

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

BEFORE THE INDIANA
COMMISSIONER OF INSURANCE

CAUSE NUMBER: 10471-BB11-0907-010

IN THE MATTER OF:)

Lori Z. Bunch,)
Respondent.)
1852 Archies Court)
Franklin, IN 46131)

FILED

FEB 10 2012

STATE OF INDIANA
DEPT. OF INSURANCE

Type of Agency Action: **Bail Agent Enforcement**

FINAL ORDER

On January 23, 2012, the appointed Administrative Law Judge, Debra Webb, filed her Findings of Fact, Conclusions of Law, and Recommended Order in the above-captioned matter.

1. The Department served Findings of Fact, Conclusions of Law, and Recommended Order and Notice of Filing of Recommended Order on Applicant by mailing the same to her home address.

2. The Department has complied with the notice requirements of Ind. Code §4-21.5-3-17.

3. Neither party has filed an objection with the Commissioner regarding the Administrative Law Judge's Recommended Order, and more than eighteen (18) days have elapsed.

THEREFORE, the Commissioner of Insurance, being fully advised, now hereby adopts in full the Administrative Law Judge's Findings of Fact, Conclusions of Law, and Recommended Order, and issues the following Final Order:

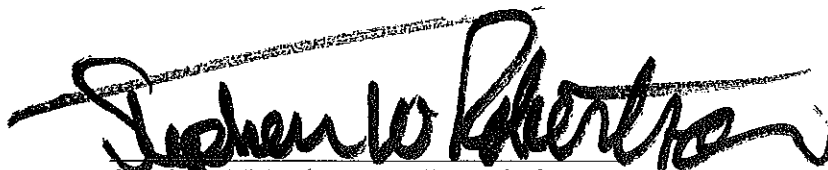
IT IS THEREFORE ORDERED by the Commissioner of Insurance:

1. Respondent shall pay a fine in the amount of five thousand dollars (\$5,000.00) within sixty (60) days after the Commissioner signs the Final Order.

2. Respondent shall pay the amount of one thousand five hundred dollars (\$1,500.00) plus interest at an annual rate of 8% from July 21, 2009 to date of payment to Mr. Jeff Spann as a return of the collateral money owed to him within thirty (30) days after the Commissioner signs the Final Order.

Under Ind. Code §4-21.5-5-5, Applicant has the right to appeal this Final Order by filing a petition for judicial review in the appropriate court within thirty (30) days.

ALL OF WHICH IS Ordered by the Commissioner this 10th day of February, 2012.

A handwritten signature in black ink that reads "Stephen W. Robertson". The signature is written in a cursive style and is positioned above the printed name of the Commissioner.

Stephen W. Robertson, Commissioner
Indiana Department of Insurance

Distribution:

Robert L. Hummel, Attorney
Indiana Department of Insurance
311 W. Washington St., Suite 103
Indianapolis, IN 46204

Lori Z. Bunch
1852 Archies Court
Franklin, IN 46131

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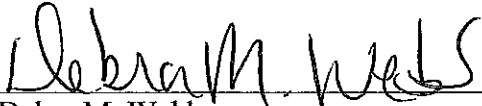
STATE OF INDIANA
DEPT. OF INSURANCE

Type of Agency Action: Bail Agent Enforcement

NOTICE OF FILING OF RECOMMENDED ORDER

The parties of this action are hereby notified that the Administrative Law Judge's Findings of Fact, Conclusions of Law and Recommended Order are deemed filed as of this date.

To preserve an objection to this order for judicial review, you must object to the order in a writing that: 1) identifies the basis for your objection with reasonable particularity; and 2) is filed with the ultimate authority for the Final Order, the Commissioner of the Department of Insurance within eighteen (18) days from the date of this Order.



