

<b>IN THE CIRCUIT COURT FOR BALTIMORE COUNTY</b>		
<b>MICHAEL G. STEFANOWITZ</b> c/o Linda M. Brown Esquire Wayne C. Markey Esquire 14405 Laurel Place Suite 316 Laurel, Maryland 20707	* * *	
<b>PLAINTIFF</b>	*	
	*	
<b>vs</b>	*	
	*	<b>CASE NO. <u>C-03-CV-21-001696</u></b>
<b>MR. ALRED W. REDMER JR. IN HIS INDIVIDUAL CAPACITY</b> 54 Kingston Park Lane Baltimore, Maryland 21220	*	
<b>MS. ERICA J. BAILEY IN HER INDIVIDUAL CAPACITY</b> 200 St. Paul Place Suite 2700 Baltimore, Maryland 21202	*	
<b>MS. TRACEY DAILEY IN HER INDIVIDUAL CAPACITY</b> 200 St. Paul Place Suite 2700 Baltimore, Maryland 21202	*	
	* * *	<b>ACTION FOR VIOLATIONS OF FEDERAL CIVIL RIGHTS UNDER 42 USC SEC.1983; VIOLATIONS OF MD CONSTITUTIONAL RIGHTS ARTICLE 46 AND ARTICLE 26; TORT OF WRONGFUL TERMINATION OF EMPLOYMENT</b>
<b>DEFENDANTS</b>	*	<b>VERIFIED COMPLAINT</b>
	* * * *	<b>JURY TRIAL DEMAND</b>
* * * * *	*	* * * * *

**COMPLAINT FOR VIOLATIONS OF FEDERAL CIVIL RIGHTS, MARYLAND DECLARATION OF RIGHTS AND WRONGFUL TERMINATION OF EMPLOYMENT**

**I. INTRODUCTION**

This complaint pursues a cause of action for wrongful or abusive discharge and violation of the Federal and Maryland civil rights as suffered by Mr. Michael G. Stefanowitz (“Plaintiff or “Stefanowicz”) from the direct actions of the Defendants. Mr. Michael G. Stefanowitz a Maryland citizen currently residing at 501 Caldera Court, Westminster Maryland 21158 (hereinafter the “Plaintiff”), by its attorneys the Law Offices of Linda M. Brown and the Law Offices of Wayne C. Markey, sues Mr. Alfred W. Redmer Jr. (“Redmer”) in his individual capacity, Ms. Erica Bailey (“Bailey”) in her individual capacity and Ms. Tracey Dailey (“Dailey”) in her individual capacity (collectively Redmer, Bailey and Dailey “the Defendants”) and Plaintiff hereby states as follows:

1. In summary the facts detailed herein reflect that Stefanowitz was wrongfully terminated from his employment with Maryland Insurance Administration (hereinafter “MIA”) because Plaintiff stepped into an important area i.e., senior retirement accounts, that had conflict of interest ramifications which would be embarrassing to the top leader of the MIA at the time, Mr. Alfred W. Redmer. Plaintiff asserts that this cannot be ignored, not passed over superficially; and left uncorrected as to Plaintiff’s wrongful termination in violation to Plaintiff’s federal and Maryland state civil rights.

**II. PARTIES**

2. Plaintiff, Mr. Michael G. Stefanowicz (“Plaintiff or “Stefanowicz”) worked as a fraud investigator for the MIA beginning on or about March 2008. The Plaintiff was put on administrative leave on January 18, 2018 through January 31, 2018. Plaintiff was terminated from employment on January 31, 2018. The Plaintiff has established a personal mailing address at 501 Caldera Court, Westminster Maryland 21158.

3. The MIA's goal is to provide efficient, effective service to both the consumers of insurance products and the insurance industry. The Maryland Insurance Administration best serves its core constituents by ensuring fair treatment of consumers. This consumer protection begins by regulating the availability of insurance coverage at fair prices and extends to issues of solvency and fair sales, claims and settlement practices.

4. Overview of MIA's Responsibilities:

- Protect Maryland consumers by regulating the state's insurance companies and producers.

- Investigate complaints consumers have about their insurance coverage, including, but not limited to, life, health, automobile, and homeowners.

- License insurance companies and producers operating in Maryland.

- Conduct financial examinations of insurance companies to ensure solvency.

- Conduct market conduct examinations to ensure compliance with Maryland's insurance laws.

- Investigate acts of insurance fraud.

- Review and approve rates and contract forms.

5. MIA hired Stefanowitz as an investigator in March 2008 in the Compliance and Enforcement Unit for Producer Licensing in the Life, Health and Annuities Unit. At that time Stefanowitz held a bachelor's degree in criminal justice and obtained a master's degree in criminal justice administration in 2009. At that time Stefanowitz had 25 years of investigative experience in law enforcement with specialized training in narcotics and handgun enforcement. In 2000 Stefanowitz was promoted to Sergeant and assigned to the Northwestern District where he was assigned to lead the Operations Squad with focused enforcement on drugs and guns. Stefanowitz was then transferred to the detective division and as a detective sergeant Stefanowitz lead squads in shooting, robbery, burglary, aggravated assaults and domestic violence crimes.

