

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:

Proceedings by the Commissioner)
of Banking and Insurance, State)
of New Jersey, to fine, suspend)
and/or revoke the insurance)
producer licenses of Abraham)
Lastra, Reference No. 1140882;)
Hotline Bail Bonds, Reference)
No. 1184178; Katherine)
Protogiannis, Reference No.)
1078399; and Bails, Bails,)
Bails, Reference No. 1084839)

**FINAL ORDER AS TO
ABRAHAM LASTRA AND HOTLINE
BAIL BONDS**

TO: Abraham Lastra
563 South Broad St.
Elizabeth, New Jersey 07202

Hotline Bail Bonds
c/o Abraham Lastra
563 South Broad St.
Elizabeth, New Jersey 07202

This matter, having been opened by the Commissioner of Banking and Insurance ("Commissioner"), State of New Jersey, upon information that Abraham Lastra ("Lastra"), Hotline Bail Bonds ("HBB"), Katherine Protogiannis ("Protogiannis"), and Bails, Bails, Bails ("BBB") (collectively "Respondents") may

have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Lastra was licensed as a resident insurance producer pursuant to N.J.S.A. 17:22A-32, until his license expired on February 29, 2012; and

WHEREAS, HBB was licensed as a resident business entity insurance producer pursuant to N.J.S.A. 17:22A-32, with Lastra listed as the designated responsible licensed producer ("DRLP"), prior to the expiration of its license on May 31, 2010; and

WHEREAS, Protogiannis is currently licensed as a resident insurance producer pursuant to N.J.S.A. 17:22A-32; and

WHEREAS, BBB was licensed as a resident business entity insurance producer pursuant to N.J.S.A. 17:22A-32, with Protogiannis listed as the DRLP, prior to the expiration of its license on May 31, 2012; and

WHEREAS, Respondents are subject to the provisions of the New Jersey Insurance Producer Licensing Act ("Producer Act"), N.J.S.A. 17:22A-26, et seq., producer licensing regulations, N.J.A.C. 11:17-1 et seq. and regulations governing Insurance Producer Standards of Conduct: Management of Funds, N.J.A.C. 11:17C-1.1 et seq.; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40d and N.J.A.C.

11:17-2.15(c), the Commissioner shall retain authority to enforce the provisions of and to impose any penalty or remedy authorized by the Producer Act and Title 17 of the Revised Statutes or Title 17B of the New Jersey Statutes against any person who is under investigation for or charged with a violation of the Producer Act or Title 17 of the Revised Statutes or Title 17B of the New Jersey Statutes even if the person's license or registration has been surrendered or has lapsed by operation of law; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(2), an insurance producer shall not violate any insurance laws, regulation, subpoena or order of the Commissioner or of another state's insurance regulator; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(4), an insurance producer shall not improperly withhold, misappropriate or convert any monies or properties received in the course of doing insurance business; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(8), an insurance producer shall not use fraudulent, coercive or dishonest practices, or demonstrate incompetence, untrustworthiness or financial irresponsibility in the conduct of insurance business in this state or elsewhere; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a(16), an insurance producer shall not commit any fraudulent act; and

WHEREAS, pursuant to N.J.A.C. 11:17C-2.1(a), all premium funds shall be held by an insurance producer in a fiduciary capacity and shall not be misappropriated, improperly converted to the insurance producer's own use, or illegally withheld by the licensee; and

WHEREAS, pursuant to N.J.S.A. 17:22A-40a, the Commissioner may place on probation, suspend, revoke or refuse to issue or renew an insurance producer's license or may levy a civil penalty, in accordance with N.J.S.A. 17:22A-45c, or may take any combination of actions, for any one or more of the violations listed in N.J.S.A. 17:22A-40a(1) through (19);and

WHEREAS, pursuant to N.J.S.A. 17:22A-45c, any person who violates any provision of the Producer Act shall be liable to a penalty not exceeding \$5,000 for the first offense and not exceeding \$10,000 for each subsequent offense; additionally, the Commissioner or a court may order restitution of moneys owed any person and reimbursement of the costs of investigation and prosecution; and

WHEREAS, the Commissioner issued Order to Show Cause No. E16-32 on April 8, 2016 ("OTSC"), alleging violations of New

