

**STATE OF NORTH DAKOTA**  
**BEFORE THE INSURANCE COMMISSIONER**

|                         |   |                           |
|-------------------------|---|---------------------------|
| <b>In the Matter of</b> | ) |                           |
|                         | ) |                           |
| <b>Richard Beane</b>    | ) | <b>CONSENT ORDER</b>      |
| <b>NPN 5783669,</b>     | ) |                           |
| <b>DOB 9/12/53,</b>     | ) | <b>CASE NO. AG-12-367</b> |
|                         | ) |                           |
| <b>Respondent.</b>      | ) |                           |

Insurance Commissioner Adam Hamm (“Commissioner”) has determined as follows:

1. Richard Beane, NPN 5783669, DOB 9/12/53 (“Respondent”), is presently and has been at all relevant times a licensed resident North Dakota bail bond agent pursuant to N.D.C.C. ch. 26.1-26.6.
2. N.D.C.C. ch. 26.1-26 and 26.1-26.6 govern the qualifications and procedures for the licensing of bail bond agents in the State of North Dakota.
3. N.D.C.C. § 26.1-26.6-05(1) provides that the Commissioner may suspend, revoke, or refuse to continue, issue, or renew any bail bond agent license issued under N.D.C.C. ch. 26.1-26.6 if, after notice to the licensee and hearing, the Commissioner finds as to the licensee any of the following conditions:
  - f. Accepting anything of value from a principal other than a premium. Provided, the bail bond agent may accept collateral security or other indemnity from the principal which must be returned immediately upon final termination of liability on the bond....
  - g. Willfully failing to return collateral security to the principal when the principal is entitled to the security.

4. Pursuant to N.D.C.C. § 26.1-26.6-05(5), the sanctions for insurance producers set out in N.D.C.C. § 26.1-26-42 also apply to bail bond agents. The Commissioner may suspend, revoke, place on probation, or refuse to continue or refuse to issue a license if, after notice to the licensee and hearing, the Commissioner finds as to the licensee any of the following conditions:

6. In the conduct of affairs under the license, the licensee has used fraudulent, coercive, or dishonest practices, or has shown oneself to be incompetent, untrustworthy, or financially irresponsible. . . .

5. On or about June 5, 2011, Respondent wrote a bail bond in the amount of \$2,500 to obtain the release from custody of Anthony Haro ("Haro") in connection with criminal charges filed against him in McKenzie County, North Dakota, in Case No. 27-2011-CR-335. Respondent took possession of collateral consisting of \$3,000 as security for the bond. The \$3,000 was paid by credit card charge by Haro's mother, Virginia Haro. Respondent's receipt of the \$3,000 collateral is shown in the Receipt and Statement of Charges and Receipt for Collateral Deposited dated June 5, 2011. A copy of the Receipt and Statement of Charges and Receipt for Collateral Deposited is attached as Exhibit 1.

6. Respondent incorrectly calculated the charges that were paid by Virginia Haro, resulting in an overpayment by her in the amount of \$83. Respondent identified the overpayment and brought it to the attention of the Department.

7. On or about October 19, 2011, the McKenzie County State's Attorney moved to dismiss the charges against Haro by written motion to the court. The District Court, Honorable David Nelson presiding, dismissed the charges against Haro

on October 25, 2011. A copy of the Motion to Dismiss and Order is attached as Exhibit

2. The dismissal operated to discharge Respondent's liability on the bail bond.

8. Virginia Haro was entitled to the return of her \$3,000 collateral immediately upon the termination of liability on the bond on October 25, 2011.

9. On November 2, 2011, the Clerk of Court notified Respondent by email that the bail bond had been discharged. According to the clerk's records, Respondent opened the email notice on November 15, 2011.

10. Haro or his wife or both of them contacted Respondent multiple times requesting return of the collateral. Respondent first attempted to return the \$3,000 collateral to Virginia Haro by mailing a cashier's check on or about November 18, 2011 ("November cashier's check"). Virginia Haro did not receive the November cashier's check. Respondent sent a replacement cashier's check on or about December 27, 2011 ("replacement cashier's check"). The replacement cashier's check was received on or about December 30, 2011.

11. Respondent's return of Haro's collateral was not timely within the requirement of N.D.C.C. § 26.1-26.6-05(1)(f) and (g) that the collateral be returned "immediately" upon the principal being entitled to it. Virginia Haro received her collateral approximately 66 days after she was entitled to have it and approximately 58 days after the Clerk of Court notified Respondent that the bond had been discharged. Respondent's failure to return collateral in a timely fashion is a violation of N.D.C.C. § 26.1-26.6-05 and shows Respondent to be incompetent or untrustworthy or financially irresponsible as prohibited by N.D.C.C. § 26.1-26-42(6).

12. Respondent conducts bail bond business under the name "DBI

Enterprises” which Respondent has registered as a trade name with the North Dakota Secretary of State.

13. Respondent has not notified the Commissioner of his use of the trade name “DBI Enterprises”.

14. Respondent’s failure to notify the Commissioner of his use of the trade name “DBI Enterprises” is a violation of N.D.C.C. § 26.1-26-25.1, which provides:

**26.1-26-25.1. Assumed names.** An insurance producer doing business under any name other than the insurance producer's legal name is required to notify the commissioner before using the assumed name.

