



U.S. Department of Justice
Office of Consumer Litigation
Civil Division
Washington, DC 20530

08/15/05

August 15, 2005

[REDACTED]
Golden, CO [REDACTED]

10134564

Re: Auto Safety

Dear Mr. [REDACTED]

This letter is in reply to your correspondence to the Attorney General which was referred to this Office for consideration and response. Your letter concerns what you allege to be a re-manufactured safety bar used in the repair of damage you claim your vehicle sustained. I note from your letter that this is your second correspondence to the Department of Justice. However, it appears that this is a separate issue (auto safety) from what your previous letter concerned.

Since your inquiry raises a matter that may involve automotive safety, I am forwarding a copy to the National Highway Traffic Safety Administration (NHTSA), at the address shown below, for consideration. NHTSA is the federal agency that investigates reports of safety related defects and substantial equipment failures and enforces laws requiring recalls and remedies in appropriate circumstances. While NHTSA tries to help every consumer, it cannot investigate each complaint. Before a formal investigation or recall is ordered by NHTSA, there must be evidence that the reported problem poses a safety risk and is a problem common to a group of vehicles or items of equipment.

I hope that agency will be able to assist you in some way.

Sincerely yours,

Kenneth L. Jost
Assistant Director
Office of Consumer Litigation
Civil Division

By: Kevin Lowell
Consumer Affairs Specialist

cc: National Highway Traffic Safety Administration Hotline
U.S. Department of Transportation
400 7th Street, SW
Washington, DC 20590
Toll free: 1-888-327-4236
www.nhtsa.dot.gov

Manoj
8/25/05

02 848599

[REDACTED]
Golden, Colorado [REDACTED]
August 1, 2005

CM/cl

Attorney General Alberto Gonzales
Department of Justice
Main Justice Building, Room 5111
950 Pennsylvania Avenue N.W.
Washington, D. C. 20530

Dear Sir:

On/about June 25, 2005, a letter was mailed to your office which indicated that an Allstate Insurance representative was making an auto repair recommendation which violated federal law, i.e., recommending a remanufactured safety bar was being authorized for auto repair (see enclosed letter of June 15, 2005, to Allstate). Further, you may also review:

1. Enclosed letter of June 22, 2005, from Allstate which did not acknowledge the issue.
2. Enclosed letter of July 11, 2005, from the U. S. Department of Justice which indicates "we are unable to offer you direct assistance."

Accordingly, and since a U. S. law violation was proposed/identified, and since the U. S. Department of Justice has no interest, perhaps your office will educate the U.S. public/voter just what the purpose of the U. S. Department of Justice is if not to pursue federal law violations?

The only possible answer I can come up with is perhaps federal law enforcement officials are relinquishing to the state the enforcement of federal laws or have personnel who are also moonlighting as Allstate Insurance consultants (see enclosed 7/15/05 letter to Edward M. Liddy) and also on the Allstate payroll?

In conclusion understand that as a U. S. citizen I have informed your office that a federal law violation was planned/recommended by Allstate and to prevent this occurring my family/I were required to pay expenses/non reimbursed repair money (see enclosed 8/2/05 letter to Allstate's Liddy) and if the U. S. Department of Justice does not plan actions to enforce federal laws what is the purpose of the department?

Respectfully,

[REDACTED]
RAF/30298

CON-08101

██████████
Golden, Colorado ██████████
July 15, 2005

Mr. Edward M. Liddy, President
All State Insurance Company
2775 Sanders Road
Northbrook, IL 60062

Re: *Why I'm Getting Screwed by the Good Hands Folks*

Dear Mr. ██████████

My wife, ██████████ is unfortunate enough to own a vehicle that was damaged by someone who has paid money to and believed he was insured by All State. Joan's 2004 Lexus ES330 is a luxury car in mint condition with low mileage (15,000 miles) and was worth over \$32,000.00, and now it has damages which will cost slightly over \$14,000.00 to repair, and even after repair will not be the same.

Further, based upon all contacts with All State's representatives (concerning the automobile and how payment for repairs will be handled on the car), it appears to me that All State is intent on selecting the cheapest possible alternatives to the repairs, and that All State representatives believe they have no obligations to victims of drivers All State insures.

I'm guessing that since the Lexus was a one year old 2004 vehicle All State figures it is all right to use pre-owned parts to fix the car. Being specific, All State also has determined that after market parts that don't fit and which are made of inferior materials with an inferior finish are good enough for my wife's vehicle. Trim that is on the car could also be 'undinged' and reused. Apparently All State believes that if the Lexus still runs at the end of this process, All State has fulfilled its obligations to my wife/me—even though the car is not the same car and never will be the same car and will not have the same resale/trade in value as the car had before the accident.

I have to ask why All State isn't having the Lexus repaired the right way. Why isn't All State intent on putting the car in the same condition it was in before it was rear ended by the All State insured driver? Why doesn't All State insist on use of manufacturer's parts and the replacement of all damaged parts? Why is All State avoiding the loss in value I have suffered because we now own a car that has been significantly damaged?

Understand I didn't have many of the answers until I reviewed All State Corporation's reported stock trading activity, and particularly insider and Rule 144 transactions. From my review I must say that All State does not nickel and dime its officers and directors with regard to

[REDACTED]
July 8, 2005

Page Two

comparative salaries and stock options. I. e., for corporate individuals the reported transactions for the first six months of 2005 indicate stock purchases totaling \$24,823,859.00 and stock sales totaling \$55,893,195.00 for gross profits of \$31,069,336.00.

That is a staggering amount of money for a few people spread over six months, and probably explains why All State is scrimping on all victims' insurance pay outs.

Unfortunately, the problem is that while All State management is socking away millions for the summer in the Hamptons or Jackson Hole, All State accident victims are getting screwed on having losses covered. And accordingly I believe All State needs to stop funding stock options and corporate defense attorneys and start properly paying off claims.

Respectfully,

[REDACTED]
BAP/50272

Cc: New York Stock Exchange
Securities Exchange Commission
Wall Street Journal
Colorado Auto Insurance Commission



U.S. Department of Justice
Office of Consumer Litigation
Civil Division
Washington, DC 20530

July 11, 2005

[REDACTED]
Golden, Colorado [REDACTED]

Re: Allstate Insurance Company

Dear Mr. [REDACTED]

This letter is in reply to your correspondence to the Attorney General which was referred to this Office for consideration and response. Your letter concerns what you allege to be fraudulent business practices by Allstate Insurance. I note from your letter that you have apparently already contacted your state regulatory agency regarding this matter.

