

FEB 11 2005

DEPT OF INSURANCE
BY 

STATE OF ARIZONA
DEPARTMENT OF INSURANCE

In the Matter of:

ARNOLD DAVIS,

Respondent.

No. 04A-192-INS

CONSENT ORDER

On December 2, 2004, the State of Arizona, Department of Insurance (the "Department"), issued a Notice of Hearing in the matter of Arnold Davis ("Davis"). Davis wishes to waive his right to a hearing and resolve this matter. Davis admits the following Findings of Fact are true and consents to the entry of the following Conclusions of Law and Order.

FINDINGS OF FACT

1. Arnold Davis ("Davis") is currently and was at all material times licensed as a resident bail bond agent, Arizona license number 171456, which expires on February 28, 2006.

2. Davis was first licensed as an Arizona bail bond agent on August 20, 1999, license number 29503, and he renewed that license on June 30, 2001¹. That license expired on June 30, 2003. Davis applied for a new bail bond license (#171456) on February 25, 2004².

3. Davis' business address of record with the Department is c/o Quick Out Bail Bond, 5050 N. 8th Place, #3, Phoenix, Arizona 85014. Davis residence address of record with the Department is 5124 N. 31st Place, Unit 538, Phoenix, Arizona 85016.

Count I – Iverson Complaint

4. On June 2, 2004, the Department received a complaint letter from attorney John M. Sears, on behalf of his client, David D. Iverson ("Iverson"). The Complaint alleges that Davis

¹ Davis also filed a Certificate of Assumed Business Name with the Department on June 27, 2001 with the assumed name of "Coconino County Bail Bond".

² Davis was not licensed with the Department from June 30, 2003 to February 25, 2004.

1 posted a cash bond on behalf of Iverson (In the Flagstaff Justice Court, Case Number J-0301-IA-
2 2001000402) on March 19, 2001. On that same date, the Flagstaff Justice Court discharged the bond
3 for defendant Iverson in the amount of \$13,000.00 in case number "IA01-0402" because no charges
4 were filed. On March 21, 2001, the Flagstaff Justice Court issued check number T 32593 to
5 Coconino County Bail Bonds in the amount of \$13,000.00. Davis deposited the check in his
6 Compass Bank account. Despite repeated demands on March 17, 2004 and April 22, 2004, Davis
7 failed to return the \$13,000.00 to Iverson.

8 5. On or about July 1, 2004, an investigator for the Department contacted Davis by
9 phone regarding the Iverson complaint and was informed to contact Davis' attorney, Ronald Ellett
10 ("Ellett").

11 6. On July 27, 2004, the Department sent a subpoena to Ellett and to Davis at his home
12 address of record ordering Davis to appear at the Department on August 11, 2004 to discuss the
13 Iverson complaint.

14 7. On July 29, 2004, the Department received a letter from Ellett stating that he had not
15 been retained to represent Davis.

16 8. On August 11, 2004, after he failed to appear, an investigator contacted Davis by
17 phone. Davis informed the investigator that his address had recently changed and he had not
18 received the subpoena. During the phone conversation, Davis admitted not returning the cash for the
19 bond to Iverson.

20 **Count II – Minks Complaint**

21 9. On August 12, 2004, the Department received a referral complaint from the Arizona
22 Attorney General which had been filed by Katherine E. Minks ("Minks"). The complaint alleged
23 that on May 24, 2004 Minks wired \$5600.00³ to Davis to purchase a bond for her son, William J.
24 Minks (Pima County Justice Court , case number 2004-3501). On June 2, 2004, William J. Minks'

25 ³ Minks was also charged a \$264.00 fee for wiring the money.
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1 bond was exonerated by the court. Despite repeated demands by phone in June and July, 2004,
2 Davis failed to return the \$5,000.00 to Minks.

3 10. On August 24, 2004, an investigator for the Department contacted Davis by phone
4 regarding the Minks complaint. Davis informed the investigator that he had no intention of returning
5 the \$5,000.00 to Minks.

6 11. On December 16, 2004, Davis issued a check to Lana Liebow in the amount of
7 \$5,000.00 as return of the Minks collateral. Lana Liebow is the daughter of Ms. Minks and
8 authorized to recover the bond funds on her behalf.

9 **CONCLUSIONS OF LAW**

10 1. The Director has jurisdiction over this matter.

11 2. Respondent's conduct, as alleged above, constitutes failure to inform the director in
12 writing within thirty days of any change in the licensee's residential address, in violation of A.R.S.
13 § 20-286(C)(1).

14 3. Respondent's conduct, as alleged above, constitutes failure to return collateral after
15 final termination of liability on a bond within the meaning of A.A.C. R20-6-601(E)(4)(b), a violation
16 of A.R.S. § 20-340-.03(A)(6).

17 4. Respondent's conduct, as alleged above, constitutes the violation of any provision of
18 Title 20, or any rule, subpoena or order of the Director, in violation of A.R.S. § 20-295(A)(2).

19 5. Respondent's conduct, as alleged above, constitutes improperly withholding,
20 misappropriating or converting any monies or properties received in the course of doing insurance
21 business, a violation of A.R.S. § 20-295(A)(4).

22 6. Respondent's conduct, as alleged above, constitutes using fraudulent, or dishonest
23 practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the
24 conduct of business in this state, a violation of A.R.S. § 20-295(A)(8).

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4 Arnold Davis
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