6. The MIA is a Maryland state agency operating and doing business within the state of Maryland with offices located at the 200 Saint Paul Place, Suite 2700 Baltimore, Maryland 21202 and is charged with the enforcement of the Maryland insurance laws.

7. MIA is an independent state agency that performs various functions related to the regulation of Maryland's insurance industry and the enforcement of Maryland's insurance laws. Md. Code, Ins. §§ 2-101, 2-102. MIA is subject to the State Personnel Management System, a

merit-based system, which establishes job categories based on the general nature of required duties and sets corresponding levels of compensation. Md. Code, State Pers. & Pens. §§ 6-102(1)(i), (2), (3). Although MIA, as an independent state agency, is given discretion to set its employees' salaries, MIA follows the hiring and salary practices of Maryland's Department of Budget and Management, which promulgates a Standard Pay Plan Salary Schedule (the Standard Salary Schedule). Md. Code, Ins. § 2-105.

8. In accordance with the Standard Salary Schedule, when a new employee is hired, MIA assigns that employee to a grade level matching the position being held. Each grade level carries an assigned base salary and a specific salary range consisting of 20 separate steps. After designating a new employee's particular grade level, MIA assigns the new hire to an initial step placement based on prior work experience, relevant professional designations, and licenses or certifications. In selecting a particular step level, MIA also considers the difficulty of recruiting for the position, and, under Maryland law, also awards a new employee credit for any prior years of service in state employment for the purposes of determining that employee's step in the applicable pay grade. Md. Code, State Pers. & Pens. § 2-601. Additionally, a Maryland government employee who transfers to a "lateral" position takes her assigned grade and step with her to the new position.

9. MIA employees work within one of six units, each comprising a different area of insurance regulation. Md. Code, Ins. § 2-102. At issue in this case is the Fraud Investigation Division. Employees working in the Fraud Investigation Division, or Fraud Investigators, are charged with investigating allegations of criminal insurance fraud perpetrated by individuals. Until July 2013, the Fraud Investigator position was classified at a grade 15 on the Standard Salary Schedule. At that time, based on an internal job study conducted by MIA, the position was reclassified at grade 16. Under the Standard Salary Plan, individuals hired as Fraud Investigators now are assigned to a step within the grade 16 classification according to their qualifications and work experience.

10. MIA advertises minimum and preferred qualifications for the position of Fraud Investigator. To be minimally qualified for hire as a Fraud Investigator, an applicant must have five years of fraud investigatory experience in such areas as white-collar crime, financial fraud, insurance fraud, and investigations conducted under the supervision of prosecutors or other attorneys. Preferred or desired qualifications for the position include designation as a Certified

Fraud Examiner, as well as experience working with attorneys and participation in court or administrative hearings.

### **III. JURISDICTION**

11. The Circuit Court for Baltimore County has jurisdiction for this civil action under the Maryland Code Courts and Judicial Proceedings Title 6 Subtitle 2 Venue Section 6-201 because the Defendant Alfred W. Redmer Jr.'s personal address is in Baltimore County Maryland. Jurisdiction is premised upon the fact that the damages suffered by Plaintiff are in excess of the minimum sum required for jurisdiction in the District Court for Baltimore County of the State of Maryland. Further, this Court has personal jurisdiction over Defendants on the grounds that Defendants has purposefully availed themselves of the jurisdiction of this Court by residing in Baltimore County in the State of Maryland. The amount of money due from Defendants to Plaintiff is unknown to Plaintiff and cannot be ascertained at this time without further discovery and disclosure. Plaintiff is informed and believe and thereon allege that the amount due to Plaintiff exceeds one hundred thousand dollars (\$100,000.00). Plaintiff will seek leave of Court to amend this Complaint to allege with greater specificity and the estimated damages amount as soon as such damages can be ascertained from further discovery.

### **IV. EXHAUSTION OF ADMINISTRATIVE REMEDIES**

12. Plaintiff did not file timely administrative complaints with state and federal agencies including the Maryland Office of Administrative Hearings, United States Department of Labor, Occupational Safety and Health Administration, and the SEC. More than 180 days have elapsed since filing those complaints. No relief or remedies were issued to make Plaintiff whole. At termination Plaintiff did not receive any notice of administrative remedies available from human resources representatives of the MIA. Plaintiff has therefore no administrative remedies currently available.

## V. ALLEGATIONS OF FACTS COMMON TO ALL COUNTS

13. The basic facts of the case involving the Plaintiff, decedent Ms. Addie Belle Jones (“Addie Belle”), a Maryland resident and Mr. Lawrence J. Mieras are as follows:

14. Mr. Lawrence J. Mieras (“Mieras”) was a trusted financial advisor to Addie Belle. Mieras was and currently has an employment-business relationship with American Portfolios Financial Services Inc., a registered broker-dealer and American Portfolio Advisers Inc., a registered investment advisor, under the Investment Advisors Act of 1940 (hereinafter collectively American Portfolios Financial Services Inc. and American Portfolio Advisers Inc. “American Portfolios”). American Portfolios Advisers Inc. (“American Advisors”) was the company to which Mieras was employed as an investment advisor.

15. American Portfolios has throughout the United States, according to the testimony of its General Counsel and Chief Risk Officer, Frank Tauches, 330 retail offices. Its CEO and Chairman, Lon Dolber, in a firm brochure pronounces the firm to have the highest ethical standards.

