

STATE OF ALASKA  
DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT  
DIVISION OF INSURANCE  
3601 C STREET, SUITE 1324  
ANCHORAGE, ALASKA 99503-5948  
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STATE OF ALASKA  
DEPARTMENT OF COMMUNITY & ECONOMIC DEVELOPMENT  
DIVISION OF INSURANCE

In the Matter of: )  
 )  
TIMOTHY DEWAYNE JEFFERIES, )  
 )  
Respondent. )  
\_\_\_\_\_ )

Case No. D98-01

FINDINGS OF FACT, CONCLUSIONS OF LAW, AND FINAL ORDER

Background

On June 17, 1998, the Director of the Division of Insurance, (Director) signed an accusation alleging that Timothy Dewayne Jefferies had misrepresented facts on his application for an insurance license and had violated state law regarding the handling of bail bond premiums, which were grounds to revoke his insurance license. The accusation was served on Mr. Jefferies, by certified mail, return receipt requested. Accompanying the accusation was a letter from the Director, a Notice of Rights, a Request for Hearing and Notice of Defense form, copies of the Alaska statutes pertinent to such a hearing, and a certificate of mailing. The Division of Insurance (Division) received a return receipt for the mailing, on June 22, 1998, indicating that an agent of Mr. Jefferies signed for the mailing on June 18, 1998.

The Notice of Rights accompanying the accusation informed the respondent in bold letters "If you do not request a hearing within 15 days after receipt of the accusation, you will have waived your right to a hearing." The Division did not receive a request for a hearing from the respondent within the 15-day period, nor since then.

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Since Mr. Jeffries did not request a hearing and has not in anyway disputed the allegations in the accusation, a hearing has not been held as no issues are in dispute. Accordingly, the Director makes the following Findings of Fact and Conclusions of Law based on the Division's licensing records and investigative report that formed the basis of the accusation against the respondent.

Findings of Fact

1. On or about December 19, 1997, Timothy Dewayne Jefferies was licensed as a limited lines bail bond producer under license number 16301 and he was employed for Underground, Inc., dba Alaskan Bail Bonds. The division issued Mr. Jefferies a license based on the information he provided in his application for a license, which the division received on or about December 16, 1997.

2. Question 12(e) of the application asks "Have you ever been convicted of a misdemeanor or felony in this or any other state or country, or pleaded no contest or nolo contendere to any indictment or complaint for a crime or offense, cor (sic) received a suspended imposition of sentence and/or been placed on probation?" At the end of this question is the following sentence: "If you have answered "yes" to **any** of these questions, you must submit a **notarized** statement detailing: 1. date of occurrence; 2. the name and address of the court; and 3. the circumstances."

3. Because Mr. Jefferies answered "yes" to question 12(e) on the application, he submitted a notarized statement dated December 8, 1997. In this statement, Mr. Jefferies disclosed that he had two misdemeanor convictions in the Anchorage District Court, one for driving with a suspended license in January 1990 and one for trespassing in June 1991.

1                   4.     As part of his application, Mr. Jefferies was required to submit his  
2 fingerprints for a background check by the Alaska Department of Public Safety. This  
3 background check revealed two additional misdemeanor convictions in the Naknek District  
4 Court. Upon further investigation, a division investigator learned the following details  
5 regarding these two convictions that Mr. Jefferies had not disclosed in his notarized statement  
6 but that were responsive to question 12(e) of the license application:  
7

8                   a.     On October 27, 1992, upon a plea of no contest to a charge of assault  
9 in the fourth degree, Mr. Jefferies was given a one-year suspended imposition of sentence.  
10

11                   b.     On November 16, 1993, a judgment for assault in the fourth degree  
12 was entered against Mr. Jefferies upon his plea of no contest. He was sentenced to prison for  
13 30 days with 27 days suspended; fined \$500 with \$250 suspended; and placed on probation  
14 until November 16, 1995.

15                   5.     On or about April 9, 1998, a division investigator attempted to contact  
16 Mr. Jefferies at his residence as listed on his application and learned that Mr. Jefferies had  
17 moved in January 1998, leaving no forwarding address.  
18

19                   6.     On or about April 9, 1998, a division investigator learned from Judith  
20 McArthur of Alaskan Bail Bonds that, without notice, Mr. Jefferies had left Alaskan Bail Bonds  
21 in January. Ms. McArthur alleged that Mr. Jefferies had failed to return cash receipts, bond  
22 collateral, and several bonds to the company. She also indicated that Mr. Jefferies was now  
23 working in the collections department at Rentronics.  
24



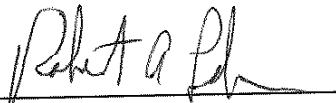
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1 23.859 in accounting for and remitting cash receipts or collateral received in connection with a  
2 bond transaction. Mr. Jefferies' failure to deposit all cash receipts or cash collateral into a  
3 fiduciary trust account before commissions are taken is a violation of AS 21.27.360, 3 AAC  
4 23.590, and 3 AAC 23.800.  
5

6 Final Order

7 Based on the foregoing Findings of Fact and Conclusions of Law, the Director orders,  
8 under the authority of AS 21.27.025, 21.27.040, 21.27.360, 21.27.410(a)(2) and (3), 21.27.440,  
9 and 3 AAC 23.745 that Mr. Jefferies' limited producer license number 16301 is hereby revoked  
10

