

THE STATE OF SOUTH CAROLINA
In The Court of Appeals
No. 2011189987

APPEAL FROM NEWBERRY COUNTY
In The Court of Common Pleas

Eugene C. Griffith, Circuit Court Judge

Case No. 2008-CP-36-417

RECEIVED
MAY 08 2012
SC COURT OF APPEALS

Travelers Property Casualty Co., ...Appellant

v.

Senn Freight Lines, Inc., ...Respondent

RECORD ON APPEAL

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John W. Fletcher
BARNWELL WHALEY PATTERSON & HELMS, LLC
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STATE OF SOUTH CAROLINA

COUNTY OF NEWBERRY

IN THE COURT OF COMMON PLEAS

JUDGMENT IN A CIVIL CASE

CASE NO: 2008CP3600417

Travelers Property Casualty Co vs. Senn Freight Lines Inc

CHECK ONE:

- ☐ **JURY VERDICT.** This action came before the court for a trial by jury. The issues have been tried and a verdict rendered.
- ☐ **DECISION BY THE COURT.** This action came to trial or hearing before the court. The issues have been tried or heard and a decision rendered.
- ☐ **ACTION DISMISSED (CHECK REASON):** ☐ Rule 12(b), SCRCP; ☐ Rule 41(a), SCRCP (Vol. Nonsuit); ☐ Rule 43(k), SCRCP (Settled); ☐ Other: _____
- ☐ **ACTION STRICKEN (CHECK REASON):** ☐ Rule 40(j) SCRCP; ☐ Bankruptcy: ☐ Binding arbitration, subject to right to restore to confirm, vacate or modify arbitration award; ☐ Other: _____
- ☐ **DISPOSITION OF APPEAL TO THE CIRCUIT COURT (CHECK APPLICABLE BOX):**
☐ Affirmed; ☐ Reversed; ☐ Remanded; ☐ Other: _____

NOTE: ATTORNEYS ARE RESPONSIBLE FOR NOTIFYING LOWER COURT, TRIBUNAL, OR ADMINISTRATIVE AGENCY OF THE CIRCUIT COURT RULING IN THIS APPEAL.

IT IS ORDERED AND ADJUDGED: ☐ See attached order; ☐ Statement of Judgment by the Court:

Order

Dated at Newberry, South Carolina, this 4th day of March 2011.

Court Reporter:

S/Eugene C. Griffith, Jr.

PRESIDING JUDGE - Eugene C. Griffith, Jr.

This judgment was entered on the 7th day of march 2011, and a copy mailed first class this 9th day of March 2011, to attorneys of record or to parties (when appearing pro se) as follows:

Byron Putnam Roberts Roberts Law Group, LLC
P.O. Box 670 Chapin, SC 29036

ATTORNEY(S) FOR THE PLAINTIFF(S)

William Chadwick Jenkins Pope & Hudgens, PA
P.O. Box 190 Newberry, SC 29108

ATTORNEY(S) FOR THE DEFENDANT(S)

S/Jackie S. Bowers (BJB)

Jackie S Bowers - Clerk of Court

STATE OF SOUTH CAROLINA) IN THE COURT OF COMMON PLEAS

COUNTY OF NEWBERRY) C/A No. 2008-CP-36-417

Travelers Property Casualty)
Company of America & The)
Travelers Indemnity Company of)
Illinois)

Plaintiff,)

v.)

Senn Freight Lines, Inc.,)

Defendant)

ORDER

FILED
NEWBERRY COUNTY
2008 MAR 1 A 9:41
JACQUE S. POWERS
CLERK OF COURT

This matter comes before the Court upon Plaintiff's Post-Trial Motions. Plaintiff seeks a judgment notwithstanding the verdict or a new trial absolute and reasserted their Motion for a Directed Verdict presented at the close of evidence. This Court denies Plaintiff's motions as to the breach of contract and bad faith causes of action, including the award of punitive damages under the bad faith cause of action. The plaintiff's post trial motions as to the surety bond claimed are granted and a directed verdict is entered for the plaintiff on that cause of action.

STANDARD OF REVIEW

In ruling on a motion for judgment notwithstanding the verdict, all evidence and inferences are viewed in the light most favorable to the non-moving party. The verdict will be upheld if there is any evidence to sustain the factual finding of the jury's verdict. Hilton Head Island Realty, Inc. v. Skull Creek Club, 287 S.C. 530, 339 S.E.2d 890, 891 (Ct. App. 1986). In a motion for judgment notwithstanding the verdict, the trial judge cannot disturb the factual

findings of a jury unless a review of the record discloses no evidence which reasonably supports them. Horry County v. Laychur, 315 S.C. 364, 434 S.E.2d 259, 261 (1993).

On a motion for a new trial absolute, the trial court has the discretionary power to grant a new trial sitting as the thirteenth juror. Worrell v. S.C. Power Co., 186 S.C. 306, 195 S.E. 638, 641 (1938). If a jury's verdict is so excessive as to be actuated by passion, comprise or prejudice, the trial court has the power to grant a new trial absolute. Elam v. S.C. Department of Transportation, 361 S.C. 9, 602 S.E.2d 772, 781 (2004). Allstate Ins. Co. v. Durham, 314 S.C. 529, 431 S.E. 2d 557, 558 (1993). Elam v. S.C. Dept. of Transp., 361 S.C. 9, 602 S.E. 2d 972, 781 (2004).

As to the punitive damages, this Court reviews the award pursuant to the case of Mitchell v. Fortis Ins. Co., 385 S.C. 570, 686 S.E.2d 176 (2009). The consideration of the factors laid out in Mitchell v. Fortis are discussed at length in the punitive damages section below.

FACTUAL BACKGROUND

Plaintiff Travelers Property Casualty Company of America and the Travelers Indemnity Company of Illinois (hereinafter "Plaintiff" or "Travelers") filed its Complaint on September 3, 2008 alleging a non-jury debt collection matter regarding a worker's compensation policy issued through the South Carolina Assigned Risk Plan to the Defendant Senn Freight Lines, Inc. Defendant answered, denying the allegations of the Complaint and counterclaiming for breach of contract, insurance bad faith, and surety bond claims. After a trial in this matter, the jury found that there were no premiums due to the plaintiff pursuant to their Complaint and that the defendant prevailed on the breach of contract, insurance bad faith and surety bond claims. The

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jury found that Defendant Senn Freight Lines, Inc. was owed \$4,851.06 for the breach of contract claim. The jury further found that Defendant was owed \$6,000.00 for damages related to the insurance bad faith cause of action with an additional \$100,000.00 of punitive damages for the bad faith cancellation of the insurance policy. On the surety bond claim, the jury found that Defendant Senn Freight Lines, Inc. was owed \$2,360.00 plus interest from July 25, 2007 forward. The plaintiff's Motion for Directed Verdict during the trial was denied and plaintiff's Motion for Judgment Notwithstanding the Verdict and/or Motion for New Trial Absolute was timely filed. The parties presented arguments at a hearing before this Court on November 3, 2010.

**PLAINTIFF'S COMPLAINT AND DEFENDANT'S
BREACH OF CONTRACT CAUSE OF ACTION**

The jury found against the plaintiff on its claim for debt collection. The defendant's breach of contract counterclaim and the plaintiff's initial claims were interlinked and will be discussed together herein. The same principals of law and facts apply to the plaintiff's complaint and the defendant's counterclaim for breach of contract.

Plaintiff argues that it was entitled to a directed verdict on its Complaint and in regards to defendant's breach of contract counterclaim. It is clear that the jury feels otherwise and this Court agrees. There was ample evidence presented at trial to show that no premiums were due to the plaintiff and that the plaintiff breached the contract by terminating it before its expiration date despite having received the initially charged amount of premiums. The evidence presented includes, but is not limited to, the following:

- A. The application for worker's compensation insurance specifically lists clerical,

office and warehouse employees only. The application presented in evidence does not request any coverage for drivers, whether leased or independent contractors.

- B. The testimony of Danny Senn on behalf of Senn Freight Lines, Inc. that the defendant did not request or seek worker's compensation insurance from the plaintiff for drivers; Mr. Senn indicated that the drivers were either leased and covered through the leasing company or were independent contractors who provided their own coverage.
- C. Testimony of Danny Senn that no drivers' claims were ever presented to the Plaintiff even though claims arose during the policy period;
- D. Exhibits presented that indicate the independent contractor drivers were covered under other policies, including occupational accident policies; and,
- E. The actual contract, including the riders and addendums, which indicate that lease drivers are specifically not covered by the policy issued to Senn Freight Lines, Inc. by the plaintiff.

Plaintiff seeks to rely upon Court decisions whereby worker's compensation carriers were found to have provided coverage for persons labeled as independent contractors. This is a matter to be considered on a case by case basis and is very fact specific. All of the cases cited by the plaintiff are appeals from worker's compensation commissioner rulings. These cases are on record only because insurance companies denied coverage to persons considered to be independent contractors.

This Court charged that:

- A. Independent contractors are not within the scope of the Worker's Compensation Act and insurance company would not be entitled to premiums for such independent contractors.
- B. Businesses or employers employing less than four (4) persons are not required to carry statutory worker's compensation insurance and do not fall within the provisions of the S.C. Worker's Compensation Act.
- C. Owner/Operators are specifically exempt from worker's compensation laws if working under an independent contractor contract.

This jury concluded that the employees complained of by the plaintiff were in fact independent contractors and that plaintiff was not owed worker's compensation premiums for said independent contractors. The verdict was based upon the fact as stated above and the law as presented to them. The Plaintiff made no objections to the jury charge.

BAD FAITH CANCELLATION OF POLICY CAUSE OF ACTION

Plaintiff argues that the defendant's counterclaim for insurance bad faith is improper.

This Court would note that the Plaintiff never objected to the jury charge provided to the jury and never made any request for additions or changes after the jury had been charged. The Plaintiff waived his objections to the Defendant's cause of action for bad faith cancellation of policy by failing to object to the jury charge. Plaintiff cannot raise an issue for the first time on appeal and must make a timely objection. Lucas v. Rawl Family Ltd. P'ship, 359 S.C. 505, 598 S.E. 2d 712 (2004).

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SC17

Plaintiff also failed to plead in its Reply to Counterclaim that the cause of action was improper and simply issued a standard denial. Plaintiff did not allege failure to state a cause of action or failure to state a claim in its Reply and the issue cannot be raised for the first time on appeal. Mains v. K-Mart Corp., 297 S.C. 142, 375 S.E.2d 311, 314 (Ct. App. 1988)

Assuming that the Plaintiff did not waive the issues raised in its appeal regarding the Defendant's Counterclaim for bad faith cancellation of insurance policy, the defendant properly plead a valid cause of action pursuant to Mitchell v. Fortis, 385 S.C. 570, 686 S.E. 2d 176 (2009). This Court's charge that the elements of an insurance bad faith claim are (1) a mutually binding contract of insurance; (2) refusal by the insurer to provide benefits under the contract; and (3) the refusal resulted from bad faith or unreasonable action in breach of an implied covenant of good faith and fair dealing. Cock-N-Bull! Steak House, Inc. v. Generali Ins. Co., 321 S.C. 1, 466 S.E. 2d 727, 730 (1996). The plaintiff did not object to the jury instruction and therefore waives any objection to same. Also, the case of Mitchell v. Fortis specifically states that bad faith cancellation is a cause of action and pursuant to this case, Defendant properly plead and the jury properly found for the Defendant on this cause of action.

The Plaintiff argues that it was undisputed that the policy was cancelled because the defendant did not provide documentation requested by the plaintiff in its worker's compensation audit. These facts are simply not in evidence. Danny Senn testified that the defendant provided all documentation requested and that Senn Freight Lines, Inc. fully complied with the audit procedure. Furthermore, the testimony of the plaintiff's auditor, who was not in any way involved in the Senn Freight Lines, Inc. audit and who was named as a witness only 1 day before

the trial, provided no evidence or testimony that Senn Freight Lines, Inc. did not comply with all requests. The auditor further stated that often times the auditor will review the documents at the business location and that these documents are not included with the insurance company's file. Furthermore, the defendant presented evidence that bad faith did in fact exist. Said evidence includes, but is not limited to, the following:

- A. The policy was cancelled before the term expired after the plaintiff received the premiums;
- B. The plaintiff refused to refund the premiums despite the cancellation of the policy;
- C. The plaintiff tried to raise the premium and instituted a lawsuit regarding same only after the worker's compensation claims period passed; and
- D. Danny Senn testified that the cancellation was without any reason whatsoever and there was no evidence to the contrary presented to the jury.

The Plaintiff further argues that it should be protected by the rules and regulations of the National Council of Compensation Insurance and S.C. Worker's Compensation Insurance Plan. These issues were never raised at trial and no requests to charge were presented to the Court regarding these rules and regulations. Plaintiff has waived his right to argue same in post-trial motions.

Plaintiff further argues that the defendant admitted that it could not get damages for both a breach of contract and a bad faith cause of action. This is not the recollection of the Court. In closing argument, defendant's counsel did indicate that the defendant could not get the same

damages for both causes of action but that other damages did exist. Furthermore, the jury found two separate amounts for the damages which leaves this Court to believe that they considered separate and distinct damages for each of the causes of action.

PUNITIVE DAMAGES

Plaintiff complains that the punitive damages levied by the jury in this matter are improper and excessive. This Court would again note that the plaintiff did not object to the charge on punitive damages given by the Court and that they have waived any objections thereto. Assuming that any objections to punitive damages have not been waived by the plaintiff, this Court reviews the jury's award pursuant to the most recent case law of Mitchell v. Fortis Ins. Co. and the guidelines established by the Supreme Court in that case.

The Court must first consider the reprehensibility of the wrongdoer's conduct. Included in same is the economic harm created by the plaintiff's actions. Senn Freight Lines, Inc. was placed at great risk. One total disability claim by an office or clerical employee would place an extreme financial burden upon the company. Travelers was indifferent to this risk and acted with reckless disregard for the defendant's rights under the policy. It appears that Travelers' acts were intentional as they waited until the claims period had passed before instituting a suit. Furthermore, this instance is not isolated and is very capable of repetition, as Travelers could simply collect premiums for employees that they know they will never have to insure if their plan succeeded. The actions of Travelers, the evidence showed, could have been found by the jury to have been reprehensible and egregious and worthy of the punitive damages award levied by the jury.

This Court must also consider the ratio of actual damages to punitive damages. The jury's award of \$100,000.00 punitive damages is less than ten times the actual damages of \$10,851.06. Furthermore, the ratio to the potential harm is small as worker's compensation claims for the office, clerical and warehouse staff could be astronomical and catastrophic for Senn Freight Lines, Inc. Furthermore, considering the ability to pay, no evidence was offered by Travelers that payment of the punitive damages is beyond their ability. Being an insurance company, there is little question as to their ability to pay a \$100,000.00 punitive damages award.

In considering whether the punitive damages amount is likely to deter Travelers from similar conduct in the future, the amount awarded may not have been high enough. Considering the almost \$200,000.00 in premiums Travelers attempted to collect unlawfully from Senn Freight Lines, Inc., a \$100,000.00 punitive damage award is justified under the evidence.

The punitive damages claim was presented to the jury without objection and this Court finds that the jury properly considered the factors and breached a just and reasonable award for the defendant.

SURETY BOND CAUSE OF ACTION

This Court rules in favor of the Plaintiff in its Motion for a Judgment Notwithstanding the Verdict regarding the defendant's claim for damages under a surety bond. It appears that a different entity, although possibly related to the plaintiff in this matter, actually issued the surety bond in question. While the plaintiff's failure to present any evidence whatsoever regarding the surety bond issue likely lead to the jury finding for the defendant, this Court finds as a matter of law that the Plaintiff's Motion for a Directed Verdict in regards to the surety bond claim should

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have been granted. Therefore, the Plaintiff's Motion for Judgment Notwithstanding the Verdict regarding the surety bond claim is granted.

**MOTION FOR NEW TRIAL ABSOLUTTE
"THIRTEENTH JUROR DOCTRINE"**

Plaintiff argues that the verdict of the jury was due to passion or comprise and that therefore this Court should exercise its powers as the thirteenth juror and order a new trial absolute. However, the plaintiff fails to present any evidence that the jury in this matter failed to follow the Court's instructions or that they acted with any improper purpose or goal.

The Plaintiff points out that the defendant is a local business and that the plaintiff is not. This is true but the Court has no basis for believing that the jury allowed this to enter into their deliberations. This Court would further note that the plaintiff instituted this suit in the Court of Common Pleas for Newberry County. The defendant did not choose the venue for this action.

The plaintiff further argues that the jury "was unable or unwilling to follow the instructions of the verdict form." There is no evidence that the jury was confused as the verdict form and the jury's verdict was clear. The plaintiff argues that the jury answers questions on the verdict form which were not for their consideration but the answers are completely consistent with the overall verdict and completely consistent with this Court's instructions to them. It appears that the jury's hand written notes on the verdict form are in an effort to make certain that this Court and the parties understood their findings and the written comments did so. This Court finds no evidence of confusion as the jury's verdict was completely consistent.

The Plaintiff also argues that while the defendant testified at trial that Travelers waited to

bring this action until after the two year statute of limitations had passed for worker's compensation claims under the policy, the defendant failed to plead an equitable defense such as unclean hands. First, the statement that Travelers waited to bring this action until after the statute of limitations had run for worker's compensation claims is true. The plaintiff did not object to the statement at any time throughout the trial and would have had no basis for doing so. Furthermore, the defendant did not allege unclean hands and simply alleged that they did not breach the contract and that they owed no money to Travelers for worker's compensation premiums. The statements regarding the delay in bringing the action were proper, true and utilized to let the jury know that the bad faith cause of action was valid and that punitive damages were proper. In its post-trial motions, plaintiff states, "the plaintiff cannot know with any certainty that this affected the jury's decision, it can however reasonably surmise that *something* in addition to the specific jury instructions given by the Court confused or tainted the jury..." This statement summarizes the plaintiff's entire argument that because Plaintiff failed to convince the jury that its position was correct, something improper must have influenced the jury. There is no basis for this Court to overturn the verdict or the findings of the jury as there is no evidence of improper motivations or influence. There was ample evidence as to each cause of action to support the jury's verdict. The sole exception is the surety bond cause of action which the plaintiff did not see fit to contest at all.

CONCLUSION

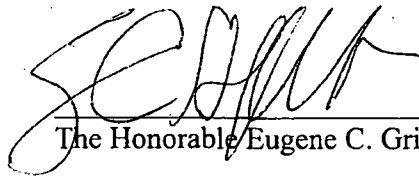
THEREFORE IT IS ORDERED, ADJUDGED AND DECREED that Plaintiffs' motions for judgment notwithstanding the verdict and for new trial as to the causes of actions for breach

of contract and bad faith are denied. Its motion for judgment notwithstanding the verdict on the cause of action on the surety bond claim is granted.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that judgment be entered in favor of Defendant Senn Freight Lines, Inc. against Plaintiffs Travelers Property Casualty Company of America & The Travelers Indemnity Company of Illinois in the amended amount of \$10,851.06 actual damages and \$100,000.00 in punitive damages.

IT IS SO ORDERED.

March 4
January ___, 2011



The Honorable Eugene C. Griffith, Jr.

SCANNED

STATE OF SOUTH CAROLINA

JUDGMENT IN A CIVIL CASE

COUNTY OF NEWBERRY

CASE NO: 2008CP3600417

IN THE COURT OF COMMON PLEAS

Travelers Property Casualty Co vs. Senn Freight Lines Inc

CHECK ONE:

☒ **JURY VERDICT.**

This action came before the court for a trial by jury. The issues have been tried and a verdict rendered. *Verdict Form Attached*

☐ **DECISION BY THE COURT.**

This action came to trial or hearing before the court. The issues have been tried or heard and a decision rendered.

☐ **ACTION DISMISSED (CHECK REASON):**

☐ Rule 12(b), SCRCP;

☐ Rule 41(a),

SCRCP (Vol. Nonsuit);

☐ Rule 43(k), SCRCP (Settled);

☐ Other: _____

☐ **ACTION STRICKEN (CHECK REASON):**

☐ Rule 40(j) SCRCP;

☐ Bankruptcy:

☐ Binding arbitration, subject to right to restore to confirm, vacate or modify arbitration award;

☐ Other: _____

☐ **DISPOSITION OF APPEAL TO THE CIRCUIT COURT (CHECK APPLICABLE BOX):**

☐ Affirmed;

☐ Reversed;

☐ Remanded;

☐ Other: _____

NOTE: ATTORNEYS ARE RESPONSIBLE FOR NOTIFYING LOWER COURT, TRIBUNAL, OR ADMINISTRATIVE AGENCY OF THE CIRCUIT COURT RULING IN THIS APPEAL.

IT IS ORDERED AND ADJUDGED:

☐ See attached order;

☐ Statement of Judgment by the Court:

Dated at Newberry, South Carolina, this 4 day of Aug, 2010.

Court Reporter: *April Hemon*

[Signature]
PRESIDING JUDGE - Eugene C. Griffith, Jr.

This judgment was entered on the _____ day of _____, 2010, and a copy mailed first class this _____ day of _____, 2010, to attorneys of record or to parties (when appearing pro se) as follows:

Byron Putnam Roberts Roberts Law Group, LLC
P.O. Box 670 Chapin, SC 29036

William Chadwick Jenkins Pope & Hudgens, PA
P.O. Box 190 Newberry, SC 29108

ATTORNEY(S) FOR THE PLAINTIFF(S)

ATTORNEY(S) FOR THE DEFENDANT(S)

Jackie S Bowers - Clerk of Court

STATE OF SOUTH CAROLINA)
COUNTY OF NEWBERRY)

IN THE COURT OF COMMON PLEAS
EIGHTH JUDICIAL CIRCUIT

Travelers Property Casualty)
Company, et al,)

Plaintiff,)

v.)

Senn Freight Lines, Inc.)

Defendant.)

VERDICT FORM

2008-CP-36-417

Travelers Insurance Claim

1. Do you find by the preponderance of the evidence that there are/is contract(s) for workers' compensation coverage between Travelers Insurance and Senn Freight Lines?

☒ YES: If you answer yes, go to Question 2.

☐ NO: If you answer no, go to Question 8.

2. Did this policy cover leased drivers if there were gaps in coverage?

☐ YES: If you answer yes, go to Question 3.

☒ NO: If you answer no, go to Question 4.

3. If so, what premium, if any, is due Travelers Insurance?

\$ 0. Go to Question 4.

4. Did this policy cover non-leased drivers?

☐ YES: If you answer yes, go to Question 5.

☒ NO: If you answer no, go to Question 6.

5. If so, what premium, if any, is due Travelers Insurance?

\$ 0. Go to Question 6.

JACKIE S. BOWERS
CLERK OF COURT

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FILED
NEWBERRY COUNTY

Senn Freight Lines Counterclaim

6. When the workers' compensation policy was cancelled, did Travelers Insurance owe unearned premiums to Senn Freight Lines?
- ☒ YES: If you answer yes, go to Question 7.
- ☐ NO: If you answer no, go to Question 8.
7. If so, what amount of premiums is due to be refunded to Senn Freight Lines?
\$ 4,851.06. Go to Question 8.
8. Do you find that Senn Freight Lines proved by clear and convincing evidence that the policy was cancelled in bad faith?
- ☒ YES: If you answer yes, go to Question 9.
- ☐ NO: If you answer no, go to Question 11.
9. If so, are there any damages for the bad faith cancellation?
\$ 6,000. Go to Question 10.
10. If so, are there any punitive damages for the bad faith cancellation?
\$ 100,000. Go to Question 11.
11. On the claim due under the surety bond, is Senn Freight Lines due payment?
- ☒ YES: If you answer yes, go to Question 12.
- ☐ NO: If you answer no, stop and deliberate no further.
12. If so, how much? \$ 2,360 + full amount of interest retroactive 7/25/07

I certify that this decision was the unanimous decision of the jury.

Jina B. Wilkerson

Foreperson
August 4, 2010

STATE OF SOUTH CAROLINA

COUNTY OF Newberry

Travelers Property Casualty Company et al.
Plaintiff(s)

vs.

Senn Freight Lines, Inc.
Defendant(s)

IN THE COURT OF COMMON PLEAS

CIVIL ACTION COVERSHEET

2008 -CP- 36 - 417

(Please Print)

Submitted By: Leo A. Dryer

Address: P.O. Box 11567
Columbia, SC 29211

SC Bar #: 1759

Telephone #: (803) 926-1235

Fax #: (803) 926-1276

Other: _____

E-mail: _____

NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for the use of the Clerk of Court for the purpose of docketing. It must be filled out completely, signed, and dated. A copy of this cover sheet must be served on the defendant(s) along with the Summons and Complaint.

DOCKETING INFORMATION (Check all that apply)

*If Action is Judgment/Settlement do not complete

- ☐ JURY TRIAL demanded in complaint. ☒ NON-JURY TRIAL demanded in complaint.
☐ This case is subject to ARBITRATION pursuant to the Court Annexed Alternative Dispute Resolution Rules.
☒ This case is subject to MEDIATION pursuant to the Court Annexed Alternative Dispute Resolution Rules.
☐ This case is exempt from ADR. (Proof of ADR/Exemption Attached)

NATURE OF ACTION (Check One Box Below)

Contracts

- ☐ Constructions (100)
☒ Debt Collection (110)
☐ Employment (120)
☐ General (130)
☐ Breach of Contract (140)
☐ Other (199)

Torts - Professional Malpractice

- ☐ Dental Malpractice (200)
☐ Legal Malpractice (210)
☐ Medical Malpractice (220)
☐ Notice/ File Med Mal (230)
☐ Other (299)

Torts - Personal Injury

- ☐ Assault/Slander/Libel (300)
☐ Conversion (310)
☐ Motor Vehicle Accident (320)
☐ Premises Liability (330)
☐ Products Liability (340)
☐ Personal Injury (350)
☐ Wrongful Death (360)
☐ Other (399)

Real Property

- ☐ Claim & Delivery (400)
☐ Condemnation (410)
☐ Foreclosure (420)
☐ Mechanic's Lien (430)
☐ Partition (440)
☐ Possession (450)
☐ Building Code Violation (460)
☐ Other (499)

Inmate Petitions

- ☐ PCR (500)
☐ Mandamus (520)
☐ Habeas Corpus (530)
☐ Other (599)

Judgments/Settlements

- ☐ Death Settlement (700)
☐ Foreign Judgment (710)
☐ Magistrate's Judgment (720)
☐ Minor Settlement (730)
☐ Transcript Judgment (740)
☐ Lis Pendens (750)
☐ Other (799)

Administrative Law/Relief

- ☐ Reinstate Driver's License (800)
☐ Judicial Review (810)
☐ Relief (820)
☐ Permanent Injunction (830)
☐ Forfeiture-Petition (840)
☐ Forfeiture-Consent Order (850)
☐ Other (899)

Appeals

- ☐ Arbitration (900)
☐ Magistrate-Civil (910)
☐ Magistrate-Criminal (920)
☐ Municipal (930)
☐ Probate Court (940)
☐ SCDOT (950)
☐ Worker's Comp (960)
☐ Zoning Board (970)
☐ Administrative Law Judge (980)
☐ Public Service Commission (990)
☐ Employment Security Comm (991)
☐ Other (999)

Special/Complex /Other

- ☐ Environmental (600)
☐ Automobile Arb. (610)
☐ Medical (620)
☐ Other (699)
☐ Pharmaceuticals (630)
☐ Unfair Trade Practices (640)
☐ Out-of State Depositions (650)
☐ Sexual Predator (510)

Submitting Party Signature: _____

Date: August 11, 2008

Note: Frivolous civil proceedings may be subject to sanctions pursuant to SCRCF, Rule 11, and the South Carolina Frivolous Civil Proceedings Sanctions Act, S.C. Code Ann. §15-36-10 et. seq.

0017

STATE OF SOUTH CAROLINA]
COUNTY OF NEWBERRY]

IN THE COURT OF COMMON PLEAS

2008-CP-36-417

TRAVELERS PROPERTY CASUALTY]
COMPANY OF AMERICA & THE]
TRAVELERS INDEMNITY COMPANY OF]
ILLINOIS]

S U M M O N S

PLAINTIFF,

VS.

SENN FREIGHT LINES, INC.

DEFENDANT.

TO THE DEFENDANT ABOVE NAMED:

You are hereby summoned and required to Answer the Complaint herein, a copy of which is herewith served upon you, and to serve a copy of your Answer to said Complaint upon the subscribers at his law office at 659 Frink Street, Cayce, South Carolina, (P.O. Box 11567, Columbia, South Carolina 29211) within Thirty (30) days from the service hereof, exclusive of the day of such service and if you fail to Answer the Complaint within the time aforesaid, Plaintiff will apply to the Court for Judgment by Default for relief demanded in the Complaint.

DRYER LAW OFFICE

LEO A. DRYER
Attorney for Plaintiff
P.O. Box 11567
Columbia, SC 29211
(803) 926-1235
SC Bar #1759

August 11, 2008
Columbia, South Carolina

SUM.DOC/08021105/th

STATE OF SOUTH CAROLINA]
COUNTY OF NEWBERRY]
TRAVELERS PROPERTY CASUALTY]
COMPANY OF AMERICA & THE]
TRAVELERS INDEMNITY COMPANY OF]
ILLINOIS]
PLAINTIFF,]
VS.]
SENN FREIGHT LINES, INC.]
DEFENDANT.]

IN THE COURT OF COMMON PLEAS

2008 CP-36-417

C O M P L A I N T
NON-JURY
DEBT COLLECTION

The Plaintiff herein alleges:

1. That Plaintiff is a Connecticut Corporation.
2. That, upon information and belief, the Defendant is a South Carolina Corporation.

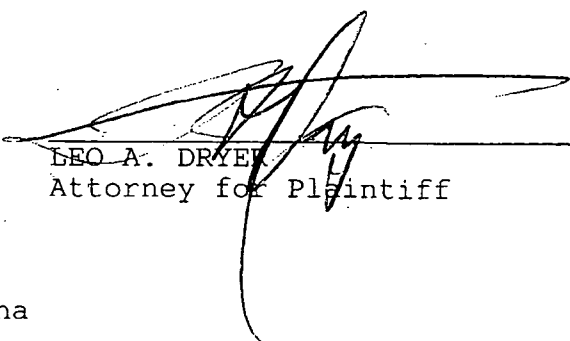
3. That on or between July 10, 2003 and October 25, 2005 the Plaintiff provided to the Defendant, at its special instance and request, certain insurance services for the value of Two Hundred Eight Thousand Six Hundred Sixty and 00/100 (\$208,660.00) Dollars as will more fully appear upon the itemized statement attached hereto and incorporated herein by reference.

4. The terms of the policy of insurance further provided that, at the inception of the policy term the Defendant would be charged an estimated premium and, at the close of the policy term, the Defendant would be charged an additional earned premium (or credit therefore) premised upon a pay-roll audit for the policy term. The Defendant failed to cooperate with Plaintiff's audit and Plaintiff has proceeded upon an estimated audit, consistent with the terms of its contract of insurance, and your Plaintiff has

provided its billing to the Defendant for additional earned premium.

5. That part of said account has been paid by credit or otherwise and there is now due and owing thereon by the Defendant the sum of One Hundred Ninety Seven Thousand Nine Hundred Fifty Eight and 00/100 (\$197,958.00) Dollars, together with maximum legal interest to date and the costs of this action.

WHEREFORE, Plaintiff prays for Judgment against the Defendant in the sum of One Hundred Ninety Seven Thousand Nine Hundred Fifty Eight and 00/100 (\$197,958.00) Dollars together with maximum legal interest to date and the costs of this action.



LEO A. DRYER
Attorney for Plaintiff

August 11, 2008
Columbia, South Carolina

COM.DOC/08021105/th

AFFIDAVIT

STATE OF CONNECTICUT
COUNTY OF HARTFORD, TO WIT:

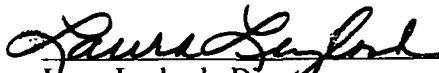
This day personally appeared Laura Leyland before undersigned Brenda R. Strong, Notary Public in and for county aforesaid, in the State of Connecticut, who being duly sworn, doth depose and say:

1. That she is the Director of Travelers Indemnity Company of Illinois, a company incorporated under the laws of the state of Illinois and Travelers Property Casualty Company of America, a company incorporated under the laws of the state of Connecticut.

2. That the attached Statement of Account reflects an unpaid premium due on three separate insurance policies which are outlined as follows: Policy 6JUB 7803A476 for the policy term 07/10/03 to 07/10/04 there is an audited premium balance due of \$91,452.00; Policy 6JUB 7803A476 for the policy term 07/10/04 TO 07/10/05 there is an estimated balance due of \$77,737.00 and Policy 6JUB 7803A476 for the policy term 07/10/05 to 10/25/05 there is an estimated balance due of \$28,769.00. The total balance due of One Hundred Ninety Seven Thousand, Nine Hundred and Eighty Five Dollars 00/100 (\$197,985.00) reflected on the attached Statement of Account are justly due Travelers Property Casualty Company of America by SENN FREIGHT LINES, INC.

3. That the information herein above set forth is with the personal knowledge of the affiant who is competent to testify thereto.

4. The affiant is duly authorized by plaintiff to make this affidavit.


Laura Leyland - Director

Subscribed and sworn to before me in the county aforesaid, in the State of Connecticut on May 29, 2008.

My Commission Expires the 30th day of June, 2011.
Witness my hand and notarial seal.


Brenda R. Strong - Notary Public

(SEAL)



STATEMENT OF ACCOUNT
FOR
SENN FREIGHT LINES, INC.
P.O. BOX 1191
NEWBERRY, SC 29108

DATE: MAY 29, 2008

Type of Insurance: WORKERS COMPENSATION INSURANCE

Insurer: TRAVELERS INDEMNITY COMPANY OF ILLINOIS and TRAVELERS PROPERTY
CASUALTY COMPANY OF AMERICA

Policy Number: **6JUB 7803A476**
Policy Term: **07/10/03 TO 07/10/04**
Policyholder Report

Earned Premium:	\$ 93,306.00	
Premium Paid:		\$ 1,854.00
Paid to Special Collections:		\$ 0.00
	\$ 93,306.00	\$ 1,854.00
	<u>-(1,854.00)</u>	
Balance Due:	\$ 91,452.00	

Policy Number: **6JUB 7803A476**
Policy Term: **07/10/04 TO 07/10/05**
Estimated Report

Earned Premium:	\$ 81,149.00	
Premium Paid:		\$ 3,412.00
Paid to Special Collections:		\$ 0.00
	\$ 81,149.00	\$ 3,412.00
	<u>-(3,412.00)</u>	
Balance Due:	\$ 77,737.00	

Policy Number: **6JUB 7803A476**
Policy Term: **07/10/05 TO 10/25/05**
Estimated Report

Earned Premium:	\$ 34,205.00	
Premium Paid:		\$ 5,436.00
Paid to Special Collections:		\$ 0.00
	\$ 34,205.00	\$ 5,436.00
	<u>-(5,436.00)</u>	
Balance Due:	\$ 28,769.00	

TOTAL BALANCE DUE: \$ 197,958.00

DRYER LAW OFFICE

LEO A. DRYER

ATTORNEY AT LAW

TELEPHONE: (803) 926-1235

FAX: (803) 926-1276

STREET ADDRESS:
659 FRINK STREET
CAYCE, SC 29033

MAILING ADDRESS:
P.O. Box 11567
COLUMBIA, SC 29211

August 11, 2008

Honorable Jackie S. Bowers
Newberry County Clerk of Court
P.O. Box 278
Newberry, SC 29108

RE: Travelers Property Casualty Company
of America & The Travelers Indemnity
Company of Illinois

VS: Senn Freight Lines, Inc.

Our File #: 08021105

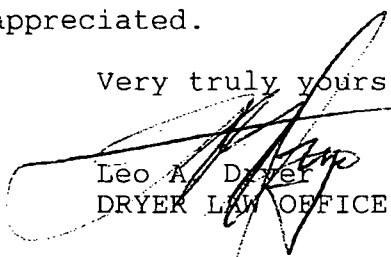
Dear Ms. Bowers:

I enclose herewith original Summons and Complaint together with our cost check in the sum of \$150.00 to cover your filing fee.

We also provide a copy of the Summons and ask that the Summons copy be returned with your clocking date and the docket number; we provide our stamped and preaddressed envelope for that purpose.

Your assistance is appreciated.

Very truly yours,


Leo A. Dryer
DRYER LAW OFFICE

LAD/th
Enclosures

Copy mailed 9/3/08
J. Bowers

**** CONFIDENTIAL - FOR CLERK'S USE ONLY ****
Personal e-mail: pdryer@sc.rr.com

STATE OF SOUTH CAROLINA)
)
COUNTY OF NEWBERRY)

IN THE COURT OF COMMON PLEAS

C/A No. 2008-CP-36-417

Travelers Property Casualty)
Company of America & The)
Travelers Indemnity Company of)
Illinois)

Plaintiff,)

vs.)

Senn Freight Lines, Inc.,)

Defendant)

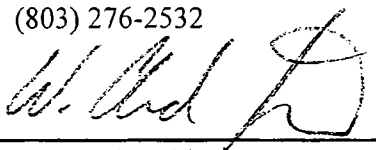
SUMMONS

FILED
NEWBERRY COUNTY
2008 NOV 10 P 12:37
JACKIE S. POWERS
CLERK OF COURT

**TO PLAINTIFF: TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICA
AND ITS ATTORNEY, LEO A. DRYER, ESQUIRE:**

YOU ARE HEREBY SUMMONED and required to reply to the Counterclaim in this action, a copy of which is herewith served upon you, and to serve a copy of your reply to said Counterclaim on the subscriber at Post Office Box 190, Newberry, South Carolina, within thirty (30) days from the service hereof, exclusive of the date of such service; and if you fail to reply to the Counterclaim within the time aforesaid, judgment by default will be rendered against you for the relief demanded in the Counterclaim.

POPE AND HUDGENS, P.A.
1508 College Street
Post Office Box 190
Newberry, South Carolina 29108
(803) 276-2532

BY: 

W. Chad Jenkins
Attorneys for Defendant

November 10, 2008
Newberry, South Carolina

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	
COUNTY OF NEWBERRY	)	C/A No. 2008-CP-36-417
	)	
Travelers Property Casualty	)	
Company of America & The	)	
Travelers Indemnity Company of	)	
Illinois	)	
	)	
Plaintiff,	)	
	)	
vs.	)	ANSWER AND COUNTERCLAIM
	)	(Jury Trial Requested)
	)	
Senn Freight Lines, Inc.,	)	
	)	
Defendant	)	

FILED
 NEWBERRY COUNTY
 2008 NOV 10 P 12:37
 JACQUE S. POWERS
 CLERK OF COURT

Defendant, answering the Complaint of the plaintiff herein, would allege as follows:

FOR A FIRST DEFENSE
(General Denial)

1. Each and every allegation of the Complaint not hereinafter specifically admitted is denied.
2. Defendant admits the allegations of paragraphs 1 and 2 of the Complaint.
3. As to the allegations of paragraph 3 of the Complaint, defendant admits that plaintiff provided to defendant certain insurance services through the South Carolina Assigned Risk Pool. The remaining allegations, specifically that the value of the services were \$208,660.00 are specifically denied.
4. Defendant admits as much of the allegations of paragraph 4 of the Complaint as alleges the terms of the policy of insurance provided by the plaintiff to the defendant provided

that the defendant would be charged an estimated premium and that the defendant could be charged an additional earned premium based upon an actual payroll audit for the policy term at the end of said policy term. Defendant denies the remaining allegations of paragraph 4 of the Complaint.

5. Defendant denies the allegations of paragraph 5 of the Complaint.
6. Defendant denies the allegations of plaintiff's prayer for judgment.
7. Defendant denies the remaining allegations of the Complaint and all Affidavits or documents attached thereto.

FOR A SECOND DEFENSE
(Statute of Limitations)

8. Each and every denial, admission and assertion stated above is repeated as if stated verbatim herein.
9. Plaintiff's claims for the alleged policy term of July 10, 2003 to July 10, 2004 are barred by the applicable statute of limitations.
10. Plaintiff's claims for the alleged policy term beginning on July 10, 2004 and expiring on July 10, 2005 are barred by the applicable statute of limitations.

FOR A THIRD DEFENSE
(By Way of Counterclaim)
(Breach of Contract)

11. Each and every denial, admission and assertion stated above is repeated as if stated verbatim herein.

12. Plaintiff submitted a request through the South Carolina Assigned Risk Pool for insurance coverage and said coverage was assigned to Travelers Indemnity Company of Illinois and Travelers Property Casualty Company of America.

13. Pursuant to the terms of the policy requested and provided, plaintiffs were to provide insurance for all non-driver employees of Senn Freight Lines, Inc. in return for premiums. Said policy constitutes a valid and binding contract.

14. Defendant paid all premiums due to Plaintiff and performed all of its obligations pursuant to the parties' contract.

15. Senn Freight Lines, Inc. does not hire or employ any drivers and said drivers are leased through other companies, which provide all applicable Worker's Compensation insurance for said drivers.

16. Defendant paid plaintiff all premiums due as follows:

- | | | |
|----|--------------------------------|-------------------------|
| A. | Policy term 7/10/03 – 7/10/04: | \$1,854.00 premium paid |
| B. | Policy term 7/10/04 – 7/10/05: | \$3,412.00 premium paid |
| C. | Policy term 7/10/05 – 7/10/06: | \$5,436.00 premium paid |

17. Plaintiff, without cause and in violation of the laws of the State of South Carolina and in violation of the insurance contract, unilaterally cancelled the policy for the term of July 10, 2005 to July 10, 2006 on October 25, 2005. Plaintiff's actions amount to a material breach of the parties' contract.

18. Defendant had prepaid for the entire year's policy term in the amount of \$5,436.00. Plaintiff earned only \$1,593.57 of this premium paid for the 107 days of coverage provided.

