

IN THE CIRCUIT COURT FOR COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT, LAW DIVISION

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JESSY. MARTINEZ
CIRCUIT CLERK
COOK COUNTY, IL
2021L007947

National Association of Professional
Allstate Agents, Inc., et al.,

Plaintiffs,

v.

Allstate Insurance Company,

Defendant.

15485519

Case No. 21-L-7947

**ALLSTATE INSURANCE COMPANY'S MOTION TO
SEVER PLAINTIFFS' CLAIMS AND TRANSFER
NAPAA'S CLAIMS TO THE CHANCERY DIVISION**

Pursuant to 735 ILCS 5/2-1006 and General Order 1.3, Allstate Insurance Company respectfully requests that this Court sever the individual plaintiffs' claims into three separate cases and sever and transfer plaintiff National Association of Professional Allstate Agents, Inc.'s ("NAPAA") claims from the Law Division to the Chancery Division.¹ In support of this motion, Allstate states as follows:

I. The plaintiffs' claims should be severed into four, separate cases.

1. NAPAA is an unincorporated membership association that purportedly represents a subset of current and former Allstate insurance agents. It seeks only declaratory and injunctive relief related to Allstate's contractual relationship with its agents. (See Compl., Counts I-IV and Prayer for Relief, ¶¶ 1-8.)

¹ The parties met and conferred regarding Allstate's request to sever the claims, and the parties could not reach an agreement.

2. NAPAA alleges in Counts I-IV that Allstate implemented policies that, generally, breach its contractual relationship with the agents that NAPAA purportedly represents. NAPAA's claims are not specific to any particular agent.

3. Each of the individual plaintiffs, however, seek monetary relief based on individual and fact-specific allegations of breach of contract. Except for some of the facts alleged by plaintiffs Brad Rehonic and Joseph Rehonic, the individual plaintiff's claims do not overlap (indeed, the four plaintiffs live in three separate states and the claims arise out of individual, fact-based circumstances). Specifically:

- Plaintiff Verberg alleges that he owned two agencies in Indiana, and that he was terminated for cause in August 2020. He claims that Allstate interfered with his negotiations with a prospective buyer when it allegedly "coached" the buyer regarding how to "secure a more favorable deal," and that Allstate discouraged the transfer to a particular buyer in favor of a less qualified buyer based on a personal relationship. (*See* Compl. at ¶¶ 60-77, 106-115 and Counts V, VIII, IX.) Verberg also alleges that he was improperly terminated for cause, after Allstate determined that an insurance policy was improperly issued without an endorsement for water and sewer backup. (*See id.* at ¶¶ 121-132.)
- Plaintiff Shales alleges that he owned four agencies in Louisiana. He claims that Allstate breached its contract when it denied the transfer of a certain agency to a specific buyer, when it allegedly gave a lead to a prospective buyer regarding a different for-sale agency, and when it purportedly presented Shales with a limited pool of buyers that Allstate would consider for transfer. (*See* Compl. at ¶¶ 78-91, 133-142 and Counts VI, X.) Shales also alleges that he was improperly terminated for cause, based on a sale of a third-party policy to his wife's agency. (*See id.* at ¶¶ 133-142.)
- Plaintiff Brad Rehonic alleges that he owned an agency in Georgia, and he claims that Allstate allegedly terminated him without cause in November 2020. Rehonic claims that Allstate breached its contract when it would not remove an Integrated Services Agreement from its book of business, and when it refused to approve a transfer to a coworker of plaintiff Brad Rehonic's dad, plaintiff Joseph Rehonic. (*See* Compl. at ¶¶ 92-105 and Count VII.)

- Plaintiff Joseph Rehonic (plaintiff Brad Rehonic's father) alleges that he owned two agencies in Georgia. He claims he was wrongfully terminated by Allstate for cause, based upon the fact that his wife (an Independent Agent) was enrolled on his payroll and the fact that he trained and transferred employees to his son (plaintiff Brad Rehonic). (See Compl. at ¶¶ 143-153 and Count XI.)

4. The individual plaintiffs' claims are fact specific and pose unique questions of law and fact. Plaintiff Verbarg's claims and plaintiff Shales's claims should be severed to two separate cases. Plaintiffs Brad Rehonic and Joseph Rehonic's claims arguably have some allegations, witnesses, and geography in common, so Allstate does not seek to sever these claims into two separate cases and does not oppose the Rehonic claims remaining joined in one suit.

5. NAPAA's general claims are not based on the same set of facts and circumstances or series of transactions that give rise to the allegations of the individual plaintiffs.² NAPAA alleges breach of contract based on: (1) a purported "blanket policy" of not considering existing Allstate agents for agency sales; (2) an alleged "course of dealing" for Allstate's expansion of Independent Agents into Exclusive Agents' territories; (3) an allegation that Allstate "poached" policies from Exclusive Agents; and (4) Allstate's purported mandate that Exclusive Agents must

² In support of the argument that NAPAA's claims should be severed, it is notable that the plaintiffs would be unable to join their suits had they been filed separately. 723 ILCS 5/2-404 governs joinder of parties, and states, in relevant part, that "all persons may join in action as plaintiffs, in whom any right to relief in respect of or arising out of the same transaction or series of transactions is alleged to exist . . . whenever if those persons had brought separate actions any common question of law or fact would arise."

