

(electronically filed)
CASE NO. 26-CI-003349

JEFFERSON CIRCUIT COURT
DIVISION SIX
JUDGE JESSICA GREEN

BRANDI DAWN CARROLL;
BRANDI CARROLL PUBLIC ADJUSTER, PLLC;
THOMAS FRANCIS BARRETT JR.; TOBA, LLC;
KEVIN DOUGLAS STAMPER; THOROUGHbred
ALLIANCE GROUP, LLC;
STEPHEN DOUGLAS MULLINS; SMG CLAIMS, LLC;
RICHARD MICHELSON; and RISCO, INC.

PLAINTIFFS

v. **AMENDED MOTION FOR TEMPORARY INJUNCTION**

RUSSELL COLEMAN, in his official capacity as
Attorney General of the Commonwealth of Kentucky

DEFENDANT

* * * * *

Pursuant to CR 65.04(1) and the standards set out in *Beshear v. Goodwood Brewing Co.*, 635 S.W.3d 788, 794–95 (Ky. 2021), Plaintiffs Brandi Dawn Carroll; Brandi Carroll Public Adjuster, PLLC; Thomas Francis Barrett Jr.; Toba, LLC; Kevin Douglas Stamper; Thoroughbred Alliance Group, LLC; Stephen Douglas Mullins; SMG Claims, LLC; Richard Michelson; and RISCO, Inc. (collectively, “Plaintiffs”), by and through their attorneys, Aaron Kemper and Benjamin Potash, move this Court for a temporary injunction enjoining enforcement of House Bill 568 (“HB 568”) and House Bill 355 (“HB 355”), enacted by the 2026 Kentucky General Assembly.

HB 568 effectively eliminates the public adjusting profession in Kentucky for two years by prohibiting public adjusters from negotiating with insurers on behalf of policyholders, which is the core function of their profession, while leaving entirely untouched the functionally identical work performed by insurance company adjusters. HB 355 prohibits real property appraisers from negotiating on behalf of insureds but allows staff adjusters and independent adjusters to appraise

property and negotiate. Together, these bills strip Kentucky policyholders of their only affordable professional advocates and grant insurance companies an unchecked advantage in every disputed property claim in the Commonwealth.

The General Assembly's legislative intent appears to have been based on testimony by insurance company lobbyists, who asserted under oath that out-of-state public adjusters took unfair advantage of Kentuckians in the wake of disaster.¹ But HB 568 does not apply only to out-of-state public adjusters, or only to those who take unfair advantage of their clients. It rather severely limits the profession by legislating their ability to negotiate out of existence. While KORA requests show only three substantive complaints against public adjusters in the last two and half years in the Commonwealth,² independent adjusters were named as defendants in bad faith cases on a near daily basis in Kentucky until such actions were ruled nonjusticiable in *Breedlove v. State Farm Fire & Cas. Co.*, 690 S.W.3d 904 (Ky. App. 2024).

These bills plainly constitute special legislation in violation of Sections 59 and 60 of the Kentucky Constitution, see *Calloway County Sheriff's Department v. Woodall*, 607 S.W.3d 557, 573 (Ky. 2020); *Coleman v. Jefferson County Board of Education*, No. 2023-SC-0498-DG (Ky. Dec. 19, 2024), and violate multiple additional provisions of the Kentucky Constitution, including Sections 1, 2, 3, 13, and 19. As demonstrated by the Complaint and the facts set forth herein, if these bills are allowed to take effect, Plaintiffs will suffer immediate and irreparable injury, and the public interest will be significantly harmed.

¹1 Preserved in public record, https://www.youtube.com/watch?v=owjJYq_e3IU, at 14:55, https://www.youtube.com/watch?v=7n4_zX09N_E, at 37:40 both accessed 4/17/26.

²2 2024-00179 – Non-resident using non-approved forms (administrative but repeated, charging 25%, utilizing contractors); 2024-00286 – Reciprocal revocation due to fraud committed in Iowa; 2025-00009 – Resident public adjuster misappropriated insurance funds; license revoked and referred to the Attorney General.