Insurance companies are generally regulated by the states, rather than the federal government. As the Department of Justice only has authority to enforce certain federal laws, we are unable to offer you direct assistance.

As you have apparently already contacted the agencies or officials most directly responsible for considering the subject of your complaint, it appears you have taken the appropriate action.

Thank you for contacting the Department of Justice.

Sincerely yours,

Kenneth L. Jost
Assistant Director
Office of Consumer Litigation
Civil Division

By: Kevin Lowell
Consumer Affairs Specialist

[REDACTED]
Golden, Colorado [REDACTED]
August 1, 2005

Ms. Cheryl Goble, Senior Insurance Analyst
State of Colorado, Division of Insurance
1560 South Broadway, Suite 850
Denver, Colorado 80202

Dear Ms. Goble:

Enclosed for your review is a copy of your letter dated June 20 2005, and per your letter Regulation 1-1-8 requires a copy postmarked within 30 calendar days from date listed above on this correspondence. Unfortunately, as I check your letter's identified requirements versus the enclosed letter dated 7/12/05 my first question is why didn't we receive the 7/12/05 Allstate letter until after July 21, 2005? And as you may note, Mr. Miller's letter of 7/25/05 and my 7/29/05 letter have now asked for different answers.

I further note Mr. Jensen's 7/12/05 letter did not address the issues of:

1. The recommended U. S. auto state law violation by use of a remanufactured safety bar.
2. How Allstate planned to compensate us for the diminished value of a luxury auto which has experienced \$14,000 of rear end damage.

Know the state of Colorado's efforts (reference this matter) are much appreciated and I also enclose another copy of my 8/29/05 letter to David Rivera (same subject).

Respectfully,
[REDACTED]

RAP/50297

Enclosures: as stated

LAW OFFICES OF
STEPHEN W. MILLER
1221 EAST STREET
GOLDEN, COLORADO 80401
TELE. NO. (303) 278-4841
FAX NO. (303) 278-4843

July 25, 2005

Mr. David Jenkins
Market Claim Manager
Allstate Insurance Company
10800 E. Geddes Avenue, #200
Littleton, CO 80112

Re: Claim Number: 4470503220B03

Dear Mr. Jenkins:

Thank you for your letter of July 12, 2005 which Mr. [REDACTED] and I reviewed today. At the outset, it should be understood that my client has decided to get rid of the 2004 Lexus that was significantly damaged by your insured's son in June. For that purpose he has offered the vehicle as a trade in for a new Lexus at the Stevenson, Kuni and Colorado Springs Lexus dealerships. None would accept the car.

While the intent of your offer to negotiate a demand by Mr. [REDACTED] for the diminished value of the Lexus based upon his bona fide attempt to sell the car at fair retail market value with a full disclosure of the car's history is a step in the right direction, it is not a firm offer to compensate Mr. [REDACTED] for the damages he has incurred and it is subject to subjective interpretation.

For instance, what is a bona fide attempt to sell the car? Is it running an ad in a newspaper for a week or a month?

What should the ad say, i.e., 2004 Lexus recently repaired from \$13,000.00 in rear end damage asking \$34,162.70 or best offer in "as is" condition?

What if no one will buy the vehicle with a full disclosure?

I have a counter offer for you. Rather than attempting to agree on all the elements of a bona fide sales effort with full disclosure by Mr. [REDACTED] you can have the car tomorrow to sell to anyone on any terms and price provided:

Mr. David Jenkins
Allstate Insurance Company
July 25, 2005
Page 2

1. Allstate pays Mr. [REDACTED] the June, 2005, trade in value of the Lexus of \$28,825.00 (adjusted for sales tax offsets, if any).
2. Reimburse Mr. [REDACTED] for cold storage costs and repair costs that were not covered by Allstate totalling \$1,940.00.
3. Reimburse Mr. [REDACTED] \$50.00 deposit paid to the rental car company.

Very truly yours,



Stephen W. Miller

SWM/ss
pc. [REDACTED]



Colorado Technical Market Claim Office
10800 E. Geddes Ave., Suite 200
Englewood, CO 80112
303-779-3100 / 800-347-0040

July 12, 2005

[REDACTED]

Golden, CO [REDACTED]

Re: Division File #: [REDACTED]
Division File Name: [REDACTED]
Claim Number: [REDACTED]
Insurance Company: Allstate Casualty Company
NAIC Number: [REDACTED]

Dear Mr. [REDACTED]

Please accept this correspondence as response to your letter to the State of Colorado Division of Insurance dated June 20, 2005. Thank you for the opportunity to review our handling of this claim along with the chance to address your concerns. Our objective in the matter is to ensure you receive a fair settlement of your property damage claim, while our intent is to be aligned with company best practices and compliant with DOI regulations.

The decision to repair or replace a vehicle is primarily an economic one. The cost of repair, along with any potential supplement to that repair and/or loss of use, is compared to the fair market value of the vehicle (including any applicable taxes and a title fee) less what we might expect to receive in return for its salvage value. It is typically the lesser of these two amounts that an 'at fault' party can be held liable for.

As long as the vehicle is considered safe to repair to an industry standard by a qualified collision repair facility, our limit of liability is the repair cost when that amount is less than the replacement cost. We currently have an agreed price with Complete Auto Body to perform just such an industry standard repair in the amount of \$12,607.81. The replacement cost projection (based on the June NADA book value) is approximately \$34,162.70 (should sales tax apply).

Allstate has a position of choice when it comes to the use of after-market parts, as defined by our Internal Claims Policy, Practices, and Procedures manual:

Allstate endorses a policy of choice with respect to non-OEM outer body crash parts (such parts may include cosmetic outer body crash parts such as fenders, hoods, deck lids/gates, bumper covers, fascias, moldings, trim, headlamps, tail lamps, marker lamps, grills, etc.). If an insured or claimant requests an OEM part in place of a non-OEM outer body crash part, Allstate will honor their request.