19. Plaintiff owes defendant damages in the amount of \$3,842.43 plus interest from October 25, 2005 to the present.

FOR A FOURTH DEFENSE
(By Way of Counterclaim)
(Insurance Bad Faith)

20. Each and every denial, admission and assertion stated above is repeated as if stated verbatim herein.

21. Plaintiffs illegally and without cause terminated the insurance contract despite having been paid all premiums owed and due for the coverage to be provided during the policy term of July 10, 2005 to July 10, 2006.

22. Defendant and its agents, stockholders and officers spent numerous hours dealing with this matter and informing the plaintiffs of its position both legally and pursuant to the terms of the insurance contract.

23. Defendant and its agents, stockholders, and officers were forced to endure countless hours of worry and emotional trauma due to the plaintiffs' failure to provide insurance coverage as contracted. Furthermore, Defendant was forced to seek alternate coverage.

24. Plaintiff has been damaged in the amount of \$3,842.43 for premium paid to the plaintiffs but unearned for policy period July 10, 2005 to July 10, 2006.

25. Plaintiffs' denial of insurance coverage and cancellation of the policy was without cause and in bad faith and contrary to the laws of the State of South Carolina.

26. Defendant is entitled to recover from the plaintiffs amounts for lost time, costs, emotional trauma and other actual damages together with punitive damages in an amount to be determined by a jury not to exceed \$68,500.00.

FOR A FIFTH DEFENSE
(By Way of Counterclaim)
(Surety Bond Claim)

27. Each and every denial, admission and assertion stated above is repeated as if stated verbatim herein.

28. Plaintiff is a surety for an entity known as Jones Motor Logistics, Inc. and agreed, via a valid bond (Bond No. 008-S-104352011) and Property Broker's Surety Bond under 49 U.S.C. 13906 (Form BMC-84), to pay all motor carriers or shippers to whom Jones Motor Logistics, Inc. became liable.

29. Defendant transported goods on July 16, 2007 at the request of and under the direction of Jones Motor Logistics, Inc.

30. Defendant sent and invoice and freight bill (Invoice No. 708530) to Jones Motor Logistics, Inc. in the amount of \$2,360.00.

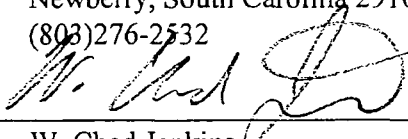
31. Jones Motor Logistics, Inc. has failed and refused to pay this invoice and bill in violation of Federal shipping regulations.

32. Defendant notified plaintiff of its claim on the bond on September 28, 2007. To date, Plaintiff has failed to pay pursuant to its position as surety for Jones Motor Logistics, Inc. and said failure is a violation of Federal shipping regulations as well as the bond.

33. Defendant has been damaged by plaintiff's failure to pay on this bond in the amount of \$2,360.00, plus interest, attorneys fees and costs.

WHEREFORE, defendant prays for an Order of this Court dismissing the Complaint of Plaintiff with prejudice and for damages of the Counterclaims for breach of contract, bad faith failure to provide insurance, and surety bond claim as stated above in a total aggregate amount not to exceed \$74,500.00.

POPE AND HUDGENS, P.A.
Post Office Box 190
Newberry, South Carolina 29108
(803)276-2532

By: 

W. Chad Jenkins
Attorneys for Defendant

Newberry, South Carolina
November 10, 2008

STATE OF SOUTH CAROLINA)
)
COUNTY OF NEWBERRY)

IN THE COURT OF COMMON PLEAS

C/A No. 2008-CP-36-417

Travelers Property Casualty)
Company of America & The)
Travelers Indemnity Company of)
Illinois)

Plaintiff,)

v.)

Senn Freight Lines, Inc.,)
)
Defendant)

CERTIFICATE OF SERVICE

The undersigned employee of Pope & Hudgens, P.A., Attorneys at Law, Post Office Box 190, 1508 College Street, Newberry, South Carolina 29108, does hereby certify that she has served the following named individual(s) with a copy of the pleading(s) indicated below by mailing a copy of same in the United States mail, with sufficient postage affixed thereto and return address clearly marked on the date indicated below:

PARTY SERVED: Leo A. Dryer, Esquire
Dryer Law Office
PO Box 11567
Columbia, SC 29211

PLEADING SERVED: Summons and Answer and Counterclaim



Katherine Barnett

Newberry, South Carolina

November 10, 2008

FILED
NEWBERRY COUNTY
2008 NOV 10 P 12:37
JACKIE S. POWERS
CLERK OF COURT

STATE OF SOUTH CAROLINA)

COUNTY OF NEWBERRY)

Travelers Property Casualty)
Company of America and The)
Travelers Indemnity Company of)
Illinois,)

Plaintiff,)

vs.)

Senn Freight Lines, Inc.)

Defendant.)

IN THE COURT OF COMMON PLEAS

Case No. 2008-CP-36-417

PLAINTIFF'S REPLY TO
DEFENDANT'S COUNTERCLAIM

FILED
NEWBERRY COUNTY
2009 MAR -6 P 2:44
JACKIE S. BOWEN
CLERK OF COURT

The Plaintiffs, Travelers Property Casualty Company of America and Travelers Indemnity Company of Illinois, hereby reply to Defendant's Answer and Counterclaim as follows:

AS TO THE FIRST AND SECOND DEFENSES

1. That each and every allegation contained in Plaintiffs' Complaint is repeated, re-alleged, reasserted and incorporated herein by reference as if set forth verbatim and Plaintiffs deny each and every allegation to which a response is deemed necessary.

**AS TO THE THIRD DEFENSE
(Breach of Contract)**

2. That each and every allegation contained in Plaintiffs' Complaint is repeated, re-alleged, reasserted and incorporated herein by reference as if set forth verbatim.

3. That Paragraph 11 requires no response, but, in the event a response is deemed necessary, those allegations are denied and strict proof is demanded thereof.
4. Plaintiff admits the allegations of Paragraph 12 to the extent that it was assigned as Defendant's workers' compensation insurance carrier upon application submitted pursuant to the South Carolina Workers' Compensation Insurance Plan.
5. Plaintiff admits the allegations of Paragraph 13 to the extent that it issued a policy for Defendant workers' compensation insurance coverage pursuant to the application it submitted and the assignment according to the South Carolina Workers' Compensation Insurance Plan (assigned risk plan).
6. Plaintiff denies the allegations of Paragraph denies the allegations of Paragraph 14 and demands strict proof thereof.
7. Plaintiff denies the allegations of Paragraph 15 and demands strict proof thereof.
8. Plaintiff denies the allegations of Paragraph 16 that the amounts paid represented the entire premium that is due and owing for the coverages provided by the policies of workers' compensation insurance that were issued.
9. Plaintiff denies the allegations of Paragraph 17 and demand strict proof thereof.
10. Plaintiff denies the allegations of Paragraph 18 and demands strict proof thereof.

11. Plaintiff denies the allegations of Paragraph 19 for Defendant's prayer for relief.

**FOR A THIRD DEFENSE TO DEFENDANT'S COUNTERCLAIM
(Insurance Bad Faith)**

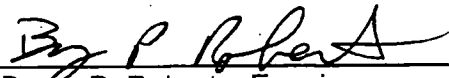
12. That each and every allegation contained in Plaintiffs' Complaint is repeated, re-alleged, reasserted and incorporated herein by reference as if set forth verbatim.
13. That Paragraph 20 requires no response, but, in the event a response is deemed necessary, those allegations are denied and strict proof is demanded thereof.
14. Plaintiff denies the allegations of Paragraphs 21, 22 and 23 and demands strict proof thereof.
15. Plaintiff denies the allegations of Paragraph 24 for Defendant's prayer for relief.
16. Plaintiff denies the allegations of Paragraph 25 and demands strict proof thereof.
17. Plaintiff denies the allegations of Paragraph 26 setting forth Defendant's prayer for relief.

**FOR A FOURTH DEFENSE TO DEFENDANTS COUNTERCLAIM
(Surety Bond Claim)**

18. That each and every allegation contained in Plaintiffs' Complaint is repeated, re-alleged, reasserted and incorporated herein by reference as if set forth verbatim.

19. That Paragraph 27 requires no response, but, in the event a response is necessary, those allegations are denied and strict proof is demand thereof.
20. Plaintiff denies the allegations of Paragraphs 28, 29, 30, 31, 32 and 33 and demands strict proof thereof.
21. Plaintiff further asserts as an affirmative defense any and all applicable statutes of limitation with regard to the allegations of Defendants Fifth Defense by way of Counterclaim.

NOW, THEREFORE, the Plaintiff, having fully answered the counterclaims of the Defendant, would request that those counterclaims be dismissed, with prejudice, and that Plaintiff be awarded all of the relief demanded in the Complaint, including, but not limited to, an award of its attorney's fees and costs in this case.

BY: 
Byron P. Roberts, Esquire
161 Chapin Road
P.O. Box 670
Chapin, South Carolina 29036
(803) 932-9282
ATTORNEY FOR PLAINTIFF

March 6, 2009

STATE OF SOUTH CAROLINA

COUNTY OF NEWBERRY

Travelers Property Casualty Company of America
and Travelers Indemnity Company of Illinois,

☒ Plaintiff

v.

Senn Freight Lines, Inc.

☐ Defendant.

IN THE COURT OF COMMON PLEAS

CASE NO.

2008-CP-36-417

MOTION AND ORDER INFORMATION
FORM AND COVER SHEET

Plaintiff's Attorney:
Byron P. Roberts, Esquire, Bar No. 68009
Address:
P.O. Box 670, Chapin, SC 29036
phone: 803-932-9282 fax: 803-932-9280
e-mail: roberts@lakemurraylaw.com other:

Defendant's Attorney:
W. Chad Jenkins, Bar No.
Address:
Post Office Box 190
Newberry, SC 29108
phone: 803-276-2532 fax: 803-276-8684
e-mail: cjenkins@popeandhudson.com other:

- ☒ MOTION HEARING REQUESTED (attach written motion and complete SECTIONS I and III)
☐ FORM MOTION, NO HEARING REQUESTED (complete SECTIONS II and III)
☐ PROPOSED ORDER/CONSENT ORDER (complete SECTIONS II and III)

SECTION I: Hearing Information

Nature of Motion: JNOV

Estimated Time Needed: 30 minutes Court Reporter Needed: ☒ YES / ☐ NO

SECTION II: Motion/Order Type

- ☒ Written motion attached
☐ Form Motion/Order

I hereby move for relief or action by the court as set forth in the attached proposed order.

Byron P. Roberts *8/13/2010*
Signature of Attorney for ☒ Plaintiff / ☐ Defendant Date submitted

SECTION III: Motion Fee

- ☒ PAID - AMOUNT:
☐ EXEMPT: ☐ Rule to Show Cause in Child or Spousal Support
(check reason) ☐ Domestic Abuse or Abuse and Neglect
☐ Indigent Status ☐ State Agency v. Indigent Party
☐ Sexually Violent Predator Act ☐ Post-Conviction Relief
☐ Motion for Stay in Bankruptcy
☐ Motion for Publication ☐ Motion for Execution (Rule 69, SCRCP)
☐ Proposed order submitted at request of the court; or,
reduced to writing from motion made in open court per judge's instructions
Name of Court Reporter:
☐ Other:

JUDGE'S SECTION

- ☐ Motion Fee to be paid upon filing of the attached order.
☐ Other:

JUDGE

CODE: Date:

CLERK'S VERIFICATION

Collected by: _____

Date Filed:

☐ MOTION FEE COLLECTED: _____

STATE OF SOUTH CAROLINA
COUNTY OF NEWBERRY

) IN THE COURT OF COMMON PLEAS
) FOR THE EIGHTH JUDICIAL CIRCUIT
)
) Case No. 2008-CP-36-417

Travelers Property Casualty
Company of America and The
Travelers Indemnity Company of
Illinois,

Plaintiff,

vs.

Senn Freight Lines, Inc.

Defendant.

)
)
)
) PLAINTIFF MOTION FOR
) JUDGMENT NOTWITHSTANDING
) THE VERDICT/NEW TRIAL
) ABSOLUTE
)
)
)

The undersigned hereby certifies that he/she is employed in the Law Office of Roberts Law Group, LLC, Attorneys and Counselors at Law, and that she has mailed, on the date set forth below, a copy of the document described below, in the above entitled action to the following with proper postage affixed thereto:

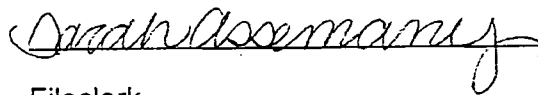
TO: Jackie S. Bowers, Clerk of Court
Newberry County Circuit Court
P.O. Box 278
Newberry, SC 29108

W. Chad Jenkins, Esquire
Pope & Hudgens Attorneys, P.A.
P.O. Box 190
1508 College Street
Newberry, SC 29108

Judge Eugene C. Griffith Jr.
Eighth Judicial Circuit Court
P.O. Box 375
Newberry, SC 29108

DOCUMENT: Plaintiff's Motion for Judgment Notwithstanding
the Verdict/New Trial Absolute

DATE OF MAILING: August 13, 2010



Fileclerk

IN THE COURT OF COMMON PLEAS
FOR THE EIGHTH JUDICIAL CIRCUIT

Case No. 2008-CP-36-417

PLAINTIFF MOTION FOR JUDGMENT
NOTWITHSTANDING THE
VERDICT/NEW TRIAL ABSOLUTE

VS.

Defendant.

In ruling on a motion for judgment notwithstanding the verdict the trial court must view the evidence and inferences in the light most favorable to the nonmoving party and must deny the motions if either the evidence yields more than one reasonable inference or

its inferences are in doubt. Buff v. South Carolina Dept. Of Transp. 332 S.C. 472, 505 S.E.2d 360 (Ct.App.1998) rehearing denied, certiorari granted, reversed on other grounds, 342 S.C. 416, 537 S.E.2d 279. The verdict will be upheld if there is any evidence to sustain the factual findings implicit in the jury's verdict. Hilton Head Island Realty, Inc. v. Skull Creek Club, 287 SC 530, 339 SE2d 890 (Ct. App. 1986). When considering a motion for judgment notwithstanding the verdict, the trial judge cannot disturb the factual findings of a jury unless a review of the record discloses no evidence which reasonably supports them. Horry County v. Laychur, 315 SC 364, 434 SE 2d 259 (1993). In making the determination, the judge must view the evidence and all its inferences in the light most favorable to the nonmoving party. Id. Furthermore, if more than one reasonable inference exists, the jury verdict must stand. Id.

"When considering a motion for a new trial based on the inadequacy or excessiveness of the jury's verdict, the trial court must distinguish between awards that are merely unduly liberal or conservative and awards that are actuated by passion, caprice, or prejudice." Elam v. S.C. Dep't of Transp., 361 S.C. 9, 27, 602 S.E.2d 772, 781 (2004). There can be no doubt that a trial judge has the discretionary power to grant a new trial absolute...upon his disapproval of the verdict on factual grounds, and in this role he has been recognized and designated as the thirteenth juror. Worrell v. South Carolina Power Co. 186 S.C. 306 195 S.E. 638 (1938). Such discretion is founded upon the facts, the evidence, the witnesses, the trial circumstances, the verdict and the judge's view of them. Fallon v. Rucks 217 S.C. 180, 60 S.E.2d 88 (1950). Nor does it follow that because under the law the trial judge is compelled to submit the issues to the jury, he

cannot grant a new trial absolute. As has often been said, the trial judge is the thirteenth juror, possessing the veto power to the Nth degree, and, it must be presumed, recognizes and appreciates his responsibility, and exercises the discretion vested in him with fairness and impartiality. Worrell, supra.

As to Plaintiff's Breach of Contract:

The policy itself listed "long distance drivers" and included the job classification code 7229 for these drivers. Despite the fact that there was an "if any" payroll amount recited does not change the fact that by the face of the policy, drivers would have been covered.

Additionally, the policy itself provides that it will pay benefits. It also provides that the premium is to be based on the amount paid (remuneration) upon an audit at the conclusion of the policy term. Furthermore, there was no question with regard to any ambiguity in relation to the term "remuneration" since the jury found simply, erroneously, that the policy did not include drivers. The jury stated spontaneously and specifically (without the court's direction or instruction) on the verdict form that, in their opinion, the policy only included office/clerical and warehousing and completely ignored the inclusion on the policy of the class code for drivers. This class code designation was specifically pointed out and explained during trial and there was no evidence to refute that this 7229 was indeed the class code for drivers. There was no other evidence offered that the policy did not cover drivers and thus there is no other reasonable inference that exists regarding the coverage extended by the policy. Creighton v. Coligny Plaza Ltd Partnership 334 S.C. 96, 512 S.E.2d 510 (Ct.App.1998) rehearing denied. ("Directed

verdict or judgment notwithstanding the verdict should not be granted unless only one reasonable inference can be drawn from the evidence...”)

As discussed above, there is no reasonable inference regarding the non-leased drivers (as well as no evidence that the leased drivers were covered during the gap periods discussed in the Plaintiff's case in chief). The unrefuted evidence in the record was that the non-leased drivers, referred to by the Defendant as “owner/operators” or “subcontractors” or “independent contractors”, were performing activities that were a part of the trade or business of the owner, Senn Freight Lines. Other unrefuted evidence was that Senn was a long-distance trucking company that hauls loads for its customers/clients around the country in all 48 states and that the individuals in question, were driving trucks and hauling loads for Senn. This activity meets at least two of the criteria established by the appellate courts in South Carolina for these drivers to be considered statutory employees of Senn Freight lines. First, the activity was an important part of Senn's trade or business. Second, and more importantly, the activity was a necessary, integral and essential part of Senn's trade or business. Without these drivers hauling loads for Senn Freight Lines, the company would not exist.

The Defendant's argument that because the drivers owned their own vehicles/equipment and/or exercised their own judgment with regard to the routes they took made them “independent” thus, not statutory employees, is irrelevant. According to the Supreme Court's decision in Smith v. T.H. Snipes & Sons, Inc., 306 S.C. 289, 411 S.E.2d 439 (S.C. 1991), there is nothing in section 42-1-400 that would exclude a self named “independent contractor” from being a statutory employee for purposes of the

Workers Compensation Act. Rather, in quoting Bailey v. Owen Elec. Steel Co. of S.C., 298 S.C. 36, 378 S.E.2d 63 (1989) the Court reiterated that there are three prongs in determining whether someone is a statutory employee for purposes of the Act. These three prongs are:

1. Whether the activity is an important part of the trade or business;
2. Whether the activity is a necessary, essential and integral part of the business; and
3. Whether the identical activity in question has been performed by employees of the principal employer.

Indeed, the specific code section, 42-1-400, refers to the "workman." Furthermore, the individual in the Smith case could also have called himself an "independent contractor," as he was "a self-employed welder and sole proprietor."

There is no argument that the drivers in the case at bar were likewise sole proprietors and may have also called themselves "independent contractors." However, the question does not stop there. The determination of whether a claimant qualifies as an employee or a true independent contractor for workers' compensation purposes is "a fact-specific determination reached by applying certain general principles." S.C. Workers' Comp. Comm'n v. Ray Covington Realtors, Inc., 318 S.C. 546, 547, 459 S.E.2d 302, 303 (1995). Among these principles is "South Carolina's policy to resolve jurisdictional doubts in favor of the inclusion of employers and employees under the Workers' Compensation Act." Dawkins v. Jordan, 341 S.C. 434, 439, 534 S.E.2d 700, 703 (2000) (citing Spivey v. D.G. Constr. Co., 321 S.C. 19, 21, 467 S.E.2d 117, 119 (Ct.App.1996)). While other cases since Snipes have found additional determinations, these holdings remain the gold standard as to whether a workman is, for purposes of workers'

compensation law, an independent contractor. See Posey v. Proper Mold & Engineering, Inc., 378 S.C. 210, 661 S.E.2d 395 (Ct.App. 2008) in affirming the validity of the Snipes test:

“Three tests are applied to determine whether the activity of an employee of a subcontractor is sufficient to make him a statutory employee of the contractor within the meaning of section 42-1-410: (1) Is the activity an important part of the contractor's business or trade? (2) Is the activity a necessary, essential, and integral part of the contractor's trade, business, or occupation? or (3) Has the identical activity previously been performed by the contractor's employees? Edens v. Bellini, 359 S.C. at 433, 443, 597 S.E.2d at 863, 868; Olmstead v. Shakespeare, 354 S.C. 421, 425, 581 S.E.2d 483, 486 (2003); Boone v. Huntington and Guerry Elec. Co., 311 S.C. 550, 553, 430 S.E.2d 507, 509 (1993).” Riden v. Kemet Elec. Corp., 313 S.C. 261, 263-64, 437 S.E.2d 156, 157-58 (Ct.App.1993); see also Meyer v. Piggly Wiggly No. 24, Inc., 338 S.C. 471, 473, 527 S.E.2d 761, 763 (2000) (holding there are three tests used to determine whether an employee was “engaged in an activity that is part of the owner's trade, business, or occupation”); Smith v. T.H. Snipes & Sons, Inc., 306 S.C. 289, 292, 411 S.E.2d 439, 441 (1991) (listing the three factors of the statutory employee test); Revels v. Hoechst Celanese Corp., 301 S.C. 316, 318, 391 S.E.2d 731, 732 (Ct.App.1990) (finding the test used to determine if one is a statutory employee is “whether or not [the work] being done is or is not a part of the general trade, business or occupation of the owner”). **If the activity at issue meets even one of these three criteria, the worker qualifies as the statutory employee of the owner.** Edens v. Bellini, 359 S.C. 433, 597 S.E.2d 863 (S.C.App. 2004), (emphasis added) 359 S.C. at 443, 597 S.E.2d at 868; Olmstead, 354 S.C. at 421, 581 S.E.2d at 483. Any doubts as to a worker's status should be resolved in favor of including him or her under the Workers' Compensation Act. Edens, 359 S.C. at 443, 597 S.E.2d at 868; Riden, 313 S.C. at 263, 437 S.E.2d at 158.”

Finally, the Supreme Court recently affirmed a decision of the Workers' Compensation Commission that was almost identical factually to this situation. Massey v. Werner Enterprises. Memorandum Opinion No. 2009-MO-034 Submitted June 24, 2009 – Filed June 29, 2009. Although this decision is an unpublished opinion, it offers significant persuasive value. Most importantly, it is an appeal of the Workers Compensation Commission that considered the very factual issue as that which confronts the Court in this case and confirms that the non-leased drivers referred to as owner/operators are

indeed considered statutory employees for purposes of the Workers Compensation Act and are therefore properly considered when the premium for this policy is calculated.

Defendant's Claim for Breach of Contract.

The Plaintiff requested the records from Defendant in accordance with the policy/contract. Both parties had initially agreed to an estimated premium with the full understanding that the Plaintiff had a right to review and audit the Defendant's records. Therefore the Defendant had an obligation under the contract to provide the records. The records of the audit document that Defendant did not produce all of the necessary records and the Defendant even testified at trial that the records were again requested from it. The Plaintiff offered testimony that some of the necessary records were never produced and the Defendant did not refute this. The Plaintiff had a right to cancel the policy upon the failure of the Defendant to produce the records. As to the Defendant's argument as to the unearned premium, the contract was clear that this premium was estimated. Upon the audit, such as it was without all of the requested documentation, the estimated premium paid was insufficient. Therefore, there was no "unearned premium" to be refunded to the Defendant, despite the early cancellation.

Defendant's Claim for Bad Faith.

South Carolina recognizes insurance bad faith in situations where the insurer unreasonably fails to pay either first or third party benefits. Refusal to pay benefits due under the contract is a necessary element to this cause of action. Walters v. Canal Insurance Co. 294 S.C. 150, 363 S.E.2d 120 (Ct. App. 1987) Cook v. Mack's Transfer

and Storage, 291 S.E. 861, 352 S.E.2d 296, 299 (Ct. App. 1986) *cert denied*, 292 S.C. 230, 355 S.E.2d 861 (1986) In the most recently published case in South Carolina alleging a bad faith rescission of an insurance policy, the Appellate Court while specifically taking up the question of punitives, again implies that the insurer's refusal to pay the benefits was the basis for upholding the jury's verdict as to bad faith. Mitchell v. Fortis, 358 S.C. 570, 686 S.E.2d 176 (2009). In the case at bar Travelers has never refused to pay benefits to the Defendant. On the contrary, it is undisputed that the reason for the cancellation was that the Defendant did not provide the necessary and agreed upon (by the terms of the contract) documents. Also, the evidence is not in dispute that the criteria for maintaining a policy under the Assigned Risk Pool is strictly controlled by NCCI (National Council of Compensation Insurance) and SCWCIP (South Carolina Workers Compensation Insurance Plan), not by Travelers. Therefore, mere cancellation, due to noncompliance by the Defendant, cannot be in bad faith. See Carolina Cable Network v. Alert Cable TV, Inc. 316 S.C. 98, 447 S.E.2d 199 (1994) for wrongful contract termination courts employ test whether done arbitrarily, maliciously or in bad faith.

In the case at bar, the Defendant simply re-alleges its breach of contract cause of action in the sheep's clothing of a bad faith claim. In fact, Defendant's counsel even admitted that the Defendant could not collect damages on both bad faith and breach of contract. Further, there is no evidence that Travelers' action was arbitrary, malicious or unreasonable. The only testimony was that the records were not produced and the Defendant's testimony that he thought the cancellation was in bad faith.

Defendant's Claim for punitive damages

The Plaintiff reasserts that because there was no bad faith cancellation, there can be no punitive damages. Notwithstanding, while states possess discretion over the imposition of punitive damages, it is well established that there are procedural and substantive constitutional limitations on these awards." State Farm v. Campbell, 538 U.S. 408, 416, 123 S.Ct. 1513, 155 L.Ed.2d 585 (2003). " To the extent an award is grossly excessive, it furthers no legitimate purpose and constitutes an arbitrary deprivation of property." Id. at 417. Further, South Carolina jurisprudence has specific standards to apply to punitive damages. First of these is reprehensibility. Reprehensibility is " perhaps the most important indicium of the reasonableness of a punitive damages award." Gore, 517 U.S. at 565, 116 S.Ct. 1589. " This principle reflects the view that some wrongs are more blameworthy than others." Id. In considering reprehensibility, a court should consider whether: (i) the harm caused was physical as opposed to economic; (ii) the tortious conduct evinced an indifference to or a reckless disregard for the health or safety of others; (iii) the target of the conduct had financial vulnerability; (iv) the conduct involved repeated actions or was an isolated incident; and (v) the harm was the result of intentional malice, trickery, or deceit, rather than mere accident.^[7] Campbell, 538 U.S. at 419, 123 S.Ct. 1513, quoted in Mitchell v. Fortis Ins. Co., 385 S.C. 570, 686 S.E.2d 176 (S.C. 2009).

It is apparent that even a cursory reading of the above indicia show that the Plaintiff would have had to have behaved in a manner more abominable than the evidence would ever suggest in the case at bar. The evidence in the present case shows, in a nutshell, that the Plaintiff requested records, the Defendant refused, and the Plaintiff

thereafter cancelled the policy. There was no indifference, malice or trickery. There was no reckless disregard for health or safety and no physical harm. The cancellation did not involve repeated actions on the part of the Plaintiff. Rather, it was the Defendant's repeated refusal to provide the necessary documentation that prompted the cancellation. In light of Mitchell, even IF the Plaintiff cancelled the policy in bad faith, punitive damages are not appropriate. In the alternative, should this court determine that punitive damages are appropriate, the amount that the jury awarded in the case at bar is excessive.

Defendant's Claim of Damages Due under the Surety Bond

Aside from his testimony, the Defendant produced no documentation of the existence of a surety bond. The only evidence in the record documented that the Defendant hauled a load. However, the Defendant could not even identify the proper entity that issued the surety bond. He testified that it was simply "Travelers." Upon cross-examination, the Defendant's witness conceded that the surety bond was issued by Travelers Casualty and Surety Company. The Plaintiff in the case at bar is Travelers Property Casualty Company of America and The Travelers Indemnity Company of Illinois. There was simply no evidence whatsoever linking the two entities beyond the common name of "Travelers." As a matter of law, there is absolutely no evidence that states Travelers Property Casualty Company of America and The Travelers Indemnity Company of Illinois would legally stand in the shoes of Travelers Casualty and Surety Company. For all of the above reasons, the Plaintiff respectfully requests that its Motion for Judgment Notwithstanding the Verdict be granted.

In the alternative, the Plaintiff moves for a New Trial Absolute on the same grounds previously argued above and, in addition, on the following:

As an initial consideration, it is undisputed that the Defendant is a local business that has been in business and employed many citizens of Newberry County for many years. It is also undisputed that Travelers Property Casualty Company of America and The Travelers Indemnity Company of Illinois is not a local company.

A trial judge, sitting as the thirteenth juror, is charged with the duty of seeing that justice is done and has the authority to grant new trials when he is convinced that a new trial is necessitated on the basis of the facts in the case. Graham v. Whitaker, 282 S.C. 393, 321 S.E.2d 40 (1984). Traditionally, in South Carolina, circuit court judges have the authority to grant a new trial upon the judge's finding that justice has not prevailed. Todd v. Owen Indus. Prods., Inc., 315 S.C. 34, 431 S.E.2d 596 (Ct.App.1993). Similarly, the judge may grant a new trial if the verdict is inconsistent and reflects the jury's confusion. Johnson v. Parker, 279 S.C. 132, 303 S.E.2d 95 (1983). See also Johnson v. Hoechst Celanese Corp., 317 S.C. 415, 453 S.E.2d 908 (Ct.App.1995) (under " thirteenth juror doctrine," trial court may grant new trial if judge believes verdict is unsupported by evidence and, similarly new trial may be granted if verdict is inconsistent and reflects jury's confusion). Youmans ex rel. Elmore v. South Carolina Dept. of Transp., 380 S.C. 263, 670 S.E.2d 1 (Ct.App. 2008)

The recent case of Dillon v. Frazer, 383 S.C. 59, 678 S.E.2d 251 (2009), provides guidance on jury confusion or its inability to follow instructions. In Dillon, the Plaintiff presented evidence of over \$500,000 in damages as a result of an accident. While portions of the Plaintiff's damages claim were contested, unchallenged testimony at trial

established at least \$30,026 in undisputed damages. (Liability was admitted.) However the jury returned a verdict for only \$6,000.00. On appeal, the Court found that the disparity between the award and the admitted damages went beyond a merely conservative award and suggests that the jurors were motivated by improper considerations. Quoting Sullivan v. Davis, 317 S.C. 462, 467, 454 S.E.2d 907, 911 (Ct.App.1995). the Court found that the "[t]he jurors obviously did not follow the court's instructions..."

In the case at bar, the jury was unable or unwilling to follow the instructions of the verdict form. According to the jury's responses to the interrogatory verdict form Question 1, it found that the policy did not extend to drivers. The jury, without direction, wrote a specific response not requested by the court or by the parties. Thereafter, a negative response on Question 2 directed the jury to Question 4. However, the jury instead answered Question 3. Following Question 4, a negative response directed the jury to Question 6. However, despite another negative response, the jury proceeded to answer Question 5. These responses show, at best, confusion as to the court's specific direction.

In addition, the Defendant testified at trial¹ that it was his opinion that Travelers waited to bring this action until after the two year statute of limitations had run for workers compensation claims and that, therefore, Travelers knew that it would have no claims and thus all premiums that it collected would be without any offsetting costs of claims. While this opinion may have been admissible during trial, the Defendant failed to plead any equitable defense such as unclean hands. See Rule 12(b), SCRCP (every

¹ And counsel for the Defendant reminded the jury at several junctures

defense must be asserted in the responsive pleading); Rule 8(c), SCRCP (in a responsive pleading a party " shall set forth affirmatively ... any other matter constituting an avoidance or affirmative defense."). While there were, correctly, no jury instructions on this matter, it is more than plausible that the jury improperly allowed this opinion to influence its decision. The Plaintiff cannot know with any certainty that this affected the jury's decision, it can however reasonably surmise that *something* in addition to the specific jury instructions given by the court confused or tainted the jury as there was, in each cause of action, not adequate evidence to support the jury's verdict. At the point where this occurs, it is wholly proper for the trial judge to "hang" the jury.

As to the Defendant's Bad Faith counterclaim, (as discussed above and incorporated herein) upon recollection of the judge's instructions, there was nothing that indicated there were any legal underpinnings whatsoever to find a bad faith denial of coverage and/or cancellation. Again, the jury was, at best, confused and did not properly follow the trial judge's charge. (As previously noted, Defendant's counsel even admitted that his client could not prevail on both breach of contract and bad faith cancellation. Yet, despite this, the jury found damages for breach of contract as well as for bad faith cancellation.)

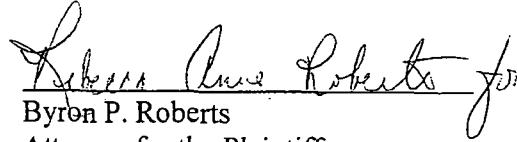
Even if there had been such an instruction, there is no evidence, much less clear and convincing evidence, that Travelers acted in any such manner. As the Plaintiff adequately presented at trial, the Defendant's policies in question are placed under the Assigned Risk Pool. Travelers has specific requirements to follow, both in its audit requirements and in its cancellation policies. These requirements are set by NCCI and SCWCIP and are followed by every insurance provider in the Pool. Based on the

Defendant's admitted failure to provide all of the documents, Travelers could not have retained Senn Trucking under these policies regardless. For the above reasons, the Plaintiff respectfully requests that this motion be granted either by Judgment Notwithstanding the Verdict or New Trial Absolute.

As to the jury's decision regarding the Defendant's claim on the surety bond, the jury imputed a contract between the Plaintiff and a third party without ever even seeing the surety bond! That the jury could find liability of this Plaintiff based on no evidence and only Mr. Senn's testimony that there was a bond and that somehow he lost money to a third party because the Plaintiff (of whom there was no evidence of involvement) refused to pay on the bond, borders on the absurd.

The Defendant could have easily provided the bond and documentation to bolster his allegation that the bond holder and the Plaintiff were one in the same. But he did not. He brought only unfounded allegations with absolutely no legal foundation to prove his position. However, (again) the jury bought the Defendant's argument, hook, line and sinker. It is the Plaintiff's position that had the jury made a considered and logical decision on this last (and decidedly most obviously) non meritorious allegation, the Plaintiff's case for JNOV or a new trial might not be so strong as to the prejudice of this particular jury against the Plaintiff. However, the jury did not give a considered and logical response to this question. Given this finding it is obvious that the jury was collectively prejudiced against the Plaintiff and could not or would not follow the law and decide the case with reason and impartiality. Respectfully, under the prevailing attitude and sentiment of this jury, it is the right and the duty of the trial judge to assert his power as the thirteenth juror.

Respectfully Submitted,

A handwritten signature in cursive script, appearing to read "Byron P. Roberts", is written over a horizontal line.

Byron P. Roberts
Attorney for the Plaintiff
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August 13, 2010

Case 2008-CP-36-417
Motion JNOV

1 impartial jurors to make our system work, to decide
2 disputes between parties. So I want to thank you for being
3 here and for taking the time to be here. I know it's sort
4 of forced upon you but you're service is appreciated by
5 everyone here today. Now, Travelers sued Senn Trucking in
6 this case and said -- Senn Freight Lines, you owe us a
7 hundred and ninety-something thousand dollars in additional
8 premiums. Now, keep in mind a couple of things that I --
9 the initial premium was set I think like three thousand and
10 then went up to about four thousand the second year and
11 then about five thousand the third year. Then they send a
12 bill saying you owe us a hundred and ninety-seven thousand
13 dollars. Why? Because they're saying we want all the
14 truckers too. We want to cover all of these truckers
15 during this time period and you need to pay us more.
16 Travelers never got a claim, never paid out any, never saw
17 a claim come through them from anyone, much less Senn
18 Freight Lines asking them to pay. Now, there were claims
19 during this time period. You know who covered them? The
20 PEO's, the Professional Employee Organizations. I'll
21 explain to you in just a little bit and you'll hear it on
22 the stand also. Or they're independent contractors who have
23 their FICA insurance that covers them should they become
24 injured on the job. Owner/operators, they work in the same
25 fashion. Travelers wants to cover all of those people too.

1 behind me is my new law clerk, Kaitlin Nobles. Her first
2 day was yesterday and it was quite a day and here we are in
3 our second day and we've already started her second trial.
4 I think that's everybody in the courtroom. All right. To
5 that explanation, we're now ready to begin the testimony.
6 Mr. Roberts.

7 MR. ROBERTS: Thank you, Your Honor. The
8 Plaintiff's would call Danny Senn, please.

9 THE CLERK: Place your left hand on the Bible,
10 raise your right.

11 DANNY SENN,

12 BEING FIRST DULY SWORN, TESTIFIED AS FOLLOWS:

13 DIRECT EXAMINATION

14 BY MR. ROBERTS:

15 Q. Now, Mr. Senn, you are originally from the Newberry
16 area. You were born here and grew up. Is that right?

17 A. Yes.

18 Q. Okay. You went to school through high school and then
19 graduated from Newberry College. Is that correct?

20 A. Yes, sir.

21 Q. And what was your course of study at Newberry?

22 A. Accounting.

23 Q. Okay. And after you finished Newberry, you practiced
24 as a certified public accountant about ten years. Is that
25 right?

1 A. Yes, sir. It is.

2 Q. You took the CPA Exam and passed it and were licensed
3 or certified?

4 A. Yes, sir.

5 Q. Okay. And in your experience as a CPA, you're
6 familiar with accounting practices. Is that correct?

7 A. Yes, sir.

8 Q. You're familiar with financial reports and tax returns
9 and audits. Is that correct?

10 A. Yes, sir.

11 Q. And you're very aware of the need as an accountant to
12 review complete records in order to have a complete audit,
13 to verify the financial records. Is that correct?

14 A. Yes, sir.

15 Q. And you need that type of valid audit to make a final,
16 conclusion whether it's a tax matter or some other matter.
17 Is that correct?

18 A. Yes, sir.

19 Q. You need to review general ledgers and disbursement
20 journals and tax forms, tax filings and so forth in order
21 to verify exactly where the money's going, find out where
22 it's going. Is that right?

23 A. If it's applicable.

24 Q. I'm sorry.

25 A. If it's applicable.

- 1 Q. If it's?
- 2 A. Applicable.
- 3 Q. Such as payroll records ---
- 4 A. Yes.
- 5 Q. --- those would be absolutely critical. Isn't that
- 6 right?
- 7 A. Yes, sir.
- 8 Q. Now, you practiced as a CPA for about ten years.
- 9 Where was that in ---
- 10 A. Greenville, South Carolina.
- 11 Q. Greenville? Okay. And you and your family have been
- 12 running this trucking business since you were a kid. Is
- 13 that right?
- 14 A. Mid-50's.
- 15 Q. Okay. And you had it in your blood and you just
- 16 really needed to get back. Is that right?
- 17 A. Yes, sir. That's pretty much it.
- 18 Q. Okay. And you came back, it would have been early
- 19 '90's. Is that right?
- 20 A. Approximately 1985.
- 21 Q. '85, okay. And Senn Freight Lines as exist today
- 22 started in the early '90's. Is that right?
- 23 A. That's true.
- 24 Q. Okay. And you are the President of Senn Freight
- 25 Lines?

1 A. Yes, sir.

2 Q. And I believe from my understanding you wear a lot of
3 hats. Isn't that right?

4 A. Unfortunately, I do.

5 Q. And you oversee a lot of the operations and so forth.
6 Is that right?

7 A. Yes, sir.

8 Q. Now, what exactly does Senn Freight Lines do?

9 A. Well, we're technically a for-hire carrier. And we
10 operate in forty-eight states. We operate, right now,
11 exclusive flat-beds. We haul any kind of cargo nationwide
12 that you can place on a flat-bed.

13 Q. So you get -- when you say you're "for-hire," that
14 means you get a call from someone that says, hey, Mr. Senn,
15 we've got a load of freight we need you to move for us.

16 A. That's how it works.

17 Q. And you send out your driver's and they'll pick it up
18 and take it somewhere?

19 A. Yes, sir.

20 Q. Now, going back to 2003, 2004 and 2005, is it fair to
21 say that Senn's operations, your employees, your officers,
22 your payroll was about four or five million dollars. Is
23 that right?

24 A. All total?

25 Q. Yes.

1 A. I don't think it would be quite that high. It would
2 be between three and four.

3 Q. I'm sorry?

4 A. It would be between three and four, I think.

5 Q. Okay. Because you were paying ---

6 A. You're back five years ago.

7 Q. Right.

8 A. So I think it would be between three and four million.

9 Q. Okay. And now as far as your responsibilities as
10 President of Senn Freight Lines, you were involved with
11 procuring insurance coverages. Is that right?

12 A. Yes, sir.

13 Q. And you were directly involved in procuring the
14 worker's compensation insurance coverage that's at issue in
15 this case. Is that correct?

16 A. Yes, sir.

17 Q. Okay. I'm going to hand you what's been marked ---

18 MR. ROBERTS: --- and I assume there's no
19 objection to these? No, objection to the Exhibits ---

20 MR. JENKINS: No.

21 MR. ROBERTS: Okay. Your Honor, I'd like to
22 admit this into evidence, without objection. Plaintiff's
23 ---

24 THE COURT: Have you given them to Ms. Herron?

1 Q. Okay. Now, I'm going to refer you to the policy. We
2 can just -- and they're essentially the same thing, right?

3 A. Right.

4 Q. I believe you refer to these as standard assigned risk
5 policies, is that right?

6 A. That's what I call them. They all say -- they all
7 pretty much have the same wording in them.

8 Q. Okay. All right. Now, I'm looking at them real
9 quick. I just want to go over a couple of things with you.
10 If you'll flip over ---

11 MR. ROBERTS: Your Honor, If I may approach the
12 witness?

13 THE COURT: You may.

14 Q. --- let me just direct you here to this page right
15 here.

16 A. It's the same thing.

17 Q. The one on the last - there we go. All right. Now,
18 Mr. Senn, if you -- if you could, in your experience as
19 President of Senn Freight Lines, and as an accountant,
20 you're familiar with how the premium on these policies is
21 calculated. Is that correct?