I. FACTUAL BACKGROUND

The facts underlying this Motion are set forth in detail in the Amended Complaint filed contemporaneously herewith and are incorporated herein by reference. The following summary highlights the facts most relevant to Plaintiffs' request for temporary injunctive relief.

A. The Public Adjusting Profession

A public adjuster is a licensed insurance professional who represents policyholders in first-party property insurance claims. Compl. ¶ 15. Public adjusters inspect and document property damage, prepare loss estimates, organize claim documentation, and *negotiate directly with insurers* on behalf of the policyholder to obtain a fair settlement. *Id.* The right to negotiate was the core professional function that gave public adjusters their economic value and distinguished them from unlicensed consultants. Compl. ¶ 17.

Public adjusters typically work on a percentage basis, making their services accessible to ordinary homeowners and small business owners who cannot afford hourly attorney rates. Compl. ¶ 19. Industry data consistently shows that policyholders represented by public adjusters recover materially more on their claims than unrepresented policyholders. Compl. ¶ 20. Prior to HB 568, Kentucky public adjusters were already subject to a comprehensive regulatory framework including licensure, bonding, contract form approval, fee caps, continuing education, and a full disciplinary system. Compl. ¶ 18.

HB 568 recognizes three types of adjusters, two who work for insurance companies, and public adjusters, who work for the people. Data regularly show the disparate bargaining power between insurance companies and their insureds, see Compl. ¶ 20, and now, under new Kentucky law, public adjusters have lost their ability to negotiate on behalf of the people, while insurance company adjusters face no such restriction for their corporate clients.

B. What HB 568 and HB 355 Do

HB 568 fundamentally destroys the public adjusting profession through several interlocking provisions. It prohibits the Commissioner of Insurance from issuing any new public adjuster licenses for two years, phasing out the profession entirely through attrition. Compl. ¶ 23. It prohibits public adjusters from negotiating with insurers on behalf of policyholders for two years, thus eliminating the core function of the profession. Compl. ¶ 24. It redefines the scope of practice from actively “negotiating for, or effecting the settlement of, a claim” to the passive and far more limited role of “renders advice or assistance.” Compl. ¶ 25. And it slashes the maximum permissible fee from fifteen percent (non-catastrophic) and ten percent (catastrophic) to just ten percent, making the hollowed-out license economically unviable even for those who attempt to continue. Compl. ¶ 26.

HB 355 creates new licensing requirements for appraisers who represent policy holders and prohibits them from negotiating on behalf of a policy holder on any insurance claim relating to real property. Compl. ¶¶ 29–31 Notably, HB 355 makes an exception for staff adjusters and independent adjusters (the adjusters who work for insurance companies and not the insured), who are free to appraise property and negotiate while their counterparts, public adjusters, are more strictly regulated and precluded from negotiating.

Critically, HB 568 explicitly excludes attorneys from the definition of “public adjuster,” meaning attorneys may continue to negotiate with insurers and perform every function a public adjuster previously performed presumably at higher rates and unconstrained by the public adjuster fee cap. Compl. ¶ 28. And independent adjusters who work for insurance companies face no restriction whatsoever under either bill. Compl. ¶¶ 27, 36. The practical result is that insurers continue to deploy professional negotiators while policyholders are stripped of theirs.

C. Injuries to Plaintiffs

Each of the five individual Plaintiffs is a Kentucky resident who holds a Kentucky public adjuster license and has invested substantially in building a public adjusting practice in this Commonwealth. Compl. ¶¶ 41–56. Collectively, Plaintiffs represent over seventy years of combined experience in the insurance adjusting industry. Compl. ¶ 57.³ Every individual Plaintiff has worked on the insurer side of the claims process and can personally attest that public adjusters and insurer-side adjusters perform functionally identical work. *Id.* The only difference is that a public adjuster prioritizes the needs of the insured, while other adjusters do not.

The injuries to Plaintiffs are not speculative. They are occurring now. Insurers have already begun refusing to communicate with public adjusters on pending claims. Compl. ¶¶ 43, 49, 59. Policyholders are already being turned away. Compl. ¶¶ 43, 46, 53, 56. Investments in Xactimate estimating software, marketing, surety bonds, and other business expenses are already losing their value. Compl. ¶¶ 46, 49, 53, 56.

