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2 STATE OF ALASKA  
3 DEPARTMENT OF COMMERCE, COMMUNITY, & ECONOMIC DEVELOPMENT  
4 DIVISION OF INSURANCE

5 In the Matter of: )  
6 )  
7 ALASKAN BAIL BONDS, INC. (Anchorage) )  
8 and ARELIA GOMEZ, )  
9 )  
10 Licensees. ) OAH No. 05-0306-INS  
11 )  
12 Case No. D 05-06

13 **STIPULATED AGREEMENT AND ORDER**

14 The State of Alaska, Department of Commerce, Community, & Economic  
15 Development, Division of Insurance (division) and Alaskan Bail Bonds, Inc. (ABB) and  
16 Arelia Gomez (Ms. Gomez), the licensees in this case, stipulate and agree that all  
17 allegations of violations of AS 21.09.010, AS 21.27.140, 21.27.410(a)(8) and (16) and (b),  
18 21.27.900(5), AS 21.36.020, 21.36.030, and 21.36.360 that are included in the Amended  
19 Accusation against the licensees or that could have been part of this action are resolved by  
20 agreement as follows:

21 1. As a consequence of the allegations referenced above, the  
22 parties agree to the following sanctions and penalties:

23 A. Ms. Gomez will immediately surrender her bail bond  
24 limited producer and compliance officer of ABB license number 22332. The license will be  
25 suspended for five years. During her suspension, Ms. Gomez' activities at ABB shall be

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2 governed by AS 21.27.010. At the end of the suspension Ms. Gomez may apply for  
3 reinstatement of her license.

4 B. The firm license for ABB, license number 22331, will be  
5 immediately surrendered and will be suspended until August 11, 2006. After August 11,  
6 ABB may request reinstatement of the firm license if the firm has a properly licensed  
7 compliance officer.  
8

9 C. The division will assess ABB and Ms. Gomez a civil  
10 penalty under AS 21.27.440 and AS 21.36.320 of \$7,500, to be paid no later than March 17,  
11 2006.

12 D. A violation of this agreement or Alaska's insurance laws  
13 by ABB or Ms. Gomez may be grounds to not reinstate the firm license or to not reinstate  
14 Ms. Gomez' license. A violation may also subject ABB and Ms. Gomez to any and all  
15 sanctions authorized by the insurance code including imposition of additional fines or  
16 penalties. ABB and Ms. Gomez may request a hearing on any alleged violation of this  
17 agreement or Alaska's insurance laws.  
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19 2. The parties to this Stipulated Agreement and Order agree to  
20 execute such documents as may be reasonably necessary to effectuate fully the terms and  
21 conditions of this agreement and order.  
22

23 3. ABB and Ms. Gomez understand that this agreement is not  
24 binding on the parties unless and until the director signs the order approving the agreement.  
25

DEPARTMENT OF LAW  
OFFICE OF THE ATTORNEY GENERAL  
ANCHORAGE BRANCH  
1001 W. FOURTH AVENUE, SUITE 200  
ANCHORAGE, ALASKA 99501  
PHONE: (907) 266-5100

1  
2 DATED: 3/22/06


DAVID W. MÁRQUEZ  
ATTORNEY GENERAL

3  
4 By: 

5 Nathaniel B. Atwood  
6 Assistant Attorney General  
7 Alaska Bar No.: 8811172

8 DATED: 3/21/06

ALASKA BAIL BONDS, INC. (Anchorage)

9  
10 By: 

11 Arelia Gomez  
12 Compliance Officer and Owner

13 DATED: 3/20/06


14 By: 

15 Eugene B. Cyrus  
16 Attorney for Licensees

17  
18 **ORDER**

19 IT IS ORDERED that this Stipulated Agreement and Order is adopted in full  
20 resolution of the issues in this case, and shall constitute the final order in this matter.

