

No. 2023-8033

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

**Date:** 6/22/2023

**Subject Considered:**

Capital Adjusting Services  
1200 G. Street, NW, Ste 800  
Washington, DC 20005-6705

Default Order  
SOAH Docket No. 454-23-19231  
TDI Enforcement File No. 28672

**General remarks and official action taken:**

This is a default order taken against Capital Adjusting Services (Respondent) because it adjusted claims and advertised its ability to engage in the business of insurance in Texas without a license. Respondent did not respond to a Notice of Hearing filed by the Texas Department of Insurance. Capital Insurance Adjusters is ordered to cease and desist from performing acts which constitute the business of insurance as defined in TEX. INS. CODE § 101.051.

The following findings of fact and conclusions of law are adopted:

**Findings of Fact**

Failure to Respond to Notice of Hearing

1. On May 15, 2023, the department filed a Notice of Hearing, attached as Exhibit A, and an Original Petition, attached as Exhibit B, with the State Office of Administrative Hearings.
2. The department's factual allegations set out in the attached Notice of Hearing and Original Petition are incorporated in this order as findings of fact.

## **2023-8033**

Commissioner's Order

Capital Adjusting Services

SOAH Docket No. 454-23-19231

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3. The department sent the Notice of Hearing and Original Petition to Respondent's last known address provided in writing to the department, 1200 G. Street, NW, Ste 800, Washington, DC 20005-6705. The Notice of Hearing and Original Petition were also sent by electronic mail.
4. Respondent failed to file a written response to the Notice of Hearing within 20 days of the date the Notice of Hearing and Original Petition were mailed.

### **Conclusions of Law**

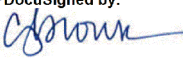
1. The commissioner has jurisdiction under Texas law, including TEX. INS. CODE §§ 82.051-82.055, § 101.103, 101.105, 101.151, 4102.051; and TEX. GOV'T CODE §§ 2001.051-2001.178.
2. The commissioner has authority to dispose of this case informally under TEX. GOV'T CODE § 2001.056; TEX. INS. CODE § 82.055; and 28 TEX. ADMIN. CODE §§ 1.47, 1.88, and 1.89.
3. The department provided proper notice of the hearing under TEX. GOV'T CODE §§ 2001.051, 2001.052, and 2001.054, and 28 TEX. ADMIN. CODE §§ 1.28, 1.88, 1.89, and 19.906.
4. Based on Respondent's failure to file a written response to the Notice of Hearing, the department is entitled to disposition by default under 28 TEX. ADMIN. CODE §§ 1.88 and 1.89.
5. The department's factual and legal allegations set out in the attached Notice of Hearing and Original Petition are incorporated in this order and deemed admitted as true under 28 TEX. ADMIN. CODE § 1.89.

### **Order**

It is ordered that Capital Insurance Adjusters cease and desist from performing acts which constitute the business of insurance as defined in TEX. INS. CODE § 101.051. A copy of this order will be provided to law enforcement or other appropriate administrative agencies for further investigation as may be warranted.

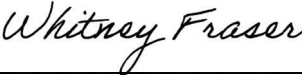
# 2023-8033

Commissioner's Order  
Capital Adjusting Services  
SOAH Docket No. 454-23-19231  
Page 3 of 5

DocuSigned by:  
  
FC5D7EDDFFB4F8...

\_\_\_\_\_  
Cassie Brown  
Commissioner of Insurance

Prepared and reviewed by:



\_\_\_\_\_  
Whitney Fraser, Litigation Director  
Enforcement

# 2023-8033

Commissioner's Order  
Capital Adjusting Services  
SOAH Docket No. 454-23-19231  
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## Affidavit

**STATE OF TEXAS** §

§

**COUNTY OF TRAVIS** §

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

"My name is David Moreno and I am employed by the Texas Department of Insurance. I am of sound mind, capable of making this affidavit, and have personal knowledge of these facts which are true and correct.

I have reviewed TDI's records concerning Capital Adjusting Services. I have confirmed that:

- a. The last mailing address provided to the department in writing by Capital Adjusting Services is 1200 G. Street, NW, Ste 800, Washington, DC 20005-6705.
- b. The file maintained by Enforcement contains a Notice of Hearing and Original Petition dated May 15, 2023, which were filed with the State Office of Administrative Hearings.
- c. On May 15, 2023, the Notice of Hearing and Original Petition addressed to Capital Adjusting Services were mailed first-class and certified, return receipt requested, to its last known address and sent via electronic mail.

