

MARYLAND INSURANCE
ADMINISTRATION

v.

LOVRICO ANTOR JOHNSON, SR.

1054 WEST IRVIN AVENUE
HAGERSTOWN, MD 21742

And

9641 WINCHESTER ROAD
BUNKER HILL, WV 25413
NPI NO.: 2079973

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BEFORE THE

MARYLAND INSURANCE
COMMISSIONER

CASE NO.: MIA-2012-08-046

Enf. File No.: PC-55-2012
PC-58-2012

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ORDER

This Order is entered by the Maryland Insurance Administration ("the Administration") against Lovrico Antor Johnson, Sr. ("Johnson") pursuant to §§ 2-108 and 2-204 of the Insurance Article, Md. Code Ann. (2011 Repl. Vol. & Supp.).

I. Facts – Insurance Producer License

1. Johnson was first issued a license to act as an insurance producer on November 30, 2011, and was authorized to act as an insurance producer until May 31, 2014.
2. Johnson submitted an application to the Administration for a non-resident producer license on November 30, 2011 ("Application"). In his Application, Johnson falsely answered "No" to the following question: *"Have you ever been convicted of a crime, had a judgment withheld or deferred, or are you currently charged with committing a crime?"* Johnson's false answer in his Application is a violation of § 10-126(a)(1), (2), (3), (6), and (13).
3. According to Maryland court records, Johnson has the following criminal history, all of which he was required to disclose in his Application:

a. On July 21, 1994, Johnson was charged with: (i) conspiracy to commit theft: \$300 Plus Value; (ii) Attempted Theft: \$300 Plus Value; (iii) Theft: Less \$300 Value; (iv) two counts of Forgery – Private Documents; (v) two counts of Uttering False Document(s); and (vi) Theft: \$300 Plus Value. Johnson was convicted of Theft: Less \$300 Value and Uttering False Document. As a result of his conviction on the charge of theft, Johnson was sentenced to jail for a term of 9 months. As a result of his conviction on the charge of uttering a false document, he was sentenced to jail for a term of 1 year and 6 months, all of which was suspended. On April 10, 1996, Johnson was convicted on two counts of Violation of Probation, stemming from this conviction.

b. On May 15, 1996, Johnson was charged with Battery, for which he was later convicted.

c. On April 22, 2006, Johnson was charged with Failure to Perform Contract and Acting as Contractor without a License. He was convicted of Failure to Perform Contract.

d. On May 2, 2006, Johnson was charged with Abandon/Fail to Perform Contract and Acting as Contractor without License. The charges were merged and he was granted probation before judgment.

e. On June 11, 2008, Johnson was charged with Theft-Scheme: \$500 Plus and ten counts of Fraud – Personal Identity Information Theft. He was convicted on the charge of Theft-Scheme: \$500 Plus and one count of Fraud – Personal Identity Information Theft. His conviction on the charge of theft is a felony. Johnson's felony conviction is a violation of and grounds for discipline pursuant to § 10-126(a)(8) and (13). Additionally, because the felony involves dishonesty or breach of trust, Johnson is not permitted to engage in the business of insurance pursuant to 18 U.S.C. § 1033.

f. On October 4, 2008, Johnson was charged with Acting as Contractor without License; he was found guilty.

g. On December 25, 2008, Johnson was charged with Second Degree Assault; he was later convicted.

4. Johnson's failure to disclose the above-referenced convictions in his Application violates and is grounds for discipline pursuant to § 10-126(a)(1), (2), (3), (6), and (13).

II. Facts – PC-55-2012

5. On May 1, 2012, the Administration received a complaint from Complainant 1 regarding the posting of a \$30,000 immigration bail bond for her brother. On March 12, 2012, Complainant 1 contacted Johnson by phone about arranging for the bail bond to be posted for her brother. Johnson told Complainant 1 that the fee for the bond would be ten percent of the bail or \$3,000. Johnson requested that Complainant 1 pay in cash, "as much as possible."

