

AUG 2 2013

DEPT OF INSURANCE
BY [Signature]



STATE OF ARIZONA
DEPARTMENT OF INSURANCE
BAIL BOND AGENT CONSENT ORDER

OFFICIAL USE ONLY

Docket No. 13A-094 -INS Report #: DR-13-	RESPONDENT 1 OF 1 (Respondents are jointly and severally liable for payment of any civil penalty ordered.)	Investigator: Dan Ray
---	---	------------------------------

Name: Sanctuary Bail Bonds, LLC	Resident? Yes		
AZ LIC #: 977772	EXP.DATE: 10/31/2014	National Producer Number: # n/a	
Address: 6721 N. Black Canyon Hwy., #C	City: Phoenix	State: AZ	Zip: 85015

FINDINGS OF FACT: The State of Arizona Department of Insurance ("Department") has received evidence that Respondent has:

Business not open to inspection of the Director during business hours of 8:00 am to 5:00 pm. ARS § 20-340.01(H) and AAC R20-6-601(D)(8).

CONCLUSIONS OF LAW: *The Director has jurisdiction. The Director may order Respondent to cease and desist from any violation(s) of Title 20. ARS § 20-292 as applied to bail bond agents under ARS § 20-340.06. The Director may suspend or revoke Respondent's license, impose a civil penalty (\$250 for each unintentional violation up to an aggregate total of \$2,500; \$2,500 for each intentional violation up to an aggregate total of \$15,000) and order Respondent to provide restitution to any party injured by their action pursuant to A.R.S. § 20-295(A), (B), and (F) as applied to bail bond agents under ARS 20-340.06.*

VIOLATIONS ARE LISTED ON THE REVERSE SIDE OF THIS FORM.

ORDER: Respondent shall immediately cease and desist its violations.
Respondent shall immediately pay a civil penalty of \$ 250.00 for deposit into the State General Fund.

CONSENT: Respondent and the Department are entering into this Consent Order in lieu of formal proceedings. By signing this Consent Order, Respondent agrees:

- (1) to the jurisdiction of the Director;
- (2) to admit the Findings of Fact,
- (3) to consent to the Conclusions of Law and Order,
- (4) to irrevocably waive the right to notice and a hearing at which counsel may represent Respondent and Respondent may present evidence and examine witnesses,
- (5) to irrevocably waive the right to appeal this Consent Order,
- (6) that the Department made no promise to Respondent to induce Respondent to enter into this Consent Order,
- (7) that Respondent has entered into this Consent Order voluntarily,
- (8) that this Consent Order is solely to settle this matter against Respondent's license,
- (9) that this matter will be reported to the NAIC and must be disclosed on any future license applications, and
- (10) that the Department may take further action against Respondent's license if Respondent fails to comply with the terms of this Consent Order.

I am signing on behalf of the Respondent Agency listed above as the Agency's Designated Responsible Producer.

Date: 8/1/13

[Signature]
Respondent/Designated Responsible Licensed Producer

Date: 8/1/13

[Signature]
Germaine L. Marks, Director of Insurance

CONCLUSIONS OF LAW

Respondent's conduct constitutes a violation of:

I. Bail Bond business

- **ARS § 20-340.01(C)**: Each bail bond agent shall have and maintain a place of business in this state that is accessible to the public and where the bail bond agent principally conducts transactions under the agent's license.
- **R20-6-601(D)(1)**: Every bail bond agent shall conduct his business in such a manner that the public and those dealing with him shall be aware of the capacity in which he is acting.
- **R20-6-601(E)(1)(b)**: Every bail bond agent shall post the premium rates of the surety insurer he represents in a conspicuous manner at his place of business.

