

**PUBLIC ADJUSTERS OF COLORADO, LLC
ADJUSTERS FOR THE INSURED**

**10583 Serengeti Drive
Littleton, CO 80214
Phone 303 941-3776
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Policy Number: 06-GH-6826-2
Claim Number: 06-K172-312

Named Insured: Andrew & Elizabeth Gholson
Date of Loss: February 2, 2007

Serious Asbestos Claim Handling Errors By State Farm:

State Farm's claim adjuster, Mr. Tim Thomsen, is believed to have conspired with the State Farm's PSP contractor American Restoration to deceptively handle asbestos contaminated content items associated with this loss. Neither party has the proper training, certifications, licenses, insurance, facilities, or experience to handle asbestos contaminated contents. The asbestos contaminated personal property was returned to the Insured's rental home without the necessary clearance certifications. This reckless and negligent action placed the Insured family at serious health risk. The improper handling of asbestos contaminated contents was orchestrated purely for financial motivations. State Farm and American Restoration have clear liability issues that extend beyond this claim, as the asbestos contaminated content items were delivered to the rental home.

The Asbestos Deception

On February 5, 2007, State Farm Large Loss Adjuster, Mr. Tim Thomsen met with State Farm PSP Contractor, Mr. Terry Aumiller, owner of American Restoration, Inc. of Bailey (Referred to Insured's by State Farm's call center on February 2, 2007) and Andy & Beth Gholson at the loss. Both Mr. Thomsen and Mr. Aumiller with their experience should have immediately known that the 1978 constructed home was a presumed major asbestos spill hazard, including content items, until proven otherwise by a state licensed asbestos inspector. Given the situation, Mr. Thomsen and/or Mr. Aumiller should have told the Gholsons of the potential hazardous situation and the appropriate actions the owners needed to take in such a situation. We are surprised that Mr. Thomsen did not address this matter immediately given his experience and the fact that State Farm provides liability coverage to the Gholsons. Instead Mr. Thomsen and Mr. Aumiller initiated what is believed to be a deceptive charade for the expressed purpose of defrauding the Insureds of rightful claim proceeds.



Figure 1: Loss photo taken on 2/3/07 clearly shows sufficient visible damages to the 1978 construction that experienced State Farm representatives Mr. Thomsen and PSP contractor Mr. Aumiller should have informed the Insured's that the site was a presumed major asbestos spill hazard and no one should enter the loss until it was properly evaluated by a state licensed asbestos inspector.

During the February 5, 2007 meeting, Mr. Thomsen and Aumiller reportedly walked the Gholsons through the hazardous home environment for nearly an hour without explaining the need to wear personal protective equipment (PPE) such as a respirator and disposable protective suit. We note that neither Mr. Thomsen nor Mr. Aumiller wore proper regulatory prescribed PPE, as part of the deception, even though they knew of the hazardous situation. This unprotected walk through the hazardous environment was in reckless disregard to the Gholsons health and well being, not to mention a direct violation of Federal OSHA and State of Colorado Regulation 8B asbestos regulations.

At the conclusion of this deceptive February 5, 2007 loss meeting, while standing in the hazardous kitchen area, Mr. Thomsen reportedly asked Mr. Aumiller if the house needed to be asbestos tested. Mr. Aumiller gave an affirmative reply. This was after the Gholsons had spent nearly an hour surveying the hazardous damages with the two men without appropriate respiratory protection. Given the extent of obvious visible damages to presumed asbestos containing materials, these men knew nobody should have entered the home without proper asbestos testing, yet they failed to disclose this information to the Gholson's. The actions of Mr. Thomsen and Mr. Aumiller were simply outrageous and in reckless disregard to the Gholson's health and well being.

PAC believes the actions of State Farm's representatives were carefully orchestrated to downplay the severity of the potential major asbestos hazard and control asbestos information for financial benefit. While still in the hazardous kitchen area, Mr. Thomsen reportedly called for asbestos testing of the home. Mr. Thomsen is believed to have called Mr. Andre Gonzalez, a Colorado licensed asbestos tester and owner of Foothills Environmental, Inc. Mr. Thomsen should have informed the Gholson's, as the

property owners, they needed to obtain a qualified asbestos evaluation and professional advice from a state licensed inspector of their choice. Mr. Thomsen neglected to tell the Gholsons, as the homeowners, they are responsible for the proper and safe handling of would be asbestos contamination issues. Instead, Mr. Thomsen assumed responsibility for the asbestos evaluation utilizing a State Farm subcontractor. This third party arrangement was set up by Mr. Thomsen so he could later control and manipulate the results for the financial benefit of State Farm. Mr. Gonzalez's fiduciary responsibility was not that of the Gholsons, but inappropriately directed to State Farm. The unsuspecting Gholsons relied on Mr. Thomsen's advice with the fundamental belief that they were being properly handled by an experience professional who was responsibly looking out for their best interests.

