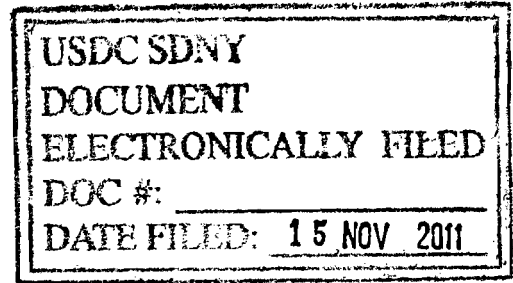


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ATTORNEYS AT LAW



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November 14, 2011

VIA FACSIMILE & REGULAR MAIL

The Honorable Laura Taylor Swain
United States District Court
Southern District of New York
Daniel Patrick Moynihan U.S. Courthouse
500 Pearl Street, Suite 660
New York, New York 10007

MEMO ENDORSED

**Re: Century Indemnity Company v. Everest Reinsurance Company
Case No. 1:11-cv-05893 (LTS)**

Dear Judge Swain:

I write on behalf of both parties to the above action with respect to Petitioner Century Indemnity Company's ("Century") Petition to Compel Arbitration and Everest Reinsurance Company's ("Everest") Motion to Dismiss Century's Petition, which is now fully submitted and is currently pending in front of this Court.

Last week, on November 2, 2011, the parties held an Organizational Meeting in the Formosa arbitration. At that time, Everest and Century agreed to a potential resolution of the remaining issues pending before this Court. In sum, the parties agreed to an umpire selection method (i.e. the ARIAS neutral selection process using a list of candidates from the AAA) in order to select umpires in the remaining arbitrations – Congoleum and Flintkote. The parties also agreed that the various pending matters between the parties would progress as "stand-alone" arbitrations, with no consolidation of such matters permitted and that Century would withdraw its pending motion to consolidate the Congoleum arbitration with the ongoing Foster Wheeler arbitration between the parties. Pursuant to this agreement, the parties commenced the umpire selection process in the Congoleum arbitration last week.

In light of the parties' potential resolution of the disputes before Your Honor, both Everest and Century respectfully request that the Court reserve decision on Century's Petition to Compel Arbitration and Everest's Motion to Dismiss the Petition for a period of time, in order to allow the parties the necessary time to successfully complete umpire selection in the remaining matters. Once umpires have been selected for both the Congoleum and Flintkote arbitrations pursuant to this agreement, the parties will advise the Court immediately and agree to the

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voluntary dismissal of Century's Petition to Compel Arbitration. However, in the event the parties are unable to select umpires for these matters for whatever reason, the parties will respectfully seek the Court's rulings on Century's Petition to Compel Arbitration and Everest's Motion to Dismiss. Moreover, under such circumstances, the parties reserve the right to seek such additional relief as may be appropriate at the time.

Both parties thank the Court for its indulgence in this regard.

Respectfully submitted,

David J. D'Aloia (KDC)

DAVID J. D'ALOIA

KDC/sr
Enclosure

- c: Rafael Vergara, Esq. [via E-mail & Facsimile]
- Christine Russell, Esq. [via E-mail]
- Brendan McQuiggan, Esq. [via E-mail]
- Krystal D. Conway, Esq. [via E-mail]

The matter is placed on the suspense calendar, and the Motion to Dismiss (docket entry no. 13) is terminated without prejudice to restoration upon written request.

The parties must make a written status report as of January 2, 2012 and each July and January 1 thereafter, including whether the case should be continued on suspense, dismissed or reopened.

SO ORDERED.

NEW YORK, NY

[Signature]

Laura Taylor Swain

Nov 14 2011 UNITED STATES DISTRICT JUDGE