16. In any event, in May 2016 (without contacting the attorney who drafted the Will, J. H. Phillips III), Mieras had Addie Belle execute two (2) annuity beneficiary change forms and create a transfer on death (“TOD”) account that had included trusted advisor Mieras and certain other family beneficiaries under the will of Addie Belle. Even though American Advisors compliance manual does **not** permit financial advisors to give tax or impart legal advice, agent Mieras “imparts his knowledge” and has Addie Belle move essentially \$2,000,000 Addie Belle estate assets (of which trusted advisor Mieras is to receive \$500,000) to pass outside the probate process, because there will be inheritance tax and probate cost savings. Trusted advisor Mieras fails to mention, however, that if Addie Belle dies within two (2) years of the designated transfer, the Maryland state inheritance tax is still applicable.

17. Mr. Alfred W. Redmer, Jr. (“Redmer”) was the insurance commissioner for the MIA when the Plaintiff was terminated from employment. Redmer was and currently is the 100 per cent shareholder owner for the Landmark Insurance and Financial Services, Inc. (“Landmark”), a brokerage firm located in Princess Anne Maryland. There exists a brokerage contract between American Portfolios and Landmark. The Addie Belle investigation connected

to American Portfolios presents clear conflict of interest for Redmer. Plaintiff asserts that the cover up of this conflict of interest was the motivation for Plaintiff's termination of employment with the MIA.

18. The facts show that the broker, Mieras with indifference of his firm and the MIA and the securities regulators (SEC and FINRA) worked his way into an inheritance from an elderly and vulnerable customer. Four (4) United States Senators recognized that there needed to be a rule to prevent inherent wrongdoing and breach of fiduciary duty. No rule was adopted and nor was action taken to vindicate Stefanowitz's integrity and his natural and positive impulses to have the government do the right thing and stop such systemic and serious wrongdoing.

19. In May 2017, a complaint was filed by the estate attorneys for the Estate of Addie Belle Jones ("Belle Case") for violations of the Maryland insurance regulations and the laws and statues of the State of Maryland committed by agent Lawrence Mieras ("Mieras") who was employed by the investment firm doing business in the state Maryland as American Portfolios.

20. Plaintiff was the MIA investigator assigned to investigate the complaint, all subpoenas were issued and served by Plaintiff. Plaintiff conducted the many interviews to verify all the information and collected and reviewed the subpoenaed material. Plaintiff had been a fraud investigator with the Maryland Insurance Administration for 10 years.

21. During 2017 Plaintiff investigated the complaint for the Belle Case. During the investigation subpoenas were issued for bank records, health records, housing records and investment records. During 2017 interviews were conducted with the previous power of attorney, the power of attorney at the time of death, certain people from Berlin Nursing and Rehab, the neurologist who diagnosed the mental issues, the funeral director at Burbage Funeral Home, Addie Belle's CPA, another beneficiary Diane C. Mason, the administrator for Apple Drugs and the Administrator for Gull Creek Assisted Living.

22. The compliance manual of American Portfolios was obtained. In the manual Plaintiff found multiple incidents where Mieras had not followed his own company's compliance by not notifying the company that he had been made a beneficiary, when he found out that Addie Belle was suffering from dementia and Alzheimer's he again failed to notify the company and after Addie Belle passed away according to the company compliance book, he was to have had the company freeze the assets until the estate is settled. Mieras not only failed to advise the

company of Addie Belle's death, Mieras received an amount of \$500,000 as a beneficiary from the estate.

23. During December 2017 Plaintiff had multiple meetings with the assistant attorney general assigned to the Belle Case. During these meetings, the Plaintiff stated that in Plaintiff's professional opinion that agent Mieras had committed many violations of the insurance regulations and had exerted undue influence on Ms. Addie Belle. Furthermore, agent Mieras had committed violations of the wills and trusts laws by not having the lawfully appointed power of attorney either present or having the power of attorney sign certain legal documents for the "Transfer on Death" of estate assets during Mieras's financial meetings with Ms. Addie Belle. Also, in the professional opinion of Plaintiff, Mieras had violations of his brokerage firms' rules and the fact that he was doing insurance business in Maryland under a non-existent business named MFI Retirement Planning Associates. Plaintiff's penalty recommendations were based on the history of enforcement actions against other insurance agents for the same as well as for lesser violations that the appropriate sanctions would be revocation of Mieras' insurance license, a monetary fine and the return of the funds to the Estate of Belle until the Estate of Belle could go through the probate process as was the desire of Ms. Addie Belle at the time the will was established. Furthermore, Plaintiff would recommend that sanctions be assessed against American Portfolios for their failure to properly supervise agent Mieras.

24. In an interview statement provided by Mieras, Mieras represented that, Mieras had helped Belle obtain a residency unit in Gull Creek Assisted living. However, an interview with the Administrator of Gull Creek indicated that prior to Belle moving in, the Administrator was unable to locate any paperwork or any other documentation that Mieras played any part in Belle's moving into Gull Creek. In the interview session Mieras also stated that Mieras would provide assistance to Belle in doing her taxes. However, Plaintiff spoke to the CPA (the owner of Waller Tax and Accounting in Salisbury, Ms. Waller) who completed Belle's income taxes and her filings with the IRS. Ms. Waller stated that she has never seen Mieras and has never taken any tax advice from him and has not consulted him on Belle's taxes. Ms. Waller further stated that the only time she spoke to him was over the phone to request a year end brokerage statement for the Belle investments to incorporate into the tax return filings.

