

**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  
RUSSELL FAIR  
(NPN 16970631)**

**VOLUNTARY SETTLEMENT  
AGREEMENT**

**NOW COME** Russell Fair (hereinafter “Bail Bondsman”) and the North Carolina Department of Insurance (hereinafter “Department”), and hereby voluntarily and knowingly enter into the following Voluntary Settlement Agreement (hereinafter “Agreement”);

WHEREAS, the Department has the authority and responsibility for regulating and licensing professional bail bondsmen, surety bail bondsmen, and bail bond runners; and

WHEREAS, Bail Bondsman currently holds a license as a surety bail bondsman issued by the Department; and

WHEREAS, Bail Bondsman wrote seven bonds totaling \$175,000.00 using his surety bail bond license for a criminal defendant, Lester Morales (hereinafter “Morales”) in Mecklenburg County Superior Court file numbers 16 CRS 239672, 239673, 239670, 235085, 235084, 239671, and 235086; and

WHEREAS, Bail Bondsman has alleged that he executed these bail bonds on behalf of the bail bond surety company, Cannon Surety, LLC, and pursuant to a “transfer bond posting” posted by Cannon Surety, LLC; and

WHEREAS, Bail Bondsman has alleged that he received \$200.00 in compensation, paid by Cannon Surety, LLC, for executing the above referenced bail bonds; and

WHEREAS, Bail Bondsman remained the surety bondsman of record in the criminal court files associated with the bonds for Morales, and Bail Bondsman did not subsequently substitute or otherwise transfer these bonds to another bail agent, did not surrender Morales pre-breach, or did not seek to be released as the bail agent of record from the files; and

WHEREAS, Morales failed to appear at a scheduled court date for the above referenced criminal cases on March 12, 2018; and

WHEREAS, Bond Forfeiture Notices were entered in the above referenced criminal case files on March 14, 2018; and

WHEREAS, after entry of the Bond Forfeiture Notices, Bail Bondsman did not attempt to locate Morales, attempt to surrender Morales, or otherwise pursue relief prior to the entry of bond forfeiture judgments; and

WHEREAS, bond forfeiture judgments were entered on the bail bonds written by Bail Bondsman in the above referenced files on August 11, 2018; and

WHEREAS, on January 2, 2018, an Order of Rehabilitation and Order Appointing Receiver was entered in Wake County Superior Court appointing Mike Causey, Commissioner of Insurance of the State of North Carolina, as Rehabilitator of Cannon Surety, LLC pursuant to the provisions of Article 30 of Chapter 58 of the North Carolina General Statutes; and

WHEREAS, on April 18, 2018 an Order Amending Order of Rehabilitation was signed in Wake County Superior Court that enjoined the Commissioner of Insurance and the Department of Insurance from making payment from Cannon Surety, LLC, in rehabilitation, for final forfeiture judgments until further order of the court; and

WHEREAS, no further order of the court has been issued that authorizes the Commissioner of Insurance to make payment from Cannon Surety, LLC, in rehabilitation, on final forfeiture judgments; and

WHEREAS, Bail Bondsman has alleged that he did not have a Build Up Funds Account (BUF Account) with Cannon Surety, LLC for the payment of bond forfeiture judgments on bonds written under his surety bondsman's license; and

WHEREAS, the bond forfeiture judgments entered on the above referenced bonds written under Bail Bondsman's surety bond license have remained unsatisfied; and

WHEREAS, Bail Bondsman's license is subject to possible revocation or suspension under N.C. Gen. Stat. § 58-71-80(a)(9) for failing to pay any judgment or decree rendered on any forfeited undertaking in any court of competent jurisdiction; and

WHEREAS, the parties to this Agreement desire to resolve this matter by agreement to avoid an administrative hearing regarding this matter; and

WHEREAS, Bail Bondsman has had no previous administrative actions or discipline taken against his surety bondsman's license; and

WHEREAS, the parties to this Agreement have reached a mutually agreeable resolution of this matter as set out in this Agreement.

