

**NORTH CAROLINA DEPARTMENT OF INSURANCE  
RALEIGH, NORTH CAROLINA**

**STATE OF NORTH CAROLINA  
COUNTY OF WAKE**

**BEFORE THE COMMISSIONER  
OF INSURANCE**

**IN THE MATTER OF THE LICENSURE OF  
TERI L. PENNY (NPN # 10004151)**

**VOLUNTARY SETTLEMENT  
AGREEMENT**

**NOW COME** Teri L. Penny (hereinafter "Bail Bondsman") and the Bail Bond Regulatory Division of the North Carolina Department of Insurance (hereinafter "BBRD") and hereby voluntarily and knowingly enter into the following Voluntary Settlement Agreement ("Agreement") to resolve outstanding case file number 88113:

**WHEREAS**, BBRD regulates and licenses professional bail bondsmen, accommodation bail bondsmen, surety bail bondsmen, and runners in North Carolina; and

**WHEREAS**, Bail Bondsman currently holds a license as a surety bail bondsman first issued by BBRD on April 21, 2005; and

**WHEREAS**, on April 5, 2022, Bail Bondsman executed a bond for the pretrial release of Franicka Watlington in *State v. Watlington*, Case No. 22-CR-50488 (Person Co.); and

**WHEREAS**, on the same day, Bail Bondsman and Ms. Watlington entered into a Memorandum of Agreement whereby Bail Bondsman agreed to accept payment of \$750 in premium paid over seven weekly installments, with the first installment payment of \$100 due on April 15, 2022 and the final installment payment of \$150 due on May 27, 2022; and

**WHEREAS**, in compliance with the Memorandum of Agreement, Bail Bondsman accepted premium payments from Ms. Watlington of \$100 on April 15, 2022, \$100 on April 22, 2022, \$100 on April 29, 2022, \$100 on May 6, 2022, \$100 on May 13, 2022, \$100 on May 20, 2022, and \$150 on May 27, 2022; and

**WHEREAS**, unrelated to her own pretrial release bond, Ms. Watlington had also executed an indemnitor's agreement agreeing to guarantee payment of a \$2,000 bond executed by Bail Bondsman for the pretrial release of Lawson Bennett in a separate criminal action ("the Bennett bond"); and

**WHEREAS**, Mr. Bennett failed to appear in court, forfeiting the \$2,000 bond, and triggering Ms. Watlington's duty to indemnify Bail Bondsman under the indemnitor's agreement relating to the Bennett bond; and

**WHEREAS**, in July 2022, August 2022, and September 2022, Bail Bondsman unsuccessfully attempted to collect indemnity on the Bennett bond from Ms. Watlington by visiting Ms. Watlington's home and workplace; and

**WHEREAS**, it is Bail Bondsman's contention that Ms. Watlington failed to respond to Bail Bondsman or to conduct weekly checkins, which were both an expectation of the bond relationship between Bail Bondsman and Ms. Watlington and a common practice in Bail Bondsman's area; and

**WHEREAS**, it is Bail Bondsman's contention that Ms. Watlington physically hid from Bail Bondsman when Bail Bondsman attempted to physically locate her after Ms. Watlington failed to conduct her weekly checkins; and

**WHEREAS**, on September 27, 2022, Bail Bondsman arrested Ms. Watlington at her workplace and surrendered Ms. Watlington to the Person County Jail in *State v. Watlington*, Case No. 22-CV-50488. The *Surrender of Defendant by Surety* form signed by Bail Bondsman includes a handwritten note that states "surrendered for concealment of self and failure to pay off bond;" and

**WHEREAS**, Bail Bondsman maintains that the reference in her hand-written note regarding Ms. Watlington's refusal to pay was in way of notifying other local bail bondsman, a common practice in the area; and

**WHEREAS**, it is Bail Bondsman's position that the only reason Ms. Watlington was arrested was for physically hiding from Bail Bondsman as related to Ms. Watlington's pre-trial bail; and

**WHEREAS**, Bail Bondsman did not return the \$750 in premium received from Ms. Watlington relating to Ms. Watlington's pretrial release in *State v. Watlington*, Case No. 22-CR-50488 within 72 hours after the September 27, 2022 surrender; and

