

**U.S. DEPARTMENT OF LABOR**

Occupational Safety and Health Administration  
525 S. Griffin Street, Room 602  
Dallas, TX 75202  
Tel: (972) 850-4148  
[www.whistleblowers.gov](http://www.whistleblowers.gov)



June 3, 2024

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American Home Protect LLC  
c/o: Corinne Maples – President  
3460 Lotus Dr. Suite 150  
Plano, TX 75075  
Via UPS # 1ZX10621A696517482

Porch Group Inc.  
c/o: Matthew Cullen – General Counsel  
411 1st Avenue S. Suite 501  
Seattle, WA 98104  
Via UPS # 1ZX10621A699960890

Corrine Maples – President  
American Home Protect LLC  
3460 Lotus Dr. Suite 150  
Plano, TX 75075  
Via UPS # 1ZX10621A696517482

Re: American Home Protect LLC and Porch Group Inc. and Corinne Maples / (b) (7)(C) / 301022925

Dear Ms. Bezney:

This is to advise you that we have completed our investigation of the above-referenced complaint filed against your clients American Home Protect LLC, Porch Group, Inc., and Corinne Maples<sup>1</sup> (Respondents) on September 7, 2023, under the Consumer Financial Protection Act of 2010, 12 U.S.C. § 5567 (CFPA) and Sarbanes-Oxley Act, 18 U.S.C. § 1514A (SOX) In brief, Complainant alleged that

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<sup>1</sup> Respondent in their position statement appears to dispute whether Corinne Maples is a Respondent because she was not specifically captioned as a respondent in the initial complaint. OSHA’s notification letters did name Ms. Maples as a respondent. OSHA’s policy is that “the complaint on its face, supplemented as appropriate through interviews of the complainant” are used to establish the initial jurisdiction, allegations and respondents. See 29 CFR 1985.104(e)(3), 29 CFR 1980.104(e)(3) and Whistleblower Investigations Manual Directive No. CPL 02-03-011 page 40.

Respondents discharged (b) (7)(C) in retaliation for making complaints to and notifying management about business practices that would cause the Respondents American Home Protect and Porch Group, Inc. to overstate their revenue, which would provide misleading information in their financials to shareholders and investors, and would constitute deceptive practices against consumers pertaining to home warranty products and services.

Following an investigation by a duly-authorized investigator, the Secretary of Labor, acting through his agent, the Regional Administrator for the Occupational Safety and Health Administration (OSHA), Region 6, finds that there is reasonable cause to believe that Respondent violated CFPA and SOX and issues the following findings:

### Secretary's Findings

#### ***Timeliness of complaint:***

Respondents placed Complainant on a Performance Improvement Plan (PIP) on March 27, 2023, and on April 20, 2023, informed (b) (7)(C) that (b) (7)(C) would be discharged, which subsequently occurred on June 20, 2023. On September 7, 2023, Complainant filed a complaint with the Secretary of Labor alleging that Respondent retaliated against (b) (7)(C) in violation of CFPA and SOX. As this complaint was filed within 180 days of the first alleged adverse action, it is timely.

#### ***Coverage:***

Respondent, Porch Group, Inc. (Porch) is a company within the meaning of 18 U.S.C. § 1514A in that it is a company with a class of securities registered under section 12 of the Securities Exchange Act of 1934 (15 U.S.C. 78l) or a company required to file reports under Section 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. § 78o(d)).

Respondent, American Home Protect LLC (AHP), is a subsidiary of a company that is within the meaning of 18 U.S.C. § 1514A in that it is a company with a class of securities registered under section 12 of the Securities Exchange Act of 1934 (15 U.S.C. 78l) or a company required to file reports under Section 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. § 78o(d)).

Respondent, Corinne Maples (Maples) is the president and general manager of AHP. An agent or officer of a covered entity is a person within the meaning of 18 U.S.C. § 1514A.

All Respondents are a covered person or service provider within the meaning of 12 U.S.C. § 5567. Respondents sold home warranty products and services to consumers.

Complainant is an employee within the meaning of 18 U.S.C. § 1514A. In the course of (b) (7)(C) employment, Complainant worked as an attorney for Respondents.

