

No. **2025-9144**

**Official Order
of the
Texas Commissioner of Insurance**

Date: 2/20/2025

Subject Considered:

Strategic Claim Consultants, LLC
3050 Amwiler Road Suite 200B
Atlanta, Georgia 30360

Consent Order
TDI Enforcement File No. 29853

General remarks and official action taken:

This is a consent order with Strategic Claim Consultants, LLC (Strategic). The Texas Department of Insurance (TDI) alleges that Strategic paid proceeds of a policy of insurance without including the insured as a payee on the payment draft or check, participated either directly or indirectly in the reconstruction, repair, or restoration of damaged property that is the subject of a claim adjusted by Strategic, and entered into an agreement that failed to comply with the Texas Insurance Code. Strategic agrees to pay an administrative penalty of \$15,000.

Waiver

Respondent acknowledges that the Texas Insurance Code and other applicable law provide certain rights. Respondent waives all of these rights, and any other applicable procedural rights, in consideration of the entry of this consent order.

Findings of Fact

Licensure

1. Strategic, firm identification number 169979, is a public insurance adjusting firm incorporated in Georgia and with its principal place of business in Atlanta, Georgia. Strategic holds a Texas nonresident public insurance adjuster license issued by TDI on July 8, 2020.
2. Brandon Lewis (Lewis), individual identification number 1822007, is Strategic's Chief Executive Officer and controlling individual. Lewis holds a Texas nonresident public insurance adjuster license issued by TDI on July 8, 2020.

Previous Warning Letter

3. On July 10, 2020, TDI issued a warning letter to Strategic and Lewis for acting as public insurance adjusters in Texas without a license.

Allegations and Mitigating Facts

4. On May 27, 2020, J&T Corpus Inc., dba Automotive Solutions (J&T), suffered a loss due to hail damage to the business' roof and soft metals of the building. J&T's owner, Jose M. Corpus (Corpus) filed a claim for J&T, and the insurance carrier, State Automobile Mutual Insurance Company (State Auto), inspected the property for damage on April 1, 2021.
5. On January 25, 2021, Corpus entered into a Public Insurance Adjuster Contract with Strategic to represent his company in its hail damage claim. Corpus also entered into a service agreement with contractor, Restoremasters, LLC (Restoremasters), to fix the damage to J&T's roof and building.
6. Lewis maintains he was not directly involved in the claim of J&T and had no direct knowledge of the facts or circumstances of the claim.
7. On February 19, 2021, Strategic completed an inspection of the J&T property and on February 23, 2021, completed an estimate of damages.

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8. On March 16, 2021, Caleb Pallay (Pallay) of Strategic sent an email to State Auto to advise of its representation of J&T, and provided the estimate of damages, photographs, the executed Public Insurance Adjuster Contract, and a W-9 form.
9. On April 1, 2021, State Auto completed an inspection of the J&T property. A representative of Strategic attended this inspection with State Auto.
10. On April 2, 2021, Strategic issued a payment to Restoremasters in the amount of \$2,500, as an advance on the claim of J&T.
11. On April 6, 2021, State Auto emailed Strategic submitting the insurer's estimate of damages and requesting an agreement in the amount of \$110,807.38 for the claim.
12. On April 28, 2021, State Auto issued an initial claim settlement check in the amount of \$65,237.42 to J&T and Strategic.
13. On May 7, 2021, Strategic deposited the initial claim settlement check into a non-interest-bearing escrow account at JP Morgan Chase Bank.
14. Strategic did not sign or endorse the payment check on behalf of J&T but deposited the check without obtaining Corpus' signature on behalf of J&T.
15. On May 7, 2021, Strategic deducted its 10% public adjuster's fee of \$6,523.74 from the funds of J&T that were deposited into the escrow account at JP Morgan Chase, in accordance with its Public Insurance Adjuster Contract.
16. Strategic received an authorization to pay Restoremasters, signed by Corpus on behalf of J&T, establishing a payment schedule for insurance proceeds received for the claim to be paid to Restoremasters for the repairs to the property. Strategic acknowledges this type of agreement is inappropriate for a public insurance adjuster or firm.
17. On July 20, 2021, Strategic issued an additional payment of \$26,856.84 to Restoremasters for contracting work on the property. Strategic held the remainder of the funds (\$29,356.84) in the escrow account at JP Morgan Chase Bank.
18. On January 10, 2022, Restoremasters contacted Pallay and advised that there may be a supplemental estimate and Pallay requested additional information regarding what needed to be supplemented.

