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**BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF UTAH**

COMPLAINANT:

UTAH INSURANCE DEPARTMENT

RESPONDENTS :

ANDREW LASZLO PJETER
c/o Pjeter Insurance & Investment, Inc.
P.O. Box 645
Riverton, UT 84065
License No. 192186

STIPULATION AND ORDER

Docket No. 2013-147 LF

Enf. Case No. 3368

STIPULATION

1. Respondent, Andrew Laszlo Pjeter, is an active resident producer in the State of Utah holding license number 192186.
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 neither admits or denies the Findings of Fact and Conclusions

made herein, but agrees to the proposed administrative penalty.

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.

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 and of no effect.

DATED this 26 day of November, 2013.



ANDREW VANZLOG PETER



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 1, 2008, Respondent made a cold call at the home of Mr. Allen Smith, a Utah resident for the purpose of selling insurance products.
2. Over the course of the next few weeks, the Respondent proposed to Mr. Smith that he apply for a life insurance policy in the amount of \$2,000,000.00 that he would hold for a period of two years during which time an investor would pay the premiums after the initial premium to be paid by Mr. Smith, and then after two years the investor would purchase the policy, resulting in a substantial profit to Mr. Smith. The Respondent further told Mr. Smith that if he were unable to obtain an investor to pay the premiums, the Respondent would pay them himself.
3. Based upon the representations and assurances of the Respondent, on or about August 25, 2008, Mr. Smith applied for a life insurance policy in the face amount of \$2,000,000.00 from Lincoln Benefit Life Company. Mr. Smith paid the initial premium in the amount to \$145,896.00, and the policy was issued, effective November 11, 2008, one day prior to Mr. Smith's 81st birthday.
4. To make the initial premium payment, Mr. Smith obtained a loan from Zions Bank in the amount of \$140,000.00, and withdrew the balance of the premium from his savings account. To induce Mr. Smith to take out a loan to pay the initial premium, Respondent represented that he would pay the interest on the loan.
5. For about the next twelve to fifteen months, Respondent paid Mr. Smith approximately \$650.00 to \$700.00 each month in cash to compensate for the interest payments

on the loan obtained to make the initial premium payment.

6. During the ensuing months following the issuance of the life insurance policy, Respondent repeatedly represented to Mr. Smith that an investor has not been found that the Respondent is unable to make the premium payments himself, and urged Mr. Smith to make the required premium payments or the policy would cancel and the money invested would be lost. Based upon those representations, Mr. Smith continued to make the premium payments which negatively impacted Mr. Smith's finances and caused concern on the part of his family.

7. On February 26, 2013, two Department examiners met with Respondent and his attorney. At that time, Respondent stated that he paid \$600.00 per month for approximately one and one half years to Mr. Smith to help pay a mortgage on one of Smith's properties so that money could be freed up for Mr. Smith to pay his premiums. Respondent denied paying any premiums for Mr. Smith, and stated that the monies paid to Mr. Smith were not an inducement. Respondent denied selling Mr. Smith his policy for the purpose of reselling it in the secondary market after two years. These representations made by the Respondent were false or misleading.

8. As a result of the sale of the Lincoln Benefit Life Company policy to Mr. Smith, Respondent received commissions totaling \$120,919.50.

9. The Department recommended an administrative forfeiture in the amount equal to the commissions received by the Respondent on sale of the policy of \$120,919.50. Respondent has agreed to the forfeiture without admitting or denying the findings of fact or conclusions of law herein.

Based upon the foregoing Stipulation and Findings of Fact, the Presiding Officer enters

the following Conclusions of Law:

CONCLUSIONS OF LAW

1. In marketing a life insurance policy to an elderly resident of the State of Utah, representing that it could be sold in two years yielding a substantial profit to the insured, Respondent violated Utah Code Ann. § 31A-21-104, by proposing a transaction in which the intended eventual owner and beneficiary did not have an insurable interest in the life of the insured.

2. In promising to pay and in paying interest payments on a loan obtained by the insured to pay the policy premiums, and in promising to obtain an investor to pay future premiums or to pay them himself, Respondent violated Utah Code Ann. § 31A-23a-402.5 by inducing a person to enter into or continue a policy by offering a benefit not specified in the insurance contract.

3. In making representations relating to an insurance policy regarding investors willing to pay premiums on the policy or to pay them himself, and an investor would purchase the policy from the insured in two years at a substantial profit to the insured, when such representations were either false or misleading, Respondent violated Utah Code Ann. § 31A-23a-402(1)(a)(I).

4. In providing information to the department during the investigation of this matter that was not accurate and complete, Respondent violated Utah Code Ann. § 31A-2-202(5).

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

ORDER

IT IS HEREBY ORDERED:

1. Respondent, Andrew Laszlo Pjeter, is assessed an administrative forfeiture in the amount of \$120,919.50.

2. The forfeiture shall be paid to the Department in twelve monthly in payments of not less than \$6,000.00 each month, or until earlier paid in full. The first payment shall be due within 30 days of the date of this Order, and each successive payment shall be due each 30 days thereafter, with the final payment of the entire balance remaining due 360 days of the date of this Order.

DATED this 2nd day of December, 2013.

TODD E KISER
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 \$2,500.00 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.