

No. 2023-7725

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

Date: 01/04/2023

Subject Considered:

Texas Department of Insurance

v.

Nico Treyvon Stringfellow et al.

SOAH Docket No. 454-21-3246.C

General remarks and official action taken:

The subject of this order is the disciplinary proceeding concerning Nico Treyvon Stringfellow and Eagle Eye Public Adjusters Inc. This order revokes the licenses held by Mr. Stringfellow and Eagle Eye Public Adjusters Inc. and orders that Mr. Stringfellow make complete restitution as stated in this order.

Background

After proper notice was given, the above-styled case was heard by an administrative law judge for the State Office of Administrative Hearings. The administrative law judge made and filed a proposal for decision containing a recommendation that the Texas Department of Insurance (TDI) revoke the licenses held by Mr. Stringfellow and Eagle Eye Public Adjusters Inc. and order that Mr. Stringfellow make complete restitution to Waters Construction Company and David Swearingen. A copy of the proposal for decision is attached as Exhibit A.

TDI adopts the administrative law judge's proposed findings of fact and conclusions of law with changes to the findings and conclusions as described in this order.

Legal Authority for Changes to Proposal for Decision

The legal authority for the changes to the proposal for decision made in this order is Tex. Gov't. Code § 2001.058(e)(1) and (3), which provide that "[a] state agency may change a finding of fact or conclusion of law made by the administrative law judge, or

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may vacate or modify an order issued by the administrative judge, only if the agency determines . . . that the administrative law judge did not properly apply or interpret applicable law, agency rules, written policies [of the agency], or prior administrative decisions . . . or . . . that a technical error in a finding of fact should be changed."

Analysis

Technical errors in the proposal for decision

The case style for the proposal for decision incorrectly refers to the petitioner as "Texas Department of Insurance" instead of "Texas Department of Insurance." The case style for the proposal for decision also incorrectly refers to the applicant as "Nico Treyvon Stringfellow." However, Mr. Stringfellow's middle name is "Treyvon." Mr. Stringfellow's middle name is correctly spelled in the other places where it is referenced in the proposal for decision.

Page 5 of the proposal for decision states that a check was delivered to witness Ronnie Waters on October 14, 2021, and the proposal for decision cites Page 16 of the transcript and TDI Exhibit 8 when providing this date. However, the date provided in the transcript and shown in TDI Exhibit 8 is October 14, 2020.

Footnote 27 on Page 7 of the proposal for decision states that a claim check for witness David Swearingen was paid on March 1, 2022. This payment date is repeated on Page 13 of the proposal for decision. In both places the proposal for decision cites TDI Exhibit 6 when providing this date. However, the date provided in TDI Exhibit 6 is March 1, 2021.

Page 8 of the proposal for decision attributes testimony regarding a witness's continuous health problems since a car wreck in December 2020 to Mr. Swearingen. The proposal for decision cites Page 52 of the transcript in addressing this testimony. However, this page of the transcript contains the testimony of Mr. Stringfellow.

These technical errors do not require any change to the administrative law judge's proposed findings of fact or conclusions of law, but they are acknowledged here to avoid confusion.

Correction to proposed Finding of Fact No. 12

Proposed Finding of Fact No. 12 states:

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The department sent Mr. Stringfellow requests for information pursuant to Texas Insurance Code section 38.001 on April 30, 2021, May 27, 2021, and July 14, 2021, and he failed to respond in writing within 15 days or request an extension of time to respond.

However, in the discussion of evidence in the proposal for decision, the dates of TDI's inquiries to Mr. Stringfellow are listed as March 19, 2021; April 14, 2021; and May 27, 2021. These dates are also provided in the analysis portion of the proposal for decision on Page 13.

Further, the March 19, 2021; April 14, 2021; and May 27, 2021, dates are identified as the dates for TDI's inquiries to Mr. Stringfellow in testimony reported on Pages 67 and 68 of the hearing transcript. Also, copies of TDI's inquiries were admitted as TDI Exhibit 9, and the dates shown on the inquiries are March 19, 2021; April 14, 2021; and May 27, 2021.

