

August 30, 2011

Professional Bail Bondsman Name
Address
City, State Zip code

Dear Professional Bail Bondsman:

The purpose of this letter is to update you on matters associated with bank fees being paid by you in connection with your US Bank Institutional Trust & Custody (US Bank) custodial deposit accounts. I, as well as my staff, have been contacted by quite a few of you. Additionally, two of your North Carolina Bail Agents Association (NCBAA) representatives, Mark Black and Mike Mann, have worked tirelessly with members of my staff to effect a solution for your concerns.

US Bank was awarded the contract to hold these custodial account funds for the Department effective February 1, 2007, for a ten year contract term. US Bank also serves as the custodian for deposits (required by law) of insurance companies licensed to do business in North Carolina. The Agent Services Division (ASD) contacted US Bank in an attempt to resolve these bank fee concerns.

Based on ongoing discussions, I am pleased to announce that US Bank has agreed to a contract amendment to the fee schedule for your custodial accounts. Effective July 1, 2011, US Bank has agreed to waive the annual account maintenance fee for any Professional Bail Bondsman (PBB) whose entire security custodial security deposit is in the US Bank First American Mutual Fund account. Fees for PBB that have their custodial funds either all or partly in other securities such as CDs, Stocks, Mortgages, and Treasury Notes, etc., will not have their annual account fees waived by US Bank.

Based on current US Bank custodial security holdings by PBB as of August 5, 2011:

- **85%** of licensed PBB have their custodial deposit entirely in the US Bank First American Mutual Fund account and beginning July 1, 2011, would have account maintenance fees in the amount of \$160-\$355 waived annually along with the majority of other transaction fees waived.
- **15%** of licensed PBB have their custodial deposit being held either entirely or in part in securities other than only the US Bank First American Mutual Fund account and would still continue to be required to pay the annual account maintenance/transaction fees. Should these PBB convert their entire custodial security holdings to the First

American Mutual Fund account, they would also be eligible to have their annual account maintenance fee and majority of other transaction fees waived.

It is my understanding that representatives from NCBAA and my staff have joined forces and set up a meeting for you to further discuss this matter. This meeting will be held on September 21, 2011, from 1:00 – 4:00 p.m. at the McKimmon Center located in Raleigh, North Carolina. ASD, US Bank, and NCBAA representatives will be available at this meeting to discuss specifics of this contract amendment, provide information, and answer any questions. All PBB will shortly be receiving a meeting invitation and agenda from ASD/NCBAA.

I'm pleased that we have been able to work together with the NCBAA to address industry concerns when it comes to the bail bonding business in North Carolina. Through open lines of communication and collaboration, everyone benefits. As always, please contact my staff in the Agent Services Division at 919-807-6800 if you have any questions or require additional information so they may assist you.

Very truly yours,



Wayne Goodwin
Commissioner of Insurance

cc: Agent Services Division
NCBAA
Mike Mann
Mark Black
US Bank