

In the Matter of:

Joshua Lesley,

Petitioner.

FINAL DECISION

DHA Case No. OCI-25-0034

OCI Case No. 25-C46339

FINAL DECISION

I adopt the Administrative Law Judge's Proposed Decision, including the findings of fact and conclusions of law, which is attached to this Final Decision and which was served on the parties with an opportunity for submitting written objections.

Based on these findings of fact and conclusions of law, I order that Respondent Joshua Lesley will forfeit \$6,000 to the State of Wisconsin no later than 30 days from the date of this final order.

NOTICE OF APPEAL INFORMATION

The following notice is served on you as part of the Final Decision:

1. Rehearing. Any person aggrieved by this Final Decision may petition for a rehearing within 20 days after the service of the decision, as provided in Wis. Stat. § 227.49. A petition for rehearing is not a prerequisite for appeal directly to circuit court through a petition for judicial review. A petition for rehearing must be filed with the Commissioner of Insurance at the address below.

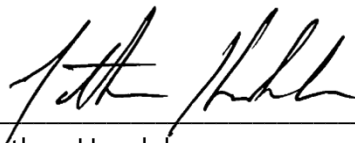
2. Judicial Review. Any person aggrieved by this Final Decision has a right to petition for judicial review of the decision as provided in Wis. Stat. § 227.53. The petition must be filed in circuit court within 30 days after service of this Final Decision if there has been no petition for rehearing, or within 30 days after service of the order finally disposing of the petition for rehearing, or within 30 days after the final disposition by operation of law of any petition for rehearing. A petition for judicial review must be served on, and name as the Respondent:

Commissioner of Insurance
P. O. Box 7873
Madison, Wisconsin 53707-7873

The relevant Wisconsin statutory provisions are attached.

September 29, 2025

Date



Nathan Houdek
Commissioner of Insurance

RELEVANT WISCONSIN STATUTORY PROVISIONS

Wis. Stat. § 227.49 PETITIONS FOR REHEARING IN CONTESTED CASES.

(1) A petition for rehearing shall not be a prerequisite for appeal or review. Any person aggrieved by a final order may, within 20 days after service of the order, file a written petition for rehearing which shall specify in detail the grounds for the relief sought and supporting authorities. An agency may order a rehearing on its own motion within 20 days after service of a final order [. . .]

(2) The filing of a petition for rehearing shall not suspend or delay the effective date of the order, and the order shall take effect on the date fixed by the agency and shall continue in effect unless the petition is granted or until the order is superseded, modified, or set aside as provided by law.

(3) Rehearing will be granted only on the basis of:

- (a) Some material error of law.
- (b) Some material error of fact.
- (c) The discovery of new evidence sufficiently strong to reverse or modify the order, and which could not have been previously discovered by due diligence.

(4) Copies of petitions for rehearing shall be served on all parties of record. Parties may file replies to the petition.

(5) The agency may order a rehearing or enter an order with reference to the petition without a hearing, and shall dispose of the petition within 30 days after it is filed. If the agency does not enter an order disposing of the petition within the 30-day period, the petition shall be deemed to have been denied as of the expiration of the 30-day period.

(6) Upon granting a rehearing, the agency shall set the matter for further proceedings as soon as practicable [. . .]

Wis. Stat. § 227.52 JUDICIAL REVIEW; DECISIONS REVIEWABLE. Administrative decisions which adversely affect the substantial interests of any person, whether by action or inaction, whether affirmative or negative in form, are subject to review as provided in this chapter. [. . .]

At all times material, the relevant parts of Wis. Stat. § 227.53, read as follows:

Wis. Stat. § 227.53 PARTIES AND PROCEEDINGS FOR REVIEW. (1) Except as otherwise specifically provided by law, any person aggrieved by a decision specified in Wis. Stat. § 227.52 shall be entitled to judicial review thereof as provided in this chapter.

(a) 1. Proceedings for review shall be instituted by serving a petition therefor personally or by certified mail upon the agency or one of its officials, and filing the petition in the office of the clerk of the circuit court for the county where the judicial review proceedings are to be held. [. . .]

