

Circuit Court for Baltimore City
Case No. 24-C-21-002632

UNREPORTED
IN THE APPELLATE COURT
OF MARYLAND*

No. 1653

September Term, 2021

IN RE: THE PETITION OF KARIN MARIE
KENDRICK

Wells, C.J.,
Ripken,
Shaw,

JJ.

Opinion by Wells, C.J.

Filed: January 11, 2023

*At the November 8, 2022 general election, the voters of Maryland ratified a constitutional amendment changing the name of the Court of Special Appeals of Maryland to the Appellate Court of Maryland. The name change took effect on December 14, 2022.

**This is an unreported opinion, and it may not be cited in any paper, brief, motion, or other document filed in this Court or any other Maryland Court as either precedent within the rule of stare decisis or as persuasive authority. Md. Rule 1-104.

This is an appeal from an action for judicial review of an administrative agency decision. Appellant, Karin Kendrick, applied for a public adjuster license with the Maryland Insurance Administration (“MIA”). After reviewing Ms. Kendrick’s application, the MIA issued her a denial letter pursuant to § 10-404(b) of the Insurance Article of the Annotated Code of Maryland (“Insurance Article” or “Ins.”). Specifically, the MIA concluded that Ms. Kendrick’s administrative record demonstrates that she lacks the trustworthiness or competence to transact business as a public adjuster. Ms. Kendrick timely requested, and was granted, a hearing on this determination. The designated hearing officer issued a memorandum and final order affirming the denial of Ms. Kendrick’s public adjuster license. Ms. Kendrick sought judicial review in the Circuit Court for Baltimore City. The court affirmed the MIA’s decision. After Ms. Kendrick’s motion for a new trial or to revise the judgment was denied, she appealed to this Court. Ms. Kendrick raises two issues on appeal,¹ which we have consolidated into one:

Was the MIA’s decision to deny Ms. Kendrick’s application for a public adjuster license legally correct and supported by substantial evidence in the record?

For the reasons we discuss below, we affirm.

¹ A. DID THE BALTIMORE CITY CIRCUIT COURT ERR IN UPHOLDING MIA’S DENIAL OF A PUBLIC ADJUSTER LICENSE TO APPELLANT KENDRICK BASED UPON SECTIONS 10-404 AND 10-410, VIOLATE APPELLANT KENDRICK’S RIGHTS?

B. DID THE BALTIMORE CITY CIRCUIT COURT ERR IN UPHOLDING MIA’S DECISION DENYING APPELLANT KENDRICK A PUBLIC ADJUSTER LICENSE ALLOW MIA TO EXCEED Its STATUTORY AUTHORITY AND OR JURISDICTION?

FACTUAL AND PROCEDURAL BACKGROUND

On February 7, 2020, Ms. Kendrick submitted an application with the MIA for a license to act as a public adjuster in the State of Maryland. On the application, there are several background questions that an applicant must answer “yes” or “no.” Background question “2” stated:

Have you ever been named or involved as a party in an administrative proceeding, including FINRA sanction or arbitration proceeding regarding any professional or occupational license or registration? “Involved” means having a license censured, suspended, revoked, canceled, terminated; or, being assessed a fine, a cease and desist order, a prohibition order, a compliance order, placed on probation, sanctioned or surrendering a license to resolve an administrative action. “Involved” also means being named as a party to an administrative or arbitration proceeding, which is related to a professional or occupational license, or registration. . . . If you answer yes, you must attach to this application: a) a written statement identifying the type of license and explaining the circumstances of each incident, b) a copy of the Notice of Hearing or other document that states the charges and allegations, and c) a copy of the official document, which demonstrates the resolution of the charges or any final judgment.

Ms. Kendrick answered “yes” to this question.

