

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 or revoke the insurance producer  
licenses of John Anthony Bonino, Sr.,  
Reference No. 1060671 and United Bail  
Group LLC, Reference No. 1520251 )  
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**ORDER TO SHOW CAUSE**

TO: John Anthony Bonino, Sr.  
c/o 007 Bail Bonds, Inc.  
16 Court Street  
Old Bridge, New Jersey 07728

John Anthony Bonino, Sr.  
12 Stevens Avenue  
Freehold, New Jersey 08857

United Bail Group LLC  
16 Court Street  
Freehold, New Jersey 07728

THIS MATTER, having been opened by the Commissioner of Banking and Insurance ("Commissioner"), State of New Jersey, upon information that John Anthony Bonino Sr. ("Bonino") and United Bail Group LLC ("United"), (collectively, "Respondents"), may have violated various provisions of the insurance laws of the State of New Jersey; and

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

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

WHEREAS, at all relevant times, Bonino was a managing member of United; and

**WHEREAS, Karl V. Brown ("Brown") was licensed as a resident individual insurance producer pursuant to N.J.S.A. 17:22A-32a until his license was revoked on December 14, 2015; and**

**WHEREAS, Guaranteed Bail Bonds ("Guaranteed") was licensed as a resident business entity insurance producer pursuant to N.J.S.A. 17:22A-32b until its license was revoked on December 14, 2015; and**

**WHEREAS, Respondents are subject to the provisions of the New Jersey Insurance Producer Licensing Act of 2001, N.J.S.A. 17:22A-26 to -48 ("Producer Act"), the Producer Licensing regulations, N.J.A.C. 11:17-1 to -2.17, and the regulations governing Insurance Producer Standards of Conduct, N.J.A.C. 11:17A-1.1 to 11:17D-2.8; and**

**WHEREAS, pursuant to N.J.S.A. 17:22A-40a(2), an insurance producer shall not violate any insurance law, 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(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(12), an insurance producer shall not knowingly accept insurance business from an unlicensed producer; 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.S.A. 17:22A-40a(17), an insurance producer shall not knowingly facilitate or assist another person in violating insurance laws; and**

**WHEREAS, pursuant to N.J.S.A. 17:22A-41(a), an insurer or insurance producer shall not pay a commission, service fee, brokerage or other valuable consideration to a person for selling, soliciting or negotiating insurance in this State if that person is required to be licensed**

under the Producer Act and is not licensed; and

WHEREAS, pursuant to N.J.A.C. 11:17A-1.3(d), no licensed insurance producer shall permit or allow any unlicensed person to transact the business of an insurance producer; and

WHEREAS, pursuant to N.J.A.C. 11:17B-2.1(a), no insurance producer shall pay any commission to any unlicensed individual or organization for services rendered in this State as an insurance producer except for services rendered while licensed; 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, and may levy a civil penalty, for a violation of the Producer Act; and

WHEREAS, pursuant to N.J.S.A. 17:22A-45c, any person violating the Producer Act is subject to a penalty not exceeding \$5,000.00 for the first offense and not exceeding \$10,000.00 for each subsequent offence; moreover, the Commissioner may order restitution of moneys owed any person and reimbursement of costs of the investigation and prosecution; and

#### **COUNT 1**

IT APPEARING, that on February 27, 2015, Brown, on behalf of Guaranteed, and Bonino, on behalf of United, entered into a Supervised Representative's Bail Bond Agreement ("Agreement") with American Surety Company ("American Surety"); and

IT FURTHER APPEARING, that American Surety is a surety company incorporated in the State of Indiana and authorized to transact business in New Jersey that issues fidelity and surety insurance; and

IT FURTHER APPEARING, that American Surety supplied Respondents with powers of attorney pursuant to the Agreement so that Respondents could execute bail bonds in the name of American Surety; and

**IT FURTHER APPEARING, that, at all relevant times, including January 2016, Respondents were the supervisory agents for Brown in connection with all bail bond transactions made with American Surety in the State of New Jersey; and**

**IT FURTHER APPEARING, that Respondents were expected to supply Brown and Guaranteed with American Surety powers of attorney to meet reasonable business needs pursuant to the Agreement; and**

**IT FURTHER APPEARING, that Respondents did supply Brown and Guaranteed with American Surety powers of attorney; and**

**IT FURTHER APPEARING, that Brown and Guaranteed were to deliver any unused powers of attorney to American Surety or Respondents at the request of American Surety pursuant to the Agreement; and**

**IT FURTHER APPEARING, that, on January 6, 2016, Brown and Guaranteed issued an American Surety power of attorney for the posting of bail for S.B.; and**

**IT FURTHER APPEARING, that, on January 11, 2016, Brown and Guaranteed issued an American Surety power of attorney for the posting of bail for R.A.; and**