Debra M. Webb
Administrative Law Judge

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

BEFORE THE INDIANA
COMMISSIONER OF INSURANCE

CAUSE NUMBER: 10471-BB11-0907-010

IN THE MATTER OF:)
)
Lori Z. Bunch,)
 Respondent.)
1852 Archies Court)
Franklin, IN 46131)

FILED

JAN 23 2012

STATE OF INDIANA
DEPT. OF INSURANCE

Type of Agency Action: Bail Agent Enforcement

**FINDINGS OF FACT, CONCLUSIONS OF LAW
AND RECOMMENDED ORDER**

Administrative Law Judge Debra M. Webb, having considered and reviewed all of the evidence, now renders a decision in the matter of Lori Z. Bunch ("Respondent"). This matter came to be heard on January 12, 2012, at 1:03 p.m. at the Indiana Department of Insurance, 311 West Washington Street, Suite 103, Indianapolis, Indiana ("Department"). The Department was represented by counsel, Robert Hummel. The Respondent failed to appear and the hearing was conducted in absentia. Witnesses testified under oath, evidence was heard, and exhibits were received into evidence.

Based upon the testimony and evidence presented at the hearing, the Administrative Law Judge now makes the following Findings of Fact, Conclusions of Law and Recommended Order pursuant to Ind. Code § 4-21.5-3-17.

FINDINGS OF FACT

1. The Statement of Charges and Notice of Hearing were sent to Respondent on November 28, 2011 at her home address by U.S. Certified Mail #7005 3110 0002 4439 1736 but the certified mail was unclaimed by Respondent. Subsequently, the

Statement of Charges and Notice of Hearing were sent to Respondent by regular first class mail on January 3, 2012 and the documents were not returned to the Department as undeliverable by the U.S. Postal Service.

2. Respondent was not present at the hearing and was not represented by legal counsel.

3. Respondent was a licensed Indiana bail agent at the time of this transaction but her license was since revoked on April 9, 2010. Exhibit H.

4. On July 7, 2011, the Bail Bond Division ("Division") received a complaint from Jeff Spann, a resident of Springfield, Illinois. Mr. Spann's complaint, receipt from Speedy Bail Bonds, and accompanying documents show that he paid collateral in the amount of one thousand five hundred dollars (\$1,500.00) on a three thousand dollar (\$3,000.00) bail bond written by former bail agent Amber Parton on October 17, 2008 for the release of defendant Allyn Brown. Mr. Spann stated in his complaint that he has been unsuccessfully trying to retrieve his collateral money from Respondent and Speedy Bail Bonds for several years. Exhibit A.

5. Mr. Spann testified that Mr. Brown was an employee of his maintenance company. Transcript p. 10.

6. Mr. Spann testified that of the one thousand five hundred dollars (\$1,500.00) in collateral money, paid to Speedy Bail Bonds, five hundred and ninety dollars (\$590.00) was in cash belonging to Mr. Spann's company and properly in the possession of Mr. Brown and the remaining nine hundred and ten dollars (\$910.00) was paid by Mr. Spann using his company's credit card. Transcript pp. 13, 19, and 20.

7. Mr. Spann testified that he did not pay the three hundred dollar (\$300.00) premium for Mr. Brown's bail bond. Transcript, p. 12.

8. Mr. Spann testified that when he paid the collateral, Ms. Parton explained to him the procedure for obtaining a refund of the collateral money. Transcript, p. 14.

9. Mr. Spann testified that he had been in contact with Speedy Bail Bonds and attempted to obtain the collateral money for more than eight (8) months without success. Transcript pp. 14-15.

10. Mr. Spann testified that he believes he spoke with Respondent by telephone although the person he spoke with did not identify herself. Mr. Spann would be told to call back at a specific date and time to speak with Respondent but when he did, he was never able to speak with her. Transcript pp. 15-17.

11. After repeated calls to Speedy Bail Bonds, Ms. Parton gave Mr. Spann contact information for Karl Adams, at the surety place that bonded their company. After several months of communicating with Mr. Adams, Mr. Spann still has not received the collateral money. Transcript pp. 17-18.

12. Mr. Karl Adams is an Assistant Vice President of Williams Surety who has failed after numerous attempts to assist Mr. Spann with recovery of his collateral. Exhibit A.

