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16 Attorneys for Defendant

17 UNITED STATES DISTRICT COURT
 18 EASTERN DISTRICT OF CALIFORNIA

19 UNITED STATES f/b/u/o MADISON)
 20 SERVICES, INC.)
 21)
 22 Plaintiff,)
 23)
 24 v.)
 25)
 26 TRAVELERS CASUALTY AND)
 27 SURETY COMPANY OF AMERICA)
 28 AND ITSIL GILBANE COMPANY)
 (N/K/A GILBANE FEDERAL); DOES 1 –)
 100, inclusive)
 Defendants.)

Case No.: 2:16-CV-02684 TLN AC
**STIPULATION AND ORDER
 STAYING PROCEEDINGS
 PENDING ARBITRATION**

Plaintiff United States f/b/u/o Madison Services, Inc. (hereafter “Madison”) and
 Defendants Travelers Casualty and Surety Company of America and ITSIL Gilbane
 Company (n/k/a Gilbane Federal) (hereafter “Travelers” and “Gilbane”, respectively)
 hereby stipulate to seeking a stay of these proceedings pending arbitration between

1 Madison and Gilbane, and request this Court being fully advised in the premises finds, as
2 follows:

3 1. Madison and Gilbane entered into a subcontract in connection with Prime
4 Contract No. N69450-12-D-1273 awarded to Gilbane by the Naval Facilities Engineering
5 Command for, among other things, certain renovation and construction of housing units at
6 Guantanamo Bay (hereafter “Project”).

7 2. Travelers furnished the Miller Act Payment Bond (“bond”) on behalf of
8 Gilbane for the Project.

9 3. Disputes involving payment and performance issues arose between Madison
10 and Gilbane, and the subcontract between them provides for arbitration of such disputes.

11 4. On or about September 12, 2016, Madison filed its Demand for Arbitration
12 against Gilbane before the American Arbitration Association (hereafter “AAA”) seeking to
13 recover amounts Madison alleges are due to it for the Project. The AAA docketed the
14 proceeding initiated by Madison as AAA Case No. 01-16-0003-9412 (“Arbitration
15 Proceeding”).
16

17 5. On or about October 20, 2016, Gilbane filed its Answering Statement and
18 Counterclaim against Madison in the Arbitration Proceeding.
19

20 6. Madison, Gilbane, and Gilbane’s surety Travelers have agreed to stay
21 proceedings in this action pending conclusion of the Arbitration Proceeding between
22 Madison and Gilbane before the AAA.

23 7. Travelers, Gilbane and Madison agree to be bound by the decision rendered
24 in the Arbitration Proceeding with regard to amounts due, if any, to Madison from Gilbane
25 in connection with the Project, however, Travelers reserves all other claims and defenses
26 that Travelers may have in this action, including, but not limited to those arising from the
27

28

1 terms and conditions of the bond furnished by Travelers, which is the subject of the
2 Complaint in this action.

3 Respectfully submitted,

4
5 Dated: February 8, 2017 EHLERS LAW CORPORATION
WESLEY C.J. EHLERS

6 /S/ WESLEY EHLERS
7 By _____
8 Wesley C.J. Ehlers
Attorneys for Plaintiff

9 Dated: January 31, 2017 VARELA LEE METZ & GUARINO
10 NICHOLAS A. MERRELL

11 /S/ NICHOLAS MERRELL
[as authorized on 1/31/17]
12 By _____
13 Nicholas A. Merrell
Attorneys for Defendant

14 **ORDER**

15 WHEREFORE, PREMISES CONSIDERED, it is hereby ORDERED that all
16 proceedings in this action are stayed pending conclusion of the Arbitration Proceeding
17 between Madison and Gilbane.
18

19 IT IS FURTHER ORDERED that Travelers, Gilbane and Madison shall be bound
20 by the decision rendered in the Arbitration Proceeding with regard to amounts due, if any,
21 to Madison by Gilbane, however reserved for Travelers are all claims and defenses that
22 Travelers may have in this action, including but not limited to those arising from the terms
23 and conditions of the bond furnished by Travelers.
24

25 Dated: February 8, 2017

26
27 
28 _____
Troy L. Nunley
United States District Judge