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**From:** Ailie Wilson  
**Sent:** 07 September 2009 14:59  
**To:** Alan Coyle  
**Subject:** FW: Phase 1b Payment  
**Attachments:** Phase 1b; Phase 1b; BSC1957Ph1b.PDF

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**From:** Donald McGougan  
**Sent:** 27 August 2009 15:30  
**To:** Ailie Wilson  
**Subject:** FW: Phase 1b Payment

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**From:** Stewart McGarrity [<mailto:Stewart.McGarrity@tie.ltd.uk>]  
**Sent:** 27 August 2009 14:56  
**To:** Donald McGougan  
**Cc:** Richard Jeffrey; Steven Bell  
**Subject:** Phase 1b Payment

Donald,

Yesterday at the Board you asked for copies of DLA advice on the decision to pay Phase1b. Attached are two emails from DLA written in response to a request from us to come up with good reason(s) not to pay the £3.2m. In the event we considered that on balance our justification was not strong or conclusive and the consequences could be handing them a quick win in the general commercial engagement or, ironically, a successful demonstration that we were in serious breach of contract. We therefore reluctantly made the payment but wrote reserving all our rights to circle back on the validity of their entitlement to the money (see the letter from us to BSC also attached).

One way to go back at BSC on this issue would be to trigger a dispute on this issue and get a DRP in front of an adjudicator to decide if their Phase1b submission was compliant with an expert witness to back it up – guaranteed to make BSC uncomfortable and the best way to build our case properly beforehand.

Hope this is helpful and please give me a call if you want to discuss this further.

Regards,  
Stewart

Stewart McGarrity  
Finance Director  
tie Limited  
Mobile [REDACTED]

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