

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF SUFFOLK

-----X

MICHAEL NOCELLA and
THE NOCELLA AGENCY

Index No.: 604642/2018

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:

1. I am the attorney for the Plaintiffs and as such, I am fully familiar with the facts and circumstances of this case based on my personal knowledge, my review of the file and my conversations with the plaintiff. I submit this affirmation in opposition of Allstate's motion to modify the Temporary Restraining Order pursuant to CPLR 6314.
2. Annexed as **Exhibit A** is the Affidavit of Michael Nocella, dated and sworn to March 24, 2018.
3. Annexed as **Exhibit B** is the Affidavit of Daniel Bach, dated and sworn to March 23, 2018. Daniel Bach has on exclusive agency agreement with Allstate and owns the Bach Agency. His affidavit is clarify some of the mischaracterized facts pertaining to the Bach Agency ability to service the Nocella Agency's book.
4. Annexed as **Exhibit C** is the Form-U5, which states the reason for termination is submitting inaccurate information
5. Annexed as **Exhibit D** is the automated response generated approximately a week ago when a customer of the Nocella Agency emails Michael Nocella's direct email with urgent questions, concerns and issues regarding their insurance policy. It is also the email

that Allstate sends pertinent information regarding policies of the customers that usually need immediate attention. Currently, no one knows where the emails go. There is no automated response, or any information as to where the emails are being forwarded to.

6. Annexed as **Exhibit E** is notice to Allstate agents about a new web-conference that took place on March 23, 2018. Prior to this conference there have not been any pertaining the topic of property insurance training.
7. Annexed as **Exhibit F** is the certified transcript of the investigation interview of Christina Guigliano.
8. Annexed as **Exhibit G** is the certified transcript of a conversation with Ankur Chartuvedi in which he states there are no broad based noncompliance issues and praises Nocella for his building of the book.
9. Annexed as Exhibit H is Allstates Risk Management Policy.

WHEREFORE, it is respectfully requested that the court deny the defendant's modification and grant modification to the plaintiffs, together with such other relief as the court may deem just and proper.

Dated: Commack, New York
March 27, 2018



Anthony P. DellUniversita

“EXHIBIT A”

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 OPPOSITION

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 Opposition to the defendant's motion to modify the Temporary Restraining Order issued on March 15, 2018.
3. I have read the memorandum of law by defendant's counsel and the affidavit of Lucia Montano, and submit this affidavit to clarify some mischaracterized facts alleged in the defendant's moving papers.
4. Contrary to defendant's counsel's claims I am aware that Allstate owns the accounts or the business produced and I have an economic interest in the commissions. I am aware of the agreement I entered. But defendant's counsel does not get is that I have personally cultivated and expanded the book of business I bought, which after twenty years of being owned by the same individual, had \$1.2 million dollars in earned premiums to \$5.5 million in earned premium in three and a half years. There is no question that the people that counsel refer to as insured's, they unequivocally come to me personally when there is any issue with their policy or they have a question. They are not calling a hot line, they are not interested in having someone from another agency service their account. They want the Nocella

Agency to be available. These customers come from my very close network of friends, relatives, former colleagues and people I have networked with over the years.

4. Defendant's counsel's statements regarding the Bach Agency's servicing of the Nocella Agency's customers is naïve and misinformed. I understand that counsel does not have any first-hand experience or knowledge with what comes with servicing as many accounts as my book is. There are major differences in the number of employees, office space, number of computers, number of phones, and capital. The affidavit of Daniel Bach, annexed hereto as **Exhibit B**, the owner of that Agency gets into a bit more detail regarding staffing and space issues. Essentially this was intended only to be a temporary solution.

5. Essentially this was intended only to be a temporary solution as per the suggestion of my territorial sales leader Ankur Chartivedi. Defendant's counsel's implication that this temporary solution was my idea is misguided. It was suggested and effectuated by Ankur Chartivedi, who is aware that the Bach Agency, logistically speaking, cannot service this book.

6. Defendant's counsel does not appreciate the damage that is being done due to the emails that are not being answered still to this day. A response that was generated about a week ago referred customers to Daniel Bach's email. See **Exhibit D**. It didn't forward the email to Daniel Bach, so that it could potentially be answered. It directs the customer to email again. Currently there is no response at all to that email, and there have been no answer as to where it goes. Defendant's position that these people can simply call the hotline or email Daniel Bach is unrealistic. There is a reason these customer are choosing email over calling the hotline. They want to directly communicate with their insurance agent. Allstate is claiming they have their insured's best interest in mind. The evidence that that statement is false is undeniable. Allstate knows that currently no one is responding to any of these customer emails. Furthermore, Allstate knows that many of these emails that are not being answered or even scene, are regarding mandatory service to customers that are pertaining to the maintaining the policy and are about issues that must be addressed in a timely manner. The result could be a lapse in insurance, which could lead to a ripple effect of problems for these customers. If Allstate actually cared, this would be an easy decision for all sides to maintain the customer goodwill and maintain their policies.

7. The damage due to poor servicing of these accounts is rising each day. It is a fact that when a book changes hands to a new agent, the book decreases in value approximately ten percent (10%) in the first year under the best circumstances. Under no circumstance is the decrease due to none communication by an agent. The factors are that people are uncomfortable with change or have a loyalty to the agent so they stay a bit longer. When you add in no communication, the inability to talk to someone regarding your issues and what is perceived as indifference to the customer's concerns, the damage is far greater. Allstate does not care about these people. The last thought that my agency would ever want a customer to have is that we are indifferent. We care about these customer's needs. Living in a current state of instant gratification, people want answers, and they want them quick. We have provided that and the customers are used to that type of service. Not the type of service that forwards a call to an automated system.

8. Defendant's counsel states throughout his motion that both myself and Christina Guigliano were terminated for knowingly falsifying documents. Counsel has injected the word "knowingly" into the reason. Defendant's Exhibit 3 and 4 is the letters issued by Allstate. Neither states that we did anything knowingly. Defendant's Exhibit 2, the affidavit of Lucia Montano is a complete fabrication of the conversation. I never stated that I submitted any information knowing it was false with the intention to undermine Allstate and get a homeowner's policy written. I did acknowledge that knowingly falsifying information and submitting it would be a violation of some kind. I did not acknowledge that this was what I did. I explained the process to Ms. Montano, without counsel present, because there was not a thought in my mind I was doing anything in violation of any policy of Allstate, because there is no policy other than to get an inspector to the property. I explained that the information submitted is never going to be entirely accurate, it is an impossibility. I explained that homeowner's policies by every Allstate Agency are obtained on at least one piece inaccurate information, but likely much more. Ms. Montano fails to recognize that if an agent submits information that is inaccurate but is accepted on the first attempt, the inspector goes to the property, the correct information is then used to issue the correct policy. This is a fact, and there is not a single person at Allstate that can dispute this. There was no training on this whatsoever. We were always told to get an inspector to the property. What is curious about this is that suddenly Allstate is now offering a training program. See **Exhibit E**. A web-

conference offered on March 23, 2018 regarding property insurance training. This is the first time they have ever offered any training regarding this topic. Allstate cannot dispute this fact. Clearly they recognize this is a system problem not an agent problem.

9. The Lucia Montano affidavit and defendant's counsel's moving papers are misleading the court. Both discuss what the CRM scores were for my own policy, starting at 11.54 and ending at 7.09. The fact is that agents entering this information do not see an actual score, it just states the score is over 8.5. It does not say why or what factor is the problem. Furthermore, there is no explanation of CRM by Allstate because no one knows how to explain it.

10. Both the affidavit of Montano and defendant's counsel's papers state that I submitted the correct information regarding my house on the first submission. This is outright incorrect statement. The information submitted is never accurate. Submissions pertaining to my property were estimates, just like every agent does when trying to get an inspection. Another outright incorrect statement made in both papers is that I and Christina Guigliano knew that the homes in question would not have been issued homeowners based on completely accurate information. This misleads the court in a serious way. There is absolutely no way to know whether that is true or not. In addition to that, Allstate does not stop the transaction from being finalized when the inspection numbers come different. Allstate is aware of those numbers but do not do anything about it.

11. Defendant's counsel seems to be confused about the properties in question. It should be clear that my termination is based on my single submission for my own home. Christina Guigliano's termination is based on three accounts. I am not the one who authorized Christina Guigliano to submit information in the way she did. Allstate is the entity that authorized. She and I never discussed the submission of information on homeowners. She learned that in her training by Allstate. As far as the multiple attempts on my home in obtaining a CRM score, as explained in my original affidavit, the zip code was a newly issued zip code to write business in. There were agents complaining about the continuous rejections in the zip code. Approximately ninety percent of the quotes were being rejected. It is not uncommon for any Allstate Agent to play around the numbers to see if there are any obvious technical issues. I was told by the sales leader of

my territory to bind the policy in this new zip code so that an inspection would go out. We were told to do so until the technical issues was resolved. In fact I spoke with my field sales leader, Greg Damadeo about the issues with the Sayville zip code. He was well aware of what was happening. There was no gain for me in binding my own policy. Once the inspection was done Allstate did not do anything about it.

12. Christina Guigliano is alleged to have entered false information on three accounts. When she spoke to Lucia Montano she was very clear about the failure in training agents on this topic. She was very clear on the issue of how she came to learn to submit information this particular way. She learned from the higher ups at Allstate that she took classes with. In addition to that, she repeatedly tells the investigator she did not knowingly submit any false information. See **Exhibit F**.

13. Allstate continues to take every step they can to cause irreparable harm to me and my business. What is missing from Allstate's counsel's moving papers is that Allstate, since the commencement of this action, has informed essentially all agents and field, sale and territorial leaders to cease communication with me. Counsel may be unaware that the only way I can sell my economic interest, if I wanted to, is by the Allstate sale leaders getting me potential buyers. They are not speaking to me and completely shut me out. There is no possibility I can find a buyer without that assistance. In fact Ankur Chartuvedi, who specifically told me his job is to help this sale process (see **Exhibit G**, P. 10, line 20-25), has not called me back since March 12, 2018.

14. In addition to that Allstate has now filed d a Form- U5 with FINRA. See **Exhibit C**. The result of this filing could eliminate me from future employment for something that is not a violation punishable by termination. If it is determined that submitted inaccurate information, how could the result be a termination for cause, when Allstates Risk Management Policy dictates if a misrepresentation or concealment of material fact during the application process is submitted, the consequence is ineligibility or cancellation of the policy. see **Exhibit H**.

15. Since Allstate has wrongfully terminated my exclusive agreement and then did not comply with the March 15, 2018 Order, I have lost valuable employees who had no choice but to get another job. My number one sales producer took a new job on March 26, 2018. He tried to wait as long as possible but

could not. My employees were meticulously vetted out. I am the only agency, to the best of my knowledge, that every employee has a four year college degree. The more time passes without being able to earn a living these hardworking people are going to have to take other jobs. These are irreplaceable and too valuable to the business.

16. For the foregoing reasons, respectfully, the Court must deny the modification request of the defendant and respectfully modify the Order granting the relief in favor of the plaintiff, as previously requested:

“that upon service to the defendant or the defendant’s attorney, the termination of Michael Novella’s Exclusive Agency Agreement is hereby ceased and the Exclusive Agency Agreement is in full force and effect allowing Michael Nocella to operate business as normal”

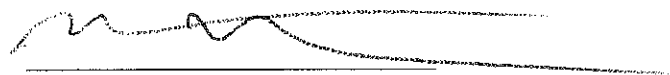
“that upon service to the defendant or the defendant’s attorney, the appointments of Michael Nocella and Christina Guigliano, an employee of the Nocella Agency, are reinstated and any notification to the Department of Insurance be withdrawn”

“that upon service to the defendant or the defendant’s attorney, defendant will continue to compensate Michael Nocella in full for money he is due for any and all business written up to and including the termination date”

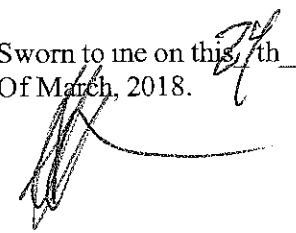
To prevent Allstate from causing any further irreparable economic harm to me and the Nocella Agency, while my motion for a preliminary injunction is pending hearing.

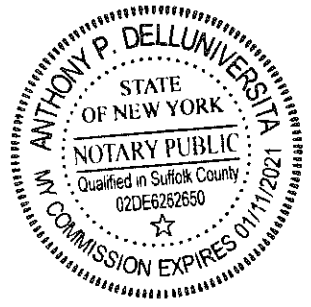
16. Plaintiff respectfully request that defendant’s motion be denied and the plaintiffs be granted a modification of the temporary restraining order and a preliminary injunction be granted during the litigation of the underlying action.

DATED: Commack, New York
March 26, 2018


Michael Nocella

Sworn to me on this 27th day
Of March, 2018.





“EXHIBIT B”

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)

Daniel Bach, being duly sworn, deposes and says:

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

2. I currently have an Exclusive Agency Agreement with Allstate Insurance Company. My office is located in Hauppauge, New York.

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. Specifically my review of the Memorandum of Law in Support of Motion to Modify Temporary Restraining Order Pursuant to CPLR 6314. Submitted by the defendant Allstate's attorney.

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

Opposition to the motion to modify. I submit this opposition because my agency is referenced multiple times by Mr. Michael Grohs.

5. I am submitting this affidavit to clear up factual misrepresentation in Mr. Grohs moving papers.

6. My agency was currently attempting to service the Nocella Agency's customers. On page 2 of the memorandum, Mr. Grohs states five (5) LSPs from the Nocella Agency are servicing the customers at my office. This is not accurate. Two of the five alleged people are customer service representatives. More importantly, there is no space for five people to be working there in addition to my staff.

7. Then on page 6 - 7 paragraph C, my agency is mentioned again. I can say with certainty that the size of my office and capabilities regarding phones and computers is significantly insufficient to service the Nocella Agency customers. There is simply not enough room, time, space or technology to take that type of volume on.

8. At no time since Nocella's termination were emails being forwarded to me from any Of Nocella Agency's customers. Even if there were, it is impossible for me to answer them. Without receiving these emails it would be impossible to sufficiently service the book.

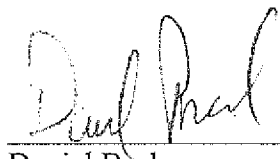
9. I was informed this would be a temporary situation, as I cannot afford to pay the staff that would be required to service this type of volume. My own staff is not nearly enough people to handle the volume either.

10. The suggestion that calls can be answered and computers can be accessed, while maybe in theory true, is far from accurate or possible. My book has less than 800 policy in force, the Nocella Agency has over 3,000 policies in force.

11. For the foregoing reasons, respectfully, I ask this Honorable Court to take my affidavit in support into consideration in denying the motion to modify as the Nocella Agency's customers are not being serviced completely, sufficiently or consistently due to the incapability of my office.

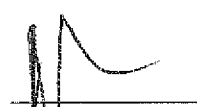
12. I submit this affidavit under the penalty of perjury and would attest to the contents herein under oath in a court of law.

DATED: Commack, New York
March 6, 2018



Daniel Bach

Sworn to me on this 7th day
Of March, 2018.



Notary Public

“EXHIBIT C”



Allstate Financial Services, LLC
Registered Broker-Dealer/Member FINRA, SIPC
Registration Department

3/9/2018

Michael Paul Nocella
9 Gibbons Ct
Sayville NY 11741

RE: FINRA Termination
Allstate Financial Services, LLC
Termination Date 03/05/2018

Enclosed is a copy of your Uniform Termination Notification for Securities Industry Registration (Form U-5). This form has been filed with the Financial Industry Regulatory Authority (FINRA). We are required to provide you with a copy of your Form U-5 pursuant to Article IV, Section 3 of the FINRA By-laws. Please keep this copy of the Form U-5 for your files, as you will be required to present it if you become employed with another FINRA member firm.

Approved registrations will remain active with FINRA for a period of two years after the termination date listed on the Form U-5. If you do not transfer your registrations to another FINRA member firm within the two-year period, your registrations will lapse. You may be required to re-take any appropriate qualifying exams in order to function in a capacity requiring registration.

Please be advised that FINRA will hold you responsible for keeping your personal address information current with them for the next two years. During that time should you need to update your personal address information, contact FINRA at 301-869-6699.

If you have any questions please contact AFS Registration at 877-232-2142.

Sincerely,

John Boudreau
Chief Compliance Officer

Enclosures

Copy to file

ALLSTATE FINANCIAL SERVICES, LLC(18272)

Rev. Form U5 (05/2009)

Individual Name: NOCELLA, MICHAEL PAUL (4198349)

U5 Full - Filing ID: 48495588

NOTICE TO THE INDIVIDUAL WHO IS THE SUBJECT OF THIS FILING

Even if you are no longer registered you continue to be subject to the jurisdiction of regulators for at least two years after your registration is terminated and may have to provide information about your activities while associated with this firm. Therefore, you must forward any residential address changes for two years following your termination date or last Form U5 amendment to: CRD Address Changes, P.O. Box 9495, Gaithersburg, MD 20898-9495.

