Use blue or black ink. Write on both sides of each page.

February 25, 2020

Re: Western Insurance Company v. Secure Trade, Inc.

Dear Mr. Chan,

On behalf of Western Insurance company, we decline to voluntarily submit our fraud claim regarding Insurance Policy to arbitration. We are confident that any motion to compel arbitration by Western will be denied by the court for the reasons discussed.

I In addressing your claim that The Columbia Arbitration Act reflects a ~~strong~~ public policy of arbitration, the Act further states that arbitration is a matter of contract and a party cannot be compelled to arbitrate any dispute that he has not agreeed to arbitrate. Tuscany Builders v. Norman Properties (Colum. Supreme Ct. (2011)). The Insurance Policy did not contain an arbitration clause. Thus, policy would favor not being compelled to arbitrate when there was no agreement to arbitrate with Western.

II. Western cannot be compelled to arbitrate because the Brokerage & Administration Agreement ("Agreement") and Insurance Policy ("Policy") are not intertwined. The argument that because Western and Assurrances are affiliates and as such have a preexisting relationship, that the

Agreement and Policy are intertwined is based on dicta from sister-state courts, and is not controlling law in our jurisdiction. This argument is unsound.

In Tuscany Builders, the court concludes that a nonsignatory may compel a signatory to arbitrate under Columbia Arbitration Act ("Act") via equitable estopple. It is the breach that subjected the defendants, in Tuscany, to injury that entitles them to damages. The claims are intertwined because they are dependant on rights granted to the signatory plaintiffs — that the contract should turn on what the nonsignatory has done as opposed to what the nonsignatory may be.

Here, it is not based on ~~the~~ Western's pre existing relationship with Assurance ~~that~~ that your claim rests upon ~~[illegible]~~ that decides intertwined. Instead, there is no intertwined that SecureTrade can point to. There is nothing via equitabe estopple that can be claimed that the Policy is at all intertwined with Assurance's Agreement - nothing is dependent on the rights or duties under the contract.

Additionally, Assurance and SecureTrade were the sole signatories to the Agreement, that contained the Arbitration Clause.

2 Also, SecureTrade, under the Policy, intended to induce reliance from over 17,000 customers. Western, as non signatory did not induce this

II Western cannot be compelled to arbitrate because Western did not obtain a direct benefit from SecureTrade by obtaining a premium from SecureTrade for the Policy, nor under equitable estoppel

Western did not obtain nor sought to obtain a direct benefit from the contract containing the arbitration clause. Assurance was the company that in dealing with the Agreement was bound to the arbitration clause for claims brought on a breach of the Agreement. Western's claim here is that SecureTrade has committed Fraud regarding the Policy. Here, Secretrade fraudulently induced reliance from its over 17,000 customers

In Tuscany, the Court found that the settled rule that a signatory may compel a nonsignatory to arbitrate only when the nonsignatory has sought or obtained direct benefit from the contract with the arbitration clause. Here, Western has obtained no direct benefit from Assurances Agreement with the arbitration clause contained therewithin.

Here, Western and SecureTrade are the sole signatories to the Policy and, most importantly, the Policy does not contain an arbitration clause.

→ (see next page)

All three arguments extended are unsound and

For the following reasons, Western refuses to submit to arbitration and we are confident any motion to compel arbitration will be denied.

Very Truly Yours,
Jessie Parker