

At a Special Term Part 48 of the Supreme Court of the State of New York, Commercial Division, held in and for the County of Suffolk, at the Courthouse, 400 Carleton Avenue, Central Islip, New York 11722, on the ____ day of March, 2018

Present: Hon. Jerry Garguilo, J.S.C.

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF SUFFOLK

-----x

MICHAEL NOCELLA and THE NOCELLA
INSURANCE AGENCY,

Plaintiffs,

v.

ALLSTATE INSURANCE COMPANY,

Defendant.

-----x

Index No. 604642/2018

(Garguilo, J.)

**ORDER MODIFYING THE
TEMPORARY RESTRAINING ORDER
ENTERED ON MARCH 15, 2018**

THIS MATTER having been brought before the Court by defendant Allstate Insurance Company (“Allstate”), by and through its attorneys Saiber LLC, for an Order pursuant to CPLR 6314 (the “Motion”) modifying the Order to Show Cause Request for a Temporary Restraining Order that was entered and filed on March 15, 2018 (NYSCEF Doc. No. 39); and upon consideration of the moving papers submitted by Allstate; and opposition and reply papers, if any; and oral argument, if any; and all prior pleadings and proceedings in this action; and for good cause shown;

IT IS on this ____ day of March, 2018, ORDERED that:

1. Allstate’s Motion shall be, and hereby is, GRANTED.

2. The “Ordered” provisions of the temporary restraining order set forth on page 4 and 5 of the Order to Show Cause Request for a Temporary Restraining Order, dated March 15,

2018, (NYSCEF Doc. No. 39) shall immediately be modified pending the return date on the Order Show Cause presently scheduled for April 11, 2018 at 9:30 a.m., to provide for the following temporary restraints:

A. The July 1, 2018 deadline for plaintiff Michael Nocella to complete the sale of the Allstate book of business shall be stayed;

B. Allstate Exclusive Agent Daniel Bach and Allstate Licensed Sales Producers Sharlene Basso, Keith Mirra, Robert Giordano, Joseph Dito and Heather Khan (collectively “Authorized Agent and LSPs”) shall be permitted to service and access information relating to existing Allstate customers who were formerly serviced by the Nocella Agency;

C. Access required to service existing Allstate customers who were formerly serviced by the Nocella Agency shall be restored to the Nocella Agency location at 4250 Veterans Memorial Hwy, Holbrook, NY (the “Nocella Agency Location”), and the Authorized Agent and LSPs shall be permitted to access the policies and other information for such Allstate customers at the Nocella Agency Location; and

D. Phone calls from existing Allstate customers shall be redirected back to the Nocella Agency Location, and the Authorized Agent and LSPs shall be permitted to receive such phone calls at the Nocella Agency Location;

E. Michael Nocella and Christina Giugliano shall continue to be prohibited from servicing Allstate customers and prohibiting from accessing Allstate confidential and proprietary information, including confidential information about Allstate’s customers.

F. The agent locator function on Allstate’s website shall be manually reactivated such that the Nocella Agency Location is listed on the agent locator.

3. Service of a copy of this Order Modifying the Temporary Restraining Order dated March 15, 2018 shall be made upon counsel for the plaintiffs, Anthony P. DellUniversita, Esq., and service be and hereby is deemed equivalent in all respects to service of same directly upon plaintiffs.

ENTER:

HON. JERRY GARGUILO, J.S.C.

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF SUFFOLK

-----X
MICHAEL NOCELLA and
THE NOCELLA AGENCY,

Plaintiff,

Index No.:

-against-

**EMERGENCY AFFIRMATION
PURSUANT TO 22 NYCRR 202.7(F)**

ALLSTATE INSURANCE COMPANY,

Defendants,

-----X

ANTHONY P. DELLUNIVERSITA, an attorney at law, duly admitted to practice before the Courts of the State of New York, hereby affirms under the penalties of perjury as follows:

I am the attorney of record for the above named plaintiffs, Michael Nocella and The Nocella Agency, hereinafter referred to as "plaintiffs". I am fully familiar with all of the facts and circumstances of this case based upon review of the file, documents pertaining to this case, and conversation with Michael Nocella.

I submit this Affirmation pursuant to 22 NYCRR 202.7(f) to evidence the fact that the within motion, brought by Order to Show Cause, is an emergency and requires immediate attention. This affirmation is submitted as required by 22 NYCRR 202.7(f).

I have notified defendant's counsel, Erin Renfro with a Notification Letter Pursuant to CPLR Rule 202.7(f), via fax to 847 326 7323, and via email to the email address for Erin Renfro, erenf@allstate.com, counsel for Allstate, in compliance of 22 NYCRR 202.7(f). See

Exhibit A attached to this affirmation, which includes the letter, the fax confirmation, and email printout showing the attached notice. This office was subsequently contact by Allstate counsel, Michael Grohs, confirming receipt.

FACTS

The facts are set forth in a very specific and detailed manner in the affidavit of Michael Nocella, dated March 9, 2018, and the Court is respectfully referred to accompanying affidavit.

REQUEST FOR A TEMPORARY RESTRAINING ORDER

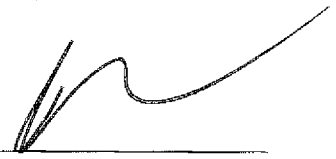
As set forth in the affidavit of Mr. Nocella, the defendant has wrongfully terminated the Exclusive Agency Agreement of Michael Nocella, who owns the Nocella Agency. The defendant is attempting to force Mr. Nocella to find a buyer for his business at the market value price of \$1.6 million, in ninety (90) days, otherwise he will have no other option but to accept a payout from Allstate in the amount of \$98,345.5, a \$1,501,674.50 loss for Mr. Nocella. Allowing ninety (90) days to pass to wait and see if Mr. Nocella procures a buyer will destroy the value of his business to the point where he cannot be compensated fairly. The affidavit of Michael Nocella explains why there is no chance he can procure a buyer at \$1.6 million or anything close to it due to Allstate's interference.

Also set forth Michael Nocella's affidavit is the measures levied upon him and the Nocella Agency. Defendant has shut down the Nocella Agency entirely, by cutting Mr. Nocella's access to all Allstate databases, websites and products, changing his passwords, forwarding his phone calls to another agency, but not forwarding his emails to anyone to be serviced, thereby damaging his business further; shutting down his website; taking away his Best in Company honor and the financial benefits that come with it; stating that his last commission check will be March 19, 2018.

As demonstrated in the Affidavit of Michael Nocella and the accompanying Verified Complaint, defendant has breached the Exclusive Agency Agreement by wrongfully terminating Michael Nocella; defendant was negligent in their investigation and how they treated one their agents during the investigation; defendant breached the implied contract of good faith and fair dealing; and have violated New York State Insurance Law § 3425 (j) (D).

In order to prevent any further damage, emergency relief by the way of a temporary restraining order is required.

Based upon the foregoing, it is respectfully requested that this motion be treated as an emergency and given immediate consideration and that the temporary injunctive relief requested be issued pending the hearing and determination of the Order to Show Cause.



Anthony P. DellUniversita

Law Offices of

MICHAEL J. ALBER, ESQ.

5036 Jericho Turnpike, Suite 305, Commack, New York 11725

Telephone: 631-462-6900

Facsimile: 631-462-6999

www.alberlegal.com

March 13, 2018

Via Facsimile # 847 326 7323
Via Email erenf@allstate.com
Emily Renfro
Staff Attorney
2775 Sanders Road, Suite A2E
Northbrook, IL 6002


NOTIFICATION
PURSUANT TO CPLR RULE 202.7(f)

Re: Michael Nocella vs. Allstate Insurance Company

Dear Ms. Renfro:

Please be advised that the undersigned represents the Plaintiff in the above-mentioned matter. Please be further advised that pursuant to NYCRR 202.7, we will be filing an Order to Show Cause with a request for a Temporary Restraining Order. Notice is provided on behalf of the Plaintiffs, Michael Nocella and the Nocella Agency, in a civil action at the Ex Parte Special Term, Part of the Suffolk County Supreme Court, located at 1 Court Street, Riverhead, NY 11901 on **Wednesday**, March 14, 2018 at 2:30 PM.

Thank you, and I remain,

Very Truly Yours,

Anthony P. DellUniversita

Law Offices of

MICHAEL J. ALBER, ESQ.

5036 Jericho Turnpike, Suite 305, Commack, New York 11725

Telephone: 631-462-6900

Facsimile: 631-462-6999

www.alberlegal.com

March 13, 2018

Via Facsimile # 847 326 7323
Via Email erenf@allstate.com
Emily Renfro
Staff Attorney
2775 Sanders Road, Suite A2E
Northbrook, IL 6002

NOTIFICATION
PURSUANT TO CPLR RULE 202.7(f)

Re: Michael Nocella vs. Allstate Insurance Company

Dear Ms. Renfro:

Please be advised that the undersigned represents the Plaintiff in the above-mentioned matter. Please be further advised that pursuant to NYCRR 202.7, we will be filing an Order to Show Cause with a request for a Temporary Restraining Order. Notice is provided on behalf of the Plaintiffs, Michael Nocella and the Nocella Agency, in a civil action at the Ex Parte Special Term, Part of the Suffolk County Supreme Court, located at 1 Court Street, Riverhead, NY 11901 on **Wednesday, March 14, 2018 at 2:30 PM.**

Thank you, and I remain,

Very Truly Yours,


Anthony P. DellUniversita

Anthony P. DellUniversita

From: Renfro, Emily (Law) <erenf@allstate.com>
Sent: Tuesday, March 06, 2018 3:03 PM
To: Anthony P. DellUniversita
Subject: Michael Nocella
Attachments: DellUniversita 3.6.18.pdf

Dear Mr. DellUniversita,

Please see the attached correspondence directed to your attention.

Thank you,

Emily

Emily Renfro
Staff Attorney
Insurance Operations Law

Allstate Insurance Company
2775 Sanders Road, Suite A2E
Northbrook, IL 60062

Phone: 847-402-5437
erenf@allstate.com

CONFIDENTIALITY NOTE: This email and attachments may contain material that is confidential, proprietary, and/or privileged. It is distributed for the sole use of the intended recipient and if it does contain material that is confidential, proprietary, and/or privileged, it should not be distributed or forwarded without the sender's permission. If you are not the intended recipient, review, reliance, distribution, and forwarding without the sender's permission are strictly prohibited and you should immediately contact the sender and delete all copies.

Anthony P. DellUniversita

From: Anthony P. DellUniversita
Sent: Tuesday, March 13, 2018 3:47 PM
To: 'Renfro, Emily (Law)'
Subject: RE: Michael Nocella
Attachments: 20180313154405069.pdf

Ms. Renfro:

Please see attached Notification Pursuant to CPLR Rule 202.7(f). Notification has also been faxed to 847 326 7323.

Thank you.

Anthony P. DellUniversita

*Law Offices of Michael J. Alber, P.C.
Partner
5036 Jericho Turnpike
Suite 305
Commack, New York 11725*

Tel: (631) 462-6900
Fax: (631) 462-6999
Direct: (631) 481-9473

Email: apd@alberlaw.com

www.alberlegal.com

The information contained in this message is privileged and confidential and intended only for the use of the individual recipient identified above. If you are not the intended recipient, you are hereby notified that any distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone or e-mail and delete this message. Thank you.

IRS Circular 230 Legend: If any advice concerning U.S. Federal tax issues is contained in this communication or attachments hereto, such advice is not intended to be used, and cannot be used for the purpose of avoiding penalties under the Internal Revenue Code, or promoting, marketing, or recommending to another party any transaction or matter addressed herein.

From: Renfro, Emily (Law) [<mailto:erenf@allstate.com>]
Sent: Tuesday, March 06, 2018 3:03 PM
To: Anthony P. DellUniversita
Subject: Michael Nocella

Dear Mr. DellUniversita,

Please see the attached correspondence directed to your attention.

Thank you,

Emily

Emily Renfro
Staff Attorney

Insurance Operations Law

Allstate Insurance Company
2775 Sanders Road, Suite A2E
Northbrook, IL 60062

Phone: 847-402-5437
erenf@allstate.com

CONFIDENTIALITY NOTE: This email and attachments may contain material that is confidential, proprietary, and/or privileged. It is distributed for the sole use of the intended recipient and if it does contain material that is confidential, proprietary, and/or privileged, it should not be distributed or forwarded without the sender's permission. If you are not the intended recipient, review, reliance, distribution, and forwarding without the sender's permission are strictly prohibited and you should immediately contact the sender and delete all copies.

FAX

From: Nextiva vFax <notifications@nextivafax.com>
Sent: Tuesday, March 13, 2018 3:48 PM
To: FAX
Subject: Message Sent: 389659013 | 3/13/2018 12:45:33 PM PDT
Attachments: 389659013.PDF

Delivery Information:

Message #: 389659013
Status: Success
Sender Name: Alber Law Group, LLP
Sender Company: Alber Law Group, LLP
Sender Phone: +63 14626900
Remote CSID: 847 326 7323
Total Pages: 1
Start Time: 3/13/2018 12:45:33 PM PDT
End Time: 3/13/2018 12:47:51 PM PDT
Duration: 1 min 10.084 sec
Delivery Count: 1

Recipient List:

18473267323@nextivafax.com - 18473267323

[Click here to view this message online](#)

Delivered by **Nextiva vFax...**

"When Every Fax is Mission Critical"

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF SUFFOLK

-----X
MICHAEL NOCELLA and
THE NOCELLA AGENCY

Plaintiff,

-Against-

Index No.: 604642/2018

**AFFIDAVIT IN SUPPORT OF
PRELIMINARY INJUNCTION AND
TEMPORARY RESTRAINING ORDER**

ALLSTATE INSURANCE COMPANY,

Defendants,

-----X
STATE OF NEW YORK)
)ss:
COUNTY OF SUFFOLK)

MICHAEL NOCELLA, being duly sworn, deposes and says:

1. I am the individual Plaintiff in this action, and the owner of the Nocella Agency.
2. I respectfully submit this Affidavit in Support of the plaintiffs' application, seeking temporary and preliminary injunctive relief respectfully asking this Honorable Court to temporarily staying and restraining, while this motion is pending, and permanently enjoining the defendant, respectfully, from terminating my Exclusive Agent Agreement with the defendant to operate and own an Allstate Insurance book of business; respectfully, from forcing me to sell my business for a significantly reduced price than it is worth; respectfully, from forwarding my business calls and customer's calls phone calls to another agency, from cutting my access to company information, databases, websites and technology, from changing passwords associated with my Allstate business, and removing or making my website unavailable; respectfully, from withholding any commissions I have earned.; respectfully from interfering with the Nocella Agency operating business; respectfully from preventing myself, my employees and any associate the Nocella Agency from writing new business and servicing clients; respectfully, from terminating

Christina Guigliano as part of this incomplete and negligent investigation, reinstating her appointments immediately.

Preliminary Statement

3. For the reasons described below, Plaintiffs will suffer immediate and irreparable injury unless the Defendant is restrained pending a hearing on plaintiff's motion for a preliminary injunction. Allstate has undertaken an investigation into me and my agency for no sufficient reason. The investigator and the entire investigation and Allstate have negligently failed in this investigation or intentionally are targeting me and my agency for the business that has been built and is widely considered a top agency in the Company. Essentially this is an action for breach of contract by wrongful termination, breach of implied contract of good faith and fair dealing, negligence, a violation of NY Ins. Law § 3425 (j)(D) and declaratory relief. Please see a copy of the Verified Complaint annexed hereto as **Exhibit A**.

Factual History

4. I first began as an Allstate Insurance Agent on May 1, 2012. After working in finance industry for over a decade, and getting married and starting a family, I decided it was time for career in a more stable industry. I first began in 2012 from what Allstate calls "scratch". I started my business without an already existing book of business to generate income. I worked long hours and weekends, studying the business and after early struggles the hard work paid off and I began to really take to the business and cultivated a work ethic and environment that would become top in the company. During this time I was told by my mentors and Field Sales Leaders from Allstate that if started from "scratch" I would be able to incorporate the accounts I accumulated on my own, into any larger book of business purchased down the road. This was the first, but not the last time that Allstate would go back on their word. I was forced to sell my existing book, which included family and friend and relatives that I was providing excellent service and would not be able to anymore. So I sold what I built from nothing, and Allstate was able to bring another agent aboard that purchased my book and the manager or managers that found the buyer for my book was paid a hefty bonus. It is now a well-known fact that Allstate pushes new agents to start from scratch so that they can later add a new

agent to buy that book and earn a bonus. Allstate tells their prospective new agents anything they want to hear to get them to start scratch. That is exactly what they did to me.

5. In September of 2014, I was able to purchase a much larger book of business that would require more staff, more office space and more hard work, but I was motivated and energize and with the support of my wife and children, I purchased an Allstate Insurance book of business for \$265,000.00. Annexed hereto as **Exhibit B** is the purchase agreement. A book of this size had an Earned Premium value of \$1.2 million dollars at the time I purchased it in 2014.

6. I purchased this insurance book from a private individual. I did not pay Allstate for this insurance book. Allstate did not finance or issue any loan to me to secure the purchase. Allstate does not hold any security interest in this book of business for any dealings with me personally. Allstate owns all the business produced, or the actual customer accounts, under the Allstate R3001\$ Exclusive Agency Agreement. Annexed hereto as **Exhibit C** is my Exclusive Agent Agreement. Allstate does not own the value of the insurance book. Any increased value of the insurance book is attributed to the agent owner, who is compensated in full with no payments or liability to Allstate, should an agent voluntarily sell an Allstate Insurance book. Allstate's only involvement under the agreement is they retain the right of approval for any individual or entity seeking to purchase an Allstate book. See **Exhibit C**, page 7, Section XVI.

Growth of the Business

7. Upon purchasing the Allstate Insurance book I immediately implemented my dedication and hard work into a business plan that would grow the business to levels I could not imagine. Achieving this did not happen overnight. I carefully hand-picked my employees, I found office space to really allow my business to thrive and invested my own money back into the business on a consistent basis. Allstate did not pay for my office, or any office equipment, Allstate did not pay my employees or any business expense, or any monetary investment back into the business. I paid approximately fifteen thousand dollars a month for marketing the business and leads, all my employees' salaries cost about forty five thousand dollars per month. In addition to that expense I pay my office rent, utilities, office supplies and payroll tax, which all cost approximately

fifteen thousand per month. Over the course of the past three and a half years I roughly invested back into my own business, approximately \$75,000.00 a month. That is close to three and a half million dollars over the past three and a half years. My employees and I have built this Agency into exactly what Allstate envisioned all its agencies would be.

8. The hard work and reinvestment into my business in three and a half years increased the value of the Allstate book by a staggering amount. I purchased this book of business with an Earned Premiums of \$1.2 million dollars. My agency has worked so hard the book now has an Earned Premiums of \$5.5 million dollars. The same book of business I purchased for \$265,000.00, I can currently list it for sale at approximately \$1.6 million dollars. Annexed hereto as **Exhibit D** is Business Metrics printout for December 2017 generated by Allstate. In the column toward the bottom of the spreadsheet entitled Earned Premium, the number from the row entitled Total Property & Casualty, is the my total earned premium of \$5,143,276.00. This type of increase in value unprecedented in the business.

9. My agency has performed so well each month I began to be recognized as a top agent in the company. Annexed here as **Exhibit E** is a Top 25 list for items produced in a month. I was number on this particular month. In March of 2017 I was honored and recognized by Allstate for outstanding business performance as the top agent in the state for auto and homeowners insurance sales. Annexed hereto as **Exhibit F** is the article that was issued for that honor in which the New York Regional Sales leader praises my commitment and understanding of the business.

10. A main objective that Allstate reinforces to its exclusive agents is furthering the company brand and meeting business standards as often as possible. An Agency's value and credibility is heavily based the Agency retention of customers and the agency's loss ratio. The loss ratio of an agency is affected when an agency is writing bad policies. My Agency's performance in both retention of customers and loss ratio in 2017 has placed on the Nocella Agency on the Best in Company list. Annexed hereto as **Exhibit G** is the Best in Company Agency list for 2017, in which my Agency, the Nocella Agency is number three. Being the Best in Company is prestigious and very beneficial to my business and future. Agencies that are Best in Company are ushered all over the country by Allstate, sent on all expenses paid vacations to the most desired

destinations in the world and affords Agents the opportunity to meet, socialize and work with high ranking executives of the company. These opportunities are priceless for what they can do for business. I was very much looking forward to all these opportunities this year. If Allstate

11. There is no disputing the fact that the Nocella Agency is at the very top of the list of best Allstate Agencies in the company, and coveted by many. The book of business that the Nocella Agency has produced is so valuable and serviced so well, that if Allstate ever had this book back in its possession they could divide the accounts into four smaller books of business. The result would be the opportunity for the Regional, Territorial and Field Sales leaders to bring four new agents in to purchase these books. New agents results in bonuses for the Regional, Territorial and Field sales leaders and four more store fronts out in the public. Allstate desires to be everywhere. They want a store front every mile on Long Island.

Allstate's Breach of the Exclusive Agency Agreement

12. Although I was aware of the unethical tactics Allstate employed to manipulate a situation to benefit the company, my Agency was operating so efficiently I could not imagine a situation where my Agency, and employees would be targeted. Whether my termination is with intent or a grossly negligent overreaction to industry practice, the fallout is irreparable. On December 19, 2017, I was asked to attend a meeting close to my office. When I arrived at the meeting I was the only person there. A short time later a television came on and a woman I did not know at the time, but I now know to be Lucia Montano, appeared. She informed me she was an investigator out of the Allstate office located in Illinois, commonly known as home office.

13. At no time prior to this meeting or during this meeting, was I asked if I would like to consult counsel. While I understand I do not have an absolute right to counsel in this type of situation, I was taking by surprise at the magnitude of these allegations. The Territorial and Field Sales leaders that are supposed to be helping agents in their territory, knew that this meeting was serious. When I asked my Field Sales leader, Greg Damadeo, what this was about his words to me were, "that is bad." No guidance came from him or anyone. Ms. Montano knew what she was going to be asking me about. She knew the significant consequence of the interview. She made it very clear I could be terminated. I was never asked or given an

opportunity to speak an attorney. Ms. Montano consistently tried to lead me into answers that I do not believe were construed properly. Ms. Montano kept asking if I knew the information I submitted was false. Agents throughout the company are not submitting false information to the company. Agents only objective is get an inspector to the property. Ms. Montano continued to use the phrase "knowingly submitted falsified documents". The implication that I submitted any information with the intent to fool a fool proof system is misguided. There is no way to trick the system. I was submitting information as I was taught to do.

14. I was shocked at the allegations that Ms. Montano began to levy upon me and my agency. I was not present with counsel and not entirely sure what Ms. Montano was investigating. This ambush lasted about an hour and Ms. Montano informed me that I was being investigated for submitting false documents to Allstate, and could be facing a termination. In my Exclusive Agent Agreement, Allstate reserves the right to terminate the agreement. Please see **Exhibit C**, page 8, Section XVII. I was completely taken off guard at these allegations and I could make any sense of what exactly I was being accused of doing. The same investigator subsequently called an employee of my agency, Christina Guigliano, to question her as well. We were being accused of submitting inaccurate information to the company on homeowner's insurance applications. I was questioned about one account and Ms. Guigliano was questioned about submission on three accounts, if she did submit any inaccurate information, it was not authorized by me, I had no knowledge that is what occurred, and I am confident she was following procedures she learned while taking her binding authority and quote optimization class.

15. I immediately turned to my Regional Leaders for guidance and assistance on how to clear this misunderstanding up. I was stonewalled and told that they do not know anything about what was going on and are kept separate from the investigation. After attempting many times to have the people who have direct interaction with me on a daily basis and the ability to explain to the home office, that my agency is run with integrity and upholds the Allstate reputation more so than any other agency, and being treated as if I was a stranger to them, I had no choice but to hire counsel. My attorney sent a letter asking for updates on the investigation and was not even responded to, let alone provided an update or answer. I did not hear anything from anyone at home office or anyone locally regarding the investigation taking place for approximately two

months. The Regional Leaders only communication with was to tell me they would assist in finding a buyer if my agreement was terminated. In fact, one Allstate Field Sales Leader who has been privy to my business with Allstate since I first started, who has mentored me; and I would have expected to be helping me clear up an obvious mistake, was intimating regularly that if it came down to it he would purchase my book. It was at that point that I realized I could not depend on the local Allstate brass to defend me or otherwise influence the home office, as they were viewing this as an opportunity for financial gain from my loss. The clear conflict of interest that developed once one of my superiors was talking about buying my book left me isolated and alienated from the company. This breach of the responsibility to I was not quite sure who to turn to.

16. After the turn of the New Year I had not heard anything regarding the investigation but I was certain that had not done anything wrong that would warrant a termination of my agreement, so I continued on building my business. As February began, neither I nor my attorney had heard anything regarding the investigation. In fact, Allstate paid me my bonus on February 17, 2018. This was an indication to me that nothing had come out of the investigation, or likely I would have been notified prior to Allstate issuing my bonus.

17. On March 1, 2018, approximately two weeks after receiving my bonus, I was asked to meet Ankur Chaturvedi, a Territorial Sales Leader, at a local Starbucks. It was there I was given a notice that my Exclusive Agent Agreement with Allstate was being terminated. The Termination letter is annexed hereto as **Exhibit H**. I was also given a notice that I have until July 1, 2018, which is ninety (90) days to find a buyer for my business that would be approved by Allstate or Allstate will purchase the book but at a reduced priced, called the Termination Payment Provision (TPP). This provision is found in my Independent Contractor Exclusive Agent Manual. The manual is length for purpose of efficiency, annexed hereto as **Exhibit I** is the relevant portion of the Manual. The TPP value of any Allstate book is significantly less than what it is worth. Allstate has an interest in a seller not finding a buyer prior to the ninety days expiring, as they stand to get a discounted rate on that seller's book of business. This fact combined with their right to approve a buyer, sets up a concerning conflict of interest. Allstate can delay the sale and the owner of that book is helpless to do anything. As soon as I realized the possibility that I may be terminated I proactively began to plan for the

worst case scenario that I may have to sell. I contacted my Territorial and Field Sales leaders on a daily basis asking them to assist me in searching for a buyer. The purchase would be in excess of a million dollars and I knew it would be difficult to find a buyer in ninety days. For nearly two months I was ignored whenever I requested assistance to procure a buyer. This conflict is front and center in regards to my book and the value that is being used to set the TPP amount. I will discuss the irreparable harm that I will suffer due to this in detail a little further into my affidavit.

18. Allstate has yet to issue me a written explanation of why they are terminating my agreement. I have verbally requested written explanation or any explanation and have been shut down at each attempt. My attorney has requested an explanation in writing, which has yet to be complied with. Annexed hereto as **Exhibit J** is the letter requesting a detailed explanation from attorney's office.

19. According to the termination letter I was issued, although it is not clearly stated in the body of the letter, the clause of the agreement that is cited means I was terminated for cause. See **Exhibit H** and **Exhibit C**, page 8, Section XVII. Allstate has violated my rights and breached our agreement by terminating me without a legitimate reason.

20. I would like to think that my termination is the result of negligent and incomplete investigation. I was only spoken to about this one time. Christina Guigliano was only interviewed one time. I was never request to provide any additional information or documentation. My calls and my attorney's calls were not answered or returned. I am confident that a complete and thorough investigation would yield on one result, that I have not breached my agreement. That what I am being accused of doing is a companywide practice, and Allstate is complicit. A complete investigation has not been done. There are investigations that have taken place for agents that have actually falsified documents. In two cases, two agents were submitting photo shopped declaration pages of a policy to Allstate. This is the definition of falsifying documents. These agents were reprimanded, questioned and ultimately not terminated. Multiple agents have been investigated for omitting information about the home, such as how many bathrooms the home has. This is deliberately submitting information to the company knowing it is false. The result was no termination for these agents.