2. Unless a rehearing is requested under Wis. Stat. § 227.49, petitions for review under this paragraph shall be served and filed within 30 days after the service of the decision of the agency upon all parties under Wis. Stat. § 227.48. If a rehearing is requested under Wis. Stat. § 227.49, any party desiring judicial review shall serve and file a petition for review within 30 days after service of the order finally disposing of the application for rehearing, or within 30 days after the final disposition by operation of law of any such application for rehearing. The 30-day period for serving and filing a petition under this paragraph commences on the day after personal service or mailing of the decision by the agency. [. . .]

(b) The petition shall state the nature of the petitioner's interest, the facts showing that petitioner is a person aggrieved by the decision, and the grounds specified in Wis. Stat. § 227.57 upon which petitioner contends that the decision should be reversed or modified. [. . .]

(c) A copy of the petition shall be served personally or by certified mail or, when service is timely admitted in writing, by first class mail, not later than 30 days after the institution of the proceeding, upon each party who appeared before the agency in the proceeding in which the decision sought to be reviewed was made or upon the party's attorney of record. [. . .]

(d) The agency [. . .] and all parties to the proceeding before it, shall have the



**Before The
State of Wisconsin
DIVISION OF HEARINGS AND APPEALS**

In the Matter of Joshua Lesley,
Respondent

DHA Case No. OCI-25-0034
OCI Case No. 25-C46339

PROPOSED DECISION

The PARTIES to this proceeding are:

TO: Joshua Lesley, by
Attorney Donald St. George
Stupar & Bartell, S.C.
633 W. Wisconsin Avenue, Suite 1800
Milwaukee, WI 53203

Office of the Commissioner of Insurance, by
Attorneys Kelly A. Altschul and
Lauren U. Van Buren
101 E. Wilson Street
Madison, WI 53703

PRELIMINARY RECITALS

On April 22, 2025, the Office of the Commissioner of Insurance (OCI), by Attorney Lauren Van Buren, filed and served a Notice of Hearing on Respondent Joshua Lesley (Respondent) alleging certain violations of Wisconsin insurance law and seeking civil penalties under Wis. Stat. § 629.13 and 601.64(3)(c)1. The matter was referred to the Division of Hearings and Appeals, and Administrative Law Judge Kristin P. Fredrick was initially appointed to oversee a Class 2 hearing. ALJ Frederick held a prehearing conference on May 12, 2025. At the Prehearing Conference, deadlines were established for the exchange of witness lists and exhibits and the hearing was scheduled. The matter was later reassigned to ALJ James M. Quattromani to preside over the scheduled hearing.

Pursuant to due notice and by agreement of the parties, a hearing was held by video conference on June 10, 2025. OCI was represented by Attorneys Altschul and Van Buren and Respondent was represented by Attorney St. George. Testimony was heard from Respondent and from OCI Insurance Program Manager Brian Darrey. The hearing was digitally recorded. The record consists of the hearing recording, OCI Exhibits 1 through 16, and Respondent Exhibits A and B.

ISSUES FOR HEARING

The issues for hearing were as stated in the Notice of Hearing dated April 22, 2025 and the answer dated May 9, 2025, including specifically whether the Respondent violated Wis. Stat. § 629.13(9) by engaging in fraud and/or coercive practices in the conduct of business; or whether the Respondent violated Wis. Stat. § 629.10(3) by engaging in an impermissible conflict of interest.

OCI bears the burden to prove by a preponderance of the evidence that the allegations in the Notice of Hearing are true, that they constitute a violation of insurance law, and what the resulting discipline and/or penalty should be. As set forth in the Notice of Hearing, OCI is seeking civil penalties under Wis. Stat. §§ 601.64(3)(c)(1) and (2) and 629.13.

