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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

CHASITY CLARK, an individual, DWAYNE
HAMPTON, and individual,

Plaintiffs,

vs.

LEMONADE INSURANCE COMPANY, a
New York stock corporation, and DOES 1
through 10,

Defendants.

Case No. **26VECV05780**

COMPLAINT FOR:

1. BREACH OF CONTRACT
2. BREACH OF CONTRACT
3. BREACH OF IMPLIEND
COVENANT OF GOOD FAITH AND
FAIR DEALING
4. BREACH OF IMPLIEND
COVENANT OF GOOD FAITH AND
FAIR DEALING

UNLIMITED CIVIL JURISDICTION

COMES NOW Plaintiffs Chasity Clark ("Clark") and Dwayne Hampton ("Hampton")
(collectively "Plaintiffs") as against Defendant, Lemonade Insurance Company, a New York
stock corporation, and Does 1 through 10 ("Defendants"), and hereby alleges:

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2. Plaintiff Hampton is, and at all times material was, a resident of Los Angeles County, State of California.

4. Plaintiffs are ignorant of the true names and capacities of the Defendants sued herein as DOES 1 through 10, and therefore sues said Defendants by such fictitious names. Plaintiffs will amend this Complaint to state their true names and capacities when the same have been ascertained.

5. Plaintiffs are informed and believe, and based thereon alleges, that each Defendant named herein, including each of the fictitiously named Defendants, was the agent, servant, affiliate, or employee of each of the other Defendants herein and, at all times herein mentioned, was acting within the course and scope of such agency, authority, affiliation, or employment in engaging in the acts and conduct herein alleged. The acts and conduct of each of the Defendants named herein was the proximate cause of the damages suffered by Plaintiff as alleged herein. All of the Defendants are jointly and severally referred to herein as “Defendants”.

6. This is an unlimited civil action because the amount in controversy exceeds \$35,000, exclusive of interest, costs, and attorney fees.

7. This Court has jurisdiction over this action because Plaintiffs seek damage arising from insurance policies issued and administered in California and from conduct causing injury in California.

1 8. Venue is proper in Los Angeles County because Plaintiffs resided in Los
2 Angeles County, the insured property was located in Los Angeles County, the theft loss
3 occurred in Los Angeles County, and Lemonade’s contractual obligations were to be performed
4 in Los Angeles County.

5 FACTUAL ALLEGATIONS

6 9. Plaintiffs restate and re-alleges all of the facts and allegations set forth in
7 paragraphs 1 through 8, above.

8 10. Lemonade issued a renters-insurance policy to Clark, Policy No.
9 LP984AE3DB2 (the “Clark Policy”), effective during the October 10, 2025 loss. The Clark
10 Policy provided personal-property coverage, including theft coverage, subject to a \$250,000
11 policy limit.

12 11. Lemonade issued a separate renters-insurance policy to Hampton, Policy No.
13 LP493B77F88 (the “Hampton Policy”), effective during the October 10, 2025 loss. The
14 Hampton Policy provided personal-property coverage, including theft coverage, subject to a
15 \$350,000 policy limit.

16 12. In 2024, Plaintiffs’ residence was burglarized. Plaintiffs submitted claims to
17 Lemonade for property stolen in that burglary. Lemonade investigated and paid benefits for the
18 2024 claims.

19 13. On or about October 10, 2025, while both policies were in force, Plaintiffs’
20 residence was burglarized again. The second burglary was a distinct occurrence from the 2024
21 burglary and took place at Plaintiffs’ new residence at 5241 Wilbur Avenue, Tarzana, California.
22 The burglars stole personal property, including high-end jewelry, watches, designer handbags,
23 and other valuable personal property.

24 14. The October 10, 2025 burglary resulted in the theft of personal property with
25 an aggregate claimed value exceeding \$1,000,000.

26 15. Plaintiffs timely submitted claims to Lemonade for their respective covered
27 losses arising from the October 10, 2025 burglary.
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1 16. Lemonade opened Claim No. LC5157485C7 for Clark and Claim No.
2 LC3E4BCB05 for Hampton.

3 17. Throughout the claims investigation, Lemonade repeatedly requested
4 documents and information concerning ownership and value of the claimed property. Plaintiffs
5 provided documents and information requested by Lemonade, including proof-of-purchase
6 documentation, bank statements, a police report, photographs, detailed inventories, recorded
7 statements, and additional supporting materials.

8 18. The claims collectively involved more than ninety items of stolen property.

