

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

BEFORE THE INDIANA
COMMISSIONER OF INSURANCE

CAUSE NO.: 11923-BB15-1020-003

IN THE MATTER OF:

Anthony L. DeLaughter)
201 N. Manchester)
North Manchester, IN 46962)
Respondent.)

Producer's License No. 677110)

FILED

FEB 06 2017

STATE OF INDIANA
DEPT. OF INSURANCE

FINAL ORDER

On December 5, 2016, the Administrative Law Judge, Reuben B. Hill, filed his 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 Recommended Order on Respondent's counsel.

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 Findings of Fact, Conclusions of Law and Recommended Order, and more than eighteen (18) days have elapsed.

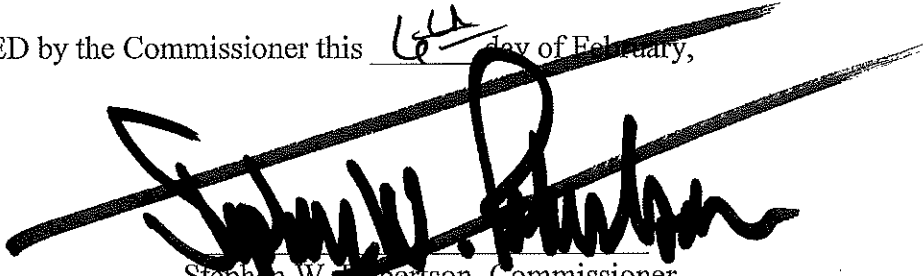
Therefore, the Commissioner of Insurance, being fully advised, now hereby adopts in full the Administrative Law Judge's Findings of Fact, Conclusions of Law, and Recommended Order and issues the following Final Order:

IT IS THEREFORE ORDERED by the Commissioner of Insurance:

1. The matter is Dismissed with Prejudice.

Under Ind. Code §4-21.5-5-5, Respondent 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 6th day of February, 2017.


Stephen W. Robertson, Commissioner
Indiana Department of Insurance

Copies to:

Mike Brown
KIGHTLINGER GRAY
One Indiana Square, Suite 300
211 North Pennsylvania St.
Indianapolis, Indiana 46204

Cathleen Nine-Altevogt, Attorney
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311 W. Washington St., Suite 300
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STATE OF INDIANA)
) SS:
COUNTY OF MARION)

BEFORE THE INDIANA
COMMISSIONER OF INSURANCE

CAUSE NO. 11923-BB15-0102-003

IN THE MATTER OF)
BAIL BOND LICENSE:)

Anthony L. Delaughter)
201 North Mill Street)
North Manchester, IN 46962)

FILED

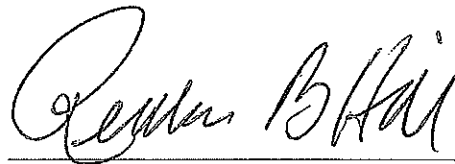
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**STATE OF INDIANA
DEPT. OF INSURANCE**

NOTICE OF FILING OF RECOMMENDED ORDER

The parties of this action are hereby notified that the Administrative Law Judge's Recommended Order is 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.



Reuben B. Hill
Administrative Law Judge

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

BEFORE THE INDIANA
COMMISSIONER OF INSURANCE

CAUSE NO. 11923-BB15-0102-003

IN THE MATTER OF)
INSURANCE PRODUCER:)

Anthony L. DeLaughter)
201 North Mill Street)
North Manchester, Indiana 46962)

FILED

DEC 05 2016

STATE OF INDIANA
DEPT. OF INSURANCE

FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER

JURISDICTION

An evidentiary hearing was held under and in accordance with the Administrative Orders and Procedures Act, Indiana Code section 4-12.5-3-20, and pursuant to the Notice of Hearing dated March 29, 2016. The stated purpose for the hearing as outlined in the August 24 Notice was “to determine whether to grant Respondent’s request for the renewal of his license as an insurance bail agent”. The Commissioner’s authority to grant or deny a licensed bail agent’s application for renewal and/or to apply conditions on the grant of renewal of such license is contained in Indiana Code section 27-10-3-9 et seq.

FINDINGS OF FACTS

The Respondent is a licensed bail agent in Indiana, holding license number 677110. Respondent was employed by Myra Barnett from 2009 to the summer of 2012 as a bail recovery agent and to write bail bonds for Barnett Bail Bonds as needed. During this period, the Respondent worked as a general construction contractor remodeling homes and businesses. The Respondent was on call to Myra Barnett to write bail bonds at her request.

Starting in 2010, the Respondent was employed on a full-time basis to write bail bonds for Myra Barnett while Myra Barnett and her husband stayed in Florida during the winter months.