Jersey insurance laws by the Respondents as follows:

IT APPEARING that on or about August 14, 2008, Financial Casualty & Surety, Inc. ("FCS"), an insurance company authorized to transact business in New Jersey, and Lastra and/or HBB entered into a Bail Bond Agency Agreement; and

IT FURTHER APPEARING that said Bail Bond Agreement authorized HBB to issue FCS Powers of Attorney as surety for bail bonds; and

IT FURTHER APPEARING that at all relevant times, Protogiannis had an agreement with Lastra to refer bail bond business to HBB in return for a portion of the premium HBB would receive; and

IT FURTHER APPEARING that some time prior to January 8, 2009, Juan Matos ("Matos"), attorney for Mario Reynoso ("Reynoso"), contacted Protogiannis to initiate a bail bond for Reynoso; and

IT FURTHER APPEARING that in furtherance of the request for the execution of the bail bond, on January 8, 2009, Matos obtained a cashier's check in the amount of \$15,000 made payable to BBB, and delivered the check to Protogiannis; and

IT FURTHER APPEARING that thereafter Protogiannis deposited the check into BBB's bank account and issued a BBB check #091 made payable to HBB for \$15,000 with a notation "Collateral Mario Reynoso"; and

IT FURTHER APPEARING that on or about February 20, 2009, Matos and Protogiannis delivered to Lastra the BBB check #091 in the amount of \$15,000 made payable to HBB and cash in the amount of \$5,000 as collateral for the bail bond for Reynoso;

and

IT FURTHER APPEARING that on or about February 20, 2009, Lastra issued a collateral receipt acknowledging receipt of the check in the amount of \$15,000 and \$5,000 in cash; and

IT FURTHER APPEARING that Lastra deposited BBB check #091 into HBB's bank account with a notation on the check "For Deposit Only Hotline Bail Bonds Inc.," and the check cleared the bank on or around February 25, 2009; and

IT FURTHER APPEARING that pursuant to N.J.A.C. 11:17A-4.1(a), FCS is deemed to have received the \$20,000 as collateral for Reynoso's bail by virtue of Lastra (a duly authorized agent of FCS) receiving said bail collateral; and

IT FURTHER APPEARING that on or about February 11, 2009, a then duly licensed employee of HBB, Omar S. Rodriguez, issued a FCS Power of Attorney FCS250-378775 as a bail bond for Reynoso; and

IT FURTHER APPEARING that the bond was filed with the Hudson County Superior Court; and

IT FURTHER APPEARING that Reynoso subsequently entered into a plea agreement; and

IT FURTHER APPEARING that as a result of the plea agreement, on June 28, 2013, Reynoso was sentenced to a five-year prison term; and

IT FURTHER APPEARING that after Reynoso was sentenced, Matos contacted BBB, HBB, and FCS requesting return of the \$20,000 collateral pledged for Reynoso's bail bond;

IT FURTHER APPEARING that to date, the \$20,000 was not returned to Matos or Reynoso; and

COUNT 1

IT FURTHER APPEARING that Lastra and HBB failed to return the \$20,000 collateral pledged for Reynoso's bail, in violation of N.J.S.A. 17:22A-40a(2), (4), (8), and (16); and N.J.A.C. 11:17C-2.1(a); and

IT FURTHER APPEARING that Respondents Lastra and HBB were given notice of the aforesaid charges and an opportunity to contest the charges at a hearing pursuant to Order to Show Cause No. E16-32; and

IT FURTHER APPEARING that as set forth in the certification of service of Garen Gazaryan, Deputy Attorney General, attached hereto as Exhibit A, under cover letter dated April 12, 2016, Order to Show Cause No. E16-32 was sent by certified and regular mail to Respondents Lastra and HBB to the following addresses, which are their last known business and mailing addresses:

1. 1808 Bergenline Ave., Apt. 3, Union City, New Jersey 07087-3370; and
2. 1716 Bergenline Ave, Union City, New Jersey 07087-3370;

and

IT FURTHER APPEARING that as set forth in the certification of service of Garen Gazaryan, Deputy Attorney General, attached hereto as Exhibit A, under cover letter dated May 10, 2016, Order to Show Cause No. E16-32 was re-sent by certified and regular mail to Respondents Lastra and HBB to the following address - 563 South Broad St., Elizabeth, New Jersey 07202; and

