

STATE OF ARIZONA
Department of Insurance and Financial Institutions
FILED April 16, 2024 by AS

STATE OF ARIZONA

DEPARTMENT OF INSURANCE AND FINANCIAL INSTITUTIONS

In the Matter of:

ADJUSTPRO SOLUTIONS LLC

(National Producer No. 19336967)

and

DANIEL WOODY SMITH

(National Producer No. 19319517)

Respondents.

No. 24A- 034 -INS

CONSENT ORDER

The Arizona Department of Insurance and Financial Institutions (“Department”) has received evidence that AdjustPro Solutions LLC (“AdjustPro”) and Daniel Woody Smith (“Smith”), collectively Respondents, violated provisions of Arizona Revised Statutes (“A.R.S.”) Title 20. Respondents wish to resolve this matter without the commencement of formal proceedings, and admit the following Findings of Fact are true, and consent to the entry of the following Conclusions of Law and Order.

FINDINGS OF FACT

1. Smith was at all material times licensed as an Arizona resident insurance adjuster, National Producer Number 19319517. The Department first licensed Smith on October 18, 2019. Smith’s license is scheduled to expire on September 30, 2027.

1 2. Smith’s business and mailing address of record with the Department is 8611
2 North Black Canyon Hwy, Ste. 116, Phoenix, Arizona 85021-4161, and his email addresses
3 are dan.smith.rcs@gmail.com and adjustpro.solutions@gmail.com.

4 3. AdjustPro was at all material times licensed as an Arizona-domiciled adjuster,
5 National Producer Number 19336967. The Department first licensed AdjustPro on
6 November 1, 2019. AdjustPro’s license is scheduled to expire on November 30, 2023.

7 4. AdjustPro’s business and mailing address of record with the Department is
8 8611 North Black Canyon Hwy, Ste. 116, Phoenix, Arizona 85021-4161, and its email
9 address is adjustpro.solutions@gmail.com.

10 5. Smith is a designated responsible licensed producer for AdjustPro.

11 6. On or about February 7, 2023, E.C. filed a complaint with the Department on
12 behalf of her father A.C. alleging the following: AdjustPro, through its employee Samuel
13 Fallas (“Fallas”) a/k/a Sammy or Sam, solicited business from A.C. at his home in
14 Glendale; A.C. signed a Public Adjuster Agreement authorizing AdjustPro to negotiate his
15 State Farm roof repair claim; The complaint claims that Fallas misrepresented the Public
16 Adjuster Agreement by advertising it as a “free assistance to repair the roof of the house”;
17 and that Fallas failed to disclose that A.C. would be waiving his rights to negotiate the claim
18 with State Farm; AdjustPro endorsed State Farm’s claim settlement check without A.C.’s
19 signature; AdjustPro withheld the funds without completing repairs stipulated in the
20 contract.

21 7. Following the receipt of A.C.’s complaint, the Department commenced an
22 investigation into this matter.

1 **Additional Complaints**

2 During the course of this investigation, the Department received two additional
3 complaints against Respondents as detailed below:

- 4 • On or about May 31, 2023, the Department received a complaint from
5 R.A. alleging that she and her husband met with an AdjustPro’s
6 representative and signed a Public Adjuster Agreement; R.A. further
7 alleged that AdjustPro withheld funds without completing the repairs;
8 when R.A. attempted to terminate the contract, AdjustPro issued several
9 checks that were declined by the bank due to insufficient funds.
- 10 • On or about June 19, 2023, the Department received a complaint from
11 K.N. alleging that: she and her husband met with an AdjustPro’s
12 representative Kaitlyn Boswell, and signed a Public Adjuster
13 Agreement; K.N. alleged that AdjustPro improperly endorsed CSAA
14 Insurance Exchange’s claims settlement check; and that AdjustPro
15 withheld the funds without completing repairs.

