

**UNITED STATES DEPARTMENT OF LABOR
OFFICE OF ADMINISTRATIVE LAW JUDGES**

MARTIN CONROY)	
)	
Complainant,)	
)	
v.)	<u>Case No. 2018-SOX-00037</u>
)	
AFLAC, INCORPORATED, AMERICAN FAMILY LIFE ASSURANCE COMPANY OF COLUMBUS, KEN MEIER, TREVOR FENNELL, and RICK WHELAN,)	The Honorable Lystra A. Harris
)	
Respondents.)	
)	

**COMPLAINANT’S OPPOSITION TO RESPONDENTS’
MOTION TO DISMISS AND TO STAY DISCOVERY**

October 16, 2018

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Complainant Martin Conroy, through his undersigned counsel, respectfully submits his opposition to Respondents' motion to dismiss his Complaint pursuant to 29 C.F.R. § 18.33(d).

PRELIMINARY STATEMENT

Mr. Conroy had had a successful career at Aflac until he blew a whistle on a massive fraud committed on Aflac's New York account for the Sergeant Benevolent Association (the "SBA"). According to Complainant, Aflac and its sales agents had been knowingly signing up hundreds of ineligible police officers for insurance policies available only to the SBA members (sergeants) by submitting and approving fraudulent applications in violation of New York insurance laws and regulations.

Aflac's subsequent internal investigation confirmed Mr. Conroy's SBA allegations, with Aflac's investigator in charge, Bill Capps, texting Mr. Conroy on July 8, 2016: "I completed the SBA file[,] ***confirmed allegations -- there have been multiple meetings between legal, Compliance and sales -- still ongoing***" (emphasis added throughout). A month later, however, Aflac abruptly terminated Mr. Conroy, the whistleblower himself, barring him from the office and ending his 12-year career at the Company in retaliation for his whistleblowing.

Since then, Aflac had also confirmed the veracity of Mr. Conroy's whistleblowing allegations in its response to his OSHA Complaint (Response dated April 24, 2017 at p. 8), and in its publicly disclosed Special Litigation Committee ("SLC") Reports. The first such SLC Report filed with the SEC on Form 8-K on January 16, 2018, discloses at p. 60 that "the Company determined that some police officers had been signed up in error, but the Company has taken remedial action." Notably, Aflac issued the first SLC Report following a 7.4% stock drop on January 12, 2018, caused by an Internet article publicizing some of the misconduct alleged by Mr. Conroy and other former Aflac associates, which misconduct was not limited to the SBA

scheme but included many other allegations of wrongdoing, including issuing policies without policyholder's knowledge or consent by forging their signatures; accounting fraud; manipulation of key operational metrics, and other violations. See David Dayen, Behind the Duck: Former Aflac Employees Allege Fraud and Abuse in Nearly Every Aspect of Company, (The Intercept, Jan. 11, 2018); Barron's, The Biggest Loser: Aflac Sinks 7.4%, (Jan. 12, 2018) ("Aflac (AFL) fell to the bottom of the S&P 500 on Friday, hurt by allegations by former employees, which the insurer denies.")¹

Respondents now argue that Mr. Conroy's whistleblower complaint should be dismissed -- despite Aflac's confirmation of his SBA allegations and notwithstanding Mr. Conroy's undisputed termination in retaliation for his whistleblowing -- because Mr. Conroy had purportedly failed to engage in a "protected activity" for purposes of the Sarbanes-Oxley Act of 2002 ("SOX") in that he had failed to allege "shareholder fraud." Respondents' argument fails for two reasons.

As a threshold matter, "***an employee complaint need not specifically relate to shareholder fraud to be actionable under the Act,***" and the complainant "***need not also establish such violations relate to fraud against shareholders to be protected from retaliation under the Act.***" Lockheed Martin Corp. v. Administrative Review Bd., 717 F.3d 1121, 1132 (10th Cir. 2013) (emphasis added throughout). Complainant here alleges that Aflac and its sales agents had at the very least engaged in mail and wire fraud by knowingly submitting and approving numerous falsified insurance applications (where police officers were misrepresented as members of the SBA), and issuing policies to those ineligible police officers, in violation of

¹ As Mr. Conroy alleges in his derivative complaint against Aflac's directors and officers currently on appeal to the Eleventh Circuit Court of Appeals, Aflac had managed to arrest the stock decline by providing false comfort to the market with materially misleading statements issued on January 12 and 16, 2018. See Mr. Conroy v. Amos, 4:18-cv-00033 (M.D.Ga), on appeal to the Eleventh Circuit, Appeal No. 18-13834.

New York insurance laws and regulations. Allegations of mail and wire fraud constitute actionable violations for purposes of SOX's anti-retaliation provision even if the complainant does not separately allege "shareholder fraud." See Part 2 below.

Second, the improper sales of insurance policies to ineligible policyholders in violation of state insurance law did constitute shareholder fraud because they inflate Aflac's total number of policies and new premiums that the Company reports to its shareholders as its "key operational metrics." Finally, the SBA policies fraudulently issued to the ineligible police officers are underpriced because of the different rating and underwriting for the (ineligible) police officers compared to the (eligible) sergeants, resulting in corporate waste to shareholders' detriment. See Part 3 below.

FACTUAL BACKGROUND

For his Complaint, Mr. Conroy alleges that he had had a successful career at Aflac for 12 years, generated over \$50 million in revenue for the Company, received numerous awards and recognitions for his work, and rose to the top levels of Aflac's sales force – until he reported a massive fraud on Aflac's New York SBA account to the Company's executive management at the end of 2015 and was ruthlessly retaliated against for his whistleblowing.

Mr. Conroy had progressively reported the SBA fraud up to the very top of the Aflac corporate ladder: first to Respondent Rick Peterson, Mr. Conroy's then immediate supervisor, in 2014 and 2015; to Aflac's Territory VP Ken Meier, in November 2015; to Aflac's Chief Compliance Officer Thomas McDonald in 2015, and ultimately to Aflac's CEO Daniel Amos himself by letter sent in November of 2015.

In the letter to Daniel Amos, Complainant not only alleged the SBA scheme whereby fraudulent insurance applications were submitted and approved via mail and wire (which

Complainant considered to be “one of the most egregious cases”) but also notified Mr. Amos of “many other instances of fraud and theft . . . rampant in New York”:

This fraud, and many other instances of fraud and theft, is rampant in New York and I would respectfully request that your sales department not be involved in the investigation at all. Again, I am very scared of the repercussions of what you will find.

To make sure you know everything, I am ready and willing to provide your office directly all evidence I have to assist you in your confirmation of these claims. I also have suggestions on how you can find out how rampant this fraud and other fraud within New York truly is.

