

Scott County  
Chancery Court

STATE OF TENNESSEE  
CIVIL SUMMONS

Case Number

11, 299

DOCTORS COFFEY INTERNAL MEDICINE & FAMILY CARE, LLC vs.  
GRANGE INSURANCE COMPANY a/k/a GRANGE MUTUAL CASUALTY COMPANY

Serve On: :

Management Agent Authorized to Receive Service of Process  
GRANGE INSURANCE COMPANY a/k/a GRANGE MUTUAL CASUALTY COMPANY  
671 South High Street  
Columbus, Ohio 43206-1014

You are hereby summoned to defend a civil action filed against you in Chancery Court, Scott County, Tennessee. Your defense must be made within thirty (30) days from the date this summons is served upon you. You are directed to file your defense with the clerk of the court and send a copy to the plaintiff's attorney at the address listed below. If you fail to defend this action by the below date, judgment by default may be rendered against you for the relief sought in the complaint.

Issued: 12/14/20

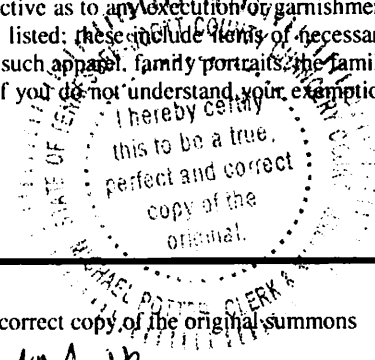
By: Mike Potter, Clerk & Master, Chancery Court for Scott County, Tennessee  
Clerk / Deputy Clerk

Attorneys for Plaintiff: Robert A. Dzielwski, BPR #037044, (865) 259-0020  
David A. Stuart, BPR #006770, (865) 457-6414  
300 Market Street, Clinton, Tennessee 37716

NOTICE OF PERSONAL PROPERTY EXEMPTION

TO THE DEFENDANT(S): Tennessee law provides a ten thousand dollar (\$10,000) personal property exemption as well as a homestead exemption from execution or seizure to satisfy a judgment. The amount of the homestead exemption depends upon your age and the other factors which are listed in TCA § 26-2-301. If a judgment should be entered against you in this action and you wish to claim property as exempt, you must file a written list, under oath, of the items you wish to claim as exempt with the clerk of the court. The list may be filed at any time and may be changed by you thereafter as necessary; however, unless it is filed before the judgment becomes final, it will not be effective as to any execution or garnishment issued prior to the filing of the list. Certain items are automatically exempt by law and do not need to be listed: these include items of necessary wearing apparel (clothing) for your self and your family and trunks or other receptacles necessary to contain such apparel, family portraits, the family Bible, and school books. Should any of these items be seized you would have the right to recover them. If you do not understand your exemption right or how to exercise it, you may wish to seek the counsel of a lawyer. Please state file number on list.

Mail list to Mike Potter, Clerk & Master, Chancery Court for Scott County, Tennessee  
Scott County Justice Center, 575 Scott High Drive, Suite B  
Huntsville, Tennessee 37756



CERTIFICATION (IF APPLICABLE)

I, Mike Potter, Clerk & Master, Chancery Court for Scott County, Tennessee do certify this to be a true and correct copy of the original summons issued in this case.

Date: 12/14/20

By: Mike Potter  
Clerk / Deputy Clerk

OFFICER'S RETURN: Please execute this summons and make your return within ninety (90) days of issuance as provided by law. I certify that I have served this summons together with the complaint as follows:

Date: \_\_\_\_\_

By: \_\_\_\_\_ (Please Print: Officer, Title)

Agency Address

Signature

RETURN ON SERVICE OF SUMMONS BY MAIL: I hereby certify and declare under penalty of perjury and return that on \_\_\_\_\_, I sent postage prepaid, by registered return receipt mail or certified return receipt mail, a certified copy of the summons and a copy of the complaint in the above styled case, to the defendant Grange Insurance Company a/k/a Grange Mutual Casualty Company, directed to an authorized management agent at its principal business location at 671 South High Street, Columbus, Ohio 43206-1014. On \_\_\_\_\_ I received the return receipt, which had been signed by \_\_\_\_\_ on \_\_\_\_\_. The return receipt is attached to this original summons to be filed by the Court Clerk.

Date: \_\_\_\_\_

David A. Stuart, BPR #006770

(Attach return receipt on back)

ADA: If you need assistance or accommodations because of a disability, please call \_\_\_\_\_, ADA Coordinator, at ( ) \_\_\_\_\_.

