

EXHIBIT A

Jurisdiction and Venue

3. This Court has subject matter jurisdiction over this action pursuant to Art. IV, § 7 of the Delaware Constitution and 10 *Del. C.* § 541. This Court has the power to declare the parties' rights and obligations under 10 *Del. C.* § 6501 et seq.

4. This Court has personal jurisdiction over the Defendant under 10 *Del. C.* § 3104(c)(6) because the Defendant has contracted to provide insurance in the State of Delaware under a policy of insurance issued to an entity resident in and doing business in Delaware and covering risks located in the State of Delaware.

Nature of the Action

5. This is an action seeking recovery of compensatory and punitive damages, declaratory relief, attorneys' fees and other relief arising from Defendant's breach of contract, bad faith, and otherwise wrongful refusal to honor its contractual obligations under a certain policy of insurance denominated as Fidelity Bond 320586 07/01/2024-07/01/2025 (the "Bond") issued to Plaintiff.

6. This action seeks: (a) a declaration that the Defendant must cover Plaintiff's losses arising out of 1) man-in-the middle cyber-attack thefts of funds up to a total of \$462,800.00 (the "Man-in-the-Middle Thefts"), and 2) payment of fraudulent counterfeited checks from various Home Equity Line of Credit accounts totaling \$252,050.36 (the "HELOC Thefts"); and (b) damages resulting from

Defendant's breach of contract in refusing to pay insurance proceeds for these covered losses.

Background

7. Defendant issued the Bond to Plaintiff on July 1, 2024. The Bond was in force at all times relevant to this action.

8. The Bond broadly extends various coverages to Plaintiff, including but not limited to theft of covered property on Plaintiff's premises and for losses resulting from the payment of counterfeit checks.

A. Man-in-the-Middle Thefts

9. Beginning on or about September 22, 2024, through September 28, 2024, a crime ring made up of foreign nationals from the New York and North Carolina areas attacked various of Plaintiff's premises specifically targeting Plaintiff's interactive teller machines ("ITM") utilizing a sophisticated electronic man-in-the-middle attack. The attackers broke into multiple ITMs and installed a Raspberry Pi device. This Raspberry Pi device intercepted electronic communications between the ITM machines and Plaintiff's network and emulated the host authorization, essentially "telling" the computer inside of the ITM it is authorized to dispense cash unconnected to any account established with Plaintiff. The loss amount from the Man-in-the-Middle Thefts totaled \$462,800.00. This is a covered loss under the Bond.

10. Plaintiff initially notified Defendant of the Man-in-the-Middle Thefts on December 27, 2024, which is the date Plaintiff discovered the loss.

11. On or about January 14, 2025, Plaintiff submitted a proof of loss, claim number B132537 for coverage of the losses incurred due to the Man-in-the-Middle Thefts. This notification was timely under the terms of the Bond.

12. On February 4, 2025, Defendant improperly denied coverage for the Man-in-the-Middle Thefts.

13. Defendant's wrongful denial of coverage for the Man-in-the-Middle Thefts is in bad faith, arbitrary, unreasonable and lacks any reasonable justification.

B. The HELOC Thefts

14. Beginning on or about February 20, 2025, through March 25, 2025, Plaintiff identified a counterfeit check fraud scheme affecting multiple Plaintiff members' home equity line of credit or "HELOC" accounts resulting in a total loss of \$252,050.32. This loss is covered under the Bond.

15. On or about April 30, 2025, Plaintiff timely submitted a proof of loss, claim number B1336913 for coverage under the Bond of the losses incurred due to the fraudulent counterfeit HELOC checks. This notice was timely under the Bond.

16. On May 20, 2025, Defendant improperly denied coverage for the HELOC Thefts.

17. Defendant's wrongful denial of coverage for the HELOC Thefts is in bad faith, arbitrary, unreasonable and lacks any reasonable justification.

COUNT I – DECLARATORY JUDGMENT

18. Plaintiff incorporates the allegation of paragraphs 1 to 17 as if the same were fully set forth herein.

19. This is a claim for relief for a declaratory judgment pursuant to 10 *Del. C. § 6501 et seq.*

20. The Bond explicitly provides for coverage for losses of covered property as set forth in the Bond.

21. Defendant has inappropriately denied coverage for the Man-in-the-Middle Thefts and HELOC Thefts.

22. Defendant's denial of coverage is a breach of the stated language of the Bond.

23. A controversy exists between the Plaintiff and Defendant as to whether the Bond mandates coverage for the Man-in-the-Middle Thefts and HELOC Thefts.

24. Plaintiff seeks a judicial declaration from the Court that, subject to applicable deductible amounts, the Bond covers the losses Plaintiff has incurred as a result of the Man-in-the Middle Thefts and the HELOC Thefts.

25. This controversy is of sufficient immediacy to justify the issue of a declaratory judgment, and the issue of a declaratory judgment will terminate the controversy. The issue is thus ripe for judicial review.