25. In the investigative interview session with Diane Mason ("Mason"), Mason stated that Mieras had contacted her because Ms. Amanda Tull ("Tull"), sister of Mason and the

executrix of the will for the Estate of Belle, would not give Mieras a copy of the death certificate. Mieras needed the death certificate to collect on the policies that were immediately transferred to “Pay on Death” status. After multiple attempts to have Tull forward a copy of the death certificate to him Mieras contacted Mason and asked her to get him a copy of the death certificate. Mieras explained to Mason that as a relative Mason could obtain a copy of the death certificate. Mason did obtain the death certificate for Mieras. After Mieras had filed for the insurance benefits Mieras convinced Mason to reinvest the money with his company. Mason stated that Mieras had sent her the new policy by mail with tabs on the pages where she was to sign and return envelope was provided to return the signed policies to Mieras. On the signature pages under the signature of Diane Mason was a line for the witness’s signature. Upon obtaining copies of the new policies from the company Larry Mieras’ signature was on the witness line, signed as if he had been in the same room when the policy was signed. When asked Diane Mason stated that Mieras had sent her the policy with tabs on the pages to sign and then she returned the policies to Mieras at which time he signed them as a witness. When asked Mason stated Mieras sent her the policies and she signed them and sent them back for him to sign and in Mason’s words, “you know like you do.”

26. On January 9, 2018, Plaintiff received an email from the Assistant Attorney General for the Belle investigation requesting that Plaintiff calculate an administrative penalty for the Belle Case. In reviewing the Belle Case proposed penalty order (Exhibit H), the Asst. Att. Gen., concluded that there were 8 violations of the Maryland Insurance Article which violations were legally sufficient. Plaintiff prepared the Penalty Order and sent the draft Penalty Order up through the chain of command for final approval.

27. A glance at the reviewed Penalty Order sent from the Asst. Att. Gen. Plaintiff learned that the proposed license revocation had been removed and replaced with a 12-month suspension. Furthermore, the return of the pay on death funds recommended action until a probate hearing could be completed was also removed. Additionally, the proposed sanctions for American Portfolios were also removed. Reviewer comments in the margins of Plaintiff’s draft Penalty Order stated that the MIA should consider revocation because of concerns that once the Belle Case Penalty Order was published other producers that had been sanctioned and/or had their producer’s licenses revoked would react and say what Mieras did was much worse when

compared to other MIA cases and but Mieras only got a suspension for taking advantage of an elderly person.

28. Plaintiff later on January 9, 2018, sent the Asst. Att. Gen. an email stating a suspension for the Belle Case was a “waste of time” and since the fine amounts are preset “what difference does the amount of the administrative penalty make?”. Later in the morning of January 9, 2018, Plaintiff sent the Asst. Att. Gen. a second email questioning the removal of the revocation stating that other insurance agents have been revoked for far less serious violations.

29. Later that day January 9, 2018, Plaintiff received an email from Mr. Jeffery Gross (“Gross”) the Asst. Chief of Enforcement for Life and Health Investigations. In the Gross email Gross informed Plaintiff that the Asst. Att. Gen. had forwarded my 2 emails to him so he could respond to the Plaintiff. The email from Gross stated, “I understand how you fell (sic) about the case”. The email went on to state that this is the professional opinion that Ms. Erica Bailey, the Associate Commissioner for Enforcement and Compliance has determined based on her meetings with Redmer, Insurance Commissioner that no sustainable violations have taken place for the Belle Case. Gross went on to say that “Darlene, Brandy, and I can’t do anything at this point to change it.”

30. Plaintiff then emailed Gross and stated that Plaintiff would explain the findings to the estate attorneys in the Closure Letter for the Belle Case. Gross responded, “There is nothing to tell them (sic) yet because the order is not final.” This was the final email in reference to the Belle Case as to Plaintiff’s involvement.

31. On January 9, 2018, Plaintiff was called into Gross’s office and was given a performance evaluation. The evaluation is rated on a 3-point system, 1 is Unsatisfactory, 2 is Satisfactory and 3 is Outstanding. Plaintiff received all satisfactory marks and rated outstanding on #9-Is courteous to customers and co-workers, with Gross providing a verbal comment that this rating was for dealing with Maryland senior citizens (Exhibit E Stefanowitz Final Performance Evaluation)

32. In subsequent conversations, Gross advised Plaintiff that Ms. Erica Bailey (“Bailey”) had held multiple meetings in her office with the Attorney General’s office as well as Ms. Darlene Arnold (“Arnold”) the chief enforcement officer with MIA, about the Belle Case all without the Plaintiff being present. This is a major departure from the normal operating procedure that when the investigative team is discussing a case the lead investigator is present to

present facts and opinions about the case and the findings as well as the recommended penalties (emphasis added). In Plaintiff's 10 years of employment at the Maryland Insurance Administration there was never a complaint case that was coming close to the issuance of the "Closure Letter" where Plaintiff, acting as the lead investigator, was not an integral part of the meeting.