21. Even more telling about the complicity of Allstate and the negligent investigation regarding my agency is the fact that the most important factor in obtaining either a home or auto policy from Allstate is the insurance credit score. The insurance credit score and the Catastrophe Risk Management (“CRM”) score are the two scores used to evaluate homeowner’s insurance application. I will discuss ‘CRM” in more detail below. The insurance credit score is often times the determinant in a policy being eligible to write or not. There is actual documented reporting on how many times agents make what is called a duplicate credit order or “DCO”. On the activity report for all licensed sales agents, duplicate credit ordering is monitored. It is known by agents that this practice is frowned upon by Allstate, but there is no zero tolerance policy. If an agent goes over the threshold set by Allstate, it is not cause for termination. Without question Allstate knows this is the common practice. The amount of times an agent is ordering The Catastrophe Risk Management score is not documented anywhere. There would be no reason to believe that Allstate would terminate me over a few policies having inaccurate submissions for a CRM score, when Allstate knows the frequency of which agents are altering the credit score submission, which significantly changes premiums, rates and eligibility of policies. A CRM score has a safety net with a subsequent inspection of the property, which is discussed in detail beginning with ¶ 23. Allstate is on the record agreeing that the inspection is the final say all, also discussed in ¶ 23 below.

22. I certainly hope this is a mistake and will be rectified. Instead, it appears Allstate has manufactured an issue in a scheme to obtain my valuable agency at a significant reduction. The calculated nature of this plot is a gross ethical and legal violation. Allstate has wrongfully terminated my agreement and breached the agency agreement. Allstate has colluded to have my agreement terminated, knowing I would not be able to procure a buyer in ninety days leaving Allstate as the only viable buyer for my property. Allstate has violated my rights to freely transfer my property without their interference.

**Immediate Irreparable Injury Will Result in the Absence of a Temporary Restraining Order
Stopping the Defendant from Shutting Down the Nocella Agency**

Background

23. My termination and the termination of Christina Guigliano is based on the unfounded allegation that we entered estimated, and not exact, numbers regarding four accounts that were procuring homeowners insurance for. Allstate began providing homeowners insurance directly, in or around 2012. Selected zip codes across Long Island would be released periodically and agents would be able to write homeowners insurance in those zip codes. Annexed hereto as **Exhibit K** is an email agents received on July 28, 2017, opening previously closed zip codes. An agent processing an application for homeowners is expected to enter the credentials of the home, which include, square footage (living area and finished living area), dog presence, deadbolt indicator, park status, smoke detector, home style, number of families, year built, construction type, number of stories, perimeter choice, shape, measured perimeter, main home wall height and percent and basement depth. Annexed hereto as **Exhibit L** is a printout of one of the accounts that was investigated by Allstate that lists the credentials to be inputted.

24. After inputting these numbers the system is set up to produce two scores. The Insurance Credit Score, discussed above, and Catastrophe Risk Management Score or the "CRM" score. Based on these scores the property is either accepted or rejected. If accepted, an inspector is notified to go to the property and issue his or her calculated upon actually being at the property. The policy is then underwritten if all is good. If the property is rejected the standard practice of every Allstate agent writing a homeowners policy is to change estimated credential that were either provided inaccurately by the homeowner or were not available on the internet. Allstate claims they require agents to submit accurate information. This is exactly what we have done to the best of our ability, when possible. When ascertaining the home credentials there are no possible way to get exact or completely accurate information. The reason an inspector is sent to the property after the agents submits numbers to make sure the numbers submitted that were provided by the customer or found online were accurate. In fact, Allstate's own investigator for my case, Lucia Montano, states directly that the inspector is final say all in this process. Annexed hereto as **Exhibit M** is page 35-36 of a certified transcript

of the telephone interview Ms. Montano had with my employee Christina Guigliano. The conversation is regarding the inspection after inputting home credentials. On page 36, Line 12-13, the investigator states directly "I know that. We all know the inspection is the final say all."

25. Customers do not always know the square footage of their home. Customers are not always upfront about having a pet, or may not know the roof geometry or any of the required fields. Some of the information is available online. That information could be wrong or outdated. When the inspection is complete the inspector's numbers are always different than what is found on the internet. When Allstate releases zip codes they do not specify any exception in those areas, in terms home size or location, they simply say it is ok for homeowners to be issued in that zip code. With the exception of distance from the shore, there has never been any class offered, memo issued, email, letter, phone or any communication at all that expressly stated limitations of homes within a zip code.

26. What is particularly troubling about this entire situation is the fact that every employee at the Nocella Agency is required and encouraged to remain current on products offered in our business, and ways to improve servicing our clients. My employees are proactive in participating in classes, seminars and any other opportunity to advance their knowledge and skills in the field. In August of 2017, I was invited to a conference called the "Ivantage Road Show". Two new companies, National General and Cabrillo Coastal, who Allstate was now allowing us to write homeowners insurance through, were hosting the conference and giving seminars demonstrating how to run homeowners insurance quotes through their companies. I immediately contacted Jillian Skubis, who works for Allstate, and informed her I would be attending and asked that I be allowed to bring employees. Three of my employees, including Christina Guigliano, accompanied me to the seminar. I was the only Agency that brought staff with me. This is what the Nocella Agency strives to accomplish. Maximum knowledge of our products and learning whatever is offered that will assist us in servicing our customers.

Allstate's Failure

27. Allstate has never once issued any specific procedure or method in writing or otherwise on how agents are to input these credentials. Every agent practices the same procedure. When a zip code is available

and a home comes back rejected, the input must updated to reflect a more accurate number so an inspector can get the property and get the right numbers. Allstate Regional and Territorial leaders are aware that this is the only method to procure customer homeowners. I have had personal discussion about it with them. It is no secret that this is the method used by all agents. As an agent I am empowered and expected to provide customer service to, solicit and write policies in furtherance of Allstate's brand. See **Exhibit C**, page 2, letter D. Allstate has failed to explicitly instruct any of its agents on how they want numbers inputted, while knowing the only method is sometimes amending numbers that could be inaccurate for a multitude of reasons, and financially benefitting from it.

28. I challenge Allstate to provide any information or tutorial or class or instruction or anything that explains what the CRM, how it is calculated, and how agents are supposed to input numbers. When a rejection comes back it does not state which credential does not qualify, it just says the issue is the CRM score. Through the company it is rare that numbers inputted come back with a reject. On the rare occasion that a reject does come back, every agent associated with Allstate knows to adjust the quote and get the inspection out to the property. Allstate has never instructed myself or any agent that we are only supposed to input numbers once and if it is rejected no longer try to service that customer's needs. I challenge Allstate to show me where in the Agency Standards Manual or EA Manual, or quote optimization class, that discusses the policy procedure on inputting the credentials for a home. If Allstate intended that to the procedure they would have made sure that agents were put on notice of it and implemented software or programming that would not allow any additional submission to obtain an inspection. The burden upon me as an agent is impossible to meet, when Allstate has a failed system and requires agents to write a certain number of policies.

Damages

29. My agency agreement has been terminated under the baseless allegation that I submitted false information to the company. Allstate alleges me and my employee, Christina Guigliano, submitted inaccurate information on four accounts when processing a homeowner's insurance application. All four accounts were in zip codes we were encouraged to write business in, Sayville and Patchogue. See **Exhibit**

K. One of the accounts was my own home, which I purchased a couple of months prior to Allstate opening my zip code for homeowners. During this period of time it is well documented by agents complaining and questioning Allstate as to why the zip code for Sayville is generating so many rejects, which is uncommon. I explained to Ms. Montano that in regards to my home, which is in Sayville, there were issues companywide with rejects on the Sayville zip code. I was inputting numbers to see what the cause of all the rejections were and how to fix what seemed to be technical problem. I called my Field Sales Leader, Greg Damadeo, and had a conversation with him as to why the Sayville zip codes were getting so many rejections. There is no intention to do anything that would be fraudulent towards Allstate. As mentioned there is no way to manipulate the numbers when an inspector goes to the property, and the correct policy is always issued. There was no potential gain for me personally. Still the submission for my own home and the three other accounts followed the exact procedure that was followed on every other account my agency wrote homeowners insurance for. Which is the the procedure that we were taught and is the only practice throughout Allstate to obtain homeowners insurance, and to get an inspection on the property. Each account, the inspection did what it is meant to do, the policy were issued properly, with sufficient coverage and Allstate suffered no harm whatsoever.

30. Since being terminated I have been forced to have another agency service my accounts, I have been shut down and locked out of the system. My employees are all displaced. Each passing day that Allstate has me locked the value of my hard work diminishes and accounts are being lost or damaged by not being serviced properly. The phone calls to my office are being forwarded, however the emails that come in are not being answered. I receive approximately eighty (80) emails per day from customers with questions regarding their insurance. Since March 1, approximately 960 emails from my customers seeking guidance from the Agency have been unanswered. The detriment to my good reputation, my employees' good reputation and the Agency's reputation and value cannot be calculated.

31. Allstate has issued a termination of appointments letter to me, dated March 8, 2018. Annexed hereto as **Exhibit N**. Allstate also notified the Department of Insurance of this termination. Annexed hereto as **Exhibit O**. The irreparable damage that reporting this illegal termination is immediate and will

effectively end my career. This is another retaliation tactic by Allstate to implement fear in any individual who challenges them.

32. I have been told I will no longer receive commissions starting March 19, 2018. If Allstate is not stopped from illegally terminating me my only source of income will be gone. The commissions on business that I wrote over the past three and a half years that would be residually paying me for the next twenty years or more would be gone. The millions of dollars that I have invested in this business would be gone with no return.

33. If immediate action is not taken, Allstate will continue to damage me financially and damage my goodwill and reputation. If my Agency Agreement is terminated I will lose the financial benefits that would have vested this year from my agency being Best in Company. This includes bonuses, all-expense paid vacations and seminars with high ranking executives of the company, just to name a few. **Please see Exhibit G.**

34. If immediate action is not taken, and Allstate is not restrained pending the hearing of my motion for a preliminary injunction, Allstate will continue to damage me financially in what may be the most troubling manner. If Allstate continues with this termination, it will nearly impossible for me to find a qualified purchaser for what the value of my book is. Allstate has informed me that since I have only owned this book of business for three and half years all of the business written has not vested. That would have happened at five years. What that means is that Allstate is valuing my book of business based on the earned premium of the individual I purchased it from. That value is calculated currently at \$98,325.74. Annexed hereto as **Exhibit P** is the Termination Payoff Payment Summary Report. On page 6, where it says grand total is what I will be paid if I am unable to find a purchaser. Currently the book is listed for sale at \$1.6 million dollars.

35. There is no possible way to find a buyer because most purchaser are not flush with \$1.6 million dollars, and since Allstate values what they would have to pay me for a termination fee at \$98,325.74, any lending institution will lend only 100% of the TPP value. In my case a purchaser is only going to be able to finance \$98,325.74 of a \$1.6 million dollar purchase. When Allstate makes sure I

do not get buyer they will have a \$1,501,674.26 windfall. My family would have our hard earned money ripped away from them. It is difficult based on all that has occurred, not to formulate the opinion that Allstate sales leaders aware of this potential opportunity.

36. If the TPP value was what it is supposed to be based on the value I added to this book of business it would be \$771,491.40. That is a difference in TPP value of \$673,165.66. If all factors were considered equal and I simply could not find a buyer for my agency in 90 days, the least amount of money I should be paid for my asset would be \$673,165.66. Incurring such significant, immediate and detrimental financial loss would be impossible to recover from.

37. If immediate action is not taken and Allstate is not restrained pending the hearing of my motion for a preliminary injunction, they will continue to damage me financially and damage my goodwill and reputation with my customers. They are illegally taking from me an asset that is estimated to be worth \$8 million dollars in earned premiums in two years. That is an estimated sale value of \$2.8 million dollars. The value will only increase over unless Allstate is allowed to keep me locked out of it and eventually take possession of it and use it to their gain. This investment in myself and my employees and my agency to grow my business as much as possible is all geared toward retirement for me and my family and a business I can pass down to my children.

Allstate's Failure to Mitigate

38. Whether the reasoning behind my wrongful termination is Allstate's arrogance and intention to essentially steal from me and my family and displace my employees; or this a grossly negligent overreaction because there is no policy on how to deal with this particular situation. Allstate's action should not be tolerated. Allstate has a history of treating its employees as disposable. Annexed hereto as **Exhibit Q** is an article of one of many incidents in which Allstate has proven to use lies and deception to gain an advantage on its employees so that a select few of the company could gain financially.

39. For two months I tried to talk to home office and my local sales leaders with silence in return. What is problematic is Allstate's unwillingness to accept their complacency in this method of inputting numbers and work to educate its Agents. Annexed hereto as **Exhibit R**, page 12 and 13 of the Exclusive

Agency Manual. At the bottom under "Knowledge of Products and Services" is what I read as guideline for improving agents' knowledge on exactly what Allstate wants us to do when inputting numbers to obtain a CRM score. I would gladly attend meetings, educational classes, programs and anything else to have this clarified. Allstate prefers to wrongfully terminate my agency because of their lack of any direction or policy pertaining to this issue.

40. To the best of my knowledge, Allstate does not have any individual capable of explaining what the exact procedure is when inputting estimated numbers for a home and how CRM is calculated. Annexed hereto as **Exhibit S** are pictures of the search results on Allstate Gateway for CRM and how to figure square footage. Any method of calculating or otherwise figuring out the square footage of a home yield results that are not exact. Allstate's solution is to wrongfully terminate my agreement rather than address their problem caused by their incompetence and greed.

41. In fact Allstate has taken to retaliation because I will not sit back and allow them to take what I have built with hard work for no sufficient reason. My employee, Christina Guigliano, who was also investigated and interviewed by Ms. Montano, was recently sent a letter that her appointments were terminated with Allstate and that the Department of Insurance would be notified. See **Exhibit T** annexed here to. This letter is dated March 5, 2018 and she received it on March 6, 2018. Annexed hereto as **Exhibit U** is a letter dated March 2, 2018, in which Ms. Guigliano is informed she has received the prestigious honor of Committed to Excellence in 2017. The letter goes on to invite her to a recognition ceremony. My attorney notified Allstate of my representation on March 2, 2018. The subsequent termination of Ms. Guigliano is clearly an attempt to cause dissention in my Agency and to retaliate for asserting our contractual rights. The hypocritical nature of honoring a sales person's commitment to excellence one day and then the very next day terminating that person, is typical Allstate procedure of never being accountable for the company's shortcomings.

42. Ms. Guigliano was very clear to the investigator that she never underwent training on how to input information in the system. See **Exhibit V**, the certified transcript of Guigliano, P. 25 lines 16-25 and P. 26 line 1-14. She is repeatedly tells Ms. Montano the she was taught the inspection is all that matters.


What is even more problematic about this conversation is illustrated on P. 40 lines 10-25 and P. 41, lines 1-19, annexed hereto as **Exhibit W**. Ms. Guigliano has been honest with Ms. Montano and Ms. Montano attempts to bully Ms. Guigliano into making something up when the investigator says, "when someone's says to me I don't remember, it means I may have done it." This is abusive and inappropriate and Ms. Guigliano's integrity prevailed in spite of the investigators attempt to break it.

43. For the foregoing reasons, respectfully, the Court must grant my emergency application for a Temporary Restraining Order and the motion for injunctive relief requested herein to preserve the status quo as well as stopping Allstate from forcing the sale of my business, shutting my agency down from operating entirely, displacing all my employees and to prevent Allstate from causing any further irreparable economic harm to me and the Nocella Agency, while my motion for a preliminary injunction is pending hearing.

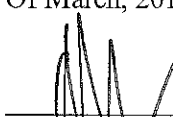
44. Plaintiff respectfully request a preliminary injunction be granted during the litigation of the underlying action. It is unlikely that such litigation is resolved in ninety days. With the preliminary injunction Allstate will attempt to force me to sell and thereby cause irreparable harm that is insurmountable.

45. No prior request for the relief sought herein has been made to this or any other Court.

DATED: Commack, New York
March 6, 2018


Michael Nocella

Sworn to me on this 9 day
Of March, 2018.


Notary Public



SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF SUFFOLK

-----X
MICHAEL NOCELLA and
THE NOCELLA AGENCY,

Plaintiff,

-Against-

Index No.: 604642/2018

AFFIDAVIT IN SUPPORT

ALLSTATE INSURANCE COMPANY,

Defendants,

-----X

STATE OF NEW YORK)
)ss:
COUNTY OF SUFFOLK)

Sharlene Basso, being duly sworn, deposes and says:

1. I am an individual who resides in the State of New York, County of Suffolk, Town of Islip.

2. I have been employed as a Customer Service rep/ Office Manager, at The Nocella Agency since 2014. My job description is Customer Service /Office manager.

3. I am familiar with the facts and circumstances surrounding this case based upon my personal observation and knowledge regarding matters that have occurred in this case, discussions with the plaintiff about the case, and my review of the documents pertaining to this case.

4. I submit this affirmation in support of Michael Nocella's and The Nocella Agency's

application for a Preliminary Injunction and in support of their application for a Temporary Restraining Order, pending determination of their motion.

5. For the reasons set forth in Michael Nocella's affidavit, the Plaintiff's will suffer immediate and irreparable injury unless the Defendant is restrained pending a hearing on Plaintiff's motion for a preliminary injunction.

6. On March 14th, 2018, I will celebrate my thirtieth 30th anniversary as an Allstate Agency employee.

7. In my 3 years working at The Nocella Agency, I can attest to the fact that The Nocella Agency operates with integrity, honesty, motivation and desire to grow the business and service the customers. I have not experience in my 30 years this level of customer satisfaction from an Allstate Agency.

8. I have personally observed Michael Nocella encourage our entire staff to remain current on all the products we are authorized to sell. The office wide goal to be the best agency in the company has begun to come to fruition.

9. At no time has The Nocella Agency received anything letter, email, document, manual, lecture or advisory on the method and amount of times information should be submitted into the system when inputting home credential for a homeowner's insurance policy. pertaining to this issue.

10. For the foregoing reasons, respectfully, I ask this Honorable Court to take my affidavit in support into consideration grant the Plaintiffs' emergency application for a Temporary Restraining Order and the motion for injunctive relief requested herein to preserve the status quo as well as stopping Allstate from shutting down The Nocella Agency, displacing

all the Agency's employees and to prevent Allstate from causing any further irreparable economic harm to Michael Nocella and The Nocella Agency, and its employees while the motion for a preliminary injunction is pending hearing.

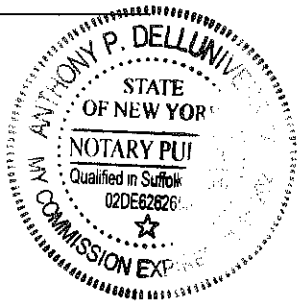
11. I submit this affidavit under the penalty of perjury and would attest to the contents herein under oath in a court of law.

DATED: Commack, New York
March 6, 2018

Sharlene Basso
Sharlene Basso

Sworn to me on this 9 day
Of March, 2018.

[Signature]
Notary Public



SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF SUFFOLK

-----X

MICHAEL NOCELLA and
THE NOCELLA AGENCY

Index No.:

Plaintiffs,

-against-

AFFIRMATION IN SUPPORT

ALLSTATE INSURANCE COMPANY,
Defendant,

-----X

Anthony P. DellUniversita, an attorney admitted to practice before the Courts of the State of New York, hereby affirms that:

I am the attorney for the Plaintiffs and as such, I am fully familiar with the facts and circumstances of this case.

I submit this affirmation in support of Plaintiff's application for the temporary and preliminary injunctive relief sought herein. For the reasons set forth below as well as in the accompanying affidavit of Michael Nocella ("Nocella Affidavit"), Plaintiffs' motion must be granted in its entirety, and Plaintiffs' request for a temporary restraining order is required to stop the irreparable harm defendant is causing the Plaintiffs from continuing.

COMPLIANCE WITH CPLR 202.7(f)

On Monday, March 12, 2018, notice was sent to Emily Renfro, the attorney for the defendant, Allstate Insurance Company, via letter that was faxed to the fax number on her letter head, via email to the email address she originally contacted me from, , informing her that this application will be made on Wednesday, March 13, 2018, at 2:30p.m., at the Supreme Court for the State of New York, County of Suffolk, at the Special Term, Part. Please see *Exhibit A annexed to my Emergency Affirmation*, which is the notice, fax confirmation and the printed out email.

FACTUAL HISTORY

For a complete recitation of the factual history of this matter please see the Affidavit of Michael Nocella ("Nocella Affidavit"), dated March 6, 2018, and please see *Exhibit A*.

INJUNCTIVE RELIEF

It is well settled that the purpose of an injunction is to preserve the status quo during the pendency of the action and the power to grant such relief rests within the Court's sound discretion. Ruiz v Meloney, 26 AD3d 485 (2d Dept 2006); Pouney v Dudley, 27 AD3d 633 (2d Dept 2006); First Franklin Square Associates, LLC v Franklin Square Property Account, 15 AD3d 529 (2d Dept 2005); Schweizer v. Town of Smithtown, 19 A.D. 3d 682, 798 N.Y.S.2d 99 (2nd Dept 2005).

In order to obtain injunctive relief, the movant must establish: (1) a likelihood of success on the merits; (2) irreparable injury absent the granting of the injunction; and (3) a balance of equities in the movant's favor. Nobu Next Door, LLC v. Fine Arts Hous., Inc., 4 N.Y. 3d 839 (2005); Ricca v Ouzounian, 51 AD3d 997, 998 [2d Dept 2008]. The existence of an issue of fact will not defeat a motion for injunctive relief which demonstrates the required elements. CPLR 6312(c). Oriburger, Inc. v B. W.H.N.V. Assocs., 305 AD2d 275, 278-279 (1st Dept. 2003); Frank May Assocs. V. Boughton, 281 AD2d 673, 675 (3rd Dept. 2001).

Temporary Restraining Order and Irreparable Injury Absent the Injunction

To obtain a temporary restraining order, the movant must show that immediate and irreparable injury, loss, or damages will result unless the defendant is restrained before a hearing can be had. CPLR 6313(a).

The irreparable harm must be shown by the moving party to be imminent, not remote or speculative. Golden v Steam Heat, Inc., 216 AD2d 440 442 [2d Dept 1995]. See Village/Town of Mount Kisco v Rene Dubos Center for Human Environments, Inc., 12 AD3d 501 [2d Dept. 2004]; Neos v Lacey, 291 AD2d 434 [2d Dept. 2002].

The harm is irreparable when there is no adequate remedy at law available. See Poling Transp. Corp. v. A & P Tanker Corp., 443 N.Y.S.2d 895, 897 (2d Dept. 1981). Chicago Research & Trading v. N.Y. Futures Exch., Inc., 84 A.D.2d 413, 416, 446 N.Y.S.2d 280, 282 (1st Dep't 1982). A party will

suffer irreparable harm in cases which money damages would be inadequate in the absence of injunctive relief. Salinger v. Colting, 607 F.3d 68 (2d Cir 2010); Tutor Time Learning Ctrs. V. KOG Indus., 2012 U.S. Dist. LEXIS 162124 (E.D.N.Y. Nov. 13, 2012). Irreparable harm may be found in cases where damages are clearly difficult to assess and measure. Registe.com v. Verio, 126 F.Supp. 2d 28, 258 (S.D.N.Y. 2000).

Nocella will suffer irreparable from the illegal termination of his agency agreement resulting in loss of his business.

A complete loss of a business constitutes irreparable harm, (see e.g. Semmes Motors, Inc. v. Ford Motor Co., 429 F2d 1197 [2d Cir 1970]). The Court in Semmes held the termination of an auto dealership constitutes irreparable harm where the right to continue a business is not measurable entirely in monetary terms. The Court in Roso-Lino Beverage Distributors, Inc. v. Coca-Cola Bottling Co. of New York, Inc., 749 F2d 124 (2nd Cir 1984) held, where the injunction will prevent damage to the business as a whole, irreparable harm can be established. Also see, GPA Inc. v. Liggett Group Inc., 862 F Supp 1062, 1068 (SD NY 1994); Mr. Natural, Inc. v. Unadulterated Food Products, Inc., 152 AD2d 729 (2d Dept 1989)

A loss of the business need not be total, so long as it is so great as to seriously compromise the company's ability to continue in its current form. Norcom Elecs. Corp. v. CIM USA Inc., 104 F Supp 2d 198, 209 (SD NY 2000). The New York State courts held similarly in Staples, Inc. v. Moses, 2005 NY Slip Op 51376U (Sup Ct, New York County 2005, Acosta, J), holding, petition stood to lose its business given the time and difficulty in obtaining similar space in the neighborhood absent injunctive relief.

Determining whether loss of business constitutes irreparable harm requires an evaluation of the circumstances specific to each case. Voom HD Holding, LLC v. Echostar Satellite LLC, NY Slip Op 31278(U) April 23, 2008.

Irreparable harm to the plaintiffs is imminent should the defendant be permitted to proceed with the termination of Nocella's Exclusive Agency Agreement, resulting in forcing him to sell a business he

has built from the ground up. If the Court denies this request the defendant will be able to continue to not allow Nocella to operate his business in any capacity. The result will be a total of his business that he has investing millions of his own money into. Allstate has shut off his company access, his access to his customers, his calls are forwarded to a servicing agency, his passwords don't work and his website is shut down.

Nocella has been notified that his final commission payment will be March 19, 2018. Losing commission checks will cause such irreparable harm to him, his family and employees. The immediate need to restrain Allstate from being able to withhold his income is evident.

As the matters stands right now, Nocella has to find a purchaser for his book by June 1, 2018, and a sale must occur by July 1, 2018. *See Exhibit H*. Each day that passes that the book is not being serviced properly the value decreases. An asset that Nocella has put millions of his own money back into is being destroyed for no good reason. As set forth in Nocella Affidavit, the inequity of sale price and the termination payout prices needs to be rectified immediately. The fact that the sales date is ninety days away, does not result in the immediate to stop the irreparable harm caused by the defendants to continue. Nocella, while in title, owns the business and sale proceeds if any, at this moment is not associated or able to monitor his business in any way. He has no control or ability the day to day operations of his business.

Undoubtedly, a loss of customer goodwill can constitute irreparable harm for preliminary injunction purposes. See Alside Div. of Associated Materials Inc v. Leclair, 295 AD2d 873, 874 (3rd Dept 2002), which held there is irreparable harm where plaintiff would lose business and suffer a dilution of goodwill after it cultivated relationships with its customers to develop repeat business. See also Four Times Squares Assocs., L.L.C v Cigna Invs., Inc., 306 AD 2d 4 (1st Dept 2003; Can West Global Communications Corp. v. Mirkaei Tikshoreet Limited, d/b/a Mirkaei Tikshoreet Group, 9 Misc. 3d 845, 859-60 (Sup ct. New York County 2005).

Nocella has cultivated such goodwill with his customers that is being completely destroyed due to the action taken by Allstate. Nocella has the best retention rate of customers in the company. That is based on his customer service and dedication to having his customers get the best insurance at the best rate possible. Nocella makes his commission based on renewals of the business he has written and new business written. If Allstate is not restrained this goodwill he has established will be diluted and his business will irreparably suffer.

Allstate has not forwarded any of the emails Nocella receives to his direct company email to a servicing agency. Approximately 80 customers per day directly email him with customer service questions. That is currently 1,040 emails that are not being answered or addressed. This is undoubtedly destroying his goodwill with his customers.

Allstate has notified the Department of Insurance about Nocella's termination for cause. See *Exhibit N* and *Exhibit O*. The immediate harm caused by that is the blemish on his license to produce insurance. He is subject to potential revocation, a fine and will have to always report an illegal termination should this motion not be granted.

Based on the above, Nocella has established irreparable harm, and the need for immediate restraint to keep everything status quo. After demonstrating the first prong to obtaining injunctive relief, Nocella can show the likelihood of success on the merits.

Likelihood of Success on the Merits

There is not a requirement of showing of a certainty of success on the merits, rather the "likelihood" of success on the merits. Doe v. Axelrod, 73 N.Y.2d 748, 750, 536 N.Y.S.2d 44; 532 N.E. 2d 1272; Bingham v. Struve, 591 N.Y.S. 2d 156, 158 (1st Dept. 1992). It is not for the court to determine finally the merits of an action upon a motion for preliminary injunction; rather, the purpose of the interlocutory relief is to preserve the status quo until a decision is reached on the merits. Hoppman v. Riverview Equities Corp., 16 A.D.2d 631; Weisner v. 791 Park Avenue Corp. 7 A.D. 2d 75, 78-79.