1. General Information

First Name: MICHAEL **Middle Name:** PAUL **Last Name:** NOCELLA **Suffix:**
Firm CRD #: 18272 **Firm Name:** ALLSTATE FINANCIAL SERVICES, LLC **Firm NFA #:**
Individual CRD #: 4198349 **Individual SSN:** xxx-xx-xxxx **Individual NFA #:** **Firm Billing Code:** 03

Office of Employment Address:

CRD Branch #	NYSE Branch Code #	Firm Billing Code	Address	Private Residence	Type of Office	Start Date	End Date
151858		03	878 Veterans Memorial Hwy Ste 400 Hauppauge, NY 11788-3089 United States	No	Supervised From	01/31/2014	04/10/2014
		03	50 PARK AVE BAY SHORE, NY 11706-7309 United States	No	Located At	02/05/2014	04/10/2014
559734		03	4250 Veterans Memorial Hwy Ste 225E Holbrook, NY 11741-4010 United States	No	Located At	04/10/2014	03/05/2018

2. Current Residential Address

From	To	Street Address
09/2017	PRESENT	9 Gibbons Ct Sayville, NY 11741 United States

3. Full Termination

Is this a **FULL TERMINATION?** Yes No

Note: A "Yes" response will terminate ALL registrations with all SROs and all jurisdictions.

Reason for Termination: Other

Termination Explanation:

3/9/2018

Web CRD - Form U5, All Sections [User Name: lmcbride1, OrgID: 18272]

If the Reason for Termination entered above is Permitted to Resign, Discharged or Other, provide an explanation below:

Loss of affiliation with parent property and casualty insurance company after allegations of inaccurately completing his own homeowner's insurance application in order to provide a policy to which he was not entitled. Not securities related.

4. Date of Termination

Date Terminated (MM/DD/YYYY): 03/05/2018

A complete date of termination is required for full termination. This date represents the date the firm terminated the individual's association with the firm in a capacity for which registration is required.

For partial termination, the date of termination is only applicable to post-dated termination requests during the renewal period.

Notes: For full termination, this date is used by jurisdictions/SROs to determine whether an individual is required to requalify by examination or obtain an appropriate waiver upon reassociating with another firm.

The SRO/jurisdiction determines the effective date of termination of registration.

6. Affiliated Firm Termination

Is this a multiple termination with one or more firms affiliated with the filing firm?

If "yes" to the above question and the termination requests for the filing firm are identical to the termination requests of each affiliated firm, then mark the same termination request for each affiliate. If the termination requests of the affiliated firm(s) differ from those of the filing firm, complete the SRO and/or jurisdiction sections for each affiliated firm.

Yes No

7. Disclosure Questions

IF THE ANSWER TO ANY OF THE FOLLOWING QUESTIONS IN SECTION 7 IS 'YES', COMPLETE DETAILS OF ALL EVENTS OR PROCEEDINGS ON APPROPRIATE DRP(S). IF THE INFORMATION IN SECTION 7 HAS ALREADY BEEN REPORTED ON FORM U4 OR FORM U5, DO NOT RESUBMIT DRPs FOR THESE ITEMS. REFER TO THE EXPLANATION OF TERMS SECTION OF FORM U5 INSTRUCTIONS FOR EXPLANATION OF ITALICIZED WORDS.

Disclosure Certification Checkbox (optional): [checked]

By selecting the Disclosure Certification Checkbox, the firm certifies that (1) there is no additional information to be reported at this time; (2) details relating to Questions 7A, 7C, 7D and 7E have been previously reported on behalf of the individual via Form U4 and/or amendments to Form U4 (if applicable); and (3) updated information will be provided, if needed, as it becomes available to the firm. Note: Use of "Disclosure Certification Checkbox" is optional

Investigation Disclosure

Yes No

7A. Currently is, or at termination was, the individual the subject of an investigation or proceeding by a domestic or foreign governmental body or self-regulatory organization with jurisdiction over investment-related businesses? (Note: Provide details of an investigation on an Investigation

Yes No

3/9/2018

Web CRD - Form U5, All Sections [User Name: Imcbride1, OrgID: 18272]

Disclosure Reporting Page and details regarding a *proceeding* on a Regulatory Action Disclosure Reporting Page.)

Internal Review Disclosure

Yes No

7B. Currently is, or at termination was, the individual under internal review for fraud or wrongful taking of property, or violating *investment-related* statutes, regulations, rules or industry standards of conduct?

Criminal Disclosure

Yes No

7C. While employed by or associated with your *firm*, or in connection with events that occurred while the individual was employed by or associated with your *firm*, was the individual:

1. convicted of or did the individual plead guilty or nolo contendere ("no contest") in a domestic, foreign or military court to any *felony*?

2. *charged with any felony*?

3. convicted of or did the individual plead guilty or nolo contendere ("no contest") in a domestic, foreign or military court to a *misdemeanor involving*: investments or an *investment-related* business, or any fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses?

4. *charged with a misdemeanor specified in 7(C)(3)*?

Regulatory Action Disclosure

Yes No

7D. While employed by or associated with your *firm*, or in connection with events that occurred while the individual was employed by or associated with your *firm*, was the individual *involved* in any *disciplinary action* by a domestic or foreign governmental body or *self-regulatory organization* (other than those designated as a "*minor rule violation*" under a plan approved by the U.S. Securities and Exchange Commission) with jurisdiction over the *investment-related* businesses?

Customer Complaint/Arbitration/Civil Litigation Disclosure

Yes No

7E. 1. In connection with events that occurred while the individual was employed by or associated with your *firm*, was the individual named as a respondent/defendant in an *investment-related*, consumer-initiated arbitration or civil litigation which alleged that the individual was *involved* in one or more *sales practice violations* and which:

(a) is still pending, or;

(b) resulted in an arbitration award or civil judgment against the individual, regardless of amount, or;

(c) was settled, prior to 05/18/2009, for an amount of \$10,000 or more, or;

(d) was settled, on or after 05/18/2009, for an amount of \$15,000 or more?

2. In connection with events that occurred while the individual was employed by or associated with your *firm*, was the individual the subject of an *investment-related*, consumer-initiated (written or oral) complaint, which alleged that the individual was *involved* in one or more *sales practice violations*, and which

(a) was settled, prior to 05/18/2009, for an amount of \$10,000 or more, or;

(b) was settled, on or after 05/18/2009, for an amount of \$15,000 or more?

3/9/2018

Web CRD - Form U5, All Sections [User Name: lmcbride1, OrgID: 18272]

3. In connection with events that occurred while the individual was employed by or associated with your firm, was the individual the subject of an investment-related, consumer-initiated, written complaint, not otherwise reported under questions 7(E)(2) above, which:
- (a) would be reportable under question 14I(3)(a) on Form U4, if the individual were still employed by your firm, but which has not previously been reported on the individual's Form U4 by your firm; or
 - (b) would be reportable under question 14I(3)(b) on Form U4, if the individual were still employed by your firm, but which has not previously been reported on the individual's Form U4 by your firm.

Answer questions (4) and (5) below only for arbitration claims or civil litigation filed on or after 05/18/2009

4. In connection with events that occurred while the individual was employed by or associated with your firm, was the individual the subject of an investment-related, consumer-initiated, arbitration claim or civil litigation which alleged that the individual was involved in one or more sales practice violations, and which:
- (a) was settled for an amount of \$15,000 or more; or
 - (b) resulted in an arbitration award of civil judgment against any named respondent(s)/defendant(s), regardless of amount?
5. In connection with events that occurred while the individual was employed by or associated with your firm, was the individual the subject of an investment-related, consumer-initiated, arbitration claim or civil litigation not otherwise reported under question 7E(4) above, which:
- (a) would be reportable under question 14I(5)(a) on Form U4, if the individual were still employed by your firm, but which has not previously been reported on the individual's Form U4 by your firm; or
 - (b) would be reportable under question 14I(5)(b) on Form U4, if the individual were still employed by your firm, but which has not previously been reported on the individual's Form U4 by your firm.

Termination Disclosure

	Yes	No
7F. Did the individual voluntarily resign from your firm, or was the individual discharged or permitted to resign from your firm, after allegations were made that accused the individual of:		
1. violating investment-related statutes, regulations, rules or industry standards of conduct?	<input type="radio"/>	<input type="radio"/>
2. fraud or the wrongful taking of property?	<input type="radio"/>	<input type="radio"/>
3. failure to supervise in connection with investment-related statutes, regulations, rules or industry standards of conduct?	<input type="radio"/>	<input type="radio"/>

8. Signature

Please Read Carefully

All signatures required on this Form U5 filing must be made in this section.

A "Signature" includes a manual signature or an electronically transmitted equivalent. For purposes of an electronic form filing, a signature is effected by typing a name in the designated signature field. By typing a name in this field, the signatory acknowledges and represents that the entry constitutes in every way, use, or aspect, his or her legally binding signature.

8A. FIRM ACKNOWLEDGMENT

This section must be completed on all U5 form filings submitted by the firm.

3/9/2018

Web CRD - Form U5, All Sections [User Name: Intcbride1, OrgID: 18272]

8B. INDIVIDUAL ACKNOWLEDGMENT AND CONSENT

This section must be completed on amendment U5 form filings where the individual is submitting changes to Part II of the INTERNAL REVIEW DRP or changes to Section 2 (CURRENT RESIDENTIAL ADDRESS).

8A. FIRM ACKNOWLEDGMENT

I VERIFY THE ACCURACY AND COMPLETENESS OF THE INFORMATION CONTAINED IN AND WITH THIS FORM.

Person to contact for further information

Telephone # of person to contact

Joe Palmer

402-742-1209

Signature of Appropriate Signatory

Date (MM/DD/YYYY)

Joe Palmer

03/09/2018

Signature _____

Criminal DRP

No Information Filed

Customer Complaint DRP

No Information Filed

Internal Review DRP

No Information Filed

Investigation DRP

No Information Filed

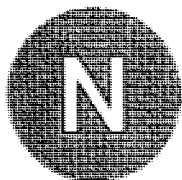
Regulatory Action DRP

No Information Filed

Termination DRP

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“EXHIBIT D”



NOCELLA, MICHAEL



to me

10:55 AM View details

Thank you for your email. Unfortunately, I no longer have access to this email account. Making sure that all of your needs are handled in an appropriate amount of time is very important to me so please send your request to DANIEL BACH, at DANIELBACH1@ALLSTATE.COM or 1 (631) 524-5729. It has been my pleasure serving you and you will continue to be in Good Hands with Allstate. Thank you for choosing Allstate for your insurance needs and I apologize for any inconvenience.

“EXHIBIT E”

NYSCEF DOC NO. 8

Property Insp Training (Web-Conference)

res of the regional property inspection process, tailored to the newer Agent/LSP. Including on resource documents. With Q&A session at the end of the web.

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information will be provided immediately after clicking the register button.

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“EXHIBIT F”

Telephonic Interview Christina Juliano
December 19, 2017

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IN THE SUPREME COURT OF THE STATE OF NEW YORK

COUNTY OF SUFFOLK

-oOo-

MICHAEL NOCELLA,)
)
 Plaintiff,)
 vs.) Case No.:
) (UNASSIGNED)
 ALLSTATE INSURANCE COMPANY,)
)
 Defendant.)

COURT REPORTER'S TRANSCRIPT OF

TELEPHONIC INTERVIEW OF CHRISTINA JULIANO

Transcription of audio recording of the telephonic
 interview of CHRISTINA JULIANO by Allstate
 Investigator LUCIA MONTANO at 3:23 p.m. CST on
 December 19, 2017.

TRANSCRIBED BY: SONJA KASSEM, CSR 11504

TRANSCRIBED ON: MARCH 6, 2018

Telephonic Interview Christina Juliano
December 19, 2017

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TUESDAY, DECEMBER 19, 2017

3:23 P.M. CST

-o0o-

MS. MONTANO: Okay.

MS. JULIANO: Hi.

MS. MONTANO: So are you ready to talk?

MS. JULIANO: Yes. Can, um -- I just honestly have to tell you one thing before we even get started. I have -- well, first of all, I'm sorry that I even had to do that and hang up the phone.

And I have never in my life been accused of anything. And I got very overwhelmed and very upset that this was even something that was coming down on me.

Um, you obviously don't know me. But if you did, you would know that I have never been in trouble literally (laughing) in my whole life. Never even once had suspension in school.

And, you know, what was going on got me, you know, a little shellshocked and overwhelmed. And I -- I just -- you know, it was something that I just wasn't really ready to hear.

Telephonic Interview Christina Juliano
December 19, 2017

1 Or -- or, you know, I -- I just wasn't --
2 you know, that was -- that was just very
3 overwhelming to me.

4 And to be perfectly honest, I didn't call
5 you back yet because I had left the office for a
6 little bit to try and compose myself because I was
7 in the bathroom crying for like an hour.

8 Ah, you know, in my heart, it -- it
9 just -- you know, it hit me. And I -- I can tell
10 you, again, you don't know me.

11 But if you did, you would know that I am
12 not trying to purposely manipulate and do anything
13 to -- to cause harm or do anything along those
14 lines, um, you know.

15 And I just wanted you to know that. And
16 again, I am sorry that I waited so long to call you.
17 But I did have to compose myself a little bit.

18 MS. MONTANO: All right. So is it okay if
19 I turn the recorder back on?

20 MS. JULIANO: Yes.

21 MS. MONTANO: Okay. Thank you.

22 MS. JULIANO: Uh-huh. Again. And I'm
23 sorry.

24 MS. MONTANO: It's okay.

25 Today's date is December 19th, 2017. It

Telephonic Interview Christina Juliano
December 19, 2017

1 is now approximately -- approximately 3:23 p.m.
2 Central Standard Time. And on the phone with me I
3 have, ah -- could -- could you please identify
4 yourself again?

5 MS. JULIANO: Christina Juliano.

6 MS. MONTANO: Okay. And, Christina, did I
7 obtain your permission to record this call?

8 MS. JULIANO: Yes.

9 MS. MONTANO: Okay. And just as a recap,
10 ah, we did start, ah, an interview earlier today.
11 But I terminated the interview after you transferred
12 me to Michael Nocella.

13 MS. JULIANO: Uh-huh.

14 MS. MONTANO: And, um, so I asked you, you
15 know, if you wanted to continue the interview, to
16 give me a call by 5:00 today.

17 MS. JULIANO: Uh-huh.

18 MS. MONTANO: And that's what you've done;
19 is that correct?

20 MS. JULIANO: Yes, ma'am.

21 MS. MONTANO: Okay. All right. So where
22 we left off is I was asking you about the Schroeder
23 policy.

24 MS. JULIANO: Uh-huh.

25 MS. MONTANO: Do you need for me to give

Telephonic Interview Christina Juliano
December 19, 2017

1 you that number again?

2 MS. JULIANO: Um, if you don't mind.

3 MS. MONTANO: Sure. It's 978- --

4 MS. JULIANO: Oh. Hold on a second. I've
5 got to get that (inaudible). Ah, do, do, do, do.

6 You know what? It's already up. Go
7 ahead.

8 MS. MONTANO: Okay. 978 --

9 MS. JULIANO: Uh-huh.

10 MS. MONTANO: -- 0982 --

11 MS. JULIANO: Uh-huh.

12 MS. MONTANO: -- 00.

13 MS. JULIANO: Uh-huh. Yes. I'm -- I'm
14 ready.

15 MS. MONTANO: Okay. All right.

16 MS. JULIANO: Sorry.

17 MS. MONTANO: And -- it's okay. And when
18 I was asking you earlier about the information that
19 was put in the application, you indicated to me
20 that, ah, the information in the application was
21 submitted, and you did it with the intention of
22 generating a home inspection report.

23 MS. JULIANO: Correct.

24 MS. MONTANO: Okay. And then after
25 receiving a home inspection report, you would then

Telephonic Interview Christina Juliano
December 19, 2017

6

1 modify the proper --

2 MS. JULIANO: The proper information.

3 Exactly.

4 MS. MONTANO: Okay. Well, on this
5 policy --

6 MS. JULIANO: (Clearing throat.)

7 MS. MONTANO: -- it was bound on
8 November 2nd, I believe.

9 MS. JULIANO: Uh-huh.

10 MS. MONTANO: November 1st, November 2nd.
11 And an endorsement -- prior to the home inspection
12 report, um, being completed, um, you submitted an
13 endorsement to change the information.

14 MS. JULIANO: Right.

15 MS. MONTANO: So, ah --

16 MS. JULIANO: You know, I -- the -- the
17 thing is, like I never -- I'm never purposely
18 putting inaccurate information into the system.

19 And, you know, I just -- I want you to
20 understand that I am not trying to get around these
21 things. And it's not something that I've done.

22 I've -- you know, if you see my
23 information, I've written many policies this year
24 and the year prior. And, you know, it's not
25 something that I do.

Telephonic Interview Christina Juliano
December 19, 2017

7

1 And also some of the other information
2 that I'm seeing here is, um, you know, I'm just kind
3 of -- when I did have the chance to sit back and
4 kind of look at what was going on, is a lot of these
5 were in, um, ZIP codes that had just got the accept
6 (phonetic), and we were having issues with that, um,
7 you know.

8 And -- and that's it. But, you know, the
9 biggest problem I believe is -- and again, I don't
10 remember exactly what was going on, because it was a
11 little while back.

12 And I do talk to a lot of people. Um, so
13 I don't know exactly what -- what was going on. Um,
14 but, you know, we -- we do try to get the most
15 accurate information.

16 MS. MONTANO: Okay. I understand. But,
17 um, like I said, the application that you submitted
18 to the company shows that this is a one-story house.
19 That the living area square footage was 500.

