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**UNITED STATES DISTRICT COURT**

**DISTRICT OF ARIZONA**

Chee Vang, Yee Vang, Xeng Thao, and  
Yeng Her as mother of J.Y., a minor, on  
behalf of themselves and all others similarly  
situated,

Plaintiffs,

-v-

State Farm Mutual Automobile Insurance  
Company and State Farm Fire and Casualty  
Company,

Defendants.

Case No.

**CLASS ACTION COMPLAINT**

1 Plaintiffs Chee Vang, Yee Vang, Xeng Thao, and Yeng Her as mother of J.Y., a  
2 minor, individually and as the representatives of a class of similarly situated persons,  
3 through the undersigned counsel, allege as follows:

4 **I. INTRODUCTION AND NATURE OF THE ACTION**

5 1. Defendants State Farm Mutual Automobile Insurance Company and State  
6 Farm Fire and Casualty Company (“State Farm”) have developed a policy of  
7 investigating and handling automobile insurance claims that systematically discriminates  
8 against racial and ethnic minorities.

9 2. Media reports have brought to light how State Farm’s investigatory and  
10 claim-handling practices are part of “a carefully developed strategy to make the victims  
11 look like they are trying to defraud the insurers.” The strategy includes identifying  
12 specific healthcare providers that treat racial and ethnic minorities, and subjecting  
13 patients of those providers to unnecessary, burdensome, and frequently abusive  
14 “investigations.”

15 3. More specifically, State Farm’s strategy is designed to avoid payment of  
16 claims for treatment to State Farm policy holders who are racial or ethnic minorities.  
17 Indeed, according to State Farm’s own claim-handling documents, one of the factors in  
18 deciding whether a particular provider is “suspect” is whether the provider’s patients  
19 “are from an immigrant community.”

20 4. Once State Farm determines a provider is “suspect,” State Farm  
21 implements a policy known as a “TIN block” or “TIN diversion,” which re-directs every  
22 claim submitted by the “suspect” provider from the ordinary claim-handling process into  
23 a never-ending investigation.

24 5. State Farm’s “TIN block” or “TIN diversion” violates various state  
25 insurance statutes requiring that State Farm pay or deny claims within a particular period  
26 of time. State regulators have repeatedly fined State Farm for failing to decide claims  
27 within the statutory time period. Yet State Farm has continued the practice, undeterred  
28 by the regulatory fines.

1           6.     State Farm’s investigation goes far beyond the review necessary to decide  
2 a claim. Rather, State Farm’s “investigation” is part of an elaborate process in which  
3 State Farm uses data-mining operations, “special investigation departments,” and outside  
4 law firms to damage, intimidate, or altogether eliminate healthcare providers that State  
5 Farm decides are costing it too much money, and to discourage State Farm’s insureds  
6 from seeking policy benefits related to their injuries.

7           7.     This action challenges State Farm’s systematic, patterned practice of  
8 targeting healthcare providers who treat automobile-accident victims; launching bogus,  
9 discriminatory investigations against them; and using out-of-context information from  
10 those bogus investigations to eventually accuse the providers (and sometimes their  
11 patients) of fraud.

12           8.     Despite a number of lawsuits around the United States over State Farm’s  
13 practices, State Farm has managed to keep the program’s inner workings largely hidden  
14 from insureds, their healthcare providers, and insurance regulators.

15           9.     Instead of being honest with insureds and their healthcare providers, State  
16 Farm pretends to be genuinely investigating claims, falsely stating in standardized letters  
17 that it is still investigating although it has already made its decision to deny claims.

18           10.    Plaintiffs Chee Vang (“Mr. Vang”), Yee Vang (“Ms. Vang”), Xeng Thao  
19 (“Mr. Thao”), Yeng Her (“Ms. Her”), and J.Y., a minor, have been damaged by State  
20 Farm’s fraudulent strategy. Despite paying premiums to State Farm for insurance  
21 coverage, Plaintiffs were denied access to the healthcare provider of their choice.

22           11.    Plaintiffs were also subjected to the stress and the time commitment of  
23 being dragged through unwarranted, bogus investigations by State Farm.

## 24                                   **II.     JURISDICTION**

25           12.    This Court has subject-matter jurisdiction over this action pursuant to 28  
26 U.S.C. § 1332(a)(1) because this is a civil action between citizens of different states  
27 where the matter in controversy exceeds the sum of seventy-five thousand dollars  
28 (\$75,000), exclusive of interest and costs.



principal place of business in Bloomington, Illinois and is, therefore, a citizen of Illinois.

20. Defendant State Farm Fire and Casualty Company is an insurance corporation incorporated under the laws of the State of Illinois with its principal place of business in Bloomington, Illinois and is, therefore, a citizen of Illinois.

21. State Farm sells automobile-insurance coverage to its customers for, among other things, medical payments (also known as personal injury protection or “PIP”), uninsured motorist benefits, underinsured motorist benefits, and liability payments for bodily injury arising out of automobile accidents.

#### IV. FACTUAL ALLEGATIONS

##### A. No-Fault Insurance

22. Many states have adopted “no-fault” reparation statutes that require automobile drivers to have insurance and require that insurance companies provide compensation for injuries suffered in motor-vehicle accidents. Stuart M. Speiser et al., *“No-fault” theories and plans*, 1 American Law of Torts § 1:42 (West, March 2017 update).

23. No-fault insurance is compulsory in thirteen states, and optional in another eleven.

24. These no-fault statutes vary in detail as to their compulsory nature and added optional features, their effect on tort liability, and the extent of the limitation on tort litigation (the threshold at which liability without fault ceases and conventional tort liability rules with litigation become applicable), the risks and coverages, and the benefits provided.

25. Generally, people injured in automobile accidents will visit healthcare providers who accept no-fault insurance. Where permitted, insureds may assign their insurance claims to the providers.

26. No-fault “represents a latter-day attempt by the states to improve the mechanism for recovery by those injured and damaged in accidents arising out of the use of motor vehicles.” *Ford Motor Co. v. Ins. Co. of N. Am.*, 669 F.2d 421, 425–26 (6th

1 Cir. 1982) (discussing Michigan’s no-fault insurance law). So-called “no-fault states”  
2 have ensured that “victims of automobile accidents would be compensated irrespective  
3 of fault . . . by their own insurers rather than recovering from the insurance company of  
4 the person ‘at fault’ for an accident.” *Dimond v. Dist. of Columbia*, 792 F.2d 179, 182  
5 (D.C. Cir. 1986) (discussing constitutional challenges to District of Columbia’s  
6 compulsory/no-fault motor-vehicle insurance act).

