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UTAH STATE
INSURANCE DEPT.

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**BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF UTAH**

COMPLAINANT:

UTAH INSURANCE DEPARTMENT

**STIPULATION
&
ORDER**

RESPONDENTS:

HOMETOWN BAIL BONDS, INC.
License No. 240541
AROUND THE CLOCK BAIL BONDS
License No. 256960
and
THOMAS SCOTT HATRICK
License No. 209040
P.O. Box 881
357 East 3300 South, #6
Salt Lake City, UT 84097

Docket No. 2008-095-LC

Enf. Case Nos. 2205, 2288 & 2289

STIPULATION

1. Respondent Hometown Bail Bonds, Inc. ("Hometown"), is a licensed bail bond surety in the State of Utah, holding License No. 204541. Respondent Around The Clock Bail Bonds ("Around the Clock"), is a licensed bail bond surety in the State of Utah, holding License No. 256960. Respondent Thomas Scott Hatrick ("Hatrick") is a license bail bond agent in the State of Utah, holding License No. 209040, and is the owner and named on the licenses of Respondents Hometown and Around the Clock.

2. Respondents stipulate with the Complainant, Utah Insurance Department, as follows:

a. If a hearing were held, witnesses called by the Complainant could offer and

introduce evidence that would support the Findings of Fact herein;

b. Respondents neither admit nor deny the Findings of Fact and Conclusions made therefrom;

c. Respondents stipulate to the summary entry of the Order herein which shall be in lieu of other administrative proceedings by Complainant in this matter; and

d. Respondents and Complainant have negotiated the terms of the Order entered herein and Respondents agree to its entry and further agree to be bound by all its terms.

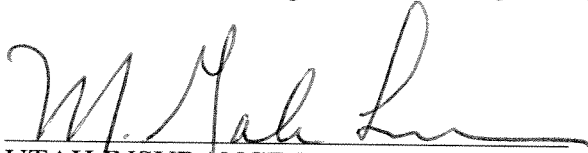
3. Respondents are aware of their right to a hearing at which they may be represented by counsel, present evidence and cross-examine witnesses. Respondents have irrevocably waived their right to such hearing and to any appeal related thereto.

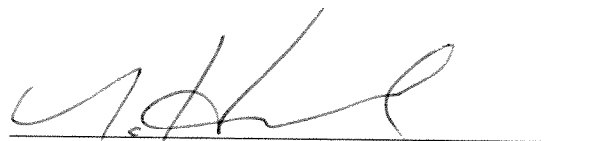
4. Respondents admit the jurisdiction of the State of Utah Insurance Commissioner as to all matters herein.

5. Respondents are acting herein free from any duress or coercion of any kind or nature, having been advised fully as to their rights set forth herein.


6. Respondents acknowledge that the issuance of this Order by the Commissioner is solely for the purpose of disposition of the matter entitled herein.


DATED this 29th day of October, 2008.


UTAH INSURANCE DEPARTMENT
M. Gale Lemmon, Assist. Attorney General


HOMETOWN BAIL BONDS, INC.
Thomas S. Hatrick, Owner

APPROVED AS TO FORM:


AROUND THE CLOCK BAIL BONDS
Thomas S. Hatrick, Owner


JOHN K. RICE
Attorney for Respondents


THOMAS SCOTT HATRICK
Personally

Based upon the foregoing Stipulation and information in the file, the Presiding Officer makes the following Findings of Fact:

FINDINGS OF FACT

1. On or about January 19, 2008, Respondent Hatrick acting for Respondent Hometown accepted approximately \$13,000.00 as premium for six bail bonds for Michael Sahatvalieyev, and also accepted as collateral for those bonds, including a trust deed on a home in Murray, Utah, and two cars, a 1998 Cadillac Deville and a 2002 Chevy Malibu.

2. Respondents were not able to affect the release of Sahatvalieyev because he also had an immigration hold placed against him with no bail allowed.

3. Respondent Hometown and its underwriter were never at risk on the bail bonds issued for Sahatvalieyev because Sahatvalieyev has not been released from custody, and the bail bonds issued for Sahatvalieyev were revoked by Respondent Hometown on January 29, 2008.

4. Despite requests from those paying the bail bond premiums and the direction of the department, Respondents have refused refund the premiums paid or to return the collateral received.

