

DEFENCE TO AMENDED FIRST CROSS CLAIM

(Filed pursuant to leave granted by Ball J on 15 December 2016)

COURT DETAILS

Court	Supreme Court of New South Wales
Division	Equity
Registry	Sydney
Case number	2015/306222

TITLE OF PROCEEDINGS

Plaintiff	Innes Creighton
Defendant	Australian Executor Trustees Limited (ACN 007 869 794)

TITLE OF CROSS CLAIM

First Cross-Claimant	Australian Executor Trustees Limited
Second Cross-Claimant	IOOF Holdings Limited
First Cross-Defendant	AXIS Specialty Europe SE
Second Cross-Defendant	Willis Australia Limited

FILING DETAILS

Filed for	AXIS Specialty Europe SE
Legal representative	Patrick Boardman, Wotton + Kearney
Legal representative reference	PJB 6154 RJS
Contact name and telephone	Richard Shankland, (02) 8273 9863

PLEADINGS AND PARTICULARS

In answer to the Pleadings and Particulars contained in the First Cross-Claim Amended Statement of Cross Claim filed on ~~20 June~~ 23 August 2016 (**First Cross Claim**) the First cross defendant (**AXIS**) relies on the following facts and assertions:

Parties

- 1 AXIS admits paragraph 1 of the First Cross Claim.
- 2 AXIS admits paragraph 2 of the First Cross Claim.
- 3 AXIS admits paragraph 3 of the First Cross Claim.
- 4 AXIS admits paragraphs 4 of the First Cross Claim.

4A AXIS admits paragraph 4A of the First Cross Claim.

4B AXIS admits paragraph 4B of the First Cross Claim.

Professional indemnity policies of insurance

5 AXIS admits paragraph 5 of the First Cross Claim.

6 AXIS admits paragraph 6 of the First Cross Claim.

7 As to paragraph 7 of the First Cross Claim, AXIS also relies on the terms of the 2011/2012 AXIS policy as if they were set out in full herein.

8 As to paragraph 8 of the First Cross Claim, AXIS:

a. says that the 2014/2015 AXIS policy was issued by AXIS and Chubb Insurance Company of Australia Ltd (Chubb) in the following proportions:

i. AXIS – 90%; and

ii. Chubb – 10%;

b. says that its limit of liability under the 2014/2015 AXIS policy is limited to 90%; and

c. otherwise admits paragraph 8.

9 AXIS admits paragraph 9 of the First Cross Claim.

10 As to paragraph 10 of the First Cross Claim, AXIS also relies on the terms of the 2014/2015 AXIS policy as if they were set out in full herein.

11 AXIS admits paragraph 11 of the First Cross Claim.

12 AXIS admits paragraph 12 of the First Cross Claim.

13 AXIS admits paragraph 13 of the First Cross Claim.

14 AXIS admits paragraph 14 of the First Cross Claim.

15 AXIS admits paragraph 15 of the First Cross Claim.

16 AXIS admits paragraph 16 of the First Cross Claim.

17 AXIS admits paragraph 17 of the First Cross Claim.

18 AXIS admits paragraph 18 of the First Cross Claim.

~~19~~ — ~~AXIS admits paragraph 19 of the First Cross Claim.~~

~~20~~ — ~~AXIS admits paragraph 20 of the First Cross Claim.~~

Provident Capital Limited

21 AXIS admits paragraph 21 of the First Cross Claim.

22 AXIS admits paragraph 22 of the First Cross Claim.

23 AXIS admits paragraph 23 of the First Cross Claim.

23A In further answer to paragraphs 21 to 23 of the First Cross Claim, AXIS says that by reason of the fact that Provident is insolvent within the meaning given by section 95A of the Corporations Act 2001 (Cth) (**the Act**):

- a. The holders of debentures issued by Provident under the Trust Deed, which were unpaid as at 18 September 2012, have not received a full return on their investments in the administration of Provident.
- b. On or about 16 April 2015, the receivers of Provident estimated that the likely return of principal to debenture holders of Provident would be in the region of 12 cents of every dollar invested.

