

SHERMAN, SILVERSTEIN, KOHL, ROSE & PODOLSKY, P.A.

By: Alan C. Milstein (Attorney Identification No.: 38387)

By: Michael Dube (Attorney Identification No.: 89516)

By: Jeffrey P. Resnick (Attorney Identification No.: 79368)

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**THIS IS NOT AN ARBITRATION
MATTER- AN ASSESSMENT OF
DAMAGES HEARING IS NOT REQUIRED**

**CHRIST MEMORIAL REFORMED
EPISCOPAL CHURCH,
4233 Chestnut Street,
Philadelphia, PA 19104-3014**

and

**TRUSTEES OF THE SUSTENTATION
FUND OF THE GENERAL
COUNCIL OF THE REFORMED
EPISCOPAL CHURCH,
826 Second Ave
Blue Bell, PA 19422-1257,**

Plaintiffs,

v.

**GUIDEONE INSURANCE GROUP, an
insurance group,
1111 Ashworth Road
West Des Moines, IA 50265-3565,**

Defendant.

**: PHILADELPHIA COUNTY
: COURT OF COMMON PLEAS**

**:
: VERIFIED COMPLAINT AND
: JURY DEMAND**

**:
: TERM, 2005
: NO.:**

Christ Memorial Reformed Episcopal Church, having an address of 4233 Chestnut Street, Philadelphia, PA 19104-3014 ("Christ Memorial"), a parish of the Diocese of the NE and Mid-Atlantic of the Reformed Episcopal Church, and the Trustees of the Sustentation Fund of the General Council of the Reformed Episcopal Church, a New York Corporation, the chief legislative body of the Reformed Episcopal Church in North America, having an address of 826 Second Avenue, Blue Bell, PA 19422-1257 ("Trustees") (collectively, "plaintiffs"), by and through their counsel, Sherman, Silverstein, Kohl, Rose & Podolsky, P.A., by way of Complaint against GuideOne Insurance Group, an insurance group having a principal place of business at 111 Ashworth Road, West Des Moines, IA 50265-3565 ("GuideOne") (cumulatively, "parties"), hereby say, state, and aver as follows:

FACTS COMMON TO ALL COUNTS

1. In the mid-1880's, the architect Isaac Pursell designed the Christ Memorial Reformed Episcopal Church ("Church building") in the late Gothic revival style.
2. The construction of the Church building's 171-foot steeple ("steeple") was completed in or around 1887.
3. From that point forward, the steeple had a prominent place in the West Philadelphia skyline.
4. The Church building has been renowned throughout the City, the Commonwealth, and beyond for its ornate design, historically significant stained glass windows, and majestic steeple.
5. Christ Memorial is the occupant in the Church building which is owned by the Trustees.

6. At all relevant times, GuideOne and its affiliated insurance companies wrote all manner of church insurance policies throughout all fifty United States, including the Commonwealth of Pennsylvania.

7. At all relevant times, the Church and the Trustees were the named insureds on GuideOne Policy CPP0001206719 ("Policy"). A true and correct copy of the Policy and the declarations page thereof are attached to this Complaint as Exhibits "A".

8. The Policy contained coverage for a collapse caused by, among other things, lightning strikes and wind.

9. The Policy contained limits of liability in the amount of \$38,869,035.00.

10. At all relevant points in time, Christ Memorial and the Trustees have complied with all of the requirements and conditions set forth in the Policy.

11. On August 3, 2004, the City of Philadelphia experienced severe weather, including a thunderstorm and heavy winds. In the vicinity of the Church building, as many as thirty five lightning strikes were reported. The Church building's steeple was the tallest object within blocks of the Church building.

12. That day, an individual who owned a property neighboring the Church building happened to be facing the steeple.

13. While so doing, the individual heard the steeple being struck by lightning.

14. Shortly thereafter, at or around 10:32 p.m., the steeple collapsed, directly and proximately causing severe, catastrophic, and extensive damage to the interior and the exterior of the Church building.

15. Within days, a representative of GuideOne visited the Church building.

16. The representative reviewed both the Policy and the damage and stated that the Policy was a "good policy" providing "good coverage," and that the loss "should be covered."

17. Thereafter, GuideOne hired a consultant to assess the cause of the collapse.

18. The consultant opined that there was no severe weather in the vicinity of Philadelphia on August 3, 2004.

19. The consultant's statement was a knowing and willful falsehood.

20. Despite repeated demands, GuideOne has refused to compensate Christ Memorial and the Trustees for their loss as it is required to do under the terms and conditions of the Policy.