Attached to her application, Ms. Kendrick submitted a personal statement, a copy of her Reply to Bar Counsel’s Response to her Brief, a copy of a Court of Appeals’ (now called the Supreme Court of Maryland²) opinion regarding her attorney disciplinary

² At the November 8, 2022 general election, the voters of Maryland ratified a constitutional amendment changing the name of the Court of Appeals of Maryland to the Supreme Court of Maryland. The name change took effect on December 14, 2022. *See, also*, Md. Rule 1-101.1(a) (“From and after December 14, 2022, any reference in these Rules or, in any proceedings before any court of the Maryland Judiciary, any reference in any statute, ordinance, or regulation applicable in Maryland to the Court of Appeals of Maryland shall be deemed to refer to the Supreme Court of Maryland....”).

proceedings,³ and a copy of a receipt showing that she paid \$25,000.00 to a successor personal representative for the estate at issue in the attached opinion. In her personal statement, Ms. Kendrick stated that she had been a licensed attorney in Maryland until April 11, 2008, when the Supreme Court of Maryland indefinitely suspended her license to practice law in this state.

Upon reviewing Ms. Kendrick’s application, the MIA found that on March 4, 1999, Ms. Kendrick had been appointed co-personal representative of the estate of her close friend, J.K. (the “Estate”). *Attorney Grievance Comm’n v. Kendrick*, 403 Md. 489, 494-95 (2008). On March 22, 1999, J.K.’s brother, O.K., also appointed co-personal representative of the Estate, paid \$3,000.00 from the Estate to the law office where Ms. Kendrick was employed at the time. *Id.* at 495. A couple months later, O.K. paid another \$3,000.00 from the Estate directly to Ms. Kendrick. *Id.* at 495. However, Ms. Kendrick did not file a petition with the Orphans’ Court for Baltimore County to authorize the payment of these fees. *Id.* On August 28, 2002, the Orphans’ Court ordered the removal of Ms. Kendrick and O.K. as co-personal representatives, finding them unable to discharge their duties effectively. *Id.* In addition, the Orphans’ Court ordered Ms. Kendrick and O.K. to file a final administration account and turn over all Estate assets to the successor personal representative within 30 days. *Id.* When Ms. Kendrick failed to do so, the Orphans’ Court issued another order, on October 15, 2002, with the same instructions. *Id.* at 495-96. Instead, Ms. Kendrick filed a motion to reconsider the appointment of a successor personal

³ *Attorney Grievance Comm’n v. Kendrick*, 403 Md. 489 (2008), discussed more below.

representative, which was denied, followed by an appeal by Ms. Kendrick to the Circuit Court for Baltimore County. The circuit court upheld the denial. *Id.* at 496. Ms. Kendrick filed an appeal with this Court, which affirmed the circuit court's decision, and our Supreme Court denied her certiorari. *Id.* at 496.

On June 2, 2005, after a hearing on a petition to hold the former personal representative in civil contempt, the Orphans' Court found that there was a cash balance of \$6,616.26 in the account of the Estate that had not been turned over to the successor personal representative, that there was an account retention of \$2,755.58 in funds that had not been accounted for, and that Ms. Kendrick was in possession of a check made payable to the Estate for \$196.80, which she was unable to locate. *Id.* at 496-97. As a result, the Orphans' Court ordered O.K. and Ms. Kendrick to be held in civil contempt, and that Ms. Kendrick reimburse the Estate \$6,000.00 in legal fees. *Id.* at 497. On July 5, 2005, Ms. Kendrick filed an appeal in the Circuit Court for Baltimore County. *Id.* On November 29, 2005, the circuit court also found Ms. Kendrick to be held in civil contempt, ordering her to turn over all Estate assets to the successor personal representative and to file an affidavit stating that there are no other assets or reports to turn over. *Id.* On May 16, 2006, the circuit court ordered Ms. Kendrick to file her third and final administration account for the Estate with the Orphans' Court. *Id.* Two weeks later, Ms. Kendrick attempted to do so, but her accounting was determined to be insufficient by the court auditor. *Id.* at 497-98. On September 11, 2006, the circuit court ordered Ms. Kendrick to show cause for why she should not be held in civil contempt. *Id.* at 498. In November, Ms. Kendrick filed a revised administration account along with a petition for allowance of commission and fees; the