II. Recordkeeping

- **ARS § 20-340.01(D)**: As a minimum requirement for permanent office records, each bail bond agent and general lines agent who is engaged in the bail bond business shall maintain a daily bond register that is the original and permanent record of all bonds or undertakings executed by the licensee and that states the: 1. Number of the power of attorney form; 2. Date the bond was executed; 3. Name of the principal; 4. Amount of the bond; 5. Premium charged; 6. Premium reported to the surety company; 7. Security or collateral received; 8. Date the security or collateral was received and the date released; 9. Indemnity agreements; 10. Disposition of the bond; and 11. Date of disposition.
- **ARS § 20-340.01(E)**: Each bail bond agent and general lines agent who is engaged in the bail bond business and who accepts monies or any other consideration for any bail bond undertaking shall for each payment received give to the person paying the monies or giving the consideration a prenumbered receipt as evidence of payment. The receipt must state the date, the name of the principal, a description of the consideration or amount of monies received and the purpose for which received, the number of the power of attorney form attached to the bond, the penal sum of the bond, the name of the person making the payment or giving the consideration and the terms under which the monies or other consideration shall be released. Each bail bond agent shall retain a duplicate copy of each receipt issued as part of the agent's records.
- **R20-6-601(E)(3)(a)**: Every bail bond agent shall, at the time of obtaining the release of an arrestee on bail or immediately thereafter, deliver to such arrestee or to the principal person with whom negotiations were made, if other than the arrestee, a copy of the bail bond premium agreement, which shall include: i. The name of the surety insurer and the name and business address of the bail bond agent; and ii. The amount of bail and the premium thereof.
- **R20-6-601(E)(3)(b)**: The bail bond agent shall also deliver at such time a statement detailing all charges in addition to the premium, the amount received on account, the unpaid balance if any, and a description of and a receipt for any collateral received.
- **ARS § 20-340.01(F)**: The bail bond agent shall keep at the agent's place of business the usual and customary records pertaining to transactions made under the license. The licensee shall keep all the records as to any particular transaction available and open to the inspection of the director at any business time during the three years immediately after the date of completion of the transaction.
- × **R20-6-601(D)(8)**: Every bail bond agent shall keep complete records of all business done under authority of his license. Such records shall be open to inspection or examination by the Director or his representatives at all reasonable times at the principal place of business of the bail bond agent as designated in his license. **ARS § 20-340.01(H)**.

III. Prohibitions

- **ARS § 20-340.03(A)(7)**: A bail bond agent shall not . . . Give, authorize, sign or countersign in blank any power of attorney to bonds unless the authorized person is a licensed bail bond agent directly employed by the bail bond agent giving the power of attorney.
- **ARS § 20-340.03(A)(8)**: A bail bond agent shall not . . . Advertise as or claim to be a surety company.
- **ARS § 20-340.03(A)(9)**: A bail bond agent shall not . . . Employ or assist in the employment of any person who has been convicted in any jurisdiction of theft or of any felony or of any crime involving carrying or the possession of a deadly weapon or dangerous instrument. This paragraph does not apply to a person whose felony conviction has been set aside or whose civil rights have been restored because of a felony conviction, except for a conviction of theft or of any crime involving carrying or the possession of a deadly weapon or dangerous instrument.
- **R20-6-601(C)(3)**: No bail bond agent shall directly or indirectly permit any person on his behalf to solicit or negotiate bail transactions unless such person is duly licensed by the Director.
- **R20-6-601(E)(6)**: No bail bond agent shall pay or allow in any manner, directly or indirectly, to any person who is not also a bail bond agent any commission or valuable consideration on or in connection with a bail transaction. This Section shall not prohibit payments by a bail bond agent to an unlicensed person of charges by such persons for services of the kind specified in paragraph (2) subsection (E) of this Section.
- **R20-6-601(D)(2)**: A bail bond agent shall exercise direct supervision over his employees and keep informed of their actions as his employees.

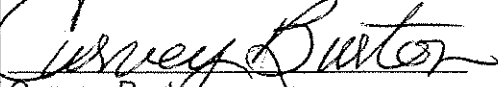
IV. Collateral

- **R20-6-601(E)(4)(a)**: Any bail bond agent who receives collateral in connection with a bail transaction shall do so in a fiduciary capacity and, prior to any forfeiture of bail, shall keep such collateral separate and apart from any other funds, assets or property of such bail bond agent.
- **R20-6-601(E)(4)(b)**: Any collateral received shall be returned to the person who deposited it with the bail bond agent immediately upon exoneration of the bond by the court.

1 COPIES of the foregoing mailed/delivered
this 2nd day of August, 2013, to:

2 Sanctuary Bail Bonds, LLC
3 c/o Thomas Ralph Cerino
4 6721 N. Black Canyon Hwy., #C
5 Phoenix, Arizona 85015
6 Respondent

7 Mary E. Kosinski, Executive Assistant for Regulatory Affairs
8 Darren T. Ellingson, Deputy Director
9 Mary Butterfield, Assistant Director, Consumer Affairs Division
10 Catherine M. O'Neil, Consumer Legal Affairs Officer
11 Steven Fromholtz, Licensing Supervisor
12 Charles Gregory, Supervisor Investigations Division
13 Dan Ray, Investigator
14 Department of Insurance
15 2910 North 44th Street, Suite 210
16 Phoenix, Arizona 85018

17 
18 Curvey Burton