

HARRIS COUNTY BAIL BOND BOARD - June 08, 2022

HARRIS COUNTY BAIL BOND BOARD

MEETING MINUTES

1001 Congress Street

Houston, Texas 77002

June 8, 2022

1:34 P.M.

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## P R O C E E D I N G S

1  
2 CHAIRMAN MCKINNEY: We're going to go  
3 through the agenda. If there's an agenda item on  
4 which anybody wants to speak, raise your hand to  
5 be recognized.

6 If I don't see any hands raised on the  
7 agenda items, I will assume that nobody wants to  
8 speak on them. So, Judges, you let us know if you  
9 want to speak.

10 The first thing is reading the prior  
11 notes. If everyone's had an opportunity to review  
12 them, do I have a motion?

13 MS. KASE: Move to adopt, Kathryn  
14 Kase.

15 MS. SNIVELY: Second the motion,  
16 Judith Snively.

17 CHAIRMAN MCKINNEY: Any discussion?  
18 All in favor?

19 GROUP: Aye.

20 CHAIRMAN MCKINNEY: Any opposed?  
21 Motion passes unanimously.

22 Okay. Next is old business. The  
23 first item on here is consider adopting a new  
24 Section 19 to the Harris County Bail Bond Board  
25 Rules as follows: Rule 19 -- unless somebody

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1 really wants me to read the whole thing, I'm not  
2 going to read the whole thing.

3 MALE SPEAKER: Are all the mics on?

4 FEMALE SPEAKER: No.

5 CHAIRMAN MCKINNEY: It's on the agenda  
6 so everybody should be aware of it.

7 Basically Paragraph A is to provide  
8 the bail bondsman shall not violate the Deceptive  
9 Trade Practices Act. Paragraph B provides for  
10 time or payment agreements to bondsman to be in  
11 writing and contain certain amounts of  
12 information. And if there is a motion to  
13 surrender a bond, that information in relation to  
14 that be attached to the motion to surrender.

15 Any discussion?

16 MALE SPEAKER: So when a bondsman does  
17 an affidavit to surrender, the attachment of an  
18 affidavit (indiscernible) to surrender?

19 CHAIRMAN MCKINNEY: There has to be --  
20 the proposal provides that there must be an  
21 agreement -- if it's -- if the surrender is  
22 proposed -- one of the reasons for the surrender  
23 is not having a premium that the -- on a time  
24 agreement that the motion to surrender must  
25 include a statement that complies with a

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1 requirement of the section, and the affidavit must  
2 include a copy of the agreement and what wasn't  
3 satisfied under it so that a judge, looking at  
4 this, will know there was an agreement. It will  
5 tell them what it was about.

6 FEMALE SPEAKER: One step that I read  
7 was this was when we had a (indiscernible) --

8 CHAIRMAN MCKINNEY: Who was?

9 FEMALE SPEAKER: Can you elaborate  
10 on -- I know that the new language -- it says in  
11 here that time for the installment payment. And  
12 we're -- we're going back to the installment  
13 payments. Also, it says if the defendant is in  
14 custody, he has two days to come in and sign.

15 CHAIRMAN MCKINNEY: Yes.

16 FEMALE SPEAKER: And if he does not,  
17 what happens?

18 CHAIRMAN MCKINNEY: If he does not,  
19 then the bondsman could surrender the bond. When  
20 defendants are released from custody -- and this  
21 is pretty normal -- they show up at the bonding  
22 office to sign paperwork there.

23 FEMALE SPEAKER: Yeah. I understand  
24 that. I --

25 CHAIRMAN MCKINNEY: And all the --

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1 FEMALE SPEAKER: You put two days.

2 CHAIRMAN MCKINNEY: The bondsman will  
3 actually come down to actually get them when they  
4 exit the jail and they take them straight over to  
5 there to their office. This is a bond. I think  
6 it says two business days, doesn't it?

7 FEMALE SPEAKER: Uh-huh.

8 CHAIRMAN MCKINNEY: Yeah. So the --  
9 this gives -- this provides a little bit of time  
10 to get them in there to sign that, but it requires  
11 them to do something.

12 If you're going to -- I think if  
13 you're going to hold a defendant responsible for  
14 not making payments, they ought to sign an  
15 agreement where they can make payments.

16 SERGEANT DeLEON: Sergeant DeLeon. I  
17 do have a question that's really geared towards  
18 the county attorney. Do you see a conflict in the  
19 way that it's worded? I believe that this was  
20 drafted before we adopted Rule 19 that said  
21 10 percent was required and that -- you know, so  
22 do we need to specify outside the enumerated  
23 offenses of Rule 19 that you could be on an  
24 installment plan -- or installment payment plan?

25 COUNTY ATTORNEY: I don't know that I

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1 see a direct conflict between the wording that's  
2 proposed.

3 CHAIRMAN McKINNEY: And let me add  
4 something to that, provided it may help. I've  
5 seen some bondmen -- some bondsmen who charge 12,  
6 15, 20 percent on certain bonds.

7 SERGEANT DeLEON: Well, actually --

8 CHAIRMAN McKINNEY: You know, I've had  
9 clients complain to me about it.

10 SERGEANT DeLEON: But I just -- I just  
11 wanted to make sure that the language didn't  
12 conflict with the two local rules that we have.  
13 That was the question.

14 CHAIRMAN McKINNEY: I understand.

15 MR. GARZA: This is Mario Garza.  
16 I mean, so you're -- so it's a blanket for any  
17 type of case. I mean, of course --

18 CHAIRMAN McKINNEY: Yeah, any type of  
19 case.

20 MR. GARZA: Of course, the ones that  
21 are 10 percent obviously are going to be  
22 10 percent, but anything that's not on the list  
23 they're providing a sum. Yeah.

24 CHAIRMAN McKINNEY: Yes. So if you're  
25 going --

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1 MR. GARZA: This is a blanket across  
2 everyone?

3 CHAIRMAN McKINNEY: If you're going to  
4 have an installment plan, whether it's with the  
5 defendant, whether it's with a co-surety, whether  
6 it's with a guarantor, who is agreeing to make the  
7 payments on that premium, then it ought to be in  
8 writing. This requires it to be in writing. And  
9 it ought to be signed off on and contain relevant  
10 information so there is no confusion or no  
11 misunderstanding, there's no doubt as about what  
12 was agreed to if the bond seeks to be surrendered  
13 for non-payment.

14 MR. GARZA: Non-payment being the --  
15 let's just -- let me just lay out this scenario  
16 because judges have been real reluctant to just  
17 rule on and you get ones saying, "You're not being  
18 paid and therefore we won't surrender the bond."

19 Are -- are -- by submitting this,  
20 would that only -- being the only reason, would  
21 that be something that judges could deny and --  
22 they could very well deny the surrender based on  
23 the fact that I'm saying, "Well, he's done  
24 everything else except he's not making his  
25 payments"?

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1                   CHAIRMAN McKINNEY: A judge -- a judge  
2 has discretion to grant a surrender for violation  
3 of the contractual agreement between the bondsman  
4 and the defendant. As to whether they will do so  
5 or not is beyond our purview.

6                   MR. GARZA: Okay.

7                   CHAIRMAN McKINNEY: That's a decision  
8 for the judge to make. All this does is say that  
9 if you're going to seek a surrender based on  
10 non-payment on a payment contract that you provide  
11 the information to the judge so the judge can see  
12 what the information is.

13                   MS. KASE: Troy, Kathryn Kase here. I  
14 just have one question. I know that the first  
15 part of this rule says that a violation of the  
16 Texas Deceptive Trade Practices Act is a violation  
17 of the rules adopted by the Board. So I'm just  
18 wondering about enforcement.

19                   Are you envisioning enforcement, like,  
20 when the licensee comes up for re-licensing, or  
21 are you envisioning enforcement, like, say, on a  
22 rolling basis, if something is not filed that  
23 needs to be filed, et cetera, et cetera?

24                   COUNTY ATTORNEY: Either -- either or.

25                   MS. KASE: Okay.



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1           CHAIRMAN MCKINNEY: I think it could  
2 form a basis of a complaint in some circumstances.  
3 It could certainly be a relevant issue if  
4 (indiscernible).

5           JUDGE MARSHALL: And I have a question  
6 for the county attorney as well. I'm Judge  
7 Marshall. It's -- I guess the language -- and  
8 I -- I'm agreeing with the -- the sheriff.

9           My question is -- because it says,  
10 "any bond premium, security or cost, however  
11 labeled," so however the bond is labeled. Does  
12 that include the ones that we excluded for the  
13 10 percent? We didn't say that. It just says  
14 "however labeled."

15           CHAIRMAN MCKINNEY: Right. That  
16 however labeled is -- different people use  
17 different words to represent the same thing. You  
18 know, sometimes a person may be bonding somebody  
19 maybe on their behalf.

20           Well, the bondsman will want security  
21 for that bond in addition to the premium.  
22 Security may take different forms. This just  
23 makes it clear that we're not -- we don't want to  
24 play the word game on what word to use on that.

25           JUDGE MARSHALL: So we don't want to

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1 include the -- our 10 percent language in this  
2 part?

3 CHAIRMAN McKINNEY: I don't think  
4 there will be a need to because the 10 percent's  
5 over a different issue, and this would not affect  
6 that either way as far as I can tell. I think  
7 that's the advice we just got from the lawyer,  
8 too.

9 JUDGE MARSHALL: Sure.

10 MALE SPEAKER: It's my understanding  
11 that this rule is to prevent bail bondsmen from  
12 yanking these agreements out from under people if  
13 they're not in writing. Correct?

14 CHAIRMAN McKINNEY: Correct. Now,  
15 that -- I thought it seemed reasonable, but  
16 sometimes we always -- sometimes we disagree on  
17 what's reasonable.

18 MALE SPEAKER: Fair enough.

19 CHAIRMAN McKINNEY: Okay. We have  
20 some comments out here. Approach the lectern,  
21 please.

22 MR. SCHMIDT: I'm David Schmidt. I'm  
23 with ABC Bonding Company. I have a question on  
24 19A having to do with a violation of the Texas  
25 Deceptive Trade Practices Act.

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1           If -- if a -- if anybody is in  
2 violation of that kind of rule, normally what  
3 happens, you get involved in litigation and you  
4 have -- you go before a court and you have to have  
5 some proof. This ruling is whether or not you did  
6 or did not. Okay?

7           Now, does -- does this require that  
8 there's actually been a action in a court  
9 substantiating you violated it, or is this  
10 basically saying the potentiality of violations  
11 would be coming as complaints to the Bail Bond  
12 Board and the Bail Bond Board could adjudicate and  
13 make a determination whether it's a violation?

14           CHAIRMAN McKINNEY: Nothing in the  
15 proposed rule requires there to have been a  
16 lawsuit or an adjudication of a lawsuit. There  
17 are complaints all the time that are made to the  
18 sheriff about things that get resolved regardless  
19 of whether there are -- there's litigation going  
20 on or not.

21           Could the Board in some circumstances  
22 decide for themselves about whether there's been  
23 violations to Deceptive Trade Practices Act?  
24 Absolutely.

25           MR. SCHMIDT: Okay.

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1                   CHAIRMAN McKINNEY: How common it may  
2 be is another -- the -- the purpose of having this  
3 in there was because there has been a suggestion  
4 that some bondsmen may have been -- and I  
5 emphasize that words "may have been."

6                   MR. SCHMIDT: Sure.

7                   CHAIRMAN McKINNEY: -- may have been  
8 telling somebody, "We'll give you 2 percent up  
9 front," and then as soon as they get out of jail,  
10 were saying, "Guess what? You've got to pay the  
11 entire rest of whatever the premium is right now;  
12 and if you don't, I'll surrender the bond and keep  
13 the 2 or 3 or 4 percent," whatever it was.

14                  MR. SCHMIDT: Right.

15                  CHAIRMAN McKINNEY: And I think that's  
16 the reason why we made it that -- in some way  
17 that's not acceptable.

18                  MR. SCHMIDT: I understand. Okay.  
19 Thank you.

20                  CHAIRMAN McKINNEY: But that was the  
21 intention of this.

22                  MALE SPEAKER: Thank you.

23                  CHAIRMAN McKINNEY: You bet.

24                  MR. GOODE: Ken Goode. I am one of  
25 the instructors at the Professional Bondsmen of

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1 Texas continuing education class. We teach the  
2 continuing education classes for the bondsmen.  
3 Roger Moore is also one of our other instructors  
4 that appears. He asked me to raise an issue with  
5 the Board.

6 We teach the bondsmen that they cannot  
7 surrender a bond for lack of payment, and so we  
8 don't believe that a bond can be surrendered. So  
9 the question that has been raised for lack of  
10 payment is whether we're creating something  
11 through this local rule that otherwise they do not  
12 have the right to do.

13 Now, I haven't talked to you, Troy,  
14 about -- there is a more -- a recent Attorney  
15 General's opinion that says that if the affidavit  
16 to surrender meets the statutory requirements, the  
17 trial court has no discretion and must grant it.  
18 And then the -- if there's a fight over it later  
19 that they really didn't have good cause, then he  
20 can order the return of all or part of the premium  
21 in the criminal case.

22 But I would hate to create a new  
23 remedy that says bondsmen can now surrender a bond  
24 for lack of payment that we teach does not  
25 currently exist and we tell bondsmen that they

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1 cannot file an affidavit to surrender for lack of  
2 payment, especially if the law is that if the  
3 affidavit meets the statutory requirements, the  
4 Court has no discretion but must grant it.

5 That's the issue that I was asked to  
6 raise, and I -- and that's what I'm doing. Thank  
7 you very much for listening.

8 CHAIRMAN MCKINNEY: You bet. There is  
9 nothing in this proposed rule that even purports  
10 to provide or withhold the options of a bail  
11 bondsmen with respect to a surrender. That's law  
12 governed beyond our purview.

13 It simply says that if a bondsman does  
14 seek surrender based in part on failure to make a  
15 premium or security payment, the bondsman has to  
16 fulfill and follow directions.

17 MS. BALDWIN: Judge Shannon Baldwin.  
18 It would not be completely uncommon for judges to  
19 receive motions to surrender just based on  
20 non-compliance with -- with the contract, or  
21 whatever that information gives you. That  
22 happens. We do get those.

23 Whether or not -- it's obviously  
24 within the discretion of the judges to grant or  
25 deny that, but it is not uncommon to receive

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1 requests simply because the defendant, or whoever  
2 the surety is, the guarantor did not pay the  
3 money.

4 MR. CASTRO: Thank you, Mr. Chairman.  
5 Thank you, Members of the Board. My name is Paul  
6 Castro. I am the treasurer of Parents for Public  
7 Safety and I speak on behalf of our membership to  
8 thank you for this -- for this potential policy  
9 that you might adopt today and I request your  
10 support for it.

11 This is the type of policy that I  
12 think makes the transactions between defendants,  
13 the bail bondsmen and the public more transparent.  
14 We thank you for listening to the concerns and  
15 taking action on behalf of the community to make  
16 this work more transparent and also something  
17 that's understandable by all of us.

18 The further request from us is that  
19 whatever data is collected under this please be  
20 made available in a searchable format similar to  
21 the bond dashboard the Commissioners Court  
22 recently published has made available to the  
23 public so that we can keep up with what's  
24 happening.

25 We thank you in advance.

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1 FEMALE SPEAKER: Hello. Thank you for  
2 listening to us. I just want to come on here and  
3 say that victims rights are permanently and  
4 abruptly terminated, the simple right to live and  
5 breathe.

6 The rule that you guys are trying to  
7 pass today would also ensure that victims of crime  
8 can see what defendants are paying to get out of  
9 jail. This is good for victims and defendants  
10 alike.

11 The only bail bond companies that  
12 would be against this would be those who are not  
13 practicing ethically. It is a constitutional  
14 right for everybody in this country to have bail,  
15 and this would ensure that everybody is doing what  
16 they're supposed to do.

17 And for victims, we have something  
18 available when you sign into the Harris County  
19 Clerk's Office where you can see now, publicly,  
20 the bond paperwork. So as a victim, I'd be able  
21 to see what the murderer of my nine-year-old niece  
22 paid to get out of jail.

23 And on the other side, on the  
24 defendant's side, he'd be able to have a contract  
25 in place that is not going to be altered by



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1 anybody because it has been uploaded to the Harris  
2 County Clerk's Office that can ensure that his  
3 contract with the bail bond company and himself is  
4 not going to be altered or changed in any way.

5           It's also going to be really good for  
6 the public because the public needs to know what  
7 these defendants are paying out of jail. It's  
8 going to prevent people from not following the  
9 10 percent rule because now there will be  
10 something in writing contradicting their behavior,  
11 what they're doing.

12           And let's not forget that we just had  
13 an FBI raid here on Aable Bail Bonds just this  
14 week, and that was very eye opening to me, and I'm  
15 sure that wasn't because they were doing  
16 everything that they were supposed to do.  
17 However, they were licensed here in April.

18           We just have to have a bigger picture  
19 on this because this is a lucrative business and  
20 people are making a lot of money all off of dead  
21 kids and innocent dead people, and we deserve to  
22 know. And they also deserve to work with  
23 companies that are going to be ethical.

24           Thank you.

25           CHAIRMAN McKINNEY: And other public

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1 comments on this?