Orphans' Court denied both. *Id.* On January 3, 2007, Ms. Kendrick filed a motion to alter or amend the judgment, which was also denied. *Id.* In February, Ms. Kendrick filed another appeal with the circuit court, however, the clerk of the Orphans' Court advised her that she must send a check for \$129.00 before the appeal would be transmitted. *Id.*

The MIA also noted that our Supreme Court ordered the circuit court to conduct an evidentiary hearing regarding Ms. Kendrick's alleged mishandling of the Estate. After the hearing, the circuit court found that Ms. Kendrick had violated Maryland Rules of Professional Conduct ("MRPC") 1.1 (Competence), 1.3 (Diligence), 1.5 (Fees), and 1.15 (Safekeeping Property) while serving as the personal representative of the Estate. *Id.* at 520-22.

During its investigation, the MIA also found that Ms. Kendrick had four outstanding court judgments against her. Three were filed by the State of Maryland: \$937.38 in 2001, \$2,275.08 in 2004, \$772.53 in 2011. The fourth judgment was for \$1,324.00 filed by the AGC—recorded in 2016, but for a case that dated back to 2007.

On June 4, 2020, the MIA issued Ms. Kendrick a denial letter, incorporating the Supreme Court's findings discussed above in *Kendrick*, 403 Md. 489 (2008), as well as the outstanding judgments. Her application was denied pursuant to Ins. § 10-404(b) and the MIA's determination that Ms. Kendrick demonstrated a lack of trustworthiness or competence to transact business as a public adjuster in light of her prior administrative record. Under Ins. §§ 2-204 and 2-214, Ms. Kendrick timely requested a hearing on July 1, 2020, which was granted.

The MIA, through a designated hearing officer, held a virtual hearing on March 4, 2021. At the hearing, Ms. Kendrick testified that she had recently paid off the balance of her AGC judgment. Further, she testified that the remaining balances have been included in her bankruptcy filing which has been approved by the Bankruptcy court. When asked by counsel for the MIA why she had not included her Attorney Grievance Commission (“AGC”) judgment as a debt that she wanted to have discharged in bankruptcy, Ms. Kendrick said “I completely—to tell you the truth—I completely forgot about it.”

Ms. Kendrick also testified that she understands that a public adjuster’s duties include negotiating with insurance companies on behalf of their insured clients, gathering information and submitting proofs of loss, handling and safeguarding funds, and keeping and maintaining accurate records. She acknowledged that in order to effectively carry out the duties of a public adjuster, one must have effective communication, organization, and cooperation skills, and act fairly and honestly.

Ms. Barnes, MIA’s Director of the Producing Licensing Unit, testified that public adjusters are required by law to disburse money within a certain timeframe. Ms. Barnes expressed concern about whether Ms. Kendrick could fulfill the duties of a public adjuster given the Supreme Court’s decision concluded that she violated rules involving competence, diligence, and fees—duties directly related to what is required of a public adjuster. For Ms. Barnes, the fact that the Court noted that Ms. Kendrick’s competence caused delays in the closure of the Estate indicated to her that Ms. Kendrick may not be able to get a client’s claim closed in a sufficient time. Further, the fact that the AGC determined that she accepted fees over the amount allowed indicated to Ms. Barnes that

Ms. Kendrick might not comply with fee requirements. Ms. Barnes made clear that she was concerned whether Ms. Kendrick could timely disburse funds based on her handling of J.K.'s estate and how long it took her to issue court ordered payments and disbursements. Finally, Ms. Barnes explained that she had concerns about Ms. Kendrick's ability to keep accurate records of all monies received, deposited, and disbursed or withdrawn considering her failure to keep accurate records of the Estate.

