
T H Y N N E

M A C A R T N E Y

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27 April 2001

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The Very Rev Dr J R Spence
 Chancellor
 Brisbane Archdiocesan Chancery
 GPO Box 1291
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Dear Father Spence

The Corporation of the Trustees of the Roman Catholic Archdiocese of Brisbane -ats- Isaacs

We refer to our numerous discussions concerning the claim by Mrs Joan Isaacs.

For your confidential records, we enclose a copy of the letter we sent to CCI Limited dated 6 April 2001. As a consequence of that report, CCI authorised us to make a settlement offer of \$30,000.00 "all up".

We have communicated the offer to Mrs Isaacs' solicitors and in this regard enclose:-

1. Our letter to Cranston McEachern dated 12 April 2001; and
2. Our further letter to Cranston McEachern of 20 April 2001.

CCI have indicated a preparedness to litigate the matter if the offer is not accepted.

While the offer of settlement does establish a precedent so far as the other claims Mr Deed is handling are concerned, we are of the view that the claim by Joan Isaacs would be one well resolved if it were possible to do so, if only on the basis that we continue to incur legal costs as the matter is "pressed on". You will note that in making the offer we have made it clear that it is to assist Mrs Isaacs to "close the chapter" on this incident and that it is not directly responsive to the legal costs, nor a basis of compensation for Derriman's actions.

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Chancellor

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RESPONSE TO OFFER

The solicitors for Mrs Isaacs have indicated rejection of our offer of \$30,000.00 and have counter offered \$75,000.00. In our letter to CCI Limited which is enclosed, you will see that we have made some observations in relation to the counter offer. From a legal point of view, we could not recommend it, but there is a problem in terms of the inconsistency of offers that are made to resolve these cases seemingly for pastoral care reasons. In this case, Mrs Isaacs is probably aware of a range of settlements that have been achieved that we are not even aware of. That puts us at a disadvantage in formulating appropriate strategies and often undermines our credibility when, for example, Mrs Isaacs' solicitors say to us that "the Church is not being credible" because they have offered a greater settlement to "x" where the complaints were comparable.

We therefore consider that we need to bring together a greater focus and consistency with these types of complaints and perhaps develop an internal range of damages protocol so that we can at least achieve some consistency in range if there are to be settlements, depending on some agreed criteria. Laurie Rolls would be aware of settlement activities throughout Australia in this respect and we would recommend that it may be appropriate to have some settlement protocol guidelines so that we can bring about a better focus to the claims management of some of these claims.

Your views would be appreciated, as well as your instructions on how you would like to handle the Isaacs situation because the settlement range now standing at \$30,000.00 to \$75,000.00 is a range generated under the "pastoral care/resolve the dispute" category as opposed to a settlement having the backing of a recommendation based on legal grounds. A legally supportable commercial settlement of \$30,000.00, up to \$35,000.00, is quite justifiable because expenses of at least that amount will be incurred in continuing to pursue the matter and Mrs Isaacs may or may not have the personal financial capacity to meet those expenses. We suspect that she will have little to no assets in her name to guard against this very contingency. She is a determined person and, in that light, would be determined to make sure that her family is not disadvantaged with an adverse cost order.

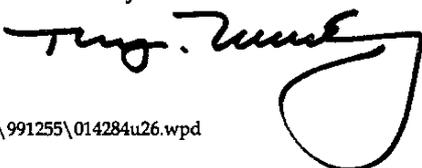
ENGAGING COUNSEL

In relation to this action, we had proposed to brief Pat Keane QC in the event that the matter is not resolved. Mr Keane, with our agreement, provided advice to Derriman in relation to his application to strike out the proceedings. In the end result, Joan Isaacs agreed to the proceedings against him being discontinued. We suspect the reasons were a decision not to continue against Derriman as part of a process to extract herself from the proceedings.

Nevertheless, if the Church ever intended seeking contribution from Derriman in relation to the Isaacs action, then Mr Keane QC would have a conflict. On the other hand, if the Church and CCI do not intend to take such action, then we can confirm for Mr Keane QC that no contribution action against Derriman will be taken. In those circumstances, Mr Keane would feel comfortable accepting a brief for the Church because no conflict will arise in the future. Would you please let us have your written instructions as to whether or not we can indicate that no contribution action is to be taken against Derriman.

We look forward to hearing from you.

Yours faithfully



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