

1 CALIFORNIA DEPARTMENT OF INSURANCE
2 LEGAL DIVISION
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6 **BEFORE THE INSURANCE COMMISSIONER**
7 **OF THE STATE OF CALIFORNIA**

10 In the Matter of the Cease and Desist Order
11 against:
12 LIBRE BY NEXUS, INC.,
13 Respondent.

File No. IE201800349
Stipulation and Waiver

14 TO THE DEPARTMENT OF INSURANCE OF THE STATE OF CALIFORNIA:

15 Respondent Libre by Nexus, Inc. (herein referred to as “Respondent” or “Libre”) and
16 Libre’s parent company, Nexus Services, Inc. hereby do enter a Stipulation and Waiver to the Cease
17 and Desist Order served in the above-entitled matter and does hereby stipulate as follows:

- 18 1. Respondent acknowledges receipt of a copy of the Cease and Desist Order dated
19 December 11, 2019;
- 20 2. Without admitting or agreeing that it has engaged in wrongdoing, Respondent
21 acknowledges that the allegations contained in said Cease and Desist, would be
22 grounds for the Insurance Commissioner to seek monetary penalties against Libre
23 in the amounts specified in the Cease and Desist Order;
- 24 3. Although Respondent previously submitted a Request for a Hearing in this matter,
25 and such request has been stayed upon the motion of Libre, Libre hereby waives the
26 right to a hearing, and all other rights which may be accorded pursuant to Chapter
27 5, Part 1, Division 3, Title 2 (Sections 15000-11528, inclusive) of the Government
28 Code of the State of California, and by the California Insurance Code and those
rights stated in the Cease and Desist Order;

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4. In settlement of the allegations contained in said Cease and Desist, but without admission thereof, and in lieu of the California Department of Insurance (herein referred to as “Department”) seeking the monetary penalties enumerated in the Cease and Desist Order against Respondent and/or Nexus Services Inc., Respondent hereby agrees to:

- a. Cease forwarding, remitting, or handling as an intermediary or otherwise, any premium moneys being paid by a consumer to a licensed bail bonds agent in California for the placement of an immigration detention bail bond;
- b. Cease being present and or involved in the negotiation of contracts for the placement of immigration detention bail bonds between consumers and licensed bail bonds agents in California;
- c. Libre shall not otherwise engage in any actions that constitute procuring or financing premium moneys on behalf of a consumer;
- d. If Libre is contacted by a person present in California or a resident of California seeking to contract the services of Libre, Libre will first refer the person to a licensed California bail bond agent for the negotiation and transacting of an immigration detention bail bond and wait until the price and terms of the immigration detention bail bond have been determined without the involvement of Libre before contracting with the person for any of Libre’s services’.
- e. When Libre makes referrals to a licensed California bail bond agent, Libre shall provide lists of all Federally approved and California licensed bail bond agents in a geographical area and under any circumstance shall provide a list of at least three or more California licensed bail bond agents;
- f. Libre has not and shall not accept any monetary commission or fee for referrals it makes to Federally approved and California licensed bail bond agents;
- g. Cease advertising in California in any medium, method or channel, unless said advertising clearly and conspicuously discloses that Libre is not licensed in California by the Insurance Commissioner in any capacity and that none of Libre’s services and or products sold in California is considered insurance or bail bond;

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- h. All of Libre’s written contracts, materials and advertising shall clearly disclose that Libre is not licensed in California by the Insurance Commissioner in any capacity and that Libre’s clients are not purchasing insurance or bail bond from Libre;
 - i. Libre’s contracts with its clients in California shall clearly and conspicuously state that all moneys paid to Libre are for non-insurance and non-bail bond services, and that Libre’s clients’ relationship with Libre is separate and distinct from the contractual relationship the client may have with the bail bond agent and surety company.
 - j. Libre shall ask all clients whether they prefer contracts to be in English or Spanish and to provide contracts in the language chosen by the client;
 - k. Libre shall immediately cease requiring any California program participants, enrolled after the date of this Stipulation, to wear body-affixed GPS monitoring devices;
 - l. In recognition of Libre’s commitment to launch an application-based system for coordinating supportive services, Libre shall cease requiring any California program participants enrolled prior to the date of this Stipulation to wear body-affixed GPS monitoring devices no later than October 31, 2020;
 - m. Libre shall issue \$5.5 million in credits on a pro rata basis to all California program participants who currently are in arrears or owe money to Libre, within 30 days of execution of this Stipulation;
 - n. For all California program participants who do not have outstanding debt owed to Libre and have had an I-391 issued, Libre shall issue individual refunds in the amount of \$420, within 30 days of execution of this Stipulation;
 - o. Libre agrees to reimburse the Department fifteen-thousand dollars (\$15,000) for costs, within thirty (30) days from the date it receives an invoice from the Department’s Accounting Division, with said payment being sent to the following: California Department of Insurance, Division of Accounting, 300 Capitol Mall, 13th Floor, Sacramento, CA, 95814, which, for the avoidance of

