

HONORABLE JOHN C. COUGHENOUR

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

JEFF OLBERG, an individual, CECILIA ANA  
PALAO-VARGAS, an individual, MICHAEL  
CLOTHIER, an individual, and JACOB  
THOMPSON, and individual, on behalf of  
themselves and all others similarly situated,

Plaintiffs,

v.

ALLSTATE INSURANCE COMPANY, an  
Illinois Corporation and ALLSTATE FIRE  
AND CASUALTY INSURANCE COMPANY,  
an Illinois Corporation

Defendants.

No. 18-cv-00573

FIRST AMENDED COMPLAINT

JURY DEMAND

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**I. NATURE OF THE CASE**

1  
2 1. When a person’s vehicle is totaled in an accident, an automobile insurance  
3 company must not underpay claims by manipulating the data used to value the vehicle.  
4 Specifically, Washington law prohibits insurance companies from valuing a vehicle by  
5 comparing it to vehicles of a different type. Washington law also prohibits insurance companies  
6 from reducing claim values with arbitrary, unexplained, and unjustified adjustments to the  
7 condition of comparable vehicles that bear no relation to actual cash value. An insurer must not  
8 misstate or conceal material facts that bear upon its estimate of value.

9 2. In negotiating and settling total loss claims, Allstate Insurance Company and  
10 Allstate Fire and Casualty Insurance Company (collectively, Allstate) flagrantly violate these  
11 rules. First, when Allstate selects vehicles to compare with the loss vehicle, it includes gray-  
12 market vehicles—vehicles manufactured for consumers in foreign countries and imported into  
13 the U.S.—that are not comparable to the loss vehicle and are worth less due to their gray-market  
14 status. Allstate misrepresents the gray-market vehicles as comparable while failing to disclose  
15 their gray-market status, deceiving consumers and cheating them on their claims.

16 3. Second, Allstate reduces the value of comparable vehicles by an arbitrary amount  
17 that it deems a “condition adjustment” without itemizing or explaining the basis for the  
18 adjustment as required by Washington law. Allstate applies a uniform “condition adjustment” to  
19 multiple comparable vehicles involved in a valuation without even distinguishing one vehicle  
20 from the next. These arbitrary and unjustified condition adjustments artificially and improperly  
21 reduce claim payments by hundreds or thousands of dollars.

22 4. Allstate’s systematic under-valuations and underpayments violate its insurance  
23 contracts as well as Washington statutes governing the adjustment of total loss claims. Allstate’s  
24 actions also violate Washington prohibitions on consumer deception and settling insurance  
25 claims in bad faith.

26 5. Plaintiffs bring this class action on behalf of all those insured under automobile  
27 insurance policies issued in the State of Washington by Allstate Insurance Company and Allstate  
28 Fire and Casualty Company whose claim valuations were based in whole or in part upon the

1 values of gray-market vehicles and those whose claim valuations were based upon the values of  
2 comparable vehicles that were reduced by artificial, unexplained “condition adjustments.”

3 6. Plaintiffs seek for themselves and the class compensatory damages, treble  
4 damages, and attorney’s fees, as well as declaratory and injunctive relief.

## 5 **II. JURISDICTION**

6 7. This Court has jurisdiction pursuant to the Class Action Fairness Act of 2005, 28  
7 U.S.C. § 1332(d), because the proposed Class consists of 100 or more members; the amount in  
8 controversy exceeds \$5,000,000, exclusive of costs and interest; and minimal diversity exists.  
9 Plaintiffs are citizens of Washington and Allstate is a citizen of Illinois (where it is incorporated  
10 and has its principal place of business).

11 8. This Court has personal jurisdiction over Allstate Insurance Company because  
12 Allstate Insurance Company is a corporation licensed and authorized to do business in  
13 Washington and has transacted business in King County, Washington. This Court has personal  
14 jurisdiction over Allstate Fire and Casualty Insurance Company because Allstate Fire and  
15 Casualty Insurance Company is a corporation licensed and authorized to do business in  
16 Washington and has transacted business in King County, Washington. This Court has personal  
17 jurisdiction over Plaintiffs because Plaintiffs consent to this Court’s jurisdiction.