20 MS. JULIANO: Uh-huh.

21 MS. MONTANO: And it was a solid brick
22 house. Now, we spoke to the customer. And the
23 customer told us that he dealt with you, and --

24 MS. JULIANO: Uh-huh.

25 MS. MONTANO: -- he did not provide that

Telephonic Interview Christina Juliano
December 19, 2017

8

1 information to you.

2 MS. JULIANO: Uh-huh.

3 MS. MONTANO: Ah, and, in fact, when he
4 received the policy that reflected all of this
5 information, he thought it was the wrong house. So
6 he immediately called to let you know.

7 However, our system shows that when you
8 bound the policy, you then immediately submitted an
9 endorsement to change the one-story to two-story.

10 MS. JULIANO: Right. Because --

11 MS. MONTANO: And --

12 MS. JULIANO: -- I figured once the
13 inspection came back, I could, you know, then make
14 the correction to make sure that it was right.

15 But seeing, you know -- because we did
16 talk to the customer. And he gave us the
17 information. Trying -- you know, and again, never a
18 hundred percent correct. Because things are always
19 off by customers.

20 And believe me when I tell you. More
21 customers don't know what their square footage is
22 than do. Um, you know. We did put it in.

23 And then we were just going to wait until
24 the inspection comes back to make sure that it is
25 accurate.

Telephonic Interview Christina Juliano
December 19, 2017

9

1 MS. MONTANO: Okay. But you submitted the
2 endorsement literally the day after this policy
3 was --

4 MS. JULIANO: Right.

5 MS. MONTANO: -- bound.

6 MS. JULIANO: Because to -- to put it up
7 where, you know, the customer thought it needed to
8 be. And then to correct the information once the
9 inspection came back.

10 And if, you know, we were within the --
11 the criteria, the 10 percent of where we needed to
12 be, then -- you know, then the policy is, you know,
13 obviously more accurate, excuse me, than -- than,
14 you know, we assumed it to be.

15 MS. MONTANO: But the customer didn't
16 reach out to you until he received a copy of the
17 policy. The customer reached out to you on
18 November --

19 MS. JULIANO: Be- --

20 MS. MONTANO: -- (inaudible).

21 MS. JULIANO: -- because -- right. But --

22 MS. MONTANO: You already submitted the
23 endorsement. You submitted the --

24 MS. JULIANO: Right. But --

25 MS. MONTANO: -- endorsement literally --

Telephonic Interview Christina Juliano
December 19, 2017

10

1 MS. JULIANO: -- that's what I'm saying.
2 Because when I went through the inspection, you
3 know, we -- we went through the information, he gave
4 that to me.

5 I guess when I ran the (inaudible)
6 decision (phonetic), um, you know, we saw that it
7 was there. We put maybe inaccurate information in
8 to get the inspection to go through.

9 So once that did process, and we did put
10 the information in, we went through, put what he
11 assumed to be the correct information back into the
12 policy the next day.

13 And then once the inspection came back in,
14 then that's where we were going to make it correct.
15 And again, until it comes back -- the inspection
16 comes back, that is -- you know, the inspection is
17 final. That's it (phonetic).

18 MS. MONTANO: So if I understand you
19 correctly, when you submitted the application with
20 the one-story information, with the 500 square feet,
21 with the information that it was a solid brick, you
22 knew that was incorrect information?

23 MS. JULIANO: Um, I just thought it was
24 inaccurate. I didn't know that it was, you know,
25 not the right information.

Telephonic Interview Christina Juliano
December 19, 2017

11

1 We just wanted to get the inspection to go
2 through. It's a guesstimate. The -- the
3 question -- the quote is a guesstimate. That's what
4 it always is.

5 So that's why I was trying to get the
6 inspection to go through. And then to put the
7 information that the customer assumed it to be.

8 So that way when the inspection did come
9 through, we could make sure that it was done in the
10 correct fashion.

11 MS. MONTANO: Christina, the customer told
12 me that he did not tell you it was a one-story. So
13 that isn't information --

14 MS. JULIANO: But -- but that --

15 MS. MONTANO: -- that he said he provided
16 to you.

17 MS. JULIANO: But I'm not saying that.
18 I'm talking about when you asked me if I put the
19 information in the next day.

20 And I'm saying yes. To match what the
21 customer told me. Which you just told me is what
22 was closer to what --

23 MS. MONTANO: Let's -- let's start with
24 the beginning.

25 Okay?

Telephonic Interview Christina Juliano
December 19, 2017

12

1 MS. JULIANO: Uh-huh.

2 MS. MONTANO: You submitted an application
3 with information that says it's a one-story.

4 MS. JULIANO: Uh-huh.

5 MS. MONTANO: That it is 500 square feet
6 living area. And it is a solid brick house.

7 MS. JULIANO: Uh-huh.

8 MS. MONTANO: That information is
9 information that the customer has told us he did not
10 provide to you.

11 So my question to you is when you bound
12 this application with that information, one, where
13 did you obtain that information from?

14 And, two, why did you input the
15 information that the customer has already told you
16 he did not provide you?

17 MS. JULIANO: No. I -- I -- again -- once
18 again, I really don't remember. It was a very long
19 time ago. Um, I don't know why I did that.

20 I assume it was, you know, to get the
21 inspection back. I -- I -- again, I really just
22 don't remember.

23 Knowing -- knowing how I -- I am, I don't
24 do things the wrong way. It was just to literally
25 get the inspection back, and to make sure that that

Telephonic Interview Christina Juliano
December 19, 2017

13

1 was the accurate information that we had.

2 MS. MONTANO: Would you -- would you then
3 agree that it was not the accurate information if it
4 says one story, 500 square feet --

5 MS. JULIANO: Yes.

6 MS. MONTANO: -- solid brick?

7 MS. JULIANO: To get --

8 MS. MONTANO: Okay.

9 MS. JULIANO: -- the inspection back.
10 It's not -- it's only a guesstimate. And yes. You
11 know, the customer said X, Y, Z.

12 But in order to get the inspection back,
13 that's what we had to do to get it back. And that's
14 why we were doing that.

15 MS. MONTANO: (Inaudible.)

16 MS. JULIANO: It wasn't to purposely, you
17 know, manipulate or change or do something. But,
18 you know, there is the potential that it was a human
19 error. And I could have made a mistake.

20 And, you know -- you know, it doesn't
21 always tell, you know, what the situation is. The
22 customer doesn't always know either what the
23 accurate information is.

24 MS. MONTANO: Well, I'm talking about this
25 particular policy. And the customer did know that

Telephonic Interview Christina Juliano
December 19, 2017

14

1 he lives in a two-story house. And the customer was
2 aware that his --

3 MS. JULIANO: No. And --

4 MS. MONTANO: -- (inaudible) isn't 500.

5 MS. JULIANO: Right. You know, I

6 understand that. In reference to it being one story
7 and, you know, he's saying it's two, I mean, I can
8 look it up, and obviously it is two.

9 That might have just been something that
10 was on accident I hit the wrong button type thing.
11 I mean, it's happened before where, you know, you --
12 you don't realize that.

13 Actually, it happens on the quote when
14 you're going through, and it asks you if this is
15 their primary home compared to a secondary home.

16 If you hit the answer to "yes," and then
17 you hit the scroll button on your mouse, it can
18 change it. And that's happened before, and we've
19 had to correct the issue.

20 So it is something that maybe on accident
21 it was something that I did do, which is completely
22 human error and -- in that sense.

23 And again, I am not trying to purposely,
24 you know, do something harmful here. I was just
25 trying to get the inspection to go through.

Telephonic Interview Christina Juliano
December 19, 2017

15

1 MS. MONTANO: And all I'm asking is when
2 you bound the policy with that information, you were
3 aware that that information was inaccurate? Yes or
4 no?

5 MS. JULIANO: No. I -- I was not.

6 MS. MONTANO: (Inaudible.)

7 MS. JULIANO: That could have been -- I
8 could have done, you know, that on mistake. I --
9 I -- you know.

10 MS. MONTANO: Okay. Ah, let me know when
11 you're ready for the next policy.

12 MS. JULIANO: Okay. Go ahead. What was
13 the customer's name?

14 MS. MONTANO: The second customer is
15 Watchmer (phonetic). And it is 978049733.

16 MS. JULIANO: Okay. It's open.

17 MS. MONTANO: I'm sorry?

18 MS. JULIANO: It's open.

19 MS. MONTANO: Okay. Does this customer
20 ring a bell?

21 MS. JULIANO: Um, I mean, I don't remember
22 exactly when I -- I mean, going by the date, I can
23 tell when I wrote them.

24 But I don't 100 percent remember every
25 customer. I -- I talk to hundreds of customers all

Telephonic Interview Christina Juliano
December 19, 2017

16

1 the time.

2 MS. MONTANO: Okay. I just wanted to
3 know if -- you know, if you remembered or not. If
4 you don't, that's fine. I just --

5 MS. JULIANO: Yeah.

6 MS. MONTANO: -- was asking.

7 Okay. So on this one, you bound the
8 application.

9 MS. JULIANO: Uh-huh.

10 MS. MONTANO: And you bound the
11 application with information regarding the house.
12 First of all, that it is a one-story home again.
13 And that the replacement cost is \$211,896.

14 MS. JULIANO: Uh-huh.

15 MS. MONTANO: And that the living square
16 footage was a thousand square feet. Ah, now, you
17 actually bound it after the fourth attempt.

18 Ah, remember when we talked about the --
19 the CRM values?

20 MS. JULIANO: Ah, no. The -- what do you
21 mean?

22 MS. MONTANO: When I asked you about --
23 about the CRM values? When --

24 MS. JULIANO: Like --

25 MS. MONTANO: -- like --

Telephonic Interview Christina Juliano
December 19, 2017

17

1 MS. JULIANO: -- like to get the policy to
2 go through, you mean?

3 MS. MONTANO: Yes.

4 MS. JULIANO: Okay.

5 MS. MONTANO: So the first time you
6 attempted to bind it.

7 MS. JULIANO: And you said -- like you
8 mean the CRM tool? Is that what you're asking me?

9 MS. MONTANO: Yes.

10 MS. JULIANO: Okay. Yeah. I mean, can we
11 get -- can we -- can I just ask you one quick thing
12 here?

13 Now, you earlier asked me if I know what
14 CRM is. I know what CRM is as in if we get an
15 accept or a reject. But as a whole, I don't
16 100 percent under- -- understand what the tool is.

17 Now, is there a way that you could explain
18 that to me?

19 MS. MONTANO: No. And that's not my
20 purpose in reaching out to you.

21 MS. JULIANO: Okay.

22 MS. MONTANO: My purpose in reaching out
23 to you is to do -- to determine what occurred --

24 MS. JULIANO: Uh-huh.

25 MS. MONTANO: -- what you know, what

Telephonic Interview Christina Juliano
December 19, 2017

18

1 processes you follow --

2 MS. JULIANO: Uh-huh.

3 MS. MONTANO: -- and what you remember.

4 MS. JULIANO: Right.

5 MS. MONTANO: Okay?

6 MS. JULIANO: Uh-huh.

7 MS. MONTANO: So --

8 MS. JULIANO: I -- I just didn't know if

9 that was, you know, something that you could do.

10 But that's fine.

11 MS. MONTANO: So, ah, on this policy, the

12 first time that, ah your Bind ID -- actually, let's

13 just -- let's go through your Bind ID.

14 What is your -- your -- your NT ID?

15 MS. JULIANO: My -- the FMY number, you

16 mean?

17 MS. MONTANO: Yes.

18 MS. JULIANO: Ah, FMY AB30P, as in Paul.

19 MS. MONTANO: Okay. So using that ID, the

20 first time that you ran this customer's information

21 to -- ah, for a quote was on August 14, 2017 at

22 approximately 12:51 p.m.

23 MS. JULIANO: Uh-huh.

24 MS. MONTANO: And, ah, actually, the time

25 may be off, but the date is correct. (Inaudible.)

Telephonic Interview Christina Juliano
December 19, 2017

1 MS. JULIANO: Well, I think your timing is
2 off, because we're --
3 MS. MONTANO: (Inaudible.)
4 MS. JULIANO: -- Eastern Standard. Right?
5 MS. MONTANO: Yeah.
6 MS. JULIANO: Okay.
7 MS. MONTANO: That may be the wrong time.
8 But the date is -- is correct. It's August 14th,
9 2017.
10 MS. JULIANO: Uh-huh.
11 MS. MONTANO: And the first time that you
12 ran it through, you did indicate that it was a
13 two-story home. And you indicated that the
14 replacement cost was \$445,956. Ah, and it was a
15 denial.
16 MS. JULIANO: Okay.
17 MS. MONTANO: And then you attempted, ah,
18 two more times. And then on the fourth attempt, you
19 changed it to a one-story. And you lowered the
20 replacement cost to \$211,896.
21 MS. JULIANO: Uh-huh.
22 MS. MONTANO: And at that point it was
23 accepted.
24 MS. JULIANO: Okay.
25 MS. MONTANO: And you bound the policy.

Telephonic Interview Christina Juliano
December 19, 2017

20

1 MS. JULIANO: Uh-huh.

2 MS. MONTANO: So you continued to -- to
3 change information, ah, regarding the home until it
4 was accepted.

5 Why?

6 MS. JULIANO: I would assume to get the
7 inspection back. That -- that would be the most --
8 until -- you know, until we were able to get the
9 inspection back and know the exact information.

10 MS. MONTANO: Well, the customer said that
11 he told you it was a two-story house.

12 So if he told you it was a two-story
13 house -- and if you look at the picture, it is a
14 two-story house -- why would you change it to a
15 one-story?

16 MS. JULIANO: Right. To -- I -- you know,
17 to get the accurate information on the inspection.
18 And, you know, to -- to see what we could get from
19 the inspection results.

20 Which obviously did show it's a two-story,
21 which is why we corrected it. Um, and, you know, we
22 made sure that then the information was correct.

23 MS. MONTANO: Okay. Fair to say when you
24 bound the information indicating that it was a
25 one-story with a replacement cost of \$211,896, you

Telephonic Interview Christina Juliano
December 19, 2017

21

1 were aware that that information was inaccurate?
2 But you did it in order to generate an acceptance
3 and an inspection?

4 MS. JULIANO: Right. You know --

5 MS. MONTANO: Am I summarizing that
6 correctly?

7 MS. JULIANO: No. I -- I just was trying
8 to get the correct information from the inspection.
9 And that's where I was going with that.

10 And, you know, I don't -- again,
11 (laughing) this is an even further policy back. So
12 I don't really remember exactly what it was.

13 Ah, but no. We were just looking to get
14 the inspection back for this policy. And when the
15 inspection came back, that's when we see the facts.
16 And, you know, we make sure that it's a
17 hundred percent accurate.

18 MS. MONTANO: Okay. And I understand what
19 you're saying about 100 percent accurate. But what
20 I'm talking about is the information regarding, you
21 know, whether or not it's a one-story or a
22 two-story.

23 And would you agree with me that the
24 customer would know whether or not their home is a
25 one-story or two-story?

Telephonic Interview Christina Juliano
December 19, 2017

22

1 MS. JULIANO: Yes.

2 MS. MONTANO: Okay. Would you agree with
3 me that --

4 MS. JULIANO: But -- but a lot of times
5 customers have said "Oh. Well, it's a one-story
6 house," and it's one and a half stories.

7 So there are times where, you know, we
8 have to go by exactly what the in- -- that's --
9 that's why there is an inspection.

10 And as unfortunate as this has gone on as
11 well, a lot of times when the inspectors go out,
12 even they have the wrong information.

13 And we then have to go get documentation
14 showing that they're incorrect. So it is all human
15 error. And there are opportunities where, you know,
16 you can make a mistake.

17 Again, I've wrote hundreds of policies
18 this year. And, you know, we're focusing on these
19 three, when these could have just been all human
20 error and mistakes and not a hundred percent
21 accurate information, and just to get the inspection
22 back, you know.

23 I may have had inaccurate information.
24 But how should I know that until the inspection
25 comes back? You know, like the inspection is --

Telephonic Interview - Christina Juliano
December 19, 2017

23

1 even from the quote clinic (phonetic), from quote
2 optimization, that is the final say, depending on
3 what the inspection says, you know. And -- and --

4 MS. MONTANO: (Inaudible.) Oh. I'm
5 sorry. I thought you were done.

6 MS. JULIANO: No. It's okay.

7 MS. MONTANO: Regarding the information,
8 you know, whether or not it was a one-story or
9 two-story, in answer to your question how would you
10 know, because you put the correct information
11 initially.

12 When you ran the initial quote, you put
13 in --

14 MS. JULIANO: Right.

15 MS. MONTANO: -- that it was \$445,956 --

16 MS. JULIANO: Uh-huh.

17 MS. MONTANO: -- to -- you know, the
18 replacement cost of the home. You input that it was
19 a two-story home. And then you changed those
20 numbers.

21 You continued to change those numbers with
22 every time you tried to do a different quote on his
23 home. You did the second quote. You ran a second
24 quote that same day.

25 In fact, you ran the first three quotes on

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1 the 14th. And then on the 16th, you lowered the
2 replacement cost to \$211,896. And you indicated
3 that it was a one-story.