PAC notes that Mr. Gonzalez has been hired by State Farm to test fire losses for asbestos contamination. In fact, Mr. Gonzalez has tested other fire losses handled by Mr. Thomsen. In a different case, Mr. Gonzalez made a public admission that he selectively asbestos tested the loss at Mr. Thomsen's direction. Like the Gholson case, Mr. Gonzalez ignored aspects of Colorado Regulation 8B sampling requirements. Mr. Gonzalez issued carefully worded reports to Mr. Thomsen that failed to properly characterize the loss site was a major asbestos spill hazard. Mr. Thomsen then issued Mr. Gonzalez's incomplete and misleading report to the unsuspecting condominium association in an effort to fully avoid asbestos loss damages. The deceptive conduct involved placed the health and well being of unsuspecting property owners and workers at risk. A subsequent report issued by another state licensed asbestos inspector properly characterized the loss site to be a major asbestos spill hazard. Mr. Gonzalez ultimately retested the entire loss site and confirmed the major asbestos spill status.

Mr. Gonzalez arrived at the loss during the afternoon of February 5, 2007. Mr. Gholson greeted Mr. Gonzalez outside the damaged home. Mr. Gonzalez neither informed Mr. Gholson of the presumed major asbestos spill hazard nor properly advised of potential health risks. Mr. Gonzalez did not use appropriate PPE or utilize sensible entry procedures during the thirty minutes he spent collecting bulk samples for asbestos testing. Once again, an experienced professional gave Mr. Gholson the false sense that the asbestos issue was not of a serious concern. We believe Mr. Gonzalez was working solely on behalf of State Farm's beneficial interests.

Mr. Gonzalez took ten bulk samples of damaged materials while at the Gholson home. Mr. Gonzalez transferred custody of the ten bulk samples at 6:05 PM that same day to Reservoirs Environmental, Inc., a properly accredited asbestos testing laboratory. Mr. Gonzalez requested a priority laboratory turn around (24hrs); the official test results were available early the morning of February 7, 2007. Two of the ten samples at the home tested positive for asbestos (popcorn ceiling texture) at a 3% concentration. The two positive asbestos test results were from the 1st floor family room and the 2nd floor children's bedroom. Each of these areas involved greater than 32 square feet of damaged or "friable" asbestos containing material (ACM) at tested asbestos concentrations of 3%. Colorado Regulation 8B clearly classifies a "major spill" as 32 square feet or more of damaged asbestos containing material (friable) with an asbestos concentration of 1% or greater. Given the documented testing results and the amount of damaged popcorn ceiling texture at the loss site, the Gholson home under Colorado Regulation 8B was a confirmed "major spill" asbestos hazard and all the contents are deemed asbestos contaminated.

Mr. Gonzalez's carefully worded asbestos report for the Gholson property was issued to State Farm's Mr. Thomsen on February 7, 2007. Mr. Gonzalez's report carefully side stepped declaring the property a "major spill" hazard in accordance with Colorado Regulation 8B (See report excerpts next page).

ANALYTICAL RESULTS

Asbestos bulk samples were collected of suspect materials in the home that were damaged as a result of the fire. The following table summarizes the results. A copy of the analytical report is located in Appendix A.

Sample Number	Sample Description and Location	Analytical Result % Asbestos
A-1	Decorative ceiling texture (popcorn); Main Floor, living room	3%
A-2	Decorative ceiling texture (popcorn); Main Floor, laundry	ND
A-3	Decorative ceiling texture (popcorn); 2 nd Floor, kid's room	3%
B-1	Drywall and texture (smooth); 2 nd Floor, kid's room	ND
B-2	Drywall and texture (smooth); Main Floor, living room	ND
B-3	Drywall and texture (smooth); Main Floor, living room	ND
C-1	Drywall and texture (rough); Foyer entrance	ND
C-2	Drywall and texture (rough); Foyer entrance	ND
D-1	Roof shingle and felt	ND
D-2	Roof shingle and felt	ND

ND = None Detected

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Figures 2 (above): Shows limited asbestos testing results for the Gholson property. Samples A-1 and A-3 confirm asbestos concentrations greater than 1% in damaged friable popcorn ceiling material.