PROPOSED FINDINGS OF FACT

1. Respondent is a Wisconsin resident subject to the jurisdiction of the State of Wisconsin Insurance Commissioner. (OCI Exs. 1 and 2; Respondent testimony at 26:00)
2. Respondent is a dwelling contractor (DSPS license no. 081500053-DCQ) operating under the business name Absolute Restorations. (OCI Exs. 1 and 2).
3. Respondent is the sole proprietor of Absolute Restorations. (Respondent testimony at 10:00)
4. The website for Absolute Restorations is: <https://absolute-restorations.com> and represents that Respondent is “Your trusted contractor for insurance claim support.” (OCI Exs. 1 and 2; OCI Ex. 8)
5. The Absolute Restorations public-facing website includes the following features:
 - a. A “Get Help Filing a Claim” call-to-action button.
 - b. The statement that “Throughout the homeowners claim process, we keep you fully informed with regular updates. Our commitment to transparency ensures that you are always aware of the status of your claim and the restoration work.”
6. In addition to construction and repair work, Respondent offers insurance services including filing a claim and “maintaining ongoing communication with your insurance adjuster and company.” (OCI Exs. 1, 2, and 16, Respondent testimony at 1:12:42 - 1:13:16).
7. Respondent’s Assignment of Benefits is standard and signed with every customer. (OCI Ex. 15, Respondent testimony at 26:40).
8. Absolute Restorations’ standard Assignment of Benefits includes a contingency payment plan announced in emphasized language as: “customer owes nothing if Absolute Restorations Recovers Nothing.” (OCI Ex. 15).
9. Respondent’s standard Assignment of Benefits payment terms consist of the following: all insurance proceeds on the claim, the insured’s insurance deductible, and all insurance supplements that are paid to the insured on the claim. (OCI Ex. 15, Respondent testimony at 27:47).

10. Respondent's standard Assignment of Benefits states that "Policyholder(s) understand that this contract is the assignment of benefits for the insurance proceeds that Absolute Restorations recovers from your insurance provider" (OCI Ex. 15)
11. Respondent's standard Assignment of Benefits includes the following services, described as "Insurance Claims Assistance" to be provided by Absolute Restorations:
 - "File the Claim with your Insurance Company."
 - "Share Documents and Evidence we collect with your insurance Company."
 - "Show up in person to your insurance Adjuster Appointment."
 - "Document all damage found at the property." (OCI Ex. 15)
12. Respondent's standard Assignment of Benefits does not break down the cost of contracted services by line item, instead it bills for one line item titled: "Total for Claim". (OCI Ex. 15)
13. Respondent includes overhead and profit fees equal to 10% for overhead and 10% for General Contractor profit in every estimate, which totals 20% of the estimated cost to repair. (Respondent testimony at 35:50)
14. On or around April 18, 2024, Respondent entered into an agreement to perform home repair work following hail damage for "L.K.", a Wisconsin homeowner with the subject property located in Franklin, Wisconsin. (OCI Ex. 5)
15. L.K.'s property was insured by Openly, a Managing General Agency for a homeowners insurance program underwritten by Rock Ridge Insurance Company. (OCI Ex. 5)
16. Respondent's consideration for the contracted repair work came in the form of the Assignment of Benefits from the insurance claim, which L.K. in turn made with his insurer, Openly, on or about April 19, 2024. (OCI Ex. 5)
17. Respondent's assertion in his testimony that he "updated" the standard form at some point such that the L.K. Assignment of Benefits was different than OCI Ex. 15 was not credible in light of his earlier testimony at the hearing that the form was standard and used with all customers, including L.K. Therefore, the L.K. Assignment of Benefits contained substantially the same general terms as those found in OCI Ex. 15. (Respondent testimony at 26:40 and 2:35:00)
18. The repair work was completed later in the summer of 2024, with Respondent's final "Net Claim" invoiced to L.K. at \$43,368.22. (OCI Ex. 5).
19. Openly employed a different inspection service and provided its own estimate. (OCI Ex. 5).
20. Openly's final, revised estimate for payment on the claim was a payout to L.K. of \$25,524.17, or \$17,844.05 less than Respondent's invoice. (OCI Ex. 5, Respondent testimony).
21. The revised estimate was issued after a settlement discussion took place between L.K. and Openly desk adjuster Tammy Moss on July 15, 2024 which, in turn, took place one week after Respondent called desk adjuster Moss, on July 8, 2024. (OCI Ex. 5, OCI Ex. 7).
22. Since August of 2022, Respondent has filed 33 Complaints with the Wisconsin Office of the Commissioner of Insurance. (OCI Exs. 1 and 2).
23. The subject of Respondent's complaints typically center around disputes regarding the negotiations of settlement values and coverage denials of insurance claims. (Respondent testimony at 2:42:34).