## 18 **III. VENUE**

19 9. Venue is proper in this District under 28 U.S.C. § 1391 because this is the District  
20 in which Plaintiffs’ insurance benefits were denied and the cause of action arose.

## 21 **IV. PARTIES**

22 10. Plaintiffs Jeff Olberg, Cecilia Ana Palao-Vargas, Michael Clothier, and Jacob  
23 Thompson were at all relevant times residents of the State of Washington.

24 11. At all times pertinent, Plaintiff Jeff Olberg was insured under a policy of  
25 automobile insurance with Allstate Insurance Company that included coverage for the total loss  
26 of a vehicle.



1           21.     The Allstate Insurance Group is made up of two distinct “brands” the Allstate  
2 Brand and the Esurance Brand. Allstate Insurance Company and Allstate Fire and Casualty  
3 Insurance Company are both a part of the Allstate Brand.

4           22.     The Allstate Brand touts itself as a reliable and trustworthy source of insurance  
5 coverage. In its advertising campaigns, the Allstate Brand has adopted the motto, “You’re in  
6 good hands.” On its website, the Allstate Brand claims, “In every aspect of our business, we  
7 strive to do the right thing—for our customers, our employees, our communities and our world.”  
8 But when its customers’ cars are wrecked in life-changing accidents, Allstate betrays these  
9 principles, playing games and putting profits ahead of people. Allstate fudges the numbers to  
10 shortchange vulnerable consumers, who have often lost their primary car and are relying on  
11 Allstate to pay fair value so they can afford to buy a replacement.

12           23.     The Defendants work in concert to create policies and infrastructure that cheat  
13 their customers out of monies to which they are entitled.

14           24.     As wholly owned subsidiaries of the same company, Allstate Insurance Company  
15 and Allstate Fire and Casualty Insurance Company share a common corporate headquarters, file  
16 a combined annual report and tax return, and use valuation reports from CCC Information  
17 Services Inc. that are indistinguishable in form between the insurers, providing a uniform method  
18 of undervaluing total loss claims for Allstate insureds.

19           25.     Upon information and belief, Allstate follows a single set of guidelines, methods,  
20 and policies regarding the application of condition adjustments and the use of gray market  
21 vehicles to systemically undervalue total loss claims.

22           26.     Allstate’s standard form automobile policy provides coverage for the total loss of  
23 a vehicle in an accident.

24           27.     For total loss claims, Allstate must base any cash settlement offer on the “actual  
25 cash value of a comparable motor vehicle.” WASH. ADMIN. CODE § 284-30-391(2).

26           28.     In the event of a total loss, Allstate promises in its policy that it will pay the  
27 insured the “actual cash value” of the vehicle before the accident.

28

1           29. For total loss claims, Allstate must “[b]ase all offers on itemized and verifiable  
2 dollar amounts for vehicles that are currently available . . . using appropriate deductions or  
3 additions for options, mileage or condition when determining comparability.” WASH. ADMIN.  
4 CODE § 284-30-391(4)(b).

5           30. For total loss claims, “[a]ny additions or deductions from the actual cash value  
6 must be explained to the claimant and must be itemized showing specific dollar amounts.”  
7 WASH. ADMIN. CODE § 284-30-391(5)(d). The purpose of this requirement is to ensure that any  
8 adjustments are reasonable and justified and to ensure that consumers have the ability to evaluate  
9 and challenge any deductions that are improper.

10           31. Systemically, Allstate fails to offer and pay the actual cash value.

11           32. Allstate bases its offers and payments on manipulated data and reports that do not  
12 meet Allstate’s duties under Washington law, imposing arbitrary and unexplained “condition  
13 adjustments” to artificially reduce the values of comparable vehicles and basing its valuations on  
14 gray-market vehicles that are not comparable to the insured vehicle.

15           33. To calculate its offer and payment, Allstate obtains a valuation report from a  
16 third-party company called CCC Information Services, Inc. (“CCC”). These reports purport to  
17 contain values for comparable used vehicles recently sold or for sale in the geographic area of  
18 the insured. The reports contain a purported valuation for the loss vehicle based upon the data in  
19 the report. Allstate instructs CCC as to what specific data to include in the report as the basis for  
20 the valuation, including whether to include condition adjustments to comparable vehicles and  
21 whether to base the valuation on gray-market vehicles that are not comparable to the insured  
22 vehicle.