24 AXIS admits paragraph 24 of the First Cross Claim.

25 AXIS admits paragraph 25 of the First Cross Claim.

25A In further answer to paragraph 25 of the First Cross Claim, prior to the transfer of the Creighton proceeding which is referred to in paragraph 25, on or about 26 June 2015 the applicant/plaintiff (**Creighton**) filed an Amended Statement of Claim in Federal Court of Australia proceeding VID790/2014 (**ASOC**).

26 As to paragraph 26 of the First Cross Claim, AXIS:

- a. will rely on the whole of ASOC for its full terms and effect; and
- b. otherwise admits paragraph 26.

26A In further answer to paragraph 26 of the First Cross Claim, the following matters are pleaded in the ASOC:

- a. on or about 16 November 2011, Creighton was issued with \$100,000 in debentures by Provident, pursuant to an application made on a form contained in Debenture Prospectus 2011 issued by Provident;

Particulars

- i. Para. 2 of the ASOC.
- b. AETL was at all relevant times the trustee for debenture holders of debentures issued by Provident under the provisions of Chapter 2L of the Act and under the Trust Deed;

Particulars

- i. Para. 3 of the ASOC.
- c. group members to whom the Creighton proceeding relates are all persons who were on 18 September 2012 when Provident entered voluntary administration, holders of debentures issued by Provident;

Particulars

- ii. Para. 4.1 of the ASOC.
- d. at all relevant times Provident's business activities involved, as AETL knew, borrowing money from investors by issuing debentures and loaning the funds raised to third-party borrowers, primarily for property investment, on a first-mortgage basis;

Particulars

- iii. Para. 10 of the ASOC.
- e. at all relevant time from at least 24 December 2008, AETL knew that Provident did not satisfy the benchmark stated by ASIC in Regulatory Guide 69 as to equity ratio (benchmark 1) and credit rating (benchmark 4);

Particulars

- iv. Para. 19 of the ASOC.
- f. Creighton and each group member has suffered loss and damage;

Particulars

- v. Paras. 24AV and 50 of the ASOC.
- g. by no later than 22 October 2010 AETL knew, or ought to have known that ~~from time to time, Provident should have measured its performance against benchmark 1 in ASIC's Regulatory Guide 69 on the basis that it should maintain a minimum equity ratio of 20%;~~

Particulars

- vi. Para. 33.2 of the ASOC.

Claims for indemnity and damages against AXIS, Liberty and Chubb

2011/2012 AXIS policy

27 As to paragraph 27 of the First Cross Claim, AXIS:

- a. ~~says admits~~ that on 27 June 2012 AETL (through Willis) notified AXIS of ~~certain~~ circumstances ~~that might give rise to a claim against AETL~~ (**the Notification**);
- b. says that the Notification consisted of:
 - i. an email from Pegah Vaghaye of Willis to Olympia Samolis of AXIS (**27 June Email**) which forwarded an email from Michael Stanelos, the Commercial Manager and Assistant Company Secretary of IOOF Holdings Pty Limited, to Pegah Vaghaye of Willis (**the Stanelos Email**); and
 - ii. the documents that were attached to the Stanelos Email;
- c. will rely on the whole of 27 June Email for its full terms and effect;
- d. ~~otherwise admits paragraph 27 does not admit that:~~
 - i. the circumstances in the notification constituted facts that might give rise to the claim made against AETL in these proceedings; or
 - ii. AETL gave notice of such facts as soon as was reasonably practicable after AETL became aware of them.

