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

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<p>UTAH INSURANCE DEPARTMENT,  Complainant,  v.  BONNEVILLE SUPERIOR TITLE CO. INC. 7050 Union Park Center, #110 Midvale, UT 84047 License No. 2657  Respondent.</p>	<p><b>STIPULATION AND ORDER</b></p> <p>Docket No. 2015-017 PC</p> <p>Enf. Case No. 3501</p> <p>Judge Mark E. Kleinfield Administrative Law Judge</p>
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**STIPULATION**

The Utah Insurance Department ("Department"), by and through its legal counsel, and Bonneville Superior Title Co. Inc. ("Respondent"), a Utah licensed title insurance agency, by and through its legal counsel, hereby stipulate and agree as follows:

1. Respondent is an active Utah licensed title insurance agency authorized to do business in the State of Utah under License No. 2657. Respondent's business address is 7050 Union Park Center, Suite 110, Salt Lake City, UT 84047.

2. Pursuant to Utah Code Sections 31A-1-104, 31A-1-105 and 63G-4-101 et. seq., The Department has jurisdiction over the parties and subject matter of this administrative action.

3. Respondent acknowledges notice of agency action pursuant to Utah Code § 63G-4-210; acknowledges that this Stipulation and Order is an informal proceeding pursuant to Utah Code § 63G-4-202; and irrevocably waives the right to any hearing, review or appeal concerning this matter.

4. This signed Stipulation and the signed and adopted Order by both the Commissioner and the Title and Escrow Commission, along with any Findings of Fact and Conclusions of Law, shall not be subject to any reconsideration, renegotiation, modification, hearing or agency review or appeal.

5. The parties accept the Findings of Fact and Conclusions of Law presented below; however, Respondent denies any civil liability arising out of the Findings of Fact and Conclusions of law.


6. The issuance of the signed and adopted Order proposed below is for the purpose of effecting a complete settlement of the specific matters set forth herein.


7. The only promises, agreements and understandings that the parties have regarding this matter are contained in this Stipulation.

8. Respondent enters into this Stipulation voluntarily, knowingly, and free from any coercion of any kind.

9. The persons signing this Stipulation on behalf of the named parties hereby affirm that they are authorized to sign and bind the parties.

Dated this 2<sup>nd</sup> day of March, 2015.

  
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Ronald G. Russell, Attorney at Law  
BONNEVILLE SUPERIOR TITLE CO, INC.

  
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Gary D. Josephson  
Assistant Attorney General  
UTAH INSURANCE DEPARTMENT

Based upon the foregoing Stipulation and Department file, the Presiding Officer makes the following Findings of Fact:

**FINDINGS OF FACT**

1. In October, 2012, the Department received a complaint concerning Respondent Bonneville Superior as it related to short sale transactions and co-habitation with a client because Chandler and Associates, LLC ("Chandler and Assoc.") had an office inside the offices of Respondent.
2. In addition to the complaint, a witness statement was provided from a real estate agent attending a class taught by Respondent; wherein, the witness claims that during a continuing education program taught by Mark Chandler, on behalf of Respondent, Chandler promoted his Chandler and Assoc. law practice and stated that he (Chandler) "would negotiate short sale transactions for \$500.00 rather than the industry standard of \$1,000.00 or more."
3. The witness also stated that Mark Chandler promoted Respondent as having a

"short sale service" that would take care of the short sale real estate transactions from start to finish.

4. Based on the Department's investigation, which included an onsite visit to Respondent's Layton office, it was confirmed that the office of Chandler and Assoc. was, in fact, located inside the offices of Respondent. It was found that there was no separate entrance to Chandler and Assoc. from the outside of the building; that signage for Chandler and Assoc. was on an interior office door; and that no signage for Chandler and Assoc. was found on the outside of the building.

5. The investigation also found that during the time period of February, 2011 through March, 2013, and in some instances through May of 2014, Respondent furnished employee benefits such as payroll, direct deposit, life insurance options, and 401K options to Patrick Vanderhoof, an employee of Chandler and Assoc. which law firm is considered a client.

6. The investigation also found that Mark Chandler is part owner of Respondent, and effective July 8, 2013, is also a licensed real estate agent. Currently, Mark Chandler is still an active real estate licensee.

7. The investigation also found that Respondent and Mark Chandler, on behalf of Respondent, conducted continuing insurance education programs at the office of more than one client per calendar quarter beginning January 2011 through March 2013, with few exceptions.

8. The investigation also found that Respondent closed ninety-three percent (93%) of the short sale transactions negotiated by Chandler and Assoc.

9. Finally, the investigation found that Respondent's controlled business reports for calendar years 2011, 2012, 2013 and 2014, showed zero percent controlled business. The

investigation found that Mark Chandler has a financial interest in both Respondent and Chandler and Assoc.

10. Since the completion of the Department's investigation, Respondent has advised the Department that the offices of Chandler and Assoc. have been relocated and that payroll and benefit services are no longer being provided to anyone other than employees.

11. Various communications and face-to-face meetings with the controlling management of Respondent and Respondent's legal counsel have resulted in this Stipulation and proposed Order.