Reconditioned and/or recycled (Like Kind and Quality) parts are considered to be OEM, and when allowed for on one of our estimates they must be of the same model year or newer and comparable to what the vehicle had prior to the loss. After review of the estimate submitted by Complete Auto Body and approved by Allstate, there are no 'non-OEM' parts being utilized.

As Complete Auto Body participates in our direct repair network, both they and the Allstate Insurance Company will guarantee their workmanship to be of the quality generally accepted within the automobile repair business for as long as you own the vehicle. This guarantee will be provided to you in writing.

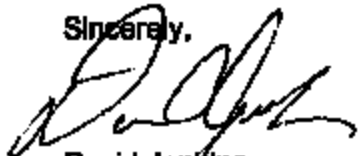
Our position regarding the concept of "diminished value" is generally aligned with the automotive collision repair industry regarding their ability to properly repair and restore a vehicle to pre-accident condition. As indicated previously in our letter dated June 8, 2005 – *with the state of the art auto body repair equipment and advanced repair techniques in today's auto repair industry, there should be no inherent loss of value to a repaired vehicle.* Many OE dealers, who so liberally quote diminishment in value figures through their sales department, also employ the very professionals who perform these industry standard repairs on a daily basis. Quite the dichotomy when you think about it.

With that said, we recognize that a relatively newer vehicle with substantial damage may in fact be affected by a "perceived" loss in market value. The difficulty with this is – how do you quantify it, and whether or not in fact you can? The property damage and rental costs are real, tangible, and readily measurable. There is no such standard for a theoretical loss of this nature. The dealer has a vested interest in any transaction which may result, so they can hardly be considered unbiased. What if the vehicle is not sold for several years after the repair? What if it is involved in another accident before it is sold? How do you arrive at an amount that treats both the claimant and liable party fairly under the law, given all the variables?

To address your concern we propose the following. Upon completion of the repair and validation that they are of industry standard, should you make a bona fide attempt to sell the vehicle at a fair retail market value (with full disclosure) and as a result suffer a real loss at that time, we will objectively consider a demand for diminished value and in good faith negotiate a settlement accordingly.

Should you have any further question, please feel free to call me at 303-779-3116.

Sincerely,



David Jenkins
Market Claim Manager

Copy w/enclosures to: Cheryl Goble, Senior Insurance Analyst
State of Colorado, Division of Insurance
1560 S. Broadway, Suite 850
Denver, CO 80202

STATE OF COLORADO

DEPARTMENT OF REGULATORY AGENCIES

Tambor Williams
Executive Director

DIVISION OF INSURANCE

David E. Rivera
Commissioner of Insurance
1560 Broadway, Suite 850
Denver, CO 80202



Bill Owens
Governor

June 20, 2005

Jolene Williams
Allstate Insurance Company
10800 E Geddes Av Ste 300
Englewood CO 80112

RE: Division File Name: Robert Politte
Division File #: 157145-cag-nea
Insurance Company: ???

Dear Ms. Williams:

The Division of Insurance has received the attached correspondence concerning your company from [REDACTED]. Please provide a detailed explanation of the basis for Allstate's actions concerning each and every concern mentioned in [REDACTED] enclosed 06/10/05 letter, and provide copies of the specific documents and statutes used to support those actions.

Provide copies of the source documents and statutes from which Allstate's position on diminishment in value, as described in Allstate's enclosed 06/08/05 letter, was determined.

Explain the basis on which Stevenson Lexus's enclosed letter does not obligate Allstate to pay diminished value on this claim, and provide copies of the documents that support Allstate's position.

Please address all the concerns mentioned by [REDACTED] in the enclosed correspondence, and provide specific documentation to support Allstate's position.

If the claimant's allegations are true, this may constitute a violation of C.R.S. 10-3-1104(h) "Unfair claim settlement practices".

Regulation 1-1-8 provides that every person shall provide a complete response in writing to any inquiry from the Division of Insurance. This reply must be postmarked within 30 calendar days from the date stated above on this correspondence. If additional time is required for good cause, within the 30-day period, you may request an extension in writing with the reason for such request and the number of days of additional time requested. Such request may be transmitted by facsimile. Failure to comply within this time frame may result in imposition of a penalty of \$500, which is not negotiable, as authorized by this regulation.

"The Mission of the Division of Insurance is Consumer Protection"

General Number: (303) 894-7499 / Consumer Complaints: (303) 894-7490 / Toll Free 1-800-930-3745 / FAX: (303) 894-7455
Producer Licensing/Promisor: 1-800-275-8247 / V/TDD For the Deaf or Hearing Impaired: (303) 894-7880
<http://www.dora.state.co.us/insurance>

The Company's response must include the following information in addition to all the information requested above:

- 1. The licensed name and NAIC number of the Company against which this complaint was filed.**
- 2. If a claim settlement has been reached, the Company's response is required to provide the date of settlement along with the amount paid.**
- 3. Failure to provide any of the information requested in this letter in your response will be considered an incomplete response and may result in imposition of a penalty of \$500, as authorized by Regulation 1-1-8.**

Please review your files in this matter and respond within 30 calendar days from the date of this letter, with a letter to Robert Polite directly, and with a copy of that letter and the above requested documentation to me.

I appreciate your prompt and complete response to this inquiry.

Sincerely,

Cheryl Goble

Cheryl Goble
Senior Insurance Analyst
CC:



LAW OFFICES OF
STEPHEN W. MILLER2421 RAY STREET
GOLDEN, COLORADO 80401TELE No. (303) 278-4241
FAX No. (303) 278-4242

June 15, 2005

Mr. Tom Murray
Senior Staff Claim Service Analyst
AllState
P. O. Box 6690
Englewood, CO 80155

Re: [REDACTED]

Date of Loss: June 1, 2005

Dear Mr. Murray:

Mr. [REDACTED] has sent a number of pictures of the damage to his 2004 Lexus ES330 and a copy of your company's six page \$10,500.00 repair estimate to Don Hawley who has been in the automobile body shop business for over 50 years. The high points of his report on this estimate consist of:

1. This is a 2004 luxury vehicle with just over 15,000 miles on the odometer. The use of used remanufactured and after market parts will void the extensive warranty on this vehicle.
2. There is not enough labor cost attributed to the repairs.
3. ~~Estimated cost of remanufactured safety bars.~~
4. The remanufactured rear bumper would last about two months before it became apparent that this was not an adequate repair.
5. Four hours are allocated to straighten the frame. To adequately do this critical repair 2 to 2-1/2 hours per rail is required plus all necessary set up time.