The individual stories illustrate the breadth of the harm. Mr. Barrett has had to turn away prospective clients. Compl. ¶ 43.⁴ Mr. Stamper, whose practice is ninety-eight percent Kentucky work, is already declining clients and has seen his investments in software and equipment rendered worthless. Compl. ¶ 46.⁵ Ms. Carroll, a single mother raising four children, including three grandchildren she took in after her eldest daughter passed away, works almost exclusively in Kentucky because she cannot pursue out-of-state storm work while raising young children; this legislation destroys the livelihood on which she and four children depend. Compl. ¶ 50.⁶ Mr. Mullins, who is sixty-one years old and has worked in the adjusting industry since 1993, may be

³See Exhibits A–E.

⁴Aff. of Barrett, **Exhibit B**, ¶¶ 7–9.

⁵Aff. of Stamper, **Exhibit C**, ¶¶ 7–9.

⁶Aff. of Carroll, **Exhibit A**, ¶¶ 7–13.

forced into retirement against his will. Compl. ¶ 53.⁷ Mr. Michelson, who earns approximately \$200,000 annually from his Kentucky practice and holds the Certified Insurance Counselor and Certified Risk Manager designations, has already lost clients and referrals. Compl. ¶ 56.⁸

II. LEGAL STANDARD

A court should grant a temporary injunction if the movant shows irreparable injury, establishes the existence of a substantial legal question on the merits, and demonstrates that a weighing of the equities favors injunctive relief. *Maupin v. Stansbury*, 575 S.W.2d 695, 697–99 (Ky. App. 1978). “When weighing the equities, ‘[a]lthough not an exclusive list, the court should consider such things as possible detriment to the public interest, harm to the defendant, and whether the injunction will merely preserve the status quo.’” *Beshear v. Goodwood Brewing Co.*, 635 S.W.3d 788, 795 (Ky. 2021) (quoting *Maupin*, 575 S.W.2d at 699).

The primary consideration is whether “the movant will suffer immediate and irreparable injury, loss, or damage pending a final judgment in the action.” *Beshear v. Goodwood Brewing Co.*, 635 S.W.3d at 795. Where the movant demonstrates a substantial question on the merits and irreparable harm, the equities strongly favor preserving the status quo pending a full adjudication on the merits.

III. ARGUMENT

A. Plaintiffs Will Suffer Irreparable Harm If HB 568 and HB 355 Are Not Enjoined

The primary consideration for this Court in whether to grant a temporary injunction is whether “the movant will suffer immediate and irreparable injury, loss, or damage pending a final

⁷ Aff. of Mullins, **Exhibit D**, ¶¶ 7–9.

⁸ Aff. of Michelson, **Exhibit E**, ¶¶ 5–8.

judgment in the action.” *Beshear v. Goodwood Brewing Co.*, 635 S.W.3d at 795. Here, the irreparable harm is overwhelming and immediate. It is already occurring.

HB 568 does not merely regulate the public adjusting profession. It effectively eliminates it. The bill prohibits public adjusters from performing the core function of their profession: negotiating with insurers on behalf of policyholders. Compl. ¶ 24. It bars the issuance of any new licenses for at least two years. Compl. ¶ 23. It slashes the maximum fee to a level that makes even the hollowed-out license economically unviable. Compl. ¶ 26. As HB 568 takes effect, every Plaintiff will immediately lose the ability to practice the profession they have spent years or decades building.

The loss of the right to practice a lawful profession constitutes irreparable harm that cannot be remedied by monetary damages. Once Plaintiffs’ client relationships are severed, their professional reputations are disrupted, and their referral networks collapse, no amount of money can restore the status quo ante. Clients who need representation now will retain attorneys or simply accept whatever insurers offer. Those relationships and opportunities, once lost, cannot be recaptured.