Respondent's duties entailed writing bail bonds, receiving payments for the bonds, and placing the payments in the Barnett Bail Bond account. The Respondent also dispersed funds, from time to time as specifically directed by Myra Barnett. The Respondent testified that he would receive payment for bail services by way of checks, cash, money orders and credit cards and in doing so made specific notes to account for the transactions.

Myra Barnett and her husband essentially operated a family owned business. While her business was prospering, they needed others to help them handle the growing demands. The Respondent started his employment as a recovery agent for Myra Barnett. After the Respondent obtained his bail agents license, he started writing bail bonds for Myra Barnett. Myra Barnett essentially taught the Respondent how to conduct a bail bond business, step by step. The Respondent essentially worked for Myra Barnett as an extension of the family. The business and accounting system that developed from such a close relationship between the parties may have been sufficient when they could talk to each other face to face on a daily basis, as required. However, when the parties were not so close together geographically and business growth and life in general was making such demands on both, the accounting system may have been the first victim.

Both parties testified that while Myra Barnett was in Florida, they spoke to one another by telephone frequently about the business operation. Neither reported having any angry or distressful conversation about the business operation. While Myra Barnett was in Florida the parties continued to operate with each other as if they were both operating out of her home office. Their established manner of conducting business with one another worked for them when they had frequent face to face encounters.

In February 2012, Myra Barnett noticed a discrepancy in the Barnett Bail Bond account and requested Respondent send her all available deposit slips; however, Myra Barnett reported that she failed to receive the requested deposit slips. The Respondent continued to write bail bonds for Myra Barnett until she returned from Florida in April, 2012. Respondent continued to write bail bonds for Myra Barnett when she returned from Florida in May 2012. Myra Barnett filed her complaint against the Respondent with the IDOI November 2012.

While Myra Barnett testified that as early as February 2012, while she noticed irregularities in the Respondent's transactions with her clients, she never asked Respondent about funds that may have been missing from the account and continued to allow him to operate her business. Additionally, after she returned from Florida, she never asked the Respondent to explain any alleged accounting irregularities but continued to allow him to write bail bonds for her in April and May 2012.

Myra Barnett did not express her dissatisfaction with the Respondent's handling of her account until November 2012, when she contacted her accounting firm. At that point the Respondent had been conducting his own bail bond business in Kosciusko County for several months.

Myra Barnett testified that she was a recovering alcoholic and was not drinking during the period between 2011 and 2012. During this same period while in Florida, Myra Barnett was tending to her ailing father who was suffering from dementia, and trying to give full time attention to a very active bail bond business in Indiana.

There is no evidence that at the time of these bail bond transactions, when memories were fresher and records more readily available, that Myra Barnett ever timely informed the Respondent that bail bond funds were either missing or misplaced.

November 12, 2012 Myra Barnett employed the accounting services of Owens and Company to examine the differences of the sales reports and the deposits. The Owens and Company accounting confirmed that the amount of Eight Thousand Two Hundred and Fifty Dollars (\$8,250.00) was missing from the Barnett Bail Bond account at Mutual Bank. However, it is important to note that the accounting firm did not have access to all of the bank accounts that were controlled by Myra Barnett. They had no way of knowing how many bank accounts Myra Barnett controlled. On at least one occasion, evidence was presented that Myra Barnett requested a particular transaction be deposited in another one of her personal accounts.

Subsequently, Myra Barnett filed a complaint with the Kosciusko County Sheriff's Department concerning the missing money, which complaint was assigned to Detective Joshua Spangle. Detective Spangle received additional documentation about this single account, including bond receipts from Myra Barnett and a spread sheet containing bond premium information from the Respondent. Detective Spangle did not review any other bank accounts belonging to Myra Barnett or Barnett Bail Bonding. After analyzing this information he received, Detective Spangle essentially came to the same conclusion as the Owens and Company accounting firm, with the exception of a Five Hundred Dollar (\$500.00) transaction between the parties which occurred on November 15-16 2011.

Detective Spangle also presented his findings to the Kosciusko County Prosecutor and expressed to him that allegations of the missing funds in this case may be hard to prove to a jury due to the complicated nature of the accounting and the high standard of proof for a criminal prosecution. No effort was made by Detective Spangle to obtain records of other bank accounts belonging to Myra Barnett. While it was known that Myra Barnett had several bank accounts in Indiana and in Florida, along with a credit card account. Detective Spangle did not see the importance of examining these accounts to either confirm or deny the specific allegations against the Respondent.