7 27. For example, Minnesota’s No-Fault Automobile Insurance Act, Minn.  
8 Stat. §§ 65B.41–.71 (the “Minnesota No-Fault Act”) was designed to “expedite  
9 payments to those injured in accidents without regard to fault in order to ‘relieve the  
10 severe economic distress of uncompensated victims’ and ‘encourage appropriate medical  
11 and rehabilitation treatment.’” *Illinois Farmers Ins. Co. v. Guthman*, No. CV 17-  
12 270(RHK/SER), 2017 WL 3971867, at \*1 (D. Minn. Sept. 7, 2017) (quoting Minn. Stat.  
13 § 65B.42).

14 28. If an accident causing injury occurs in Minnesota, every person suffering  
15 loss from injury arising out of maintenance or use of a motor vehicle or as a result of  
16 being struck as a pedestrian by a motorcycle has a right to basic economic loss benefits.  
17 Insurers must provide medical-expense benefits that reimburse insureds for all  
18 reasonable expenses for, among other things, necessary medical, chiropractic, x-ray, and  
19 rehabilitative services. No classes of accident victims may be precluded from the  
20 mandated coverages of the Minnesota No-Fault Act.

21 29. Also for instance, Florida’s no-fault statute is meant “to provide for  
22 medical, surgical, funeral, and disability insurance benefits without regard to fault, and  
23 to require motor-vehicle insurance securing such benefits, for motor vehicles required to  
24 be registered in this state and, with respect to motor-vehicle accidents, a limitation on  
25 the right to claim damages for pain, suffering, mental anguish, and inconvenience.” Fla.  
26 Stat. § 627.731. The point is to “provide swift and virtually automatic payment so that  
27 the injured insured may get on with his [or her] life without undue financial  
28

1 interruption.” *Geico Gen. Ins. Co. v. Virtual Imaging Servs., Inc.*, 141 So. 3d 147, 153  
2 (Fla. 2013) (cleaned up).

3 30. Michigan’s no-fault act is likewise “designed to remedy problems with the  
4 traditional tort system as it relates to automobile accidents. These included that ‘[the  
5 contributory negligence liability scheme] denied benefits to a high percentage of motor-  
6 vehicle accident victims, minor injuries were overcompensated, serious injuries were  
7 undercompensated, long payment delays were commonplace, the court system was  
8 overburdened, and those with low income and little education suffered discrimination.’”  
9 *McCormick v. Carrier*, 795 N.W.2d 517, 523 (Mich. 2010) (quoting *Shavers v. Attorney*  
10 *Gen.*, 267 N.W.2d 72, 77 (1978)).

11 31. As part of their no-fault systems, most states have statutory payment  
12 deadlines—a time by which insurers are expected to pay claims. For example, in New  
13 York, first-party automobile insurance benefits “are overdue if not paid within 30 days  
14 after the claimant supplies proof of the fact and amount of loss sustained.” N.Y. Ins.  
15 Law § 5106 (McKinney); *see also* N.Y. Comp. Codes R. & Regs. Title 11, § 65-3.8  
16 (2018) (30-day payment/denial regulations).

17 32. In Minnesota, benefits “are overdue if not paid within 30 days after the  
18 reparation obligor receives reasonable proof of the fact and amount of loss realized,  
19 unless the reparation obligor elects to accumulate claims for periods not exceeding 31  
20 days and pays them within 15 days after the period of accumulation.” Minn. Stat.  
21 § 65B.54, subd. 1.

22 33. In Florida, even when an insurer contends that fraud has occurred, the  
23 insurer still must deny or pay a claim with interest within 90 days. Fla. Stat.  
24 § 627.736(4)(b).

25 34. In Kentucky, benefits are generally overdue if not paid within 30 days  
26 after the insurer receives “reasonable proof” of the loss. Ky. Rev. Stat. § 304.39-210.

27 35. In Massachusetts, an insurer’s failure either to settle the plaintiffs’ claims  
28 for personal-injury protection benefits or provide reasons for nonpayment under the PIP

1 statute, and its failure to conduct a prompt and reasonable investigation under state law,  
2 causes injury by forcing plaintiffs to institute litigation. *Jucino v. Commerce Ins. Co.*,  
3 2011 Mass. App. Div. 285, 2011 WL 6890187, \*4 (Mass. App. Ct. Dec. 23, 2011)  
4 (citing Mass. Gen. L. Ch. 90 § 34M).

5 36. State Farm is aware of these statutory requirements, but has ignored these  
6 laws by creating a system that delays claim decisions well beyond the statutory  
7 requirements while State Farm pretends to be investigating the claims.

8 **B. State Farm engages in a company-wide scheme to undermine the no-fault**  
9 **systems and evade paying claims**

10 37. In the last twenty years, State Farm has added and greatly expanded  
11 special investigation units (“SIUs”) for the purported purpose of detecting fraud in the  
12 submission of claims. In recent years, the SIU units have evolved to focus largely on  
13 medical providers in metropolitan areas who treat patients injured in automobile  
14 accidents.

15 38. State Farm has gradually shifted the entire focus of its SIUs from handling  
16 individual claims to conducting “multi-claim investigations” of healthcare providers.

17 39. State Farm created Multi-Claim Investigation Units (“MCIUs”) to reflect  
18 this new focus on evaluating large numbers of claims looking for so-called treatment  
19 “patterns” that could be characterized in hindsight as “fraudulent.”

20 40. State Farm solicited internal and external data analyses to identify  
21 healthcare providers with purported treatment patterns, sharp increases in billing, or high  
22 volume of billing.

23 41. Once it identified providers meeting these parameters, State Farm  
24 identified them as “projects.”

25 42. Manufacturing provider “projects” became the primary goal of State  
26 Farm’s MCIUs.

27 43. There are built-in incentives for State Farm employees to manufacture  
28 claims of fraud where no fraud actually exists. State Farm bases MCIU representatives’



1 career advancement and salary increases on the number of healthcare-provider projects  
2 they generate and successfully complete.

3 44. To make the pursuit of healthcare-provider projects uniform in execution  
4 across the United States, State Farm developed a written “playbook” for its MCIU  
5 personnel. The playbook outlines all the steps to be followed when accusing a doctor of  
6 fraud.

7 45. Accusing doctors and patients of fraud in a publicly filed lawsuit is a goal  
8 of State Farm’s medical provider projects.

9 46. Once a doctor comes to represent a significant cost to State Farm, and that  
10 doctor is targeted as a “project,” all claims involving that doctor are funneled to  
11 specially designated MCIU staff, who search treatment and billing records for patterns  
12 that can be characterized as fraudulent.

13 47. These specially assigned MCIU claim representatives regularly use the  
14 handling of underlying claims, especially where the underlying claim is in litigation, as  
15 platforms to discredit the targeted doctor with the insured, state regulators, law-  
16 enforcement officials, the doctor’s employees, and others.

17 48. In handling these underlying claims, the MCIUs help State Farm concoct  
18 lawsuits alleging fraud against targeted doctors.

