

1 UNITED STATES DISTRICT COURT
2 EASTERN DISTRICT OF LOUISIANA

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4 RONALD EGANA, ET AL

5 CIVIL ACTION NO. 17-5899 "D"
6 VERSUS NEW ORLEANS, LOUISIANA
WEDNESDAY, JANUARY 22, 2020, 2:30 P.M.

7 BLAIR'S BAIL BONDS, INC.,
8 ET AL

9 *****

10 TRANSCRIPT OF SETTLEMENT AGREEMENT PROCEEDINGS
11 HEARD BEFORE THE HONORABLE DANA DOUGLAS
12 UNITED STATES MAGISTRATE JUDGE

13 APPEARANCES:

14 FOR THE PLAINTIFFS: SOUTHERN POVERTY LAW CENTER
15 BY: IVY WANG, ESQUIRE
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21
22 FOR BANKERS INSURANCE
23 COMPANY, INC.:

SMOLKER BARTLETT LOEB
24 HINDS & THOMPSON
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1 APPEARANCES CONTINUED:

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4 INC., AND NEW ORLEANS
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16 PROCEEDINGS RECORDED BY MECHANICAL STENOGRAPHY. TRANSCRIPT
17 PRODUCED BY COMPUTER-AIDED TRANSCRIPTION.
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P-R-O-C-E-E-D-I-N-G-S**A F T E R N O O N S E S S I O N**

WEDNESDAY, JANUARY 22, 2020

(COURT CALLED TO ORDER)

02:44:42 6

02:44:43 7 THE DEPUTY CLERK: All rise.

02:45:34 8 THE COURT: We are here to put on the record the facts
02:45:37 9 and terms of a settlement agreement that has been reached
02:45:39 10 between the parties in 17-5899, Ronald Egana, et al versus
02:45:46 11 Blair's Bail Bonds, Inc., et al.

02:45:49 12 Would counsel please identify themselves and
02:45:53 13 their clients for the record, starting with counsel on the
02:45:55 14 phone.

02:45:55 15 MR. BIZAL: Yes. Gary Bizal here on behalf of A2i.

02:45:55 16 THE COURT: Okay.

02:46:04 17 MS. WANG: Ivy Wang for plaintiffs.

02:46:07 18 MR. BROOKE: Samuel Brooke for plaintiffs.

02:46:09 19 MS. POTTER: Clara Potter for plaintiffs.

02:46:13 20 MR. LOEB: Ethan Loeb on behalf of Bankers Insurance
02:46:13 21 Company.

02:46:15 22 MR. THOMPSON: Colin Thompson for Bankers Insurance
02:46:15 23 Company.

02:46:17 24 MR. BLANCHARD: Charles Blanchard or behalf of
02:46:19 25 Blair's Bail Bonds, Inc., and New Orleans Bail Bonds, L.L.C.

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02:46:24 1 THE COURT: Okay. All right. Would plaintiff counsel
02:46:27 2 please recite for us the material terms of the settlement
02:46:31 3 agreement that has been reached between the parties.

02:46:42 4 MS. WANG: Yes, Your Honor. We have reached agreement
02:46:44 5 in principle with all of the parties. With A2i we are agreeing
02:46:49 6 to settle our claims against them and on behalf of six other
02:46:55 7 individuals that we have mutually identified for [REDACTED] to be
02:47:01 8 paid over three years and under a personal guarantee of a
02:47:06 9 promissory note from Matt Dennis.

02:47:10 10 With Bankers we are agreeing to voluntarily
02:47:14 11 dismiss our remaining contract claim against them per the terms
02:47:21 12 outlined in a proposed release term sheet and pursuant to a
02:47:32 13 letter that we'll be sending to Bankers.

02:47:35 14 As to Blair's, we are agreeing to dismiss our
02:47:39 15 claims against Blair's, and on behalf of the six individuals,
02:47:44 16 the same as with A2i for [REDACTED] to be paid over three years,
02:47:50 17 and pursuant to several terms, which I'm going to read into the
02:47:57 18 record right now.

