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UTAH STATE
INSURANCE DEPT.

BEFORE THE INSURANCE COMMISSIONER OF THE STATE OF UTAH

COMPLAINANT:

UTAH INSURANCE DEPARTMENT

RESPONDENT:

JASON L. PATTERSON
3654 West 4975 South
Roy, UT 84067
License No. 136073

STIPULATION
&
ORDER

Docket No. 2008-085 LC

Enf. Case No. 2154

STIPULATION

1. Respondent, Jason L. Patterson, is a licensed resident life insurance agent in the State of Utah, holding License No. 136073.
2. Respondent stipulates 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. Respondent admits the Findings of Fact and Conclusions made therefrom;
 - c. Respondent stipulates to the summary entry of the Order herein which shall be in lieu of other administrative proceedings by Complainant in this matter; and

d. Respondent and Complainant have negotiated the terms of the Order entered herein and Respondent agrees to its entry and further agrees to be bound by all its terms.


3. Respondent is aware of his right to a hearing at which he may be represented by counsel, present evidence and cross-examine witnesses. Respondent has irrevocably waived his right to such hearing and to any appeal related thereto.

4. Respondent admits the jurisdiction of the State of Utah Insurance Commissioner as to all matters herein.

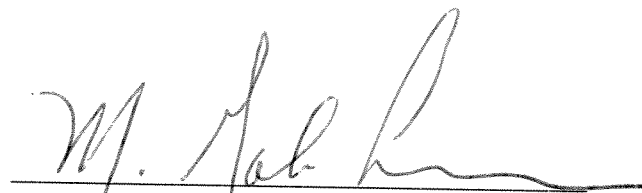
5. Respondent is acting herein free from any duress or coercion of any kind or nature, having been advised fully as to his rights set forth herein.

6. Respondent acknowledges that the issuance of this Order by the Commissioner is solely for the purpose of disposition of the matter entitled herein.

DATED this 14 day of July, 2008.



JASON L. PATTERSON



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. On or about September 23, 2005, Respondent sold a pre-need funeral policy to a resident of the State of Utah. The policy was intended to be a \$1,200.00 single-pay policy, and the Respondent received a check in the amount of \$1,200.00 in payment for that policy. However, without the knowledge or permission of the applicant, Respondent altered the application to apply for a 10-pay annual plan with \$1,200.00 due each year in order to increase his commission on the sale.
2. On or about August 25, 2006, Respondent sold a pre-need funeral plan to a resident of the State of Utah. The policy was intended to be a \$3,178.00 single-pay policy for cremation services, and the Respondent received a check in the amount of \$3,178.00 in payment for that policy. However, without the knowledge or permission of the applicant, Respondent altered the application to apply for a policy with a face amount of \$11,990.00 with an annual premium instead of a single-pay policy in order to increase his commission on the sale.
3. On or about February 6, 2007, Respondent sold three pre-need funeral policies to a man, his wife and his mother, all residents of the State of Utah. The policy for the mother was intended to be a \$10,000.00 single-pay policy and the policies for the man and his wife were intended to be \$7,500.00 single-pay policies. The respondent received a check in the amount of \$10,000.00 in payment for the mother's policy and a check in the amount of \$15,000.00 for the policies of the man and his wife. However, without the knowledge or permission of the applicants, Respondent altered the applications to apply for a \$15,000 single-pay policy for the mother and \$12,430.00 policies each on the man and his wife with \$5,000.00 annual premium

payments for three years, all to increase his commission on those sales.

4. On or about March 12, 2007, Respondent collected a \$500.00 premium payment from a resident of the State of Utah on a pre-need funeral policy he has previously sold on January 25, 2005. Instead of forwarding the premium payment to the insurer, Respondent used the funds to apply for a new 10 year pay pre-need funeral policy in the amount of \$9,803.93, all without the knowledge or consent of the insured.

5. In altering applications for insurance without the knowledge or consent to the applicants, the Respondent made communications containing false or misleading information relating to an insurance policy.

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

CONCLUSIONS OF LAW

1. In making communications containing false or misleading information relating to an insurance policy, Respondent violated Utah Code Annotated § 31A-23a-401(1)(a)(i).

2. In presenting applications to an insurer that the Respondent knew contained false or misleading information with an intent to deceive or defraud, Respondent committed a fraudulent insurance act under Utah Code Annotated § 31A-31-103(1).

3. In failing to forward premium received from an insured to the insurer, Respondent violated Utah Code Annotated § 31A-23a-409.

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

ORDER

IT IS HEREBY ORDERED:

1. Respondent's insurance agent's license is revoked forthwith.
2. Respondent shall immediately cease doing any insurance business in the State of Utah, and shall not be an owner, officer, director, agent, or employee of any person doing an insurance business in this State.

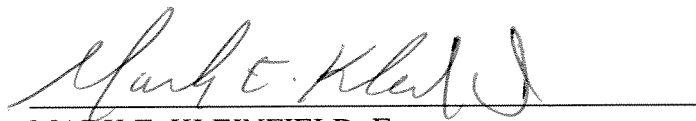
NOTIFICATION

You 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.

DATED this 28 day of JULY, 2008.

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

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:

**Jason L. Patterson
3654 W 4975 S
Roy, UT 84067**

DATED this 28th day of July, 2008

Kent C. Michie
Insurance Commissioner

By: 

Linda Hardy Insurance Technician
Utah Department of Insurance
State Office Building, Room 3110
Salt Lake City, UT 84114-6901
(801) 538-3813