, eventually he
6 told us that there had been further investigations and
7 discussions after the Office declined Umbro's leniency
8 application giving rise to his third statement, and that
9 was how it was that he had come to put that part in his
10 statement. Do you remember that?

11 A. No, I am sorry, I do not.

12 Q. He told us that his recollection at least now was that
13 you had told him at some stage, perhaps in July 2002, we
14 do not know, that Allsports were the source of that
15 information going to Umbro. Can you help us with that?

16 A. I am sorry, I cannot, no.

17 Q. Do you have any recollection of Allsports saying
18 anything to Umbro about the Sky/Open Manchester United
19 shirt promotion?

20 A. No.

21 Q. It would be odd if it was Allsports complaining to Umbro
22 about that promotion, would it not?

23 A. It would not be odd. But I cannot remember if -- what
24 happened, if they said something to the company or not.

25 Q. Well, it would be odd, would it not, because your thesis

1 in Ronnie 2 and in the written representations was that
2 Allsports had a very close relationship with Manchester
3 United, that in that event one would expect, would one
4 not, that if Manchester United are apparently promoting
5 their own product on a television programme that
6 Allsports would speak directly to Manchester United
7 about it?

8 A. Well, in our industry retailers talk in general a lot
9 about activity around product and around promotions. So
10 I am -- the conversation could have taken place.

11 Q. It is highly unlikely that they would complain to Umbro
12 about something that was plainly nothing to do with
13 Umbro if, as you have claimed, Allsports had a specially
14 close relationship with Manchester United?

15 A. It is not unusual that they would not discuss it because
16 it was a Manchester United -- it was an Umbro product,
17 the Manchester United jersey. So somewhere along
18 the line communication I am sure might have taken place
19 regarding that product. The Manchester United jersey
20 was an Umbro product.

21 Q. At any rate you have no recollection of any such
22 conversation?

23 A. No.

24 Q. Thank you. Could you please open bundle E1, which is
25 blue? Part 1.

1 Now, this is the monthly management report for
2 March, and I would like you to go if you would to
3 page 124. This is a --

4 MR COLGATE: Sorry, what tab number?

5 MR WEST-KNIGHTS: I do beg your pardon. E1/22. If I may be
6 permitted, this is the page that my learned friend was
7 trying very hard to put to Mr May, and I promised that
8 Mr Ronnie would have a look at it, it not being
9 a document that Mr May had seen.

10 Just read through your bit of this monthly report,
11 Mr Ronnie, and tell us if there is anything there that
12 you want to comment on at all in the context of
13 the alleged pressure by retailers on Umbro, and in
14 particular Allsports' pressure on Umbro. (Pause).

15 A. Yes.

16 Q. Mr Ronnie, have you managed to read that in
17 the intervening period?

18 A. Yes, thank you.

19 Q. Is there anything you want to say about that page about
20 retailer pressure by anybody, in particular Allsports?

21 A. If we go down to the line beginning:

22 "JJB has selected ..."

23 If we look at that line at the top,
24 the line underneath says:

25 "Sports Soccer are now taking 30 per cent off .."

1 What would happen is that JJB would choose certain
2 strategic stores as I mentioned there to put a blanket
3 discount of 20 per cent across all products, that would
4 then go back to Sports Soccer who would go to
5 30 per cent.

6 The pressure was on Umbro during this period,
7 because Sports Soccer had been told by Umbro that JJB
8 would not discount the product any more, being replica;
9 and that Sports Soccer were to stay at 39.99.

10 Q. So when was it that you told --

11 A. Sorry, I have not finished.

12 Q. -- that you told Sports Soccer to stay at 39.99?

13 THE PRESIDENT: I think he wanted to finish the answer.

14 MR WEST-KNIGHTS: Sir, he has a habit of waiting for
15 the next question and purporting not to have finished.

16 A. Sports Soccer would told by Umbro, as I said, that there
17 would not be a discounting by JJB on replica. JJB, when
18 they did this 20 per cent discount off all product, it
19 had an effect obviously on replica, so it took
20 20 per cent off the replica price. Sports Soccer would
21 then react to that so we as Umbro were in the middle.
22 Whereas we had given assurances to Sports Soccer that
23 JJB would not discount replica, a promotion such as
24 20 per cent would have an effect on the replica.

25 THE PRESIDENT: Yes.

1 MR WEST-KNIGHTS: And obviously the pressure would not be
2 coming from JJB, because they were discounting.

3 When was this assurance given to Sports Soccer that
4 JJB would be going out at 39.99? Can I remind you that
5 this is the monthly report for March; we have not heard
6 anything about price-fixing by you and Sports Soccer in
7 March yet?

8 A. It had been ongoing.

9 Q. So you are constantly fixing the price with
10 Sports Soccer?

11 A. And other retailers, yes.

12 THE PRESIDENT: There had been an ongoing assurance to
13 Sports Soccer.

14 A. An ongoing assurance to Sports Soccer, Allsports, JD,
15 around the subject of 39.99 on replica.

16 MR WEST-KNIGHTS: Now, there is nothing on this page that
17 has anything to do with retailer pressure from Allsports
18 as has been latterly alleged, is there?

19 A. Not on this page, no.

20 Q. Any other page you want to turn to?

21 A. No.

22 Q. What is interesting perhaps, and we will pick it up
23 a little bit later, is that you say under "Apparel" in
24 the second paragraph:

25 "England licensed apparel", talking about

1 the England shirt, "has not kicked in yet due to
2 the retailers and the consumers focusing on the domestic
3 link."

4 A. Yes.

5 Q. We can do this short or we can do this long. Do you
6 accept and remember that the monthly management reports
7 go in this sequence: March, there is the focus on
8 the domestic league; April, so far as Allsports is
9 concerned, poor weather, particularly around Easter,
10 affecting their sales; May, Allsports, unlike the other
11 retailers, selling the England shirt well?

12 A. Yes.

13 Q. Thank you. Sorry, I must not say thank you,
14 I apologise.

15 So Allsports is selling well the England shirt
16 during May 2000?

17 A. To the best of my recollection yes, they were.

18 Q. Of course they are not only selling well, ie lots of
19 sales, but they are selling it at 39.99?

20 A. Yes.

21 Q. In spite of the fact that JD Sports were running
22 a sequence of promotions starting with the England shirt
23 at possibly as low as 29.99 and then perhaps a high
24 price, but in any event with a free cap worth about
25 a tenner; yes?

1 A. Yes.

2 Q. And throughout May of 2000, throughout the whole of
3 the month of May 2000 Sports Soccer were selling
4 the shirt at a price discounted from Umbro's High Street
5 price?

6 A. Yes.

7 Q. There is one other reference here. You do describe JJB
8 and Sports Soccer in the preceding paragraph as the main
9 two accounts?

10 A. Yes. As you see there, I refer to them as the base to
11 our business.

12 Q. Yes. With, as I suggested on Friday -- the premiership
13 ones with everybody else being very much an also-ran, to
14 muddle the mixed metaphors?

15 A. I do recall you saying that, but as I said repeatedly on
16 Friday, Allsports were a very important account to
17 Umbro.

18 Q. Yes, yes, you did say that, repeatedly.

19 Tab 33, please, in the second volume.

20 I was going to ask you to look at page 283. Again,
21 if I can just take you -- I apologise for the quality of
22 this copy, the fault is JJB's. The third paragraph:
23 "Branded footwear is top priority as we have our two
24 key UK accounts pushing for new development along with
25 certain licensees."

1 Do you see that?

2 A. Yes.

3 Q. So once again JJB and Sports Soccer described as "our
4 two key UK accounts".

5 A. Correct.

6 Q. I want to ask you in a general way about how you make
7 these monthly management reports. We might just stay
8 with the June report for the moment, just have that open
9 or by you.

10 The structure of the reports, or some of them at
11 least -- if you go to page 280 -- yes?

12 A. Yes.

13 Q. -- is that it is divided up into various segments,
14 the first of which being yours, COO -- yes?

15 A. Yes.

16 Q. -- which includes first a report from you personally and
17 then appended under your chapter various reports from
18 people within the business; yes?

19 A. Yes.

20 Q. Now, your report is an overview of what it is that is
21 reported in by people in your chapter; is that right?

22 A. Yes.

23 Q. So I guess, subject to you discussing things with
24 people -- and, of course, you have open-plan offices
25 I think you have told us --

1 A. No.

2 Q. You have not? Okay. Subject to your discussing or
3 knowing stuff, you cannot write your report until
4 you have had everything in from the people underneath;
5 would that be right?

6 A. Yes.

7 Q. You probably have not the slightest recollection of this
8 but let me try anyway. Does it ring any bells with you
9 that you could not finish writing this report until you
10 got the last one, the report from Mr Wright which
11 perhaps unhelpfully states -- do you remember this, do
12 you remember waiting for him? He seem to be the last in
13 a chain in a number of these reports? He is footwear.
14 Was he always a bit late?

15 A. All the guys were always a bit late. It was usually
16 the busiest people who took the time to get the report
17 in.

18 Q. We have a reference at page 300 to the footwear
19 June report. Do not worry about its contents. It has
20 a signature of RW, 14th July 2000; yes, do you see that?

21 A. I am sorry, what page?

22 Q. Page 300. If you would like me to speak up, Mr Ronnie,
23 you say. Perhaps you cannot hear me very well?

24 A. No, I can hear you fine, thank you.

25 Q. Do you have page 300?

1 A. Yes.

2 Q. Do you see the date at the bottom?

3 A. Yes.

4 Q. It is the last in time in dates of those reports that
5 were produced. We see at page 281 the coversheet for
6 your bit dated 14th July.

7 A. Mm-hm.

8 Q. And that is presumably the date upon which -- again,
9 that is CR/MFP, you/the initials of your PA?

10 A. Correct.

11 Q. Please remind me of her name?

12 A. Morag Pallett.

13 Q. As in what a forklift truck picks up?

14 A. Correct.

15 Q. It will stick now. She is your PA and the probability
16 is that when you have written your report she finally
17 prints off what looks like a standard front page?

18 A. Yes.

19 Q. And the probability is that she uses the "use date"
20 printing function so she does not have to change it
21 every time?

22 A. I do not know, I could not tell you, I am sorry.

23 Q. We have seen an example of that in respect of the
24 document that was printed out fresh on the raid, that
25 had "29 August" at the bottom when it was plainly

1 written earlier.

2 We have the same phenomenon for April, if I could

3 ask you to turn back to that, which is part 1, tab 24?

4 A. Yes.

5 Q. If you look at page 178 you will see the print-off date

6 of 18th May for your coversheet?

7 A. Yes.

8 Q. And you can take it from me -- but if you do not want to

9 do that you can look ahead -- 197 once again is

10 the splendid and no doubt busy Mr Wright who you can

11 take it from me -- but it can be checked -- is the last

12 in time and he produces his bit of blurb on 18th May?

13 A. Correct.

14 Q. That is not ideal for you, is it, because you set aside

15 a certain amount of time in your diary for doing this

16 kind of work. It may not be you, it may be Morag. Does

17 she write stuff in your diary as a reminder?

18 A. She does at times, yes.

19 Q. You may find it more helpful to look at a copy of your

20 diary, because it is in a ring binder and you can flip

21 over them.

22 THE PRESIDENT: The diaries are in file ...?

23 MR WEST-KNIGHTS: E4.

24 THE PRESIDENT: Yes. Where do you want us to go,

25 Mr West-Knights?

1 MR WEST-KNIGHTS: I am a little lost, I will let you know.
2 Can I just take you first to the page that is
3 22nd and 24th May.
4 A. Yes.
5 Q. I want to see if we can understand the way the diary
6 works. 24th May of course is the date that we know that
7 you met Mr Ashley with Mr Monaghan and Mr Nevitt to
8 discuss the licensing agreement and the price of
9 the shirts; yes?
10 A. Yes.
11 Q. It says here:
12 "12.28 Stock to Milton; 2.24 arr Milton; 4.00
13 Mike Ashley."
14 Is that Stockport to Milton Keynes train times?
15 A. Yes.
16 Q. So departure and arrival. Do you write those in or is
17 that Morag?
18 A. That is me.
19 Q. "Meeting with Mike Ashley at 4 o'clock."
20 At the bottom of the page:
21 "Champions League final"; is that right?
22 A. Yes.
23 Q. Sorry, it is just that our copies are not the best.
24 A. I am sorry.
25 Q. And it is your writing. So if I say is that right, I am

1 checking that I am reading your writing properly.

2 A. Okay.

3 Q. Over the page, it has the words "Strategy Meeting" which

4 looks as though it has been moved to an 11.30 start, but

5 I am not sure how it is going to work because it seems

6 to show you coming back from Milton Keynes on the 11.32

7 and arriving in Stockport on the 1.18?

8 A. Yes.

9 Q. So you stayed down the night of 24th May, did you?

10 A. Yes.

11 Q. Do you remember where you watched the Champions League

12 final? Perhaps you went to it?

13 A. No, I watched it in a pub in Dunstable.

14 Q. Presumably with Mike Ashley and his team?

15 A. Yes.

16 Q. So you came back. Now, we know that that is the day of

17 the golf tournament. Of course, you did not take part

18 in the golf?

19 A. I did -- well, I walked over the course.

20 Q. You did?

21 A. I did play.

22 Q. It was a dreadful day in terms of weather, was it not?

23 A. Yes, it was.

24 Q. At any rate, you have this in your diary; Stockport golf

25 club, 2.20 tee-off. You have it in the evening as well

1 because there was a dinner?

2 A. Yes.

3 Q. Thank you very much. Now, could we just move on. Some
4 of these pages, of course, you will appreciate we had
5 not seen before until your diary re-emerged.

6 For the record, sir, we did have the page we just
7 looked at of 24th May and we did have the pages of 25th,
8 26th, and 27th May.

9 Going over two pages -- I am sorry, I actually need
10 to go back one. Would you mind going back to
11 the page of 22nd, 23rd, 24th May?

12 This is a week the contents of which I dare say
13 would be refreshed by looking at your diary, because
14 you have at the top of the 23rd:

15 "First day at new office."

16 A. Yes.

17 Q. Indeed, you have on Monday 22nd:

18 "Move to new office."

19 A. Yes.

20 Q. On the preceding page there are also the entries on
21 Friday for:

22 "Move into new office, move into new office."

23 So this looks like something fairly major. Is this
24 the move to Umbro House in Cheadle?

25 A. It is.

1 Q. Right. And it is a complete move, you were not just
2 moving floors within the same building or anything like
3 that?

4 A. No, no, it was a relocation.

5 Q. Okay. So going back to the page that we had not seen
6 before, I will say whether we have or not, and if I do
7 not say anything we have not seen it before.
8 29th May was a bank holiday.

9 Just running through, do you see the entry for
10 31st May, Wednesday, 12 o'clock?

11 A. Yes.

12 Q. That is one of your occasional, periodic lunches with
13 Michael Guest?

14 A. Yes.

15 Q. A good time to tell Allsports about the result you say
16 you had achieved on 24th May with Mike Ashley?

17 A. The likelihood is, and I cannot remember, that I would
18 have spoken to Michael before that. But we would
19 normally try to play tennis on a Friday if we could, so
20 I would have spoken to him on the phone before that.

21 Q. So what are you now doing with the date of this phone
22 call?

23 A. Pardon?

24 Q. You have been asked repeatedly about the date of this
25 supposed phone call to Allsports. What do you now say?

1 A. I cannot remember the date that I put the call in.

2 Q. I am suggesting to you that telling Michael Guest to his
3 face on 31st May over lunch would have been a good time
4 to celebrate the so-called result. So why did you not
5 tell him then?

6 A. Because as I said I would probably have spoken to him on
7 the phone a number of times before that meeting.

8 Q. So you are saying you had already told him?

9 A. I cannot remember, I am sorry.

10 Q. Do you have any recollection at all about this lunch
11 with Michael?

12 A. No, because it was not something unusual. We would meet
13 for lunch: Phil Fellone, myself and Michael would meet
14 whenever we could.

15 Q. But your guess is that you might have spoken to Michael
16 on the phone before the Friday because you usually play
17 tennis together on the Friday?

18 A. Correct.

19 Q. It is not actually in your diary for Friday 26th,
20 playing tennis with him. It appears that you were
21 having dinner with at two people, or indeed four
22 people -- I cannot tell whether that is people or the
23 name of a restaurant?

24 A. The name of a restaurant.

25 Q. When did you play tennis in May?

1 A. We play on a Friday afternoon at around 3.30 or
2 4 o'clock if we can. We play as often as we can, but it
3 is a last-minute arrangement depending on how the day is
4 going.

5 Q. So the chances are that you would have had a phone call,
6 you think, with Michael Guest before, or perhaps some
7 time during the day, on Friday 26th?

8 A. Yes, that is possible.

9 Q. What, and did you tell him the result then?

10 A. I am sorry, I cannot remember when I spoke with him
11 about that.

12 Q. Is the reason why you cannot remember is because you did
13 not, Mr Ronnie.

14 THE PRESIDENT: I think that is an implied question.

15 A. Oh, is it? I did not know. The answer is: yes, I did.

16 MR WEST-KNIGHTS: You saw Mr Hughes, if we go over
17 the page to the 1st, 2nd and 3rd June, which is
18 a page we have seen before, at 10.30 or thereabouts on
19 that day.

20 A. Yes.

21 Q. A good time to tell him, was it not?

22 A. Again, I am sorry, as I said on Friday I cannot remember
23 when I spoke with Mr Hughes about that.

24 Q. Whether he knew or not, here he is, you say, giving
25 Umbro an earful about discounting. It would have been

1 quite a good moment to say, "We have done the business
2 with England and Ashley." You did not say that? No
3 evidence at all -- in fact, your statement is quite to
4 the contrary.

5 Now how does that arise?

6 A. Again, I would have spoken to Mr Hughes a lot through
7 the period of time. I cannot remember when I would have
8 informed him of that.

9 Q. You would have talked to Mr Hughes constantly during
10 this week that we are looking at, would you?

11 A. I see Mr Hughes socially as well every week -- sorry,
12 not every week, I would see him occasionally at
13 the squash club socially.

14 Q. That would have been a good moment to tell him, would it
15 not?

16 A. It would, but as I said I cannot remember when I told
17 him.

18 Q. If we turn over the page to 5th, 6th and 7th June. On
19 6th June at 2 o'clock you have a meeting entitled "Use
20 of Premium Product Meeting" with Phil Fellone and
21 Simon Marsh -- he is Mr MU on the ground, is he not?

22 A. Yes.

23 Q. -- in your office?

24 A. Yes.

25 Q. That was to discuss the reply that you were going to

1 give to Manchester United in respect of their complaint
2 about third parties and the question as to whether Umbro
3 was proposing to do any sort of promotion with
4 the premium product?

5 A. I cannot remember exactly what happened in the meeting.
6 But as this mentions here, we would have been discussing
7 high tier price point product in the meeting.

8 Q. We will go to the documents in a moment, Mr Ronnie. But
9 the sequence of events is that Manchester United wrote
10 a letter on 25th May -- we have already looked at it,
11 we can look at it again -- raising a query about
12 the habits or conduct of, I think, kitbag.com; do
13 you remember that?

14 A. Yes.

15 Q. Was it Debenhams? And, lastly, Sports Soccer where they
16 say that Sports Soccer appear to be fiddling about with
17 the price of some other piece of replica kit, was it
18 Notts Forest or Celtic? I cannot remember.

19 A. I cannot remember.

20 Q. We will turn it up. E1, part 2, tab 31. Do you have
21 that, Mr Ronnie?

22 A. Yes.

23 Q. Tab 31, it has 276 at the bottom; yes?

24 A. Yes.

25 Q. Simon Marsh, copied to Prothero for these purposes. And

1 then internally Kenyon, Richards and Gourlay, from
2 Draper:

3 "Dear Simon, further to our conversation at your
4 offices yesterday ..."

5 So there has been a conversation on the 24th between
6 Marsh and MU, it would appear:

7 "... and my telephone conversation with Martin
8 [Prothero] we would ask for written confirmation of the
9 circumstances surrounding the recent pricing and
10 promotions practices of some of your customers as it
11 relates to replica shirts.

12 "We are clearly concerned about the effect such
13 activities may have on our own abilities to re-sell our
14 premium product ..."

15 Obviously they are talking about the MU shirt in
16 particular but the kit in general:

17 "... when launched in August and would welcome,
18 specifically, knowing the following:

19 "Kit Bag dot com. Did this customer ask/advise you
20 that they would be running the Sun promotion and have
21 you had any conversations about promo activity for the
22 launch of our new shirt?

23 "Debenhams. Clearly their discounting offer on
24 the new Celtic shirt is an indicator of their intentions
25 (as in the rest of their store offer) to have a price

1 advantage as a major marketing tool. Again, has any
2 dialogue taken place with them about the MU product and
3 pricing.

4 "Sports Soccer. Whilst we accept that the Liverpool
5 product has nothing to do with Umbro, can you please
6 advise what you understand SS's position is with regard
7 to pricing new product on the replica category."

8 Yes?

9 A. Yes.

10 Q. Over the page:

11 "To date Manchester United has maintained a price in
12 line with market conditions for shirts and had
13 promotional practices regarded as the norm. We have
14 turned down literally dozens of requests to use MU
15 product, shirts included, as loss leaders in major
16 promotions with the view this is in the best long-term
17 interests of the club, you as a major sponsor partner
18 and the traditional sports retail distribution base.
19 What assurances can you now give us that our stance is
20 still the best one to adopt in the light of
21 the activities highlighted?

22 That is not very subtle, is it?

23 A. Not really.

24 Q. No. Now, the reply did not go back to Manchester United
25 until we get to tab 36. That is a fax; okay?

1 A. Mm-hm.

2 Q. And it appears to match the fact that there was
3 a meeting on the day of this fax back, that is to say
4 the one we have been looking at; use of premium product
5 meeting, Prothero, Marsh and Ronnie?

6 A. Yes.

7 Q. Here is the answer. You are copied in on this, as is
8 Martin Prothero -- Shay Boyd was one of your marketeers,
9 was he not?

10 A. He was at the time.

11 Q. "Dear Peter, following receipt of your fax, I am able to
12 confirm that no such discussions have taken place
13 regarding the utilisation of the Club's new home jersey
14 in any such promotions.

15 "As you know, our policy has always been, and will
16 continue to be, that we do not utilise premium products
17 such as replica jerseys for promotions of this nature.
18 In essence, we have always managed to use alternative
19 items from earlier within the product portfolio or by
20 developing exclusive merchandise.

21 "As stated during our conversation, discussions had
22 already commenced regarding the issue of pricing with
23 both Debenhams and Sports Soccer. We have subsequently
24 received assurance from Sports Soccer and JJB that
25 they will revise their current pricing of jerseys to

1 reflect a price point which falls in line with market
2 conditions.

3 "Our discussions with Debenhams are ongoing and as
4 they form part of your retail partner strategy ..."

5 I think they are another official retailer, like
6 Allsports?

7 A. I do not know what their agreement with the club was at
8 the time.

9 Q. At least, this confirms they are part of your retail
10 partner strategy, to use the marketing speak, which this
11 person has adopted?

12 A. Yes.

13 Q. Rather like "soccer partner of choice", that is the sort
14 of blather we get in this market, is it not?

15 A. Yes, there is a lot of blabber in this industry.

16 Q. Yes:

17 "I would appreciate any assistance you can lend to
18 assist us in resolving this issue."

19 The sequence appears to be that you have a meeting
20 to discuss all of this with Prothero and Marsh, and
21 immediately after the meeting has sorted out the
22 position, somebody has telephoned MU and this fax goes
23 off to confirm the contents of the phone call?

24 A. As well as discussing product, yes.

25 Q. Yes, but that seems to be the sequence of events?

1 A. It does.

2 Q. Given that Manchester United were waving a pretty big
3 stick on 25th May about their fears in respect of
4 the future conduct of Sports Soccer about the pricing of
5 their kit based upon what they perceive to be wobbling
6 on Liverpool, it would have been a good thing to tell MU
7 immediately, "It is all right, you can relax, because
8 Sports Soccer have agreed to go full price on
9 the England shirt which is a very good marker for how
10 they are going to behave with MU". But you did not?

11 A. It would not be me who would have any conversations with
12 a club regarding price.

13 Q. Who would?

14 A. Either Mr Prothero or Mr Marsh.

15 Q. And they did not either?

16 A. I cannot speak for them, I am sorry.

17 Q. Nothing was said to MU, it looked like, until 6th June?

18 A. I could not tell you. I am sorry, I do not know what
19 they said to the club and when. Maybe you should have
20 asked Mr Prothero.

21 Q. Do you remember whether I did or not?

22 A. I was not here for that question, I am sorry.

23 Q. Thank you. It is plain from that letter that it
24 followed a meeting to discuss the answer to be given,
25 but nothing was said until 6th June?

1 A. I could not tell you, as I said earlier.

2 Q. There is nothing in that letter even to say, "Relax,
3 Sports Soccer have agreed to go full price on
4 the England shirt, so it looks as if it is going to be
5 all right for MU".

6 A. There is not. But, again, I do not know what
7 conversations took place between the individuals and
8 the club.

9 Q. But you do know what it was decided to tell Manchester
10 United in this fax because you had a meeting about it
11 before it was said?

12 A. We would have had -- we had the meeting, and we will
13 have discussed this reply and we will have also
14 discussed the product for club.

15 Q. Never mind the blabber, Mr Ronnie. You were party to
16 the contents of this fax; it was the result of your
17 meeting?

18 A. Yes.

19 Q. When you talk about Sports Soccer revising their current
20 pricing of jerseys, which jerseys did you have in mind?
21 When I say "you", I mean Umbro?

22 A. It will have been the 39.99 price point for replica.

23 Q. Which jerseys?

24 A. It will have been across the board. They were always
25 across the board conversations, unless there was

1 a particular problem on England or Manchester United,
2 but it was across all replica.

3 Q. All the Umbro replica?

4 A. Correct.

5 Q. At any rate, you record there on 6th June that you had
6 had assurances from Sports Soccer; right?

7 A. Yes.

8 Q. Of course, it is safe to tell MU if this is -- this is
9 related, is it, to the conversation you had with Ashley
10 on 24th May?

11 A. It will have been.

12 Q. But it is safe to tell MU this without looking like
13 a monkey on 6th June, because over the weekend of 2nd,
14 3rd and 4th June Sports Soccer did, in fact, put its
15 prices up?

16 A. Yes.

17 Q. As you well knew?

18 A. Yes.

19 Q. Because Mr Ashley subjected you to a pretty hefty
20 wind-up on the Friday night, by getting all of his area
21 managers to telephone your mobile to such an extent that
22 in the end you had to switch it off?

23 A. Absolutely.

24 Q. And when you switched it on in the morning, the nice
25 mechanical lady at the voice mail department said

1 you had dozens of voicemail messages?

2 A. Dozens and dozens.

3 Q. It is a measure, if I may suggest it, of the fear in

4 which Mr Ashley held you, Mr Ronnie; you and Umbro?

5 A. I do not think it is fear.

6 Q. No.

7 THE PRESIDENT: Are you leaving that document,

8 Mr West-Knights?

9 MR WEST-KNIGHTS: I am leaving that document. I had not

10 intended to get to it, but we have done that little

11 passage.

12 THE PRESIDENT: Just for my note, and this may not have

13 anything to do with it, if we are on page 324, if we put

14 our finger in 226 to which this 324 is a reply.

15 When Mr Marsh says on 6th June:

16 "As stated during our conversation ..."

17 MR WEST-KNIGHTS: Yes, I just put to Mr Ronnie that

18 the probability is that the meeting led to

19 a conversation followed up by a fax confirmation.

20 THE PRESIDENT: Yes. I was not quite clear on what --

21 MR WEST-KNIGHTS: He said that that was the most probable

22 sequence of events.