19 49. Identifying and pursuing a healthcare-provider project to completion often  
20 requires years of work and can encompass hundreds of underlying claims.

21 50. In pursuing a project, State Farm subjects its insureds in the underlying  
22 claims to unnecessary, accusatory, even harassing interviews and litigation to gather  
23 information it hopes to use to evade the claims and put the targeted doctor out of  
24 business.

25 51. State Farm rarely attempts to prove that individual underlying claims are  
26 fraudulent. Rather, State Farm attempts to manufacture a presumption of fraud based on  
27 overall billing and treatments rendered by a doctor over several years.  
28

1           52. State Farm’s eventual lawsuits alleging fraud against doctors, which flow  
2 from the MCIU projects, are designed and intended to intimidate doctors who bill State  
3 Farm, and therefore stop claims from minority populations.

4           53. Upon information and belief, State Farm uses special databases to gather  
5 and analyze claim payment information to create the appearance of a pattern that it can  
6 use to allege fraud.

7           54. The Potential Fraud Management Tool (“PFMT”), a nationwide repository  
8 of information about medical providers that State Farm has gleaned from individual  
9 claims, has been identified as one such database.

10          55. Another database is the Value Assessment Tool (“VAT”), a repository of  
11 payments by MCIU adjusters, which enables State Farm to assess the effectiveness of  
12 the provider “projects.”

13          56. State Farm analysts mine the PFMT, VAT, and other databases to identify  
14 which doctors cause State Farm to pay the most in automobile-accident bodily-injury  
15 claims.

16          57. State Farm’s MCIUs create reports identifying how much a particular  
17 provider has billed State Farm, for instance by calendar quarter.

18          58. Before and during the entire course of its campaigns against disfavored  
19 providers, State Farm keeps data on spreadsheets regarding the total dollars billed by  
20 various health-care providers.

21          59. State Farm and its SIU personnel also track usage of certain Current  
22 Procedure Technology (“CPT”) codes, targeting providers who rank high on these lists.  
23 CPT codes were jointly developed by the American Medical Association and the Health  
24 Care Financing Administration and are standardized nomenclature for use in insurance  
25 claims.

26          60. These reports help State Farm decide which doctors would save it the most  
27 money to target as a “project.”  
28

61. State Farm tracks the frequency with which medical providers have patients in common, in the hope that State Farm can characterize them as “co-conspirators” in a project.

**1. Blocking Payments; Sham Investigations.**

62. While analyzing underlying claims for a project, State Farm’s MCIUs often issue what is called a “TIN diversion.” “TIN” stands for tax identification number and is the identifier State Farm uses to track and research providers that submit bills.

63. After State Farm imposes a TIN diversion, any claim it receives with the provider’s tax-identification number is flagged and routed to State Farm’s SIU/MCIU staff.

64. State Farm uses the TIN diversion to delay insurance benefit payments in individual claims to a targeted provider while its MCIU staff and outside counsel “investigate” the patient and provider.

65. The individual insureds’ claims are subject to “investigation” through no fault of their own and without regard to any individual issues regarding their claim. Instead, all insureds who receive service from a healthcare provider subject to State Farm’s TIN diversion are treated differently from insureds who receive treatment from a healthcare provider who is not subject to a TIN diversion. State Farm knows that its practice discriminates against minority insureds.

66. While the TIN diversion is in effect, State Farm frequently requests that the provider’s patients submit to a recorded examination or an “Examination Under Oath” (“EUO”), which is a tool used by insurers to record and/or transcribe an interview of an insured, often by one of the insurer’s outside counsel. Insureds can be, but are not necessarily, represented by counsel during an EUO.

67. State Farm will even refer that provider’s insureds for EUOs before it receives or reviews the provider’s bills and the insureds’ medical records, solely on the basis of the patient being treated by that provider.

1           68. State Farm demands and performs the EUOs knowing that its insureds,  
2 under fast-paced questioning by its counsel about accident details and medical treatment  
3 that occurred several months earlier, will likely be unable to remember every detail of  
4 those events.

5           69. Upon information and belief, the time between these State Farm insureds'  
6 accident dates and their EUO is often several months and can even be more than a year.

7           70. Many or most of the insureds summoned for EUOs are immigrants who do  
8 not speak English as a first language. Translators are involved in many or most of these  
9 EUOs, adding a further filter and potential confusion to the questions and answers.

10          71. State Farm designs EUOs to confuse or mislead insureds so that State  
11 Farm can later cherry-pick the insureds' answers, including – for example – any instance  
12 where an insured is not able to recall certain documented procedures or events.

13          72. State Farm's goal in these EUOs is not to genuinely investigate whether its  
14 insureds' medical bills are reasonable and necessary under the No-Fault Act. Its  
15 patterned questions, substantially the same in every EUO, are designed to support its  
16 predetermined outcome by tripping up insureds, taking advantage of insureds'  
17 incomplete memories or misunderstandings to support a denial of some or all bills.

18          73. State Farm has its counsel send letters to insureds or their lawyers after the  
19 insureds undergo EUOs, in which counsel state that State Farm was engaged in a  
20 "continuing investigation of the loss," even when there is no genuine "continuing  
21 investigation" of the claim.

22          74. State Farm also may impose a "TIN block" that prevents *any* payment  
23 from being made to the targeted doctor, regardless of the treatment provided or injuries  
24 suffered. As with the TIN diversion, all insureds who receive service from a healthcare  
25 provider TIN-blocked targeted by State Farm are treated differently from insureds who  
26 receive treatment from a healthcare provider who is not targeted. State Farm knows that  
27 its practice discriminates against minority insureds.

1           75. State Farm does not inform the targeted provider or patients-insureds that  
2 it has imposed a TIN block and that the TIN block is the reason State Farm is not paying  
3 the targeted provider. Instead, State Farm notifies the targeted provider and patient-  
4 insureds that claims are being “investigated.”

5           76. State Farm continues to send these bogus “investigation” letters to some  
6 targeted providers for years.

7           77. Once a TIN block is in effect, State Farm abandons any pretense that it is  
8 actually evaluating the insured’s claims or the provider’s bills. This is usually the last  
9 step before filing a lawsuit accusing a doctor of fraud.

10           **2. Racial, ethnic, and nationality discrimination.**

11           78. Injury and property-damages vehicle crashes are common in America’s  
12 urban areas. In 2015, Minnesota’s seven-county metropolitan area had about half the  
13 state’s population and yet 63% of all crashes. Upon information and belief, a large  
14 number of these urban motor-vehicle accidents involved drivers and passengers who are  
15 minorities and immigrants.

16           79. Many of these accident victims do not speak English as their native  
17 language. In Minnesota, many accident victims are of Hmong, African, or Asian  
18 descent, and many are Hispanic.

19           80. State Farm disproportionately investigates claims by minority and  
20 immigrant insureds and the healthcare providers who serve them.

