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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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<b>COMPLAINANT:</b>	<b>STIPULATION AND ORDER</b>
UTAH INSURANCE DEPARTMENT	Docket No. 2013-041 LC
<b>RESPONDENT:</b>	Enf. Case No. 3237
AFFILIATED FIRST TITLE INSURANCE AGENCY, LLC 321 East State Road, Suite 200 American Fork, UT 84003 License No. 98418	

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**STIPULATION**

1. Respondent, Affiliated First Title Insurance Agency, LLC, ("Affiliated"), is a licensed title agency in the State of Utah, holding License 98418.
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 and Title and Escrow Commission as to all matters herein.

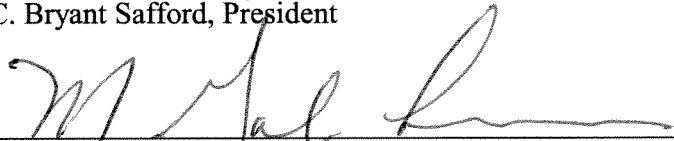
5. Respondent is acting herein free from any duress or coercion of any kind or nature, having been advised fully as to its rights set forth herein.

6. Respondent acknowledges that the issuance of this Order by the Title and Escrow Commission is solely for purpose of disposition of the matter entitled herein.

DATED this 18 day of MARCH, ~~2012~~ 2013



AFFILIATED FIRST TITLE INS. AGENCY, LLC  
C. Bryant Safford, President



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 June 13, 2012, the Department created a list of all title producers who had renewed or reinstated their licenses during the month of May, 2012. After reviewing the list and SIRCON licensing, it was determined that Respondent's license had lapsed on April 30, 2012, and was not reinstated until May 21, 2012.

2. Respondent's association with its title and escrow producers also terminated on April 30, 2012. It was not until September 25, 2012, that the producers were re-associated with Respondent.

3. SIRCON licensing record also revealed that Respondent was licensed on April 9, 2002 with a Title Search line of authority only. The producer affiliated on the application, William Raymond Jones, also had a Title Search line of authority only.

4. On July 3, 2012, a letter from the Department was sent to Affiliated requesting a narrative statement regarding any title insurance business it conducted from April 30, 2012 through May 21, 2012.

5. On July 25, 2012, Affiliated's escrow department manager responded with a written reply stating that 58 closings were conducted between April 30, 2012 and May 21, 2012, the time period during which Affiliated's licensed was lapsed.

6. On September 24, 2012 a targeted audit was conducted of Respondent's licensing history. During an audit interview it was determined that Respondent has been conducting escrow business without the proper authority to do so for over 10 years.

7. The Department's investigation revealed that the Respondent had originally applied

for both search and escrow lines of authority, but had not listed at that time any agents with an escrow line of authority, so the license was issued with only the search line of authority.

8. A few days after the Respondent's license was issued, it associated title agents with the escrow line of authority. However, the license was not corrected by the Department to add the escrow line that had been applied for.

9. At least two intervening targeted audits of the Respondent were performed by the Department and the license discrepancy was not discovered.

10. Respondent's president, C. Bryant Safford, was forthcoming during the investigation and responded promptly. He took full responsibility for the error.

11. Respondent has agreed to an administrative forfeiture in the total amount of \$3,500.00.

12. On September 24, 2012, while adding the title escrow line of authority, Respondent Affiliated was charged the \$1,000.00 assessment for new title agencies, which should not have been charged. The Department agrees that this amount should be deducted from the \$3,500.00 forfeiture.

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

#### **CONCLUSIONS OF LAW**

1. Utah Code Ann. Section 31A-23a-103 states as follows:

(1) (a) Unless exempted from the licensing requirement under Section **31A-23a-201 or 31A-23a-207**, a person may not perform, offer to perform, or advertise any service as a producer, limited line producer, customer service representative, consultant, managing general agent, or reinsurance intermediary in Utah, without a valid

individual or agency license issued under this chapter.

(b) A valid license includes at least one license type and one line of authority pertaining to that license type.

(c) A person may not utilize the services of another as a producer, limited line producer, customer service representative, consultant, managing general agent, or reinsurance intermediary if that person knows or should know that the other does not have a license as required by law.

(2) This part may not be construed to require an insurer to obtain an insurance producer license.

(3) An insurance contract is not invalid as a result of a violation of this section.

2. Utah Code Ann. Section 31A-23a-302 (1) mandates the following:

An agency shall designate an individual that has an individual producer, limited line producer, customer service representative, consultant, managing general agent, or reinsurance intermediary license to act on the agency's behalf in order for the licensee to do business for the agency in this state.

3. Respondent violated of the above statutes when it conducted 58 closings between April 30, 2012 and May 21, 2012, the period when its license was lapsed and its producers were not designated to it.

4. Respondent also violated the requirement to obtain a Title Escrow line of authority before conducting escrow related insurance business.

5. An administrative forfeiture in the amount of \$3,500.00 is appropriate in this matter, with \$1,000.00 being stayed as previously paid to the Department on September 25, 2012.

Based upon the forgoing Stipulation, Findings of Fact, and Conclusions of Law, the presiding officer now enters the following:

**RECOMMENDED ORDER**

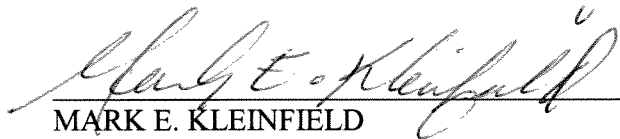
IT IS RECOMMENDED THAT THE TITLE AND ESCROW COMMISSION IMPOSE THE

FOLLOWING PENALTY:

1. Respondent, Affiliated First title Insurance Agency, LLC, be assessed an administrative forfeiture in the amount of \$3,500.00. An amount of \$1,000.00 shall be stayed. The remaining \$2,500.00 shall be paid to the Department within thirty (30) days of the date of the Order.

DATED this ~~18th~~<sup>27th</sup> day of MARCH, 2012. 2013

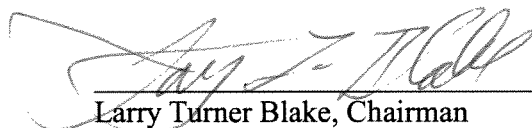
TODD E. KISER  
Insurance Commissioner

  
MARK E. KLEINFELD  
Administrative Law Judge  
Utah Insurance Department

**ADOPTION OF RECOMMENDED ORDER AND IMPOSITION OF PENALTY**

By a vote of 4 to 0, taken in open meeting on this date, the Title and Escrow Commission hereby adopts the recommended order of the presiding officer and imposes the penalty recommended herein above.

DATED this 8th day of April, 2013.

  
Larry Turner Blake, Chairman  
Utah Title and Escrow Commission

**NOTIFICATION TO RESPONDENT**

You are hereby notified that a failure to obey an Order of the Commissioner may subject you to further penalties, including forfeitures of up to \$5,000 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.

**COMMISSIONER CONCURRENCE**

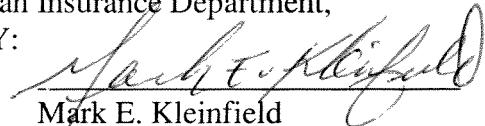
**WITH COMMISSION IMPOSED PENALTIES**

The Commissioner of the Utah Insurance Department hereby concurs with the above and forgoing Utah Title and Escrow Commission imposed penalties in the present adjudicative proceedings.

Dated this 8<sup>th</sup> day of April, 2011.

TODD E. KISER,  
Commissioner,  
Utah Insurance Department,

BY:



Mark E. Kleinfield  
Administrative Law Judge