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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:**

FREDDIE J. "TYKE" MARTIN  
202 East Backhand Lane  
Lehi, UT 84043  
License No. 202136

**STIPULATION AND ORDER**

Docket No. 2014-015 PC

Enf. Case No. 3366

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**STIPULATION**

1. Respondent, Freddie J. "Tyke" Martin, is a resident title insurance marketing agent in the State of Utah, whose license (number 202136) expired for non-renewal on August 31, 2013, but can be reinstated up to a year after expiration.

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;

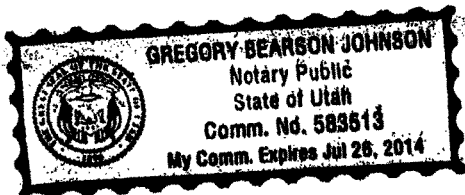
- b. Respondent admits the Findings of Fact and Conclusions made herein.
  - c. Respondent stipulates to the summary entry of the Order herein which shall be in lieu of other administrative proceedings by Complainant in this matter; and
  - d. Respondent and Complainant have negotiated the terms of the Order entered herein and Respondent agrees to its entry and further agrees to be bound by all its terms.
3. Respondent is aware of his right to a hearing at which he may be represented by counsel, present evidence, and cross-examine witnesses. Respondent has irrevocably waived his 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 his 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.
7. If this agreement is not accepted or the penalty is not imposed as agreed upon by the parties, then this Stipulation will be void or of no effect.

DATED this 9<sup>th</sup> day of January, ~~2013~~ <sup>2014</sup>.

STATE OF UTAH )  
 COUNTY OF UTAH ) SS  
 On the 9 day of January, 2014  
 personally appeared before me  
Freddie J. Martin  
 the signer(s) of the foregoing instrument who duly  
 acknowledged to me that he/they executed the same.  
 \_\_\_\_\_  
 Notary Public

Freddie J. Martin  
 FREDDIE J. "PYKE" MARTIN

M. Gale Lemmon  
 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. Respondent Freddie Martin was licensed as a title marketing representative on May 1, 2003, which license lapsed for non-renewal on August 31, 2011. Mr. Martin's license was reinstated on February 8, 2012, on a probationary status. The terms of that probation were that Mr. Martin would have no further violations of the Utah Insurance Code or Rules or of any order of the commissioner. Mr. Martin's license again lapsed on August 31, 2013, for failure to renew, and there is a right to reinstate that license for a period of one year following the lapse for non-renewal.

2. Respondent Freddie Martin also was licensed as a real estate agent on March 17, 1999, which license expired on March 31, 2011. Mr. Martin was again licensed as a real estate agent on March 26, 2013, on a probationary status, which will expire on March 31, 2015.

3. On or about November 17, 2011, Mr. Martin, acting as the seller's real estate agent, brought a real estate transaction to Surety Title Agency which transaction was closed by Hilary Martin as the escrow agent. Hillary Martin was Mr. Martins ex-wife – their divorce had become final two months prior.

4. At the time of the November 17, 2011 closing, Mr. Martin was not licensed as a real estate agent, but a real estate commission was paid directly to him in the amount of \$3,687.50. Mr. Martin was not entitled to a commission because he was not licensed as a real estate agent at that time, and he directed the closing agent to pay him directly rather than paying the commission to a real estate broker as required.

5. On or about April 30, 2012, Mr. Martin, again acting as the seller's real estate agent, brought a real estate transaction to Surety Title Agency which was again closed by Hilary Martin as the escrow agent. Mr. Martin was not licensed as a real estate agent at the time, but received a real estate commission through \$4,167.00 paid to Valley View Real Estate.

6. At the same time as Mr. Martin was acting as a real estate agent in the closing conducted by Surety Title Agency and Hilary Martin on April 30, 2012, Mr. Martin was also licensed as a title marketing representative employed by Surety Title Agency.

