

Miss Noelle Rawe

3 October 2003

Our ref: LM.eh.R360/1

Ext. 229

Also by Fax/Email -

Your ref:

Dear Noelle

Steel Services Limited -v- Yourself

I write further to the above and the outstanding correspondence. Dealing with your correspondence as follows:-

Your letter dated 29th September couriered to me on 30th September

Paragraph 1 and 1.1

At the time of dictating I am awaiting the return of the consent order from MRJ. I confirm that I have made the amendments in the letter to MRJ as referred to and that upon receipt of the signed consent order from MRJ I will forward it on to Mr Stewart at the LVT and will amend the draft letter to replace the word approve with the word seal.

Paragraph 1 and 1.2

I do not intend to deal with this aspect because it is now otiose.

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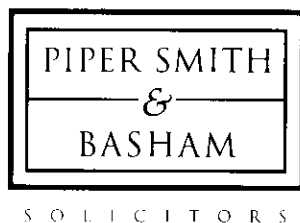
My Reply to
Paul Stadden's
Advice

Paragraph 2

I note that you do not wish me to suggest a joint letter from CKFT and ourselves to the LVT in relation to the reserve fund. In my letter to you of 5th September I did of course suggest that the joint letter to the LVT be in respect of all the issues not just the reserve fund issue. You go on to say "Hence, what I am seeking from the tribunal is". I have of course seen their letter of the 12th September to you in which they say they do not have the power to reopen a decision. We are not in fact asking them to "reopen" the decision but simply to clarify matters but I think it would be helpful if any further letters sent to the LVT was a joint letter by this firm and CKFT which may

(A) Compare this with Ms
McLean's notes of 28 Oct 03
meeting with Mr R Gallagher
+ the reply they sent to
CKFT on 13 Nov 03

See my 12 Oct 03 Reply



||| have more weight. We had also discussed asking CKFT to prepare proper specification so that the items that were insufficient could be properly detailed. If that exercise were undertaken it may then not be necessary to contact the LVT again and it seems to me that the simplest way of dealing with this matter would be to request proper detailed specification from CKFT. ||| (A)

Your letter of 21st September

Again I will not deal with the Section 20C application because that matter has now been decided.

Terms of your lease – I agree that the 2001 accounts do not include future costs that the lessor intends to incur. If you wish I can ask CKFT to confirm when the accounts for the year 2002 are expected. You may recall in the meeting that you had with myself and Richard Twyman that if the accountant certifies the £763,206.09 as reasonable based on the information he had at the time, then it would only be a serious breach of professional conduct if no other accountant, with the same information could possibly have come to the same conclusion. In any event we have not yet received the accounts for the year 2002 and no doubt we can address that situation as and when it arises. ||| (B)

Section 20C application

This point has been decided.

I accept that you had asked repeatedly for the specifications. Where does this point take us now?

(B) See 13 Nov 03
Reply sent to
CKFT - No
reference to this!

Disclosure

This has been dealt with in correspondence. I have sent the list to CKFT today. Copy enclosed for your information.

Costs

I sent you a bill under cover of my letter of 1st October together with cash statement showing a balance in your favour of £244.65.

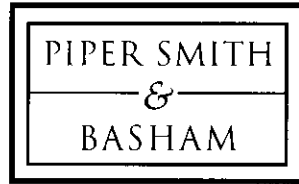


The next stage in this action is inspection. You have asked me to provide a cost estimate by stage, which I will attempt to do. In relation to the completion of the disclosure stage including collating the documents will take 3 to 4 hours at £125.00 per hour which equals about £500. The exchange of witness statements which is a very important and time-consuming stage will take a further 5 + hours. What I would suggest however is that following inspection we have a conference with counsel and your expert so that we can outline our strategy and concentrate on the main crux of the issues. The expert evidence will take a similar amount of time. Given the delay in respect of disclosure, which was unavoidable at my end, it may be that we need to agree to extend the timetable provided under the order of 26 August 2003. I can see no real problems in that. Perhaps you could contact Mr Brock and find out when he will be available in the next say three weeks so that we can have a conference. I myself will be out of the office from the 1st November and am not due to return until the 18th November and we need to have our conference and at least the skeleton of the witness statements prepared by that time. On the basis of the above I would be grateful if you could let me have a further sum of £1,500.00 on account of costs.

On payment of the sum of £1,500 you would then have paid £5,000.00 in total on account of costs including part only of counsel's fees. I really do understand your position in that as you have come this far that you have reached the point of no return but I think it would be remiss of me not to point out to you, as I have done before, the correlation between the costs paid to me and the sums allegedly due to your landlord. That is the reason why I think it is important for us to have a conference after we have had inspection and so are in possession of all the documents that both parties intend to rely on at trial so that we can take a view, on the way forward and hopefully if possible, see whether or not there is a way to resolve this matter at that stage rather than taking the matter to trial.

Please let me know as soon as possible both your and Mr Brock's available dates for a conference. I assume that you are content for me to continue using David Pliener who represented you at the County Court. At the moment his available dates for a conference at the 27th, 29th 30th or 31st October. This is because he has a two week trial commencing on the 27th October but it may well be that that trial will go off in which case he could do a conference earlier in the month. In any event let me know all the available dates for both you and Tim Brock and I will see what I can fix up.

Yours sincerely



S O L I C I T O R S

A large, stylized handwritten signature in black ink, appearing to be "L. McLean".

LISA MCLEAN
Litigation Assistant
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