

*Bond Pearce*

# Telephone attendance

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Client: Royal Mail Group PLC Sub Postmaster Litigation

Matter: Mr Lee Castleton

Matter no: 348035.134

Attending: Tom Beazer

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Name: Stephen Dilley

Location: N/A

Date: 7 September 2006

Start time:

Units:

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I had a telephone conversation with Tom Beazer to discuss strategy in view of Video's letter about the proposed costs of £62,000 in relation to the Accountancy Report. Also Tom expressing his concerns that the expert said that they found some early indications of possible problems with Horizon from their initial view of the electronic information. They say that Horizon should show the double nature of the transaction e.g. sale of stamp and receipt of cash by customer. However, they said January is out by £2.47 and February by £4.05. My comment to Tom is that I thought those amounts were quite small and that there will probably turn out to be a rational explanation because I have met Fujitsu and they are utterly convinced of the integrity of their system and really it is just an electronic calculator so it is only as good as the person who inputs information into it.

Explaining to Tom that I had had a conversation with Castleton's solicitors earlier this week and they said they had not ruled out ADR but believed the whole case will turn on what experts say and there is therefore no purpose in having ADR until their expert (hopefully for them) comes up with something to win the case for them. Tom asked me if I thought that Castleton had taken the money for himself and I said that he may not have done and may have mixed it with the car auction money, but this is just a hypothesis. However he has persuaded himself for one reason or another that the computers must be at fault.

Agreeing with Tom that the strategy should be that we pick up the phone to Lee Castleton's solicitors, point out to them that Castleton has made an error analysing the cash account (without necessarily disclosing the Fujitsu analysis), tell them what our accountancy expert alone is going to cost and invite them to ADR before we instruct an expert. Tom agreed and we agreed that we would speak to Counsel about this and Mandy about it on Monday.

Time engaged – 30 mins.