

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

SIDNEY LYLES,

Plaintiff,

v.

ALLSTATE INSURANCE COMPANY,

Defendant.

Case No. 3:20-cv-03473-MGL

**DEFENDANT ALLSTATE INSURANCE
COMPANY'S ANSWER AND
AFFIRMATIVE DEFENSES TO
PLAINTIFF'S COMPLAINT**

Defendant Allstate Insurance Company ("Allstate" or "Defendant"), by and through the undersigned counsel and pursuant to Rules 8 and 12 of the Federal Rules of Civil Procedure, hereby submits its Answer and Affirmative Defenses to Plaintiff's Complaint as follows:

PARTIES AND JURISDICTION

COMPLAINT ¶ 1:

Plaintiff Sidney Lyles ("Sidney" or "Plaintiff") is a citizen and resident of the County of Richland, State of South Carolina.

ANSWER:

Based upon information and belief, Allstate admits the allegations contained in Paragraph 1.

COMPLAINT ¶ 2:

Defendant Allstate Insurance Company ("Allstate" or "Defendant") is an insurance company headquartered in Northfield Township, State of Illinois, which employs agents and transacts business in the County of Richland, State of South Carolina.

ANSWER:

Allstate admits that it is an insurance company and that it maintains its principal place of business in Northbrook, Illinois. Allstate further admits that it transacts business in Richland County, South Carolina. Allstate denies the remaining allegations contained in Paragraph 2.

COMPLAINT ¶ 3:

Allstate is subject to the jurisdiction of the courts of South Carolina pursuant to S.C. Code Ann. §36-2-802, as Allstate does business in South Carolina, and S.C. Code Ann. §36-2-803(A)(1), (2), (3), (4), (6) and (7), as Allstate has transacted business in South Carolina, contracted to supply services in South Carolina, committed tortious acts in South Carolina, caused tortious injury in South Carolina, contracted to insure people, property and risk in South Carolina and has entered into contracts to be performed in South Carolina.

ANSWER:

Allstate denies that jurisdiction is proper in the state courts of South Carolina. Answering further, Allstate denies that it committed any tortious acts or caused tortious injury and denies it is liable to Plaintiff for any reason whatsoever.

COMPLAINT ¶ 4:

This court has jurisdiction over the parties to and the subject matter of this litigation.

ANSWER:

Allstate denies that jurisdiction is proper in the Court of Common Pleas for the Fifth Judicial Circuit, County of Richland, South Carolina.

BACKGROUND FACTS

COMPLAINT ¶ 5:

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

ANSWER:

Allstate incorporates by reference its answers to the allegations contained in Paragraphs 1 through 4, as if set forth fully herein.

COMPLAINT ¶ 6:

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

ANSWER:

Allstate admits that Plaintiff entered into an Allstate R3001S Exclusive Agency Agreement (the "Agreement") with Allstate and admits that a true and correct copy of the Agreement is attached to Plaintiff's Complaint. Allstate refers to said document as the best evidence of its own terms and denies any allegations that are inconsistent with the terms of the Agreement.

COMPLAINT ¶ 7:

The Agreement was drafted by Allstate.

ANSWER:

Allstate admits the allegations contained in Paragraph 7.

COMPLAINT ¶ 8:

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

ANSWER:

Allstate admits that no substantive changes were made to the standard Allstate R3001S Exclusive Agency Agreement executed by Plaintiff and attached to his Complaint. Allstate denies the remaining allegations contained in Paragraph 8.

COMPLAINT ¶ 9:

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

ANSWER:

Allstate admits that Paragraph 9 correctly cites the language contained in the Agreement and refers to said document as the best evidence of its own terms.

COMPLAINT ¶ 10:

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

ANSWER:

Allstate admits that Plaintiff was an Exclusive Allstate Agent and operated an Allstate Exclusive Agency location at 11134 Broad River Road, Suite B, in Irmo, South Carolina 29603. Allstate denies the remaining allegations contained in Paragraph 10.

COMPLAINT ¶ 11:

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

ANSWER:

Allstate admits that, as an Allstate Exclusive Agent, Plaintiff sold Allstate insurance products, including home, life, and car insurance policies from 11134 Broad River Road, Suite B, Irmo, South Carolina 29603.

COMPLAINT ¶ 12:

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

ANSWER:

Allstate admits that Paragraph 12 correctly cites the language contained in the Agreement and refers to said document as the best evidence of its own terms.

