

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 LEROY RICHARDSON

VOLUNTARY SETTLEMENT
AGREEMENT

NOW COME Leroy Richardson (hereinafter "Richardson") 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, Richardson holds an active surety bondsman license issued by the Department; and

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

WHEREAS, Richardson violated N.C. Gen. Stat. §58-71-167 by failing to enter into a written deferred fee payment agreement with Juan Dominguez Herrera; and

WHEREAS, Richardson violated N.C. Gen. Stat. §58-71-95(5) by charging Juan Dominguez Herrera fees and service charges in an amount greater than fifteen percent of the face amount of said Herrera's bonds; and

WHEREAS, Richardson violated 11 N.C.A.C. 13.0515 by failing to issue a receipt to Juan Dominguez Herrera for money received and by using receipts that did not show the name and address of the bondsman; and

WHEREAS, Richardson violated 11 N.C.A.C. 13.0512 by executing an indemnity agreement with the indemnitors of Juan Dominguez Herrera that charged the indemnitors fees or charges in an amount greater than the face amount of said Herrera's bonds; and

WHEREAS, Richardson 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 on Juan Dominguez Herrera when requested to do so; and

WHEREAS, Richardson violated N.C. Gen. Stat. §58-71-100(a) by failing to give written receipts for two vehicles pledged as collateral for the bonds of Juan Dominguez Herrera; and

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

WHEREAS, Richardson 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 Richardson; 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 Richardson hereby agree to the following:

1. Immediately upon his signing of this document, Richardson 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."
2. Richardson shall obey all laws and regulations applicable to a licensed surety bondsman, 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).
3. Richardson 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 Richardson accepts cash for collateral on any bond, Richardson 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. 13.515 with consecutively numbered receipts for cash transactions. The checking and receipt records shall be maintained for at least three years.

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- 4. Richardson enters into this Agreement freely and voluntarily and with knowledge of his right to have an administrative hearing on this matter. Richardson 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 Richardson, or in any other cases or complaints involving Richardson.
- 6. The parties to this Agreement agree that this Agreement shall have the full force and effect of an Order of the Commissioner. Richardson 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.
- 7. The parties have read and understand this Agreement and agree to abide by the terms and conditions stated herein.

This the 1 day of AUG, 2005.

North Carolina Department of Insurance

[Redacted signature]

Leroy Richardson

By: [Redacted signature]

8-10-05

Angela Ford
Senior Deputy Commissioner

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