4 So in response to your question about how
5 would you know, well, you put the correct
6 information initially.

7 MS. JULIANO: Right. But it wasn't --

8 MS. MONTANO: The customer told you it was
9 a two-story.

10 MS. JULIANO: Right. But --

11 MS. MONTANO: And if you looked at Google
12 Maps, which is --

13 MS. JULIANO: Uh-huh.

14 MS. MONTANO: -- something that you told
15 me that you had, you know, previously relied on, the
16 picture showed that it's a two-story house.

17 MS. JULIANO: Right. I mean, but --

18 MS. MONTANO: So --

19 MS. JULIANO: -- but you're -- you're
20 saying that -- that Google Maps is the only thing
21 that I said I rely on. I said there are multiple
22 things that I rely on. And different, um, you
23 know --

24 MS. MONTANO: So whether it be Google Maps
25 or the town assessors, whatever it may be, if you

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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

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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.

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1 Because the house next door to this one
2 could have been exactly -- you know, it could have
3 even been that we looked at the wrong house on
4 Google Maps.

5 It's not always -- the house doesn't
6 always pull up at the exact house. And I've seen
7 that happen on multiple occasions.

8 So there is a possibility that I -- you
9 know, it was done in error. It -- there are many
10 different reasons why this could have happened. But
11 not because I was purposely trying to manipulate the
12 system.

13 MS. MONTANO: Okay. But in this case the
14 customer has told us that he told you it was a
15 two-story house.

16 MS. JULIANO: Right. But that's what I'm
17 saying. A lot of times the customers don't always
18 know their accurate information.

19 I -- I know that you're probably gonna
20 think that sounds crazy. But every time we talk to
21 a customer, they don't know what their exact square
22 footage is.

23 And a lot of times when I do get the
24 inspection back, I don't know in particular if it
25 was these cases, but I've had to call customers in

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1 the past to say "Hey, just so you know, your square
2 footage is, you know, 1300" or whatever it may be.

3 And then maybe that's how they knew. But
4 there are a lot of times that customers truly don't
5 know what their square footage is.

6 And, you know, people don't remember the
7 year that they got their roof done. Things like
8 that. And a lot of times they are wrong.

9 And that's why we have the inspections go
10 out. So when somebody tells me that their roof is
11 in excellent condition, and it comes back with holes
12 in the roof, which I've had before, you know, then
13 it could be that, you know, where we have to call
14 them and say "Hey, what's actually going on with
15 your roof?"

16 You know what I mean? Like that -- that
17 actually happens all the time.

18 MS. MONTANO: Well, I'm talking about
19 these policies. And I'm looking for answers
20 regarding what you did on these policies.

21 MS. JULIANO: Right. But I -- I don't
22 really have answers. And I --

23 MS. MONTANO: Okay.

24 MS. JULIANO: -- I --

25 MS. MONTANO: Ready for the next one?

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1 MS. JULIANO: Yeah.

2 MS. MONTANO: All right. It is --

3 MS. JULIANO: (Inaudible.)

4 MS. MONTANO: -- Policy 943942419.

5 MS. JULIANO: Hold on. Got it. I'm ready
6 whenever you are.

7 MS. MONTANO: Okay. Ah, your NTA ID was
8 used to run three separate quotes --

9 MS. JULIANO: Uh-huh.

10 MS. MONTANO: -- on this policy.

11 MS. JULIANO: Well, now -- now, this
12 person I do. He had just had gotten his home
13 redone. Um, so there were a lot of inaccuracies
14 from what he told me to what was actually done.

15 So three different quotes I think were
16 ran. Because the first one was ran based off of the
17 town records that hadn't been updated yet.

18 So that was one reason that one of those
19 quotes had gotten ran and then we had to change. I
20 do remember that about this particular customer.

21 MS. MONTANO: Okay. And this was
22 January 28th of this year?

23 MS. JULIANO: Um, I know it was early this
24 year. I don't --

25 MS. MONTANO: Yeah.

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1 MS. JULIANO: -- you know.

2 MS. MONTANO: I have here that they were
3 run on January 28th.

4 MS. JULIANO: Uh-huh.

5 MS. MONTANO: On the same day, actually.
6 And you initially indicated that it was a frame
7 home.

8 MS. JULIANO: Uh-huh.

9 MS. MONTANO: And it is a frame home.

10 MS. JULIANO: Okay.

11 MS. MONTANO: But you then changed frame
12 home into brick home --

13 MS. JULIANO: Okay.

14 MS. MONTANO: -- on the third attempt.
15 And you also reduced the replacement value --

16 MS. JULIANO: Okay.

17 MS. MONTANO: -- and the policy coverage
18 amount. So initially it was a denial, 10.73. And
19 then the second time it was a denial.

20 And then you changed the information again
21 and lowered, ah, the coverage A (phonetic) on this
22 again.

23 MS. JULIANO: Uh-huh.

24 MS. MONTANO: And the third time you also
25 changed it from a second story to a one-story.

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1 MS. JULIANO: Right.

2 MS. MONTANO: And it's a second-story
3 home.

4 MS. JULIANO: Right. Well, this one --
5 again, this one I'm a hundred percent was me not
6 thinking that the accurate -- the information that
7 the customer was giving me was accurate, and wanting
8 to have the inspection completed.

9 That's a hundred percent why. And -- and
10 in this case in particular, that's why.

11 MS. MONTANO: Okay. So you have a
12 recollection of -- of this one?

13 MS. JULIANO: Um, only to that extent.

14 MS. MONTANO: Okay. And the picture of
15 the home, if you -- if you looked at Google Maps or
16 whatever it is that you rely on --

17 MS. JULIANO: Uh-huh.

18 MS. MONTANO: -- if you look at a picture
19 of the home, it clearly is a two -- two-story home.

20 MS. JULIANO: Right.

21 MS. MONTANO: And that is actually what
22 you initially put in when it was rejected.

23 MS. JULIANO: Right. But that's -- that's
24 what I'm saying. I mean, again, I don't remember
25 exactly what was said back and forth.

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1 I do remember that there was some, um,
2 talk about his home. He just -- I don't remember if
3 he had added the extension to the top or to the back
4 of his home.

5 I don't remember exactly what it was. But
6 definitely, to be honest, I really do think he added
7 the second story. And that's why we didn't know
8 exactly what the information was.

9 And I did just want to get the information
10 to go through for the inspection. Um, but again,
11 further than that, I really don't remember much more
12 than that.

13 Because the problem is I really wasn't
14 thinking that I was doing anything wrong. So I
15 wasn't putting, you know, all this thought into it.

16 But now I'm trying to remember back from
17 last January of what I did and what I was thinking
18 at that moment.

19 Because I wasn't thinking that I was
20 purposely doing something wrong. And that's the
21 thing. Like --

22 MS. MONTANO: On this application when you
23 put in that it was a one-story home, where did you
24 obtain that information?

25 MS. JULIANO: From his past information, I

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1 would assume.

2 MS. MONTANO: From his what? I'm sorry.

3 MS. JULIANO: From the past information of
4 what his -- you know, what the house previously was
5 and what, you know, he thought it would be.

6 And I -- I don't -- again, I -- I don't
7 know exactly where we got the information from. But
8 again, it was not something done to manipulate the
9 system.

10 It was done to get the correct information
11 on the home. Especially with this case where he
12 wasn't sure what was going on with the house.

13 MS. MONTANO: Where did you obtain the
14 information regarding the house being a brick home
15 as opposed to the frame that you had originally put
16 in?

17 MS. JULIANO: I -- I don't really
18 remember.

19 MS. MONTANO: Okay. Where did you obtain
20 the information that coverage -- the coverage A
21 (phonetic) that -- you know, that was on the
22 application was \$161,875 as opposed to the original
23 \$531,515 that you had put on the home?

24 MS. JULIANO: I was just --

25 MS. MONTANO: Where did you obtain that

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1 information?

2 MS. JULIANO: I was just trying to get the
3 inspection to go out. So --

4 MS. MONTANO: So in trying to get the
5 inspection to go out, did you change the information
6 on this -- this application?

7 MS. JULIANO: Yeah. I'm sorry. One more
8 time?

9 MS. MONTANO: In trying to get the
10 inspection to go out, as you keep saying, did you
11 change the information on this application?

12 MS. JULIANO: I didn't intentionally
13 change it to -- to manipulate the system. We put --
14 we could have potentially put inaccurate information
15 in to get the -- the accept to get the inspection.

16 But that's -- if -- if that's what
17 happened, then that's all it was. In the end,
18 again, I was told that the inspection was what
19 mattered the most.

20 MS. MONTANO: And to that comment that you
21 have made to me now and you had earlier made to me,
22 what I'm trying to ascertain is who told you that
23 the only thing that mattered was getting the
24 inspection out?

25 MS. JULIANO: Ev- -- every- -- everybody.

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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.

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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 --

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1 until you get an acceptance"?

2 MS. JULIANO: No.

3 MS. MONTANO: Were you ever encouraged to
4 do that?

5 MS. JULIANO: No.

6 MS. MONTANO: Were you ever encouraged by
7 anyone at all, say, to submit documents to the
8 company with information that you know to be false?

9 MS. JULIANO: No.

10 MS. MONTANO: Did anyone at the company
11 ever encourage you to do that?

12 MS. JULIANO: No.

13 MS. MONTANO: Okay. The CRM software that
14 we've been discussing, ah, that isn't separate from
15 Alliance; is that correct? When you're quoting a
16 homeowner's --

17 MS. JULIANO: It isn't separate you mean?

18 MS. MONTANO: Is not.

19 MS. JULIANO: Is not. Okay.

20 MS. MONTANO: When you're quoting a
21 customer, and you're asking them about the property,
22 you're inputting that information into Alliance?

23 MS. JULIANO: Yes.

24 MS. MONTANO: Okay. And then at the end,
25 you hit "Risk assessment"?

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1 MS. JULIANO: Well, I mean, as far as what
2 I do is, you know, most of the time you put the
3 information in and somebody says "Okay. This is --
4 this is too much" or "Okay. This sounds good," you
5 send them out a quote.

6 And then at, you know, another time if
7 they call you back and they say "This is something
8 that I'd like to do," then yes. We (inaudible) the
9 policy. Then we -- you know, to go on from there.

10 MS. MONTANO: Okay. All right. That's
11 all I have.

12 MS. JULIANO: Okay.

13 MS. MONTANO: Here. Let me make sure.

14 MS. JULIANO: And again, I just wanted to
15 apologize for not, you know, giving you a call back
16 earlier. It's just -- like I said, it took me off
17 guard.

18 And, you know, I always come to work to do
19 my job to the best of my ability. And again, you
20 don't know me. But I've -- anybody who you will
21 speak to about me will know that I go above and
22 beyond for my customers and to do things the right
23 way.

24 Um, I'm not a person who tries to sneak
25 around and do things. I just was trying to do

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1 things the right way.

2 And, you know, if -- if it's something
3 that I wasn't, I'm sorry. And it wasn't something
4 that I was coached on.

5 And if there's something that needs to be
6 changed, please let me know. If you think that
7 going to a quote class or whatever it may be you
8 think that would -- our office would benefit from,
9 then I -- you know, I would love that.

10 And especially if somebody could sit down
11 and explain what CRM actually developed from, that
12 would probably be good too for the office.

13 But honestly, I -- you know, I want you to
14 understand that I was not trying to falsify and do
15 anything wrong.

16 MS. MONTANO: I actually do have a couple
17 more questions, Christina.

18 When we spoke with Mr. Schrouder --
19 Schro- -- Schroeder --

20 MS. JULIANO: Schroeder. Uh-huh.

21 MS. MONTANO: -- he said that after he
22 received that policy with completely different
23 numbers that he and you had discussed, he called
24 your office.

25 And he said that in response as an

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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

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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 --

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1 MS. JULIANO: By me in particular or --

2 MS. MONTANO: Yes.

3 MS. JULIANO: -- our whole office?

4 MS. MONTANO: No. He said it was you --

5 MS. JULIANO: Okay.

6 MS. MONTANO: -- and he had to talk to you

7 about it.

8 MS. JULIANO: About --

9 MS. MONTANO: Do you recall that?

10 MS. JULIANO: Mike told me that -- that

11 what? I'm sorry. That --

12 MS. MONTANO: RNBC --

13 MS. JULIANO: -- RNBC told me not --

14 MS. MONTANO: -- had reached out to him --

15 MS. JULIANO: Had reached --

16 MS. MONTANO: -- about --

17 MS. JULIANO: -- out to me -- or reached

18 out to him, and he talked to me?

19 MS. MONTANO: Yes.

20 MS. JULIANO: Okay.

21 MS. MONTANO: That he had to talk to you

22 about that.

23 Do you recall that?

24 MS. JULIANO: No. Honestly, I don't.

25 MS. MONTANO: Okay. All right. That's

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all I have.
MS. JULIANO: Okay.
MS. MONTANO: The time is now 3:59 p.m.
I'm gonna go ahead and turn off the recorder. And
that's it. That's all I have, Christina.
MS. JULIANO: All right. Again, I'm sorry
for --
MS. MONTANO: Thank you.
MS. JULIANO: -- the delay today.
MS. MONTANO: That's okay. I'm still
here. So thank you.
MS. JULIANO: (Laughing.) Okay. All
right. Thanks.
MS. MONTANO: Bye-bye.

(End of recording.)

* * *

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I, SONJA KASSEM, a certified shorthand reporter for the State of California, do hereby certify:

That the foregoing is a verbatim transcription prepared from the electronic sound recording provided to me of the telephonic interview in the above entitled matter; that the foregoing is a true and accurate transcription of said recording, to the best of my ability.

Dated this 6th day of March 2018.

Sonja Kassem CSR 11504
SONJA KASSEM, CSR 11504

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\$	3	agree 13:3 21:23 22:2	B
\$161,875 33:22	3:23 2:2 4:1 3:59 43:3	ahead 5:7 15:12 43:4	back 3:5,19 7:3,11 8:13, 24 9:9 10:11, 13,15,16 12:21,25 13:9,12,13 20:7,9 21:11, 14,15 22:22, 25 25:22 27:24 28:11 31:25 32:3,16 35:6 36:9 38:7,15
\$211,896 16:13 19:20 20:25 24:2	5	Alliance 37:15,22	bad 26:17
\$445,956 19:14 23:15	500 7:19 10:20 12:5 13:4 14:4	Allstate 25:17	based 29:16
\$531,515 33:23	5:00 4:16	amount 30:18	basis 40:7
-	9	answers 28:19,22	bathroom 3:7
-o0o- 2:3	943942419 29:4	any- 35:4	Be- 9:19
0	978 5:8 978- 5:3 978049733 15:15	apologize 38:15	beginning 11:24
00 5:12 0982 5:10	A	application 5:19,20 7:17 10:19 12:2,12 16:8,11 32:22 33:22 34:6,11 35:12 36:4,5, 20 40:6	bell 15:20
1	AB30P 18:18	applications 35:11 41:24	benefit 39:8
10 9:11	ability 38:19	approximately 4:1 18:22	biggest 7:9
10.73 30:18	accept 7:5 17:15 34:15	area 7:19 12:6	bind 17:6 18:12,13
100 15:24 17:16 21:19	acceptance 21:2 37:1	ascertain 34:22	bit 3:6,17
12:51 18:22	accepted 19:23 20:4 36:7	asks 14:14	bound 6:7 8:8 9:5 12:11 15:2 16:7,10, 17 19:25 20:24
1300 28:2	accident 14:10,20	assessment 37:25	brick 7:21 10:21 12:6 13:6 30:12 33:14
14 18:21	accurate 7:15 8:25 9:13 13:1,3,23 20:17 21:17, 19 22:21 25:14 27:18 31:6,7	assessors 24:25	brought 26:2
14th 19:8 24:1	accused 2:14	assume 12:20 20:6 33:1	button 14:10, 17
16th 24:1	added 32:3,6	assumed 9:14 10:11 11:7	Bye-bye 43:14
19 2:1	agents 35:22	attempt 16:17 19:18 30:14	C
19th 3:25		attempted 17:6 19:17	call 3:4,16 4:7,16 25:22
1st 6:10		August 18:21 19:8	
2		aware 14:2 15:3 21:1	
2017 2:1 3:25 18:21 19:9			
28th 29:22 30:3			
2nd 6:8,10			

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“EXHIBIT G”

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IN THE SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF SUFFOLK

-o0o-

MICHAEL NOCELLA,)	
)	
Plaintiff,)	
)	Case No.:
vs.)	604642-2018
)	
ALLSTATE INSURANCE COMPANY,)	
)	
Defendant.)	

REPORTER'S TRANSCRIPT OF
AUDIO RECORDING OF TELEPHONE CONVERSATION
Transcription of proceedings in the above entitled
cause of the telephone conversation between
MICHAEL NOCELLA and ANKUR CHARTUVEDI on March 12,
2018.

TRANSCRIBED BY: SONJA KASSEM, CSR 11504
TRANSCRIBED ON: MARCH 26, 2018

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MONDAY, MARCH 12, 2018

7:00 P.M. EST

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MR. NOCELLA: Hello? Ah, this is Mike.

MR. CHARTUVEDI: Mike, hi. Ankur. How
are you?

MR. NOCELLA: Oh. I'm doing good. Thanks
for calling. I appreciate it.

MR. CHARTUVEDI: No problem. What's going
on?

MR. NOCELLA: Ah, a lot as, ah, I'm sure
you could imagine.

MR. CHARTUVEDI: Yeah. Absolutely.