23 THE PRESIDENT: -- had been put because the earlier

24 document, 276, does begin:

25 "Further to our conversation at your offices

1 yesterday and my telephone conversation with Martin
2 you had asked for written confirmation ..."

3 MR WEST-KNIGHTS: "... of the circumstances surrounding
4 the recent pricing ..."

5 I am not with you at all.

6 THE PRESIDENT: I am just wondering, and we do not know,
7 I was not clear --

8 MR WEST-KNIGHTS: Oh, I see, I am with you.

9 THE PRESIDENT: -- which conversation it is that Mr Marsh is
10 referring back to, if you see what I mean.

11 MR WEST-KNIGHTS: Let us have a look. I am not going to
12 speculate, we have Mr Ronnie's answer, but I take
13 the point.

14 THE PRESIDENT: It is only a question in the back of my mind
15 which I put on the table to indicate that it is at
16 the back of my mind.

17 MR WEST-KNIGHTS: If the conversation at 324 preceded
18 the fax at 276 -- that is the alternative premise that
19 you are looking at, sir?

20 THE PRESIDENT: A premise is possibly that the conversation
21 referred to is the original conversation referred to in
22 the fax of 25th May.

23 MR WEST-KNIGHTS: Forgive me, we should not be doing this in
24 front of the witness, but since we have started it, I
25 will finish it, if I may. They would not have beefed

1 about Sports Soccer's conduct in respect of a relatively
2 unimportant shirt like Liverpool if they had already
3 been told that it was all gung-ho and full price for
4 England.

5 THE PRESIDENT: I did not want to go into argument, I just
6 wanted to raise a question at the back of my mind in
7 case you wanted to deal with it with the witness.

8 MR WEST-KNIGHTS: You have heard when I said. I have
9 already asked you questions about this. Manchester
10 United could not have been told about the result with
11 Sports Soccer before they wrote their letter of
12 25th May, could they, sensibly?

13 A. I honestly do not know, I was not --

14 Q. They would not have been taking Umbro to task, would
15 they, collaterally?

16 A. As I said, I did not deal with the club. I cannot speak
17 for what the two individuals who did -- what
18 conversations had taken place with the football club.

19 Q. We know that Mr Marsh had said, I expect you know this,
20 that actually he was not even aware of the result, as
21 you put it, when he wrote the letter of 6th June?

22 A. I cannot speak for Mr Marsh, I do not know what he said.

23 Q. Well, did you tell Marsh and Prothero about your
24 splendid result on 24th May?

25 A. I am sure during the course of events I will have spoken

1 to Mr Prothero. I cannot be sure of that, but I am sure
2 I would have done.

3 Q. In this period between 25th May and 6th June?

4 A. I cannot remember the dates, I am sorry. It was quite
5 a few years ago, as you know. I cannot recall when
6 I spoke to him, but I am sure in the practice of the way
7 we operated I would certainly have spoken to
8 Martin Prothero.

9 Q. Is it likely or even possible that you would have waited
10 a fortnight before telling him?

11 A. I doubt that.

12 MR WEST-KNIGHTS: Sir, subject to anything else, I have left
13 that document.

14 THE PRESIDENT: Yes, thank you.

15 MR WEST-KNIGHTS: We are making good progress, I am pleased
16 to tell you.

17 I will keep an eye on the clock, I understand
18 the intention is to recognise a minute's silence at
19 11 o'clock.

20 THE PRESIDENT: Yes, we are going to rise a couple
21 of minutes before 11 o'clock.

22 MR WEST-KNIGHTS: Could we turn over the page of the diary,
23 I want to finish looking at the diary for a minute,
24 please, and take you to the page of 8th June. I cannot
25 give you a page number because I do not have one. But

1 the nice thing about its being a diary is that it is in
2 sequence!

3 Can we go back to the preceding page, 7th June.
4 There is an entry there that we see quite a lot of
5 throughout the months. It says there "2.30" -- I am not
6 going to refer to any other entry on this page, I think
7 "monthly report."

8 Now that is a slot in your diary where you say: do
9 the monthly report, if I can?

10 A. Yes.

11 Q. But I dare say quite frequently you write in your diary
12 your own personal slot for doing the monthly report, but
13 you would be kyboshed because, for instance, the very
14 busy Mr Wright has not put his bit in, yes?

15 A. He and --

16 Q. He and others. I am not singling him out, you have
17 already said he is a very busy man.

18 A. Yes, he is busy in his own world.

19 Q. Footwear, he is a footwear man?

20 A. Yes.

21 Q. It sounds to me as if you think he is a footwear man to
22 the core?

23 A. Very good.

24 Q. If there was a pun I did not intend it.

25 A. No, it was very clever.

1 Q. Oh, do not worry, Mr Ronnie, I am not.

2 Let us go over the page again. Perhaps sometimes it

3 takes more than one shot to do these monthly reports.

4 You have another entry in your diary:

5 "9 am monthly report."

6 A. Yes.

7 Q. So in principle, if you have all the stuff in, that

8 entry will correspond with you finishing it off giving

9 it to Morag -- you have the pile of stuff, you have been

10 through it, you have done your overview. Do you do your

11 own typing?

12 A. I would on the monthly report write it out myself and

13 she would type it up.

14 Q. Write it out with a pen?

15 A. Yes.

16 Q. You give it to her and as far as you are concerned, that

17 is it?

18 A. Yes.

19 Q. Do you check her typing once she has done it, or is she

20 very reliable?

21 A. She is very reliable.

22 Q. And she, no doubt, can read your writing properly. So

23 you do a draft of the report, you have another look at

24 it, check it out, tidy it up, it goes to her. The next

25 thing she does -- she types up your report, attaches

1 the underlying bits and pieces that would come in --

2 A. No, she would focus mainly on my area of responsibility,
3 which was product and sales --

4 Q. Sorry, I mean your packet of stuff, not everybody else?

5 A. Yes.

6 Q. You have a slice which is, as it were, coalface, where
7 Umbro really does the business, the finance office has a
8 slot, international has a slot, legal has a slot. I am
9 just looking at your first 22 pages, whatever it is?

10 A. Okay.

11 Q. So if the stuff is all ready, you do your report and it
12 goes to Morag and she will print out your bit, do
13 the coversheet for the month and off it goes?

14 A. Absolutely.

15 Q. Right.

16 On the same day we have at 3 o'clock:
17 "Sports Soccer".
18 That is presumably your writing?

19 A. Yes.

20 Q. Can you just help us, going down to the bottom, it says:
21 "London: Sports Soccer", and then "Chiltern Hotel."
22 Is that where you stay when you go down to
23 Dunstable, just guessing?

24 A. It is.

25 Q. Over the page we have perhaps what is now slightly

1 familiar, although not the same hours: 32 past the hour
2 for Milton Keynes, 11.18 to arrive in Stockport and your
3 first appointment appears to be a 12.30 with Andrew
4 somebody or other?

5 A. Yes.

6 Q. Does that make sense?

7 A. Absolutely.

8 Q. Can you see what has been rubbed out underneath this?
9 We have not sent this to a forensic examiner. I can see
10 bits that look like they have been rubbed out?

11 A. I am sorry --

12 THE PRESIDENT: Should he look at the original?

13 MR WEST-KNIGHTS: I am sorry, I assumed for these purposes
14 he would do so.

15 A. I can do.

16 MR WEST-KNIGHTS: I have seen the Gita wrapped less well in
17 courts.

18 THE PRESIDENT: It is 9th June, Mr Ronnie.

19 MR WEST-KNIGHTS: It is the page of 8th, 9th, 10th and
20 indeed the 11th.

21 A. I cannot see what it is, I am sorry.

22 Q. All right.

23 A. I think it says "Thameslink".

24 Q. Oh, good-o. Is that another way of getting to
25 Sports Soccer's offices?

1 A. It is from London, if you are in London.

2 Q. Right. Okay, it looks as if you were in the office in
3 Cheadle House, your new offices, earlier on in that day,
4 because you have the 9 o'clock monthly report pencilled
5 in there?

6 A. Yes.

7 Q. And you show a number for the unitary sales of business
8 done in England?

9 A. Correct.

10 Q. Oh, for this week -- but I think it is the daily
11 business --

12 A. I always make --

13 Q. You do a weekly thing?

14 A. Yes.

15 Q. And at 3 o'clock, Sports Soccer has a long line after it
16 down to 6 o'clock and "London, Sports Soccer" -- were
17 you in London that night?

18 A. If I have put London it means that we will have dinner
19 in London.

20 Q. Right, okay. At any rate, subject to looking at
21 the following page it looks as if you had been with
22 Sports Soccer overnight because of Milton Keynes.
23 (Pause). And the pattern of your appointments?

24 A. No, actually, on this day I think Mr Ashley came up to
25 the office.

1 Q. Okay. I would like you to think about that before you
2 finish the answer, Mr Ronnie.

3 Given the time, sir, would that be a convenient
4 moment to rise?

5 THE PRESIDENT: Yes. We have been invited by Her Majesty's
6 Government to observe a period of silence in order to
7 pay our respects to the victims of the bombing in
8 Madrid. The tribunal thinks that the best way to do
9 that is for us to rise and for each person to pay their
10 respects in a way that they think is appropriate for
11 them. We will rise now and resume at 11.15.

12 MR WEST-KNIGHTS: Thank you very much, sir.

13 (10.58 am)

14 (A short break)

15 (11.15 am)

16 MR WEST-KNIGHTS: Mr Ronnie, you were telling us about what
17 you were doing in the afternoon and evening of 8th June.

18 A. As I said, as I recall we actually did not meet in
19 London that day; we met in the north-west, the reason
20 being that Mr Ashley was in the north-west on the day of
21 the 8th and he told me to rearrange the location for
22 the meeting and he would meet me at the Umbro head
23 office in Cheadle.

24 Q. I understand that entirely. Now, on the other hand,
25 your diary says that you had arranged to be down in

1 London for something social in the evening with
2 Sports Soccer?

3 A. As with any other account, we would always tie up
4 a meeting with a dinner or a drink after work.

5 Q. And it looks as if you rubbed out at some stage
6 the plans you did have to get to London, the Thameslink
7 or whatever?

8 A. Yes, if I was planning to be in London that day yes.

9 Q. It looks as if you were, and it looks as if you did.
10 You went down to London with Mike after the meeting --

11 A. No.

12 Q. -- and stayed in the Chiltern Hotel and returned on the
13 train the following day?

14 A. No, that is not the case.

15 Q. Well, why is it that you did not rub out any of this
16 other stuff then?

17 A. Because I left it in the diary. I knew I was seeing
18 Sports Soccer.

19 Q. Go on --

20 A. I knew I was seeing Sports Soccer, so I left it there as
21 Sports Soccer. I did not know what time he would
22 exactly get to us in the office, but I left it there in
23 the diary.

24 Q. You did not go down to London that evening?

25 A. Not to the best of my recollection, no.

1 Q. You did not stay in the Chiltern Hotel?

2 A. No.

3 Q. Are you sure?

4 A. I do not think I did.

5 Q. Are you sure, Mr Ronnie?

6 A. I know I had a meeting in the afternoon with Mr Ashley

7 at Umbro in Cheadle, but whether we stayed in

8 the north-west or not, I am not sure. My view is that

9 we would have either stayed in Cheadle or, if we had

10 gone to London, we would have taken a train to Dunstable

11 and not into London itself.

12 Q. The question is whether you went down to

13 Sports Soccer's -- whatever the dinner -- no reason to

14 scrap the dinner, whatever it was. I am asking you for

15 the last time whether you are sure that you did not stay

16 in the Chiltern Hotel on the evening of 8th and

17 9th June?

18 A. I am not sure, I am sorry.

19 THE PRESIDENT: Where is the Chiltern Hotel, Mr Ronnie?

20 A. That is in Dunstable, in Bedfordshire.

21 MR WEST-KNIGHTS: Give us your best recollection as to what

22 did happen. You had a meeting with Mr Ashley.

23 A. Yes.

24 Q. And he has told us that he reported to you that --

25 A. He took me through the meeting that had taken place at

1 David Hughes's home.

2 Q. He gave you a version of what had happened at

3 David Hughes's house?

4 A. Yes.

5 Q. And you did not have the slightest idea whether that

6 version was true or not?

7 A. I did not have as he was telling me, but I did have

8 the following day when I saw Duncan Sharpe.

9 Q. How long did this meeting last?

10 A. The David Hughes meeting?

11 Q. No, the meeting you had with Mike Ashley.

12 A. Oh, a long time, I would have thought into the early

13 part of the evening, as they normally do.

14 Q. Or not that long but it carried on on the train?

15 A. I cannot recall, I am sorry.

16 Q. When you finished the meeting with Mr Ashley, you cannot

17 remember whether you went home or whether you went on

18 a train?

19 A. Not on 8th June in the year 2000, no, I am sorry

20 I cannot.

21 Q. You have no recollection at all as to what you did --

22 A. To give you an idea.

23 Q. -- you have no recollection at all of what you did after

24 you finished the meeting with Mr Ashley?

25 A. We will have either stayed in the north-west or got

1 the train back to London, to Dunstable. I cannot
2 remember, I am sorry.

3 Q. Okay.

4 A. To give you an idea, I would have been in Dunstable
5 a lot through the course of that year. At times we
6 would either have travelled down together or not, as
7 the case may be.

8 Q. Let us assume that we are in a no-train situation. How
9 long do you think the meeting with Mike Ashley would
10 have lasted? You said quite some time. I think you
11 said into the evening?

12 A. We had a number of things to go through, which would
13 have been anything from deliveries, product, right the
14 way through to various other topics. So they lasted
15 a long time in the office when we used to meet with
16 Mr Ashley. I would say anything from four to five
17 hours, depending on who we needed to see in the office.

18 Q. Oh, I see, so your meeting with Mike Ashley could have
19 lasted until as late as -- you have it in at 3 o'clock,
20 presumably that is something you had written down not
21 being clear as to when he would get to you, yes?

22 A. Yes.

23 Q. But we have some information about the meeting and it
24 appears that it was finished by 2 o'clock?

25 A. I cannot recall, I am sorry, I cannot remember what time

1 the meeting finished.

2 Q. Let us assume it started at 3; it could well have gone
3 to 6 o'clock or 7 o'clock?

4 A. It could have done.

5 Q. By which time you would have had enough for the day and
6 gone down to Dunstable?

7 A. I cannot recall, I am sorry.

8 Q. You cannot recall. Okay.

9 That is a page that we have seen before, sir.

10 Just as a slightly separate question, a one-off:
11 during all these conversations that you had with
12 Mr Ashley as we now know in March, where you were
13 telling him to fix his prices at 39.99; in April, where
14 we know that there was an agreement that the office has
15 specifically identified to fix the prices at 39.99, and
16 again on 24th May, did you tell -- presumably you did --
17 Mr Ashley that you were being put under pressure by
18 the retailers?

19 A. Yes.

20 Q. And you are bound to have identified to him those
21 retailers who were principally responsible for that
22 pressure?

23 A. Yes.

24 Q. But you never mentioned at all Allsports?

25 A. I will have mentioned the group of retailers who were

1 responsible. Would I have mentioned Allsports?
2 The likelihood is, yes, I would have mentioned Allsports
3 to him.
4 Q. Mr Ashley's recollection is that he has no recollection
5 of you mentioning Allsports specifically whatsoever?
6 A. I cannot speak for Mr Ashley.
7 MR WEST-KNIGHTS: For your note, sir, witness bundle 1,
8 page 117.
9 THE PRESIDENT: Yes.
10 MR WEST-KNIGHTS: That is Mr Ashley's recollection.
11 Another separate topic, but it is a short one,
12 Mr Ronnie: before you went to Umbro -- I think you went
13 to Umbro at about the time of the takeover by
14 Doughty Hanson; is that right?
15 A. I worked on it at the end of 1998, the acquisition.
16 We were in due diligence from October onwards.
17 Q. I see. In the course of that exercise of due diligence,
18 as you mention it, did you have any advice from
19 PricewaterhouseCooper?
20 A. Yes.
21 Q. Do you stand by the statement which you have made on any
22 number of occasions, in your statements at least, that
23 Umbro has no independent interest in the retail pricing
24 of its products?
25 A. I am sorry, can you repeat the question?

1 Q. Do you stand by the statement which you have made in
2 your written statements that Umbro has no independent
3 interest in the retail price of its products?
4 A. Yes.
5 Q. That was not the view taken by PricewaterhouseCooper,
6 was it?
7 A. I cannot recall. It was a long time ago, that was 1998
8 that PWC were involved.
9 Q. Do you accept that PricewaterhouseCooper took the view
10 and advised during the course of the due diligence that
11 a reduction --
12 MR COLGATE: Who were they advising, can we be clear on
13 that?
14 MR WEST-KNIGHTS: I need to ask Mr Ronnie, because we have
15 the report that they were advising the acquirers?
16 A. They were. But most of the contact with PWC was carried
17 out by Mark Corbige.
18 Q. One of the people to whom you circulate your monthly
19 management reports?
20 A. Yes.
21 Q. At any rate, PricewaterhouseCooper were the accountants
22 advising Doughty Hanson, et cetera, that is to say
23 the people who were considering coming in to buy Umbro?
24 A. They were.
25 Q. And to re-capitalise it. Do you accept that their

1 advice to that group, which of course included you --
2 you became a shareholder, did you not?

3 A. Yes.

4 Q. -- was that a reduction in the High Street price of
5 the stuff that Umbro sells would be bad news for Umbro?

6 A. I cannot recall, I am sorry.

7 Q. You do not remember one way or the other what they said?

8 A. Not in 1998, no.

9 Q. Okay. Do you want us to have a look at that, sir?

10 THE PRESIDENT: Yes, I think we had better have a quick
11 look, Mr West-Knights.

12 MR WEST-KNIGHTS: Al, that is to say the Allsports pleading
13 bundle, yellow, tab 12, page 431.

14 This is a draft seemingly dated 8th March 1999 of
15 what was then known as Project Uncle. Does that ring
16 a bell? That was the prospective name for
17 the acquisition?

18 A. Yes.

19 Q. They love that sort of thing. It remarks, and this is
20 the only page that we have:

21 "The Office of Fair Trading is investigating
22 the market ..."

23 Pausing there, do you remember that Umbro wrote to
24 its retailers in 1999 as a result of a direction from
25 the Office saying that retail price maintenance was

1 unlawful and reassuring all retailers that they were
2 free to price at whatever price they wanted?

3 A. Yes.

4 Q. And you were working for Umbro then, were you?

5 A. Yes.

6 Q. How do you feel about that now, Mr Ronnie?

7 A. How do I feel about it? How do I feel about it ...?

8 At the time we felt it necessary to write that
9 letter to the retailers.

10 Q. Because you had been told to?

11 A. Yes.

12 Q. But you did not mean a word of it. It was a piece of
13 hypocrisy, was it not, that letter?

14 A. No.

15 Q. It was written because it was required to be written,
16 and from your own evidence you personally and Umbro in
17 general were engaged in the rankest and most deliberate
18 and knowing unlawful price-fixing over an extended
19 period. Is that correct?

20 A. Yes.

21 Q. So the letter was just the rankest hypocrisy, was it
22 not?

23 A. The letter went out at the same time as Adidas, Nike,
24 Reebok and Umbro sent the letter out. We all sent it
25 out at the same time, we had conversations amongst

1 the chief executives and managing directors of all the
2 brands and it was agreed that we would send those out at
3 exactly the same time as our retail base.

4 Q. Was it agreed: we would all be hypocrites together?

5 A. Obviously it was.

6 Q. It was.

7 We come back to this note. This is a poor copy in
8 my bundle; it may be a poor copy in yours. It has been
9 scanned inefficiently:

10 "In the summer of 1998 [the second bullet point]
11 the OFT wrote to all Premier League clubs requesting
12 information on the supply of replica kit. It is
13 reported (Sunday Times 10th January 1999) that 'the OFT
14 is expected to say it has uncovered evidence that clubs
15 and manufacturers are conniving to maintain high prices
16 and prevent retailers from undercutting official club
17 shops.'"

18 Do you see that?

19 A. Yes.

20 Q. That was the outcome of their inquiry, was it not?

21 A. Yes.

22 Q. "The Resale Prices Act of 1976 makes it unlawful for a
23 supplier to make it a condition of supply that its goods
24 will not be sold below a specified minimum price. It is
25 also unlawful for a supplier to seek to impose minimum

1 resale prices on dealers by withholding supplies ..."

2 Which of course you did do in respect of
3 Sports Soccer and JD Sports at least?

4 A. Yes.

5 Q. Pausing there, it is not in any of your live witness
6 statements, and I will be asking in a moment why not,
7 but it is right, is it not, that JD Sports had what is
8 called a P stop placed upon its account between
9 8th June and 18th August 2000?

10 A. Correct.

11 Q. Which means that it was prevented from receiving any
12 product whatever?

13 A. Yes.

14 Q. And indeed to punish JD Sports for its refusal to comply
15 with your demands in respect of the Admiral cap
16 promotion, that resulted in JD Sports not receiving any
17 Manchester United shirts on 1st August, the day of
18 launch?

19 A. No. To give you an explanation for that, they were
20 placed on stop for a number of reasons; it was obviously
21 the cap promotion that they were involved in with
22 the England shirt; the other was the fact that for
23 a period of time myself and Phil Fellone had tried with
24 the account, JD Sports, to increase their buy in branded
25 apparel and footwear, and not just be reliant on them

1 for replica.

2 This we had failed to do as I said for a period of
3 time, so we felt the only way to get some action and
4 a reaction from the account was to put them on stop.
5 Which meant deliveries ceased.

6 Q. You said no in respect of my subsidiary question, namely
7 that you caused the situation to be that JD Sports did
8 not receive any Manchester United shirts to sell as at
9 1st August, the day of launch. Why did you say no?

10 A. I said no because I felt I wanted to give an explanation
11 as to the reason --

12 THE PRESIDENT: What is the situation there?

13 A. The situation with JD Sports now?

14 THE PRESIDENT: No, as regards Manchester United shirts on
15 1st August.

16 A. They did not get a delivery.

17 MR WEST-KNIGHTS: So the answer to that question is yes.

18 A. It is to the delivery of Manchester United product, but
19 it was no to the exact reasons why the account was
20 placed on stop.

21 Q. It was to punish them for not following Umbro's will?

22 A. Yes.

23 Q. Thank you. They did not receive any shirts in the first
24 two weeks of that statement product?

25 A. Yes.

1 Q. You have said in a witness statement, and I am bound to
2 say I cannot remember which one, that 60 per cent of
3 the sales of a shirt such as this take place in
4 the first four weeks of launch?

5 A. Correct.

6 Q. And I dare say it is concentrated at the moment of a
7 particular hype, launch, and immediately following?

8 A. Yes.

9 Q. And you have also said that replica for a sports
10 retailer who needs to maintain credibility in the market
11 is a must-have?

12 A. Yes.

13 Q. So in addition to the sales of which JD Sports were
14 illegally deprived, they will have suffered damage to
15 their credibility during the period of their not having
16 the Manchester United shirt?

17 A. Yes.

18 Q. I had reached:

19 "It is also unlawful for a supplier to impose
20 minimum retail prices on dealers by withholding supplies
21 or by discriminating against them in other ways.

22 The OFT has discovered several instances of attempted
23 price maintenance. It has received assurance from
24 several suppliers that they will no longer try to fix
25 resale prices. Puma UK, Asics (UK) Ltd ..."

1 I think they are the Japanese offshoot, are they
2 not?

3 A. Yes.

4 Q. "... and Gilbert and Pollard Sports have all agreed to
5 make no further attempt to enforce minimum resale prices
6 for its replica strips."

7 Umbro, as a major supplier to a major club, were
8 part of this inquiry, were they not?

9 A. Yes.

10 Q. As were Manchester United?

11 A. Yes.

12 Q. "A reduction in the average retail price of replica
13 shirts in the UK market could have a negative impact
14 upon the financial performance of Umbro. However,
15 we are unable to predict the outcome of the OFT inquiry,
16 nor its timing. Any finding that requires the reduction
17 of the price of replica kit, or the frequency of change
18 is a risk."

19 Are you telling the tribunal that you consider
20 PricewaterhouseCooper's advice in that regard to have
21 been wrong?

22 A. No.

23 Q. I think that the assurance which was given is the first
24 document in the decision bundle?

25 THE PRESIDENT: Yes.

1 MR WEST-KNIGHTS: I think I am not going back to this
2 bundle again at all. But then I have not always been
3 right about that.

4 THE PRESIDENT: Very good. I have the impression,
5 Mr West-Knights, we are doing reasonably well, but I may
6 be being over-optimistic.

7 MR WEST-KNIGHTS: Heaven forbid. Yes, I perceive there to
8 be a certain flow, but I cannot tell you how many
9 pages because the witness is dotting me about.

10 I had not intended to go there, Mr Ronnie, but you
11 mentioned that you had been involved prior to the actual
12 event of Doughty Hanson taking over and I think it was
13 St George's Day, was it not. I dare say that was
14 thought by the marketing people to be symbolic;
15 23rd April 1999?

16 A. Yes.

17 Q. I want to ask you about where you had been beforehand
18 and your relationship with various people in this case.

19 You started, I think, with a firm called Arrow
20 selling shoes in Korea?

21 A. Correct.

22 Q. Then you went to a Lancashire footwear company?

23 A. Lambert Howarth, yes.

24 Q. And you did a very good job on Hitz and Metz which were
25 a couple of brands at that stage, is that right?

1 A. Yes.

2 Q. Was that also footwear?

3 A. Yes.

4 Q. And then I think you joined Mitre?

5 A. Yes.

6 Q. And they were taken over by the well-known Pentland?

7 A. No, I had left Mitre by then and joined Pentland by

8 then.

9 Q. I have it. And it was there that you met

10 Peter McGuigan?

11 A. Yes.

12 Q. And then you ended up running some well-known Pentland

13 brands including Ellesse and Pony?

14 A. Yes.

15 Q. Then you left and went to Diadora?

16 A. Yes.

17 Q. About which we have had some information in these

18 proceedings. Were you hoping to, as it were, be

19 a participant in the success of Diadora, with some sort

20 of equity stake?

21 A. That was the initial discussion with the Italian owners

22 of the business, but nothing was contracted.

23 Q. I understand. While you were at Diadora you recruited

24 in Phil Fellone, I think?

25 A. Yes.

1 Q. Your initial discussions with Diadora did not come to
2 fruit in the way you hoped and I think you moved to
3 something called Sports Division in 1997?

4 A. Yes.

5 Q. Or thereabouts?

6 A. Yes.

7 Q. JJB bought them out?

8 A. They did.

9 Q. And you lost your job?

10 A. I did.

11 Q. Do you have any negative feelings towards JJB as
12 a result of that?

13 A. None whatsoever. Mr Whelan was extremely loyal to my
14 family and to me on the agreement that we made for
15 the closure of the head office in Kilmarnock.

16 Q. When you left Sports Division after the JJB takeover,
17 that led to you rejoining your old mentor, Mr McGuigan,
18 at Umbro?

19 A. It did.

20 Q. And again you recruited in Phil Fellone?

21 A. I did.

22 Q. Did you dispose of your shareholding of Umbro when you
23 left in February 2003?

24 A. I did not leave in February, I left at the end of
25 August 2003.

1 Q. Where do I have February from?

2 THE PRESIDENT: I think there was a period of garden leave.

3 A. There was.

4 MR WEST-KNIGHTS: Oh, when I said leave, I meant stopped

5 working at. That was February, was it not?

6 A. It was, that is when I went on garden leave.

7 Q. Thank you. Why did you leave Umbro?

8 A. Because Mr McGuigan felt that our relationship was not

9 what it was and that my contract would not be renewed

10 with Umbro.