In response to Mr. Conroy’s whistleblower allegations, Aflac eventually appointed its special investigator Bill Capps to investigate Mr. Conroy’s allegations related to the SBA scheme only (not his other fraud allegations); and Mr. Capps’ investigation *confirmed* the alleged violations, with Mr. Capps writing to Mr. Conroy on July 8, 2016: “I completed the SBA file[,] confirmed allegations -- there have been multiple meetings between legal, Compliance and sales -- still ongoing.”

Despite the fact that Aflac’s internal investigation confirmed Mr. Conroy’s allegations that Aflac had been knowingly issuing policies to the New York City employees not qualified for such policies in violation of the state insurance regulations, the Company failed to report the confirmed violations to the New York Financial Services Department or the City of New York; none of the culprits involved had been demoted, terminated, or otherwise held responsible; indeed, the only person punished by Aflac was Mr. Conroy, whom the Company retaliated against after his whistleblowing.

Aflac also confirmed Mr. Conroy’s SBA allegations in its first SLC Report completed on September 21, 2017, but not publicly released until January 16, 2018, stating on p. 60 that “the Company determined that some police officers had been signed up in error, but the Company has

taken remedial action.”² In fact, as alleged in the Complaint and admitted by Aflac in its Response, nobody at the Company was disciplined for those violations, and the Company did not report those violations to their regulators as required by law (OSHA Response dated April 24, 2017, at pp. 7-8). Indeed, it strongly appears that the only “disciplined” person in connection with the SBA fraud was Complainant himself, whom the Company terminated in retaliation for his whistleblowing even as it confirmed his allegations; while the only “remedial” action taken by the Company was to tell its sales agents not to do it again in the future.

Furthermore, Aflac investigated the SBA fraud allegations again in 2018, and reported its findings in the Second SLC Report dated February 9, 2018, once again confirming the occurrence of the violations reported by Mr. Mr. Conroy:

Although the Special Committee finds that there have been policies sold to individuals who are not sergeants, these sales have not caused harm to the Company, and the Company has implemented appropriate measures to mitigate the reoccurrence of sales to non-sergeant New York City Police personnel. Mr. Conroy first made these allegations known by a letter dated October 20, 2015, addressed to Dan Amos. [Id.]. Dan Amos then referred the letter to the Company’s Chief Compliance Officer, Tom McDaniel, who assigned the matter to the Director of Aflac Trust, Ken Dowless. Mr. Dowless assigned an experienced investigator, Bill Capps of SIU, to investigate. Mr. Capps spent several months investigating the allegations. As part of the investigation, Mr. Capps reviewed the rank and status of policyholders who purchased policies through the SBA account. The investigation did reveal instances where sales associates sold policies to police personnel who were not sergeants under the SBA account. . . .

² The SLC Report (the first of the three such reports that Aflac would eventually publish) was commissioned to address Mr. Conroy’s and others’ derivative claims that the Company’s directors and officers had failed to properly investigate plaintiffs’ numerous allegations of wrongdoing at the Company, including the SBA scheme; the fraudulent issuance of policies without policyholders’ knowledge or consent by forging their signatures; cooking the books; sexual harassment; and many others. These allegations are summarized in Mr. Conroy’s Dispute Notice to Aflac dated December 10, 2016 attached as Exhibit 2 to Mr. Conroy’s Reply Brief dated May 19, 2017, in the OSHA proceedings below. A partial revelation of those allegations occurred on January 11, 2018, when The Intercept published an online article by David Dayen titled Behind the Duck: Former Aflac Employees Allege Fraud and Abuse in Nearly Every Aspect of Company. Though limited in scope and in reach, these revelations had nevertheless caused a 7.4% drop in Aflac’s stock price on January 12, 2018, before Aflac arrested the stock slide with false and misleading statements, as alleged in Mr. Conroy’s derivative complaint. All three SLC reports are available at <http://investors.aflac.com/corporate-governance/special-litigation-committee.aspx>.

As a result of the Company's investigation, the region took affirmative steps to mitigate a reoccurrence of the erroneous issuance of policies under the SBA account to non-sergeants. Following the Company's investigation, Mr. Fennell, the Market Director for the New York City area, spoke with each of the associates selling policies under the SBA account and warned that the practice of enrolling non-sergeants would not be tolerated. In addition, Mr. Peterson, the RSC and one of the associates who originated the SBA account, circulated updated guidelines for issuing policies under the SBA account to associates in his region. These guidelines plainly admonish associates to confirm that all applicants for the SBA account are sergeants, stating: "You MAY NOT sign up anyone other than a Sergeant. IT WILL BE DISCOVERED IF YOU SIGN UP ANYONE WHO IS NOT A SERGEANT. THIS WILL RESULT IN YOUR IMMEDIATE TERMINATION." [App. 24, Updated SBA Guidelines, at 4 (emphasis in original)]. Additionally, guidelines require the applicant to sign a "Statement of Attestation" confirming their membership in a respective union before a sales associate places them on a union-related account. [Id. at 9].

The Company conducted a follow-up investigation beginning in January 2017 to ensure implementation of the remedial actions. The investigation confirmed that the number of policies issued to non-sergeants had dramatically decreased and, according to Ms. Coppedge and Mr. Dowless, the Company has made disciplinary determinations regarding those associates who failed to follow the guidelines.

Notably, as a result of its investigation, Aflac apparently updated its SBA policy to expressly admonish its associates not to sign up anyone other than sergeants, under the penalty of "immediate termination."

The facts thus clearly establish that the Company had confirmed Mr. Conroy's SBA allegations after an investigation – while terminating the whistleblower himself in retaliation.³

³ In the derivative complaint brought by Mr. Conroy and others against the Company directors and officers, plaintiffs challenge the SLC investigation of the wrongdoing alleged by Mr. Conroy and others (including but not limited to the SBA scheme) because it did not meet the applicable legal standards and was indeed a whitewash. See Conroy v. Aflac, No. 4:18-cv-00033, alleging that Aflac's directors' initial decision to relegate the investigation of Plaintiffs' allegations to the conflicted law firm of Alston & Bird (which simultaneously represented the company, the accused executives, the Board, and its independent directors) was "unreasonable" and "grossly negligent" as a matter of law pursuant to the Eleventh Circuit's holding in Stepak v. Addison, 20 F.3d 398 (11th Cir. 1994); that each member of the SLC had undisclosed long-standing ties to the executives they were investigating; and that the investigation was neither reasonable nor in good faith because (a) the SLC failed to investigate its members' independence or to disclose their longstanding connections to the alleged wrongdoers; (b) the SLC failed to interview any witnesses outside the Company itself, including in particular the witnesses identified by plaintiffs as having relevant information supporting their allegations; and (c) the SLC failed to investigate most of plaintiffs' substantive allegations of wrongdoing, as is apparent from the SLC Reports themselves.

