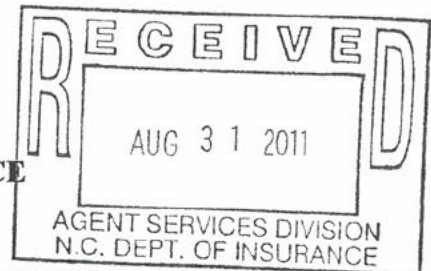


NORTH CAROLINA DEPARTMENT OF INSURANCE
RALEIGH, NORTH CAROLINA



STATE OF NORTH CAROLINA ⁸⁵⁵⁵⁶ BEFORE THE COMMISSIONER OF
COUNTY OF WAKE RECEIVED IN AGENT SERVICES INSURANCE
A.S. - N.C.D.O.I.

IN THE MATTER OF THE
LICENSURE OF
TODD E. STUBBS
LICENSE NO. 0008955262

AUG 31 2011

VOLUNTARY SETTLEMENT
AGREEMENT

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

WHEREAS, N.C. Gen. Stat. § 58-71-95(5) provides that collateral security or other indemnity required by the bondsman to be reasonable in relation to the amount of the bond and shall be returned within 72 hours after final termination of liability on the bond; and

WHEREAS, N.C. Gen. Stat. § 58-71-100(a), provides that whenever collateral security is received in the form of cash or check or other negotiable instrument, the licensee shall deposit the cash or instrument within two banking days after receipt, in an established, separate non-interest-bearing trust account in any bank located in North Carolina with such trust account funds not be commingled with other operating funds; and

WHEREAS, Mr. Stubbs' associate, Mr. Robert M. Ross, accepted \$2000.00 in collateral security in connection with a bond issued on Mr. James Pharr in addition to the \$300.00 cost of the bond, of which \$1,000.00 was received from Lillian Pharr, Mr. Pharr's wife, and \$1,000.00 was received from Carolyn Johnson, Mr. Pharr's employer and submitted such funds to Mr. Stubbs; and

WHEREAS, Mr. Stubbs, acknowledged that the collateral security was not deposited into a non-interest bearing account because his firm did not normally take collateral security in connection with the writing of a bail bond; and

WHEREAS, the collateral security in the amount of \$1,000.00 was not returned to Mrs.

Pharr within 72 hours after final termination of liability on the bond; and

WHEREAS, a check was forwarded to Mrs. Pharr in the amount of \$1,000.00 only after being instructed by the Department to do so; and

WHEREAS, such check was returned because of non-sufficient funds, and had to be reissued and forwarded to Mrs. Pharr; and

WHEREAS, such actions on the part of Mr. Stubbs indicate that he has demonstrated incompetency, financial irresponsibility, or untrustworthiness and is no longer in good faith carrying on the bail bond business in violation of N.C. Gen. Stat. § 58-71-80(8); and

WHEREAS, pursuant to N.C. Gen. Stat. § 58-71-80(a)(1), 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, Mr. Stubbs admits to the violations set out herein; and

WHEREAS, Mr. Stubbs's violations of N.C. Gen. Stat. §§ 58-71-95(5), 58-71-100(a), and 58-71-80(8) 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 Mr. Stubbs's surety bondsman license could be revoked, suspended or not renewed pursuant to N.C. Gen Stat. § 58-71-80(a)(1); and

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

1. Immediately upon his signing of this document, Mr. Stubbs shall pay a **civil penalty of \$500.00** 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." Mr. Stubbs shall send the

civil penalty by certified mail, return receipt requested, to the Department simultaneously with the return of this Agreement, signed by Mr. Stubbs. The civil penalty and the signed Agreement must be received by the Department no later than August 30, 2011. 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. Stubbs shall obey all laws and regulations applicable to all licenses issued to him.

3. Mr. Stubbs enters into this Agreement freely and voluntarily and with knowledge of his right to have an administrative hearing on this matter. Mr. Stubbs understands that he may consult with an attorney prior to entering into this Agreement.

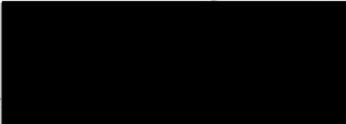
4. This Agreement does not in any way affect the Department's disciplinary power in any future follow-up examinations of Mr. Stubbs, or in any other cases or complaints involving Mr. Stubbs.

5. The parties to this Agreement agree that this Agreement shall have the full force and effect of an Order of the Commissioner. Mr. Stubbs understands that N. C. Gen. Stat. § 58-71-80(a)(1) provides that a surety 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 Mr. Stubbs and the Department.

This the 28th day of August, 2011.

By 
Todd E. Stubbs
License No. 0008955262

North Carolina Department of Insurance

By 
Angela Ford
Senior Deputy Commissioner

9-6-11