23           34. Allstate offers its insureds a claim settlement equivalent to the valuation amount  
24 found on the report.

25           35. The valuation reports also reduce the estimated values of comparable vehicles,  
26 citing a “condition adjustment,” but fail to itemize or explain the basis for these condition  
27 adjustments. These condition adjustments are arbitrary and unjustified. Indeed, even though each  
28 comparable vehicle has unique characteristics, the reports reduce the value of multiple

1 comparable vehicles by the same amount, down to the last dollar, without any itemization or  
2 explanation for the amount. These blind and arbitrary reductions bear no relation to the actual  
3 fair market value of the comparable vehicles or the loss vehicle. The application of an arbitrary  
4 condition adjustment to reduce the value of comparable vehicles artificially reduces the valuation  
5 of the loss vehicle to benefit the insurer at the expense of the insured.

6 36. The valuation reports base their calculations upon the values of gray-market  
7 vehicles instead of vehicles that are comparable to the loss vehicle. Gray-market vehicles are  
8 vehicles manufactured for markets outside the United States and later imported and offered for  
9 sale in the United States.

10 37. Gray-market vehicles are disfavored in the marketplace and generally less  
11 valuable than vehicles manufactured for the U.S. market. The prices of gray-market vehicles are  
12 depressed for several reasons:

- 13 a. For a given year, make, and model, vehicles made for non-U.S. markets  
14 such as Canada have different safety and environmental specifications  
15 from vehicles made for the U.S. market and require modifications to  
16 comply with U.S. law.
- 17 b. Gray-market vehicles frequently lack a clear chain of title, increasing the  
18 risk that the vehicle has been stolen.
- 19 c. Gray-market vehicles are manufactured with an instrument panel and  
20 odometer that uses kilometers instead of miles, and the conversion from  
21 kilometers to miles creates a risk that the odometer has been manipulated.
- 22 d. The prices of gray-market vehicles are depressed by arbitrage. Because  
23 vehicle supply and demand varies from one country to the next, the cost of  
24 a gray-market vehicle is often lower than a vehicle of the same year,  
25 make, and model made for and sold in the United States.

26 38. For these reasons, a gray-market vehicle is not “a comparable motor vehicle” for a  
27 vehicle of the same year, make, and model made for the U.S. market. The use of gray-market  
28 vehicles to calculate the value of the loss vehicle artificially reduces the valuation of the loss  
vehicle to benefit the insurer at the expense of the insured.



1 **B. Allstate underpaid the total loss claims of Plaintiffs.**

2 39. Plaintiffs each owned a vehicle which was involved in an accident and damaged  
3 so seriously as to be a total loss.

4 40. Plaintiffs made claims with Allstate for the total loss of the vehicles. Allstate  
5 provided written settlement offers to each plaintiff.

6 41. Allstate based each settlement offer upon a valuation report obtained from third-  
7 party CCC.

8 42. Plaintiff Jeff Olberg was the owner of a 2013 Ford Fusion Hybrid that was totaled  
9 in an accident in 2016. Allstate offered to pay, and did pay, \$16,870.68 (minus deductible)  
10 attributable to the value of the vehicle, citing its CCC valuation report. The valuation report  
11 listed values of nine different comparable vehicles and applied a uniform condition adjustment of  
12 \$775 to all nine of them without itemizing or explaining the basis of the adjustment as required  
13 by Washington law. The report reduced the amount of these comparable vehicles by exactly the  
14 same amount, regardless of any individual differences in the condition of the vehicles. These  
15 blanket adjustments were arbitrary and unjustified, and they resulted in an underpayment of  
16 \$775. Plaintiff Olberg was forced to incur additional costs to hire a public adjuster and other out  
17 of pocket costs while the payment of his claim was delayed. These additional costs and the  
18 substantial delay were a result of Allstate's unlawful valuation practices

