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BEFORE THE INSURANCE COMMISSIONER
 OF THE STATE OF UTAH

COMPLAINANT:

UTAH INSURANCE DEPARTMENT

RESPONDENTS:

B&B BAIL BONDS
 License No. 97862

BRENT TAYLOR
 License No. 58529



STIPULATION AND ORDER

Docket No. 2011-088 PC

Enf. Case No. 2837

STIPULATION

1. Respondent B&B Bail Bonds ("B&B") is a bail bond agency and licensed insurer in the State of Utah holding license number 97862. Respondent Brent Taylor is the owner of B&B Bail Bonds and is a licensed insurer in the State of Utah holding license number 58529.
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 17th day of MAY, 2011.

B&B BAIL BONDS
B&B BAIL BONDS by Brent Taylor, Owner

Brent Taylor
BRENT TAYLOR

M. Gale Lemmon
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. On February 22, 2011, an audit of Respondent B&B Bail Bonds was scheduled for March 16, 2011. On or about March 1, 2011, Brent Taylor, B&B's owner contacted the Department auditor to get clarification of the upcoming audit. During the conversation, Taylor disclosed that he had not been maintaining the collateral received for writing bonds in a trust account prior to the beginning of 2011.

2. On March 16, 2011, the examiner conducted the audit and confirmed that B&B had not established and maintained a trust account for deposit of collateral monies collected on written bonds.

3. Further, the audit confirmed that Respondent Taylor was depositing the collateral into B&B's operating account and co-mingling the collateral with operating funds. B&B was not using a Trust Account Ledger to properly account for the collateral.

4. Respondent Taylor admitted that he failed in his fiduciary responsibility when collecting collateral funds in that he had failed to establish a trust.

5. During the audit interview, Taylor indicated that there were two agents associated with B&B that were no longer employed and should be removed. Taylor said he was unsure of how to accomplish notification to the Department and removal. The auditor then instructed him on that process.

6. Respondent Taylor was cooperative during the audit and accepted full responsibility for the agency problems. Respondent has since taken corrective action, and agrees to the recommended forfeiture and probation.

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

CONCLUSIONS OF LAW

1. Under Utah Code Ann. § 31A-35-603(2), a bail bond producer receives collateral security in a fiduciary capacity.
2. A bail bond producer may only fulfill his fiduciary duty for collateral received by placing it in a trust account under Utah Code Ann. § 31A-23a-409.
3. Respondents failed to establish and maintain trust accounts for collateral accepted for written bail bonds in violation of Utah Code Ann. §§ 31A-35-603(2) and 31A-23a-409.
4. Respondent Taylor deposited the collateral for written bail bonds into Respondent B&B's operating account and co-mingled collateral with operating funds. In doing so, Respondents violated Utah Code Ann. § 31A-23a-409(1)(b).
5. Respondents failed to properly report agent terminations to the department in violation of Section 31A-23a-115(1)(b)(ii).
6. 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 B&B Bail Bonds and Brent Taylor are hereby jointly and severally assessed an administrative forfeiture in the amount of \$5,000.00 to be paid to the Utah Insurance Department within 30 days of the issuance of this Order.

2. The bail bond licenses of Respondents B&B Bail Bonds and Brent Taylor are placed on probation for a period of 24 months. The terms of probation are that Respondents shall have no further violations of the Utah Insurance Code, Department Rules, or any order of the Commissioner, and shall submit to random audits of their trust account.

DATED this 24th day of May, 2011.

NEAL T. GOOCH
Insurance Commissioner


MARK E. KLEINFELD
Administrative Law Judge
Utah Insurance Department
State Office Building, Room 3110
Salt Lake City, Utah 84114
Telephone: (801) 538-3800

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 and the suspension or revocation of your license 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.