11 Q. What was the nature of the dispute you had with Umbro

12 after you left?

13 A. Well, the dispute was garden leave, and Mr McGuigan

14 stated when I left on February 7th 2003 that he would be

15 back to me within a few days with a view to settlement

16 on my service contract, but he had had a dishonesty

17 situation arise that he wanted to look into, but told me

18 it would take 48 hours.

19 Q. I do not want to embarrass you, Mr Ronnie, but I am not

20 sure if I understand the expression "a dishonesty

21 situation"?

22 A. Peter McGuigan told me -- it is no embarrassment -- that

23 he had received a call and he would have to look into

24 the call that he had received regarding dishonesty.

25 Q. What, on your part?

1 A. Yes.

2 Q. And he said that he would resolve that matter within 48
3 hours?

4 A. He did.

5 Q. But then he did not?

6 A. He did not.

7 Q. What was the upshot?

8 A. It took around about six months between Umbro and my
9 lawyers at the time with a view to Mr McGuigan deciding
10 when I could finish my garden leave.

11 Q. And it ended happily, did it?

12 A. Very amicably.

13 Q. Good. Thank you.

14 Take a deep breath, Mr Ronnie, I think we had
15 reached paragraph 13 of your fourth witness statement,
16 and I am going to run through the rest of it as quickly
17 as we can.

18 Witness bundle, R-Z, page 237. We had just,
19 I think, been dealing with paragraph 13 where you recite
20 passages from Allsports' notice of appeal. Yes?

21 A. Yes.

22 Q. You read the whole of Allsports' notice of appeal, did
23 you not?

24 A. I read parts of it.

25 Q. How did you know which parts to read?

1 A. I just read the parts that were important to me.

2 Q. So if there were any passages in Allsports' notice of
3 appeal that were critical either of you or of Umbro in
4 general in 2000 you would have read those passages?

5 A. I would.

6 Q. And you did?

7 A. No.

8 Q. Sorry?

9 A. No.

10 Q. Sorry, sometimes lawyers are picky, not merely that you
11 would have read those passages but that you did read
12 those passages?

13 A. Did I read those exact passages? I cannot recall.

14 Q. What your witness statement says, Mr Ronnie, and again
15 sometimes lawyers are unduly picky about this, at
16 paragraph 3:

17 "I have read the notices of appeal files by
18 Allsports and JJB and the witness statements of Hughes,
19 Whelan, Russell, Bryant."

20 Yes?

21 A. Yes.

22 Q. Had you or had you not read Allsports' notice of appeal?

23 A. I had read the parts that were important to me, yes.

24 Q. So even paragraph 3, as simple a paragraph as that, is
25 not correct?

1 A. Well, it is as correct that I felt it should be.

2 Q. Go back to paragraph 13, where we were before, page 240?

3 A. Yes.

4 Q. I have already asked you and put to you that it was not
5 that there was little written record in Umbro's internal
6 documentation about retailer pressure, but that there
7 was none.

8 A. And I put to you that there was -- I said on Friday that
9 there was pressure, and it was verbal pressure.

10 Q. The question was that there is no written record. You
11 say here little, but there is no written record?

12 A. Fine, I agree there is no written record.

13 Q. The investigations conducted by Umbro and no doubt by
14 you included an examination of the file notes of
15 Lee Attfield; yes?

16 A. Yes.

17 Q. Phil Bryant?

18 A. Yes.

19 Q. Who was the JJB national area manager at the relevant
20 time?

21 A. Yes.

22 Q. And Anthony May?

23 A. Yes.

24 Q. Who was the Allsports national area manager at that
25 time?

1 A. Yes.

2 Q. And none of their documents showed the slightest breath
3 of evidence of retailer pressure; that is correct, is it
4 not?

5 A. Yes.

6 Q. Indeed, we are anticipating seeing Mr Bryant giving
7 evidence for JJB. It is the same Phil Bryant, is it
8 not?

9 A. It is.

10 Q. You go on to say:
11 "Complaints from retailers would be received ..."
12 Did you mean were received or is this a guess?

13 A. No, they were received.

14 Q. Especially, you say, Phil Bryant; yes?

15 A. Yes.

16 Q. You do not mention Mr May there.

17 A. No.

18 Q. Because when you spoke to Mr May there was no evidence
19 of any form of retailer pressure arising out of anything
20 that he said; correct?

21 A. No.

22 Q. Will you explain the "no", Mr Ronnie? Were you in court
23 when Mr May gave evidence, by the way?

24 A. No, I was not, unfortunately.

25 THE PRESIDENT: What did the "no" mean?

1 A. That Mr May would tell us of pressure coming from
2 Allsports on the pricing of replica.

3 MR WEST-KNIGHTS: But there was no evidence of that in his
4 file notes.

5 A. Not in his file notes, no.

6 Q. And there was no reference to Mr May in any of
7 the statements made by Umbro at the first draft of
8 the leniency stage, the full leniency stage,
9 the Ronnie 3 stage or the Ronnie 4 stage, was there?

10 A. No.

11 Q. Despite the fact that Umbro was under an obligation in
12 law to be absolutely completely open and frank with
13 the Office; do you agree with that?

14 A. Yes.

15 Q. And you tell us that you were, particularly at the time
16 of Ronnie 2, doing your absolute best to set out
17 the fullest of your recollection possible?

18 A. Yes.

19 Q. Paragraphs 14, 15 and 16 deal exclusively with JJB, do
20 they not?

21 A. They do.

22 Q. And you have been asked questions about those paragraphs
23 by my learned friend Lord Grabiner?

24 A. Yes.

25 Q. So we now turn, without more, to a heading "The Events

1 Surrounding the Price Increase for the England Team
2 Shirts in May 2000".

3 A. Yes.

4 Q. Can you please help the tribunal by what you intended to
5 convey by:

6 "It was largely as a result of these complaints and
7 the pressure placed upon Umbro by JJB that ..."

8 And you go on to explain the meeting of 24th May.
9 What is that intended to convey?

10 A. As it says, we were getting pressure placed upon us by
11 JJB.

12 Q. So the first half of that -- the first line and
13 a half -- is directed at JJB only?

14 A. Yes.

15 Q. And that is the same as you said in your third witness
16 statement at paragraph 28 I think -- you do not need to
17 go there -- that there was no reference there to
18 Allsports putting pressure on?

19 A. No.

20 Q. Again, this is your fourth shot at your best
21 recollection, is it not?

22 A. Yes.

23 Q. So the pressure was not coming from us?

24 A. I am not going to change what I have said in the court
25 regarding Allsports because they were putting pressure

1 on. Is it in my statement? No.

2 Q. In fact your statement when we get to Ronnie 3 itself

3 has reduced a previous statement "by retailers" just

4 specifically to "JJB". Do you remember that? We can go

5 through it if you want, Mr Ronnie?

6 A. No, I remember.

7 Q. You accept that?

8 A. Yes.

9 Q. So there was a specific narrowing of the allegation from

10 retailers to JJB?

11 A. Yes.

12 Q. Only?

13 A. In the statement.

14 Q. And you say that you met with Mike Ashley and

15 Sean Nevitt to force them to increase the price of

16 the England shirts during the Euro 2000 championships?

17 A. Yes.

18 Q. So your view is that the balance of power in

19 the relationship between Umbro and Sports Soccer enabled

20 Umbro to force?

21 A. Yes, at the time.

22 Q. Why were you confident of your ability, before you went

23 to this meeting, that Ashley would pay any more

24 attention to your threats than he had in April or March?

25 A. Because I guaranteed Mr Ashley that JJB, Allsports and

1 JD would stay at 39.99; that they would not undercut
2 him.

3 Q. Who? Say the names again?

4 A. JJB, Allsports and JD Sports.

5 Q. Why is Allsports in there?

6 A. Because they have 200-odd stores in the UK and they sell
7 replica in all --

8 Q. And they never discount at launch?

9 A. I have not finished.

10 THE PRESIDENT: Just finish, Mr Ronnie, then there is
11 a question.

12 A. Okay. Allsports had over 200 stores in the UK and in
13 every one of those stores they sold replica. So
14 they were an important part of the discussion with
15 Mr Ashley, as were JD Sports.

16 MR WEST-KNIGHTS: You always knew what Allsports would do
17 because they never sold any replica kit at launch or at
18 peak times at anything less than 39.99?

19 A. But Mr Ashley would look for an assurance that they
20 would not.

21 Q. He would not need one.

22 A. When they discounted?

23 Q. He did not need one.

24 A. He did need one.

25 Q. Why? Allsports have never discounted replica kit except

1 when it is definitely a bin-end item, have they?

2 A. Not to that date, no.

3 Q. And they had, in fact, been selling the England shirt

4 when it was, as it were, a pre-bin item, in other words

5 pre-excitement item, throughout March, April, May, at

6 39.99?

7 A. Yes.

8 Q. And had been doing pretty well during the whole of May,

9 in spite of the discounting going on by other people, in

10 selling it at 39.99?

11 A. Yes.

12 Q. Allsports regards itself as aspirational; in other words

13 it thinks it is up-market?

14 A. Yes.

15 Q. Its customers would like to see more shop assistants,

16 swankier displays, rather than getting it cheap and

17 having to wait 20 minutes?

18 A. Yes.

19 Q. That has always been Allsports' position; yes?

20 A. Yes.

21 Q. Moving on, my question in fact was: did you regard

22 the balance of power between Umbro and Sports Soccer as

23 being one where Umbro could force Sports Soccer to do

24 what Umbro wanted it to do?

25 A. If it gave guarantees that other retailers would not

1 discount the product, yes.

2 Q. And it would always ask for that assurance?

3 A. Absolutely.

4 Q. So that whenever Sports Soccer made a promise to put up
5 the price of kit, it was hovering round in
6 the background with the understanding that if anybody
7 broke ranks, he would be the first one to follow them
8 down?

9 A. Yes.

10 Q. The last thing he would want perhaps, you would say, is
11 to look like a prize mug when he is going out at full
12 price and some other so-and-so is discounting it?

13 A. Yes.

14 Q. It seems logical if what you are saying is true that
15 that would apply to any arrangement and any discussion
16 between you and him on the question of pricing at 39.99?

17 A. Yes.

18 Q. Do you remember -- and we can go there if we need to --
19 that in your earlier versions of your story you said
20 in effect that you were confident that Ashley would go
21 up when you leant on him, as you say, on 24th May,
22 because he will have had in mind the fact that after he
23 promised in April to do something he had in fact reneged
24 on that promise and you had stopped an order of shirts
25 by turning the lorry round?

1 A. Yes.

2 Q. You remember saying that?

3 A. Yes.

4 Q. Now, was that part of what you had in your mind when you
5 went to the 24th May meeting or not?

6 A. Yes.

7 Q. How do you account for the fact, and perhaps I would ask
8 you to take into account and think about it -- if I have
9 done this before, I apologise, it will not take long --
10 whatever else Mr Ashley is unsure about in respect of
11 this lorry of shirts being turned round, it was between
12 1st August and the end of a period of about two weeks
13 thereafter.

14 And secondly that it was in relation to home shirts
15 for Manchester United?

16 A. I cannot recall, as I said, what was on the lorry,
17 the timing of it. But I remember a lorry being turned
18 around on its way to Dunstable.

19 Q. With the greatest of respect, no, Mr Ronnie. Your
20 positive evidence just now is that you did have in mind
21 on 24th May that you had already done the dirty on
22 Mr Ashley in respect of a lorryload of shirts before
23 that meeting and as the result of a broken promise by
24 him in April. Which is it?

25 A. I cannot recall the timings, I am sorry.

1 Q. What is your evidence? That you do not remember what it
2 was you had in your mind on 24th May, or that you do
3 remember that it was the fact that the shirts had been
4 turned round?

5 A. I remember a lorry being turned around; I do not
6 remember what was on the lorry.

7 Q. Have you finished your answer?

8 A. Yes.

9 Q. Did you go to the meeting of 24th May?

10 A. Yes.

11 Q. With, in mind, the fact that Ashley was likely to comply
12 with your demands because you had already done the dirty
13 by turning a lorry around on him?

14 A. That was one of the factors, but the other key factor
15 was that the other retailers -- I had a guarantee that
16 they would go at 39.99. That was a key factor in his
17 decision to take the price up.

18 Q. So you told Ashley on that occasion: we have been there
19 and done this. I think Lord Grabiner described it as
20 version 5 or 4. You went to this meeting on
21 24th May pre-armed with assurances from other retailers?

22 A. Yes.

23 Q. And you have settled on the answer that you go to
24 the meeting of 24th May with the lorry incident in mind
25 as being a factor in the equation?

1 A. I cannot remember the lorry situation re the meeting on
2 24th May. I cannot remember the date of the lorry.

3 Q. The last answer about that: you said that was one of the
4 factors. Now which is it, Mr Ronnie?

5 A. The key fact in every meeting with Sports Soccer was
6 always: will the others break rank, as he used to put
7 it, and discount the product? That was always his
8 concern: that if they did break rank it would be
9 a problem for him if he was at 39.99.

10 Q. Are you suggesting it was not much of a problem for him
11 if they were not breaking ranks?

12 A. He would rather have stayed at £35, definitely, because
13 he is a discounter. He did not want to go up to 39.99.

14 Q. That is just the way he thinks, because he has
15 a splendid replenishment system and is in a position to
16 sell, the evidence appears to be, something like four
17 times the volume per square foot than any other
18 retailer?

19 A. Yes.

20 Q. His internal distribution was brilliant?

21 A. It was very good.

22 Q. And if a shirt was off the shelf at 6.30 at night, it
23 would be back there at 6.30 the next morning?

24 A. Correct.

25 Q. So it was his preference.

1 But you accept that although we do not have a note
2 of your meeting with Ashley in March where you told him
3 to push his price up, and we do not have a note of
4 the meeting in April, which is what the OFT described as
5 the first England and Manchester United agreements -- we
6 do not have those notes?

7 A. No.

8 Q. Can you explain why that is?

9 A. I cannot, I am sorry.

10 Q. We do have the note of 24th May. Yes?

11 A. Yes.

12 Q. Which records no such condition?

13 A. Correct.

14 Q. It also records no such statement about the other
15 retailers already having agreed; yes?

16 A. Yes.

17 Q. If you had had an agreement with Allsports before
18 24th May, that would have been an infringement of
19 the Act, would it not?

20 A. Yes.

21 Q. But you have never before mentioned any such event?

22 A. Not in my statements, no.

23 Q. Why did you withhold that piece of information from
24 the Office of Fair Trading?

25 A. I did not withhold it deliberately. Each time I sat

1 down to do my statement it was to the best of my
2 recollection.

3 Q. Now, just staying with this result you say you had.
4 Your perception until Ronnie 4 was that Ashley put his
5 prices up on Friday, 26th May.

6 A. Yes, that was my previous recollection of the date.

7 Q. So that made it easy to say that you could be sure of
8 his agreement because he had performed it?

9 A. Yes. But, as you are aware, the date of the phone calls
10 from the area managers of Sports Soccer actually
11 happened on June 2nd, not May 26th, as I mentioned in my
12 statement.

13 Q. What you say in your statement about that, over
14 the page, in the last sentence of paragraph 21, is
15 a deal more reluctant:

16 "It is possible, therefore, that I was mistaken
17 about the date of the calls."

18 Why did you put it like that? It is as plain as
19 a pikestaff that you were wrong.

20 A. I got the dates wrong by a week.

21 Q. Why do you say "It is possible, therefore, that I was
22 mistaken" if you accepted that you were
23 one hundred per cent wrong?

24 A. Because at the time of this statement I was still
25 confused over the exact date of the phone calls, whether

1 it was Friday 26th or June 2nd.

2 Q. What is it since you made this statement that has made
3 you certain?

4 A. Because of the events on Friday June 2nd; the afternoon
5 was free, I remember that. And I remember where I was
6 receiving the calls.

7 Q. What made the difference to make you certain, of course,
8 was Sports Soccer being able to produce its phone
9 records; yes?

10 A. No.

11 Q. Oh, right.

12 A. What made me certain was where I received the calls and
13 what happened when the calls started coming through.

14 Q. What triggered that fresh recollection that you were
15 unable to have before?

16 A. Because at the time of the calls it was early evening on
17 the Friday and I was playing tennis. My phone started
18 ringing and the messages were coming through, or the
19 conversations were coming through.

20 Q. How did that lead to the belief that that was 26th May,
21 in the first instance, and what changed that belief to
22 2nd June?

23 A. As I said, because of where I was when the calls came
24 through.

25 Q. But you knew where you were when the calls came through

1 all the way through 2000, 2001 and 2002?

2 A. But when I sat down to revisit this statement

3 I remembered where I was.

4 Q. But you had revisited this statement on no fewer than

5 four occasions already.

6 A. It was a long time ago and a lot of events were taking

7 place around the statements.

8 Q. It was even longer ago when you wrote Ronnie 4.

9 A. I know. But when you sit down, as I am sure you will

10 agree, certain things come back into your memory.

11 Q. We are making good progress.

12 How often do you play tennis in the summer months,

13 May/June?

14 A. It varies.

15 Q. Every Friday evening?

16 A. No.

17 Q. I see. So what printed it in your mind, finally that,

18 the evening that you were playing tennis was the evening

19 of 2nd June?

20 A. It was a tournament.

21 Q. How did you derive that information?

22 A. Because I had to scratch from the tournament. I was

23 taking phone calls, I could not get on with the game.

24 Q. Yes, but how did you come to associate that in your

25 memory with it being not 26th May but 2nd June?

1 A. Because I remember having to scratch from
2 the tournament.

3 Q. But how did you fix the date of the tournament
4 Mr Ronnie?

5 A. Because the tournament is in place every year and has
6 been for 22 years.

7 Q. And what date does it take place on?

8 A. It starts on June 2nd to June 9th.

9 Q. Every year?

10 A. Every year.

11 Q. And you are telling the tribunal that you had forgotten
12 for a period of nearly four years that you had all these
13 phone calls, dozens of phone calls, whilst you were
14 playing in a tennis tournament?

15 A. Yes.

16 Q. And then you suddenly remembered it?

17 A. It made me remember.

18 Q. Let me suggest to you, Mr Ronnie, that the true
19 reason --

20 Who is it you play tennis with when you play tennis
21 on Fridays?

22 A. It varies.

23 Q. Okay.

24 A. Because we are all there at different times it can be
25 different people.

1 Q. Can I ask you to have another look at paragraph 31,
2 Mr Ronnie:
3 "I remember receiving the calls on a Friday evening
4 when I was at the golf club and out at dinner
5 afterwards."
6 Okay:
7 "I remember receiving the calls on a Friday evening
8 while I was at the golf club and out at dinner
9 afterwards."
10 Now square that with being at a tennis tournament?
11 A. Very easy. At the golf club there are four tennis
12 courts. At Mere Golf and Country Club, which is a golf
13 club, there is also a Mere tennis club. Now that to me
14 is fairly simple.
15 Q. But you do not say here: I now remember that the date
16 was wrong because I was in a tennis tournament?
17 A. I do not say that there, no.
18 Q. You do not say it anywhere.
19 A. But I recall June 2nd.
20 THE PRESIDENT: What is the name of this tournament that
21 takes place every year?
22 A. It is just a tennis open. It is a --
23 THE PRESIDENT: Of what? Of a particular club, or a ...
24 A. Of the club and the group of guys that we play with. We
25 have -- it is a trophy called the Boshendale trophy.

1 THE PRESIDENT: And what club is that organised by?

2 A. It is organised by the group of players that we play
3 with. There is around -- that is why I cannot be exact
4 as to who plays. There is a group of 12-16 of us that
5 play.

6 MR WEST-KNIGHTS: And this is at the Mere Golf Club?

7 A. Yes, which has a tennis facility.

8 Q. And this has a fixed date, does it, this Boshendale
9 trophy?

10 A. It is around June and has been for a long time. They
11 always try to put the tournament at the beginning of
12 June.

13 Q. You are not telling the truth about this, are you,
14 Mr Ronnie, not for one second. Have a look at
15 paragraph 21. There is no reference to any specifics:
16 "In my original statement I said these calls took
17 place on Friday, 26th May."

18 A. Yes.

19 Q. "However [you explain], at my suggestion Sports Soccer
20 have tried to investigate their phone records in order
21 to date the calls more precisely. I have learnt that
22 Sports Soccer implemented the price increase on
23 the evening of Friday, 2nd June."

24 So it is clear there that what has changed your
25 recollection, that you had the wrong Friday, was because

1 you had now seen the Sports Soccer phone records.

2 A. But I said to you clearly that I remember the tennis
3 tournament as well when June 2nd came up.

4 Q. "I have learnt", that is to say that you have understood
5 this from information not previously available to you?

6 A. But again, as I said, I remember the tennis
7 tournament --

8 Q. When? When did you start remembering this tennis
9 tournament? Today?

10 A. No, no, no. When I sat down to make this statement
11 I remembered the events of June 2nd.

12 Q. Did you write paragraph 21?

13 A. Yes.

14 Q. Why is the explanation as to why you now believe that it
15 is possible that you were mistaken completely false?

16 A. It is not completely false. It is like any event, when
17 a number of things come to mind you remember. It was
18 a long time ago.

19 Q. I wonder if you could turn up your diary for the year
20 2000. The copy will do, I dare say. Do you have
21 the diary, Mr Ronnie?

22 A. I have.

23 Q. If you look at the entry for Tuesday 30th May?

24 A. Yes.

25 Q. I have found for May 30th, Tuesday -- do you have that

1 page?

2 A. I do.

3 Q. An entry just after 8 o'clock -- I do not know how you
4 spell the word "Mere", but is that the right Mere:
5 M-E-R-E?

6 A. Yes.

7 Q. What I do not find, and perhaps you can help us with
8 this, if we could look firstly at the Friday night that
9 you originally say you thought it was, that is to say
10 26th May.

11 A. Yes.

12 Q. If you looked at your diary, that would tell you that
13 assuming life had gone according to plan you were having
14 dinner with those two people at that Italian restaurant?

15 A. Yes.

16 Q. So you would have looked at that and said: no, it was
17 not then, I do not remember having my dinner party
18 disturbed by a bunch of phone calls; yes?

19 A. No, during the course of the event, I did not. I did
20 not remember that.

21 Q. So you had no recollection even when looking at your
22 diary to think to yourself: was my dinner with Steve and
23 Sue messed up with a yard of phone calls from Ashley's
24 people?

25 A. No, because I did not put anything in for the afternoon

1 on the 26th.

2 Q. What do you mean --

3 A. I did not have any recollection re the dinner.

4 Q. You had no recollection of these phone calls coming in

5 on your mobile phone?

6 A. I did have a recollection of that, but it was the date

7 that I was unsure of.

8 Q. Late into the evening?

9 A. It was late afternoon when the first calls started

10 coming through.

11 Q. If we look over to the Friday night that you claim your

12 recollection was improved in respect of, 2nd June, by

13 your being at this tennis tournament at the golf club --

14 yes?

15 A. Yes.

16 Q. There is no entry in your diary for that evening at all?

17 A. No.

18 Q. Why not?

19 A. I do not know.

20 Q. You do tend throughout this diary to mark in it both

21 your business and social commitments, do you not?

22 A. Not every social commitment goes in this diary, no, not

23 every single social commitment.

24 Q. How did you fix that the tournament was taking place on

25 Friday 2nd June and not for instance Friday 26th May?

1 A. I remembered that I was playing in the tournament on
2 Friday 2nd June and I had to scratch.

3 Q. You had to scratch --

4 A. I had to come out of the tournament because I could not
5 carry on.

6 Q. What time is this tournament?

7 A. It would formally start at around 4.00/4.30 and we would
8 play into the evening.

9 Q. Yes, go on, Mr Ronnie?

10 A. Play into the evening.

11 Q. When you say "scratch", you had to give up being a part
12 of this tournament?

13 A. Yes.

14 Q. Because?

15 A. The phone was going.

16 Q. The first phone call comes and it is, what, an area
17 manager from Ashley's?

18 A. Yes.

19 Q. The second phone call comes and it is an area manager
20 from Ashley's?

21 A. Yes.

22 Q. The third phone call comes and it is an area manager
23 from Ashley's?

24 A. And then store managers --

25 Q. And then you switch it off?

1 A. Store managers and area managers.

2 Q. And then you switch it off?

3 A. No, there were a number of phone calls that came
4 through, and I spoke to the individuals.

5 Q. So you get three or four of these seriously winding-up
6 irritating phone calls and you switch your phone off?

7 A. No, I had a number of them, I cannot tell you how many
8 but I had a number of them.

9 Q. And then you switch your phone off?

10 A. But by then the period of time that I had taken
11 the calls, it affected the game I was in and I had to
12 scratch.

13 Q. Mr Ashley's statement says that these phone calls -- and
14 the records show -- were taking place after 6 o'clock in
15 the evening, after 7 o'clock in the evening and later
16 than that still?

17 A. I cannot speak for Mr Ashley, it was not him that was
18 calling me.

19 Q. He says that he spoke to you on several occasions,
20 I think at 6.32 and 7.01, and that after that they
21 hatched the wheeze of getting the managers to call you
22 to wind you up?

23 A. I cannot speak for Mr Ashley. I am just trying to
24 remember the events that related to me and the call from
25 the area managers and the store managers.

1 Q. This may not seem very significant, Mr Ronnie, but I am
2 bound to say that I think it would assist the tribunal
3 if you were to explain the sequence of events on this
4 Friday.

5 You were at the tennis club, golf club, I beg your
6 pardon, taking part in a tournament which has run for
7 a number of years?

8 A. Yes.

9 Q. You have taken part in this for a number of years?

10 A. On and off. Not for the whole duration of it, but
11 certainly on and off.

12 Q. Had you played the year before?

13 A. I cannot recall, I am sorry.

14 Q. How many times had you played in this tournament before
15 June 2000?

16 A. A number.

17 Q. How many is a number?

18 A. Over half a dozen I would have thought.

19 Q. Over a period of time of how many years?

20 A. When I first started playing there from the mid-1990s.

21 Q. So in fact every year --

22 A. Whenever I could, yes.

23 Q. It was something quite important to you, you thoroughly
24 enjoyed doing it, yes?

25 A. It was one of the tournaments that they had through the

1 year. A tennis club will have a number of tournaments.

2 Q. It is a golf club, is it not?

3 A. It has a tennis section.

4 Q. So your phone starts to ring. What time did it start to

5 ring?

6 A. During the time that I was playing tennis, late

7 afternoon. I cannot be specific, it was four years ago,

8 but to the best of my recollection I would have thought

9 around 5 o'clock, 5.30.

10 Q. So you played a game, you played a match?

11 A. I played a game, yes.

12 Q. It was a round robin? Everybody plays everybody else?

13 A. Yes.

14 Q. So you are in the tournament, you played a match; yes?

15 A. Yes.

16 Q. It was a nice day and things are going fine and

17 the phone goes?

18 A. Yes.

19 Q. And it is one of Ashley's people?

20 A. Yes.

21 Q. So you deal with that pretty swiftly, no doubt?

22 A. I cannot --

23 Q. There is not a lot to say, is there, Mr Ronnie?

24 A. I cannot remember how swiftly I dealt with a phone call

25 four years ago. If anyone can I would be very

1 impressed.

2 Q. You finished that call?

3 A. Yes.

4 Q. And the phone went again?

5 A. Yes.

6 Q. And it was another one of Ashley's people?

7 A. Yes.

8 Q. With the same message: we are putting our prices up,

9 Mr Ronnie, Mr Ashley has asked me to confirm it?

10 A. It was not that brief, but it was along those --

11 Q. The same message?

12 A. A similar message to the previous one, yes.

13 Q. So you deal with that and put the phone down, and

14 the phone goes again, one of Mr Ashley's people?

