



LOUISIANA DEPARTMENT OF INSURANCE

JAMES J. DONELON
COMMISSIONER

NOTICE OF FINE
PUBLIC ADJUSTER LICENSE #576993,
PUBLIC ADJUSTER LICENSE #909689
AND PUBLIC ADJUSTER LICENSE #874570

September 22, 2022

Attn: Kade Austen Mitchell
Mitchell Adjusting International, LLC
1500 Marina Bay Drive, Ste. 122A
Kemah, TX 77565

Article No. 7020 3160 0000 1370 0145

Attn: Kade Austen Mitchell
Mitchell Adjusting International, LLC
2511-B Nasa Parkway, Ste. A-106
Seabrook, TX 77586

Article No. 7020 3160 0000 1370 0152

Kade Austen Mitchell
1500 Marina Bay Drive, No. 3475
Clear Lake Shores, TX 77565

Article No. 7020 3160 0000 1370 0169

Andrew Joseph Mitchell
1500 Marina Bay Drive, Bldg. 122A
Clear Lake Shores, TX 77565-2575

Article No. 7020 3160 0000 1370 0176

Andrew Joseph Mitchell
2511-B Nasa Parkway, Ste. A-106
Seabrook, TX 77586

Article No. 7020 3160 0000 1370 0183

Andrew Joseph Mitchell
2948 N Island Dr
Seabrook, TX 77586-1636

Article No. 7020 3160 0000 1370 0190

Email: kade@mitchelladjusting.com
drew@mitchelladjusting.com
billing@mitchelladjusting.com
shanaka@mitchelladjusting.com
info@mitchelladjusting.com

WHEREAS, IT HAS COME TO MY ATTENTION, as Commissioner of Insurance (Commissioner) of the Louisiana Department of Insurance (LDI), that Andrew Joseph Mitchell, Kade Austen Mitchell and Mitchell Adjusting International, LLC ("MAI") have violated certain provisions of the Louisiana Insurance Code, Title 22, La. R. S. 22:1 *et. seq.* As used hereinafter, "you" and "your"

refer to Andrew Joseph Mitchell, Kade Austen Mitchell, and Mitchell Adjusting International, LLC. Your activity violates Title 22 and poses a danger to the business of insurance in Louisiana. Accordingly, pursuant to the power and authority vested in me as the Commissioner, I issue this Notice of Fine based on the following, to wit:

FACTS

Andrew Joseph Mitchell (License Number 576993) was initially licensed by the LDI on May 7, 2020, as a non-resident public adjuster. His license was summarily suspended on August 16, 2022.

Kade Austen Mitchell (License Number 909689) was initially licensed by the LDI as a non-resident public adjuster on December 10, 2020. MAI (License Number 874570), was initially licensed by the LDI as a non-resident public adjuster on September 21, 2020. In the LDI's records Kade Austen Mitchell is listed as the designated responsible party for MAI. Both licenses were revoked on August 17, 2022.

On July 22, 2022, the LDI issued a Cease and Desist Order and Summary Suspension to MAI and Kade Austen Mitchell for having improperly withheld, misappropriated, or converted monies received in the course of doing insurance business.

On July 28, 2022, the LDI received two emails from drew@mitchelladjusting.com. The first email stated:

"Per the email sent on 07.09.22, I clearly explained as a representative of Mitchell Adjusting that the insurance check would be issued back to the policyholder within 30 days or less. Regarding our response, we clearly thought the email below was a response to the written letter we received last week, as well as, the phone conversations we had in June regarding this matter with your department. The policyholder agreed for us to deposit the funds and issue to their general contractor. Unfortunately, we had an issue with our bank account as stated in the email below. We have issued the check back to the policyholder WITHOUT any public adjusting fees. Thank you.

Drew Mitchell"

Attached to the email was an electronic copy of Texas Citizens Bank N.A. check number 1010 in the amount of \$150,000.000, designated to be drawn from MAI's Texas Citizens Bank account. Check 1010 was dated July 26, 2022, and made payable to the Louisiana insured to whom Nationwide's \$150,000.000 claim payment was due, New Hope Baptist Church. However, the LDI subsequently determined that MAI's Texas Citizens Bank account, from which check 1010's funds were to be drawn, did not have sufficient funds to cover check 1010's amount. To date Nationwide's insured, New Hope Baptist Church, is yet to receive any of Nationwide's claim payment funds from MAI.