Michael Fisher  
Clerk & Master

**IN THE CHANCERY COURT FOR SCOTT COUNTY, TENNESSEE**  
**(AT HUNTSVILLE)**

**DOCTORS COFFEY INTERNAL )  
MEDICINE & FAMILY CARE, LLC, )**

**Plaintiff,**

**v.**

**GRANGE INSURANCE COMPANY )  
a/k/a GRANGE MUTUAL CASUALTY )  
COMPANY, )**

**Defendant.**

**Docket No. 11,299**

**COMPLAINT**

Comes now your plaintiff, Doctors Coffey Internal Medicine & Family Care, LLC (Coffey Internal Medicine), by and through counsel, and in support of its claims for relief against defendant, Grange Insurance Company, previously known as Grange Mutual Casualty Company (Grange Insurance), would respectfully state unto this Honorable Court as follows:

1. Plaintiff, Coffey Internal Medicine, is a domestic limited liability company which at all times material hereto operated its internal medicine and family care clinic and conducted business in Scott County, Tennessee.

2. Defendant, Grange Insurance, is a foreign insurance company which at all times material hereto conducted business in this state and entered into a contract or policy of insurance with plaintiff for and in relation to insured premises consisting of improved real property located in Scott County, Tennessee. Its principal business address is 671 South High Street, Columbus, Ohio 43206-1014, where it may be personally served with process by delivery of a copy of this complaint together with a copy of summons to an authorized management agent. Defendant lists C. T. Corporation System, 4400 Easton Commons Way, Suite 125, Columbus, Ohio 43219, as registered agent for service of process, and this agent may also be served with process as defendant's representative for that purpose.

3. This is an action by plaintiff, Coffey Internal Medicine, against defendant, Grange Insurance, for breach of contract, and for recovery of statutory penalties and attorney fees because of the bad faith acts, conduct and omission of defendant, in connection with and arising from the total loss by fire of the insured premises where plaintiff operated its clinic, which occurred on or about the 30<sup>th</sup> day of January, 2020.

4. Based upon the foregoing, and the matters set forth hereinafter, this Honorable Court is vested with jurisdiction over the parties and the subject matter of this action. Venue is likewise appropriate before this Honorable Court because the contract of insurance was formed in part in this county and because the total loss by fire of the insured premises occurred in this county.

5. On the date previously mentioned, the improvements situated on the real property in Scott County, Tennessee, where plaintiff operated its medical clinic, were totally destroyed by fire. Those premises were located at 281 Underpass Drive, Oneida, Tennessee 37841, and were insured by defendant in pertinent part as more fully described below.

6. Prior to the loss, authorized management agents of defendant and plaintiff entered into a contract or policy of insurance, described as Business Owners Coverage Policy—BP2791523-00, and plaintiff alleges, on information and belief, that all parties to this action each have within their possession, custody or control duplicate copies, counterparts and/or originals of the same, together with all declarations, schedules, addendums, endorsements and/or other attachments, and all relevant and material portions thereof are made a part of this complaint and incorporated herein as if set forth verbatim.

7. The contract of insurance provided that in exchange for payment of premiums as specified therein and subject to the terms and conditions thereof, certain property and casualty insurance coverage would be provided to plaintiff, with such coverage having become effective on the 28<sup>th</sup> day of August, 2019, and which remained in full force and effect as of the date of the destruction of the insured premises giving rise to this action. The coverage extended to property damage caused by fire together with attendant loss, damage or injury, including business disruption and business interruption coverages. The terms of the contract or policy of insurance

include provisions authorizing plaintiff to bring this action and seek recovery of the damages and other relief described herein.

8. At the time of the fire, coverage for the insured premises was described in a section of the contract or policy of insurance entitled “Coverages Applying to This Business Location,” with a limit of two million eight hundred fifteen thousand six hundred seventeen dollars and eighty cents (\$2,815,670.80), which amount is in substantial accordance with an appraisal which valued the insured premises at \$2.9 million as of approximately August, 2019, which was made known to defendant at the time the contract or policy of insurance between the parties was formed.

9. Following the fire, on or about the 3<sup>rd</sup> day of February, defendant conducted an inspection and investigation of the scene during a portion of the daylight hours. A more extensive and time consuming investigation was also conducted by fire and law enforcement authorities, with those investigations having been commenced on the day of the loss and having continued, on information and belief, until after the on-scene presence of defendant.

10. On or about the 19<sup>th</sup> day of March, 2020, an adjuster assigned to the claim by defendant sent plaintiff blank sworn proof of loss forms for completion, and the same were thereafter completed and returned on behalf of plaintiff to defendant on or about the 23<sup>rd</sup> day of March, 2020, in accordance with the terms, conditions and other provisions of the contract of insurance.