9 19. In submitting documents for the October 10, 2025 claims, Plaintiffs
10 inadvertently supplied receipts for three items that had also been claimed and paid in connection
11 with the 2024 burglary: a Green Hermès 25 Birkin, an Orange Hermès 25 Birkin, and a Chanel
12 Flap Bag.

13 20. The receipts for those three items were submitted by mistake. Plaintiffs had
14 replaced the items after the 2024 burglary but mistakenly provided the prior receipts rather than
15 the receipts for the replacement items. Plaintiffs explained that they frequently purchased
16 designer merchandise and maintained a substantial collection of similar items. They further
17 explained that any resubmission of receipts from the earlier claim was an inadvertent
18 recordkeeping mistake made while assembling extensive documentation, not an intentional
19 attempt to obtain payment twice for the same property.

20 21. Plaintiffs did not intend to seek duplicate payment for the same property or to
21 obtain benefits for property for which Lemonade had already issued payment in connection with
22 the 2024 burglary.

23 22. The alleged documentation issue concerned only three items among the more
24 than ninety items included in the October 10, 2025 claims.

25 23. Lemonade knew or should have known that the three allegedly duplicated
26 receipts represented only a limited portion of the extensive claims documentation Plaintiffs
27 submitted.

28 24. Lemonade did not provide Plaintiffs a meaningful opportunity, before denying
the claims, to explain the inadvertent submission of the three prior receipts, provide receipts for

1 replacement items, correct the claimed error, or otherwise respond to Lemonade's accusations of
2 fraud and material misrepresentation.

3 25. On or about May 15, 2026, Lemonade denied Clark's claim in its entirety.
4 Lemonade asserted that Clark materially misrepresented her claim by submitting documentation
5 previously used in support of a prior claim and declared coverage void under the Clark Policy's
6 Concealment or Fraud provision.

7 26. Also, on or about May 15, 2026, Lemonade denied Hampton's claim in its
8 entirety. Lemonade asserted that documentation involving the same three identified items had
9 previously been submitted in connection with the 2024 claim, asserted additional alleged
10 document irregularities, and declared coverage void under the Hampton Policy's Concealment or
11 Fraud provision.

12 27. Lemonade did not limit its decision to the three disputed receipts or the
13 corresponding items. It treated the alleged documentation mistake as grounds to deny all benefits
14 under both policies, including benefits for property supported by other evidence and unrelated to
15 the disputed receipts.

16 28. The Clark and Hampton denial letters relied on materially similar central
17 grounds: the alleged reuse of documentation associated with the 2024 claim, alleged material
18 misrepresentation, and the Concealment or Fraud provision.

19 29. The Clark denial letter asserted that Clark materially misrepresented her claim.
20 The Hampton denial letter, despite being addressed to Hampton and pertaining to the Hampton
21 Policy, likewise identified Clark as the insured allegedly responsible for materially
22 misrepresenting the claim.

23 30. Lemonade issued the materially similar denials despite the fact that Clark and
24 Hampton were insured under separate policies, had different policy limits, submitted separate
25 claims, and had separate interests in the claimed property.

26 31. On information and belief, Lemonade failed to distinguish an inadvertent
27 documentation error from an intentional material misrepresentation; failed to evaluate separately
28 the ownership and loss of the remaining claimed property; selectively relied on evidence
supporting denial while disregarding contrary evidence; and applied an interpretation of the
policies designed to produce a forfeiture disproportionate to the alleged discrepancy.

1 32. Instead, Lemonade treated Plaintiffs' separate claims as one undifferentiated
2 claim and employed a uniform or predetermined denial rationale to deny both claims in their
3 entirety.

4 33. Lemonade's materially similar denial rationale, including the apparent
5 attribution of Clark's alleged conduct to Hampton's separate claim, supports the inference that
6 Lemonade did not fairly and independently evaluate Hampton's claim under the Hampton
7 Policy.

8 34. Lemonade's failure to provide individualized claim determinations was
9 particularly unreasonable because the policies had different limits, Plaintiffs had different
10 insured interests, and the claims required a policyholder-specific evaluation of ownership,
11 valuation, coverage, and alleged misconduct.

12 35. The Concealment or Fraud provisions quoted by Lemonade states that no
13 coverage is provided where an insured intentionally concealed or misrepresented a material fact
14 or circumstance, engaged in fraudulent conduct, or made false statements relating to the
15 insurance.

16 36. Lemonade's interpretation and application of any concealment, fraud, or
17 misrepresentation provision was unreasonable. Among other things, Lemonade lacked a
18 reasonable basis to conclude that Plaintiffs knowingly and intentionally misrepresented a
19 material fact or intended to deceive Lemonade as to the entirety of their claims.