2 Is there a motion with respect to  
3 adopting Rule 19A and B?

4 MALE SPEAKER: Just to clarify, is  
5 this -- this will be this new number, 21? Do we  
6 have a 20?

7 CHAIRMAN McKINNEY: 19.

8 MALE SPEAKER: Oh, we already have --

9 MALE SPEAKER: It would be 20.

10 FEMALE SPEAKER: 21?

11 CHAIRMAN McKINNEY: Okay.

12 MALE SPEAKER: It will be --

13 MR. BUTERA: Yeah. Sorry. Michael  
14 Butera with the DA's office. I do have the  
15 current written. So if we put it at the end of  
16 the rules as currently amended at the April  
17 meeting, then this would become Rule 21, or  
18 wherever the rule applies the best. But if we  
19 just put it at the end, it would be 21.

20 CHAIRMAN McKINNEY: All right. Well,  
21 then assuming this is going to be Rule 21, is  
22 there a motion?

23 MR. OSBORNE: I'll make the motion to  
24 adopt Rule 21 as presented.

25 CHAIRMAN McKINNEY: Is there a second?

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1 MS. KASE: Seconded by Kathryn Kase.

2 CHAIRMAN MCKINNEY: All in favor?

3 GROUP: Aye.

4 CHAIRMAN MCKINNEY: Any opposed?

5 Any abstentions?

6 This passes.

7 JUDGE MARSHALL: I abstain.

8 CHAIRMAN MCKINNEY: Oh, I'm sorry. We  
9 have one abstention.

10 MALE SPEAKER: The abstention was  
11 Judge --

12 CHAIRMAN MCKINNEY: Announce your  
13 abstentions, please.

14 JUDGE MARSHALL: Judge Marshall  
15 abstains.

16 JUDGE RODRIGUEZ: Judge Rodriguez  
17 abstains.

18 JUDGE BALDWIN: Judge Baldwin  
19 abstains.

20 CHAIRMAN MCKINNEY: Okay. Even with  
21 those abstentions, the motion passes.

22 Okay. Next item, new business.

23 Request by David Schmidt, ABC Bonding Company,  
24 License No. 74357, to return a security of deposit  
25 in the amount of \$100,000. JP letters were mailed

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1 on April 27, 2022. This is more than a month ago.

2 MALE SPEAKER: This (indiscernible).

3 MALE SPEAKER: Sure.

4 SERGEANT DeLEON: Yes. I'm Sergeant  
5 DeLeon, Harris County Sheriff's Office. So,  
6 correct, it was more than a month ago. We've  
7 received no notification from the justice of the  
8 peace. That money is owed to the county.

9 We calculated Mr. Schmidt's bond ratio  
10 after subtraction of the money requested. And we  
11 see that it -- or we find that it's still the  
12 ratio (indiscernible) companies.

13 Questions?

14 FEMALE SPEAKER: No questions.

15 MR. BUTERA: No questions from the  
16 DA's office.

17 JUDGE RODRIGUEZ: Judge Rodriguez, no  
18 questions.

19 JUDGE BALDWIN: Judge Baldwin, no  
20 questions.

21 MS. KASE: Kathryn Kase, no questions.

22 MS. SNIVELY: Judith Snively, no  
23 questions.

24 MR. GARZA: Mario Garza, no questions.

25 CHAIRMAN McKINNEY: And since they're

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1 here -- I'll just have them note that they're  
2 here, but since nobody has any questions, it will  
3 be pretty short.

4 MR. SCHMIDT: Yes. David Schmidt,  
5 ABC Bonding Company.

6 CHAIRMAN MCKINNEY: Okay. Is there a  
7 motion?

8 MR. BUTERA: Michael Butera for the  
9 DA's office. I make the motion to approve.

10 JUDGE RODRIGUEZ: Rodriguez seconds.

11 CHAIRMAN MCKINNEY: All in favor?

12 GROUP: Aye.

13 CHAIRMAN MCKINNEY: Anybody opposed?  
14 Any abstentions?

15 MR. BUTERA: Thank you.

16 CHAIRMAN MCKINNEY: Motion passes.

17 Okay. Item No. 2, renewal of license.

18 American Surety Company, Agent David Schmidt,  
19 License No. 74608. Unless somebody thinks that I  
20 need to read the full address and phone numbers,  
21 I'm not going to do so.

22 The license expires on September 19th  
23 of 2022. So it's brought, in a very good way,  
24 well in advance of when it expires, and this is  
25 renewal for a two-year license.

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1 MALE SPEAKER: I'll give the guy  
2 credit for showing up early.

3 CHAIRMAN McKINNEY: Yeah. As often as  
4 we have people show up 31 or 32 days late, this  
5 is -- this is a great decision.

6 FEMALE SPEAKER: Yeah.

7 SERGEANT DeLEON: So the Sheriff's  
8 Office did an inspection of the property. The  
9 files that were viewed were in compliance with  
10 1704. Mr. Schmidt was asked to give an updated  
11 copy of his education certificate, and he provided  
12 the Sheriff's Office with that. The application  
13 is complete. We have no other comments.

14 MALE SPEAKER: I have no questions.

15 JUDGE MARSHALL: Judge Marshall, no  
16 questions.

17 MR. BUTERA: Michael Butera for the  
18 DA's office. I do have a question. So as part of  
19 our due diligence and preparation for every  
20 meeting, we go with a fine-toothed comb through  
21 past judgments to try to see what is or isn't paid  
22 and discovered an American -- as the Board knows  
23 and the public knows, the licensee is actually the  
24 insurance company, not the --

25 MR. CANE: Yes.

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1 MR. BUTERA: -- insurance agent.

2 MR. CANE: Correct.

3 MR. BUTERA: So we found an unpaid  
4 judgment -- or a couple for an agent Carl Pruitt  
5 for American Surety, both of which were past due,  
6 one of which has been paid.

7 The other, which is Item JP41, is  
8 actually over a year -- or almost a year past due.  
9 Pardon me. I misspoke. It was due on June the  
10 25th of 2021.

11 That was shared with the Sheriff's  
12 Office Wednesday or Thursday of last week, I  
13 believe, and then communicated to American Surety  
14 to try and take care of that before the Board  
15 meeting.

16 And then we also called, you know,  
17 Roger Moore as the agent of service for American  
18 Surety. So we called him today to try to get an  
19 update on that. My understanding is it has not  
20 been paid. So there is an outstanding unpaid  
21 judgment by the surety unless you have a receipt  
22 or something that I haven't seen.

23 So any information on that from the  
24 surety company.

25 MR. CANE: I have a check for -- it

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1 was 190 -- was it the one for \$191?

2 MR. BUTERA: No. So there was two.  
3 There was a \$25,196 judgment --

4 MALE SPEAKER: That was paid.

5 MR. BUTERA: -- which was past due as  
6 of May 21, 2022, and that was satisfied.

7 Then there was a \$96 judgment under  
8 JP41, which was due on June 25th, 2021. So it  
9 remains unpaid.

10 MR. CANE: You said \$95?

11 MR. BUTERA: \$96.60 is what I have.

12 MALE SPEAKER: If you -- if you have  
13 an unpaid judgment, you have to pay it.

14 MR. BUTERA: 41 -- I apologize  
15 but often --

16 MALE SPEAKER: The (indiscernible).

17 MR. BUTERA: Yes. So do you have --  
18 I'm sorry. Just for the record, could you state  
19 your name?

20 MR. CANE: Oh, Bryan Cane with  
21 American Surety.

22 MR. BUTERA: And what's your capacity  
23 with American Surety?

24 MR. CANE: I'm an assistant vice  
25 president with American Surety.



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1 MR. BUTERA: Okay. Were you aware of  
2 the unpaid judgment or is this the first time  
3 you're hearing of it?

4 MR. CANE: I was only aware of one for  
5 \$191. I talked to Carl yesterday. But it was --  
6 actually it was maybe six days old and made  
7 towards the end of May of this year.

8 MR. BUTERA: Okay. So that --

9 MR. CANE: That was paid.

10 MR. BUTERA: That's been done.

11 MR. CANE: Yeah. That's the first --  
12 that's the first I've heard of the \$95 one, yes.

13 MR. BUTERA: Okay. So not unheard of,  
14 I mean, to have an unpaid judgment issue. My only  
15 concern is moving forward with licensure omits an  
16 unpaid judgment.

17 Frankly, I'll just say while you're  
18 here we do -- in my opinion, I think the DA's  
19 office and other entities of Harris County do a  
20 lot of due diligence on these issues --

21 MR. CANE: Sure.

22 MR. BUTERA: -- and I would appreciate  
23 it if the insurance company was trying to meet us  
24 halfway to not have an unpaid judgment for so  
25 long. So --

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1 Oh, Judge Lincoln Goodwin is actually  
2 the court, Court 1.

3 MALE SPEAKER: Thank you.

4 MR. BUTERA: So that's my -- my  
5 comment.

6 MR. GOODE: Ken Goode for --  
7 Mr. Schmidt's personal attorney. And it appears  
8 to me that this is a miscommunication, and we  
9 apologize profusely.

10 We do agree with Michael's statement.  
11 If there's an unpaid judgment that -- the Board is  
12 not authorized to renew a license or grant a  
13 license with an unpaid judgment. So if we have  
14 that miscommunication, we want to correct it. We  
15 want everything to be proper.

16 So we ask the Board to table this  
17 application until next month so that we can  
18 correct that issue.

19 JUDGE RODRIGUEZ: I move to table the  
20 issue.

21 CHAIRMAN MCKINNEY: We have a -- we  
22 have a motion to table until next month.

23 MR. SCHMIDT: May I ask a question?

24 CHAIRMAN MCKINNEY: Absolutely.

25 MR. SCHMIDT: All right. One of the

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1 reasons that I wanted to come early -- and I'm  
2 shocked, to say the least, that we have a problem.

3 CHAIRMAN McKINNEY: Hang on. Have we  
4 sworn you in yet?

5 MALE SPEAKER: No, sir, we haven't.

6 MALE SPEAKER: No.

7 CHAIRMAN McKINNEY: Do you swear or  
8 affirm that you will tell the truth, the whole  
9 truth and nothing but the truth?

10 MR. SCHMIDT: I do.

11 CHAIRMAN McKINNEY: Okay.

12 MR. SCHMIDT: David Schmidt, ABC  
13 Bonding of Texas. I'm actually going to be  
14 physically out of -- out of state for the July  
15 meeting and also for the August meeting.

16 Is it possible for me to be considered  
17 without being present to make a -- or do I have to  
18 figure out a way to physically get back here again  
19 for those meetings?

20 CHAIRMAN McKINNEY: My sense is it's  
21 possible for us to do it without you present  
22 unless there's an issue that requires an answer  
23 from you.

24 MR. SCHMIDT: And this has nothing to  
25 do with me.

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1 CHAIRMAN McKINNEY: I understand.

2 MR. SCHMIDT: Okay. Excellent.

3 MR. BUTERA: I will say, definitely  
4 for the record, I think it's clear that it's not  
5 you, Mr. Schmidt, that has an unpaid judgment  
6 issue. Unfortunately, it's another agent --

7 MR. SCHMIDT: Yes.

8 MR. BUTERA: -- under the same  
9 umbrella --

10 MR. SCHMIDT: Correct.

11 MR. BUTERA: -- licensee in American  
12 Surety. So -- and we did everything -- we tried  
13 to to get that out to the company to make sure  
14 they satisfied it before today. So --

15 MR. SCHMIDT: Absolutely. I  
16 understand completely. Thank you.

17 CHAIRMAN McKINNEY: Just be very glad  
18 you filed this three months in advance.

19 MR. BUTERA: Right.

20 MR. SCHMIDT: Yeah.

21 MR. BUTERA: It's a great illustration  
22 of why coming early is helpful.

23 MR. SCHMIDT: Sorry for the  
24 interruption. You were about to consider the  
25 motion to defer this, I believe.

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1 JUDGE RODRIGUEZ: And just to add to  
2 my motion -- not really to add to the motion. In  
3 terms of a discussion, normally we would require  
4 presence. However, you're here now. And under  
5 these circumstances, perhaps if you have anything  
6 you have to share now you can share now and next  
7 month we'll be able to move forward.

8 CHAIRMAN MCKINNEY: And if there -- if  
9 there's some way American Surety were able to go  
10 take care of this before we're done with our  
11 meeting, this could be taken back up at the end of  
12 the agenda.

13 MR. SCHMIDT: I don't think we can do  
14 that unless we -- I don't think those can be paid  
15 online. They have to go to the direct office and  
16 so we'd have to go to 41 and, you know, we --

17 JUDGE RODRIGUEZ: It depends on the  
18 judge.

19 MR. SCHMIDT: Okay. So why don't we  
20 start with that? Can we ask that this be moved to  
21 the end of the agenda and see if we can get that  
22 done?

23 And do you have the name of that case  
24 so that you can --

25 MR. BUTERA: I have the cause number.

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1 I have --

2 MR. SCHMIDT: Okay. If you'll just  
3 give me the cause number, we'll -- we will get on  
4 the phone and see what we can --

5 CHAIRMAN McKINNEY: (Indiscernible).

6 MR. SCHMIDT: Right.

7 JUDGE RODRIGUEZ: And Judge Rodriguez  
8 withdraws my motion at this time.

9 CHAIRMAN McKINNEY: We'll move it to  
10 the end of the agenda today. We'll take it back  
11 up later.

12 Okay. Item No. 3 -- assuming there's  
13 no objections made by (indiscernible).

14 Item No. 3, request for renewal of  
15 license by Bankers Insurance Company, agent Edith  
16 Guerrero, License No. 74558. The expiration date  
17 of this license is July 18th of 2022. It's a  
18 three-year license renewal.

19 MALE SPEAKER: Chair, I would just  
20 like to point out we've been going by Commissioner  
21 Adrian Garcia, who's (indiscernible).

22 CHAIRMAN McKINNEY: Commissioner  
23 Garcia. Okay.

24 SERGEANT GARCIA: Sergeant --

25 CHAIRMAN McKINNEY: Sergeant. I'm

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1 sorry.

2 SERGEANT GARCIA: So the James  
3 Bonding, James -- Edith Guerrero, the property was  
4 inspected. The files that were reviewed comply  
5 with 1704.

6 The Sheriff's Office contacted  
7 Ms. Guerrero in regards to one of her letters that  
8 was missing some language that was needed as part  
9 of the requirement -- the application requirement  
10 of 1704.154, and it had to do with the letter that  
11 was provided by Charles Brodsky -- is that it?

12 FEMALE SPEAKER: Yes, sir.

13 MR. GARCIA: -- Brodsky that it failed  
14 to state that she operated a fair dealing  
15 business. We did receive this morning a new  
16 letter that satisfied the application  
17 requirements.

18 We know of no past due judgments as of  
19 6/7. The rest of the application was complete.  
20 They have no other comments.

21 MALE SPEAKER: No questions.

22 JUDGE MARSHALL: No questions.

23 MR. BUTERA: Nothing from the DA's  
24 office.

25 JUDGE RODRIGUEZ: Rodriguez, no

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1 questions.

2 JUDGE BALDWIN: Baldwin, no questions.

3 MS. KASE: Kathryn Kase, no questions.

4 MS. SNIVELY: Judith Snively, no

5 questions.

6 MR. GARZA: Mario Garza, no questions.

7 CHAIRMAN MCKINNEY: Troy McKinney, no

8 questions.

9 Is there a motion?

10 MR. BUTERA: This is Michael Butera.

11 I'll make a motion to approve the renewal.

12 JUDGE RODRIGUEZ: Rodriguez seconds

13 the motion.

14 CHAIRMAN MCKINNEY: All in favor?

15 GROUP: Aye.

16 CHAIRMAN MCKINNEY: Anybody oppose?

17 Any abstentions?

18 Motion passes. Congratulations on

19 your renewal.

20 FEMALE SPEAKER: Thank you.

21 MALE SPEAKER: Thank you, Board.

22 CHAIRMAN MCKINNEY: Okay. Item 4,

23 Lexington National Insurance Company, Agent Dane

24 Webb Embrey, license number -- oh, this is a new

25 license.



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1 MALE SPEAKER: This is a new license.

2 CHAIRMAN MCKINNEY: There is no  
3 license number yet. All right. It's going to be  
4 directing business under the name A Mobile Bail  
5 Bonds Service IV out on the Katy freeway. It's a  
6 request for a two-year license.

7 MR. EMBREY: Good morning. Good  
8 morning, Chair.

9 MALE SPEAKER: Do you want to get him  
10 sweared?

11 CHAIRMAN MCKINNEY: Go ahead and  
12 identify yourself first.

13 MR. EMBREY: Dane Embrey with A Mobile  
14 Bail Bonds.

15 CHAIRMAN MCKINNEY: Raise your right  
16 hand.

17 Do you swear or affirm to tell the  
18 truth, the whole truth and nothing but the truth?

19 MR. EMBREY: I do.

20 MALE SPEAKER: Okay. So Mr. Embrey's  
21 license -- new license came with a letter to the  
22 Board and --

23 MR. EMBREY: It may have been --  
24 Steven Bell --

25 MALE SPEAKER: Yes. If Steve Bell

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1 could identify himself and then speak to the --  
2 the actual license, why we're receiving his  
3 license, and what the intent is. Then we'll --  
4 I'll speak after you, Mr. Bell.

