Nicola McSherry

From: Bob Heckford
Sent: 21 November 2006 10:33
To: Stephen Dilley
Subject: RE: Castleton's counter offer P.O -v- Castleton

Thanks for letting me know Stephen.

Please let me know the outcome.

Good luck.

From: Stephen Dilley
Sent: 21 November 2006 10:26
To: Bob Heckford
Subject: RE: Castleton's counter offer P.O -v- Castleton

Bob,

By way of update, Mr Castleton has now refused to sign off on the settlement he proposed. He's now acting in person and this is going to trial on 4 December.

Kind regards. Stephen

From: Bob Heckford
Sent: 13 November 2006 09:55
To: Stephen Dilley
Subject: RE: Castleton's counter offer P.O -v- Castleton

Stephen,

Well done on an excellent result. I hope the Post Office are pleased.

Please let me have a copy of the terms when they are finally agreed.

Bob

From: Stephen Dilley
Sent: 10 November 2006 12:24
To: Bob Heckford
Subject: FW: Castleton's counter offer P.O -v- Castleton

Bob,

Just to let you know this case is almost certainly going to settle on terms very similar to the attached letter (and vary favourable to the P.O). I'll let you have a copy of the Tomlin Order once sealed.

Kind regards. Stephen

From: Stephen Dilley

POL00069695

Sent: 10 November 2006 11:42
To: 'mandy.talbot GRO
Cc: andrew.winn GRO 'Richard Morgan'; Tom Beezer; Thomas Bourne
Subject: Castleton's counter offer P.O -v- Castleton

Dear Mandy,

I refer to my earlier email.

I attach Mr Castleton's counter offer and am pleased to confirm this is more or less a total collapse on their side. I will call you to discuss shortly. Just a few points really:

1. Castleton to pay debt of £25,858.95 in full plus interest at 1% above base for applicable period

2. Castleton to pay costs on standard basis up to 26 January 2006 (21 days after the P.O's CPR part 36 offer) and indemnity basis after that date.

3. They want a Tomlin Order rather than a judgment (which means the settlement terms are more confidential. This is so that Castleton can re-enter the financial services sector). Given that Castleton is to withdraw his allegations vs Horizon, you might not consider that this is a sticking point, but we should discuss the implications.

4. He's offered costs to make initial payment on account of costs of £30,000. I think we should go back with say £80,000 but settle at £50,000 for the initial payment.

5. It would still be neater and quicker to try to agree costs rather than get them assessed and I think we should invite Castleton to make an offer on this, but this should not be a sticking point.

I will contact you shortly.

Kind regards.

Stephen Dilley
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