IT FURTHER APPEARING that as set forth in the certification of service of Garen Gazaryan, Deputy Attorney General, attached hereto as Exhibit A, Respondents Lastra and HBB received Order to Show Cause No. E16-32 on May 14, 2016; and

IT FURTHER APPEARING that that pursuant to N.J.A.C. 11:17D-2.1(a)3, service of the Order to Show Cause to the last known business and/or mailing address of Respondents Lastra and HBB constitutes lawful service; and

NOW, THEREFORE, IT IS on this 22nd day of November, 2016

ORDERED that the charges contained in Order to Show Cause No. E16-32 are deemed admitted by Respondents Lastra and Hotline Bail Bonds due to their failure to respond to the alleged violations, pursuant to N.J.A.C. 11:17D-2.1(b)1; and

IT IS FURTHER ORDERED that, pursuant to N.J.S.A. 17:22A-40, and N.J.A.C. 11:17D-2.1(b)2, the insurance producer licenses of

Respondents Lastra and Hotline Bail Bonds are **REVOKED** effective upon the execution of this Final Order by the Commissioner; and

IT IS FURTHER ORDERED that, pursuant to N.J.S.A. 17:22A-45c, that Respondents shall be responsible for the payment of civil penalties for violations of the Producer Act as follows:

Count 1: Respondents Lastra and Hotline Bail Bonds shall be jointly and severally responsible for the payment of civil penalties totaling \$5,000.00 for misappropriating a bail bond collateral and demonstrating fraudulent and dishonest business practices in the conduct of insurance business; and

IT IS FURTHER ORDERED that, pursuant to N.J.S.A. 17:22A-45c and N.J.A.C. 11:1-32.4(b)20, Respondents Lastra and Hotline Bail Bonds shall reimburse the Department of Banking and Insurance, jointly and severally, for the costs associated with the investigation of this matter, as evidenced by the Certification of Investigator Eugene Shannon, attached hereto as Exhibit B, totaling \$2,275.00; and

IT IS FURTHER ORDERED that Respondents Lastra and Hotline Bail Bonds shall pay the above penalties and costs totaling \$7,275.00 in full by remitting payment to the Commissioner of Banking and Insurance, State of New Jersey, 20 West State Street, P.O. Box 329, Trenton, New Jersey 08625, Attention:

Virgil Downtin, Chief of Investigations by certified check, cashier's check or money order made payable to the "State of New Jersey, General Treasury," within ten (10) days from the date of service of this Order; and

IT IS FURTHER ORDERED that, pursuant to N.J.S.A. 17:22A-45c, Respondents Lastra and Hotline Bail Bonds shall make restitution to Mario Reynoso in the total amount of \$20,000.00 as described in Count 1 of Order to Show Cause No. E16-32; and

IT IS FURTHER ORDERED that in the event full payment of the penalties, costs and restitution is not made, the Commissioner may exercise any and all remedies available by law, including but not limited to recovery of any unpaid penalties, in accordance with The Penalty Enforcement Law, N.J.S.A. 2A:58-10 et seq.; an

IT IS FURTHER ORDERED that the penalties in this Final Order are imposed pursuant to the police powers of the State of New Jersey for the enforcement of the law and the protection of the public health, safety and welfare, and are not intended to constitute debts which may be limited or discharged in a bankruptcy proceeding; and

IT IS FURTHER ORDERED that the provisions of this Final Order represent a final agency decision and constitute a final

resolution of the allegations contained in Order to Show Cause
No. E16-32.



Peter L. Hartt
Director of Insurance

EXHIBIT A

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:

Proceedings by the Commissioner)
of Banking and Insurance, State)
of New Jersey, to fine, suspend)
and/or revoke the insurance)
producer licenses of Abraham)
Lastra, Reference No. 1140882;)
Hotline Bail Bonds, Reference)
No. 1184178; Katherine)
Protogiannis, Reference No.)
1078399; and Bails, Bails,)
Bails, Reference No. 1084839.)