COUNT II – BREACH OF CONTRACT

26. Plaintiff incorporates the allegation of paragraphs 1 to 25 as if the same were fully set forth herein.

27. Plaintiff and Defendant entered into the Bond, a legally binding and enforceable agreement.

28. Plaintiff paid premiums under the Bond with the expectation that Plaintiff would receive coverage for losses as set forth in the Bond.

29. The Bond explicitly provides coverage for losses of covered property as set forth in the Bond. Such coverage includes losses incurred by Plaintiff through the Man-in-the Middle Thefts as well as that described in the HELOC Thefts.

30. Defendant has breached the terms of the Bond by failing and refusing to pay Plaintiff and denying coverage for the Man-in-the-Middle Thefts and HELOC Thefts.

31. As a direct result of Defendant's breach of contract, Plaintiff has been deprived of the benefits of insurance coverage for which premiums were paid under the Bond. As a result of Defendant's breach of contract, Plaintiff has suffered economic loss.

COUNT III – BAD FAITH

32. Plaintiff incorporates the allegation of paragraphs 1 to 31 as if the same were fully set forth herein.

33. Defendant lacks reasonable justification in refusing to cover the losses incurred due to the Man-in-the-Middle Thefts and HELOC Thefts.

34. Defendant lacks meritorious defenses to its liability to Plaintiff.

35. Defendant has acted in bad faith in denying coverage for the losses incurred due to the Man-in-the-Middle Thefts and HELOC Thefts.

36. Plaintiff has incurred attorneys' fees and additional costs relating to Defendant's bad faith denial of coverage.

WHEREFORE, Plaintiff respectfully requests that this Court enter judgment in its favor and against Defendant as follows:

a. Awarding Plaintiff compensatory damages for Defendant's breach of contract; and

b. Awarding Plaintiff punitive damages for Defendant's bad faith breach of contract; and

c. Awarding Plaintiff punitive damages for Defendant's breach of the contractual duty of fair dealing; and

- d. Awarding Plaintiff attorneys' fees and costs relating to Defendant's bad faith denials; and
- e. Award such other and further relief as this Court deems just and proper.

PARKOWSKI, GUERKE & SWAYZE, P.A.

/s/ Elio Battista, Jr.

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Dated: July 9, 2025

**SUPERIOR COURT
CIVIL CASE INFORMATION STATEMENT (CIS)**

**Filed Jul 09 2025 11:50AM EDT
Transaction ID 76612745
Case No. K25C-07-007 RLG**



COUNTY: N **K** S

CIVIL ACTION NUMBER: _____

Caption: Del-One Federal Credit Union <hr/> <p align="center">Plaintiff</p> <hr/> <p align="center">v.</p> <hr/> CUMIS Insurance Society, Inc. <p align="center">Defendant</p>	Civil Case Code: <u>CMIS</u> Civil Case Type: <u>Civil Miscellaneous</u> (SEE REVERSE SIDE FOR CODE AND TYPE) MANDATORY NON-BINDING ARBITRATION (MNA) . Name and Status of Party filing document: Plaintiff Del-One Federal Credit Union Document Type:(E.G.; COMPLAINT; ANSWER WITH COUNTERCLAIM) <p align="center">Complaint</p> <hr/> <p align="center">JURY DEMAND: YES <u>X</u> NO _____</p>
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ATTORNEY NAME(S): Michael W. Teichman (Bar ID No. 3323) Elio Battista, Jr. (Bar ID No. 3814) Madeline S. Bloom (Bar ID No.7028) <hr/> ATTORNEY ID(S): <hr/> FIRM NAME: PARKOWSKI, GUERKE & SWAYZE, P.A. <hr/> ADDRESS: 909 Silver Lake, Blvd. 1st Floor, Dover, DE 19904 <hr/> TELEPHONE NUMBER: (302) 678-3262 <hr/> FAX NUMBER: (302) 678-9415 <hr/> E-MAIL ADDRESS: mteichman@pgslegal.com ebattista@pgslegal.com mbloom@pgslegal.com	IDENTIFY ANY RELATED CASES NOW PENDING IN THE SUPERIOR COURT OR ANY RELATED CASES THAT HAVE BEEN CLOSED IN THIS COURT WITHIN THE LAST TWO YEARS BY CAPTION AND CIVIL ACTION NUMBER INCLUDING JUDGE'S INITIALS: <hr/> <hr/> EXPLAIN THE RELATIONSHIP(S): <hr/> <hr/> OTHER UNUSUAL ISSUES THAT AFFECT CASE MANAGEMENT: <hr/> <hr/> <p align="center">(IF ADDITIONAL SPACE IS NEEDED, PLEASE ATTACH PAGE)</p>
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THE PROTHONOTARY WILL NOT PROCESS THE COMPLAINT, ANSWER, OR FIRST RESPONSIVE PLEADING IN THIS MATTER FOR SERVICE UNTIL THE CASE INFORMATION STATEMENT (CIS) IS FILED. THE FAILURE TO FILE THE CIS AND HAVE THE PLEADING PROCESSED FOR SERVICE MAY RESULT IN THE DISMISSAL OF THE COMPLAINT OR MAY RESULT IN THE ANSWER OR FIRST RESPONSIVE PLEADING BEING STRICKEN.