



Insurance Department

State of Utah

GARY R. HERBERT
Governor
SPENCER J. COX
Lieutenant Governor
TODD E. KISER
Commissioner

Bail Bond Oversight Board Meeting

(http://www.insurance.utah.gov/producers/bailbond_board.html)

Date: August 26, 2015

Time: 3:00pm

Place: Teleconference

Call-in: 1-877-820-7831

Passcode: 827555#

Board Members

xBrad Jenkins (Chair) xRyan Cooper
xGordon Wright (Co-Chair) xPeter Stevens
xLt. Kati Booth xBrett Barratt (Non-Voting)
xStephen Aina

Staff

xTodd Kiser, *Ins. Commissioner* Suzette Green-Wright, *MC Director* xCathy Burton, *Examiner*
Reed Stringham, *AG Counsel* xPerri Babalis, *AG Counsel* xSteve Gooch, *PIO Recorder*

Public

Jan Erickson Wendy Madrill

MINUTES — Approved

- **General Session (Open to the Public)**
 - **Welcome** (3:03pm)
 - **Old Business**
 - **App: Best Bail Bonds**
 - The first concern from the July meeting was with the application. Section 26 did not include Wendy as an owner, partner, officer or director, *or* member or manager of an LLC. We discovered that it said "or" instead of "and", and DJE Residential's articles of organization were amended to include her as a member.
 - The second concern regarded Wendy Madrill's 2,000-hour requirement. The information provided by Best Bail Bonds is that Wendy has been licensed with the state since April 14, 2011. She was associated with Rebel Bail Bonds. She sent a certified letter to Darren Brady of Rebel Bail Bonds to get confirmation of her 2,000 hours. He responded to say that Wendy worked for Rebel, but he couldn't confirm the actual number because he wasn't there at the time.
 - Wendy said she does have a record of the number of bonds she wrote during that time, and she described the hours she worked: She covered the phones on-call from 6pm to 6am seven days a week. Even at a conservative 40-hour week, she had 6,080 hours during the time she worked there. She notes that you could work for several days on a single bond, but never even write the bond.
 - Jan says Wendy was employed with Rebel for:

- 37 weeks in 2011 for 12 hours a day (she and her ex split a full 24 hours of work). At 84 hours a week, she would have worked 3,108 hours; at a conservative 40 hours a week, she would have worked 1,480 hours.
- 51 weeks in 2012 for 12 hours a day (she was employed for 52 weeks, but took 1 week off). At 84 hours a week, she would have worked 4,200+ hours; at a conservative 40 hours, she would have worked 2,040 hours.
- 51 weeks in 2013 for 12 hours a day. At 84 hours a week, she would have worked 4,200+ hours; at a conservative 40 hours, she would have worked 2,040 hours.
- 13 weeks in 2014 for 12 hours a day. She did the same math.
- For 84 hours, that's a total of 12,768 hours.
- For a conservative 40 hours, that's a total of 6,080 hours.
- Brett notes that the State considers full-time employment to be 2,080 hours for the State's employment purposes.
- Brad asks if Wendy provided tax records for all 4 years when she substantiated her hours to the Department. Jan says they were provided for 2 years because there were 1099s generated by Rebel Bail Bonds for 2 years. Cathy confirms that they weren't able to get the other two years, and Jan says one was never even generated.
- Gordon says he's had more than one bond company call him regarding Wendy's hours. He would like to know if the amount of money she made is consistent with 2,000 hours a year. He has agents that work in small counties that don't work all 12 hours they're on call. He would not consider their wages to show them having worked 2,000 hours.
- Brad asks why there aren't 4 1099s if we're talking about 4 years. He also notes that the 2,000 hours are required in the bonding industry, not in secretarial work. He asks if there's a way to differentiate that time. Jan says that generating 1099s has to be done by the employer — there was nothing Wendy could do to generate it herself. Brad asks if there was any effort to get the employer to generate one. Jan says he was not in the office to get it done.
- Cathy says the 1099s that were provided were for Nelson and Wendy Madrill. Commissioner Kiser says that for 2,000 hours, it would be \$12 an hour. It would seem to him that would be pretty close. This is based on both years of 1099s. Brad notes that because it's a dual tax return, there's no way to determine who did what. It could have been 90% Wendy and 10% Nelson, or 90% Nelson and 10% Wendy.
- Jan says there were bonds written outside of the 1099 periods that would document her work. Brad asks if she has record of them. Wendy says she has a record of all the bonds that she has written.
- Cathy notes that Wendy was licensed with the state from April 2011 through 2013.
- Ryan says that the \$12,000 on the 1099 could have been one day's worth of work or one year's worth of work, depending on how she's paid. He would like to see how many bonds she wrote to determine how many days or hours she worked.
- Cathy clarifies that Wendy has been licensed the whole time since April 2011, but was associated to Rebel until September 2013. Wendy says the last bond she wrote for Rebel was March 8, 2014.
- Jan recalculates the hours to remove 51 weeks. The new total figures are 8,484 hours for 84 hours and 4,040 for 40 hours. That's still well over the required 2,000.

