



# Telephone attendance

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Client: Royal Mail Group PLC Sub Postmaster Litigation

Matter: Mr Lee Castleton

Matter no: 348035.134

Attending:

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Name: Stephen Dilley

Location: N/A

Date: 9 November 2006

Start time:

Units:

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I had a telephone conversation with Richard Morgan following up my emails to him of this morning. Firstly in relation to the email I had sent him in relation to week 42, in fact it was week 49 that they were querying. I recalled that this was the transfer of the £3,500 into the suspense account. We had also dealt with that week separately and so I will email Richard about it.

Secondly Richard stated that he thought the best resort we would get is judgment, standard costs and may be indemnity costs from the time of the part 36 offer onwards. He too had been thinking about whether they might apply to accept the part 36 offer. I explained to him that I was trying to keep the pressure on them so that they didn't think to do that and I was agreeing an exchange with them by DX on Friday because we couldn't fax all our statements as they were too voluminous. They had agreed this verbally and I was going to ask them to agree it in writing and Richard suggested that I asked them to send a copy to him too. He also wanted to know if I had received the signed amended defence and I said that I hadn't. I said that they had in principle agreed to an extension of time to serve the amended reply but I would ask them to confirm that in writing. Also Richard will approach the other side's counsel to ask for confirmation of when he is available for the PTR.

Thereafter going on to discuss the sort of counter proposal we want to make in a bit more detail. Agreeing that as an opening offer we should seek payment of the claim in full ie £25,858.95.

In relation to costs, we can either seek a lump sum payment now, say within 14 days (on the basis that they will come back to us with 28 days or instalment payments and if Mr Castleton is paying this himself, I don't think we have any objection to receiving instalment payments). The alternative costs option to give them is to pay costs on an indemnity basis together with an interim payment on account - Richard suggested the interim payment should be £100,000.

I said that ultimately, the Post Office driver had been getting a judgment against Mr Castleton to show that the computer system wasn't wrong and deter other sub post masters from bringing a claim. I therefore thought the most important thing for them was getting judgment for the full amount, and that we want as much costs recovery as possible, but given that I had previously told the Post Office that Mr Castleton's asset position was unclear, I think that if there is going to be any movement at all in our negotiating position it is going to be on costs.

We are now in Mandy's hands in relation to what she wants to go back with and I will speak to Richard as soon as I hear from her.

36 minutes