

OCT 27 1998

STATE OF ARIZONA

DEPARTMENT OF INSURANCE

DEPT. OF INSURANCE  
BY Ball

1 In the Matter of: ) Docket No. 98A-111-INS  
 2 )  
 3 )  
 4 MERRI SUZANNE DAUGHERTY d.b.a., ) **ORDER**  
 5 AAA INSTANT BAIL BONDS; DRUG & )  
 6 DWI BAIL BONDS; ACTION BAIL )  
 7 BONDS; and ZIGGY'S IMMEDIATE )  
 8 BAIL BONDS )  
 9 Respondent. )  
 10 )

11 On October 15, 1998, the Office of Administrative Hearings, through  
 12 Administrative Law Judge Lewis D. Kowal, issued a Recommended Decision of  
 13 Administrative Law Judge ("Recommended Decision"), a copy of which is attached and  
 14 incorporated by this reference. The Director of the Department of Insurance has reviewed  
 15 the Recommended Decision and enters the following Order:

- 16 1. The recommended Findings of Fact and Conclusions of Law are adopted.
- 17 2. The Respondent's bail bond insurance agent license shall be suspended for 12  
 18 months commencing sixty days after the date of this Order.

19 In light of the seriousness of Respondent's offense, the period of suspension  
 20 recommended by the Administrative Law Judge is insufficient. I am forbearing from revoking her  
 21 license in light of her clean record. I believe a civil penalty is unnecessary because the suspension itself  
 22 will have financial consequences for the Respondent.  
 23

1 NOTIFICATION OF RIGHTS

2 Pursuant to A.R.S. § 41-1092.09, the aggrieved party may request a rehearing with  
3 respect to this Order by filing a written motion with the Director of the Department of Insurance within  
4 30 days of the date of this Order, setting forth the basis for relief under A.A.C. R20-6-114(B).

5 The final decision of the Director may be appealed to the Superior Court of Maricopa  
6 County for judicial review pursuant to A.R.S. §§ 12-904 and 20-166. A party filing an appeal must  
7 notify the Office of Administrative Hearings of the appeal within ten days after filing the complaint  
8 commencing the appeal, pursuant to A.R.S. § 12-904(B).

9 DATED this 27<sup>th</sup> of October, 1998

10 

11 \_\_\_\_\_  
12 Charles R. Cohen  
13 Acting Director of Insurance

14 A copy of the foregoing mailed  
15 this 27 day of October, 1998

16 Sara M. Begley, Acting Deputy Director  
17 Vista T. Brown, Executive Assistant  
18 John Gagne, Assistant Director  
19 Scott Greenberg, Business Administrator  
20 Catherine O'Neil, Legal Affairs Officer  
21 Department of Insurance  
22 2910 N. 44th Street, Suite 210  
23 Phoenix, AZ 85018

Office of Administrative Hearings  
1700 W. Washington, Suite 602  
Phoenix, AZ 85007

Shelby L. Cuevas  
Assistant Attorney General  
1275 W. Washington  
Phoenix, AZ 85007

1 Merri Suzanne Daugherty  
AAA Instant Bail Bonds  
2 1025 N. Central Avenue  
Phoenix, AZ 85004

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4 American Banker Insurance Company of Florida  
1122 Quail Roost Drive  
Miami, FL 33157-6596

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6 Kathy Lender  
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IN THE OFFICE OF ADMINISTRATIVE HEARINGS

In the Matter of:

No. 98A-111-INS

MERRI SUZANNE DAUGHERTY, dba  
AAA BAIL BONDS; DRUG AND DWI  
BAIL BONDS; ACTION BAIL BONDS,  
and  
ZIGGY'S IMMEDIATE BAIL BONDS,

RECOMMENDED DECISION  
OF ADMINISTRATIVE  
LAW JUDGE

Respondents.

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**HEARING:** September 29, 1998

**APPEARANCES:** Assistant Attorney General Shelby L. Cuevas for the Arizona  
Department of Insurance; Merri Suzanne Daugherty on her own behalf

**ADMINISTRATIVE LAW JUDGE:** Lewis D. Kowal

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**FINDINGS OF FACT**

1. At all times relevant to this matter, Merri Suzanne Daugherty doing business as AA Instant Bail Bonds Drug & DWI Bail Bonds, Action Bail Bonds, Ziggy's Immediate Bail Bonds and Bail Bond Posting ("Respondent") was and currently is licensed with the Arizona Department of Insurance ("Department") as a bail bond insurance agent.
2. On September 13, 1996, a civil complaint was filed in the Maricopa County Superior Court against Respondent in Niran L. Ross v. Bonnie L. Ross v. Suzanne Daugherty and American Bankers Insurance Company of Florida, Inc., Case Number CV96-16392("Case No. 16392"). In the Complaint filed in Case No. 16392, the Plaintiffs alleged that Respondent caused a Quitclaim Deed and a Deed of Trust and Assignment of Rents to be recorded in the Maricopa County Recorder's Office when Respondent had reason to know both documents were forged and contained false claims.
3. On October 22, 1997, the Court entered a Judgment and Order in Case No. 16392 finding in favor of the Plaintiffs. The Court made specific findings regarding Respondent which shall be addressed below.