13. Mr. Adams referred Mr. Spann to the Division for assistance. Exhibit A.

14. Mr. Spann testified that he intends to file a criminal complaint against Respondent. Transcript p. 19.

15. The Division's investigation found that although defendant Brown failed to appear for two (2) court dates, the court did not issue a bench warrant or revoke the bond written by Respondent. Exhibit B

16. Defendant Brown was sentenced on July 20, 2009 and the bond was released by the Court on July 21, 2009 to Amber Parton. Exhibit B.

17. On September 12, 2011, the Division sent a copy of Mr. Spann's complaint by certified mail to Amber Parton asking her to provide a written response to the complaint within ten (10) days. Exhibit C.

18. The certified letter of September 12, 2011 was delivered and signed for on September 14, 2011. Exhibit D.

19. On September 19, 2011, the Division received a written response from Ms. Parton stating that it was the policy of Speedy Bail Bonds to paper clip any collateral money collected to the bond and put it on Respondent's desk and that, other than initially accepting the money, Ms. Parton was not in possession of the money. Exhibit E.

20. Ms. Parton testified by telephone and stated that when she had a bail agent license she only worked for Speedy Bail Bonds. She stated that she let her bail agent license lapse. Transcript p. 22.

21. Ms. Parton testified that she knew that collateral bonds were taken several times when she worked for Respondent. Transcript p. 24.

22. Ms. Parton testified that the office procedure and instructions she received from the Respondent was for all bail bond collateral money to be put in the bottom drawer of Respondent's desk or handed to Respondent directly. Transcript pp. 29-30, 35-36 and Exhibit E.

23. Ms. Parton testified that she collected collateral money less than ten (10) times while an agent for Speedy Bail Bonds and the same procedure was followed each time. Transcript p.30.

24. Ms. Parton testified that, based on the Court information contained in Exhibit B, the collateral money should have been returned to Mr. Spann. Transcript pp. 28-29.

25. On October 3, 2011, the Division sent a copy of Mr. Spann's complaint by certified mail to Respondent asking her to provide a written response to the complaint within ten (10) days. Exhibit F.

26. The certified letter of October 3, 2011 was delivered and signed for by Respondent on October 5, 2011. Exhibit G.

27. By the date of the hearing, January 12, 2012, Respondent has not responded to the Department regarding Mr. Spann's complaint.

28. Findings of Fact that should be adopted as Conclusions of Law are hereby incorporated herein as such.

CONCLUSIONS OF LAW

1. The Commissioner of Insurance has jurisdiction over both the subject matter and the parties to this action.

2. This hearing was held in accordance with the Administrative Orders and Procedures Act of the Indiana Code and all procedures and rules set forth by such Act have been followed in this matter.

3. Service of process was completed via the use of the United States Mail in compliance with the statute and due process requirements.

4. The Division met its burden of proof and showed that Respondent failed to return collateral money in the amount of one thousand five hundred dollars (\$1,500.00) owed to Mr. Spann despite several attempts by Mr. Spann to collect the money.

5. Respondent's unlawful withholding of money belonging to Mr. Spann received in the conduct of business under the license issued to Respondent by the Indiana Commissioner of Insurance is a violation of Ind. Code § 27-10-3-8 (a)(4).

6. Respondent's refusal to return Mr. Spann's collateral money after it was released by the Court is a dishonest practice in the conduct of business under a license issued to the Respondent by the Indiana Commissioner of Insurance in violation of Ind. Code § 27-10-3-8 (a)(5).

7. Respondent's failure to return collateral funds belonging to Mr. Spann is contrary to Ind. Code §§ 27-10-3-8(a)(7)(A) and 27-10-3-8(a)(7)(B).

8. Under Indiana bail law at Ind. Code § 27-10-3-8(c), the Commissioner may impose a fine of up to ten thousand dollars (\$10,000.00) for any cause under Ind. Code §27-10-3-8(a).

9. Conclusions of Law that can be adopted as Findings of Fact are hereby incorporated herein as such.

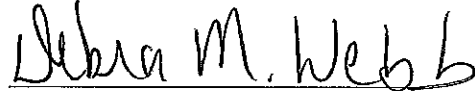
RECOMMENDED ORDER

With the Findings of Fact and the Conclusions of Law as stated, the Administrative Law Judge now recommends to the Commissioner of Insurance the following:

1. Respondent shall pay a fine in the amount of five thousand dollars (\$5,000.00) within sixty (60) days after the Commissioner signs the Final Order.

