



New Affinity Program Saves You Money

Lexington National is proud to announce its new “Producer Affinity Program.” This program provides Lexington National bondsmen with an approved list of vendors at discounted prices.

We researched and “test drove” products from dozens of companies to see who has the best products. Then, we worked with the top vendors to obtain discounts based on Lexington National’s size and reputation in the bail bond world.

With this new program, every Lexington National bondsman will be in a better position to expand business, manage risk, and reduce overhead expenses.

- **Websites** – Is your website a good reflection on you? Does it help you sell bonds? If not, Lexington National’s new website program may be just what you need. Lexington National has entered an agreement with “mybailsite.com” to provide websites for Lexington National bondsmen. These sites are designed specifically for bondsman and have a proven track record. We’ve negotiated low rates so that websites start at \$350, with hosting fees as low as \$15 per month.
- **Credit Card Processing** – James Peeler and American Spirit Processing have been active in the Professional Bail Agents of the United States for many years and they understand the specific credit card processing needs of bondsmen. We have worked with James to design a program especially for Lexington National’s agents that allows you to conduct business from multiple locations and receive a special discount on pricing. To be sure American Spirit’s program makes sense for you, James will review one of your recent credit card processing bills and analyze what the fees would have been with American Spirit.
- **Property Searches** – Determining a property’s value and liens is important in considering collateral for a bond. Lexington National has chosen SiteX as its preferred vendor for these services. SiteX has agreed to waive all set up fees for Lexington National producers and to provide various discounted search packages. Lexington National has preferred

arrangements with other vendors as well.

- **Credit Reports** – We have negotiated a deal for Lexington National producers to buy credit reports on indemnitors and defendants for only \$3.50 each.
- **Computer Skip Tracing** – Lexington National has worked with MasterFiles to offer the most comprehensive system for finding information on fugitives at the best price. The Probe Contact Report provides extensive information about individuals and is available to Lexington National producers at a discount. Free training, including group webinars and one-on-one assistance are available.
- **Professional Liability Insurance** – Last year, the PBUS approved a professional liability policy sold through Rockwood Programs. PBUS members receive a significant discount. Rockwood has agreed to pay for a one year non-voting PBUS membership for every Lexington National producer who purchases an insurance policy.
- **Yellow Book** – Although more and more customers are using the internet to find a bondsman, many customers still use the phone book and thus most bondsmen still have some phone book advertising. Yellow Book is offering special rates for Lexington National’s producers. A designated representative, who has been assisting bail bondsmen for many years and knows what they need, has been assigned to help Lexington National producers. All Lexington National agents will receive second ads and a three page website ad free. In addition, Lexington National’s pricing is substantially lower than what is extended to advertising agencies, with discounts up to 30%.



Continued on page 2

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• **Promotional Items** – Lexington National has obtained discount pricing on matches, coasters, t-shirts and other promotional items. Buying as a group saves money for all of us.

For more information, call Scott Williams in our office today or visit Lexington National's website. Let us help you save money. ■

Lexington National's Baltimore Bail Bond Office Still the Best!

The Frank Family began its journey in to the world of bail bonds over 60 years ago when Phyllis Frank's father opened a retail bail agency in Baltimore, Maryland. Today, the retail bail operations of Fred Frank Bail Bonds are run by Fred and Phyllis's son, Ronnie Frank. Ronnie and his team have worked hard to continue to provide the great customer service that Fred Frank Bail Bonds has been known for through the years.

This effort was recently recognized by the *Baltimore City Paper*, which named Fred Frank Bail Bonds the 2011 "Best Bail Bond" office in Baltimore. The paper cited the family atmosphere at Fred Frank Bail Bonds and the willingness to work with customers. At Lexington National, we understand the retail bail business — we still run one of the best retail shops around.

If you want to work with a surety that really understands bail, give us a call. 1-888-888-BAIL. ■



Out and About



Lexington National bondsmen fill the Palms Restaurant for a night of great food and fun.



Alabama bondsmen Renee and Bill Honea.

Lexington National Insurance Corporation



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www.lexingtonnational.com

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and we mean Business!*

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Contact the editor Mark Holtschneider at mholtschneider@lexingtonnational.com or 1-888-888-BAIL. Deadline for next newsletter issue content: December 1, 2011.

Important Note

Lexington National Insurance Corporation does not endorse any of the vendors, web sites, forums, organizations, resources, etc. that are presented in this newsletter. All articles and references are prepared strictly for informational purposes.