02:47:59 19 So, these are the proposed policies and practices
02:48:01 20 that we've agreed upon: As part of the settlement with
02:48:04 21 plaintiffs, Blair Boutte and Blair's Bail Bond, Inc., agrees to
02:48:09 22 implement the following measures:

02:48:10 23 First, protect the rights of consumers needing
02:48:13 24 bail bonds with drafting assistance from SPLC. Contracts are
02:48:17 25 written to comply with state and federal law, and in a format

that ensures that customers understand and explicitly consent to the terms, including how much is being charged across the board, how payments will be applied, and what their rights and duties are.

This involves complying with TILA by providing mandated disclosures on credit terms and rights. No premiums above 12 or 12.5 percent. Remove language from current contract requiring payment of prior outstanding balances.

Contract terms are reasonable and transparent. This involves all terms must be disclosed prior to indemnitators making a down payment and/or signing. Provide copies of all contract and paperwork to customers at signing. Keep on file a receipt confirming that the client has received all relevant documents.

Customers may consent in writing to not receiving a copy of the contract or to receiving a copy via email and/or electronic means.

Ensure customers understand key provisions by making a checklist of agreement terms that must be explained explicitly and then initialed, similar to HIPAA disclosures in hospitals.

Then to change current collection -- current collection practices will include payments applied to most recent bail bonds first, and only applied to prior bail bonds once the balance on the most recent bail bonds are satisfied.

Blair's will make changes to Captira system to allow for this.

Payments by may indemnitors are not applied to old accounts unless specifically directed by indemnitor via receipt with signed statements to the effect of: "I want this payment applied to the balance on the bond issued on [DATE]" or similar agreed-upon language. Bail enforcement agents are not used to collect payments and enforce payment plans.

To reform surrender practices, which involves clearly and specifically listing reasons for surrender in writing or surrender paperwork within and noting surrender, including reasons for surrender in Captira.

Reduce pretrial detention, which involves ensuring compliance with court obligations. Always send text or phone call reminders to clients in advance of court dates for a period of two years and advise defendants who need a new court date that they should consult the court first. Apply prior premium payments to new bond when a court resets bond because of a change in the charges.

THE COURT: Advising clients of new court dates by text messages only with the approval of those clients who approve those messages, correct?

MS. WANG: Yes, thank you, Your Honor.

So, the term of apply premium payments to new bonds when court resets bond because of change in charges, that is subject to the approval of the Department of Insurance.

02:51:01 1 If client has probation or problem hold and bond
02:51:04 2 is never posted, return any amounts paid or commit to posting
02:51:07 3 bond when hold is lifted, and amounts paid must be applied at
02:51:10 4 that time.

02:51:10 5 Community accountability. Create a working group
02:51:15 6 to address and reform pretrial justice to meet every six months
02:51:18 7 and to remain in existence for at least three years, the
02:51:21 8 details of which will be determined.

02:51:23 9 The working group shall consist of people
02:51:25 10 mutually agreed upon by Blair's and plaintiffs. The working
02:51:28 11 group shall serve as a forum to consider specific grievance
02:51:31 12 brought by individuals relating to bail bond services.

02:51:34 13 Prominently display a consumer, quote, bill of
02:51:37 14 rights at all Blair's offices and provide a copy to all people
02:51:41 15 entering contracts for bail bonds. The initial to include
02:51:46 16 contact info for SPLC, the working group, and/or other
02:51:50 17 enforcement mechanism, such as the Department of Insurance.

02:51:54 18 For a period of two years, Blair's will make
02:51:56 19 available for inspection the following records on a quarterly
02:51:59 20 basis: Access to the Captira and paper files of 50 randomly
02:52:05 21 selected current customers for spot check to ensure that
02:52:08 22 Blair's is complying with the agreed-upon terms.

02:52:11 23 SPLC will be bound to keep the private
02:52:15 24 information of these individuals confidential, and/or Blair's
02:52:17 25 is entitled to redact the identifying information of these

02:52:21 1 individuals.

