

**UNITED STATES DISTRICT COURT
FOR NORTHERN DISTRICT OF NEW YORK**

SNIP ITS DADM KIDZ CUTS II, LLC
d/b/a SNIP-ITS,

Plaintiff,

v.

THE HANOVER INSURANCE GROUP,
INC. and MASSACHUSETTS BAY
INSURANCE COMPANY,

Defendants.

COMPLAINT

JURY TRIAL DEMANDED

Plaintiff, Snip-Its Dadm Kidz Cuts II, LLC d/b/a Snip-Its (“Plaintiff” or “Snip-Its”) brings this Complaint, alleging relief against Defendants The Hanover Insurance Group Inc. (“Hanover”) and Massachusetts Bay Insurance Company (“Massachusetts Bay”) and avers as follows:

NATURE OF THE CASE

1. This is a civil action seeking declaratory relief arising from Plaintiff’s contract of insurance with Defendants.

2. In light of the Coronavirus global pandemic and state and local orders mandating that all non-essential in-store businesses must shut down, and the suffering of physical harm and impact and damages, within Plaintiff’s business premises and/or within the immediate area surrounding and outside its business premises, Plaintiff shut the doors of its business to customers on March 20, 2020.

3. Plaintiff’s insurance policy provides coverage for all non-excluded business losses and thus provides coverage here.

4. As a result, Plaintiff is entitled to declaratory relief that its business is covered for all business losses that have been suffered and sustained, which losses are in an amount greater than \$150,000.00.

JURISDICTION

5. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. § 1332, because there is complete diversity of citizenship between Plaintiff and the Defendants. Further, Plaintiff has suffered business losses in an amount greater than \$150,000.00. The amount in controversy necessary for diversity jurisdiction over a declaratory judgment action is measured by the value of those business losses. *Id.* at § 1332(a).

6. This Court has personal jurisdiction over Defendants, Hanover and Massachusetts Bay. At all relevant times Defendants have engaged in substantial business activities in the State of New York. At all relevant times Defendants transacted, solicited, and conducted business in New York through its employees, agents, and/or sales representatives, and derived substantial revenue from such business in New York. Defendants purposefully availed itself of personal jurisdiction in New York because it contracted to provide insurance to Plaintiff in New York which is the subject of this case.

7. Venue is proper in this district pursuant to 28 U.S.C. § 1391(c) because Defendants are corporations that have substantial, systematic, and continuous contacts in New York and within the Northern District of New York. Further, the insurance sold to Plaintiff which is the subject of this case was sold in the Northern District of New York.

8. The acts and/or omissions complained of took place, in whole or in part, within the venue of this Court.

PARTIES

9. At all relevant times, Plaintiff, Snip-Its is authorized to do business in the State of New York. Snip-Its owns, operates, manages, and/or controls a salon located at 22 Clifton Country Rd, Clifton Park Center Rd, Clifton Park, NY 12065. Plaintiff Snip-Its is solely owned by Denise Deitz, a citizen on New York.

10. Defendant, Hanover is an insurance carrier who provides business interruption insurance to Plaintiff. Hartford is headquartered at 440 Lincoln Street, Worcester, MA 01653-0002.

11. Defendant, Massachusetts Bay is wholly owned by Hanover and provides business interruption insurance to Plaintiff and is headquartered at 440 Lincoln Street, Worcester, MA 01653-0002.

12. At all relevant times, Defendants issued a policy to Snip-Its to cover business interruption loss from March 20, 2019 until March 21, 2020. The policy number is ODX D206450. This policy was intended to cover losses to business interruption. *See* Declaration attached hereto as Exhibit 1.

13. Plaintiff, Snip-Its submitted a claim for a date of loss of March 20, 2020 pursuant to its policy seeking coverage under this policy. Defendants rejected Plaintiff's claim for coverage for business loss and business interruption and other claims, contending, inter alia, that Plaintiff did not suffer physical damage to its property directly and stating other reasons why Plaintiff purportedly is not entitled to coverage for the losses and damages claimed.

FACTUAL BACKGROUND

I. Insurance Coverage

14. Defendants entered into a contract of insurance with Plaintiff, whereby Plaintiff agreed to make payments to Defendants in exchange for Defendants' promise to indemnify Plaintiff for losses including, but not limited to, business income losses at Plaintiff's Insured Property.

15. The Insured Property is covered under a policy issued by Defendants. *See* Ex. 1 (hereinafter "Policy").

16. The Policy provides, among other things property, business personal property, business income and extra expense, contamination coverage, and additional coverages.

17. Plaintiff faithfully paid policy premiums to Defendants, specifically to provide, among other things, additional coverages in the event of business interruption or closures for a variety of reasons, including by order of Civil Authority.

18. Under the Policy, business interruption insurance coverage is extended to apply to, *inter alia*, the actual loss of business income sustained, and the actual, necessary and reasonable extra expenses incurred.

19. The Policy is an all-risk policy, insofar as it provides that covered causes of loss under the policy means direct physical loss or direct physical damage unless the loss is specifically excluded or limited in the Policy.

20. An all-risk policy such as that purchased by Plaintiff is one that protects against catastrophic events, such as the one occurring now, globally, involving the COVID-19 Pandemic that has resulted in the widespread, omnipresent and persistent presence of COVID-19 in and around Plaintiff's Insured Property, including adjacent properties.

21. Plaintiff's all-risk policy includes coverage for business interruption, which is standard in most all-risk commercial property insurance policies, along with coverage for extended expenses.

22. Plaintiff purchased the aforementioned Policy expecting to be insured against losses, including, but not limited to, business income losses at the salon.

