

M. GALE LEMMON #4363  
Assistant Attorney General  
MARK L. SHURTLEFF #4666  
Attorney General  
Attorneys for Utah Insurance Department  
State Office Building, Room 3110  
Salt Lake City, UT 84114  
Telephone (801) 538-3872

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

**COMPLAINANT:**

UTAH INSURANCE DEPARTMENT

**RESPONDENT:**

DHR II, INC.

3020 E. Camelback Rd., Suite 213

Phoenix, AZ 85016

Utah Co. Id. No. 158304

**NOTICE OF INFORMAL  
ADJUDICATIVE PROCEEDING  
AND ORDER**

**REVOCATION OF LICENSE**

**DOCKET No. 2009-145 PC**

**Enf. Case No. 2545**

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The Utah Insurance Department has commenced this informal adjudicative proceeding pursuant to Utah Code Annotated §§ 31A-2-201 and 63G-4-201 and Utah Administrative Code Rule R590-160. Based upon information contained in agency files or known to the Commissioner, the Commissioner makes the following:

**FINDINGS OF FACT**

1. The Respondent, DHR II, Inc., is a professional employer organization licensed in the State of Utah, Utah Company Identification No. 158304.

2. Respondent submitted an application for renewal of its license on October 12, 2009. However, Respondent failed to pay the renewal fee of \$2,050.00 with its application.

3. Respondent's current financial statements demonstrate that as of December 31, 2008, it has negative working capital of <\$20,503,875.00> and negative stockholders equity of <\$13,152,941.00>.

4. Respondent's financial position constitutes a danger to the interests of its Utah employees and the citizens of the State of Utah.

Having entered his Findings of Fact, the Commissioner now enters his:

### **CONCLUSIONS OF LAW**

1. Respondent has failed to meet the requirements for the renewal of its professional employer organization license under Utah Code Annotated § 31A-40-302(1)(A)(ii).

2. Respondent's license should be revoked and ordered to cease doing any business as a professional employer organization in the State of Utah, and to report to the department all co-employers with employees in the State of Utah.

Based upon the foregoing Findings of Fact and Conclusions of Law, the Commissioner now enters the following:

### **ORDER**

#### **IT IS HEREBY ORDERED:**

1. Respondent's Utah professional employer organization license is revoked forthwith.

2. Respondent shall immediately cease doing any business as a professional employer organization in the State of Utah, including acting as a professional employer for any employees that are located in the State of Utah.

3. Within 30 days of the date of this Order becomes final, Respondent shall report to the commissioner the name, address, telephone number, and number of employees located in the State of Utah for all its co-employers with employees located in the State of Utah as of the date of this Order.

4. This Order shall become final fifteen (15) days after the date of mailing unless a written request for a hearing is received from the Respondent in the offices of the department prior to that date. A written request for a hearing shall be signed by the person making the request and shall state the basis for the relief requested.

#### **NOTIFICATION**

If you request a hearing regarding this matter, the department will be represented by M. Gale Lemmon, Enforcement Counsel, State Office Building, Room 3110, Salt Lake City, Utah 84114, Telephone Number (801) 538-3800. Failure to request a hearing will be considered a failure to exhaust administrative remedies and will preclude any further administrative or judicial review or appeal on this matter.

**Questions regarding this action should be directed to Eric Showgren, Manager, Company Licensing and Administration, telephone (801) 537-9174.**

Respondent is hereby notified that failure to abide by the terms of this Order may subject it 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 \_\_\_\_\_ day of **OCT 29 2009**, 2009.

D. KENT MICHIE  
INSURANCE COMMISSIONER



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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:

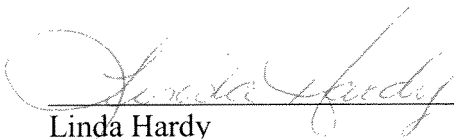
NOTICE OF INFORMAL  
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REVOCACTION OF LICENSE

To the following:

DHR II, Inc  
3020 E. Camelback Rd., Suite 213  
Phoenix, AZ 85016

DATED this 2<sup>nd</sup> day of November 2009.



Linda Hardy

Court Clerk

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