

**MONAHAN + ROWELL****LAWYERS**

15 May 2009

**By email: [hharrison@codea.com.au](mailto:hharrison@codea.com.au)****STRICTLY PRIVATE & CONFIDENTIAL****Attn: Mr Howard Harrison**

Carroll &amp; O'Dea

Lawyers

GPO Box 7105

**SYDNEY NSW 2001****WITHOUT PREJUDICE**

Dear Howard,

**MARIST BROTHERS – BR KOSTKA CHUTE – INDEMNITY ISSUE****Our Ref: pjm/070578**

We thank you for arranging the opportunity for us to personally interview Br Kostka Chute at his prison in Canberra, and for accompanying us to that interview on Thursday 30 April 2009.

We confirm that we have now sent you our two sets of transcribed notes recording what Br Kostka stated during that interview, and look forward to your confirmation that those notes constitute an accurate record of what Br Kostka Chute told us all during that interview.

As you know, the information provided by Br Kostka Chute raises a clear and significant issue in regard to the entitlement of the Marist Brothers to an indemnity from CCI in regard to all of the current batch of claims (and also all previously settled claims) concerning Br Kostka Chute. Arising from the information provided on 30 April, we have been instructed by CCI to inform the Marist Brothers (through you) that CCI must obviously (and unfortunately) now reserve all of its rights under all the relevant Policies in question concerning claims relating to alleged sexual abuse by Br Kostka Chute. This reservation will be reviewed as any further information comes to hand, and is based upon the information now available (as was contemplated at the time the original letters were sent out to the Marist Brothers by CCI relating to indemnity). The reservation of rights will remain in place until otherwise stated in writing.

We refer you to our letter of 6 May in which we invited you to let us have your written submissions on behalf of the Marist Brothers as to how you and the Marist Brothers believe that the indemnity issue should now be dealt with, in the light of what Br Kostka told us. We look forward to receiving those submissions in due course, as they will assist CCI greatly in formulating its final position, and in advising re-insurers appropriately concerning this issue. We would therefore ask you to let us have those submissions at your early convenience, particularly given the approaching Mediations in Canberra in June.

We will write to you separately with our proposal as to how we should deal with these Mediations, given the indemnity issue now before us. CCI obviously recognises the significance and importance of this issue

In association with Colin Biggers &amp; Paisley - Sydney

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**Partners** Patrick Monahan + Philip Rowell + Bruce Butler + Mark Attard + Andrew Probert + Allison Grice  
Mark White + Justin Griffin + Mary Edquist + Rita Zammit + Vanessa Kemp

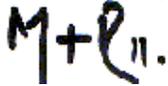
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to the Marist Brothers, and the sensitivities of the situation, and CCI will certainly attempt to manage the situation with that firmly in mind.

Plainly, there are a number of complex issues to be considered concerning indemnity, and it seems unlikely that the issue will be capable of resolution before the Mediations in June. We and CCI look forward to working closely with you as promptly as we all can to address the issues methodically, and without causing any harm or prejudice to the conduct of the defence of these claims in Canberra on behalf of the Marist Brothers.

Yours faithfully,

Handwritten signature of Patrick Monahan in black ink, appearing as 'M+R.' with a stylized flourish.

**Patrick Monahan**  
**(Senior Partner)**

**MONAHAN + ROWELL**

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