The entire basis of Myra Barnett's claim that funds were missing from her premium bail bond account rests with the accounting conducted by the Owens and Company accounting firm, which did not include an evaluation of all the business and personal banking accounts that belonged to Myra Barnett and Barnett Bail Bond. Detective Spangle understood that if he had decided to press criminal charges against the Respondent, the criminal trial process would have required a consideration of all Myra Barnett's personal and business accounts that could have received business funds by mistake. Detective Spangle later testified on cross examination that he could not reconcile some of the alleged missing funds, but that the actual amount of funds unaccounted for may only be Three Thousand Six Hundred Dollars (\$3,600.00). (Transcript at 181-182, 186).

DISHONESTY ALLEGATIONS

On or about March 23, 2015, the IDOI received a copy of an internet yellow page advertisement and a letter of complaint from an attorney, Larry Witham, on behalf of his client bail agent Alvin

Putman. Mr. Witham stated in his letter to IDOI that the yellow page advertisement proclaims Alvin Putman's advertising information, but contains the Respondent's telephone number. Investigator Herndon determined that the telephone number was registered to the Respondent and that the same telephone number that appeared in the ad was found on the Respondent's letterhead when he responded to the complaint. No other witnesses testified in this matter.

During this period the IDOI received a complaint from Bail Bond Agent Angel Cooper, alleging that the Respondent had altered the signs in a county jail to show Respondent's telephone number after Angel Cooper's name. At some point during this period, Angel Cooper was employed by the Respondent and had her name listed with the DeLaughter Bail Bond company telephone number. Angel Cooper's complaint was made after she terminated her employment with the Respondent's bail bond company. No witnesses appeared at the hearing to testify on this allegation except IDOI Investigator Herndon.

Myra Barnett also alleged that the Respondent was responsible for altering her business website without her consent, by alleging that on or about September 2014, her website listing in Dex Media was falsely altered to report that Barnett Bail Bond was going out of business. Myra Barnett learned of the changes through a Dex Media representative who contacted her of the changes.

The Dex Media employee allegedly stated in an email to Ryan Kenna that the website changes were requested by an individual with an e-mail address belonging to the Respondent. Myra Barnett believed that the Respondent knew her password for the website and was the one responsible for the changes. Neither the Dex Media employee or Ryan Kenna was available to testify at this hearing. No other witnesses testified at this hearing.

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.
3. Indiana Code 27-10-3-8(a) states that the Commissioner shall deny, suspend, revoke or refuse to renew any license issued under this article for a list of enumerated causes.
4. Specifically, Indiana Code 27-10-3-8(a)(4), requires the Commissioner to take action against the license of a bail bond agent if the agent commits misappropriation,

conversion, or unlawful withholding of money belonging to insurers or others which was received in the conduct of business under the agent's license.

5. When a licensee has, in the judgment of the Commissioner and in the conduct of the affairs under the license, demonstrated incompetency or untrustworthiness in the conduct of business, Indiana Code 27-20-3-8-8(a)(7)(A) requires the Commissioner to take action against the license.
6. In addition to denial, suspension, or revocation, the Commissioner may impose a civil penalty up to Ten Thousand Dollars (\$10,000.00) for each violation of a provision listed under subsection (a) according to Indiana Code 27-10-3-8(c).
7. Findings of Fact that can be adopted as a Conclusion of Law are hereby incorporated herein as such.

DECISION

Misappropriation of Funds

1. The Department has failed to present competent, reliable evidence that the Respondent intentionally or negligently, failed to remit all funds due Myra Barnett for the bail bonds he wrote for her.

Dishonesty Allegations

1. In regard to the allegations that the Respondent contacted Dex Media to change Barnett Bail Bond listing, the Department failed to present any substantive evidence with sufficient probative value to establish that the Respondent was responsible for any changes that occurred to Barnett Bail Bond listing.
2. In regard to the allegations presented on behalf of bail bond Angel Cooper, the Department failed to submit any admissible evidence that would support a finding against the Respondent.

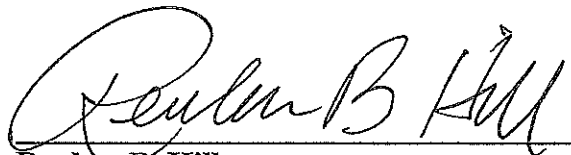
3. In regard to allegations concerning Alvin Putman, the Department failed to present sufficient evidence of probative value to support its allegation that the Respondent had any involvement in changing Alvin Putman's company listing.

RECOMMENDED ORDER

It is the recommendation that this above-captioned matter be dismissed with prejudice and with all other relief that may be proper in the premises.

SO ORDERED THIS 2nd day of December 2016.