COMPLAINT ¶ 13:

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

ANSWER:

Allstate lacks knowledge sufficient to form a belief as to the truth of the allegations contained in Paragraph 13.

COMPLAINT ¶ 14:

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

ANSWER:

Allstate admits that it had a right to terminate the Agreement, pursuant to the terms of the Agreement and the terms of the documents incorporated by reference into the Agreement. Allstate denies that its right to terminate the Agreement was conditioned on sending notice to the address contained in Section XIX of the Agreement.

COMPLAINT ¶ 15:

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

ANSWER:

Paragraph 15 calls for a legal conclusions to which no answer is required. To the extent a response is required, Allstate denies the allegations contained in Paragraph 15.

COMPLAINT ¶ 16:

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

ANSWER:

Allstate admits that it sent a letter of termination to Plaintiff, dated February 19, 2020, and that a true and correct copy of said letter is attached to Plaintiff's Complaint. Answering further, Allstate refers to said letter as the best evidence of its own terms.

COMPLAINT ¶ 17:

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

ANSWER:

Allstate denies that the address listed on the February 19, 2020 was “not the proper address required” and denies that Plaintiff did not timely receive actual notice of Allstate’s termination of the Agreement.

COMPLAINT ¶ 18:

Allstate’s termination letter was never delivered to Sidney.

ANSWER:

Allstate denies the allegations contained in Paragraph 18.

COMPLAINT ¶ 19:

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

ANSWER:

Allstate denies the allegations contained in Paragraph 19.

COMPLAINT ¶ 20:

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

ANSWER:

Allstate denies the allegations contained in Paragraph 20.

COMPLAINT ¶ 21:

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

ANSWER:

Allstate admits that Paragraph 21 correctly cites the language contained in February 19, 2020 termination letter and refers to said document as the best evidence of its own terms.

COMPLAINT ¶ 22:

This reason was pretextual.

ANSWER:

Allstate denies the allegations contained in Paragraph 22.

COMPLAINT ¶ 23:

This reason was made in bad faith.

ANSWER:

Allstate denies the allegations contained in Paragraph 23.

COMPLAINT ¶ 24:

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

ANSWER:

Allstate denies the allegations contained in Paragraph 24.

COMPLAINT ¶ 25:

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

ANSWER:

Allstate lacks sufficient knowledge to form a belief as to the truth of the allegations that Plaintiff's client base as an Allstate Exclusive Agent "consisted primarily of minorities." Allstate denies the remaining allegations contained in Paragraph 25.

COMPLAINT ¶ 26:

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

ANSWER:

Allstate denies the allegations contained in Paragraph 26.

COMPLAINT ¶ 27:

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

ANSWER:

Allstate admits that Paragraph 27 correctly cites the language contained in February 19, 2020 termination letter and refers to said document as the best evidence of its own terms.

COMPLAINT ¶ 28:

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

ANSWER:

Allstate admits the allegations contained in Paragraph 28.

COMPLAINT ¶ 29:

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

ANSWER:

Allstate denies the allegations contained in Paragraph 29.

COMPLAINT ¶ 30:

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

ANSWER:

Allstate denies the allegations contained in Paragraph 30. Answering further, Allstate denies that Plaintiff did not timely receive actual notice of Allstate's termination of the Agreement.

COMPLAINT ¶ 31:

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

ANSWER:

Allstate denies the allegations contained in Paragraph 31.

COMPLAINT ¶ 32:

Allstate deprived Sidney the right and opportunity to sell his “book of business.”

ANSWER:

Allstate denies the allegations contained in Paragraph 32.

COMPLAINT ¶ 33:

Allstate breached the Agreement.

ANSWER:

Allstate denies the allegations contained in Paragraph 33.

COMPLAINT ¶ 34:

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

ANSWER:

Allstate denies that it “unlawfully converted” Plaintiff’s economic interest in the Allstate book of business he serviced or any property that Plaintiff owned, possessed, or had an entitlement of possession to. Allstate further denies that it is liable to Plaintiff in any way whatsoever. Answering further, Allstate admits that certain elements of the Allstate book of business that Plaintiff formerly serviced were ceded to other Allstate Exclusive Agents when Plaintiff failed to secure an Allstate-approved buyer and complete the sale of his economic interest by the time required as set forth in the February 19, 2020 termination letter and the documents referenced therein.