MR. NOCELLA: Yeah. Ah, can -- can you
just hold on one second? I just have to --

MR. CHARTUVEDI: Sure.

MR. NOCELLA: I just have to write
something down. Hold on one second. Thanks.

Hey, are you there?

MR. CHARTUVEDI: Yeah. Absolutely.

MR. SMITH: (Laughing.) Thanks. Um, oh.
I had some questions. I figured, ah --

MR. CHARTUVEDI: Sure.

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3

1 MR. NOCELLA: -- you would know. I think
2 you're good at this stuff.

3 Um, so like the first thing is like the
4 TPP.

5 MR. CHARTUVEDI: Yeah.

6 MR. NOCELLA: I've been reading this
7 contract. I'm -- I'm reading everything like crazy
8 the last couple weeks.

9 MR. CHARTUVEDI: Sure.

10 MR. NOCELLA: I guess you're supposed to
11 read that stuff before you sign it; right? Ah,
12 (laughing) but better late than never. Um --

13 MR. CHARTUVEDI: Absolutely.

14 MR. NOCELLA: (Laughing.) It's -- I, um,
15 when I read it, it says, you know, prior to 2017, if
16 you purchased a book or exceeded over -- I'm going
17 off the memory right now.

18 MR. CHARTUVEDI: Sure.

19 MR. NOCELLA: So it's like \$800,000 or
20 800 policies enforced --

21 MR. CHARTUVEDI: Yeah.

22 MR. NOCELLA: -- then you do not have to
23 do the 5 years until you become vested. It's
24 immediate.

25 MR. CHARTUVEDI: On the, ah, purchase, ah,

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4

1 part of it. Yeah.

2 MR. NOCELLA: Well --

3 MR. CHARTUVEDI: That's why you have a
4 \$98,000 value. Yes.

5 MR. NOCELLA: It looks like on the
6 purchase part, though, that's always immediate. But
7 this is reading to me like I fall into the category
8 of the new business written should be vested
9 immediately also.

10 MR. CHARTUVEDI: So the, ah -- the way the
11 contract reads, and I'll send you the snapshot, ah,
12 of the contract.

13 MR. NOCELLA: Okay.

14 MR. CHARTUVEDI: You just have to -- ah,
15 you've just got to e-mail me your, ah, personal
16 e-mail address.

17 MR. NOCELLA: (Inaudible.)

18 MR. CHARTUVEDI: Basically that any --

19 MR. NOCELLA: Go ahead.

20 MR. CHARTUVEDI: -- ADB1, ADB2 (inaudible)
21 is only -- ah, is only vested after five years.

22 And, ah, you know the TPP report that I
23 gave you?

24 MR. NOCELLA: Yes.

25 MR. CHARTUVEDI: It defines -- you know,

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1 it defines the business on which we are giving you
2 the TPP (inaudible) which is on the purchase that
3 you made. So any business that you wrote, you have
4 to finish five years off -- off of (inaudible).

5 So in your case, the five years started
6 during December of 2014? Or was it November of
7 2014?

8 MR. NOCELLA: Um, well, here's -- well,
9 here's the thing. I actually was with Allstate
10 2012.

11 MR. CHARTUVEDI: I see. Ah, 2012 you
12 have --

13 MR. NOCELLA: And then I -- yeah. And
14 then I purchased, ah --

15 MR. CHARTUVEDI: (Inaudible.)

16 MR. NOCELLA: (Inaudible.)

17 MR. CHARTUVEDI: A new agent -- new agent
18 number that you bought the, ah, 2014 from; right?

19 MR. NOCELLA: Yeah. Yeah. 2- -- um,
20 September 1st --

21 MR. CHARTUVEDI: So we will -- when you
22 signed the new contract with us with that new agent
23 number in 2014, we will follow that new agent number
24 as your affiliation date now.

25 MR. NOCELLA: Oh. Ah, yes. It is a new

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1 agent number and everything.

2 And so that's a new -- it's a new
3 contract; right?

4 MR. CHARTUVEDI: Correct.

5 MR. NOCELLA: So -- but it still r- --
6 it -- it reads that if it's over a certain amount of
7 policies and premium, everything is vested
8 immediately. I don't see that --

9 MR. CHARTUVEDI: You were not over --

10 MR. NOCELLA: -- in the (inaudible).

11 MR. CHARTUVEDI: But you were not over,
12 ah, that particular premium. You were below 749
13 policies. That's why we gave you the ADB.

14 MR. NOCELLA: No -- oh. Are you sure?

15 MR. CHARTUVEDI: Yeah. Absolutely.

16 MR. NOCELLA: I -- I think I --

17 MR. CHARTUVEDI: Otherwise, why would we
18 give you enhanced commission?

19 MR. NOCELLA: Because it was under
20 \$1.5 million in premiums.

21 MR. CHARTUVEDI: No. It's -- it's not
22 under the --

23 MR. NOCELLA: The --

24 MR. CHARTUVEDI: The choices are it has to
25 be as long as it's below 749, regardless of the, ah,

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1 premium, we will give you enhanced commission.

2 When we give you enhanced commission --
3 and I'll send you the snapshot -- we will not
4 give -- we will not vest the TPP for five years.

5 MR. NOCELLA: Hmm.

6 MR. CHARTUVEDI: And the reason why you
7 did not qualify was because you bought less than
8 749 policies.

9 MR. NOCELLA: All right. I'm gonna look
10 at that.

11 MR. CHARTUVEDI: (Inaudible.)

12 MR. NOCELLA: I'm gonna -- I'm gonna look
13 at that. Ah, I'm seeing --

14 MR. CHARTUVEDI: (inaudible.)

15 MR. NOCELLA: (Inaudible.)

16 MR. CHARTUVEDI: Just read it on how it
17 reads between 749 and 800. You can read that.

18 MR. NOCELLA: Yeah. Yeah. Yeah.

19 MR. CHARTUVEDI: But when it's under 749,
20 that's what (inaudible) the enhance.

21 MR. NOCELLA: Yeah. Ankur, it's -- it's
22 crazy. It looks like I -- it was more than -- than
23 750 policies enforced.

24 MR. CHARTUVEDI: I can send you the, ah,
25 the first, ah --

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1 MR. NOCELLA: The CSRP from Hanley?

2 MR. CHARTUVEDI: Oh, yeah. Absolutely.

3 And I'll tell you why. Because if you did not
4 qualify for -- if you had anything more than 750,
5 our system would pick it up and would not give you
6 enhanced.

7 MR. NOCELLA: Right.

8 MR. CHARTUVEDI: You can come to my
9 office, and (inaudible) desk if I can (inaudible).

10 MR. NOCELLA: (Laughing.)

11 MR. CHARTUVEDI: (Laughing.)

12 MR. NOCELLA: What (laughing) -- what
13 about the, ah -- but I thought at the time it
14 was just as long as it's under one and a half
15 million in -- in premiums --

16 MR. CHARTUVEDI: No.

17 MR. NOCELLA: -- to get the (inaudible).

18 MR. CHARTUVEDI: It's, ah, either/or.

19 MR. NOCELLA: Either or? No?

20 MR. CHARTUVEDI: (Inaudible.) Look at the
21 definition. I'll send it to you too. But the
22 definition clearly states that you've just got to
23 be -- as long as you're doing enhanced commission
24 which is below 749 or 800, ah, in -- in premiums.

25 So what happens is in New York, anytime

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1 that you are -- like sometimes you could only -- you
2 could have written, ah, 47 policies. And they could
3 be 1.5 mill. The premium doesn't matter, as long as
4 the amount is, ah, below 749 policies.

5 MR. NOCELLA: All right. I'm gonna look
6 at it.

7 MR. CHARTUVEDI: (Inaudible.)

8 MR. NOCELLA: I'm driving. But I'll --
9 I'll look, ah -- I'm gonna look, um. I appreciate
10 it. Um --

11 MR. CHARTUVEDI: Yeah. It's no problem.

12 MR. NOCELLA: And, ah, so I spoke to Adam.
13 I'm gonna talk to him again (inaudible). And --

14 MR. CHARTUVEDI: Yeah.

15 MR. NOCELLA: -- I've just been busy.
16 And, I was -- Ankur, I just -- can I ask you a
17 question?

18 MR. CHARTUVEDI: (Inaudible.) Yeah.

19 MR. NOCELLA: Yeah. I have a -- a
20 question.

21 MR. CHARTUVEDI: Yeah.

22 MR. NOCELLA: Do you know like how come I
23 wasn't given, ah, any sort of warning or like or
24 a -- or a chance to explain? Like a talk. Like no
25 warning. Like it just -- I just can't wrap my head

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1 around it.

2 MR. CHARTUVEDI: Mike, listen, man. Like
3 any investigation, right, in my role -- they
4 consider that a completely independent internal
5 investigation; right?

6 And they complete independence of the
7 internal investigation. The only way I came to find
8 out that you're inv- -- under investigation is after
9 you told Greg that you're under investigation. Like
10 I'm not even being told by the company.

11 MR. NOCELLA: Yeah.

12 MR. CHARTUVEDI: See? My role here, ah,
13 Mike -- and, you know, I'm trying to play my role is
14 (phonetic).

15 MR. NOCELLA: Uh-huh.

16 MR. CHARTUVEDI: My role here is to
17 basically -- you know, I'm the representative of the
18 (inaudible) contract that Allstate has in, ah, the
19 territory.

20 MR. NOCELLA: Of course.

21 MR. CHARTUVEDI: Now, my role with the
22 letter that I gave you becomes purely and purely
23 about giving advice to you on how to best utilize
24 the 90 days (inaudible).

25 And that's the role I'm trying to play by

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1 like trying to pitch your book. Trying to make sure
2 that people understand that it's a great book.
3 Trying to make sure that people understand what a
4 great job you did in terms of how building a book.

5 Now when it comes to like a compliance
6 issue and stuff, and, you know, people obviously
7 asked me that question, I basically direct them to
8 you, saying like "Listen. That will be a good
9 question. Why don't you sit down with Mike."

10 MR. NOCELLA: Yeah.

11 MR. CHARTUVEDI: "I am not aware of any
12 broad-based noncompliance issue" is what I tell
13 them. Because that's -- that's what the truth is.
14 Like I --

15 MR. NOCELLA: Yeah. I'm -- I'm -- I'm not
16 gonna lie to anybody. I have nothing to hide. And
17 I'm -- I'm being up front with everybody. Ah --

18 MR. CHARTUVEDI: Okay. But that's on for
19 you to explain. Because my role does not allow me
20 to explain to somebody on why somebody is selling
21 the book, because of the independent ownership of
22 your, ah --

23 MR. NOCELLA: I -- I understand that. But
24 I just -- the -- the thing I don't understand is how
25 I can get terminated without a warning or anything

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1 or -- or a chance to talk.

2 How did anyone know that something like
3 that was -- would be cause for a zero tolerance
4 termination? Done.

5 I mean, it's -- it's -- it's (inaudible)
6 you could have. You know, what my motive? What am
7 I gaining? It's just -- it just seems crazy.

8 I -- I just -- I can't wrap my head around
9 it. And when I -- I have to explain to people, I
10 think they think I'm lying.

11 MR. CHARTUVEDI: Hmm.

12 MR. NOCELLA: I -- I can't explain it.
13 I'm -- I'm looking for answers, you know. And I
14 haven't slept. I'm reading contracts. My wife --
15 Ankur, you know my dedication.

16 I mean, you can't get more dedicated than
17 me. And not only just like writing business. But
18 I'm always trying to educate myself and my staff.

19 My whole staff took that extra, ah, you
20 know, the code authorization classes. You know
21 everybody in my office has a four-year college
22 degree. I -- I bet you I'm the only agency around
23 with more than two people in it that have that.

24 My -- my Customer Service Rep has -- this
25 March 14th is her 30-year anniversary with Allstate.

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1 30 years, Ankur. My office is top notch.

2 MR. CHARTUVEDI: Hmm.

3 MR. NOCELLA: How could they do this to
4 me? You know, like that I'm really just asking that
5 as, I think -- is there something else that I don't
6 know? Is there something going on? Like I don't
7 know what to do.

8 MR. CHARTUVEDI: And I'm -- I'm completely
9 out of like -- again, I'm not aware of
10 investigation. They don't -- they do not like --

11 MR. NOCELLA: The investigation with
12 Christina. That's why I'm asking like if you know
13 of anything else? Because that doesn't make
14 sense --

15 MR. CHARTUVEDI: Yeah.

16 MR. NOCELLA: -- that they would do that
17 to me.

18 MR. CHARTUVEDI: In my role, they do not
19 involve me in that conversation, Mike. I think you
20 might discuss that with --

21 MR. NOCELLA: (Inaudible.) Yeah.

22 MR. CHARTUVEDI: -- (inaudible), you know.

23 But --

24 MR. NOCELLA: And I don't want to make
25 you -- I don't want to keep asking you. But I

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1 just -- I don't --

2 MR. CHARTUVEDI: Yeah.

3 MR. NOCELLA: -- I don't have anyone to
4 talk to about --

5 MR. CHARTUVEDI: Okay.

6 MR. NOCELLA: -- this, you know. I just
7 was hoping maybe you knew of something. I mean, I
8 could -- you know, like come on. I mean, no
9 warning. No nothing. Done. Everything I've worked
10 for, done.

11 MR. CHARTUVEDI: Hmm.

12 MR. NOCELLA: Like I'm crushed, man. You
13 know, this is a very bad time. (Inaudible) and we
14 went through extra at that address that you know
15 about with Meagan and I --

16 MR. CHARTUVEDI: Right.

17 MR. NOCELLA: -- because of this.
18 Because -- because I'm gonna have to start from --
19 I'm gonna have to rebuild our lives.

20 Ankur, we just bought a \$700,000 --
21 \$730,000 house last year.

22 MR. CHARTUVEDI: Wow.

23 MR. NOCELLA: Last year. I just but an
24 \$80,000 truck (inaudible).

25 MR. CHARTUVEDI: Uh-huh.

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1 MR. NOCELLA: So I thought I had some
2 security, you know. I thought I was being smart
3 with my business, and never thought I would get
4 wiped out with no warning.

5 It -- it's -- it's like not -- you know,
6 and I understand if you -- if you break a clear rule
7 that states that you can't do this or you are
8 screwed.

9 But that's not the case. That's never
10 happened. I didn't do anything wrong. I didn't do
11 anything that (inaudible), there's no right way to
12 do it.

13 It's just you don't have the information
14 correct until the inspector comes back. Plus --
15 plus it was a new ZIP code. So everything was all
16 whacked.

17 And this is just so -- if I would have --
18 if I would have just gotten a chance to -- to
19 talk -- which I did. I was going to.

20 I wasn't expecting that. I thought I was
21 going to get my chance, you know. I thought I was
22 gonna. That's what I -- that's what I -- that's
23 what I -- that's what I was doing. That's what I
24 was gonna do (phonetic).

25 MR. CHARTUVEDI: Well, how was your

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1 meeting with the, ah, investigator? Like when
2 you -- ah, you know, when you talked to the, ah,
3 investigator?

4 MR. NOCELLA: It was, um -- it was
5 horrible. She was -- she was asking me, um, "Do
6 you -- you know, so you knowingly falsified a
7 document?"

8 And I was like "No. Well, I didn't
9 know (inaudible). First of all, I didn't even know
10 that was considered a document. And no. I didn't
11 falsify it."

12 "Well, you know what you put in wasn't
13 right, wasn't correct; right?"

14 And it's like a loaded question. Because
15 I know a hundred percent of the quotes, you -- you
16 know it changes when the inspector comes back.

17 We tell the customers that. There's no
18 secret website to go on to get the correct square
19 footage. So do I know that it's not correct? Yeah.
20 It's -- it's never correct.

21 "So you knowingly (inaudible, static)
22 document."

23 MR. CHARTUVEDI: (Inaudible) the -- the --
24 the providing misinformation to the document, you
25 know.

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1 MR. NOCELLA: But it's -- it was so -- you
2 know, we're talking about a professional
3 investigator squeezing words out of me.

4 I'm just being honest. Um, it -- it's not
5 false information. It's just -- it's -- it's not --
6 it's inaccurate a hundred percent of the time until
7 the inspector comes back, you know.

8 There's no fooling the system. The
9 inspection comes back. If you don't change it,
10 Allstate changes it automatically, you know.

11 Like what are you -- what are you trying
12 to get away with, you know? That there's --

13 MR. CHARTUVEDI: Hmm.

14 MR. NOCELLA: -- there's nothing to gain.

15 MR. CHARTUVEDI: Hmm.

16 MR. NOCELLA: And it's like how could this
17 happen? There was nothing to gain. What was I
18 doing that was so bad?

19 And I'd think maybe did I said the wrong
20 thing to her to have them chop my head off like
21 that?

22 Like, you know. Greg had said just you
23 gotta just be honest. And I really thought I had
24 nothing to worry about.

25 MR. CHARTUVEDI: (Inaudible.)

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1 MR. NOCELLA: (Inaudible), you know --

2 MR. CHARTUVEDI: Yeah.

3 MR. NOCELLA: -- I -- I felt. I -- I -- I
4 was just -- I was honest like, um, you know. Like
5 and then it just -- ah, I can't wrap my head around
6 it.

7 I don't think it's right. It's -- I
8 need, um -- I thought I was gonna get a chance to --
9 to talk like this.

10 Um, I -- I thought like, you know, you and
11 Greg and Don, you guys would, of course, understand.
12 And then we would talk to whoever we gotta talk to.
13 You know, let's clear this up.