11. On or about the 3<sup>rd</sup> day of April, 2020, counsel for plaintiff submitted a letter to the same adjuster seeking prompt payment of the loss, requesting preservation of evidence, and requesting information regarding defendant’s evaluation of the claim. Defendant has failed, refused or neglect to directly respond to this letter.

12. On the 18<sup>th</sup> day of May, 2020, some 108 days after notice of plaintiff’s losses, the attorney for defendant conducted examinations under oath of Dr. David Bruce Coffey and Dr. Brandon Lucas Coffey, who are the sole owners and members of plaintiff, as permitted and required by the provisions of the contract of insurance. On the same day defendant conducted examination under oath of Charley Wyrick Coffey, who voluntarily testified at defendant’s

request, and upon plaintiff's approval, despite the lack of any legal obligation for her to undergo such an examination. Draft substantially verbatim transcripts of these examinations were thereafter provided to plaintiff and Ms. Coffey, and on the 17<sup>th</sup> day of July, 2020, plaintiff and Ms. Coffey provided completed, signed and notarized transcripts of the examinations to the attorney for defendant.

13. In pertinent part, the contract of insurance provides, at p. 33, section 5(g), "We will pay for covered loss or damage within 30 days after we receive sworn proof of loss, provided you have complied with all the terms of this policy; and 1. We have reached agreement with you on the amount of loss; or 2. An appraisal award has been made." Plaintiff alleges that it has complied with all the terms of the contract or policy of insurance and has been provided with no notification or assertion by or on behalf of defendant of any failure on its part in this regard. Plaintiff further alleges defendant has not attempted to reach agreement or obtain an appraisal award; although it is indisputable the value of the claim is well into six figures and defendant has not paid or offered to pay, even in part.

14. On several occasions counsel for plaintiff has made requests for payment or denial of the claims, warned of potential liability for failure to promptly pay or deny, or has suggested the possibility of a bad faith claim, because of the failure to pay or deny coverage as provided by the contract of insurance. In addition to the letter described above in the 11<sup>th</sup> numbered paragraph, counsel for plaintiff directed an email to defendant's attorney on the 20<sup>th</sup> day of April, 2020, stating plaintiff was exploring the possibility of a bad faith action against defendant, and in a telephone conversation with the attorney for defendant on the 8<sup>th</sup> day of May, 2020, stated that if the matter was not resolved quickly following completion of the upcoming examinations under oath, plaintiff would consider pursuit of legal remedies. Demand for payment was sent via email to defendant's attorney on the 10<sup>th</sup> day of July, 2020, and on the 1<sup>st</sup> day of September, 2020, defendant's attorney was informed by letter that plaintiff had engaged additional legal counsel to assist in pursuit of the claims. In a telephone conversation on the 21<sup>st</sup> day of October, 2020, counsel for plaintiff informed defendant's attorney weekly reports on the status of the claim and defendant's progress towards either payment or denial would provide an incentive to delay

pursuit of legal action, and on the 28<sup>th</sup> day of October, 2020, sent demand letter stating intention to file complaint if defendant persisted in their failure to pay or properly deny the claim.

15. In addition to the foregoing, on the 2<sup>nd</sup> day of September, 2020, defendant's attorney stated that defendant had assembled a committee to decide whether to pay or deny the claim that it was scheduled to meet the following week, after which defendant would likely be in a position to articulate the position it would take with regards to its liability to plaintiff under the contract of insurance by and between the parties. Notwithstanding these representations defendant has yet to state any position as to payment or denial of the claim, except to the limited extent as described below, which relates only to business interruption coverage.

16. At the time of defendant's on-scene investigation of the fire, their representatives interviewed Dr. David Bruce Coffey, who was truthful and cooperative. Other than this interview, a request for records, a request for information regarding plaintiff's own investigation of the fire and the examinations under oath of both doctors and Ms. Coffey, no other agents or representatives of defendant sought any other information from plaintiff with regard to any aspect to the fire loss claims, and plaintiff has at all times complied with all its duties, obligations, promises, covenants and agreements as set forth in the contract of insurance, including but not limited to promptly providing defendant with any thing requested.

17. Plaintiff notified defendant of significant decline in revenue following the destruction of its medical clinic, and in response, on the 24<sup>th</sup> day of April, 2020, defendant indicated it had determined that the revenue loss was due to the COVID-19 pandemic rather than the destruction of the insured premises by the fire, thereupon refusing to make loss of business income payments as otherwise obliged under the terms of the contract of insurance. Dr. David Bruce Coffey personally contributed one hundred fifty thousand dollars (\$150,000.00) in an effort to keep the practice open, but the refusal by defendant to pay loss of business income in accordance with the contract of insurance caused the economic viability of the clinic to become unsustainable therefore forcing its untimely closure.