15 A. Yes.

16 Q. So you deal with that?

17 A. Yes.

18 Q. The next time it goes you think: that is enough of this

19 for a game of soldiers, and you switch the telephone

20 off?

21 A. (Pause).

22 Q. You had got the message by then that you were being had?

23 A. Maybe it was me being stupid, but it was a number of

24 conversations before I switched the phone off, for

25 a period of time.

1 Q. So that is all over; the phone has gone silent and you
2 carry on with the tournament.

3 A. No, because I missed my game, I had missed my game
4 completely, so I scratched, went and got changed, and
5 then left the club.

6 THE PRESIDENT: You missed your game, you scratched, got
7 changed and left?

8 A. Yes.

9 MR WEST-KNIGHTS: Mr Ronnie, it is only fair that I should
10 put it to you that this is an account that is so
11 fantastically incredible that it simply cannot begin to
12 be true.

13 A. That may be your view. I am doing the best I can to
14 give the panel the information.

15 Q. Anyway, it is a graphic account of something you would
16 remember?

17 A. It is the best account I can give you.

18 Q. At the hands of Ashley's people not only are you being
19 telephoned on your private mobile, or even your business
20 mobile, by a large number of people, but they have
21 actually managed to lever you out of being able to take
22 part in a competition that you thoroughly enjoyed on
23 a lovely June evening in your local club?

24 A. Yes.

25 Q. You must have been extremely angry?

1 A. I was certainly frustrated, yes.

2 Q. What is frustrated? That is angry. There is nothing
3 wrong with being angry, Mr Ronnie.

4 A. I was frustrated, that is all.

5 Q. How do you mean frustrated? Because of your inability
6 to play tennis?

7 A. Yes.

8 Q. It we go back to paragraph 21, and then I am going to
9 leave this:

10 "I remember receiving the calls on a Friday evening
11 whilst I was at the golf club and out at dinner
12 afterwards."

13 But you said you put on your jacket and left?

14 A. I went home to pick my wife up.

15 Q. Sorry? So she was due at this dinner, was she?

16 A. She would always come out to dinner on a Friday evening,
17 where possible.

18 Q. So: I scratched, went and got changed and left the club.
19 What plan did you have that did not take place?
20 You were always going to go and get your wife and bring
21 her back to the club.

22 A. I was going to carry on playing tennis for a while, as
23 I said.

24 Q. And then go and get her?

25 A. Later in the evening.

1 Q. It gets more and more fantastic:
2 "I remember receiving the calls on a Friday evening
3 whilst I was at the golf club and out at dinner
4 afterwards."
5 You had switched your phone off by then?
6 A. No, I switched it back on.
7 Q. And what happened, you got all these voice mails?
8 A. Yes.
9 Q. "In my original statement I said that these calls took
10 place on Friday 26th May. However, at my suggestion
11 Sports Soccer tried to investigate their phone calls in
12 order to date the calls more closely. I have learnt
13 that Sports Soccer implemented the pricing on
14 the evening of Friday 2nd June. It is possible,
15 therefore, that I was mistaken about the date of
16 the calls and they actually took place on Friday
17 2nd June."
18 So when did the tennis tournament
19 explanation/recollection come to you?
20 A. As I sat down and put this statement together.
21 Q. What, before you wrote this?
22 A. No, no, during the course of my writing this.
23 I remembered that the date was wrong because of where
24 I received the first phone calls.
25 Q. This says that you got the date wrong because you have

1 since been told by Sports Soccer that it was
2 2nd June and they had proved it with the phone records?
3 A. No.
4 Q. Yes, Mr Ronnie. Come on, look at it again.
5 A. It says I learnt: I have learnt.
6 Q. "However, at my suggestion they checked their phone
7 records. I have learnt that Sports Soccer implemented
8 the price increase on the evening of Friday 2nd June."
9 Are you saying there is no connection between those
10 two sentences?
11 A. No, I did not say that. I said there were two things
12 that jogged my memory of that evening.
13 THE PRESIDENT: Those were what, Mr Ronnie?
14 A. When I sat down to think of the events of June 2nd and
15 also when I sat down -- when I was writing this
16 statement, Sports Soccer had told me that they had
17 looked at their phone calls. So I wanted to make sure
18 that I had the right date in mind and what had happened
19 through the course of events on June 2nd.
20 MR WEST-KNIGHTS: So all that is missing from this
21 paragraph is the true explanation as to why you now
22 believe it is 2nd June.
23 A. I did not go into detail as I have today now when I was
24 writing my statement.
25 Q. You do go into detail; the detail is that you have seen

1 Sports Soccer's records.

2 A. Not the full detail that I have given you today.

3 Q. I had not meant to spend quite as much time on that.

4 You deal at paragraph 18 with the dinner at

5 the Allsports golf day; yes?

6 A. Yes.

7 Q. That golf day and the dinner afterwards are both marked

8 in your diary separately as events.

9 A. Right.

10 Q. Unlike the tennis tournament:

11 "I definitely remember David Hughes mentioning

12 the MU kit and asking Umbro what we were proposing to do

13 about its retail pricing in front of all the other

14 brands."

15 THE PRESIDENT: I think we have done this.

16 MR WEST-KNIGHTS: Yes, I was just flagging up for

17 the tribunal that we have dealt with it under 12A. I am

18 not proposing to do it again. I put to you that the

19 embarrassment you express here is brand new and

20 different from anything you have previously said.

21 Paragraph 19:

22 "Monday 29th May was a bank holiday. As far as

23 I recall, I think I made the calls to Allsports and JJB

24 some time during that week."

25 Yes?

1 A. Yes.

2 Q. Why do you think some time during that week?

3 A. Because as I said there, to the best of my recollection

4 that is when I would have made the phone calls to

5 Allsports and JJB.

6 Q. Why? What is the distinction between that week and

7 the week before? If you look at your diary, you got

8 this result in the afternoon of Wednesday, 24th May;

9 yes?

10 A. Yes.

11 Q. You then come back up to Stockport on a train from

12 Milton Keynes; yes?

13 A. Yes.

14 Q. A good time to be on your mobile. You are not a man who

15 likes to switch your mobile off --

16 A. It is not that easy as you well know making calls on

17 a train.

18 Q. You went to the golf club, Stockport Golf Club, for

19 the Allsports golf day?

20 A. Yes.

21 Q. You must have bumped into Mr Hughes a dozen times during

22 the course of that day?

23 A. I saw him on a number of occasions during the day, yes.

24 Q. And indeed a whole heap of other Allsports employees,

25 including Michael Guest?

1 A. Yes.

2 Q. Brimming with this fantastic result, you did not tell
3 any of them on that day. On the following day -- why do
4 you not think you made that call on Friday 26th?

5 A. Because I do not think I did.

6 Q. Why do you not think you did?

7 A. To the best of my recollection that is not when I made
8 the phone call.

9 Q. There must be a reason why in your fourth witness
10 statement you suddenly say that you think it was in
11 the week commencing 30th May, because you have never
12 said it before.

13 A. There is not, no.

14 Q. Nothing about these dates differentiates them in any
15 way?

16 A. No.

17 Q. Except, of course, you are right that Monday was a bank
18 holiday. Tuesday 30th the Mere dinner you have noted
19 down: Mere dinner, going to the golf or tennis club for
20 dinner?

21 A. Yes.

22 Q. So that was written in your diary?

23 A. Yes.

24 Q. This tournament is presumably fixed up some time ahead,
25 is it?

1 A. I just did not write the tournament in my diary. I did
2 not put every social event I ever went to in my diary.

3 Q. Just the one that matters is missing, is that not odd?

4 A. No, there are a lot of social events missing from my
5 diary.

6 Q. Okay. We know that on the 31st, Wednesday, you had
7 lunch with Michael Guest. A good time to tell him: been
8 there, done that?

9 A. Yes. But as I said previously on a number of occasions
10 I cannot remember when I told him.

11 Q. It just does not make any sense, does it? What
12 conversation did you have with Michael Guest at lunch on
13 the 31st?

14 A. We would have talked about many things to do with
15 business: product deliveries, product coming in.

16 Q. JD Sports promotion?

17 A. We would have talked about a number of different topics.

18 Q. You were fuming about the JD Sports promotion this time,
19 were you not?

20 A. I cannot recall exactly what I said to Michael Guest.

21 Q. Not exactly, but are you telling me you had no
22 discussion whatsoever about your meeting with Ashley and
23 about what a result it was?

24 A. I cannot recall during the course of that meeting, no.

25 Q. Would you have?

1 A. I am sorry, is that a question?

2 Q. Yes, it is a question: would you have, is it likely, you
3 know, the kind of meetings you have with
4 Michael Guest --

5 A. I spoke with Michael Guest many times and I cannot
6 recall if I mentioned to him on the day regarding
7 the price. I cannot recall, I am sorry.

8 Q. You are not certain that it was Michael Guest even, are
9 you?

10 A. I know I will have spoken to Allsports regarding
11 the price, but I do not know when.

12 Q. Why do you know that?

13 A. Because I spoke with Michael Guest and David Hughes on
14 a number of occasions regarding the price points of
15 replica because they were concerned about them.

16 Q. There was nothing to distinguish this promise on
17 Ashley's part from any other promise made by Ashley at
18 any other time, and your attitude towards Ashley's
19 promises is that they are not worth the paper they are
20 written on because he frequently, as he himself has told
21 the tribunal, made a promise to get you off his back and
22 then broke it?

23 A. On a number of occasions, yes.

24 Q. It was all very convenient in your original statements
25 when you said you made the result deal on the 24th and

1 he banged his prices up on the 26th because then you
2 could explain away telling other people because by then
3 it was in the bag.

4 But now you know that there was a period between
5 24th May and 2nd June during which Ashley did not put
6 his prices up; yes?

7 A. As I recall, there was a delay on the prices going up,
8 yes.

9 Q. Was the nature of the promise that he was going to put
10 the prices up the following day?

11 A. Yes.

12 Q. But you say now that this phone call did not take place
13 until the week commencing effectively Tuesday 30th May;
14 all right?

15 A. Yes.

16 Q. So by that time you will have known that Ashley had not
17 complied with the promise to put the prices up on
18 25th May?

19 A. Yes.

20 Q. So it is not a result, is it? Because he had gone and
21 done it again?

22 A. The prices had not gone up following that meeting, no.

23 Q. He had broken the promise?

24 A. Yes.

25 Q. So it is not a result, is it, as at 30th May?

1 A. But we had got the agreement by then. It just had not
2 been actioned.

3 Q. No, the agreement was that he agreed on 24th May to put
4 his prices up the following day?

5 A. Yes.

6 Q. You expected him to take action without any further
7 input from you -- yes?

8 A. Yes.

9 Q. -- and the upshot of that meeting was that the next
10 event after his promise would be him putting his prices
11 up; yes?

12 A. Yes.

13 Q. That was the promise which he made?

14 A. He did.

15 Q. By 30th June you knew that he had broken it?

16 A. Yes.

17 Q. Again. So it is not a result, is it --

18 THE PRESIDENT: 30th May, I think.

19 MR WEST-KNIGHTS: I beg your pardon. 30th May.

20 So it is not a result, is it?

21 A. No. But we had had the price guarantee from him --

22 Q. Sorry, what do you mean, price guarantee? This is
23 the kind of rubbish that Mr Ashley gives you all
24 the time. He always told you something and broke
25 the promise?

1 A. Not always, no.

2 Q. But he had a habit of doing so?

3 A. It happened on a number of occasions.

4 Q. It is said in one of your witness statements, and we
5 will find it when Mr Peretz finds it, that you regarded
6 his promises as illusory, or words to that effect?

7 A. It had happened on a number of occasions.

8 Q. We have dealt with paragraph 21. Let us come back to
9 paragraph 20:

10 "On a Friday evening, which for the reasons set out
11 below I now believe may have been on Friday
12 2nd June ..."

13 So below where do we find anything about
14 the Bolshevik -- I do not remember the name of
15 the trophy?

16 A. Boshendale.

17 Q. Where do we find that set out below?

18 A. It is not there as I said when we talked about this a
19 few moments ago. As I said, two factors made me
20 remember the exact date that the calls took place.

21 Q. "I started getting calls on my mobile phone from
22 the Sports Soccer area managers who confirmed that
23 the stores under their charge had increased the price of
24 the England shirts to 39.99."

25 So that is a result, is it not?

1 A. Yes.

2 Q. But you do not use your mobile phone to ring up
3 Allsports and JJB to say: yippee! You switch it off?

4 A. I would not call them on a Friday evening, definitely
5 not.

6 Q. And presumably it is rather difficult to call them on
7 a Saturday?

8 A. I would have waited until the following week.

9 Q. By which time they would have known anyway as it would
10 have been all over the trade. Because Sports Soccer's
11 prices went up on the Saturday; they opened the stores
12 on Saturday with the prices at full price. They would
13 have know already, would they not?

14 A. They would. But we would have put the calls in anyway.

15 Q. The statement goes on:

16 "... who confirmed that the stores had gone up to
17 39.99 ... each area manager told me his name, his
18 Sports Soccer area and the new price."

19 So they were speaking to a formula, were they?

20 A. No, they would vary, but it was around -- they were
21 the key parts of the information which they were giving.

22 Q. "I was not expecting these calls. This had not been
23 arranged at my meeting with Mike Ashley. After a while
24 the phone calls became disruptive, I switched off my
25 phone."

1 Full stop. End of problem, of story:

2 "The calls continued until the early hours of
3 Saturday morning, and I had numerous messages on my
4 answering machine the next day."

5 I read that as being Mr Ronnie, if I may say so,
6 quite sensibly reacting to this wind-up by switching off
7 his phone and not switching it back on again until
8 the following day when your voicemail is full of these
9 rubbish calls?

10 A. I answered you earlier regarding this matter.

11 Q. Yes, you did, Mr Ronnie. I am giving you
12 the opportunity to give an answer, if I think you can,
13 which is bluntly more satisfactory, but you cannot.

14 The reference to your belief or otherwise in
15 the strength of Mr Ashley's promises -- paragraph 21 of
16 your -- I will read to you:

17 "On a number of occasions therefore we had
18 discussions with Sports Soccer in particular but also
19 sometimes other retailers about retail pricing. On
20 several occasions I felt that I had to put pressure on
21 Sports Soccer to raise prices by threatening that it
22 might not receive a full order of products if it
23 continued to aggravate other retailers by its
24 discounting. Mike Ashley would often 'agree' to raise
25 Sports Soccer's prices. However, on many occasions he

1 did not then do so. Because of this I knew that I could
2 not rely on Mike Ashley's assurances. However, we could
3 at least use these assurances to persuade other
4 retailers that we were responding to their complaints."

5 Okay. That last sentence, I can tell you, is new in
6 Ronnie 3 and was not there in any previous statement.

7 We have dealt with paragraphs 20 and 21. I am going
8 to ask you now to go to paragraph 22:

9 "I have reviewed Allsports' and JJB's notices of
10 appeal ..."

11 That means read some bits maybe that affect Umbro;
12 yes?

13 A. Yes.

14 Q. "... and the witness statements of David Hughes and
15 David Whelan."

16 Now, again, all of them are just bits and pieces?

17 A. No, I read them, as I say.

18 Q. You said you read the notice of appeal, Mr Ronnie?

19 A. I stand by what I say here in my statement.

20 Q. You cannot:

21 "I have reviewed Allsports and JJB's notices of
22 appeal."

23 Assuming that was not a march past of soldiers, what
24 do you mean by review? Read them all? Read them?

25 A. Yes.

1 Q. From cover to cover?

2 A. No, I read the relevant parts, as I said earlier.

3 Q. That is why I was asking whether you only read what you
4 perceived to be the relevant parts of Whelan and Hughes
5 statements or all of them.

6 THE PRESIDENT: How much of statements did you read,
7 Mr Ronnie?

8 A. As I said earlier, I read the key parts that I felt were
9 important to me in their statements. Sorry I did not
10 answer, I just thought we had covered it quite a while
11 ago.

12 THE PRESIDENT: I just need to make a note for my record.

13 MR WEST-KNIGHTS: I do not believe I have so far asked you
14 any questions about the individual witness statements:
15 "I have read in particular paragraph 59 of
16 David Hughes's statement where he denies receiving a
17 call from me regarding the retail price of England
18 sports shirts and states that I did not tell him that
19 Sports Soccer had stopped discounting the England
20 shirts. I have also seen paragraph 12 of David Whelan's
21 second statement in which he denies receiving such
22 a call during which JJB agreed to fix the prices on
23 the England shirt. He also states he was not informed
24 of this by Duncan Sharpe or Colin Russell.
25 "I would like to clarify a point made in paragraph

1 32 of my statement and to reply to David Hughes's and
2 Whelan's versions of events.

3 "I did call Allsports and JJB to tell them that
4 Sports Soccer had agreed to launch the shirt. Obtaining
5 Sports Soccer's agreement was a considerable result
6 which I relayed to the retailers in response to their
7 persistent complaints about Sports Soccer's discounting
8 and the need to do something about it.

9 "I also informed them of our achievement in
10 an effort to secure JJB's and Allsports' commitment to
11 supporting Umbro on a wider range of products."

12 So what did you say when you rang?

13 A. (Pause).

14 Q. You can stare at that all you like, Mr Ronnie, but it
15 does not tell us the answer, you tell us.

16 A. I said to JJB and Allsports that I had got Sports Soccer
17 to agree to 39.99.

18 Q. Perhaps we might expect them to say: oh, yes, when is
19 that going to be?

20 A. I made those calls and told them that it was going to be
21 at 39.99.

22 Q. He was in the state of breaking his promise at this
23 stage. He had given you yet another assurance, a firm
24 promise, a guarantee that he would go up nationwide
25 the following day?

1 A. Yes, but I would still have put the calls in to them to
2 confirm the price of 39.99.

3 Q. It is complete rubbish, is it not, Mr Ronnie, because at
4 this stage it is just another one of Mr Ashley's bits of
5 blather.

6 A. No, I was very confident that he would go up to 39.99.

7 Q. Why?

8 A. Because he had given me a very firm reassurance that he
9 would.

10 Q. The following day?

11 A. Because I had said to him that the other retailers would
12 not break.

13 Q. Can we just go back to Ronnie 3, please, page 226?

14 THE PRESIDENT: I hope we will be finished before lunch with
15 cross-examination.

16 MR WEST-KNIGHTS: There is no question of my finishing
17 before lunchtime. I said four hours and it is likely to
18 be about that.

19 Mr Ashley, paragraphs 33 and 34 --

20 A. Just so that you are aware, I am Mr Ronnie.

21 Q. I am looking at the words "Mr Ashley". I apologise.

22 Paragraph 32:

23 "Mike Ashley had stated in the 24th May meeting that
24 if any other retailer discounted the England shirts he
25 would follow suit. Phil Fellone and I therefore phoned

1 the major retailers to ask them to agree to maintain
2 prices on the England home kit. I telephoned JJB,
3 Fellone telephoned the others. JJB and Allsports
4 agreed."

5 A. Yes.

6 Q. All that is completely wrong?

7 A. No. I did telephone JJB and Allsports and Phil Fellone
8 called the others.

9 Q. To ask them to agree to maintain prices on England home
10 kit. That bit is one hundred per cent wrong?

11 A. Why is that wrong?

12 Q. Well, are you going to tell us it is true now?

13 A. I am saying to you that the concern was always if one of
14 the others broke, being John Lewis, First Sport,
15 Debenhams -- sorry, not First Sport. John Lewis,
16 Debenhams, JD were involved in changing the price of
17 that product from time to time.

18 Q. This preface in paragraph 24:

19 "Mike Ashley had stated in the 24th May meeting that
20 if any other retailer discounted the England shirts he
21 would follow suit."

22 Is followed by:

23 "Phil Fellone and I therefore phoned the other major
24 retailers."

25 So it was as a result of what Ashley had said?

1 A. Yes.

2 Q. You are saying that his agreement to put the price up
3 was conditional upon your obtaining an assurance
4 from other retailers that they would not undercut him?

5 A. Correct, because we had had activity in the High Street
6 from JD and Debenhams where they were breaking rank and
7 either putting it in a promotion or reducing the price
8 of the shirt.

9 Q. You say in paragraph 33 that JJB and Allsports agreed?

10 A. Yes.

11 Q. To maintain prices on the England home kit?

12 A. Yes.

13 Q. So that is your case now?

14 A. No, I am saying that they were contacted after
15 the agreement with Mike Ashley and I confirmed that
16 Sports Soccer would be 39.99. The exact content of
17 the phone call I am sorry I cannot remember, but
18 I certainly called them to tell them they were 39.99 at
19 Sports Soccer from now on and could they please stay at
20 39.99 as well.

21 Q. This is a simple question, Mr Ronnie. Is what I am
22 about to say true or not true: I rang Allsports and JJB
23 to ask them to agree to maintain prices on the England
24 home kit?

25 A. Yes.

1 Q. So if you were writing the statement now you would say:
2 I did ring Allsports and JJB "to ask them to agree to
3 maintain prices on the England home kit"?

4 A. But I also -- and I am not going to change anything
5 I said -- stipulated to them that Sports Soccer would
6 stay at 39.99. That was the key part of
7 the conversation, to ensure that they understood that
8 Sports Soccer would not discount.

9 Q. So there are two statements. First: I did ring
10 Allsports and JJB to ask them to agree to maintain
11 prices on England home kit. But in addition ...

12 A. The phone call at the time that took place to both
13 retailers would have started with, "Sports Soccer have
14 agreed to 39.99 ..."

15 Q. Could we just go back to Ronnie 4. I am sorry if I am
16 asking the tribunal to dot about. I would ask you to
17 keep Ronnie 3 open. Ronnie 4, 243?

18 A. Yes.

19 Q. Paragraph 27 says exactly the opposite of what you have
20 just told the tribunal on oath. It says:
21 "I did not ring Allsports and JJB to ask them to
22 agree to maintain prices on the England home kit."
23 That is precisely --

24 THE PRESIDENT: I think he should be allowed to read
25 the rest of the paragraph, Mr West-Knights.

1 MR WEST-KNIGHTS: No, with respect. He can read anything he
2 likes --

3 THE PRESIDENT: Mr West-Knights, I am sorry, I think
4 the witness ought to read the rest of
5 the paragraph before he answers that.

6 MR WEST-KNIGHTS: Noted.

7 A. Okay, I have read that, thank you.

8 MR WEST-KNIGHTS: Yes, thank you. Now I asked you in terms
9 whether it would be -- you said: I did ring Allsports
10 and JJB "to ask them to agree to maintain prices on
11 the England home kit". This statement says precisely
12 the reverse.

13 A. No, this statement says exactly what I said today, that
14 I rang them to guarantee 39.99 and asked them not to
15 undercut and break to a cheaper price.

16 Q. There was not a snowball's chance in hell that Allsports
17 was going to price at less than 39.99, was there?

18 A. I did not know that.

19 Q. Oh, come on --

20 A. Excuse me, let me finish the answer. There had been
21 a lot of comment from Allsports regarding the JD cap
22 promotion, and they were very concerned. If there had
23 not been a concern why would they arrange a retailer
24 meeting to discuss price point, if they were not
25 concerned?

1 Q. That is a good point, Mr Ronnie, but do not argue with
2 me or try to be clever.

3 A. Sorry. You can have four hours of cleverness and I will
4 just sit here and have a kicking.

5 THE PRESIDENT: Well, part of the question is: why did you
6 need to ring Allsports?
7 The suggestion being I think a moment ago in
8 Mr West-Knights's words that there was not a snowball's
9 chance in hell of them deviating from the 39.99 price
10 point?

11 A. I was not to know that, Umbro were not to know that.
12 They were very frustrated about the state of the market
13 place and the way the price point was moving around.

14 MR WEST-KNIGHTS: Presumably Mr Ashley said to you on
15 24th May that he required you to come back to him with
16 assurance from the other retailers: because we know that
17 at least two, that is to say Debenhams and JD Sports,
18 were at that time actively discounting the England
19 shirt.

20 A. No. The assurances I gave him on 24th May were that we
21 could ensure that no one else would break if he stayed
22 at 39.99.

23 Q. You started off by telling us that you went to
24 the meeting armed with that assurance and you told him
25 you had already got a promise from the others?

1 A. We had had conversations with them where they committed
2 to 39.99.

3 Q. None of which appear in any of your statements; that is
4 right, is it not?

5 A. Yes.

6 Q. The only information about anybody making anybody stick
7 at 39.99 before 24th May or agreeing to is the numerous
8 occasions on which you illegally forced, as you say,
9 Mr Ashley to do so, or as we would say you and Mr Ashley
10 agreed between yourselves to do so illegally.

11 Can we go back to your statement, Mr Ronnie. We are
12 getting there.

13 A. Which one?

14 Q. Well, I have taken you -- that is a very fair
15 question -- to paragraph 27, but I am going to come back
16 to paragraph 23:

17 "I would like to clarify a point made in
18 paragraph 32 of my OFT statement and reply to Hughes'
19 and Whelan's version of events. I did call Allsports
20 and JJB to tell them that Allsports had agreed to launch
21 the shirt ..."

22 You say "launch"; is that a hangover from some
23 previous defective memory?

24 A. No, just a term I used.

25 Q. It is not launch, is it? This is a shirt which is on

1 sale, and there is a gradual build-up to the tournament,
2 and we know that in the month of May Allsports at least
3 had been doing well selling the shirt and interest was
4 picking up. So it was not a launch, was it? They had
5 had it in their shops at £28 at some stages and I think
6 at £32 at others; yes?

7 A. Yes, but it was just a term I used.

8 Q. Obtaining Sports Soccer's agreement to such an increase
9 was a considerable result?

10 A. Yes.

11 Q. But nothing distinguished it from the previous promises,
12 except that on this occasion you knew by the time you
13 say you spoke to JJB and Allsports that Ashley had once
14 again told you a lie and had failed to keep to his
15 promise; that is right, is it not?

16 A. He did not fail to keep to his promise. There was
17 a delay in the price increase.

18 Q. You did not know as at 27th May that this was a delay;
19 all you knew was that his express guarantee to put
20 the price up nationwide on 25th May had been broken?

21 A. Yes.

22 Q. So in what sense was this a result as at, say, 27th May,
23 it was yet another failure?

24 A. It was not another failure.

25 Q. Yes, it was: he had promised and broken his promise?

1 A. I was clear that the price would go up.

2 Q. "... which I relayed to the retailers in response to
3 their persistent complaints. I also informed them in an
4 effort to secure Allsports' and JJB's ... supporting
5 Umbro on a wider range of products."

6 I venture to suggest, Mr Ronnie, that you will come
7 up with any kind of excuse to try to justify
8 the statement that you told Allsports, because you did
9 not?

10 A. I am sorry, yes, I did.

11 Q. "I cannot now remember exactly who I spoke to at
12 Allsports."

13 You cannot remember who it was at all?

14 A. No, because I had a lot of conversations with Allsports
15 and I could not be specific in the statement to mention
16 whom I had spoken to.

17 Q. So we could lose the word "exactly" and say: I cannot
18 now remember who I spoke to at Allsports.

19 A. But I remember speaking to Allsports.

20 Q. If you speak to Allsports you have to speak to a person?

21 A. I do.

22 Q. And you go on to say:

23 "My instinct tells me that I would have spoken to
24 Michael Guest, as he was more involved in the day-to-day
25 running of the replica kit business within Allsports."

1 A. Yes.

2 Q. Why does your instinct not lead you to think that you
3 told Michael Guest at lunch on 31st May?

4 A. As I said, I cannot recall exactly what I said at that
5 meeting.

6 Q. What makes you so certain this is a phone call? That is
7 the one thing you have always said since you first
8 claimed to have told Allsports in Ronnie 3?

