

**IN THE MATTER OF THE  
MARYLAND INSURANCE  
ADMINISTRATION**

v.

**MLM HOME IMPROVEMENT, LLC.  
C/O JOHN MCCAMBRIDGE,  
Resident Agent  
12057 Nebel Street  
Rockville, Maryland 20852**

and

**RICARDO MUNOZ  
12057 Nebel Street  
Rockville, Maryland 20852**

**CASE NO.: MIA- 2023-03-001**

**CASE NO.: MIA- 2023-03-002**

**Fraud Division File No.: T-2023-0086**

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**ORDER**

This Order is entered by the Maryland Insurance Administration (the “MIA”) against MLM Home Improvement, LLC (“MLM”) and Ricardo Munoz (“Munoz”) (collectively, “Respondents”) pursuant to Md. Code Ann., Ins. Art. §§ 2-108, 2-201, 2-204 and 2-405 (2017 Repl. Vol. & Supp.) for the violations of the Maryland Insurance Article identified and described.<sup>1</sup>

**I. RELEVANT MATERIAL FACTS**

1. A public adjuster (“PA”) is defined in the Insurance Article to include a person who, for compensation, acts for or assists a policyholder in assessing the value of, negotiating for, or effecting the settlement of a first property insurance claim under a property and casualty policy that insures the policyholder’s real or personal property. *See* § 10-401(g)(1). A person is required to be licensed to act as a public adjuster in the State. *See* § 10-403(a).

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<sup>1</sup> Unless otherwise indicated, all statutory references in this Order are to the Insurance Article of the Maryland Code.

2. MLM is limited liability company with a principal office located in Rockville, Maryland. John McCambridge ("McCambridge") is the owner and resident agent of MLM. Neither MLM nor McCambridge have ever been licensed to act as a PA in Maryland.

3. At all relevant times related to the facts of this Order, Munoz was employed by MLM. Munoz is not now, and has never been, licensed to act as a PA in Maryland. The Maryland Home Improvement Commission ("MHIC") informed the Administration that a roofer soliciting home improvement work is required to hold an active MHIC salesperson license. A search of MHIC "Sales Personal Name Search for Active License" revealed Munoz does not hold an MHIC salesperson license.<sup>2</sup>

4. On October 5, 2022, a Maryland resident, hereinafter "C.A.," notified the MIA that he had "concerns" with MLM, and that on July 27, 2022, his wife, hereinafter "C.G.," signed a "contingency agreement" with MLM, which stated, in pertinent part:

Owner / Policy Holder allows MLM Home Improvement LLC to negotiate on their behalf with the listed Insurance Company for the claim number specified above.

5. The MIA, Insurance Fraud and Producer Enforcement Division opened an investigation.

**The Administration's Investigation**

6. On November 9, 2022, an MIA investigator interviewed C.G. who reported that her home was insured by Erie Insurance Company ("Erie"), an authorized insurer. On July 27, 2022, Munoz, a representative for MLM, came to her home, unsolicited. Munoz examined the roof from the ground; he did not go onto the roof. As part of the inspection, Munoz also went inside the home's attic. Munoz advised C.G. that he could negotiate with the insurance company, and stated "I'm on your side and will make sure you don't get screwed by the insurance company." C.G. reported that

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<sup>2</sup> See Md. Ann. Code, Business Regulations Article § 8-101(l) states, "'Salesperson' means a person who sells a home improvement."

Munoz was very personable, but described him as a high pressure salesman, and that he stated the contingency agreement, paragraph 4, *supra*, had to be signed that day. C.G. recalled that it was Munoz who contacted Erie on her behalf. C.G. ultimately did not select MLM to perform work on her home, and terminated the contract with MLM.

7. An MIA investigator examined the contingency agreement, and confirmed the language cited in paragraph 4, *supra*. The contract stated, in pertinent part:

### **Terms & Conditions**

The undersigned / Insurance (or insured's authorized representative) hereby retains MLM Home Improvement to remediate, repair, or replace the said damaged property and charge the total amount of said damage to the referenced owner and insurance company/carrier.

The owner is not contractually obligated to pay any additional funds for home restoration services performed by MLM Home Improvement LLC beyond their deductible and any additional upgraded materials or services they choose, outside of their insurance estimate and/or any additional supplement requests made to the (owner's) insurance company. MLM Home Improvement requests assistance from the owner to help expedite and collect any supplements to the homeowners [*sic*] insurance company. Owner/ Policy Holder agrees to give above listed insurance company authorization to share any and all documents and insurance estimates pertaining to the claim to MLM Home Improvement LLC for reconciliation and accounting purposes.