6. At approximately 1:00 A.M. on March 13, 2012, Johnson came to Complainant 1's home in Maryland to collect a premium for the bond. Complainant 1 paid Johnson \$1,000 in cash and \$2,060 by Bank of America VISA credit card. In violation of § 27-216(b) Johnson charged Complainant 1 \$60 for interest, even though the bond fee was paid in full.

7. Johnson gave Complainant 1 two consecutively numbered, hand-written receipts from U Got Bail, Bail Bonds. The receipts indicated the address for U Got Bail, Bail Bonds to be 39 East Franklin Street, Hagerstown, MD 21740. Receipt #5611 was dated March 13, 2012, and notes that Complainant 1 paid \$3,000 in "cash/credit". Receipt #5612, also dated March 13, 2012, notes that \$60 was paid by credit card for "interest." The balance owed, according to both receipts, is zero.

8. Complainant 1 signed papers provided to her by Johnson to arrange for the bail bond, but

she was not given a copy of anything that she signed. Johnson took pictures of Complainant 1, her immigration papers, and the front and back of her VISA credit card. He also took some of her original property tax documents. Johnson told her he would send her electronic copies of the documents she was required to sign.

9. Johnson represented to Complainant 1 that her brother would be out of jail after the required paperwork was filed, presumably on March 13, 2012. Having not heard from Johnson, and having no evidence that her brother had been released, Complainant 1 called Johnson on March 14, 2012, at which point Johnson falsely advised her that he had filed the paperwork with the Court to post the bond. Complainant 1 learned later that same day that Johnson had not posted the bond for her brother. Complainant 1 called Johnson again, demanding her money back because he had not rendered any service.

10. Johnson informed Complainant 1 that he would issue a credit on her bank card, but further stated that he would keep \$300 (one percent of the total bond) for his expenses. Johnson said he would send Complainant 1 the balance of her cash payment in the form of a certified check for \$700. He also agreed to return all the documents he took from her, but only after she sent him an email requesting the return of her money.

11. Complainant 1 made several demands that Johnson return her money and her documents. Despite these demands, and in violation of §§ 27-216(a), 27-403(1), and 10-126(a)(1), (4), (6), (12), and (13), Johnson failed to return the money and documents to Complainant 1.

12. On April 12, 2012, Complainant 1 secured an immigration bond for her brother directly with U.S. Immigration and Customs Enforcement by tendering a Bank of America cashier's check in the amount of \$30,000, which was the entire amount of the bail.

13. On May 1, 2012, the Administration contacted Johnson by phone as part of its

investigation into Complainant 1's complaint. Johnson said he knew something about the matter but explained that he needed to review the file before speaking. Johnson promised that he would call back. Despite his promise, and in violation of § 10-126(a)(1) and (13), Johnson did not call the Administration back.

14. On May 7, 2012, the Administration sent an Order to Appear ("Order"), along with a cover letter, requiring Johnson to attend an interview at the Administration on May 22, 2012, at 10:00 A.M. In accordance with § 2-204(c), the correspondence and Order were mailed to Johnson at his last known principal place of business, as listed in the records of the Commissioner. More specifically, the letter and Order were mailed to: (1) 39 E. Franklin Street, Hagerstown, Maryland (Johnson's business address as listed in bail bond receipts); (2) 1054 West Irvin Avenue, Hagerstown, Maryland (mailing address listed in the records of the Commissioner); and (3) 9641 Winchester Road, Bunker Hill, West Virginia (business address and residence address listed in the records of the Commissioner).

15. In violation of §§ 2-203(f) and 10-126(a)(1), (11), and (13), Johnson failed to appear for the scheduled interview or otherwise respond.

16. In the event that Johnson has changed his address, he failed to notify the Commissioner of his address change, in violation of §§ 10-117 and 10-126(a)(1) and (13). Under no circumstances is Johnson's failure to appear excused or excusable, particularly in light of the fact that the Administration's investigator notified Johnson of the investigation. Johnson's refusal to appear was willful.

III. Facts – PC-58-2012

17. On May 29, 2012, the Administration received a complaint from Complainant 2 regarding a \$75,000 bail bond for Complainant 2's son.