9 A. Yes. To the best of my knowledge it was a phone call.

10 Q. You have not a clue, have you, Mr Ronnie, as to whether
11 you called Allsports and if so how?

12 A. Now I am fairly certain I called Allsports, thank you.

13 Q. In fact I am going to suggest that you know perfectly
14 well that you did not?

15 A. That is not the case. I called Allsports.

16 Q. "As far as I was concerned the task I had to carry out
17 was somewhat different from Phil Fellone's ..."

18 We have been there and looked at that. Over
19 page you say:

20 "Phil Fellone rang JD, Debenhams, First Sport and
21 John Lewis. Some of these retailers were smaller
22 accounts and more prone to discounting the kit, so he
23 may well also have wanted their agreement to stick to
24 the 39.99."

25 I do not understand that statement.

1 A. He would have wanted them to agree to 39.99 as the major
2 accounts, so there was not any movement around
3 the High Street at 39.99.

4 Q. So the "also" means as well as you? Where does
5 the "also" fit?

6 A. I do not know where the "also" fits but that is
7 the explanation that I am giving to the sentence. He
8 would have wanted those accounts to stay at 39.99.

9 Q. It could either mean that he too wanted their agreement
10 to stick to the 39.99 price point or that he had some
11 other purpose in speaking to them but that included
12 wanting their agreement. Which did you mean?

13 A. He too would have wanted them to be at 39.99.

14 Q. He too?

15 A. He will have done.

16 Q. He too, as well as you that is, wanted their agreement
17 to stick to the 39.99 price point?

18 A. He too will have wanted them to be at 39.99.

19 Q. So he was ringing them because they were prone to
20 discount to get their agreement to price at 39.99 as
21 well as you?

22 A. Yes.

23 MR WEST-KNIGHTS: I think my last topic is monthly
24 management reports, but I will review that over lunch
25 and do them as swiftly as I can, because that is then

1 the last paragraph of Mr Ronnie's statement.

2 THE PRESIDENT: That is then it, is it, Mr West-Knights?

3 MR WEST-KNIGHTS: Subject to my review over lunch. I have
4 been something less than three hours with Mr Ronnie.

5 I think I may be another hour or thereabouts.

6 THE PRESIDENT: We just have to press on, Mr Ronnie,

7 I think.

8 A. We do.

9 THE PRESIDENT: We are in that situation, and I am grateful
10 to you for your cooperation.

11 We will say 2 o'clock.

12 (1.00 pm)

13 (The short adjournment)

14 (2.00 pm)

15 MR WEST-KNIGHTS: The final furlong, Mr Ronnie, and that is
16 a promise. We did not wish your answer about
17 the shares. What happened to your shares in Umbro; do
18 you now own any directly or indirectly?

19 A. No, the shares were bought back by the company.

20 Q. Thank you. Can I ask you this, we will look at it if
21 necessary, do you accept that the whole business about
22 the ring around appeared for the first time in Ronnie 3,
23 but in its place in Ronnie 2 was your explanation about
24 the change of Mike Ashley's targets, that is to say
25 he had had a reduction from 8 to 6 in respect of his

1 licensed target?

2 A. Yes.

3 Q. And he was saying at that meeting that he wanted
4 a further reduction because of the volumes that would be
5 affected by his agreement to go to 39.99, is that right
6 or not, do you remember that?

7 A. Yes, he did say that he did not think it would reach
8 the target of 6 million on replica.

9 Q. And that is what had been in your witness statement as
10 it were immediately before your discussion on the 24th
11 of the next event after the 24th May meeting instead of
12 the ring-around which came into Ronnie 3.

13 I said there was one topic, but actually there are
14 two because I had overlooked and it was not my fault
15 that the Office places reliance on a passage in Ronnie 2
16 that is not in Ronnie 3 or 4, so I need to take you to
17 that very quickly if I could. Ronnie 2 starts at
18 page 88 of the bundle, and the passages that the OFT say
19 they rely upon are at page 118.

20 Can you just glance over those two paragraphs,
21 Mr Ronnie?

22 A. 143 and 144?

23 Q. Yes. (Pause).

24 A. Yes.

25 Q. Do you have any recollection now about this whatsoever?

1 A. I can recollect that David Hughes had mentioned to me --
2 someone -- David Hughes of Allsports had mentioned to me
3 a concern regarding 36.99 in the First Sport stores, and
4 I can recollect that Phil Fellone did deal with
5 the issue, he did speak with Alan Hoskins of
6 First Sport.

7 Q. Can you put a date on this, like 1999, 2000, 2001?

8 A. I am sorry, I cannot.

9 Q. Phil Fellone did not tell us anything about this. We do
10 not see any information in the OFT's careful analysis of
11 the pricing information both, as it were, seized and
12 required of all of the retailers -- there is no sign of
13 any discounting by First Sport to 36.99. Can you help
14 us with that?

15 A. I am sorry, I cannot.

16 Q. Could it be that this occurred outside the period we are
17 talking about?

18 A. I am sorry, I cannot.

19 Q. At any rate, my task is simply to put to you that
20 David Hughes has no recollection of this whatsoever and
21 simply does not believe it occurred and has no
22 recollection of First Sport doing this in the south-east
23 apart from anything else?

24 A. I cannot speak for Mr Hughes.

25 Q. No, but you can speak for yourself, Mr Ronnie. Can you

1 explain to the tribunal why it was that this piece of
2 information did not find its way into your third witness
3 statement; in other words, this was only in your
4 leniency statement, but not in the statement which you
5 provided on behalf of Umbro in its defence to
6 the Office's Rule 14 notice?

7 A. I am sorry, no.

8 Q. I am going to suggest that on analysis under Ronnie 3
9 when you went through this very carefully with
10 the solicitors and everybody it was realised that it was
11 hopelessly vague and it could have been any time and you
12 just did not have any real recollection of it?

13 A. No, I am sure that that is not the case.

14 Q. Excuse me talking across you for a second, Mr Ronnie.
15 Ronnie 3, paragraph 60, is an allegation in relation to
16 Mr Guest and the JD cap, which again is specifically
17 highlighted by the Office, the Office's counsel as being
18 something that they want to rely upon.

19 Mr Ronnie, 231:

20 "In May 2000 JD Sports were selling the England home
21 shirt at 39.99 together with a free Admiral cap worth
22 about £10. Michael Guest from Allsports contacted me to
23 ask what we were going to do about getting this
24 promotion stopped as JD were discounting the shirt."

25 Sir, my own view of this is that I have asked

1 Mr Ronnie all of the questions about the JD cap in
2 relation to his conversation with Mr Hughes on 2nd June
3 and that if I were to go through the same process with
4 Mr Ronnie it would be precisely the same in respect to
5 Mr Guest; in other words Umbro were already concerned
6 about it, it might have come up in conversations.

7 I can do that all again, or I can just say consider
8 it put. I am entirely in the tribunal's hands.

9 THE PRESIDENT: I think you might just quickly put
10 the second sentence, very quickly.

11 MR WEST-KNIGHTS: Thank you.

12 We know that you had lunch with Michael Guest on
13 31st May.

14 A. Yes.

15 Q. As far as his recollection about any of this is
16 concerned he did not contact you about any of this, but
17 the subject of the JD cap promotion may well have come
18 up during the course of the lunch because, apart from
19 anything else, it was a source of deep irritation to
20 Umbro?

21 A. Yes.

22 Q. Thank you, I have no more questions on that.

23 This is the final chapter. The only two
24 bundles we will need, sir, are the witness statement
25 bundles, we will be looking at Ronnies 1, 2 and 3, and

1 also the May monthly management report. E1, part 1,
2 tab 27.

3 What I am going to suggest is that the rest of the
4 perhaps half an hour or so that I shall be; I say
5 perhaps, that is my current estimate, that we keep that
6 page open whilst I ask Mr Ronnie some questions about
7 it.

8 Now, I am going to start, if I may, with this
9 question, Mr Ronnie: to what agreement --

10 THE PRESIDENT: Sorry, we are at page?

11 MR WEST-KNIGHTS: I beg your pardon. It is "that page" to
12 me. Page 230.

13 THE PRESIDENT: Yes.

14 MR WEST-KNIGHTS: Now to get ourselves back into
15 chronological sequence. Whoever has the microphone, if
16 it could sensibly be turned up, please.

17 This is the report for May, and we have established
18 elsewhere and you have accepted that the evidence is
19 that although May has been yet another difficult trading
20 month with the expect uplift in sales of the Euro 2000
21 tournament not happening the exception to that was
22 Allsports, who were reporting good sales of the England
23 shirt?

24 A. Yes.

25 Q. "The UK sales spent the last two weeks of May trying to

1 force England licensed product into not only
2 the independents but also the major account basis.
3 Allsports were the main issue having committed to orders
4 in the region of [a sum of money] for April and May.
5 They were still holding back on a booking-in date. This
6 has now been resolved."

7 The pattern was that April had been a pretty poor
8 month for everybody, bad weather to blame apart from
9 anything else?

10 A. Yes.

11 Q. In March the punters were still fussing about the
12 domestic league and they really had not looked ahead to
13 Euro 2000. Presumably March perhaps was an interesting
14 time in the footballing world. And that consequently
15 sell-through on the England shirt prior to
16 the tournament was slower than people had anticipated or
17 hoped?

18 A. Yes.

19 Q. But that was here resolved. It is just a question of
20 warehousing and getting it in, is it not?

21 A. Yes.

22 Q. It matters to you because, of course, until it is booked
23 in you do not raise an invoice for it and it does not
24 show up as it were for that month's turnover from your
25 point of view?

1 A. Correct.

2 Q. It is the salespeople's job to try to get their
3 customers to book in as much as possible, but obviously
4 the customers are looking at their own warehousing
5 position and their estimates of future sales, and if
6 they think they have a month's worth in stock they are
7 going to be reluctant to take on any more, because apart
8 from anything else they are going to have to pay for it
9 before they need it?

10 A. Correct.

11 Q. "Other account are still holding back on firm bookings
12 until after first England game."

13 Oh, I see, so these people really were digging in
14 and saying: not very confident. They wanted to see
15 whether England beat Germany?

16 A. Yes.

17 Q. Which they did not, as I remember.

18 THE PRESIDENT: I think they did, did they not? It was
19 the ignominy of losing to Romania.

20 MR WEST-KNIGHTS: Oh, they did, did they? I have said
21 frequently that I know nothing about football, and I was
22 chancing my arm and I got it wrong:

23 "Other accounts holding back on firm bookings until
24 after the first England game."

25 Which I understand was in Germany and we won it. Is

1 that right:

2 "First Sport, Lillywhite's, Champion and other
3 independent accounts."

4 The next paragraph:

5 "There has been a major step forward in the retail
6 price of England ..."

7 I venture to suggest that what is missing there is
8 a forward slash: "stroke" the launch of Manchester
9 United.

10 "JJB, Sports Soccer, JD Sport and Allsports have all
11 agreed to retail their ... shirts at 39.99. This is
12 following England being sold at various retail prices
13 through April and May, ranging from [all over the place]
14 and the free cap at JD Sports."

15 To which agreement or agreements do you now say that
16 paragraph is intended to relate; what is it that you are
17 reporting there?

18 A. I am reporting exactly as it says, that the major
19 retailers have all agreed to retail at 39.99.

20 Q. I will try again, Mr Ronnie. It goes more quickly if
21 you listen to the question. To which agreement or
22 agreements are you there referring?

23 A. An agreement that had been made by the retailers.

24 Q. In relation to --

25 A. 39.99.

1 Q. The agreement relating to England, the agreement
2 relating to Manchester United, or both?

3 A. The key agreement was 39.99; that was the key price
4 across replica.

5 Q. I am going to ask the question again, Mr Ronnie: does
6 this report reflect the making of the England Agreement,
7 the making of the Manchester United Agreement or both?

8 A. Both.

9 Q. We will come back to that document as to the next
10 sentence in a moment. I am going to ask you now: how
11 were you able to report on the parties to the Manchester
12 United Agreement including JD Sports and First Sport as
13 at the time when you wrote this report? Do
14 you understand the question?

15 A. I do.

16 Q. What is the answer?

17 A. My understanding at the time was that they would follow
18 suit at 39.99.

19 Q. That they would follow suit?

20 A. Yes.

21 Q. So as at the time when you wrote this report, your
22 evidence now is that you had no information about
23 JD Sports and First Sport, but that you had expected
24 them to fall into line; is that right?

25 A. No. When I wrote this I am sure my clear understanding

1 would have been that they would follow at 39.99. So
2 conversations must have taken place with them.

3 Q. Must have taken place with them?

4 A. With the retailers mentioned there.

5 Q. With First Sport and JD Sports?

6 A. Yes.

7 Q. Between whom?

8 A. That will have been between Phil Fellone of First Sport
9 and JD.

10 Q. What, after Mr Ashley had come back and given his
11 initial report about the discussions with Hughes and
12 Whelan?

13 A. I cannot recollect how and when I came to that
14 conclusion. But to have written it down I must have
15 known it was going to be 39.99.

16 Q. If you were talking about the Manchester United
17 agreement at all?

18 A. As I said, I was probably referring both to England and
19 Manchester United, but the key was 39.99 price point.

20 Q. That does not help us with which agreement we are
21 talking about because each of them has as its basis
22 the High Street price.

23 Let us try again before we leave this page and go
24 back to anything else. What is the answer now to the
25 question about the inclusion of JD Sports and

1 First Sport into your report of the Manchester United
2 agreement?

3 A. My statement is the same as I made here in writing; it
4 is exactly as that.

5 Q. No, because I am not asking you about something which is
6 in this document. How did you know, if you did as at
7 the date of this report, that JD Sports and First Sport
8 had agreed to conform expressly in respect of
9 the Manchester United shirt?

10 A. I cannot recall exactly how. I am sorry, I cannot.

11 Q. Your earlier answer was that you think that you were
12 told by Fellone after the Ashley report back that he had
13 spoken to these people and they had agreed to fall into
14 line?

15 A. I think so, yes. I think so.

16 Q. That would necessarily mean that you did not write this
17 report on the evening of 8th June, because that is
18 the evening when you spoke to Ashley, after he came back
19 from Mr Hughes's house.

20 A. I cannot recall exactly when the report was written, but
21 I certainly would not have put anything in writing to
22 the business unless I knew the facts.

23 Q. My point is going to be, Mr Ronnie, that this does not
24 reflect the Manchester United Agreement at all, it is
25 all very simple; what you are purporting to report here

1 is simply the England Agreement, coupled with your
2 assumption and knowledge about Allsports, and it does
3 not refer to Manchester United at all. It is good news
4 in relation to the Manchester United launch because you
5 say that everybody has agreed to fall into line with
6 England.

7 Anyway, you insist that this was reporting
8 the Manchester United Agreement?

9 A. Both the England and the Manchester United Agreement.

10 Q. It follows that if you had information from Mr Fellone,
11 it must have been on 9th June or thereafter; yes?

12 A. I am sorry, I cannot be exact as to when I received that
13 information from Phil Fellone.

14 Q. We know because you told us this morning that he found
15 out about the meeting at Hughes' house having taken
16 place and what you say Ashley told you on the afternoon
17 of 8th June; yes?

18 A. I did.

19 Q. And that meeting will have lasted some time, and either
20 you took the train to Dunstable or you went home after
21 it. In truth you say you have no recollection of what
22 you did after that meeting?

23 A. I do not.

24 Q. Right. So your evidence now is that you may well have
25 written this report on 9th June or 10th June or later?

1 A. As I said earlier, I cannot be exact as to when it was
2 written, I am sorry.

3 Q. Shall we now go to Ronnie 1, page 15, paragraph 77:
4 "At some time in early June I wrote my report for
5 the May monthly management report. I cannot recall
6 exactly when it was prepared and my diary does not
7 assist me."
8 Pausing there, why did you say that?

9 A. Because from memory there is a date on the 8th regarding
10 the monthly management report and something else on
11 the 9th --

12 Q. No, we have looked at the diary, it has something for
13 the 7th, monthly management report, and it has something
14 at 9.30 on the morning of the 8th, monthly management
15 report.
16 Why did you say that it did not assist you?

17 A. Because it did not tell me exactly when I had written
18 it.

19 Q. Why not?

20 A. Because it did not, it did not state that I had put the
21 document together on that date.

22 Q. But in principle you do write your report on the date
23 which is in your diary unless you cannot --

24 A. It can vary, as I said. It does vary.

25 Q. Will you take it from me or are you going to make me go

1 through it page by page that the latest date on any of
2 the sub-reports within your bracket in this monthly
3 report is 5th June? In other words there is no
4 indication that you did not have all of the material
5 necessary to write this report by 5th June.

6 I can show you all the documents if you want me to,
7 Mr Ronnie.

8 A. Again, I said I cannot remember when it was written.

9 Q. In this paragraph you have exhibited something at CR3.
10 It is at page 27, Mr Ronnie. Do you have that?

11 A. Page 27?

12 Q. Yes. That is the exhibit front sheet, Mr Ronnie. Just
13 turn it over.

14 A. Yes.

15 Q. The next page is the generic front sheet of everything;
16 the next page is your bit?

17 A. Yes.

18 Q. Why did you not either look at or exhibit the page that
19 we have one back from page 230 in E1?

20 A. I am sorry, I do not know, I do not know why I did not
21 look at it.

22 Q. It has a date on it?

23 A. It has indeed.

24 Q. And that date is about to be we think the last date, in
25 other words that is the date that it will have been

1 finally printed out and sent round by Morag Pallett?

2 A. We do not know that for sure though, do we?

3 Q. You tell us if there is any probability of it being
4 something different?

5 A. It could have been distributed, because Morag Pallett --
6 I did not go into detail earlier, but Morag put
7 the report together for my area but then had to pass it
8 to another department within the business for the full
9 papers to be put together.

10 Q. But this is not the date on the full papers; this is
11 the date on your bit?

12 A. It is.

13 Q. So how does that last answer work?

14 A. I am trying to answer your question. I am just saying
15 I cannot remember exactly the date it was done.

16 Q. I do not understand the bit about Morag having to send
17 your bit around to other people. She is going to print
18 your bit off and then send it round to other people, but
19 when she does it has your date on it?

20 A. It will have my date, but at times the papers would go
21 to the other department without my final report and it
22 would wait there until my report was done.

23 Q. Fine. But the date of the front sheet of your report is
24 the date of your report?

25 A. If that is the date that is on there, then --

1 Q. Do not give me ... it is not "if that is the date that
2 is on there"; that is the date that is on there.

3 A. That is the date, you are right.

4 Q. Now, what does that tend to show?

5 A. It is --

6 Q. That you wrote it on or before that date?

7 A. It does.

8 Q. So what was all this flanning about saying: my diary
9 does not help and I cannot tell you when I wrote the
10 report?

11 A. Because I probably looked at page 28 that we have in
12 front of us and I did not see a date.

13 Q. You go on in paragraph 77 -- there is only one
14 paragraph in your first witness statement that deals
15 with this document:

16 "This report was intended to reflect the information
17 that was given to me by Mike Ashley. I reported that
18 five of the major retailers had reached an agreement on
19 the retail price of the Manchester United home shirt.
20 My understanding is that the agreement to sell
21 the Manchester United home shirt at 39.99 was rolled out
22 to JD and First Sport. This was pure reporting by me
23 following what had been told to me by David Hughes at
24 the meeting on 2nd June and subsequently by
25 Mike Ashley."

1 So what you are saying there is -- you do not say
2 anything about the England Agreement there, indeed you
3 do not say anything about the England Agreement in
4 Ronnie 1 at all?

5 A. No, but I took it that once we were at 39.99 it would
6 also include England, and it did include England.

7 Q. That is just not right, is it, Mr Ronnie? You were at
8 pains at this stage to distance yourself from
9 the England Agreement because it was one that Umbro was
10 in up to its neck in, whereas you were going to suggest
11 that the MU Agreement was one where Umbro had a fringe
12 involvement only, so it was convenient to describe this
13 as relating only to the Manchester United Agreement.

14 You do not mention England here as part of
15 the explanation, do you?

16 A. No.

17 Q. And you ascribe your knowledge in relation to JD Sports
18 and First Sport to Hughes on 2nd June and Ashley
19 presumably on the 8th?

20 A. Can you just tell me which page you are on? I am sorry,
21 I have lost it.

22 Q. I am still on page 15, I am still on paragraph 77,
23 we have not moved.

24 A. Okay. What was the question again, I am sorry?

25 Q. I think there were several propositions, let us start

1 with the last one. This does not mention England at
2 all, does it?

3 A. No.

4 Q. This refers only to Manchester United?

5 A. Yes.

6 Q. It refers specifically and only to Manchester United?

7 A. Yes.

8 Q. It refers specifically and only to the Manchester United
9 Agreement?

10 A. Yes.

11 Q. You ascribe your knowledge about rolling-out to
12 JD Sports and First Sport to two sources: (1) Hughes on
13 2nd June; (2) Ashley presumably on the 8th?

14 A. Well, it does not say the 8th, it just says
15 "Mike Ashley". But yes is the answer to your question.

16 Q. I am interpolating: and subsequently by Mike Ashley at
17 the earliest on 8th June?

18 A. I do not know the exact date on Mike Ashley. But yes to
19 the other --

20 Q. I beg your pardon, what did you say? You do not know
21 the exact date on Mike Ashley?

22 A. Sorry, I am agreeing to this, June 8th was when they had
23 the meeting, June 8th was when he told me 39.99.

24 Q. So the earliest date on which you would have found out
25 any information about this agreement was plainly

1 8th June because it only happened on 8th June, according
2 to Mr Ashley; yes? It is not complicated?

3 A. Yes.

4 Q. We will come back to the reference to a major step
5 forward in a moment.

6 Would you please go to Ronnie 2, starting at
7 page 90. Do you see at paragraph 9 that again you say
8 you cannot remember the exact date you prepared it and
9 your diary does not assist you?

10 A. Yes.

11 Q. Again, this is your real solid attempt at getting all of
12 this right, and you are saying that you are still
13 unaware perhaps of the date of 8th June on your bit?

14 A. I was.

15 Q. Again you exhibit at CR3 the pages excluding the one
16 with the date on it; yes?

17 A. Right.

18 Q. And you give some explanation as to the report. You
19 give a lot of explanation. But we do not get told at
20 this stage where you got any information from in
21 relation to the specifics?

22 A. No.

23 Q. But you do, first at page 93, paragraph 22. You say
24 this in respect of JJB, Sports Soccer, First Sport,
25 JD Sports and Allsports have all agree to retail adult

1 shirts at 39.99. So we are talking about the same
2 sentence again?

3 A. Yes.

4 Q. "This sentence is simply my report of what had been told
5 to me by David Hughes and Mike Ashley. I had been
6 informed by Mike Ashley that JJB, Sports Soccer and
7 Allsports attended a meeting on 8th June and agreed with
8 each other that the retail price of the MU home shirt
9 would be 39.99.

10 "I had also been informed by David Hughes and
11 Duncan Sharpe that First Sport and JD Sport had also
12 agreed with JJB, Sports Soccer and Allsports that they
13 would ensure that the retail price was 39.99."

14 Yes?

15 A. Yes.

16 Q. If that is right it necessarily follows, does it not,
17 Mr Ronnie, that you could not have been writing this
18 management report until after two things had happened:
19 (1) the report by Ashley on 8th June; and then later (2)
20 a report by David Hughes and Duncan Sharpe that
21 First Sport and JD Sport had also agreed with those
22 other three parties. Is that right, that must follow?

23 A. Yes.

24 Q. So that makes it as plain as a pikestaff if what you are
25 saying is true that the contents of that report were not

1 available to you as at the evening of 8th June. It must
2 have been drafted some time later.

3 A. It would appear so.

4 Q. Would you now please go to paragraph 68 of the same
5 document, the same witness statement, page 102? It is
6 paragraph 68 at the bottom of page 102, Mr Ronnie; are
7 you there?

8 A. I am.

9 Q. "At some time in early June I wrote my report for
10 the May 2000 management report. I cannot recall exactly
11 when this was prepared and my diary does not assist me.
12 This report was purely intended to reflect
13 the information that was given to me by Mike Ashley and
14 David Hughes. I reported that five of the major
15 retailers had reached an agreement on the retail price
16 of the Manchester United home shirt."

17 Again, nothing about England there:

18 "My understanding is that the agreement to sell the
19 MU home shirt at 39.99 was rolled out to JD Sports and
20 First Sport."

21 So again your report must have been derived from
22 information coming into your possession after 8th June?

23 A. Or the evening of.

24 Q. How would you have acquired the information from
25 David Hughes on the evening of 8th June?

1 A. No, sorry, I mean the evening is when I could have
2 written the report.

3 Q. You do not know whether you did or not?

4 A. No, I do not know, I cannot put an exact time on it.

5 Q. How can it have been written in the evening? You need
6 further information. You get Ashley to tell you, as he
7 says he did, that the three retailers had agreed, and
8 you go on to say:

9 "My understanding is that that agreement was rolled
10 out to JD Sport and First Sport."

11 Now, you cannot roll out an agreement until after it
12 has been made and you cannot find out that an agreement
13 has been rolled out until after it has been rolled out,
14 so it could not have been on 8th June, could it?

15 A. You are asking me to be specific about something
16 I clearly cannot remember.

17 Q. I am going to suggest to you very plainly, as it
18 started, that if you had wrote this report when you say
19 you wrote it, it cannot have been referring to
20 the Manchester United Agreement, and there is nothing in
21 the report to suggest that you were referring to
22 the Manchester United Agreement. What you are doing all
23 along is trying to focus on MU because you can blame
24 other people for that. Do you understand?

25 A. Well, I can certainly blame other people for England

1 conversations that took place.

2 Q. Just tell us again about paragraph 68. Mr Sharpe seems
3 to have gone missing?

4 A. He is not mentioned in that paragraph, no.

5 Q. So was your information about the roll-out to JD Sports
6 and First Sport derived from Mr Sharpe or not? You see,
7 the difficulty we have is that paragraph 22 says that it
8 was, and paragraph 68 says that it was not. Which is
9 correct?

10 A. Again, from memory, I would have said that 68 is
11 correct. Because I remember David Hughes talking to
12 about it.

13 Q. Oh, really? When?

14 A. I do not know the exact date, but we certainly covered
15 the topic with him.

16 Q. When, ish?

17 A. I cannot remember, I am sorry.

18 Q. You never mentioned this conversation --

19 THE PRESIDENT: What topic are you talking about?

20 A. The topic of 39.99.

21 MR WEST-KNIGHTS: I am talking to you as you well know about
22 the Manchester United Agreement being extended so as to
23 include JD Sport and First Sport, neither of which
24 companies was represented at the meeting at Mr Hughes's
25 house. Paragraph 22 says that you got the information

1 about the roll-out from Hughes and Sharpe. Now which is
2 it?

3 A. Pardon?

4 Q. Did you get any information from David Hughes after
5 the helicopter day about rolling the agreement out to
6 JD Sports and First Sport?

7 A. He certainly spoke with First Sport.

8 Q. Did you receive any information from Mr Hughes after
9 the helicopter day about rolling the agreement out to Jd
10 Sport and First Sport?

11 A. He mentioned First Sport, yes.

12 Q. After the helicopter day?

13 A. I cannot remember the timing, I am sorry.

14 Q. In connection with bringing them into the Manchester
15 United agreement?

16 A. Bringing them up to 39.99.

17 Q. In respect of the Manchester United shirt?

18 A. I cannot remember, I am sorry. The main focus was
19 always price point.

20 Q. You had a number of conversations with Mr Hughes, I dare
21 say, which included the words "39.99" because they were
22 a focal point of the industry's selling?

23 A. We would talk about 39.99 a lot.

24 Q. Yes, but as we know it is very much in Umbro's interests
25 to maintain that price point?

1 A. Yes.

2 Q. Could we now please go to Ronnie 3, page 232,
3 paragraph 66:

4 "I believe that I prepared the May monthly report on
5 the evening of 8th June 2000 following my meeting with
6 Mike Ashley."