33. On January 17, 2018, Plaintiff was called into the commissioner's board room by Arnold. Upon arrival at the board room, Plaintiff noted that present in the room was Arnold, Bailey, Ms. Tracey Dailey (human resources representative assigned to MIA), and Mr. Robert Almon. At this time, Plaintiff was given a termination letter (Exhibit B) signed by Mr. Alfred W. Redmer, Jr. that advised Plaintiff that Plaintiff's employment services to the Maryland Insurance Administration were no longer required and Plaintiff was told by Bailey that "the MIA is going in a different direction." At this time, Plaintiff's official MIA identification was taken, and Plaintiff was escorted out of the MIA offices and building.

34. In the final Addie Belle Closure Letter (Exhibit A) sent to the estate attorney on July 2, 2018, from the Maryland Insurance Administration that was written by Gross it states in part that:

***"The Administration's investigation included requests for information and documents obtained from a variety of sources. In addition, the Administration conducted interviews to ensure that all of the collected information was clear and factual. Based on all available information, there are no sustainable violations of the Maryland Insurance Article. At this time, we do not intend to pursue any further action in this matter, and the Administration will close our investigative file. This is a final determination within this administrative level."***

35. The Closure Letter was written by Gross dated June 11, 2018 (EXHIBIT A), however the postmark from the mailroom at the Maryland Insurance Administration is dated June 28, 2018. The last paragraph of the Closure Letter advises that the estate attorneys for the Estate of Addie Belle have thirty (30) days in which to challenge the findings of the MIA. The Closure Letter was received with only 9 days in which to file a challenge to the closing of the Belle Case. Actually, given that the July 4th holiday was 2 days away there were even fewer days to request that the Belle Case be appealed.

36. After the estate attorneys for the Estate of Addie Belle received the Closing Letter the estate attorneys contacted the Plaintiff to discuss what the next step in the process might be. Plaintiff began to review the background information on all of the parties involved in the case. A check of Mr. Redmer’s bio (Exhibit C) listed on the MIA’s website revealed that Mr. Al Redmer, Jr. was the manager of Redmer Insurance Group and the owner of Redmer Financial Group. Mr. Redmer was also the partner and president of Landmark Insurance and Financial with offices in Princess Anne Maryland. Further inquiry to the SDAT revealed that Mr. Al Redmer, Jr. did not separate himself from Landmark Insurance and Financial AFTER he was appointed to a second term as the insurance commissioner.

37. Plaintiff began looking for a connection and found that a Google search of American Portfolios reveals that American Portfolios has 330 offices nationwide. A Google search of American Portfolio offices in Princess Anne Maryland shows a listed address to Landmark Insurance and Financial Services, a company formerly controlled by Mr. Al Redmer, Jr. (Exhibit H).

38. A Wall Street Journal article (Exhibit F) was written about the Belle Case by Wall Street Journal senior investigative reporter Ms. Gretchen Morgenson. In the article Mr. Al Redmer was contacted and when asked about the Belle Case and the reason for its closure without any significant penalties, Mr. Redmer declined to give a specific statement but stated:

*“The decisions regarding producers are made by the career, subject-matter experts that we have in our agency. The bar is, did a producer violate the law or regulation. There are some actions that a producer will take that we may personally view as inappropriate, but if it does not violate the law there is no action we can take.”*

39. On the day Plaintiff was terminated, Bailey stated the reason for Plaintiff’s termination (Exhibit B) was that the MIA was *“going in a different direction”*. From an historical perspective a review of the penalty orders for MIA cases that were finalized during the years ending 31 December 2016 to 31 December 2019 showed the following trends:

<b>Year</b>	<b>Penalty Orders Issued</b>	<b>Revocations Assessed</b>	<b>Percentage of Revocations to Total Penalty Orders Issued</b>
2016	48	19	39%
2017	51	28	55%
2018	90	35	39%

2019	78	43	55%
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40. In summary the facts detailed herein indicate that Stefanowitz was wrongfully terminated from his employment with MIA because Plaintiff stepped into an important area i.e., senior retirement accounts that had conflict of interest ramifications which would be embarrassing to the top leader of the MIA at the time, Mr. Alfred W. Redmer. Plaintiff asserts that this cannot be ignored, not passed over superficially; and left uncorrected as to Plaintiff's wrongful termination.

## **VI. ESTATE OF ADDIE BELLE ARBITRATION PROCEEDING CONCLUSIONS**

41. Lawrence Mieras and Decedent Addie Belle Jones, his client-customer had a "confidential relationship" and Lawrence Mieras admitted he was an "investment advice fiduciary".

42. American Portfolios Financial Services, Inc. was the name of company and legal entity to which Lawrence Mieras ("Insurance Broker"), insurance agent was able to work his way into an inheritance and fraud. Plaintiff was terminated from his employment as a result of exposing this Inheritance Scheme. Mr. Norman Arnoff, attorney at law, was the legal counsel retained by the Estate to direct and provide thought leadership for the arbitration proceeding.

