

1 Corporation Commission's records reflect that BBB is no longer in good standing because of a
2 delinquent statutory agent.

3 2. On or about December 14, 2009, the Department licensed BBB as an Arizona
4 resident bail bond agent, license number 957364. This license expires on December 31,
5 2017.

6 3. BBB's address of record with the Department is: 1012 N. 7th Avenue, Phoenix,
7 Arizona 85007 (business and mailing).

8 4. On or about November 5, 2009, the Department licensed John Andrew Burns,
9 Sr. ("J. Burns") as an Arizona resident bail bond agent, license number 955040. This license
10 expires on February 28, 2017. J. Burns is the CEO, Secretary and Treasurer for BBB.

11 5. J. Burns' addresses of record with the Department are: 1012 N. 7th Avenue,
12 Phoenix, Arizona 85007 (business and mailing) and 10744 E. Brown Rd. Flores, Mesa,
13 Arizona 85209 (residence).

14 6. On or about November 5, 2009, the Department licensed Lisa Marie Burns ("L.
15 Burns") as an Arizona resident bail bond agent, license number 955041. This license expires
16 on September 30, 2017. L. Burns is the President of BBB and its Designated Responsible
17 Licensed Producer.

18 7. L. Burns' addresses of record with the Department are: c/o Arizona Asset
19 Management and Recovery, Inc., 1012 N. 7th Avenue, Phoenix, Arizona 85007 (business and
20 mailing) and 10744 E. Brown Road, Mesa, Arizona 85210 (residence).

21 8. On or about March 29, 2011, the Department licensed Kayla Dawn Gass
22 ("Gass") as an Arizona resident bail bond agent, license number 988612. This license expires
23 on October 31, 2014.

9. Gass' addresses of record with the Department are: Better Bail Bonds, 842 E.
Isabella Ave., #101, Mesa, Arizona 85204 (business); 4818 W. Chicago St., Chandler,
Arizona 85226 (mailing and residence).

1 **Failure to Return Collateral upon Exoneration of a Bond**

2 10. On November 16, 2012, the Department issued Regulatory Bulletin 2012-03:
3 Common Areas of Non-Compliance with Bail Bond Statutes and Rules which states in
4 pertinent part:

5 **“IV. Return of Collateral – AAC R20-6-601(E)(4)(b)**

6 This regulation requires that a bail bond agent return collateral to the person who
7 deposited it as soon as the obligation, the satisfaction of which was secured by
8 the collateral, is discharged. Some bail bond agents interpret this requirement to
mean within 30 days after the exoneration of a bond to accommodate any
appeal period. This interpretation is unfounded because the rule does not
provide for additional time to return collateral in the event of an appeal. In most
cases, ADOI recognizes as reasonable the return of collateral within no more
than 5 calendar days after the exoneration of the bond.”

9 11. Between October 2012 and April 2014, the Department received and
10 investigated twelve (12) complaints where BBB failed to return collateral within 5 days after the
11 exoneration of a bond. In six (6) complaints, BBB required indemnitors to sign contracts to
settle the amounts owed to them.

- 12 a. On or about April 29, 2013, Jackie Thompson (J. Thompson) filed a Request for
13 Assistance with the Department (“J. Thompson Complaint”). The J. Thompson
14 Complaint stated that BBB posted a bond for the release of Dennis Fought
15 (“Fought”) in Pima County Case No. CR2012-1407. J. Thompson deposited
16 \$4,800.00 in cash collateral to secure the bond (along with other forms of
17 collateral). On February 4, 2012, the Court exonerated Fought’s bond. On
18 August 12, 2013 (191 days after exoneration), BBB had J. Thompson sign a
19 settlement contract for the return of the collateral. J. Thompson received
20 \$3,650.00 as a return of collateral. The schedule of fees provided by BBB did
not justify the reduced collateral return.
- 21 b. On or about December 26, 2013, Joshua Blakeman (“Blakeman”) filed a
22 Request for Assistance with the Department (“Blakeman Complaint”). The
23 Blakeman Complaint stated that BBB posted a bond for the release of
Blakeman in Maricopa County Case No. CR2013-429876. Jenee Adams

1 deposited \$2,500.00 in cash collateral to secure the bond. On August 30,
2 2013, the Court exonerated Blakeman's bond. On December 12, 2013 (104
3 days after exoneration), BBB had Blakeman sign a settlement contract for the
4 return of the collateral. Blakeman received \$1,500.00 as settlement for the
5 collateral owed. After accounting for fees owed, BBB failed to return \$550.50 to
6 Blakeman.