22 A. Yes, sir.

23 Q. Okay. And you understand that it's based on your
24 payroll. Is that right?

25 A. Yes, sir.

1 Q. And you understand that the initial policy premium is
2 an estimate, right?

3 A. Correct.

4 Q. And it's based on the information that you provided to
5 your agent when you submitted that application right before
6 the issuance of this policy. Is that correct?

7 A. Yes, sir.

8 Q. And according to this policy -- well, let me back up.
9 It breaks down job classification codes. Is that right?

10 A. Yes, sir.

11 Q. You're familiar with those and the relative risks for
12 those different jobs. Is that correct?

13 A. Yes, sir.

14 Q. Okay. Now, your policy applies to class code 8810,
15 which is clerical and office employees. Is that right?

16 A. That is correct.

17 Q. And it lists an estimate of four hundred thirty-four
18 thousand, four hundred and sixty dollars. Is that right?

19 A. Yes, sir.

20 Q. And the rate per one hundred dollars of remuneration,
21 which I love to say that word -- but that's basically a
22 fancy way of saying your payroll. Is that right?

23 A. That's correct.

- 1 Q. Okay. Now, it also has this other class code,
2 trucking long distance hauling, all employees and drivers.
3 It's got a 7229. Is that right?
- 4 A. Yes, sir.
- 5 Q. Okay. And it list, And if any payroll. Is that
6 correct?
- 7 A. Yes, sir.
- 8 Q. Okay. That's because you didn't report any payroll to
9 your agent when you submitted this application. Is that
10 right?
- 11 A. The driver payroll is excluded.
- 12 Q. Okay. You didn't intend. You didn't submit that
13 information as a potential for your driver's. Is that
14 correct?
- 15 A. Correct.
- 16 Q. Because at the time, you were using some leasing
17 companies. Is that right?
- 18 A. The driver's were covered by the PEO's.
- 19 Q. Okay. And the PEO was the one that carried the
20 insurance. Is that right?
- 21 A. Yes, sir.
- 22 Q. Now, you also at this time you were engaging these
23 sub-contractors. Is that right?
- 24 A. Yes, sir.

1 Q. Okay. And you required them to have workers'
2 compensation insurance?

3 A. Yes, sir.

4 Q. Okay. We'll come back to that in a minute. Now, just
5 going over the rate for this premium, it's thirty-one cents
6 for the employees per every hundred dollars. Is that
7 right?

8 A. Yes, sir.

9 Q. So the initial estimated premium was one thousand
10 three hundred and forty-seven dollars. Is that right?

11 A. That's correct.

12 Q. Now, the rate for the truck drivers, that's a bit
13 higher. That's ten dollars and forty-seven cents per
14 hundred dollars of payroll. Is that right?

15 A. Yes, sir.

16 Q. So it's roughly about ten and a half cents on each
17 dollar?

18 A. Yes, sir.

19 Q. All right. Now, I'm going to ask you if you will flip
20 over now to part one, a couple of pages over. And I refer
21 you to part one (a).

22 A. Okay.

23 Q. All right. And this policy applies to -- this
24 workers' compensation insurance applies to bodily injury by
25 accident or bodily injury by disease. Is that right?

1 Q. If they had their own coverage under workers'
2 compensation.

3 A. I'm just alluding to your assumption. If somebody
4 comes with their own insurance, they' not ---

5 Q. Right. And they're not going to come under this
6 policy.

7 A. That's right.

8 Q. If they don't have their own insurance, they come
9 under this policy. Is that correct?

10 A. It's possible. This policy excludes a lot of people.
11 Not everybody's going to go under this policy.

12 Q. It excludes the lease drivers when there under the
13 leasing arrangement. Is that correct?

14 A. That is exactly what it excludes.

15 Q. Now, the policy also provides, and you're aware of
16 this that you were subject to being audited. Is that
17 correct?

18 A. Yes.

19 Q. Okay. And that means that you were obligated and
20 Traveler's had a right to review your books, disbursement
21 journals, general ledgers and all that information that you
22 said a few minutes ago was vital to conducting a complete
23 and accurate and reliable audit. Is that correct?

24 A. An auditor can look at what has happened. That
25 doesn't mean every record we have.

- 1 A. An owner/operator is an independent contractor.
- 2 Q. Okay. But you gave them a call to go pick up the load
- 3 and they called you and you gave them instructions about
- 4 the load and where it goes. Is that right?
- 5 A. Yes, sir.
- 6 Q. And that's an important part of what Senn does, isn't
- 7 it?
- 8 A. It's minor compared to the hauling itself.
- 9 Q. Hauling loads is what Senn does?
- 10 A. Hauling a load but an owner/operator is minor and we
- 11 have a few.
- 12 Q. Only a few though, it's still what Senn does, isn't
- 13 it?
- 14 A. Senn hauls freight, sir. And we use ---
- 15 Q. And those owner/operators ---
- 16 A. And we use primarily Senn drivers.
- 17 Q. And those ---
- 18 A. Owner/operators only account for two or three guys,
- 19 maybe four or five at any point in time. That's it. So
- 20 that is minor ---
- 21 Q. Is it now?
- 22 A. --- compared ---
- 23 Q. Is it now or was that back then?
- 24 A. That's been the last, probably the last half a dozen
- 25 years or so. We've never had many owner/operators.

1 Q. Okay. That's what you paid these fellows. Is that
2 right?

3 A. That's gross commissions.

4 Q. Okay. That would represent anywhere from fifteen to
5 almost thirty percent of what your driver payroll was, if
6 it was two to three million dollars. Is that right?

7 A. That's not a fair, apples-to-apples comparison. The
8 owner/operator is responsible for all expenses. A truck
9 driver is paid a wage. Historically speaking, workers'
10 compensation analyst have described the commission of
11 owner/operators as one-third of paid wages.

12 Q. Did you get a contract with each one of these guys?

13 A. Absolutely.

14 Q. And you verified they had workers' compensation
15 insurance coverage?

16 A. Yes, sir.

17 Q. Now 2004, Exhibit 5.

18 A. I have it.

19 Q. You got that?

20 A. I got it.

21 Q. You had Wright again and you had Taylor again, Houser,
22 GEO, Ward, Abney.

23 A. Yes, sir.

- 1 Q. And another one ASAP Logistics. You paid them six
2 hundred and fifty-three thousand a hundred and eighty-six
3 dollars?
4 A. Again, it's gross commissions.
5 Q. That's what you paid them to haul your loads. Is that
6 right?
7 A. All their expenses have to come from that.
8 Q. That's what you paid each one of these to haul your
9 loads. Is that right?
10 A. That's gross commission, sir.
11 Q. And that totaled six hundred and fifty-three thousand,
12 one hundred and eighty-six?
13 A. If your math is correct.
14 Q. And then 2005, do you want to take a look at that one?
15 A. I have it.
16 Q. And in 2005 you paid these fellows over a million
17 dollars. Is that right?
18 A. Yeah. If your math is correct.
19 Q. You want to check that?
20 A. No.
21 Q. So over this three-year period of time, you paid these
22 drivers approximately two point three million dollars. Is
23 that right?
24 A. In gross commissions that might be true.

1 Q. All right. Now, Mr. Senn, do you remember when I took
2 your deposition back in March and I asked you about these
3 independent or these sub-contractors or whatever these
4 drivers were that are hauling these loads. You remember I
5 asked you about the insurance coverage they had?

6 A. I think you did, yes, sir.

7 Q. Okay. And do you recall specifically the question I
8 had?

9 A. Not specifically.

10 Q. Do you recall me asking you about the documentation
11 you provided to me for what coverage they had?

12 A. We probably provided proof of the coverage.

13 Q. You, in fact, provided documentation of an
14 occupational accident policy. Is that correct?

15 A. Yes, sir.

16 Q. That's not workers' compensation is it?

17 A. Yes, it is. It's not statutory, but it is workers'
18 compensation.

19 (WHEREUPON, Plaintiff's Exhibit Number 7 was marked
20 for identification.)

21 MR. ROBERTS: You Honor, I would admit this into
22 evidence without objection.

23 THE COURT: It hasn't been identified to me.

24 MR. ROBERTS: Oh, I'm sorry. This is -- let me
25 -- I apologize, Your Honor. Forgive me.

1 Q. Mr. Senn, I'm going to hand you what's been marked for
2 identification purposes as Plaintiff's Exhibit 7.

3 A. Okay.

4 Q. Can you identify that document?

5 A. This seems to be a certificate of insurance ---

6 Q. Is that a -- I'm sorry. I apologize. I didn't mean
7 to cut you off.

8 A. It appears to be a certificate of insurance for one
9 policy.

10 Q. Okay. That's for one of the occupational accident
11 policies. Is that right?

12 A. Yes, sir.

13 Q. Is that -- would that be an example of what you
14 provided to Traveler's when they asked for proof of that
15 coverage?

16 A. Yes, sir.

17 MR. ROBERTS: Your Honor, I'd now move that into
18 evidence.

19 THE COURT: Any objection?

20 MR. JENKINS: No objection.

21 THE COURT: All right. Plaintiff's Exhibit 7 is
22 admitted into evidence without objection.

23 (WHEREUPON, Plaintiff's Exhibit Number 7 is admitted
24 into evidence.)

25 Q. Now, Mr. Senn, if you look down at the very bottom,

1 item three, second sentence down there. Will you read what
2 that sentence says?

3 A. All right. I'm looking at the bottom. Now, what are
4 you talking about?

5 Q. Item three, second sentence there.

6 A. I have item two. Then I have item four. There --
7 here. I see what you're talking about. You want the
8 second sentence?

9 Q. Yes, sir.

10 A. All right. This policy does not provide workers'
11 compensation coverage nor provide coverage for --

12 Q. Now, let me just ask you real quick, Mr. Senn,
13 referring to page 65 of your deposition in March.

14 MR. ROBERTS: Your Honor, may I approach the
15 witness?

16 THE COURT: You may.

17 Q. Okay. Mr. Senn, I don't mean to crowd you. I
18 apologize, but you recall there, if you want to read from
19 line 1 to down about to line 5.

20 MR. JENKINS: So what's he reading?

21 MR. ROBERTS: Line 1 through about 5.

22 MR. JENKINS: Your Honor, he's asking him to read
23 the question and the answer.

24 MR. ROBERTS: No, I'll read the question. I'm
25 just asking him to -- to refresh his memory.

1 MR. JENKINS: Okay.

2 Q. Do you remember when I asked you that question?

3 A. Yes. I do also recall, as it says right here, do not
4 confuse workers' compensation with statutory compensation.

5 Q. Let me, let me -- in fact, let me read this. I asked
6 you the question. Now, down here at the bottom it says
7 that this policy does not provide workers' compensation.
8 Is that correct?

9 A. Yes, sir.

10 Q. And you say it's technical an unprofessional accident
11 policy. Do not confuse workers' compensation with
12 statutory compensation. Nobody pretends that's statutory
13 workers' compensation. So you testified right there this
14 is not -- this does not satisfy the laws of South Carolina
15 for workers' compensation for these --

16 A. No, sir. That's not what I'm saying. I said it's
17 workers' compensation. The independent owner/operator is
18 not required to have statutory workers' compensation, which
19 is required within the law. So the owner/operator is not
20 required to have it. That is what I'm saying.

21 Q. It says right down there that this policy is not
22 workers' compensation though, didn't it?

23 A. Well, you're playing with words again. Statutory is
24 one thing. Workers' compensation is something else.

1 Q. All right. And Christopher Roper is not listed as one
2 of your drivers, is he, for any one of three years. Is
3 that right?

4 A. I didn't list them, but, yes.

5 Q. So he's not here. So this certificate's not for
6 anybody that you even engaged to do your work. Is that
7 right?

8 A. Well, he obviously was with us at one point.

9 Q. Now, Mr. Senn, you also back in October 17, 2005, you
10 met with the auditor. Is that correct?

11 A. I did.

12 Q. Okay. And you provided certain information about your
13 payroll records. Is that right?

14 A. That is correct.

15 Q. And part of the examination involved the drivers that
16 were lease -- or were drivers that you leased from the
17 leasing companies. Is that correct?

18 A. The policy requires us to prove that these people are
19 ---

20 Q. I'm sorry?

21 A. The policy from Traveler's requires that we prove the
22 drivers are covered and we did.

23 Q. Okay. And one of the questions that came up was March
24 of 2004. Is that right?

25 A. It could have been. I don't remember.

1 Q. Okay. Okay. Well, now, you do remember that you were
2 involved with Vanguard Leasing, is that right? Starting
3 sometime in 2002?

4 A. Yes, sir.

5 Q. Okay. And according to your information that ran out
6 at the end of February of 2004. Is that right?

7 A. I believe that's correct.

8 Q. Okay. And the next leasing company that you engaged.
9 That was Work Force Outsourcing. Is that right?

10 A. I think so.

11 Q. Okay.

12 (WHEREUPON, Plaintiff's Exhibit Number 8 was marked
13 for identification and admitted into evidence.)

14 Q. Mr. Senn, can you identify -- you want to look through
15 that and can you identify that document?

16 A. It's a service agreement.

17 Q. And if you flip over to the back page there, that's
18 your signature there. Is that correct?

19 A. Yes, sir.

20 Q. Okay. This is a Staffing Vendor Agreement between
21 your company, Senn Freight Lines and Work Force
22 Outsourcing. One of your leasing companies. Is that
23 correct?

24 A. Yes, sir.

1 Q. But there was a question about documentation of the
2 pay records to either Vanguard or Work Force. Is that
3 right?

4 A. There was a question about it.

5 Q. Okay. And you didn't produce -- you didn't have
6 records that either Vanguard or Work Force was paid. Is
7 that correct?

8 A. Yes, we did.

9 Q. Okay. And you provided those to the auditor?

10 A. We provided what we had, yes, sir.

11 Q. Okay. So if there was a gap there that there were no
12 records provided to the auditor, you provided him with
13 everything you had. Is that correct?

14 A. Yes, sir.

15 Q. Now, I'm going to ask you about this agreement with
16 Work Force now. If you'll flip to page three in the
17 agreement, paragraph twenty-three, (a).

18 A. Okay.

19 Q. All right. I'm going to back up because there's no
20 question that Vanguard, that ran out the end of February.
21 Is that correct?

22 A. I think so.

23 Q. Okay.

24 A. I don't have anything in front of me.

1 Q. Okay. So they didn't extend anything past the end of
2 February 2004, correct?

3 A. I think that's correct.

4 Q. Okay. So Work Force would have picked upon the
5 effective date of this agreement. Is that correct?

6 A. As far as the service was concerned, yes.

7 Q. Okay. And paragraph twenty-three (a) that I've asked
8 you to look at says that this agreement shall be for an
9 initial term of twelve months from the effective date of
10 this agreement, correct?

11 A. Yes, sir.

12 Q. And it would be determined by the later date of
13 signature of the parties, correct?

14 A. Yes, sir.

15 Q. So prior to the effective date of this agreement, you
16 had no contract with Work Force Outsourcing. Is that
17 correct?

18 A. Well, it took us a while to switch over. It's not
19 uncommon.

20 Q. You had no legally binding agreement with Work Force
21 Outsourcing before the effective date of this agreement?

22 A. We had coverage under their policy.

23 Q. Did you have a legally binding agreement?

24 A. We had proof from Work Force that we were covered and
25 we provided that.

1 Q. You had it on March 1st?

2 A. Yes.

3 Q. And you provided that?

4 A. Yes.

5 Q. Now, flipping back over to the last page.

6 A. Okay.

7 Q. The effective date of this contract is March 26th of
8 2004. Is that right?

9 A. Yes.

10 Q. Friday, March 26, 2004. Prior to that date, you had
11 no contractual arrangement with Work Force Outsourcing. Is
12 that correct?

13 A. The contract was done in a lapse, between going from
14 one company to the other. It has no correlation whatsoever
15 as to whether we were covered under their insurance policy
16 or not.

17 Q. At the time, let's say, March 1st through 25th ---

18 A. Uh-huh (affirmative).

19 Q. --- they didn't have any obligation to do anything for
20 you and you didn't have any obligation to do anything for
21 them. Is that right?

22 A. No, that's not true. They had us covered under their
23 insurance and we produce proof of that.

24 Q. Okay. Have you got anything in the contract saying
25 that?

1 A. Yes, sir.

2 Q. Okay. Moving ahead, there's another question about a
3 period of time in January of 2005. Is that correct?

4 A. I don't remember.

5 Q. Okay. Do you remember there was a question in between
6 Work Force and HR Solutions. Is that right?

7 A. The only question that I know of, you've asked. But
8 there are no questions between the two of them.

9 Q. Okay. And then you recall there was some discussion
10 about -- there was a request for documentation for records
11 which evidenced you paying Work Force Solutions or the
12 other crowd.

13 A. The Traveler's policy requires us to prove we have
14 coverage for the drivers and we did so, over and over
15 again. That is what the policy requires.

16 Q. And you provided them with the contract for this new
17 leasing company?

18 A. Provided who with what contract?

19 Q. The Traveler's with a contract of that new leasing
20 company?

21 A. I don't know whether we did or not. I have one here.

22 Q. Okay. That's the Work Force.

23 A. Right.

1 Q. Certified HR is the one I couldn't think of. That was
2 the one that took effect in February of 2005. Is that right?

3 A. I don't have it front of me, but that sounds
4 approximately correct.

5 Q. And did you ever -- have you got a copy of that
6 contract somewhere?

7 A. Probably.

8 Q. Okay. Did you bring it here today?

9 A. Sir, I didn't bring anything with me today.

10 (WHEREUPON, Plaintiff's Exhibit Number 10 was marked
11 for identification)

12 Q. Now, Mr. Senn, following this audit in October 2005

13 ---

14 MR. JENKINS: I am going to object to this on
15 hearsay grounds.

16 THE COURT: You do?

17 MR. JENKINS: Yes, sir.

18 THE COURT: All right. Let's take a quick break.

19 Ms. Wilkerson, will y'all step back to the jury room. I
20 want to discuss something with the attorneys and we'll have
21 you back here. Do not begin discussing the case.

22 MR. JENKINS: The documents he intends to
23 introduce, Your Honor, I object on the hearsay grounds,
24 first of all. We got a letter from a Ginger Smeltzer to a
25 Marsha Huggins who is employed at Senn Freight Line. The

1 you're more than welcome to it. They've gathered them up,
2 so y'all can take notes. It is allowed. I have to
3 specifically instruct you about that. Keep them to
4 yourself. They're for your own benefit, not for the
5 benefit of everyone but each individual. So if y'all would
6 like that, we'll gather those up. And obviously there is a
7 request for at least one. All right, how many you need?

8 (WHEREUPON, Court's Exhibit 1 was marked for
9 identification.)

10 THE COURT: All right. Mr. Roberts.

11 MR. ROBERTS: Thank you, Your Honor.

12 Q. Now, Mr. Senn, following this audit in October 2005,
13 you received correspondence from Traveler's, early December
14 2005. Is that correct?

15 A. There was a subsequent letter, which we responded to.

16 Q. Okay. And they were requesting certain information.
17 Is that right?

18 A. Requesting the same information that had been given to
19 the auditor, but we gave it to Ms. Smeltzer again.

20 Q. They were asking for valid certificates of insurance
21 for your sub-contractors?

22 A. That was part of it.

23 Q. These driver's here?

24 A. It was provided.

1 Q. Do you remember if they told you that this
2 occupational accident certificates, and that coverage was
3 not sufficient?

4 A. It's not their decision to decide whether it's
5 sufficient or not. It was sufficient for us.

6 Q. And they asked you for copies of or access to your
7 general ledger for the relative policy periods?

8 A. Any records backing up the payroll that Traveler's had
9 was provided.

10 Q. They did ask you for copies of your or access to your
11 general ledger?

12 A. The general ledger doesn't tell you anything, sir.

13 Q. Did they ask you for that information?

14 A. I don't remember. But a general ledger is a general
15 -- just what it says. It doesn't have any details to it.
16 It doesn't backup anything.

17 Q. Do you recall them asking you for proof of workers'
18 compensation for your drivers through March 2004?

19 A. We provided it.

20 Q. And the last two weeks of January -- I mean, February
21 of 2005?

22 A. We provided it twice.

23 Q. Now, as proof of workers' compensation ---

24 MR. ROBERTS: Your Honor, 11, 12, and 13.

25 MR. JENKINS: Without objection.

1 MR. ROBERTS: All right. Thank you. I'd like to
2 place those into evidence.

3 THE COURT: Yes, sir.

4 MR. ROBERTS: Your Honor, May I approach the
5 witness?

6 (WHEREUPON, Plaintiff's Exhibit Numbers 11
7 through 13 were admitted into evidence.)

8 THE COURT: You may.

9 Q. Mr. Senn, I'm going to come up again. I apologize.
10 Let me know if I'm crowding you here. But I'm going to
11 show you what's been marked and admitted as Plaintiff's 11,
12 12, and 13.

13 A. Okay.

14 Q. Are these the certificates of insurance that you're
15 referring to?

16 A. Yes, sir.

17 Q. And those are the documents that you are telling us
18 this afternoon provide legally binding obligations of
19 coverage. Is that correct?

20 A. That is correct.

21 Q. Okay. Now, would you refer to the box in the upper
22 right-hand corner and read the first sentence or so of that
23 box?

24 A. Right-hand top. Is that what you're saying?

25 Q. Yes, sir.

1 A. This certificate is issued as a matter of information
2 only and ---

3 Q. I'm sorry. Will you speak up, please?

4 A. The certificate is issued as a matter of information
5 only and confers rights upon the certificate holder. This
6 certificate does not amend, extend or alter the coverage
7 reflected by the policies below.

8 Q. So just so we're clear, this says right here, this
9 certificate is issued as a matter of information only.

10 A. That's what it says in the upper right-hand corner.
11 It's still ---

12 Q. And bears no rights upon the certificate holder,
13 correct?

14 A. We're the certificate holder.

15 Q. It says here, Georgia Pacific is the Certificate ---

16 A. That's a client, but we're the original certificate
17 holder.

18 Q. All right. But it says that this is for information
19 only.

20 A. That is an insurance document, sir, produced by people
21 in the insurance world. We don't have anything to do with
22 that. The coverage is provided -- the coverage is shown at
23 the bottom. What it says at the top is irrelevant. The
24 coverage is included at the bottom and it's signed by an
25 authorized agent that issued it.

1 Q. So on the one hand you're telling us that this is a
2 legally binding document, but it says on its face that it's
3 for information only, and you're saying that's irrelevant.
4 Is that what I understand you to be saying?

5 A. I'm saying that the phrase in the upper right-hand
6 corner does not distort the meaning of a certificate that's
7 issued by insurance providers. We don't issue the
8 certificate. It's not our document. It is given to us as
9 proof of insurance coverage. It's been accepted in our
10 industry all my life, which is plus fifty years. Okay.
11 It's been accepted with every finance institution we've
12 ever borrowed money from. No one has said, it's for
13 information only, therefore we should ignore it. No one
14 has ever said that.

15 Q. So what you're saying is this is a summer important
16 things?

17 A. It's a what?

18 Q. Summer important things. We're in the middle of the
19 summer, right? Summer important things. So the important
20 things, some are and some are there, but you ignore the
21 rest of it.

22 MR. JENKINS: Objection ---

23 A. The insurance, sir, is a document produced by
24 insurance folks. You're implying we have something to do

1 with that. We don't have anything to do with the
2 certificate. It's issued to us.

3 Q. Well, you're the one, Mr. Senn, you have testified
4 that this evidence is the legal obligation that satisfies
5 the absence of the contract of Work Force Out Source.

6 A. It's proof enough for me.

7 Q. For information only?

8 A. No. It's not just information only. It has a
9 bonafide insurance policies and policies numbers listed and
10 it has dates in it. Are you suggesting that doesn't mean
11 anything?

12 Q. I'm just asking what the document says, Mr. Senn?

13 A. That's what it says.

14 Q. Okay.

15 A. It's got the coverage right there on the bottom.

16 Q. Now this is Vanguard Southeast. This is the crowd you
17 contracted with again, in November 2002 up until the end of
18 February of 2004. Is that right?

19 A. Approximately. I don't have the dates exact, but that
20 sounds about right.

21 Q. Okay. And in this policy expiration information, it
22 ends March 1st, '04. Is that correct?

23 A. Yes, sir.

1 Q. All right. Now, that's Plaintiff's 11. Going to
2 Plaintiff's 12, this is the same document, correct? The
3 one that says information only.

4 A. It's a standard core [sic] form if that's what you're
5 referring to.

6 Q. The issue date is April 13th of 2004, about two, three
7 weeks after the date you signed the contract with Work
8 Force Outsourcing. Is that correct?

9 A. Yeah.

10 Q. And this one says the policy went into effect on
11 2/1/04. So were you double-paying? You were paying two
12 different companies for coverage. Is that what you're
13 telling us?

14 A. No, I'm not telling you that. PEO is saying his
15 policy started on February the 1st. Again, we don't issue
16 the certificate, sir.

17 Q. Okay. So the PEO is saying their policy started on
18 February 1st, but it's not saying Senn's coverage started
19 on February 1st then.

20 A. The certificate is issued to us or either one of our
21 clients. That's what it says.

22 Q. Okay. It was issued in blank to a blank to a
23 certificate holder and it was issued on April the 13th ---

24 A. That's the date the certificate is actually issued.
25 It doesn't have anything to do with the coverage dates.

1 Q. Okay. But what you're telling -- I think you're
2 saying now that this is only Work Force's Policy, but
3 there's no where on here that says that Senn was covered
4 beginning March 1st of 2004, is there?

5 A. Can I see it? It says right here Work Force provides
6 staff to Senn Freight Lines. Right there.

7 Q. On a certificate dated April 13th. But there's
8 nothing on there that says, and you'll have to point me to
9 it if I'm missing it, but I don't see anywhere on there
10 that says ---

11 A. Well, let me see it.

12 Q. Okay. I'll hand it to you. I just want to finish
13 looking at it, though.

14 MR. ROBERTS: Your Honor, I apologize.

15 Q. I just don't see where it says the coverage was
16 effective March 1st of 2004.

17 A. It says February 1st, 2004.

18 Q. That's Work Force's policy, isn't it?

19 A. That's the policy we have.

20 Q. So you're paying two different leasing companies for
21 the month of February?

22 A. No.

23 Q. Well, your ---

24 A. This is Work Force's policy. Work Force determines
25 whether anybody pays them or not.

1 Q. So for two months ---

2 A. If Work Force says we paid them, we paid. If they
3 don't, we don't.

4 Q. So for two months you didn't have a contract with Work
5 Force, but you're telling this jury that this certificate
6 says that you were covered?

7 A. That's exactly what the certificate says.

8 Q. The certificate's dated April 13th of 2004. That's no
9 where near February 1st or March 1st for that matter?

10 A. When you write a letter, do you date it today or do
11 you back-date it three months?

12 MR. ROBERTS: Your Honor.

13 THE COURT: Rephrase your question.

14 Q. The certificate's dated April 13th of 2004.

15 A. I see that.

16 Q. That's two ---

17 A. That's when the certificate is actually issued, sir.
18 It's what's in the certificate that matters.

19 Q. Thank you, Mr. Senn. Now, one more certificate here.
20 I show you Plaintiff's 13. This is their certificate for
21 Certified HR Services. Is that correct?

22 A. It is.

23 Q. And that's the crowd that you jumped on board with
24 beginning the 1st of February. Is that right?

25 A. I think so.

1 Q. Okay. Now, this one in the description -- well, let
2 me ask you. What date was this issued?

3 A. This was a copy of one issue to one of our clients,
4 but it would be the same thing to us. Reading that
5 correct, that's 4/24.

6 Q. 4/24 of what?

7 A. I can't read that. '04.

8 Q. 2/7/05. Is that right?

9 A. Yes.

10 Q. Okay. So 2/7/05 that Certificate's issued there.
11 Now, the description of the operation -- let me back up.
12 You guys didn't sign on with this -- you were still with
13 Work Force up until some time in January of 2005. Is that
14 right?

15 A. It sounds right. Again, I don't have all of those
16 dates in front of me, but I think that's right.

17 Q. All right. And this certificate actually says you're
18 covered by Certified HR beginning December 1st of 2004.

19 A. Sir, you've complained vehemently in here about
20 alleged lapses. We have overlap here. So what you're
21 saying now is we're covered by two PEO's at one time.
22 There is no lapse. That's the whole point of this. There
23 never has been. The policy periods overlap. You are
24 exactly correct in what you're saying.

1 Q. Okay. This is the policy, this is the policy
2 information for Certified HR Services, correct?

3 A. Yes, sir.

4 Q. Why would you contract with Certified HR in February
5 of 2005 and then have an overlap all the way back to
6 December of '04? Do you have documentation of where you
7 paid Certified HR?

8 A. This certificate is issued by the PEO. We don't issue
9 the certificates. The PEO get's their own policies. The
10 policy could be dated February the 1st of 2010. That
11 policy may include fifty clients like Senn Freight Lines.
12 There could be forty-nine other clients in addition to us.
13 They're not going to change the dates just for us. They're
14 giving us a certificate saying we're covered on their
15 policy. It's that simple. The PEO's don't communicate
16 with each other and say, well, let me stop my policy so I
17 can pick up on the other guy's policy. The policies are
18 already there. It's a question of whether we're covered
19 under the policy or not. And the certificates show that we
20 are.

21 Q. And that would be if you were paying ---

22 A. It says we're covered.

23 Q. --- if you were paying a fee to them, you'd be
24 covered. Is that right?

25 A. It says we're covered.

1 MR. ROBERTS: That's all I have for this witness.

2 THE COURT: All right.

3 MR. JENKINS: Thank you, Your Honor.

4 THE COURT: All right. Mr. Jenkins.

5 **CROSS-EXAMINATION**

6 **BY MR. JENKINS:**

7 Q. Mr. Roberts covered a lot of stuff, he asked you about
8 your background, so let's skip by that and get to the
9 point.

10 A. Okay.

11 Q. Explain to us the different types of employees Senn
12 Freight Lines has?

13 A. The different categories?

14 Q. In other words, you have office and clerk staff?

15 A. Yes, sir.

16 Q. And all of the other persons who perform any services
17 for Senn would be truck drivers?

18 A. Truck drivers and some mechanics.

19 Q. Okay. Now, the truck drivers, there are three
20 categories, owner/operators, independent contractors, which
21 the owner/operators can actually fall under the independent
22 contractor label, and leased employees?

23 A. Yes, sir. The owner/operator and the independent
24 contractor can be one in the same.

1 Q. That's what I'm saying. The owner/operators are
2 normally independent contractors?

3 A. Yes, sir.

4 Q. Now, he put this big number for 2003 up on the board,
5 five hundred ninety-one thousand dollars, seventy-five --
6 five hundred ninety-one thousand, seventy-five dollars and
7 forty-three cent. And made a difference between -- he
8 said, that's the remuneration you paid them. Does that
9 cover anything, other than salary?

10 A. It covers everything, including salary.

11 Q. Okay. So it's salary. Do some of these people have
12 their own truck?

13 A. Most of them do.

14 Q. And are they responsible for providing their own
15 occupational accident or workers' comp policy?

16 A. Out of the commissions they have to pay all expenses.
17 That would include the likes of repairs, fuel, if they have
18 their own driver, it would be the driver's wages. If not,
19 their own wages. They're having to pay for all insurance.
20 They're having to pay all their taxes. They pay everything
21 from those commissions, including their own salaries.

22 Q. To your knowledge, do any of those persons listed on
23 the exhibits, the 1099 forms, do any of those companies or
24 persons employ four people or more?

25 A. No, sir.

1 Q. Are most of them one-man operations?

2 A. Yes, sir.

3 Q. Do businesses with less than four employees have to
4 carry workers' compensation, statutory workers'
5 compensation?

6 A. Not according to South Carolina law, no, sir.

7 Q. And that's where the occupational accident policy
8 comes into effect?

9 A. Yes, sir.

10 Q. Now, during your years as President of Senn, have you
11 ever had an independent contractor get injured while
12 working?

13 A. Yes, sir.

14 Q. Have they filed any types of claim?

15 A. Only on the policy that would be in their name.

16 Q. Okay. The occupational accident policy that he wanted
17 to point out was not a workers' comp policy?

18 A. Yes, sir.

19 Q. And to your knowledge, do those policies pay?

20 A. Yes, sir. They pay every time.

21 Q. Did you fill out an application when you applied for
22 insurance through the South Carolina Assignment of Risk
23 Plan?

24 A. Yes, sir.

1 Q. And what did you ask for in that application?

2 A. We asked for coverages for our clerical workers.

3 Q. Okay. The office staff?

4 A. Yes, sir.

5 Q. Did you exclude the Officer's of the Corporation?

6 A. Yes, sir, we did.

7 Q. And that would be you, your brother?

8 A. I have two brothers.

9 Q. You and your two brothers?

10 A. The three of us, voluntarily excluded ourselves.

11 Q. And you're allowed to do that under the Workers'

12 Compensation Laws. Is that correct?

13 A. Yes, sir.

14 Q. And there's actually an addendum to each one of those
15 contracts introduced that said, leased drivers don't apply?

16 A. That is correct.

17 Q. And non-employees don't apply.

18 A. That is correct.

19 Q. Do you have any drivers who are direct employees of
20 Senn Freight Lines?

21 A. No, sir.

22 Q. Have you since approximately 1994?

23 A. No, sir.

1 Q. Have you ever submitted a claim from one of those
2 drivers to the Assigned Risk Plan Insurance Company that
3 Senn was utilizing at that time?

4 A. No, sir.

5 Q. Have you ever asked the insurance company, Traveler's
6 or any of the other ones to cover those claims?

7 A. No, sir.

8 Q. Have you, in fact, told them don't cover them somebody
9 else has it?

10 A. If the question has come up, which is rare, the answer
11 is always the same. The PEO has them covered.

12 Q. Okay. Is Workers' Compensation Insurance expensive
13 for truck drivers?

14 A. It's very expensive.

15 Q. As he, I think gave the calculation, thirteen or
16 fourteen dollars for every hundred dollars that they're
17 paid in salary?

18 A. Yes, sir.

19 Q. Are you able to lower that costs by utilizing the
20 PEO's?

21 A. Yes, sir. A PEO can have many clients, therefore can
22 have many drivers. The bigger the pool, the risk is spread
23 more evenly and the lower the rate.

24 Q. Okay. Now, that's a statutory, a South Carolina
25 statutory provision that you can use a PEO?

1 A. Yes, sir.

2 Q. And that's a professional employee organization?

3 A. Yes, sir.

4 Q. Even though you may still tell that employee you have
5 to do A, B, and C today, they're still not required to be
6 covered under the Workers' Compensation policy that Senn
7 has because of their relationship with the PEO?

8 A. That is correct.

9 Q. And individual contractor or the owner/operators,
10 either group, however you classify them, all the people
11 listed, Ward, Taylor Trucking, Anderson, Carver, Hayes,
12 Wright, Houser, GEO Trucking, Abney and all the people that
13 he listed for 2003, 2004 and 2005, do you supply most of
14 them with tools of the trade?

15 A. No, sir.

16 Q. Do most of them have their own vehicle?

17 A. Yes, sir.

18 Q. Do they need your approval for what route they're
19 going to take?

20 A. No, sir.

21 Q. As long as they get a load at point A and carry it to
22 point B in an efficient amount of time, they're okay with
23 you?

24 A. Yes, sir.

25 Q. Do they have to call in and say, I want work?

1 A. No, sir.

2 Q. Are they under any specific guarantees or contracts
3 that say, you're going to get "X" amount of dollars per
4 year from us, you're going to get "X" amount of work?

5 A. No, sir.

6 Q. Sometimes you call them and say, hey, I've got a load.
7 Do you want it?

8 A. That's the way it works.

9 Q. And sometimes they call you and say, hey, do you have
10 any loads? I'd like to carry something.

11 A. It could work that way also.

12 Q. Do you pay them for any sick leave?

13 A. No, sir.

14 Q. Vacation?

15 A. No, sir.

16 Q. Have you ever, since 2000 -- let's limit it to that
17 time frame. Have you ever given a truck driver a W-2?

18 A. No, sir.

19 Q. Can the independent contractors or owner/operators,
20 can they work for other people?

21 A. Yes, sir.

22 Q. If you didn't have any work for them for a couple of
23 weeks and they wanted to go take a load for Jenkins
24 Trucking, they could that?

25 A. They could do that.

1 Q. Page four of five at the bottom. I think it's about
2 the eighth page actually in the packet. It's listed page
3 four of five.

4 A. Part five.

5 Q. Yes, sir. On the bottom.

6 A. Or page of five. I'm with you.

7 Q. Okay. Now, if you will, look under "G". I apologize.
8 Let me go back. Look under section "E", final premium.

9 A. Okay.

10 Q. Does it not say over in the second column, they are to
11 use the actual not the estimated premium basis and the
12 proper classifications and rates lawfully applied to the
13 business and work covered by this policy?

14 A. Yes, sir. That's what it says.

15 Q. What employees were covered by this policy?

16 A. Clerical.

17 Q. Did you ever ask for the drivers to be covered?

18 A. No, sir.

19 Q. What was the focus of the auditor when he was visiting
20 you?

21 A. The focus?

22 Q. Well, what type of employees was he focused on?

23 A. Well, the policy, of course, covers the clerical. So
24 what he should have been focusing on was the payroll
25 records backing up the clerical payroll. He may have

1 gotten that information. I think he did. He was certainly
2 welcome to it. He wanted information on the drivers, which
3 are not covered under the policy. We had a discussion
4 about that. I pointed out the endorsement in the policy
5 excludes them. He continued to ask questions about it and
6 we gave him what information we had.

7 Q. Was he focused on the independent contractors or the
8 leased drivers?

9 A. The leased drivers.

10 Q. Did you have any claims for leased drivers during the
11 2003, 2004, and 2005 policy periods we're talking about?

12 A. Oh, yes.

13 Q. A Workers' Compensation claim?

14 A. Yes, sir.

15 Q. To your knowledge how much was paid out or how much
16 was dealt with in those claims?

17 A. During the three-year period?

18 Q. Yes. During that three-year period?

19 A. Approximately three hundred thousand -- three hundred
20 twenty-five thousand dollars thereabouts.

21 Q. And who paid that?

22 A. All of the PEO Insurance Carriers.

23 Q. So the PEO's covered any claims that were made during
24 those policy periods?

25 A. Yes, sir.

1 MR. JENKINS: Would you mark that as Defendant's

2 1.

3 (WHEREUPON, Defendant's Exhibit Number 1 was
4 marked for identification and admitted into evidence.)

5 Q. The premiums for that policy period?

6 A. Five thousand four hundred thirty-six dollars.

7 Q. And the last page of that document, is that a check
8 you wrote to St. Paul/Travelers?

9 A. Yes, sir.

10 Q. In ~~payment~~ of that invoice?

11 A. Yes, sir.

12 Q. And that covered the warehousing and the clerical
13 office employees at their rates?

14 A. For the entire year.

15 Q. Did Travelers provide you with coverage for that
16 entire year?

17 A. No, sir.

18 Q. They cancelled it in October of 2005?

19 A. Yes, sir.

20 Q. So they gave you service for a hundred and seven days.
21 Is that about right?

22 A. That's about right.

23 Q. And we'll do the calculations later. Did you ever ask
24 Travelers to cover any of your drivers?

25 A. No, sir.

1 A. Well, we have the premium audit department. It's a
2 separate business entity within the organization. Just
3 like there's a claims department, an underwriting
4 department, sales department, there's an audit department.
5 Q. Okay. And is your -- is this audit department located
6 in Charleston or is it ---
7 A. No, no, no. All the auditors work remotely from a
8 Travelers office. And because of the nature of our job
9 where we have to go to an insured's business to physically
10 inspect their records in order to be able to do an audit.
11 My office that I report to is actually located in Orlando,
12 Florida.
13 Q. Okay. Now, the records you've reviewed in this case,
14 where -- are they considered audit department records? Is
15 that right?
16 A. That's correct. That's correct.
17 Q. So they're not necessarily housed in your office, but
18 that's part of the audit department?
19 A. Yes, yes. That's correct.
20 Q. And because you're assigned to this claim or this
21 policy, this commercial line, you have access to those. Is
22 that right?
23 A. That's correct. In fact, we typically don't like to
24 take actual records from an insured's place of business
25 because of the information that's contained in those

1 records. I mean, it's very private. There's a lot of
2 information in there so typically, we don't like to take,
3 remove the paper records. We just document the information
4 that we see on the worksheet that we use within our audit
5 system.

6 Q. And so when you go, you go to their place of business?

7 A. That's correct.

8 Q. Now -- and backing up real quick, there's been some
9 discussion about the fact that this is an assigned risk
10 policy and, again, it's not necessarily an issue. Would
11 you just explain briefly what that means?

12 A. Right. The assigned risk plan that was discussed
13 yesterday, the State of South Carolina mandates that
14 employers of a certain size are required to have workers'
15 comp. Insurance. Since there is a State law that says
16 that, the State has to offer a mechanism for employers who
17 cannot get workers' compensation insurance in the voluntary
18 market to meet their statutory requirement to purchase
19 workers' comp insurance and that's a plan that's
20 administered through the State of South Carolina. So if an
21 applicant was to go to their insurance agent looking for
22 workers' comp insurance, that agent could not place the
23 business with Nationwide Insurance or State Farm Insurance
24 or Travelers Insurance or wherever the insurer of last
25 resort, so to speak, is the State, is the State Plan. It's

1 (WHEREUPON, the jury entered the open court at
2 approximately 9:20 a.m.)

