



August 2, 2018

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

Dear Mr. Jones:

We appreciate Endeavour Capital's willingness to meet last week to discuss its investment in Aladdin Bail Bonds and its affiliated surety company, Seaview Insurance.

As we mentioned on the phone on Monday and again at the meeting on Friday, we believe the best course of action is for Endeavour Capital to exit the for-profit bail industry.

Every year in the United States, millions of people are forced to pay cash bail after an arrest or have no way to return home while fighting their case. 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 to post the bail amount have no choice but to take out a loan from a for-profit bail bonds company, including paying that company a non-refundable fee. The financial burden of this fee harms individuals, families, and whole communities. What's more, it disproportionately affects Black, Latino, and low-income communities.

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.[i]

As we made clear at the meeting, while we appreciate Endeavour Capital's and Aladdin Bail Bonds' willingness to discuss these issues, Aladdin has repeatedly funded efforts to frustrate reform or expand for-profit bail into states such as Oregon where it is currently banned. For example:

- In 2014, Aladdin Bail Bonds contributed \$49,900 to Californians Against Proposition 47. Prop 47, which was approved by 61% of California voters, reclassified several low-level drug and property offenses as misdemeanors. Misdemeanors have a much lower bail amount than felonies.[ii]
- In 2009-2015, two affiliates of Aladdin – Two Jinn, Inc. and Triton Management Services – spent \$420,000 lobbying in Oregon[iii], which abolished for-profit bail in 1973. In 2013, the year after Aladdin was acquired by Endeavour Capital, it backed legislation (HB 2548) that sought to establish a commercial bail system in Oregon.[iv]

- Since 2016, Aladdin affiliate Two Jinn Inc. has made more than \$22,000 in campaign contributions to New Mexico state legislators, including to State Senator Richard Martinez,[v] who earlier this year introduced legislation (Senate Joint Memorial 13) to rescind the state Supreme Court’s pretrial release rules, which have virtually eliminated bonds being set based on dollar figures.[vi]

Aladdin Bail Bonds has expanded significantly since its acquisition by Endeavour Capital. Endeavour Capital invested in Aladdin Bail Bonds in order to “accelerate the timing of key strategic objectives, including vertical integration with a surety to provide bail bonds and expanding the brand across the U.S.”[vii] Since Endeavour 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.[viii] As of December 2017, Aladdin’s insurance affiliate Seaview was licensed but inactive in eleven other states including Florida, Oklahoma, Texas, and Virginia, a significant increase over the prior year.[ix]

As we discussed, the ACLU is deeply concerned about institutional investment in the for-profit bail industry, both from large insurance companies and from private equity owners such as Endeavour.

As such, we reiterate our request that Endeavour Capital exit its investment in Aladdin Bail Bonds and its affiliate Seaview Insurance.

Sincerely,



Udi Ofer
Director, Campaign for Smart Justice

CC: John von Schlegell, Endeavour Capital
Rob Hayes, Aladdin Bail Bonds
Herb Mutter, Aladdin Bail Bonds
Peter Botz, Aladdin Bail Bonds
Endeavour Capital limited partners

[i] In 2016, for example, 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 later dismissed, but he still owed Aladdin more than \$6,000, which he will try to pay off over the next four to five years. “\$2 Billion Bail Bond Industry Threatened by Lawsuit Against San Francisco.” KQED, May 6, 2016.

[ii] Cal-access, California Secretary of State, accessed Jun 27, 2018. “What you need to know about Proposition 47.” California Department of Corrections and Rehabilitation, accessed Jun 27, 2018.

[iii] Oregon Governmental Ethics Commission (OGE) Lobbying Client/ Employer Expenditures, 2009-2015.

[iv] Memo from Jim & Lynda Gardner, Legislative Counsel for Two Jinn, Inc. dba Aladdin Bail Bonds, re House Bill 2548, Feb 11, 2013.

[v] New Mexico Campaign Finance Information System, accessed Jun 28, 2018.

[vi] New Mexico State Legislature legislation listing, accessed Jun 27, 2018.

[vii] “The Aladdin Group,” www.endeavourcapital.com, accessed May 29, 2018.

[viii] “Locations,” www.aladdinbailbonds.com, accessed May 29, 2018. Bexar County Bail Bond Board notice of public meeting, Dec 14, 2017.

[ix] “Management’s Discussion and Analysis,” Seaview Insurance 2017 Annual Statement as of Dec 31, 2017.