

"SJH32"

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Our Ref: PJR;REB 06-0030
Your Ref: SJH;HM:856432

14 December 2006

Messrs. Nicol Robinson Halletts,
Lawyers,
Box 380 GPO
BRISBANE, QLD 4001

BY FACSIMILE: 07 3853 8800

CONFIRMATION OF THIS FACSIMILE WILL BE SENT BY POST/DX

YES

Dear Sirs,

RE: THE CORPORATE TRUSTEES & NORTH COAST CHILDREN'S HOME

We refer to the correspondence recently received from you, and in particular to the offers contained in your without prejudice letters dated 15 September 2006 and 13 November 2006.

Our clients have been advised by Senior Counsel that they have no liability to your clients for the following reasons:

1. In the relevant period (between 1942 and 1983) neither the Bishop of the Diocese of Grafton (Bishop) nor the Corporate Trustees of the Diocese of Grafton (Corporate Trustees) had any control or responsibility for the management of the North Coast Children's Home (NCCH). The staff were employed by the Executive of the NCCH. Clergy who occupied the office of Chaplain were not employed by either the Bishop or the Corporate Trustees. The Corporate Trustees were a bare trustee of land upon which the NCCH is erected.
2. There is authority that an Anglican Bishop in New South Wales is not liable for the acts or omissions of predecessors and that the property trust of an Anglican Diocese in New South Wales is not liable for conduct on church trust property vested in it; *Henderson v Cole* (unreported, District Court of New South Wales at Sydney, Taylor DCJ, 25 February 2000, at 7).

Our clients reject the abovementioned offers of your clients, and will apply to strike out any proceedings commenced against them on the ground that they disclose no reasonable cause

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Messrs. Nicol Robinson Halletts,

14 December 2006

of action. In the event that our clients are successful in striking out any such proceedings on the grounds set out in this letter, they will seek to tender this letter on the question of costs.

Yours faithfully,
FOOTT, LAW & CO.

Per:

Peter Roland



*We wish you the compliments of the season
and advise that this office will close 21
December 2006 at 5 pm and re-open on 8
January 2007 at 8.45 am.*