

RANKIN NATHAN

lawyers

Our Ref: RNC:KP
Reply to Newcastle Office

COPY

Your Ref:

Friday, 19 August 2005

Right Reverend Dr Brian Farran
Lord Bishop of Newcastle
Bishop's Registry
51 Newcomen Street
NEWCASTLE NSW 2300

Dear Bishop Brian

I very much appreciate your letter of 11 August 2005 and for the kind remarks you make in it.

My role as adviser to Bishop Herft was always necessarily in my capacity as a partner of Rankin Nathan. I know Bishop Roger did not think of it in those terms but the firm was on retainer to the Diocese and I, as a partner of the firm, provided that service and was always available at short notice. Simple enquiries were part of the Retainer for no additional charge but if the enquiry became "a matter" it became chargeable. These additional services were able to be provided at no fee largely because of the proper commercial nature of the wider retainer. A revised retainer was proposed by us in May 2004 following a meeting with representatives of the Trustees and Bishop Herft, was apparently accepted by the Trustees in February 2005, but subject to some minor modifications proposed by the Trustees, to which we readily and promptly agreed. There the matter rested until recent developments which were not acceptable to my firm.

Of course I was always passionate about the work for the Church as you will understand and I believe the whole firm always provided the Diocese with excellent priority service.

Unfortunately, because of my contractual obligations as a partner as well as for professional indemnity reasons, I cannot render any professional legal service except in my capacity as a partner of the Firm and so I am unable to accept your kind invitation.

It must be perplexing for both you and the Business Manager, being both new to the Diocese, to understand the reasons which have led to our firm's decision to resign the retainer as we did. There is a difficult history to this of which the Trustees are or ought to be well aware which made the proposal to in effect do the difficult work whilst others do the easier work unacceptable. As I mentioned recently, as senior partner, I am really only *primus inter pares*. Whilst I abstained from the decision of the partnership on this issue, I could not disagree with the decision my colleagues made, given the history to which I refer.

I do hope this will not affect our friendship and I am always happy to act in a professional capacity for you or Robyn as private citizens if you so wished. You may be assured that I am very much interested in the affairs of the Diocese and what has transpired is a matter of great personal sadness to me. I am always happy to be an adviser to you as Bishop and I hope you will feel free to call on me in that way but, for the reasons explained, it cannot be as a legal adviser.

With all good wishes for your Episcopate.

Yours sincerely,



Robert N Caddies

SYDNEY
Level 5, Fairfax House, 19-31 Pitt St, Sydney NSW 2000
Telephone: 02 9247 1300 Facsimile: 02 9251 4240
DX 811 Sydney



ABN 82 829 262 587
www.rankinnathan.com.au

NEWCASTLE
Level 2, 47 Darby St, Newcastle, P.O. Box 468 Newcastle 2300
Telephone: 02 4929 9333 Facsimile: 02 4929 9300
DX 7836 Newcastle