43. The Arbitration Panel ruled before the Award was rendered that Claimant Estate did not prove "undue influence." Instead of ruling that Mieras and the other Respondents did not meet their burden arising from the confidential relationship in proving that there was an absence of undue influence; it imposed the burden upon the Estate to prove undue influence. Clearly, this was wrong as a matter of law as the burden in the instant case should have been on the Respondents as a financial adviser and financial service professional, and especially because Mieras acknowledged he was "investment advice fiduciary". Accordingly, because of the admitted fiduciary relationship, and who had the burden as a matter of law; the Court should now vacate the Award pursuant to 9 USCA, Section 10 (a)(4).

44. The FINRA Arbitration Panel in its award dated April 12-13,2018 found the foregoing to be rule violations and "serious supervision deficiencies" on the part of the Broker

Dealer and Investment Adviser American Portfolios, a 330 branch, nationwide organization but wrote the Arbitrators had no authority with respect to rules or regulations governing the capital markets or financial services industry.

## **VII. LEGAL STANDARDS APPLICABLE TO THIS LITIGATION**

### **Federal Civil Rights Under 42 USC § 1983**

45. Plaintiff asserts that Defendants have violated Plaintiff's civil rights. The Civil Rights Act of 1871, 42 U.S.C. § 1983, provides, in pertinent part, as follows:

46. "§ 1983. Civil action for deprivation of rights states: *"Every person who, under color of any statute, ordinance, regulation, custom, or usage, of any State or Territory or the District of Columbia, subjects or causes to be subjected, any citizen of the United States or other person within the jurisdiction thereof to the deprivation of any rights, privileges, or immunities secured by the Constitution and laws, shall be liable to the party injured in an action at law, suit in equity, or other proper proceeding for redress."*

47. The elements of a § 1983 cause of action, as well as the defenses to that cause of action, are defined by federal law.

### **Maryland Declaration of Rights**

48. Plaintiff asserts that Defendants have violated Plaintiff's Maryland Constitutional Rights under Articles 24 and 46.

### **Article 24 of the Maryland Declaration of Rights provides:**

49. "That no man ought to be taken or imprisoned or disseized of his freehold, liberties or privileges, or outlawed, or exiled, or, in any manner destroyed, or deprived of his life, liberty or property, but by the judgment of his peers, or by the Law of the land."

### **Article 46 of the Maryland Declaration of Rights provides:**

50. "Equality of rights under law shall not be abridged or denied because of sex."

## **Maryland Tort of Wrongful Discharge**

51. A cause of action for wrongful or abusive discharge arises when the motivation for discharge violates a clear mandate of public policy. *Adler v. Am. Standard Corp.*, 291 Md. 31, 432 A.2d 464 (1981); *Cellitto*, 2007 U.S. Dist. LEXIS 42517; see also *Adler v. Am. Standard Corp.*, 538 F. Supp. 572 (D. Md. 1982), *aff'd in part and rev'd in part*, 830 F.2d 1303 (4th Cir. 1987) (emphasizing that *Adler's* abusive discharge claim was flawed in as- much as it was based on his intent to expose illegal activity only to company officials, not to the appropriate public officials). A private dispute regarding the employer's execution of normal management operating procedures does not give rise to a cause of action. *Wholey*, 139 Md. App. at 650, 779 A.2d at 412.

52. The elements of the tort for wrongful discharge are:

- a. That the employee was discharged;
- b. That the dismissal violated some clear mandate of public pol icy; and
- c. That there is a nexus between the defendant and the decision to fire the employee.

53. *Braxton v. Domino's Pizza, LLC*, Civil No. RDB 06-1191, 2006 U.S. Dist. LEXIS 92902 (D. Md. Dec. 21, 2006); *Wholey*, 139 Md. App. at 649, 779 A.2d at 412 (citations omitted); *Symeonidis v. Paxton Capital Grp., Inc.*, 220 F. Supp. 2d 478 (D. Md. 2002).

54. To state a claim, the plaintiff must allege that his or her employer asked plaintiff to do something unlawful and discharged him or her for refusing, not merely that there was an unspoken expectation of silence regarding the employer's alleged contravention of a law. *Szaller*, 293 F.3d 148 (plaintiff's allegation that by its failure to comply with FDA regulations and a consent decree, the employer was asking plaintiff to collect blood in a way that violated federal law, was not sufficient to maintain a cause of action).

## VIII. COUNTS AND CAUSES OF ACTION

### **A. First Cause of Action-Federal Civil Rights Violated: Plaintiff's federal civil rights for employment was violated by Defendants as retaliation for exposing a fraudulent scheme by an employee of American Portfolios to which the Insurance Commissioner, Mr. Alfred W. Redmer, through Landmark Financial had a business relationship with American Portfolios and Plaintiff's termination was to cover up and protect Mr. Redmer's equity investment interest in Landmark Financial.**

(a) As a separate and distinct cause of action, Plaintiff complains and realleges all of the allegations contained in this complaint, and incorporates them by reference into this cause of action as though fully set forth herein, excepting those allegations which are inconsistent with this cause of action.

(b) Plaintiff hereby asserts that the Plaintiff's termination from employment with the MIA was solely for exposing a transaction which, if exposed, would bring conflict of interest matters to light which would be embarrassing and negatively impact the political aspirations for Mr. Alfred W. Redmer, Jr. the MIA Insurance Commissioner at the time of the Addie Belle investigation. Thus, Defendants have violated the federal civil rights of Plaintiff to be gainfully employed.

