



1 ("Department") received a complaint from Kari Browning and Darleen Garland ("Browning  
2 and Garland"), which stated that Browning and Garland had purchased a bail bond for Lottie  
3 Garland from Don's / Better Bail Bonds on April 1, 2005 ("Garland bond transaction"), but  
4 that, when Maricopa County Superior Court exonerated the bond on May 2, 2005, Demarest  
5 failed to return Browning and Garland's \$5,000.00 premium until August 16, 2005 (106 days  
6 from the date of exoneration).

7 4. On or about August 1, 2005, Browning and Garland requested a copy of the  
8 contract with Don's for the Garland bond transaction, as they were not initially provided with  
9 one. On or about that same date, Don's office indicated they would not be mailing or faxing  
10 the document to Browning and Garland.

#### 11 Miller Complaint

12 5. On or about July 25, 2005, the Department received a complaint from Robert  
13 Arthur Miller and Zohra K. Miller ("Millers"), stating they had purchased a bail bond for Mr.  
14 Miller from Don's / Better Bail Bonds on April 3, 2005 ("Miller bond transaction"). When the  
15 Maricopa County Superior Court exonerated the bond on May 4, 2005, Demarest failed to  
16 return the Millers' \$10,000.00 collateral until July 29, 2005 (86 days from the date of  
17 exoneration).

#### 18 Bauer Complaint

19 6. On or about August 18, 2005, the Department received a complaint from Jeff  
20 Bauer, Ph.D. on behalf of Isabel Montoya-Kennedy and Carol Kennedy ("Kennedys"),  
21 stating they had purchased a bail bond for Bobby W. Kennedy from Don's on June 23, 2005  
22 ("Kennedy bond transaction"). When the Kennedys notified Don's that they would not need  
23 a bond because they posted the bond themselves, Demarest cashed the Kennedy check  
24 and failed to return the \$15,110.00 premium and collateral until September 8, 2005 (77 days  
25 from the date of notification).

26 7. On or about October 4, 2005, the Department notified Don's that the

1 Kennedys had been charged a duplicate fee of \$100.00 and requested a refund to Isabel  
2 Montoya-Kennedy. On or about October 5, 2005, the Department received a copy of a  
3 certified check for \$100.00 to Isabel Montoya-Kennedy.

#### 4 Dana-Mirl Complaint

5 8. On or about July 14, 2005, the Department received a complaint from Diane  
6 Dana-Mirl ("Dana-Mirl"), stating she had made a down payment of \$5,400.00 to purchase a  
7 \$108,000.00 bail bond for Scott Westfall from Active Bail Bonds on June 16, 2005 ("Westfall  
8 bond transaction"), with the balance of \$5,400.00 due in 30 days. As of June 18, 2005,  
9 Active Bail Bonds had not posted the bond and Scott Westfall was still incarcerated.

10 9. On or about June 18, 2005, Dana-Mirl demanded a refund from Active Bail  
11 Bonds so she could acquire a bond elsewhere. On or about June 18, 2005, Active Bail  
12 Bonds issued a refund check, but due to insufficient funds in Demarest's account, Dana-Mirl  
13 was not able to negotiate the check until on or about June 27, 2005.

14 10. On or about September 21, 2005, Nicole Galbraith, as a representative of  
15 Active Bail Bonds, provided the Department with documentation regarding the Westfall bond  
16 transaction. Ms. Galbraith stated that the bank would not cash the check until they  
17 confirmed with Demarest because there were two colors of ink used on the check and not  
18 because of insufficient funds.

19 11. On or about August 24, 2005, the Department subpoenaed documents from  
20 Bank One for account number XXXXX9240. The June 2005 statement for account number  
21 9240 showed that there were insufficient funds in the account until June 27, 2005.

