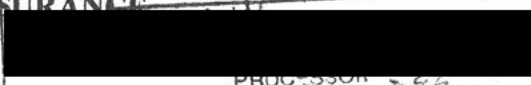


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NORTH CAROLINA DEPARTMENT OF INSURANCE
RALEIGH, NORTH CAROLINA



STATE OF NORTH CAROLINA
COUNTY OF WAKE

BEFORE THE COMMISSIONER
OF INSURANCE

IN THE MATTER OF THE LICENSURE OF VOLUNTARY SETTLEMENT
LONNIE D. HAMMOND AGREEMENT
LICENSE NO. 0008392518

NOW COME, Lonnie D. Hammond (hereinafter "Mr. Hammond") 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 enforcement of insurance laws of this State, and for regulating and licensing bail bondsmen; and

WHEREAS, Mr. Hammond holds active licenses as a surety bail bondsman and a professional bail bondsman issued by the Department; 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, N.C. Gen. Stat. § 58-71-165, requires that each professional and surety bondsman to file with the Commissioner a written report in the form prescribed regarding all bail bonds on which the bondsman is liable as of the first of each month, and that such reports be filed on or before the fifteenth day of the month; and

WHEREAS, a Department investigation revealed that Mr. Hammond failed to include a \$40,000 bond that was written for Robert Wilkerson in his October 2010 and November 2010 monthly reports from which Mr. Hammond was not released until December 14, 2010; and

WHEREAS, the Department's investigation also revealed that Mr. Hammond's account was deficient by more than \$53,000 in his October 2010 and November 2010 monthly reports a in part as a result of Mr. Hammond not including the \$40,000 bond written on Mr. Wilkerson; and

WHEREAS, Mr. Hammond failed to deposit \$53,000 into his account after being

notified by the Department to do so by letter dated December 8, 2010; and

WHEREAS, N.C. Gen. Stat. § 58-71-80(a)(5) provides that the Commissioner may deny, suspend, revoke, or refuse to renew any license issued under Article 71 of Chapter 58 of the General Statutes of North Carolina for fraudulent or dishonest practices 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, suspend, revoke, or refuse to renew any license issued under Article 71 of Chapter 58 of the General Statutes of North Carolina 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; and

WHEREAS, Mr. Hammond's actions in falsifying his monthly reports and not complying with the Department's request to properly fund his account reflect violations of N.C. Gen. Stat. §§ 58-71-165, 58-71-80(a)(5) and (8); and

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

WHEREAS, Mr. Hammond's violations of N.C. Gen. Stat. §§ 58-71-165, 58-71-80(a)(5) and (8) 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. Hammond's bail bondsman license could be revoked, suspended or not renewed pursuant to N.C. Gen. Stat. § 58-71-80(a)(7); and

WHEREAS, in lieu of an administrative hearing on the matters stated herein, Mr. Hammond 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. Hammond; 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. Hammond hereby agree to the following:

1. Immediately upon his signing of this document, Mr. Hammond shall pay a **civil penalty of \$500.00** to the Department. The form of payment shall be in a certified check, cashiers 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. Hammond shall send the

civil penalty by certified mail, return receipt requested, to the Department simultaneously with the return of this Agreement, signed by Mr. Hammond. The civil penalty and the signed Agreement must be received by the Department no later than **July 1, 2011**. 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. Mr. Hammond shall obey all laws and regulations applicable to all licenses issued to him.

3. Mr. Hammond enters into this Agreement freely and voluntarily and with knowledge of his right to have an administrative hearing on this matter. Mr. Hammond understands that he may consult with an attorney prior to entering into this Agreement.


4. This Agreement does not in any way affect the Department's disciplinary power in any future follow-up examinations of Mr. Hammond, or in any other cases or complaints involving Mr. Hammond.

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

6. This Voluntary Settlement Agreement, when finalized, will be a public record and is not confidential. Any and 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.

7. This Settlement Agreement shall become effective when signed by Mr. Hammond and the Department.

This the 27 day of June, 2011.

By: 
Lonnie D. Hammond
License No. 0008392518

North Carolina Department of Insurance

By:  7-6-11
Angela Ford
Senior Deputy Commissioner