**FOR A FIRST CAUSE OF ACTION
(BREACH OF CONTRACT)**

COMPLAINT ¶ 35:

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

ANSWER:

Allstate incorporates by reference its answers to the allegations contained in Paragraphs 1 through 34 of the Complaint, as if set forth fully herein.

COMPLAINT ¶ 36:

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

ANSWER:

Allstate denies the allegations contained in Paragraph 36 of the Complaint and each of its subparts.

COMPLAINT ¶ 37:

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

ANSWER:

Allstate admits only to legally obligations imposed on Allstate by South Carolina law and denies that Plaintiff has accurately, fully and completely stated those allegations in Paragraph 37. Answering further, Allstate denies that it breached its obligations under the Agreement and denies that it is liable to Plaintiff in any way whatsoever.

COMPLAINT ¶ 38:

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

ANSWER:

Allstate denies the allegations contained in Paragraph 38.

COMPLAINT ¶ 39:

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

ANSWER:

Allstate denies the allegations contained in Paragraph 39.

COMPLAINT ¶ 40:

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

ANSWER:

Allstate denies the allegations contained in Paragraph 40.

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

COMPLAINT ¶ 41:

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

ANSWER:

Allstate incorporates by reference its answers to the allegations contained in Paragraphs 1 through 40 of the Complaint, as if set forth fully herein.

COMPLAINT ¶ 42:

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

ANSWER:

Allstate admits that, as an Allstate Exclusive Agent, Plaintiff had the ability to receive commissions for Allstate products he sold to Allstate customers. To the extent Paragraph 42 seeks to elicit an answer regarding specific Allstate products Plaintiff sold or commissions he received therefrom, Paragraph 42 is unanswerable in its current form as it does not provide adequate information. Allstate, therefore, lacks sufficient knowledge to form a belief as to the truth of those allegations.

COMPLAINT ¶ 43:

Allstate knew of Sidney's contracts with his customers.

ANSWER:

Allstate admits that, under the relationship between the parties formed by the Agreement, Allstate was aware of the Allstate insurance products sold by Plaintiff to Allstate customers. To the extent Paragraph 43 seeks to elicit an answer regarding specific Allstate products Plaintiff sold or Allstate customers to which those products were sold, Paragraph 43 is unanswerable in its current form as it does not provide adequate information. Allstate, therefore, lacks sufficient knowledge to form a belief as to the truth of those allegations.

COMPLAINT ¶ 44:

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

ANSWER:

Allstate denies the allegations contained in Paragraph 44.

COMPLAINT ¶ 45:

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

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

ANSWER:

Allstate denies the allegations contained in Paragraph 45 and each of its subparts.

COMPLAINT ¶ 46:

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

amount to impress upon the Defendant the seriousness of his conduct and to deter such similar conduct in the future.

ANSWER:

Allstate denies the allegations contained in Paragraph 46.

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

COMPLAINT ¶ 47:

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

ANSWER:

Allstate incorporates by reference its answers to the allegations contained in Paragraphs 1 through 46 of the Complaint, as if set forth fully herein.

COMPLAINT ¶ 48:

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

ANSWER:

Allstate lacks sufficient knowledge to form a belief as to the truth of the allegations contained in Paragraph 48.

COMPLAINT ¶ 49:

Allstate knew of Sidney's economic opportunities.

ANSWER:

To the extent Paragraph 49 seeks to elicit an answer regarding specific "economic opportunities" of Plaintiff, Paragraph 49 is unanswerable in its current form as it does not provide adequate information. To the extent an answer is required, Allstate denies the allegations contained in Paragraph 49.

COMPLAINT ¶ 50:

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

ANSWER:

Allstate denies the allegations contained in Paragraph 50.

COMPLAINT ¶ 51:

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

ANSWER:

Allstate denies the allegations contained in Paragraph 51.

**FOR A FOURTH CAUSE OF ACTION
(CONVERSION)**

COMPLAINT ¶ 52:

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

ANSWER:

Allstate incorporates by reference its answers to the allegations contained in Paragraphs 1 through 51 of the Complaint, as if set forth fully herein.