#### ***Findings of the investigation:***

AHP hired complainant as a part-time (30 hours per week) in-house counsel in May 2020. In September 2021, Porch acquired AHP, after which Complainant continued to provide legal services to only AHP. On May 25, 2022, AHP offered Complainant the opportunity to expand (b) (7)(C) part-time role into a full-time (40 hours per week) position, enlarging (b) (7)(C) duties to include support for Porch along with an increase of salary and discretionary target bonuses. Complainant accepted the offer.

On August 10, 2022, the Federal Trade Commission (FTC) notified Respondents of an inquiry into their marketing of home warranties or service contracts. On September 6, 2022, AHP converted Complainant to a full-time employment position as in-house counsel for the purpose of assisting in a response to the FTC inquiry regarding the marketing of home warranties or service contracts by AHP. On October 14, 2022, following the Complainant's collaboration and work, Respondents submitted their response to the FTC inquiry.

On January 4, 2023, Complainant was given an annual performance evaluation. On this evaluation [REDACTED] was rated as a valuable employee to the team whose performance was good to excellent. As a result of [REDACTED] performance, Complainant was given a raise on her salary that prorated to [REDACTED] hire date May 11, 2021.

On January 19, 2023, Complainant began raising concerns to Maples and upper management at AHP and Porch asserting that Respondents were failing to issue refunds that were due to hundreds of customers when they cancelled their home warranty products and services and that the Respondents were not authorizing cancellation of these products over the telephone, but instead were demanding a written form.

On January 20, 2023, the FTC sent another inquiry to Respondent, which among other things requested that Respondent:

*Fully describe all mechanisms the Company has provided that permit consumers to stop any current or future recurring billings, charges, or debits by the Company for a home warranty and/or Service Contract promoted by the Company that has included terms providing for automatic renewal as referenced above, and state the date that each mechanism was first made available to consumers. (Your response should disclose all such mechanisms the Company has provided, describe all changes made to those mechanisms, disclose the reason for each change, and indicate the applicable time period in which each version of the mechanism was in use.)*

On January 27, 2023, Complainant emailed Maples, General Manager of Utilities and Partnerships [REDACTED] (Porch), and VP of Group General Manager, Home Services [REDACTED] (Porch) stating "AHP has to accept the call from a customer to cancel the contract because that's how the contract is sold (via phone call). Law requires a customer to be able to cancel in the same way that they signed up (call, email, online). We cannot refuse to refund the customer for not returning the form. If we have open cancellations that are waiting for the forms to be returned before we will refund them, we need to process those refunds even without the form."

On February 17, 2023, Complainant received a merit-based stock award from Respondent.

On February 23, 2023, Complainant and another legal staff member received praise in a division-wide Zoom meeting attended by 82 Porch employees.<sup>2</sup> The Slide shown to the participants stated: "[Complainant and another employee] have worked quickly and thoroughly to get the legal and compliance piece of the Porch Warranty launch in place. Without this work, we would be unable to get this product in market." In this "Shout-out," management praised Complainant's work.

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<sup>2</sup> In this Shout-Out, Complainant was praised for work that was accomplished which contradicts the Respondent's reason for the Complainant's PIP. [REDACTED] was praised for work but put on a PIP for the same work.

Following the meeting Complainant raised concerns with Respondent regarding its warranty and its application. Specifically, Complainant stated:

*“At our management meeting last week, I learned that the original RWS home service contract is still being sold. (I thought Porch Warranty was taking its place and the existing contracts would just be non-renewed upon expiration.) I am sending my comments on the original contract again, but I particularly want to point out the most problematic language.*

*This is not a correct application of basic contract law, and you cannot contract around basic common law principles. If the contract holder's contract fees are current as of the date the claim is made, then the contractual obligations owed by RWS to the contract holder also existed on the date the claim was made.*

*Reps handling RWS claims need to review how they're applying the provision on page 16, paragraph 7. If any reps are enforcing this, they need to stop. There needs to be a review/audit of denied and/or cancelled claims to see if this contract provision has been applied under Porch ownership and to what extent so we can determine next steps.”*

On March 6, 2023, Complainant emailed (b) (7)(C), General counsel, Porch, restating the concerns (b) (7)(C) raised on February 23, 2023:

*“If the contract holder's contract fees are current as of the date the claim is made, then the contractual obligations owed by RWS to the contract holder also existed on the date the claim was made. Therefore, the claims should not just be canceled outright, they should be reviewed / analyzed to see if the claims are covered under the contract. If the claims are covered (regardless of cancellation), they should be paid under the contract. If the claims would not have been covered (regardless of cancellation), then the claim is denied.”*

On March 7, 2023, Complainant raised concerns to (b) (7)(C), GM counsel porch and CEO Corrine Maples CEO AHP as to the significant difference between the number of transactions cancelled (chargebacks) and the number of refunds the Respondent had issued, as the cancellations were averaging about 1,000 each month for end of year 2022, but there were only several hundred refunds for the same period.

On March 22, 2023, concerned with the difference between cancellations and refunds, Complainant requested the refund report from the Operations Manager which showed “what clients have cancelled (and your team has canceled in the system) but where we have not issued refunds checks? I’m trying to understand the disconnect between the number of 1+ pay cancels (around 1,000 each month for end of year 2022), but only several hundred refunds.” After receiving the information Complainant then raised concerns to Maples about the 600 to 700 difference in cancellations versus refunds each month. Maples responded she is not overly concerned about the issue.

On March 24, 2023, following the Complainant’s collaboration and work, AHP submitted their supplemental response to the FTC and Complainant was converted back to (b) (7)(C) former part-time position.

On March 27, 2023, Complainant was placed on a Performance Improvement Plan (PIP), allegedly for (b) (7)(C) lack of leadership, communication, prioritization, and ‘solve every problem’ attitude, as well as (b) (7)(C) failure to meet critical deadlines.

On April 20, 2023, Complainant was notified (b) (7)(C) would be terminated effective on June 23, 2023.

On May 11, 2023, Complainant sent an email to Maples and (b) (7)(C) “If there are refunds that have not been issued but are owed, per the contract and state and federal law, then we have to analyze how this impacts the financials and how, if not properly accounted for, may be tantamount to fraud on the shareholders.”

On June 23, 2023, Complainant was terminated for “poor performance.”

### ***Respondent Defense:***

Respondents asserted Complainant was placed on a Performance Improvement Plan (PIP) on March 27, 2023, for lack of leadership, communication, prioritization, solving every problem attitude, and failure to meet critical deadlines, i.e. poor performance. The Respondents allege the Complainant had not fully performed (b) (7)(C) job duties for seven months.

The sole piece of evidence that Respondents submitted documenting any performance issues with Complainant is a single email dated March 1, 2023, from (b) (7)(C), Respondent’s General Manager of Utilities and Partnerships sent to Respondent Maples providing “as discussed” feedback of Complainant’s performance.

### ***Due Process:***

On April 24, 2024, OSHA sent a letter to Respondents, pursuant to 29 CFR 1985.104(f) (CFPA) and 29 CFR Part 1980.104(e) (SOX), advising Respondents that OSHA has reasonable cause to believe that Respondents violated CFPA and SOX when it terminated Complainant. The letter further advised that Respondents had failed to provide clear and convincing evidence that it would have taken the same adverse actions in the absence of protected activity. The letter afforded Respondents an opportunity to submit rebuttal evidence. Respondent did not submit any further evidence.

### ***Analysis:***

Complainant began engaging in protected activity under CFPA and SOX on January 19, 2023, when (b) (7)(C) reported her concerns to Respondents that they were failing to issue refunds due to hundreds of customers for cancelled home warranty products and services and failing to properly process claims made by customers who had cancelled contracts, which could cause Respondents to overstate its revenue to shareholders and investors. Complainant repeatedly raised the concerns until (b) (7)(C) termination date.

There is a temporal proximity between Complainant’s protected activity under CFPA and SOX and (b) (7)(C) adverse employment action. Complainant made numerous reports to management between January 19, 2023 and June 23, 2023, that Respondents were failing to issue refunds to hundreds of customers for home warranty products and services that had been cancelled by the customers and were failing to properly process claims made by customers who had cancelled contracts.

Respondents placed Complainant on a Performance Improvement Plan on March 27, 2023, only weeks after Complainant's most recent protected activity.