The plaintiff has demonstrated that there is a strong likelihood of success on the merits. Allstate has breached the Exclusive Agency Agreement by wrongfully terminating Nocella. The defendant has not disclosed or established the basis of the termination for cause. Simply stating he supplied false information to the company. Which is a baseless argument given there was no explicit instructions on how Allstate wanted its agents to submit any information.

Michael Nocella by agreement, is an agent and Allstate is the principal. See *Exhibit C, P. 1, Section I, Subsection A.* titled Authority. Nocella was given authority to sell, solicit, service and meet company objective of building a profitable business and obtaining market penetration. See *Exhibit C, P. 2, Section II, Subsection A. and B.* Nocella was operating under the companywide known objective and procedure when inputting information for an application for homeowner's insurance. (See *Nocella Affidavit, P. 9, ¶¶ 21 and 22; P. 10, ¶ 27; P. 11 ¶ 28; P. 15 ¶ 39; and P. 16 ¶ 40*) There were no explicit instructions, there were no classes offered, no emails issued, no memorandum issued on what agents are supposed to do. Including how many attempts agents should make to get an inspection to the property. The only edict followed by Allstate Agents, which Allstate endorses, was to get the inspection ordered *id.*

Nocella was acting within his actual and implied actual authority in the processing of these application. Evaluating an agent's authority should consider all circumstances surrounding the particular transaction. In particular is Allstates conduct. The company is aware of the practice undertaken by its agents when submitting information for a homeowner's insurance application. Allstate has not issued any directive on what they expect agents to do, and the topic is not addressed a single time in any company issued manuals. Allstates's conduct proves they knew or should have known that never addressing this issue would indicate to an agent to do as every other agent does.

The Restatement of Agency Law 3d § 8.15, addresses a principals duty to deal fairly and in good faith. Included is the principal's duty to provide the agent with information about risks of harm or pecuniary loss that the principal knows are present in the agents work but the agent does not know. *The Restatement of Agency Law 3d § 8.15.* Allstate claims the practice they have endorsed throughout the company is now cause to terminate Nocella. Assuming arguendo, that Nocella was doing business in a

manner that Allstate would have an issue with. Given the absence of any direct policy, Allstate knew Nocella would not have known this practice to be cause for termination ,since Allstate would have to terminate every agent. Allstate should have either warned or educated Nocella, and all their agents.

The Restatement of Agency Law 2d § 35 and 3d § 2.02(1) address what the agent is expected to absent the explicit instruction of the principal. Agents have actual authority to conduct a transaction, which includes authority to do acts which are incidental to it, usually accompany it, or are reasonably necessary to accomplish it. *The Restatement of Agency Law 2d § 35*. These acts are authorized by the designated or implied manifestations of the principal’s objectives. *The Restatement of Agency Law 3d § 2.02(1)*.

Inputting information for homeowner’s insurance is an incidental act, of which Nocella has authority and was acting in a manner consistent with Allstate’s objectives. The fact that agents can input information as many times with the Allstate computer program stopping them, and the subsequent inspection yields the numbers the policy is ultimately based on, proves the objective is to just get the inspection ordered.

Nocella has upheld his duties and responsibilities as an agent. He has taken a book of business that when he purchased it had \$1.2 million dollars in earned premium value, and in three and a half years the book now has a \$5.5 million dollar earned premium value. Nocella has even taken steps to notify Allstate of the issue that was occurring when the Sayville zip codes were generating a lot of rejection. *See Nocella Affidavit, P. 13, ¶ 29*. Passing this type of information to his field sales leaders is exactly what an agent is supposed to do the situation described above.

In light of the above Allstate breached the agreement by wrongfully terminating Nocella as his actions did not establish a breach for cause and Nocella has a strong likelihood of success on the merits. The defendant also breached the implied contract of good faith and fair dealing. Nocella will no longer be able to collect commissions if terminated. This is directly effects his benefit from his customers renewing and Nocella getting his paid renewals. He will no longer be able to write new business and be paid commission on them.

Allstate was negligent from the inception of the investigation till its awkward conclusion.

Allstate interviewed Nocella and his employee just one time. Never asked for any additional information or documentation. Nocella was stonewalled by his local territorial and field sales leaders when requesting their guidance. There is no evidence that Allstate checked into the fact that this was not submitting false information, it is compliance with the practice recognized by the company. There is no evidence other agents were asked about this method, or whether the local territorial and field sales leaders were interviewed, to give insight into what they know to be the practice when inputting information.

Allstate is violated NY Ins. Law §3245(j)(D) by withholding commissions. Nocella has not committed any offense that is sufficient to terminate him for cause. Absent any other exception to the law, Allstate is violating Nocella's rights by withholding the commissions.

Based on the above Nocella has a strong likelihood of success on the merits of his case.

Balance of Equities in Movant's Favor

A balancing of the equities would favor Nocella since a preliminary injunction would preserve the status quo, as provided by the temporary restraining order, without any detrimental effect upon Allstate. See Gramercy Company v. Benenson, 223 A.D.2d 497, 498 (1st Dept 1996). Balancing of the equities generally requires the court to look to the relative prejudice to each party accruing from a grant or a denial of the requested relief.

Granting plaintiff a preliminary injunction and a temporary restraining order does not prejudice the defendant in any regard. Keeping status quo until a determination of the motion and underlying matter puts Allstate back in a better position as the Nocella Agency is documented top earning agency in the company. The detriment that will occur to Nocella and the Nocella Agency, should the application be denied is irreversible.

In balancing the equities, the court should consider various factors, including whether plaintiff has unclean hands. United for Peace & Justice v Bloomberg, 5 Misc. 3d 845, 849-850, NY Slip Op 24389 (Sup Ct NY Co 2004).

Taking into consideration the incomplete investigation, the Field Sales Agent, Greg Damadeo's offer to purchase Nocella's agency and the stonewalling of Nocella at every turn when he was seeking guidance, the defendant does not have clean hands in this process.

There are documented accounts of agent's submitted doctored declaration and, agents omitting details they know are pertinent to a policy and Allstate has not terminated them. *See Nocella Affidavit, P. 8, ¶ 20.* Yet the witch-hunt against Nocella, his agency and his employee, Christian Guigliano seems to be calculated and underhanded.

In light of the above granting the temporary restraining order and preliminary injunction to maintain the status quo while the issue are determined is warranted.

CONCLUSION

Plaintiff has set forth sufficient evidence that establishes the immediacy and need for emergency relief to keep matters status quo. Demonstrating the likelihood of success on the merits, the existence of irreparable harm and that granting such relief would balance the equities in favor of the plaintiff, the court respectfully should grant the motion for a temporary restraining order and preliminary injunction in its entirety.

WHEREFORE, it is respectfully requested that the court grant the relief requested in this Order to Show Cause, together with such other relief as the court may deem just and proper.

Dated: Commack, New York
March 13, 2018



Anthony P. DellUniversita

Exhibit A
(NYSCEF Doc. No. 10)

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF SUFFOLK

MICHAEL NOCELLA and
THE NOCELLA AGENCY,

Plaintiffs,

-against-

ALLSTATE INSURANCE COMPANY,

Defendant(s),

Index No.:

Plaintiffs designate Suffolk County as the
place of trial.

SUMMONS

The basis of venue is: Plaintiff's Residence

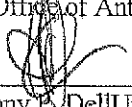
Plaintiff resides at:
9 Gibbons Street
Sayville, New York 11782

To the above named Defendants

You are hereby summoned to answer the complaint in this action, and to serve a copy of your answer, or if the complaint is not served with this summons, to serve a notice of appearance on the plaintiff's attorney(s) within twenty days after the service of this summons exclusive of the day of service, where service is made by delivery upon you personally within the state, or within 30 days after completion of service where service is made in any other manner. In case of your failure to appear or answer, judgment will be taken against you by default for the relief demanded in the complaint.

Dated: Commack, New York
March 9, 2018

Law Office of Anthony P. DellUniversita

By: 
Anthony P. DellUniversita
Attorneys for Plaintiffs
Michael Nocella and The Nocella Agency
5036 Jericho Turnpike, Suite 305
Commack, New York 11725
631-462-6900

Defendants' addresses:

Allstate Insurance Company 2775 Sanders Road, A2E Northbrook, IL 60062

FILED WITH THE CLERK OF THE COURT ON _____

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF SUFFOLK

-----X
MICHAEL NOCELLA and
THE NOCELLA AGENCY

Plaintiffs,

-against-

Index No.:

**VERIFIED COMPLAINT FOR
DECLARATORY JUDGMENT
AND EQUITABLE RELIEF**

ALLSTATE INSURANCE COMPANY,

Defendant(s),
-----X

TO THE SUPREME COURT OF THE STATE OF NEW YORK:

Plaintiffs, Michael Nocella (“Nocella”) and The Nocella Agency (“the Agency”), collectively “the plaintiffs” by way of Complaint for Declaratory Judgment against, Defendant, Allstate Insurance Company, referred to as (“Allstate”), allege and say as follows:

INTRODUCTION

1. This is an action for declaratory relief to settle important questions concerning the claims and position of Allstate in their decision to terminate the Exclusive Agency Agreement with Nocella, and the Nocella Agency.
2. The issues arise from the wrongful termination of Nocella and the Agency, for cause, without written explanation or verbal explanation, regarding Allstate’s allegation that Nocella and an employee of the Agency submitted false or inaccurate information to the company in regards to four accounts the Agency for homeowner’s insurance application.
3. The wrongful termination, based upon Nocella practicing the only company wide procedure, of which Allstate is aware of, to input information to obtain an inspection for

a customer's application for homeowner's insurance, will result in irreparable and irreversible damage to Nocella, the Agency, his business, his good will and reputation, millions of dollars of loss wages, benefits, bonuses and retirement.

- 4. Having received an official termination letter and put on notice that he has ninety (90) days to sell his business or surrender it to Allstate at significantly reduced sales price, Nocella and the Agency, file this action in order to obtain a declaration that he has not breached the Exclusive Agency Agreement; a declaration that Allstate cannot terminate his agreement; a declaration that he did not submit false or inaccurate information intentionally against Allstate policy; a declaration that Allstate has no set or clear policy or procedure for its agents to comply with when inputting information on a home for a homeowner's insurance application; a declaration that there is no express or implied rule or policy against submitting house credentials for a homeowner's insurance policy into the system more than once; that Allstate is complicit in the company wide procedure of inputting home credential to obtain an inspection when submitting an homeowner's insurance application.

PARTIES

- 5. Plaintiff, Michael Nocella, is an individual residing in the State of New York, County of Suffolk, town of Sayville, with an address of 9 Gibbons Court Sayville, New York 11782.
- 6. Plaintiff, The Nocella Agency, is a corporation, duly licensed to do business in the State of New York, with a principal place of business located at 4250 Veterans Memorial Highway Holbrook, New York 11741.

7. Defendant, Allstate Insurance Company, is a corporation, incorporated under the laws of the State of Illinois, with a home office address of 2775 Sanders Road, A2E Northbrook, Illinois 60062.

JURISDICTION AND VENUE

- 8. This proceeding is brought pursuant to CPLR § 3001 and CPLR Article 63 .
- 9. Venue is proper in Suffolk County, New York State, pursuant to CPLR § 503 because it is where the plaintiff resides.

FACTS

Agency History

- 10. Michael Nocella began working as an Allstate Insurance Agent on May1, 2012, starting his business from what is called “scratch” or not having purchase an already existing book of accounts.
- 11. Upon information and belief, Nocella agreed to go “scratch” in lieu of purchasing a book of accounts because he was told by Field Sales Leaders of Allstate he would be able to incorporate the business he wrote while a scratch agent into any larger book of accounts he purchased.
- 12. Upon information and belief, Nocella was misled and was not able to incorporate the business he wrote as a scratch agent with the book purchased in 2014.
- 13. In August of 2015, Nocella purchased an Allstate book of business for \$265,000.00, which had an earned premium value of \$1.2 million dollars.
- 14. On September 1, 2014, Nocella signed and Allstate R3001S Exclusive Agency Agreement, and The Nocella Agency began operating business.

- 15. Upon information and belief, Allstate did not lend or finance Nocella's purchase in any regard, nor do they hold a security interest in the book of accounts.
- 16. Upon information and belief the purchase of the accounts was from a private individual not Allstate.
- 17. Upon information and belief, Nocella was the owner and has an economic interest in the earned premiums and commission of his customers.
- 18. Upon information and belief Allstate owns any business produced or the account.
- 19. Upon information and belief Allstate, pursuant to the Exclusive Agreement, can require an agent who is terminated or voluntarily terminates their agreement, to sell their book of business to an Allstate approved buyer in ninety days. The seller would then retain full compensation for the sale.
- 20. Upon information and belief, failing to sell within ninety days would result in the election of a Termination Payment or TPP, at reduced price then the open market.
- 21. Upon information and belief, in three and half years, Nocella, who has invested approximately \$3.5 million dollars into The Nocella Agency, has produced a significant amount of business that now has the value in earned premium at \$5.5 million dollars; such a book would sell for \$1.6 million dollars.
- 22. Upon information and belief in the past three and a half years, Nocella has been recognized personally as a top agent in the company, receiving top 25 producer honors, and awarded top producer for auto and home sales in 2017.
- 23. Upon information and belief, The Nocella Agency has grown to one the top agencies in the company, and finished 2017 with the best retention loss ratio, earning the Agency Best In Company.

Allstate's Investigation

- 24. On December 19, 2017, Nocella was informed by an Allstate Investigator that he was under investigation for allegedly submitting inaccurate documentation to the company when submitting information for a homeowner's insurance policy.
- 25. Upon information and belief, the investigation was pertaining to four accounts of The Nocella Agency, located in Sayville, New York and Patchogue, New York.
- 26. Upon information and belief, an employee of The Nocella Agency, Christina Guigliano, was also interviewed as part of the investigation.
- 27. Upon information and belief, after learning what the investigation was about, Nocella made multiple attempts to have the Territorial and Field Sales leaders assist him with the investigation with no response and no assistance whatsoever.
- 28. Upon information and belief Nocella continued to request assistance from the Allstate territorial and field sales leaders, asking them to help him find a purchaser in the event he was terminated and had to sell. He was never responded or offered any assistance.
- 29. Upon information and relief, Allstate field sales leader, Greg Damadeo, created a conflict of interest by intimating to Nocella that if he had to sell he would buy, leaving Nocella feeling alienated from the people he believed would be helping him through a difficult time to clear this issue up.
- 30. Upon information and belief, on or around February 17, 2018, Nocella received his bonus for 2017.
- 31. On March 1, 2018, Nocella was asked to meet Territorial Sales Leader, Ankur Chaturvedi, at a Starbucks, where Nocella was handed a termination notice stating he had ninety (90) days or till July 1, 2018, to find a purchaser for his business.

- 32. Upon information and belief, Nocella immediately called Nancy Fuestel, from Human Resources as he the notice indicated she would assist with any question Ankur Chaturvedi also directed Nocella to call Nancy Feustel. Nocella was again stonewalled and told there was nothing more she can do.
- 33. Upon information and belief, Nancy Feustel is in possession of supporting documents for the termination decision and in spite of multiple requests by the plaintiff, she has not provided them.
- 34. Upon information and belief, plaintiffs were terminated for cause pursuant to the Exclusive Agency Agreement, Page 8, Section XVII (b)(3), for allegedly entering inaccurate information in the processing of a homeowner's insurance application.
- 35. Upon information and belief, Christina Guigliano received a termination letter terminated her appointments with Allstate on March 5, 2018, three days after counsel for Nocella notify Allstate of his legal representation.
- 36. Upon information and belief, Nocella and Guigliano, allegedly entered home credentials that were not exact, which generated a CRM score which initiated an inspection of the property.
- 37. Upon information and belief, CRM means Catastrophe Risk Management.
- 38. Upon information and belief, the information to be submitted to generate a CRM score is as follow: square footage (living area and finished living area), dog presence, deadbolt indicator, park status, smoke detector, home style, number of families, year built, construction type, number of stories, perimeter choice, shape, measured perimeter, main home wall height and percent and basement depth.

- 39. Upon information and belief, Allstate has not provided any means for its agents to determine any of the above listed value that need to be inputted to an exact.
- 40. Upon information and belief, Allstate agents are expected to enter accurate information.
- 41. Upon information and belief, Agents ascertain the information by asking the customer, the internet or any other database available. The source of the information is not always correct, accurate or updated. The customer may not know or may not be telling the truth regarding some of the information.
- 42. Upon information and belief, Allstate agents, company wide, operate under the same objective, which is to get an inspector to the property since the inspection is the only method to get close to accurate numbers as possible. If the system says the original numbers inputted are rejected, Agents make some amendments to get the inspection scheduled. Taking human error into consideration it is unlikely that the inspection always yields one hundred percent accurate numbers.
- 43. Upon information and belief, Allstate managers, supervisor or leaders of the company are all aware of the method and objective of every agent of the company.
- 44. Upon information and belief, there is no exact formula available to any agent or the public that demonstrates how a CRM score is obtained, thereby leaving the agent to guess at what information would need to be amended.
- 45. Upon information and belief, there is no express or implied written statement or warning or policy or procedure that states an Allstate agent cannot enter the home credentials more than once for an application. The computer allows the agents to do so.
- 46. Upon information and belief, there is no express or implied statement or warning or policy or procedure, verbally, audibly or visually issued to any Allstate agent, including

Nocella that agents are not supposed to enter information in the system more than once when ascertain a CRM score on a homeowner's application.

- 47. Upon information and belief, Allstate has not offered, required, suggested or made available to any Allstate agent, including Nocella, any educational classes, seminars, meeting, tutorials, focus groups, conferences or any other form of educational means, on the CRM process.
- 48. Upon information and belief, Allstate has not offered, required, suggested or made available to any Allstate agent, including Nocella, any educational classes, seminars, meeting, tutorials, focus groups, conferences or any other form of educational means, on the exact procedure Allstate wants its agents to follow when entering CRM score information.
- 49. Upon information and belief, there is no express or implied written statement or warning or policy or procedure that is clearly stated in any of the Allstate issued manuals, including but not limited to, the R3001S Exclusive Agency Agreement, the Supplement for the R3001 Agreement, the Exclusive Agency Independent Contractor Manual, the Agency Standards Manual or any Allstate issued manual to its agents, stating the number of times an agent shall submit information to obtain a CRM score, how a CRM score is actually calculated, the method or procedure Allstate expects agents to follow when gathering information to submit that would ensure it was exact.
- 50. Upon information and belief, Allstate acknowledges and recognizes that the inspection is the final and only determinant in the issuance of homeowner's insurance.

The Damages Suffered by Plaintiffs

- 51. Upon information and belief, The Nocella Agency's current earned premium value is \$5,143,276.00.
- 52. Upon information and belief, Allstate calculated a potential termination payment or TPP based upon the previous owners earned premium and is not including any new business produced by Nocella and the Agency since he has not owned the book for 5 years or more.
- 53. Upon information and belief, that calculate TPP value is \$98,325.74. That is the value Nocella would be compensated if unable to procure a buyer in 90 days.
- 54. Upon information and belief, if the TPP value was calculated including all of Nocella's new business, in which his agency alone added the value to the book, the amount would be \$771,491.40 that is \$673,165.60 difference.
- 55. Upon information and belief, Nocella can sell his book on the open market for \$1.6 million dollars.
- 56. Upon information and belief, any purchaser would only be able to borrow from a lender 100 percent of the TPP value of \$98,325.74 for a \$1.6 million dollar purchase, rather \$771,491.40 if the TPP value was calculated fairly. In ninety days it would be near impossible to find an Allstate approved buyer that has a cash flow available to buy this book.
- 57. Upon information and belief, Allstate stands to make a \$1,501,674.26 windfall should they only be required to pay the \$98,325.74 TPP value.

- 58. Upon information and belief, Nocella was informed he would no longer be receiving his commission checks starting March 19, 2018. He stands to lose millions of dollars of commission that renew and be paid residually for nearly twenty years.
- 59. Upon information and belief, when the Agency makes the Best in Company list, Nocella would be benefitted with bonuses, all-expense paid vacations to the highly coveted vacation destinations, endless business opportunities all over the country, social and business events with the owners and top executives of the company. Nocella is no longer in line for this due to his illegal termination.
- 60. Upon information and belief, Nocella has done all he can to mitigate and solve the company wide issue that he is being targeted for. Allstate has failed at any mitigation attempt and has retaliated and stonewalled the process.

AS AND FOR A FIRST CAUSE OF ACTION AGAINST ALLSTATE FOR A DECLARATORY JUDGMENT

- 61. Plaintiff repeats and re-alleges the allegations set forth in paragraphs 1-60 of the Complaint, as if fully set forth at length herein.
- 62. An actual and justiciable controversy exists between Plaintiffs and Defendant as to whether the termination of Nocella's Exclusive Agency Agreement was legal, appropriate and with cause.
- 63. Allstate is and was and at all times relevant to this action, aware of the practice and procedures its agents undertook to obtain an inspection when process a customer's homeowners insurance application.
- 64. Allstate was complicit in this company procedure.
- 65. Allstate never issued any warning to plaintiffs, or any agent regarding the procedure to be against company policy.

66. Allstate did not have any, and to date does not have any, implemented policy on how agents should be submit information to obtain a CRM or how many times to do so.

67. By reason of the foregoing, Plaintiffs Michael Nocella and the Nocella Agency, seek a declaratory judgment, that Michael Nocella and the Nocella Agency have complied fully with R3001S Exclusive Agency Agreement and have not acted in any manner in violation of Section XVII (b)(3) of said agreement.

AS AND FOR A SECOND CAUSE OF ACTION AGAINST ALLSTATE FOR A DECLARATORY JUDGMENT THAT ALLSTATE HAS NO LEGALLY CONTRACTUAL REASON TO TERMINATE PLAINTIFFS' AGENCY AGREEMENT

68. Plaintiff repeats and re-alleges the allegations set forth in paragraphs 1-67 of the Complaint, as if fully set forth at length herein.

69. An actual and justiciable controversy exists between Plaintiffs and Defendant as to whether the termination of Nocella's Exclusive Agency Agreement was legal, appropriate and with cause.

70. Allstate is and was and at all times relevant to this action, aware of the practice and procedures its agents undertook to obtain an inspection when process a customer's homeowners insurance application.

71. Allstate was complicit in this company procedure.

72. Allstate never issued any warning to plaintiffs, or any agent regarding the procedure to be against company policy.

73. Allstate did not have any, and to date does not have any, implemented policy on how agents should be submit information to obtain a CRM or how many times to do so.

74. By reason of the foregoing, Plaintiffs Michael Nocella and the Nocella Agency, seek a declaratory judgment, that Allstate has no legal grounds pursuant to the agreement to terminate plaintiffs' exclusive agency agreement.

AS AND FOR A THIRD CAUSE OF ACTION AGAINST ALLSTATE FOR A DECLARATORY JUDGMENT THAT MICHAEL NOCELLA DOES NOT HAVE TO SELL THE BOOK OF BUSINESS AT ISSUE IN THIS CASE

75. Plaintiff repeats and re-alleges the allegations set forth in paragraphs 1-74 of the Complaint, as if fully set forth at length herein.

76. An actual and justiciable controversy exists between Plaintiffs and Defendant as to whether Nocella must sell his business within ninety days.

77. Allstate has failed to properly instruct its agents and has allowed all agencies to operate in the fashion described above, but seeks to have plaintiffs sell their business due to the incompetence and complicity of Allstate.

78. Allstate did not have any, and to date does not have any, implemented policy on how agents should be submit information to obtain a CRM or how many times to do so.

79. By reason of the foregoing, Plaintiffs Michael Nocella and the Nocella Agency, seek a declaratory judgment that they do not have to sell the book of business.

AS AND FOR A FOURTH CAUSE OF ACTION AGAINST ALLSTATE FOR A DECLARATORY JUDGMENT THAT THE NOCELLA AGENCY SHALL CONTINUE BUSINESS AS USUAL WITHOUT INTERRUPTION OR DISTURBANCE BY ALLSTATE

80. Plaintiff repeats and re-alleges the allegations set forth in paragraphs 1-79 of the Complaint, as if fully set forth at length herein.

81. An actual and justiciable controversy exists between Plaintiffs and Defendant as to whether Nocella and the Nocella Agency and its employees should be able to continue their business without interruption by Allstate.

- 82. Allstate having taken measures such as shutting off email access, transferring calls and changing passwords has demonstrated its intent on damage Nocella and the Agency.
- 83. Allstate is and was and at all times relevant to this action, aware of the practice and procedures its agents undertook to obtain an inspection when process a customer's homeowners insurance application.
- 84. Allstate has failed to properly instruct its agents and has allowed all agencies to operate in the fashion described above, but seeks to have plaintiffs sell their business due to the incompetence and complicity of Allstate.
- 85. Allstate was complicit in this company procedure and has done nothing to educate its agents.
- 86. By reason of the foregoing, Plaintiffs Michael Nocella and the Nocella Agency, seek a declaratory judgment that business should go back to operating as it usually did, with all its employees intact, and no interruption by Allstate.

**AS AND FOR A FIFTH ACTION AGAINST ALLSTATE FOR A
DECLARATORY JUDGEMENT THAT THE NOCELLA AGENCY BOOK OF
BUSINESS TERMINATION PAYOUT (TPP) AMOUNT IS NO LESS THAN
\$771,491.40, THE VALUE AT THE COMMENCEMENT OF THIS ACTION, AND
WOULD ONLY INCREASE WITH THE INCREASE IN VALUE OF THE
EARNED PREMIUMS**

- 87. Plaintiff repeats and re-alleges the allegations set forth in paragraphs 1-86 of the Complaint, as if fully set forth at length herein.
- 88. An actual and justiciable controversy exist between Plaintiffs and Defendant as to whether Nocella and the Nocella Agency book of business has a Termination Payout (TPP) value of \$771,491.40 or greater.

89. Allstate in an oppressive, illegal, arbitrary and unconscionable manner calculates termination payout value without giving credit to new business written if an agent does not own a book for 5 or more year.

90. Such a calculation is the definition of unfairness and inequity.

91. Allstate is well aware of the significant it receives due to said method of calculating TPP.

92. Allstate has attempted to value the book in issue at \$98,325.60. This is a gross under calculation.

93. By reason of the foregoing, Plaintiffs Michael Nocella and the Nocella Agency, seek a declaratory judgment, that the Termination Payout value or TPP is \$771,491.40 or more.

AS AND FOR A SIXTH CAUSE OF ACTION AGAINST ALLSTATE FOR A DECLARATORY JUDGMENT THAT ALLSTATE SHALL EXPLICITLY AND CLEARLY ISSUE POLICY AND PROCEDURE FOR INPUTTING, PROVIDING OR SUBMITTING ANY INFORMATION TO THE COMPANY FOR ANY PURPOSE WHATSOEVER

94. Plaintiff repeats and re-alleges the allegations set forth in paragraphs 1-93 of the Complaint, as if fully set forth at length herein.

95. An actual and justiciable controversy exists between Plaintiffs and Defendant as to whether Allstate should issue explicitly clear policy and procedure for submitting information to the company.

96. To date Allstate has not implemented clear policy or procedure on inputting information to obtain an inspection when submitting a homeowner's insurance application.

97. Said failure to implement policy or procedure has cultivated a companywide procedure that Allstate now seeks to punish plaintiffs for.

98. Allstate has knowledge of the company wide practice, is complicit and benefits from it.

99. By reason of the foregoing, Plaintiffs Michael Nocella and the Nocella Agency, seek a declaratory judgment that Allstate explicitly and clearly provide policy and procedure for agents to follow when inputting, submitting or providing information to the company.

AS AND FOR A SEVENTH CAUSE OF ACTION AGAINST ALLSTATE FOR A DECLARATORY JUDGMENT THAT THE RELATIONSHIP BETWEEN ALLSTATE AND THE PLAINTIFFS IS A PRINCIPAL/AGENT RELATIONSHIP

100. Plaintiff repeats and re-alleges the allegations set forth in paragraphs 1-99 of the Complaint, as if fully set forth at length herein.

101. An actual and justiciable controversy exists between Plaintiffs and Defendant as to whether Allstate and the Plaintiffs have a principal-agent relationship.

102. The agreement states on page 1, clause A and page 2, clause A under duties and conditions that Nocella is acting as an agent.

