STATE OF ARIZONA FILED STATE OF ARIZONA 1 JUN 4 2015 DEPARTMENT OF INSURANCE 2 **DEPT OF INSURANCE** 8Y ..... In the Matter of: 3 No. 15A-051-INS AAA PMSAZ BAIL BONDS, LLC, 4 ORDER SUMMARILY SUSPENDING (Arizona License Number 944966) and THOMAS, CHARLES EDWARD (JR) LICENSES AND 5 **NOTIFICATION OF RIGHTS** (Arizona License Number 942120) (National Producer Number 13659114) 6 Respondents. 7 The State of Arizona Department of Insurance ("Department") has received 8 evidence that AAA PMSAZ Bail Bonds, LLC and Charles Edward Thomas, Jr. violated 9 provisions of Title 20, Arizona Revised Statutes ("A.R.S."). In light of the serious nature of 10 these allegations, the Director of Insurance for the State of Arizona ("Director") finds that the 11 public health, safety and welfare imperatively require emergency action, within the meaning 12 of A.R.S. § 41-1092.11(B). 13 FINDINGS OF FACT 14 AAA PMSAZ Bail Bonds, LLC ("PMSAZ") is, and was at all material times, 1. 15 licensed as an Arizona resident bail bond agent, Arizona license number 944966, which 16 expires on June 30, 2017. 17 PMSAZ's address of record with the Department is: 210 S. 4th Ave., Suite 210, 2. 18 Phoenix, Arizona 85003 (business and mailing). 19 20 21 22

- 3. According to Arizona Corporation Commission ("ACC") records, PMSAZ has two members, Charles E. Thomas, Jr. and Probationary Monitoring Services of Arizona, LLC. Probationary Monitoring Services of Arizona, LLC is not licensed as a bail bond agent<sup>1</sup>.
- 4. Charles Edward Thomas, Jr. ("Thomas") is, and was at all material times, licensed as an Arizona resident bail bond agent, Arizona license number 942120, which expires on August 31, 2016.
- Thomas's addresses of record are: c/o AAA PMSAZ Bail Bonds, LLC, 210 S. 4<sup>th</sup>
   Avenue, Suite 210, Phoenix, Arizona 85003 (business and mailing).
- Thomas is the sole Member and the Designated Responsible Licensed
   Producer for PMSAZ.

## Failure to return collateral - Mayweather Complaint

- 7. On or about April 5, 2015, Elizabeth Andrews aka Mary Elizabeth Mayweather ("Mayweather") and Shakirra Mayweather ("Shakirra Mayweather") filed a Request for Assistance ("Complaint") with the Department alleging that PMSAZ failed to return \$14,750 in cash collateral after the court had exonerated Mayweather's bonds.
- 8. On or about July 29, 2014, Shakirra Mayweather paid PMSAZ \$5,250 in premium for two bonds totaling \$51,500. On that same date, Shakirra Mayweather also paid \$14,750 in cash and provided the title to a vehicle as collateral for the bonds.
- 9. On or about July 31, 2014, PMSAZ posted a surety bond totaling \$26,500 for Mayweather, State of Arizona Maricopa County Case number CR2003-012492.

¹ Probationary Monitoring Services of Arizona, LLC has one member – Redman Investment Group, Inc. Redman Investment Group, Inc. is not in good standing with the ACC. Charles E. Thomas, Jr. is the President/CEO for Redman Investment Group, Inc.

- 10. On or about August 6, 2014, PMSAZ posted a surety bond totaling \$25,000 for Mayweather, State of Arizona Maricopa County Case number CR2002-095349.
  - 11. On or about March 6, 2015, the Court exonerated the bonds in both cases,
- On or about March 14, 2015, PMSAZ released the lien on Shakirra
   Mayweather's vehicle.
  - 13. To date, PMSAZ has failed to return the cash collateral to Shakirra Mayweather.

# Failure to Return Collateral - Kral Complaint

- 14. On or about March 9, 2015, Richard Kral ("Kral") filed a Request for Assistance ("Complaint") with the Department alleging that PMSAZ failed to return \$10,000 in cash collateral to indemnitor Frank Hanek ("Hanek") after the court had exonerated Kral's bond.
- 15. On or about May 24, 2014, Hanek paid PMSAZ \$1,099 in premium for the bond and \$10,000 in cash as collateral for the \$10,000 bond.
- On or about June 6, 2014, PMSAZ posted a surety bond totaling \$10,000 for
   Kral, State of Arizona Maricopa County Case number CR2014-122667.
  - 17. On or about January 13, 2015, the Court exonerated the bond.
  - 18. To date, PMSAZ has failed to return the cash collateral to Hanek.

