

**NORTH CAROLINA DEPARTMENT OF INSURANCE
RALEIGH, NORTH CAROLINA**

**STATE OF NORTH CAROLINA
COUNTY OF WAKE**

**BEFORE THE COMMISSIONER
OF INSURANCE**

**IN THE MATTER OF THE
LICENSURE OF
JEFFREY M. BOTELLIO
LICENSE NO. 0018335537**

**VOLUNTARY SETTLEMENT
AGREEMENT**

NOW COME, Jeffrey M. Botellio (hereinafter "Mr. Botellio") and the North Carolina Department of Insurance (hereinafter "Department"), and hereby voluntarily and knowingly enter into the following Voluntary Settlement Agreement (hereinafter "this Agreement"):

WHEREAS, the Department has the authority and responsibility for the enforcement of the insurance laws of this State, and for regulating and licensing bail bondsmen; and

WHEREAS, Mr. Botellio holds an active license as a surety bail bondsman issued by the Department; and

WHEREAS, N.C. Gen. Stat. § 58-71-80(a)(4) provides that the Commissioner may deny, place on probation, suspend, revoke, or refuse to renew any license for misappropriation, conversion or unlawful withholding of moneys belonging to insurers or others received in the conduct of business under the license; and

WHEREAS, N.C. Gen. Stat. § 58-71-80(a)(8) provides that the Commissioner may deny, place on probation, suspend, revoke, or refuse to renew any license, among other things, for demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this State; and

WHEREAS, N.C. Gen. Stat. § 58-71-95(5) provides that no bail bondsman or runner shall accept anything of value from a principal or from anyone on behalf of a principal except the premium, which shall not exceed fifteen percent (15%) of the face amount of the bond;

WHEREAS, N.C. Gen. Stat. § 58-71-95(5) further provides that collateral security or other indemnity required by the bondsman to be reasonable in relation to the amount of the bond and shall be returned within 15 days after final termination of liability on the bond; and

WHEREAS, N.C. Gen. Stat. § 58-71-100 provides that when a bail bondsman accepts collateral he or she shall give a written notice for the collateral, and a receipt for which is given a detailed full description of the collateral involved, and such collateral security shall be held and maintained in trust; and if the collateral security is received in the form of cash, check or other negotiable instrument, the licensee shall deposit the cash or instrument within two banking days after receipt in an established,

separate non-interest bearing trust account in any bank located in North Carolina; and

WHEREAS, the Department received a complaint from Seslie Locklear on November 7, 2018 stating that she paid Mr. Botellio \$1,375 for collateral security on a bond for James Milligan in Moore County; Mr. Botellio did not return the collateral until on or about December 13, 2018, after contacted by the Department, which was more than fifteen (15) days after the cases were disposed on October 19, 2018 and final termination of liability on the bond; and

WHEREAS, Ms. Locklear was informed by Mr. Botellio's office (Stacie) that Mr. Botellio was in the hospital and that he was the only one who could return the collateral; and

WHEREAS, Mr. Botellio informed the Department that his supervisor, Mr. Omar Williams, his staff along with Stacie and Mr. Botellio's mother, were handling his forfeitures and any liabilities; and

WHEREAS, Mr. Williams was contacted by the Department on May 1, 2019 and May 24, 2019 requesting all the documents that he removed from your office along with a notarized statement explaining the status of the bonds and liabilities that he was handling for you, but were never forwarded to the Department as required by N.C. Gen. Stat. § 58-71-168; and

WHEREAS, in a response dated March 7, 2019 to the Department, Mr. Botellio informed the Department that the cash collateral was not deposited in a non-interest-bearing account but placed in his office safe to which others in the office appeared to have access to return the collateral in a timely manner; and

WHEREAS, 11 NCAC 13.0515 provides that whenever a fee is received by a bail bondsman a receipt shall be furnished to the defendant including among other things, the name and address of the bondsman as well as the amount of the bond for which the fee is being charged, which Mr. Botellio failed to include on the receipt issued to Ms. Locklear; and

WHEREAS, 11 NCAC 13.0512(h) provides that all indemnity agreements or other security agreements shall be considered as collateral security and shall be listed and described on the form provided by the Administrative Office of the Courts (Form AOC-CR-201 or its successor) entitled "Appearance Bond for Pretrial Release" which Mr. Botellio failed to do; and

WHEREAS, Mr. Botellio's violations of N.C. Gen. Stat. §§ 58-71-80(a)(4) and (a)(8), 58-71-95(5) and 58-71-100 and 11 NCAC 13.0515 and 13.0512(h) demonstrate a failure to comply with and/or a violation of the provisions of Article 71 of Chapter 58 of the North Carolina General Statutes for which Mr. Botellio's surety bondsman license could be revoked, suspended or not renewed pursuant to N.C. Gen. Stat. § 58-71-80(a)(7); and