103. By reason of the foregoing, Plaintiffs Michael Nocella and the Nocella Agency, seek a declaratory judgment, that Allstate and the plaintiffs have a principal-agent relationship.

AS AND FOR AN EIGHTH CAUSE OF ACTION AGAINST ALLSTATE FOR NEGLIGENCE

104. Plaintiff repeats and re-alleges the allegations set forth in paragraphs 1-103 of the Complaint, as if fully set forth at length herein.

105. Allstate did owe a duty of reasonable care to the plaintiffs in the investigation of the issue at hand.

106. The duty and the standard of care was breached by the lack of information provided during the investigation, the vague and cryptic nature of the investigation, the

length of the investigation, the failure of the territorial and field sales leaders in

protecting, defending or guiding the plaintiffs.

107. The duty and the standard of care was breached when the fields sales leader created a conflict of interest with Nocella stating he would purchase his book, "if it came to it".

108. Allstate's breach is the proximate cause of the injury and damages suffered by the plaintiffs.

109. Plaintiffs have been in damaged in an amount that exceeds jurisdictional limits and is continuing to accrue.

110. By reason of the foregoing, Allstate is negligent in their breach of their duty, proximately causing damage to the plaintiffs.

AS AND FOR A NINTH CAUSE OF ACTION AGAINST ALLSTATE FOR BREACH OF CONTRACT-WRONGFUL TERMINATION

111. Plaintiff repeats and re-alleges the allegations set forth in paragraphs 1-110 of the Complaint, as if fully set forth at length herein.

112. An Exclusive Agency Agreement exists between plaintiffs and defendant.

113. The agreement specifically states said agreement can be terminated by the agent voluntarily or by Allstate.

114. Allstate is attempting to terminate the agreement for cause, and have not provided any information regarding this determination.

115. Plaintiffs have not acted in any manner consistent with the enumerated reasons in the agreement to be terminated for cause.

116. By reasons of the foregoing, Allstate has breached the agreement by wrongfully terminating Nocella.

AS AND FOR A TENTH CAUSE OF ACTION AGAINST ALLSTATE FOR VIOLATING New York Insurance Law § 3425

117. Plaintiff repeats and re-alleges the allegations set forth in paragraphs 1-116 of the Complaint, as if fully set forth at length herein.

118. Allstate's intention to no longer compensate Nocella for his commission is a direct of N.Y. Ins. 3425 (D), which states, terminated agent or broker shall be entitled to receive commissions on accounts of all business continued or written, at the insurers prevailing commission rate.

119. By reason of the foregoing, Allstate has failed to establish an exception exists or a valid reason to discontinue commission payments and thereby violates NY Ins. Law 3425 (D).

AS AND FOR AN ELEVENTH CAUSE OF ACTION AGAINST ALLSTATE FOR BREACH OF IMPLIED CONTRACT OF GOOD FAITH AND FAIR DEALING

120. Plaintiff repeats and re-alleges the allegations set forth in paragraphs 1-119 of the Complaint, as if fully set forth at length herein.

121. Plaintiffs and defendant have an agreement.

122. Allstate's wrongful termination has deprives plaintiffs of their right to receive benefits under the agreement such a commissions, bonuses and additional benefits the agreement provides.

123. Allstate has breach the agreement and the implied agreement good faith and fair dealing by wrongfully terminating the agreement.

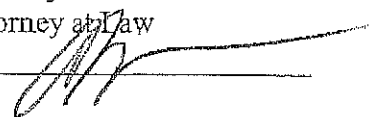
124. By reason of the foregoing Allstate is liable of breaching the implied contract of good faith and fair dealing.

WHEREFORE, Michael Nocella and the Nocella Agency pray for relief as follows:

1. For a judicial determination and order pursuant to CPLR § 3001, declaring that Michael Nocella and the Nocella Agency have complied fully with R3001S Exclusive Agency Agreement and have not acted in any manner in violation of Section XVII (b)(3) of said agreement;
2. For a judicial determination and order pursuant to CPLR § 3001 that Allstate has no legal grounds pursuant to the agreement to terminate plaintiffs' exclusive agency agreement;
3. For a judicial determination and order pursuant to CPLR § 3001 that they do not have to sell the book of business;
4. For a judicial determination and order pursuant to CPLR § 3001 that business should go back to operating as it usually did, with all its employees intact, and no interruption by Allstate;
5. For a judicial determination and order pursuant to CPLR § 3001 that the Termination Payout value or TPP is \$771,491.40 or more;
6. For a judicial determination and order pursuant to CPLR § 3001 that Allstate explicitly and clearly provide policy and procedure for agents to follow when inputting, submitting or providing information to the company;
7. For a judicial determination and order pursuant to CPLR § 3001 that Allstate and the plaintiffs have a principal-agent relationship.
8. That Allstate was negligent in its investigation and dealing with plaintiffs during said investigation;
9. That Allstate breached the agreement by wrongfully terminating plaintiffs' exclusive agency agreement.

- 10. That Allstate violated New York Insurance Law § 3425;
- 11. That Allstate breached the implied contract of good faith and fair dealing.
- 12. For the recovery of plaintiffs' attorney fees and costs.
- 13. For such additional and further relief, in law and equity, as the Court may deem just and proper.

Dated: March 10, 2018
Commack, NY

Anthony P. DellUniversita
Attorney at Law

5036 Jericho Turnpike-Suite 305
Commack, New York 11725
(631) 462-6900
Attorney for Plaintiffs

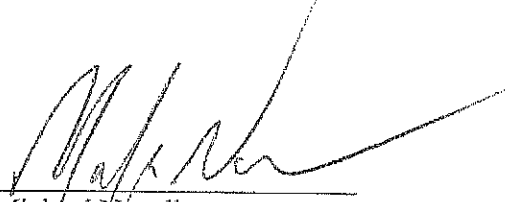
VERIFICATION

STATE OF NEW YORK)

COUNTY OF SUFFOLK) ss:

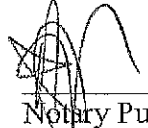
MICHAEL NOCELLA, being duly sworn deposes and says:

I am the individual Plaintiff in the within action herein and the owner of the Nocella Agency; I have read the annexed **SUMMONS AND VERIFIED COMPLAINT FOR DECLARATORY JUDGMENT** and know the contents thereof and the same are true to my knowledge, except those matters therein which are stated to be alleged on information and belief, and as to those matters I believe them to be true.



Michael Nocella

Sworn to before me the 10th
day of March, 2018



Notary Public

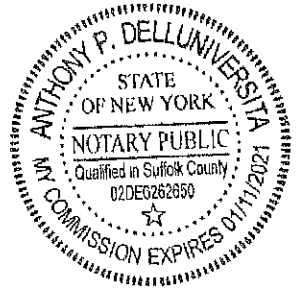


Exhibit B
(NYSCEF Doc. No. 11)

AGREEMENT FOR PURCHASE OF AGENCY ASSETS

THIS ASSET PURCHASE AGREEMENT ("Agreement") is made this 8th day of August, 2014 by and between JAMES J. HANLEY AGENCY, INC. hereinafter referred to as the "Seller", and MICHAEL P. NOCELLA, residing at 50 Park Avenue, Bayshore, New York 11706, hereinafter referred to as the "Buyer" or "Purchaser".

WHEREAS, Seller operates an Allstate Insurance agency at 3333 Veterans Memorial Highway, Suite E, Ronkonkoma, New York 11779; and

WHEREAS, JAMES J. HANLEY is the principal of the Seller; and

WHEREAS, Seller desires to sell and Buyer desires to purchase all of Seller's right, title and economic interest and commissions on all renewals of his Allstate book of business; and

WHEREAS, the parties hereto each warrant and represent to the other that they, and each of them, fully understand all the terms, covenants, conditions, provisions and obligations incumbent upon each of them thereunder and each believes the same to be fair, just, reasonable and not unconscionable and to their respective individual best interest;

NOW, THEREFORE, in consideration of the mutual promises, covenants, and agreements set forth hereinafter, the Seller does hereby agree to sell and the Buyer does hereby agree to purchase the agency assets hereinafter described on the terms and conditions set forth as follows:

TERMS AND CONDITIONS

1. **RECITALS.** The foregoing recitals are hereby made a part of this Agreement.

2. **PURCHASE AND SALE.** On the Closing Date, Seller shall sell, assign, transfer, convey and deliver to Buyer, and Buyer shall purchase and accept, all of the Seller's right, title and interest in the assets which are used in connection with the conduct of the operations of its insurance business ("Assets") including, but not limited to:

a) All customer or policy information, files, lists and records.

b) Any and all other economic interest in the insurance contracts or policies in which the Seller is listed as the Agent of Record or Exclusive Agency, including without limitation the "Economic or Equity Interest" as defined therein.

c) All Allstate Brokered policies.

d) The agency telephone numbers, fax numbers and all other Agency contact information except e-mail accounts and internet addresses which will be terminated by Allstate upon closing and all assets set forth on Schedule A attached hereto, all free and clear and in "as is" condition. The term "assets" does not include cash, accounts receivable, commissions earned on new sales prior to closing but due and not paid, lease deposits, security deposits and any personal

items of the Seller or Agency staff.

3. PURCHASE PRICE. The purchase price to be paid by the Buyer to the Seller for the Assets to be sold hereunder shall be TWO HUNDRED SIXTY-FIVE THOUSAND and NO/100 (\$265,000.00) DOLLARS payable as follows:

a) \$165,000.00 of the purchase price shall be financed by Purchaser via Allstate commission assignment program for a period of five (5) years under the following terms:

1) sixty (60) equal monthly payments, each in the amount of \$3,038.73, which includes interest at the rate of four (4%) percent, on the thirteenth business day of each month, commencing October 17, 2014.

b) \$100,000.00 to be paid to Seller at closing by BANK OR CERTIFIED CHECK ONLY.

c) If Buyer, MICHAEL P. NOCELLA, should assign this contract to a corporation, partnership, etc., he shall remain personally liable for payment of any and all of the aforesaid payments.

d) Seller shall execute at closing an assignment of his Allstate termination payments which shall be held in escrow by Seller's attorney and delivered to Buyer upon payment in full of the purchase price according to the terms of this contract. In the event that Buyer fails to make payment in full of the purchase price in accordance with the terms of this contract in a timely manner and upon Buyer's failure to

cure any such default within ten (10) days of written notice of such default, the escrow agent shall deliver the assignment of Allstate termination payments to Seller. In the event such termination payment is not sufficient to pay any outstanding sums due, then Purchaser shall remain liable for the balance of payment in full under the terms of this contract.

e) In the event Purchaser sells or transfers the assets being purchased herein, at Seller's option all sums due under Section 3(a)(1) shall become immediately due and payable.

4. APPLICATION FOR ALLSTATE APPROVAL. Buyer warrants having received preliminary approval from Allstate and agrees to execute all agreements, certifications and documents required by Allstate to permit the transfer of the Assets to the Buyer.

5. NOTIFICATION OF AGENCY TRANSFER. Seller hereby warrants having notified Allstate of the pending transfer of Agency Assets to Buyer and to execute all agreements and documents required by Allstate, and agrees to pay all fees and costs associated with such transfer imposed by Allstate.

6. CLOSING. The closing of the transfer of the Agency Assets and all related transactions included in the Agreement shall take place on or about SEPTEMBER 1, 2014. Allstate requires that the closing take place on the first of the month.

7. EXPENSES. Except as otherwise provided herein, each

party shall pay its own expenses incident to this Agreement and transactions, including, without limitation, all legal and accounting fees and distributions, except that the Buyer shall be responsible for any fees associated with Allstate's Commission Payment Agreement which are customarily paid for by the Buyer.

8. CONDITIONS PRECEDENT TO BUYERS OBLIGATION TO CLOSE.

Buyer's obligation to close on the purchase of the Assets and to perform Buyer's obligations under this Agreement are conditioned upon the following occurrences:

- a) Buyer obtaining approval from Allstate to own and operate this Agency and completing all certification requirements; and

9. REPRESENTATIONS AND WARRANTIES OF THE SELLER.

Seller hereby makes the following representations and warranties:

- a) Seller has no liabilities or obligations of any nature, whether accrued, absolute, contingent or otherwise with respect to Assets, except for liabilities and obligations incurred in the ordinary and usual course of business which Seller agrees to pay all sums due to the date of the closing.

- b) The Seller is the sole owner of and has good and marketable title to the Assets, free and clear of any and all liens, claims, security interests, mortgages, pledges, encumbrances and charges of any nature whatsoever. Seller warrants that it has full authority to execute this

Agreement and to complete the transfer of Assets as stated herein.

c) Seller has operated its business in all material respects in accordance with all laws, regulations and ordinances.

d) There is no action, suit, proceeding or investigation pending, or to the best of knowledge, information and belief of Seller, threatened against Seller, at law or in equity, whether judicial, administrative or otherwise. Seller is not subject to any judgment, order or decree. The Seller does not know, nor does it have any reasonable grounds to know, of any basis for any action, suit, proceeding or investigation against the Agency.

e) Seller agrees to hold Buyer harmless of any and all demands, claims, actions or causes of actions, assessments, reassessment, losses damages and attorney's fees to defend same, by reason of any and all claims or liabilities arising on any of the said accounts stemming from any event whatsoever arising prior to the closing date.

f) Seller covenants that he knows of no claim or liabilities on any of the said accounts being sold and assigned under this contract.

g) Seller, until the closing, shall:

(i) conduct the business in the normal, useful and regular manner;

(ii) use its best efforts to preserve the business and the good will of the customers and suppliers of the business and others having relations with Seller.

h) Unless and until the Closing shall take place, Purchaser shall hold in confidence all information obtained in connection with the Agreement and, if for any reason the Closing shall not take place, Purchaser shall return to Seller all documents received hereunder and shall keep confidential any information, customer lists, etc. pertaining to the business which was made available to Purchaser pursuant to this Agreement.

10. **BUYER'S REPRESENTATIONS.** Buyer represents that he has had ample opportunity to fully examine the books and records of the Seller and is satisfied with the content and value thereof. Buyer understands the business risks with Seller's book of business and acknowledges that Seller has made no representations whatsoever regarding the value, content or duration of Seller's economic interest in his book of business which is the subject of this sale.

11. **GOVERNING LAW.** This Agreement shall be constructed and governed by the laws of the State of New York. In the event that an arbitration action, lawsuit, administrative proceeding or litigation is brought with respect to this Agreement, the prevailing party shall be entitled to be reimbursed for, and/or

have judgment entered with respect to, all of its costs and expenses, including reasonable attorney's fees, costs and expenses. In the event of any claim, action or proceeding against Buyer or any of its officers, shareholders, directors and employees for which Seller is or may be liable pursuant to the indemnification and hold harmless provisions hereof, Buyer shall, within ten (10) days of notice, notify Seller of such claim and if within five (5) days thereafter, Seller has failed to retain counsel to defend the claim, then in the event counsel is not provided by Allstate, the Buyer shall be authorized to engage counsel of its choosing, at the cost and expense of the Seller, and the Buyer and its counsel, in consultation with the Seller, shall be free to assert any defense, cross claim, counterclaim and to resist or settle the claim, as the Buyer, in its sole and exclusive discretion, deems advisable provided, however, that the defense provided must be by counsel experienced in defending claims of this nature and that settlement must be made on consultation with Seller and must be reasonable and prudent under the circumstances.

Seller shall maintain E & O insurance for a period of one year after Closing and for up to three (3) years post closing if he becomes aware of any claims in the one year period post-closing.

12. **AMENDMENTS.** This Agreement may not be modified, revised, altered, added to or extended in any manner, or

superseded other than by an instrument in writing signed by all parties hereto. No waiver of any provision hereto shall be effective unless agreed to in writing by all parties, and any modification or waiver shall only be effective for the specific instance and for the specific purpose for which given.

13. MISCELLANEOUS.

a) For the convenience of the parties, this Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

b) All notices which are required or may be given pursuant to the terms of this Agreement shall be in writing and shall be sufficient in all respects if personally delivered or if sent by certified mail, postage prepaid, return receipt requested and addressed as follows: [i] if to the Seller, to JAMES J. HANLEY at 11 Half Hollow Road, Holbrook, New York 11741 AND to James T. Reynolds, Esq., Reynolds, Caronia, Gianelli & La Pinta, LLP, 35 Arkay Drive, Suite 200, Hauppauge, New York 11788; and [ii] if to the Buyer, to MICHAEL P. NOCELLA at 50 Park Avenue, Bayshore, New York 11706 AND to Anthony P. DellUniversita, Esq., Raiser & Kenniff, P.C., 300 Old Country Road, Suite 351, Mineola, New York 11501 unless notice of change of address is furnished to the other parties in the manner provided in this paragraph. All notices which are required or may be

given pursuant to the terms of this Agreement shall be deemed to have been given on the date of personal delivery or, if mailed in accordance with this paragraph, three (3) days after the date of deposit in the mail.

c) This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective personal and legal representatives, successors and assigns.

d) The invalidity or enforceability of a particular provision of this Agreement shall not affect the remaining provisions hereof, and the Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

e) The headings contained herein are for convenience of reference only and are and shall be without substantive meaning or content of any kind whatsoever. The use of any gender herein shall be deemed to be or include the other gender and the use of singular herein shall be deemed to be or include the plural and vice versa, whenever appropriate.

f) The parties shall execute such documents and take such actions as may be necessary or appropriate to carry out the purposes of this Agreement.

g) In the event of a default hereunder, each party shall have all the remedies available under this Agreement and the laws of the State of New York.

h) All representations and warranties made herein

shall survive the closing for three (3) years.

i) All exhibits and schedules referred to in this Agreement are made a part hereof.

j) Buyer agrees that commissions earned by Seller prior to closing but not paid to Seller prior to closing shall be paid to Seller within five (5) days of Buyer's receipt of said commissions.

14. **FURTHER ASSURANCES.** On, and from time to time after the Closing date, without further consideration the Seller will, at its own expense, execute and deliver such documents to Buyer as may be reasonably required in connection with the sale covered by this Agreement. On, and from time to time after the Closing date, without further consideration, Purchaser will, at its own expense, execute and deliver such documents to Seller as may be reasonably required in connection with the sale covered by this Agreement.

15. **TAXES.** Each party shall be solely responsible for the payment of all federal, state or local taxes imposed by law upon such party as a result of the consummation of the transactions contemplated hereby. The parties shall cooperate in providing any documents or affidavits necessary for any filings.

16. **BROKERAGE.** The parties hereto represent and warrant to each other that they have not dealt with any broker or finder in connection with this Agreement or the transactions contemplated hereby, and no broker or any other person is entitled to receive

any brokerage commission, finder's fee or similar compensation in connection with this Agreement or the transactions contemplated hereby. Each party agrees to indemnify and hold each other harmless from and against any claims, damage, liability or expense including attorney's fees, pertaining to any broker, finder or other person with whom such party has dealt. This provision shall survive closing.

IN WITNESS WHEREOF, the parties have executed this Asset Purchase Agreement on this written date.

SELLER

BUYER

By: [Signature]
Title: Pres.
Date: 8/8/14

By: Michael Nocella
Title: [Signature]
Date: 8-8-14

**Security Interest and Collateral Assignment
Of Termination Payments and Economic Interests**

This SECURITY AGREEMENT AND COLLATERAL ASSIGNMENT OF TERMINATION PAYMENTS AND ECONOMIC INTERESTS ("this Assignment") is entered into as of the 8th day of August, 2014 by and between James J. Hanley (hereinafter "Bank") and the undersigned Michael P. Nocella (collectively "Agent").

Preamble

Whereas, Agent has requested Bank to loan to Agent the sum of (\$ 165,000.00) Dollars evidenced or to be evidenced by Agent's Note in said amount dated August 8, 2014 (the "Note"); and

Whereas, Agent has entered into an Agreement entitled "Allstate R3001 Exclusive Agency Agreement" dated 9/1/14 (the "Agency Agreement"); and

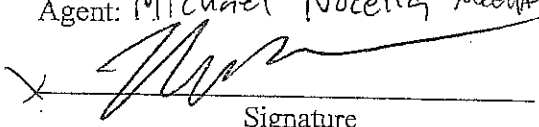
Whereas, Bank has agreed to make said loan provided Agent assigns to Bank all of Agent's assignable interest under the Agency Agreement, and Agent has agreed to grant such assignment, as collateral for such loan and Note subject to the approval of Allstate and to the specific limitations set forth in the Agency Agreement.

Now, therefore, in consideration of the loan and Note made of to be made as set forth above and for other good and valuable consideration, receipt whereof is hereby acknowledged by the parties, it is agreed as follows:

1. Agent hereby transfers, assigns, and conveys to Bank, and grants to Bank a security interest in, all rights of Agent in and to the termination payment and other economic interests (as defined in the Agency Agreement) due or which hereafter become due and payable to Agent under the Agency Agreement as amended from time to time. The assignment and security interest herein granted and conveyed to Bank specifically excludes payments due under the Agency Agreement which are not termination payments or payments arising from the sale, assignment, or other transfer of Agent's economic interests hereunder to buyer who has been approved in writing by Allstate Insurance Company.
2. The assignment and security interest herein granted is for collateral purposes only and includes only the assignable rights of Agent to termination payments and other economic interests of Agent under the Agency Agreement and does not convey to Bank or engage Bank to accept or undertake any of Agent's duties or obligations arising under the Agency Agreement. Therefore, Bank's receipt and acceptance of this Assignment does not and shall not be construed as conferring upon Bank any obligations or liabilities of any kind or nature under the Agency Agreement and Bank shall not be deemed a third party beneficiary of the Agency Agreement.

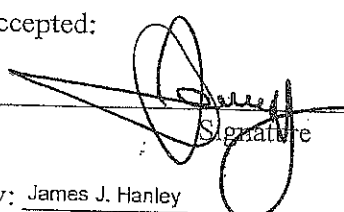
- 5. ARBITRATION: Any controversy or dispute arising out of or relating to this Agreement or to any portion thereof shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association and judgment upon the award of the Arbitration shall be binding upon the parties here to and may be entered in any court having jurisdiction thereof, all rights to appear and review being hereby waived by all parties.
- 6. SEVERABILITY: The invalidity or unenforceability of any particular provisions of this Agreement shall not affect the other provisions hereof and this Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted.
- 7. BINDING EFFECT AND BENEFIT: The provisions hereof shall be binding upon and insure to the benefit of the parties hereto, their heirs, executors, administrators, successors, and assigns.
- 8. WAIVERS: No delay on the part of any party in the exercise of any right or remedy shall operate as a waiver hereof, and no single or partial exercise by any party of any right or remedy shall preclude other or further exercise thereof or exercise of any other right or remedy.
- 9. GOVERNING LAW: This Agreement is being executed in the State of New York and the validity, construction, and enforceability hereof shall be governed in all respects by the Law of the State of New York.
- 10. ENTIRE AGREEMENT AND MODIFICATION: This Agreement sets forth the entire agreement between the parties hereto relating to its subject matter and supersedes any prior agreements, expressed or implied. Any modifications hereto may be made only by an instrument in writing signed by or on behalf of all parties hereto.
- 11. MULTIPLE EXECUTION: This Agreement is executed in multiple counterparts, each copy of which shall be deemed an original hereof.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals as of the day and year first above written.

Agent: Michael Nocella - Nocella Agency


 Signature

By: Michael P. Nocella
 Its: President

Bank
 Accepted: 

 Signature

By: James J. Hanley
 Its: President

W 81—Bill of Sale of Business with Affidavit of Title and Restriction Clause.
Individual or Corporation.
Bulk Transfer—Uniform Commercial Code.

COPYRIGHT 1984 BY JULIUS BLUMBERG, INC., LAW BLANK PUBLISHERS

Know all Men by these Presents,

THAT JAMES J. HANLEY AGENCY, INC.

whose address is 3333 Veterans Memorial Highway, Suite E,
Ronkonkoma, New York 11779

herein referred to as the Transferor, for and in consideration of the sum of \$ 265,000.00
paid to the Transferor, at or before the ensealing and delivery of these presents by

MICHAEL P. NOCELLA

whose address is 50 Park Avenue, Bayshore, New York 11706

herein referred to as the Transferee, and for other good and valuable consideration, the receipt whereof is hereby acknowledged, sells, transfers, sets over and assigns to the said Transferee, the following described business: all of Seller's right, title and interest in the assets of Seller's Allstate Insurance agency including book of business, customer or policy information, files, lists and records, economic interest in the insurance contracts or policies in which Seller is listed as Agent of Record or Exclusive Agency, all Allstate brokered policies, agency telephone numbers, fax numbers and agency contact information located at 3333 Veterans Memorial Highway, Suite E, Ronkonkoma, New York 11779, including the stock in trade, fixtures, equipment, accounts receivable, contract rights, lease, good will, licenses, rights under any contract for telephone service or other rental, maintenance or use of equipment, machinery and fixtures at the said premises, more particularly described in the Schedule herein.

TO HAVE AND TO HOLD the same unto the Transferee forever, subject to



AND the Transferor covenants and agrees to and with the Transferee to warrant and defend the sale of said business and business assets hereby sold unto the Transferee against all and every person and persons whomsoever.

AND the Transferor further covenants and agrees to and with the Transferee, not to re-establish, re-open, be engaged in, nor in any manner whatsoever become interested, directly or indirectly, either as employee, as owner, as partner, as agent or as stockholder, director or officer of a corporation, or otherwise, in any business, trade or occupation similar to the one hereby sold, within the area bounded —

~~within Nassau or Suffolk~~ side of
~~Counties, New York~~ side of
~~side of~~ side of
~~side of~~ side of

for a term of Three (3) years from the date of these presents.

The Transferor hereby transfers and assigns to the Transferee the existing lease covering the

Exhibit C
(NYSCEF Doc. No. 12)

ALLSTATE R3001S EXCLUSIVE AGENCY AGREEMENT

This Agreement is between ALLSTATE INSURANCE COMPANY and such affiliates and subsidiaries as are named in the Supplement for the R3001 Agreement (referred to in this Agreement as "the Company") and Michael Nocella (referred to in this Agreement as "you").

The Company and you agree as follows:

I. AUTHORITY:

- A. Effective 9/1, 2014, the Company appoints you as its agent to represent the Company in the Exclusive Agency Program. You are authorized on behalf of the Company, during the term of this Agreement, to receive and accept, subject to such restrictions on binding authority as may be established by the Company, applications for insurance covering such classes of risks located in the state(s) of NEW YORK as the Company may from time to time authorize to be written. You are also authorized to sell products specified by the Company and through the companies specified in the Supplement for the R3001 Agreement (referred to in this Agreement as "Company Business"). The Company will own all business produced under the terms of this Agreement. You will not represent yourself as having any authority other than that specifically granted to you by the Company. You will not alter any contract or incur any expense or obligation for the Company without prior written approval from the Company.
- B. This Agreement is the sole and entire agency agreement between the Company and you, and it supersedes and replaces any prior employment, agency, or other agreement between the Company and you. This Agreement also supersedes any prior oral statements and representations by the Company to you and any prior written statements and representations by the Company to you in letters, manuals, booklets, memoranda, or any other format.
- C. The Supplement for the R3001 Agreement ("Supplement") and the Exclusive Agency Independent Contractor Manual ("EA Manual"), and the Allstate Agency Standards ("Agency Standards") as they may be amended from time to time, are expressly incorporated in their entirety as part of this Agreement. The Company reserves the right to amend the Supplement, EA Manual, and Agency Standards at any time without prior notice to you, except that notice regarding changes to commission amounts will be given as indicated in Section XV.
- D. You are an independent contractor for all purposes and not an employee of the Company. You will have full control of your time and the right to exercise independent judgment as to the time, place, and manner of performing your duties, which are defined in this Agreement and the incorporated Supplement, EA Manual, and Agency Standards. You will not represent that you have authority to act on behalf of the Company or enter into any contract on behalf of the Company, except for contracts of insurance or other contracts as expressly authorized by this Agreement.
- E. You will not, either directly or indirectly, solicit, sell, or service insurance of any kind for any other company, agent, or broker, or refer a prospect to another company, agent, or broker, without the prior written approval of the Company. You may, however, write applications for insurance under an assigned risk, cooperative industry, or government established residual market plan or facility in accordance with the Company's rules and procedures.

