BEFORE THE INSURANCE COMMISSIONER OF THE STATE OF OKLAHOMA

STATE OF OKLAHOMA, ex rel. JOHN D. DOAK, Insurance Commissioner,	)	FILED
Petitioner,	)	MAR 13 2012
vs.	)	INSURANCE COMMISSIONER OKLAHOMA
	)	Case No. 12-0220-DIS
MARGARET L. KNIGHT, a licensed professional bail bondsman in the State of Oklahoma,	)	
Respondent.	)	

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 counsel and alleges and states as follows:

JURISDICTION

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. §§ 101-7004 and the Oklahoma Bail Bond Act 59 O. S. §§ 1301-1340.

2. Respondent Margaret L. Knight ("Respondent") is a licensed professional bail bondsman in the State of Oklahoma holding license number 200028.

FINDINGS

1. On May 10, 2010, an appearance bond was written for Defendant Rudolf Hudson III in Oklahoma County case number CF-2010-3802 in the amount of Ninety-Nine Thousand Dollars ($99,000.00). In consideration of this bond, Audra Ross paid to Respondent Nine Thousand Nine Hundred Dollars ($9,900.00) as premium, evidenced by receipt number 166190.

2. Additionally, Ms. Ross paid to Respondent Fifty Thousand Dollars ($50,000.00) as collateral on May 22, 2010.

3. On June 18, 2010, Defendant's bond was exonerated and a new bond was set in the amount of Thirty-Five Thousand Dollars ($35,000.00). That day, Respondent rewrote and executed the bond for the new amount.

4. On July 8, 2010, Fifteen Thousand Dollars ($15,000.00)—an amount representing the difference between the collateral previously paid and the new bond amount—was returned to Rudolf Hudson, Jr. (Indemnitor), Rudolf Hudson III (Defendant), and Ms. Ross (Indemnitor). This transaction is evidenced by a written agreement executed on July 8, 2010, and signed by all parties.

5. Another written agreement was drafted and signed on July 8, 2010, further clarifying that the Thirty-Five Thousand Dollars ($35,000.00) remaining on deposit with Respondent was as a security deposit only and upon completion of all required court appearances and proceedings by Defendant, the amount would be returned to the Indemnitors and Defendant.

6. On November 10, 2011, Defendant appeared in court and entered a plea of guilty. Defendant was convicted, sentenced, and the bond was exonerated.

7. Ms. Ross then began contacting Respondent by phone in an effort to secure the return of the Thirty-Five Thousand Dollars ($35,000.00) cash collateral paid to Respondent on May 22, 2010.

8. On January 27, 2012, Ms. Ross called the Oklahoma Insurance Department ("Department"). A complaint form was mailed to Ms. Ross.

9. On February 7, 2012, the Department received Ross' complaint, including the agreements and receipt mentioned above.

10. On February 8, 2012, the Department sent Ross a letter advising her that her complaint had been received. A letter was also mailed, via certified mail, to Respondent for a response and a copy of her file for Defendant. Respondent received this letter on February 9, 2012.

11. On February 22, 2012, Respondent delivered to the Department a copy of the file and a written response. She presented a copy of cashier's check number 103037 in the amount of Thirty-Five Thousand Dollars ($35,000.00) payable to Audra Ross. Respondent indicated that she had contacted Ms. Ross to pick up the cashier's check.

12. On March 1, 2012, Respondent delivered a copy of the cashier's check reflecting Ross' signature on the back.

CONCLUSIONS OF LAW

The allegations are found to be true and correct, and Respondent has violated 59 O.S. § 1310(A)(20) for failing to return collateral security to the principal when the principal was entitled thereto. For such a violation, "the Insurance Commissioner may deny, censure, suspend, revoke, or refuse to deny any license issued" under the Oklahoma Bail Bond Act. 59 O.S. § 1310(A).

ORDER

IT IS THEREFORE ORDERED that Margaret L. Knight is hereby censured.

Respondent is further notified that she may request a hearing within 30 days of the receipt of this Order concerning this action, and upon such request, the Oklahoma Insurance Department shall conduct a hearing before an independent hearing examiner in accordance with the Bail Bond Code, OKLA. STAT. tit. 59, §§ 1301 et seq., and the Oklahoma Administrative Procedures Act, OKLA. STAT. tit. 75, §§ 301 et seq. A request for hearing shall be made in writing to Michael P. Copeland, Oklahoma Insurance Department, Legal Division, 3625 NW 56th Suite 100, Oklahoma City,

Oklahoma 73112 and **give an explanation of Respondent's actions described herein and any defenses thereto.**

If Respondent does not request a hearing within the 30 days allotted, this Order shall become a FINAL ORDER on the 31st day following the receipt of the Order and Respondent shall be censured.

WITNESS My Hand and Official Seal this 12th day of March, 2012.

JOHN D. DOAK
INSURANCE COMMISSIONER
STATE OF OKLAHOMA

Michael P. Copeland
Assistant General Counsel
3625 NW 56th Street, Suite 100
Oklahoma City, Oklahoma, 73112
Tel. (405) 521-2746
Fax (405) 521-0125

CERTIFICATE OF SERVICE

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 certified, return receipt requested, on this 13th day of March, 2012, to:

Margaret L. Knight
P.O. Box 486
Wheatland, OK 73097

Sherry Standerfer

7006 2760 0005 6605 6055

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MARTIN LUTHER KING STATION
MAR 13 2012
OKC OK 73105

Postmark Here

Sent To Margaret L. Knight
Street, Apt or PO Box P.O. Box 486
City, State, Wheatland, OK 73097
sms/12-0220-DIS/Cond. Ord.

PS Form 3800, August 2006 See Reverse for Instructions

SENDER: *COMPLETE THIS SECTION*

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Margaret L. Knight
P.O. Box 486
Wheatland, OK 73097
sms/12-0220-DIS/Cond. Ord.

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X M L Knight ☐ Agent ☒ Addressee

B. Received by (*Printed Name*) M L KNIGHT
C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☒ No

RECEIVED
OKLAHOMA INSURANCE DEPARTMENT
MAR 19 2012
Legal Division

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (*Extra Fee*) ☐ Yes

2. Article Number (*Transfer from service label*) 7006 2760 0005 6605 6055

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540