24. On February 25, 2025, Respondent filed a complaint with OCI against Openly. (OCI Exs 1, 2, and 3).
25. Respondent's February 25, 2025 complaint to OCI, states in relevant parts:
- a. "Openly provided the insured and Absolute Restoration with a very minimal estimate in the front end of this claim... I sent Tammy Moss our estimate prior to us ever beginning on this property and she totally overlooked the estimate. The purpose of these estimate[s] is for the contractor and the insurance provider to get an agreeable solution for the insured and the contractor. Tammy Moss estimate from openly is a true testament of the manipulation that an insurance provider will do to minimize the cost of a claim. I have had this issue with openly prior but the adjusters before Tammy Moss were very pliable with the circumstances and we all were able to get an agreeable solution."
 - b. "Open[ly's] estimate depicts that the insured has damage to their windows their screens and their siding from hail damage, yet Tammy Moss did not extend coverage to said elevations of additional damage, and she is minimizing the damage claim and cost to the roof as well."
 - c. "After sales commission on the \$15,000 front end check we were under \$1000 in profit on this joke of a claim."
 - d. "The resolution to this file is to pay our claim invoice for work rendered."
 - e. "We have to come to an agreeable solution." (OCI Ex. 3).
26. In response to this complaint OCI demanded records related to the insurance claim from Openly, and in response Openly provided responsive records including recorded phone calls with Respondent. (OCI Exs. 4, 5).
27. On or about July 8, 2024 Respondent called Openly on a recorded line. The call lasted approximately seven minutes and is between Respondent and a representative from Openly. The recorded audio includes the following:
- a. Respondent: "All I'm trying to do is work with you on this and it seems like every time I correspond with you all you want to do is argue with me about how we're going to give you what we're going to give you and that's that and that's not the way this works, and I need you to understand ..."
 - b. Respondent: "I just need you to understand we do have a legal department for a reason, just like y'all do, and my contract is with your insured and your insured has already told me to go ahead and lien his property if Openly is not doing their job. I'm trying to prevent it because at the end of the day, all we are trying to do is made the insured happy, correct?"
 - c. Respondent: "We do not do any retail sales whatsoever."
 - d. Respondent: "Right now the only way to rectify this price discrepancy is to bring out an independent adjuster that uses Exactimate just like I've done on other Openly claims."
 - e. Respondent: "I will send him an intent to lien today, so that way you can say that was not a threat in your email." (OCI Ex. 7, Hearing audio at 1:42:00 - 1:42:20).
28. On or about February 25, 2025, Respondent called Openly on a recorded line. The call lasted approximately 15 minutes and is between Respondent and desk adjuster Tammy Moss from Openly. The recorded audio includes the following:

- a. Respondent tells the Openly adjuster: "I've got to bring a few details up to you when you get the claim open."
 - b. Respondent: "The very first page of y'all's report says cause, you've identified that the screens, the garage doors were beat up, and the gutters were beat up and in the same breath it says there's damage to the windows and they're leaking water, but you guys didn't extend coverage to half the items that were affected by this storm"
 - c. Respondent: "I sent you a final invoice last year and you ignored it. You did not call me to discuss damages, you did not call me to discuss supplements, you just released \$4500.00 of final money and you and I have a huge deficit on this claim".
 - d. Respondent: "I am escalating this conversation for the simple fact that everything was absolutely ignored from Absolute Restorations. So, the reason that I am calling you is to tell you that I need to get this rectified in a timely fashion and get the right amount of money agreed upon on this claim. ... I sent you an Exactimate estimate prior to us ever starting this job and I brought up additional damages on this property that y'all never extended coverage to after the reinspection. ... the roof and the gutters are completed and I sent you a final invoice on just the roof and gutters, and it comes to \$39,000 and some change so we need to get an agreeable solution on this final invoice."
 - e. Respondent: "You didn't honor my estimate. You didn't give me my \$39,000 for the roof and gutters."
 - f. Respondent goes on to state that he is going to "sue your insured which is going to give him damages to sue Openly. I'm trying to rectify this prior to that happening but if you don't want to talk to me, you're on a recorded call as well and I will go ahead and move forward with a lawsuit against Mr. [L.K.] and I guarantee y'all will rectify that prior to going to court so I'm trying to get you to agree to our price or come to an agreeable solution."
 - g. Respondent: "I'm going to call you back on Friday to see where we're at on this."
 - h. Respondent: "I'm trying to work with you on this."
 - i. Respondent: "My final is \$39,000, you got my invoice, and it shows the roof and the gutters on there. ... It says remove and replace roof: \$39,256.93, ACV payment of \$15,361.57 paid, y'all owe me \$23,895.36."
 - j. Respondent: "All I'm trying to do is get paid and you're trying to pillage on my company"
 - k. Respondent: "You need to look at my Exactimate and get closer." (OCI Ex. 6, Hearing audio at 1:23)
29. At another point in the call, the following exchange occurs:
- a. Respondent asserts, "I've already talked to the insurance commissioner ... of Wisconsin and he has instructed me that you guys are literally playing by your own rules and you're not playing by the legislature that y'all were assigned."
 - b. The Openly representative responds, "The insurance commissioner told you that directly?"
 - c. Respondent replies, "Correct, you owe me interest from an invoice that I sent you...". (OCI Ex. 6, Hearing audio at 1:29)

