



AMERICAN **BAR** ASSOCIATION

Law Student Division

**ARBITRATION
COMPETITION**

2020–2021 CASE FILE*

In the Matter of the Arbitration Between

**Sammy Jackson,
Claimant,**

v.

**Palace Protection, Inc.,
Respondent**

NEW DOVER ARBITRATION BOARD

In the Matter of the Arbitration Between

Jackson v. Palace Protection, Inc.

Case Overview

This case involves a claim filed by Sammy Jackson (the “**Claimant**”), homeowner, against Palace Protection Inc. (the “**Respondent**”), home warranty company, involving a home located at 1892 Suncrest Drive, Sunshine City, New Dover. As part of their home warranty contract, the parties entered into an arbitration agreement on December 27, 2018, which provided for arbitration administered by the New Dover Arbitration Board, conducted pursuant to the laws of New Dover, and in accordance with the rules of the American Bar Association, Law Student Division, Arbitration Competition Rules and Rule Supplement for 2020–2021. The parties, as well as all witnesses, are fictional and have no relation to any existing individuals or organizations. Sammy Jackson filed this arbitration claim on January 20, 2020. Due to the COVID-19 pandemic, there was a lag since filing in the arbitration proceedings, but after the delay, the parties agreed on July 31, 2020, to proceed online.

Legal Background

This case takes place in the fictional jurisdiction of fifty-first state, New Dover. New Dover is a common law jurisdiction.

Case File:

The Case File consists of the following materials:

- Sammy Jackson, Complaint and Demand for Arbitration
- Palace Protection Inc., Answering Statement and Counterclaim

- Exhibit A Summary of Deposition testimony of Sammy Jackson, Claimant
- Exhibit B Summary of Deposition testimony of Gale Niko, an engineer with BBK Structural Engineers, who will testify on behalf of Claimant
- Exhibit C Summary of Deposition testimony of Carey Chambers, a sales representative with Palace Protection, Inc., who will testify on behalf of Respondent
- Exhibit D Summary of Deposition testimony of Lorry Garrison, a project manager for Palace Protection, Inc., who will testify on behalf of Respondent
- Exhibit E Signed Affidavit of non-testifying witness Jerry Jones, for Claimant
- Exhibit F Signed Affidavit of non-testifying witness Jamie Sanchez, a project manager for Cortex Builders, for Respondent
- Exhibit G Expert Opinion Letter of engineer Gale Niko, who will testify on behalf of Claimant

- Exhibit H Faces (social media site) and Yell (consumer complaint site) posts by Sammy Jackson regarding Palace Protection, Inc.
- Exhibit I Excerpts from the Palace Protection Bronze Limited Warranty applicable to Jackson's home
- Exhibit J Statement on Defamation Law in New Dover
- Exhibit K New Dover Rev. Ins. Stat. 79. (Bad Faith Claims)
- Exhibit L Statement on Contract Law in New Dover
- Exhibit M Photos of Sammy Jackson's shower taken on Nov. 1, 2019.
- Exhibit N Construction bills paid by Sammy Jackson
- Exhibit O Attorney bills paid by Sammy Jackson

No other documentary evidence, testimony, or information is available.

NEW DOVER ARBITRATION BOARD

Name, address, and phone number for
Claimant(s)

Sammy Jackson
1892 Suncrest Drive
Sunshine City, New Dover 11442
200.867.5309

Name, address, and phone number for
Respondent(s)

Palace Protection, Inc.
401 First Avenue, Suite 4000
Sunshine City, New Dover 11101
200.765.6300

**COMPLAINT AND
DEMAND FOR ARBITRATION**

2020-0101
Record Number: _____

January 20, 2020
Filing Date: _____

RESPONDENT: A Complaint and Demand for Arbitration has been filed with the New Dover Arbitration Board. Respondent has 30 days to file an answering statement or counterclaim.

Claimant states:

The Parties

1. Claimant Sammy Jackson is a resident of Sunshine City, New Dover, and lives in a newly built home located at 1892 Suncrest Drive.
2. Respondent Palace Protection, Inc. (Palace Protection) is a private, for-profit corporation in the business of selling home warranty contracts throughout New Dover and the United States.

Jurisdiction and Venue

3. The Bronze New Home Warranty Contract between Palace Protection, Inc. and Sammy Jackson, dated December 27, 2018, contains an arbitration provision, requiring disputes be administered by the New Dover Arbitration Board pursuant to the rules and procedures set

forth in the American Bar Association, Law Student Division, Arbitration Competition Rules 2020–2021 and the Rule Supplement. Judgment on the Award may be entered in any court having jurisdiction.

Factual Allegations

4. On June 15, 2018, Jackson hired Cortex Builders (Cortex) to build a new home in Sunshine City. The home is a one-story home with two bedrooms and one bathroom, situated in a “50 and over” neighborhood in Sunshine City. Jackson had planned to enjoy retirement in this home that Cortex promised would be “the perfect retirement home for independent living into twilight years.”
5. While Jackson’s new home was under construction, Carey Chambers, a sales representative with Palace Protection, contacted Jackson about purchasing a “New Home Warranty” from Palace Protection. Chambers explained that builders are not always reliable, hence there was a need to purchase a Home Warranty to “ensure that your home will remain your palace.” Chambers represented that Palace Protection has a reputation for superior service and would “take care of any problems that develop.” During the conversation between Jackson and Chambers, Jackson told Chambers about having a mold allergy and the importance of a mold-free home.
6. After these discussions, on December 27, 2018, Jackson signed an agreement purchasing a New Home Warranty (“Home Warranty”) from Palace Protection. The Home Warranty stated that coverage included any “major defects, including structural defects,” in the new home that developed within the first five years after Jackson moved into the new home. The warranty coverage began upon move-in. The purchase price of the Warranty was \$350 per year for five years. Jackson paid the entire 5-year premium of \$1,750 in one lump sum. The Warranty agreement includes a binding arbitration clause.
7. On February 14, 2019, Jackson moved into the new home at 1892 Suncrest Drive, Sunshine City, New Dover, the home covered by the Palace Protection Warranty contract. On March 3, Jackson noticed that the shower in the one and only bathroom began leaking. Jackson called Cortex on March 10, asking them to correct the leaks. On March 20, 2019, Cortex sent one of their workers over to assess the leaks. The worker added caulking around the shower. These actions did not stop the leaking. Instead, the problem continued to get worse, causing Jackson health concerns due to an acute mold allergy.
8. Meanwhile, on March 30, 2019, Jackson contacted Carey Chambers, demanding that Palace Protection step in pursuant to the Home Warranty to complete the necessary repairs and correct the defect causing the leaking shower. Chambers and Palace Protection never lived up to their contract. Instead, Palace Protection spent all of April and May 2019 giving Jackson the runaround.

9. On April 7, 2019, Jackson called Cortex again and talked to the Project Manager, Jamie Sanchez. Sanchez visited 1892 Suncrest Drive and determined that the leaking continued, but Sanchez did not have the materials to address the issue. Cortex never returned to Jackson's home after April 7. In June 2019, Cortex filed for bankruptcy.
10. During June and July of 2019, Jackson continually called Palace Protection, asking them to assist now that Cortex was no longer in existence. Palace Protection insisted that they had no responsibility and refused to help, causing Jackson great anxiety.
11. Palace Protection did nothing until August 1, 2019 when it finally sent one of its project managers over to assess the leaks. However, Palace Protection's project manager neglected to properly assess the leaks. Instead, the project manager merely sent over a "handyman" to add additional caulking around the shower. The Palace Protection project manager dropped in only once to check on the caulking but never looked further into the issue to identify the source of the problem. The leaks continued, but Palace Protection did not assist or resolve the problem. They insisted that the Home Warranty only covers "major or structural defects," that the leaking problem was not a "major defect," and thus the leaking problem was not covered under the Home Warranty.
12. On September 1, 2019, Jackson requested that Chambers send an engineer to properly assess and correct the problem. Chambers refused. On November 1, 2019, Palace Protection sent Jackson an email refusing to provide any additional assistance regarding this problem.
13. On November 10, 2019, Jackson hired engineer Gale Niko to assess the leaks. Niko concluded that the leak was caused by an uneven floor. Niko found that the floor joists were not installed properly, resulting in an uneven floor, which then caused the shower to be installed improperly, causing the leakage problems. Caulking, and even shower glass replacement, could not have corrected the problem. Thereafter, Jackson hired a competent company to complete the structural repairs. In all, Jackson spent \$10,000 for the engineer's assessment of the shower leaks and \$79,000 for the consequent repairs to stop the leaking. Jackson now demands reimbursement from Palace Projection for these expenses.

