

Bizarre twist: now Schipp owes Vania

By LISA CARTY

What goes around comes around - just ask Wollongong Lord Mayor and solicitor George Harrison.

In the latest bizarre move in his long-running dispute with former business partner Delcie Schipp, she has to pay his wife Vania \$750,000.

The twist in the case involves a deal between Councillor Harrison and his solicitors' insurance company - a deal which protects it from legal action from him, in return for "transferring" a debt Mrs Schipp owes the company.

And, just as Mrs Schipp has threatened the Lord Mayor with bankruptcy in order to get the \$1.2 million he owes her after a court case, Mrs Harrison is threatening bankruptcy proceedings against Mrs Schipp.

Confused? This is how it happened:

□ When Mrs Schipp launched legal proceedings against Cr Harrison in the mid-1990s she asked Lawcover - which provides professional indemnity insurance for solicitors - into the case. She did that as a safeguard, to make sure she received any money that the court order she receive.

□ That tactic fell apart when Supreme Court judge Cliff Einstein made damning findings against Cr Harrison, including one that he "was content to lie under oath". The insurance policy was designed to cover incompetence but became null and void if there was a finding of dishonesty against the policyholder - Cr Harrison.

□ So while Mrs Schipp won her case against Cr Harrison (Justice Einstein order he pay her nearly \$700,000 - with interest and costs that is now about \$1.2 million) she was ordered to pay Lawcover's legal costs, now put at around \$750,000.

□ That debt to Lawcover has been lingering on the sidelines while Cr Harrison and Mrs Schipp continue to slug it out in court.

□ Cr Harrison's claims that he has uncovered "fresh evidence" in the case - evidence which would have seen him win the original case, and the subsequent appeal - seem set to be heard by the full bench of the Court of Appeal, probably next March.

□ According to Cr Harrison, the prospect of the "fresh evidence" being heard alarmed Lawcover because it means he might ultimately win the case.

□ Concerned that it might be open to legal action from Cr Harrison if he wins, Lawcover agreed to a settlement with him which protects it from future legal action. In return for that protection, Lawcover "gave" the Schipp debt to Mrs Harrison, Cr Harrison said.

Lawcover refused to comment, as did Mrs Schipp's solicitors.

In real terms, the effect on her of this latest manoeuvring is negligible - she was always going to have to surrender \$750,000 of her payment. Only now she'll have to pay Mrs Harrison, not Lawcover.

But the effect on the Harrisons is substantial.

If - and it's a big if, given that he has promised to fight it all the way to the High Court - he ever pays her, more than half the money will come straight back into the Harrison family coffers.

The push to have the "fresh evidence" reviewed in court was, the *Mercury* understands, made with the consent of Mrs Schipp's solicitors.

The "fresh evidence" was allowing Cr Harrison means to delay her bankruptcy moves against him.

No doubt if Mrs Harrison brings on the bankruptcy action against Mrs Schipp, her team will point out that



BIZARRE MOVE: Wollongong Lord Mayor George Harrison.



LEGAL COSTS: Mr Harrison's ex-business partner Delcie Schipp.



LAWCOVER DEAL: Mr Harrison's wife Vania.

she can't pay the money until Cr Harrison pays her. Mrs Schipp's legal team always has argued that the alleged "fresh evidence" is not fresh and in fact was dealt with at the trial.

In the past three months, two judicial officers - one in the Supreme Court and one in the Federal Court - have cast doubt on the freshness of the evidence.

The case stems back to a business partnership which ended acrimoniously in the late 1980s after a dispute about profit sharing.

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