Homestead Rules

One more thing bondsmen must consider when taking real estate as collateral

An indemnitor's home is often the only real asset that can be put up as collateral to secure a large bond. To determine equity in the property, bail bondsmen should figure out the likely sale price of the property at foreclosure, and then deduct the amount of existing liens.

Bondsmen also need to consider the state's homestead laws, which are designed to protect homeowners. A "homestead" is defined as an owner's home. An owner is only allowed to have one homestead at a time. The laws vary from state to state, however, regarding how an owner designates which of his properties is his homestead and whether the owner must live at that property for a certain amount of time to

claim the homestead.

The effect of the homestead designation also varies by state. The most extreme examples are states like Texas, where a creditor cannot foreclose on a mortgage unless the creditor provided the funds to purchase the home. Consequently, a mortgage given on a Texas home to secure a bail bond cannot be foreclosed upon by the surety. This can be a big surprise to bondsmen outside Texas who think they have security for their bond. In states like Texas, only non-homestead property can be taken as collateral for a bond.

Other states provide that a certain amount of any foreclosure go first to the homeowner. The amount of the exemption varies from \$10,000 in Alabama



to \$25,000 in Louisiana to \$50,000 in New York. Bondsmen must subtract this amount from the available equity in the property to determine how much will likely be left for the bondsman if a foreclosure is required. Also, many states allow a homeowner to waive his homestead rights, but only with the proper waiver language.

The bottom line is that a bondsman must know the homestead rules in his state. He should also make sure to learn the homestead rules in any state where he is going to take property as collateral for a bond. If you have questions about homestead rules, feel free to call Lexington National. ■

Pin Maps...The Key to Getting Local Customers

by Dan Kaplan and Eric Kronthal

This is the final installment of our year-long column on internet marketing for bail bonds companies.

This column is perhaps the most important of the four we've written. It's about how to get your website to the top of local searches, or the pin maps.

First, some definitions: What's a Pin Map? What's a local search result? See the image to the right. The search engines know where their users are searching from, and they often return "local" results for the corresponding town or city. These usually appear above the regular "organic" listings and have little red pins that correspond to a map.

For a bail bonds company focused on driving business locally, Pin Maps are much easier to rank high on, and can be very effective in attracting new customers.

So, where to start?

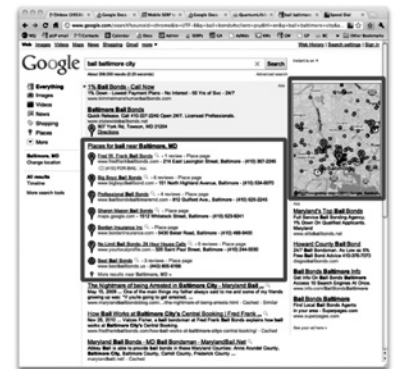
First, understand that you want to attract people who are looking for your services, regardless of whether or not they know who you are. This means you want to rank high for terms like "bail," "bail bonds," "bail bondsman," etc, and not just searches on your company name.

Second, secure your Google Places account. Google Places is a business listing account with Google, where you can let them know about all the details of your company, including your products & services, business hours, methods of payment, contact information, etc. For more information, visit: www.google.com/places.

Third, optimize your Google Places account. Make sure the terms your prospects are searching on to find your services are in your company title, description, and additional information fields. Upload images and video. Purchase a Tag (advertisement) for \$25/month.

Fourth, track your progress and improve. Every month, log into your Places account to see how many people have seen your listing, clicked through to your website, or clicked on your Tag advertisement. If you are not rising higher in the local Pin Map search results, get directories, local websites, business partners, and other websites to link to you. Also, set up business listings on review sites like Yelp.com, InsiderPages.com, LinkedIn.com, and Business.Intuit.com.

Thanks for reading, and if you have any questions about how to increase the number of leads you get from your website, please contact us at info@periscopeup.com or (866) 446-1972 – Dan and Eric, from periscopeUP.com. ■



Lexington National Family Members in the Military

It's easy to recognize how Lisa Slater, Randy Parton, Denise Jett and Tami Barksdale can brighten a day when you contact Lexington National with matters regarding your bail bond business. The dedication and hard work of these four individuals help set the standard of exemplary service for our company.

Not surprisingly, their children share the same passion for service – opting for lives dedicated to protecting Americans – as members of the United States military. You already know the parents. Now meet Daniel C. Slater, III, Mark P. Parton, Richard C. Jett, III and Jerrod J. Quinn.