21           81. State Farm’s practice of targeting health-care providers that serve minority  
22 communities and immigrant communities is a company-wide, systematic policy.

23           82. Several years ago, State Farm instructed its claims personnel that certain  
24 providers in Minnesota should be subject to greater scrutiny in part because their  
25 “[p]atients are from an immigrant community.” Listing sixteen clinics, State Farm told  
26 the claims personnel that “[a]ny treatment received from these providers is suspect.”  
27 (Emphasis added.)  
28

1           83. State Farm improperly forces meritorious claims into no-fault arbitration  
2 so that it can use the arbitration process as a “fishing expedition” to gather more  
3 information to use against the targeted providers and their patients.

4           84. State Farm’s boilerplate delay letters usually purported that State Farm  
5 was investigating each claim on its merits, when that was untrue—everything it had  
6 done and was doing was designed to support its preconceived notion that the provider in  
7 question was not entitled to payment.

8           85. Providers and their patients were targeted in this manner because a high  
9 percentage of their patients were not native speakers of English and were from minority  
10 communities that are more easily scared away from using their rightful no-fault  
11 insurance benefits than insureds born in the United States.

12           86. As noted above, State Farm repeatedly tried in the EUOs to confuse,  
13 browbeat, or intimidate the minority and immigrant insureds about the treatment they  
14 received from their provider(s) or documents they filled out at the office of the  
15 provider(s).

16           87. In a Minnesota no-fault arbitration in 2015, the arbitrator made a point of  
17 scolding State Farm for denying claims owed to an insured with an Arabic or East  
18 African name after State Farm maintained the chiropractic services were either not  
19 actually performed or were not necessary. The arbitrator made clear that there was  
20 “crystal clear” evidence the individual was in a car accident and was treated for it, then  
21 stated: “I just wonder, if this gentleman’s name were Richard Anderson, if we would be  
22 here today.”

23           88. At such arbitrations, State Farm often does not prevail. Despite State  
24 Farm’s tactics, arbitrators regularly determine that billed treatments were reasonable  
25 expenses for necessary chiropractic services.

26           89. Examples abound of State Farm targeting healthcare providers treating  
27 minority and immigrant patients.  
28

1           90. In Philadelphia, a chiropractor who owned a large chiropractic and pain-  
2 management practice, and whose patients largely consisted of African-American  
3 automobile-accident victims, alleged in a lawsuit against State Farm that “[i]f a claimant  
4 is a minority, an immigrant, or from a poor, urban area, State Farm automatically looks  
5 on their claims as potentially fraudulent.” ECF Doc. No. 1 (Complaint) at ¶ 35,  
6 *Schatzberg v. State Farm Mut. Auto. Ins. Co.*, Case No. 2:10-cv-02900-GP (E.D. Pa.  
7 June 17, 2010).

8           91. In Michigan, State Farm brought fraud allegations against a number of  
9 medical providers, several of whom filed counterclaims against State Farm. One typical  
10 counterclaim asserted that State Farm had engaged in an “unlawful predetermined claim  
11 processing procedure” to deny, delay, and diminish claims related to certain healthcare  
12 providers, in violation of Michigan’s no-fault insurance act. *E.g.*, ECF Doc. No. 91  
13 (amended counterclaim filed by eight defendants) at ¶¶ 4, 5, 12, 33–36, 50, *State Farm*  
14 *Mut. Auto. Ins. Co. v. Physiomatrix, Inc.*, Case No. 5:12-cv-11500-JCO-DRG (E.D.  
15 Mich. May 24, 2013).

16           92. In Washington State, State Farm leveled accusations of fraud against a  
17 prominent chiropractor who responded in a proposed amended counterclaim that State  
18 Farm had targeted him and concocted evidence of fraud because his practice was a  
19 significant cost to the insurer and because he treated patients from a metropolitan area,  
20 “who represent significant sources of billing expense to State Farm.” Doc. No. 48-1 at ¶¶  
21 80, 142, *State Farm Mut. Auto. Ins. Co. v. Peter J. Hanson, P.D.*, Case No. 2:16-cv-  
22 1085-RSL (W.D. Wash.).

23           93. As part of its strategy to put healthcare providers out of business, State  
24 Farm has brought numerous lawsuits against providers that serve a high percentage of  
25 minority or non-English speaking patients, alleging fraud and other illegal actions.

26           94. Reviewing State Farm’s appeal in a nationally recognized bad-faith case,  
27 the Utah Supreme Court agreed with the trial court that State Farm had engaged in  
28 fraudulent practices on a companywide basis for more than two decades, and that “State

1 Farm’s fraudulent practices were consistently directed to persons—poor racial or ethnic  
 2 minorities, women, and elderly individuals—who State Farm believed would be less  
 3 likely to object or take legal action.” *Campbell v. State Farm Mut. Auto. Ins. Co.*, 65  
 4 P.3d 1134, 1148 (Utah 2001), *rev’d on other grounds*, 538 U.S. 408 (2003).

5 95. State Farm also, according to the Utah Supreme Court stated, deliberately  
 6 destroyed documents to conceal the scheme, and it “systematically harassed and  
 7 intimidated opposing claimants, witnesses, and attorneys.” *Id.* State Farm’s tactics  
 8 added up to “a pattern of ‘trickery and deceit,’ ‘false statements,’ and other ‘acts of  
 9 affirmative misconduct’ targeted at ‘financially vulnerable’ persons,” the Utah court  
 10 said. *Id.* “. . . The facts and circumstances surrounding State Farm's misconduct all  
 11 point to a scheme motivated by the goal of making a profit by any means necessary.” *Id.*  
 12 at 1149.

## 13 **V. FACTS SPECIFIC TO NAMED PLAINTIFFS**

### 14 **Plaintiff Chee Vang**

15 96. Plaintiff Chee Vang (“Mr. Vang”) was injured in a motor-vehicle accident  
 16 on December 23, 2017 in the state of Minnesota.

17 97. Mr. Vang chose to be treated by chiropractor Jer Lee, D.C. (“Dr. Lee”) at  
 18 Chiro Health Clinic in Brooklyn Center, Minnesota. Mr. Vang received treatment from  
 19 Dr. Lee from December 29, 2017 to August 21, 2018.

20 98. Mr. Vang also received services for his injuries from the Center for  
 21 Diagnostic Imaging, Diagnostic Radiology Consultants, Allina Health System, and  
 22 Midwest Spine & Brain Clinic.

23 99. State Farm assigned Mr. Vang’s claims to its SIU for handling.

24 100. State Farm refused to pay or delayed paying for Mr. Vang’s treatment.