The second email the LDI received from drew@mitchelladjusting.com on July 28, 2022, stated:

"Per the email below on 07.09.22, we stated that the policyholder endorsed the check and gave to us to endorse/deposit and issue back to them. Just like the previous

compliant, I stated on the phone that we would probably have everything finalized and sent out within 30 days. See attached check sent out. Thank you.

Best Regards,

Andrew (Drew) J. Mitchell"

Attached to this email were electronic copies of two Texas Citizens Bank N.A. checks numbered 1011 and 1012 in the amount of \$35,257.00 and \$82,184.43 respectively, designated to be drawn from MAI's Texas Citizens Bank account. Both checks were dated July 26, 2022, and made payable to a representative of the insured to whom State Farm's total \$117,441.43 claim payment was due, Paul Adams. However, the LDI subsequently determined that MAI's Texas Citizens Bank account, from which checks 1011 and 1012's funds were to be drawn, did not have sufficient funds to cover checks 1011 and 1012's amounts. To date State Farm's insured is yet to receive any of State Farm's claim payment funds from MAI.

LDI records indicate that the email address utilized to transmit the images of checks numbered 1010, 1011, and 1012, drew@mitchelladjusting.com, is associated with Andrew Joseph Mitchell. The checks identified in Andrew Joseph Mitchell's emails, and the representation made by Andrew Joseph Mitchell, purporting to have returned the claim payments misappropriated by MAI have been determined to be false and/or fraudulent. Andrew Joseph Mitchell's emails to the LDI demonstrate that he is associated with, and a representative of MAI, and that he is at least partially responsible for MAI's improper withholding, misappropriation, or conversion of monies received in the course of doing insurance business.

La. R. S. 22:2 maintains in pertinent part:

§2. Insurance regulated in the public interest

- A. (1) Insurance is an industry affected with the public interest and it is the purpose of this Code to regulate that industry in all its phases.... It shall be the duty of the commissioner of insurance to administer the provisions of this Code.

La. R.S. 22:44 maintains in pertinent part:

§ 44. False or fraudulent material information

- A. It shall be unlawful for any person to intentionally and knowingly supply false or fraudulent material information pertaining to any document or statement required by the Department of Insurance.
- B. Whoever violates the provisions of this Section shall be imprisoned, with or without hard labor, for not more than five years, or fined not more than five thousand dollars, or both.

La. R.S. 22:1700 maintains in pertinent part:

§ 1700. License denial, nonrenewal, or revocation

- A. The commissioner of insurance may place on probation, suspend, revoke, or refuse to issue, renew, or reinstate a public adjuster's license and may levy a fine not to exceed five hundred dollars for each violation occurring, up to ten thousand dollars aggregate for all violations in a calendar year, unless a fine is established by separate statute in this Title authorizing a greater penalty, or any combination of actions, for any one or more of the following causes:
- (2) Violating any insurance laws, or violating any regulation, subpoena, or order of the commissioner of insurance or of another state's insurance commissioner.
 - (4) Improperly withholding, misappropriating, or converting any monies or properties received in the course of doing insurance business.

La. R.S. 22:1923 maintains in pertinent part:

§1923. Definitions

- (2) "Fraudulent insurance act" shall include but not be limited to acts or omissions committed by any person who, knowingly and with intent to defraud:
 - (e) Supplies false or fraudulent material information pertaining to any document or statement required by the Department of Insurance.
 - (m) Receives money or any other thing of value from any person, firm, or entity as a means of compensation for the acts of solicitation or criminal conspiracy done for the purpose of executing a scheme or artifice to defraud a person.

La. R.S. 22:1924 maintains in pertinent part:

§1924. Prohibited activities and sanctions

- A. (1)(a) Any person who, with the intent to injure, defraud, or deceive any insurance company, or the Department of Insurance, or any insured or other party in interest, or any third-party claimant commits any of the acts specified in Paragraph (2) or (3) of this Subsection is guilty of a felony and shall be subjected to a term of imprisonment, with or without hard labor, not to exceed five years, or a fine not to exceed five thousand dollars, or both, on each count.
- (2) The following acts shall be punishable as provided in Paragraph (1) of this Subsection:
- (a) Committing any fraudulent insurance act as defined in R.S. 22:1923.

La. R.S. 22:1964 maintains in pertinent part:

§1964. Methods, acts, and practices which are defined as unfair or deceptive

The following are declared to be unfair methods of competition and unfair or deceptive acts or practices in the business of insurance:

(12) Any violation of any prohibitory law of this state.