5 MR. BELL: Okay. So Steven Bell. I  
6 represent Lexington National Insurance  
7 Corporation. I also represent Mr. Embrey, and  
8 I've assisted Glenda Tanner and her daughter,  
9 which are with us today, and power of attorney  
10 Terry Mackalou.

11 So Glenda, over the last year, and her  
12 family made the decision that she wanted to  
13 transition out of the bail bond industry, as  
14 outlined in my letter.

15 So most important to Glenda, quite  
16 honestly, is she's built -- spent many years, over  
17 a decade, building this business and it's  
18 important to her to make sure that her clients are  
19 serviced and taken care of, that her employees are  
20 taken care of. So she tried to determine a way to  
21 do that.

22 With the help of Lexington National,  
23 we found an avenue for her to do that, and that  
24 avenue is through a new license with Mr. Embrey.  
25 I've outlined for the Board who Mr. Embrey is.

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1 He's a second generation bondsman. He's licensed  
2 in several counties.

3 His father, I believe, was licensed in  
4 the early '70's. And he'll tell you a little bit  
5 about that, but he spent time at the jail as a  
6 young man so he's grown in the business.

7 The request that we have for the Board  
8 is that you grant Mr. Embrey a license. That  
9 license will be contingent upon the surrender of  
10 Glenda Tanner's license. And that will occur  
11 prior to -- and I have a couple of dates that I'll  
12 be happy to give the Board.

13 Lexington National Insurance  
14 Corporation will remain liable for all bonds and  
15 all liability on the old license. Lexington  
16 National Insurance Corporation will begin with the  
17 new license. They will remain liable and become  
18 liable on the new bonds that Mr. Embrey is going  
19 to bring to Harris County.

20 The most important thing throughout  
21 this whole process is for there to be a smooth,  
22 flawless transition where the general public --  
23 we're not hiding anything from the general public,  
24 but we want everybody that's on bond to continue  
25 to get the service that they paid for.

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1           We want the courts to be able to --  
2 and the DA's office and victims to have defendants  
3 come to court, just like they are now. And if,  
4 heaven forbid, a bond forfeits, then we are -- my  
5 office is in Lexington National. With the help of  
6 Glenda Tanner and her family, we will take care of  
7 that on the backside with the assistance of  
8 Mr. Embrey and the offices.

9           I have all -- everyone here. I've  
10 been in touch with Officer Kern. I've been in  
11 touch with Sergeant DeLeon about this. This has  
12 been something that's been in the works for  
13 several months to get the transition in place.

14           The intent that I will propose to the  
15 Board today is on the assumption that you do grant  
16 the license on Friday, the 17th, at noon,  
17 Lexington Insurance Corporation will surrender  
18 Glenda Tanner's license.

19           In that nine-day period -- I'll get  
20 with Leslie today -- we will get the certificate  
21 of deposit in place, the transfer and full  
22 agreement and any other information that's needed.

23           And then on Monday, the 20th, once the  
24 Sheriff's Department has given us notice that  
25 they've got -- we're good to go, all the

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1 technology's there, Mr. Embrey will begin to -- to  
2 write bonds.

3 So if the Board has any questions of  
4 me or any one of the witnesses, I'll be happy to  
5 answer.

6 CHAIRMAN MCKINNEY: Sergeant DeLeon?

7 SERGEANT DELEON: So a question in  
8 regards to the file. So because Mr. Embrey has  
9 licenses in other -- other cities --

10 MR. BELL: Yes, sir.

11 SERGEANT DELEON: -- where are the  
12 files going to be maintained that are currently  
13 maintained in case the Board requests them or the  
14 Sheriff's Office requests them, they're accessible  
15 to us?

16 MR. BELL: Okay. So I'll give you two  
17 answers for that. All -- all files that are in  
18 the office now are going to be moved into an  
19 office -- small office that's next door, and we're  
20 going to begin to go through those. Everything  
21 that Glenda Tanner has written and writes up  
22 through the 20th will be separated from  
23 Mr. Embrey.

24 All files that Mr. Embrey writes for  
25 Lexington National will be maintained in Harris

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1 County in those offices. You have a question, you  
2 need something -- and I -- you guys have worked  
3 with Lexington quite a bit. I don't believe  
4 you've ever had any problem getting ahold of a  
5 file. We're very prompt and get back to you  
6 within a matter of an hour or two or three. So --

7 CHAIRMAN McKINNEY: I think the  
8 question was whether the Tanner files will remain  
9 at that office location.

10 MR. BELL: Next door. And then if she  
11 move -- we're going to have to do something with  
12 them because if they move from their location they  
13 can't remain there. We're going to actually go  
14 through the forfeitures and try to get some of  
15 that handled today. So the answer is yes.

16 CHAIRMAN McKINNEY: Okay.

17 MR. BELL: And if he moves, we'll --  
18 we'll advise the Board as to where they're at.

19 MR. GARZA: Mario Garza. So help a  
20 little bit. Are you guys going to be imaging  
21 or -- or anything like that where the files might  
22 be accessible that way, like, electronically?

23 MR. BELL: Well, the answer to that is  
24 yes. Some of them are going to be imaged. The  
25 forfeiture files, we're trying to get that

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1 together now to get on top -- you know, we've been  
2 working on that for about a year. Some will be  
3 imaged and some won't. There are many files that  
4 are there that just have to be retained  
5 statutorily for four years. There are some files  
6 which actually have expired from that time period,  
7 and we can shred them.

8 MR. GARZA: Okay.

9 MR. BELL: We're really going to  
10 take -- with the exception of forfeiture files  
11 being separated out, the rest of them are going to  
12 be in one bulk.

13 We're going to literally go through  
14 them one by one and then dispose of that which  
15 legally we can. The others will remain in place  
16 either because they're resolved cases and inside  
17 the statutory four years or because they're  
18 existing cases that are going along today.

19 They also have -- and Mr. Embrey will  
20 have access to in his offices the computer system  
21 that Ms. Tanner is using. He will be -- he will  
22 have access to that daily to be able to continue  
23 to update check-ins, contact people. It will be  
24 flawless. He's going to operate a separate  
25 computer system as well as a separate set of

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1 files.

2 CHAIRMAN MCKINNEY: Maybe I can  
3 clarify something on this. My understanding,  
4 having read the letter, that the existing computer  
5 system is something that he is also buying as part  
6 of the -- her securing the assets.

7 MR. BELL: I think that -- well,  
8 the -- you're going to be talking about the  
9 physical computer. The -- the files themselves  
10 are part of a bail-based software so they're  
11 not -- they're in the cloud.

12 But he may be buying the computer  
13 itself. I don't -- he can better answer that  
14 question. But they're not -- they're not on the  
15 computer. They're actually in the cloud.

16 CHAIRMAN MCKINNEY: Well, they're  
17 still controlled by the bondsman, by the  
18 individual.

19 MALE SPEAKER: They're -- and I  
20 apologize. They're in -- they're with Catera, and  
21 Lexington also has access to that as well.

22 CHAIRMAN MCKINNEY: I guess my  
23 question is, my understanding is this -- this -- I  
24 don't want to call it a deal -- was that he is  
25 buying out everything she has and is going to



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1 continue to service the existing clients and  
2 others that are writing new bonds once the license  
3 is in effect.

4 MR. BELL: That's correct. Yes, sir.

5 MALE SPEAKER: So moving on, the  
6 property itself was inspected and the file is  
7 complete, and I have no other comments in regards  
8 to the application.

9 MALE SPEAKER: I don't -- I don't have  
10 any questions.

11 JUDGE MARSHALL: Judge Marshall, no  
12 questions.

13 MR. BUTERA: Michael Butera for the  
14 DA's office. So we've seen this in the past where  
15 people do want to transition and sell their assets  
16 to other -- you know, already existing licensed  
17 sureties or newly licensed sureties.

18 MR. BELL: Sure.

19 MR. BUTERA: In this case, what will  
20 be, if any, the ongoing business relationship  
21 between Mr. Embrey and Ms. Tanner, or is this a  
22 defined one-time deal, the money has changed hands  
23 or whatever is going to change hands, and then  
24 going forward Ms. Tanner will be out of the  
25 bonding business as an unlicensed individual,

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1 private citizen and Mr. Embrey will be the  
2 licensee for the agent for Lexington?

3 Will there be any ongoing financial  
4 relationship between them (indiscernible)  
5 basically Mr. Embrey making bonds?

6 MR. BELL: The answer to that is all  
7 of the above. I believe the -- some of the  
8 assets, the furniture, the desk, the computers  
9 have been paid.

10 There is a financial agreement where  
11 some of what he does moving forward, she will  
12 receive a small percentage of. It's very  
13 incentive based, if the office does well. It  
14 was -- it's a short term period that that will  
15 last.

16 MR. BUTERA: How does that reconcile  
17 then with the Occupations Code prohibitions for  
18 sharing profits of the bonding business with an  
19 unlicensed entity? That was my concern in raising  
20 that question.

21 So that if they're going to -- you  
22 know, an exchange of property and assets while  
23 both parties are licensed and one's going to take  
24 over and one is going to step away, I think that's  
25 fine. But an ongoing relationship to share

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1 profits in the bonding business with an unlicensed  
2 entity --

3 MR. BELL: It's not a -- that wouldn't  
4 be an issue. We could -- we could suspend --  
5 well, I'll respond to that. If that's a concern  
6 for you, we can suspend her right to write bonds  
7 and leave her licensed, and then she'd be allowed  
8 to share those things, and she would not write  
9 bonds. It's not going to extend for a long period  
10 of time.

11 MR. BUTERA: So thinking of that -- I  
12 was prepared to ask the question but then maybe  
13 not all the follow-up scenarios. I'm thinking  
14 specifically -- for example -- and there may be  
15 other situations I'm not considering.

16 1704.3 go to these, saying a person  
17 may not accept or receive from a license holder  
18 money, property or any other thing of value as  
19 payment for the referral of bonding business under  
20 the record -- I'm sorry -- for the pay -- for the  
21 referral of bonding business unless the records of  
22 the Board show that that person is an agent or  
23 employee of the license holder.

24 I know that isn't the exact section I  
25 was thinking when I started to look so my mind may

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1 be elsewhere on that, but -- and that's a criminal  
2 violation. Right? That's a class A misdemeanor.

3 MR. BELL: Sure.

4 MR. BUTERA: It's just we've had -- I  
5 feel like this is a unique situation.

6 I'll let you guys look.

7 MR. BELL: Can I have just a moment?

8 MR. BUTERA: Yeah. Of course, yeah.

9 CHAIRMAN McKINNEY: While they're  
10 talking, my sense kind of is that section would  
11 not prohibit a payment pursuant to a sales  
12 contract. But if that payment is linked to a  
13 percentage of business, which are bonds, then I  
14 think that's where (indiscernible).

15 MR. BELL: Go ahead. I think you --  
16 their -- the disbursement --

17 MR. BUTERA: Yeah. We were kind of  
18 talking while you were --

19 MR. BELL: I understand, yes. So  
20 there's -- they're payments related to a sales  
21 contract, and there is a flat amount that's to be  
22 paid every year that isn't based upon -- and not  
23 to get into the numbers, but there's a -- in over,  
24 like, 24, 36, 42 months, they've agreed at a  
25 number. But it's so that he doesn't pay upfront.

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1 It's based upon the performance, obviously, of the  
2 business.

3 So, I mean, there's always a chance  
4 that something, God forbid, could happen to Dane  
5 and that would create a problem or to Ms. Tanner  
6 and that would create a problem so --

7 MR. BUTERA: So when you say based on  
8 the -- I kind of -- and either I misheard you or  
9 I'm not understanding, Steven. So on one hand you  
10 seem to kind of -- well, put down my worries  
11 because you said, "No. It's just part of the  
12 sales contract that's going to be paid out over  
13 time."

14 MR. BELL: Correct.

15 MR. BUTERA: But then you came back  
16 and you said it's based on the performance of the  
17 business or some incentives or --

18 MR. BELL: Well, it's -- when I say  
19 that, I mean, again, God forbid, Mr. Embrey were  
20 to get hit by a bus, then the contract would  
21 obviously cease at that point. But it's a sales  
22 contract that continues for, I believe, 42 months,  
23 so --

24 MALE SPEAKER: There's -- yes.

25 JUDGE RODRIGUEZ: Okay. What I

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1 understood from the conversation is that basically  
2 you're saying if the business continues to be  
3 profitable, perhaps there could be some  
4 compensation expected. However, if it should take  
5 a nosedive, perhaps they have an alternate  
6 arrangement.

7 MR. BELL: Correct.

8 JUDGE RODRIGUEZ: Is that what you're  
9 saying?

10 MR. BELL: Yes, ma'am, correct. For  
11 example -- and I don't want to throw bad karma,  
12 but, I mean, if the legislature next year were to  
13 determine that cash bail was going to go away at  
14 the end of the year, then obviously it would be  
15 hard for Mr. Embrey to pay her and I would expect  
16 that she would not expect that. There's nothing  
17 nefarious about this. It's a --

18 CHAIRMAN McKINNEY: It's not a  
19 question of whether it's nefarious.

20 MR. BELL: I understand.

21 CHAIRMAN McKINNEY: It's a question of  
22 whether whatever the agreement is and what --  
23 whatever we may possibly be approving on this  
24 violates that section.

25 And if there is a fixed sales price

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1 being made in payments, that's one thing. If the  
2 price is not fixed and it's dependent on the  
3 quantity or amount of a future bail bonding  
4 business that would then be shared in the form of  
5 the payment, that may be a problem.

6 And without then intending to make  
7 this sound the way it's going to sound, given some  
8 of the things we're hearing here, I'm not so sure  
9 we don't need to see that contract or at least  
10 have the county attorney look at it and tell us  
11 whether it fits in this or doesn't.

12 MR. BELL: The alternative -- the  
13 alternative to continue her license would be to  
14 also get her a bond card because she is going to  
15 be over Mr. Embrey.

16 CHAIRMAN MCKINNEY: I couldn't hear  
17 you.

18 MR. BELL: To get her a bond card.  
19 Then I think that we wouldn't -- if there was  
20 any -- any question about there being some sort  
21 of -- with someone that works in your business, he  
22 can get her a bond card with the business as well.

23 The intent wasn't -- I mean, I -- and,  
24 again, I probably haven't thought of everything,  
25 but the intent wasn't to do anything to deceive

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1 the Board or Harris County. It was to try and  
2 accomplish all that. And that would be a very  
3 viable option as well. We could apply for and get  
4 a bond card for her to be an employee with his  
5 office.

6 Just to be honest with you, it  
7 wouldn't surprise me at all to see Glenda up there  
8 next month or next year because she's grown -- she  
9 loves this business and she's not happy about  
10 getting out of it. So that would be -- that would  
11 be -- we could do that as well. If we get her a  
12 bond card, I think that would solve your problem,  
13 Michael.

14 MR. BUTERA: Yeah. I mean, in one --  
15 on one hand, yes.

16 MR. BELL: Okay.

17 MR. BUTERA: I just hate to kind of  
18 think through quickly and make a snap --

19 MR. BELL: Yes.

20 MR. BUTERA: Yes, you're in the --  
21 you're --

22 MR. BELL: I understand.

23 MR. BUTERA: I'm just trying to kind  
24 of digest a lot of what y'all are saying. So if a  
25 person is an agent or employee, then that --



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1 MR. BELL: Correct.

2 MR. BUTERA: -- section would not  
3 apply. So that's true.

4 MR. BELL: Okay.

5 MR. BUTERA: And I definitely don't  
6 want to stand in the way of -- it sounds like  
7 something that needs to happen and everyone wants  
8 to happen. I understand some of the reasons that  
9 it is happening. And so it's just something that  
10 occurred to me --

11 MR. BELL: I understand.

12 MR. BUTERA: -- that it's an ongoing  
13 financial relationship because of -- I know these  
14 type of questions need to be answered for our sake  
15 and everyone's sake involved.

16 Like Troy said, not -- not because  
17 that was the intent behind the arrangement but --

18 MR. BELL: And nothing is set in  
19 stone, you know, moving forward. So in light of  
20 the fact that you do have a concern, then one  
21 thing would be that she will apply for and she  
22 will get a bond card for his office because,  
23 again, I suspect that she'll probably be going  
24 back there because that's what Glenda knows.

25 CHAIRMAN McKINNEY: When does her

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1 current license expire?

2 MR. BELL: We renewed it in January of  
3 '21 so I don't think it expires until, like,  
4 January of -- it's a three year, I believe. I  
5 think it's January '23.

6 We can -- I mean, I didn't want to do  
7 that, to leave it up, but I -- we can get a bond  
8 card -- that seems to be the better alternative --  
9 or we can suspend the right to write bonds under  
10 it if that's what the Board so chooses.

11 I honestly think the better way would  
12 be to -- to get her a bond card and her to become  
13 an employee and she could work with Dane and --  
14 because her value -- her knowledge is very  
15 valuable.