Causes of Action

14. **Claim One: Breach of Contract.** Palace Protection is responsible for these costs under the Home Warranty, which coverage includes floor systems under "Defined Structural Elements." Under Section X. Standards of Performance D(1)(b), the standards of performance for floors are listed as the responsibility of the warrantor. Accordingly, Jackson's claims are encompassed by several sections of the warranty and are covered in full. The common law of contracts demands that Palace Protection pay Sammy Jackson for these costs.

15. **Claim Two: Bad Faith.** Palace Protection engaged in bad faith in denying responsibility for paying this warranty claims, especially as Jackson told Chambers that Jackson had mold allergies that made Jackson's need for assistance dire.

Prayer for Relief

16. Palace Protection is liable to Jackson for \$79,000, the cost to complete covered repairs per the Home Warranty. Palace Protection is also liable for the \$10,000 paid for an engineer to assess the leaks as part of contract damages under the Home Warranty.
17. Jackson incurred \$9,500 expenses in attorney's fees, which included attorneys' time investigating the case and preparing for arbitration. This amount will increase as arbitration proceeds, and Jackson will provide a revised bill after arbitration concludes. Jackson demands that Palace Protection cover such fees in light of its bad faith refusal to comply with the warranty.
18. Pursuant to New Dover Rev. Ins. Stat. 79, which provides for attorney's fees in cases in which an insurance company has acted in "bad faith" in refusing to cover a claim, Palace Protection is liable to Jackson for attorney's fees due to its bad faith in refusing to cover Jackson's claim. Palace Protection is also liable for treble damages, which will equal three times the contract damages of \$89,000, totaling \$267,000.
19. Jackson demands reimbursement for any and all arbitration fees, in an amount to be determined after arbitration is complete and fees are known, under the arbitration agreement.

Claimant's Oath of Authenticity:

I, Sammy Jackson, assert, under penalty of perjury, that the facts supporting the Claim and the supporting Documents are accurate and correct.

Claimant's Signature:
/s/ Sammy Jackson

Date: 1/15/2020

NEW DOVER ARBITRATION BOARD

Respondent(s):

Palace Protection, Inc.
401 First Avenue, Suite 4000
Sunshine City, New Dover 11101
200.765.6300

Initial Claimant(s):

Sammy Jackson
1892 Suncrest Drive
Sunshine City, New Dover 11442
200.867.5309

**ANSWERING STATEMENT AND
COUNTERCLAIM**

Record Number: 2020-0100
(As it appears on Initial Claim)

Respondent states:

1. Palace Protection, Inc. (Palace Protection) is a for-profit business operating a home warranty company in Sunshine City, New Dover.

Claim One: Breach of Contract

2. Sammy Jackson purchased a Home Warranty from Palace Protection that only covered “major defects, such as structural defects,” as commonly understood in the industry. The Warranty does not cover every type of problem homeowners may face, and specifically excluded maintenance, routine plumbing, and upkeep.
3. Palace Protection opposes and denies Sammy Jackson’s claims for recovery under New Dover contract law and New Dover Rev. Ins. Stat. 79.
4. Palace Protection bears no responsibility for correcting leaks in Jackson’s shower. The problems fall outside of the Home Warranty because the problems appear to be caused by poor maintenance, and likely negligence, by Sammy Jackson. Palace Protection provided more than required under the Home Warranty in seeking to assist Jackson, as Palace Protection knew that the problem was not “major” or “structural,” and thus outside of the Warranty.
5. Palace Protection denies having any knowledge of Jackson’s alleged mold allergy.

6. On August 1, 2019, Palace Protection’s project manager, Lorry Garrison, confirmed that the shower leaks had no relation to major or structural defects. Instead, it appeared that the caulk was defective, leading to the leaks. A Palace Protection employee added caulking around the shower, again as a courtesy because there were no major or structural defects found.
7. Sammy Jackson continued to demand assistance even though the issue was not within the Home Warranty, as Jackson was simply upset that their builder went out of business. Jackson wanted Palace Protection to take on the builder’s responsibility, but that is not what Jackson’s Home Warranty contract provided. Palace Protection did all it could to be a kind neighbor, but Jackson has responded only with this arbitration demand.

Claim Two: Bad Faith

8. Jackson cannot prove the facts necessary to support claims for breach of contract, let alone “bad faith” warranting attorney’s fees.

Prayer for Relief

9. Jackson is not entitled to any monetary or any other relief.

Respondent’s Counterclaim

10. **Counterclaim: Defamation.** Sammy Jackson made defamatory statements about Palace Protection that negatively impacted business and harmed its reputation. Jackson’s defamatory statements on social media were unwarranted and unfounded.
11. On December 15, 2019, Jackson posted photos of mold and leaks in their shower on Faces (a social media site), noting, “They [meaning Palace Protection] are a bunch of deadbeats and lie about their home warranties.” Jackson also posted on Yell (a consumer complaint site), “Beware of Palace Protection, Inc. I would give them negative stars if I could! Palace Protection fails to live up to their promises.” These posts have been seen throughout Sunshine City and all of New Dover.
12. On December 13, 2019, Palace Protection met with the prospective new clients, the Knowles family, to set up a Home Warranty contract. However, on December 20, 2020, the Knowles called Palace Protection and stated that they were not going to purchase a home warranty with Palace Protection because of Jackson’s negative review social media posts.
13. On December 21, 2019, Palace Protection learned that Quality Construction, a large homebuilder in the area, was no longer going to refer clients to Palace Protection for home warranties due to the postings by Jackson on Yell and Faces.

14. These posts are two examples of Sammy Jackson's spreading false, defamatory, and unprivileged statements concerning Palace Protection that have clearly damaged Palace Protection's reputation (per se defamation).

Prayer for Relief

15. Due to this defamation, Jackson must pay Palace Protection damages estimated to be \$150,000, which accounts for lost business from Quality Construction referrals and loss of the Knowles family contract.
16. Palace Protection also requests reimbursement for any and all arbitration fees under the arbitration agreement.

Respondent's Oath of Authenticity

I, Carey Chambers, Salesperson and Authorized Representative (with legal authority to sign for the corporation) for Palace Protection, Inc., assert, under penalty of perjury, that the facts supporting this Answering Statement are accurate and correct.

Respondent's Signature:
/s/ Carey Chambers

Date: 1/22/2020

Exhibit A. In the Arbitration between: Jackson v. Palace Protection, Inc.

SUMMARY OF THE DEPOSITION OF SAMMY JACKSON

The following is a summary of the deposition testimony of Sammy Jackson. The deposition was taken on February 20, 2020, in the offices of the lawyers for Palace Protection, Inc.

1 My name is Sammy Jackson. I am a sixty-seven-year-old resident of Sunshine City, New Dover.
2 Before moving to Sunshine City, I lived in northern Wisconsin where the winters are brutally
3 cold, and, for me, the cold had become unbearable. I worked very hard as a fourth-grade teacher
4 in Wisconsin for over 40 years, and I saved my pennies with the dream of building a home in a
5 warm climate in an area with other retirees. I had read about retirement villages where folks feel
6 like they are on vacation every day. Moreover, I did not want to shovel snow or deal with the
7 drudgery of the cold!

8 In March of 2016, I met Jerry Jones through an online forum for birdwatchers, and we started
9 communicating via emails and phone calls. We became very close simply talking and sharing
10 stories regarding bird sightings. Jerry lived in North Dakota, and also dreamed of retiring in a
11 warmer climate. However, Jerry is 10 years younger than I am, and so Jerry's timeline for
12 retirement lagged my own.

13 By August of 2016, Jerry and I decided to meet in person. Accordingly, we found a place to
14 "meet in the middle," more or less between Wisconsin and North Dakota, to have lunch. The
15 lunch went very well, and our friendship grew from there. We have been the closest of friends
16 since that time.