25 101. State Farm’s SIU claims specialist sent letters to Mr. Vang, his attorney,  
 26 and his healthcare providers saying that there would be “a delay” in paying the bills and  
 27 that State Farm’s investigation was “ongoing.”  
 28



1           102. State Farm's SIU claims specialist sent the above-referenced delay letters  
2 dated February 27, 2018; March 26, 2018; April 26, 2018; and May 23, 2018.

3           103. State Farm's delay letters provided no specific reasons to delay paying no-  
4 fault benefits to Mr. Vang under his insurance policy.

5           104. On February 27, 2018, approximately two months after Mr. Vang  
6 sustained his injuries and began receiving treatment, State Farm referred his claim to its  
7 outside counsel for the purpose of an EUO of Mr. Vang. Mr. Vang underwent the  
8 examination by State Farm's outside counsel on June 11, 2018.

9           105. Following the examination, State Farm requested an adverse medical  
10 examination of Mr. Vang.

11           106. State Farm paid a limited amount of benefits to Mr. Vang after he filed to  
12 have his no-fault claims considered by an arbitrator as authorized by Minnesota law.

13           107. The arbitrator ruled in Mr. Vang's favor, finding that his claims were  
14 valid.

15           108. The arbitrator's award from State Farm to Mr. Vang did not make Mr.  
16 Vang whole.

17 **Plaintiff Yee Vang**

18           109. Plaintiff Yee Vang ("Ms. Vang") was injured in a motor-vehicle accident  
19 on March 14, 2018 in the state of Minnesota.

20           110. Ms. Vang and her passenger, her daughter Mao Lee, were transported from  
21 the scene of the accident to North Memorial Health Hospital in Robbinsdale, Minnesota,  
22 where their injuries were evaluated and treated.

23           111. The next day, Ms. Vang chose Dr. Lee for follow-up treatment of her  
24 injuries. Ms. Vang received treatment from Dr. Lee from March 15, 2018 to September  
25 10, 2018.

26           112. State Farm assigned Ms. Vang's claims to its SIU for handling.

27           113. State Farm refused to pay or delayed paying benefits for Ms. Vang's  
28 claims, including her healthcare treatment and her claim for wage-loss benefits.

1           114. State Farm's SIU claims specialist sent letters to Ms. Vang, her attorney,  
2 and his healthcare providers saying that there would be "a delay" in paying the bills and  
3 that State Farm's investigation was "ongoing."

4           115. State Farm's SIU claims specialist sent the above-referenced delay letters  
5 regarding Ms. Vang's claims, dated April 5, 2018; April 19, 2018; May 1, 2018; May 2,  
6 2018; May 29, 2018; July 2, 2018, and ongoing.

7           116. State Farm's delay letters provided no specific reasons to delay paying no-  
8 fault benefits to Ms. Vang under her insurance policy.

9           117. Approximately two months after the accident, a "team manager" for State  
10 Farm sent a letter dated May 10, 2018 to Ms. Vang and her attorney asserting that Ms.  
11 Vang had not cooperated in its investigation of her claims.

12           118. Around this same time, State Farm referred Ms. Vang's claim to its outside  
13 counsel for the purpose of an EUO of Ms. Vang.

14           119. Ms. Vang did not submit to the EUO. Instead, in a letter dated May 24,  
15 2018, her attorney provided State Farm's outside counsel with documents and  
16 information addressing State Farm's purported concerns.

17           120. Because of State Farm's delays in paying Ms. Vang's hospital bill from  
18 the day of the crash, Ms. Vang has begun receiving collection notices on behalf of North  
19 Memorial Hospital.

20           121. Ms. Vang has filed to have her no-fault claims considered by an arbitrator  
21 as authorized by Minnesota law.

22 **Plaintiffs Xeng Thao and J.Y.**

23           122. Plaintiff Xeng Thao ("Mr. Thao") was injured in a motor-vehicle accident  
24 on November 21, 2017 in the state of Minnesota.

25           123. Mr. Thao was a named insured on an automobile-insurance policy  
26 purchased from State Farm. Yeng Her, Mr. Thao's wife, was also a named insured on  
27 the policy.

1           124. Mr. Thao and his passenger, his stepdaughter J.Y., chose Dr. Lee for  
2 follow-up treatment of their injuries. Mr. Thao received treatment from Dr. Lee from  
3 November 22, 2017 to August 3, 2018. J.Y. received treatment from Dr. Lee from  
4 November 22, 2017 to May 1, 2018.

5           125. Besides Chiro Health Clinic, Mr. Thao received healthcare services from  
6 Diagnostic Radiology Consultants, Noran, and Auto Rx.

7           126. Besides Chiro Health Clinic, J.Y. received healthcare services from  
8 Diagnostic Radiology Consultants.

9           127. State Farm assigned Mr. Thao's and J.Y.'s claims to its SIU for handling.

10          128. State Farm refused to pay or delayed paying benefits for Mr. Thao's and  
11 J.Y.'s claims.

12          129. State Farm's SIU claims specialist sent letters to Mr. Thao, his attorney,  
13 and his healthcare providers saying that there would be "a delay" in paying the bills and  
14 that State Farm's investigation was "ongoing."

15          130. State Farm's SIU claims specialist sent letters to J.Y., her attorney, and her  
16 healthcare providers saying that there would be "a delay" in paying the bills and that  
17 State Farm's investigation was "ongoing."

18          131. State Farm's SIU claims specialist sent the above-referenced delay letters  
19 regarding Mr. Thao's and J.Y.'s claims, dated January 10, 2018; February 1, 2018;  
20 February 6, 2018; March 30, 2018; July 11, 2018, and ongoing.

21          132. State Farm's delay letters provided no specific reasons to delay paying no-  
22 fault benefits to Mr. Thao or J.Y. under the insurance policy that covered them.

23          133. State Farm requested that Mr. Thao submit to an EUO. Mr. Thao  
24 underwent the EUO on June 11, 2018. State Farm's questions primarily focused on  
25 details of the treatment Mr. Thao remembered receiving from Dr. Lee.

26          134. Mr. Thao filed to have his no-fault claims considered by an arbitrator as  
27 authorized by Minnesota law. Shortly before the date of the arbitration, State Farm paid  
28 nearly all the benefits due to Mr. Thao.

1           135. J.Y. filed to have her no-fault claims considered by an arbitrator as  
2 authorized by Minnesota law. Shortly before the date of the arbitration, State Farm paid  
3 nearly all the benefits due to J.Y.

4           136. Despite State Farm's fabricated reasons to delay or deny paying benefits in  
5 each case, the above-named Plaintiffs had one crucial thing in common: Payments to  
6 them or their healthcare providers were held up and targeted for unlawful, racially  
7 discriminatory scrutiny by State Farm because State Farm had secretly imposed a TIN  
8 diversion or TIN block on Dr. Lee and Chiro Health Clinic.

9           137. State Farm never told the above-named Plaintiffs that the true reason for  
10 holding up and fighting their claims was that State Farm had secretly imposed a TIN  
11 diversion or TIN block on Dr. Lee and Chiro Health Clinic.