30. Respondent's reference to a conversation with the Wisconsin "insurance commissioner" was with Eric Schoene, an OCI associate and not the actual Commissioner, Nathan Houdek. Respondent inquired of Mr. Schoene if interest accrued on unpaid invoices, which Mr. Schoene confirmed. Respondent could not recall if the conversation was in direct connection to the L.K. matter and could not recall when the call occurred. (Respondent testimony at 2:32:00).
31. Respondent made the July 8, 2024 phone call because he had not been paid enough on the claim by Openly to cover his invoiced amount. (OCI Ex. 7, Hearing audio at 1:47:00)
32. Making the July 8th, 2024 phone call was working in the interest of Absolute Restorations because Respondent did not get paid. (Hearing audio at 1:47:00)
33. Respondent's intent in making the February 25, 2025 phone call was to get Openly's adjuster to pay his full invoice. (Respondent testimony at 1:37).

APPLICABLE LAW

Wis. Stat. § 601.02 Definitions.

- (1) "Adjuster" means any person who represents an insurer or an insured in negotiations for the settlement of a claim against the insurer arising out of the coverage provided by an insurance policy.

Wis. Stat. § 601.64 Enforcement procedure.

...

(3) FORFEITURES AND CIVIL PENALTIES.

(c) Forfeiture for violation of statute or rule.

1. Whoever violates an insurance statute or rule or s. 149.13, 2011 stats., intentionally aids a person in violating an insurance statute or rule or s. 149.13, 2011 stats., or knowingly permits a person over whom he or she has authority to violate an insurance statute or rule or s. 149.13, 2011 stats., shall forfeit to the state not more than \$1,000 for each violation.
2. Notwithstanding subd. 1., whoever violates an insurance statute or rule, intentionally aids a person in violating an insurance statute or rule, or knowingly permits a person over whom he or she has authority to violate an insurance statute or rule shall forfeit to the state not more than \$5,000 for each violation if any of the following applies:

...

- c. The violation involves or constitutes fraud or misrepresentation.

(d) *Procedure.* The commissioner may order any person to pay a forfeiture imposed under this subsection or s. 601.65, which shall be paid into the common school fund. If the order is issued without a hearing, the affected person may demand a hearing under s. 601.62(3)(a). If the person fails to request a hearing,

the order is conclusive as to the person's liability. The scope of review for forfeitures ordered is that specified under s. 227.57. The commissioner may cause action to be commenced to recover the forfeiture. Before an action is commenced, the commissioner may compromise the forfeiture.

Wis. Stat. § 629.01 Definitions.