CERTIFICATION OF DEPUTY
ATTORNEY GENERAL GAREN
GAZARYAN

I, Garen Gazaryan, of full age, do of my own personal knowledge make the following statements by way of certification in lieu of affidavit pursuant to R. 1:4-4(b):

1. I am a Deputy Attorney General assigned as counsel for the Commissioner of Banking and Insurance, State of New Jersey, ("Commissioner"), in the above-captioned matter. I make this certification in support of the Final Order in the above-captioned case against Respondents Abraham Lastra ("Lastra") and Hotline Bail Bonds ("HBB").

2. On April 8, 2016, the Commissioner issued Order to Show Cause No. E16-32 against Respondents Lastra and HBB charging them with-violations of the insurance laws of this State, pursuant

to N.J.S.A. 17:22A-40.

3. Pursuant to N.J.A.C. 11:17D-2.1(a)3, Order to Show Cause "shall be served by personal delivery, or by certified mail to the alleged violator's last known business or mailing address, according to the files maintained by the Department. Service in this manner shall be considered lawful service on the alleged violator."

4. Under cover letter dated April 12, 2016, our office served Respondent Lastra with Order to Show Cause No. E16-32 at his last known mailing address on file with the New Jersey Department of Banking and Insurance. Specifically, the cover letter and Order to Show Cause were sent via certified mail, return receipt requested, and regular mail to Respondent Lastra's last known mailing address at 1808 Bergenline Ave., Apt. 3, Union City, New Jersey 07087-3370.

5. The regular mailing was not returned to my office and the certified mailing was returned "unclaimed". A true and exact copy of the "unclaimed" certified mailing is attached as Exhibit 1. Therefore, service upon Respondent Lastra is proper and lawful service pursuant to N.J.A.C. 11:17D-2.1(a)3.

6. Under cover letter dated April 12, 2016, our office served Respondent HBB with Order to Show Cause No. E16-32 at its last known mailing and business address on file with the New Jersey Department of Banking and Insurance. Specifically, the cover letter

and Order to Show Cause were sent via certified mail, return receipt requested, and regular mail to Respondent HBB's last known mailing and business address at 1716 Bergenline Ave., Union City, New Jersey 07087-3370.

7. The regular mailing was not returned to my office and the certified mailing was returned "unclaimed". A true and exact copy of the "unclaimed" certified mailing is attached as Exhibit 2. Therefore, service upon Respondent HBB is proper and lawful service pursuant to N.J.A.C. 11:17D-2.1(a)3.

8. On April 19, 2016, I contacted Respondent Lastra by telephone and informed him of the instituted administrative proceeding against him and his company, HBB.

9. On May 10, 2016, Respondent Lastra contacted me by telephone and asked that I send him another copy of Order to Show Cause No. E16-32.

10. During the May 10, 2016 telephone conversation, Respondent Lastra requested that I send Order to Show Cause No. E16-32 to the following address - 563 South Broad St., Elizabeth, New Jersey 07202.

11. Under cover letter dated May 10, 2016, our office sent another copy of Order to Show Cause No. E16-32 to Respondents Lastra and HBB to the address provided by Respondent Lastra - 563 South Broad St., Elizabeth, New Jersey 07202.

12. On May 14, 2016, Respondents Lastra and HBB received

the certified mailing of Order to Show Cause No. E16-32. A true and exact copy of the signed return receipt of the certified mailing is attached as Exhibit 3.

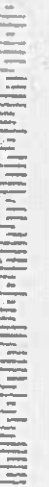
13. Therefore, pursuant to N.J.S.A. 11:17D-2.1(a)3, service of Order to Show Cause as described above constitutes lawful service upon Respondents Lastra and HBB.

I certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.

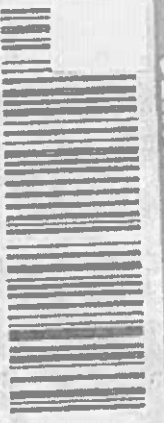


Garen Gazaryan
Deputy Attorney General

Dated: 11/4/2016



7024 2120 0002 701A 0081



UNITED STATES POSTAL SERVICE

UNCLAIMED

4-16

UNCLAIMED

From: G
 DEPARTMENT OF LA
 Richard J. Hughes
 DIVISION OF LAW P.O. B.
 To: Abraham Lacta
 1808 Berger
 Union City,