19 43. Plaintiff Cecilia Ana Palao-Vargas was the owner of a 2011 Hyundai Sonata that  
20 was totaled in an accident in 2015. Allstate offered to pay, and did pay, \$15,034.93 (minus  
21 deductible) attributable to the value of the loss vehicle, citing its CCC valuation report. The  
22 valuation report listed values of nine different comparable vehicles and applied a uniform  
23 condition adjustment of \$684 to all nine of them without itemizing or explaining the basis of the  
24 adjustment as required by Washington law. The report reduced the amount of each comparable  
25 vehicle by exactly the same amount, regardless of individual differences in the condition of the  
26 vehicles. These blanket adjustments were arbitrary and unjustified, and they resulted in an  
27 underpayment of \$684.

1           44.     The valuation report for Plaintiff Palao-Vargas's claim also based its calculations  
2 on the value of at least one gray-market vehicle instead of a comparable vehicle as required by  
3 Washington law. The valuation report itself specifies on page 9 that Plaintiff's wrecked vehicle  
4 is not a gray-market vehicle. At the same time, the valuation report misstates that the gray-  
5 market vehicle is comparable to Plaintiff's vehicle and fails to disclose the gray-market status of  
6 the gray-market vehicle. The use of a gray-market vehicle results in an underpayment to be  
7 determined based upon the economic impact of using gray-market vehicles for vehicle pricing  
8 analysis.

9           45.     Through the valuation report, Allstate and CCC have the ability to determine  
10 whether a vehicle is a gray-market vehicle and did in fact determine that Plaintiff Palao-Vargas's  
11 vehicle was not a gray-market vehicle. Nonetheless, Allstate misstates that the gray-market  
12 vehicle was comparable to the loss vehicle and never discloses that it is comparing the loss  
13 vehicle to a gray-market vehicle. In 2017, Allstate based a settlement offer on a valuation report  
14 that contained four gray-market vehicles.

15           46.     Plaintiff Michael Clothier was the owner of a 2012 Dodge 1500 Laramie  
16 Longhorn that was totaled in an accident in 2016. Allstate initially offered to pay, \$22,641.00  
17 (minus deductible) attributable to the value of the loss vehicle, citing its CCC one valuation  
18 report. All of the vehicles used to determine the value of Plaintiff Clothier's vehicle in the first  
19 valuation report were gray-market vehicles.

20           47.     Upon discovery of the use of gray-market vehicles in the valuation of his loss  
21 vehicle, Plaintiff Clothier notified Allstate and requested an updated valuation report using non-  
22 gray-market vehicles. All the comparable vehicles listed in the second CCC one valuation report  
23 were also gray-market vehicles. It was not until Plaintiff Clothier received his fourth and final  
24 CCC one valuation report and settlement offer that Allstate offered Plaintiff Clothier a settlement  
25 amount that did not rely upon the value of gray-market vehicles.

26           48.     Additionally, each of the valuation reports received by Plaintiff Clothier listed  
27 applied a uniform condition adjustment of approximately \$1,700 to all of the comparable  
28 vehicles without itemizing or explaining the basis of the adjustment as required by Washington

1 law. The first three reports reduced the amount of each comparable vehicle by exactly \$1,719,  
2 regardless of individual differences in the condition of the vehicles. The final CCC one valuation  
3 report adjusted each of the six comparable vehicles by \$1,749, regardless of the individual  
4 differences in those vehicles. These blanket adjustments were arbitrary and unjustified. As a  
5 result of Allstate's unlawful valuation practices and the need to challenge them, Plaintiff was  
6 forced to contest the valuation and the payment of Plaintiff Clothier's claim was delayed by an  
7 appraisal process. The appraisal determined that Plaintiff Clothier's vehicle was worth \$27,000,  
8 nearly 20% more than Allstate's initial offer based on the faulty valuation reports. Allstate based  
9 its payment on this appraisal, and Plaintiff Clothier incurred out-of-pocket losses because the  
10 payment of his claim was delayed as a result of Allstate's unlawful valuation practices.