ARGUMENT

1. The prima facie elements of the SOX retaliation claim

Section 806, the anti-retaliation provision of the Sarbanes-Oxley Act, 18 U.S.C. § 1514A, provides in relevant part:

Whistleblower protection for employees of publicly traded companies. -- No [publicly traded] company . . . or any officer, employee, contractor, subcontractor or agent of such company may discharge, demote, suspend, threaten, harass, or in any other manner discriminate against an employee in the terms and conditions of employment because of any lawful act done by the employee --

(1) to provide information, cause information to be provided, or otherwise assist in an investigation regarding any conduct which the employee reasonably believes constitutes a violation of section 1341 [mail fraud], 1343 [wire fraud], 1344 [bank fraud], or 1348 [securities fraud], any rule or regulation of the Securities and Exchange Commission, or any provision of Federal law relating to fraud against shareholders, when the information or assistance is provided to or the investigation is conducted by . . . a person with supervisory authority over the employee

To state a *prima facie* claim for violation of § 1514A, a claimant must show that (1) she engaged in protected activity or conduct; (2) the employer knew of her protected activity; (3) she suffered an unfavorable personnel action; and (4) her protected activity was a contributing factor in the unfavorable personnel action. See 18 U.S.C. § 1514A(b)(2)(C); 29 C.F.R. § 1980.104; Wiest v. Lynch, 710 F.3d 121, 129 (3d Cir. 2013). As the Respondents concede in their moving papers, the complaint must “draw some connection between the alleged ‘fraud’ and ***one of the six enumerated categories of violations*** of Section 806 of SOX.” Moving Br. at 10.

Moreover, “in enacting SOX Congress was *specifically* concerned with preventing shareholder fraud either by the public company itself or *through* its contractors. . . . Congress recognized that these contractors could ‘contribute to,’ ‘facilitate,’ and be ‘complicit in’ shareholder fraud and any subsequent cover-up.” Gibney v. Evolution Marketing Research, 25 F.

Supp. 3d 741, 747 (E.D. Pa. 2014) (emphasis original). The Supreme Court explained in Lawson v. FMR LLC, 134 S. Ct. 1158, 1169 (2014):

It is common ground that Congress installed whistleblower protection in the Sarbanes-Oxley Act as one means to ward off another Enron debacle. S. Rep., at 2-11. And, as the ARB observed in Spinner, “Congress plainly recognized that outside professionals -- accountants, law firms, contractors, agents, and the like -- were complicit in, if not integral to, the shareholder fraud and subsequent cover-up [Enron] officers . . . perpetrated.” ALJ No. 2010-SOX-029, pp. 12-13. Indeed, the Senate Report demonstrates that Congress was as focused on the role of Enron’s outside contractors in facilitating the fraud as it was on the actions of Enron’s own officers.

See also Sharkey v. J.P. Morgan Chase & Co., 2010 U.S. Dist. LEXIS 139761 (S.D.N.Y. 2010) (stating that Section 806 “by its terms does not require that the fraudulent conduct or violation of federal securities law be committed directly by the employer that takes the retaliatory action.”).

In Funke v. Federal Express Corp., ARB Case 09-004 (July 11, 2011), the ARB reversed an Administrative Law Judge’s ruling that the fraudulent activity has to be on the part of the employer. The ARB pointedly held that “the plain language of the statute contains no express requirement that the reported misconduct be committed by a complainant’s employer.” Construing the language of Section 806, which protects “any conduct which the employee reasonably believes” is a violation of the enumerated provisions, the ARB noted that “the use of the term ‘any’ . . . indicates that Congress intended ‘any conduct’ be interpreted broadly to extend the scope of coverage. The statute on its face does not limit its application to purported misconduct of the employer or any other particular perpetrator.”

2. A complainant alleging mail or wire fraud need not also allege shareholder fraud to qualify for the SOX anti-retaliation protection.

There is no dispute that the alleged and confirmed SBA scheme sets out mail and wire fraud because it alleges Aflac’s submission and approval of fraudulent applications by mail and wire. See, e.g., a true and correct copy of a standard SBA application attached as Exhibit C

hereto, which requires the applicant to attest that he or she is a member of the SBA, and which application and accompanying forms are then transmitted to Aflac for its approval and received back by wire and/or mail.

Respondents in Lockheed, 717 F.3d at 1130-31, just like Respondents here, argued on appeal that employee reports of mail and wire fraud that do not allege “shareholder fraud” are not protected under Section 806. The Court however, rejected that reading of the statute as “incorrect” (id.):

Lockheed argues the ALJ’s uncontested finding that Brown’s complaint did not relate to shareholder fraud is fatal to her retaliation claim because Section 806’s protection of employees who report conduct reasonably believed to constitute mail or wire fraud applies only if such conduct “relat[es] to fraud against shareholders.” 18 U.S.C. § 1514A(a)(1). Thus, under Lockheed’s reading of Section 806, the phrase “relating to fraud against shareholders” modifies not only the clause which immediately precedes it, “any provision of Federal law,” but also the other enumerated protected activities. Lockheed thus reads the statute as prohibiting a covered employer from retaliating against an employee who provides information regarding violations of 18 U.S.C. §§ 1341, 1343, 1344, and 1348; rules or regulations of the Securities and Exchange Commission; or any provision of federal law, only if such alleged violations relate to fraud against shareholders. See id. ***This interpretation of the statute is incorrect.***

The plain, unambiguous text of § 1514A(a)(1) establishes six categories of employer conduct against which an employee is protected from retaliation for reporting: violations of 18 U.S.C. § 1341 (mail fraud), § 1343 (wire fraud), § 1344 (bank fraud), § 1348 (securities fraud), any rule or regulation of the SEC, or any provision of Federal law relating to fraud against shareholders. Because 18 U.S.C. §§ 1341, 1343, 1344, and 1348 are all clearly provisions of federal law, Lockheed’s reading of the statute would render their enumeration in § 1514A(a)(1) wholly superfluous. It is a rudimentary canon of statutory construction that such superfluities are to be avoided. . . . Congress could have accomplished the more limited purpose attributed to it by Lockheed by limiting whistleblower protection under Sarbanes-Oxley only to an employee who reports conduct “the employee reasonably believes constitutes a violation of any provision of Federal law relating to fraud against shareholders.” Because Congress did not so phrase the statute, the proper interpretation of § 1514A(a) gives each phrase distinct meaning and holds a claimant who reports violations of 18 U.S.C. §§ 1341, 1343, 1344, or 1348 ***need not also establish such violations relate to fraud against shareholders to be protected from retaliation under the Act.***