On the basis of this information, TDI has determined that the dates listed in proposed Finding of Fact No. 12 are a technical error, and TDI replaces the proposed finding with the following finding:

The department sent Mr. Stringfellow requests for information pursuant to Texas Insurance Code Section 38.001 on March 19, 2021; April 14, 2021; and May 27, 2021, and he failed to respond in writing within 15 days or request an extension of time to respond.

Correction to proposed Conclusion of Law No. 1

Proposed Conclusion of Law No. 1 states:

The Department has jurisdiction over this matter. Tex. Ins. Code §§ 4001.101; 4005.101; 4051.051.

However, Texas Insurance Code § 4051.051 addresses the licensing requirement for someone who holds a general property and casualty license, while Mr. Stringfellow holds a public insurance adjuster license. The statute applicable to a licensee who holds a public insurance adjuster license is Texas Insurance Code § 4102.051.

On the basis of this misapplication of applicable law, TDI replaces the proposed conclusion with the following conclusion:

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The department has jurisdiction over this matter. Tex. Ins. Code §§ 4001.101; 4005.101; 4102.051.

Findings of Fact

1. Findings of Fact Nos. 1–11 and 13–16 as contained in Exhibit A are adopted by TDI and incorporated by reference into this order.
2. In place of Finding of Fact No. 12 as contained in Exhibit A, the following finding of fact is adopted:

The department sent Mr. Stringfellow requests for information pursuant to Texas Insurance Code Section 38.001 on March 19, 2021; April 14, 2021; and May 27, 2021, and he failed to respond in writing within 15 days or request an extension of time to respond.

Conclusions of Law

1. Conclusions of Law Nos. 2–13 as contained in Exhibit A are adopted by TDI and incorporated by reference into this order.
2. In place of Conclusion of Law No. 1 as contained in Exhibit A, the following conclusion of law is adopted:

The department has jurisdiction over this matter. Tex. Ins. Code §§ 4001.101; 4005.101; 4102.051.

Order

It is ordered that the public insurance adjuster license held by Nico Treyvon Stringfellow is immediately revoked.

It is further ordered that the public insurance adjuster license held by Eagle Eye Public Adjusters Inc. is immediately revoked.


Finally, it is ordered that Nico Treyvon Stringfellow pay restitution to the following victims for the following amounts:

Waters Construction Company: \$8,865.24

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David Swearingen: \$39,884.78

Mr. Stringfellow must send proof of payment of the restitution to TDI within 30 days of the date of this order, to EnforcementReports@tdi.texas.gov.

DocuSigned by:

FC5D7EDDFFB84F8... _____
Cassie Brown
Commissioner of Insurance

Recommended and reviewed by:

DocuSigned by:

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Allison Eberhart, Deputy General Counsel

DocuSigned by:

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Justin Beam, Assistant General Counsel

**BEFORE THE
STATE OFFICE OF ADMINISTRATIVE
HEARINGS**

—
**TEXAS DEPARTMENT OF INSURANCE,
PETITIONER**

V.

**NICO TREYVON STRINGFELLOW ET AL.,
RESPONDENTS**

PROPOSAL FOR DECISION

The staff (Staff) of the Texas Department of Insurance (Department) seeks to revoke Nico Treyvon Stringfellow’s and Eagle Eye Public Adjusters Inc.’s (Eagle Eye) (together, Respondents) public insurance adjuster licenses because Staff alleges Mr. Stringfellow, for Respondents: committed fraudulent or dishonest acts or practices; misappropriated, converted, or illegally withheld premiums to an insurer, resulting in a loss to the insured; retained an improper commission that exceeded 10 percent of an insurance settlement; and failed to respond in writing within 15 days to Department inquiry into the matters. After considering the

evidence and the applicable law, the Administrative Law Judge (ALJ) recommends the Department revoke Respondents' licenses.