12           138. In all these cases, State Farm's delays ignored and violated Minnesota's  
13 no-fault insurance "prompt-pay" statute, under which benefits are overdue if not paid  
14 within 30 days after the insurer receives reasonable proof of the fact and amount of loss  
15 realized. *See* Minn. Stat. § 65B.54, subd. 1.

16           139. As a direct and proximate result of the wrongful actions of State Farm  
17 described above, each of the above-named Plaintiffs have been harmed and will continue  
18 to be harmed as recounted in detail below.

## 19                           **VI. CLASS ACTION ALLEGATIONS**

20           140. State Farm systematically targets certain healthcare providers serving  
21 minority populations in no-fault states for the purported reason of detecting fraud. As  
22 part of this company-wide practice, State Farm knowingly discriminates against insureds  
23 who receive treatment from healthcare providers subject to this targeting scheme.

24           141. Plaintiffs and other insureds were discriminated against by State Farm's  
25 intentional targeting of healthcare providers serving minority populations.

26           142. Plaintiffs therefore request the Court certify this lawsuit as a class action  
27 pursuant to Rule 23 of the Federal Rules of Civil Procedure.

28    //

1        143. Thus, Plaintiffs seek to certify the following Class pursuant to Rule 23:

2        All persons in the United States who (a) had personal-injury protection  
3        coverage under a State Farm automobile-insurance policy; (b) who were  
4        injured in a motor-vehicle accident since **November 1, 2014** while covered  
5        under those policies; (c) who submitted personal-injury protection benefit  
6        claims (or on whose behalf such claims were submitted) to State Farm; (d)  
7        and who sought payment for services provided by a medical or chiropractic  
8        treating provider that was subjected to a TIN diversion or TIN block by  
9        State Farm (hereinafter the “Class”).

10       144. Plaintiffs and the putative Class members share an interest in being treated  
11       the same as all other State Farm policyholders who do not seek treatment from a  
12       healthcare provider subject to a TIN block by State Farm through no fault of their own.

13       145. **Numerosity:** Upon information and belief, the members of the Class  
14       number in at least the tens of thousands. Plaintiffs’ source for this belief includes State  
15       Farm’s statement on its web site that it services “83 million policies and accounts  
16       throughout the U.S.” As a result, the Class is so numerous that joinder of all members in  
17       a single action is impracticable. The members of the Class should be readily identifiable  
18       from State Farm’s records. The disposition of these claims will provide substantial  
19       benefits to the Class.

20       146. **Commonality:** The Class is so cohesive that aggregate litigation is  
21       appropriate. State Farm has acted or refused to act on grounds that apply generally to  
22       the class, so that injunctive relief or corresponding declaratory relief is appropriate  
23       respecting the class as a whole. Thus, Class members’ claims—the core being that State  
24       Farm discriminated against them on the basis of race, ethnicity, or nationality—are so  
25       inherently intertwined that injunctive relief as to anyone in the Class will constitute  
26       injunctive relief as to all. Further, the Class’s claims are so common that they may be  
27       determined without reference to individual circumstances and will justify injunctive  
28       relief appropriate for all members of the Class. The following represent a non-  
exhaustive list of common questions:

- a. Whether State Farm maintains a company-wide scheme designed to deny or delay all claims associated with particular healthcare providers who primarily serve minority and immigrant patient populations;
- b. Whether State Farm targets healthcare providers whose practices exceed certain billed amounts by imposing TIN diversions on them;
- c. Whether State Farm has a policy of applying investigative techniques differently or disproportionately as to minority and immigrant insureds, compared to Caucasian and United States native-born insureds;
- d. Whether State Farm launches sham investigations of the targeted healthcare providers so as to generate information supporting denial of claims;
- e. Whether State Farm's sham investigations of the targeted healthcare providers are actually intended to drive them out of business;
- f. Whether State Farm's scheme to investigate targeted providers, while it purports to be investigating the merits of claims, constitutes fraud; and
- g. Whether, because of State Farm's conduct, Plaintiffs and the Class are entitled to injunctive relief, restitution, equitable relief, incidental damages, and other relief, and, if so, the amount and nature of such relief.

147. **Typicality:** The Plaintiffs' claims are typical of the claims of the Class. Plaintiffs and all members of the Class were injured by the same wrongful practices perpetrated by State Farm, as described above. Plaintiffs experienced the same discrimination when State Farm targeted their healthcare providers for TIN diversions, sham investigations, and TIN blocks, and the other facets of the scheme described above. Plaintiffs are also typical because regardless of the facts of their automobile-accident claims, State Farm's scheme—especially the targeting of providers serving minority and immigrant patient populations, and the misrepresentations regarding claims being under "investigation"—did not substantially differ among or between patients. Further, Plaintiffs and members of the Class seek relief based on the same legal theories.

1 The injunctive relief against State Farm's practices will apply to all members of the  
2 Class. Any incidental damages sustained by members of the Class can be determined  
3 readily.

4 148. **Adequacy of Representation:** Plaintiffs will fairly and adequately protect  
5 and pursue the interests of the Class. Plaintiffs understand the nature of the claims  
6 herein, their role in the proceedings, and have and will vigorously represent the Class.  
7 Plaintiffs have retained Class counsel who are experienced in and qualified in  
8 prosecution of class actions and other forms of complex litigation. Neither Plaintiffs,  
9 nor their attorneys, have interests which are contrary to or conflict with those of the  
10 Class.

11 149. **Necessity:** To the extent a Court in this district would apply the so-called  
12 "necessity doctrine," a class action is necessary here as the only just way to adjudicate  
13 Plaintiffs' and the Class's claims. State Farm's history of discrimination creates doubt  
14 that it would apply required relief here to its insureds across the board, and State Farm  
15 may seek render named plaintiffs' claims moot. Plaintiffs are unaware of any reason  
16 this litigation should not proceed as a class action.

17 150. The nature of notice to the Class is contemplated to be by direct mail upon  
18 certification of the Class or, if such notice is not practicable, by best notice possible  
19 under the circumstances including, *inter alia*, email, publication in major newspapers,  
20 and maintenance of a website.

## 21 VII. TOLLING AND ESTOPPEL

22 151. Plaintiffs' causes of action did not arise until they discovered, or by the  
23 exercise of reasonable diligence should have discovered, that they were injured by State  
24 Farm's intentional and deliberate scheme. Plaintiffs did not and could not have  
25 discovered the intentional scheme through reasonable diligence.

26 152. The applicable statutes of limitations have been tolled by State Farm's  
27 knowing and active concealment of the material facts regarding its scheme to  
28 intentionally discriminate against and lie to patients and their healthcare providers. State



1 Farm kept Plaintiffs and the members of the Class ignorant of the vital information  
2 essential to pursue their claims, without any fault or lack of diligence on the part of  
3 Plaintiffs and Class members.

