



Globe Life - Legal Hold Notice

The upcoming removal of Arias Organization's email system to most agents, as well as apparent agency closures, puts at risk Globe Life's Legal Hold.

PLEASE READ IMPORTANT DISCLAIMER – PAGE 4

December 9, 2024 – On January 22, 2024, Globe Life sent a Legal Hold Notice (LHN) to several American Income Life (AIL) agents relating to identical subpoenas sent to Globe Life and AIL from the US Department of Justice (DOJ) though the US Attorney's Office for the Western District of Pennsylvania (USAO)¹.

These are typically issued within an organization to preserve all relevant documents in anticipation of litigation, investigation, or legal proceedings.

We have significant concerns that the LHN is not being complied with, putting at risk the integrity of the investigation by the DOJ and USAO.

We have appended the LHN to the end of this report.

The Legal Hold Notice

The LHN mandates the preservation of all documents and communications including:

- Those related to the financing, business, personnel and insurance activities of AIL agencies.
- Those related to insurance policies written by Arias Agencies and its affiliates including supporting documentation.
- All correspondence regarding Arias Agencies with the following individuals: Simon Arias, Justin Adams, Brody Evanson, Gregory Rudolph, Natalie Price, Tristan Dlabik, and Michael Russin.

The LHN extends to responsive documents created or obtained after its effective date and overrides any directive regarding email deletion.

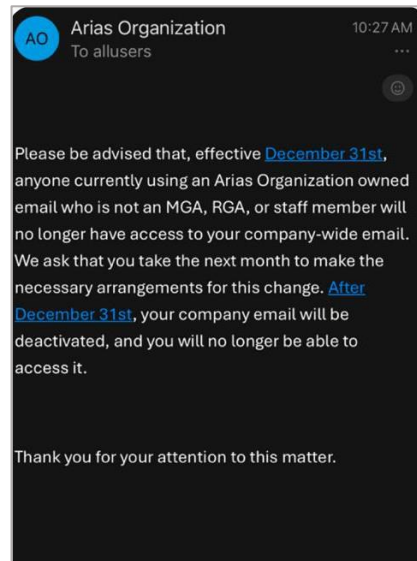
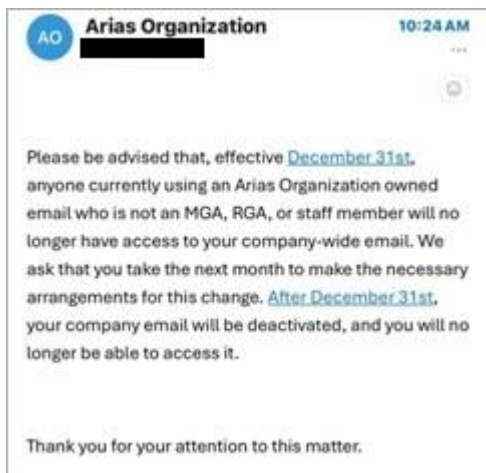
Closures suggest a lack of preservation efforts

Around mid-November 2024 several Arias agencies appear to have started winding down operations according to former agents. The way these apparent closures have occurred causes us to doubt whether the LHN is being complied with.

- Multiple Arias Agencies locations have been found on CRE listing websites indicating their imminent closure².
- On December 6, 2024, Arias Organization sent an email to all its agents stating that any agent below the rank of RGA would lose access to their Arias Organization email address on December 31, 2024.
 - The affected accounts would include most of the agents in the structure, namely those at the ranks of Career Agent, Supervising Agent and General Agent.
 - No replacement system is mentioned in the email, nor is it clear whether the existing emails would be preserved.

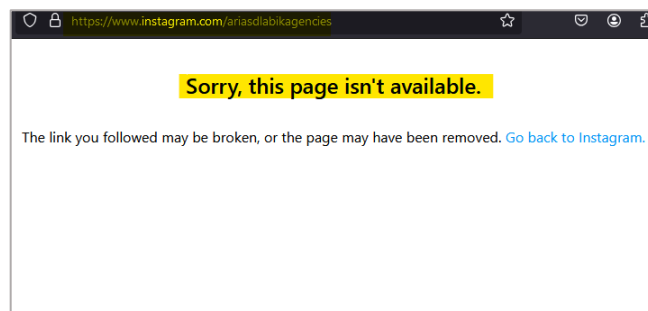
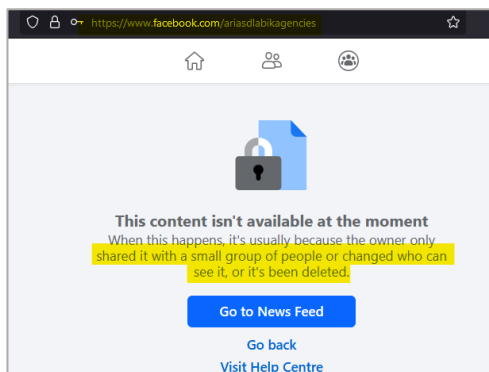
¹ The LHN appears to be incorrectly dated January 22, 2023 instead of January 22, 2024, after Globe Life announced receiving the subpoenas