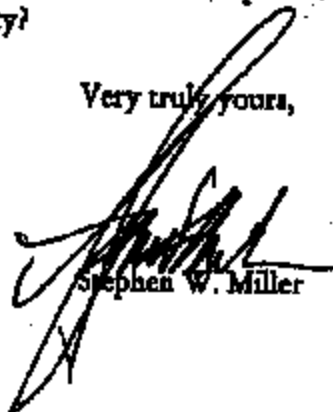
Mr. Tom Murray
Senior Staff Claim Service Analyst
AllState
June 15, 2005
Page 2

6. No reference is made to labor or time allocated for the removal and replacement of undercoat sealant and rust guard.

7. Lexus parts are available for all of the required part replacements.

What adjustments has AllState prepared to make in the estimate to repair Mr. Politte's vehicle in accordance with applicable law and to restore it to its pre-accident condition using parts which will maintain the Lexus warranty?

Very truly yours,



Stephen W. Miller

SWM/ss

pc: Mike Zink, AllState Insurance Co.



[REDACTED]
Golden, Colorado [REDACTED]

June 25, 2005

Mr. Kevin J. Martin, Chairman
Federal Communications Commission
c/o Natek, Inc.
236 Massachusetts Avenue N.E., Suite 110
Washington, D. C. 20002

Mr. Robert C. Sexton, Division Director
Insurance Division, State of Colorado
1881 Pierce Street
Denver, Colorado 80214

Attorney General Alberto Gonzales
Department of Justice
Main Justice Building, Room 5111
950 Pennsylvania Avenue N.W.
Washington, D. C. 20530

Gentlemen:

After being rear ended by a driver who identified that he was insured by the Allstate Insurance Company, I have come to the conclusion that the often used media advertising "You're in good hands with Allstate" is fraudulent advertising.

My reason for concluding that the ad is false/misleading may be noted by reading the enclosed three page 6/24/05 letter to the Colorado Division of Insurance—as if being severely penalized because a driver is reportedly insured by Allstate is being 'in good hands,' then why have insurance?

The point being is that Allstate (throughout the U. S.) does not contribute to highway safety, and while their business practices may reward their executives/management, it has become obvious to me that all connected with Allstate are unethical.

Accordingly, my request is that the responsible agencies within the U. S. government and State of Colorado investigate Allstate's non responsiveness to accident victims, and then cite Allstate for false/misleading advertising and fraud toward U. S. consumers.

Respectfully,

[REDACTED]
RAV50254



June 22, 2005

[REDACTED]
Golden, CO [REDACTED]

Re: Claim [REDACTED]

Dear Mr. [REDACTED]

Thank you for your recent correspondence to our Corporate Office. Your concerns are important to us, and we appreciate the opportunity to address them.

Your claim has been reviewed with claims management, and I have been advised that you are attorney represented concerning the diminished value of your vehicle. Thomas Watson, of our Claim Department, will be responding to your attorney directly.

Since your attorney is handling this matter, this office cannot be involved. Any further communication should be between your attorney and the claim office.

Please be aware that this office does not alter a claim decision. We rely on the expertise and judgment of our claim staff to settle a loss in a just and equitable manner. The decision is based on the loss facts and the investigation of those facts.

Sincerely,

Jane D. Stephenson
Executive Assistant

CC: Edward M. Liddy

Golden, Colorado
June 24, 2005

Mr. David F. Rivera
Commissioner of Insurance
Division of Insurance
1560 Broadway, Suite 850
Denver, Colorado 80202

Dear Mr. Rivera:

This letter is to acknowledge the 6/20/05 response to my 6/10/05 (copies of both letters enclosed) by thanking your office for all efforts on our behalf. Further, as yet more information/experience (in working with Allstate Insurance) has been experienced I am requesting that the State of Colorado Department of Regulatory Services issue an order denying Allstate the right to do business in Colorado as Allstate's ongoing actions are not in the best interest of Colorado road safety and/or the Colorado residents.

Being more specific, know the 6/10/05 letter is again enclosed for basic information/review and based on Allstate actions know it is my continued belief that the Podzinski 1998 Jeep Cherokee which rear ended my wife's 2004 Lexus in fact was not insured by anyone at the time of the 6/1/05 accident (see attached accident report for Case 6A052299), i.e., the reasons for this belief (since the date of the accident) are:

Many phone calls were made after the accident during the week immediately after the accident and finally on/about 6/6/05 it was finally possible to schedule an Allstate appraiser to perform an auto inspection. See enclosed eight page 6/7/05 estimate received via fax during morning of 6/7/05.

For informational purposes it is also identified that in addition to the identified phone calls that letters were written to Allstate on June 4 and 8 (copies enclosed) and the only written/phone reply was the 6/8/05 letter (copy enclosed) indicating Allstate does not expect the auto to be restored to pre-accident condition and Allstate does not believe in diminished values.

As an editorial note, this form letter to me indicates the Podzinski auto was not insured as defined by Allstate and accordingly I believe the Podzinski policy holder should be cited for lack of Colorado auto insurance.

Mr. David F. Rivera
June 24, 2005
Page Two

In addition the ethics/honesty of Allstate's business practices must be questioned as there will not only be physical auto damage remaining (comparing a rebuilt auto to a one year old never damaged auto), but there are in fact Colorado professionals (including the new Lexus car dealers) who are or should be considered as experts reference diminished value.

Based on the above again my request is that the Allstate insurance licensee to do business in Colorado be terminated.

Further, your office's attention is called to the fact that Allstate did not respond to any phone calls and/or letters except to transmit a \$10,403.33 All State check which caused the following:

- See 6/10/05 Politte letter to Mike Zink of All State.
- See enclosed 6/13/05 letter from our attorney, Stephen Miller, to Tom Murray dated 6/13/05 enclosed and stapled to a letter also dated 6/13/05 offering Podzinski's an opportunity to view auto which apparently was not covered by insurance.