3 THE COURT: You're standing in the line of some
4 heavy ventilation.

5 MR. ROBERTS: I think there are gale force winds
6 blowing up there.

7 THE COURT: It used to blow down on the jury and
8 I moved it this way a little bit so the gentleman right
9 here wouldn't freeze to death. You might like it. Mr.
10 Roberts, you may continue.

11 MR. ROBERTS: All right. Thank you, Your Honor.

12 BY MR. ROBERTS:

13 Q. Now, Mr. Evangelista, just a moment ago I handed to you
14 Plaintiff's Exhibit 14 and you've had a chance to look at
15 that and you can identify that document?

16 A. Yes, sir.

17 Q. Okay. And what is that document?

18 A. This is a worksheet that was used to conduct an audit
19 of Senn Trucking.

20 Q. Okay. This is the audit that Mr. Burnette did back on
21 October 17th, 2005?

22 A. Yes, sir.

23 Q. All right.

24 MR. ROBERTS: Your Honor, at this time I'd like
25 to move this into evidence.

1 THE COURT: That's Number 14?

2 MR. ROBERTS: Yes, sir.

3 THE COURT: All right, moved in with it being
4 subject to your objection, Mr. Jenkins.

5 MR. JENKINS: Thank you, Your Honor.

6 (WHEREUPON, Plaintiff's Exhibit Number 14 was admitted
7 into evidence.)

8 BY MR. ROBERTS:

9 Q. Now, if you could take a moment and look at this and
10 explain what's - let's walk through the results. What
11 exactly -- what kind of information did Mr. Burnette obtain
12 for this report?

13 A. Well, on the first page that we're looking at, from
14 looking at payroll records or the amount earned by payroll
15 on the payroll records, by quarter, by each of the
16 employees with Senn Trucking. And the left column lists
17 the individuals name. The column to the right gives a
18 brief description of the work that they perform for them,
19 and then the next four columns are the payroll earned by
20 quarter for each of those individual. And the total of
21 those four quarters are listed under the gross wages column
22 and then based on the work that each of the folks do there,
23 that payroll is carried forward into the proper workers'
24 comp classification, based on the duties of that employee.

1 Q. Okay. And then -- now, on the second page about the
2 middle of that page, if you would look at that information
3 there that refers to these owner/operators we've been
4 talking about. Can you explain what that information is
5 there?

6 A. These appear to be total payments to individuals that
7 were identified as owner/operators during the period that
8 the audit was being conducted for. And it looks like it
9 was from information that came from a 1099. And there was
10 apparently a 1096 made available at our audit based on the
11 notes here on the worksheet, which is a total of all the
12 1099's that were issued for a particular year.

13 Q. Okay. So what was the total for these drivers for
14 this report?

15 A. Six hundred fifty-three thousand one hundred eighty-
16 five dollars.

17 Q. Okay. And what was the total for the form 1096?

18 A. Seven hundred forty-one thousand four hundred thirty-
19 six dollars.

20 Q. Okay. Now, are there any records for the 2003, for
21 any of these owner/operators?

22 A. There doesn't appear to be so. Based on the dates
23 that are listed on the first page, it looks like it's for
24 2004 only.

1 Q. All right. Now, going down after that, the next
2 couple of pages, what is this information we're looking at
3 there?

4 A. This looks like weekly payments to various leasing
5 companies, the amount that was paid to each of these
6 leasing companies per week. And then, which leasing
7 company the payment was made to.

8 Q. Now, is this information -- according to this report,
9 is this complete?

10 A. No. There appear to be some gaps in here where there
11 is no indication of payments to anyone for a few weeks in
12 question.

13 Q. Okay. Now, tell me exactly where these gaps were in
14 this document?

15 A. I'm sorry, sir?

16 Q. When were these gaps, according to this documentation?

17 A. Payment on September 19th, 2003, there's nothing there
18 but it looks like -- well, Vanguard is listed as the
19 leasing company but there's no indication that there was a
20 payment made there. Then the weeks of March 12th, 2004,
21 March 19th, 2004, March 26th, 2004 and April 2nd, 2004,
22 there's no indication of any payments there, nor is there
23 an indication of a leasing company being listed as the
24 potential payee.

1 Q. Now, backing up to this 9/19/03 week, is there any
2 notation or memo regarding that omission for that week?

3 A. I don't see any.

4 Q. How about for March 2004?

5 A. There is a memo here. It says, per the insured he
6 thinks he paid Vanguard for the first two weeks of March
7 and he thinks the last weeks of March for Work Force.

8 Q. All right. Now, moving forward to the next gap you
9 noted, on the last page. When was that?

10 A. January 2005 and -- January 28, 2005 and February 4th
11 of 2005.

12 Q. All right. Is there any notation or memo for that --
13 those blanks?

14 A. No. It does not appear to be any.

15 Q. Does it list an individual or a company that was paid?

16 A. It says Certified HR as the payees, but there's no
17 amount associated with it.

18 Q. So backing up to the terms of the policy, Senn's to
19 provide us with information. Is that correct?

20 A. That's correct.

21 Q. Travelers has a right to review this information. Is
22 that correct?

23 A. That's correct.

1 Q. Now, based upon your review of the records subsequent
2 to this audit of October 17, 2005, was there any indication
3 this information was requested of Senn?

4 A. Yes. Yes, I believe so.

5 Q. Okay. Based upon your review of those, the records of
6 this audit ---

7 MR. JENKINS: Your Honor, we're getting into
8 exactly what -- I object. We're getting into exactly what
9 -- the questions that he's asking are questions that Barry
10 Burnette can answer, the auditor who's not here.

11 MR. ROBERTS: I believe we can address this with
12 that letter, September 19th, -- I'm sorry, Your Honor.

13 THE COURT: Step up here just real quick.

14 (WHEREUPON, a bench conference was held in the
15 presence of the jury but out of the hearing of the
16 jury.)

17 BY MR. ROBERTS:

18 Q. Now, Mr. Evangelista, you stated there is an indication
19 in your view of the records that this information was
20 subsequently requested from Senn, correct?

21 A. Yes.

22 Q. Based on your review of the records subsequent to this
23 audit as well as the request for that information, is there
24 any indication that this information has been provided to
25 Travelers?

1 A. No. No, it hasn't been provided to us.

2 Q. Now, jumping back to these owner/operators, these sub-
3 contractors that Travelers used -- I mean, Travelers --
4 that Senn was engaged during these policy terms. You've
5 had an opportunity now to review the forms 1099 that have
6 been produced at the time of the audit as well as
7 subsequent to that audit. Is that correct?

8 A. Yes.

9 Q. I'm going to hand you Plaintiff's 4, 5, and 6, Mr.
10 Evangelista, if you would take a look at those. Do you
11 recognize those documents now, Mr. Evangelista?

12 A. Yes, sir.

13 Q. Okay. And these evidence the payments made by Senn to
14 these owner/operators. Is that correct?

15 A. Yes, sir.

16 Q. How do you as an auditor handle the processing or the
17 evaluation of that information?

18 A. It's fairly complicated, actually. We like to look
19 at, first of all, the contract that's in place between the
20 sub-contractor, the owner/operator and the insured in order
21 to assess, is there truly an independent contract
22 relationship between the two parties.

23 Q. But aside from all of that, the information is
24 provided to you on these 1099's. If you are using it to

1 calculate a premium for the policy period, how do you
2 handle your evaluation of this?

3 A. Oh, I see. I see. Well, we look at the amount that
4 was paid to these individuals, we take the amounts that
5 were paid and, again, apply to the rate that's established
6 on the policy. Like you said, divide the amount that was
7 paid by a hundred and multiply it by the rate that's on the
8 policy. So it's basically a percentage, but the rate is
9 ten dollars and seventy-six cents per hundred. Yeah, you
10 would take ten point seven six percent of that and that
11 would equate to the rate, the premium that would be charged
12 for that amount paid.

13 Q. All right. Now, we've totaled these forms 1099 and
14 I'd like to walk through them with you real quick, if I
15 could.

16 A. Sure.

17 Q. All right. And let me back up again -- do you take
18 the amount of those 1099's unless there's some other
19 guidance as far as what was actually paid to somebody?

20 A. Right. In the absence of any other records, we do
21 have rules that we can apply to the amount paid to sub-
22 contractors or independent contractors for the works that's
23 being performed. But without having supporting
24 documentation to know how to apply those rules to the
25 payroll for the amounts paid to the subcontractors in order

1 to give a proper adjustment to derive at the correct amount
2 that should be included in the basis of premium, there's
3 really no way of knowing how much to pick up. So in
4 absence of the insured providing us that documentation, we
5 take the full amount that was paid because we have no idea
6 how to -- what adjustments to make to that.

7 Q. Okay. Let's say if it's a construction contractor,
8 they may get reimbursed for materials they purchase. Is
9 that ---

10 A. That's correct. There's a provision in the rules that
11 allow us to make an adjustment for material and labor
12 costs, but that has to be supported by an invoice that the
13 sub-contractor would have given to the insured or the
14 general contractor showing the breakdown between material
15 and labor, and even then the rule further states that we're
16 only allowed to cap the amount for material to fifty
17 percent of the invoiced amount.

18 Q. And, again, is that Travelers rule?

19 A. No, that's not Travelers rule.

20 Q. And why is -- what's the purpose of that? Do you know
21 what the purpose of that rule is?

22 MR. JENKINS: Your Honor, I'm going to object.
23 He's asking for opinion and he's asking for expert
24 testimony.

1 correct number added up from those 1099's. Not that it's
2 correct in theory, but it's correct in the actual number.

3 THE COURT: So stipulated.

4 BY MR. ROBERTS:

5 Q. Okay. Now, let me just back up real quick. There's
6 some questions in this case about the amount that is sought
7 for this premium for these truckers. It's a hundred
8 ninety-seven thousand nine hundred eighty-five dollars.
9 According to your review of these records, is that amount
10 an amount based on these numbers or how is that amount --
11 how did that amount come up?

12 A. Well, initially there was an estimated amount because
13 we didn't have the full breakdown of the payments to all of
14 these individuals so an estimate was created based on the
15 best available information that we had access to, to come
16 up with the final premium.

17 Q. Okay. Now, so taking this five hundred ninety-one
18 thousand seventy-five dollars, and I'll hand you the
19 policy, Plaintiff's 1, to calculate the premium for those
20 drivers, how is that done?

21 A. Well, again, you would take the amount paid divide by
22 one hundred and then multiply it by the rate that's on the
23 policy because the rates are based on every one hundred
24 dollars of -- the policy outlines as remuneration.

1 Q. Okay. Now, in this case the policy term there starts
2 about half-way through the year.

3 A. That's correct.

4 Q. So about six months. So it works out to kind of a
5 nice split as far as trying to work with these numbers
6 because, again, let me ask you this. Is there any
7 breakdown according to your review of these records of when
8 any of these drivers were paid during the years of 2003 and
9 2005?

10 A. No, they were just lump-sum figures for the year.

11 Q. Okay. So because we've got a pretty even split, we
12 could take roughly half that number for 2005?

13 MR. JENKINS: Your Honor, I'm going to object to
14 the relevance of the question.

15 Q. Is that a fair way to ---

16 MR. JENKINS: Now I'm going to object to the
17 leading.

18 THE COURT: Rephrase your question.

19 MR. ROBERTS: Okay.

20 Q. What's half of the number for 2003, have the five
21 hundred ninety-one thousand seventy-five dollars?

22 A. Two hundred and ---

23 Q. Five ninety-one-o-seventy-five.

24 A. Two hundred ninety-five thousand five hundred thirty-
25 seven dollars.

1 Q. Okay. Now, jumping over to 2004 we've got a total of,
2 according to the audit report as well as the 1099, a total
3 of six fifty-three one eighty-six. So what's half of that?

4 A. Three hundred twenty-six thousand five hundred ninety-
5 three dollars.

6 Q. Okay. Three twenty-six five ninety-three. So what is
7 that total when you get three twenty-six five ninety-three
8 plus two ninety-five five thirty-seven?

9 A. I come up with six twenty-two one thirty.

10 Q. Okay. And then taking that and applying the equation
11 according to the terms of the policy, what do you come up
12 with for what the premium for that policy term would be?

13 A. Based on that it's sixty-five thousand one hundred
14 thirty-seven dollars, just for the trucking class alone
15 pays this rate - based on this rate.

16 Q. Now, going ahead now to the next policy term, since
17 we've got about six months, we'd take the same three
18 twenty-six five ninety three, which is half of the six
19 hundred and fifty-three thousand, and then looking at the
20 2005 Forms 1099, which total for the year one million
21 eighty-eight thousand six hundred thirty five, what would
22 be half of one million eighty-eight thousand six hundred
23 thirty-five.

24 A. I'm sorry. You want to give me that number real
25 quickly?

- 1 Q. Yeah. One million-o-eighty-eight six three five.
- 2 A. That would be five hundred and forty-four thousand
- 3 three hundred seventeen dollars.
- 4 Q. Okay. And then what is that when add that with the
- 5 three twenty-six five ninety-three?
- 6 A. Eight hundred seventy thousand nine hundred and ten
- 7 dollars.
- 8 Q. Okay. Now, applying the mathematical equation
- 9 according to the terms of the policy, what does that come
- 10 -- what would that premium be for that policy term?
- 11 A. Ninety-one thousand one hundred eighty-four dollars.
- 12 Q. Okay. Now, the policy was cancelled October 25th of
- 13 2005.
- 14 A. Correct.
- 15 Q. So essentially it was for the months of July, August,
- 16 September and October. Is that correct?
- 17 A. Correct.
- 18 Q. So that's twenty-five percent of the year?
- 19 A. Correct.
- 20 Q. Okay. What is one-fourth of one million eighty-eight
- 21 thousand six thirty-five?
- 22 A. Twenty-seven -- two hundred seventy-two thousand one
- 23 hundred fifty-eight dollars.
- 24 Q. Two seventy-two one fifty-eight. Is that right?
- 25 A. Yes, sir.

1 Q. Now, I'm going to refer you to Plaintiff's 3. Let me
2 back up. I just want to point out Plaintiff's 2 for the
3 policy term, the 2004, 2005, the second policy term.

4 A. Okay.

5 Q. The rate remained the same. Is that right?

6 A. That's correct.

7 Q. Okay. Now, going ahead to Plaintiff's Number 3, what
8 is the rate for these drivers that is in effect at that
9 point?

10 A. For long distance drivers it's fifteen dollars and six
11 cents per one hundred dollars of payroll.

12 Q. So the rate went up?

13 A. That's correct.

14 Q. Okay. Who made that decision?

15 A. The State Plan. The State Plan raised the rates.

16 Q. Okay. Now, applying that mathematical equation now
17 this two seventy-two one fifty-eight, what do we come up
18 with?

19 A. Forty thousand nine hundred eighty seven dollars.

20 Q. Now, Mr. Evangelista, going back to the numbers 2003,
21 2004 that first policy term, sixty-five thousand one
22 thirty-seven. You're going to have to use ---

23 A. Oh, I'm sorry. You said sixty-five thousand ---

24 Q. One thirty-seven.

25 A. All right.

1 Q. 2004/2005 the second policy term was ninety-one
2 thousand one eighty-four.

3 A. Okay.

4 Q. And then the third policy term forty thousand nine-
5 eighty-seven?

6 A. Correct.

7 Q. Okay. And what's the total?

8 A. I came up with a hundred ninety-seven thousand three
9 hundred and eight dollars.

10 Q. Okay. And the estimate was one hundred ninety-seven
11 thousand nine hundred eighty-five dollars.

12 A. The estimated, yes.

13 Q. The estimated.

14 A. Yes.

15 Q. So that's pretty darn close, isn't it?

16 A. Yes, that's correct.

17 MR. ROBERTS: I have no further questions for
18 this witness, Your Honor.

19 THE COURT: All right. Mr. Jenkins.

20 **CROSS-EXAMINATION**

21 **BY MR. JENKINS:**

22 Q. One hundred ninety-seven thousand three hundred eight
23 dollars, that's for the independent contractors and
24 owner/operators?

1 Q. You said auditors often just look at the records and
2 don't actually remove them from the place of business, from
3 the business?

4 A. Typically, we try not to. That's correct.

5 Q. Have you ever talked to Barry Burnette about Senn
6 Trucking?

7 A. No, I have not.

8 Q. So you're relying upon what's in the file located at
9 Travelers?

10 A. That's correct

11 Q. You didn't go to Senn and you've never talked to Danny
12 Senn?

13 A. No, I have not.

14 Q. And never talked to Barry Burnette?

15 A. Not about this case, no.

16 Q. Who performed the actual on-site audit in this case?

17 A. That's correct.

18 Q. There were actually some claims filed by drivers
19 during the time periods we're talking about, weren't they?

20 A. I'm not aware of the claims on there. I could
21 probably track it down. But at the time, right now I don't
22 know.

23 Q. Okay. So you're not real familiar with this file?

24 MR. ROBERTS: Your Honor ---

25 A. I'm not familiar with the claims on this file.

1 MR. ROBERTS: Your Honor, I'm going to object
2 unless he's got some documentation of claims that we've
3 covered so far.

4 MR. JENKINS: Your Honor, he gave me a box of
5 documents that included the claim file. If he'd like to
6 see it, I can show it to him. And we previously provided
7 him with a copy of all the claims filed during this time
8 period. During the time period when Travelers said they
9 were covered. I can dig out those documents if necessary
10 if he doesn't remember.

11 THE COURT: If it's going to take a few minutes,
12 the jury can take a break.

13 MR. JENKINS: Won't take but a few minutes.

14 Q. Are you aware of any claims that were filed?

15 A. I didn't look through the claims information on this
16 particular case, no.

17 Q. Would you be surprised if Travelers' denied the claims
18 that were filed from any drivers?

19 A. It would depend on who the drivers were, but not
20 necessarily. For example, if one of the leased drivers
21 filed a claim, I would expect that that would be denied
22 since we've already, I think, established that there's an
23 exclusion on the policy for leased employees.

24 Q. Now, if someone comes to Travelers and says we need
25 proof of workers' compensation insurance for Senn Freight

1 Lines' clerical and office staff, Travelers would issue a
2 certification. Is that correct?

3 A. Like, I assume you're talking about a certificate of
4 insurance?

5 Q. Correct?

6 A. It would issue a certificate of insurance saying that
7 the operation had workers' comp insurance but it wouldn't
8 be specific as to just clerical or anyone else. It's a
9 policy of insurance for that operation.

10 Q. Okay. And Senn, when they applied for insurance, they
11 applied for insurance and specifically limited it to
12 clerical and office staff, didn't they?

13 A. They can ask for any workers' comp classification on
14 the policy based on what type of operation that they're in,
15 but the policy is not narrow in its application of offering
16 coverage simply to those classes that are identified on the
17 application.

18 Q. But if there's ever a question the workers'
19 compensation commissioner has to make that decision,
20 doesn't he? Travelers doesn't get to make that decision,
21 do they?

22 A. Only if there's a matter of an employee/employer
23 relationship. For example, if we had simply clerical on
24 the workers' comp policy; however, half-way through the
25 year the insured decides that he's going to become a

1 roofing contractor and he goes out and hires roofers, pays
2 them W-2 wages so there's no question of an
3 employer/employee relationship and one of those employees
4 happens to fall off a roof during the course of their work,
5 the policy would still provide benefits for that because we
6 are insuring the operation, not an individual class of
7 duties on working the working for the insured.

8 Q. You made a good point, W-2 wages. Are you aware of
9 any drivers Senn has ever paid W-2 wages, ever?

10 A. No, I'm not aware of it.

11 Q. And Traveler's expects people to rely upon the
12 certificates of insurance that they issue?

13 A. You mean the ones that are -- the certificate that
14 would be issued to one of our insureds?

15 Q. Correct?

16 A. Yeah. It's one way of determining that there's
17 insurance coverage available if you happen to hire a sub-
18 contractor to work for you. But that certificate in and of
19 itself oftentimes not sufficient to show that there's
20 coverage for the whole time period on the certificate.

21 Q. Talking about the assigned risk plan, Travelers is
22 paid for participating in this assigned risk plan, aren't
23 they?

24 A. As every other insurance company is.

1 Q. You can opt-out, you just said. And certain insurers
2 do.

3 A. What happens is, for example, let's say insurance "X"
4 does not have the staff locally to be able to do the work
5 or they just don't have the resources to be able to do the
6 work. They notify the State that they don't have the
7 resources to be able to do this, so the work for that
8 insurance company is offered out to other carriers that are
9 in the State. They say, well, somebody has to do it. So
10 -- and at Travelers we pick up some of that work as do many
11 other insurance carriers.

12 Q. You're not aware of any claims that were ever made on
13 any persons Travelers indicate weren't providing coverage
14 for?

15 A. Again, I haven't looked at that. I can try and track
16 it down, but that wasn't something that I was -- didn't
17 think I was going to be asked about so I just simply didn't
18 look at that. I mean, on the worksheet there is notation
19 here ---

20 Q. Let me ask you this. When did you learn you would be
21 a witness in this case?

22 A. About a week or so ago.

23 Q. Now, all the calculations that you presented are
24 involving the independent owner/operator contractors. Is
25 that correct?

1 Q. Okay. Travelers has been in business for a long time
2 and they receive an application for insurance from Senn
3 Freight Lines that says, we only want office staff covered
4 and that's the only thing they give them.

5 MR. ROBERTS: Your Honor.

6 Q. Did Travelers not know that Senn had ---

7 THE COURT: Wait a minute. Yes, sir.

8 MR. ROBERTS: I would object. I don't think that
9 Travelers received this application. It's an assigned risk
10 plan application that went to the --

11 MR. JENKINS: I don't know if he knows.

12 THE COURT: All right. Rephrase your question.

13 Q. You've seen the application that Senn filed in this
14 case?

15 A. Sure.

16 Q. And it ask for office clerical staff?

17 A. That is one of the classifications that the insured
18 identified.

19 Q. And that's the only classification issued by Senn
20 Freight Lines. Is that correct?

21 A. That's all they put on the application, correct.

22 Q. If Travelers had been in the insurance business for so
23 long and said, well, we're going to be covering drivers
24 also, why wouldn't they charge the premium up front?

1 A. Well, at this point here we had no way of knowing that
2 we were going to be insuring drivers as he put an exclusion
3 on the policy saying that leased employees were not to be
4 covered, which is a very normal business practice and
5 there's nothing unusual about that whatsoever.

6 Q. And independent contractors are not covered under your
7 workers' compensation insurance policy. If they're true
8 independent contractors, they're not covered. Is that
9 correct?

10 A. Again, you would have to define for me what a true
11 independent sub-contractor is. The only way to determine
12 that is you would have to look at the facts of that
13 relationship. What does the contract call for between the
14 sub-contractor and a person hiring them. There's the
15 relative nature of the work issue, frequency and amounts of
16 payments, business licensures. I mean, you just can't
17 simply look at one thing and say, oh, he's an independent
18 contractor because I use him every once in a while. That's
19 simply not an accurate statement.

20 Q. Are you aware of the workers' comp statute that limits
21 claims to two years from the date of any accident?

22 A. I thought it was three, but if you're saying it's two
23 then it must be two.

24 Q. Okay. And Travelers filed this lawsuit long after any
25 statute of limitations period had run, didn't it?

Stephen Evangelista-Cross Examination by Mr. Jenkins

Travelers Property Casualty Company, et al -vs- Senn Freight Lines, Inc. (2008-CP-36-417)

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~~Denny Senn - Redirect Examination by Mr. Roberts~~

1 A. When was the lawsuit filed?

2 Q. It was filed in 2008, I believe.

3 A. Then by going off of your two years then that would be
4 correct.

5 Q. So at that point when Travelers filed this lawsuit,
6 they were absolutely certain no claims would ever be filed
7 against them for any of these drivers or anything that
8 they're trying to recover.

9 A. I wouldn't know if that would come into the decision
10 to file a lawsuit or not, but I think what you're saying
11 would be correct on the surface.

12 MR. JENKINS: One moment, Your Honor, beg the
13 Court's indulgence. That's all I have, Your Honor.

14 THE COURT: Redirect?

15 MR. ROBERTS: Very briefly on redirect, Your
16 Honor.

17 **REDIRECT EXAMINATION**

18 **BY MR. ROBERTS:**

19 Q. Mr. Evangelista, if you would look at Plaintiff's
20 Exhibit 1 on the fourth page. Look at that sheet.

21 A. Okay.

22 Q. Okay. Now, at the bottom it says this policy -- this
23 is the policy for the period, the first term it's
24 2003/2004. Is that correct?

25 A. Yes.

1 A. No, sir.

2 Q. Now, Travelers cancelled your policy earlier. Is that
3 correct?

4 A. Yes, sir, they did.

5 Q. And what did you have to do when they cancelled your
6 policy?

7 A. We had to get replacement coverage since we couldn't
8 talk them into reinstatement.

9 Q. Okay. And I'm going to ask you to speak up just a
10 little bit ---

11 A. Okay. I'm sorry.

12 Q. --- and maybe pull the microphone towards you just a
13 little bit.

14 A. Okay. I'm sorry.

15 Q. I'll ask that again so we can make sure we hear it.
16 What did you have to do when the Travelers cancelled that
17 policy?

18 A. We have to find replacement, replacement coverage
19 because we were unable to get them to reinstate it.

20 Q. Did they earn all of the policy premium you had
21 previously paid to them?

22 A. No.

23 Q. As a matter of fact, they owed you a little over three
24 thousand dollars for the remainder of that year that they
25 did not cover?

1 A. We had pre-paid the entire year. They only covered us
2 for about a third of the year.

3 Q. Now, did you or your office staff have to spend a lot
4 of time on that?

5 A. A tremendous amount of time because it was unexpected.

6 Q. Did you consider Travelers cancellation of that policy
7 to be bad faith?

8 A. Absolutely.

9 Q. Travelers owed a duty to you to preserve your contract
10 and cover the office employees for that time period?

11 A. They did. It's assigned risk.

12 Q. And they breached that contract?

13 A. Yes, sir.

14 Q. You have another claim, counterclaim against travelers
15 regarding a Jones Motor Group are you familiar with that?

16 A. I'm familiar with it.

17 Q. Did you handle that situation with Travelers?

18 A. Did I handle it personally?

19 Q. Yes.

20 A. Yes, sir.

21 Q. And why is Travelers involved in that situation with
22 Jones Motor Group?

23 A. In that particular instance Travelers was underwriting
24 a surety bond. A surety bond is required in our industry
25 by federal law. Every freight broker has to have a surety

1 would be, this assigned risk, workers' comp insurance
2 carrier. And we submit based on that that the Plaintiff's
3 entitled to a directed verdict on that counterclaim.

4 Working off the insurance bad-faith, again, Your
5 Honor, there's absolutely no evidence in the case. South
6 Carolina only recognizes bad faith in refusal to pay
7 benefits in a first party or third party situation.
8 There's been no allegation whatsoever that there was a
9 refusal to pay benefits in this case. And really reading
10 the allegations of that particular fourth defense in the
11 counterclaim, it's just a restatement of a breach of
12 contract. It's in a sheep's clothing of an insurance bad
13 faith claim. Testimony from the stand, I believe,
14 basically was do you feel like it was done in bad-faith,
15 yes. Without any further evidence or testimony of any
16 insurance bad faith and refusal to pay benefits. So we
17 believe that the Plaintiff would be entitled to directed
18 verdict on that counterclaim.

19 Thirdly, on the third's defense by way of
20 counterclaim and breach of contract, this is, of course,
21 the insurance contracts that are at issue. Plaintiff
22 claims that the -- I'm sorry. Defendant claims that the
23 contract was cancelled unilaterally in violation of the
24 insurance contract. Well, as we've been through
25 exhaustively here, the contract required Senn to produce

1 it's a collateral source, it's not workers' compensation
2 insurance coverage.

3 THE COURT: All right. My ruling is I'm going to
4 deny the motion right now. I'm going to go off the record
5 just for a second.

6 (WHEREUPON, an off-the-record discussion was had in
7 chambers.)

8 THE COURT: Y'all were arguing the motions for
9 directed verdict for Plaintiff and Defendant. If y'all
10 want to be heard further on those, I'll let you -- hear you
11 further on those, but my feeling before we took a break and
12 as we had the conference in chambers was to deny them both
13 ways and proceed with the verdict form that we fashioned
14 roughly back in chambers. Does either party want to be
15 heard further on those?

16 MR. JENKINS: Not at this time.

17 THE COURT: All right. Do either, Mr. Roberts or
18 Mr. Jenkins, do y'all have any other suggestions or
19 modifications to the suggestions for the verdict form?

20 MR. JENKINS: Pending a review of the final copy,
21 we were okay with what was suggested in chambers.

22 THE COURT: All right.

23 MS. ROBERTS: Your Honor, the only one we had
24 requested a change is, will this policy cover drivers? If

1 In addition to that, on the bad faith claim, if
2 you award actual damages you may also consider an award of
3 punitive damages. Now, punitive damages are normally
4 intended to punish the other side for extraordinary or
5 outrageous conduct and to prevent a person from acting or
6 committing similar acts in the future. Punitive damages
7 can only be awarded when the conduct of the party has been
8 something more than mere negligence. The evidence must
9 establish the insurance contacts were reckless, willful and
10 wanton, meaning there was a conscious failure to exercise
11 due care or a conscious indifference to the rights of the
12 others or reckless disregard thereof. Now, if you find
13 that the insurance company's conduct was willful, wanton or
14 reckless, you may award Senn Freight Lines punitive
15 damages. To support an award of punitive damages, Senn
16 Freight Lines must prove by clear and convincing evidence
17 that the conduct complained of included consciousness of a
18 wrong doing at the time of the conduct. Clear and
19 convincing evidence is more than just a preponderance or
20 greater weight of the evidence. This requires a higher
21 standard as a burden of proof is even higher than the
22 burden of proof in criminal cases, which is proof beyond a
23 reasonable doubt. Clear and convincing proof leaves no
24 substantial doubt in your mind and it means the evidence is
25 not ambiguous, doubtful, equivocal or contradictory.

1 Convincing means persuading by proof or argument causing
2 one to believe in the truth of what is asserted. Clear and
3 convincing proof establishes in your mind not the fact is
4 probable, but it is highly probable. And also, before
5 awarding punitive damage you must consider and weigh for
6 evidence which may be pertinent to the facts in this case.
7 You may consider the relationship between any punitive
8 damage award and the harm caused. Any penalty imposed
9 should take into account the reprehensibility of the
10 conduct, the harm caused and the Defendant's awareness of
11 the conducts wrongfulness, the duration of the conduct and
12 any concealment. Thus, any penalty imposed should bear in
13 relationship, nature and extent of the conduct and the harm
14 caused including the compensatory damages or the actual
15 damages awarded by you. Secondly, any penalty imposed
16 should take into account as a mitigating factor any other
17 penalty which may have been imposed or which may be imposed
18 for the conduct involved.

19 Next you should consider whether the award of and
20 the amount of any punitive damage may deprive the Defendant
21 or the insurance of any profits derived from the improper
22 conduct and whether the ill-gotten profits should be
23 properly awarded to the party claiming such.

24 Finally, an award of punitive damages must be
25 limited to punishment and thus may not effect economic

1 bankruptcy. To this end, the Defendant's ability to pay
2 any punitive damage award should be considered. However,
3 the economic bankruptcy factor is not an absolute bar to an
4 award of punitive damages.

5 Now, ladies and gentlemen, I'm going to give you
6 some specific charges regarding specific portions of law
7 regarding the law of this case.

8 Businesses may apply for insurance through the
9 South Carolina Assigned Risk plan when insurance is not
10 readily available in the open market. Participation by
11 insurance companies in the assigned risk plan is voluntary.
12 If another policy of insurance exists, the assigned risk
13 plan will be null and void.

14 Now, there was an issue presented regarding
15 consideration of independent contracts and I instruct you
16 that our Supreme Court has provided a list of factors for
17 your consideration in determining whether an independent
18 contractor is a statutory employee for the purpose of the
19 South Carolina Workers' Compensation Act and these factors
20 are as follows. Whether the activity is an important part
21 of the trade of business conducted, whether the activity is
22 necessary and essential, an integral part of the business,
23 and whether the identical activity in question is performed
24 by employees of the principal employer. This three-part
25 test is what is considered part of the owners trade or

1 entertain those in the jury room. You're not required to
2 do so but if you want to I'll step in there in a few
3 minutes and answer your questions. If you don't have any
4 questions y'all are free to go. I've had the entire jury
5 of all 12 stay and I've had three stay, doesn't matter.
6 Thank you again for your service.

7 (WHEREUPON, the jury exited the open court at
8 approximately 5:16 p.m.)

9 THE COURT: And I got through talking with the
10 jurors. You know the main question? Where was Mr.
11 Burnette? How long have they been looking for him? A long
12 time. They couldn't find him. He got let go. And I said,
13 I imagine he was kind of hard to find because of the
14 downsizing. They said, boy, he's been helpful. So that
15 was one of the main considerations. I'll just tell you.
16 Would you like some time to file post-trial motions?

17 MR. ROBERTS: I would, please, sir.

18 THE COURT: Fifteen days?

19 MR. ROBERTS: Well it's either that - I'm going
20 to have to get them in Tuesday, I'm leaving to go out of
21 town for 10 days --

22 THE COURT: All right. Well, you can get them in
23 by then.

24 MR. JENKINS: I certainly don't care if he gets
25 20 days, however many days by the statute. I don't know

STATE OF SOUTH CAROLINA
COUNTY OF Newberry

CASE # 08 CP 30-417

PLAINTIFF	<u>Travelers Property, et al</u>	PLAINTIFF'S ATTORNEY	<u>B. Roberts</u>
DEFENDANT	<u>Sam Finkert, Inc</u>	DEFENDANT'S ATTORNEY	<u>W. Jenkins</u>
JUDGE	<u>B. H. H.</u>	DATE	<u>8-3-10</u>

PLAINTIFF'S EXHIBITS	DEFENDANT'S EXHIBITS	COURT'S EXHIBITS
1 <u>Ins. policy 03-04</u>	1 <u>Premium notice</u>	1 <u>@ from jury</u>
2 <u>" " 04-05</u>	2 <u>Invoice 7/25/07</u>	2
3 <u>" " 05-06</u>	3	3
4 <u>03-1099</u>	4	4
5 <u>04-1099</u>	5	5
6 <u>05-1099</u>	6	6
7 <u>Occ. Statement</u>	7	7
8 <u>Vendor Agreement</u>	8	8
9 <u>Letter 10-27-05</u>	9	9
10 <u>" " 12-9-05</u>	10	10
11 <u>Cont. g. Ins</u>	11	11
12 <u>" " "</u>	12	12
13 <u>" " "</u>	13	13
14 <u>document</u>	14	14
15	15	15
16	16	16
17	17	17
18	18	18
19	19	19
20	20	20

COURT REPORTER: April Herron

CLERK OF COURT

Jackie S. Bowers

DATE

RECEIVED

August 4, 2010

0132

1-83-11
AT



**WORKERS COMPENSATION
AND
EMPLOYERS LIABILITY POLICY**

A Custom Insurance Policy Prepared for:

SENN FREIGHT LINES, INC.
P.O. BOX 1191
NEWBERRY SC 29108

Travelers

**WORKERS COMPENSATION
AND
EMPLOYERS LIABILITY POLICY**

TYPE AR INFORMATION PAGE WC 00 00 01 (A)

POLICY NUMBER: (6JUB-7803A47-6-03)

NEW-03

INSURER: THE TRAVELERS INDEMNITY COMPANY OF ILLINOIS

NCCI CO CODE: 13579

1.

INSURED:

SENN FREIGHT LINES, INC.
P.O. BOX 1191
NEWBERRY SC 29108

PRODUCER:

ADAMS EADDY & ASSOC
PO BOX 5595
COLUMBIA SC 29250-5595

Insured is A CORPORATION

Other work places and identification numbers are shown in the schedule(s) attached.

2. The policy period is from 07-10-03 to 07-10-04 12:01 A.M. at the insured's mailing address.

3. A. **WORKERS COMPENSATION INSURANCE:** Part One of the policy applies to the Workers Compensation Law of the state(s) listed here:

SC

B. **EMPLOYERS LIABILITY INSURANCE:** Part Two of the policy applies to work in each state listed in item 3.A. The limits of our liability under Part Two are:

Bodily Injury by Accident:	\$	100000	Each Accident
Bodily Injury by Disease:	\$	500000	Policy Limit
Bodily Injury by Disease:	\$	100000	Each Employee

C. **OTHER STATES INSURANCE:** Part Three of the policy applies to the states, if any, listed here:

REFER TO RESIDUAL MARKET LIMITED OTHER STATES INSURANCE
ENDORSEMENT WC 00 03 26

D. This policy includes these endorsements and schedules:

SEE LISTING OF ENDORSEMENTS - EXTENSION OF INFO PAGE

4. The premium for this policy will be determined by our Manuals of Rules, Classifications, Rates and Rating Plans. All required information is subject to verification and change by audit to be made **ANNUALLY**.

DATE OF ISSUE: 08-08-03 LM

OFFICE: ORLANDO

870

PRODUCER: ADAMS EADDY & ASSOC

2433N

ST ASSIGN 0134

Travelers

WORKERS COMPENSATION
AND
EMPLOYERS LIABILITY POLICY

TYPE AR INFORMATION PAGE WC 00 00 01 (A)

POLICY NUMBER: (6JUB-7803A47-6-03)

CLASSIFICATION SCHEDULE:

CLASSIFICATIONS	CODE NO	PREMIUM BASIS ESTIMATED TOTAL ANNUAL REMUNERATION	RATES PER \$100 OF REMUNERATION	ESTIMATED ANNUAL PREMIUM
-----------------	---------	--	---------------------------------------	--------------------------------

SEE EXTENSION OF INFORMATION PAGE - SCHEDULE(S)

SIC-CODE: 4213

	STANDARD
TOTAL ESTIMATED ANNUAL STANDARD PREMIUM \$	1347
PREMIUM DISCOUNT	NONE
0900-39 EXPENSE CONSTANT	230
TERRORISM RISK INS ACT 2002	130
TOTAL ESTIMATED PREMIUM	1707
DEPOSIT AMOUNT DUE	1707

A/R (WCIP) #

Minimum Premium: \$ 750

DATE OF ISSUE: 08-08-03 LM

OFFICE: ORLANDO

PRODUCER: ADAMS EADDY & ASSOC

870

2433N

ST ASSIGN SC

0135



WORKERS COMPENSATION
AND
EMPLOYERS LIABILITY POLICY

EXTENSION OF INFO PAGE-SCHEDULE WC 00 00 01 (A)

POLICY NUMBER: (6JUB-7803A47-6-03)

INSURER: THE TRAVELERS INDEMNITY COMPANY OF ILLINOIS

13579-SC

INSURED'S NAME: SENN FREIGHT LINES, INC.

CLASSIFICATION	CODE	PREMIUM BASIS ESTIMATED TOTAL ANNUAL REMUNERATION	RATES PER \$100 OF REMUNERATION	ESTIMATED ANNUAL PREMIUM
LOCATION 001 01				
FEIN 057095600 ENTITY CD 001				
SENN FREIGHT LINES, INC.				
2699 HIGHWAY 34-121 NEWBERRY, SC 29108				
TRUCKING: LONG DISTANCE HAULING-ALL EMPLOYEES & DRIVERS	7229	IF ANY	10.47	
CLERICAL OFFICE EMPLOYEES NOC	8810	434460	.31	1347

EXPERIENCE MODIFICATION: NONE	MODIFIED PREMIUM \$	NONE
TOTAL ESTIMATED ANNUAL STANDARD PREMIUM		1347
EXPENSE CONSTANT (0900)		230
TERRORISM RISK INS ACT 2002 (9740)		130
TOTAL ESTIMATED PREMIUM		1707
DEPOSIT AMOUNT DUE		1707

0136

DATE OF ISSUE: 08-08-03 LM

ST ASSIGN: SC

SCHEDULE NO: 1 OF LAST



WORKERS COMPENSATION
AND
EMPLOYERS LIABILITY POLICY
ENDORSEMENT WC 00 00 01 (A)

POLICY NUMBER: (6JUB-7803A47-6-03)

LISTING OF ENDORSEMENTS
EXTENSION OF INFO PAGE

We agree that the following listed endorsements form a part of this policy on its effective date.

WC 00 00 01 A - 001	INFORMATION PAGE
WC 00 00 01 A - 001	INFORMATION PAGE 2
WC 00 00 01 A - 001	EXTENSION OF INFORMATION PAGE - SCHEDULE
WC 00 00 01 A - 001	ENDORSEMENT LISTING
WC 00 03 26 A - 001	LIMITED OTHER STATES INSURANCE END
WC 00 04 14 00 - 001	NOTIFICATION OF CHANGE IN OWNERSHIP ENDT
WC 00 04 17 00 - 001	A/R LSRP NOTIFICATION ENDORSEMENT
WC 00 04 20 00 - 001	TERRORISM RISK INS ACT ENDT
WC 00 03 22 00 - 001	EMPL LEASING CLIENT EXCLUSION ENDT

The Travelers Insurance Companies

(Each a Stock Insurance Company)

Hartford, Connecticut

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

In return for the payment of the premium and subject to all terms of this policy, we agree with you as follows:

GENERAL SECTION

A. The Policy

This policy includes at its effective date the Information Page and all endorsements and schedules listed there. It is a contract of insurance between you (the employer named in Item 1 of the Information Page) and us (the insurer named on the Information Page). The only agreements relating to this insurance are stated in this policy. The terms of this policy may not be changed or waived except by endorsement issued by us to be part of this policy.

B. Who Is Insured

You are insured if you are an employer named in Item 1 of the Information Page. If that employer is a partnership, and if you are one of its partners, you are insured, but only in your capacity as an employer of the partnership's employees.