# Failure to Return Collateral - Other Complaints

19. To date, the Department has another twelve outstanding complaints against PMSAZ and Thomas for failure to return collateral.

### Failure to Respond to Subpoena

- 20. On April 24, 2015, the Department forwarded a subpoena to Respondents at their addresses of record via U.S.P.S. certified mail ("Department's Subpoena"). The Department's Subpoena required Thomas to appear at the Department on May 8, 2015 at 9:00 a.m.
  - 21. Thomas failed to appear in response to the subpoena.

## Failure to Maintain a Place of Business

22. As of this date, AAA PMSAZ, LLC has closed its office.

#### **CONCLUSIONS OF LAW**

- 1. The Director has jurisdiction over this matter.
- 2. Respondents' conduct, as alleged above, constitutes failure to return the collateral received 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, in violation of A.A.C. R20-6-601(E)(4)(b).
- 3. Respondents' conduct, as alleged above, constitutes failure to receive collateral in a fiduciary capacity and keep the collateral separate and apart from any other funds, assets or property of the bail bond agent, in violation of A.A.C. R20-6-601(E)(4)(a).
- 4. Respondents' conduct, as described above, constitutes a violation of any provision of Title 20, any rule, subpoena or order of the Director, within the meaning of A.R.S. § 20-295(A)(2) as applied to bail bond agents under A.R.S. § 20-340.06.
- 5. Respondents' conduct, as described above, constitutes a violation of the requirement that each bail bond agent shall have and maintain a place of business in this state

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that is accessible to the public and where the bail bond agent principally conducts transactions under the agent's license, pursuant to A.R.S. § 20-340.01(E).

Grounds exist for the Director to suspend, revoke, or refuse to renew 6. Respondents' insurance licenses and/or order restitution pursuant to A.R.S. §§ 20-295(A) and (F) as applied to bail bond agents under A.R.S. § 20-340.06.

#### ORDER

#### IT IS HEREBY ORDERED THAT:

- AAA PMSAZ Bail Bonds, LLC's Arizona resident license, number 944966, is 1. summarily suspended, effective immediately upon entry of this Order.
- Charles Edward Thomas, Jr.'s Arizona resident license, number 942120, is 2. summarily suspended, effective immediately upon entry of this Order.
- Respondents shall immediately make restitution to Shakirra Mayweather in the 3. amount of \$14,750.
- Respondents shall immediately make restitution to Frank Hanek in the amount of 4 \$10,000.
  - Respondents are jointly and severally responsible for all restitution payments. 5.
- Respondents shall immediately contact the Department to resolve all outstanding 6. complaints. Respondents are responsible for return of all collateral when the obligation secured by the collateral is discharged.

DATED AND EFFECTIVE this 4th day of June, 2015.

Germaine L. Marke

Director of Insurance

### NOTICE OF OPPORTUNITY FOR HEARING

Pursuant to Title 20 of the Arizona Revised Statutes, Respondents are hereby notified that Respondents may request a hearing pursuant to A.R.S. § 20-161 to contest the summary suspension. Such request must be in writing and received at the following address within thirty (30) days from the date hereof:

Arizona Department of Insurance 2910 North 44<sup>th</sup> Street, Suite 210 Phoenix, Arizona 85018-7269

Upon receipt of a timely written request for hearing, the Director will issue an order setting the time and place of the hearing.

COPIES of the foregoing mailed/delivered this 4th day of June \_\_\_\_\_, 2015, to:

Charles Edward Thomas, Jr. AAA PMSAZ Bail Bonds, LLC 210 S. 4<sup>th</sup> Ave., Suite 210 Phoenix, Arizona 85003 Respondents

Charles E. Thomas, Jr. 16630 S. 42<sup>nd</sup> St. Phoenix, Arizona 85048

Statutory Agent for Respondent AAA PMSAZ Bail Bonds, LLC

Probationary Monitoring Services of Arizona, LLC c/o Charles E. Thomas, Jr. 657 W. University Dr. Mesa, Arizona 85201
Statutory Agent for Member of Respondent

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