

**United States District Court  
Eastern District of Virginia  
Alexandria Division**

PAUL SHAO,  
Plaintiff,

v.

ALLSTATE INSURANCE COMPANY,  
Defendant.

Civil Action No. 1:21-cv-00482

Circuit Court for County of Fairfax Civil Action  
No. 2021-03802

**PLAINTIFF’S MEMORANDUM OF LAW IN SUPPORT OF  
HIS MOTION TO REMAND**

Plaintiff Paul Shao (“Plaintiff” and/or “Shao”) brings the present memorandum of law in support of his motion to remand pursuant to 28 U.S.C. §1332(a) as set forth herein. Since the enactment of the Federal Courts Improvement Act of 1996, 28 U.S.C. §1332(a) has provided that a claim for relief must exceed the sum or value of \$75,000, exclusive of interest and costs and without considering counterclaims. In other words, the amount in controversy must be equal to or more than \$75,000.01, and (in a case which has been removed from a state court to the federal court) a federal court must remand a case back to state court if the amount in controversy is exactly \$75,000.00. *Freeland v. Liberty Mutual Fire. Ins. Co.*, 632 F.3d 250 (6th Cir. 2011). The present motion is brought in response to defendant’s faulty removal whereby by defendant Allstate Insurance Company (“Defendant” and/or “Allstate”) seek to create an arbitrary sum of \$37,908.85 (See *Notice of Removal*, p. 7, ¶ 26.) and add it to plaintiff claim of \$70,313.33 without providing accounting schedule in line with the norm and general practice of how Allstate calculates the its Loan and TPP payments, proclaiming thus that plaintiff’s Prayer claim exceeds the threshold sum of \$75,000, specified in 28 U.S.C. §1332(a).

Before going into the discussion of disagreement between plaintiff and defendant, plaintiff wants to concur with defendant that diversity jurisdiction exists and defendant filed the notice of removal within 30 days of the first removable document, the initial complaint, which was served to defendant on 3/19/21. The deadline date is 4/17/21, which is Saturday and thus is extended to Monday, 4/19/21 in applying Fed. R. Civ. P. 6(a). However, the Court’s CM/ECF was down on 4/19/21 and thus the VAED filing deadlines would automatically be extended until 4/20/21. Shao has verified with the Court on the subject matter and agrees that the deadline date for filing Removal is 4/20/21.

The disagreement lies in amount in controversy. Does Shao's Prayer claim of \$70,313.33 constitute the highest amount of demand? The defendant's *Notice of Removal* challenges this figure by citing that Shao wanted a declaration from the Court that Shao now owes no sum of money to Defendant Allstate. (See p. 6, ¶ 21 – p. 7, ¶ 27; also see the Prayer for Relief of the initial complaint, attached as Exhibit "1" in *Notice of Removal*, doc. 1-2, p. 5.) The reason why Shao pleaded for a declaration from the Court, stating that Shao now owes no sum of money to Defendant Allstate in the Prayer claim, is because Allstate demanded an additional \$8,120.88 from Shao before or on 1/10/21 to retire the loan under question, after he paid the sum of \$13,359.53 to offset the difference between the loan balance amount of \$143,332.74 and the TPP amount of \$129,973.21 for Allstate to appropriate his book. The accounting given in the *Notice of Removal* (p. 6, ¶ 21 – p. 7, ¶ 27.), which comes up with a figure of \$37,908.85 is not in accordance with the norm and general practice of accounting on Loan balance and TPP payments by Allstate, given to me by Allstate. The following spreadsheet, which is part of the payment schedule (Exhibit "A" .), given to me on 1/6/21 by Brandon Hokanson<sup>1</sup> ("Mr. Hokanson") of Allstate Finance via email, would provide a clearer picture:

