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DRAFT

Mr K Ainge
National Secretary
Assemblies of God in Australia
PO Box 336
MITCHAM VIC 3132

Our Ref
TA(NM)/VB 00/2463
Your Ref

Date
14 November 2001

Private & Confidential

Dear Keith,

OUR CLIENT: NORTHSIDE CHRISTIAN CENTRE INCORPORATED & ORS

We again write to you at the request of our client, Northside Christian Centre Incorporated, to update you with regard to the above matter.

As you are aware, the mediation in this matter took place from Wednesday 24 to Friday 26 October 2001.

The mediator was Ms Mary Anne Hartley and Northside Christian Centre Inc was represented by David Myers of Counsel, instructed by Moores Legal. Ansvr Insurance was represented by Richard Smith, instructed by Herbert Geer & Rundle. Ken Sandilands was represented by Don McKay, solicitor and the Plaintiffs were all represented by David Munro, instructed by Galbally & O'Bryan.

You may recall that six civil proceedings before the County Court of Victoria, were subject to the joint mediation. Five of those claims were settled, however the remaining matter of Patriki was unresolved. In respect of those matters, we inform you as follows:

1.

The matter of was removed from the mediation as it became apparent that having regard to his age (under 18 years), the level of compensation being claimed and the significant medical treatment he has received, substantial further investigations would need to be conducted. His claim is currently listed for hearing on 5 December 2001 however, we have issued an application for the hearing date to be vacated due to the significant investigative work which needs to be undertaken. We would anticipate that the application will be successful and the matter would be unlikely to be heard by the Court for final hearing until June/July 2002.

Northside Christian Centre Inc has full liability for this claim as it completely fell within the period where they were uninsured due to the sexual abuse exclusion clause in their insurance at that time.

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2. Other Claims

After very substantial negotiations over three days, the other five matters resolved and terms of settlement have been finalised. These terms include confidentiality and are identical with the exception of the amount of compensation. Five payments are to be made to the various Plaintiffs, totalling \$525,000, the largest individual settlement sum being \$225,000 and the smallest \$55,000. All compensation payments were made inclusive of legal costs and disbursements.

Of that total sum, Northside Christian Centre Inc are responsible for \$140,000 to be paid within 90 days of 1 November 2001. This sum represents a proportion agreed given that some of the Plaintiffs were injured during the period of time that Northside was uninsured due to the aforementioned exclusion clause.

We believe that the settlement achieved was by far the most appropriate outcome as the damage to the reputation of the Church, the School and the legal costs involved in fighting the claims both against the Plaintiffs and against the other Defendants would have been substantial.

There obviously remains considerable concern relating to indications that Sandilands' behaviour may have extended to 20 to 30 children. These children remain potential Plaintiffs who could bring action against the School.

In addition to the settlement sum required to be paid by Northside, legal costs incurred by the Church to date amount to approximately \$20,000.

We consider that you reconsider your decision not to contribute in any way to these matters and would be pleased to receive your early response.

Yours faithfully
MOORES LEGAL

Tim Adam
Partner

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