I. NOTICE, JURISDICTION, AND PROCEDURAL HISTORY

The hearing in this case was held by videoconference on June 30, 2022, before ALJ Ross Henderson with the State Office of Administrative Hearings (SOAH) in Austin, Texas. Staff was represented by attorney Sydney Moore. Respondents were represented by Mr. Stringfellow. The hearing concluded that day, and the record closed on August 19, 2022—the agreed deadline for submission of reply briefs. Notice and jurisdiction were not disputed and are set out in the Findings of Fact and Conclusions of Law below.

II. BACKGROUND, ALLEGATIONS, AND APPLICABLE LAW

Mr. Stringfellow, individual identification number 1748108, holds a public insurance adjuster license issued by the Department on January 23, 2018. Eagle Eye, organization identification number 147024, holds a public insurance adjuster license issued by the Department on February 27, 2020. Mr. Stringfellow is the president and the only designated responsible licensed person for Eagle Eye.

Staff's allegations arise from three alleged incidents:

1. Staff alleges that Respondents represented Waters Construction Company (WCC) in a claim made to Nationwide Insurance (Nationwide) regarding damage to a building and that in 2020 to 2021, Mr. Stringfellow willfully misappropriated, converted, or illegally withheld money belonging WCC when he cashed a check from Nationwide for the claim and failed to distribute the funds to WCC.

2. Similarly, Staff alleges that in 2021, Respondents represented David Swearingen regarding a claim for damage to his house. Staff asserts that Mr. Stringfellow deposited a claim check intended for Mr. Swearingen's claim from Farmers Insurance (Farmers) and Respondents failed to distribute the funds to Mr. Swearingen.
3. Staff alleges that the Department made inquiries to Respondents regarding the above allegations on March 19, 2021, April 14, 2021, and May 27, 2021, and Respondents failed to respond in writing to the inquiries within 15 days or request an extension of time to respond.

Regarding the applicable law, the Texas Insurance Code authorizes the Department to regulate the business of insurance in Texas and to take disciplinary action against license holders who violate the law or rules related to insurance.¹

In particular, the Department may take disciplinary action against a license holder for willfully violating an insurance law of the state, engaging in a fraudulent or dishonest act or practice, or for misappropriating, converting, or illegally withholding money belonging to an insurer or an insured.² A license holder is subject to discipline for its own actions and actions taken through an officer, director, or shareholder.³

Further, a licensed public adjuster may not receive a commission exceeding 10 percent of the amount of an insurance settlement on the claim.⁴

¹ Tex. Ins. Code §§ 31.002(1), (3), 82.051-.055, 4005.102(2).

² Tex. Ins. Code § 4005.101(b)(1), (4), (5).

³ Tex. Ins. Code § 4005.101(b).

⁴ Tex. Ins. Code § 4102.104(a).

Additionally, the Department may make inquiries into any matter connected with a licensee's transactions that the Department considers necessary for the public good or for the proper discharge of the Department's duties; and a person must respond in writing not later than the 15th day after the date the inquiry is received or request a 10-day extension.⁵

Staff bears the burden to prove these allegations.⁶

III. EVIDENCE

At the hearing, Staff offered 10 exhibits, which were admitted, and presented testimony of Ronnie Waters, a complainant; Mr. Swearingen, a second complainant; Sandy Davis, a former contractor for Respondents; and Mr. Stringfellow. Respondents offered no exhibits.

A. RONNIE WATERS'S TESTIMONY

Mr. Waters is the owner of WCC.⁷ In 2021, he filed a claim with his insurer, Nationwide, for damage sustained to his building.⁸ Upon recommendation from his contractor, he engaged Eagle Eye to assist him with persuading Nationwide to

⁵ Tex. Ins. Code § 38.001.

⁶ 1 Tex. Admin. Code § 155.427.

⁷ Transcript (Tr.) at 11.