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

#### CONCLUSIONS OF LAW

1. Utah Admin. Code R592-6-4(6) was violated by Respondent when it furnished services not related to title insurance or escrow to a client (see R592-6-3(4) (a) and (b)), Chandler and Assoc. (Patrick Vanderhoof).
2. Utah Admin. Code R592-6-4(10) was violated by Respondent by sharing office space with Chandler and Assoc.
3. Utah Admin. Code R592-6-4(13) was violated by Respondent by paying salary, commission, or other consideration to Mark Chandler, who is also a licensed real estate agent.
4. Utah Admin. Code R592-6-5(7) was violated by Respondent when Mark Chandler, on Respondent's behalf, conducted continuing education programs at the office of more than one client per calendar quarter.

5. Utah Code Ann. § 31A-23a-503 was violated by Respondent by failing to report controlled business for the years 2011, 2012, 2013 and 2014.

6. Based on the Findings and Fact and Conclusions of Law, the settlement agreement appears reasonable.

**RECOMMENDED ORDER**

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

1. Probation for a period of eighteen (18) months to be supervised by Stewart Title Company. The terms and conditions of probation are as follows:

(a.) Respondent shall remove Chandler and Assoc. from within its office space within 60 days from the date this Order is fully signed.

(b.) Respondent shall discontinue providing payroll and benefit services to Patrick Vanderhoof and any other individual who is not an employee of Respondent. In addition, any license designation of Patrick Vanderhoof, with Respondent, shall be terminated.

(c.) Until his real estate license is placed on "inactive status" with the Utah Department of Real Estate, Respondent shall not compensate Mark Chandler or allow him to participate in the management of the Respondent.

(d.) Subject to Utah Code Ann. § 31A-2-405, Respondent may not close any title or escrow transaction in which Mark Chandler is the real estate licensee.

(e.) In those instances where a consumer selects Respondent for title and escrow services and Chandler and Assoc. is representing any party in the real estate transaction, there must be evidence in the title and escrow file in the form of an invoice from Chandler and

Assoc. for payment of legal fees in connection with the transaction.

(f.) Respondent shall provide records for all controlled business transactions.

(g.) Within sixty days of the fully signed Order, Respondent shall provide explanation, documentation, and financial information regarding controlled business activity for the calendar years 2011, 2012, 2013 and 2014.

(h.) Within sixty days of the fully signed Order, Respondent shall provide a supervisory plan created with Stewart Title Company to address the issues herein, subject to approval by the Department.

(i.) Within sixty days of the fully signed Order, Respondent shall provide a comprehensive corrective action plan addressing the violations herein. This plan shall include policies and procedures for the agency to address, at a minimum, the following: fiduciary responsibilities, unfair marketing practices, permitted marketing practices, and controlled business, subject to approval by the Department. Each employee shall receive a copy of and acknowledge in writing their understanding of the action plan content. In addition, during the probationary period, Respondent shall provide annual training to its employees about the content of the policies and procedures.

2. Failure to complete and satisfy the terms of probation as set forth below will result in the suspension of the title insurance license of Respondent Bonneville Superior for a period of 30 days.

3. Assessment of an administrative forfeiture in the amount of \$45,000.00, with 22,750.00 stayed upon successful completion of probation.

4. Within sixty days of the fully signed Order, Respondent shall pay the remaining forfeiture amount of \$22,750.00 to the Department.

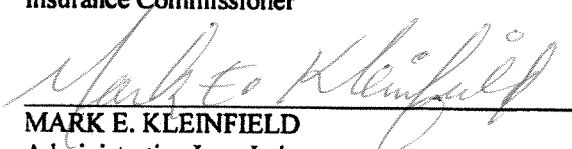
5. Respondent's registration as an insurance continuing education provider is suspended for a period of six (6) months from the date of the fully signed Order. Also, Respondent shall not conduct any continuing education programs to clients or its employees during this suspension.

6. For twelve (12) months from the date of the fully signed Order, Mark Chandler shall not provide or conduct any insurance continuing education programs for or on behalf of Respondent, nor to Respondent or its employees.

7. For the eighteen (18) month probationary period, Respondent shall have no further violation of insurance statutes, rules or orders of the Commissioner. Failure to adhere to this term shall be cause for reinstatement of the original forfeiture amounts, suspension, and may include revocation of the agency license and any qualifying title individual.

DATED this 2<sup>nd</sup> day of March, 2015.

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 2 to 1, 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 above.

DATED this 13 day of APRIL, 2015.

  
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JEFFREY D. WEINER, Chairman  
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**

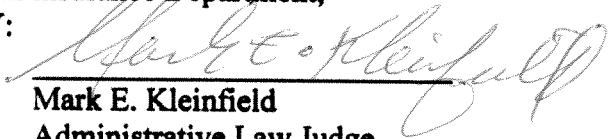
**WITH COMMISSION IMPOSED PENALTIES**

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 13 day of April, 2015.

TODD E. KISER,  
Commissioner,  
Utah Insurance Department,

BY:

  
Mark E. Kleinfield  
Administrative Law Judge