- Commissioner Kiser says he's not at a comfortable level giving 80 hours because a person is on-call. On call means you could be fishing and have your phone on you, and you're not really doing bail bond work, you're fishing. The hour that you have to put your pole down and talk to somebody, that's when you're really on the clock. He's not sure on-call hours is what triggers that a person is qualified to do work. How much work has she done? He'd rather talk about what work she did when she was on call. He want to know that she's capable and qualified to help somebody get a bond and do everything that needs to be done. As a legislator, he would have expected 2,000 hours of someone churning work, not sitting by a phone waiting. He says the Department wants to get Wendy qualified, but the board needs to be comfortable with her experience and the work she's done.
- Wendy says she's done dozens and dozens of bonds. When you're on call, you write bonds, fill out promissory notes, field calls, call friends and family members to help clients get out of jail — it's not just sitting on the phone. It's not just about the hours being on call. The last bond she wrote for Rebel was March 8, 2014.
- Cathy asks how many bonds Wendy wrote for Rebel. Wendy says she doesn't have the specific number. Brad suggests rounding up the information on the bonds year by year and get it to Cathy. That would be the best way to verify everything the bond needs to verify.
- Commissioner Kiser says he would like to see the licensure happen. The board isn't here as a stumbling block or a road block. There's evidence that Wendy was paid to do work, so he would move toward approving the license. But he really wants to be comfortable with her experience.
- Wendy says she has good relations with the jails and courts in several counties, she has a clientele of repeat customers because she's good to work with and knows what she's doing. It's about working with other bail bond agents inside the company. There are times they would call her or she would call them to do a bond. It's not just writing the bond, it's providing service to people. You have to know a lot more than just calling up the jail to find out what somebody's bail is.
- Gordon asks what Wendy's main area of work was. She says it was mostly Salt Lake City, but she's done them in Provo, Ogden, and anywhere she could get to if there was a good bond to do. There are times she has denied people because she wasn't comfortable getting them out of jail.
- Gordon notes that he has an agent in Salt Lake who makes more money than any of his other agents but writes about half the bonds of anyone else because Salt Lake is profitable. He wants to know when actual bonding is being done, and says today is a good example for him. He's been on call since 5am, but the first bond-related business he's done was this phone call. On-call is a concern to him, and it would be helpful to get a number of bonds that Wendy wrote.
- Kati asks how we're quantifying the number of hours worked. Bonds come in all percentages and amounts, so in some areas you could write 6 bonds and make as much as someone who wrote 50 bonds. If we're relying strictly on a previous employer to provide a record of the hours, we might need to re-look at how we're quantifying hours. Should it be the number of bonds written? Jan says that's a good point. They've reached out to Darren Brady through several means and he hasn't gotten back to them to verify her hours. The closest they came was him verifying her

employment for Cathy. She says Wendy has clearly done the work and been involved in the business. We can't make him produce this information that he's not wanting to produce — is it fair to hold that against her? Commissioner Kiser says no, it's unfortunate that we don't have that, but it shouldn't be held against her.

- Kati asks how we're getting the hours then? This is holding up her license because there's no verification. She says we need to find a different way so we're not going around and around trying to verify someone's hours.
- Cathy says that in the past, a former employer has validated the 2,000 hours in a letter. The code says the information has to come from a prior employer, but that's as specific as it gets.
- Brad can see the stumbling block with a former employer not wanting to help. If we could get a record of the bonds she's produced, that might be the answer in this case. In the future, it would be good to clarify things a little better.
- As the board's non-voting Department member, Brett thinks the board and Department have an obligation to ensure that as we issue a license, we have done our due diligence and met the statutory requirements set forth by the legislature to make certain people have the requisite experience. We want to approve this, but we want to make sure everything is as it should be. Then if there's a problem down the road, the Bail Bond Board isn't making a recommendation without any facts to back it up.
- Gordon would like to get more documentation and proof of bonds from Wendy. He doesn't know how that's going to happen, but the Board has an obligation to see it.
- **Gordon moves to postpone the vote until Wendy can provide documentation.**
- Stephen did some research and found evidence of three different small claims and debt collection cases that have outstanding judgments against Wendy. These date from as far back as 2009. That would be a big concern character-wise. Wendy says she is unaware of any outstanding judgments. She just purchased a home and went through a pretty rigorous credit check.
- Stephen asks about some specific judgments, and says they appear to be Wendy as far as he can confirm. He found the information off a Public Record Exchange Court Docket Lookup.
- Jan says that in her experience, she was recently harassed by a creditor who claimed she owed them money. She had to file something on a government website to get them to stop. It ended up being another Jan Erickson that the company just linked to the bill because she had the same name and lived in Utah. She said she finally provided the last four of her social security number, it clearly verified that it was a different Jan Erickson.
- Stephen asks if Wendy knows of any debt collection cases that went to court. She says no, not that she is aware of. Stephen asks if she minds giving the last four of her social security number. She does. Stephen says it appears that the cases he's looking at are under that number.
- Stephen says this gives him some pretty big concerns with outstanding judgments that are pretty sure to be hers. Jan asks if Stephen can provide Wendy a copy of the judgment so she can research it.
- Cathy says she will get the information from Stephen and will work with Wendy on it.

- Gordon says he looked up the judgments as well and at this point these issues need to be resolved.
- **Motion by Gordon to table the application until the issues are resolved. Seconded by Ryan. Motion passes 6-0.**
- **Other Business**
- **Adjourned** (3:41pm)
 - **Next Meeting:** **October 14**, Copper Room, East Building

2015 Meetings (Noon to 1:30pm)

~~Jan 14, 2015~~ ~~Apr 8, 2015~~ ~~July 14, 2015~~ Oct 14, 2015