UNCLAIMED

Exhibit 2



7014 2120 0002 7018 0104

US POSTAGE
ZIP 08628 \$ 007.78⁰
02 11/14
0001385329 APR 14 2016



UNCLAIMED

UNCLAIMED

UNCLAIMED

4-16
10/10

From: Garen Gazaryan, DAG
DEPARTMENT OF LAW AND PUBLIC SAFETY
Richard J. Hughes Justice Complex
DIVISION OF LAW P.O. BOX 117 TRENTON, NJ 08625

To: Hotline Bail Bonds
c/o Abr
1716 B
Union C

RETURN TO SENDER



KEY RETURN ZIP CODE

Exhibit 3

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.

Abraham Lastra
563 S. Broad St.
Elizabeth, NJ 07202

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 Abraham Lastra Agent
 Addressee

B. Received by (Printed Name) C. Date of Delivery
Abraham Lastra *5-14-16*

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

3. Service Type
 Certified Mail® Priority Mail Express™
 Registered Return Receipt for Merchandise
 Insured Mail Collect on Delivery

4. Restricted Delivery? (Extra Fee) Yes

7014 2120 0002 7018 0760

EXHIBIT B

Proceedings by the Commissioner)
of Banking and Insurance, State)
of New Jersey, to fine, suspend) CERTIFICATION OF COSTS BY
and/or revoke the insurance) INVESTIGATOR EUGENE SHANNON
producer licenses of Abraham)
Lastra, Reference No. 1140882;)
Hotline Bail Bonds, Reference)
No. 1184178; Katherine)
Protogiannis, Reference No.)
1078399; and Bails, Bails,)
Bails, Reference No. 1084839.)

I, Eugene Shannon, of full age, do of my own personal knowledge make the following statements by way of certification in lieu of affidavit pursuant to R. 1:4-4(b):

1. I am an investigator with the New Jersey Department of Banking and Insurance, Division of Enforcement and Consumer Protection ("Department").

2. This certification is submitted in support of the Department's application for reimbursement of its costs of investigation and prosecution, in accordance with N.J.S.A. 17:22A-45(c).

3. In May 2014, I was assigned responsibility for conducting an investigation to determine whether Respondents Lastra and Hotline Bail Bonds may have violated certain provisions of the New Jersey Producer Licensing Act of 2001,

N.J.S.A. 17:22A-26, et seq., and related insurance regulations.

4. To determine the amount of time that I spent in the investigation and prosecution of this matter, I reviewed my files relative to this matter, including my time records. On the basis of this review, I have prepared the below schedule of costs:

DATE	TIME IN HRS.	PHONE	CASE PREP.	COMMENTS
5/25/14	5			Review complaint documents, identify respondents, check licensing
5/20/14-7/29/14	6.5	Various contacts		Calls, emails and interviews of Respondents and Consumers
6/23/14-8/12/14	10			Obtain and review responses from Respondents and submitted documentation
7/10/14	3		Investigative report	
9/4/14	2		Investigative report	
9/30/14	1			Name checks with Bureau of Fraud Deterrence
10/7/14	4		F&E report	Write violations and compile evidence submission.
4/20/16	3		OTSC	Review OTSC prior to delivery
5/11/16	2		BKI Transmittal Form	
10/1/12-	3			Communications with

12/6/12				Bankers and Consumer for restitution payment.
5/20/14- 11/1/16	6			Calls and emails with DAGs assigned to the file to consult and clarify violations and evidence
TOTAL TIME	45.5	@ \$50.00 per hour		= \$2,275.00 TOTAL COSTS OF INVESTIGATION - \$

5. As this schedule reflects, the investigative efforts expended by the Department of Insurance concerning this matter total 45 hours and 30 minutes. Pursuant to N.J.A.C. 11:1-32.4(b)(20), costs to the Department for the investigation and prosecution for violations of the New Jersey Insurance Producer Licensing Act, N.J.S.A. 17:22A-40, are reimbursable at the rate of \$50.00 per hour, rounded to the nearest quarter hour.

6. I therefore request that the Department's costs of investigation and prosecution be reimbursed in the amount of \$2,275.00.

I certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements are willfully false, I am subject to punishment.


Eugene Shannon

Dated: November 9, 2016.