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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

RESPONDENTS:

PAYLESS BAIL BONDS
License No. 104705

CRAIG CRAWFORD
License No. 110385



STIPULATION AND ORDER

Docket No. 2011-066 PC

Enf. Case No. 2800

STIPULATION

1. Respondent Payless Bail Bonds ("Payless") is a bail bond surety in the State of Utah holding license number 104705. Respondent Craig Crawford is the owner of Payless and is a licensed bail bond insurance agent in the State of Utah holding license number 110385.

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 admit 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 agrees 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 purpose of disposition of the matter entitled herein.

DATED this 22nd day of April, 2011.



PAYLESS BAIL BONDS
Craig Crawford, Owner



CRAIG CRAWFORD



UTAH INSURANCE DEPARTMENT
M. Gale Lemmon, Assistant Attorney General

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

FINDINGS OF FACT

1. An audit of Respondent Payless Bail Bonds was scheduled for February 16, 2011. On February 10, 2011, the market conduct investigator contacted Respondent to confirm the scheduled audit. During the conversation, the agency owner, Respondent Craig Crawford, told the examiner that no trust account had been set up for the collateral he accepted for written bail bonds.

2. On February 16, 2011, the examiner conducted the audit and confirmed that the agency had not established and maintained a trust account.

3. Further, it was confirmed that Respondent was depositing the collateral into his operating account and co-mingling the collateral with his own funds.

4. Respondent admitted that he failed in his responsibility to establish a trust account and maintain its integrity as required by law. Respondent Crawford did maintain a ledger for collateral accepted and had an accurate account and record of each collateral transaction.

5. Respondent was cooperative and in a written statement dated February 27, 2011, Respondent Crawford accepted full responsibility for his mistake. Respondent has since corrected the problem.

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

CONCLUSIONS OF LAW

Applicable Statutes & Rules

1. Utah Code Ann. § 31A-35-603(2) states as follows:

- (2) (a) The collateral security . . . shall be received by the bail bond producer in the bail bond producer's fiduciary capacity.
- (b) Before any judgment of forfeiture of bail, the bail bond producer shall keep the collateral separate and apart from any other funds or assets of the licensee.

2. In order to keep collateral separate and apart from any other funds and to hold them in a fiduciary capacity, Respondents are required to deposit collateral funds into a trust account under Utah Code Ann. § 31A-23a-409.

3. In failing to deposit funds received as collateral into a trust account, Respondents violated Utah Code Ann. §§ 31A-35-603(2) and 31A-23a-409.

4. In depositing the collateral for written bail bonds into Respondent Payless' operating account and co-mingled collateral with operating funds, Respondents violated Utah Code Ann. § 31A-23a-409(1)(b).

5. An administrative forfeiture in the amount of \$5,000 and probation for a period of 24 months is appropriate under the circumstances.

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. Respondents Payless Bail Bonds and Craig Crawford are jointly and severally assessed an administrative forfeiture in the amount of \$5,000.00 to be paid to the Utah Department of Insurance within 30 days of the issuance of this Order.

2. The licenses of Respondents Payless Bail Bonds and Craig Crawford are placed on probation for a period of 24 months beginning with the date of this Order. The terms of

probation are that Respondents pay the forfeiture assessed herein in a timely manner, that Respondents submit to random trust audits, and that Respondents have no further violation of the Utah Insurance Code or Rules or of any order of the commissioner.

NOTIFICATION

You are hereby notified that a failure to obey an Order of the Commissioner may subject you to further penalties, including forfeiture of up to \$5,000 per violation for a company, and of up to \$2,500.00 for an individual licensee, and the suspension or revocation of your licenses and the filing of an action in district court, which may impose forfeitures of up to \$10,000 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 2nd day of May, 2011.

NEAL T. GOOCH
Insurance Commissioner



MARK E. KLEINFELD
Administrative Law Judge
Utah Insurance Department
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