

IN THE TWELFTH JUDICIAL DISTRICT OF TENNESSEE  
CIRCUIT COURT OF FRANKLIN COUNTY

IN RE:

\*

CUMBERLAND BAIL BONDING COMPANY,  
A BONDING COMPANY, and  
A+ BAIL BONDING

\*

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No.: 14648-CV

FILED 3-20-17  
TIME 11:00 AM  
ROBERT BAGGETT  
CIRCUIT COURT CLERK  
FRANKLIN COUNTY, TN

**MEMORANDUM OPINION AND ORDER**

This cause came on to be heard on the 27<sup>th</sup> day of March, 2017, in the Circuit Courtroom at Jasper before the undersigned Circuit Judge upon the Motion to Set Aside Orders as Amended, the testimony of the witnesses, the arguments of counsel, and the record. From all of which it appeared to the Court as follows:

THE FACTS

- 1) The Respondents, Cumberland Bail Bonding Company, A Bonding Company, and A+ Bail Bonding are bail bonding companies operating in the Twelfth Judicial District and specifically in Marion County and are owned by Thomas Andy Baggenstoss. These companies are subject to the requirements of T.C.A. § 40-11-101, et seq, and Chapter 25 of the Local Rules of Court for the Twelfth Judicial District.
- 2) On or about February 9, 2017, Kelvin O. Pell, an agent for Cumberland Bail Bonding Company, was arrested for violating T.C.A. § 39-13-505. Sexual battery, and T.C.A. § 39-13-514, Patronizing prostitution.

- 3) The arrest arose as a result of a sting operation conducted by Marion County Detectives Chad Johnson and Matt Blansett on or about February 8, 2017.
- 4) Upon interrogation by Detective Blansett, Agent Pell admitted that he had engaged in sexual activity with multiple female clients in the past and that “this type of activity” was a common occurrence in the bonding industry.
- 5) Thereafter, on February 14, 2017, Cumberland Bail Bonding Company filed a Petition and Order to Cancel Authority of Agent with the Franklin County Circuit Court Clerk. This Order was approved February 14, 2017. The Petition and Order, however, contain no statement about the arrest of Agent Pell.
- 6) Thereafter, on February 15, 2017, the three Circuit Judges of the Twelfth Judicial District entered an order entitled “Order Suspending Bail Bonding Authority” which suspended Respondent, Cumberland Bail Bonding Company, and directed the District Attorney General to investigate the statement made by Agent Pell that accepting sexual favors in lieu of bond premiums was a “common occurrence” in the bonding industry.
- 7) Thereafter, on or about February 27, 2017, the Court was made aware that Respondents, A Bonding Company and A+ Bail Bonding, which were companies wholly owned by Thomas Andy Baggenstoss, the owner of suspended Cumberland Bail Bonding Company, were making bonds in Marion County after the suspension of Cumberland Bail Bonding Company.
- 8) Immediately upon proof of the bonding and attempted bonding of A Bonding Company and A+ Bail Bonding, the Court entered an additional Order suspending these two (2) companies in order to stop the attempted end run of owner

Baggenstoss around the suspension of Cumberland Bail Bonding Company. This Order also set a hearing date as required by T.C.A. § 40-11-125(b).

#### THE LAW

In addition to the requirements of part 3 of this chapter regulating professional bondsmen, approval of a professional bondsman or other surety may be withheld, withdrawn or suspended by any court if after investigation it appears that a bondsman: . . . (3) is guilty of professional misconduct as described in § 40-11-126.

T.C.A. § 40-11-125

In addition to the criminal sanctions elsewhere provided by law, the following is deemed unprofessional conduct and no bondsman or surety agent shall: . . . (8) accept anything of value from a principal except the premium . . .

T.C.A. § 40-11-126  
also Rule 25.14(F)(6)(h), Local Rules of Court

It shall be the responsibility of any bonding company and/or bonding company owner to immediately notify the Court, in writing, of any misdemeanor and/or felony arrest of any of its agents, including an owner/agent. Failure to do so may result in any disciplinary action against the agent and/or company the Court, in its sole discretion, find necessary.

Rule 25.14(H), Local Rules of Court  
Emphasis Added

#### CONCLUSION

There is no doubt that Agent Pell engaged in unprofessional conduct as prohibited by T.C.A. § 40-11-126(8) when he accepted and solicited sexual favors in lieu of premiums.

While there was no proof that Mr. Baggenstoss had prior knowledge of Agent Pell's sexual activities, it certainly is true that ethical standards relating to sexual conduct with clients were not included in his employee guidelines styled "Policy Guidelines and Best Practices - Cumberland Bail Bonding - 2015."<sup>1</sup>

This Court can not and will not condone nor sanction the conduct found to have occurred in this case. Professional bail bonding companies hold the potential to abuse the rights and dignity of the poor and desperate and their families and friends. By definition people on bond have not yet been found guilty of their bonded offense. To prey on these people and possibly their family and friends by demanding sexual favors is unconscionable and truly shocks the conscience of the Court. By failing to unequivocally insist in clear, written rules of conduct an unmistakable prohibition against sexual activities with clients or their family and friends, the bonding company invites the problems discovered in this case.

The bonding companies owned and operated by Mr. Baggenstoss in Marion County must be sanctioned so that there will be a deterrence against sexual misconduct and a disincentive to allow their agents to engage in conduct such as occurred in this case. The Court further notes it is not inconsequential that Cumberland Bail Bonding Company failed to notify the Court as required by Local Rule 25.14(H) of the arrest of Agent Pell.

Accordingly, IT IS ORDERED, ADJUDGED AND DECREED:

- 1) The bonding privileges of Cumberland Bail Bonding Company, A Bonding Company and A+ Bail Bonding to make bonds in Marion County remain suspended until August 15, 2017.

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<sup>1</sup> See Exhibit 14, page 7, Agent Behavior.

- 2) Mr. Baggenstoss shall see that all current and future bonding companies in which he has an ownership interest and which operate in the Twelfth Judicial District shall adopt rules of behavior that clearly prohibit sexual activity between agents and their clients, their client's spouse or significant others.
- 3) The costs of this cause are adjudged to the Respondents.

ENTER: This 17<sup>th</sup> day of March, 2017.



Thomas W. Graham, Presiding Judge

cc: Honorable J. Curtis Smith  
Circuit Court Judge  
P. O. Box 2200  
Dunlap, Tennessee 37327

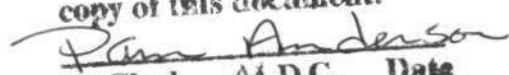
Honorable Justin C. Angel  
Circuit Court Judge  
P. O. Box 774  
Pikeville, Tennessee 37367

Mr. J. Michael Taylor  
District Attorney General  
Rhea County Courthouse Annex  
375 Church Street, Suite 300  
Dayton, Tennessee 37321-1238

Mr. Stephen T. Greer  
Attorney at Law  
P. O. Box 758  
Dunlap, Tennessee 37327

Marion County Sheriff Bo Burnett  
Marion County Justice Center  
5 North Oak Street  
Jasper, Tennessee 37347

**Certificate of Service**  
I certify that I have delivered  
or mailed to all parties or their  
counsel in this matter a true  
copy of this document.

  
( ) Clerk (X) D.C. Date

3-21-17