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June 17, 2003

Peter C. L. Roth
Assistant Attorney General
33 Capitol Street
Concord, NH 03301

RE: The Home Insurance Company v. Misty Dawn Stapel, et al.
United States District Court, Northern District of West Virginia,
Civil Action No.: 5:00CV99 (Stamp)

Misty Dawn Stapel v. REM, et al, United States District Court,
Northern District of West Virginia,
Civil Action No.: 5:03CV33 (Stamp)

In the Matter of the Rehabilitation of The Home Insurance Company,
Merrimack County Superior Court, Docket No.: 03-E-0106

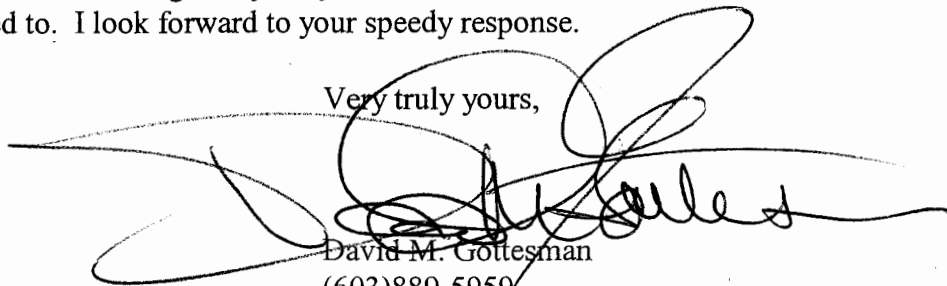
Dear Attorney Roth:

This letter follows the revised order of the court, which caught me by surprise after the first order was granted, leaving out the language which removed REM from the liquidation order. I am not sure what your interpretation is as to the impact of the liquidation order on the Misty Dawn Stapel case, but I cannot imagine that prior acts of REM would be protected by this order in other jurisdictions. Nonetheless, I have been asked to try to resolve this case in as expeditious a way as possible. My understanding is that this case settled by agreement of all the parties for \$450,000.00, despite the fact that the claims of Misty Dawn Stapel were valued much higher at a recent mediation. Your comments to me indicated that you felt that the money that was allotted to the settlement was excessive. Therefore, with both parties feeling that they are giving more than they should, a settlement was evidently reached. My goal at this point is to marshal this settlement through conclusion and to payment as quickly as is possible.

We have no interest in proceeding with the pending litigation if payment is made before the scheduling of a hearing.

My understanding is that the Superior Court will be scheduling a hearing on our petition, after a sufficient amount of time goes by for you to answer. All of this can be avoided if the settlement is adhered to. I look forward to your speedy response.

Very truly yours,

A large, stylized handwritten signature in black ink, appearing to read 'David M. Gottesman', is written over the typed name and contact information.

David M. Gottesman

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Voice Mail Extension 201

DMG:lrn

cc: Thomas C. Schultz, Esq.