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Attorney General

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FILED 

MAR 26 2013

Department of Insurance
State of Idaho

Attorneys for Department of Insurance

BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE

STATE OF IDAHO

In the Matter of:

RAEJEAN CATES,
Resident Bail Agent License No. 422233,

Respondent.

Docket No. 18-2857-13

**ORDER OF DEFAULT REVOKING
IDAHO RESIDENT BAIL AGENT
LICENSE**

The Director of the Idaho Department of Insurance (Director), having reviewed the record on file herein; and it appearing therefrom that RAEJEAN CATES, the Respondent herein, has been duly served with a copy of the “Verified Complaint and Notice of Right to Hearing” (Complaint) filed on February 27, 2013, by the Idaho Department of Insurance (Department) in this administrative proceeding, which Complaint, a copy of which is attached hereto as Exhibit A, alleged violations of the Idaho Insurance Code by the Respondent; and further, as shown by the Affidavit of Richard B. Burleigh, Deputy Attorney General, on file in this proceeding, that the Respondent has failed to request a hearing or to otherwise dispute in writing the allegations set forth in such Complaint; and good cause appearing therefor,

NOW, THEREFORE, IT IS HEREBY ORDERED that Idaho Resident Bail Agent License No. 422233 issued to RAEJEAN CATES is HEREBY REVOKED.

IT IS FURTHER ORDERED that RAEJEAN CATES shall immediately return Idaho Resident Bail Agent License No. 422233 to the Idaho Department of Insurance at P.O. Box 83720, Boise, Idaho 83720-0043.

IT IS SO ORDERED.

DATED this 26th day of March, 2013.

STATE OF IDAHO
DEPARTMENT OF INSURANCE



WILLIAM W. DEAL
Director

NOTICE REGARDING REPORTABLE PROCEEDINGS

The foregoing is considered a reportable administrative proceeding. As such, it is a public record and is public information that may be disclosed to other states and reported to companies as to which the Respondent is actively appointed. This information will be reported to the National Association of Insurance Commissioners (NAIC) and will appear in the online searchable database of the Idaho Department of Insurance. The Respondent should be aware that this proceeding must be disclosed on any insurance license application and must be reported to any and all states in which the Respondent holds an insurance license.

NOTIFICATION OF RIGHTS

This Order constitutes a final order of the Director. Any party may file a motion for reconsideration of this final order within fourteen (14) days of the service date of this order. The

Director will dispose of the petition for reconsideration within twenty-one (21) days of its receipt, or the petition will be considered denied by operation of law. *See*, Idaho Code § 67-5246(4).

Pursuant to Idaho Code §§ 67-5270 and 67-5272, any party aggrieved by this final order may appeal it by filing a petition for judicial review in the district court of the county in which: (1) the hearing was held; or (2) the final agency action was taken; or (3) the aggrieved party resides or operates its principal place of business in Idaho; or (4) the real property or personal property that was the subject of the agency decision is located. An appeal must be filed within twenty-eight (28) days of: (a) the service date of this final order; or (b) an order denying a petition for reconsideration; or (c) the failure within twenty-one (21) days to grant or deny a petition for reconsideration, whichever is later. *See*, Idaho Code § 67-5273. The filing of a petition for judicial review does not itself stay the effectiveness or enforcement of the order under appeal.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that, on this 26th day of March, 2013, I caused a true and correct copy of the foregoing ORDER OF DEFAULT REVOKING IDAHO RESIDENT BAIL AGENT LICENSE to be served upon the following by the designated means:

Raejean Cates
352 N. 6th Avenue
Pocatello, ID 83201-6212

- first class mail
- certified mail
- hand delivery
- via facsimile

Richard B. Burleigh
Deputy Attorney General
Idaho Department of Insurance
700 W. State Street
P.O. Box 83720
Boise, ID 83720-0043

- first class mail
- certified mail
- hand delivery



Teresa Jones

LAWRENCE G. WASDEN
Attorney General

RICHARD B. BURLEIGH, ISB No. 4032
Deputy Attorney General
Idaho Department of Insurance
700 W. State Street
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Boise, Idaho 83720-0043
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FEB 27 2013
Department of Insurance
State of Idaho

Attorneys for the Department of Insurance

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STATE OF IDAHO**

In the Matter of:

RAEJEAN CATES,
Resident Bail Agent License No. 422233,

Respondent.