|                        |               |               |                   |                  |
|------------------------|---------------|---------------|-------------------|------------------|
| Current Balance        | \$ 113,726.26 |               |                   |                  |
| Est. Paydown           | \$ (8,120.88) |               |                   |                  |
| Balance as of 1/10     | \$ 105,605.38 |               |                   |                  |
| TPP Schedule Remaining | Balance       | TPP           | Balance after Pmt | Accrued Interest |
| 1                      | \$ 105,605.38 | \$ (5,415.55) | \$ 100,189.83     | \$ 2,744.66      |
| 2                      | \$ 100,189.83 | \$ (5,415.55) | \$ 94,774.28      | \$ 551.04        |
| 3                      | \$ 94,774.28  | \$ (5,415.55) | \$ 89,358.73      | \$ 521.26        |
| 4                      | \$ 89,358.73  | \$ (5,415.55) | \$ 83,943.18      | \$ 491.47        |
| 5                      | \$ 83,943.18  | \$ (5,415.55) | \$ 78,527.63      | \$ 461.69        |

This schedule does not specify the date of the current balance. It should be 1/6/21 since the attachment was sent on that day. Therefore, the loan balance as of March 2021 is \$94,774.28 plus the 6.6% interest on the sum of \$8,120.88 (which Shao has not paid yet) from 1/10/21 onwards, which was not included in this chart. The *Removal's* claim (p. 6, ¶ 22.) that the balance as of March 2021 is \$129,973.21 is not an accurate statement. From this chart, one can see that Allstate automatically applies the installment payment of TPP to the loan balance, which is the norm and general practice of calculating the Loan and TPP payments by Allstate. I have not received any notice from Allstate, stating that it has stopped this automatic procedure of payment from TPP, after I requested an immediate satisfaction of the outstanding loan balance, when paying the difference between the two.

Defendant's act of adding the artificially manufactured sum of \$37,908.85 to Shao's Prayer claim of \$70,313.33 is faulty in the sense that the Prayer claim of immediate satisfaction (which is, \$8,120.88 plus accrued interest after 1/10/21) of the outstanding loan balance is an "either-or" relationship to the

<sup>1</sup> In his 12/17/20 email, Mr. Hokanson stated, "I ran some numbers to figure out a required paydown. We need to receive \$8,120.88 by 1/10. This payment along with the future TPP payments will cover all current and future principal and interest due." Shao has not made this payment of \$8,120.88 yet. (Exhibit "B".)


Prayer claim that Shao's financial interests of commission (which is, \$17,293.90 for two years) in the book, appropriated by Allstate, remains in force until Allstate pays the TPP sum in full. If the Court were to rule one in favor of Plaintiff, then it automatically nullifies or cancels the other claim. That is, if the Court were to rule favorably for plaintiff to receive \$17,293.90 from Allstate, then plaintiff had to pay Allstate the sum of \$8,120.88plus to retire the loan; if the Court were to rule favorably for plaintiff to retire the loan without paying additional sum of \$8,120.88plus, then Allstate needed not to pay Shao the sum of \$17,293.90 for his two-year financial interests in his book, because Allstate had paid off from TPP the lump sum to the loan balance from the start. The total Payer claim is either \$70,313.33 or \$61,140.31plus (= \$8,120.88plus + \$53,019.43), both of which is less than the threshold sum of \$75,000. The defendant's *Removal* has not provided evidence that Allstate has changed its norm and general practice of automatically applying TPP payments to offset the loan balance. The *Removal* has thus made a faulty assumption that the relationship between loan satisfaction and book ownership interests is an aggregate or accumulative one. It is, as shown above, an "either-or" relation.

Plaintiff ventures to make a conjecture as to why defendant wants to remove from the initial state court where the complaint was filed to a federal court. This is because defendant has not and still not responded to the state court's Summons-Civil Action, which was served on 3/19/21 with a 21-day response time limit. By not observing and respecting this time limit, defendant faces the possibility of that "the court may enter an order, judgment or decree against such party either by default or after hearing evidence." (See Exhibit "1" of *Remove*, doc. 1-2, p. 5.)

