



THYNNE
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Our ref: JRM:KA:991255
Direct Line: 3231 8861
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Your ref: **Paul Reynolds**

9 November 1999

CCI Limited
GPO Box 180B
MELBOURNE VIC 3001

Dear Mr Reynolds

Re: **The Corporation of the Trustees of the Roman Catholic Archdiocese of Brisbane -
ats- Joan Isaacs**

UPDATE STATUS REPORT

So that you may appreciate the present position, we **enclose** herewith:-

1. A copy of our letter to Father Spence of even date;
2. A copy of our letter advising Cranston McEachern (Peter Deed) that no payment would be made in response to the claim for common law damages.

We recommend that we adopt a "wait and see" approach at this time. Peter Deed is fairly aggressive and therefore we can probably expect proceedings to be instituted.

MEETING - 20 OCTOBER 1999

We were most grateful for the meeting with yourself, Laurie Rolls, Father Spence and our Mr Moore on 20 October 1999 at Hendra, Brisbane. For our respective file records, we summarise the matters agreed upon at that meeting.

1. The claim by Isaacs against the Church is entitled to indemnity under the "claims made" policy with the Church for the 1994/95 year which carries a \$25,000.00 (indexed) excess per offender. The excess probably amounts to about \$28,000.00 at the moment. This excess, therefore, will apply to Father Derriman in respect of whom we understand there have not been any other pay outs by the Church.

Associated Firms:



Dibbs Crowther & Osborne
50 Carrington Street, Sydney 2000

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2. You have notified Richard Meulhen of QBE in Sydney of the "double insurance" issue. The QBE policy carries no deductible. At this stage, it has been agreed that you will handle all negotiations with QBE. It seems desirable that, sooner or later, a compromise might be worked out with QBE to bring certainty to the position. If the Church makes a pay out as part of its excess obligation, then we will need to determine if any reimbursement for the Church is procurable.

We have not considered any of the policy documentation (either CCI or QBE) at this point and it has been agreed that there is no need for us to do so.

It was agreed that CCI would handle the reimbursement of any deductible on the part of the Church with QBE.

It was also noted that CCI arranged public liability insurance for the Church but seemingly as agent for the Church.

3. We discussed in some detail the tactical approach to be taken with these claims. It was noted that some of the worst systematic abuse cases that continued over a long period of time (eight years) involving full intercourse (not a Church matter) resulted in an award of \$130,000.00.

On this basis, for the less serious interference/fondling type allegations it was thought that the damages range (if there was a liability case) was as follows:-

General damages	\$10,000.00	to \$15,000.00
Economic loss	\$5,000.00	to \$10,000.00
Medical reimbursement	<u>\$5,000.00</u>	<u>\$5,000.00</u>
	<u>\$20,000.00</u>	<u>\$30,000.00</u>

The above quantum figure would then be discounted by:-

- a. Time limitation arguments;
- b. Whether they have sued the correct defendant as responsibility for any Priest in these instances would normally be directed to the Archbishop at the time;
- c. Abuse of process arguments (delay in bringing the claim).

On the above basis, it was thought a pay out of around \$10,000.00 and higher in worst affected cases seems to be the assessment range if one were looking at these cases on the basis that a payment was required to be made.

4. In relation to Mr Deed, the general view of the Church was that they wanted to discourage these "no win no pay" claims and they did not wish to direct any monetary payment towards lawyers' fees. The Church is supporting the *Towards Healing* program which provides medical and counselling assistance and also provides "compensation" in the form of reimbursement of justified medical expenses.
5. From a claimant's point of view, it was agreed that there were two choices:-
- a. If they proceed along the common law route, then the Church will respond and rely on normal legal principles (ie limitation of actions; wrong defendants; delay).

- b. If the claimant chooses to accept the benefits of *Towards Healing*, then that process will be followed in accordance with the protocol but the Church's resources are not to be wasted on lawyers' fees. It is important to note that any claimant can undertake the *Towards Healing* program which is entirely separate from any other rights they may or may not choose to pursue (ie common law action).
6. In relation to Derriman, it was noted that the Church had no prior knowledge of his apparent tendencies for the reasons discussed. There was a suggestion that Father Doyle mentioned to Archbishop O'Donnell that Derriman had been over friendly. Derriman (then a young man) was moved to another Parish to assist a more experienced Parish Priest who could more readily assess if any behaviour on his part was unacceptable.
7. In relation to the Isaacs claim, at this stage it was agreed that no cash compensation would be paid and that Mr Deed would be advised accordingly. Thynne & Macartney would prepare an appropriate letter to dispatch to Mr Deed advising of the position (this has now occurred).
8. If Court proceedings are instituted, they will be defended for the present and costs will be sought. We have made this position clear in the letter that we have sent Mr Deed.
9. We recommended that Mr Keane QC be retained to handle the defence because sooner or later in one of these cases we will need to consider whether or not, for example, a time limitation defence is allowed to proceed through the Court. It is also tactically advantageous to have the defence checked by Mr Keane to ensure that we have appropriately pleaded the position.
- It is not our intention to "go overboard" as regards Counsel's fees. What we are trying to do is expend money "intelligently" so that we can handle the case economically, but very effectively in terms of demonstrating a resolve to seriously pursue a defence.
10. As regards Mrs Isaacs, it was agreed that we would look at the *Towards Healing* program for her and that assistance under that program, including compensation for any valid medical expenses she has occurred (or a proportionate part thereof) is a reasonable position to adopt.
11. In terms of disclosure of documents, we requested Father Spence and Laurie Rolls to respond in relation to:-
- a. Whether Derriman was "self employed" through the Parish;
 - b. The extent of discovery that would need to be provided;
 - c. What files are available in relation to the case and in whose control and possession they are.

We emphasised the need to carefully consider these aspects as part of our obligations as officers of the Court to ensure that our assessment of any documents that may exist is accurately and meticulously assessed to avoid any change of position (loss of credibility) at a later date.

CCI Limited

9 November 1999

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12. Finally, it was agreed that we would tactically reconsider this case if it proceeded to litigation following preparation of a Defence and Request for Particulars.

CONCLUSION

After you have had the opportunity of considering the above summary, if there are any aspects of our summary which require correction/amendment, we would be pleased to hear from you.

We will send a copy of this letter to Father Spence for his records and so that he can similarly check that our summary is an accurate reflection of our current understanding with respect to this claim.

Yours faithfully



Enc

cc: Father Spence