C. Workers Compensation Law

Workers Compensation Law means the workers or workmen's compensation law and occupational dis-

ease law of each state or territory named in Item 3.A. of the Information Page. It includes any amendments to that law which are in effect during the policy period. It does not include any federal workers or workmen's compensation law, any federal occupational disease law or the provisions of any law that provide nonoccupational disability benefits.

D. State

State means any state of the United States of America, and the District of Columbia.

E. Locations

This policy covers all of your workplaces listed in Items 1 or 4 of the Information Page; and it covers all other workplaces in Item 3.A. states unless you have other insurance or are self-insured for such workplaces.

PART ONE - WORKERS COMPENSATION INSURANCE

A. How This Insurance Applies

This workers compensation insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

1. Bodily injury by accident must occur during the policy period.
2. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.

B. We Will Pay

We will pay promptly when due the benefits required of you by the workers compensation law.

C. We Will Defend

We have the right and duty to defend at our expense any claim, proceeding or suit against you for benefits payable by this insurance. We have the right to investigate and settle these claims, proceedings or suits.

We have no duty to defend a claim, proceeding or suit that is not covered by this insurance.

D. We Will Also Pay

We will also pay these costs, in addition to other amounts payable under this insurance, as part of any claim, proceeding or suit we defend:

1. reasonable expenses incurred at our request, but not loss of earnings;

2. premiums for bonds to release attachments and for appeal bonds in bond amounts up to the amount payable under this insurance;
3. litigation costs taxed against you;
4. interest on a judgment as required by law until we offer the amount due under this insurance; and
5. expenses we incur.

E. Other Insurance

We will not pay more than our share of benefits and costs covered by this insurance and other insurance or self-insurance. Subject to any limits of liability that may apply, all shares will be equal until the loss is paid. If any insurance or self-insurance is exhausted, the shares of all remaining insurance will be equal until the loss is paid.

F. Payments You Must Make

You are responsible for any payments in excess of the benefits regularly provided by the workers compensation law including those required because:

1. of your serious and willful misconduct;
2. you knowingly employ an employee in violation of law;
3. you fail to comply with a health or safety law or regulation; or
4. you discharge, coerce or otherwise discriminate against any employee in violation of the workers compensation law.

If we make any payments in excess of the benefits regularly provided by the workers compensation law on your behalf, you will reimburse us promptly.

G. Recovery From Others

We have your rights, and the rights of persons entitled to the benefits of this insurance, to recover our payments from anyone liable for the injury. You will do everything necessary to protect those rights for us and to help us enforce them.

H. Statutory Provisions

These statements apply where they are required by law.

1. As between an injured worker and us, we have notice of the injury when you have notice.
2. Your default or the bankruptcy or insolvency of you or your estate will not relieve us of our duties under this insurance after an injury occurs.
3. We are directly and primarily liable to any person entitled to the benefits payable by this insurance. Those persons may enforce our duties; so may an agency authorized by law.

Enforcement may be against us or against you and us.

4. Jurisdiction over you is jurisdiction over us for purposes of the workers compensation law. We are bound by decisions against you under that law, subject to the provisions of this policy that are not in conflict with that law.
5. This insurance conforms to the parts of the workers compensation law that apply to:
 - a. benefits payable by this insurance;
 - b. special taxes, payments into security or other special funds, and assessments payable by us under that law.
6. Terms of this insurance that conflict with the workers compensation law are changed by this statement to conform to that law.

Nothing in these paragraphs relieves you of your duties under this policy.

PART TWO – EMPLOYERS LIABILITY INSURANCE

A. How This Insurance Applies

This employers liability insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

1. The bodily injury must arise out of and in the course of the injured employee's employment by you.
2. The employment must be necessary or incidental to your work in a state or territory listed in Item 3.A. of the Information Page.
3. Bodily injury by accident must occur during the policy period.
4. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.
5. If you are sued, the original suit and any related legal actions for damages for bodily injury by accident or by disease must be brought in the United States of America, its territories or possessions, or Canada.

B. We Will Pay

We will pay all sums you legally must pay as damages because of bodily injury to your employees, provided the bodily injury is covered by this Employers Liability Insurance.

The damages we will pay, where recovery is permitted by law, include damages:

1. for which you are liable to a third party by reason of a claim or suit against you by that third party to recover the damages claimed against such third party as a result of injury to your employee;
2. for care and loss of services; and
3. for consequential bodily injury to a spouse, child, parent, brother or sister of the injured employee;

provided that these damages are the direct consequence of bodily injury that arises out of and in the course of the injured employee's employment by you; and

4. because of bodily injury to your employee that arises out of and in the course of employment,

claimed against you in a capacity other than as employer.

C. Exclusions

This insurance does not cover:

1. liability assumed under a contract. This exclusion does not apply to a warranty that your work will be done in a workmanlike manner;
2. punitive or exemplary damages because of bodily injury to an employee employed in violation of law;
3. bodily injury to an employee while employed in violation of law with your actual knowledge or the actual knowledge of any of your executive officers;
4. any obligation imposed by a workers compensation, occupational disease, unemployment compensation, or disability benefits law, or any similar law;
5. bodily injury intentionally caused or aggravated by you;
6. bodily injury occurring outside the United States of America, its territories or possessions, and Canada. This exclusion does not apply to bodily injury to a citizen or resident of the United States of America or Canada who is temporarily outside these countries;
7. damages arising out of coercion, criticism, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination against or termination of any employee, or any personnel practices, policies, acts or omissions.
8. bodily injury to any person in work subject to the Longshore and Harbor Workers' Compensation Act (33 USC Sections 901-950), the Nonappropriated Fund Instrumentalities Act (5 USC Sections 8171-8173), the Outer Continental Shelf Lands Act (43 USC Sections 1331-1356), the Defense Base Act (42 USC Sections 1651-1654), the Federal Coal Mine Health and Safety Act of 1969 (30 USC Sections 901-942), any other federal workers or workmen's compensation law or other federal occupational disease law, or any amendments to these laws.

9. bodily injury to any person in work subject to the Federal Employers' Liability Act (45 USC Sections 51-60), any other federal laws obligating an employer to pay damages to an employee due to bodily injury arising out of or in the course of employment, or any amendments to those laws.
10. bodily injury to a master or member of the crew of any vessel.
11. fines or penalties imposed for violation of federal or state law.
12. damages payable under the Migrant and Seasonal Agricultural Worker Protection Act (29 USC Sections 1801-1872) and under any other federal law awarding damages for violation of those laws or regulations issued thereunder, and any amendments to those laws.

D. We Will Defend

We have the right and duty to defend, at our expense, any claim, proceeding or suit against you for damages payable by this insurance. We have the right to investigate and settle these claims, proceedings and suits.

We have no duty to defend a claim, proceeding or suit that is not covered by this insurance. We have no duty to defend or continue defending after we have paid our applicable limit of liability under this insurance.

E. We Will Also Pay

We will also pay these costs, in addition to other amounts payable under this insurance, as part of any claim, proceeding or suit we defend:

1. reasonable expenses incurred at our request, but not loss of earnings;
2. premiums for bonds to release attachments and for appeal bonds in bond amounts up to the limit of our liability under this insurance;
3. litigation costs taxed against you;
4. interest on a judgement as required by law until we offer the amount due under this insurance; and
5. expenses we incur.

F. Other Insurance

We will not pay more than our share of damages and costs covered by this insurance and other insurance or self-insurance. Subject to any limits of liability that apply, all shares will be equal until the loss is paid. If any insurance or self-insurance is ex-

hausted, the shares of all remaining insurance and self-insurance will be equal until the loss is paid.

G. Limits of Liability

Our liability to pay for damages is limited. Our limits of liability are shown in Item 3.B. of the Information Page. They apply as explained below:

1. Bodily Injury by Accident. The limit shown for "bodily injury by accident — each accident" is the most we will pay for all damages covered by this insurance because of bodily injury to one or more employees in any one accident.

A disease is not bodily injury by accident unless it results directly from bodily injury by accident.

2. Bodily Injury by Disease. The limit shown for "bodily injury by disease — policy limit" is the most we will pay for all damages covered by this insurance, and arising out of bodily injury by disease, regardless of the number of employees who sustain bodily injury by disease. The limit shown for "bodily injury by disease — each employee" is the most we will pay for all damages because of bodily injury by disease to any one employee.

Bodily injury by disease does not include disease that results directly from a bodily injury by accident.

3. We will not pay any claims for damages after we have paid the applicable limit of our liability under this insurance.

H. Recovery From Others

We have your rights to recover our payment from anyone liable for an injury covered by this insurance. You will do everything necessary to protect those rights for us and to help us enforce them.

I. Actions Against Us

There will be no right of action against us under this insurance unless:

1. You have complied with all the terms of this policy; and
2. The amount you owe has been determined with our consent or by actual trial and final judgement.

This insurance does not give anyone the right to add us as a defendant in an action against you to determine your liability. The bankruptcy or insolvency of you or your estate will not relieve us of our obligations under this Part.

PART THREE — OTHER STATES INSURANCE

A. How This Insurance Applies

1. This other states insurance applies only if one or more states are shown in Item 3.C. of the Information Page.
2. If you begin work in any one of those states after the effective date of this policy and are not insured or are not self-insured for such work, all provisions of the policy will apply as though that state were listed in Item 3.A. of the Information Page.
3. We will reimburse you for the benefits required by the workers compensation law of that state if

we are not permitted to pay the benefits directly to persons entitled to them.

4. If you have work on the effective date of this policy in any state not listed in Item 3.A. of the Information Page, coverage will not be afforded for that state unless we are notified within thirty days.

B. Notice

Tell us at once if you begin work in any state listed in Item 3.C. of the Information Page.

PART FOUR – YOUR DUTIES IF INJURY OCCURS

Tell us at once if injury occurs that may be covered by this policy. Your other duties are listed here.

1. Provide for immediate medical and other services required by the workers compensation law.
2. Give us or our agent the names and addresses of the injured persons and of witnesses, and other information we may need.
3. Promptly give us all notices, demands and legal papers related to the injury, claim, proceeding or suit.
4. Cooperate with us and assist us, as we may request, in the investigation, settlement or defense of any claim, proceeding or suit.
5. Do nothing after an injury occurs that would interfere with our right to recover from others.
6. Do not voluntarily make payments, assume obligations or incur expenses, except at your own cost.

PART FIVE – PREMIUM

A. Our Manuals

All premium for this policy will be determined by our manuals of rules, rates, rating plans and classifications. We may change our manuals and apply the changes to this policy if authorized by law or a governmental agency regulating this insurance.

B. Classifications

Item 4 of the Information Page shows the rate and premium basis for certain business or work classifications. These classifications were assigned based on an estimate of the exposures you would have during the policy period. If your actual exposures are not properly described by those classifications, we will assign proper classifications, rates and premium basis by endorsement to this policy.

C. Remuneration

Premium for each work classification is determined by multiplying a rate times a premium basis. Remuneration is the most common premium basis. This premium basis includes payroll and all other remuneration paid or payable during the policy period for the services of:

1. All your officers and employees engaged in work covered by this policy; and
2. All other persons engaged in work that could make us liable under Part One (Workers Compensation Insurance) of this policy. If you do not have payroll records for these persons, the contract price for their services and materials may be used as the premium basis. This paragraph 2 will not apply if you give us proof that the employers of these persons lawfully secured their workers compensation obligations.

D. Premium Payments

You will pay all premium when due. You will pay the premium even if part or all of a workers compensation law is not valid.

E. Final Premium

The premium shown on the Information Page, schedules, and endorsements is an estimate. The final premium will be determined after this policy

ends by using the actual, not the estimated, premium basis and the proper classifications and rates that lawfully apply to the business and work covered by this policy. If the final premium is more than the premium you paid to us, you must pay us the balance. If it is less, we will refund the balance to you. The final premium will not be less than the highest minimum premium for the classifications covered by this policy.

If this policy is canceled, final premium will be determined in the following way unless our manuals provide otherwise:

1. If we cancel, final premium will be calculated pro rata based on the time this policy was in force. Final premium will not be less than the pro rata share of the minimum premium.
2. If you cancel, final premium will be more than pro rata; it will be based on the time this policy was in force, and increased by our short-rate cancellation table and procedure. Final premium will not be less than the minimum premium.

F. Records

You will keep records of information needed to compute premium. You will provide us with copies of those records when we ask for them.

G. Audit

You will let us examine and audit all your records that relate to this policy. These records include ledgers, journals, registers, vouchers, contracts, tax reports, payroll and disbursement records, and programs for storing and retrieving data. We may conduct the audits during regular business hours during the policy period and within three years after the policy period ends. Information developed by audit will be used to determine final premium. Insurance rate service organizations have the same rights we have under this provision.

PART SIX – CONDITIONS

A. Inspection

We have the right, but are not obliged to inspect your workplaces at any time. Our inspections are not safety inspections. They relate only to the insurability of the workplaces and the premiums to be charged. We may give you reports on the conditions we find. We may also recommend changes. While

they may help reduce losses, we do not undertake to perform the duty of any person to provide for the health or safety of your employees or the public. We do not warrant that your workplaces are safe or healthful or that they comply with laws, regulations, codes or standards. Insurance rate service organizations have the same rights we have under this provision.

B. Long Term Policy

If the policy period is longer than one year and sixteen days, all provisions of this policy will apply as though a new policy were issued on each annual anniversary that this policy is in force.

C. Transfer of Your Rights and Duties

Your rights or duties under this policy may not be transferred without our written consent.

If you die and we receive notice within thirty days after your death, we will cover your legal representative as insured.

D. Cancellation

1. You may cancel this policy. You must mail or deliver advance written notice to us stating when the cancellation is to take effect.

2. We may cancel this policy. We must mail or deliver to you not less than ten days advance written notice stating when the cancellation is to take effect. Mailing that notice to you at your mailing address shown in Item 1 of the Information Page will be sufficient to prove notice.

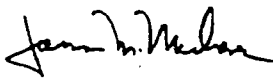
3. The policy period will end on the day and hour stated in the cancellation notice.

4. Any of these provisions that conflict with a law that controls the cancellation of the insurance in this policy is changed by this statement to comply with the law.

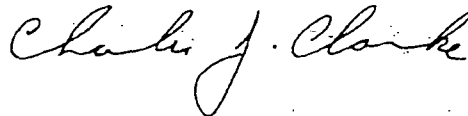
E. Sole Representative

The insured first named in Item 1 of the Information Page will act on behalf of all insureds to change this policy, receive return premium, and give or receive notice of cancellation.

In witness whereof, the company has caused this policy to be signed by its President and Secretary at Hartford, Connecticut and countersigned on the Information page by a duly authorized agent of the company.



Secretary



President



**WORKERS COMPENSATION
AND
EMPLOYERS LIABILITY POLICY**

ENDORSEMENT WC 00 03 26 (A)

POLICY NUMBER: (6JUB-7803A47-6-03)

**RESIDUAL MARKET
LIMITED OTHER STATES INSURANCE ENDORSEMENT**

"Part Three – Other States Insurance" of the policy is replaced by the following:

PART THREE OTHER STATES INSURANCE

A. How This Insurance Applies

1. We will pay promptly when due the benefits required of you by the workers compensation law of any state not listed in Item 3.A. of the Information Page if all of the following conditions are met:
 - a. The employee claiming benefits was either hired under a contract of employment made in a state listed in Item 3.A. of the Information Page or was, at the time of injury, principally employed in a state listed in Item 3.A. of the Information Page; and
 - b. The employee claiming benefits is not claiming benefits in a state where, at the time of injury, (i) you have other workers compensation insurance coverage, or (ii) you were, by virtue of the nature of your operations in that state, required by that state's law to have obtained separate workers compensation insurance coverage, or (iii) you are an authorized self-insurer or participant in a self-insured group plan; and
 - c. The duration of the work being performed by the employee claiming benefits in the state for which that employee is claiming benefits is temporary.
2. If we are not permitted to pay the benefits directly to persons entitled to them and all of the above conditions are met, we will reimburse you for the benefits required to be paid.
3. This insurance does not apply to fines or penalties arising out of your failure to comply with the requirements of the workers compensation law.

IMPORTANT NOTICE!

If you hire any employees outside those states listed in Item 3.A. on the Information Page or begin operations in any such state, you should do whatever may be required under that state's law, as this endorsement does not satisfy the requirements of that state's workers compensation law.



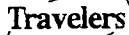
WORKERS COMPENSATION
AND
EMPLOYERS LIABILITY POLICY
ENDORSEMENT WC 00 04 14 (00)

POLICY NUMBER: (6JUB-7803A47-6-03)

NOTIFICATION OF CHANGE IN OWNERSHIP ENDORSEMENT

Experience rating is mandatory for all eligible insureds. The experience rating modification factor, if any, applicable to this policy, may change if there is a change in your ownership or in that of one or more of the entities eligible to be combined with you for experience rating purposes. Change in ownership includes sales, purchases, other transfers, mergers, consolidations, dissolutions, formations of a new entity and other changes provided for in the applicable experience rating plan manual.

You must report any change in ownership to us in writing within 90 days of such change. Failure to report such changes within this period may result in revision of the experience rating modification factor used to determine your premium.



WORKERS COMPENSATION
AND
EMPLOYERS LIABILITY POLICY
ENDORSEMENT WC 00 04 17 (00)

POLICY NUMBER: (6JTB-7803A47-6-03)

**ASSIGNED RISK LOSS SENSITIVE RATING PLAN
NOTIFICATION ENDORSEMENT**

This endorsement is issued because you may qualify to have the cost of your insurance subject to the assigned risk mandatory Loss Sensitive Rating Plan (LSRP).

Eligibility:

1. Your insurance is written under Workers Compensation Insurance Plan (WCIP) in a state which has adopted the Loss Sensitive Rating Plan (LSRP).
2. The LSRP shall apply to an individual assigned risk policy if the total annual estimated Standard Premium or preliminary physical audit premium equals or exceeds the amount noted in the schedule.
3. A decrease in premium during the first 120 days of coverage which results in the premium falling below the LSRP premium eligibility threshold, shall result in the conversion of the policy to a guaranteed cost policy, retroactive to policy inception.
4. An increase in premium during the first 120 days of coverage which qualifies an employer for the LSRP shall result in the retroactive application of the LSRP to policy inception.
5. After the first 120 days of the coverage term, if it is determined that an employer qualifies for LSRP, the policy shall not be changed until renewal.
6. Notwithstanding, anything above to the contrary, any attempt to avoid the application of the LSRP arising from a misrepresentation or omission by you, your agent, employees, officers or directors shall result in the pro rata application of LSRP from the date upon which it would have applied had such misrepresentation or omission not been made.
7. The LSRP will apply on an interstate basis when the estimated aggregate (total of all states having approved LSRP) annual standard premium meets the premium eligibility requirement for the LSRP state generating the largest premium.

This plan will adjust your premium for this insurance based upon the losses incurred during the period covered by this insurance.

This endorsement applies in the states listed in the schedule below.

SCHEDULE

STATE	PREMIUM ELIGIBILITY
Alabama	\$200,000
Alaska	\$200,000
Connecticut	\$200,000
District of Columbia	\$200,000
Georgia	\$200,000
Idaho	\$200,000
Illinois	\$200,000
Indiana	\$100,000
Kansas	\$200,000
Nevada	\$200,000
New Hampshire	\$175,000
North Carolina	\$200,000
South Dakota	\$200,000

0145

DATE OF ISSUE: 08-08-03 ST ASSIGN: SC

(Rev. 03-03)



WORKERS COMPENSATION
AND
EMPLOYERS LIABILITY POLICY
ENDORSEMENT WC 00 04 20 (OO)

POLICY NUMBER: (6JUB-7803A47-6-03)

TERRORISM RISK INSURANCE ACT ENDORSEMENT

This endorsement addresses requirements of the Terrorism Risk Insurance Act of 2002.

Definitions

The definitions provided in this endorsement are based on the definitions in the Act and are intended to have the same meaning. If words or phrases not defined in this endorsement are defined in the Act the definitions in the Act will apply.

"Act" means the Terrorism Risk Insurance Act of 2002, which took effect on November 26, 2002 and any amendments.

"Act of terrorism" means any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State, and the Attorney General of the United States as meeting all of the following requirements:

- a. The act is an act of terrorism.
- b. The act is violent or dangerous to human life, property or infrastructure.
- c. The act resulted in damage within the United States, or outside of the United States in the case of United States missions or certain air carriers or vessels.
- d. The act has been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

"Insured terrorism or war loss" means any loss resulting from an act of terrorism (including an act of war, in the case of workers compensation that is covered by primary or excess property and casualty insurance issued by an insurer if the loss occurs in the United States or at United States missions or to certain air carriers or vessels.

"Insurer deductible" means:

- a. For the period beginning on November 26, 2002 and ending on December 31, 2002, an amount equal to 1% of our direct earned premiums, as provided in the Act, over the calendar year immediately preceding November 26, 2002.
- b. For the period beginning on January 1, 2003 and ending on December 31, 2003, an amount equal to 7% of our direct earned premiums, as provided in the Act, over the calendar year immediately preceding January 1, 2003.
- c. For the period beginning on January 1, 2004 and ending on December 31, 2004, an amount equal to 10% of our direct earned premiums, as provided in the Act, over the calendar year immediately preceding January 1, 2004.
- d. For the period beginning on January 1, 2005 and ending on December 31, 2005, an amount equal to 15% of our direct earned premiums, as provided in the Act, over the calendar year immediately preceding January 1, 2005.

Limitation of Liability

The Act may limit our liability to you under this policy. If annual aggregate insured terrorism or war losses of all insurers exceed \$100,000,000,000 during the applicable period provided in the Act, and if we have met our insurer deductible, the amount we will pay for insured terrorism or war losses under this policy will be limited by the Act, as determined by the Secretary of the Treasury.

Policyholder Disclosure Notice

1. Insured terrorism or war losses would be partially reimbursed by the United States Government under a formula established by the Act. Under this formula, the United States would pay 90% of our insured terrorism or war losses exceeding our insurer deductible.

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WORKERS COMPENSATION
AND
EMPLOYERS LIABILITY POLICY
ENDORSEMENT WC 00 04 20 (00)

POLICY NUMBER: (6JUB-7803A47-6-03)

2. The additional premium charged for the coverage this policy provides for insured terrorism or war losses is shown in Item 4 of the Information Page or the Schedule below.

Schedule

State	Rate per \$100 of Remuneration	State	Rate per \$100 of Remuneration
SOUTH CAROLINA	0.030		

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective

Policy No.

Endorsement No.

Insured

Premium \$

Insurance Company

Countersigned by _____

0147

DATE OF ISSUE: 08-08-03

ST ASSIGN: SC

Page 2 of 2



WORKERS COMPENSATION
AND
EMPLOYERS LIABILITY POLICY
ENDORSEMENT WC 00 03 22 (00)

POLICY NUMBER: (6JUB-7803A47-6-03)

EMPLOYEE LEASING CLIENT EXCLUSION ENDORSEMENT

As used in this endorsement, "employee leasing" shall mean an arrangement whereby an entity utilizes the services of a third party to provide its workers for a fee or other compensation. The third party providing employee leasing services shall be referred to as a "labor contractor." The entity receiving the services shall be referred to as a "client."

This endorsement applies only with respect to your leased workers engaged in any work provided under an employee leasing arrangement. Your policy does not provide coverage for workers you lease from labor contractors listed below.

This endorsement may be used in jurisdictions where not prohibited by single policy statutes and/or regulations.

SCHEDULE

LABOR CONTRACTOR

ADDRESS

VANGUARD SOUTHEAST INC

2223 LADEAN COURT, SUITE G
SIMPSONVILLE, SC 29680



**WORKERS COMPENSATION
AND
EMPLOYERS LIABILITY POLICY**

A Custom Insurance Policy Prepared for:

SENN FREIGHT LINES, INC.
P.O. BOX 1191
NEWBERRY SC 29108



WORKERS COMPENSATION
AND
EMPLOYERS LIABILITY POLICY

TYPE AR INFORMATION PAGE WC 00 00 01 (A)

POLICY NUMBER: (6JUB-7803A47-6-04)

RENEWAL OF (6JUB-7803A47-6-03)

INSURER: TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICA

NCCI CO CODE: 13579

1.

INSURED:

SENN FREIGHT LINES, INC.
P.O. BOX 1191
NEWBERRY SC 29108

PRODUCER:

ADAMS EADDY & ASSOC
2230 DEVINE STREET
PO BOX 5595
COLUMBIA SC 29250-5595

Insured is A CORPORATION

Other work places and identification numbers are shown in the schedule(s) attached.

2. The policy period is from 07-10-04 to 07-10-05 12:01 A.M. at the insured's mailing address.

3. A. **WORKERS COMPENSATION INSURANCE:** Part One of the policy applies to the Workers Compensation Law of the state(s) listed here:

SC

B. **EMPLOYERS LIABILITY INSURANCE:** Part Two of the policy applies to work in each state listed in item 3.A. The limits of our liability under Part Two are:

Bodily Injury by Accident:	\$	100000	Each Accident
Bodily Injury by Disease:	\$	500000	Policy Limit
Bodily Injury by Disease:	\$	100000	Each Employee

C. **OTHER STATES INSURANCE:** Part Three of the policy applies to the states, if any, listed here:

REFER TO RESIDUAL MARKET LIMITED OTHER STATES INSURANCE
ENDORSEMENT WC 00 03 26

D. This policy includes these endorsements and schedules:

SEE LISTING OF ENDORSEMENTS - EXTENSION OF INFO PAGE

4. The premium for this policy will be determined by our Manuals of Rules, Classifications, Rates and Rating Plans. All required information is subject to verification and change by audit to be made **ANNUALLY**.

DATE OF ISSUE: 07-23-04 WC

OFFICE: ORLANDO

PRODUCER: ADAMS EADDY & ASSOC

870

2433N

ST ASSIGN: SC
0150



WORKERS COMPENSATION
AND
EMPLOYERS LIABILITY POLICY

TYPE AR INFORMATION PAGE WC 00 00 01 (A)

POLICY NUMBER: (6JUB-7803A47-6-04)

CLASSIFICATION SCHEDULE:

CLASSIFICATIONS	CODE NO	PREMIUM BASIS ESTIMATED TOTAL ANNUAL REMUNERATION	RATES PER \$100 OF REMUNERATION	ESTIMATED ANNUAL PREMIUM
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SEE EXTENSION OF INFORMATION PAGE - SCHEDULE(S)

SIC-CODE: 4213

	STANDARD
TOTAL ESTIMATED ANNUAL STANDARD PREMIUM \$	1482
PREMIUM DISCOUNT	NONE
0900-39 EXPENSE CONSTANT	230
TERRORISM RISK INS ACT 2002	143
TOTAL ESTIMATED PREMIUM	1855
DEPOSIT AMOUNT DUE	1855

A/R (WCIP) #

Minimum Premium: \$ 750

ST ASSIGN: SC

DATE OF ISSUE: 07-23-04 WC

OFFICE: ORLANDO

870

PRODUCER: ADAMS EADDY & ASSOC

2433N

0151

Travelers

**WORKERS COMPENSATION
AND
EMPLOYERS LIABILITY POLICY**

EXTENSION OF INFO PAGE-SCHEDULE WC 00 00 01 (A)

POLICY NUMBER: (6JUB-7803A47-6-04)

INSURER: TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICA

13579-SC

INSURED'S NAME: SENN FREIGHT LINES, INC.

CLASSIFICATION	CODE	PREMIUM BASIS ESTIMATED TOTAL ANNUAL REMUNERATION	RATES PER \$100 OF REMUNERATION	ESTIMATED ANNUAL PREMIUM
LOCATION 001 01				
FEIN 057095600 ENTITY CD 001				
SENN FREIGHT LINES, INC.				
2699 HIGHWAY 34-121				
NEWBERRY, SC 29108				
TRUCKING: LONG DISTANCE HAULING-ALL EMPLOYEES & DRIVERS	7229	IF ANY	10.47	
CLERICAL OFFICE EMPLOYEES NOC	8810	477906	.31	1482

EXPERIENCE MODIFICATION: NONE	MODIFIED PREMIUM	\$	NONE
TOTAL ESTIMATED ANNUAL STANDARD PREMIUM			1482
EXPENSE CONSTANT(0900)			230
TERRORISM RISK INS ACT 2002 (9740)			143
TOTAL ESTIMATED PREMIUM			1855
DEPOSIT AMOUNT DUE			1855

0152

DATE OF ISSUE: 07-23-04 WC

ST ASSIGN: SC

SCHEDULE NO: 1 OF LAST



WORKERS COMPENSATION
AND
EMPLOYERS LIABILITY POLICY
ENDORSEMENT WC 00 00 01 (A)

POLICY NUMBER: (6JUB-7803A47-6-04)

LISTING OF ENDORSEMENTS
EXTENSION OF INFO PAGE

We agree that the following listed endorsements form a part of this policy on its effective date.

WC 00 00 01 A - 001	INFORMATION PAGE
WC 00 00 01 A - 001	INFORMATION PAGE 2
WC 00 00 01 A - 001	EXTENSION OF INFORMATION PAGE - SCHEDULE
WC 00 00 01 A - 001	ENDORSEMENT LISTING
WC 00 03 26 A - 001	LIMITED OTHER STATES INSURANCE END
WC 00 04 04 00 - 001	PENDING RATE CHANGE ENDORSEMENT
WC 00 04 14 00 - 001	NOTIFICATION OF CHANGE IN OWNERSHIP ENDT
WC 00 04 17 00 - 001	A/R LSRP NOTIFICATION ENDORSEMENT
WC 00 04 20 00 - 001	TERRORISM RISK INS ACT ENDT
WC 00 03 08 00 - 001	PARTNERS, OFFICERS, AND OTHERS EXCLUSION
WC 00 03 22 00 - 001	EMPL LEASING CLIENT EXCLUSION ENDT

The Travelers Insurance Companies

(Each a Stock Insurance Company)

Hartford, Connecticut

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

In return for the payment of the premium and subject to all terms of this policy, we agree with you as follows:

GENERAL SECTION

A. The Policy

This policy includes at its effective date the Information Page and all endorsements and schedules listed there. It is a contract of insurance between you (the employer named in Item 1 of the Information Page) and us (the insurer named on the Information Page). The only agreements relating to this insurance are stated in this policy. The terms of this policy may not be changed or waived except by endorsement issued by us to be part of this policy.

B. Who Is Insured

You are insured if you are an employer named in Item 1 of the Information Page. If that employer is a partnership, and if you are one of its partners, you are insured, but only in your capacity as an employer of the partnership's employees.

C. Workers Compensation Law

Workers Compensation Law means the workers or workmen's compensation law and occupational dis-

ease law of each state or territory named in Item 3.A. of the Information Page. It includes any amendments to that law which are in effect during the policy period. It does not include any federal workers or workmen's compensation law, any federal occupational disease law or the provisions of any law that provide nonoccupational disability benefits.

D. State

State means any state of the United States of America, and the District of Columbia.

E. Locations

This policy covers all of your workplaces listed in Items 1 or 4 of the Information Page; and it covers all other workplaces in Item 3.A. states unless you have other insurance or are self-insured for such workplaces.

PART ONE - WORKERS COMPENSATION INSURANCE

A. How This Insurance Applies

This workers compensation insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

1. Bodily injury by accident must occur during the policy period.
2. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.

B. We Will Pay

We will pay promptly when due the benefits required of you by the workers compensation law.

C. We Will Defend

We have the right and duty to defend at our expense any claim, proceeding or suit against you for benefits payable by this insurance. We have the right to investigate and settle these claims, proceedings or suits.

We have no duty to defend a claim, proceeding or suit that is not covered by this insurance.

D. We Will Also Pay

We will also pay these costs, in addition to other amounts payable under this insurance, as part of any claim, proceeding or suit we defend:

1. reasonable expenses incurred at our request, but not loss of earnings;

2. premiums for bonds to release attachments and for appeal bonds in bond amounts up to the amount payable under this insurance;
3. litigation costs taxed against you;
4. interest on a judgment as required by law until we offer the amount due under this insurance; and
5. expenses we incur.

E. Other Insurance

We will not pay more than our share of benefits and costs covered by this insurance and other insurance or self-insurance. Subject to any limits of liability that may apply, all shares will be equal until the loss is paid. If any insurance or self-insurance is exhausted, the shares of all remaining insurance will be equal until the loss is paid.

F. Payments You Must Make

You are responsible for any payments in excess of the benefits regularly provided by the workers compensation law including those required because:

1. of your serious and willful misconduct;
2. you knowingly employ an employee in violation of law;
3. you fail to comply with a health or safety law or regulation; or
4. you discharge, coerce or otherwise discriminate against any employee in violation of the workers compensation law.

If we make any payments in excess of the benefits regularly provided by the workers compensation law on your behalf, you will reimburse us promptly.

G. Recovery From Others

We have your rights, and the rights of persons entitled to the benefits of this insurance, to recover our payments from anyone liable for the injury. You will do everything necessary to protect those rights for us and to help us enforce them.

H. Statutory Provisions

These statements apply where they are required by law.

1. As between an injured worker and us, we have notice of the injury when you have notice.
2. Your default or the bankruptcy or insolvency of you or your estate will not relieve us of our duties under this insurance after an injury occurs.
3. We are directly and primarily liable to any person entitled to the benefits payable by this insurance. Those persons may enforce our duties; so may an agency authorized by law.

Enforcement may be against us or against you and us.

4. Jurisdiction over you is jurisdiction over us for purposes of the workers compensation law. We are bound by decisions against you under that law, subject to the provisions of this policy that are not in conflict with that law.
5. This insurance conforms to the parts of the workers compensation law that apply to:
 - a. benefits payable by this insurance;
 - b. special taxes, payments into security or other special funds, and assessments payable by us under that law.
6. Terms of this insurance that conflict with the workers compensation law are changed by this statement to conform to that law.

Nothing in these paragraphs relieves you of your duties under this policy.

PART TWO – EMPLOYERS LIABILITY INSURANCE

A. How This Insurance Applies

This employers liability insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

1. The bodily injury must arise out of and in the course of the injured employee's employment by you.
2. The employment must be necessary or incidental to your work in a state or territory listed in Item 3.A. of the Information Page.
3. Bodily injury by accident must occur during the policy period.
4. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.
5. If you are sued, the original suit and any related legal actions for damages for bodily injury by accident or by disease must be brought in the United States of America, its territories or possessions, or Canada.

B. We Will Pay

We will pay all sums you legally must pay as damages because of bodily injury to your employees, provided the bodily injury is covered by this Employers Liability Insurance.

The damages we will pay, where recovery is permitted by law, include damages:

1. for which you are liable to a third party by reason of a claim or suit against you by that third party to recover the damages claimed against such third party as a result of injury to your employee;
2. for care and loss of services; and
3. for consequential bodily injury to a spouse, child, parent, brother or sister of the injured employee;

provided that these damages are the direct consequence of bodily injury that arises out of and in the course of the injured employee's employment by you; and

4. because of bodily injury to your employee that arises out of and in the course of employment,

claimed against you in a capacity other than as employer.

C. Exclusions

This insurance does not cover:

1. liability assumed under a contract. This exclusion does not apply to a warranty that your work will be done in a workmanlike manner;
2. punitive or exemplary damages because of bodily injury to an employee employed in violation of law;
3. bodily injury to an employee while employed in violation of law with your actual knowledge or the actual knowledge of any of your executive officers;
4. any obligation imposed by a workers compensation, occupational disease, unemployment compensation, or disability benefits law, or any similar law;
5. bodily injury intentionally caused or aggravated by you;
6. bodily injury occurring outside the United States of America, its territories or possessions, and Canada. This exclusion does not apply to bodily injury to a citizen or resident of the United States of America or Canada who is temporarily outside these countries;
7. damages arising out of coercion, criticism, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination against or termination of any employee, or any personnel practices, policies, acts or omissions.
8. bodily injury to any person in work subject to the Longshore and Harbor Workers' Compensation Act (33 USC Sections 901-950), the Nonappropriated Fund Instrumentalities Act (5 USC Sections 8171-8173), the Outer Continental Shelf Lands Act (43 USC Sections 1331-1356), the Defense Base Act (42 USC Sections 1651-1654), the Federal Coal Mine Health and Safety Act of 1969 (30 USC Sections 901-942), any other federal workers or workmen's compensation law or other federal occupational disease law, or any amendments to these laws.

9. bodily injury to any person in work subject to the Federal Employers' Liability Act (45 USC Sections 51-60), any other federal laws obligating an employer to pay damages to an employee due to bodily injury arising out of or in the course of employment, or any amendments to those laws.
10. bodily injury to a master or member of the crew of any vessel.
11. fines or penalties imposed for violation of federal or state law.
12. damages payable under the Migrant and Seasonal Agricultural Worker Protection Act (29 USC Sections 1801-1872) and under any other federal law awarding damages for violation of those laws or regulations issued thereunder, and any amendments to those laws.

D. We Will Defend

We have the right and duty to defend, at our expense, any claim, proceeding or suit against you for damages payable by this insurance. We have the right to investigate and settle these claims, proceedings and suits.

We have no duty to defend a claim, proceeding or suit that is not covered by this insurance. We have no duty to defend or continue defending after we have paid our applicable limit of liability under this insurance.

E. We Will Also Pay

We will also pay these costs, in addition to other amounts payable under this insurance, as part of any claim, proceeding or suit we defend:

1. reasonable expenses incurred at our request, but not loss of earnings;
2. premiums for bonds to release attachments and for appeal bonds in bond amounts up to the limit of our liability under this insurance;
3. litigation costs taxed against you;
4. interest on a judgement as required by law until we offer the amount due under this insurance; and
5. expenses we incur.

F. Other Insurance

We will not pay more than our share of damages and costs covered by this insurance and other insurance or self-insurance. Subject to any limits of liability that apply, all shares will be equal until the loss is paid. If any insurance or self-insurance is ex-

hausted, the shares of all remaining insurance and self-insurance will be equal until the loss is paid.

G. Limits of Liability

Our liability to pay for damages is limited. Our limits of liability are shown in Item 3.B. of the Information Page. They apply as explained below:

1. Bodily Injury by Accident. The limit shown for "bodily injury by accident—each accident" is the most we will pay for all damages covered by this insurance because of bodily injury to one or more employees in any one accident.

A disease is not bodily injury by accident unless it results directly from bodily injury by accident.

2. Bodily Injury by Disease. The limit shown for "bodily injury by disease—policy limit" is the most we will pay for all damages covered by this insurance and arising out of bodily injury by disease, regardless of the number of employees who sustain bodily injury by disease. The limit shown for "bodily injury by disease—each employee" is the most we will pay for all damages because of bodily injury by disease to any one employee.

Bodily injury by disease does not include disease that results directly from a bodily injury by accident.

3. We will not pay any claims for damages after we have paid the applicable limit of our liability under this insurance.

H. Recovery From Others

We have your rights to recover our payment from anyone liable for an injury covered by this insurance. You will do everything necessary to protect those rights for us and to help us enforce them.

I. Actions Against Us

There will be no right of action against us under this insurance unless:

1. You have complied with all the terms of this policy; and
2. The amount you owe has been determined with our consent or by actual trial and final judgement.

This insurance does not give anyone the right to add us as a defendant in an action against you to determine your liability. The bankruptcy or insolvency of you or your estate will not relieve us of our obligations under this Part.

PART THREE—OTHER STATES INSURANCE

A. How This Insurance Applies

1. This other states insurance applies only if one or more states are shown in Item 3.C. of the Information Page.
2. If you begin work in any one of those states after the effective date of this policy and are not insured or are not self-insured for such work, all provisions of the policy will apply as though that state were listed in Item 3.A. of the Information Page.
3. We will reimburse you for the benefits required by the workers compensation law of that state if

we are not permitted to pay the benefits directly to persons entitled to them.

4. If you have work on the effective date of this policy in any state not listed in Item 3.A. of the Information Page, coverage will not be afforded for that state unless we are notified within thirty days.

B. Notice

Tell us at once if you begin work in any state listed in Item 3.C. of the Information Page.

PART FOUR – YOUR DUTIES IF INJURY OCCURS

Tell us at once if injury occurs that may be covered by this policy. Your other duties are listed here.

1. Provide for immediate medical and other services required by the workers compensation law.
2. Give us or our agent the names and addresses of the injured persons and of witnesses, and other information we may need.
3. Promptly give us all notices, demands and legal papers related to the injury, claim, proceeding or suit.
4. Cooperate with us and assist us, as we may request, in the investigation, settlement or defense of any claim, proceeding or suit.
5. Do nothing after an injury occurs that would interfere with our right to recover from others.
6. Do not voluntarily make payments, assume obligations or incur expenses, except at your own cost.

PART FIVE – PREMIUM

A. Our Manuals

All premium for this policy will be determined by our manuals of rules, rates, rating plans and classifications. We may change our manuals and apply the changes to this policy if authorized by law or a governmental agency regulating this insurance.

B. Classifications

Item 4 of the Information Page shows the rate and premium basis for certain business or work classifications. These classifications were assigned based on an estimate of the exposures you would have during the policy period. If your actual exposures are not properly described by those classifications, we will assign proper classifications, rates and premium basis by endorsement to this policy.

C. Remuneration

Premium for each work classification is determined by multiplying a rate times a premium basis. Remuneration is the most common premium basis. This premium basis includes payroll and all other remuneration paid or payable during the policy period for the services of:

1. All your officers and employees engaged in work covered by this policy; and
2. All other persons engaged in work that could make us liable under Part One (Workers Compensation Insurance) of this policy. If you do not have payroll records for these persons, the contract price for their services and materials may be used as the premium basis. This paragraph 2 will not apply if you give us proof that the employers of these persons lawfully secured their workers compensation obligations.

D. Premium Payments

You will pay all premium when due. You will pay the premium even if part or all of a workers compensation law is not valid.

