

STATE OF SOUTH CAROLINA) IN THE COURT OF COMMON PLEAS
) FOR THE FIFTH JUDICIAL CIRCUIT
COUNTY OF RICHLAND) CIVIL ACTION NO.:2020-CP-40-_____

Sidney Lyles,)
)
Plaintiff,)
)
vs.)
)
Allstate Insurance Company,)
)
Defendant.)
_____)

**COMPLAINT
(Jury Trial Demanded!)**

Plaintiff Sidney Lyles, complaining of Defendant Allstate Insurance Company, respectfully shows unto the Court as follows:

PARTIES AND JURISDICTION

1. Plaintiff Sidney Lyles (“Sidney” or “Plaintiff”) is a citizen and resident of the County of Richland, State of South Carolina.
2. Defendant Allstate Insurance Company (“Allstate” or “Defendant”) is an insurance company headquartered in Northfield Township, State of Illinois, which employs agents and transacts business in the County of Richland, State of South Carolina.
3. Allstate is subject to the jurisdiction of the courts of South Carolina pursuant to S.C. Code Ann. §36-2-802, as Allstate does business in South Carolina, and S.C. Code Ann. §36-2-803(A)(1), (2), (3), (4), (6) and (7), as Allstate has transacted business in South Carolina, contracted to supply services in South Carolina, committed tortious acts in South Carolina, caused tortious injury in South Carolina, contracted to insure people, property and risk in South Carolina and has entered into contracts to be performed in South Carolina.
4. This court has jurisdiction over the parties to and the subject matter of this litigation.

BACKGROUND FACTS

5. Plaintiff reiterates and realleges all previous paragraphs as if written herein verbatim.

6. Effective March 1, 2013, Sidney and Allstate entered into a ten (10) page “Allstate R3001S Exclusive Agency Agreement” (hereinafter “Agreement” a copy of which is attached hereto as **Exhibit A** and incorporated herein by reference).

7. The Agreement was drafted by Allstate.

8. Sidney could not and did not make any changes or edits to the Agreement.

9. Pursuant to the Agreement, Sidney was an Allstate “Agent” for the “state(s) of South Carolina...” (see **Exhibit A** at Section I.A, p. 1).

10. As an Allstate Agent, Sidney operated an Allstate office at 11134 Broad River Road, Suite B, Irmo, South Carolina 29603.

11. From this office, Sidney sold Allstate home, life, and car insurance policies.

12. Pursuant to Section XIX of the Agreement, “all notices” under the Agreement were required to be provided to Sidney as follows: “Sidney Lyles, 519 Pitney Road, Columbia, SC 29212” (see **Exhibit A** at Section XIX, p. 9).

13. 519 Pitney Road, Columbia, SC 29212 was Sidney’s home address.

14. Pursuant to the Agreement, Allstate had the right to terminate the Agreement, provided that proper notice of its election was delivered to the address indicated in the Agreement.

15. Allstate’s right to terminate the Agreement was also governed by South Carolina law which imbues in all contracts the obligation of good faith and fair dealing. Thus, any elected termination of the Agreement by Allstate had to be accomplished in good faith and with fair dealing toward the Plaintiff.

16. On February 19, 2020, Allstate sent a letter terminating the Agreement to the Plaintiff, but addressed the letter as follows: “Sidney Lyles 11134 Brd Rv Rd #202 Irmo, SC 29063” (see letter attached as **Exhibit B** and incorporated by reference).

17. “Sidney Lyles 11134 Brd Rv Rd #202 Irmo, SC 29063” was not the proper address required pursuant to the unambiguous Notice section contained within the four corners of the Agreement which Allstate drafted and executed.

18. Allstate’s termination letter was never delivered to Sidney.

19. Allstate’s termination letter did not issue in compliance with the Agreement.

20. Allstate’s termination letter was ineffective notice under the Agreement.

21. Allstate’s termination letter stated that the reason for termination was for Sidney’s “failure to meet business objectives.”

22. This reason was pretextual.

23. This reason was made in bad faith.

24. Upon information and belief, the true reason for Allstate’s termination of the Agreement was improperly and racially motivated.