Moreover, the harm is not hypothetical because it is already occurring. Kentucky Farm Bureau already refused to communicate with Ms. Carroll on a pending claim because of this legislation, even before it took effect. Compl. ¶ 49. Mr. Barrett has already been forced to turn away a prospective client. Compl. ¶ 43. Mr. Stamper is already declining clients. Compl. ¶ 46. Mr. Michelson has already lost clients and referrals. Compl. ¶ 56. Every day that passes without injunctive relief causes additional, compounding, irreparable injury to each Plaintiff.

Ms. Carroll’s situation is particularly compelling. She is a single mother raising four children, including three grandchildren she took in after her eldest daughter’s death. Compl. ¶ 50.

She works almost exclusively in Kentucky because she cannot pursue out-of-state storm work while raising young children. *Id.* This legislation destroys the livelihood on which she and four children depend, in the only state where she can practically work. *Id.*

B. There Is a Substantial Question on the Merits

Plaintiffs need not prove their case at this stage; they need only establish the existence of a “substantial legal question.” *Maupin*, 575 S.W.2d at 699. The constitutional deficiencies in HB 568 and HB 355 are manifest.

1. Sections 59 and 60: Special Legislation

Section 59 of the Kentucky Constitution prohibits the General Assembly from passing “local or special acts” concerning a broad range of specified subjects, and Section 60 provides that “in all other cases where a general law can be made applicable, no special law shall be enacted.” The test is “whether the statute applies to a particular individual, object or locale.” *Calloway County Sheriff’s Department v. Woodall*, 607 S.W.3d 557, 573 (Ky. 2020).

In *Coleman v. Jefferson County Board of Education*, No. 2023-SC-0498-DG (Ky. Dec. 19, 2024), the Kentucky Supreme Court reaffirmed and expanded this analysis, holding that the fundamental inquiry is “whether there is any reasonably articulable natural and distinctive basis for the class distinctions drawn by the legislature.” Compl. ¶ 64. Notably, the appellant in *Coleman* was Defendant Russell Coleman himself, who unsuccessfully defended the constitutionality of the challenged statute under Sections 59 and 60. *Id.*

HB 568 is textbook special legislation. It singles out one specific professional class, public adjusters, for elimination while leaving untouched the functionally identical class of independent adjusters who perform the same work on behalf of insurance companies. Compl. ¶ 65. The classification is not based on any natural and distinctive difference between the two classes; both

negotiate insurance claims, and the only difference is which party retains them. *Id.* No other profession in Kentucky is treated this way. Compl. ¶ 66.

There are only two meaningful differences between public adjusters and the other two legally recognized forms: public adjusters represent people, not corporations, and they face far more governmental regulation.

The classification fails the *Zuckerman v. Bevin* test because there is no “distinctive and natural reason[] inducing and supporting the classification.” 565 S.W.3d 580, 600 (Ky. 2018). A general law regulating all adjusters regardless of who employs them was plainly available. Compl. ¶ 67. The decision to eliminate only public adjusters while leaving insurer-side adjusters unregulated is the hallmark of special legislation prohibited by Sections 59 and 60.

2. Sections 1 and 2: Due Process

Plaintiffs have protected liberty and property interests in practicing their chosen profession and earning a livelihood. Compl. ¶ 76. HB 568 deprives Plaintiffs of these interests by completely prohibiting them from performing the core function of their profession. Compl. ¶ 77. The deprivation is arbitrary and capricious because HB 568 prohibits public adjusters from negotiating while allowing insurance company adjusters to perform the identical function without restriction. Compl. ¶ 78. The stated justification, protecting consumers from out-of-state predatory adjusters, does not rationally relate to a total prohibition on all public adjusters’ ability to negotiate. Compl. ¶ 79.

3. Sections 2 and 3: Equal Protection

HB 568 creates a classification that treats public adjusters differently from insurance company adjusters, though both groups perform functionally identical work, negotiating insurance claims. Compl. ¶ 83. Public adjusters are singled out for prohibition while insurance company

adjusters are permitted to continue negotiating without restriction. Compl. ¶ 84. This classification grants insurance company adjusters an exclusive privilege in violation of Section 3's prohibition that "no grant of exclusive, separate public emoluments or privileges shall be made to any man or set of men." Compl. ¶ 86.