7 c. On or about January 29, 2014, Steve Pavlica ("Pavlica") filed a Request for
8 Assistance with the Department ("Pavlica Complaint"). The Pavlica Complaint
9 stated that BBB posted a bond for the release of Marandia Williams ("Williams")
10 in Maricopa County Case No. CR2013-448856. Pavlica deposited \$10,000.00
11 in cash collateral to secure the bond. On October 21, 2013, the Court
12 exonerated Williams' bond. On January 24, 2014, BBB had Pavlica sign a
13 settlement contract for the return of the collateral. BBB paid Pavlica in four
14 payments with the last payment being made on March 7, 2014 (137 days after
15 exoneration).

16 d. Troy Larck ("T. Larck") contacted the Department regarding a complaint about
17 BBB ("Larck Complaint"). The Larck Complaint stated that BBB posted a bond
18 for the release of Mary Larck ("M. Larck") in Maricopa County Case No.
19 CR2012-135863. T. Larck deposited \$5,000.00 in cash collateral to secure the
20 bond. On October 14, 2013, the Court exonerated M. Larck's bond. On
21 February 4, 2014, BBB had T. Larck sign a settlement contract for the return of
22 the collateral. BBB paid T. Larck in two payments with the last payment being
23 made on February 17, 2014 (126 days after exoneration).

e. On or about October 13, 2013, Ellen George ("George") filed a Request for
Assistance with the Department ("George Complaint"). The George Complaint
stated that BBB posted a bond for the release of Allison June ("June") in

1 Maricopa County Case No. CR2012-161843. Dollie Beaver ("Beaver")
2 deposited \$5,400.00 in cash collateral to secure the bond. On July 19, 2013,
3 the Court exonerated June's bond. BBB offered Beaver a settlement of \$2,700
4 which Beaver refused to sign. BBB paid Beaver in two payments with the last
5 payment being made on March 28, 2014 (252 days after exoneration).

6 f. On or about November 26, 2013, Archie Quintela ("A. Quintela") filed a Request
7 for Assistance with the Department ("Quintela Complaint"). The Quintela
8 Complaint stated that BBB posted a bond for the release of Randy Quintela ("R.
9 Quintela") in Pima County Case No. CR2013-1800. R. Quintela (\$5,000.00)
10 and Michael Benelli (\$5,000.00) deposited \$10,000.00 in cash collateral to
11 secure the bond. On September 6, 2013, the Court exonerated R. Quintela's
12 bond. On October 29, 2013 BBB attempted to settle with the indemnitors for
13 \$5,000.00. On or about April 21, 2014 (227 days after exoneration), BBB had
14 R. Quintela and Michael Benelli sign a settlement agreement for return of the
15 collateral money in full.

16 g. On or about January 31, 2014, Stormy Miller ("S. Miller") filed a Request for
17 Assistance with the Department ("S. Miller Complaint"). The S. Miller Complaint
18 stated that BBB posted a bond for the release of Jason Miller ("J. Miller") in
19 Pima County Case No. CR2013-1077. S. Miller deposited \$25,000.00 in cash
20 collateral to secure the bond. On June 12, 2013, the Court exonerated J.
21 Miller's bond. BBB returned the collateral to the indemnitor in 5 postdated
22 checks with the final postdated to November 4, 2013 (145 days after
23 exoneration). S. Miller received \$22,500.00 (\$2,500.00 deducted for payment
of the premium on the bond).

h. On or about February 19, 2014, Senita Murphy ("Murphy") filed a Request for
Assistance with the Department ("Murphy Complaint"). The Murphy Complaint

1 stated that BBB posted a bond for the release of Trinae Miller ("T. Miller") in
2 Maricopa County Case No. CR2013-002346. Murphy deposited \$5,400.00 in
3 cash collateral to secure the bond. On October 22, 2013, the Court exonerated
4 the T. Miller bond. On or about the first week of December 2013, J. Burns
5 attempted to settle with the indemnitors for \$2,700.00 which they refused. BBB
6 returned the collateral to the indemnitor in 2 payments with the final payment
7 being made on March 2, 2014 (131 days after exoneration).