**DATED: April 26, 2021**

**PAUL SHAO,**

*Pro Se Litigant*



Paul Shao

9233 Lee Masey Drive,

Lorton, Virginia 22079


(202) 290-6300 Telephone

[paulyshao@gmail.com](mailto:paulyshao@gmail.com)

## CERTIFICATE OF SERVICE

I certified that on April 26, 2021, a copy of the foregoing Plaintiff's Memorandum of Law in support of His Motion to Remand was filed with the clerk's office of the Court, emailed, and mailed to Defendant at the following address:

Renée B. Appel, Esq.  
[rapel@sayfarth.com](mailto:rapel@sayfarth.com)  
SEYFARTH SHAW LLP  
975 F Street, N.W.  
Washington, DC 20004-1454



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Paul Shao

2021 APR 26 P 1:58

CLERK US DISTRICT COURT  
ALEXANDRIA, VIRGINIA

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF VIRGINIA  
DIVISION

PAUL SHAO

Plaintiff(s),

v.

Civil Action Number: 1:21-cv-00482

Allstate Insurance Company

Defendant(s).

LOCAL RULE 83.1(M) CERTIFICATION

I declare under penalty of perjury that:

No attorney has prepared, or assisted in the preparation of ① Plaintiff's Memorandum  
(Title of Document)

of Law in Support of  
His Motion to Remand  
with Exhibit A & B

PAUL SHAO

Name of Pro Se Party (Print or Type)



Signature of Pro Se Party

② AFFIDAVIT of PAUL SHAO

Executed on: April 26, 2021 (Date)

OR

The following attorney(s) prepared or assisted me in preparation of \_\_\_\_\_  
(Title of Document)

\_\_\_\_\_  
(Name of Attorney)

\_\_\_\_\_  
(Address of Attorney)

\_\_\_\_\_  
(Telephone Number of Attorney)  
Prepared, or assisted in the preparation of, this document

\_\_\_\_\_  
(Name of Pro Se Party (Print or Type)

\_\_\_\_\_  
Signature of Pro Se Party

Executed on: \_\_\_\_\_ (Date)

# EXHIBIT A



Paul Shao &lt;paulyshao@gmail.com&gt;

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## Payment

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**Hokanson, Brandon** <bhoka@allstate.com>  
To: Paul Shao <paulyshao@gmail.com>

Wed, Jan 6, 2021 at 1:46 PM

Hi Paul,

I have attached a payment schedule to breakdown how I reached my figure. I will have someone from our operations team reach out to you.

I don't have an answer for why a part of you book being excluded from your TPP. That would need to go to someone in agency compensation. We are only given the estimated final amount split over 24 months. AFCO doesn't have anything to do with how it was calculated.

[Quoted text hidden]

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 **Pmt Schedule - Shao.xlsx**  
13K