14 But I didn't even get a chance, you know?
15 And when I talked to Don, I felt like you didn't
16 even know the -- the details. Like I felt like you
17 didn't even, ah, really know until right now. Ah --

18 MR. CHARTUVEDI: Right.

19 MR. NOCELLA: Um --

20 MR. CHARTUVEDI: Right.

21 MR. NOCELLA: Yeah. Like --

22 MR. CHARTUVEDI: You know, they don't
23 involve us in --

24 MR. NOCELLA: Yeah.

25 MR. CHARTUVEDI: -- investigation.

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1 MR. NOCELLA: I mean, I understand that.
2 It puts you guys in a tough situation. Ah, you guys
3 got your lives. But, I mean, man. Tough situation
4 for me too.

5 December. That was December when they
6 investigated me. You're talking Christmas, New
7 Year's. It was almost three months after.

8 And I -- and I was trying to be proactive.
9 But jeez, what do I say? You know, I'm -- I'm
10 getting nervous that it's taking so long.

11 We were looking for batteries (phonetic).
12 But I was trying to talk to Vince Fucso. And, you
13 know, I -- I mean, I -- I don't know why I thought I
14 had the right to talk to him. I've never really
15 spoken to him.

16 But I was that nervous. And when --
17 when -- when we would talk, I -- it kind of made me
18 think like, I should wait. I don't want to act all
19 crazy. I'm just gonna weight, and then get a chance
20 when they're done with the investigation.

21 MR. CHARTUVEDI: Hmm.

22 MR. NOCELLA: And -- and I was
23 (inaudible). Ankur, I'm a good -- Ankur, I had
24 (phonetic) better agents every week. I know my
25 shit. I know everything.

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1 Ask, um, you know, Nicole and McGowen.
2 Someone like that --
3 MR. CHARTUVEDI: Hmm.
4 MR. NOCELLA: -- no one calls her more
5 than me, trying to learn all the new stuff. The
6 new -- the new processes. The new e-signature.
7 I'm -- I'm asking her to come to my office. I am
8 educating my staff. Like I'm so dedicated.
9 MR. CHARTUVEDI: Hmm.
10 MR. NOCELLA: I don't deserve this.
11 MR. CHARTUVEDI: Mike, I wish there was a
12 way for me, man. But like I'm just telling you.
13 Like they do not -- there's a reason why they do not
14 involve somebody like me.
15 It's because I told you, you know, I'm
16 from the field. And they want complete independence
17 on how they do the, ah, research. And, ah, you
18 know, that's -- or how they do the investigation.
19 And that's what they decided.
20 MR. NOCELLA: Yeah. I mean, it's -- okay.
21 You don't have the power to say like "Hey, can --
22 can we take a look at this? This -- this isn't
23 right"?
24 MR. CHARTUVEDI: (Laughing.) No. No.
25 No, I don't. Very honestly, no. Very honestly, no.

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1 They do not allow anybody else who is involved in
2 the system to make that, ah -- or including -- you
3 know, including, ah, somebody like, ah -- including
4 somebody like Vince. No. Just being very honest.

5 MR. NOCELLA: I believe you. But it
6 just -- it doesn't seem right. It doesn't seem
7 right. And, ah, and -- and poor Christina in my
8 office. That girl's an angel (phonetic). She's
9 gonna --

10 MR. CHARTUVEDI: Hmm.

11 MR. NOCELLA: -- her license is getting
12 (inaudible)? I mean --

13 MR. CHARTUVEDI: Ah --

14 MR. NOCELLA: -- it's a travesty if -- if
15 her license gets marked.

16 MR. CHARTUVEDI: Hmm.

17 MR. NOCELLA: You know?

18 MR. CHARTUVEDI: How is she -- how is she
19 doing, by the way? How is she, ah --

20 MR. NOCELLA: She's crushed.

21 MR. CHARTUVEDI: Because she was -- she
22 was applying for the job; right?

23 MR. NOCELLA: Yes. I'm sure she -- she
24 was, ah -- she was dream- -- had dreams of being an
25 agent.

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1 MR. CHARTUVEDI: Oh, wow.
2 MR. NOCELLA: Yeah. She wanted to become
3 an Allstate agent. She wanted to own her own thing.
4 Ah, her -- her dad was -- was, ah, maybe gonna be
5 involved.
6 And her sister works for an independent.
7 And her cousin/stepmother or godmother works at
8 (inaudible) now. She works at Rocco and
9 (inaudible).
10 MR. CHARTUVEDI: (Inaudible.)
11 MR. NOCELLA: Yeah. So and, you know,
12 they -- they had aspirations to do that. Christina
13 wanted to become an agent. And, um, you know, I
14 knew that. She was up front with me.
15 She -- she's -- she's amazing. She's
16 amazing. She's the perfect -- she's exactly what a
17 company should want.
18 MR. CHARTUVEDI: Hmm.
19 MR. NOCELLA: She wanted to be a teacher.
20 She went to school. She couldn't get the teaching
21 job, because it was -- (inaudible) teaching job.
22 Um, Allstate's gain, you know? And --
23 and, um, man. It's -- when I -- when I mentioned
24 her to people, they were like "What? Christina?"
25 MR. CHARTUVEDI: Hmm.

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1 MR. NOCELLA: It's a sin. You know, like
2 they don't have any direction.

3 Do you have any power there?

4 MR. CHARTUVEDI: With the, ah, licenses?

5 MR. NOCELLA: Yeah. Like, you know, not
6 getting her license marked or -- or anything like
7 that? You know, is there ever a word that could be
8 put in there?

9 MR. CHARTUVEDI: With her and with you?

10 MR. NOCELLA: Yeah.

11 MR. CHARTUVEDI: Let me ask you, Mike.
12 Like, ah, conceptually, what are you gonna do from
13 here? Like I'm -- I'm being very, very up front and
14 honest.

15 MR. NOCELLA: I'm gonna --

16 MR. CHARTUVEDI: Like (inaudible) are you
17 (inaudible) work from here?

18 MR. NOCELLA: I'm -- I'm -- I'm -- I'm
19 gonna try to pick my -- pick it up. And I -- I want
20 to stay in the insurance business.

21 MR. CHARTUVEDI: You want to stay in the
22 insurance business. What are you gonna do with the
23 book business?

24 MR. NOCELLA: What am I gonna do? What do
25 you mean?

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1 MR. CHARTUVEDI: Like what are you gonna
2 do? Are you gonna take the TPP?

3 MR. NOCELLA: No. Oh, no way.

4 MR. CHARTUVEDI: Are you (inaudible) --

5 MR. NOCELLA: I'm gonna -- of course I'm
6 gonna sell it.

7 MR. CHARTUVEDI: Listen. (Inaudible, due
8 to line breaking up). Give me time. All right?

9 MR. NOCELLA: What -- what did you say?
10 I'm sorry. You broke up for a second.

11 MR. CHARTUVEDI: Why don't you and Adam
12 speak. Right?

13 MR. NOCELLA: Uh-huh.

14 MR. CHARTUVEDI: And see where it goes
15 from there. I'll (inaudible) licensing. And I'll
16 see what (inaudible) licenses.

17 Okay?

18 MR. NOCELLA: I'm -- I'm sorry. You cut
19 again. You said I'm going to Adam?

20 MR. CHARTUVEDI: Talk to Adam. Meet him.
21 See what his offers are. See if you can find a
22 middle path. In the meanwhile, I'll call Licensing
23 and see how I can help you.

24 Okay? You and --

25 MR. NOCELLA: Thank you.

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1 MR. CHARTUVEDI: -- Christina. All right?

2 MR. NOCELLA: Thank you, Ankur. That
3 would be, ah -- that would, ah, give a little hope.
4 And you -- I mean, you (inaudible) in the long run.
5 So --

6 MR. CHARTUVEDI: Yeah.

7 MR. NOCELLA: Um --

8 MR. CHARTUVEDI: (Inaudible.)

9 MR. NOCELLA: I appreciate it.

10 MR. CHARTUVEDI: All right. So let -- you
11 know, I'm -- I'm about to go in somewhere.

12 You want me to call you at home like 8:00,
13 8:30? You want to talk? You're good? What do you
14 want to do, Mike? What --

15 MR. NOCELLA: Um --

16 MR. CHARTUVEDI: -- what do you want me to
17 do with you?

18 MR. NOCELLA: Um, if you -- I mean, if
19 any -- anybody. And, um, I -- I would appreciate
20 that.

21 MR. CHARTUVEDI: (Inaudible) -- see? This
22 is what I would do. And I know you thought
23 (phonetic) about with Redech; right?

24 MR. NOCELLA: Yeah.

25 MR. CHARTUVEDI: He is a guy who is

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1 extremely, extremely ready. Because he's already
2 sold his book; right?

3 MR. NOCELLA: Uh-huh.

4 MR. CHARTUVEDI: He was like you. He, ah,
5 came to 4.0. Ah, last year he ended at 3.99. So
6 he's extremely qualified.

7 Okay?

8 MR. NOCELLA: Uh-huh.

9 MR. CHARTUVEDI: Why don't you give him
10 your, ah, return offer. Like say "Listen. This is
11 my offer." Right? Call him up. Say like "This is
12 my offer."

13 But most importantly, make sure you cover
14 the non-compete and non-solicit. Because people are
15 gonna be worried about that.

16 MR. NOCELLA: Yeah. I know. I know. And
17 I --

18 MR. CHARTUVEDI: All right?

19 MR. NOCELLA: -- you know, really don't
20 have anything to do with that.

21 MR. CHARTUVEDI: (Inaudible.) And then
22 same time with Adam, make sure you're meeting him,
23 ah, this week. And then we take it from there. And
24 I will call you tomorrow morning after talking to
25 Licensing.

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1 MR. NOCELLA: Awesome. I really
2 appreciate that. (Inaudible.)

3 MR. CHARTUVEDI: But you will make a call
4 to Redech later tomorrow. And you will make a call
5 to Adam for me.

6 Right?

7 MR. NOCELLA: Yeah. Me and Adam are
8 talking tomorrow.

9 MR. CHARTUVEDI: You -- you talk to him.
10 But you also make a call to Redech and make an
11 offer, which is the return offer. What would they
12 offer him? It could be five times (phonetic).

13 MR. NOCELLA: Uh-huh.

14 MR. CHARTUVEDI: Just make an offer.
15 Because he don't really walk away from you without
16 understanding what would be your offer in return.
17 Like the counter-offer.

18 MR. NOCELLA: Oh. I -- I didn't -- um, I
19 wasn't under that impression. I -- I told him what
20 I thought it was worth. Ah, but --

21 MR. CHARTUVEDI: (Inaudible.)

22 MR. NOCELLA: -- I'll make it more clear.

23 MR. CHARTUVEDI: All right.

24 MR. NOCELLA: Yeah.

25 MR. CHARTUVEDI: Sure. And let me know

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1 how it goes with Adam. And I'll call you tomorrow
2 with Licensing.

3 Okay?

4 MR. NOCELLA: That's a -- that's a deal.
5 Thank you.

6 MR. CHARTUVEDI: All right. Thanks, Mike.
7 Bye-bye.

8 MR. NOCELLA: Bye.

9 (End of recording.)

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I, SONJA KASSEM; a certified shorthand reporter for the State of California, do hereby certify:

That the foregoing proceeding is a verbatim transcription prepared from the electronic sound recording provided to me of the proceedings in the above entitled matter; that the foregoing is a true and accurate transcription of said proceedings, to the best of my ability.

Dated this 26th day of March 2018.

Sonja Kassem CSR 11504
SONJA KASSEM, CSR 11504

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<p>\$</p> <hr/> <p>\$1.5 6:20</p> <p>\$700,000</p> <p>14:20</p> <p>\$730,000</p> <p>14:21</p> <p>\$80,000 14:24</p> <p>\$98,000 4:4</p> <hr/> <p>1</p> <hr/> <p>1.5 9:3</p> <p>14th 12:25</p> <p>1st 5:20</p> <hr/> <p>2</p> <hr/> <p>2- 5:19</p> <p>2012 5:10,11</p> <p>2014 5:6,7,18,23</p> <hr/> <p>3</p> <hr/> <p>3.99 26:5</p> <p>30 13:1</p> <p>30-year 12:25</p> <hr/> <p>4</p> <hr/> <p>4.0 26:5</p> <p>47 9:2</p> <hr/> <p>7</p> <hr/> <p>749 6:12,25</p> <p>7:8,17,19</p> <p>8:24 9:4</p> <p>750 7:23 8:4</p> <hr/> <p>8</p> <hr/> <p>800 7:17 8:24</p>	<p>8:00 25:12</p> <p>8:30 25:13</p> <hr/> <p>9</p> <hr/> <p>90 10:24</p> <hr/> <p>A</p> <hr/> <p>Absolutely</p> <p>6:15 8:2</p> <p>act 19:18</p> <p>Adam 9:12</p> <p>24:11,19,20</p> <p>26:22 27:5,7</p> <p>28:1</p> <p>ADB 6:13</p> <p>ADB1 4:20</p> <p>ADB2 4:20</p> <p>address 4:16</p> <p>14:14</p> <p>advice 10:23</p> <p>affiliation</p> <p>5:24</p> <p>agency 12:22</p> <p>agent 5:17,</p> <p>22,23 6:1</p> <p>21:25 22:3,13</p> <p>agents 19:24</p> <p>ahead 4:19</p> <p>Allstate 5:9</p> <p>10:18 12:25</p> <p>17:10 22:3</p> <p>Allstate's</p> <p>22:22</p> <p>amazing</p> <p>22:15,16</p> <p>amount 6:6</p> <p>9:4</p> <p>angel 21:8</p> <p>Ankur 7:21</p> <p>9:16 12:15</p> <p>13:1 14:20</p> <p>19:23 25:2</p> <p>anniversary</p> <p>12:25</p>	<p>answers 12:13</p> <p>anytime 8:25</p> <p>applying</p> <p>21:22</p> <p>aspirations</p> <p>22:12</p> <p>authorization</p> <p>12:20</p> <p>automatically</p> <p>17:10</p> <p>aware 11:11</p> <p>13:9</p> <p>Awesome 27:1</p> <hr/> <p>B</p> <hr/> <p>back 15:14</p> <p>16:16 17:7,9</p> <p>bad 14:13</p> <p>17:18</p> <p>basically</p> <p>4:18 10:17</p> <p>11:7</p> <p>batteries</p> <p>19:11</p> <p>bet 12:22</p> <p>book 11:1,2,</p> <p>4,21 23:23</p> <p>26:2</p> <p>bought 5:18</p> <p>7:7 14:20</p> <p>break 15:6</p> <p>breaking 24:8</p> <p>broad-based</p> <p>11:12</p> <p>broke 24:10</p> <p>building 11:4</p> <p>business 4:8</p> <p>5:1,3 12:17</p> <p>15:3 23:20,</p> <p>22,23</p> <p>busy 9:15</p> <p>Bye 28:8</p> <p>Bye-bye 28:7</p>	<p>C</p> <hr/> <p>call 24:22</p> <p>25:12 26:11,</p> <p>24 27:3,4,10</p> <p>28:1</p> <p>calls 20:4</p> <p>case 5:5 15:9</p> <p>category 4:7</p> <p>chance 9:24</p> <p>12:1 15:18,21</p> <p>18:8,14 19:19</p> <p>change 17:9</p> <p>CHARTUVEDI</p> <p>4:3,10,14,18,</p> <p>20,25 5:11,</p> <p>15,17,21 6:4,</p> <p>9,11,15,17,</p> <p>21,24 7:6,11,</p> <p>14,16,19,24</p> <p>8:2,8,11,16,</p> <p>18,20 9:7,11,</p> <p>14,18,21</p> <p>10:2,12,16,21</p> <p>11:11,18</p> <p>12:11 13:2,8,</p> <p>15,18,22</p> <p>14:2,5,11,16,</p> <p>22,25 15:25</p> <p>16:23 17:13,</p> <p>15,25 18:2,</p> <p>18,20,22,25</p> <p>19:21 20:3,9,</p> <p>11,24 21:10,</p> <p>13,16,18,21</p> <p>22:1,10,18,25</p> <p>23:4,9,11,16,</p> <p>21 24:1,4,7,</p> <p>11,14,20</p> <p>25:1,6,8,10,</p> <p>16,21,25</p> <p>26:4,9,18,21</p> <p>27:3,9,14,21,</p> <p>23,25 28:6</p> <p>choices 6:24</p> <p>chop 17:20</p>
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“EXHIBIT H”

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New York
RISK MANAGEMENT POLICY – New Business & Endorsements
Line 70 Homeowners
Primary & Secondary/Seasonal Residence

APPLICATION	
<u>Application Completion:</u>	
<ul style="list-style-type: none"> • Homeowner applications can be bound effective a maximum of 180 days future effective. • Backdated applications and/or endorsements are ineligible. • Applicant's signature is required. • Comply with the established Company Policy regarding the ordering of credit reports. • Any misrepresentation or concealment of material facts during the application process will cause ineligibility or cancellation. • Maximum agent binding authority: <ul style="list-style-type: none"> -Non-HRM: \$2M -Westchester: \$2M -HRM excluding Westchester: \$1.25M (See the HRM Section) 	
<u>Pre-Qualifying Business (PQB):</u>	
<ul style="list-style-type: none"> • Property LIS/CLUE must be run on all applicant(s) prior to binding coverage. • Credit history information to determine financial stability must be ordered on applicant (s) prior to binding. • Social Security Numbers are preferred for named insured and spouse, but not required. 	
<u>New Business Moratorium:</u>	
<ul style="list-style-type: none"> • In the event of a catastrophe or impending catastrophe, Product Management may invoke a moratorium on new business. In such events, a written operating standard will be sent to all new business channels outlining specific requirements (Regionally determined) to follow. 	

