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JUN 7 2021

**NORTH CAROLINA AGENT SERVICES DIVISION OF INSURANCE
RALEIGH, NORTH CAROLINA**

CHECK NO. [REDACTED]
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**STATE OF NORTH CAROLINA
COUNTY OF WAKE**

**BEFORE THE COMMISSIONER
OF INSURANCE**

**IN THE MATTER OF THE LICENSURE
OF JAY SCOTT HOWARD
LICENSE NO. 0019055262**

**VOLUNTARY SETTLEMENT
AGREEMENT**

**ARRIS PUBLIC ADJUSTERS, INC.
LICENSE NO. 1000662042**

NOW COME JAY SCOTT HOWARD (hereinafter Mr. Howard) and ARRIS PUBLIC ADJUSTERS, INC. (hereinafter ARRIS) jointly and severally and the NC Department of Insurance Agent Services Division (hereinafter "Agent Services Division"), and hereby voluntarily and knowingly enter into the following Voluntary Settlement Agreement (hereinafter "this Agreement").

WHEREAS, the Agent Services Division has the authority and responsibility for enforcement of the insurance laws of this State, and for regulating and licensing of insurance agents, brokers, limited representatives, adjusters, and motor vehicle damage appraisers; and

WHEREAS, Mr. Howard currently is licensed by the Agent Services Division as a Public Adjuster; and

WHEREAS, ARRIS currently holds a resident Public Adjuster Business Entity license; and

WHEREAS, NC Gen. Stat. § 58-33-31(b)(2) and 58-33A-10(c)(2) requires a business entity to designate a licensed producer (DRLP) who is a natural person, responsible for the business entity's compliance with the insurance and administrative rules of the State of North Carolina; and

WHEREAS, Mr. Howard is the designated responsible licensed person and President of ARRIS; and

WHEREAS, NC Gen. Stat. § 58-33A-20(a)(6) provides that in order to be issued a public adjuster license the applicant must maintain an office in the home state of residence with public access by reasonable appointment and/or regular business hours and must include a designated office within a home state of residence; and

WHEREAS, it has come to the attention of the Agent Services Division by means of a complaint made to the Agent Services Division that the business address noted on the contract with a North Carolina resident was listed as 7209 East W. T. Harris Blvd. Charlotte, NC which appears to be the address of a UPS store and therefore not in compliance with the provisions of NC Gen. Stat. § 58-33A-20(a)(6); and

WHEREAS, NC Gen. Stat. § 58-33A-65(a)(10) provides the public adjusters must ensure that all contracts for their services are in writing and contain attestation language stating that the public adjuster is fully bonded pursuant to State law; and

WHEREAS, a review of Mr. Howard's contract did not contain such attestation language as required by statute, and is therefore in violation of NC Gen. Stat. § 58-33A-65(a)(10); and

WHEREAS, NC Gen. Stat. § 58-33A-65(f) provides that before the signing of the contract, the public adjuster shall provide the insured with a separate disclosure document regarding the claim process that states the types of adjusters that are involved in the process of adjusting claims involving property insurance; that the insured is not required to hire a public adjuster to meet his or her obligations under the policy; that the insured has a right to initiate direct communications with his or her attorney, the insurer, the insurer's attorney or adjuster, or any other person regarding the settlement of his or her claim; that the public adjuster is not a representative or employee of the insurer; and that the salary fee, commission, or other consideration is the obligation of the insured, not the insurer; and

WHEREAS, in the claim brought to the attention of the Agent Services Division, Mr. Howard did not comply with the requirements of NC Gen. Stat. § 58-33A-65(f) by not providing a separate disclosure document, and was therefore in violation thereof; and

WHEREAS, Mr. Howard and ARRIS admit to the violations of NC Gen. Stats. §§ 58-33A-20(a)(6), 58-33A-65(a)(10) and 58-33A-65(f) as set forth herein; and