Respondents allege that Complainant demonstrated poor work performance, specifically that (b) (7)(C) had not performed (b) (7)(C) job duties for seven months, resulting in the PIP and subsequent termination. With regard to placing (b) (7)(C) on the PIP, Respondents have failed to provide evidence to demonstrate sufficient basis for this PIP. Respondents provided a single email from (b) (7)(C) to Maples to support its position. This one email is scant evidence to support the allegations of Complainant's alleged long running and significant failure to perform (b) (7)(C) job as told by Respondent's attorneys in their position statement. OSHA asked for more specific information on Complainant's alleged poor performance but received nothing else. Therefore, Respondent's assertion that Complainant was failing at (b) (7)(C) job duties is not supported by the evidence.

To the contrary, the evidence OSHA gathered demonstrates that AHP was pleased with Complainant's performance. Specifically, AHP awarded Complainant a stock award on February 17, 2023, and gave (b) (7)(C) other accolades, including on February 23, 2023, AHP gave Complainant a "shout-out" on division-wide Zoom call for (b) (7)(C) work on the "Porch Warranty" project. In this Shout-Out, Complainant was praised for (b) (7)(C) work and accomplishments which contradicts the Respondent's reason for the Complainant's PIP. Respondent position is inconsistent in that during (b) (7)(C) employment, it praised (b) (7)(C) work but later used the same work to place (b) (7)(C) on a PIP.

Complainant's placement on the PIP is not justified by the evidence provided, but also the administration of the PIP itself appears to be suspect. It lacks the basic criteria for any PIP in that it did not specify any timeframe for improvement, nor did it identify improvement benchmarks. Instead, it was simply a list of alleged deficiencies about Complainant's lack of leadership, communication, prioritization, "solve every problem" attitude, and ability to meet critical deadlines. On April 20, 2023, less than one month after receiving this PIP, AHP told Complainant that it was terminating (b) (7)(C) employment effective June 23, 2023, for failure to adequately improve in the performance areas noted on her PIP. Respondents have not provided any documentation to establish the intended length of time for the PIP, established performance measures or documentation of Complainant's failure to timely meet those measures. Respondents refused to provide OSHA with any meeting notes, counseling session notes, or documentation to support that they monitored Complainant's performance or legitimately administered the PIP from March 27, 2023, through April 20, 2023.

Respondent has failed to provide clear and convincing evidence that it would have taken the same adverse action in the absence of Complainant's protected activity. As noted above, although Respondent asserts that it fired Complainant based on (b) (7)(C) poor performance, Respondent has failed to provide evidence to support that it legitimately placed Complainant on a valid Performance Improvement Plan or that (b) (7)(C) failed to improve during the PIP. OSHA has reasonable cause to believe that Respondent violated the whistleblower provision of CFPA and SOX and Complainant is entitled to relief.

Complainant suffered financial hardship and mental anguish because Respondent illegally retaliated against her in violation of CFPA and SOX. The termination was devastating for Complainant, who is high-level professional, whom had never been terminated from a position. Compensatory damages for pain and suffering are warranted.