16 8. The Department’s investigation found the following:

- 17 a. On or about March 15, 2023, the Department sent an email
18 correspondence to Respondents notifying them of A.C.’s complaint and
19 requesting that they respond to the allegations and provide pertinent
20 documentation on or before March 29, 2023.
- 21 b. On or about April 3, 2023, Smith provided a response stating, in part, “a
22 representative” from AdjustPro approached A.C. “after noticing damage to

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the roof.” Upon inspecting the roof, Respondents “notified [A.C. that Respondents] could assist in filing the claim and if approved by insurance help with the roof replacement. Our inspector Sammy Fallas ... provided a copy of our contract with explanation to the homeowner which he subsequently agreed to and signed.”

c. On or about May 30, 2023, the Department sent a second email correspondence to Smith requesting the name(s) of the representative(s) who inspected A.C.’s roof, information regarding the service agreement details that were reviewed with A.C. and by whom, and information if Smith was present during the inspection of the roof and review of the agreement terms with A.C.

d. On or about June 5, 2023, Smith informed the Department that Fallas inspected the roof and reviewed the service contract terms with A.C. Smith further confirmed that he was not present during this process.

e. A review of the records provided by the complainants revealed that A.C.’s and R.A.’s Client Intake Sheets identified Fallas as the employee acting on behalf of Respondent while K.N.’s Client Intake Sheet identified Kaitlyn Boswell as the employee acting on behalf of Respondent.

f. On or about July 21, 2023, the Department conducted an Examination Under Oath (“EUO”) of Smith. During the EUO, Smith stated that he owns two companies AdjustPro and Roofing Claims Services LLC (“Roofing Claims”), and that Fallas and Boswell were employees of

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Roofing Claims. Smith confirmed that he digitally pre-signed AdjustPro’s agreements before they were presented to clients and that he does not typically meet with clients; however, the agreements identified Smith as the agent assigned to adjust clients’ claims.

- g. Neither Fallas nor Boswell are licensed as adjusters with the Department but held themselves out as performing adjusting services.
- h. Respondents use unlicensed persons to adjust, investigate, or negotiate settlement of claims.
- i. Upon being notified of the complaints, Respondents refunded the full claims amounts received from the insurers to the complainants. Further, Respondents represented that they have implemented remedial measures to resolve current and avoid further violations while engaged in the insurance business in Arizona. Respondents’ represented remedial measures include, but are not limited to: i) modifying all marketing materials to remove any references to “free” work or “free” roofing services; ii) terminating the use of pre-signed agreements; iii) ensuring that Respondents’ marketers are clearly identified as such and that marketers disclose to consumers that they are not licensed adjusters.

CONCLUSIONS OF LAW

9. The Director has jurisdiction over this matter.

10. Respondents’ conduct, as described above, constitutes a violation of Title 20

or any rule, subpoena or order of the Director. A.R.S. § 20-295(A)(2).

1 11. Respondents' conduct, as described above, constitutes the holding themselves
2 out to adjust, investigate or negotiate the settlement of claims arising under property and
3 casualty insurance contracts on behalf of either the insurers or the insured without a license.
4 A.R.S. § 20-321.

5 12. Smith, is responsible for AdjustPro and its employees' compliance with the
6 insurance laws of the State of Arizona. A.R.S. § 20-285(C)(3).

7 13. Grounds exist, in addition to or instead of any suspension or revocation for the
8 Director to impose a civil penalty of not more than \$250.00 for each unintentional failure or
9 violation up to an aggregate civil penalty of \$2,500.00, or impose a civil penalty of not more
10 than \$2,500.00 for each intentional failure or violation, up to an aggregate civil penalty of
11 \$15,000.00. A.R.S. § 20-295(F).

12 **ORDER**

13 **IT IS HEREBY ORDERED THAT:**

14 Daniel W. Smith and AdjustPro Solutions LLC shall immediately pay to the
15 Department a civil money penalty in the amount of two thousand five hundred dollars
16 (\$2,500.00). Respondents are jointly and severally responsible for payment of the civil
17 money penalty.