18. On May 18, 2012, Complainant 2 called U Got Bail, Bail Bonds. Complainant 2 spoke with Johnson, who advised Complainant 2 that he could make a down payment of \$2,250 and that he could make payments for the remainder of the fee. Complainant 2 informed Johnson that he would give him a check for \$1,000 and charge the remaining \$1,250 down payment on his credit card. Complainant 2 gave Johnson his credit card information over the phone and arranged to meet with Johnson at Complainant 2's home to give him the check.

19. A short time later, Johnson called Complainant 2 and told him that he would not be able to post the bond for Complainant 2's son "for that amount of money." Complainant 2 informed Johnson that he would make arrangements with another bail bondsman to bail his son out of jail. Complainant 2 did not meet with Johnson, nor did Complainant 2 give Johnson the check or sign any paperwork. Complainant 2 informed Johnson that he would seek the services of another bail bondsman.

20. Despite the fact that Johnson did not post the bond for Complainant 2's son, Johnson caused Complainant 2's credit card to be charged \$1,250, in violation of § 27-216(a).

21. Complainant 2 then called another bail bond company to arrange for his son's bail. When an agent from the other bail bond company attempted to charge the premium fee to Complainant 2's credit card (the same credit card that Johnson had charged), the transaction was declined because the charges to the account had exceeded the account's limit. Complainant 2 learned from the bank that issued the credit card that a \$1,250 transaction had already been processed by U Got Bail, Bail Bonds (Johnson) on that same date and that earlier transaction had not been reversed.

22. Complainant 2 called Johnson and demanded that his money be returned. Johnson promised to deliver the money to Complainant 2 at Complainant 2's home. Johnson failed to

return the money as promised. During a subsequent discussion, Johnson said he would refund Complainant 2's money by a "charge back" on his credit card account. Johnson did not return Complainant 2's money as promised. Complainant 2 made numerous phone calls in an effort to have Johnson refund his money but those calls went unanswered or were terminated as soon as Complainant 2 identified himself. In violation of §§ 27-216(a), 27-403(1), and 10-126(a)(1), (4), (6), (12), and (13), Johnson has not returned Complainant 2's money, nor has he credited Complainant 2's credit card account.

V. Violations

In addition to all other relevant sections of the Insurance Article, the Administration relies on the following pertinent sections in finding that Johnson violated Maryland's insurance laws:

23. Section 2-203 provides in pertinent part:

- (f) Failure to appear and testify, produce evidence, or give answer. – (1) a person may not willfully fail to:
 - (ii) attend, answer, or produce evidence requested by the Commissioner.

24. Section 10-117 states:

- (a) To change, add to, delete from a license, the insurance producer shall file with the Commissioner in the form that the Commissioner requires the change or addition to or deletion from the license.
- (b) (1) A licensee shall inform the Commissioner by any means acceptable to the Commissioner of a change in legal name or address within 30 days of the change.
- (2) If a licensee fails to timely inform the Commissioner of a change in legal name or address, the licensee is in violation of § 10-126(a)(1) of this subtitle.]

25. Section 10-126 provides in pertinent part:

- (a) The Commissioner may deny a license to an applicant under §§ 2-210 through 2-214 of this article, or suspend, revoke, or refuse to renew or reinstate a license after notice and opportunity for hearing under §§ 2-210 through 2-214 of this article if the applicant or holder of the license:

- (1) has willfully violated this article or another law of the State that relates to insurance;
- (2) has intentionally misrepresented or concealed a material fact in the application for a license;
- (3) has obtained or attempted to obtain a license by misrepresentation, concealment, or other fraud;
- (4) has misappropriated, converted, or unlawfully withheld money belonging to an insurer, insurance producer, beneficiary, or insured;
- (6) has committed fraudulent or dishonest practices in the insurance business;
- (11) has willfully failed to comply with or has willfully violated a proper order, subpoena, regulation of the Commissioner or the insurance regulatory authority of another state;
- (12) has failed or refused to pay over on demand money that belongs to an insurer, insurance producer, or other person entitled to the money;
- (13) has otherwise shown a lack of trustworthiness or competence to act as an insurance producer.