WHEREAS, pursuant to N.C. Gen. Stat. § 58-71-80(a)(7), the Commissioner may deny, suspend, revoke, or refuse to renew any license under Article 71 of Chapter 58 of the North Carolina General Statutes for failure to comply with or violation of the provisions of Article 71 of Chapter 58 of the North Carolina General Statutes or of any order, rule or regulation of the Commissioner; and

WHEREAS, Mr. Botellio admits to the violations set out herein; and

WHEREAS, in lieu of an administrative hearing on the matters stated herein, Mr. Botellio has agreed to settle, compromise, and resolve the matters referenced in this Agreement, and the Department has agreed not to pursue additional penalties, sanctions, remedies, or restitution based on these matters against Mr. Botellio; and

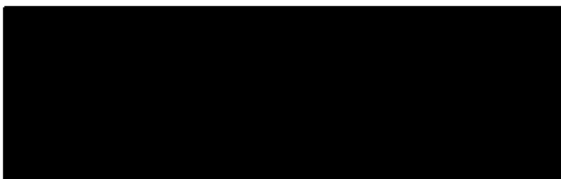
WHEREAS, pursuant to N.C. Gen. Stat. § 58-2-70(g), the Commissioner of Insurance and the Department have the express authority to negotiate a mutually acceptable agreement with any person as to the status of the person's license or certificate or as to any civil penalty or restitution; and

NOW, THEREFORE, in consideration of the promises and agreements set out herein, the Department and Mr. Botellio hereby agree to the following:

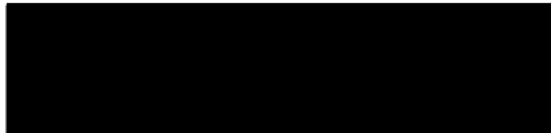
1. Immediately upon his signing of this document, Mr. Botellio shall pay a **civil penalty of \$1,00.00** to the Department. The form of payment shall be in a certified check, cashier's check or money order. The check or money order for the payment of this civil penalty shall be payable to the "North Carolina Department of Insurance." Mr. Botellio shall send the civil penalty by certified mail, return receipt requested, to the Department simultaneously with the return of this Agreement, signed by Mr. Botellio. The civil penalty and the signed Agreement must be received by the Department no later than **August 30, 2019**. The civil penalty shall be subject to disbursement in accordance with the provisions of Article IX, Section 7 of the North Carolina Constitution for the benefit of the public schools.
2. As a condition of continuing to be licensed as a surety bail bondsman, Mr. Botellio will be required to comply with the provisions of N.C. Gen. Statute § 58-71-71(a) and retake and complete at least 12 hours of education as provided by an approved provider in subjects pertinent to the duties and responsibilities of a bail bondsman including all laws and regulations related to being a bail bondsman in lieu of meeting the requirements of the provisions of N.C. Gen. Statute § 58-71-71(b) for the 2020 renewal period; and
3. Mr. Botellio shall obey all laws and regulations applicable to all licenses issued to him.
4. Mr. Botellio enters into this Agreement freely and voluntarily and with knowledge of his right to have an administrative hearing on this matter. Mr. Botellio understands that he may consult with an attorney prior to entering into this Agreement.
5. This Agreement does not in any way affect the Department's disciplinary power in any future follow-up examinations of Mr. Botellio, or in any other cases or complaints involving Mr. Botellio.
6. The parties to this Agreement agree that this Agreement shall have the full force and effect of an Order of the Commissioner. Mr. Botellio understands that N. C. Gen. Stat. § 58-71-80(a)(7) provides that a surety bondsman's license may be revoked for violating an Order of the Commissioner.

7. This Voluntary Settlement Agreement, when finalized, will be a public record and is not confidential. All licenses issued by the Department to the licensee shall reflect that Regulatory Action has been taken against the licensee following the execution of this Agreement. The Department is free to disclose the contents of this Agreement to third parties upon request or pursuant to any law or policy providing for such disclosure. The Department routinely provides copies of voluntary settlement agreements to all companies that have appointed the licensee.
8. This Settlement Agreement shall become effective when signed by Mr. Botellio and the Department.

N.C. DEPARTMENT OF INSURANCE



By: Jeffrey M. Botellio
License No. 0018335537



By: Marty Sumner
Deputy Commissioner

Date: 8/28/19

Date: 9/3/19