18. Plaintiff has fully complied with all terms and conditions of the contract of insurance, and has received no notification by or on behalf of defendant of any alleged failure or



deficiency in such compliance. There are no applicable exclusions, exceptions, qualifications or other portion contained in the contract of insurance as to any of the coverages in question, and this action is being brought within the period of time as set forth in, limited and required by the contract of insurance, and as accordingly mandated by law.

19. In pertinent part, the contract of insurance requires defendant to give notice of intention regarding coverage within 30 days of receipt of the signed and verified transcripts of the examinations under oath, which it has failed, refused or neglected to do, in material breach of its duties and obligations, resulting in the injuries, losses and damages described herein.

20. Plaintiff is entitled to recovery of the value of the insured premises destroyed by fire, subject to the limitation of such amount by the contract of insurance, together with recovery of "Loss of Business Income, Extended Business Income and Extra Expenses, as set forth in the contract of insurance at p. 5, § f(1—3) and at p. 7, § g(1—3). The failure to pay resulted in the closure of the medical clinic, and loss of business income continues to accrue. Plaintiff alleges that it should have and recover judgment against defendant for not in excess of two million nine hundred thousand dollars or the exact coverage limit of the contract of insurance, whichever is less, representing defendant's liability for payment of the value of the insured premises. Plaintiff further alleges that it should have and recover judgment against defendant under the business interruption provisions of the contract of insurance in an amount presently not in excess of five hundred fifty thousand dollars (\$550,000.00), together with such additional amounts as continue to accrue and for which defendant is responsible under the agreement of the parties.

21. More than 60 days have elapsed since the last of plaintiff's repeated demands for prompt payment of amounts due under the contract or policy of insurance. Plaintiff alleges, based upon the acts, conduct and omissions by defendant described herein, together with all facts and circumstances of this matter, that such refusal to pay the loss was not in good faith, and such failure to pay inflicted additional expense, loss or injury, including attorney fees, upon plaintiff. Such additional expense, loss or injury, including attorney fees, is in excess of twenty-five percent (25%) of defendant's obligations under the contract of insurance. Accordingly, plaintiff should have and recover judgment against defendant for the full amount of bad-faith penalty set forth in Tenn. Code Ann. § 56-7-105(a).

**WHEREFORE, PREMISES CONSIDERED,** plaintiff requests that proper process be tested, issued and served upon defendant, requiring it to answer or otherwise defend in response hereto, within the time and in a manner prescribed by law, or else suffer default; that upon the trial in this cause, that plaintiff have and recover judgment against defendant for breach of contract in the amount of three million four hundred fifty thousand dollars (\$3,450,000); that plaintiff have additional judgment against defendant in the amount of eight hundred sixty two thousand five hundred dollars (\$862,500), representing the bad-faith penalty prescribed by the statute invoked above; constituting judgment in the aggregate amount of four million three hundred twelve thousand five hundred dollars (\$4,312,500), together with prejudgment interest and judgment for additional sums under business interruption coverage; with such other, further and general relief as the proof shall show to be proper.

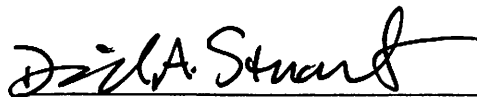
Respectfully submitted,

DOCTORS COFFEY INTERNAL MEDICINE &  
FAMILY CARE, LLC,

By its Attorneys:



Robert Dziejewski, BPR #037044  
Clinch River Law, PLLC  
4315 Kingston Pike, Suite 210  
Knoxville, Tennessee 37919  
(865) 259-0200



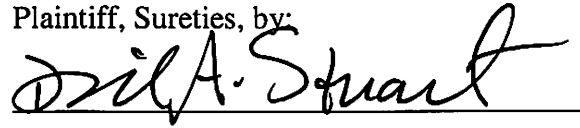
David A. Stuart, BPR #006770  
300 Market Street  
Clinton, Tennessee 37716  
(865) 457-6414

**COST BOND**

The undersigned are principal and surety for all costs and taxes, in the manner and to the extent prescribed by law.



COFFEY INTERNAL MEDICINE,  
Principal and Robert Dziewulski, BPR #037044,  
and David A. Stuart, BPR #006770, Attorneys for  
Plaintiff, Sureties, by:

  
\_\_\_\_\_