2. Respondent shall pay the amount of one thousand five hundred dollars (\$1,500.00) to Mr. Jeff Spann as a return of the collateral money owed to him within thirty (30) days after the Commissioner signs the Final Order.

ALL OF WHICH IS ADOPTED by the Administrative Law Judge and recommended to the Commissioner this 23rd day of January, 2012.



Debra M. Webb
Administrative Law Judge

Distribution:

Lori Z. Bunch
1852 Archies Court
Franklin, IN 46131

Robert L. Hummel, Attorney
Indiana Department of Insurance
311 W. Washington St., Suite 103
Indianapolis, IN 46204

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Franklin, IN 46131)

FILED

JAN 23 2012

STATE OF INDIANA
DEPT. OF INSURANCE

Type of Agency Action: Bail Agent Enforcement

**PROPOSED FINDINGS OF FACT,
CONCLUSIONS OF LAW, AND RECOMMENDED ORDER**

The Bail Bond Division of the Department of Insurance ("Division"), by counsel Robert L. Hummel, having participated in a hearing in this matter on January 12, 2012, submits the following proposed findings of fact, conclusions of law, and recommended order pursuant to Ind. Code §4-21.5-3-17.

FINDINGS OF FACT

1. The Notice of Hearing was sent to Respondent at her home address by U.S. Certified Mail #7005 3110 0002 4439 1736 but the certified mail was unclaimed by Respondent. Subsequently, the Notice of Hearing was sent to Respondent by regular first class mail and the document was not returned to the Department as undeliverable by the U.S. Postal Service.

2. Respondent was not present at the hearing and was not represented by legal counsel.

3. Respondent was a licensed Indiana bail agent but her license was permanently revoked on April 9, 2010. *Exhibit H.*

4. On July 7, 2011, the Division received a complaint from Jeff Spann, a resident of Springfield, Illinois. Mr. Spann's complaint and accompanying documents show that he paid collateral in the amount of one thousand five hundred dollars (\$1,500.00) on a three thousand dollar (\$3,000.00) bail bond written by former bail agent Amber Parton on October 17, 2008 for the release of defendant Allyn Brown. Mr. Spann stated in his complaint that he has been trying to retrieve his collateral money from Respondent and Speedy Bail Bonds for several years. *Exhibit A.*

5. Mr. Spann testified that Mr. Brown was an employee of his and that of the one thousand five hundred dollars (\$1,500.00) in collateral money, five hundred and ninety dollars (\$590.00) was in cash belonging to Mr. Spann's company and properly in the possession of Mr. Brown and the remaining nine hundred and ten dollars (\$910.00) was paid by Mr. Spann using his company's credit card. *Transcript p. 10, 13.*

6. Mr. Spann testified that he did not pay the three hundred dollar (\$300.00) premium for Mr. Brown's bail bond. *Transcript, p. 12.*

7. Mr. Spann testified that when he paid the collateral, Ms. Parton explained to him the procedure for obtaining a refund of the collateral money. *Transcript, p. 14.*

8. Mr. Spann testified that he had been in contact with Speedy Bail Bonds and attempted to obtain the collateral money for more than eight (8) months without success. *Transcript pp. 14-15.*

9. Mr. Spann testified that he believes he spoke with Respondent by telephone although she did not identify herself. Ms. Spann would be told to call back at a specific date and time to speak with Respondent but when he did, he was never able to speak with her. *Transcript pp. 15-17.*

10. Ms. Parton gave Mr. Spann contact information for Karl Adams, Vice President of Williams Surety, the supporting agency for Speedy Bail Bonds and Safety National Casualty Corporation. After several months of communicating with Mr. Adams, Mr. Spann still had not received the collateral money. *Transcript pp. 17-18.*

11. Mr. Adams referred Mr. Spann to the Division for assistance. *Exhibit A.*

12. Mr. Spann testified that he intends to file a criminal complaint against Respondent. *Transcript p. 19.*

13. The Division's investigation found that although defendant Brown failed to appear for two (2) court dates, the court did not issue a bench warrant or revoke the bond written by Respondent, therefore, the collateral money deposited by Mr. Spann should have been returned to him. Defendant Brown was sentenced on July 20, 2009 and the bond was released by the court on July 21, 2009. *Exhibit B.*