As an editorial note know the only known response to date has been a 6/21/05 All State phone call to Attorney Miller indicating All State was not responsible for any auto storage charge past 6/10/05, as they had no obligations to pay storage on autos damaged by their client's vehicle.

Again, as an editorial note, the Podzinski's insurance is inadequate, and be aware I know of no contract between Allstate and Politte which mandates repair decisions at insurance company dictate. If any exist and/or are covered by Colorado statute please advise, and again understand, my request is that that Allstate be uncertified to do business in Colorado.

And as I had been performing "auto repair due diligence" reference the auto's needed repair (while waiting for some Allstate response) it was learned that the 6/7/05 Allstate representative estimate to repair not only did not identify all needed 2004 Lexus repairs, but it is specifically noted the repair estimate recommends a part substitution which violates federal law. See enclosed 6/15/05 letter to Tom Murray and note the federal law violation contained within the estimate.

Since the Allstate repair estimate would have violated federal law know it is my belief Allstate Colorado business practices should be considered unacceptable and again I request Allstate be uncertified to offer any insurance in the State of Colorado.

With the limited Allstate response from June 2 through 19, 2005, I finally had the 2005 Lexus moved to Complete Auto Body, Denver, Colorado, and authorized the auto to be fully restored to pre-accident condition with the understanding that if Allstate does not pay for the repairs I will—

Mr. David F. Rivera
June 24, 2005
Page Three

and then litigate with Allstate. What is now of concern (to the State of Colorado Department of Regulatory Agencies) is the fact that Allstate has attempted to coerce (see enclosed 6/24/05 letter from Attorney Miller to Allstate) and/or harass the repair facility, Complete Auto Body.

Information reference Allstate's Colorado car replacement policy is also identified in the 6/24/05 letter, and for the department's knowledge.

As a summary Allstate Insurance for auto owners is non existent, as their internal business practices do not compensate victims for their client's actions. And accordingly it is my position that on 6/1/05 the Podzinski vehicle was inadequately insured per the requirements of the State of Colorado laws. And further that Allstate Colorado insurance business practices are so repugnant that the Allstate license to sell Colorado insurance should be revoked.



Respectfully,



RAP50253

Enclosures

Cc: Stephen W. Miller, Attorney at Law
Governor Bill Owens
Joe Morales, Colorado Department of Public Safety


Golden, Colorado 
August 1, 2005

Mr. Edward M. Liddy, President
All State Insurance Company
2775 Sanders Road
Northbrook, Illinois 60062

Dear Mr. Liddy:

Enclosed are copies of some past correspondence to acquaint your office with the fact that a Denver Allstate representative recommended auto repairs which would have violated federal laws. And while I am not positive, it would seem to me that if a U. S. corporate official knowingly violates federal safety laws that there should also be a question as to their intent to comply with the Sarbanes/Oxley securities act.

Accordingly know my request from whoever signs off on the Sarbanes/Oxley U. S. requirement that Allstate violates no known U. S. laws (securities or otherwise) transmit to me acknowledgement of this notification of what has been communicated reference the Allstate claim handling procedures.

Additionally, also enclosed (for your information) are copies of my July 29 letters to David Rivera, Colorado Division of Insurance, plus my attorney's and my recent letters to David Jenkins reference his no response (see Mr. Jenkin's 7/25/05 letter) in answering our 6/20/05 letter to Mr. Rivera and same are transmitted to insure your office is cognizant of Denver, Colorado, Allstate claim handling.

Please respond at your earliest convenience.

Respectfully,


RAP/SUZ99

Enclosures: as stated

C: U. S. Attorney General Alberto Gonzales
David Rivera, Colorado Insurance Division
Stephen W. Miller, Attorney

186 Poco Calle
Golden, Colorado 80401
July 29, 2005

Mr. David Jenkins
Market Claim Manager
Allstate Insurance Company
10800 E. Geddes Avenue, #200
Littleton, Colorado 80112

Dear Mr. Jenkins:

**RE: Division File 157145-cag-nca; Division File Name [REDACTED]
Claim [REDACTED]**

As follow up to Attorney Stephen Miller's July 25, 2005, letter to Allstate/you, know I again visited Stevinson Lexus to learn when my wife's 2005 Lexus would be delivered, and was told "very soon." Further, as a follow up to Mr. Miller's/my prior letter transmissions I again asked if Stevinson would be interested in the 2004 ES300 Lexus as a trade in. Again, answer NO!

During my attempt to continue the conversation I was handed the *carfax.com* brochure (enclosed) and was told that there were not many buyers for used Lexus autos which had been rear ended/repared. Accordingly I request that Allstate/you now identify what would be considered as a bona fide attempt to sell the auto, or as an alternative we will give Allstate the keys (we will also sign the title) per Mr. Miller's offer of July 25 or 26, 2005.

Further, be aware that I have asked acquaintances if they would be interested in purchasing a 2004 Lexus which had been rear ended and repaired; I got numerous 'no interest' answers.

So, will Allstate/your office respond and agree to Mr. Miller's request of July 8, 2005 (see enclosed)?

Respectfully,

[REDACTED]
RAP/50265

Cc: Colorado Insurance Commission
Stephen W. Miller

[REDACTED]
Golden, Colorado [REDACTED]
July 15, 2005

Mr. Edward M. Liddy, President
All State Insurance Company
2775 Sanders Road
Northbrook, IL 60062

Re: Why I'm Getting Screwed by the Good Hands Folks

Dear Mr. Liddy:

My wife [REDACTED] is unfortunate enough to own a vehicle that was damaged by someone who has paid money to and believed he was insured by All State. Joan's 2004 Lexus ES330 is a luxury car in mint condition with low mileage (15,000 miles) and was worth over \$32,000.00, and now it has damages which will cost slightly over \$14,000.00 to repair, and even after repair will not be the same.

Further, based upon all contacts with All State's representatives (concerning the automobile and how payment for repairs will be handled on the car), it appears to me that All State is intent on selecting the cheapest possible alternatives to the repairs, and that All State representatives believe they have no obligations to victims of drivers All State insures.

