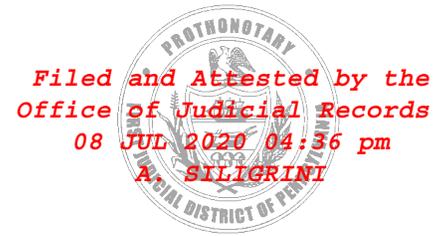


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Attorney for Schwartz Law Firm, LLC

SCHWARTZ LAW FIRM, LLC	:	COURT OF COMMON PLEAS
	:	PHILADELPHIA COUNTY
v.	:	
	:	MAY TERM, 2020
SELECTIVE INSURANCE COMPANY	:	NO. _____
OF SOUTH CAROLINA	:	
	:	

NOTICE TO DEFEND

You have been sued in court. If you wish to defend against the claims set forth in the following pages, you must take action within twenty (20) days after this Complaint and notice are served, by entering a written appearance personally or by attorney and filing in writing with the court your defenses or objections to the claims set forth against you. You are warned that if you fail to do so the case may proceed without you and a judgment may be entered against you by the court without further notice for any money claimed in the complaint or for any other claim or relief requested by the plaintiff. You may lose money or property or other rights important to you.

YOU SHOULD TAKE THIS PAPER TO YOUR LAWYER AT ONCE. IF YOU DO NOT HAVE A LAWYER (OR CANNOT AFFORD ONE), GO TO OR TELEPHONE THE OFFICE SET FORTH

BELOW TO FIND OUT WHERE YOU CAN GET LEGAL HELP. THIS OFFICE CAN PROVIDE YOU WITH INFORMATION ABOUT HIRING A LAWYER.

IF YOU CANNOT AFFORD TO HIRE A LAWYER, THIS OFFICE MAY BE ABLE TO PROVIDE YOU WITH INFORMATION ABOUT AGENCIES THAT MAY OFFER LEGAL SERVICES TO ELIGIBLE PERSONS AT A REDUCED FEE OR NO FEE.

Philadelphia Legal Assistance
718 Arch Street, Suite 300N
Philadelphia, PA19106
Telephone: (215) 981-3800

AVISO

Le han demandado a usted en la corte. Si usted quiere defenderse de estas demandas \expuestas en las paginas siguientes, usted tiene veinte (20) dias de plazo al partir de la fecha de la demanda y la notificacion. Hace falta a sentar una comparencia escrita o en persona o con unabogado y entregar a la corte en forma escritasus defenses o susobjeciones a lasdemandas en contra de su persona. Sea avisado que si usted no se defiende, la corte tomara medidas y puede continuar la demanda en contra suya sin previaaviso o notificacion. Ademias, la corte puede decidir a favor del demandante y requiere que usted cumpla con todas las provisiones de esta demanda. Usted puede perder dinero o sus propiedades u otros derechos importantes para usted.

LLEVE ESTA DEMANDA A UN ABOGADO IMMEDIAMENTE. SI NO TIENE ABOGADO O SI NO TIENE EL DINERO SUFICIENTE DE PAGA TAL SERVICIO, VAYA EN PERSONA O LLAME POR TELEFONO A LA OFICINA CUYA A DIRECCION SE ENCUENTRA ESCRITA ABAJO PARA AVERIGUAR DONDE SE PUEDE CONSEGUIR ASISTENCIA LEGAL.

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SCHWARTZ LAW FIRM, LLC	:	COURT OF COMMON PLEAS
	:	PHILADELPHIA COUNTY
v.	:	
	:	MAY TERM, 2020
SELECTIVE INSURANCE COMPANY	:	NO. _____
OF SOUTH CAROLINA	:	
	:	

COMPLAINT

Plaintiff, Schwartz Law Firm, LLC by and through its attorneys and by way of Complaint against Defendant Selective Insurance Company of South Carolina (“Defendant” or “Selective”) alleges and states the following:

I. PARTIES

1. Plaintiff Schwartz Law Firm, LLC (“Plaintiff” or “Schwartz”) is a Pennsylvania corporation with its principle place of business located at 1801 Market Street, Suite 1845, Philadelphia, PA 19103.