Dated: 12/2/2016



Reuben B. Hill
Administrative Law Judge

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

BEFORE THE INDIANA
COMMISSIONER OF INSURANCE

CAUSE NO: 11923-BB15-1020-003

Anthony L. DeLaughter,)
)
Bail Agent / Respondent)
License No.: 677110)
)
201 North Mill Street)
North Manchester, Indiana 46962)
)
Type of Agency Action: Enforcement)

FILED

OCT 22 2015

STATE OF INDIANA
DEPT. OF INSURANCE

STATEMENT OF CHARGES

The Enforcement Division of the Indiana Department of Insurance (the "Department"), pursuant to the Indiana Administrative Orders and Procedures Act, Indiana Code Section 4-21.5-1 *et seq.*, and the Indiana bail law, Indiana Code Section 27-10-3-9 *et seq.*, files its Statement of Charges against Anthony L. DeLaughter ("Respondent"), licensed insurance bail agent in the State of Indiana:

FACTS

1. Respondent is a licensed bail agent in Indiana, holding license number 677110.
2. On February 6, 2013, a formal complaint was received by the Department from Ms. Myra Barnett alleging that the Respondent knowingly misappropriated bail bond premium money while working for Barnett as an outside contractor.
3. The Department's investigation revealed that Respondent was working for

Barnett during the period of November 15, 2011 through April 29, 2012. Evidence revealed that during that time period Respondent received one hundred nineteen thousand eight hundred dollars (\$119,800.00) in premium money from indemnitors and deposited only one hundred eleven thousand five hundred forty eight dollars (\$111,548.00) in Barnett's agency bail bond account, a difference of eight thousand two hundred fifty two dollars (\$8,252.00.00). Respondent failed to provide deposit slips for the bail bonds that he had written during this time period. Barnett submitted copies of all bonds written, bank records, and agent reports to an accountant who confirmed the misappropriation.

4. Barnett's complaint also alleged, during the time Respondent was writing bail bonds for her, Respondent had business cards made to look exactly like her business cards, told clients that he had purchased Barnett's business, and that she had retired. Barnett also stated that Respondent had placed his contact telephone number, under her name, at numerous jails.

5. Barnett filed a theft report with the Kosciusko Sheriff's Department, case number 2013-00131. Detective Josh Spangle was assigned to investigate. Detective Spangle informed Department investigator Mike Herndon that Respondent would not provide him with a list of his bank accounts because "he did not see any reason to cooperate in a fishing expedition". On October 16, 2013, Investigator Herndon received a copy of Detective Spangle's Investigation Report and a Case Supplemental Report. Detective Spangle determined from his investigation that a total of twelve thousand seven hundred twenty two dollars (\$12,722.00) was found missing from the Barnett's account according to the spreadsheets, receipts, and bank records.

6. On or about October 23, 2013, Barnett filed a civil complaint against the Respondent in Kosciusko County Circuit Court, under cause number 43C01-1310-PL-000115.

On December 9, 2013 the civil case was transferred to Marshall County Superior Court I, at the request of the Respondent's attorney. That civil case is still pending due to the untimely passing of Barnett's attorney.

7. On May 27, 2014, the Department received a written complaint from bail agent Angel Cooper. She complained that the Respondent had posted his telephone number under her name at numerous jails. A copy of that complaint was sent to Respondent. In reply to that complaint, Respondent stated that he would notify the jails by mail to correct the problem. On October 8, 2014, Investigator Herndon telephoned Respondent and asked if he had contacted all of the jails in regards to this complaint. Responded replied that he had contacted some of the jails but probably not all of them.

8. On November 17, 2014, the Department received another formal complaint from Ms. Myra Barnett alleging that the Respondent posted a "going out of business" message on her web site. Barnett stated that the following message was posted on her web site: "Going out of business. Do to the recent outcry from the community with the shooting of Gary Helman and the bounty hunter that our company sent out we have decided to close the doors and start taking care of our grandchild and enjoying life to its fullest. We would like to thank all of you who have put up with Myra over the years". On January 13, 2015, Investigator Herndon interviewed Barnett's local marketing consultant, Ryan Keena, of Dex Media. Mr. Keena stated that he discovered the posting on Barnett's site in October or November of 2014. Mr. Keena said that he then contacted his Dex Digital Department and was told that the posting in question came from indianarecovery@yahoo.com. Barnett supplied Investigator Herndon with an e-mail message which included a copy of an e-mail message that she had received, dated January, 31, 2012, from

“Tony DeLaughter” <indianarecovery@yahoo.com>. Investigator Herndon located an e-mail message sent directly to Investigator Herndon by the Respondent on June 4, 2012, with a sender’s address of “indianarecovery@yahoo.com”.