Copies of the first-class mail log and certified mail log maintained by Enforcement are attached as Exhibit C and Exhibit D, respectively."

DocuSigned by:  
*David Moreno*

7B814AEF8863A457

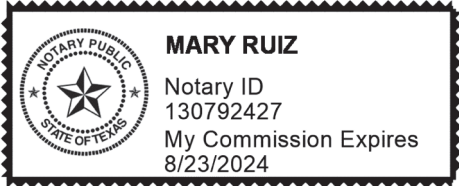
Affiant

# 2023-8033

Commissioner's Order  
Capital Adjusting Services  
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SWORN TO AND SUBSCRIBED before me by means of an interactive two-way audio and video communication on 6/8/2023. This notarial act was an online notarization.

## Notary Seal



## Digital Certificate

DocuSigned by:

*Mary Ruiz*

795DC4D59167489...

Notary Public State of Texas

FILED **2023-8033**  
454-23-19231  
5/15/2023 9:54 AM  
STATE OFFICE OF  
ADMINISTRATIVE HEARINGS  
Crystal Rosas, CLERK

ACCEPTED  
454-23-19231  
5/15/2023 9:56:32 am  
STATE OFFICE OF  
ADMINISTRATIVE HEARINGS  
Crystal Rosas, CLERK

**SOAH DOCKET NO. 454-23-19231**  
**TDI ENFORCEMENT FILE NO. 28672**

**TEXAS DEPARTMENT OF INSURANCE,**

**BEFORE THE STATE OFFICE**

**Petitioner**

**v.**

**OF**

**CAPITAL ADJUSTING SERVICES,**

**ADMINISTRATIVE HEARINGS**

**Respondent**

**NOTICE OF HEARING**

The Texas Department of Insurance seeks to take disciplinary action against you, including but not limited to issuance of a cease and desist order. This Notice of Hearing and the Original Petition, which is attached and incorporated for all purposes, states the allegations against you and the relief sought by the Department.

A public hearing will be held before an Administrative Law Judge on **Wednesday, August 23, 2023, at 1:00 pm**. The hearing will take place via videoconference using a videoconference platform controlled by the State Office of Administrative Hearings, unless otherwise ordered to proceed in another manner by the Administrative Law Judge.

The hearing shall be conducted under TEX. GOV'T CODE, ch. 2001 and 1 TEX. ADMIN. CODE, ch. 155. Unless otherwise directed by the Administrative Law Judge, the hearing shall continue from day to day in the offices of the State Office of Administrative Hearings until concluded. You have the right to appear at this hearing and to be represented by an attorney.

**Parties that are not represented by an attorney may obtain information regarding contested case hearings on the public website of the State Office of Administrative Hearings at [www.soah.texas.gov](http://www.soah.texas.gov), or in printed format upon request to SOAH.**

**YOU MUST FILE A WRITTEN RESPONSE TO THE NOTICE OF HEARING WITH THE STATE OFFICE OF ADMINISTRATIVE HEARINGS WITHIN 20 DAYS OF THE DATE THE NOTICE OF HEARING WAS MAILED. FAILURE TO FILE A WRITTEN RESPONSE BY THIS DEADLINE SHALL ENTITLE TDI TO SEEK DISPOSITION BY DEFAULT UNDER 1 TEX. ADMIN. CODE § 155.501 AND 28 TEX. ADMIN. CODE §§ 1.88 AND 1.89.**

**EXHIBIT**  
**A**

## 2023-8033

Notice of Hearing  
Capital Adjusting Services  
SOAH Docket No. 454-23-19231  
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**IF YOU FAIL TO FILE A WRITTEN RESPONSE, THE SCHEDULED HEARING CAN BE CANCELED AND WITHOUT FURTHER NOTICE TO YOU THE COMMISSIONER OF INSURANCE CAN ISSUE AN ORDER IN WHICH THE ALLEGATIONS IN THE NOTICE OF HEARING ARE DEEMED ADMITTED AS TRUE AND THE RELIEF SOUGHT IN THE NOTICE OF HEARING, INCLUDING ISSUANCE OF A CEASE AND DESIST ORDER, IMPOSITION OF ADMINISTRATIVE PENALTIES, AND/OR PAYMENT OF RESTITUTION, IS GRANTED BY DEFAULT.**