doubt, is solely for the purpose of reimbursement of the Department's costs and in no way represents a monetary penalty or fine;

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2 p. For a period of thirty six (36) months from the date of the Order adopting this
3 Stipulation and Waiver, Libre agrees to submit to reasonable examination of all
4 business records related to California business by the Department including but
5 not limited to California client files, procedure manuals, and documentation
6 related to its business in California including any contracts or documents related
7 to its relationship with bail bond agents and surety companies, at a time, place
8 and via a method and frequency to be determined by the Department, provided
9 60 days advance notice to Libre. The Insurance Commissioner agrees that such
10 information shall not be used to cause the deportation of Libre's clients or shared
11 with Immigration Customs Enforcement ("ICE") or any other agency that may
12 share such information with ICE. To the extent that ICE or any other agency
13 attempts to obtain such information provided by Libre to the Insurance
14 Commissioner by subpoena or other request, the Insurance Commissioner
15 agrees to provide notice to Libre and the opportunity to object at least 10 days
16 before any response is owed by the Insurance Commissioner.

17 5. This Stipulation is made without trial or adjudication of any issue of fact or law by a
18 court at law or equity, or finding of liability or fact of any kind, and no party to this
19 agreement shall make contrary representations. This Stipulation is not intended by the
20 parties to constitute evidence against Libre in, or provide any basis for, any action
21 brought by any person or entity for any violation of common law, any federal or state
22 statute or regulation, or constitute evidence in, or provide any basis for, any defenses,
23 claims, or assertions by or on behalf of current or former Libre clients. Neither this
24 Stipulation, nor any negotiations, statements, or documents related thereto shall be
25 offered or received in any legal or administrative process, proceeding, or action, as an
26 admission, evidence, proof of, or to establish any violation of, liability under,
27 wrongdoing in connection with, or applicability of any statute, rule or regulation, except
28 as expressly allowed by state law.

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6. Respondent acknowledges that California Insurance Code § 12921(b)(1) requires the Commissioner or a delegate to approve the final settlement of this matter. Both the settlement terms and conditions contained herein and the acceptance of those terms and conditions are contingent upon such approval.
7. Respondent acknowledges that this Stipulation and Waiver is freely and voluntarily executed by Respondent.
8. Neither Libre nor Nexus Services, Inc. concedes liability, fault, violation of federal, state or local law or regulation, or any other wrongdoing on the part of Libre, nor does this Stipulation and Waiver constitute any admission of such.
9. The Parties stipulate and agree that this agreement is entered into and governed by the laws of the state of California as of the date of execution. The Parties do not waive or otherwise forego any rights or remedies that may be available in the future.
10. The Commissioner retains jurisdiction to ensure that Respondent complies with the terms of this Stipulation and Waiver for a period of thirty-six (36) months. Nothing contained in this Stipulation and Waiver shall prevent the Department from taking action at any time to enforce this Stipulation and Waiver if the Department believes that Respondent is not in compliance with its terms and conditions.

Respondent declares the above to be true under penalty of perjury under the laws of the State of California, and executes this document on the _____ day of July, 2020.

Libre by Nexus, Inc.

Micheal Donovan, CEO

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Nexus Services, Inc.

Micheal Donovan, CEO

Legal Counsel for Libre by Nexus and Nexus
Services, Inc.

Mary H. Haas
Davis Wright Tremaine LLP

California Department of Insurance

(name and title)