**WHEREAS**, pursuant to N.C. Gen. Stat. § 58-71-20, Bail Bondsman was required to return the full premium received for the bond -- \$750 -- to Ms. Watlington within 72 hours of the surrender unless Ms. Watlington breached one of the seven conditions set out in the statute; and

**WHEREAS**, N.C. Gen. Stat. § 58-71-20 allows licensed bail bondsmen to surrender a criminal defendant to the sheriff of the county where the defendant is bonded to appear "[a]t any time before there has been a breach of the undertaking," but requires that "full premium" be returned to the bond principal within 72 hours after a pre-breach surrender, unless the defendant:

- (1) Willfully fails to pay the premium to the surety or willfully fails to make a premium payment under the agreement specified in G.S. 58-71-167.
- (2) Changes his or her address without notifying the surety before the address change.
- (3) Physically hides from the surety.
- (4) Leaves the State without the permission of the surety.
- (5) Violates any order of the court.
- (6) Fails to disclose information or provides false information regarding any failure to appear in court, any previous felony convictions within the past 10 years, or any charges pending in any State or federal court.



(7) Knowingly provides the surety with incorrect personal identification, or uses a false name or alias.

**WHEREAS**, on June 6, 2023, in *State v. Penny*, Case No. 23-CR-239889 (Person Co.), Bail Bondsman was convicted of violating N.C. Gen. Stat. § 58-71-20 by failing to return full premium within 72 hours after Ms. Watlington's pre-breach surrender, a Class 1 misdemeanor under N.C. Gen. Stat. § 58-71-185; and

**WHEREAS**, the June 6, 2023 judgment in *State v. Penny*, Case No. 23-CR-239889 (Person Co.), ordered Bail Bondsman to pay Ms. Watlington \$750 in restitution; and

**WHEREAS**, Bail Bondsman did pay restitution as ordered by the court; and

**WHEREAS**, N.C. Gen. Stat. § 58-71-80(a)(2) authorizes the Commissioner to "deny, place on probation, suspend, revoke, or refuse to renew any license issued under this Article" for "a conviction of any misdemeanor committed in the course of dealings under the license issued by the Commissioner[:]" and

**WHEREAS**, N.C. Gen. Stat. § 58-71-80(a)(7) authorizes the Commissioner to "deny, place on probation, suspend, revoke, or refuse to renew any license issued under this Article" for "[f]ailure to comply with or violation of the provisions of this Article ...[:]" including violation of N.C. Gen. Stat. § 58-71-20; and

**WHEREAS**, N.C. Gen. Stat. § 58-71-80(a)(4) further authorizes the Commissioner to "deny, place on probation, suspend, revoke, or refuse to renew any license issued under this Article" for "unlawful withholding of moneys belonging to insurers or others and received in the conduct of business under the license[:]" and

**WHEREAS**, the April 8, 2022 Memorandum of Agreement that Bail Bondsman had Ms. Watlington execute did not contain Bail Bondsman's printed license number, as required by 11 N.C. Admin. Code 13.0512(j); and

**WHEREAS**, the seven written receipts furnished by Bail Bondsman to Ms. Watlington on April 15, 2022, April 22, 2022, April 29, 2022, May 6, 2022, May 13, 2022, May 20, 2022, and May 27, 2022 did not show Bail Bondsman's address, as required by 11 N.C. Admin. Code 13.0515(2) and the May 6, 2022, May 13, 2022, and May 27, 2022 written receipts did not show the total amount of the bond for which the fee is being charged, as required by 11 N.C. Admin. Code 13.0515(5); and

**WHEREAS**, in this case, no prior administrative action has been taken against Bail Bondsman's license and Bail Bondsman has paid in full the court-ordered restitution to Ms. Watlington; and

**WHEREAS**, it is Bail Bondsman's position that Ms. Watlington was hiding from her and that Bail Bondsman's surrender of Ms. Watlington was lawful; and

**WHEREAS**, Bail Bondsman understands that she was found guilty and judgment entered

against her for violating N.C. Gen. Stat. § 58-71-20 in *State v. Penny*, Case No. 23-CR-239889; and