In response, Ms. Kendrick noted that the Supreme Court concluded that she did not violate Rule 8.4(b), (c), or (d). Indeed, in its written opinion, the Court stated:

This Court finds that the Respondent is not in violation of Rule 8.4(b) as the allegation that the Respondent committed a criminal act has not been proven by the Petitioner.

This Court is not satisfied that the Respondent engaged in conduct involving dishonesty, fraud, deceit or misrepresentation. The Court believes that the Respondent's conduct during the past eight years in this matter is motivated by stubbornness, not greed, and therefore finds that the Respondent is not in violation of Rule 8.4(c).

As to Rule 8.4(d), the Court believes that it would only be cumulative to the other findings to also find that the Respondent is in violation of Rule 8.4(d).

Kendrick, 403 Md. at 503.

On May 11, 2021, the hearing officer issued a memorandum and final order affirming the denial of Ms. Kendrick's public adjuster license. The hearing officer agreed that "there is evidence to support a finding that Kendrick is not competent to transact business in a way to safeguard the interest of the public[]" based on the Supreme Court's disciplinary findings that she was removed from her role as co-personal representative of the Estate for failing to fulfill her duties. Additionally, the hearing officer agreed that "the

fact that [Ms. Kendrick] took almost ten years to probate an estate causes me concerns regarding her competen[ce] and ability to handle claims as a public adjuster.” The hearing officer also found that “[Ms. Kendrick’s] collection of \$6,000 in legal fees, without the authorization of the payment of those fees from the Orphans’ Court demonstrates fraudulent or dishonest practices[.]” under Ins. § 10-410. In summation, the hearing officer concluded:

A public adjuster must know how to represent insureds, negotiate contracts, keep track of paperwork and accounts, and receive and distribute checks among other things. The evidence presented to me establishes that [Ms. Kendrick] has failed to do most of these things in her handling of J.K.’s estate. She lost a check from CareFirst BCBS of Maryland, she failed to file a timely or accurate accounting of the estate, she failed to timely turn money over to [the successor personal representative], and she took fees for herself that were beyond what were legally allowed.

I find that [Ms. Kendrick] did not meet her burden of proof to demonstrate that the MIA acted improperly in denying her public adjuster’s license. Based on the evidence before me, I find that the denial of [Kendrick’s] application for a public adjuster’s license was proper.

Ms. Kendrick timely filed a request for judicial review of MIA’s denial and on September 20, 2021, a hearing was held in the Circuit Court for Baltimore City. At the end of the hearing, the court affirmed the MIA’s decision, stating:

I find that the Insurance Commissioner both considered the importance of those—of that past conduct and the findings relating to it and whether that still applies today. That is whether there are still issues with trustworthiness and competence as they relate to being a public adjuster and that there was no error or lack of substantial evidence or abuse of discretion in the Insurance Commissioner’s conclusions.

Ten days after the court entered a written order, Ms. Kendrick moved for a new trial or to revise the judgment, which the court denied. Ms. Kendrick timely appealed to this Court.

STANDARD OF REVIEW

“A court’s role in reviewing an administrative agency adjudicatory decision is narrow; it is limited to determining if there is substantial evidence in the record as a whole to support the agency’s findings and conclusions, and to determine if the administrative decision is premised upon an erroneous conclusion of law.” *Maryland Aviation Admin. v. Noland*, 386 Md. 556, 571 (2005) (quoting *Board of Physician Quality Assurance v. Banks*, 354 Md. 59, 67-69 (1999)) (internal quotation marks omitted).

The substantial evidence test depends on “whether a reasoning mind reasonably could have reached the factual conclusion the agency reached.” *Id.* (citation omitted). “A reviewing court should defer to the agency’s fact-finding and drawing of inferences if they are supported by the record.” *Id.* (citation omitted).

