

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 MONTEE SPELLS

VOLUNTARY SETTLEMENT  
AGREEMENT

NOW COME Montee Spells (hereinafter "Spells") 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 the enforcement of laws and rules of this State that regulate bail bondsman; and

WHEREAS, Spells holds licenses issued by the Department as a surety bondsman and a professional bondsman; and

WHEREAS, the Department has received consumer complaints about Spells' bail bond business and has conducted an investigation regarding these complaints; and

WHEREAS, Spells has violated N. C. Gen. Stat. § 58-71-95(5) by failing to refund money to his clients Patricia Oakly and Kay Sherrod within seventy-two hours which is grounds for suspension or revocation of Spells' licenses under N.C. Gen. Stat. § 58-71-80(4),(5) and (8); and

WHEREAS, Spells has demonstrated incompetence, untrustworthiness and financial irresponsibility by writing checks to refund money to his clients Patricia Oakly and Kay Sherrod that were returned for insufficient funds which is grounds for suspension or revocation of Spells' licenses under N.C. Gen. Stat. § 58-71-80(5) and (8); and

WHEREAS, Spells' violations of the above-referenced statutes are sufficient grounds for the Department to institute proceedings to revoke or suspend Spells' licenses; and

WHEREAS, Spells has refunded to his clients all the funds that he wrongfully withheld; and

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

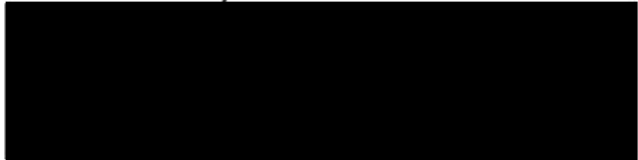
1. Contemporaneously with the execution of this document, Spells shall pay a civil penalty of five hundred dollars (\$500.00) to the Department. The check for the payment of this civil penalty shall be payable to the "North Carolina Department of Insurance." This civil penalty shall be subject to disbursement in accordance with the provisions of Article IX, Section 7 of the North Carolina Constitution for the benefit of the public schools.
2. Spells shall obey all laws and regulations applicable to a licensed bail bondsman.
3. Spells 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. Spells shall maintain and use an operating checking account for business purposes and shall maintain and use a separate trust checking account. All payments shall be made by check. All receipts shall be made using a receipt book with consecutively numbered receipts for cash transactions receipts. The checking and receipt records shall be maintained for at least three years.
4. Spells shall not accept cash collateral, including credit card transactions, from any of his clients.
5. Spells enters into this Agreement freely and voluntarily and with knowledge of his right to have an administrative hearing on this matter. Spells 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 cases or complaints involving Spells.
7. The parties to this Agreement agree that this Agreement shall have the full force and effect of an Order of the Commissioner. Spells 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. The parties to this document agree that the Superior Court of Wake County shall be the venue for any actions seeking to enforce this document.

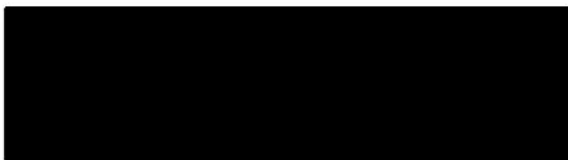
9. If, for any reason, any part or provision of this document is found to be void or unenforceable, the other parts and provisions shall remain in full force and effect.

10. The parties have read and understand this Agreement and agree to abide by the terms and conditions stated herein.

This the 3<sup>rd</sup> day of ~~February~~ March, 2004.



Montee Spells



North Carolina Department of Insurance  
By: Angela Ford  
Senior Deputy Commissioner