4 153. State Farm was and is under a continuous duty to disclose to Plaintiffs and  
5 the Class the true nature of the scheme that it created and implemented to intentionally  
6 discriminate against and lie to patients and their healthcare providers. At all relevant  
7 times, and continuing to this day, State Farm knowingly, affirmatively, and actively  
8 misrepresented and concealed the true character, quality, and nature of its scheme.

9 154. Based on the foregoing, State Farm must be estopped from relying on any  
10 statute-of-limitation defense in this action. State Farm must also be estopped from  
11 relying on any statute-of-limitation defense in this action because it failed to disclose the  
12 scheme before accepting premium payments in exchange for automobile-insurance  
13 coverage.

14 155. Under the doctrines of Equitable Tolling, Equitable Estoppel, Fraudulent  
15 Concealment and the Discovery Rule, the period for bringing claims is not barred due to  
16 any statute of limitations or statute of repose. With respect to each cause of action  
17 asserted herein, Plaintiffs expressly plead Equitable Tolling, Equitable Estoppel,  
18 Fraudulent Concealment, and the Discovery Rule, regarding the facts pleaded here.

19 156. All conditions precedent to the filing of this Complaint (if any) have been  
20 satisfied. This action is filed before the expiration of any applicable statute of  
21 limitations or statute of repose.

## 22 **VIII. CAUSES OF ACTION**

### 23 **COUNT I**

#### 24 **ACA DISCRIMINATION, 42 U.S.C. § 18116**

#### 25 **(For the Class)**

26 157. At all times relevant to this action, Section 1557 of the Patient Protection  
27 and Affordable Care Act (“Section 1557”), 42 U.S.C. § 18116, was in full force and  
28 effect and applied to State Farm’s conduct as pleaded in this Complaint.



1           158. At all times relevant in this action, Section 1557, 42 U.S.C. § 18116,  
2 incorporated the definition of discrimination found in the Civil Rights Act of 1964 (42  
3 U.S.C. 2000d et seq.).

4           159. Title VI of the Civil Rights Act of 1964, 42 U.S.C. § 2000d, provides that:  
5 No person in the United States shall, on the ground of race, color, or  
6 national origin, be excluded from participation in, be denied the benefits  
7 of, or be subjected to discrimination under any program or activity  
receiving Federal financial assistance.

8           160. Section 1557 of the Patient Protection and Affordable Care Act (42 U.S.C.  
9 § 18116) provides that:

10 Except as otherwise provided for in this title (or an amendment made by  
11 this title), an individual shall not, on the ground prohibited under title VI  
12 of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) . . . be excluded  
13 from participation in, be denied the benefits of, or be subjected to  
14 discrimination under, any health program or activity, any part of which is  
15 receiving Federal financial assistance, including credits, subsidies, or  
16 contracts of insurance, or under any program or activity that is  
administered by an Executive Agency or any entity established under this  
title (or amendments). The enforcement mechanisms provided for and  
available under . . . title VI . . . shall apply for purposes of violations of  
this subsection.

17  
18           161. Title VI defines a “program or activity” to include a “corporation” if  
19 federal financial assistance is extended to the corporation or, alternatively, if the  
20 corporation is “principally in the business of providing . . . *health care* . . . .” *Id.* at §  
21 2000d-4a (emphasis added).

22           162. In its final ACA regulations, the U.S. Department of Health and Human  
23 Services (“HHS”) broadly defined the term “health program or activity” to include  
24 “health-related insurance coverage . . . and the provision of assistance to individuals in  
25 obtaining health-related services.” 45 C.F.R. § 92.4. HHS offered, as an example, a  
26 “health insurance issuer . . . or other similar entity.” *Id.* If any part of an entity is  
27 “principally engaged” in health-related services, all of its operations come under the  
28 regulation. *Id.*

1           163. State Farm issues automobile-insurance policies that cover medical  
2 expenses for its customers.

3           164. State Farm also offers individual medical and Medicare supplemental  
4 insurance policies. *See* Health Insurance, State Farm,  
5 <https://www.statefarm.com/insurance/health> (last visited July 18, 2017).

6           165. Therefore, at all times relevant to this action, Defendants received federal  
7 financial assistance, were principally engaged in the business of insuring the cost of  
8 health care required after their insureds sustained injuries in automobile accidents, or  
9 both. Therefore, State Farm is a health program or activity covered by 42 U.S.C.  
10 § 18116(a).

11           166. Defendants have discriminated and continue to discriminate against  
12 Plaintiffs solely on the basis of race and national origin by the practices described above.

13           167. These practices of State Farm are the result of a company-wide policy or  
14 practice of State Farm to sell automobile insurance to minority and immigrant customers  
15 while systematically evading claims for insurance benefits submitted by those same  
16 customers.

17           168. State Farm's conduct had a disparate impact on Plaintiffs.

18           169. State Farm's discrimination was knowing and intentional.

19           170. As set forth above, absent injunctive relief there is a clear risk that  
20 Defendants' actions will recur again with Plaintiffs and other minority and immigrant  
21 patients and their family members.

22           171. Plaintiffs are therefore entitled to seek and receive injunctive relief, plus  
23 incidental damages for injuries and losses they sustained as a result of Defendants'  
24 discriminatory conduct and deliberate indifference as herein alleged. 42 U.S.C.  
25 § 18116(a); Fed. R. Civ. P. 23(b)(2).

26           172. Plaintiffs are further entitled to an award of attorney's fees, costs, and  
27 disbursements pursuant to 42 U.S.C. § 18116(a) and 42 U.S.C. § 2000d (title VI).  
28

**COUNT II****TITLE VI DISCRIMINATION, 42 U.S.C. § 2000d****(For the Class)**

173. Plaintiffs incorporate herein by reference each and every paragraph above as though fully set forth herein.

174. At all times relevant to this action, Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq.) was in full force and effect and applied to State Farm’s conduct as pleaded in this Complaint.

175. As noted above in Count I, Title VI of the Civil Rights Act of 1964, 42 U.S.C. § 2000d, prohibits discrimination on the basis of race, color, or national origin “under any program or activity receiving Federal financial assistance.”

176. Again, Title VI defines a “program or activity” to include a “corporation” if federal financial assistance is extended to the corporation or, alternatively, if the corporation is “principally in the business of providing . . . *health care* . . . .” *Id.* at § 2000d-4a (emphasis added).