17 In March 2018, Jerry and I decided to take a trip south during my spring break from school so
18 that we could get out of the cold and "check out" possible places for retirement. On this trip, we
19 discovered Sunshine City, New Dover, and fell in love with the place! The weather was
20 wonderful, and the people in the city seemed very kind. I told Jerry at that time, "this is where I
21 will live out my dream of building a home to live out my twilight years!" I will never forget that
22 day, because I immediately started planning my dream retirement in Sunshine City!

23 During the summer after the trip, I was off school and so I invested time in researching builders
24 and shopping for plots to build a home in Sunshine City. By June 1, 2018, I decided that the "50
25 and over" neighborhood, which included 1892 Suncrest Drive, was the right place for me in
26 Sunshine City.

27 I began discussions with Cortex Builders (Cortex) to build my new home in Sunshine City. Jerry
28 helped me decide on plans, and we both believed that Cortex would do a great job. I had so
29 much trust in Cortex that I felt comfortable having the house built while I remained living in
30 Wisconsin.

31 Construction on my home began in late summer 2018 and continued through winter of 2019. I
32 stayed in Wisconsin to teach and decided that I would retire after the semester ended in

1 December 2018. It is not conventional to retire in the middle of the year, but it made sense for
2 me because I knew the district already had a replacement teacher for me who was eager to start
3 in January of 2019. Also, I wanted time to pack up my things and say goodbye to friends in
4 Wisconsin after classes ended in December and before I planned to move into my new home,
5 which was February 14, 2020. I felt like moving in on Valentine’s Day would set me up for
6 good luck, and my landlord in Wisconsin was fine with me keeping my apartment until February
7 14.

8 Accordingly, after classes ended in December 2018, I took a sort-of “vacation” south to
9 Sunshine City to check on construction (and escape the cold) during my holiday. I also wanted
10 to get things ready and start preparing for the move once construction on the house was
11 complete. During that trip, I met Carey Chambers with Palace Protection, Inc. (Palace
12 Protection). I still have no idea why, but Carey Chambers was at the construction site on
13 December 27, 2018, and saw me looking around. Carey Chambers approached me and asked if I
14 was the new homeowner “to be” once construction was complete. I told Carey that the house at
15 1892 Suncrest Drive was to be my house, and Carey immediately gave me a sales pitch about
16 how “any smart homeowner has a New Home Warranty” and how Carey could get one for me
17 from Palace Protection. Carey Chambers explained that builders are not always reliable, and
18 thus there was a need to purchase a Warranty to “ensure that your home will remain your
19 palace.” Carey emphasized that general homeowner’s insurance does not cover things like
20 construction defects or faulty appliances. Rather, general homeowner’s insurance only covers
21 perils like fire, tornados, and theft. Carey Chambers also mentioned that Palace Protection has a
22 reputation for superior service, and would “take care of any problems that develop.” When I
23 mentioned my mold allergy, Carey told me that the warranty made additional sense for someone
24 in my condition.

25 I had never built a new home before and understood that homeowner’s insurance does not cover
26 construction issues or appliances. But figured that if this was going to be my dream retirement
27 home, then I wanted to be protected! I was especially worried that as a single, older person, I
28 would need that extra protection. I don’t know anything about construction, and I am not able to
29 fix things or do heavy lifting that may be involved in handling repairs myself, so buying the
30 extra warranty made sense. Of course, I am not a “shrinking violet” and I can hold my own—
31 but I wanted to be smart about this purchase. This home was going to be my perfect oasis after a
32 life of hard work!

33 Accordingly, on December 27, 2018, I met with Carey and signed a contract to purchase a New
34 Home Warranty from Palace Protection in which Palace Protection promised to correct problems
35 in my new home that developed within the first five years after moving in. I had decided that the
36 move-in date would be February 14, 2019, and that was therefore the start date for my policy. I
37 recall that Carey Chambers mentioned something about different “levels” of protection, but I
38 don't recall Carey saying that my warranty was severely limited. I would not have purchased the
39 warranty if it were so limited that it is basically useless! For \$350 per year for 5 years, I expected
40 to have good coverage!

1 After the December trip, I returned to Wisconsin to pack up my things and get ready for the
2 move. I packed quickly and made the official move at the beginning of February. On February
3 14, 2019, I moved into my new home at 1892 Suncrest Drive, Sunshine City, New Dover, the
4 home covered by the Palace Protection Warranty contract.

5 On March 3, 2019, the shower in my one and only bathroom began leaking. The shower was one
6 of those “all-in-one” stand-up showers with a glass enclosure around a solid base that should be
7 water tight. It is a nice-sized shower with a glass door that shuts to keeps the heat in, which I
8 like. I figured that this type of shower would work well for me as I age, since I wouldn’t have to
9 step over the rim of a tub to enter and exit the shower. I had been showering every-other-day as
10 is my norm, but the leaking seemed to sneak up on me.

11 As for the leaks, I began to notice them on March 3, 2019, I recall that the water seemed to come
12 from the bottom of the glass where it meets the base, although it was hard to figure out exactly
13 where the water was coming from. Again, I had been showering every-other-day, which was my
14 normal routine. By March 10, however, the leaks really puddled up, and I knew something was
15 wrong. I called Cortex on that same day, March 10, 2019, to come and fix the problem. I also
16 felt like the floor was uneven, although it is hard for me to know for sure having no background
17 in this area. On March 20, Cortex sent over one of their workers who added more caulking
18 around the shower. The worker did not check things carefully, and appeared to be in a hurry.
19 Nonetheless, I hoped these repairs would “do the trick” and I could begin enjoying my new
20 home.

21 Sadly, however, the leaking started again in early April, so I called Cortex again on April 7,
22 2019. This time, I talked to the Project Manager, Jamie Sanchez. Jamie was very kind and came
23 right over to my house to assess the problem. Jamie was not sure what was at the root of the
24 problem. However, Jamie did say that, at the least, the shower enclosure had to be replaced.
25 Jamie made clear she/he was not an engineer prepared to provide a detailed diagnosis certainly
26 but Jamie did acknowledge that certainly “something was off.” Jamie did not have the materials
27 to do the job and Jamie promised to get back to “as soon as possible” to do the work. In passing,
28 Jamie mentioned that Cortex was having some financial issues.

29 Weeks went by, and the leaks became a major issue. Again, it was unclear where the water leak
30 was coming from, but it appeared to come from the base of the glass. I could mop up the water
31 and place towels along the bottom of the shower in order to minimize damage and get in to
32 shower, but it became a chore to clean up the water! I saw a few dark spots on the caulk that I
33 thought might be mold, which really worried me. Accordingly, I used Clorox Bathroom Cleaner
34 (with a safe amount of bleach) in order to clean the area as best I could. I was careful to read the
35 label, which said it is for showers and will not harm caulk or other materials inside of the
36 shower. This was my one and only shower so I had to use it, but the leaking was very upsetting. I
37 called Cortex nearly every day, but they never returned my calls, and Jamie Sanchez did not
38 come back as promised. This became my worst nightmare! Rather than living in my dream
39 home, I was left fearing for my health, as I am very allergic to mold.

1 I was fed up with trying to contact Cortex and called Carey Chambers on May 1, 2019,
2 demanding that Palace Protection step in and complete the necessary repairs to correct the defect
3 causing the leaking shower. I figured that home warranty companies are there for this very issue,
4 and of course, they would abide by their contract! Instead, Carey gave me the runaround.
5 During the call on May 1, 2019, Carey said that I had not done enough to pursue Cortex. Carey
6 said that warranty companies are “secondarily liable” and that I had to look to Cortex before
7 “bothering Palace Protection.” I do not know what that “mumbo-jumbo” is! I bought an
8 expensive warranty policy and wanted them to live up to their contract.

9 In July 2019, I ran into Jamie Sanchez at the local grocery store and learned that Cortex had filed
10 for bankruptcy. Thereafter, I called Palace Protection again on July 15, 2019, asking them to
11 finally assist now that Cortex was no longer operational. Palace Protection said that they had to
12 “verify” the bankruptcy before the warranty would apply, and therefore, they would need time. I
13 called again on July 25, 27, and 29, but never got an answer at Palace Protection on those dates.
14 I just left voicemails. Meanwhile, I was continuing to use towels and clean up after myself every
15 time I showered due to the leaks. There I was, in my sixties and on my hands and knees wiping
16 up water on the floor, which is far from the “dream life” I wanted in my retirement. I did my
17 best to minimize damage, and even limited my showers to every third day because using the
18 shower was such an ordeal.