Docket No. 18-2857-13

**VERIFIED COMPLAINT AND
NOTICE OF RIGHT TO HEARING**

COMES NOW the staff of the Idaho Department of Insurance ("Department"), by and through its undersigned counsel, and does hereby complain and give notice of alleged violation(s), with supporting factual allegations that are verified, notice that relief will be requested from the Director of the Department, and notice of the right to contest the allegations herein and of the right to hearing to:

**RAEJEAN CATES,
Resident Bail Agent License No. 422233.**

The Department alleges the following facts and violations of title 41, Idaho Code, as itemized below. RAEJEAN CATES ("RESPONDENT"), you are further notified of your right

to object to the requested relief, including the basis for any objection, and to request a hearing in writing. Unless you request a hearing in writing setting forth your response to the allegations below and the basis for your requested hearing, the Department will present an order seeking the relief described after twenty-one (21) days following service of this verified notice.

COMPLAINT AND ALLEGATIONS

The allegations and violations supporting the requested relief are:

1. RESPONDENT is a resident bail agent holding license no. 422233 since its issuance on August 30, 2012, which license was issued pursuant to Idaho Code § 41-1039 and is currently inactive.

1. Idaho Code § 41-210 empowers the Director to enforce the provisions of the Idaho Code, title 41 and, as a consequence of RESPONDENT's actions as a bail agent, as more particularly set forth below, RESPONDENT is under the jurisdiction of the Director of the Idaho Department of Insurance ("Director") and title 41, Idaho Code.

2. Pursuant to Idaho Code § 41-213, the Director may institute suits or other lawful proceedings as he may deem necessary for the enforcement of any provision of Title 41, Idaho Code, including but not limited to: (1) issuing an order revoking a person license issued under the authority of title 41, Idaho Code; and (2) imposing an administrative penalty as provided in title 41, Idaho Code.

2. Idaho Code §41-1016(1) authorizes the Director to impose an administrative penalty not to exceed \$1,000 for any action of a bail agent set forth in Idaho Code § 41-1016(1).

3. Idaho Code §41-1016(1) authorizes the Director to suspend or revoke any license issued under chapter 10, title 41, Idaho Code for any action of a bail agent set forth in Idaho Code § 41-1016(1).

4. At all times relevant hereto, RESPONDENT was a bail agent working for

Debbie's Bail Bonds and working out of its office in Pocatello, Idaho.

5. Debbie's Bail Bonds sold bail bonds through Sun Surety Insurance Company, for whom RESPONDENT was an authorized bail agent.

6. During the time period from September 21, 2012 to September 27, 2012, RESPONDENT issued twenty-one (21) bail bonds to various individuals for a total premium \$8,985.00.

7. Documents maintained by RESPONDENT indicate that the entire \$8,985.00 was collected by RESPONDENT in cash or check at the time the bail bonds were issued to the various individual clients.

8. Pursuant to IDAPA 18.01.10.014.03, premiums, which are considered fiduciary funds under Idaho Code § 41-1024(1), must be deposited into a fiduciary trust account within seven (7) days of receipt.

9. Debbie's Bail Bond's policy, consistent with IDAPA 18.01.10.014.03, required the total premium amount of \$8,985.00 be deposited into the company's fiduciary trust account by the end of the week.

10. RESPONDENT did not have sufficient funds to deposit into the company's fiduciary trust account the full amount of \$8,985.00.

11. RESPONDENT was short a total of \$525.00.

12. Debbie's Bail Bonds deposited the missing \$525.00 on behalf of RESPONDENT to ensure that the fiduciary trust account was in balance.

13. Debbie's Bail Bonds subsequently terminated its relationship with RESPONDENT and informed Sun Surety Insurance Company of RESPONDENT's termination and the reasons therefore.

14. On October 25, 2012, Sun Surety Insurance Company terminated RESPONDENT's authority to act under the company's license.

15. Sun Surety Insurance Company terminated RESPONDENT for cause for improperly converting premium she had received from bail bond clients.

16. The Department is aware of no effort on the part of RESPONDENT to reimburse Debbie's Bail Bonds for the missing \$525.00.

FIRST CAUSE OF ACTION
Idaho Code § 41-1016(1)(d)

17. Paragraphs 1 through 13 are re-alleged as if set forth in full.

18. Idaho Code 41-1016(1)(d) provides that the director may suspend an agent's license and impose a fine where the agent improperly withholds, misappropriates or converts any moneys or properties received in the course of doing insurance business.

19. RESPONDENT's failure to account for the missing \$525 constitutes improperly withholding, misappropriating or converting any moneys or properties received in the course of doing insurance business.