- F. The Company will determine in its sole discretion all matters relating to its business and the operation of the Company including, but not limited to, the following:
1. The determination of contract forms and provisions, premiums, fees, and charges for insurance and other Company Business;
 2. The acceptance or rejection of any application;
 3. The termination or modification of any contract or the refusal to renew any contract;
 4. The limitation, restriction, or discontinuance of the writing or selling of any policies, coverages, lines, or kinds of insurance or other Company Business;
 5. The obtaining of any licenses of the Company or the Company's withdrawal from any state, jurisdiction, or territory; and
 6. The type and quality of customer service received by Company policyholders.

II. DUTIES AND CONDITIONS:

- A. You will act as an agent of the Company for the purpose of soliciting, selling, and servicing insurance and other Company Business in accordance with the provisions of this Agreement. As an agent of the Company, you will provide customer service, including the collection of payments, for any and all Company policyholders and you will assist in claims administration in accordance with the Company's rules and procedures.
- B. You will meet certain business objectives established by the Company in the areas of profitability, growth, retention, customer satisfaction and customer service. You will build and maintain a profitable book of business, assist the Company in its efforts to achieve market penetration for all forms of insurance offered by the Company and other Company Business, and service the Company's customers in a manner consistent with the Company's goodwill, reputation, and overall business strategy.
- C. You will record, transmit, and process insurance and Company Business in the manner prescribed in the then current provisions of the Supplement.
- D. You agree to maintain any required agent license in the state or states in which you are appointed to represent the Company and to comply with any and all applicable federal, state, or local laws, rules, regulations and ordinances affecting your operation.
- E. The Company recognizes that you may, in your sole discretion, arrange to have business conducted at your sales location in your absence by your own employees or other persons and that the time during which you are physically present at your sales location is entirely in your sole discretion. You must, however, remain actively involved in the conduct of business at your sales location.
- F. You agree that the Company will have the authority to use your name and signature, or facsimile thereof, on policy documents and customer communication materials.
- G. You agree to maintain a professional business relationship with the Company, and, when requested, to meet with Company representatives at mutually convenient times to discuss various business topics. You also agree that, because you are conducting business with the public under the Allstate name, Company representatives shall be permitted access to your agency to review compliance with this Agreement during agency business hours.

- H. You agree that, as requested by the Company, you will demonstrate your knowledge of the Company's products you are authorized to sell, as well as of federal, state, or local laws, rules, regulations and ordinances affecting your operation. If you are unable to demonstrate your knowledge of any product, the Company reserves the right to deny you the authority, or withdraw your existing authority, to sell that product until you demonstrate such knowledge.

III. YOUR EMPLOYEES:

- A. You have no authority to employ persons on behalf of the Company, and no employee of yours will be deemed to be an employee or agent of the Company, such employees at all times remaining your employees. You have sole and exclusive control over your labor and employee relations policies and your policies relating to wages, hours, and working conditions of your employees. You have the sole and exclusive right to hire, transfer, suspend, lay off, recall, promote, assign, discipline, and discharge your employees.
- B. You are solely responsible for all salaries and other compensation of all your employees and will make all necessary salary deductions and withholdings from your employees' salaries and other compensation. You are solely responsible for the payment of any and all contributions, taxes, and assessments, and all other requirements of the federal Social Security, federal and state unemployment compensation, and federal, state, and local withholding of income tax laws on all salary and other compensation of your employees.
- C. You will comply with all other contracts, federal, state or local laws, ordinances, rules, or regulations regarding your employees, including federal or state laws or regulations regarding minimum compensation, overtime, and equal opportunities for employment. This includes, but is not limited to, your warranty and agreement to comply with the terms of the federal and state civil rights acts, Age Discrimination in Employment Act, Americans With Disabilities Act, Occupational Safety and Health Act, Immigration Reform and Control Act, and the Fair Labor Standards Act.
- D. You agree and warrant that your employees, while working in connection with this Agreement, will comply with any and all applicable federal, state, or local laws, rules, regulations, and ordinances.

IV. COMPANY PROPERTY, CONFIDENTIALITY:

- A. The Company will furnish you such signs, forms, manuals, records, and other materials and supplies as the Company deems advisable to assist you. All such property and information furnished by the Company will remain the property of the Company. In addition, the Company will offer, at your expense, such additional materials and supplies as the Company feels may be helpful to you.
- B. You agree that you will not at any time or in any manner, directly or indirectly, disclose to any third party or permit any third party to access any confidential information or any information containing trade secrets concerning any matters affecting or relating to the pursuits of the Company, except upon direct written authority of the Company. Furthermore, upon termination of this Agreement, you agree to treat as confidential and not to disclose, either directly or indirectly, to any third party any confidential information or trade secrets of the Company.
- C. You agree that you will not disclose or grant access to any confidential information or trade secrets to any of your employees or other persons providing services for you in connection with this Agreement, unless such employee or other person has signed a copy of the Confidentiality and Non-Competition Agreement attached as Appendix A. Appendix A is a sample copy of the electronic version of the document that must be transmitted to the Company.

- D. Confidential information includes, but is not limited to: business plans of the Company; information regarding the names, addresses, and ages of policyholders of the Company; types of policies; amounts of insurance; premium amounts; the description and location of insured property; the expiration or renewal dates of policies; policyholder listings and any policyholder information subject to any privacy law; claim information; certain information and material identified by the Company as confidential or information considered a trade secret as provided herein or by law; and any information concerning any matters affecting or relating to the pursuits of the Company that is not otherwise lawfully available to the public. All such confidential information is wholly owned by the Company. Such confidential information may be used by you only for the purposes of carrying out the provisions of this Agreement.
- E. Any confidential information or trade secrets recorded on paper, electronic data file, or any other medium, whether provided by the Company or by you, is the exclusive property of the Company, as is any such medium and any copy of such medium.
- F. You recognize that a breach of the foregoing provisions will cause irreparable damage to the Company's business and that such damage is difficult or impossible to measure. You agree that in the event of such breach, the Company, in addition to such other rights and remedies it may have, will be immediately entitled to an order granting injunctive relief from any court of competent jurisdiction against any act which would violate any such provision, without the necessity of posting a bond, and you waive any defense to an application for such order, except that the violation did not occur. You agree that the Company will be entitled to an award of reasonable attorneys' fees in the event that it is successful in an application for injunctive relief or in an action based upon breach of the foregoing provisions.

V. SALES LOCATION:

- A. You may select your sales location, within a geographical area specified by the Company, subject to Company approval. Initially, you have selected the location at 750 Vets Mem Park and such sales location has been approved by the Company. You agree that you will not establish any additional sales location without the prior written approval of the Company. You understand that you have no exclusive territorial rights in connection with your sales location.
- B. You agree to keep your sales location open for business as appropriate in the market to provide a proper level of customer service. As a minimum, you agree to operate your sales location consistently with the Agency Standards.
- C. You are authorized to sell insurance offered by the Company and Company Business only in the state containing your sales location and other states in which you are properly licensed and appointed as an agent by the Company.

VI. ADVERTISING:

- A. The Company will advertise its products and provide promotional material in accordance with its advertising policies. You may also advertise in your sole discretion, subject to the requirements in paragraph B. below.
- B. You will submit all signs and advertising copy, including, but not limited to, sales brochures, display advertisements in telephone directories, newspaper advertisements, radio and television commercials, electronic media displays, all sales promotional plans and devices, and all other materials to the Company for approval, if they use or contain any reference to any service mark or trade name of the Company. You will not use any such advertising material or sales promotional plan or device without obtaining prior written approval from the Company. The Company has the right to disapprove any or all of the aforesaid advertising forms and other materials insofar as they, in the exclusive judgment of the Company, do not conform to Company policy regarding use of Company service marks or trade names; may subject the Company to liability or loss of goodwill; may damage the reputation of the Company or Company customer relations; may fail to adhere to the requirements of any federal, state, or local governmental rules, regulations, or laws; may fail to

conform to community or Company standards of good taste and honest dealing; or may be detrimental to the business interests of the Company.

VII. SERVICE MARK AND TRADE NAME PROTECTION:

- A. You agree to cooperate fully in the quality control program conducted by the Company relating to the use of its service marks and trade names and the nature and quality of services rendered and goods distributed under its service marks and trade names. The Company will have the right to specify, delineate, or limit the services or goods in connection with which you may use any of its service marks or trade names. In the event that the nature or the quality of the services or goods in connection with which you use any of the service marks or trade names of the Company is not acceptable to the Company, then the Company will have the right to require you to institute appropriate procedures to correct any deficiencies noted by the Company.
- B. You agree, at the request and expense of the Company, to assist the Company in protecting and enforcing the rights of the Company in and to any and all of its service marks and trade names which you may then be using.
- C. You will not in any manner encumber, alienate, license, or transfer to any other entity any right whatsoever concerning the service marks or trade names the Company authorizes you to use in the performance of this Agreement, except as permitted in Section XVI.
- D. You recognize that a breach of the foregoing provisions will cause irreparable damage to the Company's business and that such damage is difficult or impossible to measure. You agree that in the event of such breach, the Company, in addition to such other rights and remedies it may have, will be immediately entitled to an order granting injunctive relief from any court of competent jurisdiction against any act which would violate any such provision, without the necessity of posting a bond, and you waive any defense to an application for such order, except that the violation did not occur. You agree that the Company will be entitled to an award of reasonable attorneys' fees in the event that it is successful in an application for injunctive relief or in an action based upon breach of the foregoing provisions.

VIII. EXPENSES:

You will be responsible for the payment of all expenses that you incur in the performance of this Agreement including, but not limited to: expenses for your sales location, supplies not furnished by the Company, compensation of your employees or other assisting persons whom you engage, telephone, postage, and advertising expenses incurred at your direction, and all other charges and expenses.

IX. TELEPHONE:

All telephone numbers used in connection with business conducted pursuant to this Agreement are the property of the Company.

X. INDEMNIFICATION:

- A. The Company will defend and indemnify you against liability, including the cost of defense and settlements, imposed on you by law for damages sustained by policyholders and caused by acts or omissions of the Company, provided that you have not caused or contributed to cause such liability by your acts or omissions. You agree, as a condition to such indemnification, to notify the Company promptly of any claim or suit against you and to allow the Company to make such investigation, settlement, or defense as the Company deems prudent. The Company reserves the right to select counsel to represent you in connection with any such claim or suit. You also agree to cooperate fully with the Company in any such investigation, settlement, or defense.

- B. You will indemnify the Company against liability, including the cost of defense and settlements, imposed on the Company by law for damages sustained by any person and caused by your acts or omission, or those of any employee or other person working in connection with this Agreement, provided that the Company has not caused or contributed to cause such liability by its acts or omissions. The Company agrees, as a condition to such indemnification, to notify you promptly of any such claim or suit against the Company. The Company reserves the right to select counsel to represent it in connection with any such claim or suit and to make such investigation or settlement as the Company deems prudent.

XI. INSURANCE:

- A. You agree that you will, at your sole expense, obtain and maintain during the term of this Agreement policies of insurance as described in the EA Manual, as may be amended from time to time. Such policies must be obtained from companies satisfactory to the Company and must be adequate to protect against all expenses, claims, actions, liabilities, and losses related to the subjects covered by the required policies.
- B. Where specified, each policy must name the Company as an additional insured and must contain a severability of interest/cross liability endorsement. Each policy must also expressly provide that it will not be subject to material change or cancellation without at least thirty (30) days prior written notice to the Company.
- C. You must furnish the Company with proof of insurance upon request by the Company. If, in the Company's opinion, such policies do not afford adequate protection for the Company, the Company will so advise you, and if you do not furnish evidence of acceptable coverage within fifteen (15) days after being requested to do so by the Company, the Company will have the right to obtain additional insurance at your expense and deduct the cost of such insurance plus a processing fee from monies owed you by the Company.

XII. FINANCIAL INFORMATION:

You shall maintain all books and records relating to the business under this Agreement including, but not limited to, all checkbooks, check registers, deposit receipts, and general ledgers for a period of not less than five years after the close of the fiscal year to which they relate. All of the foregoing records shall be open and available for inspection or audit at any time during normal agency hours without notice by the Company or its designated auditors and you shall have the duty to cooperate fully with the party(ies) making such inspection or audit.

XIII. POLICIES IN YOUR ACCOUNT:

Policies which are credited to your account are described in the Supplement. While this Agreement is in effect, the Company will leave in your account all policies credited to your account so long as the policyholder resides within a state in which you are licensed and appointed by the Company, except that the Company may remove any policy from your account at the request of a policyholder.

XIV. MONEY COLLECTED BY YOU:

All payments collected or received by you in the performance of this Agreement are the property of the Company, will be treated as trust funds, and will be promptly transmitted to the Company without deduction for any purpose in the manner specified by the Company. You must maintain accurate records and current remittance reports which may be inspected by the Company at any time without notice and which shall be submitted to the Company in accordance with its rules and procedures.

XV. COMPENSATION:

- A. The sole compensation to which you will be entitled for services rendered pursuant to this Agreement will be the commissions set forth in the Supplement, as may be amended from time to time. The Company will pay you your commissions at the time and in the manner set forth in the Supplement. However, due to the inherent uncertainty of business conditions, the Company reserves the right to increase or decrease any commission amounts and to change the commission rules. If the Company changes commission amounts, it will provide you with written notice of the changes at least ninety (90) days prior to the date on which they are to become effective.
- B. The Company may provide you with such bonuses, awards, prizes, and other remuneration based on performance, if any, as it may prescribe in its sole discretion.
- C. If any application for insurance is rejected, or any policy is surrendered or canceled, in whole or in part, for any reason, before the expiration of the policy period, or if any premium is reduced or any overpayment made to you, or if any premium paid is not earned by the Company, the commissions paid to you on the amount returned or credited to the policyholder, or the amount overpaid to you, will constitute an indebtedness of yours to the Company and will be charged to you or recovered from you by reducing any future commissions, awards, or bonuses due you.

XVI. TRANSFER OF INTEREST:

- A. This Agreement is personal to you and is being entered into in reliance upon and in consideration of your skills, qualifications, and representations. Accordingly, you may not execute a transfer of your interest in this Agreement or any interest in the business under this Agreement including, but not limited to, any sale, assignment, conveyance or the granting of any lien, security interest, pledge, or mortgage thereof, without the prior written approval of the Company. A transfer of interest in this Agreement is described in the Supplement and EA Manual and includes, but is not limited to, any sale, merger, or assignment, in whole or in part, directly, indirectly, or contingently, of this Agreement or any rights or obligations under it. You have the obligation to notify the Company of a proposed transfer and to request Company approval.
- B. You have an economic interest, as defined in this Agreement and the incorporated Supplement and EA Manual, in your Allstate customer accounts developed under this Agreement. Subject to the terms and conditions set forth in this Agreement and the incorporated Supplement and EA Manual, you may transfer your entire economic interest in the business under this Agreement upon termination of this Agreement by selling the economic interest in the business to an approved buyer. The Company retains the right in its exclusive judgment to approve or disapprove such a transfer. Any failure to disclose and obtain the prior written approval of the Company for any transfer of your interest in this Agreement or any interest in the business under this Agreement shall constitute a breach of this Agreement and cause for termination of this Agreement.
- C. Approval of a proposed transfer of your entire interest in this Agreement will be conditioned upon the termination of this Agreement and the execution of a then current agency agreement by the proposed transferee.
- D. Policies in your account (Section XIII. above) will be transferred to an approved transferee.

XVII. TERMINATION OF AGREEMENT:

A. This Agreement will be terminated automatically:

1. On the effective date of any transfer of your entire interest in this Agreement, whether approved or not, as described in Section XVI. above;
2. Upon your death or permanent incapacity;
3. Upon your loss of any required agent license; or
4. Upon the surrender of, or the election not to renew, the Company's license to sell insurance in all lines in the state in which your sales location is located or the discontinuation of the sale of insurance in the state.

B. This Agreement may be terminated:

1. At any time by mutual agreement of the parties in writing;
2. By either party, with or without cause, upon providing ninety (90) days prior written notice to the other, or such greater number of days as is required by law. Once written notice of termination has been given by either party, you will, immediately upon request of the Company, cease to act or to represent yourself in any way as an agent or representative of the Company, but you will receive compensation pursuant to Section XV. from the Company for the period up to and including the specified termination date; or
3. Alternatively, by the Company, with cause, immediately upon providing written notice to you. Cause may include, but is not limited to, breach of this Agreement, fraud, forgery, misrepresentation or conviction of a crime. The list of examples of cause just stated shall not be construed to exclude any other possible ground as cause for termination.

XVIII. OBLIGATIONS UPON TERMINATION OF AGREEMENT:

Except as otherwise provided in a subsequent agreement between you and the Company, upon termination of this Agreement, you agree that:

- A. You will not act or represent yourself in any way as an agent or representative of the Company.
- B. You will immediately return all property belonging to the Company, or dispose of it in such manner as the Company specifies.
- C. You will immediately cease to use such telephone numbers referenced in Section IX. above and execute an Order of Transfer of Responsibility for such numbers in your name to the Company or to any party the Company designates, and you will immediately notify the telephone company of any such transfer. You will be responsible for all charges incurred up to the date of execution of the transfer.
- D. For a period of one year following termination, you will not solicit the purchase of products or services in competition with those sold by the Company:
 1. With respect to any person, company, or organization to whom you or anyone acting on your behalf sold insurance or other products or services on behalf of the Company and who is a customer of the Company at the time of termination of the Agreement;
 2. With respect to any person, company, or organization who is a customer of the Company at the time of termination of this Agreement and whose identity was discovered by you as a result of your status as a Company agent or as a result of your access to confidential information of the Company; or

3. From any office or business site located within one mile of the agency sales location maintained pursuant to Section V. of this Agreement at the time this Agreement is terminated.

In the event that such one year period or one mile distance exceeds the time or distance permitted by any applicable law, such period or distance will be automatically adjusted to the maximum period or distance permitted by such law. If any other provision in this paragraph D. conflicts with any existing law, it will be applied to the extent permitted by such law.

- E. You will immediately cease and desist from any and all use of Company service marks and trade names. You will immediately return to the Company all property in your possession or under your control bearing any Company service mark or trade name, or dispose of it in such manner as the Company specifies.
- F. You recognize that a breach of any of the foregoing provisions will cause irreparable damage to the Company's business and that such damage will be difficult or impossible to measure. You agree that in the event of any such breach, the Company, in addition to such other rights and remedies as it may have, will be immediately entitled to an order granting injunctive relief from any court of competent jurisdiction against any act which would violate any such provision, without the necessity of posting a bond, and you waive any defense to an application for such order, except that the violation did not occur. You agree that the Company will be entitled to an award of reasonable attorneys' fees in the event that it is successful in an application for injunctive relief or in an action based upon breach of the foregoing provisions.
- G. You recognize and acknowledge that each of the foregoing provisions of this Section XVIII. is reasonable and necessary to protect and preserve the legitimate business interests of the Company, its present and potential business activities, and the economic benefits derived therefrom. You recognize and acknowledge that the foregoing provisions will not prevent you from earning a livelihood and are not an undue restraint on you.

XIX. NOTICE:

All notices will be deemed to have been given if personally delivered, sent by facsimile transmission, or mailed as follows:

if to the Company: Allstate Insurance Company
878 Veterans Memorial Hwy Suite 400
Hauppauge, NY 11788

if to you: Attention: Michael Nocella
4250 Veterans Memorial Hwy
North Bohemia, NY 11716

or to such other person or address as any party may furnish or designate to the other in writing.

XX. GENERAL PROVISIONS:

- A. This Agreement may not be modified except by a written agreement between the Company and you which expressly states that it modifies this Agreement. No other written statements, representations, or agreements and no oral statements, representations, or agreements will be effective to modify this Agreement. No representative of the Company will have authority to modify this Agreement, except as provided in this Section XX. Nothing in this Section will affect the Company's right to amend the Supplement, EA Manual, and Agency Standards, as provided in Section I.C.

- B. You acknowledge that you have reviewed the Supplement, EA Manual, and Agency Standards and that you have an ongoing responsibility to review all changes to the Supplement, EA Manual and Agency Standards issued by the Company and agree to be bound by them.
- C. References in this Agreement to the Supplement, EA Manual, and Agency Standards are references to the Supplement, EA Manual, and Agency Standards, including any changes which may be made from time to time and distributed to you by the Company.
- D. You acknowledge that you have read this Allstate R3001S Exclusive Agency Agreement, understand it, and agree to be bound by its terms.
- E. The authority granted to you under this Agreement is nonexclusive. The term "Exclusive" as used in the title of this Agreement refers to the obligations assumed by you under Section I.E.
- F. The descriptive headings of this Agreement are intended for reference only and will not affect the construction or interpretation of this Agreement.
- G. If any provision or part of this Agreement is held invalid for any reason, such invalidity will not affect any other provision or part of this Agreement not held invalid, and such remaining provisions and parts will remain in full force and effect.
- H. The failure of either party to insist upon the performance of any of the terms of this Agreement in any one or more instances will not be construed as a waiver or relinquishment of the future performance of any such term. The obligation of the parties with respect to any such future performance will continue in full force and effect.
- I. Nothing in this Agreement shall be construed to confer upon any person or entity other than the Company and you any rights under this Agreement.
- J. This Agreement, and the obligations or rights hereunder, shall not be assignable by you, except as provided by Section XVI. The rights and obligations of the parties to this Agreement shall be binding upon and inure to the benefit of the Company and its successors and assigns.
- K. This Agreement may be executed in counterparts, each of which will be deemed an original.

IN WITNESS WHEREOF, the Company and Agency have caused this Agreement to be executed by their authorized representatives and the parties hereby accept the terms of this Agreement.

ALLSTATE INSURANCE COMPANY

Douglas J. Eluck

(authorized representative)

9/1/14

(date)

YOU

[Signature]

(name)

8/15/14

(date)

R3001S
APPENDIX A

CONFIDENTIAL AND NON-COMPETITION AGREEMENT

This Confidentiality and Non-Competition Agreement ("Agreement") is entered into this _____ day of _____, by and between _____ (referred to in this Agreement as "Service Provider"), and _____ (referred to in this Agreement as "Agent"), and Allstate Insurance Company as a direct third party beneficiary of this Agreement (referred to in this Agreement as "the Company").

WHEREAS, the Company has entered into an agency agreement appointing Agent to act as its agent for the purpose of receiving and accepting applications for insurance and for selling certain specified products of the Company's subsidiaries and affiliates; and

WHEREAS, under the terms of the agency agreement, Agent has agreed to maintain the confidentiality of the Company's confidential information; and

WHEREAS, Agent has employed Service Provider to assist Agent in performing services under the agency agreement; and

WHEREAS, Service Provider will have access to certain confidential information of the Company;

NOW, THEREFORE, for and in consideration of the agreements, covenants, and conditions herein contained, the adequacy and sufficiency of which is expressly acknowledged by each of the parties hereto, the parties agree as follows:

1. The terms "employed" or "employment" as referred to in this Agreement apply to any service provided by the Service Provider as an employee, independent contractor, or in any other capacity.
2. Service Provider acknowledges that while assisting Agent in performing services under the agency agreement, Service Provider will have access to or will have disclosed to him/her confidential information concerning the Company, the disclosure of which could be harmful to the Company.
3. Confidential information includes, but is not limited to, business plans of the Company; information regarding the names, addresses, and ages of policyholders or prospective policyholders of the Company; types of policies; amounts of insurance premium amounts; the description and location of insured property; the expiration or renewal dates of policies; policyholder listings and any policyholder information subject to any privacy laws; claim information; certain information and material identified by the Company as confidential or information considered as a trade secret as provided herein or by law; and any information concerning any matters affecting or relating to the pursuits of the Company that is not otherwise lawfully available to the public. Confidential information may be oral or recorded on paper, electronic data file, or any other medium.
4. Service Provider agrees that he/she will not at any time or in any manner, directly or indirectly, disclose to any third party or permit any third party to access any confidential information, except upon the written consent of the Company, nor will Service Provider use any confidential information for his/her own benefit, except for the purposes of assisting Agent in performing services under the agency agreement.
5. Any and all confidential information and all Company forms, manuals, records, and other materials and supplies furnished to Service Provider by the Agent will at all times remain the property of the Company and will be returned to the Company at any time upon the demand of the Company or upon the termination of Service Provider's employment by Agent.
6. Upon the termination of Service Provider's employment by Agent, Service Provider agrees to treat as confidential and not disclose, either directly or indirectly, to any third party any confidential information of the Company.

- 7. For a period of one year following the termination of Service Provider's employment by Agent, Service Provider agrees not to solicit the purchase of products or services in competition with those sold by the Company:
 - 1. With respect to any person, company, or organization to whom Agent, or any person employed by Agent, including Service Provider, sold insurance or other products or services on behalf of the Company, and who is a customer of the Company at the time of the termination; or
 - 2. With respect to any person, company, or organization who is a customer of the Company at the time of the termination and whose identity was discovered as a result of access to confidential information of the Company; or
 - 3. From any office or business site located within one mile of any locations from which the Agent solicited or sold Company insurance or other products or services during the year immediately preceding the termination.

In the event that such one year period or one mile distance exceeds the time or distance permitted by any applicable law, such period or distance will be automatically adjusted to the maximum period or distance permitted by such law. If any other provision in this paragraph 7 conflicts with any existing law, it will be applied to the extent permitted by such law.

- 8. Upon the termination of Service Provider's employment with Agent, Service Provider will immediately cease and desist from any and all use of Company service marks and trade names. Service Provider will immediately return to the Agent or the Company all property bearing any company service marks or trade names, or dispose of such materials in the manner specified by the Company. As requested by the Company, Service Provider will execute an Order of Transfer of Responsibility for any telephone numbers in the Service Provider's name, which were used in connection with the conduct of business on behalf of the Company.
- 9. While employed by Agent, Service Provider agrees that he/she will not, either directly or indirectly, solicit, sell or service insurance of any kind for any other company, agent or broker, or refer a prospect to another company, agent or broker without the prior written consent of the Company.
- 10. Service Provider recognizes that a breach of any of the foregoing provisions will cause irreparable damage to the Company's business and that such damage will be difficult or impossible to measure. Service Provider agrees that in the event of any such breach, the Company, in addition to such other rights and remedies as it may have, will be entitled to an order granting injunctive relief from any court of competent jurisdiction against any act which would violate any such provision, without the necessity of posting a bond, and Service Provider waives any reference to an application for such order, except that the violation did not occur. Service Provider agrees that the Company will be entitled to an award of reasonable attorney's fees in the event that it is successful in an application for injunctive relief or in an action based upon breach of the foregoing provisions.
- 11. This Agreement supersedes and replaces any prior confidentiality and non-competition agreement between the parties hereto. The parties agree that the use of electronic signatures for the execution of this Agreement shall be legal and binding and shall have the same full force and effect as if originally signed.

IN WITNESS WHEREOF, the parties hereby accept the terms of this Agreement.