28 As to paragraph 28 of the First Cross Claim, AXIS:

- a. admits that on 4 August 2014 Kelly Butler of Willis sent an email to Robyn Fraser of AXIS (**4 August 2014 Email**);
- b. ~~Says that the 4 August 2014 Email consisted of:~~
 - i. an email from Kelly Butler of Willis to Robyn Fraser of AXIS which forwarded an email dated 4 August 2014 from Michael Stanelos of IOOF Holdings Pty Limited to Kelly Butler of Willis (**the 4 August 2014 Stanelos Email**); and
 - ii. the documents that were attached to the 4 August 2014 Stanelos Email which included:
 1. a letter dated 28 July 2014 from Meridian Lawyers addressed to the "Debenture Holder, Provident Capital Debenture Scheme, Operated by Provident Capital Limited (Receivers & Managers Appointed) (in liquidation)"; and
 2. attached documents referred to in the letter from Meridian.
- c. will rely on the whole of 4 August 2014 Email for its full terms and effect;
- d. says that the contents of the 4 August 2014 Email concerned subject matter that was the subject of the Notification;
- e. otherwise denies para. 28.

29 As to paragraph 29 of the First Cross Claim, AXIS:

- a. admits that on 28 August 2014 Kelly Butler of Willis sent an email to Robyn Fraser of AXIS (**28 August 2014 Email**);
- b. Says that the 28 August 2014 Email consisted of:
 - i. an email from Kelly Butler of Willis to Robyn Fraser of AXIS which forwarded an email dated 28 August 2014 from Michael Stanelos, the Commercial Manager and Assistant Company Secretary of IOOF Holdings Pty Limited, to Kelly Butler of Willis (**the 28 August 2014 Stanelos Email**); and

ii. the document that was attached to the 28 August 2014 Stanelos Email being a letter dated 18 August 2014 from Slater + Gordon addressed to the "Dear Debenture Holder" and bearing the subject line "Provident Capital Limited (Receivers & Managers Appointed) (In Liquidation)";

c. will rely on the whole of 28 August 2014 Email for its full terms and effect;

d. says that the contents of the 28 August 2014 Email concerned subject matter that was the subject of the Notification;

e. otherwise denies para. 29.

30 As to paragraph 30 of the First Cross Claim, AXIS:

a. admits that AXIS sent a letter to Willis dated 16 March 2015 (**16 March 2015 Letter**);

b. will rely on the whole of the 16 March 2015 Letter for its full terms and effect;

c. otherwise admits para. 30.

31 As to paragraph 31 of the First Cross Claim, AXIS:

a. admits that AXIS sent a letter to Willis dated 3 September 2015 (**3 September 2015 Letter**);

b. will rely on the whole of the 3 September 2015 Letter for its full terms and effect;

c. otherwise admits para. 31.

32 AXIS denies paragraph 32 of the First Cross Claim and says that:

a. the claim was not first made against AETL during the term of the 2011/2012 AXIS policy;

b. On its proper construction, exclusion clause 3.16 of the 2011/2012 AXIS policy does apply with respect to the Creighton proceeding; and

c. it is not liable to indemnify AETL under the 2011/2012 AXIS policy with respect to the Creighton proceeding.

32A In further answer to paragraph 32 of the First Cross Claim, AXIS repeats paras. 23A and 26A of this Defence and says as follows:

- a. Pursuant to clause 2.1 of the Trust Deed, Provident could at any time issue debentures to any person who applied for them under the Trust Deed.
- b. Prior to 18 September 2012 pursuant to the Trust Deed Provident had issued debentures to over approximately 3,000 Debenture holders, including the applicant in the Creighton proceeding (**Creighton**) and the group members described in paragraph 4 of the ASOC.
- c. At the time they were issued and at all times thereafter, all of the debentures that Provident issued pursuant to the Trust Deed were unlisted.