9. On or about March 23, 2015, the Department received a copy of an internet Yellow Page advertisement and a letter of complaint from attorney Larry Witham on behalf of his client, bail agent Alvin Putman. Attorney Witham stated that the Yellow Page advertisement proclaims Al Putman’s advertising information, but which bears Mr. DeLaughter’s telephone number. The telephone number listed on the copy of the Yellow Page advertisement was 260-578-0505. An Accurint telephone number search conducted by Investigator Herndon determined that the number 260-578-0505 is registered to Respondent. The same telephone number was found on Respondent’s letterhead when he replied to the complaint. The same telephone number was listed by Respondent as his contact number when Respondent applied for his bail agent license.

10. On August 11, 2015, the Department received another written complaint from bail agent Angel Cooper. She stated that she was told the Respondent still had his telephone number posted under her name at the Cass, Fulton, and Miami County jails. On or about August 22, 2015, Respondent’s telephone number was observed posted on the bail agent contact list, under her name, at the Miami County jail. Agent Cooper contacted the Cass and Fulton County jails and was told that her name was no longer on the list of bail agents.

11. Indiana Code 27-10-3-8(a)(4) states in relevant part that the Commissioner shall revoke any license issued under this article for misappropriation, conversion, or unlawful withholding of money belonging to insurers or others and received in the conduct of business

under any license issued by the Commissioner.

12. Indiana Code 27-10-3-8(a)(7)(A) states in relevant part that the Commissioner shall revoke any license issued under this article when, in the judgment of the Commissioner, the licensee has, in the conduct of affairs under the license, demonstrated untrustworthiness.

COUNT I

13. Respondent's act of knowingly misappropriating bail bond premium money, as alleged herein, is considered to be misappropriation, conversion, or unlawful withholding of money belonging to insurers or others and received in the conduct of business under any license issued by the Commissioner.

14. Respondent's act is cause for disciplinary action in accordance with Indiana Code 27-10-3-8(a)(4).

COUNT II

U/A

15. Respondent's act of posting his bail agent contact telephone number at jails under other bail agent's names, posting a false "going out of business" message on a competitor's web site, and posting his telephone number on a competitor's Yellow Page advertisement, as alleged herein, demonstrates untrustworthiness.

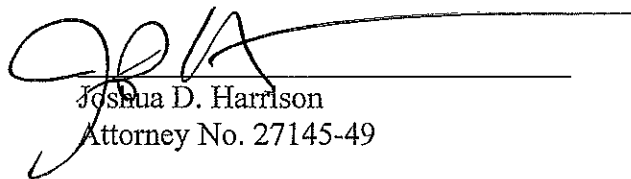
16. Respondent's act is cause for disciplinary action in accordance with Indiana Code 27-10-3-8(a)(7)(A).

17. Pursuant to Indiana Code 27-10-3-9(a), the Commissioner has determined that Respondent has violated the laws of this state relating to bail bonds, as alleged herein, and accordingly is providing this notice to Respondent and all appointed surety companies.

18. To contest the allegations contained herein, Respondent must make a written response to the charges as well as request a hearing on the matter. Should Respondent fail to make such a written response, the Commissioner shall enter judgment against him pursuant to Indiana Code 27-10-3-9(b).

WHEREFORE, the Department by counsel, Joshua D. Harrison, requests that the Commissioner, in accordance with Indiana Code 27-10-3-8(a) and 27-10-3-8(c), revoke the bail bond agent license of Respondent, impose a civil penalty in the amount of ten thousand dollars (\$10,000.00), and all other relief just and proper on the premise.

Respectfully submitted,

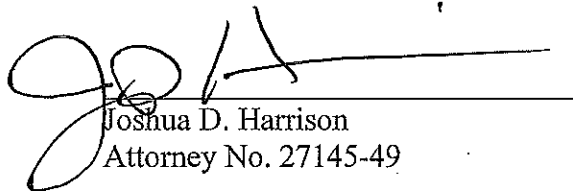


Joshua D. Harrison
Attorney No. 27145-49

CERTIFICATE OF SERVICE

This is to certify that a copy of the Statement of Charges and Notice of Hearing has been served upon Respondent in the captioned proceeding by depositing a copy of same in the United States mail, postage prepaid, this 22nd day of October, 2015.

Anthony L. DeLaughter
201 North Mill Street
North Manchester, Indiana 46962



Joshua D. Harrison
Attorney No. 27145-49

Indiana Department of Insurance
Enforcement Division
311 West Washington Street, Suite # 103
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