

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

STATE OF NORTH CAROLINA)	BEFORE THE COMMISSIONER OF
COUNTY OF WAKE)	INSURANCE
)	
)	
IN THE MATTER OF THE LICENSURE)	VOLUNTARY SETTLEMENT
OF MICHAEL SHANE KERLEY)	AGREEMENT

NOW COME Michael Shane Kerley (hereinafter "Kerley") 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, Kerley holds active licenses as a professional bondsman and as a surety bondsman issued by the Department; and

WHEREAS, N.C. Gen. Stat. § 58-71-145 requires each professional bail bondsman acting as a surety on bail bonds in this State to maintain a deposit of securities with and satisfactory to the Commissioner of Insurance (hereinafter "the Commissioner") of a fair market value of at least one-eighth the amount of all bonds or undertakings written in this State on which he is absolutely or conditionally liable as of the first day of the current month; and

WHEREAS, N.C. Gen. Stat. § 58-71-160 requires that any professional bondsman, whose security deposits with the Commissioner are, for any reason, reduced in value below the requirements of Chapter 58, Article 71 of the North Carolina General Statutes, shall immediately, upon receipt of a notice of deficiency from the Commissioner deposit such additional securities as are necessary to comply with the law; and

WHEREAS, N.C. Gen. Stat. § 58-71-175 states that no professional bondsman shall become liable on any bond or multiple of bonds for any one individual that totals more than one-fourth of the value of the securities deposited with the Commissioner at that time, until final termination of liability on such bond or multiple of bonds; and

WHEREAS, Department records showed that as of November, 2007, Kerley's security deposit with the Commissioner totaled \$37,757.00, limiting his authority to write a single bond or multiple bonds on any one individual to \$9,439.00; and

WHEREAS, a Department investigation revealed that as of November, 2007, Kerley was liable on bonds for the following defendants when the bond amounts for each defendant were in

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excess of one-fourth of the value of the securities deposited with the Commissioner at the time the bonds was written: 10/13/2005 - Rowan County - Defendant Michael Camps - \$10,000 bond; 10/1/2005 - Rowan County - Defendant Cotton - \$10,000 bond; 5/5/2006 - Rowan County - Defendant Larry Putnam - \$10,000 bond; in violation of N.C. Gen. Stat. § 58-71-175; and

WHEREAS, Kerley admits to the violations set out herein; and

WHEREAS, Kerley has deposited an additional \$2450 to his security deposit with the Commissioner to bring his security deposit in compliance with the provisions of N.C. Gen. Stat. § 58-71-160; and

WHEREAS, Kerley's violations of N.C. Gen. Stat. §§ 58-71-145, 58-71-160 and 58-71-175 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 Kerley's bail bondsman license could be revoked pursuant to N.C. Gen Stat. § 58-71-80(a)(7); and

WHEREAS, Kerley's violations of N.C. Gen. Stat. §§ 58-71-145, 58-71-160 and 58-71-175 demonstrate financial irresponsibility and incompetency in violation of N.C. Gen. Stat. § 58-71-80(a)(8), for which Kerley's bail bondsman license could be revoked; and

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

1. Immediately upon his signing of this document, Kerley shall pay a **civil penalty of \$750.00** 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." Kerley shall send the civil penalty by certified mail, return receipt requested, to the Department simultaneously with the return of this Agreement, signed by Kerley. The civil penalty and the signed Agreement must be received by the Department no later than **August 22, 2008** 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. Kerley shall obey all laws and regulations applicable to all licenses issued to him.

3. Kerley enters into this Agreement freely and voluntarily and with knowledge of his right to have an administrative hearing on this matter. Kerley 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 Kerley, or in any other cases or complaints involving Kerley.

5. The parties to this Agreement agree that this Agreement shall have the full force and effect of an Order of the Commissioner. Kerley 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 Kerley and the Department.

This the 21 day of Aug, 2008.

By: 
Michael Shane Kerley

North Carolina Department of Insurance

By:  8-26-08
Angela Ford/
Senior Deputy Commissioner