11 49. Plaintiff Jacob Thompson was the owner of a 2013 Ford Edge Limited Edition  
12 that was total in an accident in 2018. Allstate initially offered to pay \$15,609.00 (minus  
13 deductible) attributable to the value of the loss vehicle, citing its CCC valuation report. The  
14 valuation report listed values of twelve different comparable vehicles and applied a uniform  
15 condition adjustment of \$553 to all twelve of them without itemizing or explaining the basis of  
16 the adjustment as required by Washington law. The report reduced the amount of each  
17 comparable vehicle by exactly the same amount, regardless of individual differences in the  
18 condition of the vehicles. These blanket adjustments were arbitrary and unjustified. Upon  
19 discovering that Allstate had grossly undervalued his vehicle, Plaintiff Thompson challenged the  
20 valuation and Allstate commissioned a new CCC report. The second report valued Plaintiff  
21 Thompson's vehicle at \$15,669.00. The updated report also applied an unexplained, unitemized,  
22 uniform condition adjustment of \$553 to each of the twelve comparable vehicles. Again, Plaintiff  
23 Thompson challenged the valuation. The third report listed values of eleven different  
24 comparable vehicles, but similar to the previous reports, applied an unexplained, uniform  
25 condition adjustment of \$528 to each of the comparable vehicles, regardless of individual  
26 differences resulting in a valuation of \$16,443.00.

27 As a result of Allstate's continued unlawful valuation practices and the need to challenge  
28 them, Plaintiff was forced to contest the valuation and the payment of Plaintiff Thompson's

1 claim was delayed by an appraisal process. The appraisal determined that Plaintiff Thompson's  
 2 vehicle was worth \$18,200, exceeding Allstate's initial offer based on the faulty valuation  
 3 reports by more than 15%. Allstate based its payment on this appraisal, and caused out-of-pocket  
 4 losses to Plaintiff Thompson because Plaintiff Thompson was forced to pay nearly \$1,000 to hire  
 5 a public adjuster, paid additional rental car payments, and incurred other out of pocket costs  
 6 while the payment of his claim was delayed. These additional costs and the substantial delay  
 7 were a result of Allstate's unlawful valuation practices.

8 50. Upon information and belief, Allstate systemically relies upon the value of gray-  
 9 market vehicles to settle total loss claims.

10 51. Allstate has acted with at least reckless disregard of the rights of others by  
 11 manipulating the numbers to settle total loss claims. Allstate has devised valuation methods that  
 12 are unfair, misleading, deliberately inconsistent, and calculated to confuse and deceive  
 13 consumers and their advocates in the settlement process.

14 52. Allstate's practices have cost consumers tens of millions of dollars in losses as  
 15 their claims go underpaid. Meanwhile, Allstate reaps millions in wrongful profits by betraying  
 16 the trust of its consumers.

## 17 VI. CLASS ACTION ALLEGATIONS

18 53. This action is brought and may properly be maintained as a class action, as it  
 19 satisfies the numerosity, commonality, typicality, adequacy, predominance, and superiority  
 20 requirements of Federal Rule of Civil Procedure 23. Plaintiffs bring all claims herein  
 21 individually and as a class action (for the classes defined below), pursuant to Federal Rule of  
 22 Civil Procedure 23.

23 54. The class consists of two subclasses as follows:

24 All individuals insured by Allstate under an Allstate private  
 25 passenger vehicle policy who, from the earliest allowable time to  
 the present,

- 26 (1) Received a first-party total loss settlement or settlement  
 27 offer based in whole or in part on the price of one or more  
 gray-market vehicles; or

- 1 (2) Received a first-party total loss settlement or settlement  
2 offer based in whole or in part on the price of comparable  
3 vehicles reduced by a “condition adjustment.”

4 55. While the exact number of members cannot be determined, the class consists at a  
5 minimum of thousands of persons located throughout the State of Washington. The members of  
6 the class are therefore so numerous that joinder of all members is impracticable. The exact  
7 number of class members can readily be determined by documents produced by Allstate.

