

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 GEORGE LILLY, JR.

VOLUNTARY SETTLEMENT
AGREEMENT

NOW COME George Lilly, Jr. (hereinafter "Lilly") 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 the insurance laws of this State, and for regulating and licensing bail bondsmen; and

WHEREAS, Lilly holds an active surety bondsman license and an active professional bondsman license issued by the Department; and

WHEREAS, the Department received a complaint about Lilly's conduct of his bail bond business and has conducted an investigation into such complaint; and

WHEREAS, Lilly violated 11 N.C.A.C. 13.0512 by executing a collateral indemnity agreement with Angel Adkins, the indemnitor of Jeffrey Lee Robinson, that was not expressly limited to the amount of the bond; and

WHEREAS, Lilly violated N.C. Gen. Stat. §58-71-168 and N.C. Gen. Stat. §58-71-170 by failing to provide the Department with his complete file regarding the bond of Jeffrey Lee Robinson when requested to do so; and

WHEREAS, Lilly's violations of the above laws constitute sufficient grounds for the Department to institute proceedings to revoke his license; and

WHEREAS, Lilly 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 Lilly; 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

WHEREAS, the parties to this Agreement mutually wish to resolve this matter by consent before the Department initiates an administrative hearing concerning this matter; 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 the consideration of the promises and agreements set out herein, the Department and Lilly hereby agree to the following:

1. Immediately upon his signing of this document, Lilly shall pay a civil penalty of \$250.00 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."
2. Lilly shall immediately pay restitution in the amount of \$300.00 to Angel Adkins in the form of a certified check, cashiers check or money order made payable to said Angel Adkins. Lilly shall send the restitution funds by certified mail, return receipt requested, to the Department, and Lilly shall retain the certified mail return receipt in his records. The Department shall forward the restitution to Angel Adkins.
3. Lilly shall obey all laws and regulations applicable to licensed surety and professional bondsmen, and shall only use forms in his bondsman business that have been approved by the North Carolina Department of Insurance pursuant to 11 N.C.A.C. 13.0512(f).
4. Lilly shall immediately implement a record keeping system suitable for regulatory oversight by the Department. Business records shall be maintained for at least three years in an orderly and logical system suitable for use by examiners employed by the Department. The system shall include, at a minimum, individual file folders for each client for each separate bond. Each client file folder shall be numbered and labeled with the client name and a unique transaction number for each separate bond. The system shall also include, at a minimum, a written or computerized index matching the client name to the client transaction file number. The index shall contain information dating back for at least three years. If Lilly accepts cash for collateral on any bond, Lilly shall maintain and use a separate trust checking account for this purpose. All receipts shall be made using a receipt book that complies with 11 N.C.A.C. 13.0515 with consecutively numbered receipts for cash transactions. The checking and receipt records shall be maintained for at least three years.
5. Lilly enters into this Agreement freely and voluntarily and with knowledge of his right to have an administrative hearing on this matter. Lilly understands that he may consult with an attorney prior to entering into this Agreement.
6. This Agreement does not in any way affect the Department's disciplinary power in any future follow-up examinations of Lilly, or in any other cases or complaints involving Lilly.

7. The parties to this Agreement agree that this Agreement shall have the full force and effect of an Order of the Commissioner. Lilly 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.

8. This Settlement Agreement shall become effective when signed by Lilly and the Department.

North Carolina Department of Insurance



George Lilly, Jr.

Date: 12-06-05

By: 

Angela Ford
Senior Deputy Commissioner

Date: 12-9-05