Office of Administrative Hearings  
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Phoenix, Arizona 85007  
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1 4. During the hearing, Respondent admitted that she is also known as Suzanne  
2 Daugherty and was the Defendant in Case No. 16392. Respondent also admitted  
3 that the Judgment in that case was not appealed and is a final judgment.

4 5. The facts and issues in Case No. 16392 arise out of a bail bond transaction and  
5 from the basis for the Department's instant disciplinary proceeding . The findings of  
6 the Court in Case No. 16392 that are relevant to this matter are as follows:

7 (1) In 1994, Plaintiffs son, Joey, was arrested for a criminal offense.

8 (2) The Plaintiffs discussed whether they should purchase a bond to get  
9 Joey released from jail; Niran Ross was opposed, and, at least initially,  
10 Bonnie Ross was also. She changed her mind later.

11 (3) Shortly after that, Betsy Petty called Bonnie Ross a number of times  
12 and convinced her to secure a bond for her son.

13 (4) Miss Petty told Bonnie what papers would be need [sic] and after  
14 Bonnie collected them Miss Petty picked her up at her house and took her  
15 to Suzanne Daugherty's bond business, Bail Bond Posting. That was  
16 November 7, 1994.

17 (5) Bonnie Ross talked to Bryce Dickerson, an employee of Ms.  
18 Daugherty about a bond.

19 (6) While they were talking, Ms. Daugherty came into the room asked  
20 where Niran Ross was and said papers for the bond required his  
21 signature in addition to Bonnie Ross' signature.

22 (7) Bonnie Ross left Bail Bond Posting believing that no bond would issue  
23 because she did not have Niran Ross' signature.

24 (8) In a few weeks Joey Ross was released on bond. Niran and Bonnie  
25 Ross  
26 found that out at a Thanksgiving holiday gathering when they saw him  
27 there, but nothing was said about the bond or how he got released.

28 (9) On November 7, 1994, Bryce Dickerson notarized a Quitclaim Deed  
29 showing that the Ross' released their real property located on Lot 453,  
30 Circle City Unit II, 220 Debs Circle, Circle City, Arizona to Suzanne  
Daugherty. The Deed showed signatures of Bonnie Ross and Niran Ross,  
the Plaintiffs.

(10) On November 7, 1994, Bryce Dickerson notarized a Deed of Trust  
and Assignment of Rents showing that the Ross', as trustors, transferred  
to Suzanne Daugherty, as trustee, and American Bankers Ins. Co., as  
beneficiary, their property in Circle City (noted above in paragraph #9).  
This document also bore signatures purporting to be Bonnie and Niran

Ross, the Plaintiffs.

1  
2 (11) Also on November 7, Suzanne Daugherty notarized a Bail Bond Agreement which bore the signature of Bonnie Ross as indemnitor.

3  
4 (12) Bonnie Ross does not remember whether she signed the Quitclaim Deed  
5 and either she does not remember signing the Deed of Trust and the Bail Bond Agreement or she is not sure whether she signed them.

6  
7 (13) The signature of Bonnie Ross on the Quitclaim Deed is genuine. The signature of Niran Ross on the Quitclaim Deed is a forgery.

8  
9 (14) The signature of Bonnie Ross on the Deed of Trust is a forgery. The signature of Niran Ross on the Deed of Trust is a forgery.

10  
11 (15) The signature of Bonnie Ross on the Bail Bond Agreement is genuine. There is no signature for Niran Ross on the Bail Bond Agreement.

12  
13 (16) The Bail Bond Agreement is predicated upon the giving of adequate and legal collateral by the Ross'.

14  
15 (17) Niran Ross did not sign the Quitclaim Deed, the Deed of Trust or the Bail Bond Agreement.

16  
17 (18) Suzanne Daugherty caused the Deed of Trust to be recorded at the County Recorder's Office on December 16, 1994.

18  
19 (19) Sometime in 1995 the office of judge Wilkinson, a Superior Court judge,  
20 called Bonnie Ross and told her something about a bond and that was the first time she  
21 learned that her son had got out of jail on a bond.

22  
23 (20) On March 15, 1995, a judgment was signed in the Superior Court forfeiting the bond for Joey Ross and the County Attorney wrote to Bail Bond Posting asking that it pay the amount of the bond.