8 i. On or about December 16, 2013, William Cooley ("W. Cooley") filed a Request
9 for Assistance with the Department ("W. Cooley Complaint"). The W. Cooley
10 Complaint stated that BBB posted three bonds for the release of Roscoe
11 Cooley ("R. Cooley"): \$500.00 bond, \$250.00 bond and \$1,800.00 bond (total
12 of \$2,550.00. W. Cooley deposited \$2,550.00 in cash collateral to secure the
13 bonds. On or about November 8, 2013, the Court exonerated the R. Cooley
14 bonds. On or about December 16, 2013, Gass attempted to settle with W.
15 Cooley for a partial payment which he refused. BBB returned \$2,170.00 of the
16 collateral on February 4, 2014 (88 days after exoneration). BBB failed to return
17 \$380.00 to W. Cooley.

18 j. On or about January 31, 2014, Marie Hague ("Hague") filed a Request for
19 Assistance with the Department ("Hague Complaint"). The Hague Complaint
20 stated that BBB posted a bond for the release of Paul Francis Rivera ("Rivera")
21 in Pima County Case No. CR2012-4376. Hague deposited \$3,500.00 in cash
22 collateral to secure the bond. On November 4, 2013, the Court exonerated the
23 Rivera bond. On March 3, 2014 (119 days after exoneration), BBB returned
\$3,043.00 of the collateral to Hague. BBB failed to return \$457.00 to Hague.

k. On or about February 10, 2014, Marlene Thompson ("M. Thompson") filed a
Request for Assistance with the Department ("M. Thompson Complaint"). The

1 M. Thompson Complaint stated that BBB posted a bond for the release of
2 Richard Keeter ("Keeter") in Maricopa County Case No. CR2012-110884. M.
3 Thompson deposited \$1,800.00 in cash collateral to secure the bond. On
4 October 10, 2012, the Court exonerated the Keeter bond. On April 4, 2014
5 (541 days after exoneration), BBB returned \$1,800.00 to M. Thompson.

- 6 I. On or about April 14, 2014, Daniel Howlett ("D. Howlett") filed a Request
7 for Assistance with the Department ("D. Howlett Complaint"). The D. Howlett
8 Complaint stated that BBB posted a bond for the release of Andrew Howlett
9 ("A. Howlett") in a case where no charges were ultimately filed. D. Howlett
10 deposited \$5,400.00 in cash collateral to secure the bond. On January 25,
11 2014, the Court exonerated the A. Howlett bond. On April 15, 2014 (80 days
12 after exoneration), BBB returned \$5,218.95 to D. Howlett (credit card surcharge
13 taken out of refund).

14 **Misappropriation/Withholding Monies**

15 12. BBB failed to return the entire amount of collateral to the following indemnitors
16 and has not established that the difference is for fees owed (total of \$2,537.50):

- 17 a. J. Thompson Complaint - \$1,150.00;
18 b. Blakeman Complaint - \$550.50;
19 c. W. Cooley Complaint - \$380.00; and
20 d. Hague Complaint - \$457.00.

21 **Failure to Keep Collateral Received Separate and Apart and Failure to 22 Keep Collateral in a Fiduciary Capacity**

23 13. On or about April 1, 2014, the Department subpoenaed BBB bank statements for
collateral accounts for the time period of May 6, 2012 to March 3, 2014. BBB provided the
Department with nine different bank account statements, eight from Bank of America ("BOA")

1 and one for a Chase account. None of the accounts appeared to be used strictly as a
2 collateral account.

3 14. The Department subpoenaed BBB's daily bond log for the time period of May 6,
4 2012 to March 31, 2014. A comparison of the bank accounts and the bond log revealed the
5 following:

6 a. Stormy Miller's cash collateral of \$25,000 was deposited into BOA account no.
7 xxxxxx1775, an account labeled as an investment account. However, the five
8 reimbursement checks from BBB to her were written from Chase account no.
9 xxxxxx6826.

10 b. The Chase account is not strictly a collateral account because there are
11 payments listed to Home Depot, Wal Mart, and other retailers. The account
12 also shows bills paid from this account via recurring card payments.

13 15. BBB failed to provide any account that was labeled as a collateral account and
14 that correlated to their bond log.

15 16. During an Examination Under Oath conducted by the Department on July 17,
16 2014, J. Burns stated that as of January 2014, the Chase account no xxxxxx6826 was the
17 collateral account. He also stated that he kept the cash collateral in a safe at his house.