21. By letter dated September 27, 2004, GuideOne formally denied coverage for the property claim made as a result of the collapse on August 3, 2004.

22. In its letter, GuideOne conceded that the policy provided coverage if the steeple had collapsed as a result of a lightning strike, that it had interviewed the individual neighbor who told them that he had heard the thunder and seen the light from the lightning in the vicinity of the steeple, and that this individual certainly believed the Church building was struck by lightning. Notwithstanding this information, GuideOne stated that it had no evidence that lightning was the cause of the collapse.

23. In its letter, GuideOne invited plaintiffs to continue to discuss the possibility of reaching an accommodation of the claim and agreed to assume responsibility for debris removal to demonstrate the "seriousness" of its "invitation to talk," while asserting it had no obligation to assume this responsibility in the absence of a covered cause of loss.

24. Plaintiffs, through their public adjuster, engaged in discussion with GuideOne and assessed the damage to the Church building to be in excess \$8,000,000, together with damage to certain contents of the Church building, and business income loss and extra expense.

25. By letter date July 15, 2005, GuideOne advised plaintiffs, through their public adjuster, that it continued to refuse to provide coverage under the policy for the losses sustained on August 3, 2004.

COUNT ONE (COVERAGE)

- 26. The foregoing paragraphs are incorporated at length as if set forth fully herein.
- 27. The Policy is a contract by and between the parties.
- 28. The plaintiffs have discharged all of their duties under the Policy.
- 29. GuideOne has breached its duties to provide coverage under the Policy.
- 30. GuideOne's breach has directly and proximately caused the plaintiffs damage.

WHEREFORE, the plaintiffs demand a judgment in their favor against GuideOne in an amount exceeding \$8,000,000.00, attorney's fees, pre- and post-judgment interest, delay damages, costs of suit, and such other legal and equitable relief as this Court deems just and proper.

COUNT TWO (BAD FAITH)

- 31. The foregoing paragraphs are incorporated at length as if set forth fully herein.
- 32. GuideOne has no actual basis for declining coverage to the plaintiffs.
- 33. The refusal of GuideOne to compensate the plaintiffs for losses sustained by them, and its predication upon the consultant's knowing and willfully false statements, constitutes bad faith toward an insured contrary to the provisions of 42 Pa. C.S.A. § 8371 and other applicable law.
- 34. GuideOne has declined coverage in intentional, willful, and wanton disregard of the terms of the Policy.

WHEREFORE, the plaintiffs demand a judgment in their favor against GuideOne in an amount exceeding \$8,000,000.00, attorney's fees, pre- and post-judgment interest, delay damages, punitive damages, costs of suit, and such other legal and equitable relief as this Court deems just and proper.

**SHERMAN, SILVERSTEIN, KOHL,
ROSE & PODOLSKY, P.A.**

By: _____
Alan C. Milstein
Jeffrey P. Resnick
Michael Dube

Dated: July 29, 2005

JURY TRIAL DEMAND

Plaintiff hereby demands a trial on all issues by twelve (12) jurors.

Dated: July 29,2005

**SHERMAN, SILVERSTEIN, KOHL,
ROSE & PODOLSKY, P.A.**

By: _____
Alan C. Milstein
Jeffrey A. Resnick
Michael Dube

VERIFICATION

Alan C. Milstein, Esquire, hereby states that he is the attorney for plaintiffs, Christ Memorial Reformed Episcopal Church and Trustees of the Sustentation Fund of the General Council of the Reformed Episcopal Church in the foregoing action, that he has read the foregoing Verified Complaint and that the facts set forth therein are true and correct to the best of his 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.

Alan C. Milstein, Esquire
Attorney for Plaintiffs: Christ Memorial Reformed
Episcopal Church and Trustees of the Sustentation
Fund of the General Council of the Reformed
Episcopal Church

Dated: July 29, 2005

SHERMAN, SILVERSTEIN, KOHL, ROSE & PODOLSKY, P.A.

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**PHILADELPHIA COUNTY
COURT OF COMMON PLEAS**

ENTRY OF APPEARANCE

TERM, 2005

NO.:

TO THE PROTHONOTARY:

Kindly enter my appearance on behalf of the plaintiffs.

**SHERMAN, SILVERSTEIN, KOHL,
ROSE & PODOLSKY, P.A.**

Dated: July 29, 2005

By:

Alan C. Milstein