

**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
FREDERICK JONES
LICENSE NO. 15685301**

**VOLUNTARY SETTLEMENT
AGREEMENT**

NOW COME, Frederick Jones (hereinafter "Mr. Jones") 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. Jones holds an active license as a surety bail bondsman issued by the Department; and

WHEREAS, pursuant to N.C.G.S. § 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.G.S. § 58-71-170(b) provides that the Commissioner may conduct examinations of surety bondsmen under the provisions of N.C.G.S. § 58-2-195; and

WHEREAS, on or about July 28, 2018, Mr. Jones was contacted by LaToya Williams' cousin, Torangela Miller, who requested that Mr. Jones write bonds for Ms. Williams in Wilson Co. file nos. 12 CR 051146 and 12 CR 701634. Mr. Jones indicated to Ms. Miller, that he was willing to write the bonds but required Ms. Williams to first hire an attorney to handle the underlying matter; and

WHEREAS, Mr. Jones never spoke to or contacted Ms. Williams during the bonding process. Ms. Williams hired her own attorney, Ed Brown, and paid him attorney's fees to handle Wilson Co. file nos. 12 CR 051146 and 12 CR 701634. Mr. Jones may not have been aware that Ms. Williams had retained her own attorney because he never spoke with Ms. Williams; and

WHEREAS, Mr. Jones thereafter drove to the jail to bond out Ms. Williams. During the drive, Mr. Jones directed his girlfriend, who was a passenger in his car, to complete the Appearance Bonds for Pretrial Release ("ABPR") and to sign his name to the bonds. These documents were subsequently filed in Wilson County Superior Court; and

WHEARAS, Mr. Jones met with Ms. Williams' cousin, Ms. Toragela Miller, at the jail to collect the premium money for the bonds. During this meeting, Mr. Jones advised Ms. Miller that Ms. Williams should hire an attorney named Mr. Blake, who would charge \$1,000.00 to handle the matter. Mr. Jones at no time spoke to Ms. Williams concerning the hiring of Mr. Blake. Ms. Miller also did not speak with Ms. Williams about this matter. Ms. Miller was under the impression that Mr. Jones would not bond out Ms. Williams without retaining Mr. Blake. Mr. Jones collected \$1,600.00 from Ms. Miller, of which \$600.00 was premium monies and \$1,000.00 was the fee for Attorney Blake. Mr. Jones thereafter remitted \$1000.00 to Attorney Blake. Mr. Jones did not provide a receipt to the indemnitors, could not produce a memorandum of agreement, and incorrectly stated the amount of premium received on the ABPR and the Power of Attorney; and

WHEREAS, following her release, Ms. Williams filed a complaint with the Department, because she had not ever given permission for Mr. Jones to hire an attorney for her, and Ms. Williams had already paid her own attorney to handle this matter. Ms. Williams noted that she had never been contacted by Attorney Blake, which was confirmed directly with Attorney Blake by the Department. Attorney Blake also never spoke with Ms. Miller or any other friends or family of Ms. Williams, and had only communicated with Mr. Jones concerning Ms. William's cases. Attorney Blake had the charges dismissed, which Ms. Williams' attorney discovered when Ms. Williams' attorney attempted to have the matter dismissed. Ms. Williams stated that she paid back the \$1,000.00 for Mr. Blake's attorney's fees to her cousin and friends so she has had to pay two attorneys; and

WHEREAS, upon receipt of Ms. Williams' complaint the Bail Bonds Regulatory Division of the Department initiated an investigation of Mr. Jones pursuant to N.C.G.S. § 58-71-170(b) which confirmed the events as stated herein; and

WHEREAS, Mr. Jones has showed proof that he has repaid \$1,000.00 to Ms. Williams for Mr. Blake's attorney's fees; and

