



ANGLICAN DIOCESE OF GRAFTON

Hon. & Reverend Pat Comben
General Manager/Registrar

Bishops Registry
50 Victoria Street
PO Box 4
GRAFTON NSW 2460
Telephone: (02) 6642 4122
Facsimile (02) 6643 1814

28 March 2007

Mr Peter Roland
Foott Law and Co
Solicitors
Victoria Street
Grafton NSW 2460



Dear Mr Roland

RE: NORTH COAST CHILDREN'S HOME

I refer to the above matter and your advice that a possibility of settlement exists.

Without going to the details of our conversations, one matter is of concern to the Church. This is the potential to settle with 39 out of the 41 former residents of the North Coast Children's Home.

With the clear legal advice of yourself, Senior Counsel and several others, it is the Church's view that no legal liability exists. The settlement is being agreed to by the Church on the basis that the Church wishes to provide care and assistance to the former residents and that commercial reality as to ongoing legal costs, if the matter were to be litigated, allows further money to be added.

Consequently, we are gravely concerned by the likelihood that two former residents are not apparently participating in the settlement. In our view any individuals represented by the solicitors for the group who do not now accept their share of the \$825,000 offer will face potentially insurmountable obstacles concerning limitations, liability and proper defendants.

We therefore ask that every effort be made to seek to have all of the individuals included in the settlement.

As we do not admit liability and part of what we believe to be a generous settlement offer is provided by the "saved" legal costs of litigation, it is our intention to treat this as a one-off ex-gratia payment.

In keeping with this when any settlement with the great majority of the former residents is completed we will ask you to close your file and any further enquiries from the present group of former residents will only be legally responded to if a Writ of Summons is issued. Our instructions to your firm will from the time of this settlement be to ask that all enquiries be passed to the Diocese and we will respond pastorally, but not with further settlement negotiations.

I am happy if this letter is forwarded to the Solicitors for the former residents.

Yours faithfully



Pat Comben
Registrar



The Anglican Church of Australia