## ORDER

1. Upon receipt of this Secretary's Finding and Preliminary Order, Respondent shall immediately reinstate Complainant to (b) (7)(C) former position at (b) (7)(C) previous pay rate per year. Such reinstatement shall include all rights, seniority, and benefits that Complainant would have enjoyed had (b) (7)(C) never been discharged. Such reinstatement is not stayed by an objection to this order.
2. Respondent shall pay Complainant back pay (minus interim earnings) in the amount of \$96,383.12 for the period starting June 24, 2023, through June 3, 2024. Back wages will continue to accrue until paid.
3. Respondent shall pay Complainant interest on the back wages in the amount of \$3,293.85 at the IRS underpayment rate at 26 U.S.C. § 6621, compounded daily, as of June 3, 2024, interest on any unpaid amount of back wages will continue to accrue until paid.
4. Respondent shall pay Complainant compensatory damages in the amount of \$61,610.06, for the following:
  - Pain and suffering including mental distress of \$25,000.00
  - Reputational Harm of \$10,000
  - Pecuniary Damages of \$25,762.00 for:
    - \$1,881 for 2023 Complainant's 401k matching contribution
    - \$1,881 for 2024 Complainant's 401k matching contribution
    - \$7,000 unpaid bonus
    - \$15,000 of restricted stock options
5. Respondent shall pay interest on the pecuniary compensatory damages in the amount of \$848.06 as of June 3, 2024 and thereafter until Respondent makes a *bona fide* offer of reinstatement as set forth above.
6. Respondent shall reinstate Complainant right to exercise stock options pursuant to Respondent's policy. Complainant's enrollment shall be deemed to have been continuous for purposes of vesting requirements.
7. Respondent shall submit the appropriate documentation to the Social Security Administration allocating back pay to the appropriate calendar days of June 24, 2023, through June 3, 2024.
8. Respondent shall expunge Complainant's employment records of any reference to the exercise of her rights under CFPA and SOX. Specifically, Respondent shall expunge the termination of June 24, 2023 and the PIP of March 27, 2023.
9. Respondent shall pay reasonable attorney's fees.
10. Respondent shall expunge Complainants' employment records of any reference to the exercise of her rights under CFPA and SOX. Respondent shall ensure that the facts and circumstances

related to this complaint are not used against Complainant to deny (b) (7)(C) any future opportunities with the Respondent and that no negative references relating to the facts and circumstances related to this complaint are provided to any prospective future employers. Respondent shall expunge all records of Complainant's termination from (b) (7)(C) personnel record.

11. Respondent shall not retaliate or discriminate against Complainant in any manner for instituting or causing to be instituted any proceeding under or related to CFPA and SOX.
12. Respondent shall post immediately in a conspicuous place in or about Respondents' facility located at 3460 Lotus Drive, Plano, TX 75075, in all places where notices for employees are customarily posted, including Respondent's internal website for employees or by e-mail, if Respondent customarily uses one or more of these electronic methods for communicating with employees, and maintain for a period of at least 60 consecutive days from the date of posting the attached notice to employees, to be signed by a responsible official of Respondent and the date of actual posting to be shown thereon.

Either party has 30 from the receipt of these Findings to file objections and to request a hearing before an Administrative Law Judge (ALJ). If no objections are filed, these Findings will become final and not subject to court review. Objections must be filed in writing with the Office of Administrative Law Judges:

Primary method - via email to: [OALJ-Filings@dol.gov](mailto:OALJ-Filings@dol.gov)  
Secondary method (if unable to file via email) - via hard copy submission to:  
Chief Administrative Law Judge - Office of Administrative Law Judges  
U.S. Department of Labor  
800 K Street NW, Suite 400 North  
Washington, D.C. 20001-8002  
Telephone: (202) 693-7300; Fax: (202) 693-7365

With copies to:

Primary method - via email to: [R6.11c.OSHA@dol.gov](mailto:R6.11c.OSHA@dol.gov)  
Secondary method (if unable to file via email) - via hard copy submission to:  
Regional Administrator  
U.S. Department of Labor-OSHA  
525 S. Griffin Street, Room 602  
Dallas, TX 75202

And:

All parties to this complaint

In addition, please be advised that the U.S. Department of Labor generally does not represent any party in the hearing; rather, each party presents his or her own case. The hearing is an adversarial proceeding before an Administrative Law Judge (ALJ) in which the parties are allowed an opportunity to present their evidence de novo for the record. The ALJ who conducts the hearing will issue a decision based on the evidence, arguments, and testimony presented by the parties. Review of the ALJ's decision may be sought from the Administrative Review Board, to which the Secretary of Labor has delegated responsibility for issuing final agency decisions under the CFPA



and SOX. A copy of this letter has been sent to the Chief Administrative Law Judge along with a copy of your complaint. The rules and procedures for the handling of CFPA and SOX cases can be found in Title 29, Code of Federal Regulations Part 1985 and 1980, and may be obtained at [www.whistleblowers.gov](http://www.whistleblowers.gov).

Sincerely,



Michael Mabee  
Assistant Regional Administrator - Whistleblower Protection Program

cc: Chief Administrative Law Judge, USDOL  
SEC  
CFPB  
DOJ

(b) (7)(C)

c/o Karen Fitzgerald  
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