

IN THE UNITED STATES FEDERAL COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

AURUM ASSET MANAGERS LLC,	:	
as successor-in-interest to	:	
EVERGREEN NATIONAL INDEMNITY COMPANY,	:	
as successor-in-interest to	:	
SUMMIT FIDELITY & SURETY COMPANY,	:	
	:	
PETITIONER,	:	No: 08-mc-102
	:	
v.	:	
	:	
BANCO DO ESTADO DO RIO GRANDE DO SOL,	:	
as successor to	:	
COMPANHIA UNIÃO DE SEGUROS GERAIS,	:	Electronically Filed
now known as	:	
BRDESCO AUTO/RE COMPANHIA DE SEGUROS,	:	
	:	
AND	:	
	:	
BRDESCO COMPANHIA DE SEGUROS,	:	
	:	
RESPONDENTS.	:	

**PETITION TO CONFIRM AMENDED ARBITRATION AWARD
AND ENTER JUDGMENT**

Petitioner, Aurum Asset Managers, LLC (“Aurum”), acting through its undersigned counsel, for its Petition for an Order and Judgment pursuant to Sections 9 and 6 of the Federal Arbitration Act, 9 U.S.C. § 1 et seq., for (a) confirming the January 17, 2012 Final Award for Arbitration (“Final Award”), (b) entering Judgment thereon pursuant to the Proposed Order and Judgment, and (c) granting Aurum such other and further relief as this Court deems just and equitable, alleges:

THE PARTIES

1. Petitioner, Aurum, is a corporation of the Commonwealth of Pennsylvania, which maintains its principal place of business at P.O. Box 194, Lionville, Pennsylvania 19353, U.S.A.

2. Evergreen National Indemnity Company (“Evergreen”), formerly doing business as Summit Fidelity & Surety Company (“Summit Fidelity”), is an Ohio domiciled insurance company.
3. Respondent, Bradesco Companhia de Seguros (“Bradesco”), is an insurance and reinsurance company domiciled in Brazil.
4. Respondent, Banco do Estado do Rio Grande do Sul (“Banrisul”), is a financial institution domiciled in Brazil.
5. Companhia União de Seguros Gerais (“União”) was a reinsurance company domiciled in Brazil.
6. Bradesco Auto/RE Companhia de Seguros (“Bradesco Auto/RE”) is a reinsurance company domiciled in Brazil that is a 100% owned subsidiary of Bradesco.
7. Upon information and belief Bradesco or Bradesco Auto/RE is the ultimate successor-in-interest to União.

JURISDICTION & VENUE

8. Venue is proper in this district pursuant to 28 U.S.C. § 1391 as Aurum resides in this district and is subject to personal jurisdiction in this district. Further, a substantial part of the events and omissions giving rise to Aurum’s claims against Respondents occurred in this district.
9. Moreover, jurisdiction is proper in this district pursuant to the Federal Arbitration Act because the Arbitration Award which Aurum seeks to confirm was rendered in this district. See 9 U.S.C. § 9.

PRAYER FOR RELIEF

10. Over the course of many years, Aurum has made every effort to reach an amicable resolution with the Respondents, but to no avail.
11. In an effort to recover the balances owed Aurum, a Demand for Arbitration was served on the Respondents on January 12, 2007 (attached hereto as Exhibit "A").
12. Although Respondents were kept apprised of all actions in the arbitration proceedings, Respondents failed to attend the organizational meeting held on March 16, 2007.
13. A panel of arbitrators, duly appointed, held a hearing on May 4, 2007, at which time each of the parties were given a full opportunity to present their respective positions with regard to the claims.
14. On October 11, 2007, the arbitrators rendered their decision ("Award of Arbitration") (attached hereto as Exhibit "B") and awarded Petitioner the following:
 - a. US\$56,230.50, for its share of the commutations paid and entered into between Summit Fidelity and its various insureds;
 - b. US\$107,293.34, as statutory interest on said commutation payments made by Summit Fidelity between January 1, 1994 through May 4, 2007, the date of the arbitration hearing in this matter;
 - c. Reimbursement for fifty percent (50%) of the amount of fees which Aurum paid to Richard S. March as umpire in this matter in that Aurum has advanced the share payable by Bradesco and Banrisul to Mr. March in that such amount was payable by Bradesco and Banrisul pursuant to the terms of the Treaty and Bradesco and Banrisul has failed to pay that amount;