25. Sidney was frequently told by Allstate agents and/or representatives that the “type” of business his agency was writing was too top heavy in “high-risk” insureds. Sidney’s client base for policies consisted primarily of minorities.

26. Upon information and belief, the true reason for Sidney’s termination was his refusal to discriminate against minority groups.

27. Allstate’s termination letter also stated that Sidney had the right to sell the “... economic interest [in his agency] to an approved buyer as outlined in the Supplement for the R3001S Agreement” and that the sale “must be completed on or before June 1, 2020...”

28. On May 20, 2020, Allstate emailed a copy of the February 19, 2020 termination letter to Sidney.

29. This was the first time Sidney had ever seen the termination letter.

30. Allstate's email notice did not comply with the Agreement.

31. Allstate deprived Sidney the right and opportunity to market his "book of business" described in the termination letter.

32. Allstate deprived Sidney the right and opportunity to sell his "book of business."

33. Allstate breached the Agreement.

34. After breaching the Agreement, Allstate unlawfully converted Sidney's property, his "book of business," for its own economic gain. Upon information and belief, Allstate then sold or transferred Sidney's book of business to another agent of its selection.

FOR A FIRST CAUSE OF ACTION
(BREACH OF CONTRACT)

35. Plaintiff reiterates and realleges all previous paragraphs as if written herein verbatim.

36. As is described in detail above, Allstate has breached the Agreement by (1) failing to provide proper notice, (2) by requiring Sidney to discriminate against minorities, and (3) by failing to give Sidney the contractually required time period to market and sell his "book of business."

37. In addition, each and every contract in South Carolina imposes on the parties a duty of good faith and fair dealing.

38. Allstate has breached its duty of good faith and fair dealing by the acts described above including, but not limited to, providing a false pretextual reason for Sidney's termination.

39. As a direct and proximate result of the unlawful conduct of Allstate, Sidney has been economically harmed including, but not limited to, having lost his Allstate agency and his “book of business.”

40. Defendant’s conduct in failing to abide by the terms of the Agreement is a willful, wanton and intentional breach of contract, entitling Plaintiff to an award of damages in an amount determined by a jury to be sufficient to compensate him fully for the harm he has suffered, all costs and expenses of this action as well as reasonable attorney’s fees, and such other and further relief as this court deems just and proper.

FOR A SECOND CAUSE OF ACTION
(TORTIOUS INTERFERENCE WITH CONTRACT)

41. Plaintiff reiterates and realleges all previous paragraphs as if written herein verbatim.

42. At all times relevant hereto, Sidney caused his clients and customers to purchase contracts of insurance with Allstate, and as result of these contracts, Sidney received commissions.

43. Allstate knew of Sidney’s contracts with his customers.

44. Allstate intentionally procured the breach of these contracts without justification and with improper intent.

45. Allstate intentionally and tortiously interfered with Sidney’s contracts and relationships in a number of manners, including but not limited to some or all of the following:

- a. Terminating the Agreement so Sidney could no longer act as an Allstate agent;
- b. Denying Sidney the opportunity to collect the commissions on the contracts he had sold; and,
- c. In other particulars as discovery may show.

46. As a direct and proximate result of the conduct of the Defendant, the Plaintiff has been injured as described above and is entitled to actual damages in an amount determined by a jury to be sufficient to compensate him fully for the harm he suffered, as well as punitive damages in an amount to impress upon the Defendant the seriousness of his conduct and to deter such similar conduct in the future.

FOR A THIRD CAUSE OF ACTION
(TORTIOUS INTERFERENCE WITH PROSPECTIVE ECONOMIC OPPORTUNITY AND LOSS OF PROSPECTIVE PROFITS)

47. Paragraphs enumerated above are incorporated herein as if alleged and restated in full.

48. Sidney had potential economic opportunities with his existing and prospective customers.

49. Allstate knew of Sidney's economic opportunities.

50. Allstate terminated the Agreement with an improper purpose and/or by improper methods and therefore, interfered with Sidney's potential economic opportunities.