Accordingly, the Lockheed Court held that “*an employee complaint need not specifically relate to shareholder fraud to be actionable under the Act.*” 717 F.3d at 1132. See also O’Mahony v. Accenture Ltd., 537 F. Supp.2d 506 (E.D.N.Y. 2008) (Section 806 “clearly protects an employee against retaliation based on the whistleblower’s reporting of fraud under any of the enumerated statutes *regardless of whether the misconduct related to ‘shareholder’ fraud*”);

In Reyna v. Con Agra Foods, Inc., 506 F. Supp.2d 1363 (M.D. Ga. 2007), the Court found that allegations of a “fraudulent insurance scheme” whereby the employee’s supervisor had *enrolled ineligible relatives in the employer’s health insurance plan satisfied the “protected activity” element* of employee’s SOX claim. Like Aflac here, ConAgra argued in that case that “the only ‘fraud’ reports covered by this provision are those relating to ‘fraud against shareholders.’” Id. at 1381. The Court rejected that argument; having found “section 806 to be clear,” and observing that “fidelity to the plain meaning of the provision is required,” the Court held that “[t]he statute clearly protects an employee against retaliation based upon that employee’s reporting of mail fraud or wire fraud regardless of whether that fraud involves a shareholder of the company.”

3. Complainant has stated a prima facie case of retaliation.

Mr. Conroy has satisfied each of the *prima facie* requirements for his case of retaliation under SOX. In order to satisfy those elements, “a claimant must show: (1) she engaged in protected activity or conduct; (2) the employer knew of her protected activity; (3) she suffered an unfavorable personnel action; and (4) her protected activity was a contributing factor in the unfavorable personnel action.” Lockheed, 717 F.3d at 1129 (10th Cir. 2013) (citing 18 U.S.C. § 1514A(b)(2)(C); 29 C.F.R. § 1980.104(b)(1) (2007); Harp v. Charter Commc’ns, Inc., 558 F.3d 722, 723 (7th Cir. 2009).

First, by any reasonable definition, Mr. Conroy engaged in protected activity when he reported to his supervisors and to Aflac investigators about the ineligible police officers being enrolled improperly in a program available only to members of the SBA. Mr. Conroy engaged in protected activities because he “provide[d] information [and] otherwise assist[ed] in an investigation regarding [the SBA scheme] which the employee reasonably believes constitutes” mail and wire fraud within the meaning of Section 806. See Reyna, 506 F. Supp. 2d at 1380-81 (allegations that employee’s supervisor had ineligible relatives enrolled in the employer’s health insurance plan satisfies the “protected activity” element of employee’s SOX claim).

Mr. Conroy’s alleged violations also constitute shareholder fraud. In Lawson v. FMR LLC, 134 S. Ct. 1158, 1173 (2014), plaintiff alleged that she was retaliated against “for reporting accounting practices that overstated expenses associated with managing certain Fidelity mutual funds.” A majority of the Supreme Court held that “this alleged fraud directly implicates the fund’s shareholders” because “by inflating its expenses, and thus understating its profits, [Lawson’s former employer] could potentially increase the fees it would earn from mutual funds, fees ultimately paid by the shareholders of those funds.” Id.

Here, the Company itself discloses in its Annual Reports its total “Policies and Certificates in Force,” “Annualized Premiums in Force,” and “Total New Annualized Premium” – and presents them to its shareholders as “key operational metrics” or “key sales metrics” indicative of the Company’s financial conditions and growth prospects. See, e.g., FY2015 Annual Report at p. 29 (reporting these numbers as “key operational metrics”); FY2016 Annual Report at p. 31 (same restyled as “key sales metrics”). True and correct copies of the FY2015 and FY2016 Annual Reports (excerpts) are attached as Exhibits A and B hereto, respectively.

These “key operational/sales metrics” included fraudulently written SBA policies (as well as policies procured by other fraudulent schemes), and therefore presented inflated numbers to the shareholders. Cf. SOX Preamble, Pub. L. 107-204, 116 Stat. 745 (2002) (SOX was enacted “to protect investors by *improving the accuracy and reliability of corporate disclosures* made pursuant to the securities laws, and for other purposes”). Accordingly, Complainant does allege shareholder fraud with respect to the SBA scheme.

It is well-established that a complainant need not show that the conduct complained of constituted an actual violation of law. Accordingly, an employee’s whistleblower activity is protected even where it is based on a mistaken but reasonable belief that a violation of the relevant law has occurred or is likely to occur. See Sylvester v. Parexel Int’l LLC, ARB No. 07–123, ALJ Nos. 2007-SOX-039, at 16 (ARB May 25, 2011) (en banc) (citation omitted); Allen v. Admin. Rev. Bd., 514 F.3d 468, 476-77 (5th Cir. 2008); Melendez v. Exxon Chemicals Americas, ARB No. 96-051, ALJ No. 93-ERA-6 at 17 (ARB July 14, 2000) (“It is . . . well established that the protection afforded whistleblowers who raise concerns regarding statutory violations is contingent on meeting the aforementioned ‘reasonable belief’ standard rather than proving that actual violations have occurred.”) Here, given that Respondents have conceded the truth of Mr. Conroy’s allegations after an investigation, it was both subjectively and objectively reasonable for Mr. Conroy to believe that those violations had occurred at the time of his whistleblowing.

Second, Aflac knew about Mr. Conroy’s protected activities because Mr. Conroy reported his concerns to its chief executives, including the CEO and Chief Compliance Officer. Mr. Conroy “suffered an unfavorable personnel decision” – he was terminated shortly after his whistleblowing. Finally, Mr. Conroy’s whistleblowing was at the very least a contributing factor

– if not the sole reason – for his termination by Aflac. A plaintiff “need not prove that [his] protected activity was the *primary* motivating factor in [his] termination, or that the employer's articulated reason was pretext in order to prevail.” Perez v. Progenics Pharm., Inc., 965 F. Supp. 2d 353, 366 (S.D.N.Y. 2013) (internal citations omitted). The phrase “a contributing factor” means “*any* factor which, alone or in connection with other factors, tends to affect in any way the outcome of the decision.” Leshinsky v. Telvent GIT, S.A., 942 F. Supp. 2d 432, 449–50 (S.D.N.Y. 2013).