**Owner / Policy Holder allows MLM Home Improvement LLC to negotiate on their behalf with the listed Insurance Company for the claim number specified above. [Emphasis added]**

Owner / Policy Holder hereby authorizes MLM Home Improvement LLC to be listed as a secondary payee on all checks paid to Owner/ Policy Holder for all approval amounts, supplemental amounts, and depreciation amounts paid under the claim # listed above.

\* \* \*

Owner/ Policy Holder hereby agrees to contract MLM Home Improvement, LLC to perform the agreed upon scope of work and services MLM Home Improvement, LLC provides. **Owner/ Policy Holder acknowledges any approved insurance estimate for repairs have been facilitated by MLM Home Improvement, LLC [Emphasis added]** and agrees to provide a copy of the insurance estimate to MLM Home Improvement, LLC within 24 hours upon receipt.

Cancellation Clause:

The Owner/ Policy Holder acknowledges that MLM Home Improvement, LLC will work within the scope of the insurance estimate and, therefore, does not need to provide their own estimate for services within the scope of the insurance estimate, unless additional services, outside of the approved scope of work are requested to be performed by the Owner/ Policy Holder. If the Owner/ Policy Holder decides to cancel this agreement for any reason, after the above Insurance Provider approves and/ or provides an estimate to the Owner/ Policy Holder, MLM Home Improvement, LLC will apply a \$3,500 cancellation fee for services rendered.

"It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits. Clients who knowingly or willfully or negligently commit or attempt to commit an insurance fraud or induce MLM Home Improvement, LLC to commit an insurance fraud shall (a) be ordered to make monetary restitution for any financial loss or damages including, but not limited to, loss of earnings, out-of-pocket and other expenses, paid deductible amounts under an Insurance Policy, Insurer claim payments, cost reasonably attributed to investigations and recovery efforts by owners, Insurers, Insurance Professionals, law enforcement and other public authorities, and cost of prosecution, sustained by any other person as a result of the insurance fraud; (b) be liable for reasonable attorney fees, related to legal expenses, including internal legal expenses and court costs; and (c) entitle MLM Home Improvement, LLC to terminate the contract unilaterally."

8. On November 10, 2022, an MIA investigator interviewed the Erie claims adjuster, (hereinafter the "adjuster") who was assigned to handle C.G.'s roof damage claim. The adjuster reported that on July 28, 2022, Munoz made the first notice of loss ("FNOL") to Erie, not the homeowner.

9. An MIA investigator examined Erie's claim file, which confirmed that on July 28, 2022, Munoz made the FNOL to Erie. The claim log note stated:

Acknowledged FNOL note

Contractor Ricardo Munoz 240 483 \*\*\* called FNOL to state that on July 5th there was a tornado and couple days after that and saw missing and creased shingles. The contractor would like this damage added to this claim.

10. As part of the MIA's investigation, an investigator examined MLM's website. The following content was discovered<sup>3</sup>:

- When severe storms hit, your home's exterior is your first line of defense to keeping you safe. But when Mother Nature unleashes hail, wind, and rain, even your best protection can suffer serious damage. MLM Home Improvement is the Mid Atlantic's trusted choice for storm damage restoration. Having **helped thousands of local homeowners navigate the roof insurance process** [Emphasis added], you can count on MLM for quick, professional services.
- If your home has been impacted by extreme weather in the last year, MLM Home Improvement will **work with your home insurance company** to cover a replacement. MLM will...
  - Provide a digital analysis of your roof.
  - Provide a full damage report of your roof.
  - **Meet with the insurance adjuster.**
  - **Work with the adjuster to agree on the total damage.** [Emphasis added]
- Navigating storm damage claims is not intuitive, and filings often have date restrictions and deadlines. As a Platinum Owens Corning Partner, we've been specializing in exterior restoration for over 14 years, and **understand the insurance claims process inside and out** [Emphasis added]. We have the training and experience to assess the most subtle storm damage to your roof, vents, siding, windows, gutters and downspouts properly.

11. On December 12, 2022, an MIA investigator examined social media advertisements and reviews on MLM website. The following content was discovered:

- **Nice Roof** – Chris H.: Team MLM did an outstanding job! I was hesitant when answering the door after the storm, but the professionalism of all members was incredible. It started with the professional young man (forgot his name) who first knocked on my door. I checked the BBB and confirmed all the data provided and set the appt. Joel was honest and completed every task promised. Then Annie finished completing the process and dealing with the insurance company / paperwork. A great experience overall for me and my family.
- **Awesome overall** – Jerome J.: MLM sales manager Keegan Corbey did a great job in being patient during the insurance claim process and communicating with Insurance company to get full amount for roof replacement. The roof is excellent and installed in timely manner and installation and post cleanup was done I [*sic*] very well. Area around house was kept clean and checks done often by construction supervisors to make sure no nails were around the yard. Completely satisfied with the roof replacement.