7. During September 2012, Mr. Martin, acting as a real estate agent for buyers, brought a REPC for the sale of real property to Cornerstone Title Insurance Agency and Hilary Martin as escrow agent where an escrow was opened. Mr. Martin was not licensed as a real estate agent at that time, and Mr. Martin had received \$1,500.00 as earnest money from the buyers, which he retained and did not deliver that money to his broker nor to the title company to be held in escrow as required. The transaction did not close and the earnest money was eventually returned to the buyers.

8. On or about January 22, 2013, Mr. Martin, acting as the buyers' real estate agent, brought a real estate transaction to Cornerstone Title Insurance Agency which was closed by Hillary Martin as the escrow agent. Mr, Martin was not licensed as a real estate agent at that time. Mr. Martin received a \$500.00 earnest money deposit from the buyers which he retained and did not deliver to the real estate broker or to the title company to be held in escrow as required. Mr. Martin was also paid a real estate commission in the amount of \$5,500.00 made payable to his property management company, MPM&L, in addition to the \$500.00 earnest money he retained, for a total of \$6,000.00. The \$6,000.00 improperly received by Mr. Martin as

a real estate commission in this transaction was later returned to the title agency and refunded to the seller.

9. At the same time as Mr. Martin was acting as a real estate agent in the closing conducted by Cornerstone Title Insurance Agency and Hilary Martin on January 22, 2013, Mr. Martin was also licensed as a title marketing representative employed by Cornerstone Title Insurance Agency.

10. On or about June 9, 2012, a judgement was entered in Third District Court, Salt Lake City, Salt Lake County, Utah, against Mr. Martin and Hilary Martin as joint debtors in the amount of \$69,747.00, which judgment remains unpaid as of the date of the Stipulation.

11. In acting as a real estate agent in multiple transactions when he was not licensed to do so, Mr. Martin used dishonest practices in the conduct of business and demonstrated untrustworthiness.

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

#### **CONCLUSIONS OF LAW**

1. In demonstrating untrustworthiness in the conduct of business and the use of dishonest practices, Mr. Martin fails to meet the character requirements to hold an insurance license under Utah Code Ann. § 31A-23a-107(2) of being competent and trustworthy.

2. Mr. Martin's insurance license should be revoked pursuant to Utah Code Ann. § 31A-23a-111(5)(b)(I), is unqualified for a license; -111(5)(b)(iv), fails to pay a final judgment in this state within 60 days after the judgment becomes final; and -111(5)(b)(xvi) in the conduct of

business uses dishonest practices or demonstrates untrustworthiness.

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

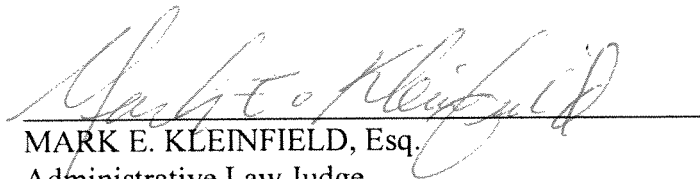
**RECOMMENDED ORDER**

IT IS RECOMMENDED THAT THE TITLE AND ESCROW COMMISSION IMPOSE THE FOLLOWING PENALTY:

1. Respondent's title marketing representative license be revoked forthwith.

DATED this 5<sup>th</sup> day of February 2014 ~~2013~~.

TODD E. KISER  
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**


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 \$10,000.00 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.

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

By a vote of 5 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 penalties recommended herein above.

DATED this 10<sup>th</sup> day of February, <sup>2014.</sup>~~2013.~~

  
\_\_\_\_\_, Chairman  
Title and Escrow Commission

**COMMISSIONER CONCURRENCE**

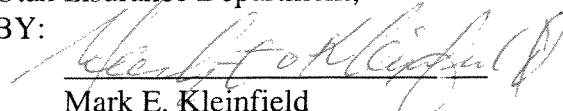
**WITH COMMISSION IMPOSED PENALTIES**

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 10<sup>th</sup> day of February, 2014.

TODD E. KISER,  
Commissioner,  
Utah Insurance Department,

BY:



Mark E. Kleinfeld  
Administrative Law Judge