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**BEFORE THE INSURANCE COMMISSION
FOR THE STATE OF UTAH INSURANCE DEPARTMENT**

UTAH INSURANCE DEPARTMENT,

Complainant,

v.

LLOYD COLEY

License No. 139855

Respondent.

STIPULATION AND ORDER

Docket No. 2014-128 BB

Enf. No 3559

Mark E. Kleinfield
Administrative Law Judge

STIPULATION

The Utah Insurance Department ("Department") by and through its legal counsel, and Lloyd Coley ("Respondent") by and through his legal counsel, hereby stipulate and agree as follows:

1. Respondent holds an active Utah Bail Bond Agent's License, No. 139855.

Respondent's address is [REDACTED].

2. The Department has jurisdiction over the parties and subject matter of this administrative action.

3. Respondent acknowledges notice of agency action pursuant to Utah Code Section 63G-4-201; acknowledges that this Stipulation and Order concerns a formal proceeding pursuant

to Utah Code Section 63G-4-204; and irrevocably waives the right to any hearing , review, or appeal concerning this matter.

4. Respondent is represented by legal counsel, Grant W. P. Morrison, in this matter.

5. Upon approval and signing by the parties, this signed Stipulation, along with the Findings of Fact, the Conclusions of Law and the Order, shall not be subject to any reconsideration, renegotiation, modification, hearing or agency review or appeal.

6. The Findings of Fact and Conclusions of Law set forth below are hereby accepted by the parties; however, Respondent does not accept any civil liability arising out of the Findings of Fact and Conclusions of Law.

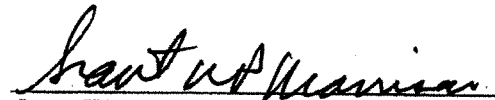
7. The issuance of the Order proposed below is solely for the purpose of disposing of the specific matter entitled herein.

8. The only promises, agreements and understandings that the parties have regarding this matter are contained in this Stipulation.

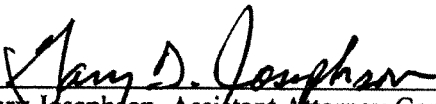
9. Respondent enters into this Stipulation voluntarily, knowingly, and free from any coercion of any kind.

10. The persons signing this Stipulation on behalf of the named parties hereby affirm that they are authorized to sign and bind the parties.

DATED this 19th day of May, 2015.


Grant W. P. Morrison, Attorney at Law
Representing Respondent

DATED this 12th day of May, 2015.


Gary Josephson, Assistant Attorney General
Utah Insurance Department

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

FINDINGS OF FACT

1. On or about May 30, 2013, Derek Richard Ouiment was bonded out by Respondent under Bond No. K208. Megan McGuire was the co-signor on Bond No. K208.
2. As part of the K208 bond packet, an Information Sheet, disclosure form, listing "Megan Car" as collateral and Promissory Note was only partially filled out.
3. An undated, unsigned Collateral Form listed only the following: "Megan car- received payment \$350 - switched Megan's car for payment and 2 bluetooth speakers (\$130) and Suzuki Motorcycle \$500."
4. On January 29, 2014, Respondent met with Cathy Burton, MCE, and Bill Stimpson, MCE, and verified to the examiners that Megan McGuire and Derek Richard Ouiment switched out the car collateral for cash, speakers and a motorcycle.
5. Respondent also stated that because Megan McGuire owed premiums on bonds J784 and K360, Respondent "transferred" the car as collateral to the premiums Megan McGuire owed, without her authorization.
6. During the process of Respondent initiating bonds J784 and K360, the appropriate forms were not filled out correctly; therefore, the premiums on the bonds were not addressed, nor

was required collateral secured.

7. Respondent failed to fill out the required paperwork regarding bonds K208, J784, K360 and J135.
8. Respondent switched collateral from one bond to another without the signed approval of the customer and sold the collateral without authorization.
9. Bonds K208, J784, K360 and J135, contain misleading and incorrect information.
10. Respondent failed to collect and maintain required records.

Based upon the foregoing Stipulation and Findings of Facts, the Presiding Officer makes the following Conclusions of Law:

CONCLUSIONS OF LAW

1. In failing to return collateral, which was previously deposited with Respondent, within ten days of all fees being paid, Respondent violated Utah Code Section 31A-35-603(3)(a), Collateral Security.
2. In failing to fill out the appropriate documents correctly, Respondent violated Utah code Section 31A-35-608(1)(a)(d) and (2)(b)(i)(ii)(A), Premium and Authorized Charges.
3. By (a) not filling out the proper paperwork regarding bonds K208, J784, K360 and J135; (b) by switching collateral from one bond to another without the signed approval of the customer; and (c) by selling the unauthorized collateral, Respondent fails to meet the character requirements under Utah Code Section 31A-23a-107(1), (2)(a)(i)(A).
4. Concerning bonds K208, J784, K360, and J135, Respondent is responsible for the bonds containing misleading and incomplete information, which violates Utah Code Section 31A-23a-402(1)(a)(i)(A) Unfair Marketing Practices.

5. By failing to fill out the appropriate paperwork and collect and maintain records, Respondent violated Utah Administrative Code R590-196-4, Fee Standards.

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

ORDER

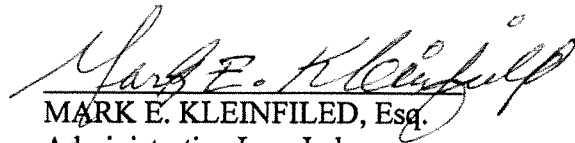
IT IS HEREBY ORDERED:

1. Respondent is assessed a forfeiture of \$6,000.00 to be paid in two payments: One payment of \$3,000.00 to be paid to the Department within 30 days of the Order signing date; and the final payment of \$3,000.00 to be paid to the Department before January 1, 2016.

2. Respondent is placed on a 24 month probation beginning on the Order signing date. Respondent will be required to comply with the following probationary terms: (a) no further violation of any insurance laws, regulations, rules or orders of the Commissioner; and (b) records will be brought to the Department's Market Conduct on a quarterly basis for examination to verify compliance..

DATED this 19 day of May, 2015.

TODD E. KISER
Insurance Commissioner


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

NOTIFICATION TO RESPONDENT

You are hereby notified that a failure to obey an Order of the commissioner may subject you to further penalties, including forfeitures of up to \$5,000 per violation 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.