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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
DAVID J. THORNTON
LICENSE NO. 0010005405

VOLUNTARY SETTLEMENT
AGREEMENT

NOW COME, David J. Thornton (hereinafter "Mr. Thornton") 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 the insurance laws of this State, and for regulating and licensing bail bondsmen; and

WHEREAS, Mr. Thornton 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 no bail bondsman or runner shall accept anything of value from a principal or from anyone on behalf of a principal except the premium, which shall not exceed fifteen percent (15%) of the face amount of the bond;

WHEREAS, N.C. Gen. Stat. § 58-71-95(5) further 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, a Department investigation revealed that Mr. Thornton accepted \$100.00 in collateral security in connection with a bond written on March 15, 2009 for the total amount of \$500.00 that his agency wrote on Devon Mosley and received from Mr. Mosley's mother, Mary Mosley, guarantor, and did not return the collateral until August 8, 2012.

WHEREAS, the case against Mr. Mosley was disposed of on May 20, 2010 in Wake County District Court, and Mr. Thornton failed to return the collateral security within 72 hours as required by N.C. Gen. Stat. § 58-71-95(5) to the guarantor, Mary Mosley; and

WHEREAS, Mr. Thornton admitted in a notarized statement submitted to the Department dated September 25, 2012 that he did not have a non-interest bearing collateral account as required by N.C. Gen. Stat. § 58-71-100(a), and therefore had not deposited the collateral security received from Mrs. Mosley in such account, but would take steps to open a collateral security account for future receipts of collateral security in connection with bonds written by him; and

WHEREAS, Mr. Thornton's violations of N.C. Gen. Stat. §§ 58-71-95(5) and N.C. Gen. Stat. § 58-71-100(a) 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. Thornton's surety bondsman license could be revoked, suspended or not renewed pursuant to N.C. Gen. Stat. § 58-71-80(a)(7); and

WHEREAS, pursuant to N.C. Gen. Stat. § 58-71-80(a)(7), 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. Thornton admits to the violation set out herein; and

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

1. Immediately upon his signing of this document, Mr. Thornton shall pay a **civil penalty of \$750.00** to the Department. The form of payment shall be in a certified check, cashier's 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. Thornton shall send the civil penalty by certified mail, return receipt requested, to the Department simultaneously with the return of this Agreement, signed by Mr. Thornton. The civil penalty and the signed Agreement must be received by the Department no later than **January 31, 2013**. 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. Thornton shall obey all laws and regulations applicable to all licenses issued to him.

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

5. The parties to this Agreement agree that this Agreement shall have the full force and effect of an Order of the Commissioner. Mr. Thornton understands that N. C. Gen. Stat. § 58-71-80(a)(7) 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. Thornton and the Department.

This the 11th day of February, 2013.

North Carolina Department of Insurance



David J. Thornton
License No. 0010005405



By: 2-14-13
Angela Ford
Senior Deputy Commissioner