Accepted by:

SERVICE PROVIDER _____ (name) _____ (date)	AGENT _____ (name) _____ (date)	ALLSTATE INSURANCE COMPANY _____ (authorized representative) _____ (date)
--	---	---

Exhibit D
(NYSCEF Doc. No. 13)

Business Metrics - Printable View - Agent

Production Month: December-2017
 Agent: 046200 - NOCELLA AGENCY
 Affiliation Date: September-2014
 Sub-Producer: ALL
 Book View: ALL

Classification Code: 88V
 Statement Generation Date: January 25, 2018

Business Metrics	Personal/Voluntary Auto		Specialty Auto		Homeowners		Personal Property - Flips		Other Special Property		Total Personal Lines		Total ABI		Total Property & Casualty	
	Standard Auto	Non-Standard Auto	Standard Auto	Specialty Auto	Homeowners	Retirees	Condo	Condo	Other Special Property	Other Special Property	Lines	ABI - Voluntary Auto	ABI - Non Auto	Lines	ABI	Lines
Capped Items In Force	412	0	29	184	762	48	11	71	206	732	2	0	734	0	734	0
Current Month New	2,621	5	65	762	946	73	45	206	277	4,484	9	2	4,495	2	4,495	2
Current Month Renewal	3,033	5	94	946	841	55	48	226	51	3,824	7	2	3,833	2	3,833	2
Current Month Total	2,586	6	62	841	105	18	8	51	276	650	2	0	652	2	652	0
PVE	447	-1	32	105	18	73	56	276	225	2,829	5	2	2,836	2	2,836	2
Variance to PVE	1,419	3	56	946	840	55	48	225	50	2,406	4	0	2,412	2	2,412	0
Policies In Force	1,198	3	35	840	106	18	8	50	50	423	1	0	424	0	424	0
1st Month	1,198	3	35	840	106	18	8	50	50	423	1	0	424	0	424	0
2nd Month	221	0	20	106	106	18	8	50	50	423	1	0	424	0	424	0
Variance to PVE	221	0	20	106	106	18	8	50	50	423	1	0	424	0	424	0
Policy Retention	91.67%	100.00%	88.89%	91.93%	91.25%	91.80%	93.58%	93.58%	97.41%	91.08%	100.00%	100.00%	91.99%	100.00%	93.28%	-1.34
Current Month	92.44%	50.00%	85.71%	94.92%	80.89%	92.31%	93.58%	93.58%	-3.54	92.22%	0.00	0.00	92.22%	0.00	92.22%	-1.34
Prior Year	-0.83	50.00	3.17	-2.98	10.37	-0.50	-0.50	-3.54	-3.54	-1.34	100.00%	100.00%	92.71%	100.00%	92.71%	0.00%
Point Variance to PY	92.93%	100.00%	88.89%	92.38%	91.25%	91.80%	93.58%	93.58%	97.41%	91.08%	100.00%	100.00%	93.09%	100.00%	93.09%	0.00%
Net Retention	92.93%	100.00%	88.89%	92.38%	91.25%	91.80%	93.58%	93.58%	97.41%	91.08%	100.00%	100.00%	93.09%	100.00%	93.09%	0.00%
Tenure Retention	92.46%	0.00%	84.09%	92.14%	86.35%	90.00%	96.17%	96.17%	90.08%	90.06%	0.00%	0.00%	90.25%	0.00%	90.25%	0.00%
0-2 years	88.03%	100.00%	100.00%	91.67%	86.49%	93.55%	90.08%	90.08%	90.08%	90.25%	0.00%	0.00%	90.22%	0.00%	90.22%	0.00%
2+ years	89.44%	100.00%	100.00%	90.68%	94.12%	86.67%	91.43%	91.43%	91.43%	90.33%	0.00%	0.00%	90.33%	0.00%	90.33%	0.00%
2-5 years	87.80%	0.00%	100.00%	94.78%	80.00%	100.00%	87.80%	87.80%	87.80%	90.33%	0.00%	0.00%	90.33%	0.00%	90.33%	0.00%
5+ years	87.80%	0.00%	100.00%	94.78%	80.00%	100.00%	87.80%	87.80%	87.80%	90.33%	0.00%	0.00%	90.33%	0.00%	90.33%	0.00%
Written and Advanced Premium	\$27,794	\$0	\$157	\$5,801	\$99,588	\$371	-\$249	\$995	\$34,869	\$34,869	\$0	\$0	\$34,869	\$0	\$34,869	\$0
Current Month - New	\$252,720	\$4,738	\$1,021	\$99,588	\$2,177	\$2,849	\$3,098	\$10,398	\$11,392	\$408,208	\$0	\$600	\$408,808	\$600	\$409,408	\$600
Current Month - Renewal	\$280,514	\$4,738	\$1,478	\$106,359	\$2,177	\$2,849	\$3,098	\$11,392	\$11,392	\$361,167	\$0	\$600	\$361,767	\$600	\$362,367	\$600
Current Month - Total	\$220,490	\$5,579	\$352	\$110,778	\$1,689	\$2,957	\$3,657	\$10,266	\$10,266	\$361,167	\$0	\$600	\$361,767	\$600	\$362,367	\$600
PY - Same Month	\$21,70%	-\$11,93%	-\$434,96%	-\$4,89%	31.30%	3.65%	-\$6,245	11.08%	11.08%	13.02%	0.00%	\$0	\$880,322	\$0	\$880,322	\$0
Variance to PY	\$513,064	\$2,241	\$7,340	\$304,824	\$6,275	\$6,245	\$34,588	\$116,367	\$116,367	\$4,520,722	\$15,013	\$970	\$4,535,735	\$970	\$4,536,705	\$970
YTD - New	\$3,100,311	\$8,980	\$13,863	\$1,249,808	\$10,947	\$20,405	\$20,405	\$150,975	\$150,975	\$5,395,299	\$20,768	\$970	\$5,416,027	\$970	\$5,417,027	\$970
YTD - Renewal	\$3,613,376	\$11,221	\$21,223	\$1,554,632	\$17,222	\$26,550	\$26,550	\$150,975	\$150,975	\$4,267,146	\$14,542	\$969	\$4,281,687	\$969	\$4,282,657	\$969
YTD - Total	\$2,776,902	\$13,852	\$14,962	\$1,313,568	\$13,248	\$19,619	\$19,619	\$30,53%	\$30,53%	\$25,44%	\$2,768	\$970	\$2,788	\$970	\$2,788	\$970
Prior Year YTD	30.12%	-17.20%	41.84%	18.35%	30.00%	30.00%	30.00%	30.53%	30.53%	25.44%	42.75%	0.10%	42.49%	0.10%	42.49%	0.10%
% Variance to PY	\$3,613,376	\$11,221	\$21,223	\$1,554,632	\$17,222	\$26,550	\$26,550	\$150,975	\$150,975	\$4,267,146	\$14,542	\$969	\$4,281,687	\$969	\$4,282,657	\$969
Written And Advance Premium - 12MM	\$3,460,794	\$11,809	\$18,789	\$1,457,615	\$14,122	\$24,212	\$24,212	\$138,510	\$138,510	\$5,125,851	\$18,485	\$969	\$5,144,336	\$969	\$5,145,305	\$969
Earned Premium - 12MM	\$3,460,794	\$11,809	\$18,789	\$1,457,615	\$14,122	\$24,212	\$24,212	\$138,510	\$138,510	\$5,125,851	\$18,485	\$969	\$5,144,336	\$969	\$5,145,305	\$969
Adjusted Paid Loss Ratio - 12MM	\$1,639,291	\$5,835	\$24,569	\$556,981	\$0	\$744	\$744	-\$3,297	-\$3,297	44.34%	4.26%	0.00%	44.20%	0.00%	44.20%	0.00%
Adjusted Paid Losses - 12MM	\$1,639,291	\$5,835	\$24,569	\$556,981	\$0	\$744	\$744	-\$3,297	-\$3,297	44.34%	4.26%	0.00%	44.20%	0.00%	44.20%	0.00%
Adjusted Paid Loss Ratio - 24MM	\$5,980,671	\$26,766	\$31,468	\$2,516,228	\$27,014	\$40,917	\$40,917	\$51,563	\$51,563	\$8,644,539	\$702	\$0	\$8,676,563	\$702	\$8,677,265	\$702
Adjusted Earned Premium - 24MM	\$5,980,671	\$26,766	\$31,468	\$2,516,228	\$27,014	\$40,917	\$40,917	\$51,563	\$51,563	\$8,644,539	\$702	\$0	\$8,676,563	\$702	\$8,677,265	\$702
Adjusted Paid Losses - 24MM	\$2,829,697	\$26,766	\$38,298	\$792,431	\$1,922	\$744	\$744	\$122	\$122	3,689,981	2.33%	0.00%	42.64%	0.00%	42.64%	0.00%
Adjusted Paid Loss Ratio - 24MM	\$2,829,697	\$26,766	\$38,298	\$792,431	\$1,922	\$744	\$744	\$122	\$122	3,689,981	2.33%	0.00%	42.64%	0.00%	42.64%	0.00%
Adjusted Paid Loss Ratio - 24MM	\$2,829,697	\$26,766	\$38,298	\$792,431	\$1,922	\$744	\$744	\$122	\$122	3,689,981	2.33%	0.00%	42.64%	0.00%	42.64%	0.00%

Householding	Current Month	Prior Year End	Variance to Prior Year End
Number of Households	1736	1429	307
Number of Policies	3101	2812	489
Total Current Multi-Category Households	1166	978	187
% Multi-Category	67.11%	68.44%	-1.33
% 1 Category	32.89%	31.56%	1.33
% 2 Category	62.68%	63.61%	-1.05
% Auto/Property/AF	4.58%	4.83%	-0.28
% Auto Only	23.73%	22.04%	1.69
% Property Only	7.03%	6.79%	0.24
% AF Only	2.13%	2.73%	-0.60
% Auto Property	60.65%	62.14%	-1.48
Auto AF	1.50%	1.42%	0.38
Property AF	0.40%	0.35%	0.05
Total Current Multi-Category Households	1176	989	187
% Multi Line	67.74%	69.21%	-1.47
% 1 Line	32.25%	30.79%	1.47

Business Metrics	Flood	Motor Club	North Light	Percentage	Undefined
Capped Items In Force - Current Month	10	13			0
Capped Items In Force - PYE	9	15			0
Capped Items In Force - Var to PYE	1	-2			0
Policies In Force - Current Month	10	13			81
Policies In Force - PYE	9	15			36
Policies In Force - Var to PYE	1	-2			0
Policy Retention - Current Month	90.91%	72.22%			0.00%
Written & Advanced Premium - Current Month	\$0	\$192			\$0
Written & Advanced Premium - YTD	\$9,000	\$1,151			\$0
Adjusted Paid Loss Ratio - 12MM					0.00%
Adjusted Paid Loss Ratio - 24MM					0.00%

Atlantic Financial

Insurance Policies Sold	Current Month		YTD		Actuals	12MM		% Var to PYE
	Actuals	Prior Year	Actuals	Prior Year		Actuals	Prior Year	
Sold	2	2	8	2	8	2	300.00%	0.00%
Shared	0	3	14	14	14	14	0.00%	0.00%
Total	2	5	22	16	22	16	37.50%	37.50%
Securities	0	0	0	1	0	1	-100.00%	-100.00%
Non-Securities	2	5	22	15	22	15	46.67%	46.67%

Policies In Force	Current Month	Prior Year End	% Var to PYE
Total Policies In Force	184	168	9.52%
Securities	7	7	0.00%
Non-Securities	177	161	9.94%

Production Credit	YTD	Prior YTD	% Var to PYTD
Sold	32,727	1,185	2,661.04%
Shared	1,756	14,469	-46.36%
Total	40,482	15,644	158.77%
Securities	13	1,250	-98.94%
Non-Securities	40,469	14,394	181.15%

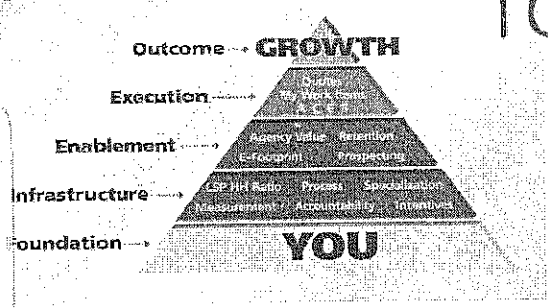
ABRML LP	In Force	Exposed	Ratio
	44	51	86.27%

Policy Issue Ratio	Issued	Submitted	Ratio
	21	29	72.41%

Exhibit E
(NYSCEF Doc. No. 14)

Screenshot_20180304-21542

Agency Support Model



TOP 25 - CASUALTY ITEM OCTOBER

Items

NOCELLA, MICHAEL	1533
MCKENNA, RICHARD	1109
DELLAUNIVERSITA, PAUL	958
VANDERBECK, BRANDON	781
NICHOLS, CARY	768
ALTER, CHARLES	721
YUN, TONY	718
SPANN, A KEVIN	678
GIANFRANCESCO, MICHAEL	672
MORSE, MATTHEW	667
MACHIANO, ANTHONY	655
O'NEILL, JOSEPH P	653
HAINES, MICHAEL	646
SHULMAN, ADAM	591
LEHMANN, EDWARD	559
TALT, MATT	525
HANLON, ELIZABETH	515
AUER, JOHN R	512
PENDOLA, GLENN	507
DHINGRA, RITESH	490
FERRANTE, SALVATORE	487
MANNARA, JOHN	460
BELLOMO, ANTHONY	457
RIZZO, RON	452

Exhibit F
(NYSCEF Doc. No. 15)

Handwritten initials or mark.

nocella line leader.jpg

**Holbrook Small Business Owner Recognized
for
Top Sales Achievements**
*Allstate honors Michael Nocella for outstanding
business performance*

Holbrook, NY, March XX, 2017 – Allstate agency owners will tell you, they take their jobs seriously. They serve as trusted advisors to the customers in their communities, helping to ensure they have the insurance coverage they need to protect them from the unthinkable. Now, one Holbrook Allstate agency owner was recently recognized for outstanding service and business results.

Allstate Exclusive Agency Owner Michael Nocella was the top Allstate agent in the state for auto and homeowners insurance sales. "It's a tremendous honor to earn these prestigious awards from Allstate," said Don Rubbo, New York Regional Sales Leader. "Michael is fully committed to helping Allstate's customers better understand the risks they may face in their household and provide solutions that help meet those needs. We are extremely proud of Michael and the fact that so many customers trust his agency to help them with their insurance needs."

Nocella Agency is located at 4250 Veterans Memorial Highway in Holbrook and can be reached at 631-981-4900.

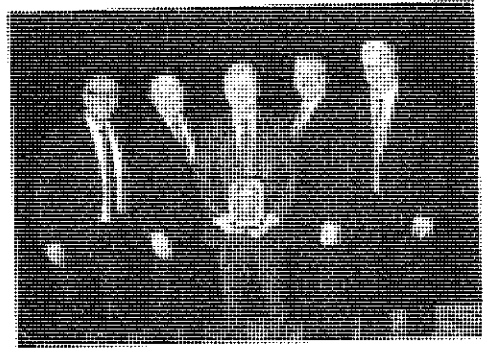


Exhibit G
(NYSCEF Doc. No. 16)

bestincompany march4th.JPG



BEST IN COMPANY AGENT LIST

Export Print

Production Month	Presidential Territory	Region	Territory	Market	Agency Search	Sort By	Sort Order	
Nov 2017	All	All	All	All	All	Annual Percent	High to low	
	At Scale							
1	051883 BUCCOLARA ASSOCIATES	021 Southeast Regional Office	D NORTH FOWELL	21 CANAL SHARED	4.0000% Best in Percent	55,035 AFFC	124 All	✓ Over Scale
2	0A0134 WINDHAM INSURANCE AGENCY LLC	006 Northern Central Regional Office	7 GARY HARRISON	30 NORTH CAROLINA	4.0000% Best in Percent	46,242 AFFC	146 All	✓ Over Scale
3	0A6200 MORRIS ASSURANCE	003 New York Regional Office	2 SPRINGWOOD DIVISION	21 CREIGHTON DAMAGED	4.0000% Best in Percent	30,501 AFFC	91 All	✓ Over Scale
4	0B1006 ENCLOSURE ASSURANCE	052 California Regional Office	N CERRITOS	16 CERRITOS MARKET	4.0000% Best in Percent	30,004 AFFC	103 All	✓ Over Scale
5	0B0240 BONVINS	003 New York Regional Office	4 JOHN CANNON	45 NORTH CAROLINA	4.0000% Best in Percent	29,882 AFFC	140 All	✓ Over Scale
6	0A6723 PEARLAND FINANCIAL	052 California Regional Office	S WILSONVILLE	31 JESUS MARTINEZ	4.0000% Best in Percent	25,441 AFFC	0 All	✓ Over Scale
7	0A4966 CAREBY FINANCIAL	051 Southern Regional Office	5 ALABAMA REGIONAL	28 MORNING STAR	4.0000% Best in Percent	24,235 AFFC	157 All	✓ Over Scale
	054412	052		24	4.0000%	21,019	72	✓

Exhibit H
(NYSCEF Doc. No. 17)

**Allstate.**

You're in good hands.

Ankur Chaturvedi
Territorial Sales Leader

March 1, 2018

Michael Nocella
50 Park Avenue
Bay Shore, NY 11706

Dear Michael,

This letter is notice that Allstate Insurance Company is terminating your Allstate R3001S Exclusive Agency Agreement ("Agreement") effective immediately. The termination is pursuant to Section XVII.B.3 of the Agreement. Allstate is taking this action for reasons that include providing false information to the Company.

If you have any questions in regard to this termination, please contact this company's representative, HR-Sr. Consultant Nancy Feustel at 631-233-6182, Allstate Insurance Company, 878 Veterans Memorial Highway, Suite 400, Hauppauge, New York 11788

The New York Insurance Law prohibits insurers from engaging in redlining practices based upon geographic location of the risk or the producer. If you have reason to believe that we have acted in violation of such law, you may file your complaint with the Department either on its website at <http://www.dfs.ny.gov/consumer/fileacomplaint.htm> or by writing to the State of New York Department of Financial Services, Consumer Assistance Unit, Financial Frauds and Consumer Protection Division, at either One State Street Plaza, 22nd Fl., New York, NY 10004 or One Commerce Plaza, Albany, NY 12257.

Upon termination of the agreement, your obligations to Allstate are stated in the Agreement. The Agreement requires that you must, among other things:

- Immediately return all property belonging to Allstate including all manuals, equipment, and any materials bearing any Allstate service mark or trade name;
- Immediately cease to use any telephone numbers used to conduct Allstate business from the former sales location; and
- Immediately cease and desist from any and all use of Allstate service marks and trade names.


You may have the option of accepting a termination payment from Allstate or selling the economic interest to an approved buyer as outlined in the Independent Contractor Manual and the Supplement for the R3001S Agreement. If you are eligible for and elect the termination payment option, you will receive such payment calculated and paid in accordance with the Supplement for the R3001S Agreement. Please note the termination payment is conditioned upon, for example, compliance with the confidentiality and non-solicitation provisions that survive the termination of the Agreement and the immediate return of all Allstate property.

If you elect to sell the economic interest in the book of business, Allstate has the absolute right of approval of the buyer. The buyer must meet Allstate's eligibility requirements. If Allstate approves a proposed buyer, the sale must be completed on or before **July 1, 2018** and must be effective on the first day of that or any earlier month. If you do not present a buyer or the buyer that you present is not approved, we will process the termination payment as described above.

If you elect, you may sell your interest in any assigned risk policies you may own. After the Agreement terminates, you will continue to receive commissions on existing assigned risk policies processed by Allstate that you retain, if any. Also, if you elect, you may seek to transfer any flood policies you may have produced subject to such rules and policies that are applicable to flood business.

Please contact me with any questions you have regarding the termination process.

Sincerely,


Ankur Chaturvedi
Territorial Sales Leader

Cc: D. Rubbo, RSL
P. Cochrane, HRM
G. Damadeo, FSL-G

Exhibit I
(NYSCEF Doc. No. 18)

- If the agency owner terminates and elects the Termination Payment Provision (TPP), Allstate makes the termination payments directly to the lender up to the loan balance or the value of the TPP, whichever is reached first. The *Allstate Lending Connection*SM contacts the lender to ascertain the loan balance. The lender may provide written proof that the loan has been satisfied in full and that they are releasing their security interest so that the Company may begin making termination payments to you.

Please note that if you terminate your agreement due to a change in the way your business is legally structured (e.g., sole proprietor to corporation or LLC), you will be required to provide one of the following before signing a new R3001 Agreement:

- Documentation from the lender that they have released their security interest
- A Request for Consent to the Granting of Security Interest executed by the new business entity
- An Agreement to Assume Security Agreements, Assignments of TPP, and Assignments of Commission with each lender (copies of which can be accessed through the Lending Connection webpage)

The Company will not execute an R3001 Agreement with the new business entity unless one of the above documents is provided. You will have to continue operating under the existing R3001 Agreement until the necessary documents are provided.

The Company will not approve an assignment of your entire agreement as security for a loan. Also, please understand that Allstate is never involved in the approval of a loan or a lender – that is between lender and agency owner. Not all lenders may be willing to loan money based on the assignment of a security interest in the economic interest in your book of business.

See the Transfer of Economic Interest section for information regarding your obligations and responsibilities prior to transferring your economic interest.

Transfer of Economic Interest

Before transferring your economic interest in the business or your interest in this Agreement, you have the obligation and sole responsibility to (i) repay any business loan secured by your rights and economic interest in the business, whether with the proceeds from such transfer or not and (ii) disclose to any transferee or purchaser of the business the existence of such business loan, including any lien, security interest, or other encumbrance related to such loan, and, if applicable, your intention to repay such business loan with the proceeds of such sale or transfer.

Termination of R3001 Agreement

Agent Initiated Termination

You must give Allstate ninety (90) days' written notice in order to terminate the R3001 Agreement. You are not required to give ninety (90) days' notice of termination if both Allstate and you mutually agree to a shorter time period.

Automatic Termination

Outlined below are the guidelines for the following situations that result in the automatic termination of the R3001 Agreement:

1. Your death or permanent incapacity
 2. Your loss of any required agent license or agency license
 3. The dissolution of the agency (A or C Agreement only)
 4. You, as the Key Person, cease to be employed by the agency (A or C Agreement only)
 5. The surrender of, or the election not to renew, the Company's license to sell insurance in all lines in the state in which your sales location is located
- You, or your legal representative, may elect to transfer your interest in the book of business serviced by your agency to an approved buyer, or elect to receive a termination payment from the Company, except for a termination pursuant to (5) above, subject to the terms and conditions set forth in the R3001 Agreement, this Manual, and the Supplement. If such election is not made or the economic interest is not transferred to an approved buyer within 90 days of termination of the R3001 Agreement (or such longer period within the Company's discretion), the termination payment will be processed.

See the Transfer of Economic Interest section for information regarding your obligations and responsibilities prior to transferring your economic interest

- The Company will service the book of business for a period of ninety (90) days following termination (or the first day of the following calendar month if the termination date of the R3001 Agreement is other than the last day of the month), unless the Company has agreed to allow one or more Licensed Sales Professionals (LSPs) in your agency to service the business. Although the R3001 Agreement has been terminated, your agent number will remain active until the eligible policies have been transferred to an approved buyer with a new agent number, or until the Company receives written instructions from you, or your legal representative, that the termination payment has been elected. There will be no commissions paid during the service period, other than the final commission check, except as noted below.
- You, or your legal representative, may make a request to allow the agency location to remain open if your R3001 Agreement is automatically terminated for any of the above reasons, except termination pursuant to (5) above. This request will only be approved in situations where closing the office location would cause significant undue hardship to the business. One or more LSPs will need to be approved to service the business in your agency during the service period.

If approved, the location will be allowed to remain open from the effective date of termination of the R3001 Agreement and for three full calendar months after the first of the month following the date of the termination (service period). Although the R3001 Agreement has been terminated, your agent number will remain active until the eligible policies have been transferred to an approved buyer with a new agent number, or until the Company receives written instructions from you or your legal representative that the termination payment has been elected. However, please note that your

appointments with the Company will be terminated immediately. The following must also be agreed to by you, or your legal representative, through a Letter of Understanding prior to allowing the agency location to remain open:

1. If the R3001 Agreement is automatically terminated pursuant to (2), (3) and (4) above, you will not be permitted to work in the agency location during this service period
2. You, or your legal representative, will be responsible for all expenses to run the agency, including compensation for the LSPs servicing the business during this period
3. No commissions will be paid during this period, except that the Company will pay commissions that would have otherwise been generated by the agency to offset the expenses incurred in continuing to service the business on the Company's behalf during the service period

EXAMPLE:	Termination due to permanent incapacity:	June 15 (no SAP input)
	Final direct deposit check issued to you:	mid-July
	Business will be processed under your agent number through "service period.":	September 30
	Agency transfer date requirement (begin processing of business under buying agent's number):	October 1

Company Initiated Termination

Outlined below are the guidelines that apply in situations in which the Company has given ninety (90) days' notice of termination, with or without cause, and has requested that you immediately cease representing the Company:

- You may elect to transfer your interest in the book of business serviced by your agency to an approved buyer, or to receive a termination payment from the Company, subject to the terms and conditions set forth in the R3001 Agreement, this Manual, and the Supplement. If such election is not made or the economic interest is not transferred to an approved buyer within 90 days of notice of termination of the R3001 Agreement (or such longer period within the Company's discretion), the termination payment will be processed.

See the Transfer of Economic Interest section for information regarding your obligations and responsibilities prior to transferring your economic interest

Note: When the Company has requested that you immediately cease representing the Company, approval of a buyer will also be conditional on the agreement that you

will not have any involvement or ownership interest in the buyer's agency following the sale

- The Company will service the book of business until the ninety (90) day notice period expires (or the first day of the following calendar month if the termination date of the R3001 Agreement is other than the last day of the month), unless the Company has agreed to allow one or more Licensed Sales Professionals (LSPs) in your agency to service the business. Although the R3001 Agreement has been terminated, your agent number will remain active until the eligible policies have been transferred to an approved buyer with a new agent number, or until the Company receives written instructions from you that the termination payment has been elected.
- You may make a request to allow the agency location to remain open. This request will only be approved in situations where closing the office location would cause significant undue hardship to the business. One or more LSPs will need to be approved to service the business in your agency during the service period.

If approved, the location will be allowed to remain open from the notice of termination of the R3001 Agreement and for three full calendar months after the first of the month following the date of the termination (service period). Although the R3001 Agreement has been terminated, your agent number will remain active until the eligible policies have been transferred to an approved buyer with a new agent number, or until the Company receives written instructions from you or your legal representative that the termination payment has been elected. However, please note that your appointments with the Company will be terminated immediately. The following must also be agreed to by you through a Letter of Understanding prior to allowing the agency location to remain open:

1. You will not be permitted to work in the agency location during this service period
2. You will be responsible for all expenses to run the agency, including compensation for the LSPs servicing the business during this period

Outlined below are the guidelines that apply in situations in which the Company has terminated the R3001 Agreement immediately for cause:

- You may elect to transfer your interest in the book of business serviced by your agency to an approved buyer, or elect to receive a termination payment from the Company, subject to the terms and conditions set forth in the R3001 Agreement, this Manual, and the Supplement. If such election is not made or the economic interest is not transferred to an approved buyer within 90 days of termination of the R3001 Agreement (or such longer period within the Company's discretion), the termination payment will be processed.

See the Transfer of Economic Interest section for information regarding your obligations and responsibilities prior to transferring your economic interest

Note: If your agreement is terminated immediately for cause, approval of a buyer will also be conditional on the agreement that you will not have any involvement or ownership interest in the buyer's agency following the sale

Exhibit J
(NYSCEF Doc. No. 19)

A

Law Offices of

MICHAEL J. ALBER, P.C.

5036 Jericho Turnpike, Suite 305, Commack, New York 11725
Telephone: 631-462-6900 Facsimile: 631-462-6999
www.alberlegal.com

March 2, 2018

VIA FED. EX. DELIVERY
VIA EMAIL: nancy.feustel@allstate.com
Nancy Feustel
HR Sr. Consultant
Allstate Insurance Company
878 Veterans Memorial Highway
Suite 400
Hauppauge, New York 11788

Re: Michael Nocella Exclusive Agency Termination

PRESERVATION OF EVIDENCE/SPOLIATION NOTICE

Ms. Feustel:

This letter is to notify your office that Mr. Michael Nocella has retained this firm in regards to Allstate's illegal termination of his Exclusive Agency Agreement pursuant to Section XVII B.3.

At this time it requested that your office preserve any and all physical evidence in your possession regarding the investigation and determination made in his case. It is also requested that any and all electronic data be made available for download by this office at an agreed upon date and time.

Please preserve any cell phones, cell phone data, including but not limited to text messages, written materials such as witness statements, log books, agent records, reporting records, investigative notes, emails, internal memos, external memos, any video or audio recordings, as well as any data relating to the termination of Mr. Nocella's agency Agreement.

Please do not dispose of any of this material, as I expect that it will be both discoverable and admissible in any litigation that may arise out of this claim. Spoliation is the destruction or failure to preserve evidence which may be of use in pending or reasonably foreseeable litigation. Traveler's Indemnity Co. v. CC Controlled Combustion, 2003 NY Slip Op. 5134(U). The duty of a party to preserve evidence or face sanctions under CPLR 3126 is well established. See, e.g., MetLife Auto & Home v. Basil Chevrolet, 303 A.D.2d 30 (4th Dep't 2002).

