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JUN 18 2012

UTAH STATE
INSURANCE DEPT.

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

COMPLAINANT:

UTAH INSURANCE DEPARTMENT

RESPONDENTS:

BAIL OUT FAST

License No. 97863

MELINDA STARLEY

License No. 135051



STIPULATION AND ORDER

Docket No. 2012-105 BB

Enf. Case No. 3125

STIPULATION

1. Respondent, Bail Out Fast (“Agency”), is a licensed bail bond surety company in the State of Utah, holding License No. 97863. Respondent Melinda Starley is a license bail bond producer in the State of Utah, License No. 135051, and is the owner of Bail Out Fast.

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 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 purpose of disposition of the matter entitled herein.

DATED this 13th day of June, 2012.

Bail Out Fast, Melinda Starley
BAIL OUT FAST
Melinda Starley, Owner

Melinda Starley
MELINDA STARLEY

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. During an audit of Respondent Bail Out Fast in December 2011, it was discovered that Respondents had failed to establish a “trust account” for holding collateral monies accepted to secure the bail bonds as required by statute. Respondents did keep trust funds separate from other monies, reconciled the account monthly, and maintained an account ledger.

3. It was also discovered that Respondents were not using the same disclosure form which they had on file. Specifically, the form being used did not show the correct bond premium.

4. On February 22, 2012, Respondent Melinda Starley informed the Department that the disclosure form had been corrected, and sent copy of the correct form. Respondent Starley stated that she was working on getting her collateral account designated and set up as a trust account.

5. On February 28, 2012, Respondent Starley sent an email to the Examiner stating that she was not able to get a trust account set up so she will no longer accept collateral until the account is set up.

6. Respondent Melinda Starley was cooperative during the audit and investigation. She stated that the forms issue was due to an error at the printer. She also stated that prior to the audit she was not aware of the specific trust account requirements. The Agency has now corrected the form violation and is endeavoring to establish a “trust account.”

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 establish a proper trust account to hold collateral funds held in trust, Respondents violated Utah Code Ann. § 31A-23a-409.
2. In using a disclosure form that has not been filed with the Department, Respondents violated Utah Code Ann. § 31A-35-607.
3. Respondents violated Utah Administrative Code Rule R590-196-6 in using a disclosure form that was not in compliance with that rule.
4. An administrative forfeiture in the total amount of \$3,000.00 with a stay of \$1,250.00 pending successful completion of the probation imposed herein is proper.
5. Probation for a period of 12 months is appropriate under the circumstances of this case.

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 Bail Out Fast and Melinda Starley are hereby jointly and severally assessed an administrative forfeiture in the amount of \$3,000.00. The amount of \$1,250.00 is stayed pending the successful completion of the probation imposed herein.
2. Respondents licenses are placed on probation for a period of 12 months commencing with the date of this Order. The terms of probation are:
 - A. Respondents shall pay the portion of the forfeiture not stayed within 30 days of the date of this Order;

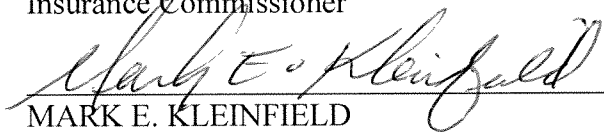
B. prior to termination of the probation, Respondents shall establish a proper trust account for funds held in trust, and provide evidence of that account to the Department;

C. during the period of probation, Respondents shall cooperate in random trust account and form audits; and

D. Respondents shall have no further violations of the Insurance Code, Department Rules, or any order of the Commissioner.

DATED this 21st day of June, 2012.

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

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 \$2,500.00 per violation for an individual licensee and of up to \$5,000.00 per violation for a license organization, and the suspension or revocation of your license, 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.