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19. On March 3, 2022, Pally contacted State Auto to advise that some items were missing from the State Auto estimate and requested that State Auto contact Mike Fried of Strategic for further discussion.
20. On May 19, 2022, Corpus contacted Pally to inquire into the status of the claim. Pally confirmed that Strategic released 50% of the initial claims proceeds to Restoremasters and that it was continuing to hold the excess funds in escrow for the project.
21. That same day, Pally contacted Restoremasters and reminded them of the initial payment, informed them of the fact that Strategic was holding additional funds in escrow, and that there would be recoverable depreciation available. Additionally, Pally confirmed the possible supplemental estimate but stated that work needed to be underway and they could document the supplement as necessary.
22. On October 31, 2022, Pally contacted Restoremasters to inquire whether any work had started and further advised that Strategic had been waiting on them to provide the necessary information to submit a supplemental estimate. Restoremasters responded that the repairs were in invoicing to collect and thought supplements had been provided.
23. On November 10, 2022, Pally contacted Corpus to inquire into the status of the repairs to the J&T property. Pally reminded Corpus that Strategic was still maintaining funds in escrow and offered to disburse those funds. Corpus then requested that the funds be disbursed to his attention.
24. On November 14, 2022, Pally requested \$29,356.84 be sent to J&T.
25. On November 30, 2022, Corpus contacted Pally to inquire about the remaining funds. Pally indicated he would inquire further but suspected the delay may be related to the Thanksgiving holiday.
26. On December 7, 2022, following requests for information made by TDI, Respondent disbursed the remaining funds of \$29,356.84 to J&T.
27. On January 26, 2023, Pally submitted a final invoice to State Auto; no supplemental estimate was necessary. Pally also requested that recoverable depreciation funds be released. The final invoice amount was \$110,807.38, as per the State Auto estimate.

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28. On March 14, 2023, Restoremasters deposited the \$29,356.84 check from Strategic that was payable to J&T. The check was held by J&T and handed over to Restoremasters three months after it was issued.
29. On May 6, 2023, State Auto issued a payment for the recoverable depreciation in the amount of \$43,069.96, payable to J&T and Avery Properties. Strategic was not a payee on this payment and did not receive a public adjuster's fee on this additional payment as was authorized by its agreement with J&T.
30. On July 18, 2023, J&T provided the check for the recoverable depreciation to Restoremasters, in the amount of \$43,069.96.
31. On September 19, 2024, Corpus, on behalf of J&T, executed a sworn declaration stating that he felt the claim was handled fairly and appropriately and stated that Pallay was instrumental in facilitating the repairs to the building. Corpus acknowledged that funds were held by Strategic on his behalf and that no request to Respondent for funds was ever denied.
32. Respondent maintained \$29,356.84 in a non-interest-bearing account that was owed to J&T from April 28, 2021, through December 7, 2022 — approximately 20 months after State Auto had issued payment on the claim. Respondent acknowledges that the funds should have been immediately dispersed to the insured upon receipt.

Conclusions of Law

1. The commissioner has jurisdiction over this matter under TEX. INS. CODE §§ 82.051–82.055, 84.021–84.044, 4005.101, 4005.102, and ch. 4102; 28 TEX. ADMIN. CODE § 19.713; and TEX. GOV'T CODE §§ 2001.051-2001.178.
2. The commissioner has the authority to dispose informally of this matter as set forth in TEX. GOV'T CODE § 2001.056; TEX. INS. CODE §§ 36.104 and 82.055; and 28 TEX. ADMIN. CODE § 1.47.
3. Respondent has knowingly and voluntarily waived all procedural rights to which they may have been entitled regarding the entry of this order, including, but not limited to, issuance and service of notice of intention to institute disciplinary action, notice of hearing, a public hearing, a proposal for decision, rehearing by the commissioner, and judicial review.

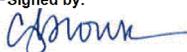
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4. Respondent paid proceeds of an insurance claim without including the insured as a payee or without requiring the written signature of the insured, in violation of TEX. INS. CODE § 4102.104(c).
5. Respondent participated either directly or indirectly in the reconstruction, repair, or restoration of damaged property that is the subject of a claim adjusted by Respondent, in violation of 28 TEX. ADMIN. CODE § 19.713(b)(8).
6. Respondent entered into an agreement that failed to comply with Insurance Code Chapter 4102, in violation of 28 TEX. ADMIN. CODE § 19.713(9) and (10).

Order

It is ordered that Strategic Claim Consultants, LLC pay an administrative penalty of \$15,000 within 30 days from the date of this order. The administrative penalty must be paid as instructed in the invoice, which the department will send after entry of this order.

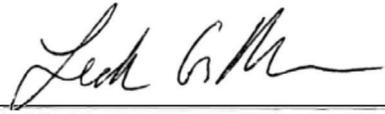
Signed by:

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Cassie Brown
Commissioner of Insurance

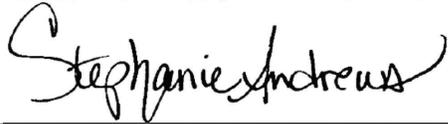
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Recommended and reviewed by:



Leah Gillum, Deputy Commissioner
Fraud and Enforcement Division



Stephanie Andrews, Staff Attorney
Enforcement

Approved as to form and content:



Michael B. Weinstein
Counsel for Respondent



Bill Shea
Counsel for Respondent

Affidavit

STATE OF Georgia §
§
COUNTY OF Gwinnett §

Before me, the undersigned authority, personally appeared Brandon Lewis who being by me duly sworn, deposed as follows:

"My name is Brandon Lewis. I am of sound mind, capable of making this statement, and have personal knowledge of these facts which are true and correct.

I hold the office of President and am the authorized representative of Strategic Claim Consultants, LLC. I am duly authorized by said organization to execute this statement.

Strategic Claim Consultants, LLC, has knowingly and voluntarily entered into the foregoing consent order and agrees with and consents to the issuance and service of the same by the commissioner of insurance of the State of Texas."



Affiant

SWORN TO AND SUBSCRIBED before me on Jan 13, _____, 2025.

(NOTARY SEAL)



Karen E Musser

Signature of Notary Public

Karen E Musser

Printed Name of Notary Public