**WHEREAS**, pursuant to N.C. Gen. Stat. § 58-2-70(g), the Commissioner has the express authority to negotiate a mutually acceptable agreement with any person as to the status of the person's license issued by BBRD, or as to any civil penalty or restitution; and

**WHEREAS**, Bail Bondsman has agreed to settle, compromise, and resolve the matters described in this Agreement, in lieu of proceeding to a formal administrative hearing, on behalf of herself, and BBRD has agreed not to pursue additional civil ramifications, including penalties, sanctions, remedies, or restitution based on these matters against Bail Bondsman; and

**WHEREAS**, this Agreement is civil in nature and does not preclude criminal prosecution that may result from investigations, if any, conducted by the North Carolina Department of Insurance's Criminal Investigation Division for violation of criminal laws; and

**WHEREAS**, BBRD represents that, to its knowledge the Criminal Investigations Division of the North Carolina Department of Insurance is not currently investigating Bail Bondsman for the above described conduct; and

**WHEREAS**, the parties mutually wish to resolve these matters by consent before BBRD notices a formal administrative hearing concerning these matters, and have reached a mutually agreeable resolution of these matters as set out in this Agreement; and

**NOW, THEREFORE**, in exchange for the consideration and promises and agreements set out herein, Bail Bondsman and BBRD hereby agree to the following:

1. Bail Bondsman shall pay a civil penalty of One Thousand Dollars and No Cents (**\$1,000.00**) to BBRD. The form of payment shall be by certified check, cashier's check, money order, or check drawn against an attorney trust account. The check or money order shall be made payable to the "North Carolina Department of Insurance." Together with the payment, the original of this Agreement bearing Bail Bondsman's signature shall be mailed to:


*North Carolina Department of Insurance  
Piedmont Regional Office  
Attention: Jennifer Bullins-Spivey, BBRD  
106 Baker Road  
Archdale, N.C. 27263*

2. **The signed Agreement and civil penalty payment must be received by BBRD by March 1, 2024.**
3. Bail Bondsman may separately submit this executed document and the \$1,000 penalty payment, so long as both items are received by March 1, 2024.
4. Bail Bondsman shall comply with all of the provisions of Chapter 58 of the North



Carolina General Statutes and of Title 11 of the North Carolina Administrative Code governing licensed surety bail bondsmen.

5. The parties agree that this Agreement shall have the full force and effect of an Order of the Commissioner. Bail Bondsman understands that N.C.Gen. Stat. § 58-71-80(a)(7) provides that Bail Bondsman's license may be revoked for a subsequent violation of this Order of the Commissioner.
6. Bail Bondsman enters into this Agreement freely and voluntarily and with knowledge of Bail Bondsman's right to have an administrative hearing regarding this matter. Bail Bondsman acknowledges that she consulted with her attorney prior to entering into this Agreement.
7. This Agreement constitutes a complete settlement of all administrative penalties against Bail Bondsman for the acts, policies or practices expressly addressed in this Agreement. Except as to the acts, policies or practices expressly addressed herein, this Agreement does not in any way affect the Department's disciplinary power in any future examination of Bail Bondsman or in any complaint involving Bail Bondsman. Should Bail Bondsman fail to comply with this Agreement or otherwise fail to comply with applicable laws and rules, the Department may take any administrative or legal action that it is authorized to take.
8. This Agreement, when finalized, will be a public record and is not confidential. BBRD may disclose the contents of this Agreement to third parties pursuant to any law or policy providing for such disclosure. Following the execution of this Agreement, the license issued by the Department to Bail Bondsman shall reflect that Regulatory Action has been taken against Bail Bondsman.
9. This Agreement between Bail Bondsman and BBRD shall become effective when signed by Bail Bondsman and by Senior Deputy Commissioner Marty Sumner on behalf of BBRD.

  
TERIL L. PENNY

Date: \_\_\_\_\_

BAIL BOND REGULATORY DIVISION OF THE  
NORTH CAROLINA DEPARTMENT OF INSURANCE

By:   
Marty Sumner, Senior Deputy Commissioner

Date: 3/5/2024