Failure to preserve this material will result in a request for a spoliation instruction at any trial in this matter and may ultimately be considered by a Court as an attempt to destroy evidence.

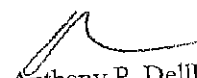
In addition to the above, it is demanded that your office provide a detailed explanation of the decision to terminate the Agency Agreement for cause. The letter provided to Mr. Nocella does not meet the notice requirement for a termination with cause in New York. It is vague and lacks any clarity to reconcile such a punitive measure undertaken by your office. Please provide same within 5 days of receipt of this letter.

If you are not the appropriate individual that can respond to these demands on behalf of Allstate it is your duty to forward this notice to that individual or individuals promptly, your failure to do so is not a waiver by this office or Mr. Nocella for additional action based upon any intentional efforts to delay Mr. Nocella's action.

As with any conflict, a resolution fair to all sides is the main objective. Mr. Nocella wishes to avoid litigation and continue to own his Agency and operate business. Should your office wish to negotiate a resolution please contact the undersigned immediately. Failure to respond will be construed as your objection to this request and Mr. Nocella has authorized this office to exhaust all legal recourse against your office for imposing and illegal and unconstitutional punishment when Mr. Nocella has done nothing wrong to deserve such.

Please contact me directly at 631-481-9473 should your office wish to discuss.

Sincerely,


Anthony P. DellUniversita

cc to:

Allstate Ins. Company 1125 RXR 10th floor Uniondale, NY 11556 achbd@allstate.com

Bob Greve; Home Office North Plaza 2775 Sanders Road Northbrook, Ill. 60062

Exhibit K
(NYSCEF Doc. No. 20)

3/8/2018 JK

INSPECTION RESULTS shraeder myriad1

Field	Agent Values	Inspector Values	Discrepancy Values
Roof Geometry		Code	Gate
Dog Proximity	No	No	No
Debris Indicator	Yes	Yes	Yes
Pest Status	No	No	No
Smoke Detector	Yes	Yes	Yes
Field	Agent Values	Inspector Values	Discrepancy Values
Building General Information			
Site Access	Flat Area Easy Access Route	Flat Area Easy Access Route	Flat Area Easy Access Route
Home Style	2 Story	2 Story	2 Story
Number of Families - Number of Families	1	1	1
Main Floor Area	1910	1910	1910
Construction Type	Standard_Vintage	Standard_Vintage	Standard_Vintage
Number of Stories	2	2	2
Living Area (square feet)	1610	1760	1760
Finished Living Area (square feet)	1410	1760	1760
Perimeter Choice		Steps	Steps
Shape	Rectangle or Slightly Irregular	Rectangle or Slightly Irregular	Rectangle or Slightly Irregular
Measured Perimeter	6000		
Max Height of Height			
1 Height	50	8	8
1 Percent	100	100	100
Max Floor Area or Information			
BASEMENT DEPTH (IN FT)	0	0	0

Exhibit L
(NYSCEF Doc. No. 21)

3/8/2018

Print :: Workspace Webmail



Call me for the protection you need and the service you want.



From: NY Product Management
Sent: Friday, July 28, 2017 4:30 PM
Subject: Exposure Management Areas - Great News!

Exposure Management Areas - Great News!
House and Home New Business Guideline Enhancements
Coming Monday, July 31st

Effective **Monday, July 31st**, the following downstate zip codes, which were previously closed to new business, will now be open:

- Babylon – 11702
- Bay Shore – 11706
- Bellport – 11713
- Brightwaters – 11718
- Copiague – 11726
- Patchogue – 11772
- Sayville – 11782
- West Islip – 11795

Although this adjustment will not be programmed in the system until Monday, August 21st, we wanted to make it available to you as soon as possible. As a result, you may take advantage of this opportunity starting this Monday by pushing through any business that receives a reject decision due solely to the zip codes above being closed (all other RMP requirements still need to be met such as CRM score, distance to shore, Amount of Insurance and prior loss history), to be reviewed by the RMBC for issuance.

Important Notes:

- Remember to submit all exposure management area new business quotes through the pre-bind process first for review and approval prior to binding the business.
- Include the following remarks to your risk assessment – 'Zip code removed from no write list per 7/28/17 NYPM communication'

Please refer to the updated RMP that will be posted on Monday, July 31st to view these changes.

Thank you,
 NY Product Management

Exhibit M
(NYSCEF Doc. No. 22)

EM

Telephonic Interview Christina Juliano
December 19, 2017

1 The inspection -- I mean, again, I took quote
2 optimization I think it was even two years ago. So
3 I don't remember exactly what was said.

4 But I -- any- -- anyone that I've ever
5 talked to who works in insurance will say the only
6 number that finally matters is what comes back with
7 the inspection. And sometimes --

8 MS. MONTANO: That's not what my question
9 was. My question to you is who told you that the
10 only thing that mattered in terms of you writing
11 these policy applications, the information on the
12 application, who told you that the only thing that
13 mattered was getting the inspection out?

14 MS. JULIANO: I -- I don't remember in
15 particular who told me that. I took quote
16 optimization. I took a lot of classes.

17 There have been a lot of people who have
18 gone through to help me try and learn how to do like
19 the quotes. The -- the -- you know, the quotes. To
20 even just go through them.

21 But I don't remember exactly who it was.
22 But there -- at the time there were five agents who
23 were sitting here, you know, going through and
24 helping me. So I don't remember exactly who --

25 MS. MONTANO: Okay.

Telephonic Interview Christina Juliano
December 19, 2017

36

1 MS. JULIANO: -- it was, you know.

2 MS. MONTANO: Christina, did anyone at
3 all, say, ever teach you or coach you to change the
4 information on an application after -- a homeowner
5 application -- after it's been denied by the
6 company, to continue changing the information on the
7 property details until you get accepted?

8 MS. JULIANO: No. We -- we just know that
9 until the inspection comes back, that's -- that's
10 what the -- the final say all is, I guess you could
11 say.

12 MS. MONTANO: I know that. We all know
13 that the inspection is the final say all.

14 MS. JULIANO: Right.

15 MS. MONTANO: But that's not --

16 MS. JULIANO: So -- and -- and --

17 MS. MONTANO: That's not what I'm --
18 that's not what I'm asking you.

19 What I'm asking you is on the front end,
20 in terms of you filling out an application and
21 putting details about a home into the system, has
22 anyone at all, say, ever said to you "Listen. After
23 you get an initial denial, you can -- it's okay for
24 you to keep changing the information on the
25 homeowner property -- you know, whole property --

Exhibit N
(NYSCEF Doc. No. 23)



Allstate.
You're in good hands.

March 8, 2018

New York Department of Insurance
1 Commerce Plaza
99 Washington Ave 20th FL
Albany, NY 12257

Re: **For Cause Termination: Michael Nocella**
License Number: PC-1214604 and LA-1214604
NPN: 16511567

To Whom It May Concern:

The producer referenced above has been terminated for-cause from the following companies:

- Allstate Insurance Company
- Allstate Indemnity Company
- Allstate Fire and Casualty Insurance Company
- Allstate Property and Casualty Insurance Company
- Allstate Vehicle and Property Insurance Company
- Allstate Life Insurance Company of New York

The for-cause termination reason is due to falsification of documents. Please use the following contact information for any questions or supporting documentation needed:

Nancy Feustel
878 Veterans Memorial Highway STE 400
Hauppauge, NY 11788
Phone: (631) 233-6182
Email: mtdmp@allstate.com

Sincerely,

Chris Reetz
Manager

cc: Nancy Feustel
Michael Nocella

Exhibit O
(NYSCEF Doc. No. 24)



Allstate.
You're in good hands.

March 8, 2018

Michael Nocella
9 Gibbons Ct
Sayville NY 11782

Dear Mr. Nocella,

You are hereby notified that the following appointments have been terminated for cause effective immediately:

State of New York:

- Allstate Insurance Company
- Allstate Indemnity Company
- Allstate Fire and Casualty Insurance Company
- Allstate Property and Casualty Insurance Company
- Allstate Vehicle and Property Insurance Company
- Allstate Life Insurance Company of New York

Enclosed you will also find a copy of the notification sent to the Department of Insurance.

Sincerely,

Chris Reetz
Manager

cc: Nancy Feustel

Allstate Insurance Company
Licensing & Appointing COE

2940 S 84th St Lincoln NE 68506 phone: (877) 751-2682 fax: (877) 358-1278 email: appcdpt@allstate.com

Exhibit P
(NYSCEF Doc. No. 25)

Termination Payment (TPP) - Summary Report

Production Month: Jan-2018
 Territory: 2 - ANKUR CHATURVEDI
 Classification Code: 88W

Agent: 046200 - NOCELLA AGENCY
 Market: 21 - GREGORY DAMADEO
 Affiliation Date: Sep-2014

Region: 003 - New York Regional Office
 Contract Type: R3001-S

Statement Generation Date: March 01, 2018

Product Grouping	Line Group	12 Mth Earned Premium	Termination Payment Eligible 12Mth Earned Premium	Renewal Rate	Variable Rate	Termination Payment Rate	Termination Payment Multiplier	Eligible for Termination Payment
ABI - Voluntary Auto	010-020-011	7,116.18	7,116.18	9.00%	1.10%	10.10%	1.5	1,078.09
ABI - Voluntary Auto	010-020-011	4,302.95	4,302.95	10.00%	0.00%	10.00%	1.5	645.44
ABI - Voluntary Auto	010-020-011	1,710.70	1,710.70	9.00%	1.26%	10.26%	1.5	263.21
ABI - Voluntary Auto	010-020-011	1,800.41	1,600.41	9.00%	1.15%	10.15%	1.5	243.69
ABI - Voluntary Auto	010-020-011	39.46	39.46	9.00%	1.21%	10.21%	1.5	6.04
ABI - Voluntary Auto Total		14,769.70	14,769.70					2,236.47
Condo	010-030-078	476.29	476.29	9.00%	1.20%	10.20%	1.5	72.87
Condo	010-030-078	323.55	250.62	10.00%	0.00%	10.00%	1.5	37.58
Condo	010-030-078	286.79	0.00	9.00%	1.15%	10.15%	1.5	0.00
Condo	010-030-078	100.34	100.34	9.00%	1.27%	10.27%	1.5	16.46
Condo	080-030-078	3,440.40	3,440.40	10.00%	0.00%	10.00%	1.5	516.07
Condo	080-030-078	1,822.74	1,822.74	9.00%	1.15%	10.15%	1.5	277.51
Condo	080-030-078	886.56	886.56	9.00%	1.20%	10.20%	1.5	132.58
Condo	080-030-078	644.66	644.66	9.00%	1.26%	10.26%	1.5	99.19
Condo	060-030-078	304.36	304.36	9.00%	1.23%	10.23%	1.5	46.70
Condo	060-030-078	294.71	294.71	9.00%	1.24%	10.24%	1.5	45.28
Condo	060-030-078	151.66	151.66	9.00%	1.30%	10.30%	1.5	23.44
Condo	060-030-078	94.17	84.17	9.00%	1.27%	10.27%	1.5	12.99
Condo	060-030-078	-27.79	-27.79	9.00%	1.10%	10.10%	1.5	-4.21
Condo Total		8,767.44	8,408.72					78.75
CPP	010-098-052	526.00	526.00	10.00%	0.00%	10.00%	1.5	11.54
CPP	010-098-052	75.00	75.00	9.00%	1.26%	10.26%	1.5	11.54
CPP Total		600.00	600.00					90.29

AN

Alisterie (c) 2014 Disclaimer Copyright statement

Product Grouping	Life Group	12 Mo Earned Premium	Termination Payment Eligible (Gift Earned Premium)	Renewal Rate	Variable Rate	Termination Payment Rate	Termination Payment Multiplier	Eligible for Termination Payment
Homeowners	010-030-070	76,541.18	17,352.25	10.00%	0.00%	10.00%	1.5	2,602.84
Homeowners	010-030-070	37,983.97	43,764.43	9.00%	1.16%	10.15%	1.5	2,086.67
Homeowners	010-030-070	12,288.79	2,397.76	9.00%	1.24%	10.24%	1.5	368.39
Homeowners	010-030-070	6,765.71	1,810.54	9.00%	1.21%	10.21%	1.5	277.40
Homeowners	010-030-070	6,555.97	1,156.11	9.00%	1.10%	10.10%	1.5	181.20
Homeowners	010-030-070	5,993.76	871.09	9.00%	1.27%	10.27%	1.5	87.98
Homeowners	010-030-070	5,459.12	1,986.89	9.00%	1.23%	10.23%	1.5	304.82
Homeowners	010-030-070	3,538.93	-14.70	9.00%	1.28%	10.28%	1.5	-2.26
Homeowners	010-030-070	2,750.36	989.98	9.00%	1.30%	10.30%	1.5	162.95
Homeowners	010-030-070	2,609.46	1,631.00	9.00%	1.20%	10.20%	1.5	249.55
Homeowners	060-030-070	23,443.23	23,443.23	10.00%	0.00%	10.00%	1.5	3,518.51
Homeowners	060-030-070	9,320.09	9,320.09	9.00%	1.15%	10.15%	1.5	1,413.98
Homeowners	060-030-070	7,826.22	7,826.22	9.00%	1.10%	10.10%	1.5	1,185.66
Homeowners	060-030-070	6,272.14	6,272.14	9.00%	1.23%	10.23%	1.5	982.35
Homeowners	060-030-070	4,986.67	4,986.67	9.00%	1.24%	10.24%	1.5	704.72
Homeowners	060-030-070	1,979.24	1,979.24	9.00%	1.20%	10.20%	1.5	302.83
Homeowners	060-030-070	849.34	849.34	9.00%	1.26%	10.26%	1.5	130.89
Homeowners	060-030-070	734.60	734.60	9.00%	1.30%	10.30%	1.5	119.51
Homeowners	060-030-070	690.25	690.25	9.00%	1.21%	10.21%	1.5	105.76
Homeowners	060-030-070	536.38	536.38	9.00%	1.27%	10.27%	1.5	82.64
Homeowners	060-030-070	4,228.91	4,228.91	10.00%	0.00%	10.00%	1.5	634.35
Homeowners	060-030-070	1,393.86	1,393.86	9.00%	1.15%	10.15%	1.5	208.39
Homeowners	060-030-070	891.59	891.59	9.00%	1.27%	10.27%	1.5	137.38
Homeowners	060-030-070	704.77	704.77	9.00%	1.26%	10.26%	1.5	108.43
Homeowners Total		223,839.34	105,117.44	9.00%	1.10%	10.10%	1.5	15,930.73
Inland Marine Boatowners	010-030-090	226.62	0.00	10.00%	0.00%	10.00%	1.5	0.00
Inland Marine Boatowners	010-030-090	32.38	0.00	10.00%	0.00%	10.00%	1.5	0.00
Inland Marine Boatowners	065-030-090	505.90	505.90	9.00%	1.10%	10.10%	1.5	76.65
Inland Marine Boatowners	065-030-090	389.02	389.02	9.00%	1.15%	10.15%	1.5	59.22
Inland Marine Boatowners	065-030-090	222.05	222.05	10.00%	0.00%	10.00%	1.5	33.31
Inland Marine Boatowners Total		1,316.97	1,116.97	9.00%	0.00%	10.00%	1.5	0.00
Manufactured Home	010-030-032	1,592.24	0.00	10.00%	1.26%	10.26%	1.5	0.00
Manufactured Home	010-030-032	374.20	0.00	9.00%	1.26%	10.26%	1.5	0.00
Manufactured Home Total		1,966.44	0.00	9.00%	1.23%	8.23%	1.5	233.04
Non Standard Auto	060-010-010	72.70	1,888.03	7.00%	1.28%	8.28%	1.5	9.00
Non Standard Auto	060-010-010	-72.70	-72.70	7.00%	1.27%	8.27%	1.5	-9.02
Non Standard Auto Total		1,888.03	1,888.03					233.02

Alistera, et al 2014 Disclaimer 1 Corporate statement

Product Grouping	Line Group	12 Mth Earned Premium	Termination Payment Eligible 12Mth Earned Premium	Renewal Rate	Variable Rate	Termination Payment Rate	Termination Payment Multiplier	Eligible for Termination Payment
Personal Umbrella Policy	010-030-088	3,416.59	1,475.41	10.00%	0.00%	10.00%	1.5	221.32
Personal Umbrella Policy	010-030-088	2,304.74	968.91	9.00%	1.15%	10.15%	1.5	147.21
Personal Umbrella Policy	010-030-088	1,583.66	417.37	9.00%	1.20%	10.20%	1.5	63.86
Personal Umbrella Policy	010-030-088	791.53	279.12	9.00%	1.21%	10.21%	1.5	42.77
Personal Umbrella Policy	010-030-088	608.74	608.74	9.00%	1.23%	10.23%	1.5	93.40
Personal Umbrella Policy	010-030-088	481.50	142.04	9.00%	1.27%	10.27%	1.5	21.88
Personal Umbrella Policy	010-030-088	-47.70	27.05	9.00%	1.28%	10.28%	1.5	4.18
Personal Umbrella Policy	080-030-088	3,006.01	3,006.01	10.00%	0.00%	10.00%	1.5	450.89
Personal Umbrella Policy	080-030-088	2,624.48	2,624.48	9.00%	1.15%	10.15%	1.5	430.02
Personal Umbrella Policy	080-030-088	1,243.03	1,243.03	9.00%	1.25%	10.20%	1.5	190.19
Personal Umbrella Policy	080-030-088	698.04	898.04	9.00%	1.23%	10.23%	1.5	107.26
Personal Umbrella Policy	080-030-088	258.37	258.37	9.00%	1.30%	10.30%	1.5	38.45
Personal Umbrella Policy	080-030-088	237.88	237.88	9.00%	1.21%	10.21%	1.5	34.44
Personal Umbrella Policy	080-030-088	224.17	224.17	9.00%	1.24%	10.24%	1.5	10.46
Personal Umbrella Policy	080-030-088	67.90	67.90	9.00%	1.27%	10.27%	1.5	-1.29
Personal Umbrella Policy	080-030-088	-8.37	-8.37	9.00%	1.25%	10.25%	1.5	1,692.84
Personal Umbrella Policy Total		17,681.57	12,469.15	9.00%	1.15%	10.15%	1.5	88.39
Renters	010-030-071	743.61	580.53	10.00%	0.00%	10.00%	1.5	20.57
Renters	010-030-071	178.97	137.09	10.00%	0.00%	10.00%	1.5	1.81
Renters	010-030-071	10.46	10.46	9.00%	1.26%	10.25%	1.5	319.39
Renters	080-030-071	2,129.21	2,129.21	10.00%	0.00%	10.00%	1.5	215.37
Renters	080-030-071	1,414.53	1,414.53	9.00%	1.15%	10.15%	1.5	68.49
Renters	080-030-071	452.11	452.11	9.00%	1.10%	10.10%	1.5	32.98
Renters	080-030-071	214.50	214.50	9.00%	1.24%	10.24%	1.5	31.47
Renters	080-030-071	205.34	205.34	9.00%	1.21%	10.21%	1.5	31.33
Renters	080-030-071	203.72	203.72	9.00%	1.26%	10.26%	1.5	21.30
Renters	080-030-071	138.74	138.74	9.00%	1.23%	10.23%	1.5	9.27
Renters	080-030-071	60.00	60.00	9.00%	1.30%	10.30%	1.5	840.15
Renters Total		5,761.19	5,546.23					

Allstate CA 2014 Disclaimer | Copyright statement

Product Grouping	Line Group	12 Mth Earned Premium	Termination Payment Eligible 12Mth Earned Premium	Renewal Rate	Variable Rate	Termination Payment Rate	Termination Payment Multiplier	Eligible for Termination Payment
Scheduled Personal Property	010-030-092	955.96	40.79	10.00%	0.00%	10.00%	1.5	6.12
Scheduled Personal Property	010-030-092	788.96	89.96	9.00%	1.15%	10.15%	1.5	13.70
Scheduled Personal Property	010-030-092	231.50	101.71	9.00%	1.28%	10.26%	1.5	15.65
Scheduled Personal Property	010-030-092	214.50	0.00	9.00%	1.21%	10.21%	1.5	0.00
Scheduled Personal Property	010-030-092	118.13	0.00	9.00%	1.27%	10.27%	1.5	0.00
Scheduled Personal Property	010-030-092	86.25	85.25	9.00%	1.20%	10.20%	1.5	13.20
Scheduled Personal Property	080-030-092	523.61	523.61	10.00%	0.00%	10.00%	1.5	78.65
Scheduled Personal Property	080-030-092	358.16	358.16	9.00%	1.16%	10.15%	1.5	54.53
Scheduled Personal Property	080-030-092	174.42	174.42	9.00%	1.10%	10.10%	1.5	26.42
Scheduled Personal Property	080-030-092	165.00	165.00	9.00%	1.25%	10.26%	1.5	25.39
Scheduled Personal Property	080-030-092	108.08	108.08	9.00%	1.24%	10.24%	1.5	16.79
Scheduled Personal Property	064-030-092	120.93	120.93	9.00%	1.21%	10.21%	1.5	18.53
Scheduled Personal Property	064-030-092	104.98	104.98	10.00%	0.00%	10.00%	1.5	15.75
Scheduled Personal Property Total		3,950.88	1,874.89					284.60
Specialty Auto	010-010-016	64.77	15.77	9.00%	1.15%	10.15%	1.5	2.40
Specialty Auto	010-010-016	25.95	1.43	9.00%	1.25%	10.26%	1.5	0.22
Specialty Auto	010-010-016	20.42	0.00	10.00%	0.00%	10.00%	1.5	0.00
Specialty Auto	010-010-016	17.20	17.20	9.00%	1.24%	10.24%	1.5	2.64
Specialty Auto	027-010-016	170.00	170.00	9.00%	1.15%	10.15%	1.5	28.88
Specialty Auto	027-010-016	85.64	85.64	10.00%	0.00%	10.00%	1.5	12.88
Specialty Auto	027-010-016	84.16	84.16	9.00%	1.27%	10.27%	1.5	12.96
Specialty Auto	027-010-016	78.00	78.00	9.00%	1.21%	10.21%	1.5	11.95
Specialty Auto	065-010-016	1,276.18	1,276.18	10.00%	0.00%	10.00%	1.5	191.39
Specialty Auto	065-010-016	1,031.94	1,031.94	9.00%	1.10%	10.10%	1.5	156.34
Specialty Auto	065-010-016	800.45	800.45	9.00%	1.24%	10.24%	1.5	122.98
Specialty Auto	065-010-016	450.07	450.07	9.00%	1.23%	10.23%	1.5	69.05
Specialty Auto	065-010-016	192.58	192.58	9.00%	1.20%	10.20%	1.5	29.47
Specialty Auto	065-010-016	158.20	158.20	9.00%	1.15%	10.15%	1.5	24.08
Specialty Auto	065-010-016	102.43	102.43	9.00%	1.27%	10.27%	1.5	15.79
Specialty Auto	065-010-016	75.88	75.88	9.00%	1.25%	10.25%	1.5	11.67
Specialty Auto Total		4,540.09	4,540.14					689.70

Anisale (c) 2014 Disclaimers Copyright statement

Product Grouping	Line Group	12 Mth Earned Premium	Termination Payment Eligible 12Mth Earned Premium	Renewal Rate	Variable Rate	Termination Payment Rate	Termination Payment Multiplier	Eligible for Termination Payment
Standard Auto	010-010-010	64,009.85	33,498.69	8.00%	1.15%	10.15%	1.5	5,100.17
Standard Auto	010-010-010	69,598.35	30,714.61	10.00%	0.00%	10.00%	1.5	4,907.21
Standard Auto	010-010-010	34,125.00	21,082.60	9.00%	1.10%	10.10%	1.5	3,195.86
Standard Auto	010-010-010	31,716.90	18,386.40	9.00%	1.20%	10.20%	1.5	2,813.13
Standard Auto	010-010-010	30,010.51	18,917.40	9.00%	1.21%	10.21%	1.5	2,898.44
Standard Auto	010-010-010	28,200.54	19,077.06	9.00%	1.24%	10.24%	1.5	2,931.08
Standard Auto	010-010-010	20,776.31	11,795.21	9.00%	1.27%	10.27%	1.5	1,817.33
Standard Auto	010-010-010	18,225.26	11,948.66	9.00%	1.23%	10.23%	1.5	1,833.27
Standard Auto	010-010-010	17,107.77	6,010.41	9.00%	1.26%	10.26%	1.5	924.77
Standard Auto	010-010-010	4,904.27	2,020.12	9.00%	1.30%	10.30%	1.5	312.11
Standard Auto	027-010-010	49,096.31	49,096.31	9.00%	1.15%	10.15%	1.5	7,474.85
Standard Auto	027-010-010	39,056.98	39,056.98	10.00%	0.00%	10.00%	1.5	5,708.64
Standard Auto	027-010-010	29,834.93	29,834.93	9.00%	1.10%	10.10%	1.5	4,520.03
Standard Auto	027-010-010	22,077.33	22,077.33	9.00%	1.25%	10.25%	1.5	3,396.74
Standard Auto	027-010-010	20,486.64	20,486.64	9.00%	1.20%	10.20%	1.5	3,126.83
Standard Auto	027-010-010	19,133.49	19,133.49	9.00%	1.21%	10.21%	1.5	2,931.55
Standard Auto	027-010-010	14,668.55	14,668.55	9.00%	1.24%	10.24%	1.5	2,253.69
Standard Auto	027-010-010	9,410.35	9,410.35	9.00%	1.23%	10.23%	1.5	1,443.76
Standard Auto	027-010-010	8,885.86	8,885.86	9.00%	1.27%	10.27%	1.5	1,388.08
Standard Auto	027-010-010	5,608.05	5,608.05	9.00%	1.30%	10.30%	1.5	860.99
Standard Auto	027-010-010	2,106.41	2,106.41	3.50%	0.00%	3.50%	1.5	110.59
Standard Auto	027-010-010	21,277.89	21,277.89	9.00%	1.15%	10.15%	1.5	3,238.53
Standard Auto	065-010-010	16,873.99	16,873.99	10.00%	0.00%	10.00%	1.5	2,531.13
Standard Auto	065-010-010	9,955.24	9,955.24	9.00%	1.24%	10.24%	1.5	1,529.55
Standard Auto	065-010-010	9,526.60	9,526.60	9.00%	1.23%	10.23%	1.5	1,461.63
Standard Auto	065-010-010	5,320.30	5,320.30	9.00%	1.20%	10.20%	1.5	814.00
Standard Auto	065-010-010	4,505.62	4,505.62	9.00%	1.21%	10.21%	1.5	690.28
Standard Auto	065-010-010	4,019.70	4,019.70	9.00%	1.10%	10.10%	1.5	608.98
Standard Auto	065-010-010	3,698.88	3,698.88	9.00%	1.30%	10.30%	1.5	571.64
Standard Auto	065-010-010	2,254.40	2,254.40	9.00%	1.27%	10.27%	1.5	347.33
Standard Auto	065-010-010	1,642.58	1,642.58	9.00%	1.26%	10.26%	1.5	252.68
Standard Auto	065-010-010	87.47	87.47	6.00%	0.00%	6.00%	1.5	7.89
Standard Auto Total		607,944.23	471,840.53					95,317.06
Property and Casualty Total		892,378.88	628,171.80					628.30
Allstate Financial Renewal Commissions	036-050-088	352.16	352.16	100.00%	0.00%	100.00%	1.5	680.25
Allstate Financial Renewal Commissions	036-050-080	566.59	566.59	100.00%	0.00%	100.00%	1.5	860.25
Allstate Financial Renewal Commissions Total		918.77	918.77					1,378.66

Allstate (c) 2014 Disclaimer - Copyright Statement

Product Grouping	Line Group	12 Mth Earned Premium	Termination Payment Eligible 12Mth Earned Premium	Renewal Rate	Variable Rate	Termination Payment Rate	Termination Payment Multiplier	Eligible for Termination Payment
New Allstate Financial	036-050-066	10,334.02	10,334.02	5.00%	0.00%	5.00%	1.5	775.05
New Allstate Financial	036-050-080	11,401.42	11,401.42	5.00%	0.00%	5.00%	1.5	855.08
New Allstate Financial Total		21,735.44	21,735.44					1,630.13
Allstate Financial Total		22,854.21	22,854.21					3,008.68
Grand Total		915,033.09	650,826.01					98,325.74

* For Termination Payment program specific information, terms & conditions please refer to the Supplement for the R3001 Agreement and the Exclusive Agency Independent Contractor Manual.