We expect adherence to this Risk Management Policy, although we recognize that these criteria cannot cover every conceivable situation and reserve the right to deviate where appropriate.

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QUALIFICATION

Loss History:

PRIMARY RESIDENCE:

IS 1-20:

- Maximum of 2 claims (paid or unpaid) in the past 5 years
 - No more than 1 of the above claims can be from Group D or Group E.

IS 21-40:

- Maximum of 1 claim (paid or unpaid) in the past 5 years

IS 41-50:

- 0 claims (paid or unpaid) in 5 years

Town Class 9 (for all IS Scores) - Maximum of 1 claim (paid or unpaid) in the past 5 years. Claim cannot be a Group D loss.

Town Class 10 (for all IS Scores) is required to be clean in 5 years.

SECONDARY/SEASONAL RESIDENCE:

IS 1 – 40:

- 1 Group F claim (paid or unpaid) in the past 5 years and
- 0 Group D or E claims (paid or unpaid) in 5 years.
- 0 Group G claims (paid or unpaid) at the property to be insured in the past 5 years.

IS 41 - 50:

- 0 claims (paid or unpaid) in 5 years

Town Class 9 (for all IS Scores) is required to be clean in 5 years.

Town Class 10 is ineligible.

Group D: Fire including smoke, puff back and explosion (does not include lightning)

Group E: Theft (including mysterious disappearance), Liability, and Vandalism

Group F: All other

Group G: Water

We expect adherence to this Risk Management Policy, although we recognize that these criteria cannot cover every conceivable situation and reserve the right to deviate where appropriate.

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Claim History Reference:

- Claims include both catastrophic and non-catastrophic claims.
- Claim history follows the applicant and should not be scrubbed.
- Claims that occurred at the residence premises to be insured, but from the previous owner, will not be considered (with the exception noted above pertaining to Seasonal/Secondary homes with Group G claims).

Prior Insurance:

Applies to both PRIMARY and SECONDARY/SEASONAL residence Homeowners:

- 1 Full year required with no lapse in coverage when the need existed.
- Applicants with no prior insurance due to no need, are required to maintain a \$1,000 or higher deductible for 1 year.
- Applicants with no prior insurance due to no need, are required to provide proof of closing for both 'no prior insurance' verification and the Welcome Discount.

*Need = having owned a current or prior dwelling. (Homeowner, Condo/CoOp, Mobile Home or Manufactured Home).

Fire Protection:

- Town Class 10 must have \$1,000 or higher deductible.
- Town Class 10 SEASONAL/SECONDARY residences are ineligible.
- All dwellings must be located within 10 miles of the responding Fire Department.

Ineligible Dwellings:

Applies to both PRIMARY and SECONDARY/SEASONAL residence Homeowners:

- Dwellings currently undergoing extensive renovations.
- Secondary/Seasonal property held for rental/loan.
- Camper/Travel trailers.
- Business/commercial exposure on property including incidental office exposures.
- Dwellings not accessible year-round or are not located on all-weather accessible roads.
- Dwellings located on a farm.
- Pitched roofs with rolled roofing material (contact underwriting if rolled roof is solely on porch).
- Dwellings with single room occupancy and/or units rented on an hourly, weekly or

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monthly basis.

- Risks with unacceptable inspection results (see Inspection Requirements).
- Dwellings with an inspection Roof Grade of 3 are unacceptable.
- Policies not in accordance with Insurable Interest Requirements (see section on following pages).
- The named insured/spouse have a prior Allstate underwriting termination(s) within the last 60 days or have a policy in the process of being terminated for underwriting reasons (Underwriting Terminations = Reason 50's), unless pre-approved by the RMBC with the reason for the termination rectified.
- Earthquake coverage is not available for new business or as an added endorsement to existing business.
- Dwellings listed on the State or National Registry of Historic Homes, or the National Register of Historic Places or any other locally designated Historical Society.
- Homes that are abandoned or are condemned.
- Vacant dwellings are unacceptable—insured premises must be occupied within 30 days of the coverage effective date.
- Homes currently for sale are ineligible.
- Homes that were a short sale or a foreclosure purchase are ineligible.
- Dwellings with pre-existing damage to dwelling, foundation, or outbuildings that has not been repaired.
- Risks with adjacent exposures that present unacceptable hazards (such as gas stations, salvage yards, abandoned buildings).
- Dwellings with attractive nuisances including, but not limited to, unfenced pools (gates must be self-closing and self-latching with child proof latch), skateboard or bike ramps, open pits or wells.
 - A trampoline is acceptable as long as it has a fully enclosed surrounding net and is not in poor condition (i.e., torn protective liner, torn platform, missing or exposed springs, uneven ground placement).
- Dwellings with more than 6 livestock animals (racing or show animals are not allowed) at the residence premises. Livestock include cattle, horses, donkeys, mules, goats, sheep, or swine.
- Relocated dwellings
- Risks in which the applicant or any other occupant of the dwelling owns or keeps

Eff. 12/5/2017

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We expect adherence to this Risk Management Policy, although we recognize that these criteria cannot cover every conceivable situation and reserve the right to deviate where appropriate.

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on the premises: any wild, exotic, non-domesticated, dangerous or vicious animal.

- Dwellings with illegal trade, business, or activity being conducted.
- Mobile Home/Manufactured Homes—garages/additions to the Mobile Home/Manufactured Home do not change the dwelling type. A home that 'begins' as a Mobile Home/Manufactured Home remains a Mobile Home/Manufactured Home. The correct policy form for this risk: Line 32.
- Dwellings without central heating system (electrical or fossil fuel).
- Dwellings without complete indoor plumbing system.
- Underground/Sod Homes
- A dwelling in the course of construction is ineligible for the House & Home Policy without the course of construction endorsement. The course of construction endorsement is valid a maximum of 12 months.
- If the insured(s) is operating a Day Care Center on the premises for more than 6 children, the risk is ineligible.

Dwelling Limits

- Policy must be written to at least 100% of the estimated replacement cost as developed through the Residential Component Technology™ (RCT), or Property Services inspection. (See dwelling limit requirements under High Value, Select Value and Seasonal/Secondary Homeowner sections.)

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Insurable Interest / Occupancy (see below):

- 1-4 Family Dwellings are eligible.
- Policy must be in the name of an individual or individual and spouse.
- Home must be owner-occupied.
- Residential occupancy by the named insured is required.
- Commercial exposures and non-incidental business on the property are ineligible.
- Corporations and partnerships are unacceptable.
- Policies written in the name of Corporations, Businesses, Partnerships, Marinas, Homeowners Associations and the United States National Park Service are unacceptable.
- Estates are unacceptable; however, **LIVING** Trusts may have an insurable interest as indicated below.
- **LIVING** Trusts may have an insurable interest and can be added as an Additional Insured when all the following conditions are met:
 1. The Additional Named Insured Endorsement – AVP8 is utilized (AP4479 for AIC and AI Endorsements)
 2. The following information must be supplied when completing the AVP8 – Additional Insured Trust Endorsement:
 - Exact Name of the Trust, and
 - Exact Name and Address of the Trustee(s).

The **LIVING** Trust must have legal title to the residence.

The Grantor(s) must regularly occupy the residence or the Grantor(s) occasionally occupy the dwelling and the risk is rated as a secondary-seasonal dwelling.

A copy of the **LIVING** Trust documentation is retained in the agent's office.

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High Value Home Requirements:

- Dwellings with a replacement cost or market value greater than \$2 million are ineligible. Lower limits apply in Downstate NY areas. (See the HRM Section)
- Dwelling structures that are 4,000 square feet or greater in size:
 - A high-value inspection vendor qualified to establish estimated replacement cost and identify unique exposures or hazards must perform the inspection. A high value inspection includes an interior and exterior inspection of the home and property.

The replacement cost value will be established utilizing the RCT evaluation tool. The ITV buffer does not apply to a high value inspection.

Select Value Endorsement:

- Only eligible for pre-1970 year built homes.
- Must meet all Homeowner eligibility requirements.
- A dwelling in the course of construction is ineligible.
- Dwelling limits are selected by the customer.
- Cannot be written if the ratio of Selected Value to Replacement Cost exceeds 80%.
- Market Value cannot exceed the Replacement Cost.
- RCT required to be completed on all applications.
- If the current purchase price is under \$50,000, the dwelling limit cannot exceed 150% disparity to the purchase price.
- BSREL and Coverage BC (Building Codes) are ineligible.

Secondary/Seasonal Homeowners:

- Must meet all Homeowner eligibility requirements
- \$1,000 All Peril Deductible required
- Minimum Value for Secondary/Seasonal - \$60,000
- Personal Property Reimbursement is available for customers with no contents claims (paid or not paid) in 5 years (including Theft).
- A dwelling in the course of construction is ineligible.
- Secondary Property held for rental or loaned is ineligible.

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- Maximum Water Back Up Coverage allowed is \$10,000.
- Remember to review the Loss History Section, Secondary/Seasonal for additional requirements.

INSPECTIONS

New Business Inspection:

- Inspections will be evaluated using the RCT tool.
- Exterior inspections are required on all dwellings.
- All dwelling structures regardless of square footage or replacement cost or age are inspected in HRM counties.
- All other condition requirements must be met as outlined in the New York Inspection Hazards and Condition Guide.

High Value Inspection:

- High Value Inspections will be evaluated using the RCT tool.
- Interior and exterior inspections will be ordered on all dwelling structures that are 4,000 square feet or greater in size regardless of age for all counties in the state.
- Dwelling structures having a total square footage of 3,400 – 3,999 will have an exterior inspection only.
- The replacement cost value will be established utilizing the RCT evaluation tool.
- Inspections will focus special attention to features of the structure/risk which contribute to the increased probability of losses, such as:
 - Fireplace/Chimney
 - Water Heater, Heating System, Bathroom Fixtures, Electrical System
 - Plumbing
 - Roof
 - Any special, unique, or rare building materials
 - Safety features such as fully charged fire extinguishers, smoke alarms, use of kerosene or other fueled space heaters, insuring that there are at least two accessible & unobstructed means of egress in multi-family dwellings, etc.
 - Dwelling with below average maintenance
 - Adjacent properties (or surrounding physical environment) presents exposure to unusual hazards

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- Dwellings undergoing extensive remodeling and/or construction
 - Vacancy/inadequate safeguards during extended unoccupancy. Such occupancy in conjunction with business or commercial exposure is ineligible.
 - Unusual liability exposures (such as farm animals, dogs with aggressive tendencies)
 - Unusual physical exposures (such as farm properties, palatial dwellings, instances where the value of scheduled personal property exceeds 50% of the contents coverage, etc.)
- The agent should advise the customer that final acceptance of the application and final premium determination is subject to an inspection by an Allstate inspector or vendor inspector.**

COVERAGE INELIGIBILITY

- Water Back Up:**
- Limits up to \$25,000 available in HRM areas.
 - \$50,000 limit available in Non HRM areas.
 - For limits greater than \$10,000 the following requirement must be met; 0 Group G claims (paid or unpaid) in the past 3 years.

HURRICANE DEDUCTIBLE

- Minimum 5% Hurricane deductible required in Nassau, Suffolk, Kings, Queens, Manhattan, Bronx, and Richmond Counties.
- Certain zip codes in Westchester are subject to a minimum 3% Hurricane deductible. Certain zip codes are subject to a minimum 5% Hurricane deductible. Refer to the NY Rules for details as to which zip codes require a minimum Hurricane deductible in Westchester.



We expect adherence to this Risk Management Policy, although we recognize that these criteria cannot cover every conceivable situation and reserve the right to deviate where appropriate.

**Allstate Vehicle and Property Insurance Company
New York
RISK MANAGEMENT POLICY – New Business & Endorsements
Line 70 Homeowners
Primary & Secondary/Seasonal Residence**

DOGS:

No unacceptable dog breeds allowed.

Any dog deemed vicious as per field inspection may result in policy rejection or termination.

Unacceptable dog breeds:

- All breeds of pit bulls (including mixes)
- American Pit Bull
- American Staffordshire Terrier
- Bull Terrier
- English Bull Terrier
- Staffordshire Bull Terrier
- Presacuario
- Wolf/Wolf hybrid

Any mixed – breed variation of the above will be considered unacceptable.

Caution Dog Breeds:

- Akita
- Bull Mastiff
- Chow
- Doberman
- Dogue De Bordeaux
- German Shepherd
- Great Dane
- Mastiff
- Neapolitan Mastiff
- Rottweiler

Any risk involving 2 or more of the "caution" listed dogs requires the agent to ask the following questions. Any 'yes' response deems the risk ineligible. The agency must retain a copy of the completed 'Caution Dog Underwriting Questionnaire' on file.

Field Underwriting Considerations for Caution Dog Breeds:

- ✓ Has the dog ever bitten anyone resulting in injury?
- ✓ Has there ever been complaint(s) filed with the police or dog warden involving the dog(s)? Describe these events, if any.
- ✓ Has there ever been any claim(s) or paid loss(es) filed with prior insurance carrier(s)? Use both Property PQB data and declared incidents.
- ✓ Is there frequent exposure to non-resident children under the age of 10?

**Allstate Vehicle and Property Insurance Company
New York
RISK MANAGEMENT POLICY – New Business & Endorsements
Line 70 Homeowners
Primary & Secondary/Seasonal Residence**

HRM COUNTIES:

**Bronx, Kings, Manhattan (New York), Nassau, Queens, Richmond, Suffolk,
Westchester**

The following zip codes within Westchester County are eligible for new business offerings and are not considered a part of HRM:

10501	10510	10521	10532	10546	10566	10578	10594
10502	10511	10522	10533	10547	10567	10587	10595
10503	10514	10523	10535	10548	10570	10588	10596
10504	10517	10526	10536	10549	10571	10589	10597
10505	10518	10527	10540	10560	10572	10590	10598
10506	10519	10530	10545	10562	10576	10591	10706
10507	10520						

The following zip codes within Westchester County are considered a part of HRM:

10528	10552	10580	10603	10607	10703	10708	10802
10538	10553	10583	10604	10610	10704	10709	10803
10543	10573	10601	10605	10701	10705	10710	10804
10550	10577	10602	10606	10702	10707	10801	10805
10551							

This section applies to HRM Counties only

- Property must be located in a zip code with PML capacity AND outside of a 'No Write' zip code
- Property must have a CRM Score < 8.5
- Pre-Bind WSR must be completed and approval received from the Product Management Department prior to binding.
- Maximum Amount of Insurance is \$1.25M (Westchester – \$2M)
- Signed Application from the customer
- 100% Inspection Requirement

Continued on Next Page

**Allstate Vehicle and Property Insurance Company
New York
RISK MANAGEMENT POLICY – New Business & Endorsements
Line 70 Homeowners
Primary & Secondary/Seasonal Residence**

- Distance to Shore:

Suffolk/Nassau/Queens

- Risk must exceed 2,500 feet to the shore for both the North and South shores.

Brooklyn

- Risk must exceed 5,000 feet from the South Shore Tip
- Risk must exceed 2,500 feet to shore for all other locations

Staten Island

- Risk must exceed 2,500 feet to shore from the South/East shorelines
- Risk must exceed 1,000 feet to shore from the North/West shorelines

Bronx/Westchester

- Risk must exceed 1,000 feet to shore

- Hurricane Deductible applies as per the above Hurricane Deductible section of the RMP
- No exceptions will be considered
- In addition to these HRM guidelines, the House and Home RMP must be met

See Next page for a list of ineligible "No Write" zip codes.

**Allstate Vehicle and Property Insurance Company
New York
RISK MANAGEMENT POLICY – New Business & Endorsements
Line 70 Homeowners
Primary & Secondary/Seasonal Residence**

The following zip codes are **NOT** eligible for new business:

Zip Code	County	Zip Code	County	Zip Code	County
06390	Suffolk	11739	Suffolk	11955	Suffolk
10004	New York	11741	Suffolk	11956	Suffolk
10035	New York	11769	Suffolk	11957	Suffolk
10044	New York	11770	Suffolk	11958	Suffolk
11509	Nassau	11796	Suffolk	11959	Suffolk
11558	Nassau	11930	Suffolk	11960	Suffolk
11559	Nassau	11932	Suffolk	11962	Suffolk
11561	Nassau	11934	Suffolk	11963	Suffolk
11569	Nassau	11935	Suffolk	11964	Suffolk
11690	Queens	11937	Suffolk	11965	Suffolk
11691	Queens	11939	Suffolk	11968	Suffolk
11692	Queens	11940	Suffolk	11969	Suffolk
11693	Queens	11941	Suffolk	11971	Suffolk
11694	Queens	11942	Suffolk	11972	Suffolk
11695	Queens	11944	Suffolk	11975	Suffolk
11697	Queens	11946	Suffolk	11976	Suffolk
11705	Suffolk	11950	Suffolk	11977	Suffolk
11715	Suffolk	11951	Suffolk	11978	Suffolk
11719	Suffolk	11952	Suffolk		
11730	Suffolk	11954	Suffolk		

DOWN PAYMENT

- 1 Month Down Payment required
- COD (Cash on delivery) is acceptable on bank pay policies (Homeowner/Condo/Co-op, and new business written more than 30 days Future Effective).

