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**BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF UTAH**

COMPLAINANT:

UTAH INSURANCE DEPARTMENT

RESPONDENTS:

PATRIOT NATIONAL TITLE INS. AGENCY
1995 West 5600 South
Roy, UT 84057
License No. 243941

TODD K. WEBSTER
1995 West 5600 South
Roy, UT 84067
License No. 201895

**STIPULATION
&
ORDER**

Docket No. 2009-100-PC

Enf. Case No. 2470

STIPULATION


1. Respondent Patriot National Title Insurance Agency (“Patriot”) is a licensed title insurance agency in the State of Utah, holding License No. 243941. Respondent Todd K. Webster (“Webster”) is a licensed title insurance agent in the State of Utah, holding License No. 201895, and is designated on the license of Respondent Patriot.

2. Respondents stipulate with the Complainant, Utah Insurance Department, as follows:

a. If a hearing were held, witnesses called by the Complainant could offer and introduce evidence that would support the Findings of Fact herein;

- b. Respondents admit the Findings of Fact and Conclusions made therefrom;
 - c. Respondents stipulate to the summary entry of the Order herein which shall be in lieu of other administrative proceedings by Complainant in this matter; and
 - d. Respondents and Complainant have negotiated the terms of the Order entered herein and Respondents agree to its entry and further agree to be bound by all its terms.
3. Respondents are aware of their right to a hearing at which they may be represented by counsel, present evidence and cross-examine witnesses. Respondents have irrevocably waived their right to such hearing and to any appeal related thereto.
4. Respondents admit the jurisdiction of the State of Utah Insurance Commissioner as to all matters herein.
5. Respondents are acting herein free from any duress or coercion of any kind or nature, having been advised fully as to their rights set forth herein.
6. Respondents acknowledge that the issuance of this Order by the Commissioner is solely for the purpose of disposition of the matter entitled herein.

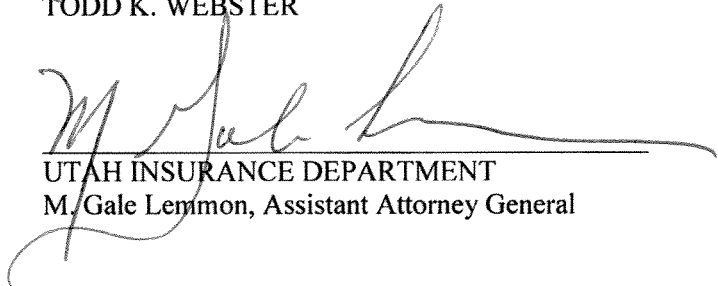
DATED this 19th day of October, 2009.



PATRIOT NATIONAL TITLE INS. AGENCY
Rocky D. Crofts, President



TODD K. WEBSTER



UTAH INSURANCE DEPARTMENT
M. Gale Lemmon, Assistant Attorney General

Based upon the foregoing Stipulation and information in the file, the Presiding Officer makes the following Findings of Fact:

FINDINGS OF FACT

1. Respondent Webster is a part owner of Respondent Patriot and is designated on its license and was responsible for its day-to-day operations.
2. Beginning in about May 2008 through approximately June 2009, Respondent Patriot, through its agent, Respondent Webster, diverted funds held in escrow belonging to participants in real estate transactions to the use of Respondent Patriot. Funds diverted during this period totaled at least \$200,000.00.
3. As a result of the diversion of escrow funds, Respondent Patriot was unable to fulfill its obligations to forward those funds to the appropriate payee under certain escrows.
4. Also as a result of the diversion of funds held in escrow, Respondent Patriot failed to forward title premiums collected to the insurer when due.
5. During the same period of time, Respondents Patriot and Webster failed to maintain records in a manner that would facilitate an audit and to complete monthly reconciliations of its trust account.
6. The commissioner determined that the above facts created an immediate and significant danger to the public welfare and on July 31, 2009, issued an Emergency Adjudicative Proceeding ordering that the license of Respondent Patriot National Title be immediately suspended and requiring the department to commence a formal adjudicative proceeding for the revocation of Respondent Patriot National Title's license.

7. Since the initiation of the action to suspend the license of Respondent Patriot, most of the funds diverted from the trust account have been repaid.