- (1) "Adjusting service" means an act on behalf of an insured, in exchange for compensation, with the preparation, completion, or filing of a first-party claim, including by negotiating values, damages, or depreciation or by applying the loss circumstances to insurance policy provisions.
- (2) "Compensation" means anything of value received directly or indirectly in return for the performance of an adjusting service.
- (3) "First-party claim" means a claim for damage or loss to real or personal property located in this state that is filed by an insured.
- (4) "Insured" means a person whose real or personal property is insured under an insurance policy against which a claim is or will be made.
- (5) "Public adjuster" means an individual who engages in adjusting services in this state and, in the case of an individual who is not a resident of this state, has registered with the commissioner under s. 629.02 (2).

Wis. Stat. § 629.02 Registration.

- (1) LIST OF REGISTERED PUBLIC ADJUSTERS. The commissioner shall maintain on the office's Internet site a list of public adjusters who have registered with the commissioner under sub. (2).
- (2) APPLICATION. A public adjuster who is not a resident of this state shall register with the commissioner prior to engaging in adjusting services in this state. A public adjuster who is a resident of this state may register with the commissioner. In order to register under this subsection, the public adjuster shall complete an application form prescribed by the commissioner...

Wis. Stat. § 629.04 Contract requirements.

- (1) A public adjuster may not perform any adjusting service for an insured prior to entering into a contract with the insured. The contract shall be in writing, be titled "Public Adjuster Contract," and be on a form filed with the commissioner under s. 631.20 (1m). The contract shall include all of the following:

...

- (f) A disclosure of the compensation the public adjuster is to receive in accordance with s. 629.05.

Wis. Stat. § 629.05 Compensation.

- (1) In this section, “catastrophic disaster” means an event for which the president of the United States or the governor has declared a state of emergency.
- (2) The contract under s. 629.04 shall clearly disclose the compensation the public adjuster is to receive from the insured.
- (3) If an insurer pays, or commits in writing to pay, the policy limit no later than 5 business days after the date the loss is reported to the insurer, the only compensation a public adjuster may receive from the insured shall be compensation at a reasonable hourly rate for the time spent on the claim.
- (4) A public adjuster may not demand compensation from the insured prior to the insured receiving payment from the insurer.
- (5) If an insurer pays a claim in installments, the public adjuster shall receive the compensation in equal amounts prorated over the number of checks issued by the insurer and may not demand to be paid entirely from the first check issued.
- (6) A public adjuster may not receive compensation in excess of 10 percent of an insured’s actual recovery under the insurance policy if the claim is due to a catastrophic disaster.

Wis. Stat. § 629.10 Prohibitions. In addition to the other prohibitions in this chapter, a public adjuster may not do any of the following:

- ...
- (3) Own a direct or indirect financial interest in any aspect of a claim, other than the compensation agreed to under s. 629.04(1)(f).

Wis. Stat. § 629.13 Penalties. Upon a finding that a public adjuster has done any of the following, the commissioner may, after a hearing, notify the public by posting the public adjuster’s name and infraction on the office’s Internet site, levy a civil penalty, or, if applicable, suspend or revoke the public adjuster’s registration under s. 629.02, or do any combination of the 3 actions:

- ...
- (2) Failed to comply with any provision in this chapter.
 - (3) Violated any insurance law or rule or any subpoena or order of the commissioner or insurance regulatory body of another state.
- ...
- (9) Used fraudulent, coercive, or dishonest practices, or demonstrated incompetence or untrustworthiness, in the conduct of business in any jurisdiction.

DISCUSSION

The proposed finding facts established that Respondent was acting as a public adjuster in his dealings with the L.K. repair work and insurance claim. The facts further established that he committed two violations of Wisconsin insurance law in those dealings, subjecting him to civil penalties for his conduct.

First, Respondent was acting as a “public adjuster” in his dealings with the insured L.K.’s claim. Anyone who engages in “adjusting services” is acting as a public adjuster. Wis. Stat. §

629.01. In other words, whether someone is a “public adjuster” is defined by their conduct, not by a formal license, registration, designation, label, arrangement, or process.¹ “Adjusting services” are defined as “an act on behalf of an insured, in exchange for compensation, with the preparation, completion or filing of a first party claim, *including by negotiating values, damages or depreciation . . .*” Wis. Stat. § 629.01(1). “Compensation” is defined, in turn, as “anything of value received directly or indirectly in return for the performance of an adjusting service.” *Id.* at § 629.01(2).