WHEREAS, Mr. Jones violated N.C.G.S. § 58-71-80(a)(5) and 58-71-80(a)(8) in that he engaged in coercive or dishonest practices and demonstrated incompetence, untrustworthiness, or financial irresponsibility by having his girlfriend complete and forge his signature on a document submitted to the court; by hiring an attorney for Ms. Williams without her consent or knowledge; by not completing a Memorandum of Agreement, and by incorrectly stating the amount of premium received on the ABPR and Power of Attorney; and

WHEREAS, Mr. Jones violated N.C.G.S. § 58-71-80(a)(11) by hiring Attorney Blake without Ms. Williams' knowledge or consent, and where Mr. Jones admitted telling Ms. Miller that he would not bail out Ms. Williams' until Ms. Williams had hired an attorney; and

WHEREAS, Mr. Jones violated N.C.G.S. § 58-71-95(5) by accepting \$1,000.00 in cash from Ms. Miller, which was not premium and not collateral. N.C.G.S. § 58-71-95(5) states that a bondsman may not collect anything of value from a principal or on behalf of a principal except for premium and certain collateral or indemnity securities. N.C.G.S. § 58-71-95(5) does not allow bondsmen to collect attorney's fees; and

WHEREAS, Mr. Jones violated N.C.G.S. § 58-71-140(d) by erroneously listing the amount of premium as \$200 on each of the two Affidavits on the ABPRs, when Mr. Jones in fact collected \$600.00 in premium. Additionally, these documents contained incorrect due dates; and

WHEREAS, Mr. Jones violated N.C.G.S. § 58-71-80(a)(14) when he knowingly aided and abetted others to violate provisions of this law by having an unlicensed person, his girlfriend, complete the ABPR and sign his name to this document while Mr. Jones drove to the jail to bond out Ms. Williams; and

WHEREAS, Mr. Jones violated 11 NCAC 13.0515 by failing to provide the indemnitors with a receipt for the premium paid, and where the receipt provided by Mr. Jones to the Department has a different premium amount than the Affidavit on the ABPRs and the POAs; and

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

WHEREAS, Mr. Jones's violations of N.C.G.S. §§58-71-80(a)(5), 58-71-80(a)(8), 58-71-80(a)(11), 58-71-80(a)(14), 58-71-95(5), § 58-71-140(d), and 11 NCAC 13.0515 demonstrate a failure to comply with and/or violations of the provisions of Article 71 of Chapter 58 of the North Carolina General Statutes for which Mr. Jones's surety bail bondsman license could be revoked, suspended or not renewed pursuant to N.C.G.S. § 58-71-80(a)(7); and

WHEREAS, in lieu of an administrative hearing on the matters stated herein, Mr. Jones 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. Jones; and

WHEREAS, pursuant to N.C.G.S. § 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. Jones hereby agree to the following:

1. Immediately upon his signing of this document, Mr. Jones shall pay a **civil penalty of \$4000.00** to the Department. The form of payment shall be in the form of 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. Jones shall send the civil penalty by certified mail, return receipt requested, to the Department simultaneously with the return of this Agreement, signed by Mr. Jones. The civil penalty and the signed Agreement must be received by the Department no later than **June 7, 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. Mr. Jones will be required to comply with the provisions of N.C.G.S. § 58-71-71(a) and complete a PLE course, in lieu of CE, 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 within three (3) months of the date of execution of this Agreement and submit documented verification of such completion to the Department within three (3) months of the date of execution of this Agreement.
3. Mr. Jones shall obey all laws and regulations applicable to all licenses issued to him.
4. Mr. Jones enters into this Agreement freely and voluntarily and with knowledge of his right to have an administrative hearing on this matter. Mr. Jones 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. Jones, or in any other cases or complaints involving Mr. Jones.
6. The parties to this Agreement agree that this Agreement shall have the full force and effect of an Order of the Commissioner. Mr. Jones understands that N.C.G.S. § 58-71-80(a)(7) provides that a bail 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. 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.
8. This Settlement Agreement shall become effective when signed by Mr. Jones and the Department.

This the day of 6-6, 2019.



By: Frederick Jones
License No: 15685301



By: Marty Sumner
Deputy Commissioner