² <https://viceroyresearch.org/2024/12/04/globe-life-closing-time/>



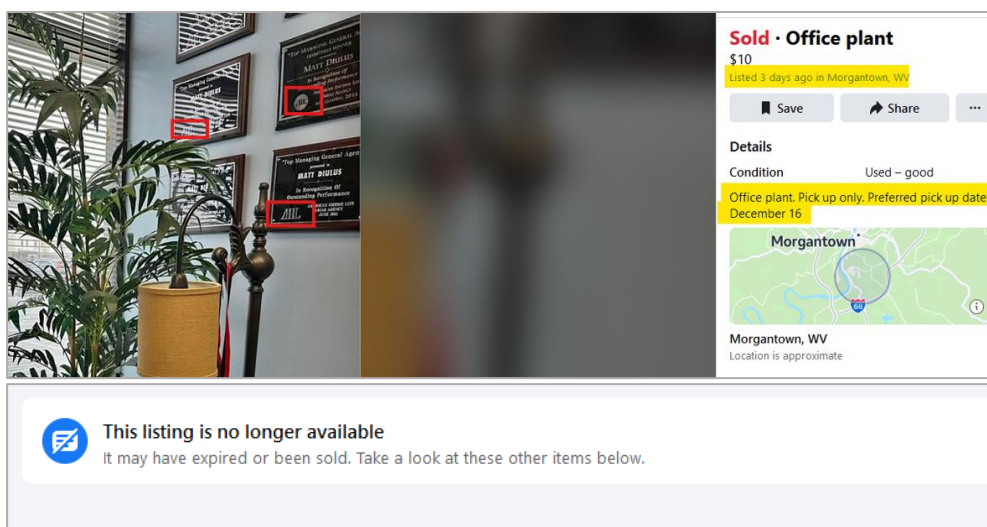
Figures 1 & 2 – Emails from Arias Organization to allusers

- We believe that the Arias-Dlabik Organization led by Tristan Dlabik ceased operating in H2 2024 based on the deletion of its website and social media accounts and its office being for lease. It is unclear whether Dlabik remains with AIL.



Figures 3 & 4 – Arias-Dlabik social media pages

- We believe the Morgantown, WV location of Arias Organization led by Matt Diulus intends to close some time around December 16, 2024, based on now-deleted social media listings for its office furniture.



Figures 5 & 6 – Facebook marketplace listing dated November 26, 2024, and current page



- The wording of the LHN implies a responsibility by Globe Life and AIL to enforce its implementation by its agencies: consequences for Globe Life and AIL include monetary sanctions while agent consequences are “up to and including termination”.

The consequences of violating the duty to preserve documents may be very serious. Individuals and parties who knowingly violate the duty to preserve may be subject to liability. Even careless, but non-intentional, violations of the duty to preserve may expose the Companies to adverse consequences, including monetary sanctions for failure to preserve evidence, and can expose you to disciplinary action up to and including termination.

Figure 7 – Legal Hold Notice

- Several entities under the Arias Agencies umbrella may have already violated the order by deleting their social media profiles. Others including Gregory Rudolf and Brody Evanson appear to have deleted multiple posts on their personal Instagram accounts which agents use for promotion. The LHN explicitly requires the preservation of social media sites.
- At least two individuals named in the LHN have left AIL: Michael Russin and Gregg Rudolph.
 - Russin was terminated by AIL because of a sexual harassment lawsuit against Arias Organization.
 - Rudolph appears to have left Arias and returned to his previous tree cutting service venture at some point in November 2024.

The fact pattern of deleted websites and social media posts and profiles casts doubt on whether Globe Life is effectively enforcing the LHN. The revocation of access to the Arias Agencies email servers for most of its agents is also concerning as it was announced with no alternative or reason.

We therefore strongly advise the DOJ and USAO to:

1. Ascertain whether Globe Life and AIL have properly enforced the LHN;
2. Move to secure the data specified in the subpoena directly from its custodians;
3. Ascertain what data, if any, has not been properly preserved by Globe Life, AIL and the Agencies.

We believe there is a serious threat to the integrity of any ongoing or future investigations if these steps are not taken. There are also other investigations or proceedings regarding Globe Life, AIL and the Agencies that will be affected if the LHN is being disregarded.

³ <https://www.yelp.com/biz/rudolph-tree-service-irwin> last updated in November 2024.



Attention: Whistleblowers

Viceroy encourage any parties with information pertaining to misconduct within Globe Life, its affiliates, or any other entity to file a report with the appropriate regulatory body.

We also understand first-hand the retaliation whistleblowers sometimes face for championing these issues. Where possible, Viceroy is happy act as intermediaries in providing information to regulators and reporting information in the public interest in order to protect the identities of whistleblowers.

You can contact the Viceroy team via email on viceroy@viceroyresearch.com.