7 When did you stop believing that?

8 A. I have never been exactly sure. If I refer to it here
9 it is when I sat down to write Ronnie 3 that I will have
10 thought that I finished the report on the evening of
11 the 8th.

12 Q. You have told the tribunal today that you have not
13 the slightest recollection of what you did after
14 the meeting with Ashley beyond the probability that you
15 either got on a train to Dunstable or went home?

16 A. I have.

17 Q. So you do not currently believe that you wrote this
18 report on the evening of 8th June --

19 THE PRESIDENT: He has said that he is not sure.

20 A. I will repeat it again and again: I cannot remember when
21 I wrote the report.

22 MR WEST-KNIGHTS: Why did you say here, "I believe that
23 I wrote it on 8th June"?

24 A. I am just trying to answer the question. I will go over
25 it again. I actually cannot remember when I wrote

1 the report.

2 Q. This witness statement contains no explanation as to how
3 you could have known anything about the involvement of
4 JD Sport and First Sport if you wrote this report on
5 8th June. So having fixed yourself at the point
6 immediately after speaking to Mr Ashley, you drop any
7 explanation as to how you knew about JD Sport and
8 First Sport because it would not fit, would it?

9 A. What do you mean it would not fit? I knew exactly that
10 conversations had taken place between David Hughes and
11 Tom Knight of First Sport regarding the price.

12 Q. The Office asked Umbro about this apparent conundrum.
13 Having told you that we would not go back to A1, as
14 predicted I was wrong, but it is only one page: A1,
15 tab 13, page 646.

16 I am going to start with the first numbered question
17 here because it is a convenient way of killing or not,
18 as the case may be, two birds with one stone.

19 The first is off topic but is relevant. This for
20 clarification is an undated document by Umbro in
21 response to some questions contained in a letter from
22 the OFT after they had both given written and oral
23 representations.

24 THE PRESIDENT: We have been to it before, I think,
25 Mr West-Knights.

1 A. Yes, we have.

2 MR WEST-KNIGHTS: We have. At paragraph 1 they say:

3 "At paragraph 95 of its written representations

4 Umbro states that it stocked in order of between [blank]

5 and [blank] shirts to Sports Soccer. Please confirm

6 what shirts were involved and when the order was

7 reinstated. Please provide any relevant documentary

8 evidence."

9 And your case has been that this was something

10 active in your mind as at 24th May; yes?

11 A. No, I said earlier that I could not give you a date but

12 the event happened.

13 THE PRESIDENT: I think we have gone over that point,

14 Mr West-Knights.

15 A. We have.

16 MR WEST-KNIGHTS: It must be after July.

17 A. Do I answer this?

18 THE PRESIDENT: I think --

19 MR WEST-KNIGHTS: Because it says --

20 THE PRESIDENT: I think you have already put this to

21 the witness.

22 MR WEST-KNIGHTS: Not to this witness.

23 A. Yes, you have, sir.

24 MR WEST-KNIGHTS: Then I apologise, I had forgotten it.

25 THE PRESIDENT: You have made the point more than once.

1 MR WEST-KNIGHTS: I am grateful. If more than once it was
2 because more than once was required. Paragraph 4:

3 "At paragraph 120 of its written representations,
4 Umbro states that Mr Chris Ronnie prepared
5 the May monthly management report on
6 8th June immediately after the meeting between JJB,
7 Allsports and Sports Soccer and Umbro's meeting with
8 Sports Soccer.

9 "At paragraph 118 Umbro states that it understands
10 that JD Sports and First Sport also around this time
11 agreed with the other retailers to launch the home shirt
12 at 39.99 and MUFC had also been involved in
13 the discussion regarding the launch price of the shirt.

14 "Please clarify the basis upon which Mr Chris Ronnie
15 reported on 8th June that Blacks and JD Sports had
16 agreed retail prices on the Manchester United home kit
17 as reported in the May 2000 monthly report and the basis
18 for Umbro's understanding reported at paragraph 118."

19 Do you see the question?

20 A. Yes.

21 Q. "Answer: it is Umbro's understanding based on
22 information produced by Mike Ashley who attended
23 the Umbro offices after the meeting that David Hughes of
24 Allsports had taken it upon himself to roll out
25 the agreement reached between the retailers at his house

1 to JD Sports and First Sport. Also, it is Umbro's
2 understanding from David Hughes that Manchester United
3 had been in discussion with David Hughes of Allsports
4 with regard to the retail price of the new MU kit.
5 Please refer to the witness statement of
6 Mr Chris Ronnie."

7 So it is Umbro's understanding based on information
8 provided to Mike Ashley -- presumably passed to you on
9 8th June -- that Hughes had taken it upon himself to
10 roll out the agreement reached between the retailers to
11 JD Sports and First Sport. Is that how you read that?

12 A. Yes.

13 Q. So that Ashley reported to you in the course of
14 the meeting of 8th June that Hughes had said that he
15 would fix it, as it were, for JD Sports and First Sport?

16 A. Yes.

17 Q. Now, is that true?

18 A. I cannot remember the JD and First Sport, but
19 I remember -- sorry, JD. I remember First Sport being
20 contacted by David Hughes.

21 Q. In relation to the Manchester United shirt? That is
22 the bit where you always say no, I cannot, only about
23 39.99?

24 A. It is. I remember a conversation also taking place
25 around England as well at 39.99.

1 Q. But this sentence came from you and it is you saying: it
2 was Ashley who told me on 8th June that Hughes said that
3 he would involve JD Sports and First Sport; that is what
4 it says.

5 A. Yes.

6 Q. Are you aware that when Sports Soccer were asked about
7 that the answer was in their formal documents that
8 they had no information as to how JD Sports or
9 First Sport became involved in the agreement, none?

10 A. I was not aware of that, no.

11 Q. WB1/111. I am now going to ask you to go back to the
12 document itself, Mr Ronnie.

13 In the last paragraph of your witness statement you
14 specifically refer to an allegation made by Allsports
15 that these management reports may have been exaggerated
16 because they were intended as some form of
17 self-congratulatory process to be passed to
18 the shareholders or other backers?

19 A. Excuse me, where are you now?

20 Q. On the last paragraph of Ronnie 4, which is why we are
21 looking at this document. It is page 244; do you have
22 that?

23 A. Yes.

24 Q. "At paragraph 6.8 of its Notice of Appeal Allsports
25 suggests that I would have exaggerated the extent

1 and scope of the agreement in the monthly management
2 reports in order to impress Peter McGuigan, other senior
3 managers, shareholders, backers ... I disagree ... no
4 need to impress McGuigan ... the JJB account was my
5 responsibility, not his ... not feel the necessity to
6 impress him or anyone else for that matter. Reports
7 were not circulated to shareholders or backers ... this
8 is just a way to tell senior management that we had got
9 price agreements. This would mean that the threats from
10 JJB and others such as Blacks and Allsports would stop.
11 This was, for the reasons explained above, a major step
12 forward for Umbro."

13 A. Yes.

14 Q. Now let us have a look back at this document.

15 "There has been a major step forward in the retail
16 price of England [stroke, I suggest] the launch of
17 Manchester United. JJB, Sports Soccer, JD Sports,
18 First Sport and Allsports all have all agreed to retail
19 the adult shirts at 39.99."

20 I suggest that that refers exclusively to England,
21 and, of course, you have told us that there was no need
22 for any agreement from Allsports because they retailed
23 at 39.99 but then you went on to say that you had
24 an agreement with Allsports before the 24th May meeting
25 to fix their price at 39.99. Is that where you have

1 taken us so far?

2 A. Yes.

3 Q. "This following England being sold at various retail
4 prices ..."

5 Now, the next sentence is not designed to kid or
6 fool any third party -- yes?

7 A. Yes.

8 Q. This is an internal statement between Umbro people, not
9 intended for publication anywhere; yes?

10 A. Yes, you are right.

11 Q. "Following a month of dialogue with the above accounts,
12 Umbro cannot allow our statement product to be
13 discounted."

14 That is plain and can only mean that this is Umbro
15 maintaining its statement product.

16 A. With the retailers, yes.

17 Q. No. This is an internal document, Mr Ronnie.

18 A. Yes.

19 Q. "Following a month of dialogue with the above
20 accounts ..."

21 No attempt to persuade anybody of anything that did
22 not happen:

23 "... Umbro cannot allow our statement product to be
24 discounted."

25 This is a rallying cry because the England shirt and

1 the MU shirt are the Umbro statement product and
2 you cannot allow them to be discounted, can you?

3 A. No.

4 Q. For your own purposes and nothing to do with
5 the retailers; that is right, is it not?

6 A. Well, it is, but the retailers are certainly involved in
7 it.

8 Q. Yes, they sell it:

9 "It has also been decided that meetings will now
10 take place with JD Sport and First Sport to advise those
11 accounts that ... it will affect their deliveries of
12 Manchester United home, away and third shirts."

13 Umbro is in the chair here, is it not, it is in
14 charge, and it did go and do that in relation to
15 JD Sports, did it not?

16 A. It did.

17 Q. It did affect their deliveries of Manchester United home
18 away, and third shirts and everything else that Umbro
19 sold to them?

20 A. Yes.

21 Q. So you were not afraid of them not supporting the brand,
22 because you punished them for not supporting the brand
23 and, more pertinently, you punished them for not
24 following your wishes in the other respect, which was
25 the pricing of the England shirt without the cap; that

1 is right, is it not?

2 A. Yes.

3 Q. So Umbro is in charge here:

4 "We as a business cannot allow these three accounts
5 to buy licensed product and nothing else."

6 That, if I may say so with the greatest of respect,
7 Mr Ronnie, simply cannot be a reference to Allsports.
8 Although, as we have seen in your earlier statements,
9 you pretended that it was.

10 A. It was a reference to the major accounts that we had at
11 the time. Allsports was not mentioned there, as
12 I mentioned earlier --

13 Q. It is just a slip, is it not, these three accounts?

14 A. It was meaning our top five accounts.

15 Q. So now these three accounts means our top five accounts?

16 I am not understanding this --

17 A. As it says there, three accounts. You are right, it
18 does say three accounts.

19 Q. Thank you. To which three accounts were you referring
20 or was it a slip for two?

21 A. No, I would always refer in my mind and the rest of
22 the salesforce knew that it was particular to JJB,
23 Sports Soccer, Allsports, JD and First Sport.

24 Q. That answer simply makes no sense to me, perhaps you can
25 explain it. To which accounts were you referring when

1 you say these three accounts? Is it a slip for two and
2 if not what other account did you mean?

3 A. I would have meant Allsports.

4 Q. But you do support --

5 A. No, I do not.

6 Q. -- and did support other product categories?

7 A. No --

8 Q. The turnover of Allsports with Umbro in respect of
9 branded product was 1.5 million in the year 2000?

10 A. I said either last Friday or Thursday that we knew that
11 there was more potential with Allsports and we were not
12 getting the full potential out of them.

13 Q. Far from seeing that as pressure, what you are doing
14 here is lining up Allsports for a bit of punishment too?

15 A. We needed support from Allsports across the product
16 categories.

17 Q. But it was not pressure from Allsports that that gave
18 rise to; it was tempting Umbro to cut Allsports off as
19 well. That is what you are saying:

20 "Meetings will now take place with JD Sports,
21 First Sport ...", and Allsports that must involve:
22 "... to advise those accounts that unless Umbro are
23 now supported across other product categories, it will
24 affect deliveries of MU shirts."

25 So you are lining us up for a bit of a beating too?

1 A. We were just trying to get some support out of
2 Allsports.

3 Q. No, answer the question. You were lining Allsports up
4 for a bit of a beating too then?

5 A. We were not a Nike or Adidas; we did not have strengths
6 in other categories, other than replica --

7 Q. So the only power you had was to beat people up?

8 A. No, it was not to beat people up. It was to be as tough
9 as Adidas and Nike were in the marketplace, and the only
10 tool that Umbro had was replica.

11 Q. So the plan was that unless Allsports fell into line you
12 would to a JD Sports on them and put a P-stop on their
13 account; correct?

14 A. I think you are being presumptuous there.

15 Q. You tell me what part of that question is presumptuous,
16 Mr Ronnie?

17 A. That we would put a P-stop on Allsports. How are you
18 aware of that?

19 Q. I beg your pardon?

20 A. How do you know we were going to do that? You are
21 saying we were going to put a P-stop on them --

22 Q. I am suggesting to you that that is the plan: unless
23 Umbro are now supported across other categories it will
24 affect the deliveries of the shirts --

25 THE PRESIDENT: Sorry --

1 A. Nice to see you, Mr Morris.

2 THE PRESIDENT: Mr West-Knights, we just need to calm thing
3 for the moment.

4 MR MORRIS: I was going to just suggest that the witness be
5 given time to answer each question.

6 THE PRESIDENT: Thank you, Mr Morris, for your help. Let us
7 go slowly, Mr West-Knights.

8 MR WEST-KNIGHTS: Slowly?

9 THE PRESIDENT: I think the first suggestion, as
10 I understood it, was that it was Umbro's intention to
11 put a P-stop on Allsports' account if they did not
12 support or give more support in relation to other
13 branded products. That is the first question, as
14 I understood it.

15 MR WEST-KNIGHTS: What do you say about that?

16 A. A decision certainly had not been taken to put a stop on
17 the Allsports account. We were looking at other ways of
18 trying to generate more turnover with Allsports.

19 Q. Like?

20 A. Through product development.

21 Q. Shall we re-read to ourselves the paragraph starting
22 with the words, "It has also been decided ...", now that
23 you have told us that you accidentally did not name
24 Allsports there because in the next line when you say
25 "the three accounts" you meant to include you meant to

1 include Allsports:

2 "It has also been decided that meetings will now
3 take place with JD Sports, First Sport [and now we have
4 to add Allsports] to advise those accounts that unless
5 [underlines] Umbro are now supported across other
6 product categories, it will [affect] their deliveries of
7 Manchester United home, away and third shirts."

8 So that decision had been taken?

9 A. Yes. We would -- with those accounts in particular
10 we were clear in our minds that we had to start
11 generating more turnover with them.

12 Q. The decision had been taken that Allsports was going to
13 be subject to a meeting at which they would be told that
14 unless Umbro were now supported across other product
15 categories it would affect their delivery of Manchester
16 United home, away and third shirts. Is that what you
17 call product development?

18 A. No, we would have discussed product development with
19 Allsports. They would have been handled in a different
20 way.

21 Q. That is precisely contrary to the evidence that you have
22 given. Because you have said that we as a business
23 cannot allow these three accounts to buy licensed
24 product and nothing else -- and I stress the word
25 "allow" -- referring to Allsports?

1 A. We were developing Allsports in other ways, ie product
2 development, promotions around product. We were trying
3 to do everything we could to get them to support the
4 business, as far as more turnover across product
5 categories.

6 Q. Including bullying them by threatening to take away
7 the statement product; correct?

8 A. We were only trying to manoeuvre our business in the way
9 that Nike and Adidas, who are a lot stronger than Umbro,
10 manoeuvre their business. And replica was the only way
11 we could do it.

12 Q. It is Umbro that has the whip hand, is it not?

13 A. No.

14 MR WEST-KNIGHTS: That completes the questions which I am
15 currently able to ask. We have as of this morning
16 a document from Umbro which already enables me to
17 identify specific questions to pose to Mr Ronnie.

18 But it has been agreed, as I understand it, that
19 Messrs Ashley and Ronnie will, if necessary, be recalled
20 to give evidence once that information has been
21 absorbed. So I park that for Mr Ronnie's recall.

22 THE PRESIDENT: Mr West-Knights, on that point we have had
23 a chance to reflect a little. I think we have one
24 question ourselves on the Umbro document that was handed
25 round this morning. But more generally we are not at

1 the moment quite sure after all the evidence that
2 we have heard that it is going to be useful to go into
3 more detail than we already have gone into as regards
4 the financial arrangements between Umbro and
5 Sports Soccer. We already have quite a lot of evidence,
6 for example about the volume of business being done with
7 Sports Soccer --

8 MR WEST-KNIGHTS: If I may interrupt you briefly, sir --

9 THE PRESIDENT: -- quite a lot of evidence about background
10 arrangements and so forth, some of which may be relevant
11 to points being made by the parties, but much of which
12 is probably secondary to the central issues in the case.

13 As at this moment we are not sure that it is useful
14 for us as a tribunal to recall Mr Ashley or Mr Ronnie at
15 a later stage unless we are persuaded to the contrary.

16 MR WEST-KNIGHTS: I have specifically stopped
17 cross-examining Mr Ronnie about the arrangements because
18 we were too vague. I have not asked Mr Ronnie one
19 single question about the arrangements. You have said
20 that we know the volume of business done by
21 Sports Soccer and Umbro; that is one number that we
22 simply do not have. We have no idea how much real
23 business Sports Soccer and Umbro did with each other in
24 the year 2000. I say that having now read both of
25 the documents with considerable care.

1 That is one question that I would ask Mr Ronnie.

2 We also have no explanation which is even remotely
3 satisfactory, although a general explanation has been
4 given, as to the cut-down in turnover and the 26 million
5 in other income. There is a partial explanation given
6 which omits to highlight that there are only two
7 invoices that were paid in the year 2000 and they come
8 to an aggregate figure of quite a lot but nowhere near
9 enough. And the document also omits to tell you that
10 the amount of overseas royalties which are properly to
11 be included in the statutory accounts is only 8 million.
12 We are a figure of 12 million adrift on that lot.

13 I say again, we do not now know, unless anybody in
14 this room is able to stand up and tell me that I have
15 missed something, what the volume of turnover was
16 between Umbro and Sports Soccer in terms of Umbro
17 selling real kit and Sports Soccer paying for it.

18 Now, I have not been able to take this witness
19 through a chronology of the events which would be
20 an additionally useful exercise for the tribunal,
21 pulling in along the way the precise -- broadly even
22 the arrangements even them in terms of the volume of
23 trading, the real bite of reducing a target for licensed
24 and increasing a target for branded, and all the other
25 quid pro quos which it is now clear on the evidence

1 accompanied every occasion of price-fixing of which we
2 are aware. Although as every day passes we are made
3 aware of more occasions of price-fixing.

4 I have no desire to cross-examine anybody more than
5 is necessary; it is not something I do for a hobby. It
6 is part of counsel's duty when it is necessary for
7 the satisfactory resolution of a dispute of a fact.

8 But it remains the fact that each of us has withheld
9 from cross-examining on any aspect of the financials
10 until such time as the financials came through.

11 THE PRESIDENT: There are two issues, I think; one is to
12 identify what information is lacking that is of
13 potential relevance to the case; and the second issue is
14 to identify, if there is potentially relevant
15 information lacking, what is the best way to obtain it.

16 MR WEST-KNIGHTS: We have been asking for I do not know how
17 long for the information which was proffered to the OFT
18 18 months ago by Umbro for the real turnover figures for
19 licensed and branded for each of the so-called top three
20 accounts for the year 2000. We do not have that
21 information still. In particular, what sticks out like
22 the Earl of Yarborough's monument is that we do not know
23 how much real business Umbro did with Ashley in the year
24 2000.

25 THE PRESIDENT: It may be, if that is right, and I do not

1 know if that is right, that further cross-examination is
2 not the way to obtain the information, at least in
3 the first instance.

4 MR WEST-KNIGHTS: No, I entirely agree with you. That is
5 why you gave a direction that Sports World and Umbro
6 severally gave us the basic framework so that we could
7 have cross-examination on more useful stuff than mere
8 fact extraction, although the fact extraction is about
9 as difficult as tooth extraction at this stage. We need
10 a proper matrix, that is where we started on Tuesday or
11 last week, from which to ask the relevant questions from
12 the correct premise. We are not there yet.

13 There is no point in my, as it were, saying more
14 than this. If the tribunal is saying that there is no
15 purpose in cross-examining Messrs Ronnie and Ashley
16 further because it will not affect our view of their
17 veracity and credibility, I will sit down and go away.
18 If on the other hand the tribunal merely potentially
19 regards it as irrelevant then that is not something
20 which we are at the moment prepared to put to bed.
21 We cannot tell. We have still been deprived of
22 the information which ought to have been given to us
23 a very long time ago, but certainly not as incompletely
24 and as late as has been the case.

25 I do not want to detain Mr Ronnie, personally.

1 I promised that I would be finished by 3 o'clock
2 I promised myself. I had. Perhaps at this stage it
3 would be appropriate for me to shut up and sit down. At
4 least until he is finished with. That looks like
5 a welcomed proposition.

6 THE PRESIDENT: I think if you are willing to sit down,
7 Mr West-Knights, that is an offer that we will accept.

8 Mr Ronnie, I do not know if you are able, before
9 questions in re-examination, to help us with one point
10 about a document prepared by Umbro as a background
11 document which relates to the management accounts that
12 were bound into your 2000 diary.

13 (3.00 pm)

14 Questions by the Tribunal

15 THE PRESIDENT: I do not know if you have seen this document
16 that Umbro has prepared?

17 A. I have not seen the final draft yet.

18 THE PRESIDENT: If the witness can have the document.

19 (Handed).

20 Can you go over to the third page, you will see
21 there is a heading "Management and Statutory Accounts".

22 And it says:

23 "Confusion has also arisen regarding a supposed
24 discrepancy between the Sports Soccer four-year
25 projection statement management accounts and in

1 Mr Ronnie's diary compared with the Umbro 2000 statutory
2 accounts.

3 "The management accounts report a figure of
4 £51,240,000 in branded apparel for Sports Soccer in
5 2000. This represents the estimated amount that
6 Sports Soccer could have produced in 2000 pursuant to
7 the licensing arrangement. However, Sports Soccer
8 failed to produce any royalty-bearing products during
9 this period."

10 I think at this stage Mr Colgate has a clarificatory
11 question on that statement.

12 MR COLGATE: Mr Ronnie, you and Mr Ashley were the prime
13 negotiators of the agreement, were you not?

14 A. No, Mr McGuigan was also involved as the chief
15 executive.

16 MR COLGATE: This figure of 51,244,000 appears to be
17 something that has been inserted in the management
18 accounts in anticipation of sales being made.

19 A. Yes.

20 MR COLGATE: Do you have any recollection of that figure,
21 first of all?

22 A. Not the exact figure, I am sorry. But I can remember
23 Sports Soccer in the year 2000 they used to refer to it
24 as a burn on the loyalty, they did not use any of
25 the burn in 2000 or if they did it was very minimal.

1 MR COLGATE: But would you know why that figure was put into
2 the management accounts?

3 A. No, that would have been done by Mr Mark Monagham, who
4 was the CFO.

5 MR COLGATE: So you have no recollection yourself as to why
6 it went in, when it went in, and why it was not
7 reflected later on?

8 A. I do not, I am sorry.

9 THE PRESIDENT: Could the witness just look at the document?

10 MR WEST-KNIGHTS: I wonder whether somebody can ask
11 Mr Ronnie in the nicest possible way how much real
12 business --

13 THE PRESIDENT: We will see how we get on.

14 MR MORRIS: I hesitate to interrupt, but I fear that
15 the document is not interleaved in the original diary
16 anymore.

17 MR WEST-KNIGHTS: It is attached to JJB's supplementary
18 skeleton at tab 2.

19 THE PRESIDENT: Mr Ronnie, this is what is called the full
20 year projection statement (sales/bookings v budget) for
21 Sports Soccer as at Sunday 2nd December 2001. But
22 we are not interested in 2001, we are interested in
23 2000.

24 A. Right.

25 THE PRESIDENT: If you go down to the right-hand side of

1 the page you see under "Licensed Apparel" there is
2 a figure of about 4 million, and then under "Branded
3 Apparel" there is a figure of 51,244,000.

4 A. Yes.

5 THE PRESIDENT: The document we have just been looking at
6 prepared by Umbro at the tribunal's request says that
7 this is not in fact actual turnover but represents
8 the estimated amount Sports Soccer could have produced
9 in 2000 pursuant to the licence arrangement. What
10 we are trying understand is what this figure signifies
11 in the year 2000. Does it signify for example actual
12 sales and turnover, or does it signify bookings, or does
13 it signify a guesstimate of what their take-up would be,
14 or what does it signify?

15 A. It signifies the amount they could have used in
16 the royalty agreement. They could have used up
17 £51.2 million of branded apparel?

18 THE PRESIDENT: Do you know from your recollection, although
19 we may have it in documents in front of the tribunal,
20 how much they actually used up in that year?

21 A. No, very little, nothing.

22 THE PRESIDENT: So the figure of 51,244,000 is, if not
23 a fictitious figure, a figure that does not actually
24 reflect what their actual turnover with Umbro was during
25 that year as it turned out.

1 A. That is correct, but it does reflect how much Umbro
2 received in licence payments.

3 THE PRESIDENT: But the licence payments that Umbro received
4 are calculated on the basis of this figure?

5 A. Correct.

6 THE PRESIDENT: Yes.

7 MR WEST-KNIGHTS: Just as a point of information and quite
8 neutrally, the document now tells us that in the year
9 2000 invoices 1 and 2 were paid.

10 THE PRESIDENT: Yes.

11 MR WEST-KNIGHTS: That gives us an aggregate sum of the one
12 that you add up with the two together, not very big.

13 What is missing first is even if that were grossed
14 up it certainly does not work out to anything near
15 the 51 million.

16 Second, we know full well that there was a good deal
17 of real trade between Umbro and Sports Soccer, real
18 branded stuff. What we do not know is how much of that
19 figure is a chimera. We do know that we have
20 the aggregate figure of invoices 1 and 2: 6 million.
21 You could gross that up as much as you like at
22 30 per cent, and you only get to about 20 million top,
23 not even, out of the 51.

24 Are we to take that that there was real trade in
25 branded of 30 million plus, or what? Sorry, "or what"

1 is not a very elegant way of finishing the question, but
2 if I can put it neutrally in that way, that we are still
3 very short on the real trading, which looks as though it
4 may have been 30 million, it may have been more, in
5 branded.

6 We have a figure for licensed, because that does not
7 appear to be touched by these curious arrangements.

8 The second figure which may not be a matter for
9 Mr Ronnie at all is the generic explanation given which
10 in the passage that you just read out to Mr Ronnie, but
11 you stopped short of referring to invoices 1 and 2, if
12 it is only that figure of invoices 1 and 2 which
13 included in the other income of 26 million I have
14 inserted on a number of occasions without being
15 contradicted, and I derived the information myself from
16 the accounts and the underlying documents, that as it
17 were the genuine overseas royalty figure is only
18 8 million and we have a gap of similar proportions,
19 namely some 12 millions, which would gross up to
20 something like the gap we may be looking at in respect
21 of the difference between fiction and reality.

22 Sorry if that is a bit complicated. Mr Colgate, you
23 are probably going to tell me that I am getting this
24 wrong.

25 MR COLGATE: I certainly would not be saying that because

1 I think we also are not entirely clear on a couple of
2 these points.

3 In addition to what we were talking about just now,
4 I am not entirely clear from the words whether
5 the invoices 1-6 which total a figure of almost what is
6 shown in 2001 -- whether all of those invoices, having
7 been issued, were reflected in the 2000 accounts.

8 I would have expected that to be the case. The fact
9 that whether or not they were paid is irrelevant to
10 the preparation of the statutory accounts.

11 MR WEST-KNIGHTS: Provided they are shown as
12 a counter-debit -- if these are indeed accruals as
13 opposed to advance payments which have to be netted of
14 somewhere else.

15 MR COLGATE: If it is any invoice that has been issues, and
16 this document says it has been issued, you would expect
17 it to be in income and in receivables. That is one of
18 the questions that I would certainly ask.

