

IN THE HIGH COURT OF JUSTICE
QUEEN'S BENCH DIVISION

Claim No: HQ05X02706

Master
the day of November 2006

BETWEEN:

POST OFFICE LIMITED

Claimant/Part 20 Defendant

-and-

LEE CASTLETON

Defendant/Part 20 Claimant

**TERMS OF ORDER
BY CONSENT**

UPON APPLICATION by the Claimant and the Defendant by agreement in writing

AND UPON the Claimant and the Defendant having agreed to the terms of this Order

BY CONSENT IT IS ORDERED that:

1. The Counterclaim be dismissed.
2. All further proceedings on the Claimant's claims herein against the Defendant be stayed upon the terms set out in the attached Schedule signed by the parties, except for the purpose of enforcing those terms, for which purposes the parties have permission to apply.
3. The Defendant do pay to the Claimant its costs to date of and occasioned by the Claim and the Counterclaim except as otherwise previously ordered by the Court. Such costs to be assessed if not agreed:
 - a. On the standard basis up to and including 26 January 2006; and
 - b. On the indemnity basis from 26 January 2006 onwards.

4. The Defendant do by 4pm on Friday 8 December 2006 make an interim payment of £30,000 on account of the Claimant's costs, such payment to be without prejudice to the Claimant's entitlement to apply subsequently for a further payment on account of its costs.
5. For the purposes of CPR Part 47 these proceedings be treated as concluded and pursuant to CPR Part 47.1 the Claimant's costs are to be assessed immediately.

We consent to the making of an
Order in the above terms

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Order in the above terms

GRO

Solicitors for the Claimant/
Part 20 Defendant

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Solicitors for the Defendant/
Part 20 Claimant

Dated2006

Schedule to Tomlin Order in Claim No: HQ05X02706

The Claimant and the Defendant agree the following terms in full and final settlement of the claims made by the Claimant against the Defendant.

1. The Defendant do by 4pm on Friday 8 December 2006 pay to the Claimant the sum of £25,858.95.
2. The Defendant do pay interest of £3,917.42 on the sum of £25,858.95 from 23 March 2004 until Friday 8 December 2006 and on any outstanding balance thereafter at the rate of 1% above the base rate of the Bank of England applicable from time to time during that period.
3. The Claimant do within 14 days of the date of this Order send to the Defendant a letter in the form attached hereto.
4. The Defendant do within 14 days of the date of this Order send to the Claimant a letter in the form attached hereto.
5. The Defendant undertakes to the Claimant that he will neither repeat his allegations about the Horizon system nor make any further allegations about the Horizon system or its functioning.

Signed _____
Bond Pearce LLP

Solicitors for the Claimant/
Part 20 Defendant
Ballard House
West Hoe Road
Plymouth PL1 3AE

Ref: SJD3/348035.134

GRO

Signed _____
Rowe Cohen

Solicitors for the Defendant/
Part 20 Claimant
Quay House
Quay Street
Manchester M3 3JE

Ref: MDT.113969

This is the letter referred to in paragraph 3 of the Schedule to this Order to be sent by the Claimant to the Defendant within 14 days of the date of this Order:

"The Post Office confirms that no allegation of dishonesty is or has been made against Mr Lee Castleton in claim number HQ 05 X 02706, arising from his tenure as sub-postmaster at Marine Drive Post Office, Bridlington. The claim brought by the Post Office was a claim for Mr Castleton to make good a shortfall showing in the accounts of the Marine Drive Post Office pursuant to his contractual obligations."

This is the letter referred to in paragraph 4 of the Schedule to this Order to be sent by the Defendant to the Claimant within 14 days of the date of this Order:

"I, Mr Lee Castleton, the former subpostmaster at Marine Drive Post Office, Bridlington, fully and unreservedly withdraw the allegations I have made about the operation of the Horizon system. I undertake not to repeat those allegations and/or make any further allegations about the Horizon system and/or its functioning."