Allstate (c) 2014 Disclaimer, Ownership statement

Termination Payment (TPP) - Summary Report

Production Month:	Jan-2018
Agent:	0A6200 - NOCELLA AGENCY

Report Run Date: March 01, 2018

Exhibit Q
(NYSCEF Doc. No. 26)

SEARCH RESULTS

Home News References My Work Items My Agency

Search Results

0 results for how to get square footage for home quote
Your search did not match any documents. Please visit the Search Tips

Search how to get square footage



Help us improve your search experience. Send us feedback

Agent Informer

News stories of interest to Allstate Agency Owners published by the National Association of Professional Allstate Agents, Inc. This Special complimentary issue of Agent Informer is designed to acquaint you with our email publications. NAPAA members have already received all of this news in their inbox over the last 4 weeks. You could also receive weekly news in the *DirectExpress* newsletter – exclusively for NAPAA Members.

April 19, 2011

Ex-Allstate agent sues for \$15M, alleges “hostile takeover” of his business

A 28-year all-star agent claims wrongful termination, age bias

April 14, 2011 *By Darla Mercado, Investment News*

<http://www.investmentnews.com/article/20110414/FREE/110419953>

Veteran insurance agent Paul A. Mattus has filed suit against The Allstate Corp., claiming that the carrier had muscled him out of his book of business in order to pass it on to a newer, younger agent.

Mr. Mattus filed suit against the insurer and its subsidiary The Allstate Insurance Co. this Tuesday in the U.S. District Court for the Middle District of Pennsylvania, accusing the carrier of a slate of charges, including breach of contract, fraud and negligent infliction of mental distress.

He seeks \$15 million for the value of his insurance practice, Paul A. Mattus Agency & Sons Inc., plus damages and legal fees. The firm sold a variety of Allstate coverage, including life and auto.

The tiff goes back to 2000, when Allstate allegedly terminated the employment contracts of some 6,500 captive agents, offering them an opportunity to become independent contractors if they signed an exclusive agency agreement with the insurer, according to the suit.

Despite becoming an independent contractor for Allstate, Mr. Mattus had been kept from selling competitors' products, according to the complaint.

Mr. Mattus, who had been an agent with Allstate since 1983, claims that the agents were told that if they became independent contractors, they'd have a major stake in their own businesses.

Using his own funds, Mr. Mattus said he created his own insurance agency and covered all of his own business expenses. He also grew his block of business, generating some \$4 million in annual insurance premiums and was recognized by Allstate as a “top 10 producer,” according to the lawsuit.

Nevertheless, Allstate sent him a termination letter on Jan. 14, 2011, citing Mr. Mattus's “failure to achieve business objectives established by the company,” according to the complaint. The letter blocked the agent from engaging in any business and forced him to make a choice between selling the business to an approved buyer or to turn over his business to Allstate, Mr. Mattus alleges.

The agent claims that the insurer had tried to get rid of him when it discovered it could negotiate “more favorable” contractual terms with newer and younger agents.

“Allstate finds the suit to be totally without merit and will present its case in court,” said April Eaton, spokeswoman for the insurer.

The insurer “took all steps necessary to remove Mr. Mattus from Allstate in such a way as to retain his sizeable book of business to the benefit of Allstate and a newer, younger agent,” according to the complaint. “As an older agent, Mr. Mattus did not fit in with the new, improved Allstate.”

Jacqueline Jackson-DeGarcia, Mr. Mattus's attorney, said that she has heard from other agents making similar claims.

"He's not the only agent to whom this has happened," said Ms. Jackson-DeGarcia, a partner at Dilworth Paxson LLP. "We have been contacted by others and will pursue them separately."

Given the differences in the books of business for the agents, as well as the unique attributes of each practice, Ms. Jackson-DeGarcia will likely pursue the other cases separately instead of making them into a class-action suit.

She added that a second related class-action suit is currently pending and that that complaint includes an age discrimination allegation and claims related to employee benefits.

Currently, Paul A. Mattus Agency & Sons Inc. is listed on Allstate's website as being up for sale.

A call to Allstate was not immediately returned.



JOIN TWFG - NAPAA Members Save \$1,000

• Personal Markets	• Management Systems
• Commercial Programs	• E&O Coverage
• Life, Health & Financial Services	• Reduce Your Expenses
• Competitive Commissions	• Proven Track Record!

TWFG WANTS YOU

agentinfo@twfg.net
 1-866-466-TWFG
 www.twfgga.com

<http://www.twfgga.com/>

Allstate Looking to Open 50 New Agencies in Florida

April 7, 2011, www.insurancejournal.com

Allstate Insurance says it wants to open nearly 50 new agency offices in Florida. About half of those openings will be in north Florida, the company said.

"North Florida has shown incredible growth for our agencies," says Bob Jackson, regional sales leader for Allstate's Florida region based in St. Petersburg. "In order to meet the demands of our current and future customers, we've made a decision to expand."

Allstate estimates that each new office will mean multiple job opportunities for licensed staff, perhaps as many as 130 new jobs statewide. The agencies will sell auto, home and life insurance, according to a spokesman.

Allstate began scaling back on its property insurance writings in Florida in 2005, after the severe hurricane season but it has shown renewed interest in Florida business lately. Last spring, it launched an effort to write about 50,000 new multiline policies and began looking into taking out policies from state-backed Citizens Insurance Corp.

In Florida, Allstate operates as Castle Key Insurance Co. (\$156 million in surplus and 157,000 policies) and Castle Key Indemnity Co. (\$14.1 million in surplus and 76,536 policies).

Allstate changed the names of its Florida subsidiaries to Castle Key in July 2009. The insurer said the name changes were made in order to "better reflect the fact that these property companies are separately capitalized from Allstate Insurance Co."

The company has about 1,000 exclusive agents in the state.

Allstate agents operate as independent contractors selling Allstate policies. They can own their own franchise while drawing on support and resources from the parent company. The company said there is no franchise fee associated with owning an Allstate agency, although candidates need to have \$50,000 to \$75,000 in liquid capital. The company says that money does not go to Allstate; rather it shows the new agency can pay for the normal operation costs associated with opening and running an agency.

More information is available by calling 1-877-711-1006 or by visiting www.insuranceagent.floridajobs.com.

Exhibit R
(NYSCEF Doc. No. 27)



March 5, 2018

Christina Giugliano
54 Timber Ridge Dr
Holbrook NY 11741

Dear Ms. Giugliano,

You are hereby notified that the following appointments have been terminated for cause effective immediately:

State of New York:

- Allstate Insurance Company
- Allstate Indemnity Company
- Allstate Fire and Casualty Insurance Company
- Allstate Property and Casualty Insurance Company
- Allstate Vehicle and Property Insurance Company

Enclosed you will also find a copy of the notification sent to the Department of Insurance.

Sincerely,

Chris Reetz
Manager

cc: Nancy Feustel

- Renewal
- Website

ACES is conducted on a regular basis, performance reports are typically made available on a monthly basis, and it is experience based – meaning we only ask Allstate customers about the services they have actually experienced in the past 12 months.

ACES produces two metrics: the Allstate Promoter Score (APS) and the Agency Experience Score (AES).

- The Allstate Promoter Score (APS) is a net score based on “likelihood to recommend Allstate.” This metric is included in “Enterprise Reporting” to business leadership in Home Office and the field. It is focused on measuring and improving the business.
- The Agency Experience Score (AES) is the agency owner metric and is comprised of two elements: the “Net Satisfaction Score” that includes overall agency satisfaction and answers to key agency touchpoint satisfaction questions (such as satisfaction with ease of contact and timely handling of requests) and a “boost” based on offering to review a customer’s insurance needs. This metric is included in “Agency Experience Reporting” to agents and field sales leaders.

Office Availability

You have complete and sole discretion in determining how to staff your office and the time in which you are physically present, as long as your agency(ies) is open for business as appropriate in the market to provide a proper level of customer service. This applies to all agency locations including satellite locations.

- Agencies must be open a minimum of forty-four (44) hours per week
- All agencies must be open during the “core” business hours of 9:00 a.m. to 5:00 p.m. Monday through Friday
- Agencies may choose, at their discretion, to be open additional hours to provide a proper level of customer service
- A person licensed to sell, solicit, and negotiate insurance must be present during all required agency hours. Adequate licensed personnel should be available during business hours to speak with the customer.
- All phones used by an agency to conduct Allstate business must be forwarded to the appropriate 24-hour customer service center outside of an agency’s normal business hours and removed from forwarding by 9:00 a.m. the following business day

Knowledge of Company Products and Services

We are in a highly regulated industry and have a responsibility to customers to provide them with accurate information about our products and services.

Accordingly, as requested by the Company, you will be required to demonstrate your knowledge of the Company products you are authorized to sell, as well as of federal, state, or local laws, rules, regulations and ordinances affecting your agency operation. If you are unable to demonstrate your knowledge of any product, the Company reserves the right to deny you the authority, or withdraw your existing authority, to sell that product until you demonstrate such knowledge. The same requirement applies to any Licensed Sales Professionals in your agency.

Additionally, you, or an appropriate representative from your agency, will be required to attend certain educational meetings to learn about changes to our products or services, or about legal compliance issues. Examples of required educational meetings would include:

- Meetings to disseminate information on products, policies, procedures, processes, and programs which are necessary to ensure compliance with state and federal laws and regulations, or to avoid legal liability and loss of goodwill in the marketplace
- Education mandated by the Department of Insurance

From time to time, the Company may also conduct for your convenience meetings concerning sales techniques or other issues. You are invited, but not required, to attend such meetings.

Maintaining a Professional Office Environment

All agencies must maintain a professional office environment that is suitable for conducting Allstate business.

Agency Evaluation

The Company will evaluate your agency's results through Agency Business Objectives (ABO). On a moving 12-month period, a formal consultation will be offered to you if you do not achieve ABO results for 4 out of the past 12 months. If you do not achieve ABO results for 7 out of the past 12 months, a consultation will be offered to you and you will receive a letter from field sales leadership. If you do not achieve ABO results for 10 out of the past 12 months, your agency will be considered for termination.

For R3001 Agencies who have been affiliated with the company for 36 months or more, the following key areas are considered in evaluating your agency's results. These requirement must be met on a monthly basis:

- 4 new business Standard Auto items¹, OR
- Achievement of all Variable Compensation Agency Success Factors
 - Allstate Financial Insurance Policies Sold (IPS)
 - Minimum Staffing

Agencies that achieve Honor Ring or higher at the end of the prior year will be exempt from the program for the following calendar year.

The results for all Established Satellites located in the same state as the primary agency (including stand-alone agencies and Enhanced Satellite Agencies) will be combined with their primary agency beginning with month 37. For Established Satellites that cross state lines, results are combined for any locations that are within the same state.

You will be required to acknowledge your monthly results via ABO Acknowledgement in DASH. Your monthly ABO results are also available in DASH via the *ABO Agent Validation Report*.

Exhibit S
(NYSCEF Doc. No. 28)

SEARCH RESULTS

Home News References My Work Items My Agency

Search Results

0 results for how to get square footage for home quote
Your search did not match any documents. Please visit the Search Tips

Search how to get square footage



Help us improve your search experience. Send us feedback

Agent Informer

News stories of interest to Allstate Agency Owners published by the National Association of Professional Allstate Agents, Inc. This Special complimentary issue of Agent Informer is designed to acquaint you with our email publications. NAPAA members have already received all of this news in their inbox over the last 4 weeks. You could also receive weekly news in the *DirectExpress* newsletter – exclusively for NAPAA Members.

April 19, 2011

Ex-Allstate agent sues for \$15M, alleges “hostile takeover” of his business

A 28-year all-star agent claims wrongful termination, age bias

April 14, 2011 *By Darla Mercado, Investment News*

<http://www.investmentnews.com/article/20110414/FREE/110419953>

Veteran insurance agent Paul A. Mattus has filed suit against The Allstate Corp., claiming that the carrier had muscled him out of his book of business in order to pass it on to a newer, younger agent.

Mr. Mattus filed suit against the insurer and its subsidiary The Allstate Insurance Co. this Tuesday in the U.S. District Court for the Middle District of Pennsylvania, accusing the carrier of a slate of charges, including breach of contract, fraud and negligent infliction of mental distress.

He seeks \$15 million for the value of his insurance practice, Paul A. Mattus Agency & Sons Inc., plus damages and legal fees. The firm sold a variety of Allstate coverage, including life and auto.

The tiff goes back to 2000, when Allstate allegedly terminated the employment contracts of some 6,500 captive agents, offering them an opportunity to become independent contractors if they signed an exclusive agency agreement with the insurer, according to the suit.

Despite becoming an independent contractor for Allstate, Mr. Mattus had been kept from selling competitors' products, according to the complaint.

Mr. Mattus, who had been an agent with Allstate since 1983, claims that the agents were told that if they became independent contractors, they'd have a major stake in their own businesses.

Using his own funds, Mr. Mattus said he created his own insurance agency and covered all of his own business expenses. He also grew his block of business, generating some \$4 million in annual insurance premiums and was recognized by Allstate as a “top 10 producer,” according to the lawsuit.

Nevertheless, Allstate sent him a termination letter on Jan. 14, 2011, citing Mr. Mattus's “failure to achieve business objectives established by the company,” according to the complaint. The letter blocked the agent from engaging in any business and forced him to make a choice between selling the business to an approved buyer or to turn over his business to Allstate, Mr. Mattus alleges.

The agent claims that the insurer had tried to get rid of him when it discovered it could negotiate “more favorable” contractual terms with newer and younger agents.

“Allstate finds the suit to be totally without merit and will present its case in court,” said April Eaton, spokeswoman for the insurer.

The insurer “took all steps necessary to remove Mr. Mattus from Allstate in such a way as to retain his sizeable book of business to the benefit of Allstate and a newer, younger agent,” according to the complaint. “As an older agent, Mr. Mattus did not fit in with the new, improved Allstate.”

Jacqueline Jackson-DeGarcia, Mr. Mattus's attorney, said that she has heard from other agents making similar claims.

"He's not the only agent to whom this has happened," said Ms. Jackson-DeGarcia, a partner at Dilworth Paxson LLP. "We have been contacted by others and will pursue them separately."

Given the differences in the books of business for the agents, as well as the unique attributes of each practice, Ms. Jackson-DeGarcia will likely pursue the other cases separately instead of making them into a class-action suit.

She added that a second related class-action suit is currently pending and that that complaint includes an age discrimination allegation and claims related to employee benefits.

Currently, Paul A. Mattus Agency & Sons Inc. is listed on Allstate's website as being up for sale.

A call to Allstate was not immediately returned.



JOIN TWFG - NAPAA Members Save \$1,000

• Personal Markets	• Management Systems
• Commercial Programs	• E&O Coverage
• Life, Health & Financial Services	• Reduce Your Expenses
• Competitive Commissions	• Proven Track Record!

<http://www.twfgga.com/>
 agentinfo@twfg.net
 1-866-466-TWFG
 www.twfgga.com

Allstate Looking to Open 50 New Agencies in Florida

April 7, 2011, www.insurancejournal.com

Allstate Insurance says it wants to open nearly 50 new agency offices in Florida. About half of those openings will be in north Florida, the company said.

"North Florida has shown incredible growth for our agencies," says Bob Jackson, regional sales leader for Allstate's Florida region based in St. Petersburg. "In order to meet the demands of our current and future customers, we've made a decision to expand."

Allstate estimates that each new office will mean multiple job opportunities for licensed staff, perhaps as many as 130 new jobs statewide. The agencies will sell auto, home and life insurance, according to a spokesman.

Allstate began scaling back on its property insurance writings in Florida in 2005, after the severe hurricane season but it has shown renewed interest in Florida business lately. Last spring, it launched an effort to write about 50,000 new multiline policies and began looking into taking out policies from state-backed Citizens Insurance Corp.

In Florida, Allstate operates as Castle Key Insurance Co. (\$156 million in surplus and 157,000 policies) and Castle Key Indemnity Co. (\$14.1 million in surplus and 76,536 policies).

Allstate changed the names of its Florida subsidiaries to Castle Key in July 2009. The insurer said the name changes were made in order to "better reflect the fact that these property companies are separately capitalized from Allstate Insurance Co."

The company has about 1,000 exclusive agents in the state.

Allstate agents operate as independent contractors selling Allstate policies. They can own their own franchise while drawing on support and resources from the parent company. The company said there is no franchise fee associated with owning an Allstate agency, although candidates need to have \$50,000 to \$75,000 in liquid capital. The company says that money does not go to Allstate; rather it shows the new agency can pay for the normal operation costs associated with opening and running an agency.

More information is available by calling 1-877-711-1006 or by visiting www.insuranceagent.floridajobs.com.

Exhibit T
(NYSCEF Doc. No. 29)



March 5, 2018

New York Department of Insurance
1 Commerce Plaza
99 Washington Ave 20th FL
Albany, NY 12257

Re: For Cause Termination: Christina Giugliano
License Number: PC-1404835
NPN: 17785358

To Whom It May Concern:

The producer referenced above has been terminated for-cause from the following companies:

- Allstate Insurance Company
- Allstate Indemnity Company
- Allstate Fire and Casualty Insurance Company
- Allstate Property and Casualty Insurance Company
- Allstate Vehicle and Property Insurance Company

The for-cause termination reason is due to falsification of company documents. Please use the following contact information for any questions or supporting documentation needed:

Nancy Feustel
878 Veterans Memorial Highway STE 400
Hauppauge, NY 11788
Phone: (631) 233-6182
Email: mtdmp@allstate.com

Sincerely,

Chris Reetz
Manager

cc: Nancy Feustel
Christina Giugliano

Exhibit U
(NYSCEF Doc. No. 30)



March 2, 2018

Christina Giugliano
4250 Veterans Memorial Highway
Holbrook, NY 11741

Dear Christina,

We are truly honored to inform you that you have achieved the prestigious recognition of being Committed to Excellence in the 2017 Allstate LSP Commitment to Excellence program!

On behalf of Allstate, the New York Region and Michael Nocella, we extend our congratulations on your achievement! We're recognizing and admiring the hard work and dedication you show each and every day...you are a shining example to your peers throughout our New York Regional Family.

To help celebrate your accomplishment, you are cordially invited to attend a recognition event in your honor. More event details including the date, location will be provided in the next few weeks. Additionally, you'll receive a Commitment to Excellence trophy (if you don't already have one) along with a Regional LSP Winner milestone to commemorate your achievement.

We look forward to recognizing you at our event. Again, congratulations, and we wish you continued success in 2018!

Don Rubbo
NY Regional Sales Leader

Laura Spadafora
NY Sales Support Leader

Exhibit V
(NYSCEF Doc. No. 31)

Telephonic Interview Christina Juliano
December 19, 2017

25

ST
1 look at the picture -- if you Google this home, if
2 you look at the picture, and -- and the customer
3 indicated he told you it was a two-story house, and
4 that is the information that you initially put in
5 when you first ran the quote. And you put the time
6 (phonetic).

7 MS. JULIANO: I mean, there's just --
8 there's so many components to this. And, you know,
9 again, I don't remember exactly what was going on,
10 and, you know, at that time why -- why, you know, we
11 were doing that.

12 I just -- I -- I -- again, I was not
13 purposely trying to do it. I was trying to get the
14 most accurate information on this policy for this
15 customer.

16 MS. MONTANO: When, ah, you underwent the
17 training with Allstate, you -- you were given
18 training on inputting information into our system,
19 and specifically the CRM system --

20 MS. JULIANO: Ah, actually, nobody ever
21 talked about CRM system. So I really had -- that's
22 part of the reason that I also didn't call back
23 right away. I really had to think about that.

24 What -- like what we learned about the
25 CRM. And I don't even remember -- well, I mean, to

Telephonic Interview Christina Juliano
December 19, 2017

26

1 go through to learn how to quote to get licensed,
2 that wasn't even brought up. That's the first
3 thing.

4 And then when we go through quote
5 optimization, that is just showing you how to get
6 the right information as far as what -- you know,
7 what tools to use.

8 Meaning Google Maps and whatever the other
9 stuff is that we use. But that was not ever
10 discussed, the CRM.

11 And, you know, you're -- I know what
12 you're saying here. And I'm sorry that it may seem
13 like I'm being stupid. But it really was not
14 something that we discussed.

15 And I really didn't think by putting in
16 the inaccurate information, that that was doing
17 something, as you're saying -- as bad as you're
18 making it -- me believe it is.

19 And this -- a lot of the information here,
20 especially quoting, is stuff that you learn as you
21 go. It's not something that -- because no two
22 houses and no two people are the same.

23 So a lot of it is just going -- going as
24 you learn -- I'm sorry -- learning as you go through
25 it. And it's a complete numbers game.

Exhibit W
(NYSCEF Doc. No. 32)

Telephonic Interview Christina Juliano
December 19, 2017

40

1 explanation as to why his policy looked the way it
2 did, the explanation you provided is that there was
3 a system glitch. And that's why his policy had been
4 generated in the manner it had.

5 Did you tell him that the numbers, you
6 know, that you had input into that application, you
7 know, and that formed the basis of that first
8 policy, did you tell him it was because of a system
9 glitch?

10 MS. JULIANO: I honestly don't remember.
11 You know, a lot -- not only am I -- I just want you
12 to understand. Not only am I writing policies, but
13 I also do a lot of the customer service in the
14 office.

15 So I don't -- you know, a lot of times I
16 don't remember what I had mentioned to people. I
17 don't -- I honestly don't remember what was -- what
18 was said.

19 MS. MONTANO: Okay. Let me explain to
20 you -- when someone says to me "I don't remember,"
21 let me explain to you what -- what that means to me.

22 "I don't remember" means "I may have done
23 it. I just don't recall at this time," as opposed
24 to "No. I -- I did not."

25 So knowing that that's what it means to

Telephonic Interview Christina Juliano
December 19, 2017

41

1 me, is your answer still the same?

2 MS. JULIANO: Is my answer --

3 MS. MONTANO: Did you tell Mr. Schroeder
4 that the policy looked the way it did because it was
5 a system glitch?

6 MS. JULIANO: I -- I honestly really don't
7 remember.

8 MS. MONTANO: Okay.

9 MS. JULIANO: I -- I know that you
10 probably think I'm a moron. But I'm really --

11 MS. MONTANO: No. I just want you to
12 understand what "I don't remember" means to me --

13 MS. JULIANO: Okay. Yeah.

14 MS. MONTANO: -- and -- and to make sure
15 that that's the response that you want to give me --

16 MS. JULIANO: Yeah.

17 MS. MONTANO: -- or that you intend to
18 give me.

19 MS. JULIANO: Yeah.

20 MS. MONTANO: Okay. So, ah, Mike told me
21 that he was -- he was -- there was an issue last
22 year, ah, with RNBC (phonetic).

23 RNBC let him know that there was some
24 information that was being put in applications by
25 you --

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF SUFFOLK

-----X
MICHAEL NOCELLA and
THE NOCELLA AGENCY

Plaintiff,

-Against-

Index No.: 604642/2018

SUPPLEMENTAL AFFIDAVIT

ALLSTATE INSURANCE COMPANY,

Defendants,

-----X

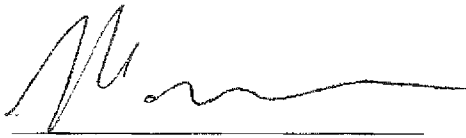
STATE OF NEW YORK)
)ss:
COUNTY OF SUFFOLK)

MICHAEL NOCELLA, being duly sworn, deposes and says:

1. I am the individual Plaintiff in this action, and the owner of the Nocella Agency.
2. I respectfully submit this supplemental Affidavit in Support of the plaintiffs' application for a temporary restraining order and preliminary injunction.
3. I respectfully ask this Honorable Court to annex this portion of my affidavit to my already filed affidavit regarding the facts at issue in this matter.
4. I submit this supplemental affidavit because new facts that I believe pertinent to my application have been discovered that were not in my possession at the time the motion was filed.
5. On the evening of March 12, 2018, I spoke to my territorial leader, Ankur Chaturvedi, regarding my termination and the sale of my book. The conversation was recording and I obtained the recording the morning of March 14, 2018.
6. During this conversation he confirmed my termination payout amount would be \$98, 325.74, due to some obscure langue in the supplemental agreement to my exclusive agency agreement.

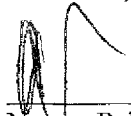
- 7. He also stated that he did not find there to be any issues with compliance of Allstate policy regarding my agency.
- 8. I have also found an Allstate business for sale that is much less valuable then the Nocella Agency in terms of loss ratio and customer retention. The sales price on \$4.6 plus million annual premiums is \$1,395,000.00. The listing is annexed hereto as **Exhibit A**.
- 9. The annual earned premium currently of my book is \$5.5 million. As explained in my affidavit, my sales price of \$1.6 million will never be possible due to the very low termination payout Allstate has set, of \$98,325.74. Please see my affidavit, P. 14-15, ¶ 34-37.
- 10. Plaintiffs respectfully request that this be added to my affidavit in support that efiled on March 14, 2018.

DATED: Commack, New York
March 15, 2018



Michael Nocella

Sworn to me on this 15th day
Of March, 2018.



Notary Public



Exhibit A

listing 4,6milli .JPG

\$4.6M ALLSTATE AGENCY IN ORANGE COUNTY, NY



This Listing is Sponsored by:



Lending exclusively to insurance agencies since 2005

Turnkey agency with lots of room for growth. 54% bundled. \$4.6+ million in annual premium with \$465,000 commission income. Retention increased from 85.0% to 88.3% in the past 12 months. 2,800 Policies In Force. 1,870 households. 1,100 square foot office with 5 sales desks, 1 private agent office, conference & lunch room. Excellent staff. Products: Auto, Home, Life Umbrellas, Personal Lines. Purchase Price: \$1,395,000.

This listing is sponsored by Capital Resources LLC, the Premier Agency Lender.

LISTING DETAILS

Carriers	• Allstate Insurance Company
City, County or Region	Chester, New York (Orange County)
Annual Revenue	465000
Annual Premiums	4650000
Number of Employees	4
Number of Principals	1
Territory	• New York
Page views:	52

[RECOMMEND](#)
[CONTACT OWNER](#)
[REPORT](#)

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF SUFFOLK

-----X

MICHAEL NOCELLA and
THE NOCELLA AGENCY

Index No.: 604642/2018

Plaintiffs,

-against-

SUPPLEMENTAL AFFIRMATION

ALLSTATE INSURANCE COMPANY,
Defendant,

-----X

Anthony P. DellUniversita, an attorney admitted to practice before the Courts of the State of New

York, hereby affirms that:

I am the attorney for the Plaintiffs and as such, I am fully familiar with the facts and
circumstances of this case.

I submit this affirmation in addition to and supplemented to my already efiled affirmation. I
submit this affirmation based on new evidence presented to subsequent to the Court conference on March
14, 2018. I respectfully request this supplemental affirmation be fully incorporated into the plaintiffs'
Order to Show Cause.

I listened to an audio recording between the plaintiff, Michael Nocella and his territory leader,
Ankur Chartuvedi. During that conversation it is confirmed the payout price does not include any vested
business and is \$98,325.74.

During the conversation Mr. Chartuvedi states he does not see any non-compliance of Allstate
policy by Mr. Nocella and his Agency. Mr. Nocella multiple times states he has not done anything wrong,
nor was he aware any Allstate policy was violated. Mr. Chartuvedi does not dispute this assertion in any
regard and seems at a loss for words during that portion of the conversation and simply he doesn't know
why they decided what they decided.

Mr. Chartuvedi states he is never consulted during the investigation. This is troubling due to the
terminal result for Mr. Nocella. Any reasonable person would speak to the territory and field leaders when
conducting an investigation of this magnitude.

As an Office of the Court I can represent this was the content of the conversation I listened to.

This office obtaining a certified transcript and will provide same to the Court upon receipt

WHEREFORE, it is respectfully requested that the court grant annex this affirmation to the already existing affirmation in regard to the Order to Show Cause filed on March 14, 2018.

Dated: Commack, New York
March 15, 2018



Anthony P. DellUniversita