**IT FURTHER APPEARING, that, on January 14, 2016, Brown and Guaranteed issued an American Surety power of attorney for the posting of bail for A.L.; and**

**IT FURTHER APPEARING, that Respondents knew that Brown and Guaranteed issued the three referenced American Surety powers of attorney in January 2016; and**

**IT FURTHER APPEARING, that at all relevant times Respondents, as supervising agents for Brown and Guaranteed, had knowledge that there was a pending Department of Banking and Insurance administrative action against Brown and Guaranteed for insurance law violations; and**

**IT FURTHER APPEARING, that at all relevant times, Respondents, as supervisory agents for Brown and Guaranteed, knew or should have known that Brown's and**

Guaranteed's insurance producer licenses had been revoked when Brown and Guaranteed issued the three referenced American Surety powers of attorney in January 2016; and

IT FURTHER APPEARING, that Respondents failed to request the return of American Surety powers of attorney from Brown and Guaranteed when they knew or should have known that Brown's and Guaranteed's insurance producer licenses had been revoked; and

IT FURTHER APPEARING, that Respondents collected premiums from Brown and Guaranteed and paid commissions to Brown and Guaranteed for the three referenced American Surety powers of attorney issued by Brown and Guaranteed; and

IT FURTHER APPEARING, that Respondents, the supervisory agents for Brown and Guaranteed, knowingly accepted insurance business from an unlicensed insurance producer, allowed an unlicensed person to transact the business of an insurance producer and facilitated or assisted Brown and Guaranteed in violating the insurance laws in violation of N.J.S.A. 17:22A-40a(12) and (17) and N.J.A.C. 11:17A-1.3(d); and

IT FURTHER APPEARING, that Respondents, as supervisory agents for Brown and Guaranteed, demonstrated incompetence, untrustworthiness or financial irresponsibility in the conduct of insurance business by doing business with unlicensed insurance producers in violation of N.J.S.A. 17:22A-40a(2), (8) and (16); and

IT FURTHER APPEARING, that Respondents paid a commission or other valuable consideration to a unlicensed individual or organization for selling, soliciting or negotiating insurance in violation of N.J.A.C. 11:17B-2.1(a) and N.J.S.A. 17:22A-41(a); and

NOW, THEREFORE, IT IS on this 15<sup>th</sup> day of June, 2018

ORDERED, that Respondents appear and show cause why their New Jersey insurance producer licenses should not be suspended or revoked pursuant to N.J.S.A. 17:22A-40a; and

**IT IS FURTHER ORDERED, that Respondents appear and show cause why the Commissioner should not assess a civil penalty of up to \$5,000.00 for the first violation and \$10,000.00 for each subsequent violation of the Producer Act pursuant to the provisions of N.J.S.A. 17:22A-45c; and**

**IT IS FURTHER ORDERED, that Respondents appear and show cause why they should not be ordered to pay restitution and to reimburse the Department for the costs of investigation and prosecution as authorized by N.J.S.A. 17:22A-45c; and**

**IT IS PROVIDED, that Respondents have the right to request an administrative hearing, to be represented by counsel or other qualified representative, at their own expense, to take testimony, to call or cross-examine witnesses, to have subpoenas issued and to present evidence or argument if a hearing is requested; and**

**IT IS FURTHER PROVIDED, that unless a request for a hearing is received within twenty (20) days of the service of this Order to Show Cause, the right to a hearing in this matter shall be deemed to have been waived by Respondents, and the Commissioner shall dispose of this matter in accordance with law. A hearing may be requested by mailing the request to Virgil Downtin, Chief of Investigations, Department of Banking and Insurance, P.O. Box 329, Trenton, N.J. 08625 or by faxing the request to the Department at (609) 292-5337. A copy of the request for a hearing shall also be sent to Deputy Attorney General Carl M. Bornmann at fax number (609) 777-3607. The request shall contain the following:**

- (a) The Respondent's name, address and daytime telephone number;**
- (b) A statement referring to each charge alleged in this Order to Show Cause and identifying any defense intended to be asserted in response to each charge. Where the defense relies on the facts not contained in the Order to Show Cause, those specific facts must be stated;**
- (c) A specific admission or denial of each fact alleged in this Order to Show Cause. Where the Respondent has no specific knowledge regarding a fact**

alleged in this Order to Show Cause, a statement to that effect must be contained in the hearing request. Allegations of this Order to Show Cause not answered in the manner set forth above shall be deemed to have been admitted; and

- (d) A statement requesting a hearing.

A handwritten signature in black ink, appearing to read 'Peter L. Hart', written over a horizontal line.

Peter L. Hart  
Director of Insurance