COMPLAINT ¶ 53:

Sidney's Allstate "book of business" was his property:

ANSWER:

Allstate denies the allegations contained in Paragraph 53. Answering further, Allstate states that Plaintiff had an economic interest in the Allstate book of business he serviced as an Allstate Exclusive Agent, as defined in the Agreement and the documents incorporated by reference therein.

COMPLAINT ¶ 54:

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

ANSWER:

Allstate admits that Plaintiff had an economic interest in the Allstate book of business he serviced as an Allstate Exclusive Agent, as defined in the Agreement and the documents incorporated by reference therein and denies the remaining allegations in Paragraph 54.

COMPLAINT ¶ 55:

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

ANSWER:

Allstate denies the allegations contained in Paragraph 55.

COMPLAINT ¶ 56:

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

ANSWER:

Allstate denies the allegations contained in Paragraph 56.

COMPLAINT ¶ 57:

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

ANSWER:

Allstate denies the allegations contained in Paragraph 57.

COMPLAINT ¶ 58:

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

ANSWER:

Allstate denies the allegations contained in Paragraph 58.

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

COMPLAINT ¶ 59:

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

ANSWER:

Allstate incorporates by reference its answers to the allegations contained in Paragraphs 1 through 58 of the Complaint, as if set forth fully herein.

COMPLAINT ¶ 60:

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

ANSWER:

Allstate denies the allegations contained in Paragraph 60.

COMPLAINT ¶ 61:

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

ANSWER:

Allstate denies the allegations contained in Paragraph 61.

COMPLAINT ¶ 62:

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

ANSWER:

Allstate denies the allegations contained in Paragraph 62 and each of its subparts.

COMPLAINT ¶ 63:

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

ANSWER:

Allstate denies the allegations contained in Paragraph 63.

COMPLAINT ¶ 64:

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

ANSWER:

Allstate denies the allegations contained in Paragraph 64.

COMPLAINT ¶ 65:

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

ANSWER:

Allstate denies the allegations contained in Paragraph 65.

COMPLAINT ¶ 66:

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

ANSWER:

Allstate denies the allegations contained in Paragraph 66.

WHEREFORE, Defendant Allstate Insurance Company denies that Plaintiff Sidney Lyles is entitled to a judgment for any reason whatsoever or in any amount whatsoever and requests that this Court dismiss Plaintiff's action with prejudice and award Allstate the costs and attorneys' fees Allstate has incurred as a result of having to defend against Plaintiff's action.

AFFIRMATIVE DEFENSES

Allstate denies that it is liable to Plaintiff for any reason whatsoever. Subject to, and without waiver of the denials contained in its answers above, Allstate asserts the following affirmative defenses to the claims alleged in Plaintiff's Complaint.

FIRST AFFIRMATIVE DEFENSE

Plaintiff cannot establish any damages arising from any action or inaction of Allstate. Accordingly, Plaintiff is not entitled to any monetary damages or other relief.

SECOND AFFIRMATIVE DEFENSE

Damages, if any, that may have been sustained by Plaintiff were the result of independent intervening and/or superseding acts, negligence, and or fault of other parties over whom Allstate exercised no control or right of control and for whose actions Allstate is not liable.

THIRD AFFIRMATIVE DEFENSE

Damages, if any, sustained by Plaintiff are unrecoverable because of his failure to make reasonable efforts to mitigate damages.

FOURTH AFFIRMATIVE DEFENSE

Plaintiff's claims for treble damages, punitive damages, and attorneys' fees are barred because Allstate acted at all times in good faith in dealings with Plaintiff, and such damages are otherwise not warranted or recoverable in this action.

FIFTH AFFIRMATIVE DEFENSE

To the extent Plaintiff failed to exhaust his administrative remedies and/or failed to comply with any procedural prerequisites prior to bringing his claims, the Court lacks subject matter jurisdiction over such claims or such claims are otherwise barred.

SIXTH AFFIRMATIVE DEFENSE

To the extent Plaintiff's claims are based on acts that occurred prior to any applicable statute of limitations, Plaintiff's claims are time-barred.

Allstate does not waive any affirmative defense by not specifically enumerating such defense herein. Allstate reserves the right to amend and/or supplement its affirmative defenses as more information becomes available in this litigation.

WHEREFORE, Defendant Allstate Insurance Company respectfully requests that this Court enter an order and judgment in its favor and against Plaintiff Sidney Lyles that dismisses Plaintiff's action with prejudice and awards Allstate its costs and disbursements, including reasonable attorneys' fees, incurred in this action, and grants any further relief to Allstate that this Court deems just and proper.