4. Section 19: Contracts Clause

Plaintiffs had valid contracts with clients obligating them to negotiate with insurers. Compl. ¶ 89. HB 568 renders Plaintiffs unable to fulfill the primary purpose of these contracts. Compl. ¶ 90. The impairment is not justified by a significant and legitimate public purpose and is not narrowly tailored to achieve the stated purpose. Compl. ¶¶ 91–92.

5. Section 13: Takings

Plaintiffs have a property interest in their professional licenses and in their ability to earn a livelihood. Compl. ¶ 95. HB 568 renders those licenses and business interests economically idle without providing just compensation. Compl. ¶ 98. The interference is not justified by a legitimate public purpose and is not narrowly tailored. Compl. ¶ 97.

6. Section 2: Prohibition of Absolute and Arbitrary Power

Section 2 of the Kentucky Constitution provides that "absolute and arbitrary power over the lives, liberty and property of freemen exists nowhere in a republic, not even in the largest majority." HB 568 exercises absolute and arbitrary power by eliminating one side of a two-sided professional equation, banning the adjusters who work for policyholders while leaving untouched the adjusters who work for insurers, without any rational basis for the distinction. Compl. ¶¶ 100–104.

C. The Balance of Equities Favors Injunctive Relief

The equities overwhelmingly favor granting temporary injunctive relief. Without an injunction, Plaintiffs face the complete destruction of their professional livelihoods. They will lose clients, referral networks, and professional reputations that have been built over years and decades. Ms. Carroll and her four children will lose the income on which they depend. Mr. Mullins may be forced into involuntary retirement. These harms are severe, immediate, and irreversible.

By contrast, the Defendant suffers no cognizable harm from maintaining the status quo pending a decision on the merits. Granting a temporary injunction simply preserves the regulatory framework that existed before HB 568 and HB 355, a framework under which public adjusters were already subject to comprehensive regulation including licensure, bonding, fee caps, continuing education, and disciplinary oversight. Compl. ¶ 18. The Commonwealth has no legitimate interest in enforcing an unconstitutional statute.

The injunction sought will “merely preserve the status quo” pending a full adjudication on the merits, precisely the purpose that temporary injunctive relief is designed to serve. *See Beshear v. Goodwood Brewing Co.*, 635 S.W.3d at 795.

D. The Public Interest Favors Injunctive Relief

The public interest strongly supports injunctive relief. Kentucky policyholders have a direct interest in retaining access to affordable professional advocates who can negotiate with insurers on their behalf. The elimination of public adjuster negotiation advocacy harms every Kentucky property owner who may face a disputed insurance claim. Compl. ¶ 60.

After HB 568 and HB 355 take effect, a Kentucky homeowner with a disputed \$40,000 roof claim will have three options: negotiate alone against the insurer’s professional adjusting staff; hire an attorney at hourly rates or a thirty-three percent contingency fee that may consume most of

the disputed amount; or accept whatever the insurer offers. Compl. ¶ 61. For most ordinary Kentuckians, the practical result will be the third option. The public interest is not served by a legislative scheme that systematically suppresses the recoveries that Kentucky property owners obtain on legitimate insurance claims while granting insurance companies an unchecked advantage in every disputed property claim.

The public interest is also served by the enforcement of the Kentucky Constitution. There is a strong public interest in ensuring that the General Assembly does not enact special legislation that targets a single professional class for elimination while leaving the functionally identical class that serves the opposing interest entirely unregulated.

IV. CONCLUSION

WHEREFORE, Plaintiffs respectfully request that this Court enter a temporary injunction pursuant to CR 65.04 enjoining Defendant Russell Coleman, in his official capacity as Attorney General of Kentucky, and all other state officials, from enforcing HB 568 and HB 355 against Plaintiffs and all other public adjusters in Kentucky, pending a final adjudication on the merits of Plaintiffs' constitutional claims, and grant all other relief to which Plaintiffs may be entitled.

Respectfully submitted,

/s/ Aaron Kemper

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CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing has been sent via electronic service this 23rd day of April 2026 to:

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