16 I sat with her this morning and spent  
17 time with her. You'd be amazed at what she knows  
18 about the business.

19 MALE SPEAKER: So the --

20 MR. BELL: And I think that would  
21 satisfy your concern.

22 CHAIRMAN McKINNEY: At the risk of  
23 sounding the way it's going to sound, I don't  
24 think we're in a position of telling you how to do  
25 the deal.

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1 MR. BELL: I understand.

2 CHAIRMAN McKINNEY: We're only in the  
3 position of telling you if the deal violates the  
4 law --

5 MR. BELL: Correct. And it's --

6 CHAIRMAN McKINNEY: -- or --

7 MR. BELL: And that's why we're -- I  
8 mean, number one, I think that's -- I think that  
9 answers Michael's question. We don't  
10 necessarily -- we can -- it was the intent to  
11 surrender the license because I'm trying to kind  
12 of stick within your local rule about not using  
13 two names and comply with that rule.

14 And so -- because she's going to  
15 obviously abate or -- the DBA's. Dane is going to  
16 assume any DBA that she might have, A Mobile Bail  
17 Bonds I, et cetera. So that was the intent behind  
18 the surrender of the license, but, hey, a bond  
19 card would obviously clearly solve that problem.

20 MR. BUTERA: Okay. I'll just state  
21 for the record a couple of questions that have  
22 been asked. So the license that Ms. Tanner  
23 currently has, 74509, under Lexington does expire  
24 March 19th, 2024.

25 MR. BELL: Okay. You're right. It's

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1 a three year. I'm -- it's -- it was a three-year  
2 license when we renewed in, like, January of last  
3 year.

4 MR. BUTERA: And although -- just to  
5 speak for myself, maybe off the cuff a little bit,  
6 although y'all sound like you've put a lot of  
7 thought and work into this to try to make it good  
8 for all the parties, I learned about this when I  
9 got a letter that I just had an opportunity to  
10 read today.

11 So I know this (indiscernible) some  
12 feelings. So it was sent yesterday to the Board  
13 so I haven't had a lot of time to digest it and  
14 think through it. But like Troy said, we're not  
15 vetting, you know, the deal. We're not in the  
16 position to do that, and we wouldn't want to do  
17 that. We're just trying to make sure that we're  
18 not setting someone up for failure or issues --

19 MR. BELL: Absolutely.

20 MR. BUTERA: -- going forward.

21 I mean, it would help me, maybe, if we  
22 could have a conversation -- I don't know. You  
23 seem to be in favor of maybe saying, "Well, we're  
24 going to get an employee card and have her as an  
25 employee. Let's go forward. Why aren't we going

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1 forward?"

2           It would help me personally to answer  
3 some of those questions if we had some time to  
4 look at it and talk and to make sure that we're on  
5 the best footing going forward. But I'm -- I'm  
6 not -- I'm not saying that that's what has to  
7 happen.

8           I guess -- I'm throwing out there the  
9 opportunity. I don't know what is involved in the  
10 structure of the deal, the timing of it or the  
11 opportunity that maybe it -- it would help answer  
12 some questions or alleviate any questions going  
13 forward if we have more time to talk and think  
14 about it.

15           MR. BELL: All right.

16           MR. BUTERA: I'm just throwing that  
17 out there.

18           CHAIRMAN McKINNEY: Here's kind of  
19 what I'm thinking at this point, and I'm still  
20 wide open because I'm not real sure at this point  
21 either.

22           On the one hand, I don't see anything  
23 in the application to prevent us from approving  
24 the new license. On the other hand, the way in  
25 which that business is conducted and

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1 (indiscernible) transactions take place are  
2 something that both, the two people involved, can  
3 potentially lose their licenses.

4 And we need to make sure on their part  
5 that they comply with Chapter 1704 and more  
6 appropriately (indiscernible). We're not  
7 (indiscernible) business thing, but we want to  
8 make sure they do it the right way.

9 I think maybe some of those issues  
10 that have been highlighted here may prevent you  
11 from stepping into the proverbial pile  
12 (indiscernible). Whether -- how you do it is not  
13 really our concern unless the way in which you do  
14 it comes to our attention that it violates a  
15 statute.

16 MR. BELL: And based upon -- and based  
17 upon that, I was asked that the Board approve the  
18 license. I believe that Mr. Embrey qualifies for  
19 the license. I don't believe that there's  
20 anything that would encumber that from happening.

21 And to further that, Michael, your  
22 concerns, it's a transition that's been, you're  
23 correct, working for some time. I had actually  
24 tried to reach out to Mr. McKinney and had not  
25 been able to get ahold of him over the last couple

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1 of days. But I know we're busy.

2 So what I'd ask is the Board approve  
3 it, and then, obviously, we've got some time over  
4 the next weeks and months to figure these things  
5 out. And if any concern -- we're not going to do  
6 anything that would violate the local rules.

7 I don't know that I have ever been  
8 before this Board with Lexington National in a  
9 complaint. I've been here many times, but I don't  
10 believe it's ever involved a complaint.

11 I will tell you that I've represented  
12 Lexington National since 2015, and maybe two or  
13 three times has there been a complaint and those  
14 complaints around the state have been resolved, I  
15 believe.

16 Sergeant DeLeon will tell you that any  
17 time an e-mail comes out, he has a response within  
18 literally an hour of any issue that arises.

19 SERGEANT DeLEON: Yeah. Mr. DeLeon.  
20 I don't really think that is the -- you know, I  
21 don't think that's the point at all. Y'all are  
22 very responsive to our e-mails.

23 I think the point was just to make  
24 sure that it's able to be reviewed, especially by  
25 the DA because he brought it up --

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1 MR. BELL: I understand.

2 SERGEANT DeLEON: -- to make sure that  
3 it aligns with -- before the Board makes a --  
4 makes a decision to approve it.

5 MR. GARZA: I'll just --

6 SERGEANT DeLEON: Oh, sorry. I've had  
7 a lot of time to talk, Mario.

8 MR. GARZA: No. Mario Garza. Is  
9 there some kind of way to put some kind of a  
10 timeline as to when Glenda should have her  
11 application submitted for the bond card?

12 MR. BELL: Well --

13 MR. GARZA: Would that give the Board  
14 some kind of -- like maybe within 30 days of --

15 MR. BELL: Well, no. I -- all of  
16 the --

17 MR. GARZA: Without -- without tabling  
18 this --

19 MR. BELL: I was just going to say --  
20 I was just going to say all of the employees  
21 are -- that are going to transition over are going  
22 to have to submit for bond cards, and she can do  
23 hers at the same time. So that will happen over  
24 the next week, whenever I -- I just told Leslie  
25 about that before the meeting.



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1 MR. BUTERA: So at this point are we  
2 all -- or I personally -- I don't want to speak  
3 for everyone. I know I have legal -- I have  
4 Roger's Annotated Occupations Code and I'm looking  
5 under that section and he's citing a case called  
6 Villanueva versus Gonzalez out of the San Antonio  
7 Court of Appeals.

8 And the gloss on the case is an  
9 agreement to split fees in violation of the  
10 section is an illegal contract and is therefore  
11 unenforceable. I haven't read that case. I don't  
12 purport to tell you what it means or what it  
13 stands for or -- it's 123 S.W.3d 461, Villanueva  
14 versus Gonzalez. Again, I don't -- I'm just  
15 reading from Roger's notes. I'm not standing  
16 behind that, that that's exactly what that means  
17 or says.

18 And Troy's right. The Board approves  
19 or denies licenses based on what's presented and  
20 not based on the agreements behind it. And  
21 Mr. Embrey's application is complete. But this is  
22 not only an official violation of the Occupations  
23 Code, but it's a class A misdemeanor that you're  
24 potentially stepping into. I'm just throwing  
25 those up as reasons to perhaps wait.

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1           And Lexington controls -- I know  
2 you're talking about surrendering, but Lexington  
3 controls what their agents write based on their  
4 powers of attorney they choose to give or not give  
5 to their agents.

6           So you do have the ability to maintain  
7 a licensed agent, from the Board's perspective,  
8 but also control that agent's writing ability from  
9 powers of attorney given or taken from -- you  
10 know, from that agent. And that's a middle way in  
11 the short term to try to move forward.

12           MR. WILLIAMS: Why don't I --

13           MALE SPEAKER: Hold on. Hold on for  
14 just a second.

15           MR. WILLIAMS: I -- Scott Williams  
16 with Lexington. We -- we'll -- we can leave  
17 Glenda's license in place, and I would anticipate  
18 that we're not going to violate the rules. We'll  
19 make sure of that.

20           So we can leave her license in place.  
21 She just will not be allowed to write bonds. And  
22 you're right. That's controlled with the power of  
23 attorney letter (indiscernible) the Sheriff's  
24 Department, not surrendering the license but  
25 merely turning the capability to write off on

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1 Friday -- Friday, the 17th, at noon.

2 We will leave the license in place,  
3 but she will not be doing anything. Although  
4 Lexington will be -- Lexington with her assistance  
5 and that of Mr. Embrey will be running off the  
6 liability in making sure that everybody knows  
7 about court dates and things of that nature.

8 That should -- that should take care  
9 of your concern about -- about --

10 MR. BUTERA: Yeah. And just for --

11 MR. WILLIAMS: And she will get a bond  
12 card.

13 MR. BUTERA: There are a few questions  
14 about setting up a shell licensee. They never had  
15 an intent -- and I know that's not what's  
16 happening here. So -- but opening up a shell  
17 company licensee who never intends to do any  
18 business in the bonding business, the corporation  
19 never gives them any powers, then they have a  
20 behind the scenes office-sharing agreement with  
21 the licensee. I mean, that's --

22 MR. WILLIAMS: Well --

23 MR. BUTERA: I'm just thinking out  
24 loud.

25 MR. WILLIAMS: So -- so to make it

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1 clear, Lexington has a contract with Glenda Tanner  
2 to wind down all of this liability so it's not  
3 going to be like she's going to be a shell. It's  
4 a continuing entity that will continue to work and  
5 will work to wind down all that. Now, she'll  
6 still be a part of that, as will her daughter, who  
7 has her power of attorney.

8 FEMALE SPEAKER: Part of your  
9 question -- your opening question, right after you  
10 informed, you stated that they -- they were  
11 going -- she was going to, I guess, get a part of  
12 the profits that came in. That's -- that was what  
13 you stated from the very beginning is that --  
14 that's what prompted all of this.

15 MR. WILLIAMS: Well, there -- there's  
16 an agreement in place where she will get some  
17 payments, but it's based upon the business  
18 discontinuing, period.

19 If bail were to go out of business,  
20 obviously, that would create a problem where he  
21 wouldn't want to -- or, again, God forbid, if  
22 something were to happen to Dane and he didn't --  
23 wasn't capable -- if the business were to go out  
24 of business, he couldn't make -- you know,  
25 couldn't pay her any (indiscernible).

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1 SERGEANT DeLEON: So this is -- so  
2 this is Sergeant DeLeon. I asked -- I asked  
3 Steven Bell to present this letter because I knew  
4 that the Board would need clarity before it made  
5 their decision. After hearing the multiple  
6 discussions, I think that clarity is not found in  
7 the letter.

8 So I make a motion to table until we  
9 have a clearer picture for the Board to make a  
10 decision.

11 MS. KASE: I second. Kathryn Kase.

12 CHAIRMAN MCKINNEY: I'm going to speak  
13 to that just because I think the application  
14 itself is in order and there's nothing basing the  
15 application (indiscernible) from approving it.  
16 The company doing business after the fact, under  
17 contract or otherwise, is the subject the  
18 commission should consider and the fact they do  
19 something that violates the statute.

20 And, certainly, after hearing this  
21 discussion, they'll have the opportunity to make  
22 sure that doesn't happen. And if for the sake of  
23 argument we approve this application today, I  
24 would encourage them to go with either  
25 Sergeant DeLeon or Mike to make sure those issues

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1 are cleared up so that there's not any problem  
2 going forward. And I say that so (indiscernible)  
3 to hold on to the new application.

4 MALE SPEAKER: And I -- for what it's  
5 worth, to the extent that the Board or DeLeon or  
6 Mr. Butera -- I'm in town. I'm available by  
7 phone. We'll -- we'll make sure that things stay  
8 within -- there's obviously a variety of other  
9 things that you could violate the rules with in a  
10 transition like this, and we're thinking through  
11 those as we go.

12 FEMALE SPEAKER: But I think --

13 MALE SPEAKER: So we will make sure  
14 that doesn't happen.

15 FEMALE SPEAKER: I don't believe  
16 that -- part of the concern is your comments wreak  
17 of (indiscernible).

18 FEMALE SPEAKER: And that is prone --  
19 and with regard -- responding to you, Troy, on the  
20 motion to table is that, yes, we have an  
21 application for a license, but we have a letter  
22 that functions as a statement of intent about how  
23 the license will be used.

24 Coupled with your comments -- and I  
25 appreciate this is complicated, but right now I'm

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1 actually reading this Villanueva versus Gonzales  
2 that you're citing -- that the district attorney  
3 cited. And, frankly, I think this is a more  
4 involved legal question than perhaps was  
5 appreciated up until this moment, and I'm  
6 concerned about that, Troy, in terms of that  
7 statement of intent about how the license will be  
8 used in that letter. And that's where I'm -- I'm  
9 stumped.

10 MR. GARZA: Mario Garza. Real  
11 quickly, to refer to the county attorney, I mean,  
12 the application meets the standard. Correct? I  
13 find DeLeon -- the application itself --

14 SERGEANT DeLEON: The letter of intent  
15 is what's in question --

16 MR. GARZA: Right.

17 SERGEANT DeLEON: -- because I  
18 would -- I would not want the court -- this is  
19 just speaking for the Sheriff's Office. I made  
20 the motion just for clarity. All right? Because  
21 she does not expire, then she's still able to  
22 write bonds.

23 And if we get a new letter that  
24 clearly outlines the plan plus our legal team is  
25 able to make sure that the Board doesn't vote on

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1 something that later on -- that later on was a bad  
2 app. I want to make sure --

3 MALE SPEAKER: Well, what I understand  
4 is the comments are more like a warning to you.

5 MALE SPEAKER: Well, they're --  
6 they've got --

7 MALE SPEAKER: We're telling you that  
8 the application meets the standard. We can  
9 approve it, but you're stepping into something  
10 that you do at your own peril that could come back  
11 because of the profit sharing possibility.

12 So by approving that, while it meets  
13 the standard to get approval, you're going to have  
14 to decide for yourself whether you want to table  
15 it -- let us table it or you accept the approval  
16 granting the license and then if that case comes  
17 up as a -- as a -- a layperson --

18 CHAIRMAN McKINNEY: I want to address  
19 something Hector said. If -- I mean, I think he's  
20 telling us now that they're not going to share  
21 revenues-based profits related to some  
22 (indiscernible) they can't do so.

23 MALE SPEAKER: Correct.

24 CHAIRMAN McKINNEY: Their  
25 possibilities -- their plan at this point seems to



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1 leave her with her license or have her be an  
2 employee of the new entity, both of which would  
3 allow sharing the business (indiscernible)  
4 profession as I understand it. So --

5 SERGEANT DeLEON: Well, there's a  
6 motion on the -- there's a motion on the table --

7 CHAIRMAN McKINNEY: I understand.

8 SERGEANT DeLEON: -- that hasn't been  
9 voted on.

10 CHAIRMAN McKINNEY: We're discussing  
11 whether to table it.

12 Okay. We've got a motion to -- second  
13 on the motion to table. Is there any more  
14 discussion on the motion to table?

15 MALE SPEAKER: We just have one  
16 question. What is the urgency? Is it something  
17 you -- you know, if the Board is willing to wait  
18 and maybe even -- I'll just put myself out there.  
19 We need four members for a forum. The Board is  
20 maybe even willing to consider an interim meeting  
21 between now and July.

22 But what is the timing issue? Is it  
23 just like y'all feel like you've done what you  
24 need to do and you're not willing to wait, or is  
25 it that there's something that hasn't been

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1 expressed here that is a timing concern to get it  
2 done immediately? Can you put --

3 MR. EMBREY: I think it's -- it's  
4 something that's been worked -- it's something  
5 that's been in the works for many, many months  
6 to -- actually to get it to this point. It's  
7 actually been put off to get a few things in  
8 order.

9 I do understand the Board's concerns,  
10 and they're duly noted. And so I don't know that  
11 any -- I don't know that there's going to be a  
12 better answer a month from now. I mean, you --  
13 I've understood -- I've understood what you've  
14 said and I do understand where you're coming from  
15 and I think we can rectify that.

16 There are -- probably as we roll  
17 through this, there are other concerns that you  
18 probably watch for as an insurance company with  
19 Mr. Embrey and/or with Glenda moving forward. And  
20 so I understand what -- what the Board is saying,  
21 and they are duly noted.

22 I don't think anything's going to  
23 change a month from now. I don't really want --  
24 the problem is I think if you get it out before  
25 the Board, it becomes public record. And I

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1 don't -- it's not really the public's -- I don't  
2 think it's generally the public's, you know,  
3 concern about how we transition.

4 CHAIRMAN MCKINNEY: Here's what might  
5 change a month from now is that your answer could  
6 be extended on how it's going to take place and  
7 there be a comfort level among everybody that the  
8 agreement doesn't violate the law. That may be  
9 the --

10 MR. BUTERA: To speak for myself, I've  
11 had less than a day to consider what you've worked  
12 on for, by your own testimony, months.