- d. Reimbursement for one-hundred percent (100%) of the amount which Aurum has paid to G. Alan Bailey as the arbitrator appointed to serve on behalf of Bradesco and Banrisul; and
 - e. Consistent with Ohio law, after thirty (30) days from the date of the award, Bradesco and Banrisul shall pay interest on all thereafter unpaid amounts they are ordered to pay to Aurum at a compound interest rate of eight percent (8%) to Petitioner pursuant to Ohio Rev. Code Ann. §1343.03.
15. For the next eight months, Aurum made numerous efforts to collect the Award of Arbitration from Respondents.
 16. Respondents, however, ignored Aurum's repeated requests for payment.
 17. On June 5, 2008, Aurum petitioned the United States District Court for the Eastern District of Pennsylvania to confirm his Panel's Award of Arbitration (attached hereto as Exhibit "C").
 18. On June 24, 2008, District Judge Gene E.K. Pratter entered an award in Aurum's favor for the following (attached hereto as Exhibit "D"):
 - a. \$176,012.27 – Commutation Payments plus Interest; and
 - b. Costs and disbursements of the proceeding.
 19. Again, Aurum made every effort to collect on the Judgment that was entered in the Eastern District, but to no avail.
 20. Due to the Respondents' refusal to honor the Award of Arbitration, Aurum was forced to seek enforcement of the Award of Arbitration against the Respondents' assets in New York.
 21. Prolonged legal action proceeded including an appeal to the United States Court of Appeals for the Third Circuit.

22. Ultimately, Aurum prevailed in seizing US\$230,182.75 in partial satisfaction of the Award of Arbitration.
23. On December 9, 2011, Aurum filed a Petition for Amended Arbitration Award and Motion to Compel Respondents to Post Pre-Answer Security (attached hereto as Exhibit “E”).
24. The arbitrators reconvened and rendered an Order (“Final Award”) (attached hereto as Exhibit “F”) on January 17, 2012 awarding Petitioner the following:
 - a. Bradesco Auto/Re was omitted as a named party at the time the arbitration was initiated due to technical error. Therefore, the caption of this matter changed to its current caption on this document;
 - b. The form of the Award of Arbitrators remains as entered, including the provisions of paragraphs 6 & 7 of the original Award of Arbitrators as set forth in paragraphs 24(c – e) above regarding the obligations of the Respondents to be responsible for the fees of Messrs. March and Bailey and relating to the application of interest due on unpaid balances.
25. To date, the remaining balance from the original Award of Arbitration due to Aurum totals \$4,207.65¹ (as of December 22, 2011).
26. As directed in the Final Award, Respondents are responsible for interest, which has accrued after thirty (30) days from the date of the Final Award, now totaling US\$110.23² (as of December 22, 2011).

¹ This amount represents the outstanding commutation payments of US\$56,230.50, plus interest awarded in the amount of US\$107,293.34, plus accrued interest of US\$65,741.56, plus 50% of the costs of Richard March the Umpire in the amount of US\$2,300.00, plus 100% of the costs of Alan Bailey, Respondents’ appointed Arbitrator in the amount of US\$2,825.00, minus the amount seized from Bradesco of US\$230,182.75 for a total of US\$4,207.65 due Aurum from the original Award of Arbitration.

² This amount represents the interest amount calculated on the remaining principal due Aurum from the original Award of Arbitration as of December 22, 2011.

27. The total amount for the fees of the arbitrators pursuant to the Final Award total \$3,640.00.
28. To date, the total balance due Aurum as allowed under the Final Award are US\$7,957.88.
29. This Final Award is binding on the parties, in accordance with the provisions of the Treaty issued to Respondents by Petitioner.
30. Petitioner desires to have the attached Final Award reduced to judgment in order that Petitioner may enforce collection of this award against the Respondents.
31. Aurum has not made a prior application to this Court, or any court, for the relief requested in its Petition.

WHEREFORE, Petitioner, Aurum Asset Managers, LLC, respectfully requests that this Court issue the Order and Judgment pursuant to Sections 9 and 6 of the Federal Arbitration Act, (a) confirming the Final Award, (b) entering Judgment thereon, and (c) granting Petitioner such other relief as the Court deems just and equitable, including without limitation the costs and disbursements of this proceeding.

Respectfully submitted:

Dated: April 18, 2012

BAZIL MCNULTY

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Aurum Asset Managers, LLC*

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CERTIFICATE OF SERVICE

This is to certify that the foregoing document, and supporting documentation, was filed electronically and is available for viewing and downloading from the Court’s electronic case filing (ECF) system, and that notice of such filing will be made electronically by the Clerk of Court via the ECF system to the below counsel of record this 18th day of April, 2012:

Lauren E. DeBruicker, Esquire
Duane Morris LLP
30 South 17th Street
Philadelphia, PA 19103

and further certify that true and correct hard copies were served via federal express, shipment prepaid, to the additional parties of record below, on April 18, 2012:

Márcio A. Laurelli Cypriano
Presidente and CEO
Bradesco Auto/Re Cia. De Seguros
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Ana Beatriz Conde Galvão
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Dated: April 18, 2012

BAZIL MCNULTY

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