“Even with regard to some legal issues, a degree of deference should often be accorded the position of the administrative agency. Thus, an administrative agency’s interpretation and application of the statute which the agency administers should ordinarily be given considerable weight by reviewing courts” *Id.* at 572 (citation omitted).

DISCUSSION

I. The MIA’s Decision Denying Ms. Kendrick’s Public Adjuster Application Was Legally Correct and Supported by Substantial Evidence in the Record.

A. Parties’ Contentions

In response to the MIA’s concerns regarding the Supreme Court’s decision, Ms. Kendrick argues that her actions as co-personal representative are inapplicable when considering her public adjuster application because she has reached an agreement with her

employer, Metro Public Adjustment, Inc., essentially not to handle anyone else's money. Further, Ms. Kendrick still disputes the Court's finding that she took \$6,000.00 from the Estate, and that the appropriate sanction, under the circumstances, was an indefinite suspension of her bar license. As to the judgments found in her name, Ms. Kendrick testified that she paid off the balance of her AGC judgment in March of 2021. Finally, as to the remaining balances, which she owes to the State of Maryland, she claims that those debts have been included in her bankruptcy filing, meaning she obtained an automatic stay and her creditors cannot reach them. Thus, she argues, the MIA should not have considered these judgments when reviewing her public adjuster application.

The MIA responds that the denial of Ms. Kendrick's application was appropriate given the evidence before it. Specifically, the MIA argues that Ms. Kendrick's mishandling of the Estate—including her failure to maintain accurate records, safeguard the property of others, and timely submit required documents—demonstrates that she is not competent to transact business as a public adjuster pursuant to Ins. §§ 10-404, 10-410. Further, the MIA contends that it properly considered the four judgments against Ms. Kendrick under § 10-410(a)(9). While the MIA acknowledges that Ms. Kendrick recently paid the AGC debt, it argues that she did not do so timely. Finally, the MIA argues that whether the three other judgments were stayed through bankruptcy is immaterial because bankruptcy stays apply to creditors, not State regulatory agencies, such as the MIA.

B. Analysis

The State of Maryland, through the MIA, regulates the business of insurance, including licensing public adjusters. *See* Ins. §§ 1-201, 2-101, 2-102, and 10-401 *et seq.*

Public adjusters act “on behalf of the insured in negotiating for, or enforcing the settlement of, a claim for loss or damage covered by an insurance policy[.]” Ins. § 10-401(g) (in relevant part). The basic duties of a public adjuster include reviewing losses, submitting proofs of loss, negotiating with insurance companies on behalf of insured clients, handling and safeguarding funds on behalf of the insured, and keeping and maintaining sufficient and accurate records. Before a person can act as a public adjuster, however, that person must obtain a license from the MIA. *Id.* § 10-403(a). Public adjusters must follow the provisions of the Insurance Article, which are enforced by the MIA. *Id.* §§ 2-108(2), 2-201.

In its denial letter, the MIA stated that its denial of Kendrick’s license was authorized by § 10-404(b) of the Insurance Article. § 10-404(b)(1) provides in relevant part: “[a]n individual applicant must be trustworthy and competent to transact business as a public adjuster so as to safeguard the interests of the public.” Additionally, § 10-410 states in relevant part:

(a) The Commissioner may deny a license to an applicant or suspend, revoke, or refuse to renew or reinstate a license after notice and opportunity for a hearing under §§ 2-210 through 2-214 of this article if the applicant or licensee:

(3) has engaged in fraudulent or dishonest practices;

(4) has demonstrated incompetency or untrustworthiness to act as a public adjuster;

(5) has misappropriated, converted, or unlawfully withheld money that belongs to an insurer, insurance producer, insured, or other person;

(9) has failed or refused to pay on demand money that belongs to an insurer, insurance producer, insured, or other person entitled to the money;

Ins. § 10-410(a).