Third, there are clear temporal links between the retaliation suffered by Mr. Conroy and his allegations. The diminishing support for Mr. Conroy in Queens, the removal of his accounts and his forced transfer into a significantly worse Manhattan district all followed Mr. Conroy's reporting of the SBA fraud to Rick Peterson in November 2014. Moreover, Mr. Conroy's termination took place within a month after his allegations had been confirmed by Aflac's investigator Mr. Capps, and on the same day Respondents decided to take no action on Mr. Conroy's complaint concerning the SBA fraud. Such “temporal proximity” is sufficient proof in retaliation cases. See Zann Kwan v. Andalex Grp. LLC, 737 F.3d 834, 845 (2d Cir. 2013) (concluding that three-week period from protected activity to termination was “sufficiently short to make a *prima facie* showing of causation indirectly through temporal proximity”); see also Sharkey v. JPMorgan Chase & Co., No. 15-3400-CV, 2016 WL 4820997, at *1 (2d Cir. Sept. 12, 2016) (summary order). The knowledge of Aflac's personnel and the temporal connection between the whistleblowing and retaliation, indicate that Mr. Conroy's protected activity was *at the very least* a contributing factor, and most likely a direct cause, vaulting the standard set in Leshinsky, 942 F. Supp. 2d at 449–50.

4. There is no reason to stay discovery.

Under Federal Rule of Civil Procedure Rule 26, Local Rule 26, the presumption is that discovery shall proceed notwithstanding the filing of a motion to dismiss. See Fed. R. Civ. P. 26 (no automatic stay imposed upon a filing of motion to dismiss; rather, the parties are directed to confer on a discovery schedule “as soon as practicable”). Generally, motions to stay discovery are disfavored “because when discovery is delayed or prolonged it can create case management problems which impede the Court’s responsibility to expedite discovery and cause unnecessary litigation expenses and problems.” Feldman v. Flood, 176 F.R.D. 651, 652 (M.D. Fla. 1997)) (motions to stay discovery “are not favored” and “rarely appropriate”). In Feldman, 176 F.R.D. at 653, the court refused to stay discovery where “even a decision granting the motion to dismiss would not necessarily dispose of the case because plaintiffs could seek leave to file an amended complaint.” Id. at 653.

Here, Respondents offer no reason to depart from this general rule. Their motion to dismiss is directed at the original complaint, which Complainant could seek to amend in the event of the dismissal. See id. Respondents have in their possession the reports by Bill Capps of his internal investigation of Complainant’s SBA allegations, as well as the SLC’s investigation of those allegations, and internal documents and correspondence related to the termination of Mr. Conroy. Respondents could easily produce these documents highly relevant to Complainant’s allegations without undue burden and expense while their motion to dismiss is pending.

CONCLUSION

It is undisputed that Mr. Conroy had reported the SBA fraud up to the very top of Aflac’s corporate ladder, including its CEO and its Chief Compliance Officer. There is no reasonable dispute that the alleged violations constitute at the very least wire and mail fraud, and arguably shareholder fraud as well. It is likewise undisputed that Aflac had confirmed Mr. Mr. Conroy’s

allegations but protected the wrongdoers while viciously retaliating against Mr. Mr. Conroy himself for his whistleblowing, abruptly terminating his 12-year career at the Company. Accordingly, Mr. Conroy has stated the *prima facie* elements of his SOX retaliation claim, and Respondents' motion should be denied.

Respectfully Submitted,



Dated: October 16, 2018

Dimitry Joffe
Joffe Law P.C.
765 Amsterdam Avenue, 2C
New York, NY 10025
Tel: (917) 929-1964
Email: dimitry@joffe.law
Counsel to Complainant

CERTIFICATE OF SERVICE

I, Dimitry Joffe, hereby certify that on this 16th day of October 2018, I caused a copy of Complainant's opposition to Respondents' motion to dismiss to be served upon counsel for Respondents by email and by first-class U.S. mail at the address below:

Lisa Cassilly
Alston & Bird LLP
1201 West Peachtree Street,
Atlanta, GA 30309,
lisa.cassilly@alston.com.



Dimitry Joffe
JOFFE LAW P.C.
Counsel to Complainant

EXHIBIT A



The Aflac Duck closed 2015 and rang in a magical new year with his “Magician” television commercial, which debuted on New Year’s Eve. In this enchanted commercial, the Aflac Duck demonstrated that there’s no trick to getting paid quickly, thanks to Aflac’s One Day Pay initiative.

With that in mind, the Aflac Duck was very busy in 2015, acknowledging in a series of commercials that while he may not be the world’s best hair stylist or magician, he is definitely an expert at paying claims fast. This campaign was designed to demonstrate Aflac’s mission to pay claims quickly – more quickly than ever, in fact – so that our policyholders can remain focused on recovering from an injury or illness rather than financial burden.

To further drive home our desire to pay claims fast, in February 2015, we marked a new chapter in Aflac’s story with the introduction of One Day Pay, an industry-first

initiative that allows us to process, approve and pay eligible claims in just one day. We estimate that 70% of our policyholders can use One Day Pay for their claims, and in 2015, we did not miss our One Day Pay commitment for a single claim that met the One Day Pay criteria. In fact, we paid 1.2 million of them in total! We will continue to pursue initiatives designed to “own the customer experience” and further enhance customer satisfaction.

Our customers have told us that they’re more satisfied when they use One Day Pay, and 96% of our policyholders that have used SmartClaim, our online claims

submission tool used with One Day Pay, are likely to recommend Aflac to other people. We believe that One Day Pay will continue to enhance our strong brand, shape our story, and set Aflac apart.

Further highlighting our commitment to delivering on our promise and owning our customer experience, we are proud that in January 2016, Aflac’s contact centers were recognized by J.D. Power for providing “an outstanding customer service experience.” This recognition is based on successful completion of an audit and exceeding a customer satisfaction benchmark.

