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Agent Services
Division

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
PAUL DAVIS

ORDER and FINAL
AGENCY DECISION

DOCKET NO. D-1609

This matter was heard on Wednesday, May 9, 2012, by the undersigned Hearing Officer, as designated by the Commissioner of Insurance pursuant to N.C. Gen. Stat. § 58-2-55. The administrative hearing was held in Room 3099 of the Dobbs Building, located at 430 North Salisbury Street, Raleigh, Wake County, North Carolina. Assistant Attorney General Rebecca E. Lem represented the North Carolina Department of Insurance, Agent Services Division (hereinafter "Agent Services"). Paul Davis (hereinafter, "Respondent") appeared *pro se*.

Ms. Ernestine McKenney, Bail Bond Administrator, and Ms. Angela Hatchell, Compliance Supervisor, testified for Agent Services. The Respondent testified on his own behalf.

After careful consideration of the evidence and arguments presented, and based on the record as a whole, the Hearing Officer hereby makes the following Findings of Fact and Conclusions of Law:

Findings of Fact

1. The Notice of Administrative Hearing was properly served on Respondent pursuant to Rule 4 of the North Carolina Rules of Civil Procedure.
2. Respondent is a resident of North Carolina, and he currently holds a professional bondsman license issued by the Department (NPN # 8393795);
3. Documentary evidence admitted at the hearing shows that from approximately August 4, 2011, up and until March 31, 2012 (the latest date of the bank records available), Respondent's securities on deposit have been below the required amount of \$15,000 in violation of N.C. Gen. Stat. § 58-71-145. The amount that has been maintained in Respondent's security deposit account has been below \$10,000 throughout this time. Complaint Supervisor Angela Hatchell testified that the Respondent's security deposit account balance has been substantially

deficient from August 2011 through the latest date for which bank statements are available.

4. Documentary evidence admitted at the hearing shows that the Agent Services Division ("ASD") received six Writs of Execution (total of \$5,531.72) from Lenoir County and Sampson County, NC during August 2011 which required liquidation of securities. This liquidation caused Respondent's security deposit to fall below the required \$15,000.
5. Documentary evidence admitted at the hearing shows that the Respondent was sent notice of the six Writs of Execution by the Department.
6. Documentary evidence admitted at the hearing shows that Respondent has continued to write bonds, including at least one written in March, 2012, even though he was advised of his securities deposit deficiency on August 15, 2011 and November 28, 2011 by certified mail.
7. Documentary evidence admitted at the hearing shows that Respondent submitted required monthly reports late in the months of January, February, March, April, May, June, December of 2011, and that the Respondent was sent timely notice that his reports were late by the Department.
8. The Respondent testified at the hearing that the reason for the deficiency in his security deposit accounts was due to various problems he had experienced with county North Carolina Administrative Office of the Courts ("AOC") employees, as well as local sheriffs. The Respondent believes that the Writs of Execution were wrongfully entered.
9. The Respondent testified that he had attempted to contact various officials concerning the Writs of Execution he believed were wrongfully entered, but that he had been unable to obtain help in resolving the issue.
10. Angela Hatchell testified that the Department has no regulatory authority over AOC employees, and further that the Department is obliged to liquidate monies out of professional bail bondsmen's security deposit accounts upon receipt of Writs of Execution from the courts.
11. Documentary evidence and testimony shows that Respondent received notification by the Department that his monthly reports were late. The Respondent has now submitted all late monthly reports.
12. Respondent testified that he was not sure when he could take persons off of his monthly reports list, and cited this uncertainty as cause for his late-filed monthly reports.

Conclusions of Law

1. This matter is properly before the Commissioner, and the Commissioner has jurisdiction over the parties and the subject matter pursuant to N. C. Gen. Stat. §§58-71-80, 150B-38 and 150-40, as well as 11 N.C.A.C. 10401 et seq. and other applicable statutes and regulations.
2. Respondent was properly served with the Notice of Administrative Hearing.
3. Respondent has continued to write bonds even though he was advised of his deficiency on August 15, 2011 and November 28, 2011 by certified mail that his security deposit account was deficient, and thus Respondent is in violation of N.C.G.S. § 58-71-160.
4. Respondent sent in his monthly reports late in the months of January, February, March, April, May, June, December of 2011, in violation of N.C.G.S. § 58-71-165.
5. From August 15, 2011, up and until March 31, 2012 (the date of the latest bank record obtained), Respondent's securities on deposit have been substantially below the required amount of \$15,000 in violation of N.C. Gen. Stat. § 58-71-145.
6. The Respondent's licenses may be suspended or revoked pursuant to N.C. Gen. Stat. § 58-71-80(a)(7), which provides that the Commissioner may suspend, revoke, or refuse to renew any license issued under Chapter 58, Article 71 of the General Statutes for failure to comply with or violation of the provisions of this Article or of any order, rule or regulation of the Commissioner.
7. Additionally, the Respondent's licenses may be suspended or revoked pursuant to N.C. Gen. Stat. § 58-71-80(a)(8), which provides that the Commissioner may suspend, revoke, or refuse to renew any license issued under Chapter 58, Article 71 of the General Statutes when in the judgment of the Commissioner, the licensee has in the conduct of the licensee's affairs under the license, demonstrated incompetency, financial irresponsibility, or untrustworthiness; or that the licensee is no longer in good faith carrying on the bail bond business. Respondent has demonstrated incompetency and financial irresponsibility in the conduct of his affairs under the license and is no longer in good faith carrying on the bail bond business.

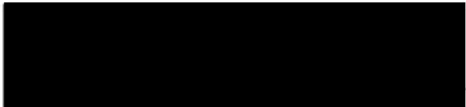
8. Respondent's license should be revoked.

Based on the foregoing Finding of Facts and Conclusions of Law, the Hearing Officer enters the following:

Order

It is ordered that the professional bail bonds license of Respondent Paul Davis is hereby revoked.

This the 31st day of May, 2012.


Stewart L. Johnson, Hearing Officer
N.C. Department of Insurance

APPEAL RIGHTS: This Order may be appealed to Superior Court within 30 days of receipt, as set forth in the General Statutes of North Carolina.

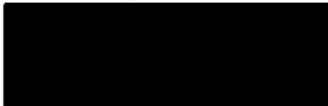
CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing Order and Final Agency Decision by certified US mail, return receipt requested, first class postage affixed and addressed as follows:

PAUL DAVIS
38 Sunshine Road
White Oak, NC 28399

PAUL DAVIS
P.O. Box 75
Roseboro, NC 28399

This the 1st day of ^{June}~~May~~, 2012.



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