**IF YOU FILE A WRITTEN RESPONSE BUT THEN FAIL TO APPEAR ON THE DAY AND TIME SET FOR HEARING, WITHOUT FURTHER NOTICE TO YOU, THE COMMISSIONER OF INSURANCE CAN ISSUE AN ORDER IN WHICH THE ALLEGATIONS IN THE NOTICE OF HEARING ARE DEEMED ADMITTED AS TRUE AND THE RELIEF SOUGHT IN THE NOTICE OF HEARING, INCLUDING ISSUANCE OF A CEASE AND DESIST ORDER, IMPOSITION OF ADMINISTRATIVE PENALTIES, AND/OR PAYMENT OF RESTITUTION, IS GRANTED BY DEFAULT.**

In accord with 28 TEX. ADMIN. CODE § 1.90(e) and 1 TEX. ADMIN. CODE §§ 155.101 and 155.103, you should send copies of your written response to:

- (1) *(by mail, fax, or electronically)*  
Docketing Division  
State Office of Administrative Hearings  
300 West 15th Street, Room 504  
P.O. Box 13025  
Austin, Texas 78711-3025  
(512) 322-2061 (Fax);  
[www.soah.texas.gov](http://www.soah.texas.gov)
  
- (2) *(by mail, fax, or email)*  
Chief Clerk  
Texas Department of Insurance  
P.O. Box 12030, MC GC-CCO  
Austin, Texas 78711-2030  
(512) 490-1064 (Fax)  
[chiefclerk@tdi.texas.gov](mailto:chiefclerk@tdi.texas.gov); and

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Notice of Hearing  
Capital Adjusting Services  
SOAH Docket No. 454-23-19231  
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- (3) *(by mail, fax, or email)*  
Whitney Fraser, Director of Litigation  
Texas Department of Insurance  
Enforcement, MC ENF  
P.O. Box 12030  
Austin, Texas 78711-2030  
(512) 490-1020 (Fax)  
Whitney.Fraser@tdi.texas.gov

### **Receiving Documents Electronically and Filing Documents with SOAH**

The State Office of Administrative Hearings (SOAH) offers you the ability to electronically receive orders and other documents issued by SOAH by email instead of by mail. If you want to receive SOAH-issued documents by email, follow the instructions on SOAH's website: [www.soah.texas.gov](http://www.soah.texas.gov).

A request to receive SOAH-issued documents by email does not change the procedures you must follow to file documents or exhibits with SOAH. Instructions on how to file documents and exhibits are on SOAH's website. SOAH's website also includes guidance for representing yourself.

### **Important Security Notice** (for In-Person Hearings ONLY)

**ALL VISITORS TO THE WILLIAM P. CLEMENTS BUILDING WITHOUT AN AGENCY OR DPS ISSUED ID CARD MUST PROVIDE THE BUILDING SECURITY OFFICER WITH THE STATE OFFICE OF ADMINISTRATIVE HEARINGS DOCKET NUMBER AND RECEIVE A VISITOR'S PASS IN ORDER TO BE ALLOWED ACCESS TO THE HEARING ROOM. INDIVIDUALS SHOULD ALLOW ADDITIONAL TIME TO GO THROUGH THE SECURITY PROCESS.**



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Notice of Hearing  
Capital Adjusting Services  
SOAH Docket No. 454-23-19231  
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If you have any questions, please contact me at the address or telephone number shown below.

Respectfully Submitted,



---

Whitney Fraser  
State Bar No. 24057835  
Texas Department of Insurance  
Enforcement, MC ENF  
P.O. Box 12030  
Austin, Texas 78711-2030  
(512) 676-6341 (Direct)  
(512) 490-1020 (Fax)  
Whitney.Fraser@tdi.texas.gov

ATTORNEY FOR THE PETITIONER  
TEXAS DEPARTMENT OF INSURANCE

Enclosure: Original Petition

cc: Leah Gillum, Deputy Commissioner, Fraud and Enforcement Division, MC ENF  
Administrative Review, MC CO-AAL

# 2023-8033

Notice of Hearing  
Capital Adjusting Services  
SOAH Docket No. 454-23-19231  
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## CERTIFICATE OF SERVICE

I, Whitney Fraser, certify that a true and correct copy of the *Notice of Hearing and the Original Petition* were sent by regular, first-class mail and by certified mail, return receipt requested, and via email, on May 15, 2023, to:

Capital Adjusting Services  
1200 G. Street, NW, Ste 800  
Washington, DC 20005-6705