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<sup>3</sup> Available <https://mlmhi.com/storm-damage-report/>

- **Probably the best company in the business!!!** – Clovis A.: Jason Wooten from MLM and his staff were more than great!!! Efficient, competent, on time, easy to deal with, awesome! After a contact with another company (to replace my roof) which want to up-sell me gutters, etc..., a friend of mine told me, “just contact Jason”. He found the roof could be paid by my insurance company, and was!!!! They contact them, spoke with them, I didn’t do anything!!! Great work!!! Definitely would recommend Jason Wooten and MLM to my friends and family!!! Clovis Anderson
- **Scott/Angel and New Roof** – Rich P.: MLM is simply the best. From our 1<sup>st</sup> meeting with Scott Bolden, we knew we were in great hands. I will say Scott and his team went above and beyond with working with our insurance. Where several other roofing companies “ran away” never to be heard from again, Scott and MLM was willing to work with us and our insurance to the point where they were able to get our insurance to pay for the full roof replacement. This is after we only had the back part of the roof paid for, we sign to pay for the rest, but Scott’s team worked their magic (which no other roofing company was willing or able to do) and were able to get full coverage even after we signed!!! Also, Angel Martinez is a great Project Manager bring on a great, nice, courteous, and efficient team to work on the roof. Not only did they replace the roof in 1 ½ days and left our yard and surrounding area spotless. Several days later they followed-up with several inspections and were willing to help with a few follow=ups [*sic*] – with no extra charge! Highly recommend MLM... We are more than satisfied!
- **Great Experience** – Shea E.: Dan Ferguson helped me get a completely new roof. I also worked with Monica Townsend and Mark Tanner. The whole experience was great, they dealt with the insurance side of things, the work was done in one day. I can’t say enough, it was great and the rood [*sic*] looks good.
- **Quality Work** – Peter H.: I would recommend Dan to get your roof replaced by your insurance. Easy process.

12. On December 28, 2022, an MIA investigator examined Google reviews for MLM. The following content was discovered:

- **A Week Ago: Positive: Professionalism**  
MLM Home Improvement were very professional when working with me with my roof replacement and gutters. They worked with my homeowners insurance company which made things much easier. Kristin Johansen, Accounts Receivable Specialist explained the Final Invoice to me and made the Final Payment Process an easy one. I definitely would recommend contacting MLM to anyone needing a roof or gutters.  
Service: Roof installation, Gutter installation
- **2 Months Ago: Positive: Responsiveness, Value**  
We just have our roof replaced by mlm and has been satisfied by the work Mr. Ricardo Munoz eased my anxiety on insurance claims and has been patient in explaining the process. His public relations is commendable. He is an asset to your company  
Service: Roof installation

- 3 Months Ago: I had a great experience with MLM replacing my house's roof. Shaun Ruiz was my lead contact and he very professionally led me through the results of his inspection of my roof for wind damage, making the claim with my insurance company, and following up to provide supplemental information to my insurance company. Once approved by insurance, Shaun guided me thoroughly my options on replacing the roof and what costs would be additional. The work was very quickly scheduled, and the work crew was did a superb job of replacing the roof and cleaning up in a single day. Briahna Bass expertly guided me through finalizing the final supplemental submission to my insurance, determining the final cost and the split between insurance and myself, submitting my final payment.
- A Year Ago: My cedar shake roof had damage rom [sic] a lightening [sic] strike and MLM worked with me and my insurance agency for approval of a replacement roof. I paid the deductible and upgrade to synthetic shake with a 50 year warranty and MLM and their site manager, Larry Drake, did an excellent job in making sure the new roof was installed in accordance to our strict HOA requirements in Kentlands. They also installed snow guards on the edge to prevent sheets of ice or snow from sliding off at one time which could injure anyone below. Great professional team installed in 3 days with complete cleanup afterwards  
Service: Roof installation
- A Year Ago: MLM roofing has been wonderful. Scott Bolden was our rep. He got on the roof took pictures, explained the damage to us, gave us options and then worked with our insurance company to cover the entire cost minus the deductible. There was no pressure from them. Our work is scheduled to be done in a few weeks. Our neighbor had theirs done before Christmas and it looks great. I'll send another review when it's completed.  
Just had the work completed on our roof and the ceilings indoor as well. MLM was fantastic! The work was done quickly and very efficiently. All water damage on our ceiling was repaired, sealed and painted. I would highly recommend MLM for all your roof repairs and replacements.  
Services: Roof inspection, Roof installation