I'm guessing that since the Lexus was a one year old 2004 vehicle All State figures it is all right to use pre-owned parts to fix the car. Being specific, All State also has determined that after market parts that don't fit and which are made of inferior materials with an inferior finish are good enough for my wife's vehicle. Trim that is on the car could also be 'undinged' and reused. Apparently All State believes that if the Lexus still runs at the end of this process, All State has fulfilled its obligations to my wife/me—even though the car is not the same car and never will be the same car and will not have the same resale/trade in value as the car had before the accident.

I have to ask why All State isn't having the Lexus repaired the right way. Why isn't All State intent on putting the car in the same condition it was in before it was rear ended by the All State insured driver? Why doesn't All State insist on use of manufacturer's parts and the replacement of all damaged parts? Why is All State avoiding the loss in value I have suffered because we now own a car that has been significantly damaged?

Understand I didn't have many of the answers until I reviewed All State Corporation's reported stock trading activity, and particularly insider and Rule 144 transactions. From my review I must say that All State does not nickel and dime its officers and directors with regard to

Mr. Edward M. Liddy
July 8, 2005
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comparative salaries and stock options. I. e., for corporate individuals the reported transactions for the first six months of 2005 indicate stock purchases totaling \$24,823,859.00 and stock sales totaling \$55,893,195.00 for gross profits of \$31,069,336.00.

That is a staggering amount of money for a few people spread over six months, and probably explains why All State is scrimping on all victims' insurance pay outs.

Unfortunately, the problem is that while All State management is socking away millions for the summer in the Hamptons or Jackson Hole, All State accident victims are getting screwed on having losses covered. And accordingly I believe All State needs to stop funding stock options and corporate defense attorneys and start properly paying off claims.

Respectfully,



RAP/50272

Cc: New York Stock Exchange
Securities Exchange Commission
Wall Street Journal
Colorado Auto Insurance Commission

Golden, Colorado
July 11, 2005

Mr. Edward M. Liddy, President
All State Insurance Company
2775 Sanders Road
Northbrook, IL 60062

Re: Industry Standards

Dear Mr. Liddy:

Know I have worked my entire life and accordingly, I appreciate the value of my possessions and one of those possessions was/is a 2004 Lexus ES330 that was purchased new for my wife Joan. The purchase was made because the automobile is extremely well built, it was a good investment because it would not depreciate in value as quickly as most cars and the auto has a good, safe ride. On June 1, 2005, the Lexus was in pristine condition.

Unfortunately all of that changed late on June 1 when the son of an All State's insured ran into the back of the car. The initial information I gathered regarding the consequences of this accident was that no Lexus dealer in Denver now wanted to take the car as a trade in on a new Lexus. The Lexus dealerships were also telling me to expect a significant reduction in the car's value due to the damage it had suffered in the accident. When I mentioned this fact to All State personnel with whom I was dealing, I was informed bluntly that diminished value is not an item of property damage that they will compensate me for; their responsibility is to repair the car to "industry standards," and All State is the judge of those standards.

The first experience with All State's industry standards was a damage estimate on my car for approximately \$10,000.00 based upon an inspection of the car in a towing company's parking lot, when the auto had never been on a hoist to see what the damage was underneath. And yet I received a printout list of what All State was prepared to pay, along with a check for that amount.

My belief is that All State thought the check would be accepted.

The second shot at All State's industry standards occurred when I reviewed the estimate to repair printout. All State was proposing to use reconditioned parts, after market parts and the use of a used safety bar and illegal parts in repairing my wife's car—with no check of the exhaust system. Paint would be blended, a unibody would be haphazardly aligned and repaired, molding would be reused, and if the tires held air the ride must be okay. It got to the point where I figured if the air bag had gone off in the accident, All State would tell the repair garage to stuff it back into the

Mr. Edward M. Liddy
June 11, 2005
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steering wheel column and not worry about alignment/tires being in balance or damaged. Is it All State policy to forget all safety issues?

My third experience with All State's industry standards was their use of Enterprise Car Rental to supply my wife with a rental car while the Lexus was being repaired. Despite assurances that a "full size" car would be made available to her by All State's representatives. During her initial phone call to Enterprise she was informed that All State had authorized a mid size car and they had no full size vehicles available. All State was contacted and the representative assured both me and my attorney that a full size vehicle was authorized. My wife went to the Enterprise office and asked for a full size car. They informed her that their office had no full size vehicles available and that All State had only authorized a mid size vehicle; they gave her a copy of the authorization fax from All State which indicated mid size. When she complained that All State said Enterprise would have a full size car, they finally found a Chevrolet Impala. While inspecting the Impala for scrapes and dents before leaving the Enterprise lot, my wife told the customer service woman that the auto was dirty—inside and out. They offered to wash it again, but it was late in the day and Joan had an appointment to make, so she did not take them up on the offer. Later in the day Joan noticed the "Change Engine Oil" light was lit, and phoned Enterprise the next morning to inform them. Should we be impressed?

In order to avoid the consequences of All State's interpretation of "industry standards", I selected a repair facility which All State had recommended. However, I asked the owner put the car up on a hoist and look for undercarriage damage, and I told him to use only new parts. Subsequently, **without all new parts** the repairs will cost about \$3,000.00 more than All State's guesstimate.

When it is repaired I will ask a court to decide what All State's responsibility is to make me whole for this loss. That will include the cost of proper parts and the loss of value I will inevitably suffer. Of course All State has the option of doing the right thing now and saving us all a lot of expense.

Respectfully,


RAP/0271

Cc: Colorado Auto Insurance Commission, Wall Street Journal,
New York Stock Exchange, Securities Exchange Commission
(Mt. David F. Riveta, Commissioner of Insurance, Division of Insurance
1560 Broadway, Suite 850
Denver, Colorado 80202)

[REDACTED]
Golden, Colorado [REDACTED]
June 25, 2005

Mr. Edward M. Liddy
Allstate Corp.
2775 Sanders Road
Northbrook, Illinois 60062

Dear Mr. Liddy:

While your letter has been received, understand that my claim against the Podzinski's and/or Allstate is no longer an issue, as that will probably be settled via litigation against your insured.

What is of increased importance and concern (to me as a citizen and Wall Street investor) is Allstate's total disregard for the victims of parties who are insured by Allstate, and the Allstate false/misleading advertising about "good hands." What a laugh.