19 Finally, on August 1, 2019, Palace Protection sent one of their project managers to assess the
20 leaks. The project manager said that Palace Protection did not have any responsibility because
21 this was a maintenance or plumbing problem—not a “major or structural” problem covered
22 under the warranty. Nonetheless, the project manager said he would “do me a favor” and sent
23 over a “handyman” to cut out all of the moldy caulking at the base of the shower and install fresh
24 new caulk around the entire shower base. This caulk also was supposed to be of higher quality,
25 but I knew this would be another failed fix. I also knew that something more major was wrong,
26 and either way, this should be covered under the warranty—or what good is a warranty?!

27 The leaking seemed to get slightly better at first. Accordingly, the representative from Palace
28 Protection saw no leaking when they stopped by on August 7. However, the leaks started up
29 again in full force by the middle of August 2019. I called Carey several times in August, but
30 Carey did not return my calls. I have photos showing how the shower area became all moldy by
31 November 1, 2019, so obviously it was still leaking and getting moldy even though I cleaned and
32 cleaned!

33 Meanwhile, I continued to call Carey, and again asked that Palace Protection send an engineer to
34 properly assess and correct the problem once and for all. I explained that although the leaking
35 was not as bad for a while after the caulking, the leaking was back with full force. Carey said
36 that my Home Warranty does not cover plumbing or maintenance and that Palace Protection had
37 sent workers over only as a favor.

38 By this time, I was livid! Palace Protection sold me a home warranty—of course it covers things
39 like this! I continued to call and send emails, but Carey ignored me. Again, I was still having to
40 follow the awful regimen of showering: Take a short shower, jump out, mop up water on the

1 floor, and use towels to dry the shower base to stop more mold! The final straw broke on
2 November 1, 2019, when Palace Protection sent me an email refusing to provide any additional
3 assistance. The email stated, “This is not covered, and you are on your own.”

4 Exasperated, on November 10, 2019, I hired a local engineer, Gale Niko, to assess the leaks.
5 Gale Niko concluded that a structural defect, an uneven floor due to improperly installed joists,
6 had caused the leaks. Specifically, Niko found that the floor joists were not installed properly
7 and that this led to an uneven floor, which caused defective shower installation. This caused the
8 leak problems. No amount of caulk would have fixed the leaks. The floor had to be evened out
9 in order to then properly install the shower and eliminate the leaking.

10 I proceeded to hire a contractor to complete this work, per Niko’s assessment. The cost for the
11 assessment was \$10,000 and the consequent repairs to stop the leaking came to \$79,000. I
12 believe these expenses should be covered under the Home Warranty and paid for by Palace
13 Projection in accordance with the contract. A home warranty should cover this problem, and
14 even Carey Chambers promised that they would cover defects if something went wrong with the
15 contractor. Something like this leakage problem is why I purchased the policy in the first place!

16 Even if Palace Protection wants to say that only structural defects are covered, they are
17 responsible because floor systems would fall under Defined Structural Elements under the
18 contract. Section X. Standards of Performance D(1)(b) lists the standards of performance for
19 floors. I think they have to live up to their contract and reimburse me for these costs.

20 I also want reimbursement for the \$9,500 in attorney’s fees I already spent, as well as the
21 additional fees I will incur as the arbitration proceeds because Palace Protection acted in bad
22 faith in refusing to comply with the warranty. Refusal to help me surely warrants liability for
23 attorney’s fees, when the company clearly failed to live up to their contract. Moreover, I was
24 hoping to retire in peace, but all of this has put me into debt and all my credit cards are maxed
25 out trying to pay for these repairs and attorney’s fees. If I do not get reimbursed soon, I may have
26 to file for bankruptcy.

27 I understand that Palace Protection is upset that I posted my displeasure with their company on
28 my Faces page, but that is nonsense. Yes, I called their company “a bunch of deadbeats” in
29 refusing to live up to their warranty, but that was the truth. No law stops me from posting the
30 truth on my Faces page! I also posted the truth on Yell. I could have said worse things and still
31 have been truthful.

32 Luckily, I haven’t experienced any health effects from the mold so far. This whole ordeal has
33 caused me great anxiety, however. I am angry that they gave me the runaround, and even angrier
34 that they now accuse me of failing to maintain my property and defaming them. I just want to
35 retire in peace, but now I am tutoring kids in Sunshine City just to be able to cover these costs!

36 /s/ Sammy Jackson

Exhibit B. In the Arbitration between: Jackson v. Palace Protection, Inc.

SUMMARY OF THE DEPOSITION OF GALE NIKO, an engineer with BBK Structural Engineers

The following is a summary of the deposition testimony of Gale Niko. The deposition was taken on February 20, 2020, in the offices of the lawyers for Palace Protection, Inc.

1 My name is Gale Niko, P.E. structural engineer, with BBK Structural Engineers. I am 52 years
2 old and have been a licensed structural engineer for twenty years. I have my engineering degree
3 from the University of Missouri-Columbia. I take my work seriously, and aim to do the best for
4 every client.

5 Sammy Jackson hired me to assess the home at 1892 Suncrest Drive, New Dover, on November
6 10, 2019, to determine why the shower in the home continued to leak despite caulking and re-
7 caulking. Jackson shared the story of purchasing the home and provided dates as to when the
8 leaking started and what had been done to address the situation. Jackson informed me that the
9 shower continued to leak after more caulking was added, and that the shower had been re-
10 caulked by Palace Protection. Specifically, I learned that Palace Protection cut out all the old
11 caulk and installed new caulk on August 1, 2019.

12 On November 10, 2019, after I spoke with Sammy Jackson on the phone and Jackson explained
13 what had occurred with the shower, I visited Jackson's house later that same day. When I
14 arrived to assess the leaks coming from the shower in Jackson's bathroom, I could see that water
15 was leaking from the bottom of the shower base. I could see that there was sufficient caulk
16 along the seam where the glass and shower base meet. However, I turned on the water and could
17 see leaking. In fact, it was not just leaking at the seam between the glass and base of the shower,
18 I could see that the water was not merely where the caulk was applied. At first, it may have
19 appeared as such, but I investigated further and found that the water also appeared to be leaking
20 from the base of the shower itself.

21 This was a curious situation, as it was hard to see where the water was coming from exactly.
22 However, I have seen situations like this, where the problem stems from a structural defect, such
23 as uneven flooring. Still, I do not like to jump to conclusions without investigating various
24 possible causes of a problem. Accordingly, I used a high-grade, professional level to check
25 whether the floor was in fact level in the first place. I determined that the floor was uneven from
26 the start. I have no idea why Cortex did not detect the uneven floor during construction, as I
27 could see that the floor did not become uneven from normal "home settling" that may occur due
28 to the soils. Instead, the floor was improperly installed unevenly.

29 Often, this is subtle, but I found that the bathroom floor and shower were sufficiently out of level
30 to cause a ripple effect of issues for the homeowner. Not only was the shower three-quarters of
31 an inch higher on the right side vs. the left side, but it was also pitched significantly away from
32 the back wall, seven-eighths of an inch or more. Uneven flooring to this degree breaches proper
33 standards of care and is a structural defect that must be addressed in my opinion.

1 The shower was installed directly on top of an out-of-level floor. This means that the shower
2 itself was not correctly installed, which I would describe as poor workmanship. I also found that
3 the metal and plastic clips securing the shower were only partially installed. Several clips appear
4 to be missing that should be attached to the studs. The manufacturer recommends a combination
5 of metal and plastic clips to secure the shower to the framing, so the shower was not properly
6 attached at all to some of the framing. While the insufficient clips alone do not constitute a
7 “structural” issue, the uneven flooring is a structural defect, and this defect caused the
8 installation of the shower to be faulty.

9 As noted in my opinion letter, I concluded that underlying structural defects caused the entire
10 problem. The entire bathroom floor (including under the shower, toilet, and vanity) was not
11 level, and the installation of the shower was not done properly because of the uneven floors.

12 As stated in my opinion letter, I believe that in order to correct this issue, the entire shower,
13 toilet, vanity, and base moldings would need to be removed and self-leveling concrete installed
14 with a Hollywood saddle/threshold. After preparing properly leveled flooring, the shower, toilet,
15 and vanity would have to be reinstalled correctly in order to stop the leaking. It is my opinion
16 that simply replacing the shower would not correct the issue, as the uneven flooring would have
17 led to the same leaking over time.