02:52:22 2 Access to the Captira and paper files of any
02:52:25 3 person who has contacted SPLC with a specific concern relating
02:52:28 4 to Blair's practices, and all surrender paperwork for anyone
02:52:32 5 surrendered since the prior inspection.

02:52:34 6 If anyone's paperwork is not completely filled
02:52:37 7 out, Blair's must provide access to that person's Captira and
02:52:39 8 paper files.

02:52:40 9 Inspections will be performed by SPLC. SPLC
02:52:44 10 agrees to maintain the confidentiality of all persons whose
02:52:48 11 records are inspected. SPLC and Blair's will agree on a
02:52:50 12 reasonable time for the inspections to occur.

02:52:52 13 Change of law. In the event that a change in
02:52:56 14 governing law creates a conflict with any provision of this
02:53:07 15 agreement, the parties shall meet and confer within 30 days of
02:53:11 16 the conflict being identified and agree upon a revision to the
02:53:14 17 terms that complies with the law.

02:53:16 18 If the parties are unable to agree they shall
02:53:20 19 refer to a mutually agreed-upon neutral mediator. All agree
02:53:24 20 that if this agreement between the parties is in direct
02:53:26 21 conflict with the law, the law will take precedence.

02:53:29 22 Enforcement. These principles will be codified
02:53:33 23 in a contract enforceable by the Southern Poverty Law Center in
02:53:33 24 its own right, as well as any customer of Blair's Bail Bonds.

02:53:39 25 In the event of an alleged violation of the terms

of the agreement between SPLC and Blair's, the parties agree to meet at a reasonable time and place after notification but within two weeks of that notification to discuss the alleged violation and to provide an opportunity to correct.

The party alleged to have violated the terms will be given at least 30 days to take any corrective action, and the parties will meet tell again to confirm compliance.

Both sides agree that there will be no publicity related to purposed noncompliance prior to the completion of the 30-day corrective period and further agree that the party who allegedly was in noncompliance is now in compliance, there will be no public statement made about the period of noncompliance.

If litigation proves necessary and is successful to enforce the contact, the offending party will reimburse attorney's fees and costs to the prevailing party.

The parties have an agreement in principle on the following terms, subject to their being fully written out: For advocacy, they will reiterate in the preamble that all parties are entering into this agreement because they agree that that fee should be eliminated as much as possible from the criminal justice system to alleviate a financial burden of pretrial relief on low-income families and to reduce incarceration.

I reiterate that independent of the settlement, all parties are committed to making all possible efforts to

02:54:56 1 further these reform goals and agree to an initial joint press
02:54:59 2 release approved by SPLC and Blair's. Subsequent press by
02:55:04 3 either Blair's or SPLC that mentions the other party by name
02:55:06 4 shall be subject to that party's prior agreement and approval
02:55:10 5 so long as Blair's is in compliance with the terms of this
02:55:12 6 agreement.

02:55:12 7 THE COURT: Are those the terms as the defendants
02:55:15 8 understand them?

02:55:20 9 Actually, A2i, are those the terms as you
02:55:23 10 understand them with regard to A2i?

02:55:25 11 MR. BIZAL: I'll be honest, Judge. It was very hard
02:55:29 12 for me to hear what she said as to A2i.

02:55:31 13 THE COURT: Okay. I'm going to have her come closer to
02:55:34 14 the phone and re-read those to you just so --

02:55:42 15 MS. WANG: Can you hear me?

02:55:42 16 MR. BIZAL: I can hear you now, yes.

02:55:42 17 MS. LAND: I don't have it word for word, but what I
02:55:45 18 said was that we have agreement that we will release the claims
02:55:50 19 for plaintiffs as well as the six individuals that we've
02:55:54 20 mutually identified, and A2i will pay [REDACTED] over three years,
02:56:02 21 which will be secured by a personal guarantee or a promissory
02:56:06 22 note by Matt Dennis.