26. **Section 27-216**

(a) A person may not willfully collect a premium or charge for insurance if the insurance is not then provided, or is not in due course to be provided subject to acceptance of the risk by the insurer, in a policy issued by an insurer as authorized by this article.

- (b) (1) A person may not willfully collect a premium or charge for insurance that:
- (i) exceeds or is less than the premium or charge applicable to that insurance under the applicable classifications and rates as filed with and approved by the Commissioner; or
 - (ii) if classifications, premiums, or rates are not required by this article to be filed with and approved by the Commissioner, exceeds or is less than the premium or charge specified in the policy and set by the insurer.

27. **Section 27-403**

It is a fraudulent insurance act for a person:

- (1) knowingly to fail to return any moneys or premiums paid for a policy to an insured, designee of the insured, or another person entitled to the moneys or premiums if the insurance contracted for is not ultimately provided:

28. By the conduct described herein, Johnson violated Sections 2-203, 10-117, 10-126, 27-216 and 27-403. As such, Johnson is subject to disciplinary action under the Insurance Article § 10-126(a).

IV. Sanctions

29. By the facts and violations stated above, Johnson's license to act as an insurance producer in the State of Maryland is subject to suspension or revocation.

30. In view of the gravity of the violations and considering that insurance producers are in a position of trust and responsibility, revocation is the appropriate disciplinary action in this case.

31. The public justifiably expects the Administration to ensure that only trustworthy and competent producers are permitted to conduct insurance business in this State. The failure of Johnson to respond to an Order to Respond and failure to cooperate with the Administration's investigation, demonstrates that Johnson does not meet the standard of trustworthiness and competence required in an insurance producer.

32. Administrative penalties shall be made payable to the Maryland Insurance Administration and shall identify the case by number or name. Unpaid penalties will be referred to the Central Collection Unit for collections. Payment of the administrative penalty shall be sent to the attention of: Associate Commissioner, Compliance and Enforcement, 200 St. Paul Place, Suite 2700, Baltimore, MD 21202.

33. This Order does not preclude any potential or pending action by the Insurance Fraud Division of the Administration or prosecution by any other person, entity or governmental authority, regarding any conduct by Johnson including the conduct that is the subject of this Order.

WHEREFORE, for the reasons set forth above, and subject to your right to request a hearing, it is this 29th day of August, 2012 **ORDERED** that:

(A) The non-resident producer license of LOVRICO ANTOR JOHNSON, SR. is **REVOKED**;

(B) Within 30 days of the date of this Order, Johnson **shall** pay an administrative penalty of Two Thousand Five Hundred Dollars (\$2,500);

(C) Within 30 days of the date of this Order, Johnson shall return to Complainant 1 all documents that he received from her and destroy or permanently delete all electronic records that she provided to him; and

(D) Within 30 days of the date of this Order, Johnson shall pay restitution as follows:

- (i) \$3,060 to Complainant 1; and
- (ii) \$1,250 to Complainant 2.

THERESE M. GOLDSMITH
INSURANCE COMMISSIONER

**Signature on file with
original**

By:

Thomas L. Marshall
Associate Commissioner
Compliance & Enforcement

RIGHT TO REQUEST A HEARING

Pursuant to § 2-210 and COMAR 31.02.01.03, you may request a hearing on this Order. This request must be in writing and be received by the Commissioner within thirty (30) days of the date of the letter accompanying this Order.

Pursuant to § 2-212 of the Insurance Article, however, the Order shall be stayed pending a hearing only if a demand for hearing is received by the Commissioner within ten (10) days after the Order is served.

The request for hearing must be made in writing. The request must be addressed to the Maryland Insurance Administration, 200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202, ATTN: Sharon Kraus, Appeals Clerk. Failure to request a hearing timely or to appear at a scheduled hearing will result in a waiver of your rights to contest this Order and the Order shall be final on its effective date.

Pursuant to § 2-210(b) and COMAR 31.02.01.03D, a hearing request must state the grounds for relief to be demanded at a hearing and the facts related to the incident or incidents about which the person requests the Commissioner to act or refrain from acting.