Here, the contingency fee arrangement created inherent indirect value for Respondent that was to be his compensation. The arrangement worked as follows: Respondent contracted with L.K. for the repair work on a contingency basis, with all insurance proceeds returning to Respondent by assignment of the claim to be filed by L.K. True to the agreement, L.K. filed his claim with Openly days after assigning the payout on his claim to Respondent. Respondent then proceeded to conduct the work using his own estimation program and process, the result of which was a \$43,368.22 invoice to L.K. Then when Openly – using its own estimation process – arrived at a different, lower figure, Respondent undertook negotiations with Openly about the difference. That is adjusting. The fact that Respondent used a “repair first, negotiate later” business model does not change the nature of his conduct, which was performing adjusting services and, thus, acting as a “public adjuster” under Wisconsin law.

Having determined that L.K. acted as a “public adjuster,” L.K. engaged in violative conduct in that capacity in two ways. First was the overall arrangement of him serving as contracted repairer and as adjuster in violation of the prohibition of adjusters having a financial interest in a claim. *See* Wis. Stat. § 629.10(3). Here, the entirety of the claim was assigned to him by the express terms of his contract with L.K. Any payment on the claim would remit to Respondent and Respondent alone. The notion that that was not a “financial interest in . . . any part of claim,” as prohibited by law, is nothing short of preposterous. *See* Wis. Stat. § 629.10(3). Respondent was negotiating – that is, adjusting – a claim, the entirety of which was assigned to him. That he did so with a “repair first, negotiate later” business model did not change the fundamental conflict of interest of a type that is proscribed by Wisconsin insurance law. He violated that law by the arrangement.

The second violation was by misrepresenting material facts amounting to fraudulent conduct in his conversation of February 25, 2025 with desk adjuster Tammy Moss from Openly in violation of Wis. Stat. § 629.13(9). In that conversation, Respondent told Ms. Moss, “I’ve already talked to the insurance commissioner . . . of Wisconsin, and he has instructed me that you guys are literally playing by your own rules and you’re not playing by legislature that y’all were assigned.” Ms. Moss then asks, “The insurance commissioner told you that directly?” and Respondent replies, “Correct. You owe me interest from an invoice that I sent you.”

At the hearing, much was made between the parties about whether Respondent spoke with the actual Wisconsin Insurance Commissioner as opposed to a staff member or other

¹ Out-of-state parties engaged in adjusting services must register with the state. But when, as here, the person is a Wisconsin resident, registration is optional. Wis. Stat. § 629.02.

employee. In his testimony, Respondent conceded that he did not in fact talk to the Insurance Commissioner, Nathan Houdek, but rather to another employee, Eric Schoene. Accordingly, Respondent argued that his reference to having spoken with the “commissioner” was merely an unintentional misstatement, not made with an intent to deceive. That is, that he just meant an official from OCI, not the actual Commissioner. Even accepting that as true, what he told Ms. Moss was still fraudulent. The important part of Respondent’s statement was the implication that OCI (by whatever official) had already made a specific finding in the case involving L.K. Respondent said in his conversation that an OCI official “instructed” Respondent that Openly is “literally playing by (their) own rules” and had declared to Respondent that Openly “owe(d)” Respondent interest. OCI had made no such specific finding, and it was fraudulent for Respondent to have asserted as much in an effort to further his negotiations with Openly. In context, whether it was the actual Insurance Commissioner or another official was immaterial; what mattered was that OCI had seemingly made a determination about Openly with regard to this specific claim. That was a fraudulent statement made by Respondent in his dealings with Openly.

By contrast, OCI did not meet its burden to show that Respondent engaged in unlawfully coercive practices. Under Wisconsin law, an adjuster may be subject to penalties if they are found to have engaged in “coercive...practices...in the conduct of business in any jurisdiction.” Wis. Stat. § 629.13. OCI’s position is that Respondent’s threat to Openly in both the February and July calls that he would sue their insured, L.K., for the unpaid balance of his work constituted violations of this provision. More specifically, OCI argued that insurance companies are “specifically vulnerable to bad faith² insurance suits,” and thus would feel coerced by Respondent’s threat. (OCI Initial Post-Trial Brief at p. 18). Yet there was nothing in the factual record to support that this is a “specific vulnerab(ility)” of Openly in particular or even of insurance companies generally. Additionally, OCI cites no legal precedent for their position, and does not make any argument that Respondent was outside of his rights to sue L.K. for the unpaid balance of the repair work. Suing the client with whom he had contracted to conduct may have been mean-spirited and possibly even self-defeating from a business perspective. But it was OCI’s burden to establish that the threat to do so was unlawfully coercive, and they provided an insufficient factual and legal basis on which to make such a finding.

