

Bond Pearce

Telephone attendance

Client: Royal Mail Group PLC Sub Postmaster Litigation

Matter: Mr Lee Castleton

Matter no: 348035.134

Attending: Mandy Talbot

Name: Stephen Dilley

Location: N/A

Date: 8 September 2006

Start time:

Units: 30 mins

Tom Beizer and I had a telephone conversation with Mandy Talbot.

Tom explained that we wanted to catch up with her and keep her closely involved with this case and strategy in view of developments over the last 36 hours.

I explained to Mandy that we had received a letter from BDO and they said that the Accountancy Expert (not the IT Expert) would cost up to £62,000 plus VAT. We thought that this was a significant amount and Mandy agreed. However we had always known that the amount of costs involved in pursuing this case would way exceed the amount at stake.

Tom explaining that I had spoken with Counsel and we suggested the following strategy :-

1. I pick up the telephone to the other side's solicitors. I explain to them that we had looked at the manual reconciliation letter that they had sent to us in July and point out to them the error that they had made i.e. they had compared the stock and cash for the wrong week and assumed wrongly what had been brought forward.
2. We tell them what our expert cost is going to be and that we will look to recover that from them - if the expert confirms what we think he will confirm.
3. We therefore invite them to disclose their Expert Report on a without prejudice basis, we look at that and get our Expert to do a short response. We then have ADR and we arrange to vacate the Trial date.

Mandy agreed that this was a sensible way forward and instructed me to make the telephone call,

I will update her as and when I hear from the other side.

Time engaged including attendance note - 30 mins