SECOND CAUSE OF ACTION
Idaho Code § 41-1016(1)(h)

20. Paragraphs 1 through 16 are re-alleged as if set forth in full.

21. Idaho Code 41-1016(1)(h) provides that the director may suspend an agent's license and impose a fine where the agent demonstrates incompetence, untrustworthiness or financial irresponsibility, or is a source of injury and loss to the public or others, in the conduct of business in this state or elsewhere.

22. RESPONDENT's loss of and failure to account for and failure to reimburse the missing \$525 demonstrates incompetence, untrustworthiness or financial irresponsibility, or is

the source of injury and loss to Debbie's Bail Bonds in the conduct of business in this state or elsewhere

REQUEST FOR RELIEF

Based upon the foregoing facts and allegations, unless the Department receives a written objection by RESPONDENT, including the bases for the objection and a demand for hearing, within twenty-one (21) days following service of this notice, the Department intends to submit a proposed order to the Director

(1) Suspend RESPONDENT's Resident Bail Agent License No. 422233 for a period of 365 days, and

(2) Imposing an administrative penalty on RESPONDENT of not more than \$1,000.00, which penalty shall be due and payable prior to RESPONDENT's license being reinstated.

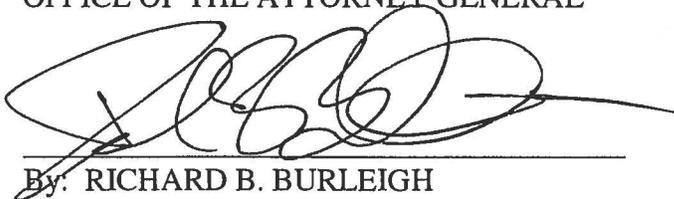
NOTICE OF RIGHT TO HEARING

THEREFORE, based on violations as alleged above, you, RAEJEAN CATES, have the right to have a hearing in accord with Idaho Code § 41-232A. In order to effectively object to this notice and prevent an order for the requested relief from being entered, you must, within twenty-one (21) days of the date of service of this Verified Complaint, submit a written request for a hearing to the Director of the Idaho Department of Insurance responding to the alleged violations pending against you. You must deliver any written request for hearing by mailing it to the Director, Idaho Department of Insurance, P.O. Box 83720, Boise, Idaho 83720-0043, or personally delivering said written request to the offices of the Department of Insurance at 700 W. State Street, Third Floor, Boise, Idaho, and also providing a copy to the undersigned at the same address.

If you fail to submit a timely written response to the allegations and request for hearing, a final order will be entered imposing the relief described above after twenty-one (21) days from the service of this notice.

DATED this 27th day of February, 2013.

OFFICE OF THE ATTORNEY GENERAL



By: RICHARD B. BURLEIGH
Deputy Attorney General
Attorney for the Department of Insurance

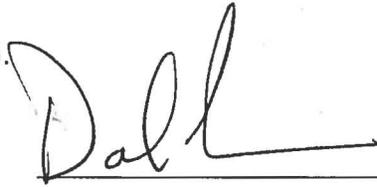
VERIFICATION

STATE OF IDAHO)
) ss.
County of Ada)

DALE FREEMAN, Senior Financial Examiner for the Department of Insurance, State of Idaho, being first duly sworn, deposes and says:

I have read the foregoing Verified Complaint and Notice of Right to Hearing and know the contents thereof, and the same are true to the best of my knowledge and belief.

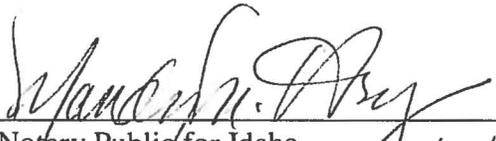
DATED this 27th day of February, 2013.



DALE FREEMAN

SUBSCRIBED AND SWORN to before me this 27th day of February, 2013.





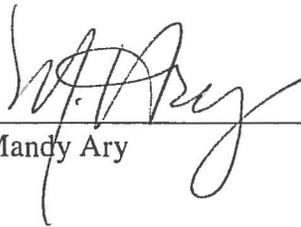
Notary Public for Idaho
My commission expires on 07/24/2018

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have, on this 27th day of February, 2013, caused a true and correct copy of the foregoing VERIFIED COMPLAINT AND NOTICE OF RIGHT TO HEARING to be served upon the following by the designated means:

Raejean Cates
352 N. 6th Avenue
Pocatello, ID 83201-6212

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- certified mail
- hand delivery
- via facsimile



Mandy Ary