18 I firmly believe that the original installation of the floor and shower constitute poor
19 workmanship.

20 Jackson paid me \$10,000 for my expert assessment of the home.

21 /s/ Gale Niko, P.E.

Exhibit C. In the Arbitration between: Jackson v. Palace Protection, Inc.

SUMMARY OF THE DEPOSITION OF CAREY CHAMBERS, a sales representative with Palace Protection, Inc.

The following is a summary of the deposition testimony of Carey Chambers. The deposition was taken on February 20, 2020, in the offices of the lawyers for Palace Protection, Inc.

1 My name is Carey Chambers. I am a sales representative and corporate officer with authority to
2 act on behalf of Palace Protection, Inc. (Palace Protection) located in New Dover. I am 47 years
3 old and have been working with Palace Protection for 15 years. Prior to working for Palace
4 Protection, I worked as a sales person for a window company that serviced residential and
5 commercial clients looking to replace their windows. I did not attend college, but have been
6 successful as a salesperson and enjoy my work.

7 I first met Sammy Jackson on December 27, 2018, when I was visiting the new “50 and over”
8 development on Suncrest Drive in Sunshine City. Several new homes were being built in this
9 area, and it is our usual practice to visit the sales office for the development to provide
10 information about our home warranties. It is simply wise for new home buyers to purchase our
11 home warranties because builders often go out of business, and homeowners appreciate the peace
12 of mind that our warranties provide. Indeed, it’s common knowledge that general homeowner’s
13 insurance does not cover defective construction or faulty appliances. Homeowner’s insurance
14 just covers perils like tornadoes, fires, and theft—so getting a home warranty is a prudent
15 decision for anyone building a new home.

16 I met Sammy when we were both at the sales office. I gave Sammy a brochure describing our
17 warranties, which included information about the various products we sell. In fact, I explained
18 to Sammy that we offer various levels of protection. We offer the “Gold” package that covers all
19 defects and systems, even appliances installed during new construction. This package is the
20 most expensive at \$750 per year. We also offer a “Silver” package that is slightly less expensive
21 at \$600 per year and covers most types of defects other than separately installed appliances like
22 ovens and refrigerators. Silver is more robust than “Bronze” because it includes plumbing
23 systems. Finally, I explained the “Bronze” package, significantly less expensive at \$350 per
24 year, which is our limited warranty that only covers “major” or “structural” defects or
25 deficiencies, and is meant to apply only in cases where the builder is unavailable to correct the
26 defect. In other words, Palace Protection’s duty to correct a “major” or “structural” deficiency
27 under the Bronze package only applies after all attempts are exhausted to get the builder to
28 correct the deficiency under the original builder’s contract. This package has extensive
29 exclusions, and is the cheapest warranty Palace Protection offers. I explained all of this to
30 Sammy Jackson. I do not recall Sammy mentioning anything about allergies or other health
31 concerns at this time or any time before Sammy bought the policy. Sammy expressed an
32 expectation that Cortex would fix any problems and would remain in business “for the long
33 haul.”

1 Sammy Jackson began calling me in May of 2019 demanding that we fix the shower. I
2 explained that Sammy first had to contact Cortex, as our limited warranties are not even
3 activated unless the builder attempts to correct the defect. This is clearly stated in the contract,
4 and Sammy even seemed to indicate this understanding when signing the agreement in the first
5 place.

6 Nonetheless, Sammy Jackson continued to call me. I received at least five calls during the
7 summer of 2019. Each time, I explained that Sammy needed to provide proof of first seeking
8 redress from Cortex. I was frustrated because this is clear in the contract, and Sammy still
9 ignored that duty!

10 On July 15, 2019, Sammy Jackson called me, again asking Palace Protection to step in. On this
11 call, Jackson stated that Cortex filed bankruptcy. I said that we would have to verify this claim
12 before Palace Protection will step in. Sammy called a few more times in July, but we were still
13 trying to get verification of the bankruptcy. Finally, on July 30, 2019, we received verification
14 that Cortex was bankrupt. Accordingly, this could trigger possible coverage on our part—but
15 again the coverage would have to be for a “major” or “structural” defect as delineated in the
16 contract. The Bronze package does not cover maintenance issues or plumbing! Moreover, any
17 failure to maintain the property by the homeowner will void the warranty.

18 I attended Sammy’s deposition as Palace Protection’s corporate representative. If Sammy was
19 cleaning the shower as much as claimed in the deposition, it’s likely that Sammy has eroded the
20 caulk around the shower from excessive cleaning with harsh chemicals.

21 On August 1, 2019, we at Palace Protection sent Lorry Garrison, one of our best project
22 managers, to assess the alleged shower leaks. Lorry is experienced and does a fantastic job.
23 Lorry observed that the caulk at the seam where the glass meets the base was crumbling. Lorry
24 surmised that Sammy Jackson must have used corrosive cleaners or poor caulk. Lorry therefore
25 had one our workers cut out all of the caulk at the base of the shower where it was leaking and
26 start fresh with installing new caulk around the entire shower base. This new caulk was of high
27 quality. Lorry checked on the shower a week later and believed the problem should have been
28 fixed.

29 I’m still confused why Sammy thought it necessary to have the floors redone when plenty of less
30 expensive options exist. Sammy could have re-caulked the shower and switched to less
31 expensive cleaners that are more gentle and non-corrosive. Although I don’t think it was
32 necessary, Sammy could have replaced the whole shower for about \$5,000. I’m also familiar
33 with Gale Niko. While I can’t complain about Gale’s qualifications, Gale has a reputation for
34 being overly cautious and recommending expensive repairs.

35 The thing I find annoying is that Sammy Jackson posted defamatory things about our company
36 even though we went above and beyond to help! In fact, the caulk issue was outside of the
37 warranty. We did not even have to help Sammy. Bad caulk is not a “defined structural defect”
38 under the Bronze warranty. Read the contract!

39 Moreover, poor maintenance and plumbing issues are excluded from coverage. I am not even
40 sure which one it would be, but I certainly know that caulk is not a “major” or “structural” issue.

1 It is true that we did not return to help Sammy Jackson when Sammy started calling us again in
2 September. We decided that this issue was outside of the warranty and that if Sammy wanted
3 more coverage, Sammy should have spent more money to get the Gold warranty package.

4 I must add that it seems especially outrageous to rip out the shower, vanity, and toilet to
5 supposedly “even out” the floors to fix this issue. Even if the leaking issue could not be repaired
6 with new caulk, it seems that the most that could be required would have been to replace the
7 shower. I am not an engineer, but I have been working with home warranties for 15 years and it
8 seems unwise to jump right to such an expensive repair as what Sammy did in this case.

9 I am also frustrated with Sammy Jackson’s social media postings. Sammy Jackson’s Faces (a
10 social media site) post stated that we are “a bunch of #deadbeats” and “#lie about our
11 #homewarranties.” The post originally was only on Sammy’s Jackson Faces page, but it ended
12 up reposted on a friend of friend’s feed so that my son even saw it and was embarrassed to see
13 his parent accused of shoddy work and worse, lying! Sammy Jackson also posted on YELL (a
14 consumer complaint site) that “Palace Protection fails to live up to their promises.” That is
15 simply untrue, and the statement has harmed our business. In fact, on December 13, 2019, I met
16 with the Knowles family to set up a Home Warranty contract. However, on December 20, 2020,
17 that same potential client called Palace Protection and stated that they were not going to purchase
18 a home warranty with Palace Protection because of these posts. On December 21, 2019, I
19 learned that Quality Construction, a large homebuilder in the area, was no longer going to refer
20 clients to Palace Protection for Home Warranties due to postings by Sammy on Yell and Faces!

21 We believe that we lost \$150,000, as that is how much we lost in total when taking into account
22 what we lost due to loss of the Knowles family contract. This also includes all the lost profits
23 from Quality Construction referrals when we did a comparison based on average profits flowing
24 from these referrals. Specifically, we found that in the months of January through August of
25 2019, we earned \$150,000 from home warranties through Quality Construction referrals versus
26 earning zero from Quality Construction referrals since December 21, 2019.

27 /s/ Carey Chambers

Exhibit D. *In the Arbitration between: Jackson v. Palace Protection, Inc.*

SUMMARY OF THE DEPOSITION OF LORRY GARRISON, a project manager for Palace Protection, Inc.