13 MALE SPEAKER: Correct.

14 MR. BUTERA: It would help understand  
15 how it's not going to run afoul of the rules or  
16 potentially lead to violations. So that's what it  
17 could help me understand.

18 CHAIRMAN MCKINNEY: Okay. We've got a  
19 motion to table on the floor. All in favor?

20 GROUP: Aye.

21 CHAIRMAN MCKINNEY: Does anybody  
22 oppose?

23 MR. GARZA: Oppose.

24 CHAIRMAN MCKINNEY: We have one  
25 opposition.

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1 Anybody abstain?

2 Motion carries.

3 MR. EMBREY: Thank you.

4 CHAIRMAN MCKINNEY: Motion to table.

5 See you next month.

6 Now, let me -- let me add this is  
7 offered to you. If you think you get things  
8 cleared up in a way that's going to address all  
9 these concerns before the next meeting, reach out  
10 to -- I guess to submit it, you know, or talk to  
11 DeLeon about potentially --

12 MR. EMBREY: Okay.

13 CHAIRMAN MCKINNEY: -- scheduling a  
14 special meeting --

15 MR. EMBREY: Okay.

16 CHAIRMAN MCKINNEY: -- because if --  
17 and guess what? They're going to ask those  
18 questions. If there are practical reasons why  
19 this needs to happen more quickly, we -- if  
20 (indiscernible), I think we will try and aid in  
21 that regard if you can solve the questions about  
22 things that were discussed here.

23 MR. EMBREY: Absolutely. I'll hang  
24 around after the meeting and get with Mike and  
25 we'll figure this out and get with you. I

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1 think -- I think what we have is good. It's good.

2 MR. BUTERA: Yes. We will -- we will  
3 most definitely work this out --

4 MR. EMBREY: Okay.

5 MR. BUTERA: -- in a special meeting  
6 in order to --

7 MR. EMBREY: Okay.

8 MR. BUTERA: -- get -- work things  
9 out.

10 MR. EMBREY: Good deal. I'll stay --  
11 I'll hang around and I'll talk with you after the  
12 meeting.

13 CHAIRMAN MCKINNEY: Okay. Item No. 4  
14 is tabled until the next meeting at  
15 (indiscernible).

16 Okay. Item No. 5, request for new  
17 license, Financial Casualty & Surety, Inc., agent  
18 Mario Sanchez. It is a new license.

19 MALE SPEAKER: Maria.

20 FEMALE SPEAKER: Maria.

21 CHAIRMAN MCKINNEY: Maria. I'm sorry.  
22 Maria Sanchez. I have DBA X-It Bail Bonds and the  
23 Roman numeral is 2, in Houston.

24 Okay. Who do we have present here?

25 MS. SANCHEZ: Maria Sanchez.

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1 CHAIRMAN McKINNEY: Maria Sanchez,  
2 raise your right hand.

3 Do you --

4 MALE SPEAKER: We also have somebody  
5 with Financial.

6 MS. MATHESON: Shelly Matheson with  
7 Financial Casualty.

8 CHAIRMAN McKINNEY: Will you both  
9 raise your hands, please?

10 Do you swear or affirm that any  
11 testimony you'll give will be the truth, the whole  
12 truth, nothing but the truth?

13 MS. SANCHEZ: Yes, sir.

14 CHAIRMAN McKINNEY: Okay.

15 SERGEANT DeLEON: So, Ms. Sanchez --

16 MS. SANCHEZ: Yes.

17 SERGEANT DeLEON: -- this will be an  
18 additional license?

19 MS. SANCHEZ: Yes.

20 SERGEANT DeLEON: You're already  
21 licensed with -- you're licensed with -- with an  
22 agency or insurance company?

23 MS. SANCHEZ: Yes.

24 SERGEANT DeLEON: Which -- which one?

25 MS. SANCHEZ: With -- I have one with

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1 Bankers --

2 SERGEANT DeLEON: With Bankers.

3 MS. SANCHEZ: And right now I'm  
4 applying for X-It.

5 SERGEANT DeLEON: And this is  
6 because this will be (indiscernible)?

7 MS. SANCHEZ: Yes. Yes, sir.

8 SERGEANT DeLEON: Okay. So we did an  
9 inspection of the property. The files that we  
10 found at -- with Bankers were in compliance.

11 I do have a question. In your -- in  
12 your filing system, how are we -- will you be  
13 separating files? Will they all be together? And  
14 the reason I ask is because at our last inspection  
15 there was a little difficulty finding a couple of  
16 the files, and I wanted to make sure how -- what  
17 was going to be the separation of the two  
18 licenses.

19 MS. SANCHEZ: Actually I'm going to --  
20 I have another office right there in the same  
21 place that I'm going to be working for -- with  
22 this and other -- the other license. So I  
23 don't -- I'm not going to have everything  
24 together. It's just going to be -- so I don't  
25 want to --

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1 MALE SPEAKER: So it will be separate?

2 MS. SANCHEZ: Yes, sir.

3 MALE SPEAKER: Okay.

4 SERGEANT DeLEON: The application  
5 itself was complete. We have no other comments in  
6 regard to the -- the application.

7 MALE SPEAKER: You said you're going  
8 to have a different office on the same premise?

9 MS. SANCHEZ: Yes. It's just another  
10 room --

11 MALE SPEAKER: All right.

12 MS. SANCHEZ: -- to have everything.

13 MALE SPEAKER: Is it -- is it the same  
14 phone number or a separate phone number?

15 MS. SANCHEZ: It's another phone  
16 number.

17 MALE SPEAKER: I think that's it.  
18 Thank you.

19 JUDGE MARSHALL: No questions.

20 MR. BUTERA: I do have some questions  
21 for Ms. Sanchez or maybe even for the insurance  
22 company since this is a new license for y'all.  
23 We -- this is Michael Butera from the DA's office,  
24 just for the record.

25 We've had to go through incredibly



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1 drastic way, way, way over the top efforts to  
2 collect from Ms. Sanchez in the past for overdue  
3 judgments, particularly on the property license  
4 she had, which is now expired on but still has  
5 liability on it, I believe.

6           What measures are in place from the  
7 corporate perspective -- or, Ms. Sanchez, if you  
8 want to speak to it -- to monitor forfeitures, to  
9 monitor when forfeitures are due, to monitor how  
10 they're going to be paid and when?

11           You know, we seem like we're doing the  
12 heavy lifting on that rather than Ms. Sanchez,  
13 which is completely upside down. We've had issues  
14 where we've had to do execution on -- meaning  
15 legally -- that's just a legal term, execution --  
16 to -- to go and to -- to get the constable to help  
17 us satisfy those judgments.

18           So maybe you can speak to what's in  
19 place to help prevent that from having to happen.

20           MR. DEWITT: My name is Ken Dewitt.  
21 Let me address that. I -- I am in charge of the  
22 bond forfeitures for Ms. Sanchez. But one of the  
23 reasons why this license is being obtained is  
24 because Financial has a rather skilled forfeiture  
25 department, and so they do assist in monitoring.

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1           Now, maybe they can always -- we could  
2 all always do better, but they do have a system in  
3 place to monitor and to make sure that things will  
4 be taken care of.

5           I think the problems that you've  
6 identified are problems that -- in her past when  
7 she had a property license and a license with  
8 Bankers, and the problems were predominantly with  
9 the -- with the license for -- her property  
10 license. And I believe -- you know, we've talked  
11 to her about the -- those issues that you've  
12 identified.

13           We -- we are always trying to improve.  
14 You know, when you raise an issue, we do address  
15 internally whether their writing ability is  
16 lowered, whether their underwriting rules have to  
17 change. And we've done that when issues have been  
18 raised where we require different underwriting for  
19 people that have been identified that may have  
20 issues. So those become under review.

21           But the specific reason why we were  
22 approached for this license was because -- because  
23 the thought was that we could provide additional  
24 assistance in tracking those types of things  
25 because I know Financial does do that.

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1 MR. BUTERA: So we've also -- thank  
2 you for your answer. We've also had issues -- and  
3 maybe Sergeant DeLeon remembers better than I do.  
4 But this office is next to another office that was  
5 occupied by another surety, and we've had  
6 confusion in the past -- again, Sergeant DeLeon is  
7 going to remember better than I have -- about  
8 bonds being signed under the different name than  
9 the entity presented at the top.

10 MR. DEWITT: Yes. I -- I can address  
11 that as well.

12 MR. BUTERA: So --

13 MR. DEWITT: We've got a father --

14 SERGEANT DeLEON: Well, hold on.

15 MR. BUTERA: Let's make sure that what  
16 I'm saying is even right.

17 SERGEANT DeLEON: Real quick, yeah.  
18 So the adjacent offices, that has been looked at  
19 and they have cleared that up. There's two  
20 entrance -- separate entrances. She's speaking to  
21 where she actually has two offices in that one  
22 area. That's actually separate from the other  
23 office.

24 However, Mike, you are correct, where  
25 because of family members being so close in

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1 proximity, we have had instances where it was -- a  
2 bond itself was under one name, one company name,  
3 a power under another company name. That was the  
4 issue that we had. So --

5 MR. DEWITT: And, you know, that  
6 was -- again, I said father, but she's the mother  
7 of Andy Hernandez, who's passed away. And I think  
8 the specific issue that we were talking about --  
9 we talked about in the past on that issue involved  
10 computers going down.

11 They had to go to the other office to  
12 print. But when they printed, they prepopulated  
13 because that's the way their office -- so when  
14 they printed at the other office, it populated  
15 with his name and it wasn't verified since the  
16 employee didn't realize it was -- it was  
17 improperly signed.

18 In fact, you know, it was very  
19 disturbing when you have somebody -- I -- I don't  
20 know if it was her or it was Andy that was  
21 swearing his name was -- that he was her or her,  
22 that she was swearing her -- her name was him.  
23 But that was brought to her attention. We did  
24 research what happened.

25 So I think that that was an Andy

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1 Hernandez situation, since -- since I -- I do  
2 recall it, and not Maria, but I don't recall  
3 specifically. But that -- since I was involved,  
4 I'm assuming that it was an Andy Hernandez issue.

5 MALE SPEAKER: And, Ken, you are  
6 correct. The letter was submitted to the  
7 Sheriff's Office with an explanation that it was a  
8 software -- it was a software glitch that printed  
9 out the names.

10 MR. BUTERA: Well, just -- those are  
11 my questions. I'll be closely monitoring as we go  
12 forward, as always, of course. But -- but just  
13 based, you know, on those -- those past issues, I  
14 hope that they've been cleared up.

15 MR. DEWITT: No. And I -- and I would  
16 just say to you that -- you know, I like to say  
17 when y'all say jump, we jump as high as we can,  
18 but -- and I'm sure that Michael would say  
19 sometimes the perception is that we're not doing  
20 that.

21 But our perception is to be  
22 responsive. And when an issue is identified,  
23 whether we've identified it or y'all have, we want  
24 to correct it as soon as possible or get you a  
25 response to what happened.

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1           Where -- and I know we have other  
2 issues that we're going to talk about today and --  
3 but our goal is to get as much information. We  
4 don't have anything to hide from you. We know it.  
5 We want you to know it. And that's true on this  
6 license as it's true on any other license that we  
7 have.

8           MR. BUTERA: And the application --  
9 application is complete, and I don't have any  
10 additional questions. Thank you very much.

11           FEMALE SPEAKER: Thank you for the  
12 informal feedback. I don't have any questions for  
13 Ms. Sanchez or her group at this time.

14           CHAIRMAN MCKINNEY: I've got a couple.  
15 You know, I understand that at this location on  
16 Brownwood that there are presently two different  
17 bail bond companies, two different licensees at  
18 that location.

19           MS. SANCHEZ: Yes. I'm sorry. Yes.  
20 I have --

21           MALE SPEAKER: There's an A and B in  
22 there --

23           FEMALE SPEAKER: It's -- there's a  
24 suite.

25           MALE SPEAKER: -- on each side.

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1 CHAIRMAN MCKINNEY: I understand. And  
2 one of those -- is yours the A or the B?

3 MS. SANCHEZ: What did -- I'm sorry?

4 MALE SPEAKER: Hers is the A.

5 CHAIRMAN MCKINNEY: Is yours --

6 MALE SPEAKER: Hers is the A. Oh, I'm  
7 sorry.

8 CHAIRMAN MCKINNEY: Okay. Who's the  
9 other person that has the other license you offer  
10 as the bail bond business at that location?

11 MS. SANCHEZ: Marcos Antonio.

12 MR. DEWITT: Her son.

13 MS. SANCHEZ: My son.

14 CHAIRMAN MCKINNEY: Okay. And -- and  
15 he operates that bonding business under a  
16 different name?

17 MS. SANCHEZ: Yes.

18 MR. DEWITT: It's Fearless II.

19 CHAIRMAN MCKINNEY: Okay. The  
20 business that you currently operate is operated  
21 under what name?

22 MR. DEWITT: X-It.

23 CHAIRMAN MCKINNEY: What's the whole  
24 name?

25 MR. DEWITT: X-It Bail Bonds.

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1 MALE SPEAKER: II.

2 MALE SPEAKER: II.

3 MR. DEWITT: No. The current one is  
4 X-It Bail Bonds for Bankers. The -- this license  
5 would be X-It Bail Bonds II.

6 CHAIRMAN MCKINNEY: And she's going  
7 to -- are you going to run both X-It Bail Bond and  
8 X-It Bail Bonds II out of the same office you're  
9 currently in right now?

10 MR. DEWITT: Yes.

11 MS. SANCHEZ: Yes.

12 MALE SPEAKER: And what she said is  
13 she'll segregate the files into two separate  
14 rooms -- or separate these files into a separate  
15 room.

16 MS. SANCHEZ: Actually I have two --  
17 it's two offices. The same -- I mean, people can  
18 come to one office and -- and other people can  
19 come to the other office. It's not even --

20 MALE SPEAKER: So for clarity --

21 MS. SANCHEZ: -- a separate -- okay.

22 MALE SPEAKER: -- this license is --  
23 is Office A?

24 MR. DEWITT: Yes, this one.

25 MALE SPEAKER: Okay.



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1 MALE SPEAKER: So that's going to give  
2 you three businesses in the same office?

3 MR. DEWITT: There will be three  
4 businesses in the same -- the same general  
5 location, suites. And one is hers and -- or two  
6 will be hers and one is her son's, yes.

7 CHAIRMAN McKINNEY: Okay. Perhaps  
8 I'm -- I'm confused on this, but isn't there a  
9 prohibition against running two bonding companies  
10 out of a single office?

11 MALE SPEAKER: I think as long --  
12 DeLeon said that they have two different entrances  
13 or -- is that --

14 MS. SANCHEZ: Yes.

15 MALE SPEAKER: Are you separating --

16 MS. SANCHEZ: Different kind of  
17 offices.

18 SERGEANT DeLEON: Look at the statute.

19 MALE SPEAKER: I have.  
20 (Indiscernible) told me that -- I -- I do know  
21 this. I know in the past, if they were -- if they  
22 were -- and this was two separate licenses, which  
23 is why this was brought up when her son applied  
24 for a license and wanted to use the same address.  
25 We went out to make sure that there were

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1 distinctly two different addresses. One's an A.  
2 One's a B.

3 In regards to the same individual  
4 having two licenses in one location, I think  
5 Mr. Butera is looking for -- looking that up to  
6 see --

7 MR. BUTERA: There's nothing in the  
8 statute that addresses that.

9 MALE SPEAKER: I don't think there is.

10 MR. BUTERA: And the question is  
11 whether the Board has a local rule, and I don't  
12 believe the Board does.

13 MALE SPEAKER: So --

14 CHAIRMAN McKINNEY: Go ahead and  
15 finish.

16 MALE SPEAKER: Sorry. So, yeah, I  
17 don't have my eyes on the part of the Occupations  
18 Code, but I do believe that's right, that there's  
19 nothing in the Occupations Code that addresses it.  
20 Our local rule simply says, No. 9, "All licensees  
21 and agents for corporate sureties must maintain an  
22 office in Harris County."

23 Then it goes on to talk about  
24 timeframe for notice for moving. Then it goes on  
25 to define an office, and that's it. So just that

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1 they must maintain an office.

2 CHAIRMAN McKINNEY: And so --

3 JUDGE MARSHALL: And both of -- I'm  
4 sorry.

5 CHAIRMAN McKINNEY: No. Go ahead.

6 JUDGE MARSHALL: X-It Bail Bond and  
7 X-It Bail Bond II, both of them will have the same  
8 staff or a different staff?

9 MS. SANCHEZ: Same staff.

10 CHAIRMAN McKINNEY: Are they going to  
11 have the same phone number or different phone  
12 numbers?

13 MS. SANCHEZ: A different phone  
14 number.

15 CHAIRMAN McKINNEY: Okay. So if I  
16 walk in the front door of your business and say,  
17 "I'm here to get a bond for somebody," how do I  
18 know which entity I'm doing business with?

19 MS. SANCHEZ: Different suite,  
20 different --

21 MR. DEWITT: Office.

22 MS. SANCHEZ: -- office.

23 CHAIRMAN McKINNEY: So there's --  
24 there's going to be a sign on the doors on the  
25 inside. One will say X-It Bail Bonds, the other

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1 will say X-It Bail Bonds II?

