

**BEFORE THE INSURANCE COMMISSIONER OF THE
STATE OF OKLAHOMA**

FILED
JUL 27 2017
INSURANCE COMMISSIONER
OKLAHOMA

STATE OF OKLAHOMA, ex rel. JOHN D.)
DOAK, Insurance Commissioner,)
)
Petitioner,)
vs.)
)
ESMERALDA ARELLANO, a licensed bail)
bondsman in the State of Oklahoma,)
)
AND)
)
CRUM & FORSTER INDEMNITY CO.,)
an insurance company licensed to act as bail)
surety in the state of Oklahoma,)
)
Respondents.)

CASE NO. 17-0529-DIS

CONDITIONAL ADMINISTRATIVE ORDER
AND NOTICE OF RIGHT TO BE HEARD

COMES NOW the State of Oklahoma, ex rel. John D. Doak, Insurance Commissioner,
by and through his attorney, Lisa M. Torneten, and alleges and states as follows:

JURISDICTION AND AUTHORITY

1. John D. Doak is the Insurance Commissioner of the State of Oklahoma and, as such, is charged with the duty of administering and enforcing all provisions of the Oklahoma Insurance Code, 36 O.S. §§ 101-7401, and the Oklahoma Bail Bond Act, 59 O. S. §§ 1301-1341.
2. Respondent Esmeralda Arellano ("Arellano") is a licensed bail bondsman in the State of Oklahoma holding license number 200315.
3. Respondent Crum & Forster Indemnity Company ("Crum & Forster") is an insurance company licensed to act as bail surety in the state of Oklahoma holding NAIC CoCode 31348.
4. Pursuant to 59 O.S. §§ 1310(B) and 1332, in addition to any potential denial, censure, suspension, or revocation, any person violating any provision of the Oklahoma Bail Bond Act

may be subject to a civil penalty of not less than Two Hundred Fifty Dollars (\$250.00) nor more than Two Thousand Five Hundred Dollars (\$2,500.00) for each occurrence.

5. Pursuant to 59 O.S. § 1310(B), any bondsman violating a provision of the Bail Bond Act, 59 O.S. §§ 1301-1341, may be subject to a fine of not less than Two Hundred and Fifty Dollars (\$250.00) but not more than Two Thousand and Five Hundred Dollars (\$2,500.00) per violation.

ALLEGATIONS OF FACT

1. On or about July 25, 2016, an appearance bond was executed as follows:

Defendant:	Edgar Miguel Martinez
Case Number(s):	CF-2015-2327
City/County:	Oklahoma County
Surety:	Crum & Forster
Bondsman:	Esmeralda Arellano
Power Number(s):	CF50-70227136
Bond Amount(s):	\$25,000.00

2. On February 3, 2017, the Defendant failed to appear in CF-2015-2327 and the bond was declared forfeited. An Order and Judgment of Forfeiture was issued and filed in the case by the Oklahoma County District Court. A true and correct copy of the Order and Judgment of the Forfeiture in CF-2015-2327 was mailed to Respondents on February 9, 2017 with return receipt requested.

3. Crum & Forster received a copy of the Order with the return filed on February 13, 2017.

4. Arellano received a copy of the Order with the return filed on February 10, 2017.

5. The ninety-first (91st) day after receipt of the Order was May 12, 2017.

6. On May 10, 2017, the District Court of Oklahoma County issued a Stay of Payment of Bond Forfeiture in case number CF-2015-2327, which stayed payment of the forfeiture until June 26, 2017.

7. As of the date of the filing of this Conditional Administrative Order, the forfeiture has not

been paid.

ALLEGED VIOLATIONS OF LAW

1. Respondents Crum & Forster and Arellano have failed to comply with 59 O.S. § 1332(D)(1) by failing to return the Defendant within ninety (90) days or remit payment in the face amount of the bond forfeiture within the additional ninety (90) days authorized by the Stay of Payment of Bond Forfeiture, which is a violation under 59 O.S. § 1310(A)(2).
2. Pursuant to 59 O.S. § 1310(B), any bondsman violating a provision of the Bail Bond Act, 59 O.S. §§ 1301-1340, may be subject to a fine of not less than Two Hundred and Fifty and No/100 Dollars (\$250.00) but not more Two Thousand Five Hundred and No/100 (\$2,500.00) per violation.
3. Respondent Crum & Forster has violated 36 O.S. § 619(A)(1) and (2) by violating the Code and knowingly failing to comply with any lawful rule or order of the Insurance Commissioner. Specifically, Respondent knowingly violated OAC 365:25-5-41(b)(2) and 365:25-5-44 as well as 59 O.S. § 1332.

ORDER

IT IS THEREFORE ORDERED that Crum & Forster and Arellano are each FINED Five Hundred and No/100 Dollars (\$500.00). The fines are to be paid within thirty (30) days made payable to the Oklahoma Insurance Department. Payment may be made by either cashier's check or money order and sent to the Oklahoma Insurance Department, Legal Division, 3625 NW 56th St., Suite 100, Oklahoma City, Oklahoma 73112.

IT IS FURTHER ORDERED that the face amount of the bond forfeiture shall be deposited with the Oklahoma County Court Clerk in case number CF-2015-2327, *State v.*

Edgar Martinez, within thirty (30) days of receipt of this Order.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED by the Insurance Commissioner that this Order is a Conditional Order. Unless the Respondents request a hearing with respect to the Allegations of Fact set forth above within thirty (30) days of the date of mailing of this Order, this Order and the penalties set forth above shall become a Final Order on the thirty-first day following the date of mailing this Order. A request for hearing should be in writing addressed to Lisa M. Torneten, Oklahoma Insurance Department, Legal Division, 3625 NW 56th St., Suite 100, Oklahoma City, Oklahoma 73112. The request for hearing must state the grounds for the request to set aside or modify the Order.

Any such hearing shall be conducted according to the procedures for contested cases under the Insurance Code and 75 O.S. §§ 250-323. If the Respondents serve a timely request for hearing on the Oklahoma Insurance Department, this Conditional Order shall act as notice of the matters to be reviewed at the hearing, and the Allegations of Fact, Alleged Violations of Law, and penalties imposed in this Conditional Order shall be considered withdrawn, pending final resolution at the hearing.

WITNESS My Hand and Official Seal this 27TH day of July, 2017.



JOHN D. DOAK
INSURANCE COMMISSIONER
STATE OF OKLAHOMA

Lisa M. Torneten
Assistant General Counsel
3625 NW 56th Street, Suite 100
Oklahoma City, Oklahoma, 73112
Tel. (405) 522-6330
Fax (405) 522-0125

CERTIFICATE OF MAILING

I hereby certify that a true and correct copy of the above and foregoing *Conditional Administrative Order and Notice of Right to Be Heard* was mailed by regular mail and by certified mail, with postage prepaid and return receipt requested, on this 27TH day of July, 2017, to the following:

Esmeralda Arellano
2801 S. Shields Blvd.
Oklahoma City, OK 73129

BARCODE NO:
9214 8902 0982 7500 0004 97

Crum & Forster Indemnity Company
305 Madison Avenue
Morristown, NJ 07962

BARCODE NO:
9214 8902 0982 7500 0005 03

and a copy was delivered to:

Lewis Garrison
Bail Bonds Division



Lisa M. Torneten
Assistant General Counsel

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