1 My name is Lorry Garrison, and I am a twenty-seven-years-old project manager with Palace
2 Protection, Inc. I have worked with Palace Protection since I graduated from high school at
3 eighteen. When I graduated from high school, I lacked direction in life and did not know what I
4 wanted to do. I never did well in school, except for “shop class.” It was difficult for me, as many
5 students in our school did not take “shop,” but I enjoyed working with my hands and building
6 things. Moreover, I learned that I am very good at it!

7 I took the job with Palace Protection because they are one of the only home warranty companies
8 that does their own warranty repair work. That impressed me because I know that many
9 warranty companies “hire out” and do not take care to ensure quality work. Palace Protection is
10 careful to hire folks, train them, and keep them happy so that there is continuity in the work
11 provided. I believe in the company and am proud to work for them.

12 I specifically chose to begin my career with Palace Protection when I graduated from high
13 school. Specifically, I had a shop teacher who told me about the Palace Protection training and
14 loyalty to their customers. I knew I was good with my hands and could figure out how to fix just
15 about anything. But I also wanted great training so that I could advance in the trade with the
16 support of a solid company.

17 Accordingly, I began with Palace Protection at eighteen, as an apprentice, and spent years
18 learning the trade and developing my craft. Therefore, I advanced quickly within the company,
19 as I became more knowledgeable about construction and our duties under home warranties. I
20 even became active with NACT, the National Association of Construction Trades. This is
21 helpful, as NACT offers monthly seminars on various topics to help us keep up to speed on new
22 construction issues.

23 I met Sammy Jackson on August 1, 2019, when Palace Protection sent me over to assess a “leak”
24 in the shower. I thought that was odd, since I knew that Sammy Jackson had a “Bronze” level
25 warranty, which only covers major problems like structural defects and excluded plumbing.
26 However, I never know the exact terms of any agreement, as I am not a lawyer or business
27 person, and I do not read everyone’s contracts. I enjoy construction and fixing things, and I let
28 Chambers deal with that other contract stuff. If I wanted to learn about contracts, I would have
29 gone to law school!

30 When I arrived at 1892 Suncrest Drive, Sunshine City, New Dover, on August 1, 2019, I
31 inspected the shower and found evidence of leaking from the bottom of the shower enclosure. It
32 seemed pretty simple on my assessment: the caulk was of poor quality and needed replacement.

1 Accordingly, I ordered one of our workers to cut out all the moldy caulking at the base of the
2 shower where it was leaking and replace it with very high-quality caulk.

3 After the new caulk was installed on August 1, 2019, I went back to the property on August 7 to
4 be sure we addressed the problem. At that time, the worker and I did not see leaking. Moreover,
5 I did not observe anything that appeared to be a structural or major issue. Based upon my
6 observations and assessment, it is my firm belief that it was likely just poor caulk or bad
7 maintenance that caused the leaking, and the new caulk should have taken care of things.

8 /s/ Lorry Garrison

Exhibit E. *In the Arbitration between: Jackson v. Palace Protection, Inc.*

AFFIDAVIT OF JERRY JONES

Jerry Jones testifies that the following statements are true under penalty of perjury:

1. My name is Jerry Jones and I am a resident of North Dakota. I became good friends with Sammy Jackson in 2016 and assisted Sammy through the contracting and building process for the home in Sunshine City, New Dover. I also witnessed work done by Cortex and Palace Protection, as well as Sammy's struggles in trying to get Palace Protection to live up to their contract.
2. Sammy and I found the lot at 1892 Suncrest Drive on a trip south to explore places for retirement. Sammy is ten years older than I am, but we planned to eventually live together in the house to enjoy our retirement in the warmer weather of Sunshine City. We figured that we could save money as roommates, and we had become great friends.
3. In June 2018, I accompanied Sammy when Sammy signed the contracts to purchase the lot and hire Cortex Builders to build the new home in Sunshine City. I also helped Sammy decide on construction plans, and we both believed that Cortex would do a great job.
4. Months later, Sammy went back to Sunshine City to check on the construction in December of 2018. Sammy Jackson told me that he/she met Carey Chambers from Palace Protection during that trip, and that he/she signed a contract for a Home Warranty from Palace Protection on December 27, 2018. Sammy said that he/she wanted to get a home warranty to help with repairs, as Sammy was not a fan of doing home repairs. We both understand that homeowner's warranties do not cover things like faulty construction, and there is always risk that a homebuilder will go out of business. I was, therefore, not surprised that Sammy was receptive to Chambers's sales pitch to buy a home warranty. Indeed, I suspect that Chambers played on Sammy's fears in getting Sammy to purchase the Palace Protection home warranty. I was not there when Sammy signed that contract, but I think Sammy felt pressured.
5. After Sammy moved into the new house in February 2019, I went to visit and help get Sammy settled. At that time, I used the shower and noticed that it leaked from the bottom of the glass where the glass and base meet. I figured that it needed caulking, but was not sure what would "do the trick" to fix the leaking. I advised Sammy to call Cortex.
6. I had to return to North Dakota to work, but stayed in touch with Sammy by telephone. During the summer of 2019, Sammy called me many times, exasperated over the leaking shower. Sammy was completely frustrated! Sammy learned that Cortex was bankrupt and was looking to Palace Protection to live up to their warranty. Sammy kept calling Palace Protection, even after the failed "re-caulk" business. That was a waste of time! Palace Protection gave Sammy the brush us off. I believe that they caused Sammy terrible stress and simply failed to live up to their contract.

/s/ Jerry Jones

Exhibit F. *In the Arbitration Between: Jackson v. Palace Protection, Inc.*

AFFIDAVIT OF JAMIE SANCHEZ, a project manager for Cortex Builders.

Jamie Sanchez testifies that the following statements are true under penalty of perjury:

1. I am 40 years old and worked in the construction industry for 20 years. I was the project manager with Cortex for building a new home at 1892 Suncrest Drive, Sunshine City, New Dover, the home covered by the Palace Protection warranty contract. We at Cortex worked very hard to get the house built on time, so that Sammy Jackson could move in on February 14, 2019.
2. I did not know about the leaking until I happened to be the one who answered the Cortex phone line when Jackson called on April 7, 2019. I went over to the house to assess the problem that same day, as I wanted to help Jackson because I always live up to my work.
3. On April 7, 2019, I observed that the shower enclosure showed signs of leaking where the glass and shower base meet. I also observed that Jackson had a towel at the base of the shower in order to catch leaks and could see that the leaking was starting to cause mold to develop. Jackson seemed like a nice person, and it was obvious that Jackson was frustrated with the situation.
4. Notably, I observed that there was caulk at the seam between the glass and shower base, but I could see evidence of leaks. I turned the shower on and watched it for 5 minutes with the shower door closed and saw that small droplets of water were escaping at the seam despite the caulk. This seemed odd to me, but not unheard of where there is faulty installation or warped glass in a shower. Given what I observed, it was my opinion that the entire shower needed to be replaced and reinstalled to make this right for Jackson. However, I did not have the materials to do the job at that time and told Jackson that I would do it as soon as I could get the materials and have it scheduled.
5. I got back to the office on April 7 and talked to the owners at Cortex about getting the materials. I heard that the company was having financial trouble, but I learned at that time that things were worse than I thought. The owners told me that they were filing for bankruptcy and advised me to look for a new job. Luckily, my uncle owns his own construction business and hired me that same day. His business, Brothers Builders, is located in Lafayette, New Dover, so my family and I moved to Lafayette where I now live and work.
6. The whole episode makes me feel bad for Jackson. Jackson seemed like a very nice person who believed that this new home would be a “forever place.” Also, I met Jackson’s friend, Jerry Jones, when I was at the house. Jones told me about plans to move south to Sunshine City to join Jackson at retirement, “assuming their friendship continued.” Jones definitely seemed to have a “stake” or interest in the house, and I worried whether Jones was trying to take advantage of Jackson. Of course, I only met Jones that one time and should not speculate. All told, I simply wish that things would work out for Jackson.

7. As for the claim that the floors were uneven, I cannot speculate on that either. I believe that our work was solid and did not assess whether the floors were uneven. I am not an engineer, and
8. I figured that it would be cheaper to first try to address the issue by installing a new shower. If that did not work, then deeper assessment may have been proper. However, we never got to that stage due to the Cortex bankruptcy. I cannot say for sure what would have fixed the leaks, as again, I cannot speculate.