2. Upon information and belief Defendant Selective Insurance Company of South Carolina (“Defendant” or “Selective”) is a Delaware corporation with its principal place of business at 900 E. 96th St., Suite 400, Indianapolis, IN 46240.

II. JURISDICTION AND VENUE

3. This Court has jurisdiction pursuant to 42 Pa. C.S. § 931 and the Declaratory Judgment Act, 42 Pa. C.S. §§ 7531-7541.

4. This Court has personal jurisdiction over Defendant as it regularly conducts business in the City of Philadelphia.

5. Venue in this Court is proper pursuant to Pa. R. Civ. P. 1006 as the cause of action arose here and a transaction or occurrence took place here out of which the cause of action arose.

III. FACTS

A. The Insurance Coverage.

6. Selective did issue to Schwartz a policy of insurance, policy No. S 23306601 (the “2019 Policy”), for the policy period April 6, 2019 to April 6, 2020

7. Selective also did issue to Schwartz a policy of insurance, policy No. S 233036602 (the 2020 “Policy”) (collectively the “Policies”), for the policy period April 6, 2020 to April 6, 2021.

8. Schwartz has paid all premiums due under the Policies, and the Policies are in full force.

9. The Policies are comprehensive and include coverage for commercial property, including but not limited to, loss of use of Schwartz's building, personal property, and personal property of others under certain circumstances.

10. The Policies provide coverage to Schwartz for, among other things, business income, extra expense and civil authority relating to any covered loss under the Policies.

11. The Policies are both "all risk policies", which cover all risks unless clearly and specifically excluded.

B. The Government Closure Of Non-Essential Businesses In Philadelphia.

12. On March 6, 2020, in response to the 2019 novel coronavirus disease (COVID-19), Pennsylvania Governor Tom Wolf issued a Proclamation of Disaster Emergency.

13. On March 16, 2020, Governor Wolf announced that Pennsylvania was imposing mitigation efforts to curtail the spread of COVID-19 across the Commonwealth and called on nonessential businesses to close beginning at midnight Tuesday March 17, 2020.

14. On Monday, March 16, 2020, Jim Kenney, the Mayor of Philadelphia, ordered that all nonessential businesses shut down by 5 p.m. that day.

15. On March 17, 2020, Mayor Kenney and the Philadelphia Commissioner of Health jointly issued an Emergency Order prohibiting the operation of non-essential businesses.

16. On March 17, 2020, the Court of Common Pleas of Philadelphia County announced that other than limited emergency services, the courts would be closed until April 1, 2020, or until further order from the Court. That order has since been extended to May 29, 2020.

17. On March 18, 2020, the Pennsylvania Supreme Court announced that all courts throughout the Commonwealth would be closed except for limited emergent proceedings. The Supreme Court has since directed local courts to reopen, but has also held that those courts subject

to local emergency orders should remain closed except for the limited circumstances discussed above.

18. On March 19, 2020, Governor Wolf announced that the Commonwealth was ordering all non-life-sustaining businesses in Pennsylvania to close their physical locations as of 8:00 pm on March 19th and that enforcement actions against business that did not comply would begin on March 21st. Businesses such as Plaintiff's were not considered life-saving and thus could not continue to function in their office location.

19. On March 22, 2020, Mayor Kenney issued an emergency order, among other things, prohibiting the operation of non-essential businesses/activities in Philadelphia.

20. The announcements, proclamations and orders of the Pennsylvania Governor, Philadelphia Mayor, the Pennsylvania Department of Health, the Philadelphia Commissioner of Health, the Philadelphia Court of Common Pleas, and the Pennsylvania Supreme Court cited above are collectively referred to as the "Orders."

C. The Impact On Schwartz's Business.

21. Schwartz is a Philadelphia-based law firm specializing in family law, and its attorneys frequently receive clients in its office and appear in Family Court.

22. Schwartz was doing substantial business at the time it was forced to close its offices to the public and was unable to make further appearances in Family Court due to the Orders. Its business has since been cut in half. Schwartz's lawyers are attempted to make up for lost revenue by building up their mediation practice, and can continue to appear in Family Court for the purpose of seeking protection from abuse orders, but those activities have failed to fully account for the shortfall. Schwartz's income has been reduced to a trickle.

23. The diminishment of Schwartz’s business is the result of the Orders. To Plaintiff’s knowledge, at no time has any employee or client of Schwartz been diagnosed with COVID-19.