As a preliminary matter, we will briefly discuss the finality of the Supreme Court’s decision. In her brief, Ms. Kendrick attempts to argue, at least in part, that the factual and legal findings of the Court’s decision were incorrect. For example, Ms. Kendrick argues that she did not “take \$6000 from an estate” but “only had a check made out to her for \$3000[,]” and that “[n]one of the reasons cited by the [Supreme Court] and Hearing Court and MIA support legally sufficient grounds for an indefinite suspension of [Ms. Kendrick’s] law license or a Public Adjuster license denial.” As the hearing officer explained, the Court’s decision was issued on March 11, 2008. Ms. Kendrick has had an opportunity to appeal those findings. At this time, the Supreme Court of Maryland’s factual and legal findings are final. “The doctrine of collateral estoppel precludes a party from re-litigating a factual issue that was essential to a valid and final judgment against the same party in a prior action.” *Nat’l Union Fire Ins. Co. of Pittsburgh, PA. v. The Fund for Animals, Inc.*, 451 Md. 431, 463-64 (2017) (citation and internal quotation marks omitted). Thus, we cannot consider these arguments.

We turn to whether there was substantial evidence in the record to support the MIA’s denial. As discussed above, a public adjuster applicant “must be trustworthy and competent to transact business as a public adjuster[.]” Ins. § 10-404(b)(1). Further, the MIA can deny

a license to an applicant if that applicant “has demonstrated incompetency or untrustworthiness to act as a public adjuster[.]” *Id.* § 10-410(a)(4). At the administrative hearing, there was conflicting evidence regarding Ms. Kendrick’s trustworthiness, considering the Supreme Court found that she had not violated MRPC 8.4, which, in part, prohibits a lawyer from engaging in conduct involving dishonesty, fraud, deceit or misrepresentation. *See* Md. Rules Attorneys, Rule 19-308.4. However, there was certainly substantial evidence in the record to support the hearing officer’s determination that Ms. Kendrick is not competent to transact business in a way that safeguards the interest of the public.

Ms. Kendrick’s actions with respect to her handling of the Estate support the MIA’s determination that she is not competent to adequately perform the responsibilities of a public adjuster. For example, after Ms. Kendrick failed to file a petition with the Orphans’ Court to authorize her collection of \$6,000.00 in attorney’s fees from the Estate, the Orphans’ Court ordered her removal as co-personal representative, finding her unable to perform her duties effectively. At the same time, on August 28, 2002, the Orphans’ Court ordered Ms. Kendrick to file a third and final administration account of the Estate, and to turn over all Estate assets to the successor personal representative within 30 days. Ms. Kendrick failed to do so. Thus, the Orphans’ Court issued another order, on October 15, 2002, with the same instructions. Again, Ms. Kendrick failed to comply, appealing the decision to remove her as co-personal representative. Then, in May 2006, almost four years after the initial order, Ms. Kendrick filed her third and final administration account with the Orphans’ Court. However, the filing was not deemed properly filed because the court

auditor found deficiencies in the accounting. From the time she was appointed co-personal representative of the Estate on March 4, 1999, to the time of the Supreme Court decision, March 11, 2008, it appears the Estate remained open. As the hearing officer noted, public adjusters have to be able to handle insurance claims quickly to secure their client's property is replaced or repaired as necessary. "The fact that Kendrick took almost ten years to probate an estate causes me concern regarding her competen[ce] and ability to handle claims as a public adjuster." Based on these facts in the record, there was substantial evidence in the record to support the hearing officer's concerns.