(c) Plaintiff was given a termination letter on 17 January 2018, and advised Plaintiff would be on Administrative Leave until his last day which was 31 January 2018 and the final order for the Addie Belle Case was dated 11 June 2018. The closeness in time for the issuance of the closure letter for Addie Belle investigation to the termination date for Plaintiff establishes that Plaintiff's termination was wrongful and violated the civil rights of Plaintiff. Plaintiff further asserts that Plaintiff was terminated to allow a couple of months to pass to issue the no penalty order and **after** the Plaintiff was terminated from the MIA.

(d) Plaintiff argues that the employers stated reason for termination of Plaintiff was not true, but instead was a pretext for retaliating against the employee. The MIA's stated reason for the termination of Plaintiff was that the MIA "*was going in a different direction*" (Exhibit B). An investigation of the workings of the investigation division, after termination of the Plaintiff, reflects that nothing has changed at the MIA.

(e) Plaintiff argues that the most common piece of circumstantial evidence for a retaliatory motive, and the most useful type outside of statements causally related to the whistleblowing, is temporal proximity: the shorter the time period between the whistleblower reporting and termination, the more likely that there was a causal link between the two actions. The facts show that the Plaintiff was terminated within five months after the investigation of the Addie Belle case was completed.

(f) The conduct of the Defendants described hereinabove was outrageous and was executed with malice, fraud, and oppression, and with conscious disregard for Plaintiff's federal right of employment as under 42 USC §1983, and further, with the intent, design, and purpose of injuring Plaintiff.

(g) The Defendants committed the acts alleged hereinabove by acting knowingly and willfully, with the wrongful and illegal deliberate intention of injuring Plaintiff, from improper motives amounting to malice, and in conscious disregard of Plaintiff's rights. Plaintiff is thus entitled to recover nominal, actual, compensatory, punitive, and exemplary damages in amounts according to proof at the time of trial, to the full extent allowable by law, in addition to any other remedies and damages allowable by law.

(h) As a proximate result of the actions and conduct described hereinabove. Plaintiff has been damaged in an amount according to proof at the time of trial, and seeks make-whole relief, civil penalties, and attorney's fees against the Defendants.

(i) Wherefore Plaintiff prays for relief as stated in pertinent part hereinafter.

**B. Second Cause of Action—Articles 24 and 46 Md. Declaration of Rights: Plaintiff's retaliation firing was in violation of Plaintiff's constitutional rights under Articles 24 and 46 of the Maryland Declaration of Rights to protect the conflict of interest of Redmer exposed by Plaintiff.**

(a) As a separate and distinct cause of action, Plaintiff complains and realleges all of the allegations contained in this complaint, and incorporates them by reference into this cause of action as though fully set forth herein, excepting those allegations which are inconsistent with this cause of action.

(b) Plaintiff asserts that Article 24 and Article 46 require that all personnel actions concerning any employee or applicant for employment in the Executive Branch will be taken on

the basis of merit and fitness. This was not done which violates the Plaintiffs Maryland civil rights. Plaintiff further asserts that his male status also played in a part in his termination.

(c) At all material times Articles 24 and 46 was in effect and binding on the Defendants. It prohibits employers such as Defendant from discharging, constructively discharging, demoting, threatening, harassing or in any manner discriminating or retaliating against any employee because he or she provided information, caused information to be provided, or assisted in an investigation by a state or federal regulatory or law enforcement agency, or an internal investigation by the company relating to alleged mail fraud, wire fraud, bank fraud, securities fraud, violations of SEC rules and regulations or violations of federal law relating to fraud against investment advisors. In addition, an employer may not discharge or in any manner retaliate against employee because he or she filed, caused to be filed, participated in, or assisted in a proceeding relating to alleged mail fraud, wire fraud, bank fraud, securities fraud, violations of SEC rules and regulations or violations of federal law relating to fraud against investment advisors.

(d) The Defendants harassed, threatened, discharged and retaliated against Plaintiff, and disclosed his identity as a whistleblower, after Plaintiff made oral and written complaints regarding what he reasonably believed to be illegal or unlawful conduct in violation of state and federal statutes, rules and regulations.

(e) Plaintiff made these complaints to his employer, by and through its agents and employees, as well as to the SEC and FINRA.

(f) Plaintiff is informed and believes, and thereon alleges that because of his making complaints regarding agent Mieras illegal conduct and/or conduct Plaintiff reasonably believed to be illegal, Plaintiff was discharged from his employment and/or otherwise discriminated and retaliated against by the Defendants after he had made the aforesaid complaints about illegal conduct. Plaintiff's civil rights have been violated under Article 24 and 26. As a direct and proximate result of Defendant's actions, Plaintiff has suffered and will continue to suffer pain and mental anguish and emotional distress. Plaintiff has further suffered and will continue to suffer a loss of earnings and other employment benefits, whereby Plaintiff is entitled to general compensatory damages in amounts to be proven at trial. Defendant's actions constituted a willful violation of the abovementioned state insurance laws and regulations. As a direct result, Plaintiff has suffered and continues to suffer substantial losses related to the loss of wages and is

entitled to recover costs and expenses and attorney's fees in seeking to compel Defendant to fully perform its obligations under state and federal law, in amounts according to proof at time of trial.