11 DATED this 25th day of September, 1999 at Anchorage, Alaska.

12   
13 Robert A. Lohr, Director  
14 Division of Insurance  
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In the Matter of: )  
TIMOTHY DEWAYNE JEFFERIES, )  
Respondent. )  
\_\_\_\_\_ )

Case No. D98-01

ACCUSATION

Marianne K. Burke, Director for the Division of Insurance, Department of Commerce and Economic Development, State of Alaska states and alleges as follows:

1. Timothy Dewayne Jefferies was licensed as a limited lines, bail bond agent on or about December 19, 1997 under license number 16301, when he worked for Underground, Inc., dba Alaskan Bail Bonds. The division issued Jefferies a license based on the information he provided in his application for a license, which the division received on or about December 16, 1997.
2. Question 12(e) of the application asks "Have you ever been convicted of a misdemeanor or felony in this or any other state or country, or pleaded no contest or nolo contendere to any indictment or complaint for a crime or offense, cor (sic) received a suspended imposition of sentence and/or been placed on probation?" At the end of this question is the following sentence: "If you have answered "yes" to **any** of these questions, you must submit a **notarized** statement detailing: 1. date of occurrence; 2. the name and address of the court; and 3. the circumstances."

1                   3.     Because Jefferies answered "yes" to question 12(e) on the application, he  
2 submitted a notarized statement dated December 8, 1997. (Exhibit A attached.) In this  
3 statement, Jefferies disclosed that he had two misdemeanor convictions in the Anchorage  
4 District Court, one for driving with a suspended license in January 1990 and one for trespassing  
5 in June 1991.  
6

7                   4.     As part of his application, Jefferies was required to submit his  
8 fingerprints for a background check by the Alaska Department of Public Safety. This  
9 background check revealed two additional misdemeanor convictions in the Naknek District  
10 Court. Upon further investigation, a division investigator learned the following details  
11 regarding these two convictions that Jefferies had not disclosed in his notarized statement but  
12 that were responsive to question 12(e) of the license application.  
13

14                   a.     On October 27, 1992, upon a plea of no contest to a charge of assault  
15 in the fourth degree, Jefferies was given a one-year suspended imposition of sentence.  
16

17                   b.     On November 16, 1993, a judgment for assault in the fourth degree  
18 was entered against Jefferies upon his plea of no contest. He was sentenced to prison for 30  
19 days with 27 days suspended; fined \$500 with \$250 suspended; and placed on probation until  
20 November 16, 1995.  
21

22                   5.     On or about April 9, 1998, a division investigator attempted to contact  
23 Jefferies at his residence as listed on his application and learned that Jefferies had moved in  
24 January 1998, leaving no forwarding address.

25                   6.     On or about April 9, 1998, a division investigator learned from Judith  
26 McArthur of Alaskan Bail Bonds that, without notice, Jefferies had left Alaskan Bail Bonds in

1 January. McArthur alleged that Jefferies had failed to return cash receipts, bond collateral, and  
2 several bonds to the company. She also indicated that Jefferies was now working in the  
3 collections department at Rentronics.  
4

5 7. On or about April 16, 1998, Robert E. Bradley, owner of Alaskan Bail  
6 Bonds, reported to Dwayne Udland, Anchorage Chief of Police, the alleged theft of cash  
7 receipts, bond collateral, and active powers of attorney and bonds by Jefferies.

8 8. In an interview conducted by a division investigator on April 24, 1998,  
9 Jefferies disputed the allegations of Alaskan Bail Bonds that he had failed to return bond  
10 collateral and active powers of attorney and bonds. He admitted that he did not return to  
11 Alaskan Bail Bonds for deposit 100 percent of the cash receipts he had collected in five  
12 separate bond transactions, but that he retained 30 percent of those receipts as his commissions.  
13 Jefferies claims that Alaskan Bail Bonds still owes him money.  
14

15 9. Jefferies' failure to disclose the conviction and suspended imposition of  
16 sentence in Naknek, Alaska constitutes wilful misrepresentation, which is a ground to suspend  
17 or revoke a license under AS 21.27.410(a)(3). Jefferies' failure to notify the director in writing  
18 of his change in residence and in employment is a ground to suspend or revoke his license  
19 under AS 21.27.025. Since Jefferies is no longer employed at Alaskan Bail Bonds and is no  
20 longer working as a bail bond limited producer, he is no longer entitled to be licensed under  
21 AS 21.27.150.  
22

23 10. As a bail bond limited producer, Jefferies is subject to the requirements  
24 of AS 21.27.360, 3 AAC 23.500 - 3 AAC 23.730, and 3 AAC 23.745 - 3 AAC 23.859 in  
25 accounting for and remitting cash receipts or collateral received in connection with a bond  
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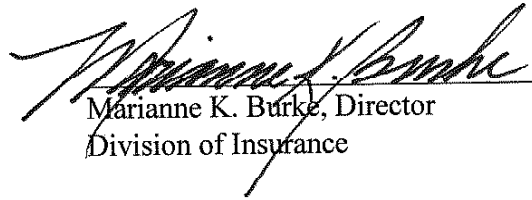
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transaction. Jefferies' failure to deposit all cash receipts or cash collateral into a fiduciary trust account violates AS 21.27.360, 3 AAC 23.590, and 3 AAC 23.800. These violations are additional grounds to suspend or revoke Jefferies' limited producer license.

WHEREFORE, the Division of Insurance seeks an order revoking license number 16301.

DATED this 17th day of June, 1998 at Anchorage, Alaska.

  
Marianne K. Burke, Director  
Division of Insurance