Figure 3 (right): Shows carefully worded conclusion which avoids mention of the number of damaged square feet of 3% asbestos containing popcorn ceiling and fails to properly classify site as a major spill. Please note that the report conclusion contains flawed, misleading and contradictory statements concerning so called non contaminated areas. Mr. Gonzalez however, calls for discarding soft goods and handling asbestos operations with asbestos trained workers following OSHA and Colorado Regulation 8 criteria. This report is viewed as being patently constructed for the benefit of State Farm's interest.



Industrial Hygiene, Safety & Environmental Services

The decorative ceiling texture (popcorn) contains 3% chrysotile asbestos and was damaged as a result of the fire. The popcorn texture was damaged in the laundry room, the kid's bedroom and the main floor living room. The damage was caused primary by the fire fighters while distinguishing the fire.

CONCLUSION and RECOMENDATIONS

Hard surface items may be decontaminated in the rooms of concern may be salvaged by decontamination while soft surface items should be discarded or assumed to be contaminated. The office content on the main floor and the content in the master bedroom were not impacted by the fire and can safely be removed without concern for asbestos contamination. All asbestos removal, clean-up and decontamination must be performed by workers certified to handle asbestos containing materials. The work must be performed in accordance with Colorado Regulation #8 and all applicable OSHA regulations.

Andre Gonzalez, CIH
CDPHE Asbestos Inspector #3199

Other areas of the Gholson home with similar damaged popcorn texture, each involving greater than 32 square feet of damaged material, were not tested by Mr. Gonzalez's selective efforts. These additional untested areas include:

- The first floor mud room ceiling.
- The first floor bath suite shower area ceiling.
- The first floor bath suite toilet area ceiling.
- The second floor bathroom ceiling.
- Damaged asbestos containing popcorn ceiling material pulled down in the second floor children's room and placed in the second floor living room.

During the fire, the interior doors to all the rooms were open allowing free air flow throughout the interior of the home. Smoke containing friable asbestos fibers permeated and coated all surfaces, including contents, inside the home. Fire fighters efforts to save the structure involved ventilation of heat & smoke, dragging of hoses throughout the structure, and chopping of holes in walls & ceiling to extinguish burning materials in concealed cavities. The foot traffic alone was sufficient to track and disseminate friable asbestos fibers throughout the house. Upon conclusion of the fire fighting activities, with the knowledge that the popcorn ceilings contained 3% asbestos, a reasonable asbestos expert should have declared the entire home a "major spill" hazard. We believe Mr. Gonzalez knowingly prepared a defective report for the benefit of State Farm under the direction of Mr. Thomsen.

PAC wishes to note that the Colorado Department of Public Health and Environment (CDPHE), the state governmental agency in charge of enforcement of Regulation 8B, is investigating the asbestos handling issues involved at the Gholson property. CDPHE has indicated that Mr. Gonzalez failed to take an appropriate number of samples in accordance with regulatory requirements. In CDPHE discussions, Mr. Gonzalez has indicated that the loss site was a major asbestos spill hazard. Mr. Gonzalez indicated he orally reported this to Mr. Thomsen on February 7, 2007.

After receiving Mr. Gonzalez's deceptively worded asbestos testing report on February 7, 2007, Mr. Thomsen did not contact the Gholsons. Instead Mr. Thomsen contacted and issued the flawed report to State Farms PSP contractor, Mr. Aumiller. This whole action was part of a carefully orchestrated plan set up and executed to deceive the unsuspecting Gholson's of rightful claim benefits.

On February 6, 2007 before asbestos test results were known Mr. Aumiller obtained Mr. Gholson's signature on open ended, "TBD" (To Be Determined) contract. The so called "Work Authorization & Contract" purports to provide "Emergency Services Content Cleaning & Storage" with the "Estimate to be approved by State Farm". This deceptive and possibly fraudulent contract also contains provisions for State Farm to directly pay claim benefits to the PSP contractor without the Gholsons approval (A direct violation of the policy contract). Mr. Thomsen and Mr. Aumiller both knew that American Restoration, Inc. was not a state licensed General Abatement Contactor (GAC). Mr. Thomsen clearly knew Mr. Aumiller's PSP firm lacks properly trained and certified workers to handle asbestos contaminated property. Yet Mr. Thomsen used this flawed contract between State Farm's PSP and the unsuspecting Insureds to sidestep proper dissemination of asbestos testing information to the responsible homeowners. One of Mr. Thomsen's objectives was to set up a paper, arms length perception, to shield

Fig. 4: American Restoration's TBD "Work Authorization & Contract" executed before determination of asbestos hazards. Note State Farm approval requirement. Thomsen & Aumiller not qualified to handle asbestos contamination work but proceeded anyways.