Daniel C. Slater, III – Senior Airman, U.S. Air National Guard – son of Lisa Slater

A fifth generation military man, Daniel Slater decided at an early age that he wanted to serve in the U.S. Air National Guard. After high school, he enlisted and trained at Lackland Air Force Base in San Antonio, Texas, where he quickly earned respect and recognition from his superiors for outstanding leadership. While he was stationed locally at Martin's Air Force Base, Sr. Airman Slater became part of the Security Forces Sector of the Air National Guard and, immediately upon qualification, volunteered to serve overseas. Currently on deployment in Afghanistan, Slater's primary role is security for the U.S. Air Force Bases.

Before leaving this summer, Daniel spent loads of fun time with the Slater family, especially his three younger siblings. "They miss him terribly," said Lisa Slater. "but, they are the first to brag that their brother is in the military serving our country. He is an inspiration to all of us and we are so proud of his choices. When it's your child and you know this is what he wants to do, you support him!"

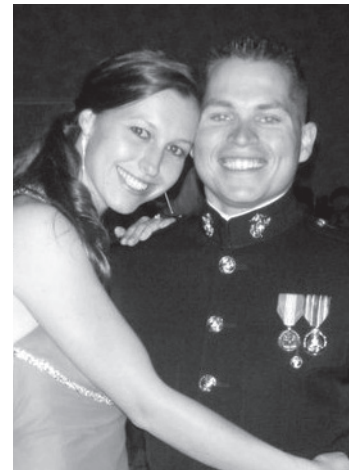


Mark P. Parton, First Lieutenant, U.S. Marine Corps – son of Randy Parton

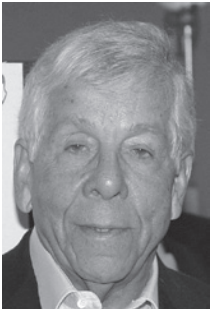
From the time he could say the word "military", Mark Parton pursued his dream of enlisting and following the footsteps of his grandparents. Graduating from the Virginia Military Institute with high honors, he was commissioned as an officer the day before graduation in May 2008. As first lieutenant in the U.S. Marine Corps, he is a security platoon commander for the 13th Marine Expeditionary Unit – a job for which he was personally selected based on his outstanding achievements. Deployed as a first responder in times of national crisis, Lt. Parton's military adventures and whereabouts are often classified.

"Sometimes we don't even know what part of the world he is in," explained Randy Parton. But, using email and monthly telephone calls, the Parton family stays in touch.

"Mark has a deep sense of honor, integrity and service," said Randy. "Denise and I are extremely proud of him!"



Please keep these four young men, and all the dedicated men and women se



Fred Frank's U.S. Military Service

Fred Frank, the patriarch of the Lexington National family, was also a proud member of the U.S. Military. Fred enlisted in the Army in 1951. He was sent to Korea, where he served as a Sergeant in the infantry. Fred was a BAR man ("Browning Automatic Rifle") and volunteered for many difficult assignments. He was wounded on the battlefield and received the Purple Heart medal. Fred also received the Bronze Star for heroic action.



Richard C. Jett, III – Boatswain's Mate, U.S. Navy – son of Denise Jett

Ever since he was a young boy, Richard C. Jett, III wanted to steer his own course in the United States Navy, just like his retired Navy father. Two weeks after graduating high school, the younger Jett headed off to eight weeks of grueling boot camp; then sailed aboard the U.S.S. Stetham, home ported in Japan. From that tour of duty, Boatswain's Mate Jett visited Russia and Italy; then voluntarily re-enlisted for a second tour aboard the U.S.S. San Diego, scheduled to be commissioned later this year.



Described by his mother, Denise Jett, as a "typical sailor -- all muscles and tattoos under his starchy white uniform," Richard is also an exemplary sailor, whose work ethic and attitude have been formally recognized by his superiors. Called by the sea and a deep commitment to family, he keeps in touch using telephone, email and Skype – even at 3 a.m. from across the globe.

"I'm so proud of Richard! It's phenomenal that he could make such an important decision as he grows into manhood," Denise Jett.



Jerrod J. Quinn, Sergeant U.S. Army – son of Tami Barksdale

As a youngster, Jerrod Quinn earned and became a devoted Eagle Scout who always wanted to serve in the U.S. military. Since June 2007, Sgt. Jerrod J. Quinn has taken his specialized mortar training overseas to Korea and Iraq; and will deploy to Afghanistan in 2012. As Infantry Mortarman Squad Leader Bravo Company (101st Airborne Division), Sgt. Quinn is in charge of the "big guns" in classified security missions. When deployed, Jerrod calls and sends email home as often as possible. At home, he is stationed at Fort Campbell, TN/KY and recently bought a house in Tennessee. He has received numerous achievement, defense and campaign medals.



