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17 AUG 1999

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11 August 1999

Lieutenant Colonel Brian Hood  
 Secretary for Personnel  
 The Salvation Army  
 Australia Eastern Territory  
 PO Box A435  
 SYDNEY SOUTH NSW 1232

Dear Sir

**THE SALVATION ARMY ATS** EP

I refer to my letter of 2 August 1999.

The application by EP to obtain an extension of time was listed for hearing before Master Harrison on 9 August 1999 in the Supreme Court.

Mr P Neil SC and Mr Jenkins appeared on behalf of the plaintiff and Mr I Harrison SC and Mr P Tsee appeared on your behalf. Mr Hull appeared on behalf of Zurich Australian Insurance.

The matter was able to be resolved by way of a settlement of \$140,000 inclusive of costs before the matter proceeded to hearing and terms of settlement have been filed with the Supreme Court and I enclose\* a copy. A deed of release has been prepared and subject to review from Mr Harrison will be sent to the plaintiff for execution.

In relation to the settlement you should note the following:

1. The release releases the Salvation Army and any officer or other person for whom the Army might be responsible. However, this does not include Wilson.

Lieutenant Colonel Brian Hood  
The Salvation Army

11 August 1999


2. In relation to Wilson, there is a specific release in favour of the Salvation Army in respect of his acts, but he does not benefit from the general release.
3. In addition to the release from this action, the Salvation Army is also released from any liability whatsoever to EP arising out of his care by the Army. Accordingly, he cannot bring other proceedings for example alleging that the Army failed to ensure that he was given adequate medical treatment, nourishment or education.
4. If the plaintiff continues the proceedings against Wilson and recovers a judgment against Wilson, and Wilson then seeks to claim indemnity from the Salvation Army, the plaintiff has to indemnify the Army to the extent there is any judgment against the Army by Wilson. It is unlikely that Wilson will bring such a cross-claim, particularly when there is a cross-claim against him already by the Army. In that respect, I propose to write to Wilson's solicitors and advise him of the settlement and to advise him that the cross-claim against him will be discontinued provided he executes a release releasing the Salvation Army from any claim he might have.

In my view the settlement is a satisfactory outcome to the proceedings as you will recall that Counsel advised that in all likelihood an application for extension of time would have been granted. Once an extension of time was granted in all likelihood the resolution of the matter after that time would have been more expensive.

The matter of EP now having been resolved, I will now press the plaintiff's solicitors to provide the necessary details in respect of FV so that those proceedings can be settled if possible and we can then turn our attention to resolving our claims for indemnity under the various policies against Zurich Insurance and AMP.

I will keep you advised of developments. If you have any queries please let me know.

Yours faithfully  
DUNHILL MADDEN BUTLER



Malcolm Davies