

M. GALE LEMMON #4363  
Assistant Attorney General  
MARK L. SHURTLEFF #4666  
Attorney General  
Attorneys for Utah Insurance Department  
160 East 300 South, Fifth Floor  
P.O. Box 140874  
Salt Lake City, UT 84114-0874  
Telephone: 801-366-0375

**RECEIVED**  
MAY 21 2012  
UTAH STATE  
INSURANCE DEPT.

WJS

BEFORE THE INSURANCE COMMISSIONER  
OF THE STATE OF UTAH

**COMPLAINANT:**

UTAH INSURANCE DEPARTMENT

**RESPONDENT:**

FEDERAL FINANCIAL GROUP, LLC  
292 East 12200 South #200  
Draper, UT 84020  
License No. 104315

**STIPULATION AND ORDER**

Docket No. 2012-091 LF

Enf. Case No. 3117

**STIPULATION**

1. Respondent, Federal Financial Group, LLC, is a resident insurance producer organization holding License No. 104315.
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.

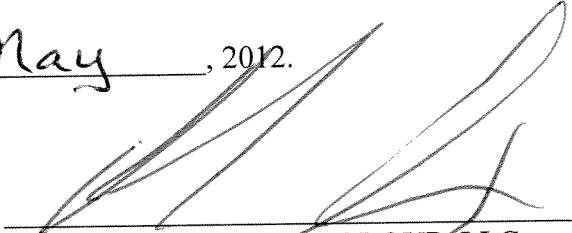
3. Respondent is aware of its right to a hearing at which it may be represented by counsel, present evidence and cross-examine witnesses. Respondent has irrevocably waived its right to such hearing and to any appeal related thereto.


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 its 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 14<sup>th</sup> day of May, 2012.

  
FEDERAL FINANCIAL GROUP, LLC  
Rick Dixon, Manager

  
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 September of 2011, an individual going door-to-door delivered a flyer advertising Federal Financial Group, LLC to a Department employee at her residence. The flyer/solicitation offered a \$25.00 restaurant gift card in exchange for a free 20 minute financial consultation with Respondent. The solicitation gave the name and telephone number of Ryan Palmer as a contact to call for an appointment.
2. The Department employee determined from the Department database that Ryan Palmer was not a Utah licensed producer. In addition, the solicitation did not disclose that the solicitation was for insurance or that the Respondent is an insurance producer organization. The employee referred the flyer on to Market Conduct Division and an investigation was instituted thereafter.
3. On March 14, 2012, a market conduct examiner met with Larry Scheffield, Director of Operations for Respondent, and Ryan Palmer, who directs the marketing department for Respondent.
4. Mr. Sheffield agreed that the word "insurance" should appear on the flyer to identify Respondent as an insurance producer organization. Because a similar situation regarding signage and marketing materials had occurred in 2009, Respondent had sufficient knowledge and notice that its current marketing materials were not compliant with Utah requirements.
5. During the meeting on March 14, 2012, Mr. Sheffield and Mr. Palmer stated they did not feel that Mr. Palmer needed to be licensed as a producer since he was handing out flyers but

not discussing insurance with potential clients; however, they later agreed that because Mr. Palmer's name and telephone number appeared on the flyer as the contact person, it would appear to the public that he was acting for the agency.

6. During the investigation, Respondent's agents demonstrated cooperation and accountability. Respondent took immediate remedial action, and now identifies itself on all marketing materials as an insurance agency. Further, it no longer uses the names of non-licensed individuals on any of these materials.

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

**CONCLUSIONS OF LAW**

1. In using solicitation materials that did not disclose that the Respondent was an insurance agency and by listing the name and telephone number of a non-licensed individual as the contact person for the agency, Respondent violated Utah Code Ann. §§ 31A-23a-103(1)(c) and Utah Admin. Code R590-154-5.

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:**

Respondent, Federal Financial Group LLC, is assessed an administrative forfeiture in the amount of \$3,000.00. The forfeiture shall be paid to the Department within 30 days of issuance

of this Order.

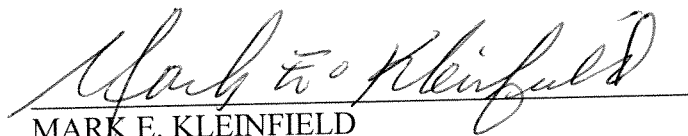
**NOTIFICATION**

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 \$5,000.00 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.

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

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

CERTIFICATE OF MAILING

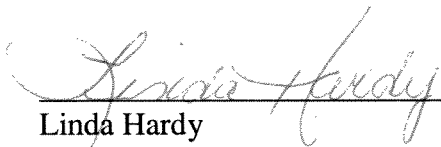
I do hereby certify that on this date I mailed, by regular mail postage prepaid, a true and correct copy of the attached:

STIPULATION  
&  
ORDER

To the following:

Federal Financial Group, LLC  
Attn: Rick Dixon  
292 East 12200 South # 200  
Draper, UT 84020

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



---

Linda Hardy  
Market Conduct  
Utah Department of Insurance  
State Office Building, Room 3110  
Salt Lake City, UT 84114-6901  
801-538-3860