The last time Tami Barksdale sat with her son while he waited at the airport for deployment, Jerrod hugged her and said: "I'm highly trained! Don't worry, Mom!" Not that it is ever easy sending a child off to front line combat, but Tami takes comfort in the fact that Jerrod is highly trained. "I'm so very proud of his many accomplishments, dedication and future goals!" she exclaimed. "All we can do is *thank him* for what he does." ■



erving in our U.S. military, in your thoughts and prayers. *God bless the USA!*

Legal Beat: Recent Cases Impacting the Bail Industry



by Mark Holtschneider, Esq.

Law Prohibiting Bail for Illegal Aliens Upheld – Arizona

In 2006, Proposition 100, called the Bailable Offenses Act, passed in Arizona with almost 78% of the vote. The law restricts judges from granting bail to any undocumented immigrant facing a Class 4 or higher felony. The American Civil Liberties Union's Immigrant Rights Project brought the legal action challenging the constitutionality of the new law. Maricopa County Sheriff Joe Arpaio was among the defendants named in the suit. In 2011, a federal judge upheld the law and concluded that it did not violate suspects' rights to due process and or freedom from excessive bail. *Lopez-Valenzuela v. Maricopa County* (AZ 2011)

Cost to Try Fugitive on New Charges Cannot be Assessed Against Surety – Pennsylvania

While the defendant was released on bail in two separate cases, he committed a new, more serious crime involving a home invasion. He failed to appear at a pretrial hearing in the original cases, and a bench warrant was issued. A few days later, he was arrested for the home invasion and charged with, among other things, second degree murder. The court forfeited his bail on the two original cases and denied the sureties' motions to remit. The sureties appealed.

The Commonwealth argued that the new crime was a breach of the bonds and that the expenses incurred to try the defendant on the new charges was a "cost" to be considered in deciding the motion to remit the forfeiture. The Commonwealth admitted that it did not incur added costs in relation to the original charges. The Court agreed that the new crime was a violation of the conditions of the bonds, but held that the entire amount of the forfeiture should have been remitted. The Court reasoned that the policy underlying remission of bail forfeitures is to encourage the surety to return the defendant and that to make the surety a guarantor of the defendant's good behavior would be unjust and could not support a denial of remission. The normal costs to prosecute the new charges were unrelated to the defendant's released status and not properly considered in deciding whether to remit all or part of the forfeiture. *Commonwealth v. Culver*, (PA. Supr. Ct. 2011).

Lesson Learned – In Pennsylvania, the State can challenge a remission based on additional costs incurred by the State in prosecuting the charges that were subject to the original bail, but cannot recover for costs incurred to prosecute new charges.

Bond Exonerated when Defendant Pleads guilty - Mississippi

The defendant was released on bond pending trial. He pled guilty and was sentenced. He asked to be allowed to surrender

himself the following Monday to begin serving the sentence, and the court agreed. He was not formally remanded to the custody of the sheriff. The defendant absconded, and the court eventually forfeited the bond.

The Court of Appeal reversed and held that the condition of the bond was satisfied when he pled guilty and was sentenced. If he was to remain free after sentencing, either a new bond was required or the surety had to consent to the additional condition on the existing bond. The Court concluded, "a surety on a pretrial appearance bond is discharged by law when the defendant is adjudicated guilty and sentenced." *Liberty Bail Bonds and Legal Services, LLC v. State* (Miss. App. 2011).

Lesson Learned – The exoneration of a bond is governed by State law and is normally set forth in a statute or court rule. Make sure you know the law in your state and in any state where you write a transfer bond.

U.S. Marshall threat of Prosecution for Future Fugitive Recovery Efforts Did Not Discharge Surety – California

The bondsman stopped his efforts to locate the fugitive when the United States Marshals Service assumed primary responsibility for recovering the defendant and wrote to the surety asking that it cease any overt attempts to locate him so as not to jeopardize the federal investigation. The surety submitted an affidavit from its investigator that the Marshals Service threatened prosecution if the surety continued its investigation, but the Court thought the affidavit was contradicted by the letter. The surety appealed denial of its motion to set aside a summary judgment and argued that the judgment was void because the bond was exonerated by operation of law when the federal government prevented it from recovering the defendant. The Court noted that the federal government was not a party to the bond and that the federal government did not prevent the return of the defendant for trial. The surety's argument was that the federal government prevented it from locating the defendant and so made its performance impossible. The Court stated, "Even if we were to assume that a bond can be exonerated as a result of actions of the federal government which do not result in any form of restraint which prevents the defendant from returning to the jurisdiction, however, we would conclude that the evidence the surety provided does not compel the conclusion that the government's actions rendered the surety's performance impossible in this case." In the absence of a finding by the trial court, the Court presumed that the trial court found the surety did not meet its burden of proving impossibility. *People v. Indiana Lumbermens Mutual Ins. Co.* (Cal.App. 2011)

Lesson Learned – If the U.S. Marshalls instruct you to stand

down on fugitive recovery efforts, make sure the command is clear and talk with your local counsel about raising the issue immediately with the Court so that if you are not going to be discharged, you can take additional steps to protect yourself.

