



July 2, 2018

Leland Jones
Endeavour Capital
444 S Flower St, Suite 4300
Los Angeles, CA 90071

John von Schlegell
Endeavour Capital
760 SW Ninth Avenue, Suite 3200
Portland, OR 97205

Dear Mr. Jones and von Schlegell:

I am writing this letter on behalf of the American Civil Liberties Union and our more than 1.8 million members to express deep concern about Endeavour Capital's investment in Aladdin Bail Bonds and Seaview Insurance. I write to ask for a meeting with Endeavour Capital to discuss its investment in these two companies.

As you know, Endeavour Capital currently owns Aladdin Bail Bonds, the largest bail bond company in the US, and Seaview Insurance, a related insurer.¹

Last year, the American Civil Liberties Union's Campaign for Smart Justice and Color of Change released the enclosed report, *Selling Off Our Freedom: How Insurance Corporations Have Taken Over Our Bail System*, that documents how the for-profit bail industry fuels mass incarceration and perpetuates racial inequalities in incarceration.

Every year in the United States, millions of people are forced to pay cash bail after their arrest or face incarceration before trial. This is despite the fact that they are presumed innocent and have not been convicted of a crime. To avoid being incarcerated while their cases go through the courts—which can sometimes take months or even years—people who cannot afford bail must pay a non-refundable fee to a for-profit bail bonds company to borrow the required bail amount. The financial burden of this fee harms individuals, it harms families, and it disproportionately affects Black and low-income communities.

We are deeply concerned about Endeavour Capital's investment in Aladdin Bail Bonds and Seaview Insurance.

Since it acquired Aladdin in 2012 and merged it with Seaview Insurance, the company has expanded from three states to seven and has sought regulatory approval to expand further.² Aladdin has become the dominant bail bond agency in some counties. For example, Aladdin far outstrips competitors in California, writing around half of bonds posted in San Mateo County over the last two years, and nearly 40 percent in Santa Clara County in 2015.

For-profit bail bond companies such as Aladdin take advantage of the urgency of detention to bind people to contracts that can mean debt and payments that last far longer than any court proceedings, trapping people in cycles of debt. In 2016, KQED reported on the case of Carlos Valiente, who was arrested in San Francisco in 2015 and had bail set at \$70,000. Valiente (a construction worker who earned \$14 an hour) and his mother paid Aladdin \$1,000 and owe Aladdin an additional \$6,000 in installments. Valiente's case was dismissed, but he still owed Aladdin more than \$6,000, which he will try to pay off over the next four to five years.³

Aladdin agents have run afoul of the law and have engaged in egregious practices in multiple states. In late 2015, nine Aladdin Bail Bonds agents were arrested by law enforcement personnel from the California Department of Insurance and the Santa Clara County District Attorney's Office as part of "Operation Bail Out," a sweep targeting illegal business practices in the bail industry. The Department of Insurance immediately suspended the licenses of all 31 bail agents identified in the enforcement action.⁴ In 2016, an Aladdin bail bondsman fatally shot a 60-year old woman in Washington while detaining her son.⁵

Aladdin has actively opposed efforts to reform the bail and criminal justice systems. For example, Aladdin led efforts by the bail industry to oppose the 2014 passage of Proposition 47 in California, which reduced penalties for low-level drug and petty theft offenses—offenses that bail industry representatives called the "bread and butter" of the bail industry.⁶

We would like to meet with Endeavour Capital to discuss its investment in Aladdin Bail Bonds and Seaview Insurance. Please contact Margaret Dooley-Sammuli to schedule a meeting. She may be reached by phone at 858-336-3685 or by email at sj_mds@aclu.org.

In advance, thank you for your assistance.

Sincerely,



Udi Ofer, Esq.
Director, Campaign for Smart Justice

¹ "The Aladdin Group," endeavourcapital.com, accessed June 28, 2018.

² Report of the examination of Seaview Insurance Company as of Dec 31, 2012, CA Department of Insurance, filed Aug 29, 2013, <https://endeavourcapital.com/ec/the-aladdin-group/>, accessed May 22, 2018. <https://locations.aladdinbailbonds.com/>, accessed May 22, 2018. Bexar County Bail Bond Board notice of public meeting, Dec 14, 2017.

³ "\$2 Billion Bail Bond Industry Threatened by Lawsuit Against San Francisco," KQED, May 6, 2016.

⁴ "Update: South Bay bail agents targeted in law enforcement sweep," Media release, California Department of Insurance, Sept 9, 2015.

⁵ "Bounty hunter kills bail jumper's mother. Now he's being sued," News Tribune, Jul 6, 2017.

⁶ CaI-Access. Californians Against Prop. 47, Sponsored By California Public Safety Institute And Peace Officers Research Association Of California Pic. Historical, 01/22/2015, accessed May 22, 2018.