Particulars

- i. AETL has made this admission in para. 43 of the First Cross Claim.
 - ii. The debentures were not listed or quoted on a market or exchange.
 - iii. The debentures were not listed or quoted on a securities market or exchange.
 - iv. The debentures were not listed or quoted on the Australian Securities Exchange (**ASX**).
 - v. The debentures were not traded on a secondary market or exchange.
 - vi. The debentures could not be traded on a secondary market or exchange.
 - vii. The debentures were not and could not be traded on the ASX.
- d. Further or in the alternative to sub-para. 32A(c), at the time they were issued and at all times thereafter the debentures that were issued by Provident pursuant to each debenture prospectus that was issued by Provident on and after 19 November 2004, were unlisted.

Particulars

- i. Debenture Prospectus 7 dated 19 November 2004 at page 7;
- ii. Debenture Prospectus 8 dated 25 November 2005 at page 8;
- iii. Debenture Prospectus 9 issued in 2006 (precise date not known);
- iv. Debenture Prospectus 10 dated 18 December 2007;

- v. Supplementary Prospectus for Prospectus 10 dated 29 February 2008.
 - vi. Debenture Prospectus 11 dated 23 December 2008 pages 8, 21;
 - vii. Debenture Prospectus 12 dated December 2009 pages 6, 21;
 - viii. Provident Capital Prospectus 2011 dated 22 December 2010 pages 4, 20;
 - ix. Provident Capital Prospectus 14 dated 16 December 2011 page 4, 20;
 - x. AXIS also repeats the particulars to para. 32A(c).
- e. Further or in the alternative to sub-paras. 32A(c) and (d), at the time they were issued and at all times thereafter the debentures that are referred to in para. 2 the ASOC were unlisted.

Particulars

- xi. AXIS repeats the particulars to para. 32A(c) and (d).
- f. Further or in the alternative to paras. 32A(c), (d) and (e), at the time they were issued and at all times thereafter the debentures that are referred to in para. 4.1 of the ASOC were unlisted.

Particulars

- i. AXIS repeats the particulars to paras. 32A(c) and (d).
- g. At the time they were issued and at all times thereafter, all of the debentures that Provident issued pursuant to the Trust Deed were unrated.

Particulars

- i. AETL has made this admission in para. 43 of the First Cross Claim.
- ii. The debentures had not received a credit rating from a credit rating agency or an organisation that provides a credit rating (**CRA**).
- iii. The debentures had not received a credit rating from a CRA which at the relevant times held an exemption for their credit rating services under ASIC Class Order [CO 03/1093] *Credit rating Agencies as amended* by ASIC Class Order [CO 05/415]

- iv. The debentures had not received a credit rating from a CRA a credit rating agency operating in Australia which held an Australian Financial Services (AFS) license.
- h. Further or in the alternative to sub-para. 32A(g), at the time they were issued and at all times thereafter the debentures that were issued by Provident pursuant to every debenture prospectus that was issued by Provident on and after 19 November 2004, were unrated.

Particulars

- i. AXIS repeats the particulars to para. 32A(d) and (g).
- i. Further or in the alternative to sub-para. 32A(g) and (h), at the time they were issued and at all times thereafter the debentures that are referred to in para. 2 the ASOC were unrated.

Particulars

- i. AXIS repeats the particulars to sub-para. 32A (d) and (g).
- j. Further or in the alternative to paras. 32A(g), (h) and (i), at the time they were issued and at all times thereafter the debentures that are referred to in para. 4.1 of the ASOC were unrated.

Particulars

- i. AXIS repeats the particulars to sub-para. 32A(d) and (g).

33 AXIS admits paragraph 33 of the First Cross Claim.

34 As to paragraph 34 of the First Cross Claim, AXIS:

- a. AXIS denies that the withdrawal of indemnity that is referred to was wrongful;
- b. otherwise denies paragraph 34.

2014/2015 Axis Policy

35 AXIS denies paragraph 35 of the First Cross Claim.

35A In further answer to paragraph 35 of the First Cross Claim, AXIS:

- a. says that on its proper construction, exclusion clause 3.11 of the 2014/2015 AXIS policy applies with respect to the Creighton proceedings; and
 - b. says that AXIS is not liable to indemnify AETL under the 2014/2015 AXIS policy with respect to the Creighton proceedings;
-
- c. says that further, AXIS is not liable to indemnify AETL under the 2014/2015 AXIS policy with respect to the Creighton proceeding for the reasons set out in paragraph 36(e) of this Defence.

