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## BEFORE THE INSURANCE COMMISSIONER OF THE STATE OF UTAH

COMPLAINANT:

UTAH INSURANCE DEPARTMENT

RESPONDENTS:

AMERIMEX INSURANCE OF UTAH  
License No. 363798

JERRY LUCIOUS PACHECO  
License No. 362531

3952 West 3500 South, Suite D1  
West Valley City, UT 84120

STIPULATION  
&  
ORDER

Docket No. 2012-049-PC

Enf. Case No. 3075

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### STIPULATION

1. Respondent Jerry Lucious Pacheco (“Pacheco”), is a resident license insurance producer in the State of Utah, holding License No. 362531. Respondent Amerimex Insurance of Utah (“Amerimex”), is a licensed insurance agency in the State of Utah, License No. 362531, and is owned by Respondent Pacheco.

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 21 day of May, 2012.

  
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AMERIMEX INSURANCE OF UTAH  
Jerry Lucious Pacheco, Owner

  
\_\_\_\_\_  
JERRY LUCIOUS PACHECO

  
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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. In an agency review conducted by Department personnel in September 2011, it was found that Respondents had set up their credit and debit card services to deposit premium payments made through a credit or debit cards into the agency operating account, causing comingling of funds held in trust with the agency's own funds. Those premium funds were then later transferred into the agency trust account.

2. Respondent Pacheco licensed Respondent Amerimex, with the Utah Insurance Department on November 15, 2010, using a document showing Amerimex to be a limited liability company. However, at the time of licensing, Respondent Amerimex was a dba of Respondent Pacheco, and not a limited liability company. On April 4, 2012, a conversion was filed with the Utah Department of Commerce, Division of Corporations & Commercial Code, converting Respondent Amerimex from a dba to a limited liability company.

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

**CONCLUSIONS OF LAW**

1. In causing premium payments to be deposited into the agency operating account instead of directly into the agency trust account, Respondents violated Utah Code Ann. § 31A-23a-409 and Utah Admin. Code Rule R590-170-4.

2. In using a document that showed Respondent Amerimex to be a limited liability company in applying for a license when it was actually a dba of Respondent Pacheco,

Respondents 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**

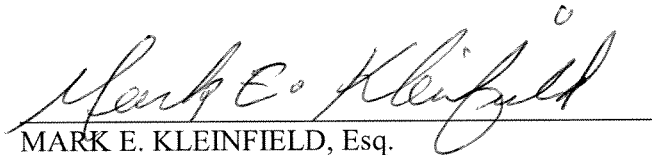
IT IS HEREBY ORDERED:

1. Respondents Jerry Lucious Pacheco and Amerimex Insurance of Utah are jointly and severally assessed an administrative forfeiture in the amount of \$1,000.00. The forfeiture shall be paid in two payments of \$500.00, the first due 30 days of the date of this Order and the second due within 60 days of the date of this Order.

2. Respondents' insurance producer's licenses are placed on probation for a period of 12 months beginning with the date of this Order. The terms of probation are that Respondents shall pay the forfeiture assessed herein in a timely manner and shall have no further violations of the Utah Insurance Code or Rules or of any order of the commissioner.

DATED this 22<sup>nd</sup> day of May, 2012.

NEAL T. GOOCH  
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

**NOTIFICATION**

Respondents are hereby notified that failure to abide by the terms of this Order may

subject them to further penalties, including additional forfeitures of up to \$2,500.00 per violation for an individual licensee and of up to \$5,000.00 per violation for an agency, and the suspension or revocation of your licenses, 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.