23. Plaintiff purchased, among other coverages, business interruption coverage for closure by Order of Civil Authority.

24. Based upon information and belief, the Policy provided by Defendants included language that is essentially standardized language adopted from and/or developed by the ISO ("Insurance Service Office"). The ISO, founded in 1971, provides a broad range of services to the property and casualty insurance industry. In addition to form policies, ISO collects and manages databases containing large amounts of statistical, actuarial, underwriting, and claims information, fraud-identification tools, and other technical services. ISO describes itself as follows: "ISO provides advisory services and information to many insurance companies. ... ISO develops and publishes policy language that many insurance companies use as the basis for their products." ISO General Questions, Verisk, <https://www.verisk.com/insurance/about/faq/> (last visited June 5, 2020); *see also* Insurance Services Office (ISO), Verisk, <https://www.verisk.com/insurance/brands/iso/> (last visited June 5, 2020).

25. The language in the Policy is language that is "adhesionary" in that Plaintiff was not a participant in negotiating or drafting its content and provisions.

26. Plaintiff was not a participant in negotiating or drafting the Policy's content and provisions. Plaintiff possessed no leverage or bargaining power to alter or negotiate the terms of

the Policy, and more particularly, Plaintiff had no ability to alter, change or modify standardized language derived from the ISO format.

27. Upon information and belief, the Virus Exclusion in the Policy was never intended by the ISO nor Defendants to pertain to a situation like the present global Pandemic of the Coronavirus and therefore does not apply to exclude coverage in this matter.

28. Upon information and belief, the Virus Exclusion in the policy was developed by the ISO in response to the SARS situation that occurred in or around 2005-2006, which was not a Pandemic and not a global Pandemic as is the present COVID-19 Pandemic situation, and therefore was never intended to exclude coverage for a circumstance as presented in this matter.

29. Further, the Virus Exclusion was first permitted by state insurance departments due to misleading and fraudulent statements by the ISO that property insurance policies do not and were not intended to cover losses caused by viruses, and so the Virus Exclusion offers mere clarification of existing law. To the contrary, before the ISO made such baseless assertions, courts considered contamination by a virus to be physical damage. Defendants' use of the Virus Exclusion to deny coverage here shows that the Virus Exclusion was fraudulently adopted, adhesionary, and unconscionable. See <https://www.propertycasualty360.com/2020/04/07/here-we-go-again-virus-exclusion-for-covid-19-and-insurers/> (last visited June 12, 2020).

30. The Virus Exclusion applies only to "loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease."

31. Plaintiff purchased the Policy with an expectation that it was purchasing a policy that would provide coverage in the event of business interruption and extended expenses, such as that suffered by Plaintiff as a result of COVID-19.

32. At no time had Defendants, or its agents, notified Plaintiff that the coverage that Plaintiff had purchased pursuant to an all-risk policy that included business interruption coverage, had exclusions and provisions that purportedly undermined the very purpose of the coverage, of providing benefits in the occurrence of business interruption and incurring extended expenses.

33. The purported exclusions of the Policy that Defendants have or is expected to raise in defense of Plaintiff's claim under the Civil Authority coverage of the Policy are contradictory to the provision of Civil Authority Order coverage and violates public policy of the State of New York as a contract of adhesion and hence not enforceable against Plaintiff.

34. Access to Plaintiff's business was prohibited by Civil Authority Orders and the Policy provides for coverage for actual loss of business sustained and actual expenses incurred as a covered loss caused by the prohibitions of the Civil Authority Orders in the area of Plaintiff's Insured Property.

35. The reasonable expectations of Plaintiff was that the business interruption coverage included coverage when a civil authority forced closure of the business for an issue of public safety in the immediate area surrounding the Insured Property.

36. The Policy does not exclude the losses suffered by Plaintiff and therefore, the Policy does provide coverage for the losses incurred by Plaintiff.

37. Plaintiff suffered direct physical loss or damage within the definitions of the Policy as loss of use of property, as here, constitutes loss or damage.

38. The virus and bacterium exclusions do not apply because Plaintiff's losses were not solely caused by a virus, bacterium or other microorganism. Instead, Plaintiff's losses were caused by the entry of Civil Authority Order, particularly those by Governor Cuomo and by the New York Department of Health, to mitigate the spread of COVID-19.

39. The Civil Authority Order prohibited access to Plaintiff and the other Class members' Covered Property, and the area immediately surrounding Covered Property, in response to dangerous physical conditions described above resulting from COVID-19.

40. As a result of the presence of COVID-19 and the Civil Authority Order, Plaintiff and the other Class members lost Business Income and incurred Extra Expense.

41. Based on information and belief, Defendants have accepted the policy premiums with no intention of providing any coverage for business losses or the Civil Authority extension due to a loss and shutdown from a virus pandemic. Plaintiff contacted its insurance agent about making a claim under the policy and was told that Defendants would reject the claim.

II. The Coronavirus Pandemic

42. The scientific community, and those personally affected by the virus, recognize COVID-19 as a cause of real physical loss and damage. It is clear that contamination of the Insured Property would be a direct physical loss requiring remediation to clean the surfaces of the offices and retail store constituting the Insured Property.

43. The virus that causes COVID-19 remains stable and transmittable in aerosols for up to three hours, up to four hours on copper, up to 24 hours on cardboard and up to two to three days on plastic and stainless steel. *See* <https://www.nih.gov/news-events/news-releases/new-coronavirus-stable-hours-surfaces> (last visited April 9, 2020).

44. The CDC has issued a guidance that gatherings of more than 10 people must not occur. People in congregate environments, which are places where people live, eat, and sleep in close proximity, face increased danger of contracting COVID-19.

45. On March 11, 2020 the World Health Organization ("WHO") made the assessment that COVID-19 shall be characterized as a pandemic. *See*

<https://www.who.int/dg/speeches/detail/who-director-general-s-opening-remarks-at-the-media-briefing-on-covid-19---11-march-2020>.