Additionally, an applicant's license may be denied if the applicant has (1) engaged in fraudulent or dishonest practices; (2) demonstrated incompetency or untrustworthiness to act as a public adjuster; (3) misappropriated, converted, or unlawfully withheld money that belongs to an insurer, insurance producer, insured, or other person; or (4) has failed or refused to pay on demand money that belongs to an insurer, insurance producer, insured, or other person entitled to the money. *See* Ins. § 10-410(a)(3), (4), (5), (9). In *Kendrick*, the Court concluded that Ms. Kendrick violated MRPC 1.5 when she accepted \$6,000.00 in legal fees from the Estate without filing a petition with the Orphans' Court to authorize the payment of such fees. 403 Md. at 499. Further, according to the AGC's witness in the case, considering the Estate's value, the most Ms. Kendrick could have received in legal fees under Maryland Probate Law would have been \$3,522.00. *Id.* Thus, the Court concluded that "[t]he amount of attorney's fees collected by [Ms. Kendrick] in this matter far exceeds the fee customarily charged for estates of similar size." *Id.* The Court noted that Ms. Kendrick "should, at a minimum, have kept the money in escrow until all services were

rendered to the Estate because Respondent received the payment at the start of her employment, based on the *estimation* of the value of the Estate. *See* MRPC 1.15 (safekeeping property).” *Id.* at 510 n.14. (emphasis in original). The hearing officer concluded that these actions—collecting legal fees without proper authorization, and taking an amount almost double that allowed under Maryland Probate Law—demonstrated fraudulent or dishonest practices. Considering the evidence before the hearing officer, her conclusion was reasonable.

The MIA can also reject a public adjuster application if the applicant unlawfully withheld or failed to pay money belonging to another. Ins. § 10-410(a)(5), (9). In *Kendrick*, the Court held that Ms. Kendrick violated MRPC 1.15, regarding safekeeping of property, when she failed to turn over all assets of the Estate and all financial records in her possession, could not locate a check payable to the Estate, and did not properly file a third and final administration account for the Estate. 403 Md. at 515-16. The Court reached this conclusion based on the Orphans’ Court finding that there was a cash balance of \$6,616.26 in the account of the Estate which had not been turned over to the successor personal representative, an account retention amount of \$2,755.58 that had neither been accounted for nor turned over to the successor personal representative, and that Ms. Kendrick was in possession of a check for \$196.80 payable to the Estate, which she was unable to locate. *Id.* at 515-18. Ms. Kendrick was ordered, by the Orphans’ Court, to return \$6,000.00 in legal fees, and to pay to the successor personal representative the remaining balance of the value of the unaccounted-for Estate assets. *Id.* at 497. The hearing officer noted that as of the Supreme Court’s 2008 decision, Kendrick had not paid back the retention amount of

\$2,755.58. In light of these facts, there is substantial evidence in the record to support the hearing officer's conclusion that Ms. Kendrick, even after a court order, failed to return money to the Estate.

In response to this evidence regarding her ability to fulfill the duties of a public adjuster, Ms. Kendrick argues that as an independent contractor with her prospective employer, Metro Public Adjustment, Inc., “the relationship is not analogous to being a Co-personal representative because all the clients are Metro Public Adjustment Inc., clients and not Appellant Kendrick’s clients.” According to her contract with this employer, Ms. Kendrick contends, she would not be handling anyone else’s money, thus the MIA has nothing to be concerned about. But, as MIA notes in its brief, “if Ms. Kendrick were to be licensed, there is no guarantee that she will work for Metro. Likewise, there is no guarantee that her next employer would have the same safeguards in place, and a public adjuster license would confer upon Ms. Kendrick the ability to be self-employed without direct oversight.” At the administrative hearing, Ms. Kendrick indicated that she would be willing to agree to always work with or for another company, and not receive any money in her own name. However, on cross-examination, MIA’s counsel made it clear that the MIA is not required by law to administer any such provisional licenses. Further, at the administrative hearing, Ms. Barnes, the Director of the MIA’s Producer Licensing Unit, testified that Ms. Kendrick’s responsibilities as a personal representative—collecting fees, maintaining accurate records, safekeeping the property of others, and timely submitting required documents—align with the duties of a public adjuster. The hearing officer, whose expertise is entitled to deference, *Noland*, 386 Md. at 571-72, also determined that these

responsibilities align with those of a public adjuster. As the MIA points out, even Ms. Kendrick agreed that public adjusters handle and safeguard funds on behalf of their clients, keep and maintain sufficient and accurate records of their transactions, and must be organized, cooperative, honest, and reliable. Under these circumstances, the MIA’s consideration of, and conclusions based on, Ms. Kendrick’s prior conduct as a co-personal representative was not unreasonable.