Mistaken Release of Defendant Before 1275.1 Hearing Did Not Discharge Surety - California

The defendant's bond was set at \$200,000 and release was subject to a 1275.1 hearing to determine if the bail funds were feloniously obtained. The surety posted the bond on the day that the 1275.1 hearing was to take place, but the defendant's lawyer then asked for a postponement of the hearing for one week. The next day, the Sheriff erroneously released the defendant on the bond even though the §1275.1 hearing had not taken place. When the 1275.1 hearing was held, the judge expressed doubt about the source of the funds but continued the hearing and allowed the defendant to remain free on the bond. The defendant did not appear at the renewed hearing, and the court forfeited the bond and eventually entered summary judgment. The surety appealed denial of its motion to set aside the judgment. The surety argued that release of the defendant in violation of §1275.1 voided the bond. The Court thought that the intent of §1275.1 was to assure that a defendant did not secure release by using fraudulently obtained funds, not to benefit the surety. The Court held, "We conclude noncompliance with section 1275.1 does not operate to exonerate a surety's liability and is not a defense to forfeiture on the bail bond." The surety also argued that the agent did not know about the §1275.1 hold or the hearings in connection with it and would not have written the bond if she did. The Court thought that was the surety's fault, and not a defense to forfeiture of the bond, since the information was available from the superior court docket and file. *People v. Indiana Lumbermens Mutual Ins. Co.* (Ca. App. 2011).

Lesson Learned – Check the court record before posting a bond to see if a hearing will be held to verify the bail funds and be aware that a mistaken early release of the defendant will not discharge your liability.

Failure to Issue Capias within 10 Days Did Not Discharge Surety – Texas

The defendant failed to appear on April 17, 2008. The judge forfeited the bond on that date and indicated his intention to issue a capias. A capias did not issue, however, until January 12, 2009. Texas Code of Criminal Procedure 23.05(c) states that "a capias must be issued not later than the 10th business day after the date of the court's issuance of the order of forfeiture." The surety appealed from an eventual summary judgment and argued that the failure to timely issue the capias discharged the bond. The appeals court disagreed and held that nothing in 23.05 suggested that failure to issue the capias discharged the bond and failure to timely issue a capias is not listed in 22.13's exclusive list of grounds for exoneration. *Todd v. State* (Tex. App. 2011).

Lesson Learned – When a defendant fails to appear, confirm that a capias has been issued. If one has not, ask the D.A. and/

or sheriff to do so and point out to them the statute that requires a capias to be issued (if your state has such a statute). If they refuse to issue the capias, put your objection in writing and set forth how the lack of a capias has prejudiced you. This may help convince the judge that the bond should be exonerated.

Lack of Extradition Treaty Does Not Discharge Bond - California

The defendant fled to Russia and the surety located him there. The United States, however, does not have an extradition treaty with Russia, and thus the District Attorney did not request extradition. The trial court forfeited the bond and the surety appealed. The appeals court held that the prosecutor cannot "elect" whether to seek extradition within the meaning of Penal Code §1305(g) if there is no extradition treaty. The Court rejected the surety's arguments that the prosecutor could have sought to recover the defendant via informal arrangements with the Russian government. *People v. Sharkey's Bail Bonds* (Cal.App. 2011).

Lesson Learned – In California, if a fugitive goes to a country that does not have an extradition treaty with the U.S., the bond forfeiture will not be vacated. ■



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Studying Your Options?

If you need an insurance company that understands your bail bond business, then you're looking in the right place. At Lexington National, WE KNOW BAIL.

We are bail bondsmen and the Frank family has operated retail bail bond offices for over 60 years. While some insurance companies juggle bail bonds with construction bonds, court bonds and homeowners insurance, we focus only on BAIL BONDS. It's simply what we do.

We welcome agents who want to work with a surety that understands them and is devoted solely to bail. We'll help you write more bail and be more profitable. We do that every day.

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