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

<p>UTAH INSURANCE DEPARTMENT</p> <p>Complainant,</p> <p>v.</p> <p>BLUE MOUNTAIN INSURANCE, INC., License #103530 398 N. University Ave. Provo, UT 84601</p> <p>Respondent.</p>	<p>STIPULATION AND ORDER</p> <p>Docket No. 2014-084-LC</p> <p>Enf. Case No. 3519</p> <p>Mark E. Kleinfeld Administrative Law Judge</p>
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STIPULATION

The Utah Insurance Department ("Department"), by and through its legal counsel, Gary D. Josephson, Assistant Attorney General, and Blue Mountain Insurance, Inc., ("Respondent"), hereby stipulate and agree as follows:

1. Respondent, Blue Mountain Insurance, Inc., is an active resident insurance agency, holding Utah license #103530.
2. 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-4-201; 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 Order by the administrative law judge, along with the Findings of Fact and the Conclusions of Law, shall not be subject to any reconsideration, renegotiation, modification, hearing, or agency review or appeal.

5. If an administrative hearing were held, the Department could offer evidence that would support the Findings of Fact presented below; therefore, the Findings of Fact and Conclusions of Law are accepted by the parties.

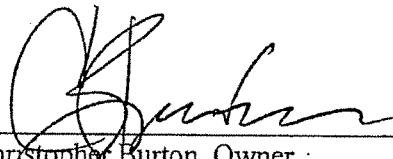
6. The issuance of the signed Order proposed below is solely for the purpose of disposing of the specific matter addressed herein.

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.

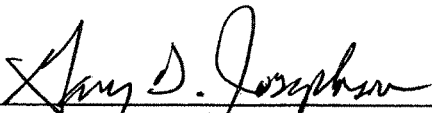
9. The persons signing this Stipulation in behalf of the named parties hereby affirm that they are authorized to sign and bind the parties.

Dated this 7 day of August, 2014.



Christopher Burton, Owner
Blue Mountain Insurance Inc.

Dated this 11th day of August, 2014.



Gary Josephson, Assistant Attorney General
Utah Insurance Department

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

FINDINGS OF FACT

1. The Department initiated an audit of Respondent on March 24, 2014.
2. The audit revealed that Respondent had several non-designated producers and two designated producers that no longer work for Respondent.
3. The audit also determined that Respondent's trust account had not been properly designated on printed materials, that a former partner in the business was still designated as a signatory to the trust account, and that trust funds and operational funds had been co-mingled.
4. On July 18, 2014, Respondent agreed to (a) an administrative forfeiture in the amount of \$7,000.00, with \$2,000 stayed pending successful completion of a 12 month probationary period; (b) payments of the unconditional \$5,000.00 forfeiture amount will be paid with five consecutive monthly payments of \$833.33 and a final monthly payment of \$833.35; and (c) payments will be made on or before the first of each month, beginning on October 1, 2014.
5. Respondent now has, in place, written policies and procedures for handling trust funds.

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

CONCLUSIONS OF LAW

1. Respondent, Blue Mountain Insurance Inc., violated Utah Code Sections 31A-23a-302(2)(a) and (b) by failing to properly designate several producers and also failing to terminate the designates of two former producers when they left employment.
2. Respondent violated Insurance Department Rule R590-170-4(1) when the required designation as "Trust Account" did not appear on its bank statement and other printed account materials.
3. Respondent violated Insurance Department Rule R590-170-4(4) by having the trust account show a certain individual as an authorized signer when that individual was no longer associated with Respondent.
4. Respondent violated Utah Code Section 31A-23a-409(b) when the bank records for a selected period showed co-mingled trust account funds with operational funds.
5. The recommended penalty is appropriate in this matter.

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:

1. Respondent, Blue Mountain Insurance Inc., is hereby assessed an administrative forfeiture in the amount of \$7,000.00, of which \$2,000.00 shall be stayed pending Respondent's

successful completion of a 12 month probationary period.

2. Respondent is hereby placed on probation for a period of 12 months during which time it shall have no further violation of any Utah issue statutes or rules.

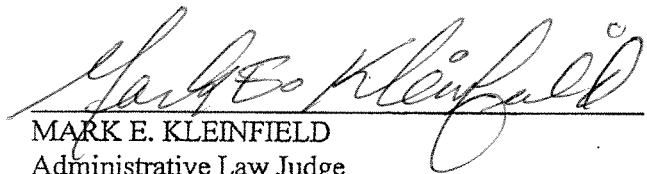
3. Pursuant to Department Rule 590-170-7(1), bank statements for Respondent's trust account(s) shall be reconciled monthly.

4. An audit at the end of the 12 month probationary period shall be performed by the Department to insure satisfactory compliance.

5. Respondent shall pay the administrative forfeiture of the unconditional \$5,000.00 forfeiture amount to the Department by making five consecutive monthly payments of \$833.33 and a final monthly payment of \$833.35. The payments are to be paid on or before the first of each month, beginning on October 1, 2014.

DATED this 11th day of August, 2014.

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 \$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.

CERTIFICATE OF MAILING

The undersigned hereby certifies that on this date, a true and correct copy of the
Complaint were mailed, postage prepaid, to the following:

CHRISTOPHER BURTON
BLUE MOUNTAIN INSURANCE, INC.
398 N UNIVERSITY AVE
PROVO UT 84601

Dated this 11th day of August, 2014.


LINDA HARDY
UTAH INSURANCE DEPARTMENT
STATE OFFICE BUILDING, ROOM 3110
SALT LAKE CITY, UT 84114-6901



State of Utah

GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

Insurance Department

UTAH Invoice - Original

BLUE MOUNTAIN INSURANCE INC
398 N UNIVERSITY AVE
PROVO UT 84601

Printed Date: August 11, 2014
Invoice Date: August 11, 2014
Balance Due: \$5,000.00
Due Date: September 15, 2014
Invoice ID: 709343
Payor ID: 12810

Date	Item Description	Amount
08-11-2014	Monetary Penalty Agency	\$5,000.00
E-Case 3519 Docket 2014-084 PC To be paid in five consecutive monthly payments of \$833.33 beginning October 1, 2014		

No Adjustments

No No Payments

Balance Amount Due \$5,000.00

UTAH Invoice - Original

Make check payable to: Utah Insurance Department
Send payment to:
Utah Insurance Department
3110 State Office Building
Salt Lake City, UT 84114-6901

Invoice Date: August 11, 2014
Balance Due: \$5,000.00
Due Date: September 15, 2014
Invoice ID: 709343
Payor ID: 12810

E-Case 3519 Docket 2014-084 PC To be paid in five consecutive monthly payments of \$833.33 beginning October 1, 2014

**Detach and Return this Voucher with Payment
Payments Will Not Be Processed without Voucher**