20 37. Plaintiffs did not intentionally conceal or misrepresent material facts, engage in
21 fraudulent conduct, or make false statements in connection with the October 10, 2025 claims.

22 38. Plaintiffs performed all conditions, covenants, and promises required of them
23 under their respective policies, including timely reporting the theft loss and cooperating with
24 Lemonade's investigation, or any further performance was excused by Lemonade's conduct.

25 39. Lemonade's denial deprived Plaintiffs of benefits for which they paid
26 premiums and left Plaintiffs uncompensated for covered property stolen in the October 10, 2025
27 burglary.

28 **FIRST CAUSE OF ACTION**

Breach of Contract

Clark Against Defendant Lemonade Insurance Company

1 40. Plaintiffs restate and re-allege all the facts and allegations set forth in
2 paragraphs 1 through 39, above.

3 41. The Clark Policy is a valid and enforceable insurance contract between Clark
4 and Lemonade. Clark performed all material obligations required under the Clark Policy, or
5 performance was excused, waived, prevented, or rendered futile.

6 42. Plaintiffs paid premiums due under their respective policies and substantially
7 performed their contractual obligations.

8 43. The October 10, 2025 burglary was a covered theft occurring during the policy
9 period. Clark sustained direct physical loss of covered personal property and submitted a claim
10 exceeding the Clark Policy's \$250,000 personal-property limit.

11 44. Lemonade breached the Clark Policy by denying Clark's claim in its entirety
12 and refusing to pay benefits owed for Clark's covered loss. Lemonade's reliance on the policy's
13 concealment, fraud, or misrepresentation provision was unsupported because Clark did not
14 knowingly or intentionally conceal or misrepresent a material fact with intent to deceive
15 Lemonade.

16 45. As a direct and proximate result of Lemonade's breach, Clark suffered damages
17 in an amount to be proven at trial, including unpaid policy benefits, consequential damages
18 recoverable in contract, prejudgment interest, and other relief permitted by law.

19 **SECOND CAUSE OF ACTION**

20 **Breach of Contract**

21 *Hampton Against Defendant Lemonade Insurance Company*

22 46. Plaintiffs restate and re-allege all the facts and allegations set forth in paragraphs
23 1 through 45, above.

24 47. The Hampton Policy is a valid and enforceable insurance contract between
25 Hampton and Lemonade. Hampton performed all material obligations required under the
26 Hampton Policy, or performance was excused, waived, prevented, or rendered futile.

27 48. October 10, 2025, burglary was a covered theft occurring during the policy
28 period. Hampton sustained direct physical loss of covered personal property and submitted a
claim exceeding Hampton Policy's \$350,000 personal-property limit.

1 49. Lemonade breached the Hampton Policy by denying the claim and refusing to
2 pay covered benefits. Lemonade's reliance on the policy's concealment, fraud, or
3 misrepresentation provision was unsupported because Hampton did not knowingly or
4 intentionally conceal or misrepresent a material fact with intent to deceive Lemonade.

5 50. As a direct and proximate result of Lemonade's breach, Hampton suffered
6 damages in an amount to be proven at trial, including unpaid policy benefits, consequential
7 damages recoverable in contract, prejudgment interest, and other relief permitted by law.

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9 **THIRD CAUSE OF ACTION**
10 **Breach of the Implied Covenant of Good Faith and Fair Dealing**
11 *Clark Against Defendant Lemonade Insurance Company*

12 51. Plaintiffs restate and re-allege all the facts and allegations set forth in paragraphs
13 1 through 39 and 41 through 45 above.

14 52. The Clark Policy included an implied covenant requiring Lemonade to act fairly
15 and in good faith, investigate the claim thoroughly and objectively, consider the interests of its
16 insured at least equally with its own interests, refrain from unreasonably withholding benefits,
17 and avoid conduct that would deprive Clark of the policy's benefits

18 53. Lemonade breached the implied covenant by, among other things: conducting an
19 outcome-oriented investigation; treating an alleged documentation error as intentional fraud
20 without a reasonable evidentiary basis; failing to give fair consideration to Clark's explanation;
21 failing to investigate and evaluate the undisputed portions of the claim; selectively relying on
22 evidence favoring denial; construing the policy to impose a forfeiture broader than reasonably
23 permitted; issuing materially similar denial rationales to separate policyholders under separate
24 policies with materially different policy limits and separate insured interests; failing to provide a
25 genuinely individualized coverage determination for Clark under the Clark Policy and for
26 Hampton under the Hampton Policy; and denying all benefits without a genuine and reasonable
27 basis.