Because Respondent violated Wisconsin insurance law in two independent ways, he is subject to civil penalties in the form of forfeitures to the state. *See* Wis. Stat. § 601.64(3)(c)(1) and (2). Respondent is subject to a maximum \$1,000 forfeiture for the unlawful financial interest violation and \$5,000 for the statements about the Wisconsin Insurance Commissioner to the Openly adjuster because the violation “involves or constitutes fraud or misrepresentation.” *Id.* at §601.64(c)(2).

The ALJ recommends maximum forfeitures of \$1,000 and \$5,000 for the respective violations. Respondent’s conduct was not incidental or accidental. He devised an entire business plan around a “repair first, negotiate later” scheme that was inherently financially conflicted, in violation of Wisconsin insurance law. Compounding the violations, Respondent made clear in

² “Bad faith” suits in this context means a suit brought by an insured that their insurer denied coverage in bad faith.

his own testimony that he is either incapable of comprehending or unwilling to acknowledge the conflict of interest that is inherent in him having the claim for which he does the repairs assigned to him to then negotiate with the insurer. Either way, the maximum penalty allowed for the respective violations is necessary and appropriate to provide some inducement for him to reflect on the unlawful nature of his practices.

PROPOSED CONCLUSIONS OF LAW

1. OCI met its burden to prove by a preponderance of the evidence that Respondent acted as a public adjuster as defined by Wis. Stat. § 629.01 because he performed adjusting services as they are defined at Wis. Stat. § 629.01(1) in connection with the subject repair work and claim.
2. Because he acted as a public adjuster, Respondent is subject to the jurisdiction of the Wisconsin Insurance Commissioner under Wis. Stat. Ch. 629.
3. OCI met its burden to prove by a preponderance of the evidence that the Respondent violated Wis. Stat. §629.10(3) by having a financial interest in the subject claim.
4. OCI met its burden to prove by a preponderance of the evidence that the Respondent violated Wis. Stat. §629.13(9) by using fraudulent practices in his conversation with the Openly desk adjuster on February 25, 2025.
5. OCI did not meet its burden to prove by a preponderance of the evidence that Respondent used coercive practices in violation of Wis. Stat. §629.13(9) in either his July 8, 2024 or February 25, 2025 conversations with the Openly desk adjuster.
6. Pursuant to Wis. Stat. § 601.64(3)(c)(1), a forfeiture of \$1,000 is reasonable and warranted for the Wis. Stat. §629.10(3) unlawful financial interest violation.
7. Pursuant to Wis. Stat. § 601.64(3)(c)(2), a forfeiture of \$5,000 is reasonable and warranted for the Wis. Stat. §629.13(9) fraudulent practices violation.
8. The Division of Hearings and Appeals has authority to issue this proposed decision and order pursuant to Wis. Admin. Code § Ins 5.43 and Wis. Stat. § 227.47.

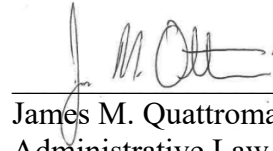
PROPOSED ORDER

NOW THEREFORE, based on the proposed findings of fact and conclusions of law, it is recommended that Respondent Joshua Lesley forfeit \$6,000 to the State of Wisconsin no later than 30 days from the date of the final order.

Dated at Madison, Wisconsin on August 15, 2025.

STATE OF WISCONSIN
DIVISION OF HEARINGS AND APPEALS
4822 Madison Yards Way, 5th Floor
Madison, Wisconsin 53705-5400
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By:

A handwritten signature in dark ink, appearing to read "J. M. Quattromani", is written over a horizontal line.

James M. Quattromani
Administrative Law Judge