2 MS. SANCHEZ: Yes, sir.

3 CHAIRMAN McKINNEY: Okay.

4 JUDGE MARSHALL: But you'll have the  
5 same conditions and terms for both?

6 MS. SANCHEZ: I'm sorry?

7 JUDGE MARSHALL: Will there be the  
8 same exact conditions and terms? If I walk in and  
9 say, "I want a bail bond," will you send me to  
10 X-It Bail Bond II or --

11 MR. DEWITT: Well, the paperwork will  
12 be essentially the same. I believe they have --  
13 do you have your own paperwork or do you use  
14 Bankers?

15 MS. SANCHEZ: Bankers.

16 MR. DEWITT: Okay. So the Bankers  
17 Insurance Company has their paperwork that she  
18 will use for Bankers' bonds. And then Financial  
19 will have its paperwork for Financial bonds. So  
20 there will be different paperwork. It will be  
21 different brands. It'll say, you know, Financial.  
22 It will say Bankers on it. So it -- it will --  
23 they will execute different paperwork for each  
24 type of bond.

25 CHAIRMAN McKINNEY: Here's -- here's

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1 what I'm going to say in addition to that. Be  
2 careful with the way you run this business because  
3 if it violates the Deceptive Trade Practices Act,  
4 that would be real unfortunate.

5 MR. DEWITT: Okay.

6 CHAIRMAN MCKINNEY: And I'm -- I'm  
7 saying that because I can see people being  
8 confused or being concerned about it. So that's  
9 my caveat.

10 Anybody else have any questions for  
11 her?

12 FEMALE SPEAKER: No.

13 CHAIRMAN MCKINNEY: Okay. Is there a  
14 motion?

15 SERGEANT DeLEON: Sergeant DeLeon. I  
16 make a motion to approve.

17 JUDGE RODRIGUEZ: Rodriguez seconds  
18 the motion to approve.

19 CHAIRMAN MCKINNEY: Any further  
20 discussion?

21 All in favor?

22 GROUP: Aye.

23 CHAIRMAN MCKINNEY: Anybody opposed?

24 MR. OSBORNE: Aye -- no. I oppose.

25 CHAIRMAN MCKINNEY: Mr. Osborne

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1 opposed.

2 Any abstentions?

3 JUDGE MARSHALL: I oppose.

4 CHAIRMAN MCKINNEY: Judge Marshall  
5 also opposed.

6 Any other oppose?

7 Any abstentions?

8 Motion passes. The two-year license  
9 is issued --

10 MR. DEWITT: Thank you.

11 CHAIRMAN MCKINNEY: -- or is approved.

12 Okay. Item No. 6, notice made by  
13 Financial Casualty & Surety, Agent Marcos Antonio,  
14 License No. 74617, to open a new satellite office  
15 and request for approval of phone number listed  
16 below. And there is a new phone number, which is  
17 what matters on this, 281-972-0494.

18 Raise your right hand.

19 Do you swear or affirm that your  
20 testimony will be the truth, the whole truth,  
21 nothing but the truth?

22 MR. ANTONIO: I do.

23 CHAIRMAN MCKINNEY: State your name,  
24 please.

25 MR. ANTONIO: My name is Marcos

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1 Antonio.

2 CHAIRMAN McKINNEY: Okay. Any  
3 questions around the table in place?

4 SERGEANT DeLEON: Just to confirm, the  
5 phone number, has that been used by a bonding  
6 company?

7 MR. ANTONIO: No, sir.

8 SERGEANT DeLEON: The satellite office  
9 was inspected. So, yes, they do have their own --  
10 their own entrance, their own (indiscernible).

11 CHAIRMAN McKINNEY: Rather than going  
12 down the line, does anybody else have any  
13 questions?

14 FEMALE SPEAKER: I do. Do you still  
15 have an office on Brownwood?

16 MR. ANTONIO: I do, yes, ma'am.

17 CHAIRMAN McKINNEY: Any further  
18 questions from anybody?

19 Is there a motion?

20 MR. BUTERA: It's just notice.

21 MALE SPEAKER: Well, the phone number,  
22 Michael.

23 MR. BUTERA: Oh, I'm sorry.

24 CHAIRMAN McKINNEY: Oh, it's the phone  
25 number we've got to get approved.

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1 Is there a motion to approve just the  
2 new phone number?

3 MR. BUTERA: I'll make the motion.  
4 Michael Butera from the DA's office.

5 JUDGE RODRIGUEZ: Rodriguez seconds  
6 the motion to approve.

7 CHAIRMAN MCKINNEY: All in favor?

8 GROUP: Aye.

9 CHAIRMAN MCKINNEY: Anybody oppose?

10 Any abstentions?

11 The motion carries.

12 Okay. Item No. 7, request made by Reo  
13 Harris, III, DBA Island Bail Bonds to consider  
14 refunding an application fee paid to the Harris  
15 County Bail Bond Board.

16 Mr. Harris, state your name.

17 MR. HARRIS: Reo Harris, III.

18 CHAIRMAN MCKINNEY: Raise your right  
19 hand.

20 Do you swear or affirm to tell the  
21 truth, the whole truth and nothing but the truth?

22 MR. HARRIS: Yes, sir.

23 CHAIRMAN MCKINNEY: Okay. Any --

24 SERGEANT DeLEON: Yes. So just --  
25 just to give the Board the information on this,



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1 Mr. Harris submitted an application in March for  
2 the license. However, it was withdrawn before the  
3 Board was able to vote on it.

4 And per our local rule, it says if the  
5 Board has not voted on it that he is given the  
6 right to request a refund for the \$500 that he had  
7 for the application. So that's what's on the  
8 table.

9 CHAIRMAN McKINNEY: Any questions from  
10 anybody on the Board?

11 JUDGE RODRIGUEZ: I'll just say I  
12 concur with Sergeant DeLeon and what he said. We  
13 also looked at the rule and determined it to be in  
14 compliance and qualifying for a refund.

15 CHAIRMAN McKINNEY: Any further  
16 questions about (indiscernible)?

17 Is there a motion?

18 MR. OSBORNE: I'll make the motion --

19 JUDGE RODRIGUEZ: I move to --

20 MR. OSBORNE: Dylan Osborne. I make  
21 the motion to give the man his money back.

22 JUDGE RODRIGUEZ: Rodriguez seconds  
23 the motion to refund the \$500 application fee.

24 CHAIRMAN McKINNEY: All in favor?

25 GROUP: Aye.

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1 CHAIRMAN McKINNEY: Anybody oppose?  
2 Any abstentions?  
3 The motion carries. You'll get your  
4 refund.

5 MR. HARRIS: Thank you so much.

6 CHAIRMAN McKINNEY: You bet.

7 Item No. 8, request for approval to  
8 pay Court Reporters Clearinghouse \$1,484.50 from  
9 the Harris County Bail Bond Board account for the  
10 services rendered for transcription of the Bail  
11 Bond Board meeting.

12 MR. OSBORNE: Motion to approve.

13 CHAIRMAN McKINNEY: I'm sorry?

14 MR. OSBORNE: Motion to approve.

15 MS. KASE: Kathryn Kase, second.

16 JUDGE RODRIGUEZ: I call the question.

17 CHAIRMAN McKINNEY: All in favor?

18 GROUP: Aye.

19 CHAIRMAN McKINNEY: Anybody oppose?

20 Motion carries.

21 Item 9, discussion of and potential  
22 action related to the search warrant execution in  
23 relation to Aable Bail Bonds, License No. 74571.  
24 And I had that added to the agenda because  
25 obviously it got a lot of press.

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1 Do we know anything? Is there  
2 anything we need to know? The --

3 MALE SPEAKER: The Sheriff's Office  
4 informed the Board that out of that location there  
5 were two licenses, Aable Bail Bonds, under  
6 Financial Casualty Insurance, and Aable Bail Bonds  
7 Texas under United States Fire.

8 There was an -- there was an e-mail  
9 from the United States Fire Insurance that placed  
10 a seize on Aable Bail Bond Texas from writing  
11 bonds until otherwise notified. And that was --  
12 that was given to the -- sent to my e-mail and  
13 given to the Board.

14 So one license has been seized because  
15 of this -- this raid. And the representation  
16 for -- representatives for Financial Casualty is  
17 here for -- if you have any questions to ask him.

18 CHAIRMAN McKINNEY: So basically  
19 Aable's not writing any bonds right now under  
20 Financial Insurance?

21 MALE SPEAKER: No, no. That's the  
22 opposite. So --

23 CHAIRMAN McKINNEY: Okay.

24 MALE SPEAKER: -- they're not writing  
25 any bonds for United States Fire.

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1 CHAIRMAN McKINNEY: Okay.

2 MALE SPEAKER: Does he have two  
3 companies, Aable Bail Bonds and Aable Bail Bonds  
4 Texas --

5 MALE SPEAKER: Aable Bail Bonds Texas.

6 MALE SPEAKER: -- which is under  
7 U.S. Fire?

8 MALE SPEAKER: Correct. And U.S. Fire  
9 has sent the Board a letter saying they ceased  
10 their ability to write bonds.

11 CHAIRMAN McKINNEY: Does anybody know  
12 if this was a federal search warrant or a state  
13 search warrant?

14 FEMALE SPEAKER: I don't.

15 MR. BELL: I do. It was -- it was  
16 issued by a magistrate at the federal courthouse.

17 FEMALE SPEAKER: Which magistrate?

18 MR. BELL: First name Sam is all I  
19 know -- or that's all I remember. Someone told me  
20 the name. And -- and that's just a -- that's what  
21 the face sheet of the subpoena says. But that's  
22 my understanding, it was issued by a magistrate at  
23 the federal courthouse.

24 CHAIRMAN McKINNEY: Has a copy of that  
25 warrant that you have been provided to the

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1 Sheriff's Department or anybody at --

2 MR. BELL: I don't -- I have not seen  
3 it and we have not been -- seen a copy of the  
4 warrant. What we've seen is the face -- or what  
5 we have is the face sheet. We'll be happy to  
6 provide you with a copy of it. We're actively  
7 waiting and wanting to see the probable cause  
8 affidavit, which will tell us a lot more than what  
9 we know.

10 Just for the Board's information, this  
11 is not something that I've ever seen before. I've  
12 reached out to the bonding industry from other  
13 states to see what we know in our recent past, in  
14 the last 15 years. I know of two other visits  
15 that would be similar in nature.

16 Both of those resulted in charges  
17 being filed that day and the bonding company being  
18 shut down that day. We don't have those examples  
19 to help us in this situation because there's not  
20 been any charges filed.

21 Nobody knows anything about what's  
22 going on except maybe the people who served the  
23 warrant. And so we are -- I have -- I have  
24 instructed my client to treat this as the worst  
25 complaint you've ever received and to start --

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1 start your due diligence.

2 This was -- this is less than a week  
3 old -- or it was ongoing at the time a week ago,  
4 and I think the office was turned back over to the  
5 bondsmen at, like, 6:00 p.m. a week ago today.

6 Since then, we have -- you know, you  
7 can imagine, there was some turmoil. A lot of the  
8 rumors that we've initially heard turned out not  
9 to be correct. I think initially the rumors were  
10 they went to all of her -- both of her offices in  
11 Houston and her -- other counties where she's  
12 licensed, which would be Brazoria and Galveston.

13 That turned out not to be true. They  
14 didn't go to her satellite office. They didn't go  
15 to her home. They didn't go -- do anything with  
16 her bank account. So you could say that's an  
17 indication of -- of one thing, but at this point  
18 we just don't know.

19 We have started a audit. The office  
20 is currently open, but I'll be, you know, very  
21 frank with you. They took all of her files. But  
22 she does use a software package called Bond-Pro,  
23 and she scans in her files into that so she has a  
24 digital version. It's all Cloud based.

25 So with her computer system she's --

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1 she reconnects with that and she's open and she's  
2 operating. And we just don't have any other  
3 information to give to the Board.

4 My suggestion is that if we get  
5 additional information, we're going to provide it  
6 to you, I mean, but I don't have any problem with  
7 this being carried on the agenda for several  
8 months until it plays out.

9 We don't -- I mean, I don't want to  
10 get ahead of this. I don't want to stick my neck  
11 out and get it cut off, but at this point we don't  
12 know whether she is an issue or whether she's the  
13 victim, whether this is dealing with a client that  
14 was bonded out, whether this is dealing with  
15 employees. We just don't know.

16 Now, we're actively searching, like a  
17 needle in a haystack, and we are meeting with her  
18 and asking questions. But at this point our  
19 conclusion is we don't know, and we are continuing  
20 to do our due diligence so that we can report to  
21 the Board.

22 If we find something out, you're going  
23 to hear it from us first. You're not going to  
24 hear it from -- from anyone else because this  
25 could end up with egg on our face just as much as

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1 it could anyone else. And we don't want that to  
2 happen, but we also don't want to -- we don't feel  
3 like we have any information to know what to do.

4 So our -- our game plan is to do our  
5 due diligence and find out what is going on and  
6 then act as quickly as we know what's going on.

7 CHAIRMAN McKINNEY: The reason I ask  
8 is because there are a couple of warrants because  
9 the state warrants the probable cause affidavit  
10 generally wouldn't be available on this  
11 (indiscernible).

12 That is -- the exact opposite is true  
13 with federal court. Until that federal magistrate  
14 releases it, it remains sealed. All right. So if  
15 it was a federal warrant, we may not be able to  
16 get anything from that anytime soon.

17 I would -- I'm just trying to do this  
18 as the chair. I would request that you obtain a  
19 copy of the warrant and provide it to Sergeant  
20 DeLeon and/or me as the chair of the Board for  
21 whatever warrants you have been served with.

22 MR. BELL: Sure. My --

23 FEMALE SPEAKER: And could you also  
24 obtain a copy of the return, which I understand in  
25 federal court is ordinarily filed within about



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1 10 days?

2 MR. BELL: If we can get a copy of it,  
3 absolutely. I agree with you. If -- if a return  
4 is provided to our -- the agent, we will -- we  
5 will get it and we will provide it to the Board.

6 FEMALE SPEAKER: My other concern  
7 here, though, is that this is a regulated business  
8 and these are files that have been seized. And so  
9 I -- what I'd be interested in knowing is what's  
10 not on Bond-Pro that got taken --

11 MR. BELL: Uh-huh.

12 FEMALE SPEAKER: -- because we have  
13 obligations to go review files to audit.

14 And -- and so do you know what else  
15 was taken that's not currently in this online  
16 database?

17 MR. BELL: Well, I will --

18 FEMALE SPEAKER: We have no access to  
19 them.

20 MR. BELL: Well, I mean, you know,  
21 once -- I mean, we're talking we're a day -- we're  
22 less -- we're a week in. So my plan -- or my --  
23 my thoughts were that once we -- I mean, we just  
24 got access to the database today.

25 So my goal is once we confirm that we

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1 have access to it, we wanted to invite the  
2 Sheriff's Office to do a review so that we could  
3 show them what we have access to.

4 Now, for the purposes of what's in the  
5 file versus what's required by the statute for us  
6 to maintain at the office, you know, we always --  
7 I think the file has a lot more documents than  
8 what's required to be maintained at the office.

9 But my belief is -- or my  
10 understanding is that the office is scanning in  
11 the documents. And I'm not -- I haven't confirmed  
12 that they -- that they're up to date, but my -- my  
13 understanding is that they -- that the Bond-Pro  
14 has the ability to scan in the documents and that  
15 they believe they're current or almost current.

16 I just don't know if I've asked that  
17 question. So I don't know if I'm going to be able  
18 to say that it's a hundred percent current, but  
19 my -- my belief is that -- that it is.

20 And so my thought is that all the  
21 documents that are in the files have been scanned  
22 in. All the receipts are generated by the  
23 software because these are all questions that we  
24 ask.

25 How can we continue to operate if we

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1 don't have our files? Because that's something  
2 that's required.

3 Now that she has data -- digital  
4 files, that's not optimal, but it is -- it does  
5 satisfy the statutory requirements, I believe.  
6 It's a digital version of the files. But that's  
7 something that we're continuing to look at as well  
8 because, you know, we just got access to it. So  
9 we're verifying that -- that we believe it  
10 complies with the statute.

11 And then once we confirm that we have  
12 access and go do our initial review, we want to  
13 invite the Sheriff's Office so that we can show  
14 them what we have so that they can advise the  
15 Board independently of what we have found.

16 MALE SPEAKER: I have a couple of  
17 questions. How many offices does she have in  
18 Harris County?

19 MR. BELL: I believe two.

20 FEMALE SPEAKER: Two.

21 MR. BELL: Two offices. And they did  
22 not go to the other office.

23 MALE SPEAKER: Okay. I would  
24 respectfully request the Sheriff's Office -- that  
25 you go by and audit that and to check it out how

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1 and see how bad this is for us.