⁸ Tr. at 12.

cover more damage than was included by Nationwide's adjuster.⁹ Eagle Eye was successful, and a check was issued to WCC, Eagle Eye, and First National Bank.¹⁰ When Mr. Waters attempted to deposit the check into his account, his bank would not accept the check because Eagle Eye had stamped it "for deposit only."¹¹ At Mr. Stringfellow's instruction, Mr. Waters returned the check to Eagle Eye via FedEx.¹² Mr. Stringfellow told him that, once received, he would deposit the check and issue a new check from his account to WCC minus his commission.¹³

Mr. Waters testified that, per FedEx tracking and signature information, the check was delivered to Mr. Stringfellow's address on October 14, 2021, and Mr. Stringfellow signed for it.¹⁴ Mr. Waters testified that he communicated by text and email with Mr. Stringfellow, who initially stated he had received the check but later stated he had not.¹⁵

Nevertheless, Mr. Waters received a certified business record from Nationwide, purporting to show the check had been cashed.¹⁶ Mr. Waters stated that the record shows that the check had been altered, WCC's name and account number had been removed from the check, and the check was signed by

⁹ Tr. at 12-13.

¹⁰ Tr. at 13-14.

¹¹ Tr. at 14.

¹² Tr. at 14.

¹³ Tr. at 14, 16.

¹⁴ Tr. at 16; TDI Ex. 8.

¹⁵ TDI Ex. 5.

¹⁶ TDI Ex. 3 (deposit date illegible).

Esmerelda Silva, a person whose name Mr. Waters was unfamiliar with.¹⁷ However, Mr. Waters testified that although the check was deposited into Respondents' account, he has never received the promised check from Respondents.¹⁸

B. DAVID SWEARINGEN'S TESTIMONY

Mr. Swearingen testified that he called Respondents about a claim with Farmers regarding hurricane damage to his roof.¹⁹ Mr. Swearingen stated that Respondents negotiated a "good settlement" from Farmers, but neither he nor his contractor have ever received the funds.²⁰ Mr. Swearingen spoke to Farmers, who informed him that a claim payment check for \$39,884.78 (which represented the first payment out of a total claim of \$74,000) had been issued to him.²¹ Without the insurance payment, Mr. Swearingen was only able to "patch" the damage to his house.²²

Although Mr. Swearingen testified that he did not recall ever seeing the original check, he received a copy of the check from Farmers.²³ It was issued to Eagle Eye and Mr. Swearingen. Mr. Swearingen testified that the check was endorsed with his initials "DSS," but he did not recall signing the check.²⁴

¹⁷ Tr. at 18.

¹⁸ Tr. at 79-80, 82.

¹⁹ Tr. at 31.

²⁰ Tr. at 30-32, 39.

²¹ Tr. at 32-33.

²² Tr. at 34.

²³ Tr. at 33.

²⁴ Tr. at 33.

Furthermore, Mr. Swearingen stated that the signature could not be his because he had a stroke which impacted his handwriting ability, and the signature was more legible than his actual signature.²⁵

Mr. Swearingen testified that he traced the check to Respondents' account, and Respondents' bank would not release the funds because "they thought something was suspicious."²⁶ He is unsure whether the bank ever released the funds to Respondents.²⁷

Mr. Swearingen was suspicious because Mr. Stringfellow initially told him that he had been in the hospital after a hit-and-run collision and, later, Mr. Stringfellow told him he was in another accident in the same month in which he had driven a car off a bridge into a canal.²⁸ Mr. Stringfellow promised to send Mr. Swearingen a check for the funds, but he has never received it.²⁹

C. MARGARET SANDRA "SANDY" DAVIS'S TESTIMONY

Ms. Davis has been a licensed public adjuster in Texas for six years.³⁰ In 2020, Ms. Davis agreed to join Eagle Eye as a contractor.³¹ Ms. Davis testified she

²⁵ Tr. at 33, 39.

²⁶ Tr. at 33.

²⁷ *But see* TDI Exhibit 6 (certified copy of Mr. Swearingen's claim check, which indicates it was paid on March 1, 2022).