02:56:11 23 MR. BIZAL: Yeah. That's correct.

02:56:12 24 THE COURT: Just for clarification purposes, because I
02:56:14 25 think I heard something different earlier, it's a total of

02:56:17 1 nine. It's three plaintiffs and the six additional identified
02:56:21 2 parties with regards to both A2i and Blair's.

02:56:25 3 MS. WANG: Yes. Yes.

02:56:26 4 THE COURT: Okay. I just want to clarify that for the
02:56:28 5 record.

02:56:29 6 MR. BIZAL: Just so it's clear, this is the dismissal
02:56:32 7 of all claims including class actions.

02:56:36 8 THE COURT: Yes.

02:56:37 9 MR. BIZAL: Correct. Okay.

02:56:38 10 THE COURT: So, still stay on the line for me, Gary.

02:56:47 11 MR. LOEB: Ethan Loeb on behalf of Bankers. To be
02:56:53 12 clear, we are going to be providing counsel with a shell
02:56:57 13 settlement agreement, and attached to that will be the
02:57:01 14 agreed-upon judgment and dismissal, the apology letter that
02:57:06 15 counsel and I discussed and modified back in chambers.

02:57:10 16 There is a release that will also be included.
02:57:13 17 I've been provided that. I am conferring with my general
02:57:16 18 counsel to make sure that he is okay with that. At the moment,
02:57:20 19 I don't see a problem, but that remains subject to
02:57:24 20 modification.

02:57:25 21 So, there are some basic standard settlement
02:57:29 22 agreement terms that I've discussed with Mr. Brooke already,
02:57:32 23 and he has indicated that he has no, based on the subject
02:57:35 24 matter, any issues with right now but, of course, remains
02:57:38 25 subject to review and final approval.

02:57:41 1 THE COURT: Thank you.

02:57:41 2 Anything else?

02:57:45 3 MR. LOEB: No, Your Honor.

02:57:45 4 MR. BLANCHARD: Yes, Your Honor.

02:57:46 5 THE COURT: Give me one second, Mr. Bizal.

02:57:49 6 MR. BIZAL: Okay.

02:57:49 7 MR. BLANCHARD: Yes, Your Honor. Charles Blanchard on
02:57:53 8 behalf of Blair's Bail Bonds and New Orleans Bail Bonds. Just
02:57:53 9 a few clarifying matters.

02:57:59 10 This is a dismissal of both Blair's Bail Bonds,
02:58:02 11 Inc., and New Orleans Bail Bonds, L.L.C. This is a dismissal
02:58:06 12 with prejudice by the plaintiffs of all claims in the case as
02:58:10 13 well as six other individuals who the SPLC represents in this
02:58:16 14 matter.

02:58:17 15 A couple of other things, and Ms. Wang read the
02:58:22 16 terms into the record, and she may have missed some things or I
02:58:26 17 may have missed hearing some things.

02:58:28 18 So, on the first page, there was a section that
02:58:34 19 read -- that should read, if it didn't read this way,
02:58:36 20 "Customers may consent in writing to not receiving a copy of
02:58:40 21 the contract or to receiving a copy via email or electronic."

02:58:46 22 THE COURT: She covered that.

02:58:49 23 MR. BLANCHARD: There was only one other thing that I
02:58:50 24 wanted to make sure and cover, and that is on the text
02:58:55 25 messages. She read, "Always send text messages or phone call

02:50:23 1 reminders to clients in advance of court dates." Just to be
02:59:02 2 clear -- and, again, I may have missed it -- that's for a
02:59:03 3 period of two years only.

02:59:04 4 THE COURT: Yes.

02:59:06 5 Is there anything else that anyone needs to add
02:59:08 6 for purposes of the record?

02:59:11 7 MR. BIZAL: Judge, this is Gary Bizal again for A2i. I
02:59:14 8 just want to make sure it's the standard release, no admission
02:59:17 9 of liability.