2 MR. BELL: Sure.

3 MALE SPEAKER: I would say that this  
4 is just a request, but I would make that request.

5 FEMALE SPEAKER: What does that --  
6 what does that mean, to check out the  
7 (indiscernible) for us? If they didn't  
8 (indiscernible) or --

9 MALE SPEAKER: Well, for example --

10 FEMALE SPEAKER: We don't know yet  
11 what they were looking for to begin with. I mean,  
12 I think we've got to -- got to know where we're  
13 going as opposed to using resources to send them  
14 to go inspect an office --

15 MALE SPEAKER: Yeah, so --

16 MALE SPEAKER: I mean, it looks  
17 outside of the ordinary.

18 MALE SPEAKER: Right. So --

19 MALE SPEAKER: I don't know.

20 MALE SPEAKER: The way the sheriff's  
21 conducts a review, we do a spot check of files to  
22 make sure that what's required in 1704 is in  
23 there.

24 The -- Ken -- Mr. Goode is correct in  
25 his comment about a file normally having more than

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1 what's required by statute because statute only  
2 requires certain line items, such as maybe a  
3 court, receipt numbers, something like that.

4           So with that said, I can state that we  
5 can do a spot check to see -- now that you've  
6 provided this information, to see what the  
7 software is maintaining and then report next month  
8 to the Board if we're finding what's required in  
9 1704 on the spot check. We can do that, yes.

10           FEMALE SPEAKER: That sounds fair.

11           CHAIRMAN MCKINNEY: I've got -- I've  
12 got an additional thing to put on that.  
13 The (indiscernible). She ought to be able to  
14 provide a list of what files were taken.

15           MR. BELL: Well, let me -- let me make  
16 one point. I don't think I've made that yet. You  
17 know, she has some other offices -- I mean, some  
18 other businesses that run out of the upstairs that  
19 is separate and apart from the bail business  
20 and -- you know, like, she -- you know, she has a  
21 halfway house for men that she runs.

22           And that -- the records for that  
23 business is also -- she has a home health care  
24 business, and that was on the second floor. And  
25 all those records were taken as well.

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1           And so I'd just point -- throw that  
2 out there. There's like three or four other  
3 businesses that had records at that location that  
4 were taken that were unrelated to the bail  
5 industry -- or the bail business.

6           CHAIRMAN MCKINNEY: I understand that.  
7 I don't -- I'll just speak for myself. I couldn't  
8 care less what records were taken from the  
9 business at this point.

10           The -- obviously -- and I'm just --  
11 I'm not suggesting this is true. I'm just  
12 hypothesizing. If there is something -- a  
13 felonious or illegal about running her businesses  
14 and as an agent for the licensee, that's certainly  
15 something we might have an interest in. I'm not  
16 suggesting that sort of scope.

17           I mean, what I was suggesting is I  
18 think that she needs -- she/you/whoever needs to  
19 provide the Sheriff's Department with a list of  
20 the client files of her bail bonds that were taken  
21 to be searched.

22           MALE SPEAKER: So --

23           CHAIRMAN MCKINNEY: And that needs to  
24 be quicker than 30 days.

25           MALE SPEAKER: So, yes, I -- I agree

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1 with the chair. And that would be the equivalent  
2 of what you were saying. Yeah, I would -- you  
3 know, I would suggest that Financial Casualty do a  
4 complete audit so you can -- you can report to the  
5 Board --

6 MR. BELL: Absolutely.

7 MALE SPEAKER: -- what files, if any,  
8 because you know the statute requires four years  
9 after the case is disposed.

10 MR. BELL: Sure.

11 MALE SPEAKER: So yeah. I mean, on  
12 the -- on Financial's side, in order to stay in  
13 compliance, there is some legwork that needs to be  
14 done --

15 CHAIRMAN McKINNEY: Absolutely.

16 MALE SPEAKER: -- in order for y'all  
17 to say, "Yes, we're in -- still in compliance."

18 CHAIRMAN McKINNEY: I -- David.

19 MALE SPEAKER: So -- so I  
20 (indiscernible) community, are you -- are we  
21 proposing a spot check as well as the --

22 CHAIRMAN McKINNEY: I'm going to do --  
23 I'm going to do it in the form of a motion.

24 I move that this agent, Sheba Muharib,  
25 and/or the carrier on this license, Financial

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1 Casualty --

2 MR. BELL: Yes.

3 CHAIRMAN McKINNEY: -- or agents in  
4 there provide to the Sheriff's Department within  
5 the next 10 days a list of all open bail bonds for  
6 which files were taken pursuant to the warrant.

7 MR. BELL: Okay. All open bond files  
8 that were taken?

9 CHAIRMAN McKINNEY: All pending -- all  
10 bonds that are currently filed --

11 MR. BELL: Yeah, uh-huh. Okay.

12 CHAIRMAN McKINNEY: -- but not  
13 disposed of.

14 MR. BELL: Absolutely. For Financial  
15 Casualty.

16 CHAIRMAN McKINNEY: For Financial  
17 Casualty in that office that were taken.

18 MR. BELL: Okay. Yeah. That's not a  
19 problem because, I mean, there's a report with the  
20 county on all -- a list of all our open liability,  
21 and we can just print that and confirm that those  
22 files were taken. All of her files were taken.  
23 So all -- every file she has was taken.

24 MALE SPEAKER: Got the -- that's  
25 under -- that's part of the (indiscernible).



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1 CHAIRMAN McKINNEY: Hang on. Hang on.  
2 Hang on. That's my motion. Is there a second on  
3 my motion?

4 JUDGE RODRIGUEZ: I -- second that  
5 motion.

6 CHAIRMAN McKINNEY: Any discussion on  
7 my motion?

8 MALE SPEAKER: Just -- just -- just  
9 one comment.

10 CHAIRMAN McKINNEY: All right.

11 MALE SPEAKER: So that's -- those  
12 records are public record?

13 MR. BELL: Yeah. So the -- so the  
14 open bonds --

15 MALE SPEAKER: So they're  
16 (indiscernible)?

17 MR. BELL: Yes, yeah.

18 MALE SPEAKER: Okay.

19 MR. BELL: But we don't have any  
20 problem providing that.

21 CHAIRMAN McKINNEY: All in favor?

22 GROUP: Aye.

23 CHAIRMAN McKINNEY: Anybody opposed?  
24 Any abstentions?

25 Okay. You have -- you/she have

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1 10 days to get us that -- to get that list to the  
2 Sheriff's Department.

3 MR. BELL: Yes. And I mean -- and I  
4 invite the Board, if they want to carry this onto  
5 the next agenda, we have no problem coming back  
6 and giving you an updated report.

7 MALE SPEAKER: I have a follow-up  
8 question. So United States Fire has seized --  
9 have said they can't write anything else under the  
10 (indiscernible).

11 Are you -- is -- is Financial Casualty  
12 going to do the same?

13 MR. BELL: As I said, we're in the  
14 process of doing our due diligence. And so we --  
15 you know, we're going to -- I'm not going to talk  
16 down about what they did. I'm not going to talk  
17 up about what they did. I'm just saying that this  
18 is -- I believe this is a different situation, and  
19 so we're in the process of doing our due  
20 diligence.

21 After our due diligence is completed,  
22 then we'll make an independent judgment about what  
23 we think is going on. And if we come to a similar  
24 conclusion -- or if we come to a negative  
25 conclusion, then they actually may be similar.

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1           But we're going to complete our -- our  
2 review and then make a decision about that. So  
3 we're not going to just make a decision. We've --  
4 we've made a commitment to ourselves that we're  
5 going to review and decide what's happened and --  
6 and then make a decision.

7           Now, it may turn out that we don't  
8 because, you know, this -- as you can tell, this  
9 is a -- very heated and it's very contentious and  
10 there's pressure coming from all kinds of  
11 different places. So there could be a point where  
12 the pressure is going to the right place at the  
13 right point where the company says, "We don't --  
14 we can't wait any longer."

15           But at this point in time, what I've  
16 been told is that we're going to complete our  
17 independent review and -- and see what's going on  
18 to see if can get some additional information.

19           MR. GARZA: For the -- for the record,  
20 Mario Garza. Just want to make a comment. I  
21 can -- we can certainly appreciate how this looks.  
22 Well, that's on me. And I know that due  
23 process -- while we talk about a process, it's  
24 certainly something that's extended to Financial  
25 Casualty (indiscernible) she would inherit. So

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1 provide those records (indiscernible), again,  
2 because we don't know anything about this.

3 CHAIRMAN McKINNEY: I believe it goes  
4 even further than that. There are lots of search  
5 warrants from lots of businesses that are not  
6 indicative of that business being engaged in any  
7 criminal activity.

8 And if things I have said suggested  
9 that, that was not my intention. We -- we just  
10 simply need to try and figure out as soon as we  
11 can what is going on so that we can fulfill our  
12 duties with respect to the things we do on the  
13 Bail Bond Board (indiscernible).

14 MR. BELL: Well -- and if I have not  
15 said that, let me say, we want to cooperate fully  
16 with any law enforcement agency and the Board. We  
17 want to find out what's going on just like you do,  
18 just like every -- like members of the public do.

19 And when we find out -- and when we  
20 find out that information, we will act  
21 accordingly, whether that's to notify you that we  
22 don't think that she's involved or it involves a  
23 client or it involves whatever it involves, but we  
24 will report to you, and -- and then we'll get --  
25 we'll get this thing resolved. But we just don't

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1 know at this point.

2 CHAIRMAN MCKINNEY: Are there --

3 MALE SPEAKER: I have a question, I  
4 guess, for the chair, perhaps maybe the county  
5 attorney. What is the role of this Board, though,  
6 in a case like this? Right? I mean assuming it  
7 comes back something nefarious, what does this  
8 Board do?

9 CHAIRMAN MCKINNEY: We could  
10 theoretically suspend the license.

11 MALE SPEAKER: We're just the  
12 mechanism --

13 CHAIRMAN MCKINNEY: Yeah,  
14 (indiscernible).

15 MALE SPEAKER: -- for that business --

16 CHAIRMAN MCKINNEY: (Indiscernible)  
17 business for that (indiscernible).

18 MALE SPEAKER: Have your --

19 CHAIRMAN MCKINNEY: I really  
20 (indiscernible).

21 MALE SPEAKER: Not to -- not to --  
22 this is a crazy oversimplification, but everyone  
23 kind of does what they do, the federal courts and  
24 the local. We have a charge. Everything flows  
25 from that.

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1           You've got your Board, its authority,  
2 it's what it looks out to be, violations of local  
3 rules, violations of the Occupations Code that may  
4 be revealed through that case.

5           CHAIRMAN MCKINNEY: Yeah. Our only  
6 interest is -- is whether there has been something  
7 in the conduct of the business that violates the  
8 Occupations Code or the local rules.

9           MR. BELL: I have a feeling that if it  
10 were to come back and say something like that, we  
11 would be giving you a report and then taking  
12 further action. I think -- but at this point  
13 we're not there.

14           Michael, I do have this paperwork to  
15 give back to you with the receipt.

16           CHAIRMAN MCKINNEY: The insurance  
17 company cuts her ability to write bonds  
18 (indiscernible) form and substance.

19           MALE SPEAKER: I -- sorry. Ken is  
20 showing me a receipt on that other matter.  
21 So perfect.

22           So I do have a question. Is anyone  
23 from U.S. Fire here today?

24           No?

25           So I -- I had some questions about

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1 what it means to cease operating. That's not a  
2 very helpful term. As we talked earlier in our  
3 Lexington discussion, the insurance company can  
4 withhold powers of attorney from the agent, which  
5 would prevent them from writing bail. But on that  
6 Lexington -- or excuse me. I'm confusing --

7 MALE SPEAKER: Yeah. I have -- if you  
8 could repeat --

9 MALE SPEAKER: Yeah. So on that  
10 U.S. Fire e-mail regarding Ms. Muharib's U.S. Fire  
11 license, it said something like they're going to  
12 seize her operations. But have they surrendered  
13 that license or is it a temporary pause? What  
14 is -- do you know what that means, Sergeant  
15 DeLeon?

16 SERGEANT DeLEON: So we only received  
17 the letter. And in the conversation, what  
18 happened is the Sheriff's Office has put a  
19 mechanism in to where it no -- they can no longer  
20 write bonds until notified by United States Fire,  
21 that they're limited and they're seized.

22 MALE SPEAKER: Just -- I mean, that  
23 puts the county and Sheriff's Office in the  
24 position of kind of policing their business  
25 practices. Either their license is active or it's

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1 not. Either a person has surety or the powers to  
2 post a bond or they don't.

3 So I wish they were here to answer  
4 questions. If we're going to, I'll just say,  
5 carry this forward from month to month, which is a  
6 great idea, I would then make a motion to include  
7 the other license number so that both corporate  
8 entities can be here to answer questions about  
9 what's going on with this licensee, this agent.

10 CHAIRMAN MCKINNEY: And the agent as  
11 well.

12 MALE SPEAKER: Yes. So I see that --  
13 I mean, I know that someone representing the agent  
14 is here today. I think Mr. Font has been retained  
15 to represent Ms. Muharib, but she is not present  
16 today to (indiscernible).

17 MR. GOODE: Well -- and let me address  
18 that issue. We want our agent to be here, and,  
19 you know, we want her to be able to answer  
20 questions.

21 In fact, if the Board asks her a  
22 question and she refuses to answer, that can be  
23 grounds for suspension or revocation. But at the  
24 same time, she has Fifth Amendment rights and she  
25 doesn't know what -- what's going on and she's



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1 been instructed by attorneys, you know, to -- I  
2 mean, we've been meeting with them and trying --  
3 asking questions and she wants to be as -- she  
4 wants to keep her license, but, you know, there's  
5 certain questions she may not be able to answer.

6           And so while -- I mean, my instruction  
7 to her is as soon as we get the probable cause  
8 affidavit, we want to be here. We want to be able  
9 to present what the result is. And if it's like  
10 we hope it is, we want her to be able to answer  
11 any question that the Board has.

12           Until then, I'm not sure that -- that  
13 her attorneys are going to be allowing her to  
14 answer questions because we just don't -- they  
15 don't know what's going on just like we don't know  
16 what's going on, but hopefully that will change  
17 quickly.

18           But I'm afraid, if it's under seal,  
19 which is what my understanding is, it could be  
20 under seal for a year. It could be under seal for  
21 a year and nothing takes place. It could be under  
22 seal for a year and then some peripheral charges  
23 are filed or charges are filed and we know exactly  
24 what we need to do.

25           And so my concern about having her

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1 come is I don't know if she's going to be able to  
2 be helpful. And I don't want the discussion then  
3 to be, "Well, do we need to do a gotcha on her?"  
4 And I don't foresee that that would happen from  
5 the Board. But I want here -- her here to answer  
6 questions as soon as she can or we're going to  
7 take action.

8 But if the Board were to do something  
9 negative because of her refusal when she doesn't  
10 know that, that's something we have to report  
11 statewide. And -- and I don't think that the  
12 Board intent would be to try to put her in a place  
13 where she has to choose between her license or  
14 with the instructions of her attorneys.

15 FEMALE SPEAKER: Mr. Goode, that  
16 happens all the time in SEC enforcement actions.

17 MR. GOODE: Okay.

18 FEMALE SPEAKER: So I don't really  
19 have a problem doing what the county has asked us  
20 to do here, which is to regulate businesses and to  
21 ensure that they're operating in accord with the  
22 law.

23 And, in fact, when a -- when  
24 a secure -- somebody who's got a securities  
25 license, you know, is under investigation by

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1 the U -- the U.S. attorney for fraud and then the  
2 SEC comes in and investigates them, they're still  
3 subject, because of that license, to answer  
4 questions. And if they choose not to answer the  
5 SEC's questions, they lose their license, which --  
6 okay.

7           You know, I'm a -- I've been a  
8 criminal defense lawyer for 30 years. It's, like,  
9 I -- I understand the issues here, but I also am  
10 cognizant of what our obligations are in terms of  
11 regulating a business and a business that, you  
12 know, operates in a pretty important space within  
13 the criminal justice system in terms of managing  
14 pretrial release.

15           So I -- I appreciate -- and I don't  
16 think this is a gotcha issue so much as a I want  
17 to make sure we're engaging our protection issues  
18 correctly and that we're not turning a blind eye  
19 when someone's --

20           MR. GOODE: Well, on that fact --

21           FEMALE SPEAKER: (Indiscernible).

22           MR. GOODE: -- I don't -- I don't -- I  
23 understand what you're saying, but this is a  
24 license that's been under the spotlight for  
25 several months and it has been audited multiple

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1 times by the insurance -- and so as far as we can  
2 tell, as far as the reports to the Board, it's in  
3 full compliance with the law.

4 And so we want to do what -- we want  
5 to do further reviews but -- and we want to finish  
6 our investigation, but, you know, this is a  
7 license that is currently in good standing and it  
8 has been reviewed and put under the spotlight  
9 already, and so I don't see that that is an apples  
10 to apples comparison.

11 We want to -- we want to cooperate  
12 fully with the Board. And whatever you tell us to  
13 do, we will do. But we just don't know anything.  
14 We don't have any information to show any  
15 impropriety at this point, and we're looking and  
16 we're asking for it.

17 And what I'm telling you is as soon as  
18 we get it, we'll get it to you. And we  
19 want you -- if you want to come -- we want them to  
20 come -- the Sheriff's Office to come look at our  
21 office. We want to partner with them to convince  
22 y'all that they can't find anything either.

23 We're not trying to hide anything. I  
24 want to -- I want to show you everything that we  
25 have and everything that we've got, and then the

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1 chips can fall where they -- where they may.