8 56. There are questions of fact and law common to the class, including the following:

- 9 i. Whether Allstate used the values of gray-market vehicles to calculate the  
10 values of loss vehicles;
- 11 ii. Whether Allstate applied arbitrary and unexplained condition adjustments to  
12 comparable vehicles to calculate the value of loss vehicles;
- 13 iii. Whether, through each of the foregoing practices, Allstate breached its  
14 contracts with its insureds;
- 15 iv. Whether, through each of the foregoing practices, Allstate committed a  
16 breach of the common law duty of good faith and fair dealing;
- 17 v. Whether, through each of the foregoing practices, Allstate violated the  
18 Insurance Fair Conduct Act, WASH. REV. CODE § 48.30.010 *et seq.*;
- 19 vi. Whether, through each of the foregoing practices, Allstate violated  
20 regulations governing unfair claims settlement practices including WASH.  
21 ADMIN. CODE § 284-30-330 *et seq.*;
- 22 vii. Whether, through each of the foregoing practices, Allstate violated the  
23 Consumer Protection Act, WASH. REV. CODE § 19.86.020;
- 24 viii. Whether Allstate’s use of gray-market vehicles and improper condition  
25 adjustments to value loss vehicles caused injury to Plaintiffs and the class;
- 26 ix. Whether Allstate’s actions were unreasonable, frivolous, or unfounded;
- 27 x. Whether Allstate’s actions were reckless, malicious, or willful;
- 28 xi. Whether Plaintiffs and the class are entitled to an award of compensatory  
damages;
- xii. Whether Plaintiffs and the class are entitled to an award of treble damages;
- xiii. Whether Plaintiffs and the class are entitled to an award of attorney’s fees;



1 cash values by (1) basing its valuation and payment of the claim on values of comparable  
2 vehicles that have been artificially reduced by an arbitrary and unjustified “condition  
3 adjustment” that is not itemized or explained; and (2) basing its valuation and payment of the  
4 claim upon values of gray-market vehicles, which by definition are not comparable to the loss  
5 vehicle and artificially depress the valuation by virtue of their gray-market status.

6 64. Allstate’s numerous breaches have resulted in a systematic failure to pay the  
7 actual cash value of total loss vehicles as required by contract.

8 65. Allstate’s breaches and violations have caused damage to Plaintiffs and the class.

9 **SECOND CAUSE OF ACTION**  
10 **(Breach of the Implied Covenant of Good Faith and Fair Dealing)**

11 66. Plaintiffs reallege and incorporate the preceding paragraphs as if fully set forth  
12 herein.

13 67. Allstate owed Plaintiffs and class members, as its insureds, a duty of good faith  
14 and fair dealing at all times during the existence of the insurance contracts and while providing  
15 automobile insurance coverage, including when handling total loss claims for its insureds.

16 68. Allstate purposefully, in bad faith, and without regard to the rights of the  
17 Plaintiffs and the class, failed to pay the actual cash value of total loss vehicles. Allstate’s actions  
18 breached the insurance contracts and were unreasonable, frivolous, and unfounded.

19 69. Allstate’s unfair acts and/or acts of bad faith include (1) basing its valuation and  
20 payment of the claim on values of comparable vehicles that have been artificially reduced by an  
21 arbitrary and unjustified “condition adjustment” that is not itemized or explained; and (2) basing  
22 its valuation and payment of the claim upon values of gray-market vehicles, which by definition  
23 are not comparable to the loss vehicle and artificially depress the valuation by virtue of their  
24 gray-market status.

25 70. Allstate breached the covenant of good faith and fair dealing with the  
26 aforementioned conduct.

27 71. Allstate’s breach of the obligation of good faith and fair dealing caused Plaintiffs  
28 and class members to incur damages as more fully set forth below.



**THIRD CAUSE OF ACTION  
(Consumer Protection Act—Violation of WASH. REV. CODE § 19.86.020)**

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72. Plaintiffs reallege and incorporate the preceding paragraphs as if fully set forth herein.

73. Allstate’s actions complained of herein are deceptive trade practices that have the capacity to and do deceive consumers, as Allstate unreasonably denied payment of benefits to Plaintiffs and the class and knowingly misrepresented the basis for its total loss valuations. Allstate failed to adopt and implement reasonable standards for the investigation of claims. Allstate failed to conduct a reasonable investigation regarding its claims payments. Allstate further made false representations as to the characteristics and benefits of its total loss coverage and insurance policies and represented that they were of a particular standard, quality, or grade, knowing they were not.