Via Email: [info@capitaladjustingservices.com](mailto:info@capitaladjustingservices.com)



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Whitney Fraser

FILED  
454-23-19231 **2023-8033**  
5/12/2023 11:20 AM  
STATE OFFICE OF  
ADMINISTRATIVE HEARINGS  
Matilda Salas, CLERK

SOAH DOCKET NO. 454-23-19231

ACCEPTED  
454-23-19231  
5/12/2023 11:28:28 am  
STATE OFFICE OF  
ADMINISTRATIVE HEARINGS  
Matilda Salas, CLERK

**SOAH DOCKET NO. 454-\_\_\_\_\_**  
**TDI ENFORCEMENT FILE NOS. 28672**

**TEXAS DEPARTMENT OF INSURANCE,**

**BEFORE THE STATE OFFICE**

**Petitioner**

**v.**

**OF**

**CAPITAL ADJUSTING SERVICES**

**ADMINISTRATIVE HEARINGS**

**Respondent**

**ORIGINAL PETITION**

The Texas Department of Insurance seeks to issue a cease and desist order for engaging in unauthorized insurance. In support of this petition, the department makes the following allegations upon information and belief:

**Jurisdiction**

The Commissioner of Insurance has jurisdiction over this matter under TEX. INS. CODE §§ 82.051-82.055, § 101.103, 101.105, 101.151, 4102.051, and TEX. GOV'T CODE §§ 2001.051-2001.178.

**Factual Allegations**

1. Capital Adjusting Services, organization identification no. 188276, applied for a public insurance adjuster license on September 21, 2022. That application expired due to a lack of required information.
2. Capital Adjusting Services does not currently hold, nor has ever held, a license issued by the Texas Department of Insurance.
3. Capital Adjusting Services is licensed and engages in the business of public insurance adjusting in several other states.
4. Capital Adjusting Services maintains a website at [www.capitaladjustingservices.com](http://www.capitaladjustingservices.com). This website previously indicated Capital

**EXHIBIT**  
**B**

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Original Petition

Capital Adjusting Services

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Adjusting Services is licensed to engage in the business of public insurance adjusting in Texas.

5. Capital Adjusting Services removed all information on its website that it is licensed in Texas or that it can engage in the business of public insurance adjusting in Texas on or around March 20, 2023.
6. A complaint was received alleging that Capital Adjusting Services was hired and acted as a public insurance adjuster on a weather-related claim for a Texas insured without a license.
7. Capital Adjusting Services represents that it handled two total claims in Texas without holding a license.

## Legal Allegations

1. Capital Adjusting Services acted as and held itself out as a public insurance adjusting agency without holding a license, as prohibited by TEX. INS. CODE § 4102.051.
2. Capital Adjusting Services engaged in the unauthorized business of insurance by directly or indirectly performing acts which constitute the business of insurance as defined in TEX. INS. CODE § 101.051 in violation of TEX. INS. CODE § 101.102.

## Relief Sought

If one or more of the above allegations is found to be true, the department asks the Administrative Law Judge to enter a Proposal for Decision recommending that the Commissioner of Insurance issue an order:

1. ordering Capital Adjusting Services to cease and desist from performing acts which constitute the business of insurance as defined in TEX. INS. CODE § 101.051,
2. directing Capital Adjusting Services to pay an administrative penalty under TEX. INS. CODE § 101.103,
3. directing Capital Adjusting Services to make restitution to victims under TEX. INS. CODE § 101.103, and
4. imposing any other just and appropriate relief to which the department may be entitled to by law, including any combination of the above actions.

**2023-8033**

Original Petition  
Capital Adjusting Services  
Page 3 of 3

Respectfully Submitted,



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Whitney Ellis Fraser  
State Bar No. 24057835  
Texas Department of Insurance  
Enforcement, MC ENF  
P.O. Box 12030  
Austin, Texas 78711-2030  
(512) 676-6341 (Direct)  
(512) 490-1020 (Fax)  
Whitney.Fraser@tdi.texas.gov

ATTORNEY FOR THE PETITIONER  
TEXAS DEPARTMENT OF INSURANCE

## 2023-8033

### Automated Certificate of eService

This automated certificate of service was created by the eFiling system. The filer served this document via email generated by the eFiling system on the date and to the persons listed below. The rules governing certificates of service have not changed. Filers must still provide a certificate of service that complies with all applicable rules.