46. The global Coronavirus pandemic is exacerbated by the fact that the deadly virus physically infects and stays on surfaces of objects or materials, “fomites,” for up to twenty-eight (28) days.

47. A particular challenge with the novel coronavirus is that it is possible for a person to be infected with COVID-19 but be asymptomatic. Thus, seemingly healthy people unknowingly spread the virus via speaking, breathing, and touching objects.

48. While infected droplets and particles carrying COVID-19 may not be visible to the naked eye, they are physical objects which travel to other objects and cause harm. Habitable surfaces on which COVID-19 has been shown to survive include, but are not limited to, stainless steel, plastic, wood, paper, glass, ceramic, cardboard, and cloth.

49. China, Italy, France, and Spain have implemented the cleaning and fumigating of public areas prior to allowing them to re-open publicly due to the intrusion of microbials.

50. A French Court has determined that business interruption coverage applies to the COVID-19 Pandemic. *See*

<https://www.insurancejournal.com/news/international/2020/05/22/569710.htm>

51. The determination by a Court of another country that coverage exists is consistent with public policy that in the presence of a worldwide Pandemic, such as COVID-19, businesses that possess business interruption insurance coverage should recover their losses from the insurance carriers.

III. Civil Authority

52. On March 7, 2020 Governor Cuomo declared a State of disaster Emergency for the entire state of New York as a result of COVID-19.

53. On March 12, 2020, Governor Cuomo set restrictions on large gatherings.

54. On March 20, 2020, the State of New York issued a stay at home order that all non-essential workers must stay at home as a result of COVID-19. This order was extended to at least May 15, 2020.

55. As of May 28, the State of New York permitted Saratoga County – which is where Plaintiff's business is located – to move to Phase 1 reopening. Phase 1 allows the reopening of construction, agriculture, curbside retail, manufacturing and wholesale trade. Phase 2 allows office-based workers, real estate services, in-store retail shopping and some barbershop services to resume, which has not been permitted in the State of New York as of yet.

56. Plaintiff's salon is unable to operate due to the stay-at-home orders for public safety issued by the Governor of New York and the State of New York generally, and have submitted a claim to its insurance carrier related to such losses.

57. Further, on April 10, 2020, President Trump seemed to support insurance coverage for business loss like that suffered by the Plaintiff:

REPORTER: Mr. President may I ask you about credit and debt as well. Many American individuals, families, have had to tap their credit cards during this period of time. And businesses have had to draw down their credit lines. Are you concerned Mr. President that that may hobble the U.S. economy, all of that debt number one? And number two, would you suggest to credit card companies to reduce their fees during this time?

PRESIDENT TRUMP: Well it's something that we've already suggested, we're talking to them. ***Business interruption insurance***, I'd like to see these insurance companies—you know you have people that have paid. When I was in private I had business interruption. When my business was interrupted through a hurricane

or whatever it may be, I'd have business where I had it, I didn't always have it, sometimes I had it, sometimes, I had a lot of different companies. ***But if I had it I'd expect to be paid.*** You have people. I speak mostly to the restaurateurs, where they have a restaurant, they've been paying for 25, 30, 35 years, business interruption. They've never needed it. All of a sudden they need it. And I'm very good at reading language. I did very well in these subjects, OK. And I don't see the word pandemic mentioned. Now in some cases it is, it's an exclusion. But in a lot of cases I don't see it. I don't see it referenced. And they don't want to pay up. I would like to see the insurance companies pay if they need to pay, if it's fair. And they know what's fair, and I know what's fair, I can tell you very quickly. But business interruption insurance, that's getting a lot of money to a lot of people. And they've been paying for years, sometimes they just started paying, but you have people that have never asked for business interruption insurance, and they've been paying a lot of money for a lot of years for the privilege of having it, and then when they finally need it, the insurance company says 'we're not going to give it.' We can't let that happen.

<https://youtu.be/cMeG5C9TjU> (last visited on April 17, 2020) (emphasis added).

58. The President is articulating a few core points:

- a. Business interruption is a common type of insurance. It applies to a variety of business establishments.
- b. Businesses pay in premiums for this coverage and should reasonably expect they'll receive the benefit of the coverage.
- c. This pandemic should be covered unless there is a specific exclusion for pandemics.
- d. If insurers deny coverage, they would be acting in bad faith.
- e. Public policy considerations support a finding that coverage exists and that a denial of coverage would be in violation of public policy.

59. These Orders and proclamations, as they relate to the closure of all “non-life-sustaining businesses,” evidence an awareness on the part of both state and local governments that COVID-19 causes damage to property. This is particularly true in places where business is conducted, such as Plaintiff's, as the requisite contact and interaction causes a heightened risk of the property becoming contaminated.

60. Plaintiff did not have the ability or right to ignore these Orders and proclamations as doing so would expose Plaintiff to fines and sanctions.

61. Plaintiff's adherence to the requirements of these Orders and proclamations was in furtherance of the protecting the public, the public's good and supportive of public policy to attempt to minimize the risk of spread of COVID-19.

IV. Impact to Plaintiff

62. As a result of the Orders referenced herein, Plaintiff was in fact precluded from keeping its salon open to the public.

63. As a consequence of the Orders, Plaintiff completely ceased operations and closed its doors as of March 20, 2020.

64. Plaintiff could not use its property for its intended purpose. Therefore, the novel coronavirus has caused "direct physical loss of or damage to" Plaintiff's property insured under the policy.

65. Plaintiff's business is highly susceptible to rapid person-to-property transmission of the virus, and vice-versa, because the activities of the customers and the staff require them to work in close proximity to the property.

66. The virus is physically impacting the Insured Property. Any effort by Defendants to deny the reality that the virus causes physical loss and damage would constitute a false and potentially fraudulent misrepresentation that could endanger Plaintiff and the public.