Understand that, as an Allstate shareholder, my next letters (with copies to major shareholders) will show evidence of bad faith and what I believe constitutes violation of the Sarbanes/Oxley Act, as your offices know of the fraudulent activity and harmful aspects of Allstate's claim handling business practices and yet do nothing so as to enrich management's well being.

Respectfully,
[REDACTED]

RAP50256

Cc: Securities Exchange Commission

186 Poco Calle
Golden, Colorado 80401
June 10, 2005

Mr. Edward M. Liddy
Allstate Corp.
2775 Sanders Road
Northbrook, Illinois 60062

Dear Mr. Liddy:

Courtesy of Salomon Smith Barney (remember Jack 'I'll do anything for the right kindergarten' Grubman and Sandy 'I want to be an ITT director' Weill?) I was an Allstate shareholder and disappointed in the management of the Allstate Insurance Company as there seemed to be too much of the Citigroup "to hell with our customers" attitude.

As a case on pointe please review the enclosed two letters to an Allstate Denver area claims handler and to two Colorado regulatory agency officials. As you will note I question if Allstate has any value, and as can be noted by the enclosed victim letters and you also will note I do not believe Allstate should be allowed to write auto insurance anywhere.

And what further may be of interest: My review of Allstate required SEC filings does not seem to indicate that victims of Allstate insured drivers accidents are adequately compensated, which (to me) means an Allstate class action lawsuit may be just around the corner and strangely enough this is not identified within published reports and causes me to believe there is an additional question reference Allstate's 93.4% compliance or adherence to the Sarbanes-Oxley Act.

Your response? And you will note the SEC is copied on this letter.

Respectfully,



R. A. Politte

RAP/SC235

Cc: Securities Exchange Commission

[REDACTED]
Golden, Colorado [REDACTED]
June 10, 2005

Mr. Mike Zink
Allstate Insurance Co.
P. O. Box 6680
Englewood, Colorado 80155

*Via U. S. Mail & Fax 303-779-3296
(7 pages including this letter)*

Dear Mr. Zink:

*REF: [REDACTED] 6/1/05 Accident Reference 2004 Lexus; Colorado State
Patrol Case No. [REDACTED]*

There are several purposes of this letter, and the first is to indicate that I am not satisfied with Allstate Insurance handling of the referenced claim (which resulted from being rear ended on 6/1/05 by a Podzinski owned 1998 Jeep Cherokee, Colorado license 158 KMV), and so I am writing to the Colorado motor vehicle safety/state insurance department offices reference the accident and Allstate's repugnant, uncooperative handling of same.

A second purpose of this letter is to indicate a 6/8/05 letter has been received (see enclosed) from the AllState Colorado technical market claim office. As the letter did not address the expected diminished value of Joan Politte's 2004 Lexus know I am requesting that my attorney, Stephen W. Miller (303-279-4541) initiate appropriate litigation against the Podzinski's to recover what is obviously a loss of value when/if the 2004 Lexus can be or is repaired. Please notify the appropriate AllState individuals of my intent, as the Podzinski's will be receiving notification of my intent via a copy of this letter.

The third purpose of this letter is to identify that I have received:

1. A \$10,403.33 AllState check which will be returned as the amount causes AllState's offer to be unacceptable. Please advise where and to whom the check should be returned.
2. In examining the technical MCO estimate it is noted:
 - a. That original Lexus parts were not specified as the only parts which would be used/acceptable. Further, it is noted the offer did not involve a complete under car inspection (car was not on a lift) and any use of after market parts is unacceptable to my family.

Mr. Mike Zink
June 10, 2005
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b. A technical seven page estimate MCO was received and the estimate indicated/implied that AllState has the final authority to direct where parts are purchased, that AllState must improve any additional repair cost, and that Mr. Clayton was recommending the repair work be completed at the Customer Choice/Denver facility.

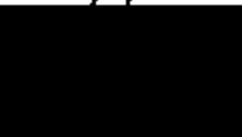
Needless to indicate, wording in the document does not satisfy me nor does it satisfy our legal rights and consequently understand it is now my intent to cause movement of the vehicle to a repair facility of my choice. When this is accomplished I plan to pay for the repair and litigate with the Podzinski's reference both the cost to repair and the diminished value of the auto.

As a corollary to the above, know Ed Casady of customer choice indicated the likely time to repair would be two months. Accordingly, to mitigate rental car expense I am requesting that you immediately notify Attorney Miller (phone 303-279-4541) if Allstate has a preferred auto rental agency, as it is now our plan to rent a luxury class auto during the repair time.

Additionally be aware that if nothing is heard from Allstate it will be assumed AllState has no rental agency preference and accordingly I will choose from one of the major U. S. auto rental agencies.

Last subject, Joan and I will not be in Denver during June 13-17, so if AllState representatives/you wish to contact us please phone Mr. Miller, who will immediately forward all messages to my attention.

Respectfully,



RAP/32213

Enclosures: as stated

Cc: Stephen W. Miller (without enclosures)
Jacqueline Podzinski, 2285 Augusta Drive, Evergreen, Colorado 80439
Joe Morales, Colorado Dept. of Public Safety
David Riveria, Colorado Division of Auto Insurance

[REDACTED]
Golden, Colorado [REDACTED]
June 8, 2005

Mr. Mike Zink
AllState Insurance Co.
P. O. Box 6680
Englewood, Colorado 80155

*Via U. S. Mail & Fax 303-779-3296
(7 pages including this letter)*

Dear Mr. Zink:

REF: [REDACTED] 6/1/05 Accident Reference 2004 Lexus; Colorado State
Patrol Case No. [REDACTED]

So as to follow up on the 6/4/05 letter/fax and 6/5/05 mailing of condition pictures (of our 2004 Lexus) I met with the AllState estimator (Randall) on 6/7/05. And while impressed that he allegedly has over 30 years of auto repair experience, I noted that he did not have an engineering degree (as I personally have, which included some metals evaluation strength analysis courses), and we have very different opinions on whether a rear ended, severely damaged unibody auto can ever be repaired to pre-accident condition.

Being specific, the AllState estimator seemed to be willing to justify that an auto severely damaged could be repaired to original factory specifications/strength/condition and I continue to question that assertion. However, Randall did seem to understand the vehicle might have diminished value, and I believe he agreed:

- After an accident, even if the vehicle has been repaired well, the vehicle will have an accident history and will usually show evidence of repairs.
- Most people pay less for vehicles that have been in an accident, decreasing the resale value of your vehicle.
- Any decrease in value is called Loss of Market Value or Diminished Value.