## **II. MARYLAND INSURANCE LAWS:**

**13.** The following provisions of the Maryland Insurance Article apply to acts and omissions of the Respondent in the State.<sup>4</sup>

**Section 10-401(g)(1)** of the Insurance Article provides, in pertinent part:

(g)(1) “Public adjuster” means a person who for compensation or any other thing of value:

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<sup>4</sup> The failure to designate a particular provision in this proposed Order does not deprive the Commissioner of the right to rely on that provision. The Order also does not contain references to regulations contained in Title 31 (Maryland Insurance Administration) of the Code of Maryland Regulations (COMAR), which may be applicable.

(i) acts or aids, solely in relation to first-party claims arising under an insurance policy that insures the real or personal property of the insured, on behalf of the insured in negotiating for, or effecting the settlement of, a claim for loss or damage covered by an insurance policy;

(ii) except as provided in § 10-403 of this subtitle, directly or indirectly solicits for employment as a public adjuster of insurance claims, solicits business, or represents oneself to the public as a public adjuster of first-party insurance claims for losses or damages arising out of insurance policies that insure real or personal property; or

(iii) investigates or adjusts losses, or advises an insured about first-party claims for losses or damages arising out of an insurance policy that insures real or personal property for another person engaged in the business of adjusting losses or damages covered by an insurance policy, for the insured.

**Section 10-403** of the Insurance Article provides, in pertinent part:

(a) Except as otherwise provided in this subtitle, a person must obtain a license before the person acts as a public adjuster in the State.

**Section 27-405** of the Insurance Article provides, in pertinent part:

(a) It is a fraudulent insurance act for a person to act as or represent to the public that the person is:

(1) an insurance producer or a public adjuster in the State if the person has not received the appropriate license under or otherwise complied with Title 10 of this article[.]

**Section 4-205(b)** of the Insurance Article provides, in pertinent part:

(b) An insurer or other person may not, directly or indirectly, do any of the acts of an insurance business set forth in subsection (c) of this section, except as provided by and in accordance with the specific authorization of statute.

**Section 4-205(c)** of the Insurance Article provides, in pertinent part:

(c) Any of the following acts in the State, effected by mail or otherwise, is considered to be doing an insurance business in the State:

...(6) except as provided in subsection (d) of this section, with respect to a subject of insurance resident, located, or to be performed in the State, directly or indirectly acting as an insurance producer for, or otherwise representing or helping on behalf of another, an insurer or other person to:

...

(vii) investigate or adjust claims or losses;...

(ix) in any other manner represent or help an insurer or other person to transact insurance business;



(7) doing any kind of insurance business specifically recognized as doing an insurance business under statutes relating to insurance;

(8) doing or proposing to do any insurance business that is substantially equivalent to any act listed in this subsection in a manner designed to evade the statutes relating to insurance;

**Section 4-212** of the Insurance Article provides, in pertinent part:

An unauthorized insurer or person that violates this subtitle is subject to a civil penalty of not less than \$100 but not exceeding \$50,000 for each violation.

**Section 27-408(c)** of the Insurance Article provides, in pertinent part:

(c)(1) In addition to any criminal penalties that may be imposed under this section, on a showing by clear and convincing evidence that a violation of this subtitle has occurred, the Commissioner may:

(i) impose an administrative penalty not exceeding \$25,000 for each act of insurance fraud; and...

(2) In determining the amount of an administrative penalty, the Commissioner shall consider:

(i) the nature, circumstances, extent, gravity, and number of violations;

(ii) the degree of culpability of the violator;

(iii) prior offenses and repeated violations of the violator; and

(iv) any other matter that the Commissioner considers appropriate and relevant.

### **III. VIOLATIONS:**

**14.** By the conduct set forth above, Respondents violated the Insurance Article by acting as a PA, despite lacking the requisite licenses to do so. In particular, Respondents:

- Offered within its "Contingency Contract" to negotiate on behalf of homeowners with the homeowner's insurance company;
- Advertised to navigate the roof insurance process;
- Advertised that MLM will work with your home insurance company to cover a replacement;
- Advertised that they will work with the adjuster to agree on the total damage;
- Advertised that they understand the insurance claims process inside and out;
- Called and notified Erie of the claim on behalf of homeowners C.G. and C.A.