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Important Disclaimer – Please read before continuing

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CONFIDENTIAL LEGAL HOLD NOTICE
SUBJECT TO ATTORNEY-CLIENT PRIVILEGE AND
ATTORNEY WORK PRODUCT DOCTRINE

Date: January 22, 2023
To: Distribution List
From: Joel Scarborough
Re: Legal Hold Notice re Western District of Pennsylvania USAO Subpoena

LEGAL HOLD NOTICE – RESPONSE REQUIRED
PLEASE READ CAREFULLY AND COMPLETELY

You are receiving this Legal Hold Notice (“Notice”) because you have been identified as someone who may have in your possession, custody, or control documents relevant to this matter. As explained in this Notice, it is critical that all potentially relevant documents be preserved until further notice.

WHAT IS THE MATTER ABOUT?

The matter relates to identical subpoenas sent to both Globe Life Inc. and American Income Life Insurance Company (the “Companies”) from the U.S. Department of Justice, through the U.S. Attorney’s Office for the Western District of Pennsylvania, seeking certain records related to Arias Agencies and certain specified individuals.

WHAT IS THIS NOTICE ABOUT?

To protect the Companies’ interests, we need to ensure that the Companies take all necessary and appropriate steps to preserve documents that are potentially relevant to the matter. We are issuing this Notice to ensure that the Companies and you are aware of and fully comply with all applicable preservation obligations. You must **preserve all documents relating to this matter until further notice**. This preservation obligation includes documents existing as of the date of this Notice and documents created or obtained after the date of this Notice.

The consequences of violating the duty to preserve documents may be very serious. Individuals and parties who knowingly violate the duty to preserve may be subject to liability. Even careless, but non-intentional, violations of the duty to preserve may expose the Companies to adverse consequences, including monetary sanctions for failure to preserve evidence, and can expose you to disciplinary action up to and including termination.

If you have any questions whether particular documents should be retained, please err on the side of preserving them.

WHAT DOCUMENTS AND INFORMATION TO RETAIN?

This Notice should be construed in the broadest possible manner to include, without limitation, all relevant documents, materials, or hard copy and electronically stored information (“ESI”) of any kind, nature, description, or medium, whether in original, copy, draft, or final form, including, without limitation, email and other correspondence, contracts, statements, records, logs, work papers, files, policy documents, data related to vulnerabilities and threat actor attribution, calendars, files, contact management/ERM reports, databases, manuals, electronic or handwritten notes, summaries, photographs, texts, instant messages, including messages from collaborative systems similar to Microsoft Teams and Slack, spreadsheets, electronic reports, business transactions data, voicemails and other electronic recordings, and any other electronic data and/or communications.

Materials to be retained include, but are not limited to, the following:

- Any and all documents, financial statements, accounting records, work papers, personnel files, internal investigation files, and financial or business transactions regarding Arias Agencies and/or any of the individuals listed in Attachment A.
- Any and all e-mail messages, text messages, and other correspondence or communications regarding Arias Agencies, any of the individuals listed in Attachment A, and/or any individuals involved with, working for, or working on the behalf of Arias Agencies or any of the individuals listed in Attachment A.
- For the time period of January 1, 2022 through December 31, 2022, any and all insurance policy documents, policyholder information, claim files, payment information, investigative reports, statements, emails, photographs, recordings, correspondence, records, and files regarding insurance policies written by Arias Agencies and/or its affiliates, subsidiaries, employees, contractors, or any other individual or entity acting on their behalf.

Documents may relate to this matter even if the topics set forth above do not appear in the content of those materials.

CAN I FORWARD THIS NOTICE?

Please do **not** forward this Notice.

* * *

It is mandatory that you preserve documents wherever they may be located (e.g., home, office, etc.), including, but not limited to: hard copy files, e-mails (both sent and received) and attachments, information contained in “shared” electronic spaces (e.g., eRooms, shared network drives, etc.), electronic databases, “chat” sessions, social media sites, text and instant messaging, calendars, diaries, planners, marketing materials, photographs and video, phonographic, tape and digital recordings, voicemails, internet history and cache files, removable storage media (e.g., external drives, thumb drives, flash cards, memory sticks, etc.), loose media (e.g., DVDs, CDs,

etc.), smartphones, personal digital assistants (“PDAs”) (e.g., Blackberry, iPhones, iPads, etc.), other wireless handheld devices, and all other tangible things.

You may not destroy, delete, alter, or permit the destruction, deletion, or alteration of these materials, **including those located in your home, office, central departmental files, archives and off-site storage, or any other location, such as those maintained by your secretary or administrative assistant.** It is the role of managers and supervisors to take responsibility for the continued preservation of information in the possession of transferred and departed employees.

This suspension of record retention/destruction policy **overrides** any directive regarding deletion of e-mail to save system capacity or any other requirement to comply with standard document retention/destruction policies with respect to the information subject to this directive.

This legal hold directive does not eliminate or otherwise limit your continuing obligation to comply with any other active legal holds for which you have previously received notice.

Thank you for your cooperation and compliance with this important directive.

Attachment A

1. Simon Arias
2. Justin Adams
3. Brody Evanson
4. Gregory Rudolph
5. Natalie Price
6. Tristan Dlabik
7. Michael Russin