²⁸ Tr. at 30.

²⁹ Tr. at 31.

³⁰ Tr. at 41-42.

³¹ Tr. at 42.

had done so with some hesitation because she had been “warned by some people.”³² Although she signed with Eagle Eye in March 2020, she did not receive a claim until May, and the contract was cancelled approximately five months later by Mr. Stringfellow.³³ In her brief stint with Respondents, she testified that her clients complained that Mr. Stringfellow was unresponsive.³⁴ Ms. Davis testified that Mr. Stringfellow would promise actions, such as sending photos, but did not follow through with his promises.³⁵ Ms. Davis testified that Mr. Stringfellow had a bad reputation with other contractors, who complained that Mr. Stringfellow had kept their money.³⁶

D. RESPONDENTS’ TESTIMONY

Mr. Stringfellow testified that he has been in the insurance restoration business for 10 years and has worked for contractors all over the country, and in Texas since 2017.³⁷ Mr. Stringfellow asserts that in his five years in Texas, he has handled millions of dollars in claims and checks, and he has never had any allegations such as the Department’s allegations in this case.³⁸ Mr. Swearingen testified he has had continuous health problems since he was in a car wreck in December 2020.³⁹

³² Tr. at 42.

³³ Tr. at 42.

³⁴ Tr. at 43.

³⁵ Tr. at 43.

³⁶ Tr. at 44.

³⁷ Tr. at 51.

³⁸ Tr. at 51.

³⁹ Tr. at 52.

Regarding Mr. Swearingen's allegations, Mr. Stringfellow testified that Mr. Swearingen's contractor, Caleb Madra, told him that he had seen Mr. Swearingen sign the check and a disbursement agreement.⁴⁰ Mr. Stringfellow admitted that he attempted to deposit the check.⁴¹ Mr. Stringfellow stated that Mr. Swearingen's construction contractor had a second claim for a separate client with Respondents, First Baptist Church of Sabine Pass.⁴² The Church's check was in the amount of \$100,000.⁴³ Mr. Stringfellow said that he deposited both Mr. Swearingen's and the Church's checks and wrote checks for both to Mr. Swearingen's contractor, with instructions to hold the checks until the deposits had cleared Respondents' accounts.⁴⁴ Mr. Stringfellow claims that although the Church's claim check cleared, Mr. Swearingen's did not because the bank needed verification from Mr. Swearingen.⁴⁵ He testified that he informed Mr. Swearingen to contact the bank, but he never heard back from him.⁴⁶ Mr. Stringfellow stated that he attempted to release the check back to Mr. Swearingen, but he is unsure if the check was ever released because his bank changed owners, and he has been unable to obtain the records.⁴⁷

⁴⁰ Tr. at 53.

⁴¹ Tr. at 54.

⁴² Tr. at 54.

⁴³ Tr. at 53-54.

⁴⁴ Tr. at 55.

⁴⁵ Tr. at 56.

⁴⁶ Tr. at 56.

⁴⁷ Tr. at 55-56.

Regarding the WCC claim, Mr. Stringfellow testified that he represented Mr. Waters and his wife on a separate claim for their personal property without incident.⁴⁸ For the WCC claim, Mr. Stringfellow testified that he did not receive nor sign the claim check from Nationwide.⁴⁹ Mr. Stringfellow states that although the check may have been delivered to his house by FedEx, he did not personally sign for it.⁵⁰ Mr. Stringfellow states he did not endorse the check, and he does not know who Esmerelda Silva, the signatory, is.⁵¹ Mr. Stringfellow stated that the check was deposited into a bank in which he has never held an account.⁵² Mr. Stringfellow admitted that, although he believes the check was stolen, he has not filed a criminal complaint.⁵³

Although Mr. Stringfellow asserted that he did not receive or cash the check, he stated that he decided he would take responsibility for payment of the claim to WCC.⁵⁴ He stated he lied to Mr. Waters that he had the check, even though he did not, because he felt it was his responsibility the check had gone missing.⁵⁵ He indicated he planned to pay WCC the claims once he receives payment of some

⁴⁸ Tr. at 56-57.