67. Plaintiff's practice including the Insured Property, is highly susceptible to contamination and damage, from, among other things, the rapid person-to-person and person-to-property contamination as COVID-19 is carried into the Insured Property from the surrounding area and other contaminated and damaged premises.

68. Because of the nature of COVID-19 as described above, relating to its persistence in locations and the prospect of causing asymptomatic responses in some people, the risk of infection to persons is not only high, but could cause persons with asymptomatic responses to then come into contact with others who would not be so fortunate as to suffer merely an asymptomatic response, and instead suffer serious illness.

69. The Civil Authority Orders entered by the state and local government were in the exercise of authority to protect the public and minimize the risk of spread of disease.

70. Even with the entry of these Civil Authority Orders there remained physical impact not only in and within Plaintiff's business property but in and around the surrounding location of Plaintiff's business property in light of COVID-19 presence not being detectable other than through microscopic means, and occurrence of illness.

71. The entry of the Civil Authority Orders to mitigate health risks to the public by attempting to prevent COVID-19 contamination, through the closing businesses and ordering persons to stay at home resulted in a physical impact on Plaintiff's business and Insured Property.

72. Plaintiff specifically sought coverage for business interruption losses and extended expenses and paid premiums for such coverage and with an expectation that the Policy Plaintiff purchased provided such coverage, with no disclosures to the contrary being made to Plaintiff by Defendants or its agents.

73. Plaintiff had no choice but to comply with the Civil Authority Orders, for failure to do so would have exposed Plaintiff and his business to fines and sanctions. Plaintiff's compliance with mandates resulted in Plaintiff suffering business losses, business interruption and extended expenses of the nature that the Policy covers and for which Plaintiff's reasonable expectation was that coverage existed in exchange for the premiums paid.

74. A declaratory judgment determining that the coverage provided under the Policy will prevent Plaintiff from being left without vital coverage acquired to ensure the survival of the business due to the shutdown caused by the civil authorities' response is necessary. As a result of these Orders, Plaintiff has incurred, and continues to incur, among other things, a substantial loss of business income and additional expenses covered under the Policy.

CAUSE OF ACTION

DECLARATORY RELIEF

75. Plaintiff re-alleges and incorporates by reference into this cause of action each and every allegation set forth in each and every paragraph of this Complaint.

76. The Declaratory Judgment Act, 28 U.S.C. § 2201(a), provides that in “a case of actual controversy within its jurisdiction . . . any court of the United States . . . may declare the rights and other legal relations of any interested party seeking such declaration, whether or not further relief is or could be sought.” 28 U.S.C. § 2201(a).

77. An actual controversy has arisen between Plaintiff and Defendants as to the rights, duties, responsibilities and obligations of the parties under the Policy in that Plaintiff contends and, on information and belief, Defendants disputes and denies, *inter alia*, that:

- a. The Orders constitute a prohibition of access to Plaintiff's Insured Property;
- b. The prohibition of access by the Orders has specifically prohibited access as defined in the Policy;
- c. The Orders trigger coverage;
- d. The Policy provides coverage to Plaintiff for any current and future closures in Saratoga County due to physical loss or damage directly or indirectly from the Coronavirus and/or pandemic circumstance under the Civil Authority coverage parameters;

- e. The Policy's exclusions for virus and bacteria do not apply to the circumstances presented in the lawsuit and the kind and types of damages and losses suffered by Plaintiff;
- f. Defendants' denial of coverage for losses sustained that were caused by the entry of the Civil Authority Orders referenced, and Plaintiff's adherence to the Civil Authority Orders violates public policy;
- g. The under the circumstances of this Pandemic and the entry of the Civil Authority Orders referenced, Plaintiff's had no choice but to comply with the Civil Authority Orders, and that Plaintiff's compliance resulting in Plaintiff suffering business losses, business interruption and extended expenses is therefore a covered expense;
- h. The Policy provides business income coverage in the event that Coronavirus has directly or indirectly caused a loss or damage at the insured premises or immediate area of the Insured Property; and
- i. Resolution of the duties, responsibilities and obligation of the parties is necessary as no adequate remedy at law exists and a declaration of the Court is needed to resolve the dispute and controversy.

78. Plaintiff seeks a Declaratory Judgment to determine whether the Orders constitute a prohibition of access to Plaintiff's Insured Property.

79. Plaintiff further seeks a Declaratory Judgment to affirm that the Orders trigger coverage.

80. Plaintiff further seeks a Declaratory Judgment to affirm that the Policy provides coverage to Plaintiff for any current and future closures of businesses such as Plaintiff's in Saratoga County due to physical loss or damage from the Coronavirus and/or the pandemic and the policy provides business income coverage in the event that Coronavirus has caused a loss or damage at the Insured Property.

81. Plaintiff does not seek any determination of whether the Coronavirus is physically in or at the Insured Property, amount of damages, or any other remedy other than declaratory relief.

