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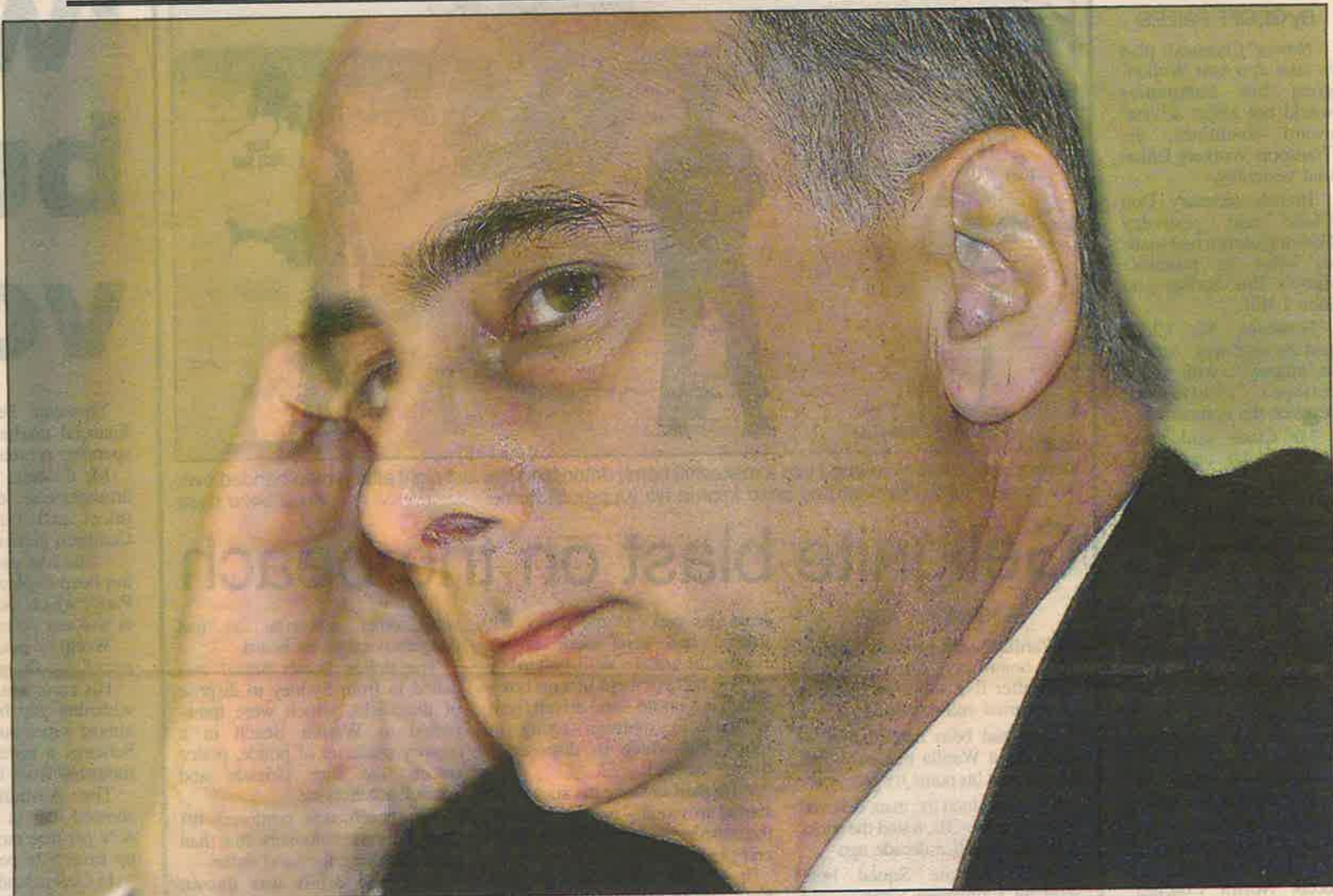
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STORY PAGE 48

How a dispute over \$80,000 cost the Lord Mayor \$2.5 mil



It's over ... Lord Mayor George Harrison will have to pay out \$2.5 million after the NSW Court of Appeal yesterday confirmed an earlier ruling that he had bullied and exploited former business partner Delcie Schipp in two property deals.

'I'LL PAY'

Harrison loses court appeal

By LISA CARTY

Wollongong Lord Mayor George Harrison agreed last night to pay his former business partner Delcie Schipp the \$630,000 a court said he owed her.

His decision came after the NSW Court of Appeal delivered a delighted Mrs Schipp a comprehensive victory in a legal saga which began with a dispute about \$80,000 in 1988.

When told her adversary had agreed to cough up, Mrs Schipp said: "Wow! Wow! That's fantastic. It would be my dream come true.

"Thank God for that."

A shaken Councillor Harrison said the case was likely to cost him as much as \$2.5 million including legal fees and the payout to Mrs Schipp.

The Lord Mayor's surrender ended a bitter 13-year battle - including 10 years in court - which would have ended his political career if it had pushed him into bankruptcy.

He had fought tooth and nail against the Supreme Court's 1998 ruling that he and former Wollongong real estate agent Don Cameron owed Mrs Schipp the money because they had bullied and exploited her in two property development deals.