State Farm from liability if the asbestos deception were discovered. This effort to control proper dissemination of the asbestos testing was instrumental to setting up clandestine efforts to minimize State Farm's real claim exposure. The State Farm PSP relationship employed by Mr. Thomsen and Mr. Aumiller was believed to be a mutually beneficial arrangement for both parties.

Later in the day on February 7, 2007, Mr. Aumiller contacted Mr. Gholson to discuss the asbestos testing results. Mr. Aumiller reportedly indicated the house was asbestos contaminated, but suggested the asbestos was "no big deal" and "we [American Restoration] can take care of it". Mr. Aumiller went on to explain that only a couple of the rooms in the house were contaminated. Mr. Aumiller stated that asbestos was only on the floors and did not get into closets. Mr. Aumiller then indicated that Mr. Thomsen told him that he could lay plastic sheeting on the floor and cover the damaged sheet rock to safely remove the contents from the non-contaminated rooms. Mr. Aumiller said he would send one of

his workers the next morning set up the plastic sheeting (Thursday, February 8, 2007) so they could move the contents out for cleaning on Friday (February 9, 2007). Mr. Aumiller stressed that the contents removal operation had to happen quickly to save the property. Mr. Aumiller made these false and misleading representations, to the unsuspecting Mr. Gholson, despite his firm lacking the qualifications and credentials to handle asbestos contamination. We believe Mr. Gonzalez watered down the asbestos testing report so Mr. Thomsen and Mr. Aumiller could orchestrate this deception.



Fig. 5: Note poly sheeting floor and ceiling.

On Thursday, February 8, 2007, workers from American Restoration applied plastic sheeting to cover damaged ceiling in areas that tested positive for 3% asbestos concentration. These same workers applied plastic sheeting over portions of the first floor until they ran out of plastic material and did not cover the second floor with plastic sheeting as requested by Mr. Thomsen. These preparations were made to remove smoke and water damaged content items from areas deemed to be non-contaminated by Mr. Thomsen. The American Restoration workers did not wear appropriate PPE, have proper OSHA hazard training or have state required asbestos worker qualifications.



Fig. 6: Poly sheeting covering ceil damage in family room; 3% asbestos test result and 32 sq.ft. of damage confirm "major spill" status.

On Friday February 9, 2007, American Restoration Project Manager, Mr. Matt Rakoczy showed up at the Gholson property with 4 workers and a 20 ft. box truck. The American Restoration crew entered the asbestos contaminated home without proper PPE. The crew inventoried items in various areas of the home excluding the second floor children's room and the first floor family room. Members of the crew staged furniture and boxed content items on the plastic covered family room floor before loading these items into the box truck. As workers loaded the box truck they had to walk through the asbestos laden mud room debris and tracked the material onto the plastic floor covering in the family room. The crew hauled two full loads of asbestos contaminated content items to the American Restoration facility without the slightest concern for their actions.



Fig. 7: Despite the ridiculous efforts of State Farm and American Restoration, photo clearly shows asbestos plaster crumbs on top of plastic sheeting.

During that same day, two workers from Sunshine Cleaners and Laundry came to the Gholson home as a subcontractor to American Restoration. Two Sunshine workers came to retrieve clothing and fabric items from closets and drawers. The pick up of asbestos contaminated "soft goods" included 197 articles for dry cleaning and 238 pounds of general laundry. The Sunshine workers removed these items without wearing proper PPE or expressing the slightest bit of concern that the asbestos contaminated items could not be cleaned and certified asbestos free. These items were most likely taken to their Arvada facility which does not have proper licensure or controls to handle asbestos contaminated items.