VIOLATIONS:

It has been determined that you have supplied false or fraudulent material information pertaining to any document or statement required by the Department of Insurance, and have improperly withheld, misappropriated, or converted monies received in the course of doing insurance business. This is a violation of La. R.S. 22:1924 (A)(1)(a) and (2)(a) as defined in La. R.S. 22:1923 (2), and La. R.S. 22:1964 (12).

BE ADVISED:

COMMISSIONER'S ACTION:

As a result of the investigation and documentation in possession of the LDI, and in accordance with La. R.S. 22:1554, La. R.S. 22:1969 and La. R.S. 49:961, determination has been rendered that you are in violation of the statutes listed above, and the Louisiana Commissioner of Insurance hereby serves you notice that, **Louisiana Public Adjuster License Number 576993**, issued to **Andrew Joseph Mitchell**; **Louisiana Public Adjuster License Number 909689**, issued to **Kade Austen Mitchell**; and **Louisiana Public Adjuster License Number 874570**, issued to **Mitchell Adjusting International, LLC**, are hereby issued a joint **FINE** by order of the Commissioner in the amount of **\$75,000.00** for violations of the Louisiana Revised Statutes listed above and is ordered to pay the full amount immediately.

YOUR ACTION:

Be advised that this constitutes an administrative action and that it will be reported to the National Insurance Producer Registry (NIPR). Be further advised that all actions taken on licenses, in accordance with La. R.S. 49:961 (C) and Regulation 120, shall take effect ten (10) calendar days from the date of issuance of the notice of regulatory action, unless otherwise provided in Title 22, and that cease & desist orders and summary suspension actions take effect immediately upon issuance. Please also take note that you may need to report this administrative action to other states in which you hold an active license. Contact that state's insurance department if you are unsure of the requirements.

Please remit your **\$75,000.00** fine payment and a copy of this Notice to:

Louisiana Department of Insurance
Attention: Accounts Receivable
P.O. Box 94214
Baton Rouge, LA 70804-9214

Pursuant to La. R.S. 22:2191(A)(2), any person aggrieved by an act of the Commissioner may request a hearing. You must make a written demand for an appeal within thirty (30) days from the date of this notice. Failure to file a written demand for an appeal within thirty (30) days from this notice will preclude your right to an administrative hearing.

Pursuant to La. R.S. 22:2191(B), your written demand for an appeal (1) shall reference the particular sections of the statutes and rules involved; (2) shall provide a short and plain statement of the matters asserted for review; and (3) shall attach a copy of the order or decision that you are appealing. Appealing this notice does not stay the action of the Commissioner of Insurance. Pursuant to La. R.S. 22:2204, you must request and be granted a stay of this action by the Division of Administrative Law. Your request for a stay may be included in your appeal. Your written demand for an appeal shall be filed with the Louisiana Department of Insurance at the addresses below:

Louisiana Department of Insurance
Attn: J. David Caldwell, Executive Counsel
P. O. Box 94214
Baton Rouge, LA 70804-9214
Telephone: (225) 342-4673
Fax: (225) 342-1632

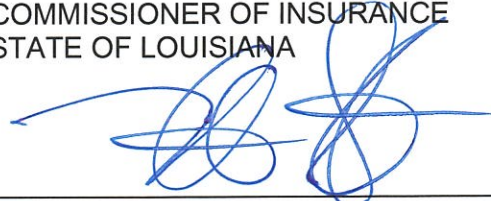
File in Person at:

1702 N. Third Street
Baton Rouge, LA 70802

Signed in Baton Rouge, Louisiana this 22nd day of September 2022.

JAMES J. DONELON
COMMISSIONER OF INSURANCE
STATE OF LOUISIANA

BY:


Nathan Strebeck
Deputy Commissioner
Division of Insurance Fraud
Louisiana Department of Insurance
Telephone: (225) 219-5819

Andrew Joseph Mitchell (License #576993), Kade Austen Mitchell (License #909689),
and Mitchell Adjusting International, LLC (License #874570)

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September 22, 2022
Page 7 of 7

CERTIFICATE OF SERVICE

Article # 7020 3160 0000 1370 0145
Article # 7020 3160 0000 1370 0152
Article # 7020 3160 0000 1370 0169
Article # 7020 3160 0000 1370 0176
Article # 7020 3160 0000 1370 0183
Article # 7020 3160 0000 1370 0190

I hereby certify that I have this day served the foregoing document upon **Andrew Joseph Mitchell, Kade Austen Mitchell, and Mitchell Adjusting International, LLC** by mailing a copy thereof properly addressed with postage prepaid, this 22nd day of September 2022.



Heath Soileau, Compliance Investigator