2 MR. GARZA: Ken -- for the record,  
3 Mario Garza. Now, you said that they seized files  
4 from other businesses. So as far as we know, we  
5 don't even know that this bail bond related.

6 MR. GOODE: I'm not going to  
7 speculate.

8 MR. GARZA: But I'm saying --

9 MR. GOODE: Yes.

10 MR. GARZA: -- it's possible because  
11 there was a health care business being audited?

12 There was an image -- there was  
13 another business.

14 MR. GOODE: Several others. I don't  
15 know specifically --

16 MR. GARZA: Right. So all those files  
17 were seized?

18 MR. GOODE: Yes.

19 MR. GARZA: All those files. So to  
20 keep it in context there -- I mean, we live in  
21 crazy times. And I know -- again, I said we  
22 appreciate how this looks, but we live in some  
23 crazy times.

24 I mean, we have a county commissioner  
25 with three employees that were indicted going to

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1 work right now, so I think it's a very far stretch  
2 to paint this any other way than we just don't  
3 know. Correct?

4 MR. GOODE: Yes, sir.

5 MR. GARZA: Okay. Then you provide  
6 what we're asking you, and we'll go from there.

7 MR. GOODE: Thank you.

8 MALE SPEAKER: So, Michael, we -- we  
9 understand that you request from the Sheriff's  
10 Office that on next month's agenda that both  
11 licenses be added so both representation can be  
12 here?

13 MR. GOODE: Yeah. So I --

14 CHAIRMAN MCKINNEY: This is  
15 (indiscernible).

16 MALE SPEAKER: I don't think it needs  
17 necessarily a motion, but I'm glad to make one if  
18 it needs to happen. But her --

19 MALE SPEAKER: Oh, no. I just wanted  
20 to make --

21 MALE SPEAKER: Yeah.

22 MALE SPEAKER: You just want them to  
23 be here.

24 MALE SPEAKER: U.S. Fire license  
25 number is 74618. So there's certainly questions

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1 for them as well. So if he could add that to give  
2 them notice that --

3 MALE SPEAKER: Just to -- just to give  
4 an update, on U.S. -- or United States Fire  
5 Insurance Company, the president -- I think he's  
6 the president or vice president, but Michael  
7 Padilla, when he called me, he said -- he noticed  
8 he wasn't on Item 9 and he was already scheduled  
9 to go to Dallas, which is why he isn't here.

10 But his comment to me was that they  
11 wanted to be proactive in ceasing it until they  
12 knew because they're -- he said that there are  
13 unknowns, but that was their -- that was their  
14 (indiscernible).

15 CHAIRMAN MCKINNEY: Let's just make  
16 sure it stays on the agenda for an update next  
17 month.

18 MALE SPEAKER: Okay.

19 CHAIRMAN MCKINNEY: Okay. Do we  
20 have --

21 MALE SPEAKER: We have some comments.

22 CHAIRMAN MCKINNEY: Is there anyone  
23 who wants to make a comment on this issue?

24 MALE SPEAKER: Is there a motion? I  
25 mean, I can't remember. Is there a motion?

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1 FEMALE SPEAKER: No.

2 MALE SPEAKER: Okay.

3 CHAIRMAN McKINNEY: All right. We --  
4 we did pass one motion in this regard.

5 MR. CASTRO: Thank you, Mr. Speaker.  
6 Thank you, Board.

7 Again, my name is Paul Castro. In  
8 this capacity, I'm speaking as the father of David  
9 Castro, whose accused killer was bonded out by the  
10 Muharib family.

11 Today has been both informative and  
12 concerning. The fact that this operator has  
13 multiple licenses and policies as they exist allow  
14 a person to have half of their, you know, job say,  
15 "Well, we're -- that's too risky. We don't want  
16 to participate in that."

17 But she's able to continue operating,  
18 kind of like what X-It Bonds just did, having  
19 multiple licenses approved, over the objections or  
20 concerns, I think, of many Board members who said,  
21 you know, there's -- there are concerns about the  
22 fact that forfeitures aren't being paid. There  
23 are concerns about the organization. There are  
24 concerns about having two doors and two signs.

25 And if those things are true and you



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1 guys know, what it sounds like to me is there  
2 needs to be policy to protect the public from  
3 these kinds of behaviors. The person who's  
4 accused of murdering my son is on the street, and  
5 we are relegating and delegating the  
6 responsibility of whether or not that should have  
7 happened to someone who's under investigation.

8           And so my request of the Board is to  
9 take a look at that. Her -- the -- the three  
10 companies that are listed by her right now  
11 under -- under their family gave out a  
12 \$105 million in bonds last year in 2021.

13           Those three companies have  
14 105 million. That's 4 million more than the top  
15 six companies in 2017. Okay? So they're just  
16 pushing bonds out the door. They're putting  
17 people back on the street, out the door. And if  
18 we're relying on her judgment and letting that  
19 judgment over -- supersede the judgment of  
20 everybody else in the entire county who's trying  
21 to keep our streets safe, that's a concern.

22           So there's a public safety issue, and  
23 I'm reminding the Board -- begging the Board,  
24 really, to take that into account. And so I  
25 appreciate the fact that y'all are going to be

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1 looking at both of her licenses and requiring both  
2 the surety companies to come forward and to answer  
3 to what exactly is happening.

4 I have investigated the Muharib family  
5 and -- before Mr. -- the previous -- I'm sorry --  
6 the representative for him -- the counsel for her  
7 talked about she has other operations. So I  
8 looked at her C3's that she operates. She doesn't  
9 have 990's on file for those C3's.

10 There's questionable things that are  
11 happening under that roof. And what I ask you  
12 guys to do is if you find it within your purview  
13 to do something, do what the other -- U.S. Fire  
14 Surety Company decided to do and say, "We're not  
15 sure if this person should be issuing bonds right  
16 now and we should be trusting that person's  
17 judgment to put, you know, accused people back on  
18 the street." There are other operators that those  
19 same defendants can go to, and so their rights are  
20 not being violated.

21 My request is that you take -- take  
22 the public's safety, okay, in mind and make a  
23 decision to make sure that we're not putting bad  
24 people back on the street. And I just thank you  
25 for your time.

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1 MALE SPEAKER: A couple of questions  
2 for the county attorney and chair. Given  
3 everything -- the unknown reference of what we --  
4 what has happened with that license, does this --  
5 does this Board have any grounds to do anything  
6 with that license?

7 MALE SPEAKER: Well, we're having an  
8 investigation. (Indiscernible) statute  
9 (indiscernible) an investigation. Any -- any  
10 enforcement actions related to the Occupations  
11 Code obviously trigger a notice, due process  
12 requirements in terms of hearing and that sort of  
13 process, which that -- so that can't take place  
14 now because that would have to be provided in the  
15 next meeting or the meeting after that.

16 MALE SPEAKER: Who does the  
17 investigation?

18 MALE SPEAKER: It's whoever the Board  
19 designates. We designated the Sheriff's Office.

20 MALE SPEAKER: Or order of the  
21 volunteers?

22 MALE SPEAKER: I was going to say as  
23 to -- at their agreement, of course.

24 MALE SPEAKER: I'm happy to find the  
25 (indiscernible), which is why I stated earlier

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1 that we will go out -- with the manpower we have  
2 right now, we'll go out and do the spot checking  
3 to make sure that what's in the 14 -- 1704,  
4 they're still in compliance.

5 And now we'll just ask the  
6 representative for Financial Casualty to provide  
7 the list. So with that -- and it's going to be on  
8 topic again. So we'll still move forward.

9 MALE SPEAKER: And I don't mean to  
10 object, but I -- the way I interpreted the  
11 previous motions on this, provide the records.  
12 The Sheriff's Office will review and report back.  
13 I feel -- I consider that essentially a motion for  
14 investigation under the statute.

15 CHAIRMAN McKINNEY: Based on what we  
16 know at this point substantively, which isn't a  
17 whole lot, that's a real good place to start.

18 MALE SPEAKER: Exactly. Exactly.

19 MALE SPEAKER: Let's say this -- you  
20 know, the other issue, we talked -- we're trying  
21 to take things as they come. We only meet once a  
22 month.

23 If something were to develop that  
24 required an emergency meeting, I'll certainly make  
25 myself available to -- I think it's important to

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1 address whatever issues may arise between now and  
2 July if that proved to be necessary.

3 MALE SPEAKER: Yeah. We'll  
4 communicate with the chair. If the chair  
5 (indiscernible).

6 MALE SPEAKER: Yeah.

7 CHAIRMAN McKINNEY: I want to get some  
8 information on the warrant itself.

9 MALE SPEAKER: Right.

10 CHAIRMAN McKINNEY: The -- maybe it  
11 will get something (indiscernible).

12 MALE SPEAKER: Correct.  
13 (Indiscernible). There's still a lot of unknown.

14 CHAIRMAN McKINNEY: Yes.

15 FEMALE SPEAKER: Thank you very much.  
16 Okay. So this Board sits here and you guys are in  
17 charge and -- of regulating these bail bond  
18 companies. What I urge you to do -- and what I've  
19 seen -- and I've just been a spectator today.

20 For an example, with X-It Bail Bonds,  
21 when they want a second license when their first  
22 license isn't up to -- operating to par, they're  
23 not paying funds as they should, their documents  
24 are not in order, how can we in good faith give  
25 this company another license without saying -- and

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1 if you guys don't say it, then who will -- "Hey,  
2 please straighten up license number one and come  
3 back and see us next month"?

4           How can we just give these out to  
5 people that are not doing exactly as they should  
6 at the expense of the public? We have to really  
7 take our jobs seriously and understand that you  
8 guys stand in between the people that are making  
9 these judgments for people to get out of jail, and  
10 these should be people that, you know, are doing  
11 everything in their power to stay within  
12 regulation.

13           If they're already showing you signs  
14 and there is evidence to you that they are not up  
15 to 100 percent par, how can we get people other  
16 licenses or allow them to operate when they're not  
17 doing what they're supposed to be doing?

18           So I wouldn't agree with that  
19 decision, but, again, I'm not a part of this  
20 Board. I am a law student and I am a surviving  
21 victim from my niece. And I have to speak for us  
22 because if I don't speak my niece can't speak for  
23 herself. And as a victim, it could be any one of  
24 you next.

25           So we have to really put public safety

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1 at par. And if we have to do that, it's up to you  
2 guys to regulate these companies because, you  
3 know, the FBI doesn't come knocking on my door.  
4 They are knocking because something's wrong. And  
5 I want you to know that, you know, the Sheriff's  
6 Office is doing the best that they can as they  
7 can.

8 I would -- is it possible for us to  
9 know what it is that you search for to keep these  
10 people in compliance? Because we were here in  
11 April when Aable Bail Bonds came through and got  
12 her license renewed.

13 What is it that you guys look for?

14 MALE SPEAKER: So it's seven -- the  
15 bail bond industry is governed over a state  
16 statute, and that's Occupations Code 1704. So  
17 when we go in and we look for files, it  
18 specifically says "the content." And as I stated  
19 earlier, they're line items. You know, like the  
20 court name -- I'm sorry, the court number --

21 FEMALE SPEAKER: Basics.

22 MALE SPEAKER: -- and the charge. The  
23 basics, right.

24 FEMALE SPEAKER: Yeah.

25 MALE SPEAKER: So a lot of the

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1 regulations are -- well, all of the regulations  
2 are in statute.

3 FEMALE SPEAKER: Yeah.

4 MALE SPEAKER: So without state --  
5 without changing a state statute -- I can't speak  
6 for --

7 FEMALE SPEAKER: Would you guys agree  
8 that it's pretty simple to get a Bail Bond Board  
9 license? You don't really have to have a lot.

10 MALE SPEAKER: I would say that if you  
11 fit in the statute, that that's what the Board --  
12 that's what the Board looks at, yes, ma'am.

13 FEMALE SPEAKER: I thank you guys so  
14 much. It is an important job that you have, and I  
15 know that you guys have come into scrutiny the  
16 last couple of months.

17 And it's nothing personal against you  
18 guys. It's just we see things that are broken and  
19 we have to come together and fix them. And I want  
20 to thank every single one of you guys for doing  
21 your jobs. It's not an easy job, but we are  
22 bringing to light more and more things that are  
23 wrong with our criminal justice system. I know  
24 this is just a part of it, but I thank you.

25 MALE SPEAKER: Thank you. So just --



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1 just a reminder -- you know, thank you for coming  
2 to speak, but we did have a state legislator come  
3 in a few sessions back, and he most definitely  
4 made a comment that his intent was to bring this  
5 up at a state level.

6 FEMALE SPEAKER: Yes.

7 MALE SPEAKER: So most definitely  
8 we --

9 FEMALE SPEAKER: We're there.

10 MALE SPEAKER: Your efforts --

11 FEMALE SPEAKER: We're going to be  
12 there this January.

13 MALE SPEAKER: Your efforts are seen  
14 and your efforts -- I'm behind your efforts  
15 personally.

16 FEMALE SPEAKER: Thank you.

17 MALE SPEAKER: But, again, the state  
18 statute -- and as your law degree, you'll know  
19 exactly what to tell him. All right. So we're  
20 kind of -- we're looking to see if they fit in  
21 that statute.

22 FEMALE SPEAKER: Now, we're working  
23 with Crime Stoppers to be there in January, this  
24 legislative session.

25 I do want to say one more thing --

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1 CHAIRMAN MCKINNEY: I'm sorry. Your  
2 time's expired. We've got to --

3 FEMALE SPEAKER: Thank you.

4 CHAIRMAN MCKINNEY: Thank you for your  
5 comments.

6 Do we have --

7 MR. SCHMIDT: Do we have time to  
8 consider my license again? Thank you.

9 CHAIRMAN MCKINNEY: We have time, but  
10 do you have proof?

11 FEMALE SPEAKER: Yes.

12 MALE SPEAKER: Proof has been  
13 provided.

14 MR. SCHMIDT: Well, I -- well, let me  
15 thank Steve Bell for talking so much. So we've  
16 sent somebody, 45 minutes, to pay and we provided  
17 the receipt to -- to Mr. Butera. And thank you  
18 for moving it to the end of the agenda.

19 MALE SPEAKER: So I did review the  
20 receipt. It does match the case I was talking  
21 about. It's paid. So we certainly do take the  
22 enforcement of those statutes seriously.

23 MR. SCHMIDT: We -- we also got to the  
24 bottom of what happened. The check that was  
25 brought was -- they sent us the wrong check. So a

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1 check was mailed on Monday for that amount to  
2 the -- to the JP office. It should have just been  
3 driven.

4 It should have been taken immediately  
5 so that we would have our receipt because we  
6 mailed a check, but we gave you the wrong check.  
7 So -- but -- so that's what happened. That's the  
8 reason why we went and got a receipt for you.

9 MALE SPEAKER: Knowing that it is  
10 satisfied and that was the only (indiscernible),  
11 the license meets the statute requirements. I  
12 have no other questions. And I would make the  
13 motion to approve Mr. Schmidt's renewal request.

14 JUDGE RODRIGUEZ: Rodriguez seconds  
15 the motion.

16 CHAIRMAN MCKINNEY: All in favor?

17 GROUP: Aye.

18 CHAIRMAN MCKINNEY: Anybody opposed?

19 Any abstentions?

20 The motion carries.

21 Do I have a motion to -- if there's  
22 nothing else, do I have a motion to adjourn?

23 JUDGE RODRIGUEZ: Move to adjourn,  
24 Judge Rodriguez.

25 JUDGE BALDWIN: Baldwin, second.

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1 CHAIRMAN McKINNEY: All in favor?  
2 GROUP: Aye.  
3 CHAIRMAN McKINNEY: See everybody next  
4 month.  
5 MALE SPEAKER: And thank y'all, and  
6 thank you for your service.  
7 FEMALE SPEAKER: Oh, yes.  
8 MALE SPEAKER: Crazy day.  
9 CHAIRMAN McKINNEY: (Indiscernible).  
10 MALE SPEAKER: Thank y'all very much.  
11 FEMALE SPEAKER: Thank you. What time  
12 did it start?  
13 MALE SPEAKER: 27.  
14 FEMALE SPEAKER: 27?  
15 MALE SPEAKER: Yeah.  
16 FEMALE SPEAKER: Who -- who seconded?  
17 MALE SPEAKER: Rodriguez and Baldwin.  
18 (Meeting adjourned)  
19  
20  
21  
22  
23  
24  
25

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1 THE STATE OF TEXAS )

2 COUNTY OF HARRIS )

3  
4 I, Diana Ramos, Certified Shorthand Reporter  
5 in and for the State of Texas, hereby certify that  
6 the foregoing is a correct transcription to the  
7 best of my ability from the digital recording of  
8 the proceedings in the above-entitled matter.

9 I further certify that I am neither counsel  
10 for, related to, nor employed by any of the  
11 parties to the action in which this proceeding was  
12 taken, and further that I am not financially or  
13 otherwise interested in the outcome of this  
14 matter.

15 Subscribed and sworn to on this the 6th day of  
16 October, 2022.

17  
18 \_\_\_\_\_  
19 Diana Ramos, CSR  
20 Texas CSR 3133, Exp 1/31/23  
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