18 Effective this 16th day of April, 2024.

19 *Barbara D. Richardson*
20 _____
21 Barbara D. Richardson,
22 Cabinet Executive Officer
Executive Deputy Director
Arizona Department of Insurance and Financial Institutions

CONSENT TO ORDER

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2 1. Respondents acknowledge that they have been served with a copy of the
3 foregoing Consent Order in the above-referenced matter, have read it, are aware of their
4 right to an administrative hearing in this matter and have knowingly and voluntarily waived
5 that right.

6 2. Respondents accept the personal and subject matter jurisdiction of the
7 Department over them in this matter.

8 3. Respondents acknowledge that no promise of any kind or nature has been
9 made to induce them to sign the Consent to Order and they have done so knowingly and
10 voluntarily.


11 4. Respondents acknowledge and agree that the acceptance of this Consent to
12 Order by the Director is solely to settle this matter and does not preclude the Department
13 from instituting other proceedings as may be appropriate now or in the future. Furthermore,
14 and notwithstanding any language in this Consent Order, this Consent Order does not
15 preclude in any way any other state agency or officer or political subdivision of this state
16 from instituting proceedings, investigating claims, or taking legal action as may be
17 appropriate now or in the future relating to this matter or other matters concerning
18 Respondent, including but not limited to violations of Arizona’s Consumer Fraud Act.
19 Respondent acknowledges that, other than with respect to the Department, this Consent
20 Order makes no representations, implied or otherwise, about the views or intended actions
21 of any other state agency or officer or political subdivision of the state relating to this matter
22 or other matters concerning Respondent.

1 5. Respondents acknowledge and agree that failure to correct the violations set
2 forth above in this Consent Order, or any repeat findings of the above violations in the
3 future, can result in disciplinary action which may include a greater civil money penalty and
4 suspension or revocation of their licenses.

5 6. Respondents waive all rights to seek an administrative or judicial review or
6 otherwise to challenge or contest the validity of this Consent Order and its accompanying
7 parts before any court of competent jurisdiction.

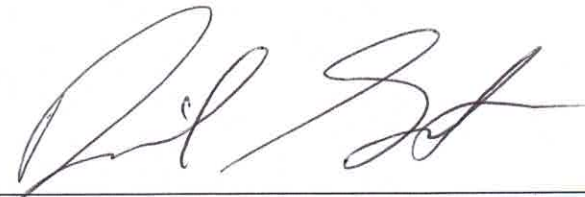
8 7. Respondents acknowledge that this Consent Order is an administrative action
9 that the Department will report to the National Association of Insurance Commissioners
10 (NAIC). Respondents further acknowledge that they must report this administrative action
11 to any and all states in which Respondents hold an insurance license and must disclose this
12 administrative action on any license application.

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14 3-28-24
15 DATE



DANIEL W. SMITH
(NATIONAL PRODUCER NO. 19319517)

16
17 3-28-24
18 DATE



ADJUSTPRO SOLUTIONS, LLC
(NATIONAL PRODUCER NO. 19336967)

1 **COPY** of the foregoing delivered via email
this 16th day of April, 2024, to:

2 Daniel W. Smith
3 AdjustPro Solutions, LLC
8611 N. Black Canyon Hwy, Ste. 116
4 Phoenix, AZ 85021
dan.smith.rcs@gmail.com
5 adjustpro.solutions@gmail.com
Respondents

6 **COPY** of the foregoing delivered/emailed same date, to:

7 Ana Starcevic, Paralegal Project Specialist
8 Cathy O'Neil, Consumer Regulatory Affairs Officer
Steven Fromholtz, Division Manager, Licensing
9 Linda Lutz, Legal Assistant, Licensing
Aqueelah Currie, Licensing Supervisor
10 Rachel Smith, Investigator
Arizona Department of Insurance and Financial Institutions
11 100 North 15th Avenue, Suite 261
Phoenix, Arizona 85007-2630

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13 Ana Starcevic

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