36 As to paragraph 36 of the First Cross Claim, AXIS:

- a. Admits that on 30 November 2015, Andrew Dawson of Willis sent an email to Heather Ballantyne and Tony Haynes Hynes of AXIS (**the 30 November 2015 Email**);
- b. Says that attached to 30 November 2015 Email was a letter dated 30 November 2015 from AETL (Stanelos) to Willis (Dawson) concerning the Creighton proceeding (**30 November 2015 Letter**);
- c. Says that that the 30 November 2015 Letter said in part:

*"I refer to the Financial Institution's Professional Indemnity policy of insurance in force for the period of insurance from 30 November 2014 to 30 November 2015 insuring IOOF Holdings Ltd (**IOOF**) and its subsidiaries (**the policy**).*

*Australian Executor Trustees Ltd (**AET**) a subsidiary of IOOF and is therefore an Insured pursuant to the policy.*

...

This notification is without prejudice to any notifications made by AET under earlier policies of insurance with respect to the facts and matters recorded in this notification.

2 Background

*In the period from about 7 December 2004 to 18 September 2012, AET was the trustee appointed under a Debenture Trust Deed between AET and Provident Capital Limited (**Provident**).*

The Debenture Trust Deed was governed by Chapter 2L of the Corporations Act 2001 (Cth) (Act).

Provident issued debentures to members of the public.

~~*On 18 September 2012, Provident entered voluntary administration.*~~

The holders of debentures issued by Provident, which were unpaid as at the date of administration, have not received a full return on their investments in the administration of Provident."

- d. will rely on the whole of the 30 November 2015 Email and the 30 November 2015 Letter for their full terms and effect;
- e. says that the contents of the 30 November 2015 Letter concerned subject matter that was the subject of the Notification and in the circumstances did not constitute the giving by AETL of written notice to AXIS of a "Claim" (as defined) under clause 5.1 of the 2014/2015 AXIS policy;
- f. says that the Creighton proceeding arose from facts and circumstances that were notified to AXIS in the Notification;
- g. otherwise denies para. 36.

37 As to AXIS denies paragraph 37 of the First Cross Claim, AXIS:

a. repeats paragraph 27 of this Defence;

a.b. denies that AET is entitled to be indemnified under the 2011/2012 AXIS policy or the 2014/2015 AXIS policy with respect to the Creighton proceeding as alleged or at all;

b.c. otherwise admits paragraph 37.

38 AXIS admits paragraph 38 of the First Cross Claim and repeats paragraphs. 35A and 36 of this Defence.

39 As to paragraph 39 of the First Cross Claim, AXIS:

- a. repeats paragraphs 35A and 36 of this Defence;
- b. denies that the 2014/2015 AXIS policy applies with respect to the Creighton proceeding as alleged or at all; and

c. Otherwise denies paragraph 39.

40 As to paragraph 40 of the First Cross Claim, AXIS:

- a. repeats paragraphs 35A and 36 of this Defence;
- b. denies that the declinature of indemnity that is referred to was wrongful; and
- c. otherwise denies paragraph 40.

2011/2012 Liberty policy

40A AXIS does not admit paragraph 40A of the First Cross Claim.

40B In answer to paragraph 40B of the First Cross Claim, AXIS:

- a. repeats its answer to paragraph 27 of the First Cross Claim;
- b. does not admit paragraph 40B(b) of the First Cross Claim;
- c. denies paragraph 40B(c) of the First Cross Claim;
- d. denies paragraph 40B(d) of the First Cross Claim insofar as it asserts that AXIS was liable to indemnify AET under the 2011/2012 AXIS Policy; and
- e. otherwise does not admit paragraph 40B of the First Cross Claim.