|                               |                |               |                          |                         |
|-------------------------------|----------------|---------------|--------------------------|-------------------------|
| <b>Current Balance</b>        | \$ 113,726.26  |               |                          |                         |
| <b>Est. Paydown</b>           | \$ (8,120.88)  |               |                          |                         |
| <b>Balance as of 1/10</b>     | \$ 105,605.38  |               |                          |                         |
| <b>TPP Schedule Remaining</b> | <b>Balance</b> | <b>TPP</b>    | <b>Balance after Pmt</b> | <b>Accrued Interest</b> |
| 1                             | \$ 105,605.38  | \$ (5,415.55) | \$ 100,189.83            | \$ 2,744.66             |
| 2                             | \$ 100,189.83  | \$ (5,415.55) | \$ 94,774.28             | \$ 551.04               |
| 3                             | \$ 94,774.28   | \$ (5,415.55) | \$ 89,358.73             | \$ 521.26               |
| 4                             | \$ 89,358.73   | \$ (5,415.55) | \$ 83,943.18             | \$ 491.47               |
| 5                             | \$ 83,943.18   | \$ (5,415.55) | \$ 78,527.63             | \$ 461.69               |
| 6                             | \$ 78,527.63   | \$ (5,415.55) | \$ 73,112.08             | \$ 431.90               |
| 7                             | \$ 73,112.08   | \$ (5,415.55) | \$ 67,696.53             | \$ 402.12               |
| 8                             | \$ 67,696.53   | \$ (5,415.55) | \$ 62,280.98             | \$ 372.33               |
| 9                             | \$ 62,280.98   | \$ (5,415.55) | \$ 56,865.43             | \$ 342.55               |
| 10                            | \$ 56,865.43   | \$ (5,415.55) | \$ 51,449.88             | \$ 312.76               |
| 11                            | \$ 51,449.88   | \$ (5,415.55) | \$ 46,034.33             | \$ 282.97               |
| 12                            | \$ 46,034.33   | \$ (5,415.55) | \$ 40,618.78             | \$ 253.19               |
| 13                            | \$ 40,618.78   | \$ (5,415.55) | \$ 35,203.23             | \$ 223.40               |
| 14                            | \$ 35,203.23   | \$ (5,415.55) | \$ 29,787.68             | \$ 193.62               |
| 15                            | \$ 29,787.68   | \$ (5,415.55) | \$ 24,372.13             | \$ 163.83               |
| 16                            | \$ 24,372.13   | \$ (5,415.55) | \$ 18,956.58             | \$ 134.05               |
| 17                            | \$ 18,956.58   | \$ (5,415.55) | \$ 13,541.03             | \$ 104.26               |
| 18                            | \$ 13,541.03   | \$ (5,415.55) | \$ 8,125.48              | \$ 74.48                |
| 19                            | \$ 8,125.48    | \$ (5,415.55) | \$ 2,709.93              | \$ 44.69                |
| 20                            | \$ 2,709.93    | \$ (5,415.55) | \$ (2,705.62)            | \$ 14.90                |
| 21                            | \$ (2,705.62)  | \$ (5,415.55) | \$ (8,121.17)            | \$ -                    |
| <b>Total Accrued Interest</b> | \$ 8,121.17    |               |                          |                         |
| <b>Remaining TPP - Pmt 20</b> | \$ (2,705.62)  |               |                          |                         |
| <b>Balance after Pmt 20</b>   | \$ 5,415.55    |               |                          |                         |
| <b>TPP payment 21</b>         | \$ (5,415.55)  |               |                          |                         |
| <b>Final Balance</b>          | \$ -           |               |                          |                         |

# EXHIBIT B



Paul Shao &lt;paulyshao@gmail.com&gt;

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**Payment**

15 messages

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**Paul Shao** <paulyshao@gmail.com>

Fri, Nov 27, 2020 at 2:01 PM

To: "Hokanson, Brandon" &lt;bhoka@allstate.com&gt;

Hi Brandon, I am asking my bank, BB&T, to send to:

Allstate Finance Company Agency Loans, LLC

3075 Sanders Road, Suite G4

Northbrook, IL 60062

a check of the sum of \$10,508.09.

As of 9/30/2020, my loan balance is: \$143,332.74 and my PPT payment is: \$129,973.21.

The difference is: \$13,359.53.

I had remitted \$2,851.44 on 10/22/2020 and was cashed by Allstate.

The sum of \$10,508.09 is the balance of \$13,359.53 after the payment of \$2,851.44.

If you have any questions, please let me know.

Regards,

Paul Shao

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**Hokanson, Brandon** <bhoka@allstate.com>

Tue, Dec 8, 2020 at 4:49 PM

To: Paul Shao &lt;paulyshao@gmail.com&gt;

Hi Paul,

You will still be short of paying off the loan using your methodology. You are not considering the interest that accrues each day. The TPP is paid out over 24 months and not a lump sum. That is why my figure was higher than the one you give below. I recommend a monthly payment plan or pay the loan down using my figure from my previous e-mail.

Take care,

Brandon

[Quoted text hidden]

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**Paul Shao** <paulyshao@gmail.com>

Tue, Dec 8, 2020 at 5:09 PM

To: "Vogelman Jeffrey A." &lt;jvogelman@vogelmanturner.com&gt;

Let us leave it as it is. I shall discuss w u after X'mas.