74. Allstate’s aforementioned conduct continues to occur in the course of Allstate’s business. Allstate’s conduct is part of a generalized course of conduct repeated on thousands of occasions, and thus has an impact on the public interest.

75. Allstate’s aforementioned conduct is in violation of the Washington Consumer Protection Act, in particular, but not limited to, WASH. REV. CODE § 19.86.020.

76. As a result of Allstate’s actions, Plaintiffs and class members incurred damages as more fully set forth below.

**FOURTH CAUSE OF ACTION  
(Declaratory and Injunctive Relief)**

77. Plaintiffs re-allege and incorporate the preceding paragraphs as if fully set forth herein.

78. Plaintiffs bring this cause of action for themselves and the class pursuant to Federal Rule of Civil Procedure 57 and 28 U.S.C. § 2201 seeking a declaration that, for those who maintain an auto insurance policy with Allstate, it is a violation of Washington law and the insurance contracts for Allstate to (1) base its valuation and payment of the claim on values of comparable vehicles that have been artificially reduced by an arbitrary and unjustified “condition



1 adjustment” that is not itemized or explained; and (2) base its valuation and payment of the claim  
2 upon values of gray-market vehicles.

3 79. This court has the power to declare the rights of said Allstate policyholders and  
4 those who would be insured under such policies and who may suffer similar losses in the future,  
5 as well as those who have suffered valuation-related losses.

6 80. Plaintiffs, for themselves and on behalf of the class, seek a declaration of their  
7 rights under the Allstate policy, and seek a declaration of the rights and liabilities of the parties  
8 herein.

9 81. With respect to Allstate’s continuing unlawful practices, Plaintiffs have no plain,  
10 speedy, or adequate remedy at law, the interests of the parties favor an injunction, and an  
11 injunction is in the public interest. Plaintiffs therefore seek an order permanently enjoining  
12 Allstate from (1) basing its valuation and payment of the claim on values of comparable vehicles  
13 that have been artificially reduced by an arbitrary and unjustified “condition adjustment” that is  
14 not itemized or explained; and (2) basing its valuation and payment of the claim upon values of  
15 gray-market vehicles.

16 **PRAYER FOR RELIEF**

17 WHEREFORE, Plaintiffs pray for the following judgment:

18 A. An Order certifying this action as a class action, including certifying each cause  
19 of action under the appropriate subsection of Fed. R. Civ. P. 23;

20 B. An Order appointing Plaintiffs as class representatives and appointing the  
21 undersigned counsel to represent the class;

22 C. Declaratory and injunctive relief, including an injunction requiring Allstate to  
23 cease and desist from (1) basing its valuation and payment of the claim on values of comparable  
24 vehicles that have been artificially reduced by an arbitrary and unjustified “condition  
25 adjustment” that is not itemized or explained; and (2) basing its valuation and payment of the  
26 claim upon values of gray-market vehicles;

27 C. Treble damages under common law and by statute, under WASH. REV. CODE  
28 § 19.86.090;

1 D. Compensatory damages as warranted by Allstate’s breach of the contracts of  
2 insurance, and its bad faith;

3 E. An award of attorney’s fees and costs, as provided by law and/or as would be  
4 reasonable from any recovery of monies recovered for or benefits bestowed upon the class; and

5 F. Such other and further relief as this Court may deem just, equitable, or proper,  
6 including a designation that any unclaimed monies may go to the next best use.

7 **JURY DEMAND**

8 Pursuant to Rule Local Rules W.D. Wash. LCR 38, Plaintiffs demand a trial by jury of all  
9 of the claims asserted in this complaint so triable.

10  
11 Dated: January 25, 2019

Respectfully submitted,

12 HAGENS BERMAN SOBOL SHAPIRO LLP

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**CERTIFICATE OF SERVICE**

I hereby certify that on January 25, 2019 a true and correct copy of the foregoing was filed electronically by CM/ECF, which caused notice to be sent to all counsel of record.

Executed this 25th day of January, 2019.

HAGENS BERMAN SOBOL SHAPIRO LLP

By: s/ Steve W. Berman

Steve W. Berman, WSBA #12536