Also on February 9, 2007, Mr. Cory Mathews, the owner Rescue Tech, showed up at the Gholson property to collect damaged content items. Mr. Mathews' firm claims to specialize in cleaning fire damaged electronics and electronic media. As a subcontractor to American Restoration, Mr. Mathews removed 208 asbestos contaminated content items. Mr. Mathews entered the home without wearing proper PPE or reasonable concern for the asbestos hazards. At one point during the visit, Mr. Mathews began packing CD's and stereo electronics located in the first floor family room. Mr. Gholson, who was functioning under the deceptive asbestos handling framework established by Mr. Thomsen and Aumiller, queried Mr. Mathews concerning his efforts to remove confirmed asbestos contaminated items from the family room. Mr. Gholson asked Mr. Mathews if he knew that the content in the family room was asbestos contaminated. Mr. Mathews replied, "No problem, we deal with this stuff every day." Mr. Mathews continued to pack contaminated family room items in to boxes. Once again, a professional that should be cognizant of asbestos hazards, mislead Mr. Gholson. Mr. Mathews does not have proper training, certifications, or the required state licensure to handle asbestos contaminated property. Mr. Mathews took the contaminated items back to his shop without the slightest concern for his negligent actions.

American Restoration and their subcontractors left the Gholson house on February 9, 2007 with all the so-called cleanable content items except for the items Mr. Thomsen deemed contaminated: major appliances, family room furniture, and the contents of the children's room. All items taken from the Gholson home through the deceptive efforts of State Farm's Mr. Thomsen and PSP contractor American Restoration were in fact asbestos contaminated. Under the best circumstances, utilizing proper handling techniques, only the "hard goods" could have been cleaned and deemed asbestos free. Proper cleaning of most contaminated hard goods would have been cost prohibitive. The "soft goods" could not be cleaned by any real method as there is no known certified process to clean fabric items. The soft goods should have been discarded by licensed asbestos workers using sound techniques as reported correctly in Mr. Gonzalez's asbestos testing report. This is one of the few points that Mr. Gonzalez correctly states; Proper disposal and decontamination operations would have required the following expensive operations:

DEMOLITION - PERMIT APPLICATION			
JEFFERSON COUNTY DIVISION OF BUILDING SAFETY 100 JEFFERSON COUNTY PARKWAY, GOLDEN, COLORADO 80419-3540			
OFFICE HOURS: 7:30 A.M. TO 5:30 P.M.		Telephone: 303-271-8260	
Web site address: http://building.jeffco.us			
Permit Number: _____			
LEGAL DESCRIPTION			
Building Address: _____			
Subdivision: _____			
Filing: _____	Unit: _____	Phase: _____	Block: _____
TYPE OF BUILDING			
One Family: _____	Two Family: _____	Multi-Family: _____	Commercial: _____
Other: _____	Stories: _____	Units: _____	Rooms: _____
Brick: _____	Block: _____	Frame: _____	Other: _____
OWNER INFORMATION			
Owner: _____			
Address: _____			
City: _____	State: _____	Zip: _____	Tel: _____
CONTRACTOR INFORMATION			
Contractor: _____			
Address: _____			
City: _____	State: _____	Zip: _____	Tel: _____
Fee: \$30.00	Check #: _____	Exp. Date: / /	
MasterCard or Visa #: _____			
Name of Cardholder (Please Print): _____			
NOTICE: By signing below, I affirm that I have checked with the State of Colorado regarding the potential need for an AHERA certified asbestos inspection on the above referenced property and the need to obtain a state demolition permit.			
Applicant's Signature: _____			
Print Name: _____	Date: / /		

- **Proper Abatement Remediation Plan and "Project Design".**
- **A proper State CDPHE Abatement Permit.**
- **Jefferson County Demolition Permit.**
- **Construction of proper containment sealing entire house.**
- **Construction of proper containment over exterior debris field.**
- **Placement of proper decontamination facilities.**
- **Temporary power panel with GFI circuits.**
- **Proper set up of negative air handling units.**
- **Erection of proper waste load out facilities.**
- **Placement of proper asbestos waste disposal container.**
- **Construction of proper three stage decon, testing and holding area.**
- **Properly trained and licensed asbestos workers.**
- **Properly trained and licensed asbestos supervisor and project manager.**
- **Installation of calibrated negative air pressure manometer.**
- **Adequate supply of Personal Protective Equipment (PPE) safety gear.**
- **Proper packaging of Asbestos waste.**
- **Transport of properly manifested asbestos waste to regulated landfill.**
- **Proper testing of cleaned items with TEM clearance.**
- **OSHA PEL & TWA monitoring of workers.**
- **Proper final clearance testing by licensed asbestos tester.**

Fig 8: Proper JeffCO Demolition Permit

Mr. Aumiller at Mr. Thomson's direction simply avoided the appropriate asbestos handling issues. Mr. Aumiller did not even secure the proper Jefferson County Demolition Permit because he would have to falsely attest to the following statement on the bottom of the permit:

NOTICE: By signing below, I affirm that I have checked with the State of Colorado regarding the potential need for an AHERA certified asbestos inspection on the above referenced property and the need to obtain a state demolition permit.

