

1 CALIFORNIA DEPARTMENT OF INSURANCE  
LEGAL DIVISION  
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CALIFORNIA DEPARTMENT OF INSURANCE

8  
9 **BEFORE THE INSURANCE COMMISSIONER**  
10 **OF THE STATE OF CALIFORNIA**

11 In the Matter of the Cease and Desist Order  
12 against:

File Nos.: IE201800349

13 LIBRE BY NEXUS, INC.,

14 **ORDER ADOPTING STIPULATION AND**  
15 **WAIVER**

16 Respondent

17 WHEREAS, Libre by Nexus, Inc. (“Respondent”), is not currently licensed by the  
18 California Department of Insurance; and

19 WHEREAS, a Cease and Desist Order dated December 19, 2019 was issued against  
20 Respondent; and

21 WHEREAS, Respondent signed and entered a Stipulation and Waiver to the Cease  
22 and Desist Order previously served upon Respondent, whereby as part of said Stipulation and  
23 Waiver, Respondent acknowledges that the allegations contained in the Cease and Desist Order  
24 would be grounds for the Insurance Commissioner to seek monetary penalties against Respondent;  
25 and

26 WHEREAS, Respondent waives its right to a hearing and stipulates to entry of  
27 this Order;

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NOW, THEREFORE, IT IS ORDERED that the terms of the Stipulation and Waiver are adopted by the Insurance Commissioner and such Stipulation and Waiver shall be binding on Respondent.

IN WITNESS WHEREOF, I have set my hand and affixed my official seal this 9<sup>th</sup> day of July, 2020.

This Order shall be effective immediately.

RICARDO LARA  
Insurance Commissioner

By: Michael Tancredi  
MICHAEL TANCREDI  
Assistant Chief Counsel

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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, 13<sup>th</sup> 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;


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

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

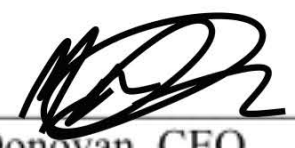
18 Respondent declares the above to be true under penalty of perjury under the laws of the State of  
19 California, and executes this document on the \_\_\_\_\_ day of July, 2020.

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21 Libre by Nexus, Inc.

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24 Micheal Donovan, CEO  
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Nexus Services, Inc.



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Micheal Donovan, CEO

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



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Mary H. Haas  
Davis Wright Tremaine LLP

California Department of Insurance

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(name and title)