Sent from my iPhone

Begin forwarded message:

**From:** "Hokanson, Brandon" <bhoka@allstate.com>

**Date:** December 8, 2020 at 4:51:14 PM EST

**To:** Paul Shao <paulyshao@gmail.com>

**Subject:** RE: Payment

[Quoted text hidden]

**Paul Shao** <paulyshao@gmail.com>  
To: "Hokanson, Brandon" <bhoka@allstate.com>

Tue, Dec 8, 2020 at 5:22 PM

Hi Brandon, please cash the check of of the sum of \$10,508.09, which I asked BB&T bank to send you on December 3, 2020. Then, you can let me know how much I owe Allstate under your calculation.

Regards,  
Paul.

[Quoted text hidden]

**Hokanson, Brandon** <bhoka@allstate.com>  
To: Paul Shao <paulyshao@gmail.com>

Tue, Dec 8, 2020 at 5:25 PM

Ok. I was able to confirm with our operations staff that we received the check today. It is being processed.

[Quoted text hidden]

**Paul Shao** <paulyshao@gmail.com>  
To: "Jeffrey A. Vogelmann" <jvogelmann@vogelmannturner.com>

Tue, Dec 8, 2020 at 5:33 PM

[Quoted text hidden]

**Paul Shao** <paulyshao@gmail.com>  
To: "Hokanson, Brandon" <bhoka@allstate.com>

Wed, Dec 9, 2020 at 9:20 AM

Thanks Brandon. Paul

Sent from my iPhone

On Dec 8, 2020, at 5:26 PM, Hokanson, Brandon <bhoka@allstate.com> wrote:

[Quoted text hidden]

**Paul Shao** <paulyshao@gmail.com>  
To: "Jeffrey A. Vogelmann" <jvogelmann@vogelmannturner.com>

Wed, Dec 9, 2020 at 9:36 AM

Sent from my iPhone

Begin forwarded message:

**From:** "Hokanson, Brandon" <bhoka@allstate.com>  
**Date:** December 8, 2020 at 5:26:47 PM EST  
**To:** Paul Shao <paulyshao@gmail.com>  
**Subject:** RE: Re: Payment

[Quoted text hidden]

**Hokanson, Brandon** <bhoka@allstate.com>

Thu, Dec 17, 2020 at 7:19 PM

To: Paul Shao <paulyshao@gmail.com>

Hi Paul,

The payment has been processed. I ran some numbers to figure out a required paydown. We need to receive \$8,120.88 by 1/10. This payment along with the future TPP payments will cover all current and future principal and interest due. Do you want me to have an operations staff member reach out to you for payment?

[Quoted text hidden]

**Paul Shao** <paulyshao@gmail.com>  
To: "Jeffrey A. Vogelman" <jvogelman@vogelmanturner.com>

Fri, Dec 18, 2020 at 11:25 AM

I shall send a draft of reply to you shortly for review. Thanks.

----- Forwarded message -----  
**From: Hokanson, Brandon** <bhoka@allstate.com>  
[Quoted text hidden]  
[Quoted text hidden]

**Paul Shao** <paulyshao@gmail.com>  
To: "Hokanson, Brandon" <bhoka@allstate.com>

Fri, Dec 18, 2020 at 3:18 PM

Hi Brandon, thank you for processing the payment of the difference, in my view, between my loan amount and the PPT payment amount. It would be good, if you could provide me with the detailed accounting of how you reach the figure \$8,120.88. You have given me a payment day of 1/10. I would also like a statement showing payment of that amount by that date will fully pay off the loan. An operational staff member can reach out to me.

For a related issue, since you are an expert on Allstate PPT payment, could you explain why a portion of my book was excluded from PPT payment? My 12 months earned premiums was \$1,353,508.91 as of 8/31/2020 and it had been reduced to \$960,772.39 for calculating my PPT payment. An official explanation from you would be most appreciated.

Regards,  
Paul Shao  
[Quoted text hidden]

**Hokanson, Brandon** <bhoka@allstate.com>  
To: Paul Shao <paulyshao@gmail.com>

Wed, Jan 6, 2021 at 1:46 PM

Hi Paul,

I have attached a payment schedule to breakdown how I reached my figure. I will have someone from our operations team reach out to you.