14. On September 12, 2011, the Division sent a copy of Mr. Spann's complaint by certified mail to Amber Parton asking her to provide a written response to the complaint within ten (10) days. *Exhibit C.*

15. The certified letter of September 12, 2011 was delivered and signed for on September 14, 2011. *Exhibit D.*

16. On September 19, 2011, the Division received a written response from Ms. Parton stating that it was the policy of Speedy Bail Bonds to paper clip any collateral money collected to the bond and put it on Respondent's desk and that, other than initially accepting the money, Ms. Parton was not in possession of the money. *Exhibit E.*

17. Ms. Parton testified by telephone and stated that when she had a bail agent license she only worked for Speedy Bail Bonds. She stated that she let her bail agent

license lapse because she “was not happy with the integrity or the morals in the office.”

Transcript pp. 22-23.

18. Ms. Parton testified that she knew that collateral money was taken several times when she worked for Respondent and she believes that the money was used for Respondent’s personal use. *Transcript p. 24.*

19. Ms. Parton testified that the office procedure was for all bail bond premium and collateral money to be put in the bottom drawer of Respondent’s desk or handed to Respondent directly. *Transcript pp. 29-30, 35-36.*

20. Ms. Parton testified that she collected collateral money less than ten (10) times while an agent for Speedy Bail Bonds and she did not know of any times when the collateral money was returned to anyone. *Transcript pp. 30, 32.*

21. Ms. Parton testified that, based on the court information contained in Exhibit B, the collateral money should have been returned to Mr. Spann. *Transcript pp. 28-29.*

22. On October 3, 2011, the Division sent a copy of Mr. Spann’s complaint by certified mail to Respondent asking her to provide a written response to the complaint within ten (10) days. *Exhibit F.*

23. The certified letter of October 3, 2011 was delivered and signed for by Respondent on October 5, 2011. *Exhibit G.*

24. By the time of the hearing, Respondent did not respond to Mr. Spann’s complaint.

CONCLUSIONS OF LAW

1. The Commissioner of Insurance has jurisdiction over both the subject matter and the parties to this action.

2. This hearing was held in compliance with the Administrative Orders and Procedures Act of the Indiana Code and all procedures and rules set forth by such Act have been followed in this matter.

3. Service of process was completed via the use of the United States Mail in compliance with the statute and due process requirements.

4. The Division met its burden of proof and showed that Respondent failed to return collateral money in the amount of one thousand five hundred dollars (\$1,500.00) owed to Mr. Spann despite several attempts by Mr. Spann to collect the money.

5. Respondent's failure to return collateral funds belonging to Mr. Spann is contrary to Ind. Code §§27-10-3-8(a)(4); 27-10-3-8(a)(5); 27-10-3-8(a)(7)(A); 27-10-3-8(a)(7)(B), and/or 27-10-3-8(a)(7)(C).

6. Under Indiana bail law, the Commissioner may impose a fine of up to ten thousand dollars (\$10,000.00) for any cause under Ind. Code §27-10-3-8(a).

7. Findings of Fact that can be adopted as Conclusions of Law are hereby incorporated herein as such.

RECOMMENDED ORDER

With the Findings of Fact and the Conclusions of Law as stated, the Administrative Law Judge now recommends to the Commissioner of Insurance the following:

1. Respondent should pay a fine in the amount of five thousand dollars (\$5,000.00) within sixty (60) days after the Commissioner signs the Final Order.

2. Respondent should pay the amount of one thousand five hundred dollars (\$1,500.00) to Mr. Jeff Spann as a return of the collateral money owed to him within sixty (60) days after the Commissioner signs the Final Order.

ALL OF WHICH IS ADOPTED by the Administrative Law Judge and recommended to the Commissioner this _____ day of January, 2012.

Debra Webb
Administrative Law Judge

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Lori Z. Bunch
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Franklin, IN 46131

Robert L. Hummel, Attorney
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