DEMAND FOR TRIAL BY JURY

82. The Plaintiff hereby demands a trial by jury.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff herein prays as follows:

- a. For a declaration that the Orders constitute a prohibition of access to Plaintiff's Insured Property.
- b. For a declaration that the prohibition of access by the Orders is specifically prohibited access as defined in the Policy.
- c. For a declaration that the Orders trigger coverage under the Policy.
- d. For a declaration that the Policy provides coverage to Plaintiff for any current and future closures in Saratoga County due to physical loss or damage directly or indirectly from the Coronavirus and/or pandemic circumstance under the Civil Authority coverage parameters.
- e. For a declaration that the Policy's exclusions for virus and bacteria do not apply to the circumstances presented in the lawsuit and the kind and types of damages and losses suffered by Plaintiff.
- f. For a declaration that Defendants' denial of coverage for losses sustained that were caused by the entry of the Civil Authority Orders referenced, and Plaintiff's adherence to the Civil Authority Orders violates public policy.
- g. For a declaration that under the circumstances of this Pandemic and the entry of the Civil Authority Orders referenced, Plaintiff's had no choice but to comply with the Civil Authority Orders, and that Plaintiff's compliance resulting in Plaintiff suffering business losses, business interruption and extended expenses is therefore a covered expense.
- h. For a declaration that the Policy provides coverage to Plaintiff for any current, future and continued closures of non-essential businesses due to physical loss or damage directly or indirectly from the Coronavirus.
- i. For a declaration that the Policy provides business income coverage in the event that Coronavirus has directly or indirectly caused a loss or damage at the Plaintiff's Insured Property or the immediate area of the Plaintiff's Insured Property.
- j. For such other relief as the Court may deem proper.

Dated: July 9, 2020

Respectfully submitted,

/s/ Elmer Robert Keach, III

Elmer Robert Keach, III, Esquire

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Counsel for Plaintiff

EXHIBIT 1

**BUSINESSOWNERS DECLARATION****BUSINESSOWNERS AMENDED DECLARATIONS EFFECTIVE 03/20/2020 NUMBER 01**

5H

SUPERSEDES ANY PREVIOUS DECLARATIONS BEARING THE SAME NO. FOR THIS POLICY PERIOD
AMENDED BPP ON LOC#01

Policy Number	Policy Period From To	Coverage is Provided in the	Agency Code
ODX-D206450-03	03/20/2020 03/20/2021	MASSACHUSETTS BAY INSURANCE COMPANY	250967900

Named Insured and Address

DADM KIDZ CUTS INC
DADM KIDZ CUTS II LLC
22 CLIFTON COUNTRY RD
CLIFTON PARK, NY 12065

Agent

651-426-0607
MCNAMARA COMPANY
1330 E HWY 96
WHITE BEAR LAKE, MN 55110

Policy Period: Beginning and Ending at 12:01 a.m. Standard Time at the Location of the Described Premises.

Business Type: CORPORATION (SINGLE).

Mortgagee/Loss Payable:

Business of the Named Insured:

BEAUTICIAN.

In consideration of the premium, insurance is provided the Named Insured with respect to those premises described in the Schedule below and with respect to those coverages and kinds of property for which a specific Limit of Insurance is shown, subject to all of the terms of this policy including forms and endorsements made a part hereof:

LOCATION SCHEDULE**Described Premises:**

NO. 001 001 22 CLIFTON COUNTRY RD, CLIFTON PARK, NY 12065

SECTION I - PROPERTY	LIMITS OF INSURANCE					
	Loc No 001	Bldg No 001	Loc No	Bldg No	Loc No	Bldg No
Deductible Amount	\$ 1,000		\$		\$	
Building Amount Valuation	NOT COVERED					
Business Personal Property Valuation	\$ 115,762 RC					
Business Income	ACTUAL BUSINESS LOSS SUSTAINED NOT EXCEEDING 12 CONSECUTIVE MONTHS					
Business Income Waiting Period	Excluded / None / 24 hours / 48 hours / 72 hours 24 HOURS					
SECTION II - LIABILITY	LIMITS OF INSURANCE					
Liability and Medical Expenses Limits of Insurance:						
Except for Damage to Premises Rented to You, each paid claim for the following coverages reduce the Amount of Insurance we provide during the applicable annual period. Please refer to SECTION II - LIABILITY, D. LIABILITY AND MEDICAL EXPENSES LIMITS OF INSURANCE , paragraph.4. of the Businessowners Coverage Form.						
Liability and Medical Expenses Limit		\$ 2,000,000	Per Occurrence		\$ 4,000,000	Aggregate
Medical Expenses		\$ 5,000	Each Person			
Damage to Premises Rented to You		\$ 300,000	All Perils			

Date Issued: 01/08/2020

ORIGINAL/INSURED

Payment Type: ELECTRONIC EXCHANGE

GROUP NAME: SNIP-ITS/FRANTASTIC SAMS/KIDS HAIR

GROUP NUMBER: XRO

391-1002 08 16

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**BUSINESSOWNERS DECLARATION****BUSINESSOWNERS AMENDED DECLARATIONS EFFECTIVE 03/20/2020 NUMBER 01**

5H

SUPERSEDES ANY PREVIOUS DECLARATIONS BEARING THE SAME NO. FOR THIS POLICY PERIOD
AMENDED BPP ON LOC#01

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Named Insured and Address

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CLIFTON PARK, NY 12065

Agent

651-426-0607
MCNAMARA COMPANY
1330 E HWY 96
WHITE BEAR LAKE, MN 55110

Additional Property Coverages and Extensions:

See attached Schedule for Additional Coverages provided for under this Policy.

Audit Frequency: Annual

Additional Liability Coverages: General Liability Broadening Endorsement

General Liability Class: 85130

Description: HAIR SALONS

Liability Exposure: \$115,762 SALES

Policy Forms, Endorsements and Optional Coverages Attached:

See Forms and Endorsements Schedule

PREVIOUS PREMIUM IS:	\$ 1,210.44
NET PREMIUM CHANGE IS:	\$ 12.07 CR
NEW YORK STATE FIRE FEE:	\$ 2.37
TOTAL BOP COVERAGE PREMIUM:	\$ 1,198.37
BOP TERRORISM COVG (INCLUDED IN TOTAL POLICY PREMIUM)	\$ 25.00
OTHER THAN FIRE FOLLOWING	\$ 10.00
FIRE FOLLOWING	\$ 15.00
TOTAL UMBRELLA COVERAGE PREMIUM:	NOT COVERED
UMB TERRORISM COVG (INCLUDED IN TOTAL POLICY PREMIUM)	NOT COVERED
DEPOSIT PREMIUM:	\$ 1,198.37
THE TOTAL ACTUAL PREMIUM:	\$ 1,198.37

