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UTAH STATE  
INSURANCE DEPT.

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BEFORE THE INSURANCE COMMISSIONER  
OF THE STATE OF UTAH

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**COMPLAINANT:**

UTAH INSURANCE DEPARTMENT

**RESPONDENT:**

LYUDMILA GLEASON  
9140 South Wedgefield Drive  
Sandy, UT 84093  
License 207322

**STIPULATION AND ORDER**

Docket No. 2011-119 LC

Enf. Case No. 2893

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**STIPULATION**

1. Respondent, Lyudmila Gleason is a licensed insurance producer in the State of Utah holding license No. 207322.

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 her right to a hearing at which she may be represented by counsel, present evidence and cross-examine witnesses. Respondent has irrevocably waived her 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 her rights set forth herein.

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

DATED this 20<sup>th</sup> day of June, 2011.

  
\_\_\_\_\_  
LYUDMILA GLEASON

  
\_\_\_\_\_  
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 January 12, 2011, the Department received notification from Allstate Insurance Company that it had terminated the Respondent's appointment for cause. Allstate's internal Summary Memo stated that "information indicated that Respondent and/or her staff may have falsified prior insurance information on certain auto policy applications, and that Respondent may have inappropriately cancelled and re-issued certain existing customer's insurance policies when the customers' insurance score improved in order to provide them with a lower insurance premium to prevent them from going to another carrier."

2. In response to a January 27, 2011 inquiry from the Department, Respondent submitted a written reply, explaining that when writing new insurance, a discount could be given to a new customer if the customer's prior insurance included State Farm. Therefore, Respondent had falsely listed State Farm as prior insurance on the documentation for a number of new policies.

3. On or about March 28, 2011, Allstate Insurance provided a spreadsheet showing 24 policies that Allstate identified as being falsified by Respondent or her staff. On April 11, 2011, Allstate provided a list of policy numbers and list of processor ID numbers showing who electronically "signed" the applications. Respondent signed 17 of the 24 policies that were identified during Allstate's audit.

6. On April 26, 2011, the Market Conduct Examiner interviewed the Respondent. During this interview, the Respondent admitted to falsifying the applications wherein her processor ID appeared.

7. On May 9, 2011, Respondent agreed to an administrative forfeiture of \$3,000.00, plus

an additional forfeiture in the amount of \$3,407.18 representing twice the profit gained pursuant to Utah Code Ann. § 31A-2-309(1)(a). It was agreed that one half of \$3,407.18 would be stayed pending completion of 24 months probation. Respondent also agreed to complete within 12 months an additional three hours of ethics along with any CE required for license renewal.

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

**CONCLUSIONS OF LAW**

1. In falsifying insurance applications by listing non-existent prior insurance coverage by other insurance companies, falsely listing another prior insurer than the one the insured had previously been insured with, and in improperly reissuing policies when a customer's insurance score improved, in order for customers to receive discounts, Respondent violated Utah Code Ann. § 31A-23a-402(1)(a)(I).

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 Lyudmila Gleason is hereby assessed an administrative forfeiture in the amount of \$3,000.00.

2. Respondent is further assessed a forfeiture of \$3,407.18 representing twice the profit gained from violation of the Utah Insurance Code. One-half of this amount, or 1,703.59, is stayed pending successful completion of the probation imposed below. The balance not stayed,

an amount of \$1,703.59 shall be paid as stated below.

3. Respondent shall pay the forfeitures assessed and not stayed in payments of \$1567.00 within 30 days of the date of this Order, \$1567.00 within 60 days of the date of this Order, and a final payment in the amount of 1569.59 within 90 days of the date of this Order.

4. Respondent's insurance producer's license is placed on probation for a period of 24 months beginning with the date of this Order. The terms of probation are (1) Respondent shall pay the forfeitures assessed herein that have not been stayed in a timely manner; (2) Respondent shall complete three hours of continuing education in ethics within 12 months of the date of this Order, said continuing education shall be in addition to the continuing education requirements for the renewal of Respondent's license; and (3) that Respondent shall have no further violations of the Insurance Code, Department Rules, or any order of the Commissioner.

DATED this 29 day of June, 2011.

NEAL T. GOOCH  
Insurance Commissioner

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

#### NOTIFICATION

You are hereby notified that a failure to obey an Order of the Commissioner may subject you to further penalties, including forfeiture of up to \$2,500 per violation and the suspension or

revocation of your license and the filing of an action in district court, which may impose forfeitures of up to \$10,000 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.



# Insurance Department

State of Utah

GARY R. HERBERT  
*Governor*

GREG BELL  
*Lieutenant Governor*

NEAL T. GOOCH  
*Commissioner*

## 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:

Lyudmila Gleason  
9140 South Wedegfield Drive  
Sandy, UT 84093

DATED this 29<sup>th</sup> day of June, 2011

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

**UTAH**  
**Invoice - Original**

Printed Date: June 29, 2011  
Invoice Date: June 29, 2011  
Balance Due: \$4,703.59  
Due Date: September 29, 2011  
Invoice ID: 516046  
Payor ID: 95351

GLEASON LYUDMILA  
MILA GLEASON  
9140 S WEDGEFIELD DR  
SANDY UT 84093

<b>Item Description</b>	<b>Amount</b>
6/29/2011 Monetary Penalty Individual	\$4,703.59
E-Case 2893 Docket 2011-119 LC	
<b>Original Amount Due</b>	<hr/> \$4,703.59
<b>Payments Received</b>	
	<hr/> <b>Balance Due</b>

**UTAH**  
**Invoice - Original**

Invoice Date: June 29, 2011  
Balance Due: \$4,703.59  
Due Date: September 29, 2011  
Invoice ID: 516046  
Payor ID: 95351  
Payor Name: GLEASON,  
LYUDMILA

Make checks payable to: Utah Insurance Department

Send payment to:

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