And indicated he would notify the approximate AllState department reference my concerns.

Please advise if this has occurred.

Mr. Mike Zink
June 8, 2005
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Further, for information purposes know I again visited Stevenson Lexus and indicated Randall's preliminary estimate to repair (noting he did not have the car on a lift to completely view the underside) was approximately \$10,500. Enclosed is the letter Mr. Denniston, Stevinson Lexus fleet manager, was kind enough to provide; please review and also see enclosed four additional pages.

Accordingly, be aware I have also visited one of our Colorado attorneys, Stephen W. Miller, Golden office phone 303-279-4541, and asked him to initiate the necessary contacts with your office, etc., so that we could move forward if AllState wants to consider scrapping the Lexus and reimbursing my wife Joan and me (see 6/4/05 letter) so all the other costs/expenses can be minimized.

Please either communicate with Mr. Miller at your earliest convenience or have the AllState legal department contact Mr. Miler, as if an agreement could be reached yet this week it would minimize your client's expenses.

Respectfully,



RAP/90231

Enclosures: as stated

Cc: Stephen W. Miller

[REDACTED]
Golden, Colorado [REDACTED]
June 4, 2005

Mr. Mike Zink
AllState Insurance Co.
P. O. Box 6680
Englewood, Colorado 80155

*Via U. S. Mail & Fax 303-779-3296
(7 pages including this letter)*

Dear Mr. Zink:

REF: [REDACTED] 6/1/05 Accident Reference 2004 Lexus; Colorado State
Patrol Case No. [REDACTED]

This communique is to follow up on our June 2 and 3, 2005, phone conversations with the intent of minimizing expenses for all concerned.

As a corollary comment know it is my belief that Ms. Podzinski (mother of the driver of the Jeep Cherokee) and her son Stefan Podzinski both acknowledged (at the accident scene) that Stefan was at fault for rear ending my wife Joan Politte's 2004 Lexus at approximately 6:30 p.m. on 6/1/05. Enclosed for informational purposes is a copy of the Colorado State Patrol report (Case No. 6A052299) which, for some reason, has a date of 6/2/05 written on same, while the accident occurred on June 1, 2005.

As to the pre-accident condition of Joan Politte's 2004 Lexus it is indicated the auto recently had the 10,000 mile Lexus service at Stevinson Lexus on March 3, 2005. Further be aware the Lexus was purchased at Stevinson on 5/7/04 and was in excellent condition prior to the accident. Additionally for information purposes enclosed is a copy of the receipt for the recently renewed license stickers for \$459.14. Understand that the point being made is that the auto was not driven much during the winter period (usually garaged) and was in excellent condition prior to the accident.

Further, as an editorial note understand the reason a new 2004 Lexus was purchased was because of the Lexus comfortable ride/lack of road noise and safety associated with the Lexus unibody construction. Enclosed also for information is a copy of the 6/2/05 NADA trade in value of between \$28,825 to \$29,275.

The reason for identifying the preceding is that immediately after the accident my first thought was to have the vehicle towed to the Stevinson Lexus facility where I would have asked to trade in the auto on a new 2005 ES330 Lexus (same accessories) so as to insure that Joan/my family would enjoy the ongoing safety of a non wrecked unibody Lexus.

Mr. Mike Zink
June 4, 2005
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Fortunately/unfortunately, at the scene of the accident the tow truck driver suggested that it would probably be wiser to have the auto hauled to the D&J lot at 30515 Bryant Drive, Evergreen, Colorado, as this likely would save money and permit the vehicle to be readily accessible for any future hauling. After considering the suggestion I concurred and agreed to have the auto hauled to the D&J lot in Evergreen, where the auto is at this time.

To follow up on my intent to always have a safe auto I subsequently met/talked with Mr. Rob Denniston of Stevinson Lexus (phone 303-277-9339, Ext. 2212) and asked him to place a value on the damaged Lexus for possible trade in on a 2005 Lexus ES330. Mr. Denniston indicated that if Stevinson accepted the car in trade it would be at a greatly diminished value (approximately 50% of NADA value) as there are not many buyers for Lexus vehicles which have experienced significant damage to the rear end. This because the unibody construction means the vehicle can never be restored to original condition and there will always be the drivability/safety issue.

Mr. Denniston's comments were that due to the extensive damage Stevinson Lexus would not be interested in purchasing, taking as trade or any other type future acquisition of the vehicle, as "a vehicle involved in a major collision regarding future safety structural integrity would certainly be compromised to the extent of failing original equipment specifications. As there could be no proof of the future safety performance of replacing the rear quarter panels and trunk of a vehicle, that alone would make the vehicle most undesirable for future sale. These type conditions/changes would certainly affect future value of vehicle and possible future safety liabilities. No vehicle in such condition should be bought or sold without full disclosure of troubled areas, for obvious reasons."

After considering the above my thought was to inform you of all the above and suggest that because of the significance of the damage and the preferred Lexus dealer's position it would serve everyone's best interest if we agreed that Joan/I are willing to accept appropriate trade in value and just purchase another Lexus.

The logical extension of the identified arrangement would be:

1. Minimize any value disagreements/legal issues reference the auto repair cost (and associated diminished value of the 2004 Lexus) which has been severely damaged during the rear end collision.

Mr. Mike Zink
June 4, 2005
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2. Minimize lot storage charges; if the auto is to be repaired the repair facility I will insist on using is Don Hawley's Auto Body in San Diego, California (I will pay to have the Lexus transported to Hawley's); and while Hawley's normally has long lead repair times, Hawley's does perform excellent vehicle restoration. Address and phone:

Hawley Auto Body
2844 Lytton Street
San Diego, California 92110
619-222-3062

3. Minimize the expense of Joan renting a luxury class auto during the time the vehicle is being repaired.

Summarizing, I will plan to meet the Allstate adjuster on Tuesday (6/7/05) per my conversation with Jerry Bern, and the purpose of this letter is to provide you with appropriate information so as to obtain a speedy minimum cost resolution relative to this accident.

Respectfully,



RAP/50228

Enclosures: as stated