18 **Dishonest Practices**

19 20. In connection with the J. Thompson, Pavlica, T. Larck and Murphy complaints,
20 Gass represented to the indemnitators that it would take 21-30 days to get the collateral money
21 back because BBB had to wait for the insurance company to return the funds.

22 21. The insurance company does not hold collateral money.

23 22. In connection with the Blakeman complaint, Gass told Blakeman that BBB could
only return \$1,500.00 of the \$2,500.00 collateral because BBB was going bankrupt.

24 23. BBB has not filed for bankruptcy protection.

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CONCLUSIONS OF LAW

1. The Director has jurisdiction over this matter.

2. Respondents' conduct, as described above, constitutes the failure to hold the collateral received in connection with a bail transaction in a fiduciary capacity and, prior to forfeiture of bail, keep collateral separate and apart from any other funds, assets or property of such bail bond agent, within the meaning of A.A.C. R20-6-601(E)(4)(a).

3. Respondents' conduct, as described above, constitutes the failure to return collateral to the person who deposited it with the bail bond agent or any assignee as soon as the obligation, the satisfaction of which was secured by the collateral, is discharged. Where such collateral has been deposited to secure the obligation of a bond, it shall be returned immediately upon the entry of any order by an authorized official by virtue of which liability under the bond is terminated, or, if any bail bond agent fails to cooperate fully with any authorized official to secure the termination of such liability, immediately upon the accrual of any right to secure an order of termination of liability, within the meaning of A.A.C. R20-6-601(E)(4)(b).

4. BBB and Lisa Burns' conduct, as described above, constitutes the improperly withholding, misappropriating or converting any monies or properties received in the course of doing insurance business, within the meaning of A.R.S. §§ 20-295(A)(4), as it applies to bail bond agents under A.R.S. § 20-340.06.

5. Respondents' conduct, as described above, constitutes the use of dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere, within the meaning of A.R.S. §§ 20-295(A)(8) as it applies to bail bond agents under A.R.S. § 20-340.06.

6. Grounds exist for the Director to suspend, revoke, or refuse to renew Respondents' insurance license, impose a civil penalty and/or order restitution pursuant to A.R.S. §§ 20-295(A), (B) and (F).

1 **ORDER**

2 **IT IS HEREBY ORDERED THAT:**

3 1. Suspension of Licenses:

4 A. Arizona Asset Management and Recovery, Inc. dba Better Bail Bonds,
5 Arizona license no. 957364 is suspended effective immediately through October 1, 2014.

6 B. John Andrew Burns, Sr., Arizona license no. 955040 is suspended
7 immediately through October 1, 2014.

8 C. Lisa Marie Burns, Arizona license no. 955041 is suspended immediately
9 through October 1, 2014.

10 D. Kayla Dawn Gass, Arizona license no. 988612 is suspended immediately
11 through October 1, 2014.

12 2. Revocation of Licenses:

13 A. Arizona Asset Management and Recovery, Inc. dba Better Bail Bonds,
14 Arizona license no. 957364, shall be revoked on October 2, 2014, immediately following the
15 completion of the suspension period.

16 B. John Andrew Burns, Sr., Arizona license no. 955040, shall be revoked on
17 October 2, 2014, immediately following the completion of the suspension period.

18 C. Lisa Marie Burns, Arizona license no. 955041, shall be revoked on
19 October 2, 2014, immediately following the completion of the suspension period.

20 D. Kayla Dawn Gass, Arizona license no. 988612, shall be revoked on
21 October 2, 2014, immediately following the completion of the suspension period.

22 3. Respondents shall immediately return cash collateral to:

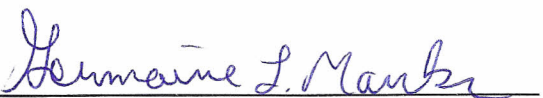
23 A. Jackie Thompson in the amount of \$1,150.00.

1 B. Joshua Blakeman in the amount of \$550.50.

2 C. William Cooley in the amount of \$380.00.

3 D. Marie Hague in the amount of \$457.00.

4
5 DATED AND EFFECTIVE this 18th day of September, 2014.

6 
7 GERMAINE L. MARKS
8 Director of Insurance

9 **CONSENT TO ORDER**

10 1. Respondents have reviewed the foregoing Findings of Fact, Conclusions of Law
11 and Order.