E. Final Premium

The premium shown on the Information Page, schedules, and endorsements is an estimate. The final premium will be determined after this policy

ends by using the actual, not the estimated, premium basis and the proper classifications and rates that lawfully apply to the business and work covered by this policy. If the final premium is more than the premium you paid to us, you must pay us the balance. If it is less, we will refund the balance to you. The final premium will not be less than the highest minimum premium for the classifications covered by this policy.

If this policy is canceled, final premium will be determined in the following way unless our manuals provide otherwise:

1. If we cancel, final premium will be calculated pro rata based on the time this policy was in force. Final premium will not be less than the pro rata share of the minimum premium.
2. If you cancel, final premium will be more than pro rata; it will be based on the time this policy was in force, and increased by our short-rate cancellation table and procedure. Final premium will not be less than the minimum premium.

F. Records

You will keep records of information needed to compute premium. You will provide us with copies of those records when we ask for them.

G. Audit

You will let us examine and audit all your records that relate to this policy. These records include ledgers, journals, registers, vouchers, contracts, tax reports, payroll and disbursement records, and programs for storing and retrieving data. We may conduct the audits during regular business hours during the policy period and within three years after the policy period ends. Information developed by audit will be used to determine final premium. Insurance rate service organizations have the same rights we have under this provision.

PART SIX – CONDITIONS

A. Inspection

We have the right, but are not obliged to inspect your workplaces at any time. Our inspections are not safety inspections. They relate only to the insurability of the workplaces and the premiums to be charged. We may give you reports on the conditions we find. We may also recommend changes. While

they may help reduce losses, we do not undertake to perform the duty of any person to provide for the health or safety of your employees or the public. We do not warrant that your workplaces are safe or healthful or that they comply with laws, regulations, codes or standards. Insurance rate service organizations have the same rights we have under this provision.

B. Long Term Policy

If the policy period is longer than one year and sixteen days, all provisions of this policy will apply as though a new policy were issued on each annual anniversary that this policy is in force.

C. Transfer of Your Rights and Duties

Your rights or duties under this policy may not be transferred without our written consent.

If you die and we receive notice within thirty days after your death, we will cover your legal representative as insured.

D. Cancellation

1. You may cancel this policy. You must mail or deliver advance written notice to us stating when the cancellation is to take effect.

2. We may cancel this policy. We must mail or deliver to you not less than ten days advance written notice stating when the cancellation is to take effect. Mailing that notice to you at your mailing address shown in Item 1 of the Information Page will be sufficient to prove notice.

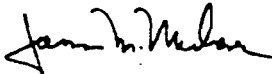
3. The policy period will end on the day and hour stated in the cancellation notice.

4. Any of these provisions that conflict with a law that controls the cancellation of the insurance in this policy is changed by this statement to comply with the law.

E. Sole Representative

The insured first named in Item 1 of the Information Page will act on behalf of all insureds to change this policy, receive return premium, and give or receive notice of cancellation.

In witness whereof, the company has caused this policy to be signed by its President and Secretary at Hartford, Connecticut and countersigned on the Information page by a duly authorized agent of the company.



Secretary



President



**WORKERS COMPENSATION
AND
EMPLOYERS LIABILITY POLICY
ENDORSEMENT WC 00 03 26 (A)**

POLICY NUMBER: (6JUB-7803A47-6-04)

**RESIDUAL MARKET
LIMITED OTHER STATES INSURANCE ENDORSEMENT**

"Part Three—Other States Insurance" of the policy is replaced by the following:

PART THREE OTHER STATES INSURANCE

A. How This Insurance Applies

1. We will pay promptly when due the benefits required of you by the workers compensation law of any state not listed in Item 3.A. of the Information Page if all of the following conditions are met:
 - a. The employee claiming benefits was either hired under a contract of employment made in a state listed in Item 3.A. of the Information Page or was, at the time of injury, principally employed in a state listed in Item 3.A. of the Information Page; and
 - b. The employee claiming benefits is not claiming benefits in a state where, at the time of injury, (i) you have other workers compensation insurance coverage, or (ii) you were, by virtue of the nature of your operations in that state, required by that state's law to have obtained separate workers compensation insurance coverage, or (iii) you are an authorized self-insurer or participant in a self-insured group plan; and
 - c. The duration of the work being performed by the employee claiming benefits in the state for which that employee is claiming benefits is temporary.
2. If we are not permitted to pay the benefits directly to persons entitled to them and all of the above conditions are met, we will reimburse you for the benefits required to be paid.
3. This insurance does not apply to fines or penalties arising out of your failure to comply with the requirements of the workers compensation law.

IMPORTANT NOTICE!

If you hire any employees outside those states listed in Item 3.A. on the Information Page or begin operations in any such state, you should do whatever may be required under that state's law, as this endorsement does not satisfy the requirements of that state's workers compensation law.



WORKERS COMPENSATION
AND
EMPLOYERS LIABILITY POLICY
ENDORSEMENT WC 00 04 04 (00)

POLICY NUMBER: (6JUB-7803A47-6-04)

PENDING RATE CHANGE ENDORSEMENT

A rate change filing is being considered by the proper regulatory authority. The filing may result in rates different from the rates shown on the policy. If it does, we will issue an endorsement to show the new rates and their effective date.

If only one state is shown in item 3.A of the Information Page, this endorsement applies to that state. If more than one state is shown there, this endorsement applies only in the state shown in the Schedule.

SCHEDULE

STATE

SC

0160



**WORKERS COMPENSATION
AND
EMPLOYERS LIABILITY POLICY**

ENDORSEMENT WC 00 04 14 (00)

POLICY NUMBER: (6JUB-7803A47-6-04)

NOTIFICATION OF CHANGE IN OWNERSHIP ENDORSEMENT

Experience rating is mandatory for all eligible insureds. The experience rating modification factor, if any, applicable to this policy, may change if there is a change in your ownership or in that of one or more of the entities eligible to be combined with you for experience rating purposes. Change in ownership includes sales, purchases, other transfers, mergers, consolidations, dissolutions, formations of a new entity and other changes provided for in the applicable experience rating plan manual.

You must report any change in ownership to us in writing within 90 days of such change. Failure to report such changes within this period may result in revision of the experience rating modification factor used to determine your premium.



WORKERS COMPENSATION
AND
EMPLOYERS LIABILITY POLICY
ENDORSEMENT WC 00 04 17 (00)

POLICY NUMBER: (6JUB-7803A47-6-04)

**ASSIGNED RISK LOSS SENSITIVE RATING PLAN
NOTIFICATION ENDORSEMENT**

This endorsement is issued because you may qualify to have the cost of your insurance subject to the assigned risk mandatory Loss Sensitive Rating Plan (LSRP).

Eligibility:

1. Your insurance is written under Workers Compensation Insurance Plan (WCIP) in a state which has adopted the Loss Sensitive Rating Plan (LSRP).
2. The LSRP shall apply to an individual assigned risk policy if the total annual estimated Standard Premium or preliminary physical audit premium equals or exceeds the amount noted in the schedule.
3. A decrease in premium during the first 120 days of coverage which results in the premium falling below the LSRP premium eligibility threshold, shall result in the conversion of the policy to a guaranteed cost policy, retroactive to policy inception.
4. An increase in premium during the first 120 days of coverage which qualifies an employer for the LSRP shall result in the retroactive application of the LSRP to policy inception.
5. After the first 120 days of the coverage term, if it is determined that an employer qualifies for LSRP, the policy shall not be changed until renewal.
6. Notwithstanding, anything above to the contrary, any attempt to avoid the application of the LSRP arising from a misrepresentation or omission by you, your agent, employees, officers or directors shall result in the pro rata application of LSRP from the date upon which it would have applied had such misrepresentation or omission not been made.
7. The LSRP will apply on an interstate basis when the estimated aggregate (total of all states having approved LSRP) annual standard premium meets the premium eligibility requirement for the LSRP state generating the largest premium.

This plan will adjust your premium for this insurance based upon the losses incurred during the period covered by this insurance.

This endorsement applies in the states listed in the schedule below.

SCHEDULE

STATE	PREMIUM ELIGIBILITY
Alabama	\$200,000
Alaska	\$200,000
Connecticut	\$200,000
District of Columbia	\$200,000
Georgia	\$200,000
Idaho	\$200,000
Illinois	\$200,000
Indiana	\$100,000
Kansas	\$200,000
Nevada	\$200,000
New Hampshire	\$175,000
North Carolina	\$200,000
South Dakota	\$200,000



**WORKERS COMPENSATION
AND
EMPLOYERS LIABILITY POLICY
ENDORSEMENT WC 00 04 20 (OO)**

POLICY NUMBER: (6JUB-7803A47-6-04)

TERRORISM RISK INSURANCE ACT ENDORSEMENT

This endorsement addresses requirements of the Terrorism Risk Insurance Act of 2002.

Definitions

The definitions provided in this endorsement are based on the definitions in the Act and are intended to have the same meaning. If words or phrases not defined in this endorsement are defined in the Act the definitions in the Act will apply.

"Act" means the Terrorism Risk Insurance Act of 2002, which took effect on November 26, 2002 and any amendments.

"Act of terrorism" means any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State, and the Attorney General of the United States as meeting all of the following requirements:

- a. The act is an act of terrorism.
- b. The act is violent or dangerous to human life, property or infrastructure.
- c. The act resulted in damage within the United States, or outside of the United States in the case of United States missions or certain air carriers or vessels.
- d. The act has been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

"Insured terrorism or war loss" means any loss resulting from an act of terrorism (including an act of war, in the case of workers compensation that is covered by primary or excess property and casualty insurance issued by an insurer if the loss occurs in the United States or at United States missions or to certain air carriers or vessels.

"Insurer deductible" means:

- a. For the period beginning on November 26, 2002 and ending on December 31, 2002, an amount equal to 1% of our direct earned premiums, as provided in the Act, over the calendar year immediately preceding November 26, 2002.
- b. For the period beginning on January 1, 2003 and ending on December 31, 2003, an amount equal to 7% of our direct earned premiums, as provided in the Act, over the calendar year immediately preceding January 1, 2003.
- c. For the period beginning on January 1, 2004 and ending on December 31, 2004, an amount equal to 10% of our direct earned premiums, as provided in the Act, over the calendar year immediately preceding January 1, 2004.
- d. For the period beginning on January 1, 2005 and ending on December 31, 2005, an amount equal to 15% of our direct earned premiums, as provided in the Act, over the calendar year immediately preceding January 1, 2005.

Limitation of Liability

The Act may limit our liability to you under this policy. If annual aggregate insured terrorism or war losses of all insurers exceed \$100,000,000,000 during the applicable period provided in the Act, and if we have met our insurer deductible, the amount we will pay for insured terrorism or war losses under this policy will be limited by the Act, as determined by the Secretary of the Treasury.

Policyholder Disclosure Notice

1. Insured terrorism or war losses would be partially reimbursed by the United States Government under a formula established by the Act. Under this formula, the United States would pay 90% of our insured terrorism or war losses exceeding our insurer deductible.

Travelers

**WORKERS COMPENSATION
AND
EMPLOYERS LIABILITY POLICY
ENDORSEMENT WC 00 04 20 (OO)**

POLICY NUMBER: (6JUB-7803A47-6-04)

2. The additional premium charged for the coverage this policy provides for insured terrorism or war losses is shown in Item 4 of the Information Page or the Schedule below.

Schedule			
State	Rate per \$100 of Remuneration	State	Rate per \$100 of Remuneration
SOUTH CAROLINA	0.030		

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective	Policy No.	Endorsement No.
Insured		Premium \$
Insurance Company	Countersigned by _____	

DATE OF ISSUE: 07-23-04

ST ASSIGN: SC

0164

Page 2 of 2



WORKERS COMPENSATION
AND
EMPLOYERS LIABILITY POLICY

ENDORSEMENT WC 00 03 08 (00) — 001

POLICY NUMBER: (6JUB-7803A47-6-04)

PARTNERS, OFFICERS, AND OTHERS EXCLUSION ENDORSEMENT

The policy does not cover bodily injury to any person described in the Schedule.

The premium basis for the policy does not include the remuneration of such persons.

You will reimburse us for any payment we must make because of bodily injury to such persons.

PARTNERS	SCHEDULE	OTHERS
	OFFICERS	
	HENRY SENN VP/TREAS (EFF 9-11-03)	
	GRADY SENN VP/SEC (EFF 9-11-03)	
	DANNY SENN PRES (EFF 9-11-03)	



**WORKERS COMPENSATION
AND
EMPLOYERS LIABILITY POLICY
ENDORSEMENT WC 00 03 22 (00)**

POLICY NUMBER: (6JUB-7803A47-6-04)

EMPLOYEE LEASING CLIENT EXCLUSION ENDORSEMENT

As used in this endorsement, "employee leasing" shall mean an arrangement whereby an entity utilizes the services of a third party to provide its workers for a fee or other compensation. The third party providing employee leasing services shall be referred to as a "labor contractor." The entity receiving the services shall be referred to as a "client."

This endorsement applies only with respect to your leased workers engaged in any work provided under an employee leasing arrangement. Your policy does not provide coverage for workers you lease from labor contractors listed below.

This endorsement may be used in jurisdictions where not prohibited by single policy statutes and/or regulations.

SCHEDULE

LABOR CONTRACTOR

ADDRESS

VANGUARD SOUTHEAST INC

2223 LADEAN COURT, SUITE G
SIMPSONVILLE, SC 29680

0166

3 (A) 8-3-10



WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY

A Custom Insurance Policy Prepared for:

SENN FREIGHT LINES, INC.
P.O. BOX 1191
NEWBERRY SC 29108



WORKERS COMPENSATION
AND
EMPLOYERS LIABILITY POLICY

TYPE AR INFORMATION PAGE WC 00 00 01 (. A)

POLICY NUMBER: (6JUB-7803A47-6-05)

RENEWAL OF (6JUB-7803A47-6-04)

INSURER: TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICA

NCCI CO CODE: 13579

1.

INSURED:

SENN FREIGHT LINES, INC.
P.O. BOX 1191
NEWBERRY SC 29108

PRODUCER:

ADAMS EADDY & ASSOC
2230 DEVINE STREET
PO BOX 5595
COLUMBIA SC 29250-5595

Insured is A CORPORATION

Other work places and identification numbers are shown in the schedule(s) attached.

2. The policy period is from 07-10-05 to 07-10-06 12:01 A.M. at the insured's mailing address.

3. A. **WORKERS COMPENSATION INSURANCE:** Part One of the policy applies to the Workers Compensation Law of the state(s) listed here:

SC

B. **EMPLOYERS LIABILITY INSURANCE:** Part Two of the policy applies to work in each state listed in item 3.A. The limits of our liability under Part Two are:

Bodily Injury by Accident:	\$	100000	Each Accident
Bodily Injury by Disease:	\$	500000	Policy Limit
Bodily Injury by Disease:	\$	100000	Each Employee

C. **OTHER STATES INSURANCE:** Part Three of the policy applies to the states, if any, listed here:

COVERAGE EXCLUDED - REFER TO RESIDUAL MARKET LIMITED OTHER STATES
INSURANCE ENDORSEMENT WC 00 03 26

D. This policy includes these endorsements and schedules:

SEE LISTING OF ENDORSEMENTS - EXTENSION OF INFO PAGE

4. The premium for this policy will be determined by our Manuals of Rules, Classifications, Rates and Rating Plans. All required information is subject to verification and change by audit to be made ANNUALLY.

DATE OF ISSUE: 08-05-05 GS

OFFICE: ORLANDO

870

PRODUCER: ADAMS EADDY & ASSOC

2433N

ST ASSIGN: SC
0168



WORKERS COMPENSATION
AND
EMPLOYERS LIABILITY POLICY

TYPE AR INFORMATION PAGE WC 00 00 01 (A)

POLICY NUMBER: (6JUB-7803A47-6-05)

CLASSIFICATION SCHEDULE:

CLASSIFICATIONS	CODE NO	PREMIUM BASIS ESTIMATED TOTAL ANNUAL REMUNERATION	RATES PER \$100 OF REMUNERATION	ESTIMATED ANNUAL PREMIUM
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SEE EXTENSION OF INFORMATION PAGE - SCHEDULE(S)

SIC-CODE: 4213

	STANDARD
TOTAL ESTIMATED ANNUAL STANDARD PREMIUM \$	4926
PREMIUM DISCOUNT	NONE
0900-39 EXPENSE CONSTANT	230
TERRORISM RISK INS ACT 2002	168
DOMESTIC TERRORISM, EQ & CAT-DTEC	112
TOTAL ESTIMATED PREMIUM	5436
DEPOSIT AMOUNT DUE	5436

A/R (WCIP) #

Minimum Premium: \$ 750

ST ASSIGN: SC

DATE OF ISSUE: 08-05-05 GS

OFFICE: ORLANDO 870

PRODUCER: ADAMS EADDY & ASSOC 2433N

0169



WORKERS COMPENSATION
AND
EMPLOYERS LIABILITY POLICY

EXTENSION OF INFO PAGE-SCHEDULE WC 00 00 01 (A)

POLICY NUMBER: (6JUB-7803A47-6-05)

INSURER: TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICA

13579-SC

INSURED'S NAME: SENN FREIGHT LINES, INC.

CLASSIFICATION	CODE	PREMIUM BASIS ESTIMATED TOTAL ANNUAL REMUNERATION	RATES PER \$100 OF REMUNERATION	ESTIMATED ANNUAL PREMIUM
LOCATION 001 01				
FEIN 057095600 ENTITY CD 001				
SENN FREIGHT LINES, INC.				
2699 HIGHWAY 34-121 NEWBERRY, SC 29108				
TRUCKING: LOCAL HAULING ONLY- ALL EMPLOYEES & DRIVERS	7228	IF ANY	12.25	
TRUCKING: LONG DISTANCE HAULING-ALL EMPLOYEES & DRIVERS	7229	IF ANY	15.06	
WAREHOUSING NOC	8292	33462	6.55	2192
CLERICAL OFFICE EMPLOYEES NOC	8810	525697	.52	2734

EXPERIENCE MODIFICATION: NONE	MODIFIED PREMIUM	NONE
TOTAL ESTIMATED ANNUAL STANDARD PREMIUM		4926
EXPENSE CONSTANT (0900)		230
0.0300 TERRORISM RISK INS ACT 2002 (9740)		168
DOMESTIC TERRORISM, EQ & CAT-DTEC (9741)		112
TOTAL ESTIMATED PREMIUM		5436
DEPOSIT AMOUNT DUE		5436

0170

DATE OF ISSUE: 08-05-05 GS

ST ASSIGN: SC

SCHEDULE NO: 1 OF LAST



WORKERS COMPENSATION
AND
EMPLOYERS LIABILITY POLICY
ENDORSEMENT WC 00 00 01 (A)

POLICY NUMBER: (6JUB-7803A47-6-05)

LISTING OF ENDORSEMENTS
EXTENSION OF INFO PAGE

We agree that the following listed endorsements form a part of this policy on its effective date.

WC 00 00 01 A - 001	INFORMATION PAGE
WC 00 00 01 A - 001	INFORMATION PAGE 2
WC 00 00 01 A - 001	EXTENSION OF INFORMATION PAGE - SCHEDULE
WC 00 00 01 A - 001	ENDORSEMENT LISTING
WC 00 03 26 A - 001	LIMITED OTHER STATES INSURANCE END
WC 00 04 14 00 - 001	NOTIFICATION OF CHANGE IN OWNERSHIP ENDT
WC 00 04 17 00 - 001	A/R LSRP NOTIFICATION
WC 00 01 12 00 - 001	NOTICE OF PENDING LAW CHANGE TO TRIA
WC 00 04 20 00 - 001	TERRORISM RISK INS ACT ENDT
WC 00 04 21 00 - 001	DTEC
WC 00 03 08 00 - 001	PARTNERS, OFFICERS, AND OTHERS EXCLUSION
WC 00 03 22 00 - 001	EMPL LEASING CLIENT EXCLUSION ENDT

The Travelers Insurance Companies

(Each a Stock Insurance Company)

Hartford, Connecticut

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

In return for the payment of the premium and subject to all terms of this policy, we agree with you as follows:

GENERAL SECTION

A. The Policy

This policy includes at its effective date the Information Page and all endorsements and schedules listed there. It is a contract of insurance between you (the employer named in Item 1 of the Information Page) and us (the insurer named on the Information Page). The only agreements relating to this insurance are stated in this policy. The terms of this policy may not be changed or waived except by endorsement issued by us to be part of this policy.

B. Who Is Insured

You are insured if you are an employer named in Item 1 of the Information Page. If that employer is a partnership, and if you are one of its partners, you are insured, but only in your capacity as an employer of the partnership's employees.

C. Workers Compensation Law

Workers Compensation Law means the workers or workmen's compensation law and occupational dis-

ease law of each state or territory named in Item 3.A. of the Information Page. It includes any amendments to that law which are in effect during the policy period. It does not include any federal workers or workmen's compensation law, any federal occupational disease law or the provisions of any law that provide nonoccupational disability benefits.

D. State

State means any state of the United States of America, and the District of Columbia.

E. Locations

This policy covers all of your workplaces listed in Items 1 or 4 of the Information Page; and it covers all other workplaces in Item 3.A. states unless you have other insurance or are self-insured for such workplaces.

PART ONE - WORKERS COMPENSATION INSURANCE

A. How This Insurance Applies

This workers compensation insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

1. Bodily injury by accident must occur during the policy period.
2. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.

B. We Will Pay

We will pay promptly when due the benefits required of you by the workers compensation law.

C. We Will Defend

We have the right and duty to defend at our expense any claim, proceeding or suit against you for benefits payable by this insurance. We have the right to investigate and settle these claims, proceedings or suits.

We have no duty to defend a claim, proceeding or suit that is not covered by this insurance.

D. We Will Also Pay

We will also pay these costs, in addition to other amounts payable under this insurance, as part of any claim, proceeding or suit we defend:

1. reasonable expenses incurred at our request, but not loss of earnings;

2. premiums for bonds to release attachments and for appeal bonds in bond amounts up to the amount payable under this insurance;
3. litigation costs taxed against you;
4. interest on a judgment as required by law until we offer the amount due under this insurance; and
5. expenses we incur.

E. Other Insurance

We will not pay more than our share of benefits and costs covered by this insurance and other insurance or self-insurance. Subject to any limits of liability that may apply, all shares will be equal until the loss is paid. If any insurance or self-insurance is exhausted, the shares of all remaining insurance will be equal until the loss is paid.

F. Payments You Must Make

You are responsible for any payments in excess of the benefits regularly provided by the workers compensation law including those required because:

1. of your serious and willful misconduct;
2. you knowingly employ an employee in violation of law;
3. you fail to comply with a health or safety law or regulation; or
4. you discharge, coerce or otherwise discriminate against any employee in violation of the workers compensation law.

If we make any payments in excess of the benefits regularly provided by the workers compensation law on your behalf, you will reimburse us promptly.

G. Recovery From Others

We have your rights, and the rights of persons entitled to the benefits of this insurance, to recover our payments from anyone liable for the injury. You will do everything necessary to protect those rights for us and to help us enforce them.

H. Statutory Provisions

These statements apply where they are required by law.

1. As between an injured worker and us, we have notice of the injury when you have notice.
2. Your default or the bankruptcy or insolvency of you or your estate will not relieve us of our duties under this insurance after an injury occurs.
3. We are directly and primarily liable to any person entitled to the benefits payable by this insurance. Those persons may enforce our duties; so may an agency authorized by law.

Enforcement may be against us or against you and us.

4. Jurisdiction over you is jurisdiction over us for purposes of the workers compensation law. We are bound by decisions against you under that law, subject to the provisions of this policy that are not in conflict with that law.
5. This insurance conforms to the parts of the workers compensation law that apply to:
 - a. benefits payable by this insurance;
 - b. special taxes, payments into security or other special funds, and assessments payable by us under that law.
6. Terms of this insurance that conflict with the workers compensation law are changed by this statement to conform to that law.

Nothing in these paragraphs relieves you of your duties under this policy.

PART TWO — EMPLOYERS LIABILITY INSURANCE

A. How This Insurance Applies

This employers liability insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

1. The bodily injury must arise out of and in the course of the injured employee's employment by you.
2. The employment must be necessary or incidental to your work in a state or territory listed in Item 3.A. of the Information Page.
3. Bodily injury by accident must occur during the policy period.
4. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.
5. If you are sued, the original suit and any related legal actions for damages for bodily injury by accident or by disease must be brought in the United States of America, its territories or possessions, or Canada.

B. We Will Pay

We will pay all sums you legally must pay as damages because of bodily injury to your employees, provided the bodily injury is covered by this Employers Liability Insurance.

The damages we will pay, where recovery is permitted by law, include damages:

1. for which you are liable to a third party by reason of a claim or suit against you by that third party to recover the damages claimed against such third party as a result of injury to your employee;
2. for care and loss of services; and
3. for consequential bodily injury to a spouse, child, parent, brother or sister of the injured employee;

provided that these damages are the direct consequence of bodily injury that arises out of and in the course of the injured employee's employment by you; and

4. because of bodily injury to your employee that arises out of and in the course of employment,

claimed against you in a capacity other than as employer.

C. Exclusions

This insurance does not cover:

1. liability assumed under a contract. This exclusion does not apply to a warranty that your work will be done in a workmanlike manner;
2. punitive or exemplary damages because of bodily injury to an employee employed in violation of law;
3. bodily injury to an employee while employed in violation of law with your actual knowledge or the actual knowledge of any of your executive officers;
4. any obligation imposed by a workers compensation, occupational disease, unemployment compensation, or disability benefits law, or any similar law;
5. bodily injury intentionally caused or aggravated by you;
6. bodily injury occurring outside the United States of America, its territories or possessions, and Canada. This exclusion does not apply to bodily injury to a citizen or resident of the United States of America or Canada who is temporarily outside these countries;
7. damages arising out of coercion, criticism, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination against or termination of any employee, or any personnel practices, policies, acts or omissions.
8. bodily injury to any person in work subject to the Longshore and Harbor Workers' Compensation Act (33 USC Sections 901-950), the Nonappropriated Fund Instrumentalities Act (5 USC Sections 8171-8173), the Outer Continental Shelf Lands Act (43 USC Sections 1331-1356), the Defense Base Act (42 USC Sections 1651-1654), the Federal Coal Mine Health and Safety Act of 1969 (30 USC Sections 901-942), any other federal workers or workmen's compensation law or other federal occupational disease law, or any amendments to these laws.

9. bodily injury to any person in work subject to the Federal Employers' Liability Act (45 USC Sections 51-60), any other federal laws obligating an employer to pay damages to an employee due to bodily injury arising out of or in the course of employment, or any amendments to those laws.
10. bodily injury to a master or member of the crew of any vessel.
11. fines or penalties imposed for violation of federal or state law.
12. damages payable under the Migrant and Seasonal Agricultural Worker Protection Act (29 USC Sections 1801-1872) and under any other federal law awarding damages for violation of those laws or regulations issued thereunder, and any amendments to those laws.

D. We Will Defend

We have the right and duty to defend, at our expense, any claim, proceeding or suit against you for damages payable by this insurance. We have the right to investigate and settle these claims, proceedings and suits.

We have no duty to defend a claim, proceeding or suit that is not covered by this insurance. We have no duty to defend or continue defending after we have paid our applicable limit of liability under this insurance.

E. We Will Also Pay

We will also pay these costs, in addition to other amounts payable under this insurance, as part of any claim, proceeding or suit we defend:

1. reasonable expenses incurred at our request, but not loss of earnings;
2. premiums for bonds to release attachments and for appeal bonds in bond amounts up to the limit of our liability under this insurance;
3. litigation costs taxed against you;
4. interest on a judgement as required by law until we offer the amount due under this insurance; and
5. expenses we incur.

F. Other Insurance

We will not pay more than our share of damages and costs covered by this insurance and other insurance or self-insurance. Subject to any limits of liability that apply, all shares will be equal until the loss is paid. If any insurance or self-insurance is ex-

hausted, the shares of all remaining insurance and self-insurance will be equal until the loss is paid.

G. Limits of Liability

Our liability to pay for damages is limited. Our limits of liability are shown in Item 3.B. of the Information Page. They apply as explained below:

1. Bodily Injury by Accident. The limit shown for "bodily injury by accident—each accident" is the most we will pay for all damages covered by this insurance because of bodily injury to one or more employees in any one accident.

A disease is not bodily injury by accident unless it results directly from bodily injury by accident.

2. Bodily Injury by Disease. The limit shown for "bodily injury by disease—policy limit" is the most we will pay for all damages covered by this insurance and arising out of bodily injury by disease, regardless of the number of employees who sustain bodily injury by disease. The limit shown for "bodily injury by disease—each employee" is the most we will pay for all damages because of bodily injury by disease to any one employee.

Bodily injury by disease does not include disease that results directly from a bodily injury by accident.

3. We will not pay any claims for damages after we have paid the applicable limit of our liability under this insurance.

H. Recovery From Others

We have your rights to recover our payment from anyone liable for an injury covered by this insurance. You will do everything necessary to protect those rights for us and to help us enforce them.

I. Actions Against Us

There will be no right of action against us under this insurance unless:

1. You have complied with all the terms of this policy; and
2. The amount you owe has been determined with our consent or by actual trial and final judgement.

This insurance does not give anyone the right to add us as a defendant in an action against you to determine your liability. The bankruptcy or insolvency of you or your estate will not relieve us of our obligations under this Part.

PART THREE – OTHER STATES INSURANCE

A. How This Insurance Applies

1. This other states insurance applies only if one or more states are shown in Item 3.C. of the Information Page.
2. If you begin work in any one of those states after the effective date of this policy and are not insured or are not self-insured for such work, all provisions of the policy will apply as though that state were listed in Item 3.A. of the Information Page.
3. We will reimburse you for the benefits required by the workers compensation law of that state if

we are not permitted to pay the benefits directly to persons entitled to them.

4. If you have work on the effective date of this policy in any state not listed in Item 3.A. of the Information Page, coverage will not be afforded for that state unless we are notified within thirty days.

B. Notice

Tell us at once if you begin work in any state listed in Item 3.C. of the Information Page.

PART FOUR – YOUR DUTIES IF INJURY OCCURS

Tell us at once if injury occurs that may be covered by this policy. Your other duties are listed here.

1. Provide for immediate medical and other services required by the workers compensation law.
2. Give us or our agent the names and addresses of the injured persons and of witnesses, and other information we may need.
3. Promptly give us all notices, demands and legal papers related to the injury, claim, proceeding or suit.

4. Cooperate with us and assist us, as we may request, in the investigation, settlement or defense of any claim, proceeding or suit.
5. Do nothing after an injury occurs that would interfere with our right to recover from others.
6. Do not voluntarily make payments, assume obligations or incur expenses, except at your own cost.

PART FIVE – PREMIUM

A. Our Manuals

All premium for this policy will be determined by our manuals of rules, rates, rating plans and classifications. We may change our manuals and apply the changes to this policy if authorized by law or a governmental agency regulating this insurance.

B. Classifications

Item 4 of the Information Page shows the rate and premium basis for certain business or work classifications. These classifications were assigned based on an estimate of the exposures you would have during the policy period. If your actual exposures are not properly described by those classifications, we will assign proper classifications, rates and premium basis by endorsement to this policy.

C. Remuneration

Premium for each work classification is determined by multiplying a rate times a premium basis. Remuneration is the most common premium basis. This premium basis includes payroll and all other remuneration paid or payable during the policy period for the services of:

1. All your officers and employees engaged in work covered by this policy; and
2. All other persons engaged in work that could make us liable under Part One (Workers Compensation Insurance) of this policy. If you do not have payroll records for these persons, the contract price for their services and materials may be used as the premium basis. This paragraph 2 will not apply if you give us proof that the employers of these persons lawfully secured their workers compensation obligations.

D. Premium Payments

You will pay all premium when due. You will pay the premium even if part or all of a workers compensation law is not valid.

E. Final Premium

The premium shown on the Information Page, schedules, and endorsements is an estimate. The final premium will be determined after this policy

ends by using the actual, not the estimated, premium basis and the proper classifications and rates that lawfully apply to the business and work covered by this policy. If the final premium is more than the premium you paid to us, you must pay us the balance. If it is less, we will refund the balance to you. The final premium will not be less than the highest minimum premium for the classifications covered by this policy.

If this policy is canceled, final premium will be determined in the following way unless our manuals provide otherwise:

1. If we cancel, final premium will be calculated pro rata based on the time this policy was in force. Final premium will not be less than the pro rata share of the minimum premium.
2. If you cancel, final premium will be more than pro rata; it will be based on the time this policy was in force, and increased by our short-rate cancellation table and procedure. Final premium will not be less than the minimum premium.

F. Records

You will keep records of information needed to compute premium. You will provide us with copies of those records when we ask for them.

G. Audit

You will let us examine and audit all your records that relate to this policy. These records include ledgers, journals, registers, vouchers, contracts, tax reports, payroll and disbursement records, and programs for storing and retrieving data. We may conduct the audits during regular business hours during the policy period and within three years after the policy period ends. Information developed by audit will be used to determine final premium. Insurance rate service organizations have the same rights we have under this provision.

PART SIX – CONDITIONS

A. Inspection

We have the right, but are not obliged to inspect your workplaces at any time. Our inspections are not safety inspections. They relate only to the insurability of the workplaces and the premiums to be charged. We may give you reports on the conditions we find. We may also recommend changes. While

they may help reduce losses, we do not undertake to perform the duty of any person to provide for the health or safety of your employees or the public. We do not warrant that your workplaces are safe or healthful or that they comply with laws, regulations, codes or standards. Insurance rate service organizations have the same rights we have under this provision.

B. Long Term Policy

If the policy period is longer than one year and sixteen days, all provisions of this policy will apply as though a new policy were issued on each annual anniversary that this policy is in force.

C. Transfer of Your Rights and Duties

Your rights or duties under this policy may not be transferred without our written consent.

If you die and we receive notice within thirty days after your death, we will cover your legal representative as insured.

D. Cancellation

1. You may cancel this policy. You must mail or deliver advance written notice to us stating when the cancellation is to take effect.

2. We may cancel this policy. We must mail or deliver to you not less than ten days advance written notice stating when the cancellation is to take effect. Mailing that notice to you at your mailing address shown in Item 1 of the Information Page will be sufficient to prove notice.

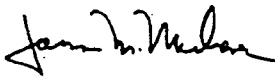
3. The policy period will end on the day and hour stated in the cancellation notice.

4. Any of these provisions that conflict with a law that controls the cancellation of the insurance in this policy is changed by this statement to comply with the law.

E. Sole Representative

The insured first named in Item 1 of the Information Page will act on behalf of all insureds to change this policy, receive return premium, and give or receive notice of cancellation.

In witness whereof, the company has caused this policy to be signed by its President and Secretary at Hartford, Connecticut and countersigned on the Information page by a duly authorized agent of the company.



Secretary



President



WORKERS COMPENSATION
AND
EMPLOYERS LIABILITY POLICY
ENDORSEMENT WC 00 03 26 (A)

POLICY NUMBER: (6JUB-7803A47-6-05)

**RESIDUAL MARKET
LIMITED OTHER STATES INSURANCE ENDORSEMENT**

"Part Three – Other States Insurance" of the policy is replaced by the following:

PART THREE OTHER STATES INSURANCE

A. How This Insurance Applies

1. We will pay promptly when due the benefits required of you by the workers compensation law of any state not listed in Item 3.A. of the Information Page if all of the following conditions are met:
 - a. The employee claiming benefits was either hired under a contract of employment made in a state listed in Item 3.A. of the Information Page or was, at the time of injury, principally employed in a state listed in Item 3.A. of the Information Page; and
 - b. The employee claiming benefits is not claiming benefits in a state where, at the time of injury, (i) you have other workers compensation insurance coverage, or (ii) you were, by virtue of the nature of your operations in that state, required by that state's law to have obtained separate workers compensation insurance coverage, or (iii) you are an authorized self-insurer or participant in a self-insured group plan; and
 - c. The duration of the work being performed by the employee claiming benefits in the state for which that employee is claiming benefits is temporary.
2. If we are not permitted to pay the benefits directly to persons entitled to them and all of the above conditions are met, we will reimburse you for the benefits required to be paid.
3. This insurance does not apply to fines or penalties arising out of your failure to comply with the requirements of the workers compensation law.

IMPORTANT NOTICE!

If you hire any employees outside those states listed in Item 3.A. on the Information Page or begin operations in any such state, you should do whatever may be required under that state's law, as this endorsement does not satisfy the requirements of that state's workers compensation law.



WORKERS COMPENSATION
AND
EMPLOYERS LIABILITY POLICY

ENDORSEMENT WC 00 04 14 (00)

POLICY NUMBER: (6JUB-7803A47-6-05)

NOTIFICATION OF CHANGE IN OWNERSHIP ENDORSEMENT

Experience rating is mandatory for all eligible insureds. The experience rating modification factor, if any, applicable to this policy, may change if there is a change in your ownership or in that of one or more of the entities eligible to be combined with you for experience rating purposes. Change in ownership includes sales, purchases, other transfers, mergers, consolidations, dissolutions, formations of a new entity and other changes provided for in the applicable experience rating plan manual.

You must report any change in ownership to us in writing within 90 days of such change. Failure to report such changes within this period may result in revision of the experience rating modification factor used to determine your premium.

0178



WORKERS COMPENSATION
AND
EMPLOYERS LIABILITY POLICY
ENDORSEMENT WC 00 04 17 (00)

POLICY NUMBER: (6JUB-7803A47-6-05)

**ASSIGNED RISK LOSS SENSITIVE RATING PLAN
NOTIFICATION ENDORSEMENT**

This endorsement is issued because you may qualify to have the cost of your insurance subject to the assigned risk mandatory Loss Sensitive Rating Plan (LSRP).

Eligibility:

1. Your insurance is written under Workers Compensation Insurance Plan (WCIP) in a state which has adopted the Loss Sensitive Rating Plan (LSRP).
2. The LSRP shall apply to an individual assigned risk policy if the total annual estimated Standard Premium or preliminary physical audit premium equals or exceeds the amount noted in the schedule.
3. A decrease in premium during the first 120 days of coverage which results in the premium falling below the LSRP premium eligibility threshold, shall result in the conversion of the policy to a guaranteed cost policy, retroactive to policy inception.
4. An increase in premium during the first 120 days of coverage which qualifies an employer for the LSRP shall result in the retroactive application of the LSRP to policy inception.
5. After the first 120 days of the coverage term, if it is determined that an employer qualifies for LSRP, the policy shall not be changed until renewal.
6. Notwithstanding, anything above to the contrary, any attempt to avoid the application of the LSRP arising from a misrepresentation or omission by you, your agent, employees, officers or directors shall result in the pro rata application of LSRP from the date upon which it would have applied had such misrepresentation or omission not been made.
7. The LSRP will apply on an interstate basis when the estimated aggregate (total of all states having approved LSRP) annual standard premium meets the premium eligibility requirement for the LSRP state generating the largest premium.

This plan will adjust your premium for this insurance based upon the losses incurred during the period covered by this insurance.

This endorsement applies in the states listed in the schedule below.

SCHEDULE

STATE	PREMIUM ELIGIBILITY
Alabama	\$200,000
Alaska	\$200,000
Connecticut	\$200,000
District of Columbia	\$200,000
Georgia	\$200,000
Idaho	\$200,000
Illinois	\$200,000
Indiana	\$100,000
Kansas	\$200,000
Nevada	\$200,000
New Hampshire	\$175,000
North Carolina	\$200,000
South Carolina	\$200,000
South Dakota	\$200,000
Vermont	\$200,000

0179



WORKERS COMPENSATION
AND
EMPLOYERS LIABILITY POLICY
ENDORSEMENT WC 00 01 12 (00)

POLICY NUMBER: (6JTB-7803A47-6-05)

**Notification Endorsement of Pending Law Change to
Terrorism Risk Insurance Act of 2002**

This endorsement is being sent to you with respect to your workers compensation and employers liability insurance policy. This endorsement does not replace the separate Terrorism Risk Insurance Act Endorsement (WC 00 04 20) that is attached to your current policy and which remains in effect as applicable.

The Terrorism Risk Insurance Act of 2002 (TRIA) took effect on November 26, 2002 and provides for a three-year program under which the Federal Government will share in the payment of insured losses caused by certain acts of terrorism. In the absence of affirmative U.S. Congressional action to extend, update or otherwise reauthorize in whole or in part, TRIA is scheduled to expire December 31, 2005.

Since the timetable for any further Congressional action respecting TRIA is unknown at this time, and the exposure to acts of terrorism remains, we are providing our policyholders with relevant information concerning their workers compensation policies in effect on or after January 1, 2005 in the event of TRIA's expiration.

Your policy provides coverage for workers compensation losses caused by acts of terrorism or war, including workers compensation benefit obligations dictated by state law. Coverage for such losses is still subject to all terms, definitions, exclusions, and conditions in your policy.

The premium charge for the coverage your policy provides for terrorism or war losses is shown in Item 4 of the Information Page or the Schedule in the Terrorism Risk Insurance Act Endorsement (WC 00 04 20) that is attached to your policy, and this amount may continue or change for new, renewal, and inforce policies in effect on or after December 31, 2005 in the event of TRIA's expiration, subject to regulatory review in accordance with applicable state law.

You need not do anything further at this time.

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective

Policy No.

Endorsement No.

Insured

Premium \$

Insurance Company

Countersigned by _____

0180

DATE OF ISSUE: 08-05-05

ST ASSIGN: SC

Page 1 of 1



WORKERS COMPENSATION
AND
EMPLOYERS LIABILITY POLICY
ENDORSEMENT WC-00 04 20 (OO)

POLICY NUMBER: (6JUB-7803A47-6-05)

TERRORISM RISK INSURANCE ACT ENDORSEMENT

This endorsement addresses requirements of the Terrorism Risk Insurance Act of 2002.