Countersigned this ____ Day of _____

Authorized Representative

**This Declarations Page with the Policy Contract, Forms and Endorsements, if any,
Complete the Policy.**

Date Issued: 01/08/2020

ORIGINAL/INSURED

Payment Type: ELECTRONIC EXCHANGE

391-1002 08 16

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ADDITIONAL PROPERTY COVERAGES AND EXTENSIONS

BUSINESSOWNERS AMENDED DECLARATIONS EFFECTIVE 03/20/2020 NUMBER 01

5H SUPERSEDES ANY PREVIOUS DECLARATIONS BEARING THE SAME NO. FOR THIS POLICY PERIOD
AMENDED BPP ON LOC#01

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MCNAMARA COMPANY
1330 E HWY 96
WHITE BEAR LAKE, MN 55110

Additional Property Coverages & Extensions	Deductible	Amount Included	Additional Amount Increase	Total Limit
DEBRIS REMOVAL	NONE	\$25,000	N/A	\$25,000
PRESERVATION OF PROPERTY	NONE	90 DAYS	N/A	90 DAYS
FIRE DEPARTMENT SERVICE CHARGE	NONE	\$25,000	N/A	\$25,000
POLLUTANT CLEAN-UP AND REMOVAL	NONE	\$25,000	N/A	\$25,000
MONEY ORDERS AND COUNTERFEIT MONEY	\$500	\$5,000	N/A	\$5,000
FORGERY OR ALTERATION	\$500	\$25,000	N/A	\$25,000
GLASS EXPENSES	\$250	INCLUDED	N/A	INCLUDED
REWARDS ARSON, THEFT AND VANDALISM	NONE	\$10,000	N/A	\$10,000
TENANT SIGNS	\$500	\$5,000	N/A	\$5,000
FIRE PROTECTION EQUIPMENT RECHARGE	NONE	\$25,000	N/A	\$25,000
INSTALLATION FLOATER	\$1,000	\$5,000	N/A	\$5,000
FINE ARTS	\$500	\$10,000	N/A	\$10,000
FENCE AND WALLS	SEE BUILDING AND CONTENTS DEDUCTIBLE	INCLUDED	N/A	INCLUDED
SALES REPRESENTATIVE SAMPLES	\$1,000	\$5,000	N/A	\$5,000
LEASEHOLD INTEREST (TENANT'S ONLY)	NONE	\$10,000	N/A	\$10,000
UNAUTHORIZED BUSINESS CREDIT CARD USE	NONE	\$5,000	N/A	\$5,000
UTILITY SERVICES			N/A	
DIRECT DAMAGE	\$500	\$10,000	N/A	\$10,000
BUSINESS INCOME	24 HOURS	\$5,000	N/A	\$5,000
DEFERRED PAYMENTS	NONE	\$5,000	N/A	\$5,000
NEWLY ACQUIRED OR CONSTRUCTED PROPERTY		180 DAYS	N/A	180 DAYS
BUILDINGS	\$500	\$1,000,000	N/A	\$1,000,000
PERSONAL PROPERTY	\$500	\$500,000	N/A	\$500,000
BUSINESS INCOME AND EXTRA EXPENSE	SEE WAITING PERIOD	\$250,000	N/A	\$250,000
OUTDOOR PROPERTY - TREES, SHRUBS AND PLANTS-\$1,000 EACH ITEM	\$500	\$10,000	N/A	\$10,000

Form 391-1018 (7-02)

Date Issued: 01/08/2020

ORIGINAL/INSURED



ADDITIONAL PROPERTY COVERAGES AND EXTENSIONS

BUSINESSOWNERS AMENDED DECLARATIONS EFFECTIVE 03/20/2020 NUMBER 01

5H SUPERSEDES ANY PREVIOUS DECLARATIONS BEARING THE SAME NO. FOR THIS POLICY PERIOD
AMENDED BPP ON LOC#01

Policy Number	Policy Period From To	Coverage is Provided in the	Agency Code
ODX-D206450-03	03/20/2020 03/20/2021	MASSACHUSETTS BAY INSURANCE COMPANY	250967900

