

Andrew & Elisabeth Smith

Los Banos, CA

November 18, 1997

To Whom It May Concern,

Between 1959 and 1960, I bought two \$10,000 Whole Life insurance policies from Metropolitan Life. At the time, I was a Captain in the Air Force. Since I was a pilot and flew frequently, I was concerned about my family's well-being if something tragic were to happen to me. These policies gave me both the peace of mind and security I needed. Up until recently, I had always considered Metlife an honest, straight forward, company as I had never had any problems with the policies over all the years.

Years later, after I retired, my wife and I moved to Los Banos, California. As we always had, we continued to pay for the old policies.

In July 1992, I received a phone call from John P. Steele. He explained that he worked out of the office in Modesto and had found out I had two old policies. He asked if he could meet with us to go over the insurance policies. He said that "Metlife had a deal he didn't think we could refuse". Since we had not had an agent in many years, we agreed to meet with him at our home.

When Steele arrived, he explained that I could "trade in" both the old policies and nearly \$14,000 in cash value into two brand new "paid-up for life policies". One for my wife and one for myself. According to Steele, depending on the result of our physical exams, each of these new policies were to have \$40,000 death benefits and never require a payment from us. He told me that in order to make sure the policies would last for the rest of our lives, I would probably need to make one more lump sum payment at some point in the future into one or both policies. For a bit, this deal seemed "to good to be true" but, since I had been with Metlife for over 30 years, I had no reason to distrust them. On July 27, 1992, we agreed to take Metlife up on their offer. A nurse came to our home to examine my wife, I had to see a Doctor in Merced.

Some time after that, Steele brought both new policies to our house. He explained that due to a slight heart murmur, I could have nothing larger than a \$30,000 policy. My wife was still given the \$40,000 policy she was promised. He went on to say that due to my medical results, I would need to pay an additional \$6,000 in order for my policy to be paid-up. My wife's policy did not need any more money. I paid Steele an extra \$6,000 in Jan. 1993. This additional amount brought the total amount deposited into both policies to over \$19,000. I remember asking Steele at least twice if he was sure that for \$19,000 we would have policies paid up for life. He assured me I would not have to pay any more.

In June and July of 1993, we received bills from Metlife for premiums due on our policies. When I called Metlife with questions, I found out that Steele no longer worked there. I told the Manager, Lonnie Correia, what Steele had told us. He agreed to come over and go over our policies with us. During this meeting, Correia explained that our policies were not paid up and that we needed to make large premium payments in order to keep them. Without any further payments, these policies would not last that long at all. He also told us that if interest rates went up a little bit, these policies should take care of themselves. After we told him we had to think about what to do, he left our house. I did not feel right about this "special deal" anymore and suspected something was wrong. However, with my very limited knowledge of insurance, I had no idea of what to do about my suspicion. I have only recently seen note #1 and how Lonnie asked on 10-07-93 that we not get a bill for 10 years.

In December 1994, Mark Colbert called us. After telling us there may be problems with our policies, he asked if he could come over and review them with us. Mark sat with us at our table and carefully explained our policies, annual statements, bills, everything we showed him. After he showed me note #2, page #3, I knew my policy would have lapsed without any value in 8/1999. Since Lonnie had ordered that I not receive a bill for 10 years (note #1) I would have lost my policy and never known it. After he made everything clear to us, we could see that our policies were in trouble.

Mark helped us report our situation to the State Dept. of Insurance and Metlife's Customer Service representatives. In Jan. 1995, he asked if we would be willing to give an interview to a CBS television crew. After we agreed, he showed up with the reporter and we were interviewed for a TV program. We were even on television a few of times. At this time, he referred us to an attorney in Merced, Rickey Wallace, Esq. Mark also helped us explain the problem to him and even sat through the meetings with us. At that point, we really had no idea of what we had gotten ourselves into but, we trusted Mark and considered him a friend.

Last March, my wife and I were asked by Cindy Osias, Senior Staff Counsel of the State Dept. of Insurance, to testify in a hearing against John Steele. When we were put on the stand, the Metlife lawyers kept asking about Mark. It seems they wanted to know more about him than they did us. The Judge, Wm. Hoover, put a stop to their questions stating, "he is not on trial here" or something to that effect. Even after that, they still went back to questions about him which really upset the judge. We later found they had quizzed other witnesses about Mark's involvement in their case as well.

After being scheduled for trial in August, last May, we settled our claim against Metlife without having to go to court. With our attorney's (and Mark's) guidance, we rejected several settlement offers. Finally, we accepted Metlife's offer to give us both the paid up policies we thought we had, \$30,000 on myself and \$40,000 on my wife. We have been guaranteed by Metlife that no premiums will ever be due on either policy.

Our problem has been solved and we owe it to Mark Colbert. If he had not come to us with his help and honesty, we would probably still be counting on our bad Metlife policies. The blame cannot solely be put on John Steele. As you can see on note #1, the managers were involved in the scam too. I have talked to other people whom Mark has helped and know we are all very grateful. It's a shame there are not more agents like Mark Colbert in this world. We are glad to have him as a friend.

Sincerely,

Andy Smith

Elisabeth Smith