AFLAC U.S. – KEY OPERATIONAL METRICS

	POLICIES AND CERTIFICATES IN FORCE*	ANNUALIZED PREMIUMS IN FORCE**	TOTAL NEW ANNUALIZED PREMIUM**	MONTHLY AVERAGE PRODUCERS
2015	12,498	\$5,760	\$1,487	40,092
2014	12,407	5,668	1,433	40,476
2013	12,310	5,570	1,424	41,505
2012	12,232	5,451	1,488	44,398
2011	11,732	5,188	1,476	45,188
2010	11,436	4,973	1,382	45,113
2009	11,688	4,956	1,453	48,292
2008	11,437	4,789	1,551	48,402
2007	11,116	4,510	1,558	46,818
2006	10,519	4,101	1,423	44,482

*In thousands
**In millions

EXHIBIT B

AFLAC U.S. – KEY SALES METRICS

	POLICIES AND CERTIFICATES IN FORCE*	ANNUALIZED PREMIUMS IN FORCE**	TOTAL NEW ANNUALIZED PREMIUM**
2016	12,692	\$5,896	\$1,482
2015	12,498	5,760	1,487
2014	12,407	5,668	1,433
2013	12,310	5,570	1,424
2012	12,232	5,451	1,488
2011	11,732	5,188	1,476
2010	11,436	4,973	1,382
2009	11,688	4,956	1,453
2008	11,437	4,789	1,551
2007	11,116	4,510	1,558

* In thousands

** In millions

healthy in the event of an injury or illness. In other words, the Duck is working hard to illustrate the value and protection that Aflac policies provide.

Illustrating our commitment to paying claims faster than ever, in 2016 we paid 1.8 million claims through One Day PaySM, our industry-leading initiative that allows us to process, approve and pay eligible claims in just one day. We estimate that 79% of our policyholders can use One Day Pay for their claims, and in 2016, we did not miss our One Day Pay commitment for a single claim that met the One Day Pay criteria. We will continue to pursue market-leading initiatives such as One Day Pay that are designed to “own the customer experience” and further enhance customer satisfaction. We believe that One Day Pay will continue to enhance our strong brand and distinguish Aflac from its competitors.

Further highlighting our commitment to delivering on our promise and owning our customer experience, we are proud that in January 2016, Aflac’s contact centers were recognized by J.D. Power by providing “an outstanding

customer service experience.” This recognition is based on successful completion of an audit and exceeding a customer satisfaction benchmark.

Technology Drives Opportunities for Efficiencies

Our disciplined risk management and focus on operating efficiency helped drive strong profitability in 2016, which was the most profitable year in Aflac U.S. history in terms of segment pretax operating earnings. Throughout 2016, we continued to make broad-based investments in our U.S. platform, including an investment of more than \$20 million in our Aflac Group business, which has seen outsized growth. We’ve begun to see our platform investments pay off in the form of improved persistency and customer satisfaction. Additionally, 95% of our policyholders who use One Day Pay say they are likely to refer other people to Aflac, which we believe will continue to differentiate and reinforce our strong brand and policyholders’ trust. We’ve also increased our career sales agents’ adoption of our everwellSM enrollment platform, which in turn has increased account penetration in our accounts with less than 100 workers.

EXHIBIT C

7 pages



Pended Business on the Internet

Wednesday, June 25, 2014

View By [View Requested Application Images](#) | [Pended Direct Apps](#) | [EDB](#) | [All Pended Apps](#) | [Resolved Apps](#) | [App Search](#) | [View by Account](#) | [View Pended Accounts](#) | [Delayed Bill](#) | [Newly Transmitted Apps](#) | [Pended Business](#) | [Conversions](#) | [Need Help?](#) | [Log Out](#)

Name: ██████████	Annualized Premium	Conversion Annualized Premium
Office #: 718-423-6000	Pended New Business: \$10,859.52	* Pended Conversions: \$0.00
Fax #: 718-428-1243	New Business Issued Today: \$0.00	* Delay Bill Conversion: \$0.00
Email: ██████████@us.aflac.com	Newly Transmitted Business: \$2,246.40	

Pended Detailed Application Information

Associate Information

Writing Number: 04959	Sit Code: B	Name: RICHARD PETERSON	Phone: (718) 423-6000
Transmittal No: 01	Produced in: NY	Commission %: 10.00	
Writing Number: ██████████	Sit Code: 0	Name: ██████████	Phone: (718) 423-6000
Transmittal No: 01	Produced in: NY	Commission %: 90.00	

Account Information

Account : NH436	Flex One / Cafeteria
SERGEANT BENEVOLENT ASSOC*	Plan Year Start : 00000000
	Plan Year End : 00000000

Application Information

Application No : * 60774459	LOB : HOSP IND	Bill Form : D1
Pend Date : 06/13/2014	AP : \$261.60	Desk Code : NGY
Tax Status (Base) :	Tax Status (Rider) :	

Applicant Information

Applicant : ██████████ TCKI	DOB : ██████████/1976	SSN : ██████████
Address : 1 1 NY 11111		Phone : (516) 000-0000
Spouse :	DOB :	Policy Owner :

Application Status :

New or Existing Employee :

Pended Business Detail

Destination : Application requires correction
 Date Destination was Assigned / Changed : 06/13/2014

[Click here to add application image to your image list](#)

Provide the applicant's complete or correct address, including ZIP code.

Reason :

Complete address added including zip code

AFLAC NEW YORK NEW BUSINESS TRANSMITTAL

- Bank Draft Payroll Association Direct
 Credit Card Employee Nonpayroll Conversion

2 Date 6/9/14
 3 State Business Written In NY
 4 Multi-State/Multi-Location Account
 Yes No
 If yes, has account been registered with Account Relations Department?
 Yes No

1 Agent's Transmittal No (Two Digits Only)

01

2

5 **AGENT INFORMATION**

A 70 % Payable to ~~XXXXXXXXXX~~ Writing Agent ~~XXXXXXXXXX~~ Writing No ~~XXXXXX~~ Sit Code 0 Phone No 718-423-6000
 Agent's Address 214-25 42nd Ave 4th Fl Bayside, NY 11361 Fax No 718-428-1243

B 70 % Payable to Martin Conroy Writing Agent Martin Conroy Writing No 0959 Sit Code B Phone No 718-423-6000
 Agent's Address 214-25 42nd Ave 4th Fl Bayside, NY 11361 Fax No 718-428-1243

C 10 % Payable to Richard Peterson Writing Agent Richard Peterson Writing No 0959 Sit Code B Phone No 718-423-6000
 Agent's Address 214-25 42nd Ave 4th Fl Bayside, NY 11361 Fax No 718-301-1781

D % Payable to _____ Writing Agent _____ Writing No _____ Sit Code _____ Phone No _____
 Agent's Address _____ Fax No _____

Split-Business Requirements I, the writing agent A, certify that it is my desire to have all compensation paid as indicated above. The agent who signed the applications must sign this statement. If applications were signed by two different agents, both must sign below.

[Handwritten signatures]

6 **IF EMPLOYEE OR ASSOCIATION BUSINESS, COMPLETE THIS SECTION**
 By completing this section, I certify that this account meets the requirements set forth by Allac New York and that each applicant is a valid member/employee of the account.