The American Restoration crew under Mr. Rakoczy's supervision simply placed content non-cleanable items in a dumpster being used to haul the burnt remnants of the garage, mud room and bath suite. All the content items and debris placed in the dumpster were asbestos contaminated. American Restoration hauled three dumpster loads of asbestos laden debris to a non-hazardous dump site in violation of state and federal regulations. This action was orchestrated by the PSP contractor to minimize State Farm's loss exposure. The Gholson's at this time had no idea of the extent of the Thomson/Aumiller deception. Even Mr. Gonzalez, who has admitted to CDPHE officials that he orally told Mr. Thomson of the major spill status, is in shock as to how this deceptive operation was carried out.

On Saturday, February 10, 2007, Mr. Gholson sought out the advice of his neighbor. Mr. Jim Gies, who lives near the Gholson property, is Vice President of a large, reputable, union asbestos abatement contracting firm, Certified Insulators. Mr. Gholson was troubled by some of the contradictions observed in the contents handling matters the previous day. Mr. Gies carefully listened to the story and advised Mr. Gholson to get a copy of the asbestos testing report. Mr. Gies indicated that he would be able to provide advise once he looked the report over. Monday February 12, 2007, Mr. Gholson called State Farm's Colorado Team Claim Center and was connected with Ms. Holly Hourihan (Believed to be a Staff General Adjuster) and requested a copy of the Foothill's asbestos testing report. Ms. Hourihan complied with the request and issued the report with a cover letter dated February 12, 2007. The mailing envelope for this report was post-marked February 14, 2007 which raises several possible concerns: 1) Was the mailing of this report held up for management review considerations? 2) Did Mr. Gonzalez actually issue a full asbestos testing report on February 7, 2007? 3) Was Mr. Gonzalez's report redacted, revised and/or re-issued to cover up a "major spill" declaration? Please note that Mr. Gonzalez indicated to CDPHE that the entire Gholson loss site was a major asbetos spill. We wish to believe that State Farm personnel would not engage in such practices, but Mr. Thomson's clear deceptive actions in removing the asbestos contaminated content items raises concerns. Mr. Gholson received the report on April 15, 2007 and met with Mr. Gies to review it that evening. Mr. Gies was astounded by the conclusion of the Foothills report. Mr. Gies told Mr. Ghoslon that the strucure was either asbestos contaminated or not asbestos contaminated and the report's conclusion made no sense. Mr. Gies indicated that all the rooms were contaimitated with friable asbestos fibers due to free air flow throughout the entire house.

Mr. Gholson placed a call to Mr. Thomson on Friday, February 16, 2007 expressing concern for the proper decontamination of the structure. Mr. Gholson reported the discussion he had with his neighbor and suggested his neighbor could complete the proper abatement work. Mr. Gholson firmly indicated that he wanted all asbestos removed. We now believe that Mr. Thomson had no intention of abating the structure, but the neighbor's professional credentials and understanding created a dilemma. Mr. Thomson, knowing that the contents were removed deceptively and the structure should have been properly contained, quickly arranged a contractor bid walk. Mr. Thomson explained that State Farm would need at least two abatement bids to authorize the work.

On or about February 19, 2007, Mr. Thomson met Mr. Gholson and Mr Gies at the loss. Mr. Thomson was accompanied by Mr. Cospser of Diamond Hills Services, a Colorado licensed abatement contactor. Mr. Thomson routinely uses the services of Diamond Hills to complete limited abatement work scopes at State Farm insured fire losses. The situation was so awkward that Mr. Thomson decided to wear a proper respirator when he entered the contaminated house. To this point Mr. Thomson had not told Mr.

Gholson that he should be wearing a respirator to protect his health and well being nor did he suggest that he may want to get one of his own. Mr. Thomsen was fearful that Mr. Gies, a knowledgeable asbestos professional, might report him for not wearing proper PPE. Mr. Gholson at this moment in time realized a significant portion of Mr. Thomsen's asbestos deception. What Mr. Gholson did not realize was the content items would be returned to his rental home without proper decontamination. This fact did not become clear until preliminary discussions with CDPHE officials on September 5, 2007.