40C AXIS does not admit paragraph 40C of the First Cross Claim.

40D AXIS does not admit paragraph 40D of the First Cross Claim.

40E AXIS denies paragraph 40E of the First Cross Claim.

40F AXIS does not admit paragraph 40F of the First Cross Claim.

40G AXIS does not admit paragraph 40G of the First Cross Claim.

2014/2015 Liberty policy

40H AXIS does not admit paragraph 40H of the First Cross Claim.

40I AXIS does not admit paragraph 40I of the First Cross Claim.

40J AXIS does not admit paragraph 40J of the First Cross Claim.

40K AXIS does not admit paragraph 40K of the First Cross Claim.

40L AXIS denies paragraph 40L of the First Cross Claim.

40M AXIS does not admit paragraph 40M of the First Cross Claim.

2011/2012 Chubb policy

40N AXIS does not admit paragraph 40N of the First Cross Claim.

40O In answer to paragraph 40O of the First Cross Claim, AXIS:

- a. repeats its answer to paragraph 27 of the First Cross Claim;
- b. does not admit paragraph 40O(b) of the First Cross Claim;
- c. denies paragraph 40O(c) of the First Cross Claim;
- d. denies paragraph 40O(d) of the First Cross Claim insofar as it asserts that AXIS was liable to indemnify AET under the 2011/2012 AXIS Policy; and
- e. otherwise does not admit paragraph 40O of the First Cross Claim.

40P AXIS does not admit paragraph 40P of the First Cross Claim.

40Q AXIS does not admit paragraph 40Q of the First Cross Claim.

40R AXIS denies paragraph 40R of the First Cross Claim.

40S AXIS does not admit paragraph 40S of the First Cross Claim.

40T AXIS does not admit paragraph 40G of the First Cross Claim.

2014/2015 Chubb/AXIS policy

40U AXIS denies paragraph 40U of the First Cross Claim.

40V AXIS does not admit paragraph 40V of the First Cross Claim.

40W AXIS denies paragraph 40W of the First Cross Claim.

40X AXIS admits paragraph 40X of the First Cross Claim.

40Y AXIS denies paragraph 40Y of the First Cross Claim.

40Z AXIS denies paragraph 40Z of the First Cross Claim.

Alternative basis of claim under Section 54

- 41 As to paragraph 41 of the First Cross Claim, AXIS:
- a. AXIS repeats paragraphs 23A, 26A and 32A of this Defence; and
 - b. Otherwise denies paragraph 41;
 - c. Says that:
 - i. On its proper construction, exclusion clause 3.16 of the 2011/2012 AXIS policy does apply with respect to the Creighton proceeding; and
 - ii. AXIS is not liable to indemnify AETL under the 2011/2012 AXIS policy with respect to the Creighton proceeding.
- 42 As to paragraph 42 of the First Cross Claim, AXIS:
- a. admits that the effect of exclusion 3.16 of the 2011/2012 AXIS policy is that AXIS and Chubb will not indemnify AETL under the 2014/2015 AXIS policy for any "Claim" (as defined) directly or indirectly arising from the insolvency or external administration of any issuer of unlisted and / or unrated debentures or promissory notes;
 - b. repeats paragraph 41(c) of the Defence;
 - c. otherwise does not admit paragraph 42.
- 43 AXIS does not admit paragraph 43 of the First Cross Claim but says that:
- a. it agrees that the debentures were not listed or rated;
 - b. Provident did not omit to obtain a listed or rating of the debentures (as the term "omit" would be understood).
- 44 AXIS denies paragraph 44 of the First Cross Claim and says that there was no such omission.
- 45 AXIS denies paragraph 45 of the First Cross Claim and says that:
- a. there was no such omission; and

- b. if (which is denied) there was such an omission as pleaded in paragraph 43, then such omission could reasonably be regarded as being capable of causing or contributing to the loss.