19 The other question that I would ask is that it does
20 not state specifically that the management accounts
21 figure of 51.244, whether any of that income was or was
22 not reflected in the statutory accounts. The point is
23 hanging in the air, and for my own purposes I would like
24 confirmation one way or the other.

25 MR WEST-KNIGHTS: Sir, in principle, if invoices 1-6 had

1 been issued and were payable in the year 2000 then in
2 principle and subject to the rules about advance
3 payments for things that have not happened yet one might
4 expect to see them in the accounts.

5 But the contrary impression is given by the sentence
6 in the middle of page 3, which specifically states:

7 " ... statutory accounts reported a figure of
8 26 million-odd under the heading ... this section refers
9 in amongst other things [which is not very helpful] to
10 income received by Umbro in this period. Umbro received
11 a payment of invoices 1 and 2 in 2000 and the audited
12 statutory accounts reflect this income."

13 So it looks as if they are accounting for some 6 out
14 of the 26 by the payment, in fact. So the inference
15 appears to be that the payability of 3, 4, 5 and 6 are
16 not dealt with under the 26 million and to not account
17 for in the change of turnover.

18 MR COLGATE: I understand the logic. You could equally say
19 that the accounts reflected the cash, but they might
20 also have reflected the receivables.

21 MR WEST-KNIGHTS: My only slight doubt about that the huge
22 gap between the management turnover of 125 million UK
23 and the reported turnover UK of 83 million.

24 We may be getting somewhere, but the tectonic plates
25 do not meet.

1 THE PRESIDENT: Mr West-Knights, what I suggest is probably
2 the best way forward at this stage is for you to -- for
3 you and JJB actually to write down exactly what
4 information it is that you say you are missing in
5 a summarised form in one piece of paper somewhere and
6 for us then to see whether and by what route that
7 information can be obtained more directly from Umbro
8 and/or Sports Soccer to supplement the information that
9 has already been given, so that one has a complete
10 picture.

11 What I do not think is likely to be fruitful is to
12 get it by cross-examining anybody.

13 MR WEST-KNIGHTS: No, I started from that premise, which is
14 why I have not sought to.

15 THE PRESIDENT: We can make orders or invite further
16 information, but we need to be very precise as to what
17 it is we need. Although everyone is doing their best,
18 we have moved some way forward, there may still be a gap
19 that is relevant.

20 MR WEST-KNIGHTS: I would say that each of the relevant
21 questions is already posed in our supplementary
22 skeleton.

23 THE PRESIDENT: Yes, that may well be --

24 MR WEST-KNIGHTS: I entirely understand. We will put down
25 on one piece of paper what it is we say we do not know.

1 The purpose behind this discourse if I may say so,
2 apart from talking across Mr Ronnie, is that it is
3 possible that Mr Ronnie can give us a real figure for
4 the trade between Umbro and Sports Soccer in 2000.
5 51 million we know is partly fictional, but to what
6 extent.

7 THE PRESIDENT: Can you make any estimate from memory,
8 Mr Ronnie, of the actual trade in branded apparel that
9 you did with Sports Soccer in the year 2000?

10 A. I am sorry, I cannot give that.

11 THE PRESIDENT: I suspected that was going to be the answer.
12 Thank you.

13 MR MORRIS: Sir, I have had an indication from the back of
14 the room that Miss Roseveare is amenable to responding
15 to the questions, and explaining the best way forward.

16 Sir, it is now 3.15. I have some questions in
17 re-examination, however there are a couple of matters
18 which I would like to raise with the tribunal before
19 the re-examination commences in the absence of
20 the witness. I can do that now and ask Mr Ronnie to
21 leave, and I do not know whether you want to have
22 a break for the shorthand writers in any event and
23 we can come back and kick off with five minutes of those
24 matters?

25 THE PRESIDENT: I think, if the shorthand writer will bear

1 with us, we should deal with the matters in Mr Ronnie's
2 absence before the break and then return for
3 re-examination.

4 (3.15 pm)

5 (In the absence of the witness)

6 MR MORRIS: Before I start the re-examination, I wanted to
7 ask the tribunal to consider the proper approach for
8 this tribunal to adopt in relation to matters of
9 re-examination by particular reference to a couple of
10 issues or certainly one issue which has arisen. If
11 I can give you the example of the matter that I would
12 want to put in re-examination, it will perhaps
13 illustrate the point.

14 It was put to Mr Ronnie by Lord Grabiner that
15 the first time he mentioned Mr Sharpe as the person he
16 telephoned about the England shirt was in his fourth
17 witness statement in November 2003 and no mention was
18 made in any of his earlier statements, or no mention
19 indeed had been made of Mr Sharpe at all prior to that
20 date. For your note, that is: Day 4 pages 24-25;
21 Day 4 pages 28-29.

22 However, it is the fact that the notes of
23 the leniency meeting which took place on 26th February
24 2000 with the OFT, the notes taken by Frances Barr and
25 Padraig Sheerin of the OFT do refer to Mr Sharpe or at

1 least to the words "JJB's chief executive". I can take
2 you to those passages in a moment to illustrate
3 the point.

4 Although Mr Ronnie was taken to those notes in
5 the course of cross-examination by Mr West-Knights, of
6 course, those passages were not drawn to his attention.

7 Now, if it is the case, we would suggest, that
8 during the course of that meeting on
9 26th February 2002 Mr Ronnie did or may well have
10 referred to Mr Sharpe in a material context then we
11 would submit that that is plainly a matter which is very
12 relevant to the issue, and it is a fact which
13 the tribunal must, in our submission, be allowed to take
14 into account. In effect, it would be a previous
15 consistent statement which would go to rebut
16 the suggestion being made by JJB of effectively -- to
17 put it in technical language he has only thought of it
18 now -- recent fabrication.

19 There are three ways in which the matter could be
20 dealt with, it seems to us.

21 The first is that the Office could call Ms Barr and
22 Mr Sheehan as witnesses to speak to their notes of
23 the meeting of 26 February. We would suggest that they
24 would be most unlikely to recall the meeting and would
25 themselves be permitted to refresh their own memories

1 from their own notes as to what Mr Ronnie said at that
2 meeting.

3 The second is that those notes could be put to
4 Mr Ronnie in re-examination or indeed by the tribunal
5 and in such a way as to explain the point to him. In
6 such circumstances we would suggest that he could be
7 directed to the relevant passage. The third is that
8 the matter could be left simply until closing
9 submissions. That third option is obviously, we would
10 submit, unsatisfactory.

11 The Office will refer to those notes to rely upon
12 them for the proposition that they seek to support, and
13 no doubt Lord Grabiner will submit in response that
14 the notes are ambiguous and therefore of no weight at
15 all.

16 Option 1 we would suggest is cumbersome and
17 unsatisfactory for Frances Barr or Padraig Sheerin to
18 come and give evidence of what they recall of what was
19 said at that meeting. So we submit that in this case,
20 in relation to this particular matter, that the middle
21 course is the sensible resolution. The proper and
22 effective way to establish the facts is to allow those
23 notes to be put to Mr Ronnie in an appropriate way and
24 for him to be asked whether or what he recalls
25 mentioning at that meeting.

1 You may recall, sir -- perhaps it may be helpful
2 just for a moment to go to Umbro volume 2, tab C.
3 I have gone through and numbered this now, but I am
4 not sure if anybody else has.
5 MR WEST-KNIGHTS: The tribunal's bundle is paginated.
6 MR MORRIS: I am grateful for that indication from my
7 learned friend.
8 THE PRESIDENT: Umbro, tab C, reply.
9 MR MORRIS: Yes, sir. It is at the back of the reply.
10 If you go to page 56, the notes of Mr Padraig
11 Sheehan. If you go to 57, if you start in the left-hand
12 margin you see "page 4 of notes" --
13 THE PRESIDENT: Yes.
14 MR MORRIS: It is that passage there, from "CR said", all
15 the way down to page 7 of the notes:
16 "Went back to JJB and Allsports at buyer and board
17 level to explain this."
18 And you will see in the middle that there is
19 a reference, the third line after page 5 of the notes,
20 to the words:
21 "Then Duncan Sharpe ..."
22 That is one of the passages. And the second passage
23 is at page 76, heading "Page 4 of the Notes". CK,
24 Christiane Kent, the second line down:
25 "... refers to Umbro Sports Soccer agreement re

1 England."

2 I put a note against my notes that we are talking
3 about 24th May, or it appears to be. Then CR all
4 accounts calling, CK what happened, CR. And then
5 you have the words First Sport by Phil Fellone JD by
6 Phil Fellone: confirm Sports Soccer agreement to take
7 price point up. Sports Soccer have moved more than
8 once. Champion John Lewis. And then you have: field
9 accounts with local reps. And then you have the words:

10 "JJB spoke to chief exec ..."

11 If you would go back eight pages to page 68,
12 you will see the manuscript of Ms Barr's note of that
13 point.

14 THE PRESIDENT: Yes.

15 MR MORRIS: If you go about a third of the way down, under
16 CR, the word "JJB", and then there is a space, "spoke to
17 chief exec".

18 The point is there, sir. I would propose that
19 the sensible way to do it is actually to allow not only
20 the witness to read that but to have the passages read
21 to him, and for him to be asked what he recalls about
22 what he said at that stage of that meeting.

23 Obviously my learned friend Lord Grabiner will have
24 observations, but we do suggest that this is a matter
25 which should really be properly canvassed in

1 re-examination at this stage.

2 That is the main point that I wish to make. It
3 carries with it the general proposition that we would
4 suggest that a little bit of leeway in the way that
5 matters are put to witness in re-examination in this
6 tribunal is appropriate. If there is an objection that
7 the answer is given because the question was in some way
8 suggesting the answer then that is a matter which you as
9 an expert tribunal will be able to take fully into
10 account, it can be dealt with in submission.

11 For us to jump around trying to avoid infringing
12 rules which perhaps are more appropriate for a jury, we
13 would suggest at this stage of the proceedings and at
14 this stage of the day is not really the best way
15 forward.

16 Can I mention one further matter, and this is it:
17 I did this morning raise a matter in relation to some
18 further material which the Office wish to rely upon in
19 a different context. The Office still wishes to rely
20 upon that material.

21 However, on the basis of the fact that there has
22 been no suggestion to the contrary by my learned
23 friends, I do not propose to put that material to this
24 witness in re-examination. I am assuming for present
25 purposes that neither of my learned friends wishes to

1 put that material to Mr Ronnie in cross-examination. If
2 that is the case then that matter can be left over and
3 does not need to be addressed now.

4 MR WEST-KNIGHTS: On the last point, it is the one
5 I referred to this morning, it was a misconceived and
6 improper wheeze, and I am very grateful that my learned
7 friend has finally seen the sense of not pursuing it.

8 As to whether I want to put it to Mr Ronnie in
9 cross-examination, I have finished my cross-examination
10 of Mr Ronnie, and my learned friend must make his
11 choice, as I told him yesterday what, if any, use he
12 thinks the Office can properly do with whatever it is
13 they were proposing to do. He can take no comfort from
14 me in respect of any of this, but I am glad that at
15 least some sense has dawned.

16 MR MORRIS: Sir, can I make one observation regarding
17 the notes of the meeting.

18 As an alternative suggestion, it may be that
19 the most appropriate way would be for the tribunal to
20 ask questions about that, if it felt that that was
21 the best way forward, so as to avoid any suggestion that
22 I was trying to take the witness ...

23 THE PRESIDENT: Let us see what Lord Grabiner has to say.

24 LORD GRABINER: Yes, I am very grateful, sir. I must
25 confess some surprise at the way that my learned friend

1 Mr Morris has put it. I certainly did not accuse
2 the witness of recent fabrication, which would be
3 a classic example of where a previous consistent
4 statement would be admitted.

5 Perhaps the tribunal would turn up transcript Day 4,
6 page 25.

7 THE PRESIDENT: Do we need to turn it up?

8 LORD GRABINER: What I said was: this is the first and only
9 time in all of your witness statements -- which is
10 true -- in so far as they deal with this issue that you
11 name Mr Sharpe of JJB as the person to whom you spoke in
12 order to advise JJB that Umbro had received
13 Sports Soccer's price guarantee.

14 That was an exactly accurate question. There was no
15 accusation of recent fabrication.

16 Now, if my learned friend wants to tell you that on
17 a previous occasion in confidential meetings with
18 the OFT the witness did make reference to the relevant
19 person, the relevant witness, Mr Duncan Sharpe, then
20 I certainly have no objection to that forming part of
21 his closing submissions to you.

22 What I object most strongly to -- and this is fairly
23 blatant county court stuff, and rather pathetic
24 actually --

25 THE PRESIDENT: Lord Grabiner --

1 LORD GRABINER: No, I mean what I say.

2 THE PRESIDENT: The more we can avoid adjectives in this
3 tribunal the better.

4 LORD GRABINER: Well, I will leave out the word "pathetic".
5 But it is not impressive.

6 In the pleadings bundle for Umbro at file 2, if you
7 would be good enough just to look at the extract I think
8 that was drawn to your attention -- unfortunately
9 the pages are not numbered.

10 Your attention was specifically drawn to page 5 of
11 the typed-up version of the notes. Under page 5:
12 "Duncan Sharpe said that given Umbro's ..."

13 THE PRESIDENT: I am sorry?

14 MR MORRIS: It is 57 of your bundle, sir.

15 LORD GRABINER: The second paragraph:
16 "Duncan Sharpe of JJB said that given Umbro's range
17 there may be repercussions if Umbro did not take action
18 against Sports Soccer."

19 The reason that my learned friend wants to put that
20 under Mr Ronnie's nose is so that he can say that
21 Mr Sharpe made threats. That is the reason for showing
22 it to you, to poison you against us, and it is intended
23 to show the witness in order that he might repeat
24 the point that he has now forgotten but might now
25 remember having seen it in print.

1 I object to that exercise. That was not the subject
2 of cross-examination, and it is entirely inappropriate
3 to be pushed under the witness's nose for that purpose
4 now.

5 The debate we are now having, because you are
6 the decision-makers and not the separate jury, is also
7 in my respectful submission inappropriate. But of
8 course you can split these matters from your mind, given
9 your expertise. But that is why I say that this is not
10 an appropriate or a legitimate way to proceed, certainly
11 not in re-examination.

12 So my short answer to my learned friend's suggestion
13 is that if he wants to say to you in his closing
14 submissions that there were occasions or there was
15 an occasion when there was a reference made to Mr Sharpe
16 by Mr Ronnie then I am content that he should do so.
17 But I do object strongly to this material being shown to
18 the witness. If it is shown to the witness, any answer
19 he gives on the basis of what may or may not be written
20 down in these pieces of paper in any event I suggest
21 would be fairly worthless.

22 The object of the exercise and the reason for my
23 questioning of the witness is in order to test for your
24 benefit the quality of his memory; that is what we are
25 concerned with, not the ability to read material that is

1 pushed under his nose by my learned friend in order for
2 him to adopt them as his own words sitting here now.

3 That is my point, a very simple point.

4 The suggestion that I am making is that the concern
5 such as it may be that my learned friend has in relation
6 to whether or not there was any other occasion when
7 Mr Ronnie remembered any conversation with
8 Mr Duncan Sharpe, he can certainly draw attention to any
9 piece of paper that suggests that he would like to do so
10 when he comes to closing submissions. There is no need
11 for it to be shown to the witness.

12 THE PRESIDENT: Let me just go sort of stage by stage
13 without necessarily expressing at this stage a concluded
14 view.

15 All material that is in the files before
16 the tribunal, including the particular passages to which
17 we have just been referred, is material that
18 the tribunal either has read or will read at some point
19 in the course of deciding this case.

20 To that extent, it is going to be within
21 the tribunal's vision, shall we say.

22 LORD GRABINER: That is why I have no objection to your
23 seeing it.

24 THE PRESIDENT: Therefore we are going to see it. If
25 we have to disregard it or put it out of our minds as

1 irrelevant or for some evidential reasoning as not
2 bearing to any particular point, that is a bridge that
3 we will cross when we get to it.

4 LORD GRABINER: Absolutely.

5 THE PRESIDENT: As a matter of bringing this material to
6 the tribunal's attention, which is what Mr Morris seeks
7 to do, so again there are various methods of doing that.

8 Unless there is a real dispute that this was never
9 said or the notes are wrong, one has the fact that
10 the notes are there and that was a note that was taken
11 at the time.

12 It would not seem to me at first sight as
13 a particularly efficient way of reminding the tribunal
14 of the existence of this document to put it under
15 the eyes of the witness and say: was that said?

16 LORD GRABINER: Precisely, that is my point. I, if I may
17 say so -- first of all I respectfully agree with
18 everything you have just said. Secondly, as I said
19 earlier, quite apart from the point you have just put to
20 me, I have no objection to my friend drawing to your
21 attention, as the tribunal, any reference that there may
22 be to this discussion in these notes. I am not in
23 a position to say that he never said that;
24 the implication is that he did say it.

25 THE PRESIDENT: Yes. The only question that I think is in

1 my mind as we go along is, just for the benefit of our
2 running note, as it were, rather than to put it to
3 the witness I would see no particular objection to
4 the OFT saying: tribunal, for the benefit of your note,
5 there are references at pages so and so to Mr Sharpe's
6 name having been mentioned, so that that is a matter
7 that we have, as it were, in the back of our minds as we
8 go along.

9 LORD GRABINER: I do not have a problem with that myself.
10 It is just not appropriate to be interrupting
11 cross-examination --

12 THE PRESIDENT: No, no.

13 LORD GRABINER: -- or to be jumping up and down saying: look
14 at page so and so. That is what closing submissions are
15 for.

16 THE PRESIDENT: I think for us, without interrupting
17 cross-examination and without interleaving it into
18 re-examination, at some particular point, for example
19 when we leave a witness, you can say: particular
20 reference for the tribunal's notes, bear in mind ...

21 LORD GRABINER: I have no difficulty with that, and I am not
22 criticising the opportunity having been taken at this
23 point in time to debate the question.

24 THE PRESIDENT: That seems to us to be a more efficient way
25 of doing it, Mr Morris. I do not think any objection is

1 going to be taken by your opponents if you say: please
2 read pages 57 and 68 because there are references there
3 to Mr Sharpe.

4 MR MORRIS: I entirely understand that, sir. I did put it
5 as three options. But I just want to make one point
6 absolutely plain.

7 The second reference, page 76, read in conjunction
8 with page 68, is a reference if you read that through to
9 what happened after 24th May and the communication to
10 other Umbro key accounts. You first of all have
11 the reference to Mr Fellone talking to First Sport and
12 JD, and then you have: JJB spoke to chief exec.

13 It will be our submission that Mr Ronnie is there
14 saying that he spoke to JJB or that somebody spoke to
15 JJB and the person spoken to was the chief executive,
16 Mr Sharpe.

17 THE PRESIDENT: Yes.

18 MR MORRIS: Now, so long as it is clear that that is our
19 submission, and that no dispute will be taken that that
20 is what was said at the leniency meeting, that is plain
21 and clear that we have no concern.

22 Nevertheless, if suggestion is made about
23 the credibility of the witness in so far as he has
24 failed to mention Mr Sharpe beforehand in the course of
25 cross-examination, he would have thought -- and

1 I perfectly understand the line that you wish to take on
2 this -- that it might have been appropriate for
3 the witness himself to have that drawn to his attention.

4 I understand that that is where we are going. But
5 the reason that we raise the point is that the notes
6 themselves, and the passage itself, is not necessarily
7 clear. I have stated the proposition that we derive
8 from those notes and if it is the case that that
9 proposition is not going to be disputed, there it is and
10 we have it on the record.

11 THE PRESIDENT: I think you have properly drawn this point
12 to our attention and to the attention of the appellant,
13 you have properly drawn everybody's attention to
14 the point.

15 Unless there is an objection to the note as
16 a note --

17 LORD GRABINER: I am not objecting to the note as a note.
18 My learned friend can make any submission he likes off
19 the back of it and I will make responsive submissions as
20 well.

21 May I make it perfectly clear that I am not
22 accepting the submission whatever it turns out to be.

23 MR MORRIS: Well that is the issue, sir -- with respect,
24 that is the issue.

25 If I make the submission that on this note it is

1 plain that Mr Ronnie did name Mr Sharpe as the person he
2 spoke to, and if it is said in response, "Oh, well, you
3 cannot get that from the note," then we have an issue;
4 we have an issue which, depending on how the tribunal
5 wishes to resolve it ... that is why we raised it in
6 the first place.

7 THE PRESIDENT: There are two matters, two separate issues
8 that arise.

9 The OFT having in any view at least properly drawn
10 this point to our attention, Mr Ronnie's still being
11 here, if there is any matter upon which JJB would wish
12 to cross-examine on the contents of the note, there is
13 a possibility to do that before Mr Ronnie goes. If,
14 however, the submission is that for whatever reason
15 we cannot rely on the note, it is not clear, whatever,
16 it is a matter of submission and does not put in
17 issue the note itself, that is a matter for argument.

18 If there is any matter that needs to be put to
19 the witness, I think you will have an opportunity to do
20 it.

21 LORD GRABINER: There is nothing that I want to put to
22 the witness.

23 THE PRESIDENT: I think that is sufficient for your
24 purposes, Mr Morris. It is now a matter for argument.

25 MR MORRIS: I am sorry, sir?

1 THE PRESIDENT: Lord Grabiner does not want to put anything
2 to the witness, and I think that is sufficient for your
3 purposes: you have drawn it to our attention and there
4 we are.

5 We will rise for five minutes, and I very much hope
6 that we will not be long in cross-examination.

7 MR WEST-KNIGHTS: Can I ask if the tribunal intends to rise
8 for the day when Mr Ronnie is done, we having started at
9 9.30?

10 THE PRESIDENT: Yes, I think that must be what we will do.

11 In terms of re-examination generally speaking, and
12 this will apply also to the appellants when they come to
13 re-examine, this is a tribunal that has read everything
14 or will have read everything or should have read
15 everything. Therefore, I think Mr Morris has a point
16 when he says the very strict rules that one would apply
17 in a jury trial are not necessarily appropriate. Of
18 course one should not lead. But I think a little
19 latitude is likely to be proper in order to situate
20 the witness in where he is supposed to be. We can weigh
21 it up as to whether it is credible evidence or not.

22 LORD GRABINER: Sir, I have no difficulty whatsoever with
23 a common sense approach to this issue. Where I object,
24 and I promise you I would not object on any basis unless
25 it were justified, is if it is a blatant piece of trying

1 to put words into the witness's mouth, especially in
2 relation to a witness like Mr Ronnie whose memory and
3 recollection, as I shall submit in due course, is so
4 satisfactory as to be unreliable.

5 If the theory of this is to try push him into
6 a particular direction by the leading approach of
7 the question, that is not proper, and I shall object to
8 that. If it is not that kind of question or if
9 the context is not, shall we say, a difficult one then
10 I am not going to say anything; I will not object.

11 But my friend has to use his common sense on this,
12 and I can promise you that I will use mine.

13 THE PRESIDENT: Yes, thank you very much.

14 MR WEST-KNIGHTS: Ditto. I only add, against interest
15 because I may wish to re-examine somebody, that this is
16 not in any sense advocacy training. What we teach young
17 barristers as to the rules of re-examination is: do not.

18 THE PRESIDENT: Well, Grays Inn may have its own way of
19 doing things --

20 MR WEST-KNIGHTS: I can assure you it is worldwide.

21 MR MORRIS: We shall look forward to your re-examination.

22 THE PRESIDENT: Let us break for five minutes.

23 (3.43 pm)

24 (A short break)

25 (3.50 pm)

1 THE PRESIDENT: Yes, Mr Morris.

2 MR MORRIS: I am grateful. Mr Ronnie, I will endeavour to
3 be as quick as I can. I have a few questions.

4 Re-examination by MR MORRIS

5 Q. Can I start with a question about your friendship with
6 Mr Ashley. It seems like a long time ago, but I think
7 it was on Day 3, it was Wednesday evening. Day 3, page
8 130, lines 1-15.

9 Lord Grabiner asked you about how long you had known
10 Mike Ashley on a business basis and a social basis, and
11 in the course of that answer you also referred to
12 knowing other retailers, I can take you to it if you
13 wish. It is page 130, lines 1-15.

14 Can I ask you this: at that time how close to
15 Mike Ashley were you on a business basis and a social
16 basis, this is around the time of 2000, as with
17 Lord Grabiner's question?

18 A. I knew Mr Ashley through business in the year 2000, and
19 I started to get to know him socially as well.

20 Q. Were you close to any other individuals at other
21 retailers on a business basis and on a social basis?

22 A. I would like to think so, yes.

23 Q. Which individual or individuals are you referring to?

24 A. JJB Sports would be some of the buying team --
25 Duncan Sharpe; I would occasionally see David Whelan at

1 football games, trade shows. In the year 2000 I think
2 ISPA was still going, which was a German trade show. We
3 would always meet at the trade shows.

4 Q. Socially, any particular individual or individuals?

5 A. At JJB?

6 Q. Any of the other retailers?

7 A. Allsports, yes, I had played tennis with Michael Guest
8 and with David Hughes occasionally.

9 Q. And at JJB?

10 A. I would not say I played for the football team; I walked
11 on the pitch for the JJB team wherever there was
12 a social function. Football matches, we would go away
13 to football games, and very occasionally play Mr Whelan
14 at tennis.

15 The buyers would go to football games with Phil
16 Fellone, or if we sponsored any football games we would
17 always invite the JJB buying team to that, to Manchester
18 United, England, and if Umbro were sponsoring a game at
19 Wigan Athletic.

20 THE PRESIDENT: So some corporate hospitality.

21 A. Yes.

22 MR MORRIS: Can I move on to an area of cross-examination
23 where Mr West-Knights put to you a number of documents
24 which were exchanges of correspondence between Umbro and
25 the OFT in the course of the leniency application.

1 I hope you will remember those documents being put to
2 you.

3 The suggestion put to you was that Umbro knew that
4 in order to get leniency it would have to blame
5 retailers, it would wish to blame other retailers. And
6 the reference to that in the transcript is Day 4,
7 pages 120-121, 123, lines 5-11. There are a number of
8 references, but it is in fact page 103 to page 123.

9 MR WEST-KNIGHTS: Which part are you re-examining on,
10 please?

11 THE PRESIDENT: He is re-examining on the suggestion that
12 Umbro knew that in order to get leniency it would have
13 to blame third parties.

14 MR MORRIS: That is right. I would invite the witness to
15 read one of those questions again and I will ask
16 a supplementary question. The document I wish
17 the witness to read is Umbro file 2, yellow --

18 MR WEST-KNIGHTS: The reason why I rise, sir,
19 notwithstanding the indication that you have given, is
20 that the only question which I recall putting to
21 Mr Ronnie as to what Umbro as opposed to P-stop were up
22 to was the principal question that Umbro in the creation
23 of Mr McGuigan's statement were taking part in a process
24 of increasingly and dishonestly laying the blame off
25 against other retailers, and you said to Mr Ronnie: do

1 you want to comment on that, Mr Ronnie? And you said
2 no.

3 THE PRESIDENT: Which I took to mean he was rejecting the
4 suggestion that was being put to him.

5 MR WEST-KNIGHTS: No. He said: do you want to comment on
6 that, Mr Ronnie~--

7 THE PRESIDENT: Mr West-Knights, we need to go to
8 the document that Mr Morris wants to put to the witness
9 before we can usefully take this debate any further.

10 MR MORRIS: I am grateful. Page 29, the letter of
11 17th January. Pages 29-30 --

12 MR WEST-KNIGHTS: Could we not have the witness look at this
13 until we have sorted it out?

14 MR MORRIS: Yes, please leave it for the moment. It is
15 annex 2, Umbro file 2, under tab A. I call it annex 2
16 because it is a separate tab within A.