15. Respondent maintains a website for “DBI Enterprises” which places Respondent’s bail bond business under the name “DBI Enterprises” before the public. The website is [www.dbibailbonds.com](http://www.dbibailbonds.com) (“Respondent’s website”). Respondent’s website as it appeared June 11, 2012, states, “Registered, licensed and insured in North Dakota & Montana – all cities & counties.” Respondent’s website as it appeared June 11, 2012, does not state Respondent’s name. A copy of the home page of Respondent’s website as it appeared June 11, 2012, is attached as Exhibit 3.

16. DBI Enterprises does not hold a North Dakota bail bond agent license. The only North Dakota bail bond agent license associated with Respondent or DBI Enterprises is Respondent’s individual bail bond agent license.

17. Respondent’s website violates the prohibition of untrue, deceptive, or misleading statements in N.D.C.C. § 26.1-04-03.

**26.1-04-03. Unfair methods of competition and unfair or deceptive acts or practices defined.** The following are unfair methods of competition and unfair and deceptive acts or practices in the business of insurance...

2. False information and advertising generally. Making, publishing, disseminating, circulating, or placing before the public, or causing, directly or indirectly, to be made, published, disseminated, circulated, or placed before the public, in a newspaper, magazine, or other publication, or in the form of a notice, circular, pamphlet, letter, or poster, or over any radio station, or in any other way, an advertisement, announcement, or statement containing any assertion, representation, or statement with respect to the business of insurance or with respect to any person in the conduct of that person's insurance business, which is untrue, deceptive, or misleading.

18. Respondent acknowledges that at the time of signing this Consent to Entry of Order, he was aware of or had been advised of his rights to a hearing in this matter, to consult an attorney, to present argument to the Commissioner, to appeal from any adverse determination after a hearing, and Respondent expressly waives those rights.

19. Respondent has agreed to informal disposition of this matter, without a hearing, as provided under N.D.C.C. § 28-32-22.

20.. There are no covenants, promises, undertakings, or understandings other than as specifically set forth in this Order.

21. Respondent consents to the Commissioner's continuing jurisdiction over him regarding any issues which may subsequently arise related to Respondent's activities while licensed and acting as a bail bond agent.

22. For purposes of resolving this matter without further administrative proceedings, Respondent and the Commissioner have agreed to enter into the following order.

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. Respondent agrees to pay a fine in the amount of \$500 payable by credit card, cashier's check, or money order to the North Dakota Insurance Department within five business days of the effective date of this Order.

2. Respondent agrees that he will read his business email daily in order to monitor the status of active bail bonds for which he holds collateral.

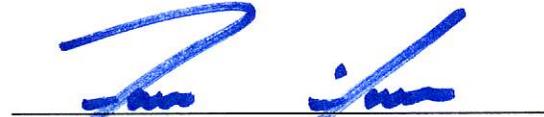
3. Respondent agrees to submit to the Commissioner documentation showing his payment of \$83 owed to Virginia Haro due to Respondent's incorrect calculation of amounts due in the original transaction. Documentation will be submitted by Respondent within 10 business days of the effective date of this Order.

4. Respondent agrees he will sign up for the State Court Administrator's automated email or other electronic notice showing exonerated bail bonds when this service becomes available for counties in which Respondent writes bail bonds. Respondent will monitor the availability of automated email notice so as to sign up as soon as it becomes available. As an interim measure until automated email or other electronic notice is available, Respondent will establish a mutually agreed-upon protocol with the clerks of district court for counties in which Respondent writes bail bonds, so that Respondent will receive or will continue to receive email notice of bond exonerations.

5. Respondent agrees to amend his website so that it contains no untrue, deceptive or misleading statements regarding licensure and to submit to the Commissioner documentation showing the amendment within 10 business days of the effective date of this Order.

6. The use of this Consent Order for competitive purposes by an insurance producer or agency holding a license in the State of North Dakota, or by any company holding a Certificate of Authority, or by anyone on their behalf, may be deemed unfair competition and be grounds for suspension or revocation of said license or authority.

DATED at Bismarck, North Dakota, this 16<sup>th</sup> day of August, 2012.

  
Adam Hamm  
Insurance Commissioner  
State of North Dakota

CONSENT TO ENTRY OF ORDER

The undersigned, **Richard Beane**, states that he has read the foregoing Consent Order, that he knows and fully understands its contents and effect; that he has been advised of his right to a hearing in this matter, his right to be represented by legal counsel, his right to present evidence and arguments to the Commissioner, and his right to appeal from an adverse determination after hearing; and that by the signing of this Consent to Entry of Order he waives those rights in their entirety, and consents to entry of this Order by the Commissioner of Insurance. It is further expressly understood that this Order constitutes the entire settlement agreement between the parties hereto, there being no other promises or agreements, either expressed or implied.

DATED this 2 day of August, 2012.

  
Richard Beane

BEVERLY J. OLSON  
Notary Public  
State of North Dakota  
My Commission Expires July 9, 2014

Handwritten text, possibly a signature or name, located in the upper left quadrant of the page.

Subscribed and sworn to before me this 2 day of August, 2012.

[Signature]  
Notary Public

County of Mohave  
State of North Dakota

My commission expires:  
7-9-14