46 AXIS denies paragraph 46 of the First Cross Claim.

46A In answer to paragraph 46A of the First Cross Claim AXIS:

- a. repeats its answers to paragraphs 41 to 46 of the First Cross Claim;
- b. otherwise does not admit paragraph 46A of the First Cross Claim.

Estoppel

47 AXIS denies paragraph 47 of the First Cross Claim.

48 As to paragraph 48 of the First Cross Claim, AXIS:

- a. repeats paragraphs 30 and 31 of this Defence;
- b. otherwise denies paragraph 48.

49 AXIS admits paragraph 49 of the First Cross Claim.

50 As to paragraph 50 of the First Cross Claim, AXIS:

- a. repeats paragraph 48 of this Defence;
- b. otherwise does not admit paragraph 50.

51 As to paragraph 51 of the First Cross Claim, AXIS:

- a. repeats paragraphs 30 and 31 of this Defence;
- b. otherwise denies paragraph 51.

52 AXIS denies paragraph 52 of the First Cross Claim and further says that:

- a. Other than that AETL does not have the benefit of indemnity under the 2011/2012 AXIS Policy, AXIS does not admit the matters set out as particulars;
- b. AETL has not suffered detriment;

- c. The matters identified in paragraph 52 of the First Cross Claim do not constitute detriment; or that
- d. If any of the matters identified in paragraph 52 of the First Cross Claim do constitute detriment, the detriment is not substantial but minimal and/or speculative.

- 53 As to paragraph 53 of the First Cross Claim, AXIS:
- a. repeats paragraphs 30 and 31 of this Defence;
 - b. otherwise denies paragraph 53.
- 54 As to paragraph 54 of the First Cross Claim, AXIS:
- a. repeats paragraphs 30 and 31 of this Defence;
 - b. otherwise denies paragraph 54.
- 55 AXIS denies paragraph 55 of the First Cross Claim.
- 56 AXIS denies paragraph 56 of the First Cross Claim.
- 57 AXIS denies paragraph 57 of the First Cross Claim.
- 58 AXIS denies paragraph 58 of the First Cross Claim.

Claims against Willis

- 59 AXIS does not plead to paragraphs 59 to 70 (inclusive) of the First Cross Claim as no allegations are made against it in those paragraphs.

SIGNATURE OF LEGAL REPRESENTATIVE

I certify under clause 4 of Schedule 2 to the *Legal Profession Uniform Law Application Act 2014* that there are reasonable grounds for believing on the basis of provable facts and a reasonably arguable view of the law that the defence to the claim for damages in these proceedings has reasonable prospects of success.

Signature



Capacity

SOLICITOR OF THE FIRST CROSS DEFENDANT

Date of signature

21 December_2016

AFFIDAVIT VERIFYING

Name Georgina Haddad
Address Level 21, 45 Clarence Street, Sydney NSW 2000
Occupation Senior Claims Officer
Date 21 December 2016

I say on oath:

- 1 I am employed as a Senior Claims Officer of the First Cross-Defendant and I am authorised to make this affidavit on its behalf.
- 2 As to any allegations of fact in this Defence to the First Cross Claim (**Defence**), I believe that the allegations are true.
- 3 As to any allegations of fact that the Defence denies, I believe that the allegations are untrue.
- 4 As to any allegations of fact that the Defence does not admit, after reasonable inquiry I do not know whether or not the allegations are true.

SWORN AT SYDNEY.

Signature of deponent 

Name of witness JAMES PATRICK BARRONAN

Address of witness LVL 20 85 CASTLEREAGH ST SYDNEY

Capacity of witness SOLICITOR OF FIRST CROSS-DEFENDANT

And as a witness, I certify the following matters concerning the person who made this affidavit (the **deponent**):

- 1 I saw the face of the deponent.
- 2 I have known the deponent for at least 12 months.

 Identification document relied on (may be original or certified copy)

Signature of witness



Note: The deponent and witness must sign each page of the affidavit. See UCPR 35.7B.