**NOW, THEREFORE**, in exchange for, and in consideration of the promises and agreements set out herein, the Department and Bail Bondsman hereby agree to the following:

1. Immediately upon signing this agreement, Bail Bondsman shall pay a civil penalty of **One Thousand Dollars (\$ 1,000.00)** to the Department. The form of payment shall be 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." Bail Bondsman shall remit the civil penalty by certified mail, return receipt requested, to the Department along with the original of this Agreement bearing the signature of Bail Bondsman. The civil penalty and the signed Agreement must be received by the Department no later than November 18, 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 public schools; and

2. Within 90 days after entry of this agreement, Bail Bondsman shall pay a total amount of **Eight Thousand Dollars (\$8,000.00)**, divided on a pro-rated basis, towards the bond forfeiture judgments entered in Mecklenburg county in file numbers 16 CRS 239672, 239673, 239670, 235085, 235084, 239671, and 235086 and timely provide proof of payment to the Department; and

3. If Bail Bondsman does not timely pay the \$1,000.00 administrative penalty and the \$8,000.00 payment identified above, Bail Bondsman agrees that his surety bondsman license shall be immediately revoked by the Department; and

4. Bail Bondsman shall comply with all provisions of Chapter 58 of the North Carolina General Statutes and Title 11 of the North Carolina Administrative Code that are applicable to Bail Bondsman.

5. Upon full execution of this Agreement by the parties, the Department agrees that the fully executed Agreement can be used as evidence the Department's consent to Mecklenburg County Superior Court granting the relief sought in his April 2, 2019 Verified Motion for Relief from Final Judgment, namely that he again be permitted to write bail bonds in Mecklenburg County.

6. The parties to this Agreement agree that this Agreement shall have the full force and effect of an Order of the Commissioner. Bail Bondsman understands that N.C. Gen. Stat. § 58-71-80(a)(7) provides that Bail Bondsman's license may be revoked for violating an Order of the Commissioner.

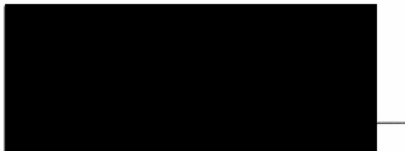
7. Bail Bondsman enters into this Agreement freely and voluntarily and with knowledge of Bail Bondsman's right to have an administrative hearing regarding this matter. Bail Bondsman understands that Bail Bondsman may consult with, and has actually consulted with, an attorney prior to entering into this Agreement.

8. This Voluntary Settlement Agreement constitutes a complete settlement of all administrative penalties against Bail Bondsman for the acts, policies or practices expressly addressed in this Voluntary Settlement Agreement. Except as to the acts, policies or practices expressly addressed herein, this Agreement does not in any way affect the Department's disciplinary power in any future examination of Bail Bondsman, or in any other complaints involving Bail Bondsman. In the event that Bail Bondsman fails to comply with this Agreement or otherwise fails to comply with the laws and rules applicable to Bail Bondsman, the Department may take any administrative or legal action it is authorized to take.

9. This Agreement, when finalized, will be a public record and is not confidential. 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. Following the execution of this Agreement, any and all licenses issued by the Department to Bail Bondsman shall reflect that Regulatory Action has been taken against Bail Bondsman.

10. Bail Bondsman understands and agrees that if a state or federal regulator other than the Department has issued a permit or license to Bail Bondsman, that regulator may require Bail Bondsman to report this administrative action to it. Bail Bondsman understands and agrees that the Department cannot give Bail Bondsman legal advice as to the specific reporting requirements of other state or federal regulators.

11. This Agreement shall become effective when signed by Bail Bondsman and the Department.



Russell Fair

Date: 11/15/2019

North Carolina Department of Insurance

By: 

Marty Sumner  
Senior Deputy Commissioner

Date: 12/13/19