21 DATED this 25<sup>th</sup> day of March, 2006 at Anchorage, Alaska.

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23   
24 Linda S. Hall  
25 Director of Insurance

26 Stipulated Agreement & Order  
In the Matter of:  
Alaskan Bail Bonds, Inc.  
OAH No. 05-0306-INS

STATE OF ALASKA  
DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT  
DIVISION OF INSURANCE  
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STATE OF ALASKA

DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT

DIVISION OF INSURANCE

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and ARELIA GOMEZ, )  
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Casc No. D 05-06

ACCUSATION

Linda S. Hall, Director of the Division of Insurance, Department of Commerce, Community, and Economic Development, State of Alaska, states and alleges as follows:

1. On September 29, 2000, the division issued Alaskan Bail Bonds, Inc. (Anchorage) (ABB) and Arelia Gomez firm bail bond limited producer license and compliance officer license numbers 22331 and 22332, respectively. Ms. Gomez was also and continues to be the owner of ABB.
2. As of February 21, 2001, John S. Elder became affiliated with ABB.
3. On or about November 27, 2001, Ms. Gomez, contacted the division regarding Mr. Elder. She informed the division that she suspected Mr. Elder of theft. Because of the concerns Ms. Gomez expressed, the division conducted an investigation. That investigation, and a subsequent investigation triggered by a consumer complaint, focused on whether bail bonds were stolen, whether the bonds issued were appropriately written, and if the fees and premiums charged were collected in compliance with Alaska's insurance laws and regulations.

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4. The investigations revealed that, in addition to statutory violations that resulted in the criminal conviction of Mr. Elder, there were a number of violations of the Alaska insurance code. Among them are the following:

a. Transacting business at an unlicensed secondary (branch) location. Mr. Elder was working out of his home in Wasilla and keeping ABB business records there, in violation of AS 21.27.330.

b. Transaction of insurance business by an unlicensed individual. Mr. Elder allowed Robb Ashburn, his stepfather, to write bonds even though he knew Mr. Ashburn no longer held an Alaska bail bond license, in violation of AS 21.27.010.

c. Inadequate record keeping by Mr. Elder and ABB. The report indicated that bonds, collateral transactions, and premium and written receipts were not accounted for, in violation of AS 21.27.350; 3 AAC 23.500-3 AAC 23.730; 3 AAC 23.745-3 AAC 23.859.

d. Violations of premium financing under AS 21.36.122; 3 AAC 23.210-3 AAC 23.380 by Mr. Elder and ABB.

e. Violations of the bail bond regulations, 3 AAC 23.745-3 AAC 23.859, including collection of improper fees and other items of value, charging premiums that have not been approved by the division, posting bonds without proper receipt of full premium or collateral, and disregarding fiduciary responsibilities.

5. As compliance officer of ABB, under AS 21.27.140 and AS 21.27.900(5), Ms. Gomez is responsible for the actions of the firm and all employees of the firm, as well as developing and implementing procedures and controls for adequate record

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keeping of the firm's business. Ms. Gomez is also responsible for providing oversight of the firm and its employees to ensure that all business is transacted in compliance with the insurance laws. Had Ms. Gomez ensured that ABB complied with the insurance laws and maintained adequate records on all of the firm's insurance transactions, the stolen bonds, premiums charges, and additional fees charged for miscellaneous services would have been revealed.

6. Ms. Gomez knew in 2001 that bail bonds that Mr. Elder had reported stolen were in use, and in March 2002, the division advised Ms. Gomez that many of the bail bonds sold by Mr. Elder were not handled properly because he failed to make proper disposition of the funds. Because of her knowledge of Mr. Elder's wrongdoings, Ms Gomez, should have immediately terminated Mr. Elder's employment with ABB. But she did not terminate Mr. Elder until July 26, 2002.

7. The inaction of Ms. Gomez and her failure to adequately perform her duties as compliance officer for the firm as cited above indicate incompetence and untrustworthiness, which are grounds for the director to suspend or revoke a license under AS 21.27.410(a)(8) and (16) and (b).

WHEREFORE, the Division of Insurance seeks an order revoking or suspending Alaska insurance license numbers 22331 and 22332 and levying appropriate civil penalties under AS 21.27.440.

DATED this 25th day of March, 2005 at Anchorage, Alaska.

  
Linda S. Hall  
Director