Mary Ruiz on behalf of Whitney Fraser  
Bar No. 24057835  
Enforcementgeneral@tdi.texas.gov  
Envelope ID: 75583129  
Filing Code Description: Request to Docket  
Filing Description: Request to Docket  
Status as of 5/12/2023 11:31 AM CST

Associated Case Party: Chief Clerk

Name	BarNumber	Email	TimestampSubmitted	Status
Chief Clerk		ChiefClerk@tdi.texas.gov	5/12/2023 11:20:05 AM	SENT

Associated Case Party: Texas Department of Insurance

Name	BarNumber	Email	TimestampSubmitted	Status
Whitney Fraser		Whitney.Fraser@tdi.texas.gov	5/12/2023 11:20:05 AM	SENT
Texas Department of Insurance		Enforcementgeneral@tdi.texas.gov	5/12/2023 11:20:05 AM	SENT

Associated Case Party: Capital Adjusting Services

Name	BarNumber	Email	TimestampSubmitted	Status
Adam Schwartz		info@capitaladjustingservices.com	5/12/2023 11:20:05 AM	SENT

**2023-8033**

**Automated Certificate of eService**

This automated certificate of service was created by the eFiling system. The filer served this document via email generated by the eFiling system on the date and to the persons listed below. The rules governing certificates of service have not changed. Filers must still provide a certificate of service that complies with all applicable rules.

Mary Ruiz on behalf of Whitney Fraser  
Bar No. 24057835  
Enforcementgeneral@tdi.texas.gov  
Envelope ID: 75623556  
Filing Code Description: Notice of Hearing  
Filing Description: Notice of Hearing and Original Petition  
Status as of 5/15/2023 9:57 AM CST

Associated Case Party: Texas Department of Insurance

Name	BarNumber	Email	TimestampSubmitted	Status
Whitney Fraser		Whitney.Fraser@tdi.texas.gov	5/15/2023 9:54:45 AM	SENT
Texas Department of Insurance		Enforcementgeneral@tdi.texas.gov	5/15/2023 9:54:45 AM	SENT
Leah Gillum		Leah.Gillum@tdi.texas.gov	5/15/2023 9:54:45 AM	SENT
Catarina Tapia		Catarina.Tapia@tdi.texas.gov	5/15/2023 9:54:45 AM	SENT

Associated Case Party: Chief Clerk

Name	BarNumber	Email	TimestampSubmitted	Status
Chief Clerk		ChiefClerk@tdi.texas.gov	5/15/2023 9:54:45 AM	SENT

Associated Case Party: Capital Adjusting Services

Name	BarNumber	Email	TimestampSubmitted	Status
Adam Schwartz		info@capitaladjustingservices.com	5/15/2023 9:54:45 AM	SENT

2023-8033

Name and Address of Sender  
exas Dept of Insurance  
Mail Code ENF  
601 Congress Avenue, Suite 6.900  
Austin TX 78711  
Mary Ruiz  
May 15, 2023

Check type of mail or service  
 Adult Signature Required  
 Adult Signature Restricted Delivery  
 Certified Mail  
 Certified Mail Restricted Delivery  
 Collect on Delivery (COD)  
 Insured Mail  
 Priority Mail  
 Priority Mail Express  
 Registered Mail  
 Return Receipt for Merchandise  
 Signature Confirmation  
 Signature Confirmation Restricted Delivery

FRASER/28672  
USPS Tracking/Article Number

Address (Name, Street, City, State, & Zip Code)  
CAPITAL ADJUSTING SERVICES  
1200 G. STREET, NW, STE 800  
WASHINGTON, DC 20005-6705

RECEIVED  
MAY 17 2023  
TDI - ENFORCEMENT



Affix Stamp Here  
(If issued as an international certificate of mailing or for additional copies of this receipt), Postmark with Date of Receipt

Postage

(Extra Service) Fee

Handling Charge

Actual Value if Registered

Insured Value

Due Sender if COD

ASR Fee

ASRD Fee

RD Fee

RR Fee

SC Fee

SCR Fee

OFFICIAL BUSINESS  
STATE OF TEXAS  
PENALTY FOR PRIVATE USE  
\$50,000 in value

neopost # 05/16/2023  
US POSTAGE \$001.85  
ZIP 78701  
041M1252405

Handling Charge

Adult Signature Required  
Adult Signature Restricted Delivery  
Restricted Delivery  
Return Receipt  
Signature Confirmation  
Signature Confirmation Restricted Delivery  
Special Handling

EXHIBIT  
C

Firm Mailing Book For Accountable Mail

Privacy Note: For more information on USPS privacy policies, visit usps.com/privacy policy.