Definitions

The definitions provided in this endorsement are based on the definitions in the Act and are intended to have the same meaning. If words or phrases not defined in this endorsement are defined in the Act the definitions in the Act will apply.

"Act" means the Terrorism Risk Insurance Act of 2002, which took effect on November 26, 2002 and any amendments.

"Act of terrorism" means any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State, and the Attorney General of the United States as meeting all of the following requirements:

- a. The act is an act of terrorism.
- b. The act is violent or dangerous to human life, property or infrastructure.
- c. The act resulted in damage within the United States, or outside of the United States in the case of United States missions or certain air carriers or vessels.
- d. The act has been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

"Insured terrorism or war loss" means any loss resulting from an act of terrorism (including an act of war, in the case of workers compensation that is covered by primary or excess property and casualty insurance issued by an insurer if the loss occurs in the United States or at United States missions or to certain air carriers or vessels.

"Insurer deductible" means:

- a. For the period beginning on November 26, 2002 and ending on December 31, 2002, an amount equal to 1% of our direct earned premiums, as provided in the Act, over the calendar year immediately preceding November 26, 2002.
- b. For the period beginning on January 1, 2003 and ending on December 31, 2003, an amount equal to 7% of our direct earned premiums, as provided in the Act, over the calendar year immediately preceding January 1, 2003.
- c. For the period beginning on January 1, 2004 and ending on December 31, 2004, an amount equal to 10% of our direct earned premiums, as provided in the Act, over the calendar year immediately preceding January 1, 2004.
- d. For the period beginning on January 1, 2005 and ending on December 31, 2005, an amount equal to 15% of our direct earned premiums, as provided in the Act, over the calendar year immediately preceding January 1, 2005.

Limitation of Liability

The Act may limit our liability to you under this policy. If annual aggregate insured terrorism or war losses of all insurers exceed \$100,000,000,000 during the applicable period provided in the Act, and if we have met our insurer deductible, the amount we will pay for insured terrorism or war losses under this policy will be limited by the Act, as determined by the Secretary of the Treasury.

Policyholder Disclosure Notice

1. Insured terrorism or war losses would be partially reimbursed by the United States Government under a formula established by the Act. Under this formula, the United States would pay 90% of our insured terrorism or war losses exceeding our insurer deductible.

0181



WORKERS COMPENSATION
AND
EMPLOYERS LIABILITY POLICY
ENDORSEMENT WC 00 04 20 (OO)

POLICY NUMBER: (6JUB-7803A47-6-05)

2. The additional premium charged for the coverage this policy provides for insured terrorism or war losses is shown in Item 4 of the Information Page or the Schedule below.

Schedule

State	Rate per \$100 of Remuneration	State	Rate per \$100 of Remuneration
SOUTH CAROLINA	0.030		

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective

Policy No.

Endorsement No.

Insured

Premium \$

Insurance Company

Countersigned by _____

0182

DATE OF ISSUE: 08-05-05

ST ASSIGN: SC

Page 2 of 2



WORKERS COMPENSATION
AND
EMPLOYERS LIABILITY POLICY
ENDORSEMENT WC 00 04 21 (OO)

POLICY NUMBER: (6JTB-7803A47-6-05)

**DOMESTIC TERRORISM, EARTHQUAKES, AND CATASTROPHIC
INDUSTRIAL ACCIDENTS PREMIUM ENDORSEMENT**

This endorsement is notification that your insurance carrier is charging premium to cover the losses that may occur in the event of domestic terrorism, earthquakes and/or a catastrophic industrial accident.

The premium charge provides funding for the risk of earthquakes, catastrophic industrial accidents, and certain acts of domestic and foreign terrorism. It does not provide funding for acts of terrorism certified as such by the Terrorism Risk Insurance Act (TRIA) of 2002, but rather provides funding for all other acts of terrorism specifically excluded by TRIA.

For purposes of this endorsement, the following definitions apply:

Domestic terrorism: All acts of terrorism outside the scope of TRIA with aggregate workers compensation losses in excess of \$50 million.

Earthquake: The shaking and vibration at the surface of the earth resulting from underground movement along a fault plane or from volcanic activity where aggregate workers compensation losses from the single event are in excess of \$50 million.

Catastrophic Industrial Accident: Any single event resulting in aggregate workers compensation losses in excess of \$50 million.

Schedule

See State Schedule WC 00 00 01 (A)

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective

Policy No.

Endorsement No.

Insured

Premium \$

Insurance Company

Countersigned by _____

DATE OF ISSUE: 08-05-05

ST ASSIGN: SC

0183

Page 1 of 1



WORKERS COMPENSATION
AND
EMPLOYERS LIABILITY POLICY

ENDORSEMENT WC 00 03 08 (00) - 001

POLICY NUMBER: (6JUB-7803A47-6-05)

PARTNERS, OFFICERS, AND OTHERS EXCLUSION ENDORSEMENT

The policy does not cover bodily injury to any person described in the Schedule.

The premium basis for the policy does not include the remuneration of such persons.

You will reimburse us for any payment we must make because of bodily injury to such persons.

PARTNERS

SCHEDULE

OFFICERS

OTHERS

SENN, HENRY
VP/TREAS
(EFF 9-11-03)

SENN, GRADY
VP/SEC
(EFF 9-11-03)

SENN, DANNY
PRES
(EFF 9-11-03)



WORKERS COMPENSATION
AND
EMPLOYERS LIABILITY POLICY
ENDORSEMENT WC 00 03 22 (00)

POLICY NUMBER: (6JUB-7803A47-6-05)

EMPLOYEE LEASING CLIENT EXCLUSION ENDORSEMENT

As used in this endorsement, "employee leasing" shall mean an arrangement whereby an entity utilizes the services of a third party to provide its workers for a fee or other compensation. The third party providing employee leasing services shall be referred to as a "labor contractor." The entity receiving the services shall be referred to as a "client."

This endorsement applies only with respect to your leased workers engaged in any work provided under an employee leasing arrangement. Your policy does not provide coverage for workers you lease from labor contractors listed below.

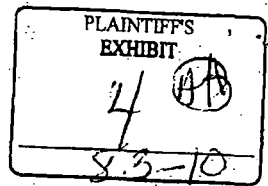
This endorsement may be used in jurisdictions where not prohibited by single policy statutes and/or regulations.

SCHEDULE

LABOR CONTRACTOR

ADDRESS

INSURED TO PROVIDE LEASING CO
INFORMATION



☐ VOID ☐ CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no. SENN FREIGHT LINES, INC. P.O. BOX 1191 NEWBERRY, SC 29108		1 Rents \$		OMB No. 1545-0115 2003 Form 1099-MISC		Miscellaneous Income	
PAYER'S Federal Identification number [REDACTED]		2 Royalties \$		3 Other income \$		4 Federal income tax withheld \$	
RECIPIENT'S Identification number [REDACTED]		5 Fishing boat proceeds \$		6 Medical and health care payments \$		Copy C For Payer or State Copy	
RECIPIENT'S name, address (including apt. no.), city, state, and ZIP code WILLIAM W. WARD 507 LORLOLLY DRIVE ANDERSON, SC 29625		7 Nonemployee compensation \$ 95975.97		8 Substitute payments in lieu of dividends or interest \$		For Privacy Act and Paperwork Reduction Act Notice, see the 2003 General Instructions for Forms 1099, 1098, 5498, and W-2G.	
Account number (optional)		9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale ☐		10 Crop insurance proceeds \$			
2nd TIN not ☐		11 [REDACTED]		12 [REDACTED]			
		13 Excess golden parachute payments \$		14 Gross proceeds paid to an attorney \$			
15		16 State tax withheld \$		17 State/Payer's state no. SC/25292708-9		18 State Income \$	

Form 1099-MISC

Department of the Treasury - Internal Revenue Service

☐ VOID ☐ CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no. SENN FREIGHT LINES, INC. P.O. BOX 1191 NEWBERRY, SC 29108		1 Rents \$		OMB No. 1545-0115 2003 Form 1099-MISC		Miscellaneous Income	
PAYER'S Federal Identification number 57-0956006		2 Royalties \$		3 Other income \$		4 Federal income tax withheld \$	
RECIPIENT'S Identification number 57-0658433		5 Fishing boat proceeds \$		6 Medical and health care payments \$		Copy C For Payer or State Copy	
RECIPIENT'S name, address (including apt. no.), city, state, and ZIP code TAYLOR TRUCKING CO., INC. P.O. BOX 493651 GREENWOOD, SC 29649		7 Nonemployee compensation \$ 52886.88		8 Substitute payments in lieu of dividends or interest \$		For Privacy Act and Paperwork Reduction Act Notice, see the 2003 General Instructions for Forms 1099, 1098, 5498, and W-2G.	
Account number (optional)		9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale ☐		10 Crop insurance proceeds \$			
2nd TIN not ☐		11 [REDACTED]		12 [REDACTED]			
		13 Excess golden parachute payments \$		14 Gross proceeds paid to an attorney \$			
15		16 State tax withheld \$		17 State/Payer's state no. SC/25292708-9		18 State Income \$	

Form 1099-MISC

Department of the Treasury - Internal Revenue Service

PAYER'S name, street address, city, state, ZIP code, and telephone no. SENN FREIGHT LINES, INC. P.O. BOX 1191 NEWBERRY, SC 29108		1 Rents \$		2 Royalties \$		3 Other income \$		4 Federal income tax withheld \$		5 Fishing boat proceeds \$		6 Medical and health care payments \$		7 Nonemployee compensation \$ 9280.98		8 Substitute payments in lieu of dividends or interest \$		9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale ☐		10 Crop insurance proceeds \$		11 ☐		12 ☐		13 Excess golden parachute payments \$		14 Gross proceeds paid to an attorney \$		15		16 State tax withheld \$		17 State/Payer's state no. SC/25292708-9		18 State income \$	
PAYER'S Federal identification number 57-0956006		RECIPIENT'S identification number 		RECIPIENT'S name RANDY ANDERSON		Street address (including apt. no.) 440 SOUTH MIDWAY HWY		City, state, and ZIP code JOHNSONVILLE, SC 29555		Account number (optional) 		2nd TIN not ☐		Form 1099-MISC		41-0852411		Department of the Treasury - Internal Revenue Service		Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2003 General Instructions for Forms 1099, 1098, 5498, and W-2G.																	

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PAYER'S name, street address, city, state, ZIP code, and telephone no. SENN FREIGHT LINES, INC. P.O. BOX 1191 NEWBERRY, SC 29108		2003 Form 1099-MISC		Miscellaneous Income	
PAYER'S Federal Identification number 57-0956006		RECIPIENT'S identification number [REDACTED]		Copy / For Internal Revenue Service Center File with Form 1099	
RECIPIENT'S name MARSHALL CARVER		7 Nonemployee compensation \$ 37578.99		8 Substitute payments in lieu of dividends or interest \$	
Street address (including apt. no.) 1325 MOUNT HOLLY ROAD		9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale ☐		10 Crop insurance proceeds \$	
City, state, and ZIP code ROCK HILL, SC 29730		11 [REDACTED]		12 [REDACTED]	
Account number (optional) [REDACTED]		2nd TIN not. ☐		13 Excess golden parachute payments \$	
15		16 State tax withheld \$		17 State/Payer's state no. SC/25292708-9	
				18 State income \$	

Form 1099-MISC

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PAYER'S name, street address, city, state, ZIP code, and telephone no. SENN FREIGHT LINES, INC. P.O. BOX 1191 NEWBERRY, SC 29108		2003 Form 1099-MISC		Miscellaneous Income	
PAYER'S Federal Identification number 57-0956006		RECIPIENT'S identification number [REDACTED]		Copy / For Internal Revenue Service Center File with Form 1099	
RECIPIENT'S name BERT HAYES		7 Nonemployee compensation \$ 43595.46		8 Substitute payments in lieu of dividends or interest \$	
Street address (including apt. no.) ROUTE 4, BOX 861		9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale ☐		10 Crop insurance proceeds \$	
City, state, and ZIP code EASTMAN, GA 31023		11 [REDACTED]		12 [REDACTED]	
Account number (optional) [REDACTED]		2nd TIN not. ☐		13 Excess golden parachute payments \$	
15		16 State tax withheld \$		17 State/Payer's state no. SC/25292708-9	
				18 State income \$	

Form 1099-MISC

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Department of the Treasury - Internal Revenue Service

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PAYER'S name, street address, city, state, ZIP code, and telephone no. SENN FREIGHT LINES, INC. P.O. BOX 1191 NEWBERRY, SC 29108		2 Royalties \$		2003 Form 1099-MISC		Miscellaneous Income	
PAYER'S Federal identification number 57-0956006		RECIPIENT'S identification number [REDACTED]		3 Other income \$		4 Federal income tax withheld \$	
RECIPIENT'S name MITCHELL WRIGHT		5 Fishing boat proceeds \$		6 Medical and health care payments \$		Copy / For Internal Revenue Service Center File with Form 1096 For Privacy Act and Paperwork Reduction Act Notice, see the 2003 General Instructions for Forms 1099, 1098, 5498 and W-2G	
Street address (including apt. no.) P.O. BOX 11		7 Nonemployee compensation \$ 92274.13		8 Substitute payments in lieu of dividends or interest \$			
City, state, and ZIP code SALUDA, SC 29138		9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale ☐		10 Crop insurance proceeds \$			
Account number (optional) [REDACTED]		11 [REDACTED]		12 [REDACTED]			
2nd TIN not ☐		13 Excess golden parachute payments \$		14 Gross proceeds paid to an attorney \$			
15		16 State tax withheld \$		17 State/Payer's state no. SC/25292708-9		18 State Income \$	

Form 1099-MISC

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PAYER'S name, street address, city, state, ZIP code, and telephone no. SENN FREIGHT LINES, INC. P.O. BOX 1191 NEWBERRY, SC 29108		1 Rents \$		OMB No. 1545-0115 2003 Form 1099-MISC		Miscellaneous Income	
PAYER'S Federal identification number 57-0956006		RECIPIENT'S identification number [REDACTED]		2 Royalties \$		3 Other income \$	
RECIPIENT'S name MELROY HOUSER		5 Fishing boat proceeds \$		4 Federal income tax withheld \$		Copy A For Internal Revenue Service Center File with Form 1096 For Privacy Act and Paperwork Reduction Act Notice, see the 2003 General Instructions for Forms 1099, 1098, 5498, and W-2G.	
Street address (including apt. no.) 270 MIRMAR EXT.		7 Nonemployee compensation \$ 100026.08		6 Medical and health care payments \$			
City, state, and ZIP code MARTINEZ, GA 30907		9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale ☐		8 Substitute payments in lieu of dividends or interest \$			
Account number (optional) [REDACTED]		10 Crop insurance proceeds \$		11 [REDACTED]			
2nd TIN not ☐		12 [REDACTED]		13 Excess golden parachute payments \$			
15		16 State tax withheld \$		14 Gross proceeds paid to an attorney \$		17 State/Payer's state no. SC/25292708-9	
		18 State Income \$					

Form 1099-MISC

41-0852411

Department of the Treasury - Internal Revenue Service

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PAYER'S name, street address, city, state, ZIP code, and telephone no. SENN FREIGHT LINES, INC. P.O. BOX 1191 NEWBERRY, SC 29108		OMB No. 1545-0115 2003 Form 1099-MISC		Miscellaneous Income	
PAYER'S Federal identification number 57-0956006		RECIPIENT'S identification number [REDACTED]		Copy for Internal Revenue Service Center File with Form 1099	
RECIPIENT'S name JOHN B. ABNEY		Street address (including apt. no.) P.O. BOX 112		City, state, and ZIP code NINETY SIX, SC 29666	
Account number (optional) [REDACTED]		2nd TIN not. ☐		15	
1		2		3	
4		5		6	
7		8		9	
10		11		12	
13		14		15	
16		17		18	

Form 1099-MISC

41-0852411

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PAYER'S name, street address, city, state, ZIP code, and telephone no. SENN FREIGHT LINES, INC. P.O. BOX 1191 NEWBERRY, SC 29108		OMB No. 1545-0115 2003 Form 1099-MISC		Miscellaneous Income	
PAYER'S Federal identification number 57-0956006		RECIPIENT'S identification number 57-0980133		Copy for Internal Revenue Service Center File with Form 1099	
RECIPIENT'S name GEO TRUCKING CO., INC.		Street address (including apt. no.) 608 HAPPY VALLEY ROAD		City, state, and ZIP code UNION, SC 29379	
Account number (optional) [REDACTED]		2nd TIN not. ☐		15	
1		2		3	
4		5		6	
7		8		9	
10		11		12	
13		14		15	
16		17		18	

Form 1099-MISC

41-0852411

Department of the Treasury - Internal Revenue Service

PLAINTIFF'S
EXHIBIT

5 AD

8-3-10



☐ VOID ☐ CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no. SENN FREIGHT LINES, INC. P.O. BOX 1191 NEWBERRY, SC 29108		Form 1099-MISC 2004 Miscellaneous Income		OMB No. 1545-0115 Discovery Responses 000085	
PAYER'S Federal Identification number 57-0956006		RECIPIENT'S Identification number [REDACTED]		Copy C For Payer or State Copy	
RECIPIENT'S name, address, and ZIP code Mitchell Wright P. O. Box 11 Saluda SC 29138		7 Nonemployee compensation \$ 117044.21		8 Substitute payments in lieu of dividends or interest \$	
Account number (optional)		2nd TIN not ☐		13 Excess golden parachute payments \$	
15		16 State tax withheld \$		17 State/Payer's state no. SC/25242708-9	
				18 State Income \$	

Form 1099-MISC

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PAYER'S name, street address, city, state, ZIP code, and telephone no. SENN FREIGHT LINES, INC. P.O. BOX 1191 NEWBERRY, SC 29108		Form 1099-MISC 2004 Miscellaneous Income		OMB No. 1545-0115	
PAYER'S Federal Identification number 57-0956006		RECIPIENT'S Identification number 57-0658433		Copy C For Payer or State Copy	
RECIPIENT'S name, address, and ZIP code Taylor Trucking Co. P. O. Box 49365 Greenwood SC 29649		7 Nonemployee compensation \$ 69944.79		8 Substitute payments in lieu of dividends or interest \$	
Account number (optional)		2nd TIN not ☐		13 Excess golden parachute payments \$	
15		16 State tax withheld \$		17 State/Payer's state no. SC/25242708-9	
				18 State Income \$	

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Department of the Treasury - Internal Revenue Service

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PAYER'S name, street address, city, state, ZIP code, and telephone no. SENN FREIGHT LINES, INC. P.O. BOX 1191 NEWBERRY, SC 29108		1 Rents \$		OMB No. 1545-0115 2004 Form 1099-MISC		Miscellaneous Income			
PAYER'S Federal identification number 57-0956006		2 Royalties \$		3 Other income \$		4 Federal income tax withheld \$			
RECIPIENT'S identification number [REDACTED]		5 Fishing boat proceeds \$		6 Medical and health care payments \$		Copy C For Payer or State Copy			
RECIPIENT'S name, address, and ZIP code John B Abney P. O. Box 112 Ninety Six SC 29666		7 Nonemployee compensation \$ 66995.56		8 Substitute payments in lieu of dividends or interest \$				For Privacy Act and Paperwork Reduction Act Notice, see the 2004 General Instructions for Forms 1099, 1098, 5498, and W-2G.	
Account number (optional)		9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale ☐ \$		10 Crop insurance proceeds \$					
2nd TIN not ☐		11 ☐		12 ☐					
15		13 Excess golden parachute payments \$		14 Gross proceeds paid to an attorney \$		18 State income \$			
16 State tax withheld \$		17 State/Payer's state no. SC/25242708-7		18 State income \$					

Form 1099-MISC

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Department of the Treasury - Internal Revenue Service

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PAYER'S name, street address, city, state, ZIP code, and telephone no. SENN FREIGHT LINES, INC. P.O. BOX 1191 NEWBERRY, SC 29108		1 Rents \$		OMB No. 1545-0115 2004 Form 1099-MISC		Miscellaneous Income			
PAYER'S Federal identification number 57-0956006		2 Royalties \$		3 Other income \$		4 Federal income tax withheld \$			
RECIPIENT'S identification number [REDACTED]		5 Fishing boat proceeds \$		6 Medical and health care payments \$		Copy C For Payer or State Copy			
RECIPIENT'S name, address, and ZIP code Melroy Houser 270 Mirmar Ext. Martinez GA 30907		7 Nonemployee compensation \$ 121133.15		8 Substitute payments in lieu of dividends or interest \$				For Privacy Act and Paperwork Reduction Act Notice, see the 2004 General Instructions for Forms 1099, 1098, 5498, and W-2G.	
Account number (optional)		9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale ☐ \$		10 Crop insurance proceeds \$					
2nd TIN not ☐		11 ☐		12 ☐					
15		13 Excess golden parachute payments \$		14 Gross proceeds paid to an attorney \$		18 State income \$			
16 State tax withheld \$		17 State/Payer's state no. SC/25242708-7		18 State income \$					

Form 1099-MISC

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Department of the Treasury - Internal Revenue Service

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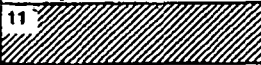
Send Supplemental Discovery Responses 000087

PAYER'S name, street address, city, state, ZIP code, and telephone no. SENN FREIGHT LINES, INC. P.O. BOX 1191 NEWBERRY, SC 29108		1 Rents \$		OMB No. 1545-0115 2004 Form 1099-MISC	Miscellaneous Income
		2 Royalties \$			
		3 Other income \$			
PAYER'S Federal identification number 57-0956006	RECIPIENT'S identification number 56-2084877	4 Federal income tax withheld \$		Copy C For Payer or State Copy	
		5 Fishing boat proceeds \$			
RECIPIENT'S name, address, and ZIP code ASAP Logistics, Inc. 289 Zenker Road Lexington SC 29072		6 Medical and health care payments \$		For Privacy Act and Paperwork Reduction Act Notice, see the 2004 General Instructions for Forms 1099, 1098, 5498, and W-2G.	
		7 Nonemployee compensation \$ 43563.16			
		8 Substitute payments in lieu of dividends or interest \$			
		9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale ☐ \$			
		10 Crop insurance proceeds \$			
Account number (optional)	2nd TIN not ☐	11 		12 	
		13 Excess golden parachute payments \$		14 Gross proceeds paid to an attorney \$	
15		16 State tax withheld \$		17 State/Payer's state no. SC/25292708-9	
		18 State income \$			

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Department of the Treasury - Internal Revenue Service

☐ VOID ☐ CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no. SENN FREIGHT LINES, INC. P.O. BOX 1191 NEWBERRY, SC 29108		1 Rents \$		OMB No. 1545-0115 2004 Form 1099-MISC	Miscellaneous Income
		2 Royalties \$			
		3 Other income \$			
PAYER'S Federal identification number 57-0956006	RECIPIENT'S identification number 57-0980133	4 Federal income tax withheld \$		Copy C For Payer or State Copy	
		5 Fishing boat proceeds \$			
RECIPIENT'S name, address, and ZIP code GEO Trucking 608 Happy Valley Road Union SC 29379		6 Medical and health care payments \$		For Privacy Act and Paperwork Reduction Act Notice, see the 2004 General Instructions for Forms 1099, 1098, 5498, and W-2G.	
		7 Nonemployee compensation \$ 114919.15			
		8 Substitute payments in lieu of dividends or interest \$			
		9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale ☐ \$			
		10 Crop insurance proceeds \$			
Account number (optional)	2nd TIN not ☐	11 		12 	
		13 Excess golden parachute payments \$		14 Gross proceeds paid to an attorney \$	
15		16 State tax withheld \$		17 State/Payer's state no. SC/25292708-9	
		18 State income \$			

Form 1099-MISC

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Department of the Treasury - Internal Revenue Service

☐ VOID ☐ CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no. **Senn Freight Lines, Inc.** **Form 1099-MISC** **2004** **Miscellaneous Income** **OMB No. 1545-0115** **State Supplemental Discovery Responses 000088**

PAYER'S name, street address, city, state, ZIP code, and telephone no. SENN FREIGHT LINES, INC. P.O. BOX 1191 NEWBERRY, SC 29108		2 Royalties \$		2004 Form 1099-MISC		Miscellaneous Income	
PAYER'S Federal identification number 57-0956006		RECIPIENT'S identification number [REDACTED]		3 Other income \$		4 Federal income tax withheld \$	
RECIPIENT'S name, address, and ZIP code William N. Ward 507 Loblolly Drive Anderson SC 29625		5 Fishing boat proceeds \$		6 Medical and health care payments \$		State Copy or Extra File Copy	
Account number (optional)		7 Nonemployee compensation \$ 119586.35		8 Substitute payments in lieu of dividends or interest \$			
		9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale ☐ \$		10 Crop insurance proceeds \$			
		11 [REDACTED]		12 [REDACTED]			
		13 Excess golden parachute payments \$		14 Gross proceeds paid to an attorney \$			
15		16 State tax withheld \$		17 State/Payer's state no. SC/25292708-9		18 State income \$	

Form 1099-MISC

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Department of the Treasury - Internal Revenue Service

☐ VOID ☐ CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no. SENN FREIGHT LINES, INC. P.O. BOX 1191 NEWBERRY, SC 29108		1 Rents \$		OMB No. 1545-0115 2004 Form 1099-MISC		Miscellaneous Income	
PAYER'S Federal identification number 57-0956006		RECIPIENT'S identification number		2 Royalties \$		3 Other income \$	
RECIPIENT'S name, address, and ZIP code		5 Fishing boat proceeds \$		4 Federal income tax withheld \$		State Copy or Extra File Copy	
Account number (optional)		6 Medical and health care payments \$		7 Nonemployee compensation \$		8 Substitute payments in lieu of dividends or interest \$	
		9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale ☐ \$		10 Crop insurance proceeds \$			
		11 [REDACTED]		12 [REDACTED]			
		13 Excess golden parachute payments \$		14 Gross proceeds paid to an attorney \$			
15		16 State tax withheld \$		17 State/Payer's state no. SC/25292708-9		18 State income \$ 0196	

Form 1099-MISC

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Department of the Treasury - Internal Revenue Service

9595

VOID

CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no. **Supplemental Discovery Responses 000107**

SENN FREIGHT LINES, INC. P. O. BOX 1191 NEWBERRY, SC 29108 803-321-1611		\$	2005 Form 1099-MISC	Miscellaneous Income
		2 Royalties		
				\$
		3 Other Income	\$	4 Federal income tax withheld
		\$		
PAYER'S Federal Identification number	RECIPIENT'S Identification number	5 Fishing boat proceeds	\$	6 Medical and health care payments
57-0956006		\$		
RECIPIENT'S name		7 Nonemployee compensation	\$	8 Substitute payments in lieu of dividends or interest
WILLIAM N. WARD		\$ 104305.92		
Street address (including apt. no.)		9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale ☐	\$	10 Crop insurance proceeds
507 LOBLOLLY DRIVE				
City, state, and ZIP code		11		12
ANDERSON, SC 29625				
Account number (see instructions)	2nd TIN not ☐	13 Excess golden parachute payments	\$	14 Gross proceeds paid to an attorney
		\$		
15a Section 409A deferrals	15b Section 409A income	16 State tax withheld	\$	17 State/Payer's state no.
\$	\$	\$		18 State income
				\$

Form 1099-MISC

39-1908647

Department of the Treasury - Internal Revenue Service

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PLAINTIFF'S
EXHIBIT6 AB
83-10

PAYER'S name, street address, city, state, ZIP code, and telephone no. SENN FREIGHT LINES, INC. P. O. BOX 1191 NEWBERRY, SC 29108 803-321-1611		1 Rents \$	OMB No. 1545-0115 2005 Form 1099-MISC		Miscellaneous Income
		2 Royalties \$			
		3 Other income \$	4 Federal income tax withheld \$		
PAYER'S Federal Identification number 57-0956006	RECIPIENT'S Identification number [REDACTED]	5 Fishing boat proceeds \$	6 Medical and health care payments \$		Copy C For Payer
RECIPIENT'S name, address, and ZIP code CHRISTOPHER P RAHRER 514 POPLAR SPRINGS ROAD CHAPPELL SC 29037		7 Nonemployee compensation \$ 7430.28	8 Substitute payments in lieu of dividends or interest \$		
		9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale ☐	10 Crop insurance proceeds \$		
Account number (see instructions)		2nd TIN not ☐	11 [REDACTED]	12 [REDACTED]	For Privacy Act and Paperwork Reduction Act Notice, see the 2005 General Instructions for Forms 1099, 1098, 5498, and W-2G.
		13 Excess golden parachute payments \$	14 Gross proceeds paid to an attorney \$		
		15a Section 409A deferrals \$	15b Section 409A income \$		
		16 State tax withheld \$	17 State/Payer's state no.		18 State income \$

Form 1099-MISC

39-1908647
Department of the Treasury - Internal Revenue Service

☐ VOID☐ CORRECTED

Supplemental Discovery Responses 000109

PAYER'S name, street address, city, state, ZIP code, and telephone no. SENN FREIGHT LINES, INC. P. O. BOX 1191 NEWBERRY, SC 29108 803-321-1611		1 Rents \$	OMB No. 1545-0115 2005 Form 1099-MISC		Miscellaneous Income
		2 Royalties \$			
		3 Other income \$	4 Federal income tax withheld \$		
PAYER'S Federal identification number 57-0956006	RECIPIENT'S identification number 57-1128907	5 Fishing boat proceeds \$	6 Medical and health care payments \$	Copy C For Payer	
RECIPIENT'S name, address, and ZIP code B M E TRUCKING 348 KIRKWOOD DRIVE LEXINGTON SC 29072		7 Nonemployee compensation \$ 311635.56	8 Substitute payments in lieu of dividends or interest \$		
		9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale ☐	10 Crop insurance proceeds \$	For Privacy Act and Paperwork Reduction Act Notice, see the 2005 General Instructions for Forms 1099, 1098, 5498, and W-2G.	
		11	12		
Account number (see instructions)	2nd TIN not ☐	13 Excess golden parachute payments \$	14 Gross proceeds paid to an attorney \$		
15a Section 409A deferrals \$	15b Section 409A income \$	16 State tax withheld \$	17 State/Payer's state no. -----	18 State income \$	

Form 1099-MISC

39-1908647
Department of the Treasury - Internal Revenue Service

☐ VOID☐ CORRECTED

Supplemental Discovery Responses 000110

PAYER'S name, street address, city, state, ZIP code, and telephone no. SENN FREIGHT LINES, INC. P. O. BOX 1191 NEWBERRY, SC 29108 803-321-1611		1 Rents \$	OMB No. 1545-0115 2005 Form 1099-MISC		Miscellaneous Income
		2 Royalties \$			
		3 Other income \$	4 Federal income tax withheld \$		
PAYER'S Federal identification number 57-0956006	RECIPIENT'S identification number 57-0980133	5 Fishing boat proceeds \$	6 Medical and health care payments \$	Copy C For Payer For Privacy Act and Paperwork Reduction Act Notice, see the 2005 General Instructions for Forms 1099, 1098, 5498, and W-2G.	
RECIPIENT'S name, address, and ZIP code GEO TRUCKING 608 HAPPY VALLEY ROAD UNION SC 29379		7 Nonemployee compensation \$ 96412.57	8 Substitute payments in lieu of dividends or interest \$		
		9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale ☐ \$	10 Crop insurance proceeds \$		
Account number (see instructions)	2nd TIN not ☐	11 	12 		
		13 Excess golden parachute payments \$	14 Gross proceeds paid to an attorney \$		
15a Section 409A deferrals \$	15b Section 409A income \$	16 State tax withheld \$	17 State/Payer's state no. \$	18 State income \$	

Form 1099-MISC

39-1908647
Department of the Treasury - Internal Revenue Service

PAYER'S name, street address, city, state, ZIP code, and telephone no. SENN FREIGHT LINES, INC. P. O. BOX 1191 NEWBERRY, SC 29108 803-321-1611		1 Rents \$	OMB No. 1545-0115 2005 Form 1099-MISC		Miscellaneous Income
		2 Royalties \$			
		3 Other Income \$	4 Federal income tax withheld \$		Copy C For Payer
PAYER'S Federal Identification number 57-0956006	RECIPIENT'S identification number [REDACTED]	5 Fishing boat proceeds \$	6 Medical and health care payments \$		
RECIPIENT'S name, address, and ZIP code JOHN B ABNEY P. O. BOX 112 NINETY SIX SC 29666		7 Nonemployee compensation \$ 40966.36	8 Substitute payments in lieu of dividends or interest \$		For Privacy Act and Paperwork Reduction Act Notice, see the 2005 General Instructions for Forms 1099, 1098, 5498, and W-2G.
		9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale ☐	10 Crop insurance proceeds \$		
		11 [REDACTED]	12 [REDACTED]		
Account number (see instructions)	2nd TIN not ☐	13 Excess golden parachute payments \$	14 Gross proceeds paid to an attorney \$		
15a Section 409A deferrals \$	15b Section 409A income \$	16 State tax withheld \$	17 State/Payer's state no.	18 State income \$	

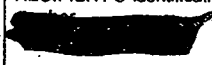
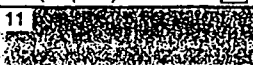
Form 1099-MISC

39-1908647
Department of the Treasury - Internal Revenue Service

PAYER'S name, street address, city, state, ZIP code, and telephone no. SENN FREIGHT LINES, INC. P. O. BOX 1191 NEWBERRY, SC 29108 803-321-1611		1 Rents	OMB No. 1545-0115		Miscellaneous Income		
		\$	2005 Form 1099-MISC				
		2 Royalties				\$	
PAYER'S Federal identification number 57-0956006		3 Other Income	4 Federal income tax withheld	Copy C For Payer			
		\$	\$				
RECIPIENT'S Identification number 		5 Fishing boat proceeds	6 Medical and health care payments	For Privacy Act and Paperwork Reduction Act Notice, see the 2005 General Instructions for Forms 1099, 1098, 5498, and W-2G.			
RECIPIENT'S name, address, and ZIP code MELROY HOUSER 270 MIRMAR EXT. MARTINEZ GA 30907		\$	\$				
		7 Nonemployee compensation	8 Substitute payments in lieu of dividends or interest				
		\$ 103951.59	\$				
		8 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale ☐	10 Crop insurance proceeds				
Account number (see instructions)		2nd TIN not ☐	11 Excess golden parachute payments	12 Gross proceeds paid to an attorney			
15a Section 409A deferrals \$		15b Section 409A income \$		16 State tax withheld	17 State/Payer's state no.		
				\$	\$		
				\$	\$		
				\$	\$		

Form 1099-MISC

39-1908647
Department of the Treasury - Internal Revenue Service

PAYER'S name, street address, city, state, ZIP code, and telephone no. SENN FREIGHT LINES, INC. P. O. BOX 1191 NEWBERRY, SC 29108 803-321-1611		1 Rents	OMB No. 1545-0115		Miscellaneous Income	
		\$	2005 Form 1099-MISC			
		2 Royalties				\$
PAYER'S Federal Identification number 57-0956006		RECIPIENT'S Identification 		3 Other income	4 Federal income tax withheld	Copy C For Payer For Privacy Act and Paperwork Reduction Act Notice, see the 2005 General Instructions for Forms 1099, 1098, 5498, and W-2G.
		\$	\$			
RECIPIENT'S name, address, and ZIP code MITCHELL WRIGHT P. O. BOX 11 SALUDA SC 29138		5 Fishing boat proceeds	6 Medical and health care payments			
		\$	\$			
		7 Nonemployee compensation	8 Substitute payments in lieu of dividends or interest			
Account number (see instructions) 2nd TIN no. ☐		\$ 112233.50	9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale ☐			
		10 Crop insurance proceeds	\$			
		11 	12 			
13 Excess golden parachute payments		14 Gross proceeds paid to an attorney				
\$		\$				
15a Section 409A deferrals	15b Section 409A income	16 State tax withheld	17 State/Payer's state no.	18 State income		
\$	\$	\$		\$		

Form 1099-MISC

39-1908647
Department of the Treasury - Internal Revenue Service

☐ VOID☐ CORRECTED

Supplemental Discovery Responses 000114

PAYER'S name, street address, city, state, ZIP code, and telephone no. SENN FREIGHT LINES, INC. P. O. BOX 1191 NEWBERRY, SC 29108 803-321-1611		1 Rents \$	OMB No. 1545-0115 2005 Form 1099-MISC		Miscellaneous Income
		2 Royalties \$			
		3 Other income \$	4 Federal income tax withheld \$		
PAYER'S Federal identification number 57-0956006	RECIPIENT'S identification number [REDACTED]	5 Fishing boat proceeds \$	6 Medical and health care payments \$	Copy C For Payer For Privacy Act and Paperwork Reduction Act Notice, see the 2005 General Instructions for Forms 1099, 1098, 5498, and W-2G.	
RECIPIENT'S name, address, and ZIP code RICHARD SUMMERS 1105 BLUE MARLIN DRIVE CHARLESTON SC 29412		7 Nonemployee compensation \$ 66450.50	8 Substitute payments in lieu of dividends or interest \$		
		9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale ☐	10 Crop insurance proceeds \$		
		11 [REDACTED]	12 [REDACTED]		
Account number (see Instructions)	2nd TIN not ☐	13 Excess golden parachute payments \$	14 Gross proceeds paid to an attorney \$		
15a Section 409A deferrals \$	15b Section 409A income \$	16 State tax withheld \$	17 State/Payer's state no. \$	18 State Income \$	

Form 1099-MISC

39-1908847
Department of the Treasury - Internal Revenue Service

☐ VOID☐ CORRECTED

Section 50 Supplemental Discovery Responses 000115

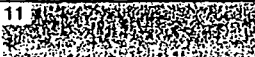
PAYER'S name, street address, city, state, ZIP code, and telephone no. SENN FREIGHT LINES, INC. P. O. BOX 1191 NEWBERRY, SC 29108 803-321-1611		1 Rents \$	OMB No. 1545-0115 2005 Form 1099-MISC		Miscellaneous Income
		2 Royalties \$			
		3 Other Income \$	4 Federal income tax withheld \$		
PAYER'S Federal Identification number 57-0956006	RECIPIENT'S identification number [REDACTED]	5 Fishing boat proceeds \$	6 Medical and health care payments \$	Copy C For Payer	
RECIPIENT'S name, address, and ZIP code SUE CHANDLER 387 BUCKBOARD ROAD WAGENER, SC 29164		7 Nonemployee compensation \$ 106647.66	8 Substitute payments in lieu of dividends or interest \$		
		9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale ☐	10 Crop insurance proceeds \$		
		11 [REDACTED]	12 [REDACTED]		
Account number (see instructions)	2nd TIN not ☐	13 Excess golden parachute payments \$	14 Gross proceeds paid to an attorney \$	For Privacy Act and Paperwork Reduction Act Notice, see the 2005 General Instructions for Forms 1099, 1098, 5498, and W-2G.	
15a Section 409A deferrals \$	15b Section 409A income \$	16 State tax withheld \$	17 State/Payer's state no. -----		
		18 State income \$			

Form 1099-MISC

39-1908647
Department of the Treasury - Internal Revenue Service

☐ VOID☐ CORRECTED

Form Supplemental Discovery Responses 000116

PAYER'S name, street address, city, state, ZIP code, and telephone no. SENN FREIGHT LINES, INC. P. O. BOX 1191 NEWBERRY, SC 29108 803-321-1611		1 Rents \$	OMB No. 1545-0115 2005 Form 1099-MISC		Miscellaneous Income
		2 Royalties \$			
		3 Other Income \$	4 Federal income tax withheld \$	Copy C For Payer	
PAYER'S Federal Identification number 57-0956006	RECIPIENT'S Identification number 57-0658433	5 Fishing boat proceeds \$	6 Medical and health care payments \$		
RECIPIENT'S name, address, and ZIP code TAYLOR TRUCKING CO. P. O. BOX 49365 GREENWOOD SC 29649		7 Nonemployee compensation \$ 138601.24	8 Substitute payments in lieu of dividends or interest \$	For Privacy Act and Paperwork Reduction Act Notice, see the 2005 General Instructions for Forms 1099, 1098, 5498, and W-2G.	
		9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale ☐ \$	10 Crop insurance proceeds \$		
		11 	12 		
Account number (see instructions)		2nd TIN not ☐	13 Excess golden parachute payments \$	14 Gross proceeds paid to an attorney \$	
15a Section 409A deferrals \$	15b Section 409A income \$	16 State tax withheld \$	17 State/Payer's state no. -----	18 State income \$	

Form 1099-MISC

39-1908647
Department of the Treasury - Internal Revenue Service



TRUCKING PROGRAM

Great American Insurance Company
580 Walnut Street
Cincinnati, OH 45202
513.369.5000

Appalachian Underwriters, Inc.
P.O. Box 1017
Clinton TN 37717
888-376-9633

OCCUPATIONAL ACCIDENT INSURANCE POLICY-CERTIFICATE SCHEDULE OF BENEFITS GREAT AMERICAN INSURANCE COMPANY

Item 1:

Trust name: Great American Insurance Trust
Eligible persons: Scheduled owner-operators and scheduled drivers under contract to the participating motor carrier. Any owner-operator or driver over the age of 65 is ineligible.
Policy holder/trustee: Provident Bank
1 East Fourth Street
Cincinnati, OH 45202
Participating motor carrier: Appalachian Underwriters - Plan D
P.O. Box 1017
Clinton TN 37717
Policy number: OA6014871-00
Certificateholder: Christopher Robrer
514 Poplar Springs Rd
Chappells SC 29037
Certificate number: OA6014871-00-0081
Authorized passenger: Amanda Robrer
Effective date: 4/9/2004
Monthly premium: \$ 165
Anniversary/
Termination date: 6/01/2004
12:01 a.m. standard time at the address of the policy holder stated above

PLAINTIFFS
EXHIBIT

17
8-3-10

Item 2:

DESCRIPTION OF BENEFITS	OCCUPATIONAL	NON-OCCUPATIONAL	PASSENGER
ACCIDENTAL DEATH (MAXIMUM) SURVIVOR'S BENEFIT (LUMP SUM)	\$250,000 PRINCIPAL SUM (\$50,000 + \$1000 PER MONTH UP TO 200 MTHS)	\$15,000 PRINCIPAL SUM (\$500 PER MONTH UP TO 30 MTHS)	\$50,000 PRINCIPAL SUM (\$12,500 + \$500/MTH 25 MTHS)
ACCIDENTAL DISMEMBERMENT INCLUDING PARALYSIS, AND SEVERE BURN BENEFITS INCURREAL PERIOD	104 WEEKS	104 WEEKS	104 WEEKS
ACCIDENTAL MEDICAL EXPENSE	\$1,000,000 MAXIMUM BENEFIT AMOUNT	\$10,000 MAXIMUM BENEFIT AMOUNT	\$50,000 MAX BENEFIT
ACCIDENTAL DENTAL BENEFIT DEDUCTIBLE	\$1000 PER INJURY/\$10,000 LIFETIME	NOT COVERED	NOT COVERED
INCURREAL PERIOD	0	0	\$100
RIDER LIMIT FOR: HERNIA OR HEMORRHOID OR OCCUPATIONAL DISEASE OR OCCUPATIONAL CUMULATIVE TRAUMA	104 WEEKS	104 WEEKS	104 WEEKS
HERNIA OR HEMORRHOID MAX BENEFIT PERIOD	\$7,500 PER ACCIDENT OR INJURY SUBJECT TO A \$15,000 LIFETIME MAXIMUM	NOT COVERED	NOT COVERED
TEMPORARY TOTAL DISABILITY WAITING PERIOD	10 WEEKS	NOT COVERED	NOT COVERED
DURATION-MAXIMUM BENEFIT PERIOD	\$700 WEEKLY MAXIMUM 7 DAYS	NOT COVERED	NOT COVERED
RIDER LIMIT FOR: HERNIA OR HEMORRHOID OR OCCUPATIONAL DISEASE OR OCCUPATIONAL CUMULATIVE TRAUMA	104 WEEKS	NOT COVERED	NOT COVERED
HERNIA OR HEMORRHOID MAX BENEFIT PERIOD	10 WEEKS	NOT COVERED	NOT COVERED
CONTINUOUS TOTAL DISABILITY WAITING PERIOD	\$700 WEEKLY MAXIMUM 104 WEEKS	NOT COVERED	NOT COVERED
POLICY AGGREGATE AND COMBINED SINGLE LIMIT ANY ONE ACCIDENT	\$1,000,000		

Item 3:

The coverage provided by this policy is limited and is subject to certain conditions. Please read the policy carefully. This policy does not provide workers compensation coverage nor provide coverage for sickness.