24  
25 (21) The first time the Ross' knew their property had been used as collateral was in early April, 1996, when Suzanne Daugherty called to tell  
26 them the bond had been forfeited by the Court because their son had not met his obligations, and that now they would have to come up with  
27 money.

28  
29 (22) Early in April, 1996, sometime before April 9, Suzanne Daugherty called the  
30 Ross home and talked to Niran Ross. He told her the signatures on the documents were forged.

1 (23) Suzanne Daugherty caused the Quitclaim Deed to be recorded in  
the County Recorder's Office on April 9, 1996.

2 6. The Court determined the following Conclusions of Law in case No. 16392:

3 (1) The Quitclaim, Deed of Trust, and Bail Bond Agreement are  
4 unenforceable.

5 (2) The Quitclaim Deed is void.

6 (3) The Ross' are entitled to a clear title to the property described in the  
7 Quitclaim Deed.

8 (4) When Suzanne Daugherty caused the Deed of Trust to be  
9 recorded on December 16, 1994, she did not know it contained forged  
10 signatures and she had no reason to believe that it contained forged  
signatures.

11 (5) When Suzanne Daugherty caused the Quitclaim Deed to be recorded  
12 on April 9, 1996 she knew or had reason to know that the signature of  
Niran Ross on that document was forged.

13 7. In Case No. 16392, the Court 's Order included the following:

14 1. The Quitclaim Deed recorded in the Maricopa County Recorder's  
15 Office on April 9, 1996 as Document No.96-0241465 is hereby declared  
16 null and void, and the title to the subject real property, as more particularly  
17 described in Exhibit A hereto attached, is herewith cleared of the effect of  
18 the recording of the said Quitclaim Deed.

19 2. The Deed of Trust and Assignment of Rents recorded in the Maricopa  
20 County Recorder's Office on December 16, 1994 as Document No. 94-  
21 0878063 is hereby declared null and void, and the title to the subject real  
22 property, as more particularly described in Exhibit A hereto attached, is  
23 herewith cleared of the effect of the recording of the said Deed of Trust  
and Assignment of Rents...

24 8. During the hearing, Respondent attempted to relitigate the facts and issued  
25 decided in Case No. 16392 but was precluded for doing so by the Administrative  
26 Law Judge as the Judgment and Order in Case No. 16392 were final and binding on  
27 Respondent.

28 9. In mitigation, Respondent credibly testified that she has been licensed as a bail  
29 bond insurance agent in Arizona for approximately 10 years and has had no other  
30 disciplinary action taken against her by the Department. According to Respondent,

1 in that time period, the only complaint when is aware of that was made to the  
2 Department concerned obtaining a refund of a nonrefundable premium. Upon being  
3 contacted by the Department concerning that complaint and providing a response,  
4 no other action was taken against Respondent with respect to that matter.

5 **CONCLUSIONS OF LAW**

- 6 1. Respondent's conduct as set forth above in the Findings of Fact constitutes he  
7 wilfull violation of, or wilful noncompliance with, any provision of A.R.S., Title 20, or  
8 any lawful rule, regulation, or order of the Director of the Department ("Director") and  
9 constitutes a violation of A.R.S §20-316(A)(2).  
10 2. Respondent's conduct as set forth above in the Findings of Fact constitutes the  
11 making of any misleading or untrue representations to a court or to a public official  
12 with respect to a bail bond transaction within the meaning of A.A.C. R20-6-  
13 601(C)(7).  
14 3. The Judgment and Order in Case No. 16392 constitutes a record of dishonesty  
15 in business or financial matters in violation of A.R.S.§20-316(A)(1) taken together  
16 with A.R.S. §20-290(B)(2).  
17 4. Respondent's conduct as set forth above in the Findings of Fact constitutes  
18 affairs under Respondent's license showing her to be incompetent or a source of  
19 injury and loss to the public, in violation of A.R.S. §20-316(A)(7).  
20 5. Based on the above, grounds exist for the Director to suspend, revoke or refuse  
21 to renew Respondent's bail bond insurance agent license, and/or impose a civil  
22 penalty upon Respondent.

23 **RECOMMENDED ORDER**

24 It is recommended that based upon the above, and with consideration given to  
25 Respondent's otherwise unblemished record, Respondent's bail bond insurance agent  
26 license be suspended for four months and within 60 days of the Order entered in this  
27 matter, Respondent shall pay to the Department a civil penalty in the sum of \$150.00.

28 Done this day, . October 15, 1998.

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30 Lewis D. Kowal  
Administrative Law Judge



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Original transmitted by mail this  
16 day of October, 1998, to:

Mr. Charles R. Cohen, Acting Director  
Department of Insurance  
2910 North 44th Street, Ste. 210  
Phoenix, AZ 85018

Attention: Curvey Burton

By 