Dated: October 7, 2020

Respectfully submitted,

SEYFARTH SHAW LLP

/s/ Honore N. Hishamunda

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

SIDNEY LYLES,

Plaintiff,

v.

ALLSTATE INSURANCE COMPANY,

Defendant.

Case No. 3:20-cv-03473-MGL

Judge Mary Geiger Lewis

**DEFENDANT'S STATEMENT
REGARDING REMOVAL PURSUANT
TO THE COURT'S STANDING ORDER**

Defendant Allstate Insurance Company ("Allstate"), by and through the undersigned counsel, responds as follows to the inquiries set forth in the Court's Standing Order Regarding All Removed Cases:

1. The date(s) Defendant(s) or their representative(s) first received a copy of the summons and complaint in the state court action;

Allstate, through its registered agent, was served with a copy of Plaintiff Sidney Lyles's ("Lyles") Complaint and Summons, filed in the Court of Common Pleas for Richland County, South Carolina, on September 2, 2020.

2. The date(s) each Defendant was served with a copy of the summons and complaint, if those dates differ from the date(s) set forth in item number 1;

Please see Allstate's response to item number 1.

3. In actions predicated on diversity jurisdiction, an explanation of whether any Defendants who have been served are citizens of South Carolina;

Subject-matter jurisdiction in this case is predicated on diversity jurisdiction. No Defendants who have been served are citizens of South Carolina. Allstate, the only Defendant in this action, is a resident of the State of Illinois.

4. In actions predicated on diversity jurisdiction, the basis for believing that the amount in controversy exceeds \$75,000.00.

In his Complaint, Lyles seeks actual damages, to be trebled pursuant to S.C. Code Ann. § 39-5-10, as well as punitive damages, prejudgment interest, attorneys' fees, and costs. Lyles claims losses associated with the value of his Allstate Exclusive Agency and the Book of Business he serviced through the Allstate Exclusive Agency. (Compl. ¶ 39). He also alleges lost economic opportunities. (*Id.* ¶¶ 45, 50). The Allstate Book of Business at issue generated over \$75,000 annually in both premiums and commissions and, therefore, far exceeds the jurisdictional minimum. (*See* Dkt. No. 1-2 (Decl. of W. Porter in Support of Notice of Removal) ¶ 4). Lyles's request for statutorily provided treble damages as well as punitive damages also suggests the jurisdictional threshold is met. *See Mattison v. Wal-Mart Stores, Inc.*, 2011 WL 494395, at *3 (D.S.C. Feb. 4, 2011) (noting that “[i]n addition to her claim for actual and consequential damages in an undetermined amount, [plaintiff's] [c]omplaint also includes a prayer for relief requesting actual damages, treble damages, punitive damages, and attorneys' fees” such that “[e]ven though [complaint] does not specify the exact amount of damages [plaintiff] is claiming in this action, her request for punitive damages alone, which are properly considered for purposes of determining the amount in controversy, makes it difficult for [plaintiff] to prove she could not possible recover the jurisdictional limit were she to prevail at trial.”); *see also Woodward v. Newcourt Comm. Fin. Corp.*, 60 F. Supp. 2d 530, 532 (D. S.C. 1999) (noting that plaintiff's “claim for punitive damages alone” rendered it “virtually impossible” to say that jurisdictional minimum was not satisfied).

5. If removal takes place more than thirty days after Defendant first received a copy of the summons and complaint, the reasons why removal has taken place at this time and the date on which Defendant(s) first received a paper identifying the basis for such a removal;

Not applicable. Allstate received a copy of the summons and Complaint on September 2, 2020, and filed its Notice of Removal on October 1, 2020.

6. In actions removed on the basis of this Court's diversity jurisdiction in which the action in state court was commenced more than one year before the date of removal, the reasons why this action should not summarily be remanded to state court; and

Not applicable. Lyles filed his Complaint in state court on August 26, 2020. Allstate filed its Notice of Removal on October 1, 2020.

7. The identity of any Defendant who Plaintiff(s) served prior to the time of removal who did not formally join in notice of removal and the reasons therefor.

Not applicable. Allstate is the only Defendant in this action.

Dated: October 7, 2020

Respectfully submitted,

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