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

AUG 11 2006

**Agent Services
Division**

**STATE OF NORTH CAROLINA
COUNTY OF WAKE**

**BEFORE THE COMMISSIONER
OF INSURANCE**

**IN THE MATTER OF
THE LICENSURE OF
RODNEY L. GRANT**

FINAL AGENCY DECISION

Docket Number: 1276

THIS CAUSE coming on to be heard before the undersigned Hearing Officer, as designated by the Commissioner of Insurance pursuant to North Carolina General Statute § 58-2-55, on the 22nd day of June, 2006, pursuant to a Notice which was duly issued and served.

Petitioner, the North Carolina Department of Insurance (hereinafter "Department"), was present through representatives of the Department's Agent Services Division, and was represented by Daniel S. Johnson, Special Deputy Attorney General.

Respondent Rodney L. Grant was present, and was represented by Leslie G. Fritscher of the Wake County Bar.

Witnesses for Petitioner were Rodney L. Grant and Lisa Ashe, Vice President of Southeastern Sureties Group, Inc., and witnesses for Respondent were Rodney L. Grant and Suzanne Catalli of Global Sureties, Inc., State Agent for American Safety Casualty Insurance Company, for whom Rodney L. Grant presently writes bail bonds.

After careful consideration of the evidence presented and based on the record as a whole, the undersigned Hearing Officer hereby enters the following:

FINDINGS OF FACT

1. Respondent currently holds a surety bail bondsman license issued by the Department.

2. In the year 1998, Respondent entered into an agreement with Southeastern Sureties Group, Inc. (Southeastern), to become an agent of Southeastern for the purpose of writing surety bail bonds with Accredited Surety & Casualty Company, Inc.
3. Under said agreement with Southeastern, Respondent was obligated, among other things, to indemnify Southeastern from any losses for forfeited bail bonds written by Respondent.
4. Under said agreement with Southeastern, Respondent was required to pay Southeastern a premium for bonds written by Respondent through Southeastern.
5. In Northampton County case 00 CR 50393, Respondent wrote a bond for Daniel Rojo in the amount of \$75,000.00. Rojo failed to appear, and Respondent diligently searched for Rojo, contacting informants and putting up posters for a reward for information leading to his recovery.
6. Respondent hired legal counsel at his own expense and brought legal proceedings to set aside the Rojo forfeiture or gain relief on the bond, but the relief sought was not granted, and the above-referenced Rojo bond was ordered forfeited in the year 2001. The principal sum of \$75,000.00 plus \$8,219.18 in interest was paid by Southeastern to satisfy the execution issued on the above-referenced Rojo bond.
7. Other bonds written by Respondent, or by sub-agents for whom Respondent is responsible, also have become final bond forfeiture judgments.
8. Southeastern recovered the sum of \$ 37,043.75 from Respondent's "BUF" account with Accredited Surety & Casualty Company, Inc. to mitigate the amounts Southeastern was obligated to pay for bond forfeitures on bonds written

by Respondent; however, even after giving Respondent credit for offsets to the amount owed, Southeastern was required to satisfy bond forfeiture judgments for bonds written by Respondent in an amount of more than \$50,000.00.

9. Respondent failed to pay and withheld from Southeastern the sum of \$24,123.08 in premiums due and owing for bonds written by Respondent through Southeastern.
10. In May of the year 2003, Southeastern filed a civil action against Respondent seeking recovery of the \$55,997.09 it had paid to satisfy the final judgments of forfeiture for bonds written by Respondent or his sub-agents and seeking payment of the \$24,123.08 in premiums Respondent owed to Southeastern.
11. On July 9, 2003, a default judgment was entered against Respondent in the above civil action that ordered that Respondent pay Southeastern the amount of \$80,516.17 plus interest and the costs of the action.
12. The default judgment arose out of Respondent's conduct of his business or affairs under his license.
13. Respondent was appointed with American Safety Casualty Insurance Company in the year 1999 and remains appointed with that company today. Respondent is in good standing with American Safety Casualty Insurance Company and the State Agent for American Safety testified that Respondent has been a trustworthy, reliable bail agent that has taken care of his forfeiture losses during the time of his appointment with American Safety.
14. Respondent is in the surety bail bonding business at this time.

15. Until the day of the hearing, Respondent paid nothing whatsoever toward the judgment entered against him on July 9, 2003.
16. On the day of the hearing, nearly three years after entry of the default judgment, Respondent gave his attorney \$3,000.00 to be paid to the Clerk of Superior Court as a credit against the judgment entered against him on July 9, 2003.

BASED UPON the foregoing Findings of Fact, the undersigned Hearing Officer makes the following:

CONCLUSIONS OF LAW

1. This matter is properly before the Commissioner of Insurance, and he has jurisdiction over the parties and the subject matter pursuant to Chapter 58 of the North Carolina General Statutes.
2. Notice in this matter was timely and proper.
3. A surety bondsman's license is subject to suspension or revocation pursuant to N.C. Gen. Stat. § 58-71-80(4), for "misappropriation, conversion or unlawful withholding of moneys belonging to the insurers or others and received in the conduct of business under the license."
4. A surety bondsman's license is subject to suspension or revocation pursuant to N.C. Gen. Stat. § 58-71-80(8), "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."

5. By failing to forward premiums for bonds written through Southeastern, Respondent has misappropriated, converted or unlawfully withheld money belonging to insurers or others and received in the conduct of business under his license in violation of N.C. Gen. Stat. § 58-71-80(4).


6. By failing to forward premiums for bonds written through Southeastern, Respondent has in the conduct of his affairs under his license, demonstrated financial irresponsibility and untrustworthiness, in violation of N.C. Gen. Stat. § 58-71-80(8).

7. By failing to pay, or even make payments on, the above-referenced default judgment against him until the day of the hearing, Respondent has in the conduct of his affairs under his license, demonstrated financial irresponsibility, in violation of N.C. Gen. Stat. § 58-71-80(8).

ORDER

BASED UPON the foregoing Findings of Fact and Conclusions of Law, it is ORDERED that Respondent's bondsman's license be, and it is hereby, REVOKED.

This 4th day of August, 2006.


Stewart L. Johnson, Hearing Officer
N.C. Department of Insurance
1201 Mail Service Center
Raleigh, NC 27699-1201

NOTICE OF APPEAL RIGHTS

This Order may be appealed to Superior Court within 30 days of receipt of the same as set out in Chapter 150B of the North Carolina General Statutes.