/s/ Jamie Sanchez

Exhibit G. *In the Arbitration Between: Jackson v. Palace Protection, Inc.*



Gale Niko, BBK Structural Engineers
1234 Main Street, Sunshine City, New Dover

November 30, 2019

My name is Gale Niko, P.E. structural engineer, with BBK Structural Engineers. I have been a licensed structural engineer for twenty years.

On November 10, 2019, I visited Sammy Jackson's house at 1892 Suncrest Drive, New Dover, to assess the leaks coming from the shower in Jackson's bathroom. I could see that water was leaking from the bottom of the shower despite the re-caulking. The water was coming from the base of the shower itself, indicating a problem that could not be corrected with simply caulking.

Accordingly, I pursued investigation to determine the root of the problem. I used a high-grade, professional level to check whether the floor was in fact level in the first place. I determined that the floor was uneven from the start and did not become uneven from normal "home settling" that may occur due to the soils. Instead, the floor was improperly uneven.

In particular, I found that the bathroom floor and shower were sufficiently out of level to cause a ripple effect of issues for the homeowner. The shower was three-quarters of an inch higher on the right side vs. the left side, and it was also pitched significantly away from the back wall, seven-eighths of an inch" or more. Uneven flooring to this degree breaches proper standards of care and is a structural defect that must be addressed in my opinion.

The shower was installed directly on top of an out-of-level floor. This means that the shower itself was not correctly installed, which I would describe as poor workmanship. The uneven flooring is a structural defect and this defect caused the installation of the shower to be faulty.

I concluded that the entire bathroom floor (including under the shower, toilet, and vanity) was not level and the installation of the shower was not done properly because of the uneven floors.

Given these findings, it was my opinion that to correct this issue, the entire shower, toilet, vanity, and base moldings would need to be removed and self-leveling concrete installed with a

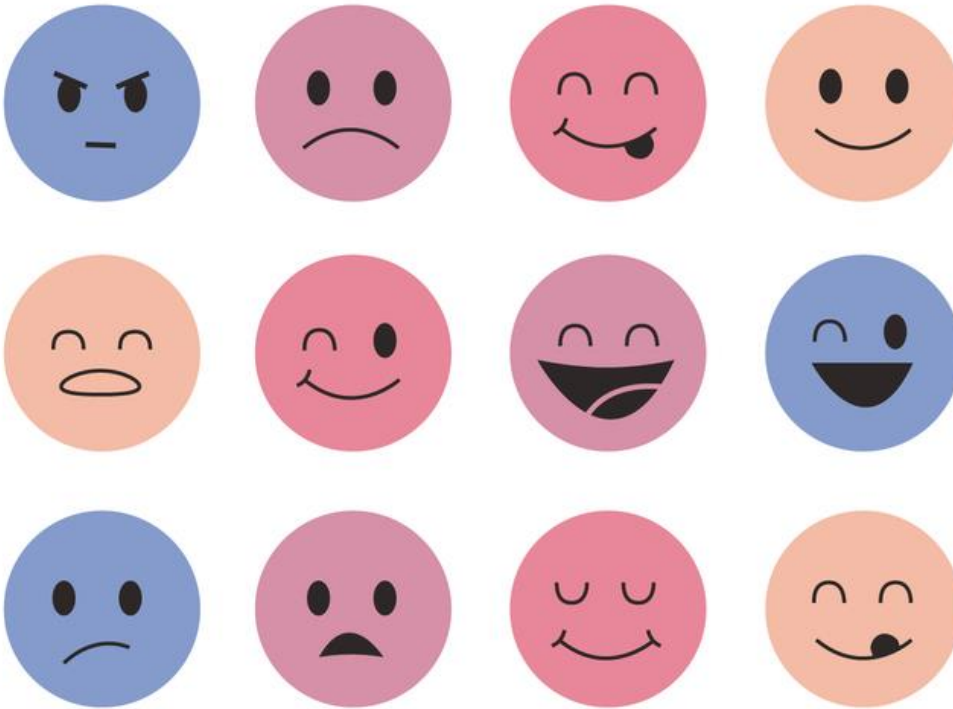
Hollywood saddle/threshold. After preparing properly leveled flooring, the shower, toilet, and vanity would have to be reinstalled correctly in order to stop the leaking. It is my opinion that simply replacing the shower would not correct the issue, as the uneven flooring would have led to the same leaking over time.

I firmly believe that the original installation of the floor and shower constitute poor workmanship.

/s/ Gale Niko, P.E. structural engineer

Exhibit H. In the Arbitration Between: Jackson v. Palace Protection, Inc.

FACES – SOCIAL MEDIA



Beware of Palace Protection, Inc.! Never hire them. They are a bunch of #deadbeats and #lie about their #homewarranties. I made the mistake of buying a policy, but they left me with no help and are not living up to their contract!

YELL – CONSUMER COMPLAINT SITE



Beware of @PalaceProtectionInc. I would give them #negative stars if I could!
@PalaceProtectionInc fails to live up to their promises.

Exhibit I. *In the Arbitration Between: Jackson v. Palace Protection, Inc.*



Palace Protection, Inc.

Excerpts from the Palace Protection, Inc. Bronze Limited Warranty (selected excerpts are included instead of the full contract due to space; relevant portions are included)

Builder's limited Warranty Number: 05214442

Warranty Effective Date: Feb. 14, 2019 (move-in date)

Builder: Cortex Builders

Warrantor: Palace Protection

Home Buyer(s): Sammy Jackson

Address: 1892 Suncrest Dr.,
Sunshine City, New Dover

Liability Limitation: \$185,000.00

Limited Home Warranty

“This LIMITED HOME WARRANTY does not cover CONSEQUENTIAL DAMAGES or incidental damages. Liability under this LIMITED HOME WARRANTY is limited to the amount shown on this Limited Home Warranty. Palace Protection (“WE” under the contract) make no implied warranty of habitability or any other warranties, express or implied, in connection with the sales contract or the warranted HOME, and all such warranties are excluded, except as expressly provided in this LIMITED HOME WARRANTY. There are no warranties that extend beyond the face of this LIMITED HOME WARRANTY.”

“WARRANTOR, Palace Protection, is not primarily liable for defects in construction. BUILDER remains primarily liable for any defects in construction. This LIMITED WARRANTY provides coverage in the event that BUILDER fails to make necessary repairs, and HOME BUYER must first seek redress from BUILDER before seeking redress from WARRANTOR.”

Coverages

“Coverage under this LIMITED WARRANTY extends for a five-year term and is limited to defined structural elements. Coverage beginning on the WARRANTY DATE, WE warrant that the construction of YOUR HOME (including COMMON ELEMENTS related thereto) will conform to the STANDARDS OF PERFORMANCE and warranty tolerances for DEFINED STRUCTURAL ELEMENT FAILURE(S). Coverage expires five years after the WARRANTY DATE. To be eligible for coverage WE must receive written notice of the DEFINED STRUCTURAL ELEMENT FAILURE within thirty (30) days after the expiration date of the coverage. This coverage is strictly limited to DEFINED STRUCTURAL ELEMENT FAILURE and does not extend to other deficiencies.

WE will repair and replace surfaces, finishes and coverings that require removal or replacement in order for US to repair or replace DEFINED STRUCTURAL ELEMENT FAILURE(S). The extent of OUR repair and replacement of these surfaces, finishes or coverings will be to approximately the same condition they were in prior to the DEFICIENCY or DEFINED STRUCTURAL ELEMENT FAILURE, but not necessarily to a like new condition.”

Definitions

“CONSEQUENTIAL DAMAGES” means a loss or injury other than the cost to correct a DEFICIENCY or DEFINED STRUCTURAL ELEMENT FAILURE. This definition includes, but is not limited to, costs of shelter, food, transportation; moving and storage; any other expenses related to inconvenience or relocation during repairs to the HOME. CONSEQUENTIAL DAMAGES also refers to diminished market value of the HOME.

“DEFICIENCY(IES)” means defects in materials or workmanship used in constructing the HOME. The defects must fail to conform with the standards and tolerances described in the STANDARDS OF PERFORMANCE section of this LIMITED WARRANTY.