Last night Cr Harrison said he would have to pay the whole amount because Mr Cameron, who has moved to Sydney, was in dire financial circumstances.

In May last year the men told the full bench of the



Delcie Schipp outside the Supreme Court yesterday with her victorious legal team.
Picture: SYLVIA VINCENT

Court of Appeal that Mrs Schipp had entered the deals of her own free will.

But yesterday the bench threw out the men's appeal and agreed with the original findings of Justice Cliff Einstein.

Cr Harrison, who was not in court, had been confident of victory and said he was stunned when his solicitor rang him with the bad news.

"I am very disappointed ... I waited nine months and I expected an equitable result," he said.

"I am going to pay her and get on with my life. It will be at great personal cost but the decision has been made and I feel obliged to abide by the decision."

Despite his barrister's claims to the court in December 1999 that Cr Harrison did not have the money or assets to cover the debt, Cr Harrison said he could pay up.

He would make the payment through companies, he said, but declined to be more specific.

The case centred on a proposed development in
CONTINUED PAGE 3

Life starts afresh as ruling ends 13-year saga

Stunned Harrison agrees to pay up



An ecstatic Delcie Schipp outside the NSW Supreme Court yesterday. The Appeal Court ruling ended a 13-year battle for the Wollongong woman. Picture: SYLVIA VINCENT

FROM PAGE 1

Mary St, Thirroul, and an office block planned for Market St, Wollongong.

At the centre of the saga was a dispute about \$80,000 - money that Mrs Schipp claimed was hers after the three made their first deal over the Thirroul development.

Mr Justice Einstein found the men had not only kept Mrs Schipp's \$80,000 but had also coerced her into the Market St deal, which failed.

Mr Justice Einstein found the men had lied under oath and had bullied a naive and vulnerable woman.

Mrs Schipp's solicitor, Mark Addison, speaking after her victory yesterday, said the decision confirmed the original decision that the men had acted dishonestly and had taken advantage of Mrs Schipp.



CR HARRISON

Yesterday's decision said the trial judge had had "ample evidence" that Cr Harrison and Mr Cameron had gained the use of Mrs Schipp's money "by unconscionable conduct".

Justice Terry Fitzgerald, one of three judges who heard the appeal, said: "Circumstances which made Mrs Schipp vulnerable made Mr Cameron and Mr Harrison liable when they exploited her vulnerability.

"Mr Cameron and Mr Harrison took advantage of Mrs Schipp. Although her will was not overborne, the information she was given was inaccurate and incomplete."

A happy ending for 'naive' Delcie

By LISA CARTY

It was one of those things that seemed like such a good idea at the time.

The proposition was appealing in its simplicity. Delcie Schipp would buy land in Mary St Thirroul for \$150,000 and real estate agent Don Cameron, with whom she had had previous dealings, would develop it with his mate George Harrison.

They'd put three townhouses on the site, which sits adjacent to north Thirroul Beach, make a motza and split the profit three ways.

But the 1988 alliance between Mrs Schipp, a divorcee looking for ways to shore up her

\$360,000 Family Court settlement, Mr Harrison, a solicitor who is now Wollongong's Lord Mayor, and Mr Cameron, went catastrophically wrong.

The reason? They never discussed what would happen to their partnership if the land was sold in its undeveloped state.

In the event, that's what happened. Mr Harrison's bank was pressuring him about his debt level and he and Mr Cameron "persuaded" Mrs Schipp, found by the Court of Appeal to be naive and vulnerable, that the townhouse plan was not viable.

They told her she should sell and she did - for a massive profit.

Her \$150,000 investment turned into \$317,000 and naturally she was delighted.

After costs she had a profit of about \$120,000, a profit which she thought was clearly hers.

The men's part of the deal had been to develop the site and that hadn't happened, her legal team told a Supreme Court trial in 1998.

So Councillor Harrison and Mr Cameron were out of the loop, the court was told.

The men disagreed. They claimed they were each entitled to a third-share of the profit.

That's when it got ugly. So ugly, in fact, that one of their fiery encounters came to be known at the trial as "the roaring meeting" because of the way Mrs Schipp was yelled at.

Their relationship became so bitter that Mrs Schipp consulted two other solicitors because she feared she would never receive the extra money she thought was hers.

In the end she agreed to stay with the men for a second deal in Kembla St, where they wanted to build an office block.

The Harrison/Cameron team argued that that put paid to her claims of intimidation - if she was so scared of them, why on earth would she agree to a second joint venture?

Rubbish, said the Schipp camp. Sticking with them was the only way she could get her \$80,000 back. In her own words, she had to "hang in there".

In the end Mrs Schipp proved herself more than capable of hanging in - she stuck with it for 13 years.

For 10 of those years, as her solicitor Mark Addison pointed out yesterday, the case was on foot in the Supreme Court.

At 10.15am yesterday - almost six hours after Mrs Schipp woke in her Wollongong unit - Justice Terry Fitzgerald delivered a knockout blow to her rivals.

He issued the 76-page decision penned by Justice Roger Giles, a decision with which he and the third appeal judge Ken Handley agreed.

Mrs Schipp was ecstatic. Outside the court she declared she would be able to start a new life, now that the pressure was lifted.

If she had lost she would have faced financial ruin, she said.

"I am pleased it's over but the result was never in doubt," she said.

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