

6 March 2006

By Fax: **GRO**

Rowe Cohen
Solicitors
DX14352 MCR-1

Bond Pearce LLP
Ballard House
West Hoe Road
Plymouth PL1 3AE

Tel: **GRO**

Fax: **GRO**

stephen.dilley@bondpearce.com **GRO**

Direct: **GRO**

Our ref:
SJD3/ABG1/348035.134
Your ref:
MDT.113969

Dear Sirs

Post Office Limited -v- Mr L Castleton

Thank you for your letters dated 23 and 27 February. The solicitor dealing with the matter was away from the office from 27 February to 3 March.

We enclose by way of service the Claimant's Request under CPR Part 18 for further information in relation to the Defence and Part 20 Claim.

We also enclose draft Directions for the future timetable of the Claim. We have instructed Counsel to attend the CMC on 10 March. Please confirm whether the Directions are agreed.

As long ago as 7 November 2005, we put forward an offer of mediation. However, you stated that Mr Castleton was only willing to mediate *after* disclosure of balance snapshots. We explained in detail in our 18 January fax why Mr Castleton's experts have made a fundamental error by assuming that a balance snapshot is the same thing as a final cash account and that consequently, a balance snapshot is not a useful tool for verifying whether cash was missing from the Marine Drive branch and will not be determinative of this dispute. We have already disclosed many more useful documents which you did not pass to your experts before they prepared their reports. Mr Castleton's Defence is completely centred around balance snapshots and we believe that his request for them is a red herring and that the Defence has no substance.

You now state in your 27 February letter that Mr Castleton is willing to consider mediation *before* disclosure. Purely for the sake of commercial expediency the Post Office is willing in principle to consider a mediation to hear Mr Castleton's proposals to settle the outstanding indebtedness. It is unclear on what basis or why you continue to assert that the balance snapshots are of "core relevance" and you have stated that Mr Castleton is unlikely to change his position. If that really is the case, then it currently appears unlikely that progress will be made towards settlement. Accordingly, we believe that a mediation will be more productive once you have replied to our Part 18 Request because it ought to make Mr Castleton's position clearer and we have built this into the timetable set out in the draft Directions.

We look forward to hearing from you as soon as possible.

Yours faithfully

Bond Pearce LLP