Named Insured and Address

DADM KIDZ CUTS INC
DADM KIDZ CUTS II LLC
22 CLIFTON COUNTRY RD
CLIFTON PARK, NY 12065

Agent

651-426-0607
MCNAMARA COMPANY
1330 E HWY 96
WHITE BEAR LAKE, MN 55110

Additional Property Coverages & Extensions	Deductible	Amount Included	Additional Amount Increase	Total Limit
PERSONAL EFFECTS	\$500	\$10,000	N/A	\$10,000
INVENTORY AND LOSS APPRAISAL	NONE	\$10,000	N/A	\$10,000
KEY REPLACEMENT AND LOCK REPAIR	NONE	\$1,000	N/A	\$1,000
APPURTENANT STRUCTURE	\$500	\$50,000	N/A	\$50,000
PERSONAL PROPERTY IN TRANSIT	\$1,000	\$10,000	N/A	\$10,000
EXTENDED BUSINESS INCOME		30 DAYS	N/A	30 DAYS
EMPLOYEE THEFT INCLUDING ERISA COMPLIANCE	\$1,000	\$10,000	N/A	\$10,000
COMMERCIAL TOOLS AND SMALL EQUIP	\$500	\$5,000	N/A	\$5,000
PERSONAL PROPERTY OFF PREMISES	\$1,000	\$50,000	N/A	\$50,000
BUSINESS INCOME FROM DEPENDENT PROPERTIES	72 HOURS	\$5,000	N/A	\$5,000
TERRORISM	SEE BUILDING AND CONTENTS DEDUCTIBLE	SAME AS PROPERTY LIMITS OF INSURANCE IF COVERED	N/A	SAME AS PROPERTY LIMITS OF INSURANCE IF COVERED
INTERRUPTION OF COMPUTER OPERATIONS	SEE WAITING PERIOD	\$10,000	N/A	\$10,000
BUSINESS PERSONAL PROPERTY TEMPORARILY IN PORTABLE STORAGE UNITS	\$500	\$25,000	N/A	\$25,000
CIVIL AUTHORITY	72 HOURS	4 WEEKS	N/A	4 WEEKS
COMPUTER AND FUNDS TRANSFER FRAUD	\$500	\$5,000	N/A	\$5,000
LIMITED COVERAGE FOR FUNGI, WET ROT, OR DRY ROT	\$500	\$50,000	N/A	\$50,000
PAVED SURFACES	\$500	\$25,000	N/A	\$25,000
TENANT BUILDING COVERAGE - REQUIRED BY LEASE	\$500	\$25,000	N/A	\$25,000
TENANT BUSINESS PERSONAL PROPERTY COVERAGE - REQUIRED BY LEASE	\$500	\$25,000	N/A	\$25,000



ADDITIONAL PROPERTY COVERAGES AND EXTENSIONS

BUSINESSOWNERS AMENDED DECLARATIONS EFFECTIVE 03/20/2020 NUMBER 01

5H SUPERSEDES ANY PREVIOUS DECLARATIONS BEARING THE SAME NO. FOR THIS POLICY PERIOD
AMENDED BPP ON LOC#01

Policy Number	Policy Period From To	Coverage is Provided in the	Agency Code
ODX-D206450-03	03/20/2020 03/20/2021	MASSACHUSETTS BAY INSURANCE COMPANY	250967900

Named Insured and Address

DADM KIDZ CUTS INC
DADM KIDZ CUTS II LLC
22 CLIFTON COUNTRY RD
CLIFTON PARK, NY 12065

Agent

651-426-0607
MCNAMARA COMPANY
1330 E HWY 96
WHITE BEAR LAKE, MN 55110

Additional Property Coverages & Extensions

Deductible

Amount Included

Additional Amount Increase

Total Limit

THEFT OF TELEPHONIC SERVICES	\$ 500	\$ 25,000	N/A	\$ 25,000
UNDERGROUND PIPES	\$ 500	INCLUDED	N/A	INCLUDED



ADDITIONAL PROPERTY COVERAGES AND EXTENSIONS

BUSINESSOWNERS AMENDED DECLARATIONS EFFECTIVE 03/20/2020 NUMBER 01

5H SUPERSEDES ANY PREVIOUS DECLARATIONS BEARING THE SAME NO. FOR THIS POLICY PERIOD
AMENDED BPP ON LOC#01

Policy Number	Policy Period From To	Coverage is Provided in the	Agency Code
ODX-D206450-03	03/20/2020 03/20/2021	MASSACHUSETTS BAY INSURANCE COMPANY	250967900

Named Insured and Address

DADM KIDZ CUTS INC
DADM KIDZ CUTS II LLC
22 CLIFTON COUNTRY RD
CLIFTON PARK, NY 12065

Agent

651-426-0607
MCNAMARA COMPANY
1330 E HWY 96
WHITE BEAR LAKE, MN 55110

Additional Property Coverages & Extensions	Loc. No.	Bldg. No.	Deductible Amount	Amount Included	Additional Amount	Total Limit
ORDINANCE OR LAW	001	001	NONE	\$5,000	N/A	\$5,000
COMPUTER EQUIPMENT			\$500	\$35,000	N/A	\$35,000
COMPUTER EQUIPMENT EXTRA EXPENSE			NONE	\$5,000	N/A	\$5,000
ELECTRONIC VANDALISM			\$500			
OCCURRENCE LIMIT				\$10,000	N/A	\$10,000
AGGREGATE LIMIT				\$10,000	N/A	\$10,000
VALUABLE PAPERS AND RECORDS (OTHER THAN ELECTRONIC DATA)			\$1,000			
ON PREMISES				\$25,000	N/A	\$25,000
OFF PREMISES				\$25,000	N/A	\$25,000
ACCOUNTS RECEIVABLE			\$1,000			
ON PREMISES				\$25,000	N/A	\$25,000
OFF PREMISES				\$25,000	N/A	\$25,000
MONEY AND SECURITIES			\$500			
ON PREMISES				\$10,000	N/A	\$10,000
OFF PREMISES				\$5,000	N/A	\$5,000
EQUIPMENT BREAKDOWN			\$1,000	INCLUDED	N/A	INCLUDED
PROTECTIVE DEVICES CREDIT						
AUTOMATIC SPRINKLER SYSTEM				NO		
AUTOMATIC FIRE ALARM				NO		
CENTRAL STATION SECURITY				NO		
COLLAPSE			\$500	INCLUDED	N/A	INCLUDED
UTILITY SERVICES						
DIRECT DAMAGE			\$500	\$25,000	N/A	\$25,000
TIME-ELEMENT			24 HOURS	\$25,000	N/A	\$25,000

Form 391-1018A (9-04)

Date Issued: 01/08/2020

ORIGINAL/INSURED

**BUSINESSOWNERS DECLARATION****BUSINESSOWNERS AMENDED DECLARATIONS EFFECTIVE 03/20/2020 NUMBER 01**

5H

COMPLEX

SUPERSEDES ANY PREVIOUS DECLARATIONS BEARING THE SAME NO. FOR THIS POLICY PERIOD
AMENDED BPP ON LOC#01

Policy Number	Policy Period From To	Coverage is Provided in the	Agency Code
ODX-D206450-03	03/20/2020 03/20/2021	MASSACHUSETTS BAY INSURANCE COMPANY	250967900