WHEREAS, NC Gen. Stat. § 58-33A-45(a)(2) provides that the Commissioner may place on probation, suspend, revoke, or refuse to issue or renew a public adjuster's license, or may levy a civil penalty in accordance with NC Gen. Stat § 58-2-70 for violating any insurance laws of this or any other state, violating any administrative rule, subpoena, or order of the Commissioner or of another state's regulator; and

WHEREAS, Mr. Howard and ARRIS have agreed to settle, compromise, and resolve the matters referenced in this Agreement, and the Agent Services Division has agreed not to pursue additional civil ramifications, including penalties, sanctions, remedies, or restitution based on these matters against Mr. Howard and/or ARRIS; and

WHEREAS, this Agreement is civil in nature and does not preclude criminal prosecution that may result from ongoing investigations by the Department's Criminal Investigation Division for violations of criminal laws; and

WHEREAS, the parties to this Agreement mutually wish to resolve these matters by consent before the Agent Services Division initiates an administrative hearing and have reached a mutually agreeable resolution of this matter as set out in this Agreement.

NOW, THEREFORE, in exchange for the consideration and promises and agreements set out herein, PDICS and the Agent Services Division hereby agree to the following:

1. Immediately upon the signing of this Agreement, Mr. Howard and ARRIS shall jointly pay a civil penalty of **\$1,000.00** to the NC Department of Insurance. The form of payment shall be by certified check, cashier's check, or money order. The check or money order for the payment of this civil penalty shall be payable to the "**North Carolina Department of Insurance.**" The civil penalty shall be remitted by certified mail, return receipt requested, to the Agent Services Division along with a copy of this signed Agreement. The civil penalty and the signed Agreement must be received by the Agent Services Division no later than **June 30, 2021**. The

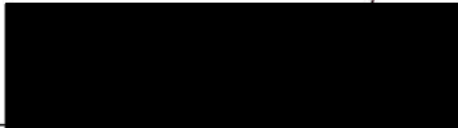
civil penalty shall be subject to disbursement in accordance with the provisions of Article IX, Section 7 of the North Carolina Constitution for the benefit of public schools.

2. This Agreement does not in any way affect the Agent Services Division's disciplinary power in any future examination of Mr. Howard and/or ARRIS or in any other complaints involving Mr. Howard and/or ARRIS.
3. Mr. Howard and ARRIS enter into this Agreement freely and voluntarily and with the knowledge of their right to have an administrative hearing on this matter. Mr. Howard and ARRIS understand they may consult with an attorney prior to entering into this Agreement.
4. The parties to this Agreement agree that this Agreement shall have the full force and effect of an Order of the Commissioner. Mr. Howard and ARRIS understand that N.C.G.S. § 58-33A-45(a)(2) provides that a public adjuster's license and a public adjuster business entity license may be revoked for violating an Order of the Commissioner.
5. This Agreement, when finalized, will be a public record and will **not** be held confidential by the Agent Services Division. Following the execution of this Agreement, all licenses issued by the Agent Services Division to Mr. Howard and ARRIS shall reflect that Regulatory Action has been taken against them. The Agent Services Division is free to disclose the contents of this Agreement with third parties upon request or pursuant to any law or policy providing for such disclosure. The Agent Services Division, upon request, routinely provides copies of voluntary settlement agreement to all companies that have appointed the licensee.
6. The parties have read and understand this Agreement and agree to abide by the terms and conditions stated herein.
7. Be aware that if a state or federal regulator other than the Agent Services Division has issued an occupational or professional license to either of you, that regulator may require you to report this administrative action to it. The N.C. Agent Services Division of Insurance cannot give you legal advice as to the specific reporting requirements of other state or federal regulators.

Jay Scott Howard
License No. 0019055262

NC Department of Insurance
Agent Services Division

ARRIS PUBLIC ADJUSTERS, INC.
License No. 1000662042


By: Jay Scott Howard
Individually and as
President & DRLP
ARRIS Public Adjusters, Inc.


By: Angela Hatchell
Deputy Commissioner

Date: 6/1/21

Date: 6/7/2021