⁴⁹ Tr. at 57.

⁵⁰ Tr. at 57.

⁵¹ Tr. at 59.

⁵² Tr. at 65.

⁵³ Tr. at 64.

⁵⁴ Tr. at 65.

⁵⁵ Tr. at 60.

commissions on commercial claims he is awaiting, which, at the time of the hearing, he testified he was expecting to receive the next week.⁵⁶

Regarding the alleged failure to respond to Department inquiries on March 19, 2021, April 14, 2021, and May 27, 2021, Mr. Stringfellow stated that he does not recall if he received those by email because that was when he was experiencing medical problems, and he had been in and out of the hospital.⁵⁷

IV. ANALYSIS

Staff argues that the preponderance of the evidence shows that Respondents willfully misappropriated, converted, or illegally withheld money belonging to WCC.⁵⁸ Staff also argues that Respondents failed to respond in writing (within 15 days) to Department inquiries regarding WCC's and Mr. Swearingen's claims. Staff opines that Respondents' conduct warrants revocation of their licenses. Mr. Stringfellow argues on behalf of Respondents that: 1) he did not receive the funds for Mr. Swearingen's claim because, although he tendered the check for deposit, the funds were never released to his account because the bank needed verification from Mr. Swearingen that it never received; 2) the check for WCC's claim was stolen and fraudulently deposited, by a person unknown to him, into a bank account that does not belong to him; and 3) that he failed to respond to the Department's

⁵⁶ Tr. at 60-61, 63.

⁵⁷ Tr. at 68-69.

⁵⁸ In Staff's Original Petition and Opening Argument, Staff alleged that by withholding the entire claim check, Respondents have retained more than a 10 percent commission in violation of section 4102.104 of the Texas Insurance Code. However, Staff did not brief the issue of Respondents' commission exceeding 10 percent in its final arguments, so the ALJ deems the argument waived and does not address it further.

inquiries because he was in and out of the hospital. The ALJ finds that Staff proved all three allegations and that Mr. Stringfellow's conduct warrants revocation of his and Eagle Eyes' licenses.

1. Waters Construction's Claim

The evidence shows that WCC's check was delivered by FedEx to Mr. Stringfellow's residence and was signed for.⁵⁹ Mr. Stringfellow told Mr. Waters on multiple occasions that he received and deposited his check.⁶⁰ However, later he argued that WCC's check was stolen. He claims that he did not file a police report because he did not know who to file it against and because he does not trust the police. He sates that he told Mr. Waters he had the check because it "was his responsibility" and that he planned to pay the claim out of his personal funds from other commissions. Mr. Stringfellow's responses were not credible.

Although at the hearing Mr. Stringfellow claimed he would be paying both claims in the next week, there was no evidence offered, nor argument made, that payments had been subsequently made. A reasonable person who had been victimized by theft of over \$8,000 (including his own commission) and was facing revocation of his licenses would have filed a criminal complaint and spent more effort obtaining evidence from the bank where the funds were deposited. The ALJ finds that it is more probable than not that Mr. Stringfellow was involved in the

⁵⁹ TDI Ex. 8.

⁶⁰ TDI Ex. 4.

willful misappropriation, conversion, or illegal withholding money belonging to WCC, which was accomplished using fraudulent means (alteration of the check).⁶¹

2. David Swearingen's Claim

Mr. Stringfellow admitted that he tendered Mr. Swearingen's entire claim check from Farmers into Respondents' account for deposit. Although the check is endorsed under Mr. Swearingen's name, Mr. Stringfellow denies that he endorsed the check. He also claims he never received the funds because the bank required verification from Mr. Swearingen that he communicated to Mr. Swearingen and the bank never received. TDI Exhibit 6 conclusively shows that Mr. Swearingen's claim check, which Mr. Stringfellow admitted depositing, was paid on March 1, 2022. Therefore, it is more probable than not that Mr. Stringfellow fraudulently endorsed Mr. Swearingen's check and willfully misappropriated, converted, or illegally withheld money belonging to Mr. Swearingen.⁶²