02:59:18 10 THE COURT: Did you hear that, plaintiff? The
02:59:21 11 plaintiffs agree with that.

02:59:23 12 MR. BIZAL: Okay. A dismissal A2i would be with
02:59:30 13 prejudice as well.

02:59:31 14 THE COURT: Correct.

02:59:31 15 MR. BLANCHARD: The dismissal with Bankers would be
02:59:33 16 from the six other individuals as well.

02:59:35 17 MR. BIZAL: Yes.

02:59:37 18 MR. BLANCHARD: We're not admitting any liability or
02:59:40 19 fault in the matter under any of the claims asserted in the
02:59:45 20 plaintiffs' complaint as amended.

02:59:47 21 THE COURT: All right. Is there anything else anybody
02:59:50 22 needs to add on the record?

02:59:54 23 MR. LOEB: No, Your Honor. We just need to get our
02:59:55 24 esteemed counsel to just email us a copy of the apology letter
02:59:59 25 that we worked out in chambers.

03:00:00 1 THE COURT: Yes. She said she would send that in
03:00:04 2 summary of the material.

03:00:04 3 MR. LOEB: We agreed that it would be on SPLC
03:00:08 4 letterhead also.

03:00:09 5 THE COURT: Yes. I see plaintiff shaking their head
03:00:12 6 yes.

03:00:13 7 Is there anything else that needs to be put on
03:00:15 8 the record?

03:00:15 9 Okay. Do each of have the full and actual
03:00:18 10 authority given to you by your clients to enter into this
03:00:21 11 settlement agreement today?

03:00:21 12 MR. LOEB: Yes, Your Honor, on behalf of Bankers.

03:00:24 13 MR. BIZAL: Yes, Your Honor. Gary Bizal on behalf of
03:00:27 14 A2i and all the A2i, yes, we have authority.

03:00:31 15 THE COURT: Thank you.

03:00:31 16 MR. BLANCHARD: Yes, Your Honor, on behalf of
03:00:33 17 Blair's Bail Bonds, Inc., and New Orleans Bail Bonds, L.L.C.

03:00:36 18 THE COURT: Thank you.

03:00:36 19 MS. WANG: Yes, Your Honor, on behalf of plaintiffs.

03:00:39 20 THE COURT: Okay. The Court specifically assumes the
03:00:41 21 terms of the settlement agreement reached between the parties
03:00:44 22 today and recited onto the record. Those terms will be
03:00:47 23 incorporated by reference into an order of dismissal. The
03:00:49 24 district court will retain jurisdiction over the parties and
03:00:52 25 their settlement agreement for purposes of enforcing that

03:00:55 1 agreement should any controversy arise about the terms of the
03:00:59 2 agreement or any party's performance of their obligations under
03:01:02 3 the agreement.

03:01:03 4 The Court thanks the parties and their counsel
03:01:05 5 for their efforts in reaching this agreement today.

03:01:09 6 Will a 30-day order of dismissal suffice?

03:01:11 7 MR. BIZAL: Yes.

03:01:14 8 MR. BROOKE: Your Honor, I think we prefer 60.

03:01:16 9 THE COURT: Is everybody okay with that? A 60-day
03:01:19 10 order of dismissal. I will let the district court judge know
03:01:23 11 that the claims have been amicably resolved and that there is a
03:01:28 12 60-day order of dismissal.

03:01:30 13 VOICES: Thank you, Judge.

14 THE COURT: Good afternoon.

15 (WHEREUPON, at 3:01 p.m., the proceedings were
16 concluded.)

17 * * *

18
19 REPORTER'S CERTIFICATE

20 I, Cathy Pepper, Certified Realtime Reporter, Registered
21 Merit Reporter, Certified Court Reporter in and for the State
22 of Louisiana, Official Court Reporter for the United States
23 District Court, Eastern District of Louisiana, do hereby
24 certify that the foregoing is a true and correct transcript to
25 the best of my ability and understanding from the record of the
proceedings in the above-entitled and numbered matter.

s/Cathy Pepper

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