Based upon the foregoing Stipulation and Findings of Fact, the Presiding Officer enters the following Conclusions of Law:

CONCLUSIONS OF LAW

1. Under Utah Code Annotated § 31A-23a-302(7), both the agency and a person designated on the agency's license are considered to be holders of the agency license, and the commissioner may revoke both licenses for actions of the agent.
2. In diverting funds belonging to others held in the escrow account to other purposes, Respondents violated Utah Code Annotated §§ 31A-23a-406(3)(b) and 31A-23a-409(6).
3. In utilizing escrow funds for purposes other than for that for which they were designated, Respondents violated Utah Code Annotated § 31A-23a-409(1)(d).
4. In failing to forward premiums to the insurer when due, Respondents violated Utah Code Annotated § 31A-23a-411.1.
5. In failing to maintain records in a manner that would facilitate an audit and to reconcile the trust account monthly, Respondents violated Utah Administrative Code Rule R590-170-7(6).
6. Respondents' actions demonstrate that they do not meet the character requirements to hold a license of being competent and trustworthy under Utah Code Annotated § 31A-23a-107.
7. Respondents' licenses should be revoked pursuant to Utah Code Annotated § 31A-23a-111(5)(b)(i), is unqualified for a license; -111(5)(b)(ii), violates an insurance statute or rule; -111(5)(b)(xii), misappropriates or converts monies received in the course of doing business;

-111(5)(b)(xvi)(B), in the conduct of business, demonstrates incompetence, untrustworthiness, or financial irresponsibility; and -111(5)(b)(xxiv), engages in a method or practice in the conduct of business that endangers the legitimate interest of customers and the public.

Based upon the foregoing Findings of Fact and Conclusions of Law, the Presiding Officer herewith enters the following Recommended Order:

RECOMMENDED ORDER

IT IS RECOMMENDED THAT THE TITLE AND ESCROW COMMISSION IMPOSE THE FOLLOWING PENALTY:

1. The title producer licenses of Respondents Patriot National Title Insurance Agency and Todd K. Webster be revoked forthwith.

DATED this _____ day of OCT 29 2009, 2009.

D. KENT MICHIE
INSURANCE COMMISSIONER

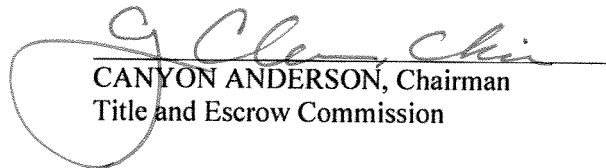


MARK E. KLEINFELD, Esq.
Administrative Law Judge
Utah Insurance Department
State Office Building, Room 3110
Salt Lake City, Utah 84114
Telephone (801) 538-3800

ADOPTION OF RECOMMENDED ORDER AND IMPOSITION OF PENALTY

By a vote of 4 to 0, taken in open meeting on this date, the Title and Escrow Commission hereby adopts the recommended order of the presiding officer and imposes the penalties recommended herein above.

DATED this 9th day of November, 2009.


CANYON ANDERSON, Chairman
Title and Escrow Commission

NOTIFICATION

Respondents are hereby notified that failure to abide by the terms of this Order may subject you to further penalties, including additional forfeitures of up to \$5,000.00 per violation and the filing of an action to enforce this Order in the District Court, which may impose penalties of up to \$10,000.00 per day for continued violation.

You are further notified that other jurisdictions in which you may be licensed may require that you report this action to them.

CERTIFICATE OF MAILING

I do hereby certify that on this date I mailed, by regular mail, postage prepaid a true and correct copy of the attached:

STIPULATION
&
ORDER

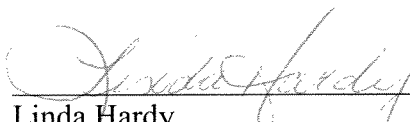
To the following:

Todd K Webster
Patriot National Title Insurance Agency
1995 West 5600 South
Roy, Utah 84057

&

Todd K Webster
1995 West 5600 South
Roy, Utah 84057

DATED this 9th day of November 2009.



Linda Hardy Court Clerk
Utah Department of Insurance
State Office Building, Room 3110
Salt Lake City, UT 84114-6901