3. Failure to Respond to Department Inquiries

Mr. Stringfellow acknowledged that the inquiries dated March 19, 2021, April 14, 2021, and May 27, 2021 from the Department were sent to his email address.⁶³ Mr. Stringfellow states that he did not recall receiving them, and he failed to respond to the Department's inquiries because he was in and out of the hospital during that period of time. The ALJ finds that Staff met its burden to prove that Mr. Stringfellow failed to respond in writing not later than the 15th day

⁶¹ Tex. Ins. Code § 4005.101(b)(4), (5).

⁶² Tex. Ins. Code § 4005.101(b)(4), (5).

⁶³ Tr. at 67-69.

after the date the inquiries were received or request a 10-day extension to respond.⁶⁴

4. Sanction

Because Mr. Stringfellow has violated sections 38.001 and 4005.101(b)(4), (b)(5) of the Texas Insurance Code, he and Eagle Eye are subject to discipline.⁶⁵ The Department may cancel or revoke their licenses or impose other enumerated sanctions.⁶⁶ Although the ALJ believes Mr. Stringfellow may have intended to repay the claims that he withheld, he has not done so as of this time. Further, Mr. Stringfellow used dishonesty and fraud to convert the claims for his own use, and he has not admitted his actions. Two claimants have been out thousands of dollars for more than a year because of Mr. Stringfellow's actions or inactions. At this time, Mr. Stringfellow's and Eagle Eye's continued licensure places the public in danger of further losses. Therefore, the ALJ recommends that Respondents' licenses be revoked and that Respondents be ordered to make full restitution to WCC and Mr. Swearingen for the entire amount of their claim checks that Respondents willfully misappropriated, converted, or illegally withheld.⁶⁷

⁶⁴ Tex. Ins. Code § 38.001.

⁶⁵ Tex. Ins. Code §§ 82.051-.055, 4005.102; *see also* Tex. Ins. Code § 4005.101(b) (regarding Eagle Eye's liability for Mr. Stringfellow's actions).

⁶⁶ Tex. Ins. Code §§ 82.051-.055, 4005.102(2).

⁶⁷ Tex. Ins. Code §§ 82.051-.053, 4005.102(2).

V. FINDINGS OF FACT

1. Nico Treyvon Stringfellow, individual identification number 1748108, holds a public insurance adjuster license issued by the Texas Department of Insurance (Department) on January 23, 2018.
2. Eagle Eye Public Adjusters, Inc. (Eagle Eye), organization identification number 147024, holds a public insurance adjuster license issued by the Department on February 27, 2020.
3. Mr. Stringfellow is the president and the only designated responsible licensed person for Eagle Eye (together, Respondents).
4. In 2020, at Mr. Stringfellow's behest, Ronnie Waters sent Mr. Stringfellow a claim payment check from Nationwide Insurance Company that was made out to Eagle Eye and Waters Construction Company (WCC).
5. The check was delivered to Mr. Stringfellow's house by FedEx, and Mr. Stringfellow signed for it.
6. Mr. Stringfellow told Mr. Waters he had received the check.
7. The check was altered and the entire amount deposited into a bank account belonging to another person.
8. Mr. Stringfellow claimed the check was stolen, but he had the account number and the name of the account holder where the check was deposited, and he did not provide a plausible explanation for why he did not investigate the matter further or file a police report.
9. Mr. Stringfellow was involved in the fraudulent depositing of WCC's claim check and failed to remit the monies owed to WCC.
10. In 2021, Mr. Stringfellow received a claim payment check from Farmers Insurance Company for the insured, David Swearingen.
11. Mr. Stringfellow deposited the entire claim payment check and received the funds but failed to remit the monies owed to insured Mr. Swearingen.