**15.** The public justifiably expects the MIA to ensure that only competent and trustworthy PAs are permitted to conduct the business of insurance in the State and with Maryland. Respondents'

conduct violated §§ 27-405(a)(1), 10-403(a), and 4-205(b) of the Insurance Article. Respondents did not have a license as required under § 10-403 to act as a PA.

#### **IV. SANCTIONS:**

**16.** It is clear that the violations identified herein were knowing and willful, and indicative of Respondents' disregard for the laws of this State.

**17.** In consideration of the violations set forth above, and the need to protect the public by enforcement of the Insurance Article, the Administration issues the following directives and imposes the following sanctions:

- (a) Respondents shall immediately **DISCONTINUE** all business activities in the State of Maryland that fall within the scope of activities defined in § 10-401;
- (b) Respondents shall immediately **DISCONTINUE** making any written contract or agreement with any Maryland policyholder related to home repair or remodeling services for damages to a private residence for which the homeowner has or will make an insurance claim which:
  - (i) Authorizes or permits Respondents to prepare and submit appraisals or estimates, or to meet or discuss or negotiate the value of damages sustained by insured property in connection with a first-party insurance claim, except through a person or entity licensed to act as a public adjuster in the State;
- (c) Respondents shall immediately **DISCONTINUE** holding themselves out as persons or entities qualified to act on behalf of Maryland policyholders in the evaluation, appraisal, estimation or negotiation of the cost to repair damages covered by a policy of insurance.

**18.** In addition, having considered the factors set forth in § 27-408(c)(2), the MIA imposes an administrative penalty in the amount of \$5,000.00 against MLM, and an administrative penalty in the amount of \$1,500.00 against Munoz.

19. The aforesaid administrative penalties shall be paid within thirty (30) days of the date of this Order to the Maryland Insurance Administration. Payment shall be made by immediately payable funds and shall identify the case by number (T-2023-0086) and Respondent's name (MLM Home Improvement, LLC or Ricardo Munoz). Payment of the administrative penalty shall be sent to the attention of: Joseph Smith, Acting Associate Commissioner, Insurance Fraud and Enforcement Division, 200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202. Unpaid penalties will be referred to the Central Collections Unit for collection.

20. Effective the date of this Order, Respondents shall not engage in any public adjuster business activity within the State of Maryland.

21. This Order does not preclude any potential or pending action by any other person, entity, or government authority, regarding any conduct by Respondents including the conduct that is the subject of this Order.

**WHEREFORE**, for the reasons set forth above, and subject to Respondents' right to request a hearing, it is this 2nd day of March 2023, **ORDERED** that:

A) MLM Home Improvement, LLC shall pay an administrative penalty of Five Thousand dollars (\$5,000.00) within 30 days of the date of this Order;

B) Ricardo Munoz shall pay an administrative penalty of One Thousand Five Hundred dollars (\$1,500.00) within 30 days of the date of this Order.

C) MLM Home Improvement, LLC shall amend all contracts within fifteen (15) days of the date of this Order, removing language wherein it represents a homeowner in negotiating a homeowner's insurance claim; and

D) MLM Home Improvement, LLC shall otherwise fully and completely comply with Paragraph 17 of this Order.

KATHLEEN BIRRANE  
Insurance Commissioner

BY: signature on original

JOSEPH E. SMITH  
Acting Associate Commissioner  
Insurance Fraud & Enforcement Division

### **RIGHT TO REQUEST A HEARING**

Pursuant to § 2-210 of the Insurance Article and Code of Maryland Regulations (“COMAR”) 31.02.01.03, an aggrieved person may request a hearing on this Order. This request must be in writing and received by the Commissioner within thirty (30) days of the date of the letter accompanying this Order. However, pursuant to § 2-212 of the Article, the Order shall be stayed pending a hearing only if a demand for hearing is received by the Commissioner within ten (10) days after the Order is served. The written request for hearing must be addressed to the Maryland Insurance Administration, 200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202, Attn: Melanie Gross, Executive Assistant to the Deputy Commissioner. The request shall include the following information: (1) the action or non-action of the Commissioner causing the person requesting the hearing to be aggrieved; (2) the facts related to the incident or incidents about which the person requests the Commissioner to act or not act; and (3) the ultimate relief requested. The failure to request a hearing timely or to appear at a scheduled hearing will result in a waiver of your rights to contest this Order and the Order shall be final on its effective date. Please note that if a hearing is requested on this initial Order, the Commissioner may affirm, modify, or nullify an action taken or impose any penalty or remedy authorized by the Insurance Article against the Respondent in a Final Order after hearing.