51. As a direct and proximate result of the conduct of the Defendant, Plaintiff has been injured as described above and is entitled to actual damages in an amount determined by a jury sufficient to compensate him fully for the harm he suffered, as well as punitive damages in an amount to impress upon the Defendant the seriousness of his conduct and to deter such similar conduct in the future.

FOR A FOURTH CAUSE OF ACTION
(CONVERSION)

52. Paragraphs enumerated above are incorporated herein as if alleged and restated in full.

53. Sidney's Allstate "book of business" was his property.

54. Sidney had an interest in his Allstate “book of business.”

55. Allstate unlawfully converted Sidney’s “book of business” for its own use and is economically benefiting from the same.

56. Allstate’s unlawful conversion of Sidney’s “book of business” was done without Sidney’s permission or consent.

57. Sidney is entitled to prejudgment interest concerning his “book of business” as the sum demanded is capable of being reduced to certainty and is fixed by conditions existing at the time of Allstate’s unlawful action.

58. As a direct and proximate result of the conduct of the Defendant, Plaintiff has been injured as described above and is entitled to actual damages in an amount determined by a jury sufficient to compensate him fully for the harm he suffered, as well as punitive damages in an amount to impress upon the Defendant the seriousness of his conduct and to deter such similar conduct in the future as well as prejudgment interest in accordance with S.C. Code Ann. §34-31-20.

FOR A FIFTH CAUSE OF ACTION
(VIOLATION OF THE SOUTH CAROLINA UNFAIR TRADE PRACTICES ACT,
S.C. CODE ANN. §39-5-10, ET SEQ. “SCUTPA”)

59. Paragraphs enumerated above are incorporated herein as if alleged and restated in full.

60. Allstate’s termination of Sidney’s contract for racially motivated reasons is an unfair trade practice and as such violates S.C. Code Ann. §39-5-10, *et seq.*

61. Sidney has suffered actual ascertainable damages as a result of Allstate use of this unfair trade practice.

62. The unfair trade practice alleged in the preceding paragraphs has had an adverse effect upon the general public in so much as (1) the minority population of South Carolina will have difficulty in purchasing insurance and /or (2) the price for said insurance will increase for the minority population of South Carolina with less Agents to sell the same.

63. Allstate's acts described herein are more than just a mere breach of contract but instead is an unlawful business plan of covert racism which will increase its bottom line but adversely affect the minority population of South Carolina.

64. The unfair and deceptive trade practices of Allstate are capable of repetition and, upon information and belief, have been repeated as Allstate has used this same racially motivated pretextual reason to terminate other Agents' "book of business."

65. The acts complained of herein are not covered by the statutory exemption because the general activity in question is not regulated by a body or officer.

66. The actions of the Defendant amount to a willful, wanton, and intentional violation of the SCUTPA, entitling Plaintiff to an award of actual damages which must be trebled in accordance with the SCUTPA, all costs and disbursements associated with this action plus reasonable attorney's fees as is required by SCUTPA, and such other and further relief as this Court deems just and proper.

WHEREFORE, the Plaintiff prays for judgment against the Defendant both actual, in a sum sufficient compensate the Plaintiff for all losses suffered herein as well as punitive damages plus prejudgment interest in accordance with S.C. Code Ann. §34-31-20, and attorney's fees, costs, and treble damages in accordance with S.C. Code Ann. §39-5-10, *et seq.* and such additional relief as the court deems just and proper.

/

{SIGNATURE PAGE TO FOLLOW}

Charleston, South Carolina
August 25, 2020

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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF SOUTH CAROLINA
COLUMBIA DIVISION

SIDNEY LYLES,

Plaintiff,

v.

ALLSTATE INSURANCE COMPANY,

Defendant.

Case No. _____

CERTIFICATE OF SERVICE

I hereby certify that on September 30, 2020, I electronically filed **DEFENDANT'S NOTICE OF REMOVAL** with the Clerk of Court and sent notification of such filing via e-mail and U.S. Mail to the following attorneys of record:

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