17 THE PRESIDENT: I am sorry?

18 MR MORRIS: Sorry, sir, perhaps I am not directing you
19 clearly enough. If you look sideways on this file you
20 will see an A ... if you go to annex 2 and go to
21 page 29, there is a letter of 17th January 2002 from
22 Umbro to Adrian Walker-Smith. This was a letter which
23 was put to the witness partially, and certain passages
24 were read to him.

25 I would ask that the witness read the whole letter

1 to himself and then I would wish to seek to put one
2 question.

3 THE PRESIDENT: Yes. This letter has been put,
4 Mr West-Knights, by whom I cannot tell without going
5 through the transcript, but my note clearly shows it has
6 been put.

7 MR WEST-KNIGHTS: I have no objection to this witness
8 reading this in its entirety. The question is what is
9 the question going to be. We will cross that bridge
10 when we get to it but I put down that gentle marker.

11 THE PRESIDENT: I think it is important we try to get on
12 with this if we possibly can, Mr West-Knights. The
13 tribunal is trying to understand it as much as everybody
14 else is.

15 MR MORRIS: It was shown to the witness at page 120 in
16 Day 4.

17 THE PRESIDENT: Mr Ronnie, this is a letter written I think
18 by Miss Roseveare on 17th January 2002. It is sending
19 in draft witness statements.

20 That would be Ronnie 2, at this stage, Mr Morris; is
21 that right?

22 MR MORRIS: I believe it is Ronnie 1 at that stage.

23 THE PRESIDENT: Thank you. (Pause).

24 A. Yes.

25 MR MORRIS: The question I would like to ask you is this:

1 from your own point of view and that of Umbro's can you
2 now recall what were the benefits and risks of going to
3 the OFT at that time and providing witness statements
4 saying who had been involved in the maintaining of
5 prices for replica kit?

6 A. The benefit to Umbro would have been that it would be
7 the retailers who would hopefully now take it upon
8 themselves to communicate to each other, and Umbro would
9 not always be in the middle of the debate around price.

10 The risks were that we were very clear as sales guys
11 that the risk could be a reaction from one of the
12 accounts, a negative reaction, if the feeling was that
13 they did not agree with what was in our witness
14 statement.

15 Q. And what reaction would that be?

16 A. A reaction where you would not be allowed in
17 the account, or there would be a very negative view
18 taken upon an individual if the retailer did not agree
19 with what was in the statement.

20 Q. I want to ask you this. At Day 5, page 37, line 15 --
21 and I am giving the reference only for those in the room
22 so that they can check where I am going.

23 THE PRESIDENT: That was on Friday.

24 MR MORRIS: That was on Friday. Mr West-Knights asked you
25 some questions about the sheets from your diary; do you

1 remember that?

2 A. Yes.

3 Q. And he questioned you on whether a sheet from your diary

4 showed that JJB's turnover with Umbro I believe was

5 shown as a certain figure as compared to

6 the Sports Soccer figure with Umbro --

7 THE PRESIDENT: Should we look at the sheet, Mr Morris?

8 MR MORRIS: We can indeed. I think it is in --

9 THE PRESIDENT: JJB's supplementary skeleton.

10 MR MORRIS: I do not know if the witness has that?

11 A. Yes.

12 Q. I am slightly confused as to what I can and cannot read

13 out, so I would be grateful for an indication from

14 the tribunal, and I now appreciate the difficulty my

15 learned friends were having at the time.

16 If you have the JJB sports sheet, which certainly in

17 my bundle is the first of the two, and you see

18 the figure there of the 30 million-odd, and over

19 the page you see the total figure for Sports Soccer is

20 59 million-odd. And Mr West-Knights said to you: on

21 the face of it, Sports Soccer's turnover with Umbro for

22 the year 2000 is twice that of JJB? And you agreed.

23 A. Yes.

24 Q. What does that difference in turnover tell you about

25 the ability of retailers other than Sports Soccer to put

1 pressure on Umbro?

2 A. That Umbro were reliant on the retailers to continue
3 support across the categories, all product categories;
4 and that we needed to drive the retailers to support
5 the brand across the board, as we would say, which was
6 across all product categories.

7 Q. Taking into account, however, specifically the point
8 that was being put to you, that Sports Soccer was
9 effectively twice the size of JJB, that particular fact,
10 did that have any impact upon --

11 THE PRESIDENT: Well, Mr Morris, there is a price question,
12 which was what was in our minds when we were exploring
13 this before, which is what significance is to be
14 attached to those figures for turnover?

15 MR MORRIS: Indeed, sir. Very well, if that matter is still
16 a matter which I think as a result of the debate ...

17 Nevertheless, the point was made that if there is
18 an imbalance of 2 to 1 the point was put. I am asking,
19 on the assumption that there was an imbalance of 2 to 1,
20 what if anything --

21 MR WEST-KNIGHTS: I am sorry, sir, if we go back to
22 the transcript at page 24, I was simply asking Mr Ronnie
23 whether he regarded it as a fair summary to describe
24 the top three accounts as comprising 60 per cent of
25 which JJB alone was 24.

1 What I was getting at was two things: was that
2 a fair way of describing it; and secondly I put to him
3 the true percentages with which he assented, along with
4 his assent on the figures on the face of it.

5 THE PRESIDENT: What I think is being put to the witness is
6 that given these various figures of the relative
7 turnover of the various retailers, to what extent are
8 retailers other than Sports Soccer in a position to
9 bring commercial pressure on bear on Umbro? I think
10 that is the question.

11 MR WEST-KNIGHTS: I think that is the question. What you do
12 not do is find a question with an answer and say: I will
13 use that to hang a peg on. This was not
14 cross-examination about pressure, there was plenty, but
15 this was not it.

16 THE PRESIDENT: There has been quite a lot of suggestion
17 that it was Umbro that was in charge, Umbro was in
18 a position to force the issue.

19 MR WEST-KNIGHTS: I entirely acknowledge that.

20 THE PRESIDENT: And this question I think is directed to
21 the relative balance of power, for want of a better
22 word, as between the various retailers and Sports Soccer
23 in particular. And it is a question to which
24 the tribunal would be quite glad to have the answer.

25 MR WEST-KNIGHTS: I have no doubt, sir. I just wish my

1 learned friend would do this properly --

2 MR MORRIS: I am attempting to do it by reference to
3 the transcript because of the previous objections that
4 I had not been doing it by reference to the transcript.

5 If you go to page 38, Day 5, line 1, the President
6 said:

7 "You wanted to make a comment, Mr Ronnie?"

8 Mr West-Knights then said:

9 "Before you do, be aware that you should take this
10 in bite-sized lumps because there may be something that
11 requires us to go into camera."

12 And Mr Ronnie then said: no, I do not want to make a
13 comment, and it was in relation to that that I was
14 asking the question about the significance of the
15 balance of power of those figures.

16 I will ask that question again, and if Mr Ronnie
17 wishes to answer it then that would be most helpful.

18 THE PRESIDENT: Yes, ask the question.

19 A. There was pressure from the other retailers, as I said,
20 because of the level of turnover that the others were
21 achieving with the brand. £30 million of turnover was
22 key to Umbro. As far as JJB were concerned, we had to
23 continue to focus with them on a daily basis. It was
24 the same with Allsports, because we felt there was
25 potential there with Allsports.

1 So they were very, very important accounts to us.

2 The Sports Soccer account was slightly different as
3 we know because there was a licence in place. So if you
4 take away the licence from Sports Soccer they were at
5 a very similar level.

6 THE PRESIDENT: Yes, Mr Morris.

7 MR MORRIS: Thank you, I am grateful.

8 Just before lunch today, and I am at page 103,
9 lines 15-25 of today's transcript, picking this up from
10 LiveNote, you were asked effectively why you had not
11 mentioned the result in relation to England to Mr Guest
12 at lunch. And you said:

13 "Why does your distinct recollection not lead you to
14 think that you had told Michael Guest at lunch on 31st
15 May?

16 "Answer: As I said, I cannot recall exactly what
17 I said at that meeting. That was the one thing you have
18 always said since you first claim to have told Allsports
19 in Ronnie 3. Yes, to the best of my recollection it was
20 a phone call.

21 "Question: You have not a clue, have you, Mr Ronnie,
22 as to whether you called Allsports and if so how.

23 "Answer: No, I am fairly certain I called
24 Allsports, thank you."

25 I want to ask you this: what makes you so certain

1 now that you did make a phone call to Allsports?

2 A. Because I remember saying to Phil Fellone that I would
3 call Allsports re the 39.99; and I remember having
4 a conversation, although I do not know exactly when,
5 with Allsports to inform them of the information.

6 Q. My second question is: what makes you so sure that you
7 told Allsports in a phone call rather than in
8 a face-to-face meeting?

9 A. Because I remember and have remembered all the way
10 through that it was a phone call that the information
11 was passed on to Allsports and not face-to-face.

12 Q. Thank you very much.

13 At various stages -- and the references I think are
14 Day 5, pages 67-68; Day 6, page 55 -- that is today at
15 page 55. Mr West-Knights was asking you and put it to
16 you that there was little written record in Umbro's
17 internal documentation about retailer pressure?

18 MR WEST-KNIGHTS: I was putting to him that there was none.

19 THE PRESIDENT: Yes, little or no record.

20 MR WEST-KNIGHTS: No, he said little, I said none.

21 THE PRESIDENT: Mr West-Knights, please, let us get on and
22 try to finish this.

23 MR MORRIS: And then you answered:

24 "I said on Friday that there was pressure and it was
25 verbal pressure.

1 "Question: There was no written record?

2 "Answer: Little, but there is no written record.

3 Fine, I agree there is no written record."

4 I would like to take you to one monthly management

5 report to which reference has been made. Before you go,

6 perhaps the tribunal would like to go to E1, page 179.

7 This I believe is the April monthly management report.

8 What I would like the witness to do is to read

9 the first half of that page.

10 THE PRESIDENT: Beginning:

11 "April results attached ..."

12 MR MORRIS: And then I am just going to ask him one

13 question.

14 THE PRESIDENT: Does he have to read the bit about mail

15 order?

16 MR MORRIS: No, I do not think so, sir. So it is the first

17 four paragraphs and then the sixth paragraph.

18 A. Yes.

19 Q. Would you like to comment on what is said there? This

20 is written by you?

21 A. Yes.

22 THE PRESIDENT: What is it you want him to comment on?

23 MR MORRIS: On paragraphs 3 and 6.

24 THE PRESIDENT: First on Allsports reporting like-for-like

25 sales minus ... and then a percentage.

1 MR MORRIS: Yes, and the UK sales team continues to be up
2 against...

3 A. I have put it here and it is blanked out. I cannot
4 remember what the blank was:
5 "Allsports are reporting like-for-like sales ..."
6 I just reported how their like-for-like sales were.

7 Q. And the second paragraph down, beginning:
8 "The UK sales team ..."?

9 A. They were up against the barrier of Sports Soccer and
10 JJB because those two businesses are known for
11 discounting in the industry. JD, First Sport and
12 Allsports would always react against the discounting.
13 And it was seen by JD, First Sport and Allsports that we
14 as Umbro were too reliant on Sports Soccer and JJB.

15 Q. Thank you, I am grateful for that.
16 I want to ask you a little bit about the JD
17 promotion. I am going to take you to Day 5, page 83,
18 line 15 and following. The introduction to this is at
19 page 83, line 7, where you were being asked about your
20 meeting with Mr Hughes on 2nd June?

21 A. Right.

22 Q. You were being referred back to your witness statement
23 where you said -- and I am just reading it to you:
24 "David Hughes asked me what Umbro were doing about
25 the issue of the England promotion being run by

1 JD Sports. He did not explicitly threaten that if I did
2 not try to stop the promotion Allsports would take
3 action ..."

4 And the President of the tribunal asked you:

5 "Mr Ronnie, when you say there was a lot of
6 frustration from Mr Hughes, can you just explain in your
7 own words what you mean by that?"

8 And you say he was concerned, and I think we can
9 take that as Mr Hughes:

10 "... that we as Umbro had JD Sports to go with the
11 hat promotion on the England product."

12 I have the advantage of the transcript. If you are
13 following?

14 The questions I have are these: from what you now
15 recall which England product were you there referring
16 to?

17 A. The shirt.

18 Q. Secondly, on the basis of your recollection now, what
19 did you understand then to be the basis of Mr Hughes's
20 concern?

21 A. To the best of my recollection he was concerned that
22 a cap was being given away, and the cap had a worth of
23 9.99, so it was seen as a discounting of the England
24 shirt that a free gift was being given away with
25 the shirt.

1 Q. Thank you. A little earlier along you said, at 83,
2 line 16:

3 "There was a lot of frustration from Mr Hughes on
4 the day when we were discussing the promotion. As with
5 any account, when the individuals get that frustrated,
6 there would usually be a follow-on."

7 What follow-on were you referring to there?

8 A. There would be either a cancellation or difficulty in
9 getting goods through the warehouse, through
10 the relevant retailer's warehouse, or a slow reaction to
11 placing forward orders. It would vary.

12 Q. Can you recall now to the best of your ability, when you
13 refer to his frustration, what did Mr Hughes say?

14 A. I cannot recollect his exact words. He was frustrated
15 that JD were giving a cap away with the England shirt.
16 I cannot remember his exact words, I am sorry.

17 Q. Thank you very much. Whilst we are on the subject of
18 the JD promotion, I want to ask you one further
19 question.

20 You were asked I think just before lunch today
21 about -- it may have been just after lunch, I think it
22 probably was -- about Mr Guest. At line 17
23 Mr West-Knights says:

24 "We know that you had ..."

25 MR WEST-KNIGHTS: Which page?

1 MR MORRIS: Page 109 of today:

2 "We know that you had lunch with Michael Guest on
3 31st May."

4 And you said yes. And the question was:

5 "As far as his recollection about any of this is
6 concerned, it is that he did not contact you about this,
7 but the subject of the JD cap promotion may well have
8 come up during the course of the lunch."

9 Do you remember that?

10 A. Yes.

11 Q. "Because apart from anything else it was a source of
12 deep irritation to Umbro?"

13 "Answer: Yes."

14 Can you recall now what Mr Guest said to you about
15 this at that time, at that meeting, about the JD
16 promotion?

17 A. I cannot recollect at the meeting, no. But I remember
18 conversations with Michael Guest where he was not happy
19 about the promotion because it was seen that JD were
20 discounting the product.

21 Q. Thank you. I want to take you now to events around
22 8th and 9th June. I am referring to page 37 of today's
23 transcript, and perhaps it may be helpful if you have
24 your diary open or available for the date of 9th June.
25 The questioning was concerning your meeting with

1 Mr Ashley on 8th June, and you were telling the tribunal
2 about Mr Ashley reporting to you on the meeting that had
3 taken place at Mr Hughes's house.

4 Mr West-Knights said to you that he gave you,
5 Mr Ashley, a version of what had happened at
6 David Hughes's house. And you said yes. And
7 Mr West-Knights said in response:

8 "And you have not the slightest idea of whether that
9 version was true or not?

10 "Answer: I did have the following day, when I saw
11 Duncan Sharpe."

12 A. Yes.

13 Q. Now, if you look at your diary entry for 9th June, can
14 you tell the tribunal when you had that conversation
15 with Duncan Sharpe?

16 A. When I played football for JJB. It was just before
17 the start of the game that Duncan and I were talking on
18 the way to the pitch.

19 Q. Again, doing the best you can now, what is your
20 recollection of that conversation with Duncan Sharpe?

21 A. He said that he had met with Mike Ashley the day before,
22 and his words to me were along the lines of: I saw your
23 mate yesterday, he really likes you lads at Umbro -- or
24 he loves you lads at Umbro.

25 He then talked around the conversation around price

1 and said: it has been agreed it is going to be 39.99.
2 He then went on to describe Mr Ashley and how he found
3 him in the meeting, and that was the conversation
4 really.

5 Q. What did he say about Mr Ashley?

6 A. He said that he had never really met him but now that
7 he had spent some time with him he found him
8 an interesting character. He was surprised that
9 Mr Ashley, I think in his view, was a lively character.

10 Q. Thank you.

11 MR COLGATE: Can I just be absolutely clear, when you said
12 that he said "I saw your mate yesterday ..."?

13 A. He means Duncan Sharpe saying to me that he saw
14 Mike Ashley.

15 MR COLGATE: And there is no doubt in your mind that that is
16 the reference?

17 A. No.

18 MR MORRIS: Sir, I have perhaps a couple more questions, but
19 we are nearly there. I am conscious of the time as
20 well.

21 THE PRESIDENT: Yes, please get on.

22 MR MORRIS: This afternoon you were being asked about what
23 you had written in the monthly management report for
24 8th June and when you had written that.

25 A. Mm-hm.

1 Q. Mr West-Knights said:

2 "This witness statement", and I am not sure which of
3 the witness statements he was looking at, "contains no
4 explanation as to how you could have known anything
5 about the involvement of JD Sport and First Sport if you
6 wrote this report on 8th June."

7 It was Ronnie 1, paragraph 77?

8 MR WEST-KNIGHTS: No, I was putting that in respect of
9 Ronnie 3.

10 MR MORRIS: I apologise and I am grateful.

11 And then you said:

12 "What do you mean it would not fit? I knew exactly
13 that conversations had taken place between David Hughes
14 and Tom Knight of First Sport regarding the price."

15 A. Yes.

16 Q. Then a little later on at page 133 you said, again
17 you are talking about First Sport and David Hughes:

18 "I remember a conversation also taking place around
19 England as well at 39.99."

20 My question for you is this: what now do
21 you remember about the conversation or conversations
22 between Mr Hughes and Mr Knight?

23 A. I remember Mr Hughes talking to Mr Knight about it; his
24 concern that other people were discounting the product,
25 would Mr Knight discount the product? Because, as

1 I mentioned earlier, Mr Knight had discounted
2 the product previously in certain stores in
3 the south-east and south-west of the UK.

4 Q. Can I ask you first of all to the best of your
5 recollection when those conversations took place?

6 A. One conversation took place in front of me when I was
7 with Mr Hughes in his office. He rang Tom Knight, he
8 did not tell Tom Knight that I was with him but he rang
9 Tom Knight to discuss the price.

10 Q. A further question: what product are you referring to
11 here?

12 A. To the best of my recollection it is the Manchester
13 United product. Not that that had been discounted
14 previously, but it was more along the lines of what
15 price will you go out at?

16 Q. Thank you. I have one final question, sir, subject to
17 reviewing my notes.

18 MR WEST-KNIGHTS: Whilst he does that, I am sorry you had to
19 bark at me, you were quite right to do so, and
20 I apologise.

21 THE PRESIDENT: Thank you very much, Mr West-Knights.

22 MR MORRIS: My final question really is this, and it is to
23 do with the circumstances of your leaving Umbro.
24 You have been asked about that both by Lord Grabiner and
25 today by Mr West-Knights, and I am referring in

1 particular to page 52, lines 20-23 for the note, and I
2 do not propose to take the tribunal to it.

3 There was reference to an allegation of dishonesty?

4 A. Yes.

5 Q. My question for you is this: was the allegation of
6 dishonesty pursued by Umbro?

7 A. They looked -- they carried out an investigation for
8 a period of time. The lawyer who was representing me
9 through this on a regular basis, initially every week
10 and then every two weeks, kept going back to Umbro to
11 ask if anything had been found, they kept saying that
12 the investigation was ongoing.

13 After just under six months Umbro came back and said
14 they had not found anything and wanted to settle my
15 service contract in full and pay me for my shares.

16 Q. Thank you.

17 My final question is this: is there anything else
18 you would like to add about the circumstances of your
19 leaving Umbro?

20 A. Yes. When I was asked earlier today about
21 the circumstances when I left Umbro, I explained to
22 the gentleman that my relationship with Peter McGuigan
23 had not been as strong as it was when we were together
24 at Pentland, and when we were initially together on
25 acquisition and the running of the Umbro business.

1 The reason that he felt he had reached an impasse
2 was that whilst I was away on a Far East trip, towards
3 the end of January, Mr McGuigan had been to visit
4 JJB Sports and Mr Whelan had informed Mr McGuigan that
5 he no longer wanted me to ... I think the way
6 Mr McGuigan put it was: Dave does not want you in
7 the business any more, he is not happy about
8 the statement you have made regarding the OFT and he
9 does not wish you to be in the business any more.

10 That was at a meeting the week before I left Umbro.
11 Mr McGuigan then asked -- I said: shall I call Dave?
12 And he said: no, unfortunately this is the way he feels,
13 he feels very strongly about it, and can you get
14 Phil Fellone in and we will take Phil Fellone through
15 the circumstances because I would like Phil and I to
16 deal with that account now.

17 So I had been handling the JJB account since we had
18 acquired the business, with Mr Fellone and the other key
19 account guys. I was in a position where as COO of the
20 UK business I could no longer visit one of our top
21 accounts. And I felt that I had not had the support of
22 Mr McGuigan in the process of the conversation with
23 Mr Whelan. I would have liked to have gone to that
24 meeting. I stressed to Mr McGuigan when he told me that
25 there was going to be a meeting with David Whelan

1 regarding this issue, because prior to that Steve
2 Preston and Tom Knight had been to the Umbro offices and
3 had said to Mr Fellone, Mr McGuigan and myself that
4 the chairman has a problem with the statements that have
5 come out from Umbro, in particular yours, Chris.

6 I said to Mr Preston and Mr Knight: shall I call
7 Dave and have a meeting with him? And they said: no, at
8 the moment we would not recommend that.

9 Mr McGuigan then chose to go and have a meeting.
10 I repeatedly asked Mr McGuigan if I could attend that
11 meeting and he refused and said he would rather do it
12 himself.

13 So my view when I returned from the Far East and
14 Peter told me what had happened was that I felt that
15 I could have had more support from Mr McGuigan in that
16 case. Having had a relationship with Mr Whelan and
17 the business for a very long time, I would have liked to
18 have gone and seen Mr Whelan and talked it through with
19 him but I was not given that opportunity.

20 MR MORRIS: Thank you. I have no further questions, sir.

21 MR COLGATE: Mr Ronnie, can you clarify for us what OFT
22 statement you are referring to there?

23 A. It is one of my OFT statements that I made.

24 MR COLGATE: To whom?

25 A. That Mr Whelan had seen, because we put the statements

1 in Mr Whelan and people at JJB had seen the statements.

2 MR COLGATE: I am still unclear as to precisely what

3 statement is being referred to here --

4 MR MORRIS: I do not wish to put words in the witness's

5 mouth --

6 THE PRESIDENT: Let us see if we he can remember, Mr Morris.

7 A. It was the statements I made whilst I was employed by

8 Umbro that went to the OFT.

9 MR COLGATE: And the OFT then showed those to JJB?

10 A. Yes.

11 THE PRESIDENT: Mr Ronnie, just for my note, can you put

12 a date on those conversations with Mr McGuigan?

13 A. I left Umbro on February 7th 2003, and it was the week

14 prior to that. It was the Monday -- my first meeting

15 with Peter McGuigan when I returned from the Far East

16 was the Monday or Tuesday, and it was then that he told

17 me of the view of Dave Whelan. That is when

18 the discussion happened with Phil Fellone to inform him

19 of the fact that I was no longer to go into the JJB

20 account.

21 THE PRESIDENT: Yes. Thank you very much.

22 Mr Ronnie, I think it only remains for the tribunal

23 to thank you very much for the time you have spent here

24 and for answering the questions. Thank you very much

25 indeed.

1 A. Thank you, my pleasure.

2 THE PRESIDENT: I doubt whether it really was a pleasure.

3 A. It certainly was not a pleasure, I can honestly tell you
4 that, sir. But at least it is now done.

5 THE PRESIDENT: Thank you very much, Mr Ronnie. As far as
6 we are concerned you are released for the moment.

7 (4.30 pm)

8 (The witness withdrew)

9 LORD GRABINER: Sir, just on the question of timetabling and
10 in an endeavour to shorten matters, as always. In
11 the light of the evidence the view that we take is that
12 we have no need to call Mr Bryant and Mr Preston. Their
13 principal focus is on the centenary kit debate. And
14 subject to the tribunal, our position would be not to
15 call them.

16 THE PRESIDENT: Just a moment, who is calling whom at
17 the moment?

18 LORD GRABINER: At the moment I am supposed to be calling
19 Mr Bryant and Mr Preston.

20 THE PRESIDENT: This is to enable them to be cross-examined
21 by the Office, presumably?

22 LORD GRABINER: Yes, on the basis that their material goes
23 in. But I do not have a problem with that, because if
24 their material does not go in I will not rely on their
25 statements.

1 THE PRESIDENT: I see. So you want to effectively withdraw
2 their statements.

3 LORD GRABINER: Exactly. So far as Mr Preston, specifically
4 he is in a separate position. As you know he is based
5 in Holland. We have not made any contact with him for
6 several days now and we think he is not in Holland. So
7 we have no idea if he is going to appear tomorrow or
8 not.

9 In any event, the view that we take is that it is
10 not necessary for us to be relying upon their statements
11 in support of our case.

12 Hopefully that will shorten matters.

13 THE PRESIDENT: Let us just see what the Office says. They
14 may want to think about it overnight.

15 MR WEST-KNIGHTS: Whilst he is at it, whilst the dialogue is
16 open on this, we take a similar view in respect of
17 Ms Charnock, whom the Office of Fair Trading were not
18 proposing to cross-examine until they came up with
19 Mr May. Having heard Mr May's evidence, we do not think
20 it is necessary to rely upon Ms Charnock's evidence.

21 THE PRESIDENT: So you are withdrawing Ms Charnock's
22 evidence?

23 MR WEST-KNIGHTS: Subject to (a) what the OFT has to say
24 about it, and (b) subject to any final view that
25 the tribunal has.

1 I take the view that it is not necessary to rebut
2 anything that Mr May has said in light of what he said.

3 THE PRESIDENT: Mr Morris, do you have an instant reaction
4 to that or would you like to think about it overnight?

5 MR MORRIS: I would like to think about it overnight in
6 respect of all those witnesses. We will certainly
7 review it immediately and we will take a view on it and
8 inform my learned friends as soon as we can.

9 Actually, I will not even offer an immediate
10 reaction. I think we start off tomorrow with
11 Mr Fellone, and then there will be the question of where
12 we go with Mr Fellone in the light of what Lord Grabiner
13 has indicated and that is something we will give some
14 consideration to.

15 We would suggest that neither of them should be
16 stood down for the moment.

17 LORD GRABINER: And we certainly have Mr Whelan available,
18 so we will not waste any time.

19 THE PRESIDENT: What time would you like to start in
20 the morning?

21 MR WEST-KNIGHTS: 10.30, please. I am sorry to say that
22 with such vigour but I think I speak on behalf of us
23 all.

24 MR MORRIS: I am afraid I agree with Mr West-Knights on this
25 occasion.

1 THE PRESIDENT: Mr Colgate is just saying that there are
2 the outstanding bits and pieces about Umbro's
3 information and any progress that can be made on that
4 front would obviously be useful for us.

5 MR WEST-KNIGHTS: I do not want to spend my time or
6 Mr Peretz's time when we are intensely busy anyway
7 repeating in writing that which we have made abundantly
8 clear today and on the transcript. What we really want
9 to know is what happened in the year 2000 and how is it
10 accounted for? We have neither of those two pieces of
11 information. That is what it boils down to.

12 That is what we started with on Tuesday of last
13 week.

14 THE PRESIDENT: The missing piece in my jigsaw is how much
15 real trade is there in branded product?

16 MR WEST-KNIGHTS: And the subset of that is how then do we
17 square the numbers?

18 THE PRESIDENT: If you could see if you can make any
19 progress on that.

20 MR MORRIS: I will liaise with Miss Roseveare.

21 THE PRESIDENT: Thank you. 10.30 tomorrow.
22 (4.40 pm)
23 (The hearing adjourned until 10.30 am the following day)
24
25

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