2023-8033



# Shipment Confirmation Acceptance Notice

## A. Mailer Action

**Note to Mailer:** The labels and volume associated to this form online, **must** match the labeled packages being presented to the USPS® employee with this form.

Shipment Date: 05/15/2023

Shipped From:

Name: MC ENF M RUIZ

Address: 1601 CONGRESS AVENUE SUITE 6 900

City: AUSTIN

State: TX ZIP+4® 78711

Type of Mail	Volume
Priority Mail Express®	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	1
Total	1

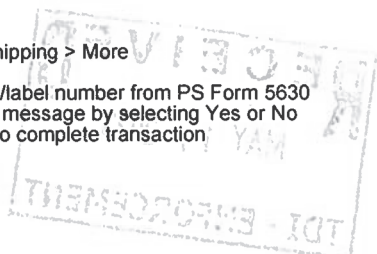
\*Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

## B. USPS Action

Note to RSS Clerk:

1. Home screen > Mailing/Shipping > More
2. Select Shipment Confirm
3. Scan or enter the barcode/label number from PS Form 5630
4. Confirm the volume count message by selecting Yes or No
5. Select Pay and End Visit to complete transaction

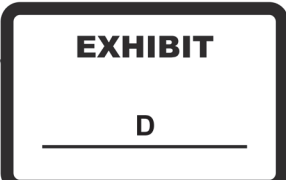
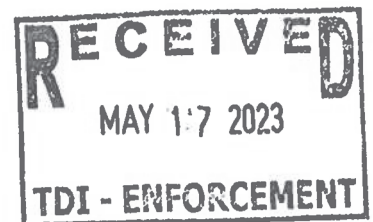
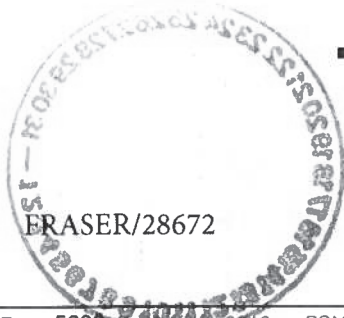
USPS EMPLOYEE: Please scan upon pickup or receipt of mail.  
Leave form with customer or in customer's mail receptacle.



USPS SCAN AT ACCEPTANCE



9275 0901 1935 6200 0044 4290 71





Firm Mailing Book For Accountable Mail

2023-8033

Name and Address of Sender  
MC ENF M RUIZ  
TEXAS DEPARTMENT OF INSURANCE  
1601 CONGRESS AVENUE, SUITE 6.900  
AUSTIN TX 78711

Affix Stamp Here  
(for additional copies of this receipt).  
Postmark with Date of Receipt.

- Check type of mail or service
- Adult Signature Required
  - Adult Signature Restricted Delivery
  - Certified Mail
  - Certified Mail Restricted Delivery
  - Collect on Delivery (COD)
  - Insured Mail
  - Priority Mail
  - Priority Mail Express
  - Registered Mail
  - Return Receipt for Merchandise
  - Signature Confirmation
  - Signature Confirmation Restricted Delivery

USPS Tracking/Article Number

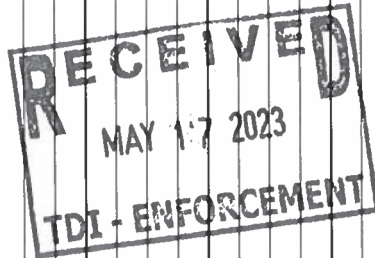
9214 8901 9403 8315 0727 49

FRASER/28672

Addressee (Name, Street, City, State, & ZIP Code™)

CAPITAL ADJUSTING SERVICES  
1200 G. STREET, NW, STE 800  
WASHINGTON, DC 20005-6705

Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee
0.84	4.15	Handling Charge - if Registered and over \$50,000 in value							2.10			
						Adult Signature Required	Adult Signature Restricted Delivery	Restricted Delivery	Return Receipt	Signature Confirmation	Signature Confirmation Restricted Delivery	Special Handling



Postmaster, Per (Name of receiving employee)

*[Signature]*

Total Number of Pieces Listed by Sender: 1  
Received at Post Office: 1