We expect adherence to this Risk Management Policy, although we recognize that these criteria cannot cover every conceivable situation and reserve the right to deviate where appropriate.

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF SUFFOLK

-----X

MICHAEL NOCELLA and
THE NOCELLA AGENCY,

Plaintiffs,

Index No.: 604642/2018

-against-

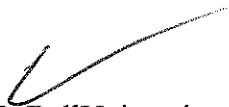
ALLSTATE INSURANCE COMPANY

Defendant,

-----X

**MEMORANDUM OF LAW IN OPPOSITION
TO DEFENDANT'S MOTION TO MODIFY PURSUANT TO CPLR 6314**

Dated: Commack, New York
March 27, 2018


Anthony P. DellUniversita
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(631) 462 6900
Attorney for plaintiffs

To: Michael J Grohs
Saiber LLC
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Florham Park, NJ 07932
Attorney for defendant

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STATUTES

CPLR§ 6314

CPLR § 6313

Plaintiffs, by their attorney Anthony P. DellUniversita, submit this Memorandum of Law in opposition to the motion by the defendant pursuant to CPLR § 6314, seeking to modify the Temporary Restraining Order (TRO) entered on March 15, 2018, granting some of the relief requested by plaintiffs. Plaintiffs also seek the TRO be modified, in favor of the plaintiffs, due to the compelling changes in circumstance since the issuance of the Order. Plaintiff respectfully requests the modification grant three original requests that were denied now be granted. Plaintiffs seek modification as follows:

“that upon service to the defendant or the defendant’s attorney, the termination of Michael Nocella’s Exclusive Agency Agreement is hereby ceased and the Exclusive Agency Agreement is in full force and effect allowing Michael Nocella to operate business as normal”

“that upon service to the defendant or the defendant’s attorney, the appointments of Michael Nocella and Christina Guigliano, an employee of the Nocella Agency, are reinstated and that Allstate will send a request for a certificate of appointment for Christina Guigliano and Michael Nocella within twenty four hours of service of the Order ”

“that upon service to the defendant or the defendant’s attorney, defendant will continue to compensate Michael Nocella in full for money he is due for any and all business produced up to and including the termination date,”

PRELIMINARY STATEMENT

The defendant seeks modification of Order it has yet to even attempt to comply with. Defendant’s moving papers fall short of showing any compelling or change in circumstance that would entitle them to a modification. CPLR § 6314; *Wellbilt Equipment Corp. v. Red Eye Grill, L.P.*, 308 A.D. 2d 411 (2003) citing *After Six v. 201 E. 66th St. Assoc.*, 87 A.D. 2^d 153, 155 (1982).

The motion to modify is an attempt to further damage the plaintiffs and delay compliance with the court’s Order. Defendant’s motion papers and the exhibits annexed thereto are littered

with conjecture, inaccuracies of fact, mischaracterization of events and statements that are inflammatory and misleading to this Honorable Court.

The defendant is not requesting significant modification or that the Order be vacated entirely because there are no grounds to make that application. Furthermore, if the court were to grant their current request, it would render any other portion of the Order that was granted, moot. At the time the TRO entered in this case it was appropriate to maintain the status quo. Since then Allstate, in addition to not complying with the Order, has taken additional measures to cause more irreparable harm to the plaintiffs. Allstate has failed to allege any facts that show a compelling or changed circumstance. *Matter of Xander Corp. v. Haberman*, 2007 NY Slip Op 04839 [41 AD 3d 489] June 5, 2007; citing *Wellbilt Equipment Corp. v. Red Eye Grill, L.P.*, 308 A.D. 2d 411 (2003). However, there have been compelling and changed circumstances that warrant a modification in favor of the plaintiffs. *Id.*

FACTS

The relevant facts specific to the inaccurate facts alleged in defendant's motion to modify are set forth in the affidavit of Michael Nocella, sworn to March 24, 2018, which is annexed as **Exhibit A**, and in the affidavit of Daniel Bach, sworn to March 23, 2018, annexed as **Exhibit B**.

A. Plaintiff Nocella's Exclusive Agency Agreement with Allstate

There is no debate whether the exclusive agreement has two separate clauses addressing termination. Termination without cause under section XVII.B.2 and termination for cause under section XVII.B.3. Defendant's position that Allstate has an absolute and unqualified right to terminate the agreement is misguided. The defendant cannot possibly think there is an unfettered right to terminate an agreement simply because there is a without cause section of the agreement. They are two separate parts of the agreement. The reason why Allstate didn't elect to terminate Nocella's agreement without cause is due to the fact that it would have had an incredible ripple effect through their entire company. Allstate

could not possible explain to all the other exclusive agents and any future potential exclusive agents why they decided to terminate such a lucrative and successful agency. The numbers are obvious. The Nocella Agency is a top agency. They could not risk the fallout of such a maneuver. Allstate represents to their agents that the without cause termination section of the agreement is applied to older failing books that need to be revived and are not advancing Allstate's interest.

The issue Allstate has now is they manufactured an invalid reason to terminate Nocella with cause believing he would go quietly like most do. However, they miscalculated his understanding of what they are trying to do, and now will have deal with even more push back from exclusive agents. If Allstate had an unfettered right to terminate Nocella, they would not have to provide the Department of Insurance with additional information regarding the termination. See NY. Ins. Law § 2112. A termination for cause comes with additional responsibility.

Allstate's exclusive agreement does not provide them the right to breach the agreement themselves. Based on the facts herein, the policy or the lack of policy of Allstate, the arbitrary decision making that resulted from a poor investigation, the potential sabotage of Nocella and the indecisive and vague reason behind the termination, Allstate has breached the agreement by terminating Nocella with cause, when there was no good cause or cause at all to do so. At this moment the cause for the termination is unclear. There are two letters that state the termination was due to falsifying documents. See **defendant's Exhibit 3**. Counsel has taken it upon himself to interject the word knowingly in the reason, without any merit whatsoever. In the most recent reason that was issued on the Form U-5 by Allstate that was submitted to FINRA the reason is the submission of inaccurate information. See **Plaintiffs' Exhibit C**. The absolute and unqualified right that defendant believes they have is not above their responsibility to abide by the contract. The last page of the agreement is a signature page. It is executed by an authorized representative of Allstate, accepting and understanding the terms of the agreement. This is a reciprocal agreement that Allstate has to operate within as well.

Nocella has increased the value of his book by reinvesting in his business to maintain and competent and driven employees. He has put nearly \$3 million of his own money into his business. Allstate now seeks to benefit from this by terminating him.

Nocella is well aware of the standards that Allstate has outlined in their manuals and the agreement. There is no better example of an agent or agency that has lived up to the expectations of Allstate. Nocella has complied with every portion of the agreement. What you will not find in any part of the exclusive agreement, the independent contractor manual, the supplement to the agreement, the Allstate Agency standards or in any Allstate issued handbook, flier, pamphlet, email or memorandum is direction, policy, information and standards of how to input RCT factors to obtain a CRM score when completing an application for homeowners insurance. What also is missing from any of the above manuals is a directive to agents that they are only to submit RCT factors one time.

The burden placed upon Nocella to make sure all information from a customer gathered is accurate is impossible to do. That is why there is always an inspection that follows obtaining an accepted CRM.

Nocella never claimed to be an employee of Allstate. The problem with defendant's position that Nocella is an independent contractor but also an exclusive agent that can only sell Allstate products, is that these two things may be in direct contrast to each other. New York Insurance law does not define an independent contractor. It does however define what an *independent insurance agent* is. See NY Ins. Law § 2101, which states

"In this article, "independent insurance agent" means an "insurance agent" who is not owned or controlled by any insurer, fraternal benefit society or health maintenance organization or group of such insurers and whose agency agreement does not prohibit the representation of other insurers or groups of insurers and which provides that upon termination of the agreement the agent's records and use and control of expirations remain the property of the agent. Only an "independent insurance agent" shall be represented to the public as an independent insurance agent or agency"

If Allstate wishes to brand Nocella and the Nocella Agency as an Allstate Agent under the exclusive agreement, then they may be violating New York Insurance law. Since an independent contractor does not exist under the insurance law, a determination on Nocella status should be decided by a court of law. Nocella would be entitled to ownership of the entire book. The ambiguous language of the agreement must be determined.

B. The Incomplete Investigation

The affidavit of Lucia Montano is littered with mischaracterizations of Nocella's interview and addressed more specifically in the Nocella Affidavit. (See the **Nocella Affidavit, sworn to on March 24, 2018, annexed here as Exhibit A, P. 5-6, ¶ 7-9**). The court must disregard counsel's baseless addition of the word knowingly to the allegation of how Nocella submitted documents. The implication that Nocella was aware that he was doing something against policy and doing it with the intention for personal gain is transparent. It is an argument that has no merit. Should counsel or any representative of Allstate provide written documentation of the policy and guidelines in submitting said information, I would be proven wrong. However, that is not possible. It does not exist. The fact that it does not exist completely discredits counsel's opinion that any submission was done knowing it was against Allstate policy that would result in a termination.

C. Servicing of the Nocella Agency Customers

The affidavit of Daniel Bach, annexed hereto, provides a specific clarification to the conjecture set forth in the defendant's moving papers. (see **Affidavit of Daniel Bach, sworn to on March 23, 2018, annexed here as Exhibit B.**)

D. The Temporary Restraining Order and Allstate's Failure to Comply

The arguments set forth by the defendant do not show a compelling or changed circumstance that would warrant a modification of the current Order. *Matter of Xander Corp. v. Haberman*, 2007 NY Slip Op 04839 [41 AD 3d 489] June 5, 2007; citing *Wellbilt Equipment Corp. v. Red Eye Grill, L.P.*, 308 A.D. 2d 411 (2003). The claim that Allstate would be violating NY Ins. Law 2112 is a

moot argument. The Order entered on March 15, 2018, Orders the defendant to reinstate the appointments of Michael Nocella and Christina Guigliano. **See Defendant's Exhibit 1.** The defendant has not complied and now is making a claim that is irrelevant. Neither the plaintiffs nor this Honorable Court are asking the defendants to violate any law or statute. That is the very reason the plaintiffs requested the reinstatement of the appointments, so that Nocella and Guigliano can legally operate as the Court has Ordered.

As an officer of the court and under the penalty of perjury, I can attest that on March 26, 2018, I personally spoke to a representative from the Department of Financial Services (Department of Insurance). In a lengthy conversation I was informed that it is very simple for Allstate to abide by the court Order, all they have to do is send a simple request for appointments to be issued Nocella and Guigliano, just as they have done before. She further stated once that is done the pending notification will have no effect on the issuance the appointments. This must be rectified immediately. Allstate is simply delaying what they are Ordered to do. It is abusive and calculated to further damage Nocella.

Allstate's second claim that there is a fear that Nocella will have access to proprietary information and confidential customer information is a stretch at best. It is far from a compelling or changed circumstance. It is even more distasteful of the defendant to insinuate Nocella has requested said relief so he can raid what he built. The reality is that Nocella already has access to said information. He has most if not all of the customer's personal cell phone numbers and addresses. In addition to that, if Allstate was really concerned about a raid of the book they would not willing to allow access by Nocella's employees who can just as easily get the propriety and confidential information to Nocella. Allstate cannot believe that the court would fall for such a tale. This reason is clearly not a compelling or changed circumstances do not change one bit. The fear, as they state, of Nocella raiding the book would remain a fear even if modified. Nocella has no interest in a raid of the book, only an interest in being back in business.

E. Allstate's Baseless Claim of Unethical Behavior

Unfortunately defendant's counsel took the opportunity to make baseless claims of an

individual and business of unethical and dishonest behavior. Had counsel done his due diligence he would have realized such a statement is inflammatory, untrue and contradictory to Allstate's own territorial leaders that work directly with Nocella. **Exhibit G** is a certified transcript of a conversation between Nocella and Ankur Chartuvedi, Nocella's territorial sales leader, who has worked closely with Nocella for five years. Between pages 12 through 17, Nocella repeats over and over again how he has not done anything wrong. Not one times does Chartuvedi disagree. Specifically on page 10 beginning at line 21 then following to the next page 22, lines 1-14, Chartuvedi states, "Trying to make sure that people understand what a great job you did in terms of how building a book." **P. 11, line 3-4.** He then states, "I am not aware of any broad-based noncompliance issues that are what I tell them, because that's what the truth is." **P. 11, lines 11-14.**

I challenge counsel to explain where he found any information or any opinion, other than his own, that agrees with his statement. Counsel should make every attempt to cease from interjecting his opinion on matters that he has not taken the time to back up with evidence of any kind.

ARGUMENT

I. THE MODIFICATION REQUEST SHOULD BE DENIED AND MODIFICATION SHOULD BE GRANTED IN FAVOR OF THE PLAINTIFFS

The court has inherent power to modify its equitable directives. *Dictograph Prods v. Empire State Hearing Aid Bur.*, 4 A.D.2d 508, 510 (1957). Modification of an injunctive decree may rest upon a clear showing that the evils which justified the prohibition have vanished. *Enterprise Window Cleaning Co. v. Slowuta*, 299 NY. 286, 288; *Drivers Union v. Meadowmoor Co.*, 312 U.S. 287, 298). There must be a showing of compelling or changed circumstances. *Matter of*

Xander Corp. v. Haberman, 2007 NY Slip Op 04839 [41 AD 3d 489] June 5, 2007; citing Wellbilt Equipment Corp. v. Red Eye Grill, L.P., 308 A.D. 2d 411 (2003).

Defendant has not shown any change or compelling circumstance. As explained above the argument they would be breaking the law is moot and the argument that Nocella would raid the book would not be solved by a modification. Allstate has not shown that the goodwill of the customers and the maintenance of the business are now being satisfied. **See the affidavit of Daniel Bach.** Nothing has changed to warrant a modification in their favor.

What circumstance has changed is the continued damage to the plaintiffs. Allstate has now notified FINRA, which will result in irreparable damage to the plaintiff. Allstate has taken measures to “ice out” Nocella. They have informed agents not to speak to him. They have not allowed him attend conferences that would facilitate his customer service as this court wanted. Allstate’s territorial sales leaders will not speak to Nocella, which will result in the inability to sell his book if he had to. Allstate is taking advantage of the situation and must be stopped.

A modification in favor of the plaintiffs is the only way. Nocella should be fully back in business, respectfully the court should now Order the termination process fully stayed and ceased while the underlying motion is pending. It is the only way to ensure that Allstate will not continue with the antics that are causing the plaintiffs irreparable harm.

It has been established that Allstate has no impediment to reinstating the appointments of Nocella and Gugliano. They simply do not want to follow a Court directive. Unfortunately Allstate must comply and has no legal reason not to, as per the Department of Insurance.

Attached as defendant’s **Exhibit 3** is an email that was not produced prior to this motion. It states that Nocella will not be paid after February 28, 2018. This is a compelling change of circumstance that warrants modifying and granting relief requested above that Nocella be paid

accordingly on all renewals and commissions of business he has written prior to being terminated and should this motion be granted in favor of plaintiffs, any monies due subsequent to this an Order of the court.

II. PLAINTIFF WILL LIKELY SUCCEED 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.

Defendant’s argument that the agreement is one in which no valid reason is required or obligation is imposed upon the party to prove validity of its reasons, is inapplicable to this case. *Shapiro v. Prudential Ins.Co. of America* , 81 A.D. 2d 661 662 (2d dept. 1981). Nocella has set forth sufficient evidence that Allstate has wrongfully terminated his agreement pursuant to the reason they issued. The distinction is that in the above case, there was no reason issued. In the instant case, Allstate issued what their alleged cause was. An evaluation of the facts demonstrate Nocella did not violate any agency standard or policy, having expended nearly \$3 million on business, has right to hold Allstate responsible for complying with the agreement. They failed to do so by issuing a reason that didn’t happen which breach the agreement.

III. IRREPARABLE HARM

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 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).

Based on the above new tactics employed by Allstate, the damage is far from ascertainable and Allstate must be stopped.

IV. BALANCING OF EQUITIES IN MOVANT'S FAVOR

Defendant relies upon one argument that fails. The argument of unclean hands is baseless. In Tepfer v. Berger, the plaintiffs fraudulently induced relatives to transfer title of property. 119 A.d. 2d 668, 669 (1986). There is no evidence that indicates or even suggests Nocella did anything with illegal or unethical motives. In fact Allstate's leaders that works closely with Nocella rave about him and his agency. **See Exhibit G.**

The argument that Nocella would be operating without authority is easily fixed once Allstate complies with the Court Order sends a request for a certificate of appointments

Any changes that are not in favor of the plaintiffs, seriously prejudice and damage the plaintiffs further. Granting defendant's request would undo the prevention of further damage that the court originally intended to do.

CONCLUSION

For the foregoing reasons, the Court should deny defendant's motion and grant a modification in favor of plaintiffs. Or alternatively, deny defendant's motion and Order compliance of the March 15, 2018 Order and further relief as it deems just and proper.

Dated: March 27, 2018

Respectfully submitted


Anthony P. DellUniversita