Named Insured and Address

DADM KIDZ CUTS INC
DADM KIDZ CUTS II LLC
22 CLIFTON COUNTRY RD
CLIFTON PARK, NY 12065

Agent

651-426-0607
MCNAMARA COMPANY
1330 E HWY 96
WHITE BEAR LAKE, MN 55110

NAMED INSURED ENDORSEMENT

DADM KIDZ CUTS INC
DBA SNIP-ITS

DADM KIDZ CUTS II LLC



BUSINESSOWNERS DECLARATION

BUSINESSOWNERS AMENDED DECLARATIONS EFFECTIVE 03/20/2020 NUMBER 01

5H

SUPERSEDES ANY PREVIOUS DECLARATIONS BEARING THE SAME NO. FOR THIS POLICY PERIOD
AMENDED BPP ON LOC#01

Policy Number	Policy Period From To	Coverage is Provided in the	Agency Code
ODX-D206450-03	03/20/2020 03/20/2021	MASSACHUSETTS BAY INSURANCE COMPANY	250967900

Named Insured and Address

DADM KIDZ CUTS INC
DADM KIDZ CUTS II LLC
22 CLIFTON COUNTRY RD
CLIFTON PARK, NY 12065

Agent

651-426-0607
MCNAMARA COMPANY
1330 E HWY 96
WHITE BEAR LAKE, MN 55110

Forms and Endorsements Schedule

Form Number	Edition Date	Description
391-1389	08/16	DELUXE SILVER BROADENING
BP0801	01/06	BARBERS AND BEAUTICIANS PROF L
391-1073	07/02	BARBERS BEAUTICIANS LIABILITY
BP0436	01/10	NY HIRED AND NON OWNED
401-1374	01/15	DISCLOSURE PURSUANT TO TRIA
391-1114	01/15	CAP ON LOSSES FROM TERRORISM
391-1313	01/15	EXCLUSION OF PUNITIVE DAMAGES
391-1006	08/16	LIABILITY SPECIAL BROADENING
391-2002	08/16	NY CHG-SPEC LIAB BROADEN ENDT
391-1375	01/10	AMEND LIMITS PERSONAL AND ADV
391-1003	08/16	BUSINESSOWNERS COVERAGE FORM
391-1122	12/18	NY CHANGES - BUSINESSOWNERS
BP0417	01/10	EMPLYMT RELATED PRACTICES EXCL
421-0022	07/02	ASBESTOS EXCLUSION
231-0475	06/89	PILR NOTICE
391-1285	04/07	NY COMMERCIAL EPLI COV ENDT SU
391-1242	11/06	NY EPLI COVERAGE ENDORSEMENT
391-1286	04/07	NY EPLI BUSINESS OWNERS APPLIC
391-1243	04/07	NY EPLI POLICYHOLDER NOTICE
401-1504	01/20	CAP LOSSES CERT ACTS OF TERR
391-1440	01/15	DATA BREACH COVERAGE FORM
391-1442	12/09	ASSOC AND FAMILY MBR ADD COV
391-1585	12/11	IDENTITY THEFT NOTICE
391-1857	01/15	NY CHANGES - DATA BREACH

Form 391-1016 (7-99)

Date Issued: 01/08/2020

ORIGINAL/INSURED



**COMMERCIAL EMPLOYMENT PRACTICES
LIABILITY INSURANCE COVERAGE ENDORSEMENT
SUPPLEMENTAL DECLARATIONS - NEW YORK**

Policy Number: ODX D206450 03
Account Number: 1511213498
Named Insured: DADM KIDZ CUTS INC

Agent #: 2509679

NOTICE

- EXCEPT TO SUCH EXTENT AS MAY OTHERWISE BE PROVIDED HEREIN, THE COVERAGE OF THIS COVERAGE ENDORSEMENT IS LIMITED TO LIABILITY FOR ONLY THOSE CLAIMS OR SUITS THAT ARE FIRST MADE AGAINST THE INSURED DURING THE EPL COVERAGE PERIOD. VARIOUS PROVISIONS IN THIS COVERAGE ENDORSEMENT RESTRICT COVERAGE. PLEASE READ THE ENTIRE COVERAGE ENDORSEMENT CAREFULLY TO DETERMINE RIGHTS, DUTIES AND WHAT IS AND IS NOT COVERED.
- THE LIMIT OF LIABILITY AVAILABLE TO PAY JUDGMENTS OR SETTLEMENTS UNDER THIS COVERAGE ENDORSEMENT SHALL BE REDUCED BY AMOUNTS INCURRED FOR LEGAL DEFENSE. AMOUNTS INCURRED FOR LEGAL DEFENSE SHALL BE APPLIED AGAINST THE DEDUCTIBLE AMOUNT.

EPL Coverage Period:	From: 03/20/2020 To: 03/20/2021	At 12:01 A.M. Standard Time at your mailing address shown on the Declarations page of this policy
EPL Aggregate Limit of Liability:	\$ 100,000.00	Aggregate for all "loss" combined, including "defense costs".
EPL Deductible Amount:	\$ 5,000.00	For "loss" arising from claims or suits alleging the same "wrongful employment act" or "related wrongful employment acts".
EPL Original Inception Date:	03/20/2017	(Enter "original inception date".) If no date is shown, "we" will consider the "original inception date" to be the same as the beginning of this coverage endorsement.

This insurance does not apply to "loss" arising out of a "wrongful employment act" that: (1) commences on or takes place prior to the "original inception date" shown here, or (2) arises out of incidents or circumstance of which "you" had knowledge prior to the "original inception date" shown.

EPL COVERAGE PREMIUM:	\$ 83.00
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