The MIA was also justified in considering the four judgments against Ms. Kendrick. The MIA may deny a public adjuster license to an applicant who “has failed or refused to pay *on demand* money that belongs to . . . [a] person entitled to the money[.]” Ins. § 10-410(a)(9) (emphasis added). During its investigation, the MIA found that Ms. Kendrick had four outstanding judgments against her: three with the state of Maryland, and one with the AGC. The AGC obtained its judgment in September of 2007 and that judgment was recorded against Ms. Kendrick in May of 2016. At the hearing, Ms. Kendrick testified that she paid off the balance of the AGC in March of 2021. Therefore, Ms. Kendrick paid off this judgment approximately 13 years after it was obtained and five years after it was recorded against her. The hearing officer noted, “while the evidence demonstrates that she has finally paid off one of her debts . . . the fact that the payment took over ten years is worrisome since public adjusters are responsible for timely handing over funds due to insureds.” Given this delay, we do not conclude that the hearing officer’s concern was unreasonable.

Finally, Ms. Kendrick argues that the MIA should not have considered the three state judgments against her because those debts have since been stayed in bankruptcy.

Although Ms. Kendrick testified at the administrative hearing that she filed a bankruptcy petition, she also admitted that she did not include that petition as an exhibit for the hearing officer to consider: “[t]hat’s on me. I did not submit a -- a copy of the bankruptcy.” Nor did Ms. Kendrick timely submit any such evidence into the record for this appeal.⁴ Notwithstanding this lack of evidence in the record, a bankruptcy stay would not necessarily prevent the MIA from considering such judgments when reviewing a public adjuster application. An automatic stay “is intended to give the debtor a ‘breathing spell’ from his/her creditors[.]” *Kochhar v. Amar Nath Bansal*, 222 Md. App. 32, 38 (2015) (quoting *Klass v. Klass*, 377 Md. 13, 22 (2003)). In the bankruptcy context, a “creditor” is “[a] person or entity having a claim against the debtor predating the order for relief concerning the debtor.” Black’s Law Dictionary (11th ed. 2019), creditor. Here, the MIA is not a creditor because it does not have a claim against Ms. Kendrick. It is a state regulatory agency, responsible for reviewing and deciding public adjuster applications. *See* 11 U.S.C. § 362(b)(4) (A bankruptcy stay does not apply to “the commencement or continuation of an action or proceeding by a governmental unit . . . to enforce [its] . . . regulatory power[.]”). Moreover, as the MIA points out in its brief, here the stay was immaterial to the MIA’s investigation. Under Insurance § 10-410(a)(9), the MIA considers

⁴ On August 3, 2022, Ms. Kendrick filed a motion requesting an extension of time to file her corrected brief and to supplement the record with a lien release issued on May 16, 2022. We denied both requests, respectively, because Ms. Kendrick’s brief was filed by the existing August 10 deadline, and because the material she sought to add to the appellate record was not part of the administrative record. *See* Ins. § 2-215(h)(3)(v).

whether Ms. Kendrick failed or refused to pay money to another person entitled to it, not whether that person is seeking to collect the money.

For these reasons, we conclude that the MIA's decision to deny Ms. Kendrick's public adjuster application was legally correct and supported by substantial evidence in the record.

**JUDGMENT OF THE CIRCUIT COURT
FOR BALTIMORE CITY AFFIRMED.
APPELLANT TO PAY THE COSTS.**