Name and Address of Employer or Association
SBA

If PEO/Leasing or Staffing Company, list contracted Company Name _____
 Approved Allac New York ID No _____

Has SIC/Industry Code been approved by SIC unit at Allac New York? If not, seek approval before submitting applications

7 New Account
 Additions to Existing Account No NH436
 Is this account sponsored by employer?
 Yes No

8 Nonsoliciting Broker General Agent
 Name _____
 Broker/General Agent No _____
 Level No _____

9 **Wingspan Cafeteria Plan or Cafeteria Information (if applicable):**
 Plan Year _____ Beginning (MM/DD/Y) _____ Ending (MM/DD/Y) _____
 New Wingspan Cafeteria Plan Account
 Addition to existing Wingspan Cafeteria Plan Account No _____
 Existing Allac New York payroll account to be converted to a new Wingspan Cafeteria Plan Account
 Other cafeteria plan _____

FOR HOME OFFICE USE ONLY
 Summary Number _____
 Specialist Name _____
 Date Processed: _____
 Effective Date _____ Specification Code _____

10 NAME OF APPLICANT			11 New/Existing Employee	12 Line of Business	13 Modal Prem Sold After-Tax	14 Dept No	15 Premium Remitted
Last	First	MI					
XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	N	SICK	19.15	N/A	PR
XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	N	SICK	10.06	N/A	PR

16 SEND POLICY TO (01) Applicant (02) Agent (03) Account (04) State Office Other (EXPLAIN BELOW)

17 REQUESTED EFFECTIVE DATE 7/1/14

FOR RPS USE ONLY

18 SPECIAL INSTRUCTIONS/INFORMATION



Payroll

APPLICATION FOR HOSPITAL CONFINEMENT SICKNESS INDEMNITY LIMITED BENEFIT INSURANCE (NY-45000 Series) Application to: American Family Life Assurance Company of New York (AFLAC New York) 22 Corporate Woods Boulevard, Albany, New York 12211

New Conversion

Policy Number

Please Print in Black Ink - To Be Completed by Applicant

Applicant's Name: [Redacted] Last First MI DOB: [Redacted] Month/Day/Year Sex: M
Applicant's SSN: [Redacted] - [Redacted] - 5242 Dependent Children: Yes No
Spouse's Name: N/A Last First MI DOB: Month/Day/Year Sex:
Address: [Redacted] Street or Post Office Box City: [Redacted] State: NY ZIP: [Redacted] Apt No:
Home Telephone: ()
Policyowner's Name: Relationship to Applicant:
Address: Street or Post Office Box Apt No City State Zip Owner's SSN:

Name of Employer: SBA (Sergeant, Benevolent Association)

Do you have any other hospital confinement sickness indemnity coverage with AFLAC New York? Yes No
If yes, this must be a conversion of that coverage Provide current policy number and see Item 13
Policy Number:

Do you have any hospital confinement indemnity coverage with AFLAC New York? Yes No
If yes, do you intend to terminate this existing coverage? Yes No
If yes, please provide current policy number and complete the Supplemental Notification section at the end of this application Policy Number:

Is this insurance intended to replace any other health insurance now in force? Yes No
If yes, please read and sign the Replacement Notice provided by your agent, if applicable.

TO BE COMPLETED BY AFLAC NEW YORK AGENT

Check Coverage Desired: Individual Two-Parent Family One-Parent Family Named Insured/Spouse Only

Table with 4 columns: Policy Series, Coverage Type, and Pre/After-tax. Includes rows for Level 1 (DHIPSA, DHIPSB, DHIPSC), Level 2 (DHIPSD, DHIPSE, DHIPSF), and Level 3 (DHIPSG, DHIPSH, DHIPSI).

Billing Method: Payroll Deduction Payroll ACH Mode: 01 Weekly 01 Biweekly 01 28-day 01 Semimonthly 01 Monthly 03 Quarterly 06 Semiannual 12 Annual

Employee No: Dept. No: Agent's No: 20414
Billable Premium \$: 10.06 Premium Collected \$: PR Sit. Code: 0



ALL OF THE FOLLOWING MUST BE COMPLETED:

- 1 Is anyone to be covered currently confined in a hospital or nursing home, or has a physician recommended hospitalization? Yes No

- 2 Has anyone to be covered been confined in a hospital for 14 or more hours within the last 36 months because of any of the following? (Check all that apply.) Yes No
 - angina (heart-related chest pain)
 - congestive heart failure
 - heart attack
 - Crohn's disease
 - ulcerative colitis
 - cerebral vascular insufficiency
 - heart surgery
 - stroke
 - cancer (other than nonmelanoma skin cancers)
 - transient ischemic attack (TIA) (ministroke)
 - peripheral vascular disease (circulatory problems)

- 3. Has anyone to be covered been confined in a hospital for 14 or more hours within the last 12 months because of any of the following? (Check all that apply) Yes No
 - emphysema
 - sickle-cell anemia
 - asthma
 - Parkinson's disease
 - liver disease or disorder (excluding Hepatitis A)
 - chronic obstructive pulmonary disease

- 4 Has anyone to be covered ever been medically treated or medically diagnosed by a member of the medical profession as having any of the following? (Check all that apply) Yes No
 - Alzheimer's disease
 - senile dementia
 - uncorrected congenital heart defect (excluding mitral valve prolapse)
 - kidney disease (not including kidney stones)
 - systemic lupus
 - insulin-dependent diabetes

- 5 Has anyone to be covered ever been treated or diagnosed by a member of the medical profession as having AIDS? Yes No

- 6 If Question 1, 2, 3, 4 or 5 is answered yes, the name and the relationship of the person(s) must be shown in the following space Any person(s) so named will not be covered under the policy. _____

- 7 List all hospital indemnity policies you currently have in force and provide the daily benefit amount. _____

APPLICANT'S STATEMENTS AND AGREEMENTS:

- 8. I understand that the Effective Date of the policy will be the date recorded in the Policy Schedule by AFLAC New York
- 9. I understand that the policy I am applying for will not cover any person who has attained age 71 prior to the Effective Date of the policy
- 10 I acknowledge receipt of, if applicable.
 - Replacement Notice
 - Disclosure Statement
 - Guide To Health Insurance for People with Medicare*
- 11. I understand that coverage is not provided for health conditions for which symptoms existed that would ordinarily cause a prudent person to seek diagnosis, care or treatment or for which medical advice or treatment was recommended by a Physician or received from a Physician within the 12-month period before the Effective Date of coverage unless the loss begins six months or more after the Effective Date of coverage
- 12 I understand that: (a) the insurance I am applying for will be issued based solely upon the written answers to questions and information asked for in this application; (b) AFLAC New York is not bound by any statement made by me, the applicant, or any agent of AFLAC New York unless written herein, (c) the agent cannot change the provisions of the policy or waive any of its provisions, either orally or in writing; (d) the policy together with this application, endorsements, benefit agreements, riders and attached papers, if any, is the entire contract of insurance; and (e) no change to the policy will be valid until approved by AFLAC New York's secretary and president, and noted in or attached to the policy.