12. The department sent Mr. Stringfellow requests for information pursuant to Texas Insurance Code section 38.001 on April 30, 2021, May 27, 2021, and July 14, 2021, and he failed to respond in writing within 15 days or request an extension of time to respond.
13. On August 16, 2021, Staff of the Department issued a notice of hearing and a request to docket seeking to impose sanctions on Respondents for violations of the Texas Insurance Code and applicable rules.
14. On August 25, 2021, the Administrative Law Judge (ALJ) issued an order setting the hearing.
15. Together, the notice of hearing and the ALJ's order contained a statement of the time, place, and nature of the hearing; a statement of the legal authority and jurisdiction under which the hearing was to be held; a reference to the particular sections of the statutes and rules involved; and either a short, plain statement of the factual matters asserted or an attachment that incorporated by reference the factual matters asserted in the complaint or petition filed with the state agency.
16. The hearing in this case was held by videoconference on June 30, 2022, before ALJ Ross Henderson with the State Office of Administrative Hearings (SOAH) in Austin, Texas. Staff was represented by attorney Sydney Moore. Respondents were represented by Mr. Stringfellow. The hearing concluded that day, and the record closed on August 19, 2022—the agreed deadline for submission of reply briefs.

VI. CONCLUSIONS OF LAW

1. The Department has jurisdiction over this matter. Tex. Ins. Code §§ 4001.101; 4005.101; 4051.051.
2. SOAH has authority to hear this matter and issue a proposal for decision with findings of fact and conclusions of law. Tex. Gov't Code ch. 2003; Tex. Ins. Code § 4005.104.

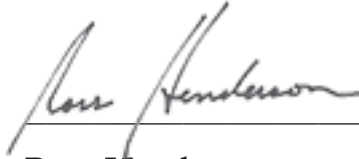
3. Respondents received timely and sufficient notice of hearing. Tex. Gov't Code §§ 2001.051-.052; Tex. Ins. Code § 4005.104(b).
4. The Department may revoke a license if the Department determines that the licensee has willfully violated an insurance law of this state. Tex. Ins. Code §§ 82.051, 4005.102(2).
5. Staff of the Department bears the burden to prove any violations. 1 Tex. Admin. Code § 155.427.
6. Misappropriation, conversion to one's own use, or illegally withholding money belonging to an insured, insurer, or beneficiary and engaging in fraudulent or dishonest acts or practices are violations of Texas insurance laws. Tex. Ins. Code §§ 4005.101(b)(4)-(5).
7. The Department may make inquiries into any matter connected with a licensee's transactions that the Department considers necessary for the public good or for the proper discharge of the Department's duties; and a person must respond in writing not later than the 15th day after the date the inquiry is received or request a 10-day extension. Tex. Ins. Code § 38.001.
8. Mr. Stringfellow misappropriated, converted to his own use, or illegally withheld money belonging to insured persons with whom he had contracted and engaged in fraudulent or dishonest acts or practices. Tex. Ins. Code § 4005.101(b)(4), (5).
9. After receiving Department inquiries, Mr. Stringfellow failed to respond in writing not later than the 15th day after the date the inquiries were received or request a 10-day extension. Tex. Ins. Code § 38.001.
10. Eagle Eye is subject to discipline for actions taken by Mr. Stringfellow. Tex. Ins. Code § 4005.101(b).
11. The Department should revoke Respondents' licenses to protect the public.
12. The holder of an authorization may be ordered to make complete restitution to each Texas resident, each Texas insured, and each entity operating in this state that is harmed by a violation of, or failure to comply with, the Texas

Insurance Code or a rule of the commissioner of the Department. Tex. Ins. Code §§ 82.052(4), .053.

13. The Department should order Mr. Stringfellow to make complete restitution to WCC and Mr. Swearingen before he can be considered for licensure again.

SIGNED OCTOBER 10, 2022.

ALJ Signature(s):

A handwritten signature in cursive script, appearing to read "Ross Henderson", written over a horizontal line.

Ross Henderson,

Presiding Administrative Law Judge