Item 4:

Please report claims to 1-800-643-7882

Item 5:

The following forms are made a part of this policy:

F.32161 (5-01)

STAFFING VENDOR AGREEMENT

IT IS HEREBY AGREED by and between STAFFING FIRM ("STAFFING FIRM"), Workforce Outsourcing, Inc. and Senn Freight Lines, Inc. ("CLIENT").

WHEREAS, STAFFING FIRM is engaged in the business of assigning its employees to perform services for clients, and providing related management and human resource services; and

WHEREAS, CLIENT desires to engage STAFFING FIRM to provide such services;

NOW, THEREFORE, in consideration of the promises, and of the mutual covenants hereinafter set forth, and intending to be legally bound hereby, the parties hereto agree as follows:

DEFINITIONS

1. For purposes of this Agreement, "CLIENT" refers to and includes the entity named above and its parents, subsidiaries, affiliates, and successors. This includes CLIENT's facilities located at 260 Highway 34-121, Newberry, SC, 29108.
2. For purposes of this Agreement, "STAFFING FIRM" refers to Workforce Outsourcing, Inc. and means its parents, subsidiaries, affiliates, and successors.

DUTIES OF STAFFING FIRM

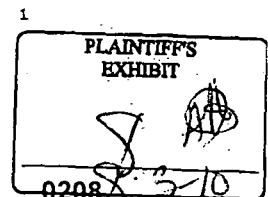
3. STAFFING FIRM shall provide to CLIENT the services of its employees ("Assigned Employees") as requested by CLIENT. CLIENT shall use the services of STAFFING FIRM as a provider of Assigned Employees for the job titles set forth on Exhibit A for CLIENT. STAFFING FIRM shall manage the provision of services to CLIENT in accordance with the provisions of this Agreement.
4. Responsibilities of STAFFING FIRM: STAFFING FIRM agrees to assume full responsibility for paying, withholding, and transmitting payroll taxes; making unemployment contributions; and handling unemployment and workers' compensation claims involving Assigned Employees with respect to compensation that STAFFING FIRM has agreed to pay. Assigned Employees shall not be entitled to holidays, vacations, disability, insurance, pensions or retirement plans, or any other benefits offered or provided by CLIENT to its direct employees. STAFFING FIRM shall require all Assigned Employees to sign an agreement, annexed hereto as Exhibit B, acknowledging their understanding that they are not entitled to CLIENT benefits offered to its direct employees and waiving any right that may be deemed to exist or that may come into existence with respect to such benefits. STAFFING FIRM may at its own discretion outsource certain functions of the administration, including but not limited to payroll processing, workers compensation insurance, payroll taxes, and may designate an alternative employer of record.
5. Selection and Background Checks: STAFFING FIRM shall recruit, interview, test, screen, and ensure compliance with legally required pre-employment obligations for all Assigned Employees to be assigned to CLIENT's facilities prior to their assignment at CLIENT.
6. Other Background Checks: Possible other checks include criminal conviction record, education, drug testing, credit searches, as requested by client, etc. Price schedule for these background checks is found under Exhibit C.
7. Reports: STAFFING FIRM shall produce such reports as CLIENT may reasonably request pertaining to Assigned Employees. STAFFING FIRM shall furnish to CLIENT any other reports in such format and at such intervals as CLIENT may reasonably request.

DUTIES OF CLIENT

A. Payment for Services:

- a. STAFFING FIRM will invoice CLIENT for services provided in accordance with this Agreement on a weekly basis. Payment shall be due upon receipt of the invoice, not less than three days prior to payroll check date. Payment must be made by cashiers check, wire transfer or ACH. Invoices shall be accompanied by the pertinent timesheets. CLIENT's signature on STAFFING FIRM's timesheets certifies that the hours shown are correct and that the work was performed to CLIENT's satisfaction and authorizes STAFFING FIRM to bill CLIENT for the hours worked by the named Assigned Employee.
- b. STAFFING FIRM's bill rates by job categories are attached hereto as Exhibit A, which is incorporated by reference herein. In the event a portion of any invoice is disputed, the undisputed portion shall be paid. CLIENT acknowledges and agrees that in the event an Assigned Employee works more than forty (40) hours in any work week or eight (8) hours in any day for CLIENT, that Assigned Employee is entitled to overtime compensation as provided by law and CLIENT agrees to an increase in the bill rate to reflect such additional compensation plus applicable markup.
- c. CLIENT agrees to pay Not Upon Receipt of invoice not less than three days prior to payroll, and to pay late charges on any unpaid balances after 30 days from the date of receipt at the rate of 1.5 % per month (Annual Percentage Rate of 18%) or the maximum legal rate, whichever is higher. CLIENT agrees that services will be suspended if any outstanding invoices are unpaid.

 CLIENT INITIALS



Workforce Outsourcing, Inc.

9. Conversion Fees:

STAFFING FIRM shall waive its right or claim to any placement fee, conversion fee, or liquidated damages in the event CLIENT hires directly on to its own payroll or engages as an independent contractor any Assigned Employee at any time after such Assigned Employee has worked at CLIENT's facility for at least 520 hours in any one calendar year, with no break in service of more than 40 hours, provided that CLIENT has paid to STAFFING FIRM all invoiced amounts for such Assigned Employees. In the event that CLIENT hires or engages as an independent contractor any Assigned Employee prior to such 520 hour period, CLIENT shall pay to STAFFING FIRM a liquidated damage amount equal to the difference in the employee's bill rate and pay rate times the difference of 520 hours minus the number of hours the employee has worked. No other conversion fee applies.

10. No Staff Hire: CLIENT and STAFFING FIRM agree not to directly or indirectly employ or engage as an independent contractor any staff employee of the other party during the term of this Agreement and for a period of one hundred and eighty (180) days thereafter without the prior written consent of the other party. Any party violating this paragraph shall pay to the other party a fee in the amount of 50% of the employee's annualized compensation.

11. Limitations:

a. CLIENT agrees that it will not entrust Assigned Employees with unattended premises, cash, checks, keys, credit cards, merchandise, confidential or trade secret information, negotiable instruments, or other valuables without the express prior written permission of STAFFING FIRM and then only under STAFFING FIRM's direct supervision and control.

b. CLIENT will not request or permit any Assigned Employee to use any vehicle, regardless of ownership, in connection with the performance of services for CLIENT.

GUARANTEE OF RATES

12. STAFFING FIRM guarantees the bill rates as set forth in Exhibit A through twelve (12) months from the date of this agreement, unless there is an increase in payroll taxes or workers compensation insurance rates. The parties agree to review rates in six (6) months and adjust rates no later than seven (7) months unless the parties agree otherwise in order to facilitate recruitment and retention of Assigned Employees.

INDEPENDENT CONTRACTOR

13. The services which STAFFING FIRM shall render under this Agreement shall be as an independent contractor with respect to each other and to CLIENT. Nothing contained in this Agreement shall be construed to create the relationship of principal and agent, or employer and employee, between STAFFING FIRM and CLIENT.

14. STAFFING FIRM shall provide workers' compensation insurance coverage for Assigned Employees. The parties agree to immediately notify each other of any injury or accidents or any claim for workers' compensation benefits involving Assigned Employees assigned to CLIENT's facility.

OSHA COMPLIANCE

15. Because CLIENT controls the facilities in which Assigned Employees work, it is agreed that CLIENT is primarily responsible for compliance with the Occupational Safety and Health Act and comparable state laws and regulations thereunder, to the extent those laws apply to Assigned Employees assigned to CLIENT's facility, except as may be otherwise agreed in writing signed by the parties hereto. Any such agreement shall be included as an addendum to this Agreement.

EEO COMPLIANCE

16. CLIENT and STAFFING FIRM affirm and agree that they are equal employment opportunity employers and are in full compliance with any and all applicable anti-discrimination laws, rules, and regulations. CLIENT and STAFFING FIRM agree not to harass, discriminate against, or retaliate against any employee of the other because of his or her race, national origin, age, sex, religion, disability, marital status, or other category protected by law, nor shall either party cause or request the other party to engage in such discrimination, harassment, or retaliation. In the event of any complaint of unlawful discrimination, harassment, or retaliation by any Assigned Employee, CLIENT and STAFFING FIRM agree to cooperate in the prompt investigation and resolution of such complaint.

FMLA COMPLIANCE

17. CLIENT and STAFFING FIRM agree that for purposes of all statutory and regulatory requirements for employee leaves of absence, including the Family and Medical Leave Act and any similar state or local law, CLIENT and STAFFING FIRM shall cooperate in compliance with any such requirements.

OK
CLIENT INITIALS

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Workforce Outsourcing, Inc.

RIGHT TO AUDIT AND CONFIRM COMPLIANCE

18. STAFFING FIRM reserves the right to audit and confirm compliance of client without any notice.

CONFIDENTIALITY

19. CLIENT's Confidential Information: STAFFING FIRM acknowledges that it or its Assigned Employees may be given access to or acquire information which is proprietary to or confidential to CLIENT or its affiliated companies and their clients and customers. Any and all such information obtained by STAFFING FIRM shall be deemed to be confidential and proprietary information. STAFFING FIRM agrees to hold such information in strict confidence and not to disclose such information to third parties or to use such information for any purposes whatsoever other than the providing of services to CLIENT. STAFFING FIRM agrees to direct Assigned Employees to keep such information confidential, and to require Assigned Employees to enter into Confidentiality Agreements in the form annexed hereto as Exhibit D before being assigned to CLIENT.

20. STAFFING FIRM's Confidential Information: CLIENT acknowledges that during STAFFING FIRM's performance under this Agreement, CLIENT may be given access to or acquire Confidential Information of STAFFING FIRM (as defined below), all of which provides STAFFING FIRM with a competitive advantage and none of which is readily available. CLIENT agrees that during the term of this Agreement and any time thereafter it will not use or disclose to any person or company (except under the authority of STAFFING FIRM or if ordered to do so by a Court of competent jurisdiction) any Confidential Information obtained during the term of this Agreement for any reason or purpose. CLIENT also agrees that it will use due care and diligence to prevent any unauthorized use or disclosure of such information. As used herein, STAFFING FIRM's "Confidential Information" means: all information regarding STAFFING FIRM's Assigned and Staff Employees, including but not limited to their names, home addresses, telephone numbers, skills, qualifications, evaluations, availability, record of assignments, and related information.

ASSIGNMENT OF COPYRIGHTS AND PATENTS TO CLIENT

21. Any and all discoveries and/or inventions (which shall include improvements and modifications) relating to work performed by Assigned Employees, or relating to matters disclosed to Assigned Employees in connection with work to be performed, or suggested by such matters, whether or not patentable, which discoveries and/or inventions are made or conceived by Assigned Employees, solely or jointly with others, during the term of any assignment (regardless of whether conceived or developed during working hours) or during a period of one (1) year thereafter, shall be the property of CLIENT as "work made for hire" in the extent provided by sections 101 and 201(b) of the Copyright Act, 17 U.S.C. 101 et seq, and such discoveries and/or inventions shall be promptly disclosed to CLIENT. CLIENT shall have the right to file and prosecute, at its own expense, all patent applications, whether U.S. or foreign, on said discoveries and/or inventions. Assigned Employees shall, during any assignment with CLIENT or any time thereafter, provide to CLIENT all documents, information, and assistance requested for the filing or prosecution of any such patent application, for the preparation, prosecution, or defense of any legal action or application pertaining to such discoveries and/or inventions, and for the assignment or conveyance to CLIENT of all right, title, and interest in and to such discoveries and/or inventions, patent applications, and future patent issuing thereon. All Assigned Employees shall sign an agreement, attached hereto as Exhibit E, confirming the provisions contained in this paragraph 21.

COOPERATION

22. The parties agree to cooperate fully and to provide assistance to the other party in the investigation and resolution of any complaints, claims, actions, or proceedings which may be brought by or involve any of the Assigned Employees.

TERM AND TERMINATION

23. a. This Agreement shall be for an initial term of twelve (12) months from the effective date of this Agreement, determined by the later date of signature of the parties. This Agreement shall be automatically renewed for successive one-year terms unless modified or terminated in accordance with the provisions of this Agreement. The parties agree to waive any notice prior to automatic renewal of this Agreement that may be required by state law.

b. This Agreement may be terminated by either party upon thirty (30) days' written notice to the other party. Such notice shall be personally delivered or sent by recognized overnight courier or by certified mail, return receipt requested, and shall be effective when received as follows:

As to STAFFING FIRM: As to CLIENT:

Workforce Outsourcing, Inc.
2230 West Chapman Avenue, 211
Orange, CA 92668

a. Either party may designate a different person to whom notices should be sent at any time by notifying the other party in writing in accordance with this Agreement.

d. Notwithstanding any other provision of this Agreement, in the event the other party declares or becomes bankrupt or insolvent, dissolves or discontinues operations, or fails to make any payments within the time periods specified in this Agreement, either party may terminate this agreement upon four (4) hours written notice.

24. Notwithstanding any other provision of this Agreement, if CLIENT terminates this Agreement or notifies STAFFING FIRM of its intent to terminate this Agreement, and CLIENT desires to have all or some of the Assigned Employees

 CLIENT INITIALS

Workforce Outsourcing, Inc.

continue to work at CLIENT's facilities. CLIENT shall pay for liquidated damages on each and every eligible employee of STAFFING FIRM as calculated in Paragraph 15 above.

MISCELLANEOUS

26. Survival of Certain Provisions: Those provisions of this Agreement which by their terms extend beyond the termination or non-renewal of this Agreement shall remain in full force and effect and survive such termination or non-renewal.

25. Amendments: No provision of this Agreement may be amended or waived unless such amendment or waiver is agreed to in writing signed by the parties.

27. Severability: Each provision of this Agreement shall be considered severable such that if any one provision or clause conflicts with existing or future applicable law, or may not be given full effect because of such law, this shall not affect any other provision which can be given effect without the conflicting provision or clause.

28. Complete Agreement: This Agreement, the exhibits attached hereto, and the provisions on the STAFFING FIRM Timesheet Agreement, contain the entire understanding between the parties hereto, and supersede all prior agreements and understandings relating to the subject matter hereof.

29. Successors and Assigns: The provisions of this Agreement shall inure to the benefit of and be binding upon the parties and their respective representatives, successors, and assigns.

30. Headings: The headings of the paragraphs of this Agreement are inserted solely for the convenience of reference. They shall in no way define, limit, extend, or aid in the construction of the scope, extent, or intent of this Agreement.

31. Waiver: The failure of a party to enforce the provisions of this Agreement shall not be construed as a waiver of any provision or the right of such party thereafter to enforce each and every provision of this Agreement.

32. Transferability: CLIENT shall not transfer or assign this Agreement without the written consent of STAFFING FIRM.

33. Ambiguities: The rule of construction that ambiguities in an agreement are to be construed against the drafter shall not be invoked or applied in any dispute regarding the meaning or interpretation of any provision of this Agreement.

REMEDIES

34. Arbitration

a. Any controversy or dispute between the parties, whether arising out of or in connection with this Agreement or otherwise, shall be resolved in an arbitration under the Federal Arbitration Act and before the American Arbitration Association (AAA) in accordance with AAA's then obtaining Commercial Arbitration Rules at the AAA location closest to STAFFING FIRM's office. The administrative cost of the arbitration and the arbitrator's fee shall be shared equally by the parties.

b. In such arbitration, the arbitrator shall have no authority or power to amend, modify, or in any other way change any of the terms of this Agreement. All decisions of such arbitrator shall be final and binding upon both parties. The prevailing party in such Arbitration as determined by the arbitrator in his or her decision shall be awarded an amount equal to its reasonable attorney's fees incurred in connection with such arbitration, in addition to what other relief may be awarded.

c. Judgment upon any award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

35. Consent to Injunctive Relief: CLIENT acknowledges that STAFFING FIRM will suffer irreparable damage in the event CLIENT violates or threatens to violate the Agreement, and agrees that in the event of such violation or threatened violation, STAFFING FIRM shall be entitled, in addition to its other remedies, to injunctive relief to restrain such violation(s) by CLIENT and others acting in concert or participation with CLIENT, without the necessity of an injunction bond, pending the outcome of the arbitration as provided in paragraph 34 above and to recover its reasonable attorney's fees incurred in connection with any such injunction proceeding.

36. Indemnifications:

a. To the extent permitted by law, and except for claims, losses, and liabilities expressly disclaimed by STAFFING FIRM in paragraph 37 below, STAFFING FIRM agrees to defend, indemnify, and hold CLIENT harmless of and from any and all claims or losses that CLIENT actually incurs (including reasonable attorney's fees) proximately caused by the fault, negligence, gross negligence, or recklessness of STAFFING FIRM, or STAFFING FIRM's officers, employees, or authorized agents, or which arise from STAFFING FIRM's breach of this Agreement.

b. To the extent permitted by law, CLIENT agrees to defend, indemnify, and hold STAFFING FIRM harmless against any and all claims, losses, and liabilities that STAFFING FIRM incurs (including reasonable attorney's fees agreed upon by CLIENT) that are proximately caused by the fault, negligence, gross negligence, or recklessness of CLIENT, or CLIENT's officers, employees, or authorized agents, that arise from CLIENT's breach of this Agreement that arise from those inherent in CLIENT's business, or that are expressly disclaimed by STAFFING FIRM in paragraph 37.

c. The parties agree that this paragraph 36 is the complete agreement between them with respect to any possible

 CLIENT INITIALS

Workforce Outsourcing, Inc.

indemnification against, and agrees that it shall not assert any common-law indemnification or warranty defense against the Staffing Firm.

d. As a condition precedent to the Staffing Firm's performance, the parties each agree to indemnify the other within 30 business days of the receipt of any claim, demand, or notice for which indemnification is sought, and to cooperate in the investigation and defense of any such claim, demand, or notice.

37. Disclaimer of STAFFING FIRM Liability: STAFFING FIRM expressly disclaims liability for any claim, loss, or damage of any kind whatsoever resulting from:

a. CLIENT's failure to supervise, control, or safeguard activities, processes, or operations of, without STAFFING FIRM's express prior written approval, including Assigned Employees with unassigned positions, loan charges, key, credit cards, merchandise, confidential or proprietary information, computer information, or other valuable;

b. CLIENT's request for or permission to assign employees to use any vehicle, regardless of ownership, in connection with the performance of services for CLIENT unless STAFFING FIRM has given its express prior approval in writing;

c. Claims by Assigned Employees for benefits, deferred compensation, or damages under any employee benefit plan, fringe benefit plan, or pension or policy sponsored and maintained by CLIENT, whether or not CLIENT's place includes Assigned Employees from coverage;

d. Promises of increased compensation made by CLIENT to Assigned Employees;

e. Claims by any person relating to any CLIENT product or service;

f. CLIENT's making substantial changes in the Assigned Employees' job duties or risks without STAFFING FIRM's prior written approval;

g. Claims by any person based on allegations that CLIENT's business practices damaged the environment;

h. The conduct of CLIENT's officers, employees, and agents;

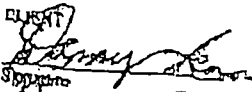
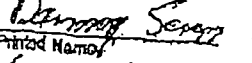
i. Failure by CLIENT to provide Assigned Employees with a safe workplace or to provide information, training, and safety equipment with respect to any hazardous substance or conditions to which they may be exposed in the workplace, whether or not required by law;

j. Acts or omissions of any Assigned Employee in the furtherance of CLIENT's particular business, except for those that could occur in any assignment to any type of work and except to the extent that such claim, loss, or damage is caused by STAFFING FIRM's failure to properly perform its selection, assignment, or other contractual duties with respect to the Assigned Employees;

k. Claims for special, indirect, consequential, punitive, or loss of profit damages;

38. Choice of Law: This agreement shall be governed by and construed in accordance with the laws of the State of California, without reference to any conflict of law principles thereof.

IN WITNESS WHEREOF, this Agreement has been duly executed by STAFFING FIRM and CLIENT on the dates set forth below.

CLIENT

 Signature

 Printed Name
 General Mgr.
 Title
 3-76-04
 Date

STAFFING FIRM

 Signature
 Jeff Lig
 Printed Name
 Title
 3-76-04
 Date

OK
 CUCYI MERRILL

ACORD CERTIFICATE OF LIABILITY INSURANCE

REVISED

DATE (MM/DD/YY)
12/30/2003

PRODUCER

Serial # B2671

TYLER UNDERWRITING SERVICES, INC.
330 ROBERTS STREET
EAST HARTFORD, CT 06108

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE

INSURED

VANGUARD SOUTHEAST, INC.
9100 KEYSTONE CROSSING
SUITE 600
INDIANAPOLIS, IN 46240

INSURER A: TRAVELERS INDEMNITY COMPANY OF ILLINOIS

INSURER B:

INSURER C:

INSURER D:

INSURER E:

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
GENERAL LIABILITY ☐ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS MADE ☐ OCCUR GENL AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☐ PRO ☐ RET ☐ LOC				EACH OCCURRENCE \$ FIRE DAMAGE (Any one first) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMPLY AGG \$
AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ ALL OWNED AUTOS ☐ SCHEDULED AUTOS ☐ HIRED AUTOS ☐ NON-OWNED AUTOS				COMBINED SINGLE LIMIT (E & accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
GARAGE LIABILITY ☐ ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY: AGG \$
EXCESS LIABILITY ☐ OCCUR ☐ CLAIMS MADE DEDUCTIBLE \$ RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$
WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	TRJ-UB-100D4867-03	03/01/03	03/01/04	X WC STATE FUND LMTS \$ E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LMT \$ 1,000,000
OTHER				

DESCRIPTION OF OPERATIONS, LOCATIONS, VEHICLES, EXCLUSIONS ADDED BY ENDORSEMENTS, SPECIAL PROVISIONS
SENN FREIGHT LINES IS INCLUDED AS ALTERNATE EMPLOYER

FILED
NEWBERRY COUNTY
2009 OCT 14 P 4:2
JACKIE S. BOWERS
CLERK OF COURT

CERTIFICATE HOLDER

ADDITIONAL INSURED; INSURER LETTER

CANCELLATION

GEORGIA PACIFIC CORP.
55 PARK PLACE, 12TH FLOOR
ATLANTA, GA 30303
ATTN: DOLLIS S. WALLS
FAX: 404-854-1016

PLAINTIFF'S
EXHIBIT

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

ACORD 25-5 (7/97)

© ACORD CORPORATION 1988
0213

ACORD CERTIFICATE OF LIABILITY INSURANCE		DATE (MONTH/YEAR) 04/13/2004
PRODUCER Jason Scrimpsheer Insurance 5101 New York Avenue Cypress, CA 90630	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
INSURERS AFFORDING COVERAGE		
INSURED Workforce Outsourcing, Inc. 2230 W. Chapman Avenue, Suite 211 Orange, CA 92668	INSURER A: The Hartford	
	INSURER B:	
	INSURER C:	
	INSURER D:	
	INSURER E:	

COVERAGES						
THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.						
USE TYPE	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	AMOUNT	UNIT
	GENERAL LIABILITY				EACH OCCURRENCE	\$
	COMMERCIAL GENERAL LIABILITY				PER DAMAGE (per occurrence)	\$
	CLAIMS MADE				PER EXP. LIMIT (per occurrence)	\$
	OCCUR				PER PERSONAL AND PROPERTY	\$
	COMM. AGGREGATE LIMIT APPLIES PER:				GENERAL AGGREGATE	\$
	POLICY				PRODUCTS, COMPOUND	\$
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT	\$
	ANY AUTO				PER OCCURRENCE	\$
	ALL OWNED AUTOS				PER OCCURRENCE	\$
	CONDOLEO AUTOS				PER OCCURRENCE	\$
	MINI AUTO				PER OCCURRENCE	\$
	NON-OWNED AUTOS				PER OCCURRENCE	\$
	PROPERTY DAMAGE				PER OCCURRENCE	\$
	LIABILITY				PER OCCURRENCE	\$
	ANY AUTO				PER OCCURRENCE	\$
	OTHER THAN AUTO ONLY				PER OCCURRENCE	\$
	PROPERTY DAMAGE				PER OCCURRENCE	\$
	LIABILITY				PER OCCURRENCE	\$
	ANY AUTO				PER OCCURRENCE	\$
	OTHER THAN AUTO ONLY				PER OCCURRENCE	\$
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	PROPERTY DAMAGE				PER OCCURRENCE	\$
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	LIABILITY				PER OCCURRENCE	\$
	ANY AUTO				PER OCCURRENCE	\$
	OTHER THAN AUTO ONLY				PER OCCURRENCE	\$
	PROPERTY DAMAGE				PER OCCURRENCE	\$
	LIABILITY				PER OCCURRENCE	\$
	ANY AUTO				PER OCCURRENCE	\$
	OTHER THAN AUTO ONLY				PER OCCURRENCE	\$
	PROPERTY DAMAGE				PER OCCURRENCE	\$
	LIABILITY				PER OCCURRENCE	\$
	ANY AUTO				PER OCCURRENCE	\$
	OTHER THAN AUTO ONLY				PER OCCURRENCE	\$
	PROPERTY DAMAGE				PER OCCURRENCE	\$
	LIABILITY				PER OCCURRENCE	\$
	ANY AUTO				PER OCCURRENCE	\$
	OTHER THAN AUTO ONLY				PER OCCURRENCE	\$
	PROPERTY DAMAGE				PER OCCURRENCE	\$
	LIABILITY				PER OCCURRENCE	\$
	ANY AUTO				PER OCCURRENCE	\$
	OTHER THAN AUTO ONLY				PER OCCURRENCE	\$
	PROPERTY DAMAGE				PER OCCURRENCE	\$
	LIABILITY				PER OCCURRENCE	\$
	ANY AUTO				PER OCCURRENCE	\$
	OTHER THAN AUTO ONLY				PER OCCURRENCE	\$
	PROPERTY DAMAGE				PER OCCURRENCE	\$
	LIABILITY				PER OCCURRENCE	\$
	ANY AUTO				PER OCCURRENCE	\$
	OTHER THAN AUTO ONLY				PER OCCURRENCE	\$
	PROPERTY DAMAGE				PER OCCURRENCE	\$
	LIABILITY				PER OCCURRENCE	\$
	ANY AUTO				PER OCCURRENCE	\$
	OTHER THAN AUTO ONLY				PER OCCURRENCE	\$
	PROPERTY DAMAGE				PER OCCURRENCE	\$
	LIABILITY				PER OCCURRENCE	\$
	ANY AUTO				PER OCCURRENCE	\$
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	PROPERTY DAMAGE				PER OCCURRENCE	\$
	LIABILITY				PER OCCURRENCE	\$
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	PROPERTY DAMAGE				PER OCCURRENCE	\$
	LIABILITY				PER OCCURRENCE	\$
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	OTHER THAN AUTO ONLY				PER OCCURRENCE	\$
	PROPERTY DAMAGE				PER OCCURRENCE	\$
	LIABILITY				PER OCCURRENCE	\$
	ANY AUTO				PER OCCURRENCE	\$
	OTHER THAN AUTO ONLY				PER OCCURRENCE	\$
	PROPERTY DAMAGE				PER OCCURRENCE	\$
	LIABILITY				PER OCCURRENCE	\$
	ANY AUTO				PER OCCURRENCE	\$
	OTHER THAN AUTO ONLY				PER OCCURRENCE	\$
	PROPERTY DAMAGE				PER OCCURRENCE	\$
	LIABILITY				PER OCCURRENCE	\$
	ANY AUTO				PER OCCURRENCE	\$
</						

ACORD - CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

02/07/03

PRODUCER

Provident Property & Casualty Insurance Company
12300 Ford Rd Ste 400
Dallas, TX 75234

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED

Certified H.R. Services Co. ETAL
5101 NW 21st Ave R350
Ft. Lauderdale, FL 33309
LCIF
Senn Freight Lines, Inc.

INSURERS AFFORDING COVERAGE

NAIC #

INSURER A: Provident Property & Casualty Insurance Company

INSURER B:

INSURER C:

INSURER D:

INSURER E:

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

DESCRIPTION OF TYPE OF LIABILITY	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS
GENERAL LIABILITY ☐ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS MADE ☐ OCCUR ☐ GENTL AGGREGATE LIMIT APPLIES PER ☐ POLICY ☐ PROJECT ☐ LOC				EACH OCCURRENCE \$ DAMAGES TO RENTED PREMISES (EA OCCURRENCE) \$ MED EXP (Any one person) \$ PERSONAL & AD&B INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$
AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ ALL OWNED AUTOS ☐ SCHEDULED AUTOS ☐ HIRED AUTOS ☐ NON-OWNED AUTOS				COMBINED SINGLE LIMIT (EA ACCIDENT) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
GLASS & LIABILITY ☐ ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EA ACC \$ AGG \$
EXCESS/UMBRELLA LIABILITY ☐ OCCUR ☐ CLAIMS MADE ☐ DEDUCTIBLE ☐ RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$ \$
WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER (EXCLUDED) If not described under SPECIAL PROVISIONS DESCR	WC0100009	12/1/2004	12/1/2005	X WC STATUTORY LIMITS 100% E.L. EACH ACCIDENT \$ 1,000,000 S.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
OTHER				

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

Workers' compensation coverage is provided by contract to all employees of Certified H.R. Services Co. ETAL & Senn Freight Lines, Inc. Any employees working under the directive of the mentioned companies are covered by the referenced policy effective 12/01/04.

CERTIFICATE HOLDER

Georgia Pacific Corp.
Dolly S Walls
55 Park Place, 12th floor
Atlanta, GA 30300

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

PLAINTIFF'S
EXHIBIT

13
8-15-10

© ACORD CORPORATION 1988

0215

**ST PAUL
TRAVELERS**
ST PAUL TRAVELERS - AMD
P.O. BOX 3556
ORLANDO FL 32802-3556

**DEFENDANT'S
EXHIBIT**

PREMIUM NOTICE

ASSIGNED RISK - WORKERS COMPENSATION INSURANCE

Date of Bill: 05-05-05
Policy Number: 7803A476

SENN FREIGHT LINES, INC.
P.O. BOX 1191
NEWBERRY SC 29108

DIRECT INQUIRIES TO:
ST PAUL TRAVELERS - AMD
P.O. BOX 3556
ORLANDO FL 32802-3556

1-800-443-4404
(FL) 1-800-247-7218

Amount Due	\$ 5436
Date Due	07-10-05

PRODUCER: ADAMS EADDY & ASSOC

TRANSACTION DESCRIPTION

AMOUNT

AMOUNT NEEDED FOR RENEWAL:

\$ 5436

If we do not receive the required deposit premium by the due date, your policy will expire on that date. If the required deposit is received by us within 60 days after its due date, your renewal policy will be effective the day after the U.S. postmark appearing on the renewal deposit envelope. Monies received for deposit more than 60 days after the due date will be returned and the policy will not be reinstated.

TO ENSURE YOUR PAYMENT IS PROPERLY APPLIED, detach the return payment stub and mail to the return address below.

RETURN PAYMENT STUB

Payment From:

SENN FREIGHT LINES, INC.

*Make checks payable to **ST PAUL TRAVELERS - AMD**
and write your policy number on the check.*

Policy Number: 7803A476

ST PAUL TRAVELERS D
P.O. BOX 96359
CHICAGO IL 60693-6359

DATE DUE 07-10-05
AMOUNT DUE \$ 5436
AMOUNT ENCLOSED 5436.00

11373830330134373619111111191111110000000000005436000000963570000000000003



WORKERS COMPENSATION
AND
EMPLOYERS LIABILITY POLICY

QUOTE PROFILE

POLICY NUMBER: (6JUB-7803A47-6-05)

INSURER: TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICA

13579-SC

INSURED'S NAME: SENN FREIGHT LINES, INC.

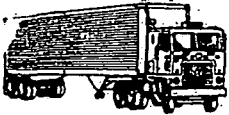
CLASSIFICATION	CODE	PREMIUM BASIS ESTIMATED TOTAL ANNUAL REMUNERATION	RATES PER \$100 OF REMUNERATION	ESTIMATED ANNUAL PREMIUM
LOCATION 001 01				
FEIN 057095600 ENTITY CD 001				
SENN FREIGHT LINES, INC.				
2699 HIGHWAY 34-121 NEWBERRY, SC 29108				
TRUCKING: LOCAL HAULING ONLY- ALL EMPLOYEES & DRIVERS	7228	IF ANY	12.25	
TRUCKING: LONG DISTANCE HAULING-ALL EMPLOYEES & DRIVERS	7229	IF ANY	15.06	
WAREHOUSING NOC	8292	33462	6.55	2192
CLERICAL OFFICE EMPLOYEES NOC	8810	525697	.52	2734

EXPERIENCE MODIFICATION: NONE	NONE
TOTAL ESTIMATED ANNUAL STANDARD PREMIUM	4926
EXPENSE CONSTANT(0900)	230
TERRORISM RISK INS ACT 2002 (9740)	168
DOMESTIC TERRORISM, EQ & CAT-DTEC(9741)	112
TOTAL ESTIMATED PREMIUM	5436
DEPOSIT AMOUNT DUE	5436

DATE OF ISSUE: 05-05-05 WC

ST ASSIGN: SC

SCHEDULE NO: 1 OF 0257



SENN FREIGHT LINES, INC.
PO BOX 1191
NEWBERRY, SC 29108
PH. (803) 321-1611

48644

67-160/532

DATE 7-8-05

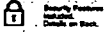
PAY
TO THE
ORDER OF

St. Paul Travelers

\$ 5436.00

five thousand four hundred thirty six and 00/100

DOLLARS



BB&T

Branch Banking and Trust Company

FOR

Renewal - Policy # 7803 A476

Penny Ann

⑈048644⑈ ⑆053201607⑆5128997743⑈

HC#1023

THE STATE OF SOUTH CAROLINA
In The Court of Appeals

APPEAL FROM NEWBERRY COUNTY
Court of Common Pleas

Eugene C. Griffith, Jr., Circuit Court Judge

Case No. 2008-CP-36-417

Travelers Property Casualty Co.....Respondent,

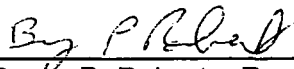
v.

Senn Freight Lines, Inc..... Appellants

NOTICE OF APPEAL

Travelers Property Casualty Company of America appeals the Order of the Honorable Eugene Griffith dated March 4, 2011. Appellant received written notice of entry of the order March 11, 2011.

April 11, 2011


Byron P. Roberts, Esquire
Rebecca Anne Roberts, Esquire
ROBERTS LAW GROUP, LLC
P.O. Box 670
Chapin, SC 29036
803-932-9282

Attorneys for Appellants

Other Counsel of Record:
W. Chad Jenkins
Pope & Hudgens, PA
PO Box 190
Newberry, SC 29108

THE STATE OF SOUTH CAROLINA
In The Court of Appeals

APPEAL FROM NEWBERRY COUNTY
Court of Common Pleas

Eugene C. Griffith, Jr., Circuit Court Judge

Case No. 2008-CP-36-417

Travelers Property Casualty Co.....Respondent,

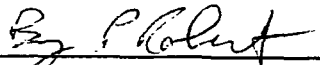
v.

Senn Freight Lines, Inc.....Appellant

PROOF OF SERVICE

I certify that I have served the Notice of Appeal on Senn Freight Lines, Inc. by depositing a copy of it in the United States Mail, postage prepaid, on April 11, 2011, addressed to Mr. W. Chadwick Jenkins, Esquire, Pope & Hudgens, PA, PO Box 190, Newberry, SC 29108.

April 11, 2011


Byron P. Roberts, Esquire
Rebecca Anne Roberts, Esquire
ROBERTS LAW GROUP, LLC
P.O. Box 670
Chapin, SC 29036
803-932-9282

Attorneys for Appellants

THE STATE OF SOUTH CAROLINA
In The Court of Appeals
No. 2011189987

APPEAL FROM NEWBERRY COUNTY
In The Court of Common Pleas

Eugene C. Griffith, Circuit Court Judge

Case No. 2008-CP-36-417

Travelers Property Casualty Co., ...Appellant

v.

Senn Freight Lines, Inc., ...Respondent

CERTIFICATE OF COMPLIANCE

The undersigned certifies that this Record on Appeal complies with Rule 210(g), SCACR.



M. Dawes Cooke, Jr.
John W. Fletcher
BARNWELL WHALEY PATTERSON & HELMS, LLC
885 Island Park Drive (29492)
P. O. Drawer H
Charleston, SC 29402
Attorneys for Appellant

May 5, 2012

THE STATE OF SOUTH CAROLINA
In The Court of Appeals
No. 2011189987

RECEIVED

MAY 08 2012

APPEAL FROM NEWBERRY COUNTY
In The Court of Common Pleas

SC Court of Appeals

Eugene C. Griffith, Circuit Court Judge

Case No. 2008-CP-36-417

Travelers Property Casualty Co., ...Appellant

v.

Senn Freight Lines, Inc., ...Respondent

PROOF OF SERVICE

I certify that on the 7th day of May, 2012, I served three (3) bound copies of the Record on Appeal on counsel of record by depositing a copy of it in the United States Mail, postage prepaid, addressed as follows:

W. Chad Jenkins, Esquire
Pope & Hudgens, PA
P.O. Box 190
Newberry, SC 29108

BARNWELL WHALEY PATTERSON & HELMS, LLC

By: *M. Dawes Cooke, Jr.*
M. DAWES COOKE, JR.
JOHN W. FLETCHER
885 Island Park Drive (29492)
P. O. Drawer H
Charleston, SC 29402
(843) 577-7700 FAX (843) 577-7708
mdc@barnwell-whaley.com
jfletcher@barnwell-whaley.com
Attorneys for Appellant

BARNWELL WHALEY

PATTERSON & HELMS LLC

Attorneys for
businesses &
professionals
since 1938

M. Dawes Cooke, Jr.
mdc@Barnwell-Whaley.com

May 7, 2012

Honorable Jenny A. Kitchings
Clerk, S.C. Court of Appeals
1205 Pendleton Street
Columbia, SC 29201

RECEIVED
MAY 08 2012
SC Court of Appeals

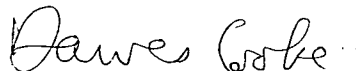
RE: Travelers Property Casualty Co. v. Senn Freight Lines
Case # 2011189987
Our File No.: 6.554

Dear Ms. Kitchings:

Enclosed are the original and 15 copies of the Record on Appeal in the above matter along with the original and one copy of the Proof of Service. Please date stamp and return one copy of each to me in the envelope provided herein.

By copy of this letter, I am serving three copies of the Record on Appeal upon counsel for Respondent.

Sincerely,



M. Dawes Cooke, Jr.

MDCjr//klj

Enclosures

c: W. Chad Jenkins, Esquire

William C. Helms, III
M. Dawes Cooke, Jr.
B.C. Killough*
Randell C. Stoney, Jr.

Phillip S. Ferderigos
K. Michael Barfield
Ernest B. Lipscomb, III*
J. Gail Rahn

Todd M. Musheff
Craig E. Burgess
Lucinda Gardner Wichmann
John W. Fletcher

John A. Jones
Alissa DeCarlo
Barbara J. Wagner, Ph.D.
Jeremy E. Bowers