Here, the questions of fact and the application of law that apply to each of the individual plaintiffs differ from the questions of fact and application of law that applies to the general claims alleged by NAPAA.

implement AAV. (Compl. Counts I-IV.) These claims do not involve the same facts or series of transactions as the claims that are made by each of the individual plaintiffs.

6. 735 ILCS 5/2-1006 states in relevant part that an action “may be severed ... as an aid to convenience, whenever it can be done without prejudice to a substantial right.” Severing the plaintiffs’ claims would not prejudice any substantial right of any plaintiff. The claims are not dependent on each other, and resolution of one case would not alleviate a need to litigate the remaining cases.

7. Further, severing the plaintiffs’ claims into four separate cases will allow for efficient resolution of the claims. If the cases remain consolidated, they will necessarily involve separate discovery and timelines for discovery, separate docket entries, and separate verdicts and judgments.³ Further, any ultimate trial regarding the four separate cases will require separate witnesses, exhibits, fact finding, and application of the law. It would result in mini trials within trials to resolve NAPAA’s

³ See, e.g., *Trilisky v. City of Chicago*, 2019 IL App (1st) 182189, ¶ 21, citing *Black Hawk v. Motor Transit Co. v. Ill. Commerce Comm’n*, 383 Ill. 57, 67 (1943), *Turner v. Williams*, 326 Ill. App. 3d 541, 547 (2d Dist. 2001) (“Our courts have recognized three separate forms of consolidation: (1) where several cases are pending involving substantially the same subject matter, the court may stay the proceedings in all but one and then determine whether the disposition of the one case may settle the others, thereby avoiding multiple trials on the same issues; (2) where several cases involve an inquiry into the same event in its general aspects, the cases may be tried together, but with *separate docket entries, verdicts and judgments*, the consolidation being limited to a joint trial; and (3) where several actions are pending that might have been brought as a single action, the cases may be merged into one action thereby losing their individual identities, and be disposed of in one suit.”) (emphasis added).

Here, the separate claims would not meet the criteria for consolidation, given that they do not arise out of the same occurrence and do not involve the same subject matter. Nonetheless, if the cases remain merged together, the cases will need to be separately adjudicated.

claims at the same time as each individual plaintiff's claims. Accordingly, as an aid to convenience of both the parties and the Court, the claims should be severed.

II. NAPAA's claims should be transferred to the Chancery Division.

8. General Order 1.3 provides that:

Any action assigned to a judge that is determined by that judge, whether by suggestion of the parties or otherwise, to have been filed or to be pending in the wrong department, division, district or section of the Circuit Court of Cook County, shall be transferred to the Presiding Judge of the division or district in which it is pending for the purpose of transferring the action to the Presiding Judge of the proper division or district, or for reassignment to the proper section.

General Order 1.3(c).

9. General Order 1.3 further provides that:

For the convenience of parties and witnesses and for the more efficient disposition of litigation, a judge, upon motion of any party may transfer any action pending before that judge to the Presiding Judge of the division or district for the purpose of transferring the action to any other department, division or district.

General Order 1.3(d).

10. General Order No. 1.2,2.1 sets forth the division of this Court that should hear particular claims. In relevant part, it provides:

The General Chancery Section hears actions and proceedings, regardless of the amount of the claim, concerning ... injunctions, temporary restraining orders (other than matters brought under the Controlled Substance and Cannabis Nuisance Act, (740 ILCS 40/0.01 et seq.), ... declaratory judgments, ... specific performance, rescission and reformation of contracts, ... and all other actions or proceedings formerly cognizable in courts of Chancery not otherwise provided for.

General Order 1.2,2.1(b)(1).

11. NAPAA seeks only declaratory judgment and injunctive relief. Accordingly, its claims should have been filed in the Chancery Division,⁴ and Allstate respectfully requests that this Court transfer its claims.

WHEREFORE, Allstate respectfully requests that this Court grant its motion to sever the individual plaintiffs' claims into three separate cases (plaintiff Shales's claims, plaintiff Verbarg's claims, and plaintiffs Brad Rehonic and Joseph Rehonic's claims), and sever NAPAA's claims and transfer NAPAA's claims from the Law Division to the Chancery Division. Allstate further requests any other relief this Court deems just and appropriate.

Dated: November 4, 2021

Respectfully submitted,

s/ Joshua D. Lee

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⁴ When Plaintiffs filed this action, they did not alert the Court to the fact that NAPAA seeks only declaratory and injunctive relief.

CERTIFICATE OF SERVICE

I certify that the foregoing document was filed on November 4, 2021, using the court's electronic filing system, which will send notice of the filing to all counsel of record.

4841-7006-4126, v. 3

s/ Joshua D. Lee