“DEFINED STRUCTURAL ELEMENT FAILURE” means that one or more of the structural elements identified below contains a flaw of such a magnitude that the warranty tolerance is exceeded. The only structural elements WE cover and their respective tolerances are as follows:

Defined Structural Element Warranty Tolerances

.....

B. Floor Systems

1. Structural Concrete Crack of 1/4 inch in width and 1/4 inch vertical displacement.
2. Joists DEFLECTION of 1 inch in 15 feet.

3. Trusses DEFLECTION of 1 inch in 10 feet.

C. Foundation

1. Concrete Beams Crack of 1/8 inch in width, or DEFLECTION of 1/4 inch in 30 inches.

2. Wood Beams: Built-up, Laminated or Solid DEFLECTION of 1 inch in 10 feet.

3. Steel Beams DEFLECTION of 1/2 inch in 8 feet.

4. Footings Crack of 1/2 inch in width.

5. Concrete Walls Crack of 1/4 inch in width and 1/4 inch vertical displacement, or out-of-plumb 1/4 inch in 12 inches measured from base of wall.

6. Masonry Walls - Crack of 3/8 inch in width, or out-of-plumb 1/4 inch in 12 inches measured from base of wall

.....”

Exclusions

“This BUILDER'S LIMITED WARRANTY does not cover:

Any DEFICIENCIES or DEFINED STRUCTURAL ELEMENT FAILURE(S) resulting, either directly or indirectly, from the following causes or occurring in the following situations:

- a. Fire; b. Lightning; c. Acts of God; d. Explosion; e. Riot and Civil Commotion; f. Smoke; g. Hail; h. Aircraft; i. Falling Objects; j. Vehicles; k. Floods; l. Wind Driven Water; m. Earth Movement including but not limited to: (i) Earthquake, landslide or mudslide; (ii) Mine subsidence, sinkholes or changes in the underground water table not reasonably foreseeable at the time of construction; (iii) Volcanic eruption; explosion or effusion; n. Wind including but not limited to: (i) Gale force winds; (ii) Hurricanes; (iii) Tropical storms; (iv) Tornadoes; o. Insects, animals or vermin; p. Rot, moisture, corrosion, rust or mildew; q. Changes of the grading of the ground by anyone other than US or OUR agents, or subcontractors; r. Changes, additions, or alterations made to the HOME by anyone after the WARRANTY DATE-HOME or WARRANTY DATE-COMMON ELEMENTS, except those made or authorized by US; s. Any defect in material or workmanship supplied by anyone other than US or BUILDER, or subcontractors; t. Improper maintenance, negligence or improper use of the HOME by YOU or anyone else; u. Dampness or condensation due to YOUR failure to provide adequate ventilation; v. Abnormal loading on floors which exceeds design loads; or w. Faulty plumbing.”

Arbitration

“[A]rbitration shall be the sole remedy for resolving disputes for YOU and warrantor.” It further requires that the “award of the arbitrator will be final, binding and enforceable, except as modified, or vacated in accordance with applicable rules and procedures of the designated arbitration organization, or, in their absence, the United States Arbitration Act (9 U.S.C. § 1 et seq.)[the Federal Arbitration Act (FAA)].”

Any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope or applicability of this agreement to arbitrate, shall be determined by arbitration in New Dover. The arbitration shall be administered by the New Dover Arbitration Board (NDAB) pursuant to the rules and procedures set forth in the American Bar Association, Law Student Division, Arbitration Competition Rules 2020–2021 and Rule Supplement. Judgment on the Award may be entered in any court having jurisdiction.

Fees

Arbitration fees shall be paid by the substantially prevailing party in the arbitration.

Palace Protection, Inc. Signed by Carey Chambers (on behalf of Palace Protection, Inc.)

Homeowner Sammy Jackson

DATE: December 27, 2018

Exhibit J. *In the Arbitration Between: Jackson v. Palace Protection, Inc.*

Statement on Defamation Law in New Dover

Generally, defamation is a false and unprivileged statement of fact that is harmful to someone's reputation, and published "with fault," meaning as a result of negligence or malice. State laws often define defamation in specific ways. Libel is a written defamation; slander is a spoken defamation. Truth is an absolute defense to a defamation claim. Opinion is generally not defamatory, but merely labeling a statement as your "opinion" does not make it so. Courts look at whether a reasonable reader or listener could understand the statement as asserting a statement of verifiable fact. (A verifiable fact is one capable of being proven true or false.) This is determined in light of the context of the statement.

What are the elements of a defamation claim?

The elements that must be proved to establish defamation are:

- a publication to one other than the person defamed;
- a false statement of fact;
- that is understood as being of and concerning the plaintiff; and
- tending to harm the reputation of plaintiff.
- If the plaintiff is a public figure, they must also prove actual malice.

Exhibit K. *In the Arbitration between: Jackson v. Palace Protection, Inc.*

New Dover Rev. Ins. Stat. 79. New Dover Law on Bad Faith Insurance Claims

“In order to maintain a bad faith claim against an insurance company under New Dover law, the insured must show (1) affirmative misconduct by the insurance company without a good faith defense; and (2) the misconduct must be dishonest, malicious, or oppressive in an attempt to avoid its liability under an insurance policy. A prevailing insured under this statute shall recover all costs and attorney’s fees associated with seeking insurance coverage. A prevailing insured also may recover treble contract damages, which is the equivalent of three times the total damages that would be due for contract coverage under the insurance policy.”

In reviewing the cases, New Dover has recognized evidence of bad faith in the following cases: (1) failing to provide a temporary location for business and pay ongoing business expenses; (2) failing to comply with agreement regarding costs of repairs; (3) aggressive, abusive and coercive conduct by claims representative; (4) conversion of insured’s property; (5) altering company records; (6) misplacing claim file documents; (7) accusing claimants of being uncooperative because insured hired an attorney; and (8) ordering two appraisals and then using lower of two appraisals to pay insured.

Exhibit L. *In the Arbitration between: Jackson v. Palace Protection, Inc.*

Statement on Contract Law in New Dover

New Dover follows the Restatement (Second) of Contracts.

Exhibit M. *In the Arbitration between: Jackson v. Palace Protection, Inc.*

Photos of shower base taken by Sammy Jackson on November 1, 2019



Photos of shower base taken by Sammy Jackson on November 1, 2019



Exhibit N. In the Arbitration between: Jackson v. Palace Protection, Inc.



CONSTRUCTION Invoice

Bill From

Xono Construction

256 Main Street

Sunshine City, New Dover 11442

Bill To

Sammy Jackson

1892 Suncrest Drive

Sunshine City, New Dover 11442

Invoice No. 4956

Invoice Date: Dec. 15, 2019

Description/Job Phase			Total (\$)
Replaced the entire shower, toilet, vanity, and base moldings, which included removal of flooring, shower, toilet, and vanity.			
Added self-leveling concrete installed with a Hollywood saddle/threshold to level the floor			
Properly installed a new shower			
Reinstalled the toilet and vanity			
Completed all necessary plumbing			
*Agreed to a fixed price in order to assist Sammy Jackson, as the per hour costs would have exceeded the fixed price.			
Total			\$79,000

Please Choose a Payment Type



Credit Card

Visa MasterCard Discover American Express

Cardholder Name _____Sammy Jackson_____

Account/CC Number _____XXXXXX____[redacted for privacy]__

I authorize the above named business/individual to charge the credit card indicated in this authorization form according to the terms outlined above. This payment authorization is for the goods/services described above, for the amount indicated above only, and is valid for one (1) time use only. I certify that I am an authorized user of this credit card and that I will not dispute the payment with my credit card company; so long as the transaction corresponds to the terms indicated in this form.

SIGNATURE _____/Sammy Jackson_____ DATE _____Dec. 15, 2019_____

(cardholder name)

Exhibit O. In the Arbitration between: Jackson v. Palace Protection, Inc.

Consumer Justice Center, Attorneys at Law

INVOICE # 6541

DATE Jan. 20, 2019

TO:

Sammy Jackson
1892 Suncrest Drive
Sunshine City, New Dover 11442

The following are the fees incurred as of January, 20, 2019. Additional fees will be invoiced as the arbitration proceeds.

	Research, case analysis, depositions to date, filings to date, and other legal services to date with respect to the Jackson arbitration*		
	*more detailed billing is not provided in order to maintain attorney-client privilege and contain information related to strategy but more complete billing will be provided if required after completion of the arbitration	Total	\$9,500

Thank you for your business!