I don't have an answer for why a part of you book being excluded from your TPP. That would need to go to someone in agency compensation. We are only given the estimated final amount split over 24 months. AFCO doesn't have anything to do with how it was calculated.

[Quoted text hidden]

 **Pmt Schedule - Shao.xlsx**  
13K

Hokanson, Brandon <bhoka@allstate.com>  
To: Paul Shao <paulyshao@gmail.com>

Thu, Jan 7, 2021 at 12:07 PM

**From:** Hokanson, Brandon  
**Sent:** Wednesday, January 6, 2021 12:46 PM  
**To:** Paul Shao <paulyshao@gmail.com>

[Quoted text hidden]

[Quoted text hidden]

 **Pmt Schedule - Shao.xlsx**  
13K

**Paul Shao** <paulyshao@gmail.com>  
To: "Jeffrey A. Vogelmann" <jvogelman@vogelmannturner.com>

Thu, Jan 7, 2021 at 12:53 PM

Finally, I received this detailed accounting statement from Brandon. Paul.

----- Forwarded message -----

**From:** Hokanson, Brandon <bhoka@allstate.com>  
**Date:** Wed, Jan 6, 2021 at 1:47 PM  
**Subject:** RE: Re: Re: Payment  
**To:** Paul Shao <paulyshao@gmail.com>

[Quoted text hidden]

 **Pmt Schedule - Shao.xlsx**  
13K

**Paul Shao** <paulyshao@gmail.com>  
To: "Hokanson, Brandon" <bhoka@allstate.com>  
Cc: "Jeffrey A. Vogelmann" <jvogelman@vogelmannturner.com>

Fri, Jan 8, 2021 at 3:53 PM

Thank you for providing me with this information of payment schedule. I have discussed the matter with my attorney Mr. Vogelmann, who will write to you shortly.

Regards,  
Paul Shao

[Quoted text hidden]

2021 APR 26 P 1:58  
CLERK US DISTRICT COURT  
ALEXANDRIA, VIRGINIA

**United States District Court  
Eastern District of Virginia  
Alexandria Division**

PAUL SHAO,

Plaintiff,

v.

ALLSTATE INSURANCE COMPANY,

Defendant.

Civil Action No. 1:21-cv-00482

Circuit Court for County of Fairfax Civil Action  
No. 2021-03802

**AFFIDAVIT OF PAUL SHAO**

I, Paul Shao, do swear and depose as follows:

1. I am Pro Se Litigant for Paul Shao in the above-captioned action.
2. Attached to *Plaintiff's Memorandum of Law in Support of His Motion to Remand* and marked as Exhibit "A" is a true and correct copy of the email and the Payment Schedule spreadsheet as an attachment to Allstate Finance representative Brandon Hokanson's 1/6/21 email.
3. Attached to *Plaintiff's Memorandum of Law in Support of His Motion to Remand* and marked as Exhibit "B" is a true and correct copy of the email correspondences between Paul Shao and Brandon Hokanson.

SIGNED UNDER THE PAINS AND PENALTIES OF PERJURY ON THIS 26<sup>TH</sup> DAY OF APRIL 2021.

**PAUL SHAO,**

*Pro Se Litigant*



Paul Shao

9233 Lee Masey Drive,

Lorton, Virginia 22079

(202) 290-6300 Telephone

[paulyshao@gmail.com](mailto:paulyshao@gmail.com)



**CERTIFICATE OF SERVICE**

I certified that on April 26, 2021, a copy of the foregoing Affidavit of Paul Shao was filed with the clerk's office of the Court, emailed, and mailed to Defendant at the following address:

Renée B. Appel, Esq.  
[rapel@sayfarth.com](mailto:rapel@sayfarth.com)  
SEYFARTH SHAW LLP  
975 F Street, N.W.  
Washington, DC 20004-1454

A handwritten signature in black ink, appearing to be 'Paul Shao', written over a horizontal line.

Paul Shao

2021 APR 26 P 1:58

CLERK US DISTRICT COURT  
ALEXANDRIA, VIRGINIA