During the so-called asbestos abatement project walk, Mr. Thomsen made several comments that American Restoration had not laid plastic sheeting on the entire floor as he had instructed. The plastic sheeting put down by American Restoration personnel on February 8, 2007 was still in place. As previously noted, only parts of the first floor area were covered due to insufficient material. The entire second floor was not covered. Mr. Thomsen was flustered because he knew Mr. Gies was fully aware of deceptive practices involved and not a loyal PSP contractor willing to do his bidding.

Mr. Thomsen passed out two Xactimate drawings reflecting the first floor and second floor footprints of the home. These Xactimate drawings were supplied to Mr. Thomsen by PSP contractor American Restoration. Prior to arrival, Mr. Thomsen had marked up the drawings to reflect his limited scope abatement without concern for Regulation 8B clearance requirements. These drawings clearly show Mr. Thomsen's effort to control and restrict abatement for the benefit of State Farm. During the walk through, Mr. Thomsen indicated that soot contaminated ceilings that were not directly damaged by either the fire or the firemen would not be removed at State Farm's expense. These ceilings were marked as "NIC" (Not Insurance Covered). Mr. Thomsen was trying to exclude ceilings in both bath rooms even though each were damaged by fire and constituted a "major spill" of greater than 32 square feet each. Mr. Thomsen did not want to take out the soot covered vaulted living room/kitchen ceilings, but Mr. Gies raised proper concerns. Mr. Thomsen quickly acquiesced and promised to issue a revised scope. CDPHE officials investigating the asbestos handling issues believe Mr. Thomsen was acting in a dual capacity as asbestos abatement "Project Designer" and "Project Manager" for which he lacks appropriate training and licensure. Mr. Thomsen's efforts to control and direct the abatement work clearly overstepped regulatory boundaries established in Colorado Regulation 8B. If the project were carried out as Mr. Thomsen suggested, the house could not have been properly cleared of asbestos contaminants necessary to perform reconstruction work. Mr. Thomsen's actions would once again put the health and well being of unsuspecting people at risk.

Mr. Gholson spoke with Mr. Thomsen after the walk through about who would inventory the asbestos contaminated contents still in the children's bedroom. Mr. Gholson was stunned by Mr. Thomsen's open and contradictory use of respirator gear after multiple PSP efforts to proclaim that "asbestos is no big deal". Mr. Thomsen responded by saying, "If you want to put the items on the damaged inventory you will have to do it yourself." Mr. Gholson later discussed the matter with Mr. Gies and purchased sensible PPE (respirator, Ty-vek suits, gloves, etc). Mr. and Mrs. Gholson, lacking proper asbestos training, jointly completed the physical inventory because Mr. Thomsen gave them no other alternative. PAC wishes to note that State Farm has routinely paid for qualified asbestos workers to perform personal property inventories as an added homeowner claim expense. These prior claim circumstances involve responsible and sensible actions taken by State Farm Team Leaders and field adjusters to protect the health and well being of their Insureds. We note that these prior State Farm actions did not involve Mr. Thomsen or his immediate supervisor, Team Leader Mr. Rick Witworth. State Farm clearly recognizes the serious potential health and safety concerns involved, yet Mr. Thomsen's actions involving this claim show reckless disregard for the health and well being of the Gholsons. State Farm clearly has a discontinuity in the treatment and handling of claims. We assert, based on past experience, the general conduct of Mr. Thomsen and Mr. Witworth are characteristically aggressive and adversarial if the claimant should not readily accept a less than whole claim settlement offer.

Following the structure abatement project walk through, Mr. Thomsen issued correspondence to Mr. Gies of Certified Insulators and Mr. Cospser of Diamond Hills Services dated February 26, 2007. This State Farm correspondence included carefully worded Xactimate abatement project scope revisions. The room by room Xactimate scope revisions reflected many of the concerns expressed by Mr. Gies during the walk through, but still contained many inappropriate actions to sensibly abate and clear the damaged property for reconstruction purposes. Mr. Gies recognized the unfair efforts being forced on his neighbor so he supplied a low end bid of \$22, 230.00 designed to secure the work. Mr. Gies efforts were intended to constructively help his neighbor by completing a full scope of abatement requirements as would be required to meet Colorado regulation 8B contrary to Mr. Thomsen's manipulative and flawed efforts. The Diamond Hills Services bid was orally reported to be approximately \$10,000.00 higher but this physical information has not been disclosed by State Farm.