28 54. Lemonade knew, or recklessly disregarded, that its investigation and denial were
unreasonable. Lemonade nevertheless withheld benefits due under the Clark Policy and forced
Clark to retain counsel and file this action to obtain benefits owed under the policy.

55. As a direct and proximate result, Clark suffered unpaid benefits, financial loss, loss of use of policy benefits, anxiety, inconvenience, emotional distress, and other economic and noneconomic damages in amounts to be proven at trial.

56. Clark was required to retain counsel to obtain policy benefits wrongfully withheld. Clark seeks reasonable attorneys' fees incurred to recover those benefits as damages under *Brandt v. Superior Court* (1985) 37 Cal.3d 813, in an amount to be determined by the trier of fact.

57. By the conduct alleged above, Lemonade acted with malice, oppression, or fraud within the meaning of Civil Code section 3294, including despicable conduct carried on with a willful and conscious disregard of Plaintiffs' rights and, to the extent proven, intentional concealment or misrepresentation undertaken to deprive Plaintiffs of property or legal rights. Plaintiffs therefore seek punitive and exemplary damages in an amount sufficient to punish Lemonade and deter similar conduct, according to proof.

FOURTH CAUSE OF ACTION
Breach of the Implied Covenant of Good Faith and Fair Dealing
Hampton Against Defendant Lemonade Insurance Company

58. Plaintiffs restate and re-allege all the facts and allegations set forth in paragraphs 1 through 39 and 47 through 50 above.

59. The Hampton Policy included an implied covenant requiring Lemonade to act fairly and in good faith, investigate the claim thoroughly and objectively, consider the interests of its insured at least equally with its own interests, refrain from unreasonably withholding benefits, and avoid conduct that would deprive Hampton of the policy's benefits.

60. Lemonade breached the implied covenant by, among other things: conducting an outcome-oriented investigation; treating an alleged documentation error as intentional fraud without a reasonable evidentiary basis; failing to give fair consideration to Hampton's explanation; failing to investigate and evaluate the undisputed portions of the claim; selectively relying on evidence favoring denial; construing the policy to impose a forfeiture broader than reasonably permitted; issuing materially similar denial rationales to separate policyholders under separate policies with materially different policy limits and separate insured interests; failing to

1 provide a genuinely individualized coverage determination for Hampton under the Hampton
2 Policy; and denying all benefits without a genuine and reasonable basis.

3 61. Lemonade knew, or recklessly disregarded, that its investigation and denial
4 were unreasonable. Lemonade nevertheless withheld benefits due under the Hampton Policy and
5 forced Hampton to retain counsel and file this action to obtain benefits owed under the policy.

6 62. As a direct and proximate result, Hampton suffered unpaid benefits, financial
7 loss, loss of use of policy benefits, anxiety, inconvenience, emotional distress, and other
8 economic and noneconomic damages in amounts to be proven at trial.

9 63. Hampton was required to retain counsel to obtain policy benefits wrongfully
10 withheld. Hampton seeks reasonable attorneys' fees incurred to recover those benefits as
11 damages under *Brandt v. Superior Court* (1985) 37 Cal.3d 813, in an amount to be determined by
12 the trier of fact.

13 64. By the conduct alleged above, Lemonade acted with malice, oppression, or
14 fraud within the meaning of Civil Code section 3294, including despicable conduct carried on
15 with a willful and conscious disregard of Plaintiffs' rights and, to the extent proven, intentional
16 concealment or misrepresentation undertaken to deprive Plaintiffs of property or legal rights.
17 Plaintiffs therefore seek punitive and exemplary damages in an amount sufficient to punish
18 Lemonade and deter similar conduct, according to proof.

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20 WHEREFORE, Plaintiffs pray for judgment as follows:

21 **A.** For compensatory damages in an amount according to proof on the First and Second
22 causes of action for breach of contract including all covered policy benefits under the
23 Clark Policy and Hampton Policy subject to the applicable policy limits;

24 **B.** For consequential damages in an amount according to proof on the Third and Fourth
25 causes of action, including damages for emotional distress and punitive damages
26 sufficient to deter future similar conduct;

27 **C.** Prejudgment interest as permitted by law;

28 **D.** Attorney fees recoverable as damages under applicable law;

1 **E.** Costs of suit incurred herein; and

2 **F.** Such other further and different relief as the Court deems just and proper.

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4 Dated: 10/5/26

5 /s/Robert S. Besser

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7 ROBERT S. BESSER
8 Attorney for PLAINTIFFS

9 Dated: 10/5/26

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12 JD SANCHEZ
13 Attorney for PLAINTIFFS
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