

No.: 1U00071744, District Court of Maryland for Frederick County (“Defendant”). In violation of § 10-126(a)(1), (6), and (13), Respondents falsely represented to the court in an “Affidavit of Bail Bondsman” that they had obtained an installment contract and a promissory note as collateral. Among other things, Respondents’ misrepresentations to the court demonstrate a lack of trustworthiness or competence to act as insurance producers. In violation of § 10-126(a)(13) and COMAR 31.03.05.09, Respondents failed to provide the indemnitor with a receipt.

4. Respondents’ lack of trustworthiness or competence to act as insurance producers is further underscored by the fact that Respondents failed to maintain and to produce records that they were ordered to produce by the Administration, in violation of § 2-203(f), § 10-126(a)(11) and (13), and COMAR 31.03.05.08.

II. Violations

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

5. **§ 2-203 states in pertinent part:**

- (f)(1) A person may not willfully fail to:
 - (ii) attend, answer, or produce evidence requested by the Commissioner.

6. **§ 10-126 states 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;
- (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;

(13) has otherwise shown a lack of trustworthiness or competence to act as an insurance producer;

(b) (1) The Commissioner may deny a license to an applicant business entity under §§ 2-210 through 2-214 of this article, or suspend, revoke, or refuse to renew or reinstate a license of a business entity after notice and opportunity for hearing under §§ 2-210 through 2-214 of this article, if an individual listed in paragraph (2) of this subsection has:

- (i) violated any provision of this subtitle;
- (ii) been convicted of a felony, a crime of moral turpitude, or any criminal offense involving dishonesty or breach of trust; or
- (iii) had any professional license suspended or revoked for a fraudulent or dishonest practice.

(2) This subsection applies in any case that involves a business entity if the violation was committed by an individual who is:

- (i) an insurance producer;
- (ii) 1. in the case of a limited liability company, an officer, director, member, or manager;
2. in the case of a partnership, a partner; and
3. in the case of a corporation, a director, officer, or owner; or
- (iii) an individual with direct control over the fiscal management of the business entity.

7. **COMAR 31.03.05.08 states in pertinent part:**

A. A surety insurance producer shall maintain records of all bail bonds executed, in sufficient detail to enable the Commissioner to obtain all necessary information concerning each transaction. These records shall be made available for inspection by the Commissioner for at least 1 year after termination of the surety liability.

8. **COMAR 31.03.05.09 states in pertinent part:**

A. A surety insurance producer shall provide a numbered receipt to bail bond purchasers. A copy of the receipt shall be retained by the surety insurance producer.

III. Sanctions

9. By the facts and violations stated above, the licenses of Respondents are subject to suspension or revocation, and/or the imposition of an administrative penalty.

10. In view of the gravity of the violations and considering that insurance producers are in a position of trust and responsibility, revocation and an administrative penalty are the appropriate disciplinary actions in this case.

11. The public justifiably expects the Administration to ensure that only trustworthy and

competent producers are permitted to conduct insurance business in this State. Respondents violates of the above provisions, including their submission of a false affidavit to the court, failure to maintain records, and failure to provide records to the Administration upon request, demonstrated that they do not meet the standard of trustworthiness and competence required of insurance producers.

12. 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.

13. 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 the Respondent 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 24th day of June, 2014, **ORDERED** that:

- (A) The producer license of **Hard Knocks Bail Bonds** is **REVOKED**;
- (B) The producer license of **Sylvia Johnson** is **REVOKED**;
- (C) **Respondents**, jointly and severally, shall pay an administrative penalty of Eleven Hundred Dollars (\$1,100) within 30 days of the date of this Order.

THERESE M. GOLDSMITH
INSURANCE COMMISSIONER

Signature on original

By:

Thomas L. Marshall
Associate Commissioner
Compliance & Enforcement

RIGHT TO REQUEST A HEARING

Pursuant to § 2-210 of the Insurance Article and COMAR 31.02.01.03, a person aggrieved by this Order 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 and must state the facts and grounds for the relief to be demanded. *See* § 2-210(b)(1) and COMAR 31.02.01.03D(2). 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 timely request a hearing 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.