177. As mentioned above, HHS has defined the term “health program or activity” to include “health-related insurance coverage . . . and the provision of assistance to individuals in obtaining health-related services.” 45 C.F.R. § 92.4. HHS offered, as an example, a “health insurance issuer . . . or other similar entity.” *Id.* If an entity is “principally engaged” in health-related services, all of its operations come under the regulation. *Id.*

178. Defendants also received financial assistance from the government. In November 2014, State Farm partnered with Health Care Service Corp., the parent company of BlueCross BlueShield, to sell individual health-insurance policies listed both on and off the ACA insurance exchanges. In November 2015, State Farm and Health Care Service Corp. expanded this partnership to nineteen states. Currently, it is available in 24 states. State Farm advertises the availability of individual plans on its website, along with information to help potential customers find out whether they

1 qualify for subsidies under the ACA. *See, e.g., Trust Us for Individual Medical*  
2 *Insurance*, State Farm, <https://www.statefarm.com/insurance/health/individual-medical>  
3 (last visited March 22, 2018).

4 179. Because of these statutes and regulations, and the State Farm business  
5 activities described above, Defendants received federal financial assistance, were  
6 principally engaged in the business of insuring the cost of health care required after their  
7 insureds sustained injuries in automobile accidents, or both. Therefore, State Farm is a  
8 health program or activity covered by 42 U.S.C. §§ 2000d et seq.

9 180. Defendants have discriminated and continue to discriminate against  
10 Plaintiffs solely on the basis of race and national origin by the practices described above.

11 181. On information and belief, State Farm's practices are the result of a  
12 company-wide policy or practice to sell automobile insurance to minority and immigrant  
13 customers while systematically evading claims for insurance benefits submitted by those  
14 same customers.

15 182. State Farm's discrimination was knowing and intentional.

16 183. As set out above, absent injunctive relief there is a clear risk that  
17 Defendants' actions will recur again with Plaintiffs and other minority and immigrant  
18 patients and their family members.

19 184. Plaintiffs are therefore entitled to seek and receive injunctive relief and  
20 any incidental damages they sustained as a result of Defendants' discriminatory conduct  
21 and deliberate indifference as herein alleged. 42 U.S.C. § 2000d (title VI); Fed. R. Civ.  
22 P. 23(b)(2).

23 185. Plaintiffs are further entitled to an award of attorney's fees, costs, and  
24 disbursements pursuant to 42 U.S.C. § 2000d (title VI).

25 ///

26 ///

27 ///

28 //

**COUNT III****DISCRIMINATION UNDER 42 U.S.C. § 1981****(For the Class)**

186. Plaintiffs incorporate herein by reference each and every paragraph above as though fully set forth herein.

187. At all times relevant to this action, 42 U.S.C. § 1981 was in full force and effect and applied to State Farm's conduct as pleaded in this Complaint.

188. Under section 1981(a), "[a]ll persons . . . shall have the same right . . . to make and enforce contracts, . . . and to the full and equal benefit of all laws and proceedings for the security of persons and property as is enjoyed by white citizens . . . ." 42 U.S.C. § 1981(a). The section goes on to define "make and enforce contracts" as "the making, performance, modification, and termination of contracts, and the enjoyment of all benefits, privileges, terms, and conditions of the contractual relationship." *Id.* § 1981(b).

189. By the conduct described above in its handling of Plaintiffs' claims, State Farm intentionally denied Plaintiffs the benefits and privileges of their automobile insurance policy contracts, and thus the right to enforce those contracts.

190. State Farm intentionally denied Plaintiffs the benefits and privileges of automobile insurance policy contracts, and thus the right to enforce those contracts, that is enjoyed by State Farm's white customers and insureds.

191. State Farm's practices are the result of a company-wide policy or practice of State Farm to sell automobile insurance to minority and immigrant customers while systematically evading claims for insurance benefits submitted by those same customers.

192. As set out above, absent injunctive relief there is a clear risk that Defendants' actions will recur again with Plaintiffs and other minority and immigrant patients and their family members.

193. Plaintiffs are therefore entitled to injunctive relief and any incidental damages they sustained as a result of Defendants' discriminatory conduct and deliberate indifference as herein alleged. 42 U.S.C. § 2000d (title VI); Fed. R. Civ. P. 23(b)(2).

194. Plaintiffs are further entitled to an award of attorney's fees, costs, and disbursements pursuant to 42 U.S.C. § 1981.

**PRAYER FOR RELIEF**

**WHEREFORE**, Plaintiffs respectfully pray that this Court enter the following judgment, in Plaintiffs' favor:

1. That a permanent injunction issue enjoining Defendants from further violations of law as described above and commissions of the fraudulent actions described herein;

2. That Plaintiffs be awarded incidental damages as appropriate;

3. That Plaintiffs be awarded their costs, fees, expenses, and pre-judgment and other statutory interest on any incidental monetary damages;

4. That the Court provide such other relief to Plaintiffs as is just and proper.

Dated: November 6, 2018

Respectfully submitted,

**ZIMMERMAN REED LLP**

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*Attorneys for Plaintiffs*

UNITED STATES DISTRICT COURT  
DISTRICT OF ARIZONA

## Civil Cover Sheet

This automated JS-44 conforms generally to the manual JS-44 approved by the Judicial Conference of the United States in September 1974. The data is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. The information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is authorized for use only in the District of Arizona.

**The completed cover sheet must be printed directly to PDF and filed as an attachment to the Complaint or Notice of Removal.**

Plaintiff(s): **Chee Vang ; Yee Vang ; Xeng Thao ;  
Yeng Her**

Defendant(s): **State Farm Mutual Automobile  
Insurance Company ; State Farm  
Fire and Casualty Company**

County of Residence: Outside the State of Arizona

County of Residence: Maricopa

County Where Claim For Relief Arose: Outside the  
State of Arizona

Plaintiff's Atty(s):

Defendant's Atty(s):

**Hart L Robinovitch  
Zimmerman Reed LLP  
14646 N. Kierland Blvd., Suite. 145  
Scottsdale, Arizona 85254  
480-348-6400**

II. Basis of Jurisdiction:

**3. Federal Question (U.S. not a party)**

III. Citizenship of Principal  
Parties (Diversity Cases Only)

Plaintiff: - N/A

Defendant: - N/A

IV. Origin :

**1. Original Proceeding**

V. Nature of Suit:

**440 Other Civil Rights**

VI. Cause of Action:

**42. U.S.C. § 2000d, Title VI of Civil Rights Act of 1964; 42 U.S.C. § 18116,  
ACA Discrimination**

VII. Requested in Complaint

Class Action: **Yes**

Dollar Demand: **excess \$75,000**

Jury Demand: **Yes**

VIII. This case is not related to another case.



**Signature:** s/ Hart L. Robinovitch

**Date:** 11/6/2018

**If any of this information is incorrect, please go back to the Civil Cover Sheet Input form using the *Back* button in your browser and change it. Once correct, save this form as a PDF and include it as an attachment to your case opening documents.**

Revised: 01/2014

# ClassAction.org

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: [Class Action: State Farm's Claims Investigation Process Discriminates Against Minorities](#)

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