Mr. Thomsen delayed releasing the work authorization to Certified Insulators for over three weeks. We believe Mr. Gies' low end bid caused Mr. Thomsen considerable difficulty. Mr. Thomsen was most likely concerned that the work of Certified Insulators might expose the deceptive content cleaning efforts. We believe Mr. Thomsen wanted Diamond Hills Services to perform the structural abatement work due to their close relationship. Mr. Thomsen most likely tried to get the Diamond Hills to reduce their bid price but was unsuccessful. We believe Mr. Thomsen deliberately delayed matters because American Restoration required more time to complete the illegal exterior debris removal operations (Removal of garage, mud room, and bath suite remnants due to snow) before Certified Insulators moved in. American Restoration also required more time to complete so-called cleaning operations on the asbestos contaminated content items illegally removed from the property. We believe Mr. Thomsen wanted the content items fully readied for return to the Gholson's rental home and the exterior debris removed so as to avoid discussions that might prompt a CDPHE investigation. Please note that CDPHE routinely makes unannounced inspections of on-going jobs to see if operations conform to regulations. Mr. Thomsen certainly did not want any aspect of his deceptive asbestos practices to be reviewed by CDPHE officials.

Certified Insulators orally received abatement approval from Mr. Thomsen on or about March 23, 2007. A proper CDPHE abatement permit to start work on April 2, 2007 was applied for that day (CDPHE approvals typically require up to 2 weeks). Mr. Gholson, who was anxious to get back into his home, signed acceptance of Certified Insulators' proposal on March 29, 2007. Certified Insulators started proper abatement operations on April 2, 2007 and achieved proper clearance notification on April 13, 2007. Mr. Gies had his crew removed all popcorn ceilings in the house, properly discard all soft goods (carpets, window treatment, content items, etc.) and perform necessary HEPA cleaning operations necessary to secure proper clearance results. Please note that Certified Insulators performed considerable abatement work in excess of Mr. Thomson's limited and flawed project scope.

In the meantime, American Restoration had all so-called cleaned contents returned to the Gholson rental home. Content items were delivered to the rental property by different parties on several occasions. All items were returned to the Gholsons by the end of April 2007 without proper asbestos free clearance evaluations. The unsuspecting Gholsons, placed the content items throughout the sparsely furnished rental home for immediate use. We believe the delivery of so-called "cleaned content items" without proper asbestos clearances was reckless disregard to the health and well being of the Gholson family. PAC initially discovered this negligent action orchestrated by State Farm's Mr. Thomson and PSP contractor American Restoration upon personal property inspection in late August of 2007. The Gholsons immediately isolated the returned contents in areas with critical barriers. PAC notified CDPHE of this matter on September 5, 2007, CDPHE has determined the returned personal property items to be asbestos contaminated.



Fig 9: Photo shows damaged kitchen table delivered by American Restoration to the Gholson rental home.



Fig 10: Photo shows the damaged kitchen table. Note the center leaf was not cleaned and had visible soot on it.

American Restoration and the subcontractors (Rescue Tech and Sunshine Cleaners) performed illegal asbestos handling operations with complete impunity and indifference. These parties performed so-called cleaning operations on the Gholson's asbestos contaminated property without proper training, licenses, facilities or controls. These parties contaminated their operating facilities and placed countless people at serious health risk for pure profit motivations. The so-called cleaned property was returned to the Gholsons rental home without proper asbestos free clearance testing. The reckless and negligent actions involved would not have been possible without the deliberate and deceptive conduct of Mr. Thomson and Mr. Aumiller. These inappropriate and potentially illegal actions placed the Gholson family at serious health risk. State Farm and American Restoration are believed to have serious liability issues that extend beyond this claim.

CDPHE is reviewing the asbestos handling issues and has serious concerns about the deceptive tactics employed. CDPHE officials have confirmed the entire loss site was a major asbestos spill hazard as the result of the fire loss. They confirmed this matter in official discussions with Mr. Gonzalez, the state licensed asbestos tester involved. CDPHE is very concerned about the blatant failure to follow proper containment procedures and worker entry safety requirements. CDPHE officials consider the improper handling of asbestos contaminated contents as potentially criminal activity. CDPHE promises to thoroughly investigate the entire situation.

State Farm should view the conduct allegations made in this document very seriously and immediately resolve all open claim matters due the Gholson's under the coverage policy. All other liability matters must be addressed through the Gholsons attorney, Mr. Glen Goldman.