#### 22 Southworth Complaint

23 12. On or about August 11, 2005, the Department received a complaint from  
24 Debra Southworth ("Southworth"), stating she had purchased a bail bond for Guillermo  
25 Vasquez from Don's / Better Bail Bonds on or about March 26, 2005 ("Vasquez bond  
26 transaction"). When Southworth attempted to pay the remaining fees and obtain her

1 collateral, Don's/Better Bail Bonds refused to let her see the property, would not give her  
2 any information and continued to charge storage fees until the balance was paid in full. The  
3 bail bond agent for the Vasquez bond transaction was Scott Andrew Clouse ("Clouse"),  
4 license number 151698. On October 19, 2004, docket number 04A-126-INS, the  
5 Department revoked Clouse's bail bond agent license. Clouse had not reinstated his  
6 license and did not hold an active license at the time of the Vasquez bond transaction.

### 7 Bond Register

8 13. On or about November 30, 2005, Demarest provided the Department with a  
9 Daily Bond Register. The Daily Bond Register failed to record proper documentation of  
10 premium charged, premium reported to surety, amount of collateral received, date collateral  
11 received, and the date the collateral was returned for the period of January 15, 2004  
12 through March 15, 2006.

### 14 CONCLUSIONS OF LAW

15 1. The Director has jurisdiction over this matter.

16 2. Demarest's conduct, as alleged above, constitutes improperly withholding,  
17 misappropriating or converting any monies or properties received in the course of doing  
18 insurance business, in violation of A.R.S. § 20-295(A)(4).

19 3. Demarest's conduct, as alleged above, constitutes demonstrating financial  
20 irresponsibility in the conduct of business, in violation of A.R.S. § 20-295(A)(8).

21 4. Demarest's conduct, as alleged above, constitutes permitting an unlicensed  
22 person to negotiate bail transactions, in violation of A.R.S. §§ 20-340.03(A)(7), 295(A)(11)  
23 and A.A.C. R20-6-601.

24 5. Demarest's conduct, as alleged above, constitutes failing to maintain a daily  
25 bond register that is the original and permanent record of all bonds or undertaking  
26 executed by the licensee, in violation of A.R.S. § 20-340.01(D).



1 further disciplinary action against his Bail Bond Agent license, Arizona license number  
2 805208.

3 DATED AND EFFECTIVE this 29<sup>th</sup> day of September, 2006.

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5   
6 CHRISTINA URIAS, Director  
7 Arizona Department of Insurance

8 **CONSENT TO ORDER**

9 1. Respondent has reviewed the foregoing Findings of Fact, Conclusions of Law  
10 and Order.

11 2. Respondent admits the jurisdiction of the Director of Insurance, State of  
12 Arizona, and admits the foregoing Findings of Fact and consents to the entry of the  
13 foregoing Conclusions of Law and Order.

14 3. Respondent is aware of his right to notice and a hearing at which he may be  
15 represented by counsel, present evidence and cross-examine witnesses. Respondent  
16 irrevocably waives his right to a hearing and to any court appeals relating to this Consent  
17 Order.

18 4. Respondent states that no promise of any kind or nature, except as expressly  
19 contained in this Consent Order, was made to him to induce him to enter into this Consent  
20 Order, and that he has entered into this Consent Order voluntarily.

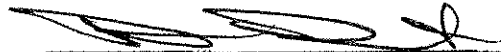
21 5. Respondent acknowledges that the acceptance of this Consent Order by the  
22 Director is solely to settle this matter against him and does not preclude any other agency,  
23 officer or subdivision of this state from instituting civil or criminal proceedings as may be  
24 appropriate now or in the future nor does it preclude the Department from instituting civil or  
25 criminal proceedings unrelated to this matter as may be appropriate in the future.

26 6. Respondent agrees that if he fails to comply with the terms of this Consent

1 Order, his Bail Bond Agent license, Arizona license number 805208, is revoked.

2

3 Date: Sept 22 '06



DONALD JAMES DEMAREST dba BETTER  
BAIL BONDS, INTERNATIONAL BONDING,  
BAIL ONE BAIL BONDS, CITY HALL BAIL  
BONDS, ECONOMY BAIL BONDS, ACTIVE  
BAIL BONDS, and EBONY BAIL BONDS

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7  
8 COPY of the foregoing mailed this  
9 2ND of October 2006, to:

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