

Thursday, 10 February, 2000

Mr Gerard Phillips
Carroll & O'Dea, Solicitors
19th Level, St James Centre
111 Elizabeth St
SYDNEY NSW 2000

Dear Mr Phillips,

It is with thanks that I acknowledge receipt of your letter regarding the refusal of Catholic Church Insurances (CCI) to agree to our claim for indemnity in the matter of Vincent Ryan.

I am bitterly disappointed at this decision by CCI Management. At every stage of our protracted dealings in this matter we have kept CCI fully informed. The CCI legal team were physically present at many of our negotiations and conversations about our approach, and even contributed to those conversations from an insurer's point of view. Informal comments from other parties indicated "*you will get something*".

Regarding the matter of non-disclosure by Monsignor Cotter: we have made a clear case, and CCI is aware of it, that Monsignor Cotter's conduct cannot be found to have been reprehensible or reckless. I understand that for CCI to refuse our indemnity claim, Monsignor's "*reckless conduct*" would have to be proven.

There are a number of possible options we could pursue as a result of this refusal. I would not rule out the possibility of legal action although a positive result for us could see any financial recompense eaten up by legal fees.

I would like time to consider my options and to seek further advice from yourself and others. In the meantime I would appreciate your informing CCI of my bitter disappointment in the hope that wiser heads might prevail.

With renewed thanks,

I remain,

Yours sincerely

Most Reverend Michael Malone
Bishop of Maitland-Newcastle

+MM/ed