24. The Orders are physically impacting Schwartz. Any effort by Selective to deny the physical loss and damage would constitute a false and potentially fraudulent misrepresentation that could endanger Schwartz and the public.

COUNT I – DECLARATORY JUDGMENT

25. Plaintiff Schwartz incorporates by reference the foregoing paragraphs as if fully set forth herein.

26. Plaintiff Schwartz requests that this Court determine its rights under the insurance policies issued by Selective. Pennsylvania courts have the “power to declare rights, status, and other legal relations whether or not further relief is or could be claimed.” 42 Pa. C.S. § 7532. “Any person interested under a ... written contract ... or whose rights, status, or other legal relations are affected by a ... contract ... may have determined any question of construction or validity arising under the ... contract ... and obtain a declaration of rights, status, or other legal relations thereunder.” 42 Pa. C.S. § 7533. “A contract may be construed either before or after there has been a breach thereof.” 42 Pa. C.S. § 7534.

27. A declaratory judgment determining Schwartz’s right to coverage under the Policies will ensure that Schwartz receives the coverage it paid for at the time it is needed. Schwartz is suffering significant business losses and extra expenses as a result of the Orders, and coverage is vital to Schwartz’s ability to continue as business.

28. Insurers throughout the country have been routinely denying coverage for business interruption losses associated with business closures resulting from “Stay at Home” orders or other

orders that restrict the ability of non-essential businesses to conduct business. As a result, Plaintiff seeks a declaration of its rights and Selective's obligations under the Policies.

29. Plaintiff seeks a declaration that Selective is obligated to provide business interruption and extra expense coverage under the Policies, including coverage under the Civil Authority provision.

30. In this respect, Plaintiff seeks declarations that:

- a. The Orders trigger coverage under the Policies;
- b. Selective is obligated to provide business interruption coverage to Plaintiff;
- c. Selective is obligated to provide extra expense coverage to Plaintiff;
- d. Selective is obligated to provide coverage to Plaintiff under the Civil Authority provisions of the Policies;
- e. Schwartz has a reasonable expectation of coverage for these losses under the Policies;
- f. The virus exclusion in the Policies does not apply to the losses asserted by Plaintiff; and
- g. Application of the virus exclusion in the Policies to Plaintiff's losses are void as against public policy.

31. Plaintiff is not seeking a determination of whether the Coronavirus was present in its business, the amount of Schwartz's damages or any remedy other than the requested declaratory relief.

WHEREFORE, Plaintiff Schwartz moves this Court to enter a declaratory judgment that Selective is obligated to provide coverage to Schwartz for business interruption and extra expense losses from the closure of its business as a result of the Orders, and that:

- a. The Orders trigger coverage under the Policies;
- b. Selective is obligated to provide business interruption coverage to Plaintiff;
- c. Selective is obligated to provide extra expense coverage to Plaintiff;
- d. Selective is obligated to provide coverage to Plaintiff under the Civil Authority provisions of the Policies;
- e. Schwartz has a reasonable expectation of coverage for these losses under the Policies;
- f. The virus exclusion in the Policies does not apply to the losses asserted by Plaintiff; and
- g. Application of the virus exclusion in Policies Policy to Plaintiff's losses are void as against public policy.

Respectfully submitted,

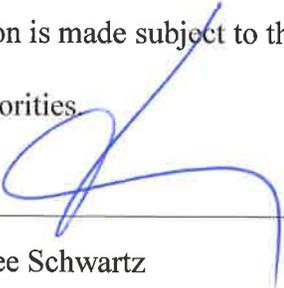
FERRARA LAW GROUP, P.C.

DATE: July 8, 2020

BY: /s/ Aaron L. Peskin
AARON L. PESKIN, ESQUIRE
Attorney for Plaintiff Schwartz Law Firm, LLC

VERIFICATION

I, Lee Schwartz, state that I am a shareholder and manager of a named party in the litigation; that I am acquainted with the factual averments or denials of fact, if any, set forth within the foregoing Complaint; that the same are true and correct to the best of my knowledge, information and belief. This Verification is made subject to the penalties of 18 Pa. C.S.A. §4904 relating to unsworn falsification to authorities.



Lee Schwartz