12 2. Respondents admit the jurisdiction of the Director of Insurance, State of Arizona,
13 and admit the foregoing Findings of Fact and consent to the entry of the foregoing
14 Conclusions of Law and Order.

15 3. Respondents are aware of their right to notice and a hearing at which they may
16 be represented by counsel, present evidence and examine witnesses. Respondents
17 irrevocably waive their right to such notice and hearing and to any court appeals relating to this
18 Consent Order.

19 4. Respondents state that no promise of any kind or nature whatsoever, except as
20 expressly contained in this Consent Order, were made to them to induce them to enter into
21 this Consent Order and that they have entered into this Consent Order voluntarily.

22 5. Respondents acknowledge that the acceptance of this Consent Order by the
23 Director is solely to settle this matter against them and does not preclude any other agency,

1 officer, or subdivision of this state including the Department from instituting civil or criminal
2 proceedings as may be appropriate now or in the future.

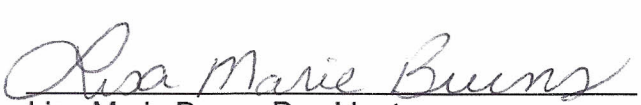
3 6. Respondents acknowledge that this Consent Order is an administrative action
4 that the Department will report to the National Association of Insurance Commissioners (NAIC)
5 and that they may have to report this administrative action on any future licensing applications
6 either to the Department or other States' Departments of Insurance.

7 7. Lisa Marie Burns represents that she is the President of Arizona Asset
8 Management and Recovery, Inc. dba Better Bail Bonds and Designated Responsible Licensed
9 Producer for Arizona Asset Management and Recovery, Inc. dba Better Bail Bonds and, as
10 such, is authorized to enter this Consent Order on its behalf.

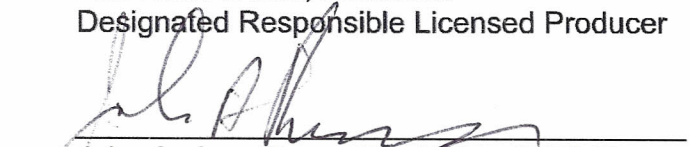
11 8. For Findings of Fact paragraph 11, subparagraphs a through I, Respondents do
12 not admit to any criminal intent.

Arizona Asset Management and Recovery, Inc.
dba Better Bail Bonds (AZ Lic. 957364)

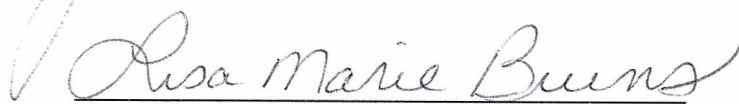
14 9/18/14
15 Date


Lisa Marie Burns, President
Designated Responsible Licensed Producer

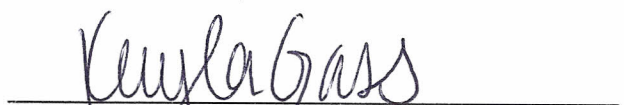
16 9/18/14
17 Date


John Andrew Burns, Sr., AZ Lic. 955040

18 9/18/14
19 Date


Lisa Marie Burns, AZ Lic. 955041

20 9/18/14
21 Date


Kayla Dawn Gass, AZ Lic. 988612

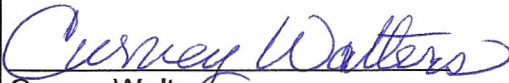
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1 COPIES of the foregoing mailed/delivered
this 19th day of September, 2014, to:

2
3 Scott Campbell
4 Scott Campbell, PLLC
5 1204 East Baseline Rd., Suite 102
6 Tempe, Arizona 85283
7 Attorney for Respondents

8 Vicki A. R. Lopez
9 The Nolan Law Firm, PLLC
10 1744 S. Val Vista Dr., Suite 210
11 Mesa, AZ 85204

12
13 Darren Ellingson, Deputy Director
14 Mary Kosinski, Executive Assistant for Regulatory Affairs
15 Steven Fromholtz, Licensing Supervisor
16 Charles Gregory, Special Agent Supervisor
17 Dan Ray, Investigator
18 Department of Insurance
19 2910 North 44th Street, Suite 210
20 Phoenix, Arizona 85018

21
22 
23 Curvey Walters