5. Between the dates of at least February 21, 2008 to September 18, 2008, at the direction and/or with the knowledge of Respondent Hatrick, Respondents Hometown and Around the Clock have used photocopied powers of attorney from their underwriter and used them to issue bail bonds in addition to those issued using the original powers of attorney. Respondents failed to report those duplicated powers of attorney and the premium collected by their use to their underwriter.

Based upon the foregoing Stipulation and Findings of Fact, the Presiding Officer enters the following Conclusions of Law:

CONCLUSIONS OF LAW

1. In failing to return premium on bail bonds where Respondent Hometown or its underwriter never became at risk, and in failing to return collateral on those bail bonds, Respondents have committed unprofessional conduct pursuant to Utah Administrative Code Rule R590-186-7(2), being involved in any transaction which shows unfitness to act in a fiduciary capacity or a failure to maintain the standards of fairness and honesty required of a trustee or other fiduciary; -7(8), failure to return collateral taken as security on a bond; -7(15), charging excessive or unauthorized premiums, excessive fees or other unauthorized charges; -7(28), failing to comply with the provisions of the Utah statutes and rules regulating the bail bond surety business or order of the insurance commissioner.

2. In using duplicated powers to attorney to issue additional bail bonds and collecting premiums neither of which were not reported to the underwriter, Respondents violated Utah Code Annotated §§ 31A-23a-402(1)(a)(i), making a communication relating to an insurance contract that contains false or misleading information; and 31A-23a-409, trust obligations for funds collected.

3. Pursuant to Utah Code Annotated §§ 31A-23a-111(5)(d), 31A-35-503(3) and 31A-35-601(2)&(3), a natural person named on an agency license commits any act or fails to perform any duty that is grounds for revoking the natural person's license, the commissioner may revoke both the agent's license and the agency's license.

4. Respondent Hometown's license should be revoked pursuant to Utah Code Annotated § 31A-35-703 and 31A-2-308(11).

5. Respondent Hatrick's license should be revoked pursuant to Utah Code Annotated § 31A-23a-111(5)(b)(i), is unqualified for a license; -111(5)(b)(ii)(B), has violated an insurance rule; -111(5)(b)(iv), fails to pay a final judgment within 60 days after the judgment became final;

-111(5)(b)(xii), has improperly withheld, misappropriated or converted any monies or properties received in the course of doing insurance business; -111(5)(b)(xv), has been found to have committed any insurance unfair trade practice or fraud; -111(5)(b)(xvi), in the conduct of business has used fraudulent, coercive, or dishonest practices, or demonstrated incompetence, untrustworthiness, for financial irresponsibility; and -111(5)(b)(xxiv), has engaged in methods and practices in the conduct of business that endanger the legitimate interest of customers and the public.

13. Pursuant to Utah Code Annotated § 31A-2-308(1)(a), if a person violates an insurance statute or rule, the commissioner shall impose a forfeiture of twice the amount gained from said violation.

Based upon the foregoing Stipulation, Findings of Fact and Conclusions of Law, the Presiding Officer herewith enters the following Order:

ORDER

IT IS HEREBY ORDERED:

1. The licenses of Respondents Thomas Scott Hatrick, Hometown Bail Bonds, Inc. and Around the Clock Bail Bonds are revoked forthwith.
2. Respondents are assessed jointly and severally an administrative forfeiture in the amount of \$35,000.00. Said forfeiture is suspended pending the return of all premiums and collateral collected in connection with the Sahatvalieyev matter within 30 days of the date of this Order.

NOTIFICATION

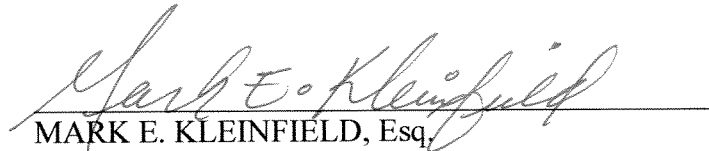
Respondents are hereby notified that failure to abide by the terms of this Order may subject them to further penalties, including additional forfeitures of up to \$5,000.00 per violation

and the filing of an action to enforce this Order in the District Court, which may impose penalties of up to \$10,000.00 per day for continued violation.

You are further notified that other jurisdictions in which you may be licensed may require that you report this action to them.

DATED this 4th day of November, 2008.

D. KENT MICHIE
INSURANCE COMMISSIONER

A handwritten signature in cursive script, reading "Mark E. Kleinfeld", is written over a horizontal line.

MARK E. KLEINFELD, Esq.
Administrative Law Judge
Utah Insurance Department
State Office Building, Room 3110
Salt Lake City, Utah 84114
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