13. If this is an application for a conversion of coverage, the following conditions will apply: (a) If Question 1, 2, 3, 4 or 5 is answered yes, the policy for which this application is made for the person(s) identified in Item 6 will be void, and coverage will continue under the terms of the previous policy, which may remain in force. Benefits that may be due any person(s) listed in Item 6 will be paid under the previous policy. (b) Any person(s) not listed in Item 6, if eligible, will be covered under the new policy. (c) The Time Limit on Certain Defenses provision will run from the Effective Date of the original policy, and the original policy will be terminated as of the Effective Date of the new policy. (d) The Pre-existing Conditions provision in the new policy will run from the original policy's Effective Date for the benefits provided under the original policy. For the increased benefit amount, the Pre-existing Conditions provision in the new policy will run from the new policy's Effective Date.
14. **OTHER INSURANCE WITH AFLAC NEW YORK:** Insurance effective at any one time on a covered person under a like policy or policies with AFLAC New York is limited to the one such policy elected by the insured, his beneficiary or his estate, as the case may be, and AFLAC New York will return all premiums paid for all other such policies.

SUPPLEMENTAL NOTIFICATION
COMPLETE THIS SECTION IF YOU ARE REPLACING/TERMINATING EXISTING COVERAGE.

I, _____, am applying for AFLAC New York's Hospital Confinement Sickness Indemnity Limited Benefit Policy that pays benefits for a covered Sickness only. I currently have hospital confinement benefits under AFLAC New York Hospital Confinement Indemnity Policy number _____.

Please cancel my existing hospital confinement indemnity policy and issue this new policy.

(Please Initial)

I understand that this new policy pays benefits for a covered Sickness only. Other than the Physician Visits Benefit, this policy does not pay for Injuries.

I understand that the premium amount listed on this application represents the premium amount that my employer will remit to AFLAC New York on my behalf, and I further understand that this amount, because of my employer's billing/payroll practices, may differ from the amount being deducted from my paycheck or the premium amount quoted to me by my agent.

I understand that the purchase of this policy is intended to supplement my existing comprehensive health care coverage. It is not intended to replace or be issued in lieu of that coverage. I also understand that if I am receiving any Medicaid benefits, the purchase of this supplemental coverage is not necessary.

If I am applying to convert my current policy to another AFLAC New York policy, I acknowledge that I have been advised that the policies have different benefits and that I should compare them to determine which is best for me. I understand and agree that I am giving up my current policy and its benefits for the benefits provided in the new policy. I also understand that the new policy only pays benefits for a covered Sickness. Other than the Physician Visits Benefit, this policy does not pay for Injuries. I have read, or had read to me, the completed application, and I realize policy issuance is based upon statements and answers provided herein, and they are complete and true to the best of my knowledge and belief.

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

This policy provides limited benefits health insurance ONLY. This policy does NOT provide basic hospital, basic medical or major medical insurance, as defined by the New York State Insurance Department. This policy does NOT provide Medicare supplement insurance, long term care insurance, nursing home insurance only, home care insurance only, or nursing home and home care insurance as defined by the New York State Insurance Department. Purchase of this coverage may be unnecessary if you already have or intend to purchase Medicare supplement insurance or long term care insurance. For information concerning Medicare supplement insurance contact the New York State Insurance Department. You may also contact your local social security office or this company and request a copy of the Medicare supplement buyers' guide.

Signed and Dated at OZONE PARK NY on 6/9/14
City and State Date

Applicant's Signature _____
 Agent's Signature [Signature] Date 6/9/14
Licensed Resident Agent

FOR INFORMATION, CALL TOLL-FREE 1-800-366-3436.

For indemnity policies and other policies that pay a fixed dollar amount per day, excluding long-term care policies.

**IMPORTANT NOTICE TO PERSONS ON MEDICARE
 THIS IS NOT MEDICARE SUPPLEMENT INSURANCE**

Some health care services paid for by Medicare may also trigger the payment of benefits from this policy.

This insurance pays a fixed dollar amount, regardless of your expenses, for each day you meet the policy conditions. It does not pay your Medicare deductibles or coinsurance and is not a substitute for Medicare Supplement insurance.

Medicare generally pays for most or all of these expenses.

Medicare pays extensive benefits for medically necessary services regardless of the reason you need them. These include:

- * hospitalization
- * physician services
- * hospice
- * outpatient prescription drugs if you are enrolled in Medicare Part D
- * other approved items and services

This policy must pay benefits without regard to other health benefit coverage to which you may be entitled under Medicare or other insurance.

Before You Buy This Insurance

- * Check the coverage in **all** health insurance policies you already have.
- * For more information about Medicare and Medicare Supplement insurance, review the *Guide to Health Insurance for People with Medicare*, available from the insurance company.
- * For help in understanding your health insurance, contact your state insurance department or state health insurance assistance program (SHIP).

American Family Life Assurance Company of New York (AFLAC New York)
22 Corporate Woods Boulevard, Albany, New York 12211
 For information, call toll-free 1-800-366-3436.

Additional Information Supplement Form

This is part of the application and will become part of the policy.

Insured _____

Policy Number _____

The following information must be completed on each dependent child to be covered.

Name – Last, First, MI	Date of Birth	Sex	SSN	Check if
		<input type="checkbox"/> M <input type="checkbox"/> F		<input type="checkbox"/> Handicapped child
		<input type="checkbox"/> M <input type="checkbox"/> F		<input type="checkbox"/> Handicapped child
		<input type="checkbox"/> M <input type="checkbox"/> F		<input type="checkbox"/> Handicapped child
		<input type="checkbox"/> M <input type="checkbox"/> F		<input type="checkbox"/> Handicapped child
		<input type="checkbox"/> M <input type="checkbox"/> F		<input type="checkbox"/> Handicapped child
		<input type="checkbox"/> M <input type="checkbox"/> F		<input type="checkbox"/> Handicapped child
		<input type="checkbox"/> M <input type="checkbox"/> F		<input type="checkbox"/> Handicapped child
		<input type="checkbox"/> M <input type="checkbox"/> F		<input type="checkbox"/> Handicapped child

Signature of Applicant/Named Insured _____ Date _____