

**BEFORE THE COMMISSIONER OF SECURITIES AND INSURANCE,
MONTANA STATE AUDITOR**

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|------------------------------|---|------------------------------|
| STATE OF MONTANA, |) | CASE NO. INS-2014-35 |
| |) | |
| Plaintiff, |) | |
| |) | CONSENT AGREEMENT AND |
| vs. |) | FINAL ORDER |
| |) | |
| EZ BAIL BONDS, INC., WILLIAM |) | |
| RUPNOW, THERESA RUPNOW |) | |
| |) | |
| Respondents. |) | |

This Consent Agreement and Final Order (Agreement) is entered into by the Office of the Commissioner of Securities and Insurance, Montana State Auditor (CSI), acting pursuant to the authority of the Montana Insurance Code, Mont. Code Ann. § 33-1-101 et seq. (Code), and EZ Bail Bonds, Inc.; William Rupnow; and Theresa Rupnow (collectively, Respondents).

RECITALS

WHEREAS, Respondent EZ Bail Bonds, Inc. (EZ Bail Bonds), is a Montana licensed surety agency, license #18888, operating in Great Falls, Montana, and solely appointed by Minnesota Surety and Trust Company (Minnesota Surety);

WHEREAS, Respondent William Rupnow is a resident Montana licensed surety producer, license #11780, and likewise appointed by Minnesota Surety.

WHEREAS, Respondent Theresa Rupnow is a resident Montana licensed surety producer, license # 11937, and likewise appointed by Minnesota Surety.

WHEREAS, EZ Bail Bonds wrote a bond for Cody Yearout in the amount of \$200,000. Mr. Yearout's premium on such a bond was \$20,000, backed by Seneca Insurance Company, Inc. (Seneca). EZ Bail Bonds did not collect any cash at the time it tendered bond.

WHEREAS, Mr. Yearout's application (Application) contained a signed Unlimited Power of Attorney (POA). The POA was not in compliance with Seneca policies, and was notarized by Respondent William Rupnow.

WHEREAS, the Application did not contain documentation regarding bond receipts or signed collateral receipts. The Application did not list any vehicle.

WHEREAS, Mr. Yearout eventually paid \$8,000 to Respondent EZ Bail Bonds. However, he was ultimately arrested on separate charges.

WHEREAS, after Mr. Yearout's second arrest, Respondents moved to collect the unpaid premium amount of \$12,000. They did that by seizing three vehicles, two owned by Mr. Yearout, and one by Mr. Yearout's mother.

WHEREAS, the total worth of Mr. Yearout's two seized vehicles was approximately \$46,000. Ms. Yearout's vehicle was returned upon discovery of ownership.

WHEREAS, the CSI alleged Respondents violated § 33-18-212(2) when they collected vehicles worth \$46,000 to satisfy a debt of \$12,000.

WHEREAS, the CSI alleged Respondents improperly seized the two vehicles because the POA was not in compliance with § 1-5-416(2)(b).

STIPULATIONS AND CONSENTS

1. Respondents stipulate and agree as follows:

A. The allegations set forth above are true and correct.

B. Respondents shall pay a fine in the amount of \$5,000 within 30 calendar days following the execution of this Agreement. This fine must be made payable to the State of Montana and sent to the Office of the Commissioner of Securities and Insurance, Montana State Auditor, c/o Brett O'Neil, 840 Helena Avenue, Helena, MT 59601.

C. Respondents will comply with the terms and conditions of this Agreement, the Code, and all other regulations of the State of Montana.

D. With respect to the Recitals, Respondents specifically and affirmatively waive a contested case hearing and any rights to appeal under the Montana Administrative Procedure Act, Mont. Code Ann. § 2-4-101 et seq. (MAPA). They elect to resolve this matter on the terms and conditions set forth therein.

E. Respondents acknowledge and enter into this Agreement voluntarily and without reservation.

F. Respondents fully and forever release and discharge the CSI from any and all actions, claims, causes of action, demands, or expenses for damages or injuries, whether asserted or unasserted, known or unknown, foreseen or unforeseen, arising out of the Recitals.

2. All parties to this Agreement stipulate and agree as follows:

A. This Agreement resolves the matter set forth in the Recitals, and the CSI has no intention to impose any additional penalty, fine, or other disciplinary action, for the conduct detailed therein.

B. This Agreement is entered without adjudication of any issue, law, or fact. It is entered solely for the purpose of resolving the matter described in the Recitals and is not intended to be used for any other purpose. For any person or entity not a party to this Agreement, this Agreement does not alter, limit, or create any private rights or remedies against the parties.

C. This Agreement constitutes the entire agreement between the parties on this matter. No other promises or agreements, either express or implied, have been made between the CSI, or any member, officer, agent, or representative of the CSI, and Respondent related to this matter.

D. This Agreement may not be modified orally. Any subsequent modifications to this Agreement must be in a mutually-agreed writing with the same formality as this Agreement.

E. This Agreement shall be incorporated into and made part of the attached Final Order issued by the Commissioner of Securities and Insurance, Montana State Auditor (Commissioner).

F. This Agreement shall be effective upon signing of the Final Order.

G. This Agreement and Final Order are public records under Montana law and as such may not be sealed or otherwise withheld from the public.

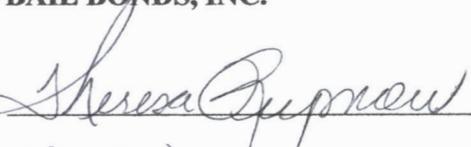
DATED this 26th day of June, 2014

**OFFICE OF THE COMMISSIONER OF
SECURITIES AND INSURANCE**

By: 
BRETT O'NEIL
Attorney for the CSI

DATED this 16 day of June, 2014

EZ BAIL BONDS, INC.

By: 
Its: TR Owner

DATED this 16 day of June, 2014



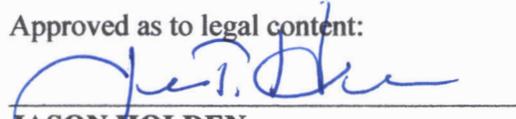
WILLIAM RUPNOW

DATED this 16 day of June, 2014



THERESA RUPNOW

Approved as to legal content:



JASON HOLDEN
Counsel for Respondents

FINAL ORDER

Pursuant to the authority vested by Mont. Code Ann. §§ 2-4-603 and 33-1-101 et seq., and upon reviewing the forgoing Consent Agreement and good cause appearing,

IT IS HEREBY ORDERED, that the forgoing Consent Agreement between the Office of the Commissioner of Securities and Insurance, Montana State Auditor, and Respondents EZ Bail Bonds, Inc.; William Rupnow; and Theresa Rupnow is adopted as set forth fully herein.

DATED this 26TH day of June, 2014.

MONICA J. LINDEEN
Commissioner of Securities and Insurance,
Montana State Auditor

By: 
GREG DAHL
Deputy Insurance Commissioner