(g) The conduct of the Defendants described hereinabove was outrageous and was executed with malice, fraud and oppression, and with conscious disregard for Plaintiff's rights, and further, with the intent, design and purpose of injuring Plaintiff.

(h) Defendant committed the acts alleged hereinabove by acting knowingly and willfully, with the wrongful and illegal deliberate intention of injuring Plaintiff, from improper motives amounting to malice, and in conscious disregard of Plaintiff's rights. Plaintiff is thus entitled to recover nominal, actual, compensatory, punitive, and exemplary damages in amounts according to proof at the time of trial, to the full extent allowable by law, in addition to any other remedies and damages allowable by law.

(i) As a proximate result of the actions and conduct described hereinabove. Plaintiff has been damaged in an amount according to proof at the time of trial, and seeks make-whole relief, civil penalties, and attorney's fees against Defendant.

(j) Wherefore Plaintiff prays for relief as stated in pertinent part hereinafter.

**C. Third Cause of Action-Md. Tort of Wrongful Termination: Plaintiff's wrongful termination under the allegation of facts contained in this complaint meets the elements for wrongful termination under Maryland tort law.**

(a) As a separate and distinct cause of action, Plaintiff complains and realleges all of the allegations contained in this complaint, and incorporates them by reference into this cause of action as though fully set forth herein, excepting those allegations which are inconsistent with this cause of action.

(b) The facts of this case show the Plaintiff was discharged. The facts also show that the public policy of protecting the elderly from unethical investment brokers was involved. Finally, the nexus between the termination of the Plaintiff to cover up scheme was shown for the short time upon which the Addie Bell investigation was completed and the date the Plaintiff's termination took place.

(c) The Asst. Att. Gen. concluded that there were eight (8) violations of the Maryland Insurance Article which violations were legally sufficient (Exhibit G). Plaintiff prepared the Penalty Order for the Belle Case and sent the draft Penalty Order up through the chain of command for final approval. Top leadership at the MIA wanted to cover up the matter for conflict-of-interest motivations. Plaintiff was terminated for uncovering the eight violations under the Maryland insurance article, which if disclosed, would bring embarrassment and ethical considerations to Mr. Alfred W. Redmer.

(d) The motivation for discharge in this case violates a clear mandate of public policy. The public policy involved under these facts is for the protection of the elderly and being able to have confidence and trust their trusted advisors.

(e) Plaintiff's termination was because Plaintiff was revealing a financial scheme to which an elderly person was being taking advantage of by a trusted advisor and was against public policy as under the Maryland insurance regulations, Md. Code Insurance §10-126 (Exhibit H).

(f) Plaintiff was terminated on 31 2018 (Exhibit B). The final order for the Addie Belle case was dated 11 June 2018 or May 18, 2018 (Exhibit A). The final order is suspicious in that each page of the final order has differing dates. The closeness in time (nexus) for the issuance of the closure letter for Addie Belle investigation to the termination date for Plaintiff establishes that Plaintiff's termination was wrongful and unlawful. Plaintiff further asserts that Plaintiff was terminated by Defendants to allow a couple of months to pass to issue the no penalty order and **after** the Plaintiff was terminated from the MIA.

(g) The facts show that no other MIA employees were terminated for the "going in another direction" reason for Plaintiff's termination. If the MIA was truly going in another direction, would it not be reasonable to expect that other similarly situated investigators would also be terminated.

(h) The conduct of Defendants described hereinabove was outrageous and was executed with malice, fraud, and oppression, and with conscious disregard for Plaintiff's rights, and further, with the intent, design, and purpose of injuring Plaintiff.

(i) The Defendants committed the acts alleged hereinabove by acting knowingly and willfully, with the wrongful and illegal deliberate intention of injuring Plaintiff, from improper motives amounting to malice, and in conscious disregard of Plaintiff's rights. Plaintiff is thus

entitled to recover nominal, actual, compensatory, punitive, and exemplary damages in amounts according to proof at the time of trial, to the full extent allowable by law, in addition to any other remedies and damages allowable by law.

(j) As a proximate result of the actions and conduct described hereinabove. Plaintiff has been damaged in an amount according to proof at the time of trial, and seeks make-whole relief, civil penalties, and attorney's fees against Defendants.

(k) Wherefore Plaintiff prays for relief as stated in pertinent part hereinafter.

## **IX. PRAYER FOR RELIEF**

1. WHEREFORE, Plaintiff demands judgment against Defendants in excess of Nine Hundred and Fifty Thousand Dollars (\$950,000) in compensatory damages;
2. Assess punitive damages against Defendants;
3. Award Plaintiff interest and legal costs and
4. Award Plaintiff such other and further relief as may be just and equitable.

Respectfully Submitted

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*Counsel for Plaintiff*

## **PLAINTIFF'S EXHIBITS**

**Exhibit A—Addie Belle Final Closure Letter**

**Exhibit B—Stefanowitz Termination Letter**

**Exhibit C--Mr. Alfred W. Redmer Jr. resume nexus with Landmark Financial**

**Exhibit D—FINRA Arbitration Ruling**

**Exhibit E—Stefanowitz Final Performance Evaluation**

**Exhibit F—Wall Street Article Gregen Morsenson**

**Exhibit G—Assistant State's Attorney Order of Eight Violations**

**Exhibit H—Google Search Landmark Insurance and Financial Inc.**